



# **NASSAU COUNTY LEGISLATURE**

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**Office of Legislative Budget Review**

**Review of the  
Fiscal Year 2015 Budget  
&  
Multi-Year Plan  
Departmental Analysis**

# *Nassau County Legislature*

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Director

**Linda Guerreiro**

Senior Budget Analyst

**Dawn Wood-Jones**

Senior Budget Analyst

**Simone Petersen**

Secretary to Director

**Helen Carlson**

Deputy Director

**Connie Tucker**

Senior Budget Analyst

**Tyler Barbieri**

Legislative Report Specialist

**Maurice Chalmers**  
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. Norma L. Gonsalves, Presiding Officer  
Hon. Kevan Abrahams, Minority Leader  
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director  
Office of Legislative Budget Review

A handwritten signature in blue ink, appearing to be "M. Chalmers", written over the "Office of Legislative Budget Review" text.

Date: October 22, 2014

Re: Departmental Analysis

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Pursuant to §183 of Nassau County Charter, the Office of Legislative Budget Review has prepared an analysis of the County Executive's proposed operating budget for Fiscal Year 2015 and Multi-Year Plan. Our report is made up of two parts: the enclosed Departmental Analysis, and an Executive Summary, which has previously been distributed. For those departments that testified at the budget hearings, the review contained in the Departmental Analysis may have been revised from what appeared in our hearing documents. I would like to thank the County Executive's financial team for their cooperation during this process. As always, my staff and I remain ready to provide whatever assistance the Legislature may require during the budget process. This document will be made available to your constituents at [http://www.nassaucountyny.gov/agencies/OLBR/budget\\_docs.html](http://www.nassaucountyny.gov/agencies/OLBR/budget_docs.html)

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Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Dept Revenues	\$54,910	\$50,160	\$1,615,000	\$18,168	\$3,365,000	\$1,750,000	108.4%	\$3,346,832	18421.6%

**Revenues**

- The proposed FY 15 revenue budget is increasing 108.4% from the FY 14 Adopted Budget.
  - The increase is largely due to the delayed implementation of the GIS Tax Map Verification fee. The FY 15 proposed budget anticipates collecting \$3.1 million from this source.
- A new fee related to the production of “radius maps” was approved during 2014. This type of map is generally required when a property owner seeks a special use permit or variance from a town or village. Currently only private companies provide this service, however, the department believes it can provide this service with its current technology with no additional staff or equipment.
  - The FY 15 budget anticipates collecting \$150,000 from this fee.
- The departmental revenue line also includes fees collected for the production of various reports. In addition, penalties collected for non-compliance in submitting the Annual Survey of Income and Expense form (ASIE) are also budgeted in the Department. The total budget for these types of fees is \$115,000.
- The increase reflects the GIS Verification Fee which is budgeted to yield to \$9.1 million annually in the out-years of the plan.

**GIS Map Verification Fee Implementation**

During 2014, the legislature increased this fee to \$75 from \$50 so that the Assessor could recoup costs associated with the verification of the section, block and lot information contained in any instrument presented for recording. A similar fee is in place in Suffolk County. In practice, the Assessment Department would perform this service and the County Clerk’s Office would utilize the GIS Map verification when it records an instrument. If every deed and mortgage that was recorded in the County during 2013 required a GIS Map Verification from the Assessment Department, an additional \$11.0 million in revenue would have been realized.

The two departments must work together for the County to successfully collect the proposed revenue source. The Assessment Department anticipates collecting this fee beginning the First Quarter of 2015.

Since this fee has yet to be implemented, no history was available. Pending implementation, these revenues have been included in OLBR’s risk assessment.

**Multi-Year Plan Revenue**

- Departmental revenues are expected to increase to \$9.4 million in 2016 when compared to the FY 14 Adopted Budget. They are projected to remain constant through 2018.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	160	156	158	149	148	(10)	-6.3%	(1)	-0.7%
Salaries	\$9,400,495	\$9,062,256	\$9,414,467	\$9,419,949	\$9,441,592	\$27,125	0.3%	\$21,643	0.2%
Equipment	0	0	5,000	5,000	0	(5,000)	-100.0%	(5,000)	-100.0%
General Expenses	280,741	556,620	303,900	303,900	253,900	(50,000)	-16.5%	(50,000)	-16.5%
Contractual Services	0	0	3,539,000	42,167	39,000	(3,500,000)	-98.9%	(3,167)	-7.5%
<b>Total</b>	<b>\$9,681,237</b>	<b>\$9,618,876</b>	<b>\$13,262,367</b>	<b>\$9,771,016</b>	<b>\$9,734,492</b>	<b>(\$3,527,875)</b>	<b>-26.6%</b>	<b>(\$36,524)</b>	<b>-0.4%</b>

### Expenses

- The proposed expense budget is decreasing by 26.6%, or \$3.5 million, compared to the FY 14 Adopted Budget.
  - The change is due to a \$3.5 million decrease in contractual services. According to the department, following the passage of the Disputed Assessment Fund (DAF) legislation, the additional funds are not required. New York State has yet to approve the change which does add vulnerability to the implementation of the DAF.
- Salaries remain relatively flat at \$9.4 million in FY 15, budget to budget.
  - The budget includes funding for 148 heads, a reduction of 10 positions when compared to the FY 14 Adopted budget. The lower headcount helps offset the impact from the new CSEA contract approved during 2014.
  - The Proposed Budget includes a reduction of \$81,604 in employee expense resulting from the implementation of the VSIP.
- The proposed equipment budget declines by \$5,000 to zero from the adopted FY 14 level.
- The general expenses line declined from the adopted 2014 level due to lower postage delivery expenses. The largest components in this category are for postage delivery \$175,000, information technology supplies \$45,000, office supplies and copy paper \$23,900 and miscellaneous supplies \$10,000.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	29	28	29	28	30	1	3.4%	2	7.1%
Part-Time and Seasonal	0	1	2	1	1	(1)	-50.0%	0	0.0%
Salaries	\$2,120,836	\$2,096,454	\$2,137,456	\$2,207,239	\$2,201,912	\$64,456	3.0%	(\$5,327)	-0.2%
General Expenses	29,328	26,086	33,033	33,033	30,033	(3,000)	-9.1%	(3,000)	-9.1%
Contractual Services	12,249	0	44,500	44,500	62,500	18,000	40.4%	18,000	40.4%
<b>Total</b>	<b>\$2,162,412</b>	<b>\$2,122,540</b>	<b>\$2,214,989</b>	<b>\$2,284,772</b>	<b>\$2,294,445</b>	<b>\$79,456</b>	<b>3.6%</b>	<b>\$9,673</b>	<b>0.4%</b>

## Expenses

- The FY 15 Assessment Review Commission (ARC) expense budget is increasing \$79,456 or 3.6% from the FY 2014 Adopted Budget, largely driven by an increase in the salary line.
- The FY 15 Proposed Budget includes funding for 30 full-time and one part-time employee positions. Compared to the September on-board staffing level, which included 28 full-time employees and one part-time employee, the total headcount in the FY 15 Proposed Budget increases by two full-time positions.
  - The additional full-time employee is another Commissioner position which according to the department will help obtain quorum at meetings. The New York Real Property Tax Law rules maintain that the commission will consist of nine Commissioners, however, only seven are included in the FY 15 budget. The budget also includes a reduction of one part-time Clerk Typist I position.
  - These increases are partially offset by decreasing terminal leave (\$59,359) and the exhaustion of retroactive pay (35,066).
- The FY 14 projected salary line is expected to exceed budget by \$69,783 when compared to the FY 14 Adopted Budget due to the lifting of the wage freeze and the new union contract agreements.
- The contractual services line increases by \$18,000 (40.4%) when compared to the FY 14 Adopted Budget. Increases include funding for contracts related to the maintenance of the ARC website for filing grievances and temporary worker services.
- The general expenses line decreases by 3,000, or 9.1%, to \$30,033 in FY 15 due to a reduction in office supplies and copy paper. The budget also includes funding for postage, information technology and miscellaneous supplies.



**Tax Refund Liability**

- The Assessment Review Commission is a quasi-judicial arm of the County which reviews assessment claims in order to provide residents with timely and appropriate relief from excessive valuations. Reducing over-assessments on the tentative roll before the actual tax bills are sent out results in a decrease to the County's tax refund liability.
- The majority of these payments have been made with capital funds rather than operating funds. The Commercial liability has been estimated to be approximately \$75.0 million annually.
  - During Fiscal 2013, the County used \$15.9 million of operating funds and \$75.0 million of borrowed funds towards reducing this liability.
- It is unclear how the Administration is going to fund this liability above the budgeted \$10.0 million from operating funds included in the Adopted 2014 Budget. The proposed FY 15 budget does not include funding from operations.
- The proposed MYP includes \$475.0 million of bond proceeds to fund this liability. The borrowing schedule in the MYP includes \$75.0 million in October of 2014 and \$100.0 million annually in each out-year.
- According to the Comptroller's 2013 Comprehensive Annual Financial Report (CAFR), as of December 31, 2013 the backlog for property tax refund payments was estimated to be \$325.1 million. (The FY 13 backlog includes \$293.6 million of long-term liability and \$31.5 million of accrued short-term liability)
- The backlog liability grows the longer it remains unpaid since interest accumulates. The annual pre-judgment interest rate charged on unpaid commercial tax certiorari judgments and petitions was 3% and has been at 2% since 2011. The interest charged on unpaid residential or Small Claims Assessment Review claims is 1% a month or 12% a year.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	54	52	51	54	51	0	0.0%	(3)	-5.6%
Part-Time and Seasonal	38	37	45	39	47	2	4.4%	8	20.5%
Salaries	\$4,192,560	\$4,063,499	\$4,568,725	\$4,781,957	\$4,857,725	\$289,000	6.3%	\$75,768	1.6%
General Expenses	196,363	215,076	287,400	287,400	336,335	48,935	17.0%	48,935	17.0%
Contractual Services	72,155	(72,155)	0	0	0	0	*****	0	*****
Interfund Charges	0	0	10,000	10,000	10,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$4,461,078</b>	<b>\$4,206,420</b>	<b>\$4,866,125</b>	<b>\$5,079,357</b>	<b>\$5,204,060</b>	<b>\$337,935</b>	<b>6.9%</b>	<b>\$124,703</b>	<b>2.5%</b>

**Expenses**

- The FY 15 proposed expense budget is increasing by \$337,935 or 6.9% compared to the FY 14 Adopted Budget. This is a result of an increase in salaries and in general expenses. The increase in salaries of \$289,000 is mainly due to the newly negotiated labor agreement with the Civil Service Employees Association (CSEA) offset by the removal of retroactive pay.
- General expenses are increasing by \$48,935 or 17.0% from the adopted FY 2014 budget. The growth is due to the implementation of the “Neogov” software, which the department will use for online hiring and performance evaluation.
- Historically, contractual expenses were used to fund a Forensic Audiologist position. The department has converted the position to a part-time position. The Forensic Audiologist determines the qualification of law enforcement candidates that have failed the hearing component of their medical exam.
- FY 15 inter-fund charges remain flat compared to the FY 14 Adopted Budget and the 2014 projection. These charges are paid to the Medical Center for costs associated with candidate medical tests.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$26,942	\$46,189	\$138,000	\$115,360	\$138,000	\$0	0.0%	\$22,640	19.6%
Dept Revenues	1,806,651	711,509	325,000	325,000	335,000	10,000	3.1%	10,000	3.1%
<b>Total</b>	<b>\$1,833,593</b>	<b>\$757,698</b>	<b>\$463,000</b>	<b>\$440,360</b>	<b>\$473,000</b>	<b>\$10,000</b>	<b>2.2%</b>	<b>\$32,640</b>	<b>7.4%</b>

**Revenues**

- The FY 15 proposed revenue budget for Civil Service is increasing by 2.2% compared to the adopted 2014. The increase is due to more anticipated law enforcement candidate medical exams. The Proposed Budget includes \$335,000 in the department revenues line. Most department revenues are driven by civil service exams. The departmental revenues line also accounts for revenues derived from the sale of rule books, medical exam fees, medical tests, and various other fees paid by potential employees.
- The FY 15 Rents and Recoveries budget remains flat compared to the Adopted 2014 budget and increases marginally from the current projection.

The Office of Constituent Affairs is responsible for the County Executive’s press and constituent affairs operations, as well as providing printing, graphics, photo and mail services for departments County-wide.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	39	38	38	37	38	0	0.0%	1	2.7%
Part-Time and Seasonal	4	3	4	2	3	(1)	-25.0%	1	50.0%
Salaries	\$2,422,684	\$2,262,791	\$2,311,072	\$2,220,491	\$2,281,479	(\$29,593)	-1.3%	\$60,988	2.7%
Equipment	0	0	1,000	1,000	0	(1,000)	-100.0%	(1,000)	-100.0%
General Expenses	1,349,755	1,469,505	1,602,100	1,602,100	1,542,100	(60,000)	-3.7%	(60,000)	-3.7%
<b>Total</b>	<b>\$3,772,439</b>	<b>\$3,732,296</b>	<b>\$3,914,172</b>	<b>\$3,823,591</b>	<b>\$3,823,579</b>	<b>(\$90,593)</b>	<b>-2.3%</b>	<b>(\$12)</b>	<b>0.0%</b>

**Expenses**

- Constituent Affairs total expenditures are declining slightly by 2.3%, or \$90,593, when comparing budget to budget. The comparison of the proposed to OLBR’s projection shows a variance of one in both full and part time levels
- The salary line reflects contractually negotiated steps and COLAs related to the recently approved labor contract for CSEA members, Staff realignments and the removal in FY 15 of \$30,093 in retroactive pay included in FY 14.
- The FY 15 budget of 38 full-timers remains flat with FY 14 adopted levels although it increases by one compared to OLBR projected headcount.
- In FY 15, equipment expense will be funded through the capital fund
- General expenses is declining by 3.7%, or \$60,000, due to a \$75,000 reduction in copying, blueprint supplies and expense which is offset by a \$15,000 growth in equipment maintenance and rental.

**Expenses, Cont.**

➤ The staffing chart below shows the breakout by control center of the Office of Constituent Affairs.

Staffing Analysis						
	FY 14 Adopted	Sept-14 Actual	FY 15 Request	FY 15 Executive	Exec. vs 14 Adopt	Exec. vs Actual
<b>CC Full-time Staffing</b>					0	0
Office of Constituent Affairs	12	12	12	12	0	0
Printing & Graphics	26	25	26	26	0	1
<b>Total Full-time</b>	<b><u>38</u></b>	<b><u>37</u></b>	<b><u>38</u></b>	<b><u>38</u></b>	<b><u>0</u></b>	<b><u>1</u></b>
<b>CC Part-time and Seasonal</b>					0	0
Office of Constituent Affairs	3	2	3	3	0	1
Printing & Graphics	1	0	0	0	(1)	0
<b>Total Part-time and Seasonal</b>	<b><u>4</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>3</u></b>	<b><u>(1)</u></b>	<b><u>1</u></b>

**Expenses, Cont.**

Expenses by Control Center						
(\$'s in millions)						
Control Center	Historical		2014	2015	Exec. vs. Adopted	
	2012	2013	Adopted Budget	Exec. Budget	Var.	%
Office Of Constituent Affairs	\$0.8	\$0.7	\$0.7	\$0.8	\$0.0	9.9%
Printing And Graphics	3.0	3.0	3.2	3.1	-0.1	-3.1%
<b>Total</b>	<b>\$3.8</b>	<b>\$3.7</b>	<b>\$3.9</b>	<b>\$3.8</b>	<b>\$0.0</b>	<b>-0.8%</b>

➤ The chart above illustrates the break out of expenses by control center within the Constituent Affairs department.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Interdept Revenues	\$341,530	\$369,866	\$1,273,937	\$1,273,937	\$839,604	(\$434,333)	-34.1%	(\$434,333)	-34.1%

**Revenue**

➤ Constituent Affairs revenue will be \$434,333 lower than that of FY 14. Constituent Affairs printing and mailing services are charged to other departments and the revenue derived from these functions is allocated as inter-departmental revenues and in FY 15, the department anticipates receiving fewer work orders hence less revenue.

The Office of Consumer Affairs (OCA) provides consumer protection, advocacy and information to guard consumers from fraud, deceit, and misrepresentation involving the sale of goods and services. Authorized by Local Law 9-1967, Local Law 2-1970 and the New York State General Business Law, the department ensures the welfare of Nassau County consumers by fostering high standards of honesty and fair business practices.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Permits & Licenses	\$3,280,564	\$4,531,691	\$3,565,000	\$3,625,000	\$5,145,000	\$1,580,000	44.3%	\$1,520,000	41.9%
Fines & Forfeits	481,437	610,950	600,000	600,000	600,000	0	0.0%	0	0.0%
Dept Revenues	155	301	200	200	200	0	0.0%	0	0.0%
State Aid-Reimb of Exp	52,279	15,463	45,000	45,000	45,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$3,814,436</b>	<b>\$5,158,405</b>	<b>\$4,210,200</b>	<b>\$4,270,200</b>	<b>\$5,790,200</b>	<b>\$1,580,000</b>	<b>37.5%</b>	<b>\$1,520,000</b>	<b>35.6%</b>

**Revenues**

- Total revenues surge 37.5% to \$5.8 million in the proposed budget, from \$4.2 million in the Adopted FY 14 Budget. When the proposal is juxtaposed with the current projection, revenues are up 35.6%, or \$1.5 million, year-over-year.
  - The OCA will be issuing permits and licenses for a variety of new businesses in FY 15. The surge in revenue is tied to the new licenses and the expectation that FY 15 will be a high yield year for home improvement license fees.
- Revenue from fines and forfeitures is budgeted at \$600,000 in FY 15, consistent with the FY 14 budget and OLBR’s latest projection.
  - The OCA issues fines to businesses that violate County and State law and regulation. For example, the County would issue a fine to a home improvement business operating without a Nassau County license.
- Proposed FY 15 state aid revenue is level with the Adopted FY 14 Budget. The State reimburses the County for expenses that the Division of Weights & Measures may incur in connection with the gasoline sampling program. The County’s reimbursement is capped by the State.
- Proposed permit and license revenue skyrockets 44.3%, from \$3.6 million in FY 14 to \$5.1 million in FY 15. Proposed permit and license revenue is up 41.9% over OLBR’s latest projection. A thorough explanation of permit and license revenue can be found on the ensuing page.

**Revenues, cont.**

**Permits & Licenses**

- The chart below includes the historical yield, the FY 14 Adopted Budget, and the proposed budget for each component of permit and license revenue.

<b>Permits &amp; Licenses</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Adopted</b>	<b>2015 Proposed</b>
Home Improvement License Fees	\$2,225,000	\$1,885,049	\$3,025,730	\$2,200,000	\$3,200,000
Weights and Measures Fees	978,060	1,054,450	1,090,650	1,015,000	1,015,000
Taxi and Limo Registration Fee	320,205	283,865	306,351	250,000	250,000
ATM Registration Fee	53,060	57,200	108,960	100,000	100,000
Licensing	-	-	-	-	580,000
<b>Total</b>	<b>\$3,576,325</b>	<b>\$3,280,564</b>	<b>\$4,531,691</b>	<b>\$3,565,000</b>	<b>\$5,145,000</b>

- Proposed home improvement license receipts are up to \$3.2 million, \$1.0 million more than the FY 14 Adopted Budget. Home improvement licenses are renewed on a bi-annual basis. As a result, this fee’s annual collection totals alternate between low yield and high yield years. The upcoming fiscal year is expected to be a high yield year.
  - Historically, the difference between high yield and low yield years is about \$250,000 to \$600,000, but the Legislature approved increases to the fee schedule at the end of 2012. The proposed budget will be the first high yield year to feature the altered fee schedule. Under the new schedule, the fluctuation between high and low yield years will be about \$1.0 million.
  - There could be a slight decline in license renewals at the end of FY 14 and the beginning of FY 15, as Hurricane Sandy-related repair work dwindles. The demand for home improvement contractors spiked in the months after Sandy, attracting out-of-County businesses. The influx of new contractors spurred an atypical increase in home improvement license applications at the tail end of FY 12 and the beginning of FY 13.
- The proposed permit and license budget includes \$580,000 in licensing revenue. Since 2012, the Legislature established a number of business licenses, but the OCA needed time to develop the administrative process for each one. In August 2014, the department began enforcing the licensing regulation for each of the following businesses: appliance and electronic repair shops, dry cleaners, laundromats, home service businesses, scrap metal processors, storage warehouse, and second-hand precious metal and gem dealers. As of October 8, 2014, these licenses have generated \$108,900 in fees. Based on current activity, the FY 15 target should be attainable.



**Revenues, cont.**

- In FY 15, taxi and limousine registration revenue is expected to be in line not only with the current projection but also with the FY 14 Adopted Budget. In the County’s Multi-Year Plan (MYP), the Administration has identified stricter enforcement of taxi and limousine regulation as an opportunity to help close the County’s structurally imbalanced budget.
- The OCA expects \$100,000 in ATM registration fee receipts in FY 15. The proposed budget is not only consistent with OLBR’s projection but also with the Adopted FY 14 Budget.
- In the proposed budget, fees associated with the Weights & Measures Division are flat not only when compared to the Adopted FY 14 Budget but also to OLBR’s latest projection. These fees are a function of the number of inspections conducted by division staff.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	27	26	27	25	25	(2)	-7.4%	0	0.0%
Part-Time and Seasonal	1	0	1	0	0	(1)	-100.0%	0	*****
Salaries	\$1,635,229	\$1,604,526	\$1,687,265	\$1,785,652	\$1,703,556	\$16,291	1.0%	(\$82,096)	-4.6%
Equipment	0	1,883	2,400	2,400	2,400	0	0.0%	0	0.0%
General Expenses	8,709	12,440	15,400	15,400	15,400	0	0.0%	0	0.0%
<b>Total</b>	<b>\$1,643,938</b>	<b>\$1,618,849</b>	<b>\$1,705,065</b>	<b>\$1,803,452</b>	<b>\$1,721,356</b>	<b>\$16,291</b>	<b>1.0%</b>	<b>(\$82,096)</b>	<b>-4.6%</b>

**Expenses**

- Expenses in the proposed budget increase 1.0%, or \$16,291, from the FY 14 Adopted Budget. Proposed expenses are 4.6%, or \$82,096, below OLBR’s latest projection.
  - The FY 14 budget did not account for contractual salary increases for Civil Services Employees Association (CSEA) members and did not budget enough for terminal leave payments.
  - The proposed budget accounts for the agreement with the CSEA, increases the termination leave budget, and includes a payroll adjustment to fund anticipated salary increases for ordinance employees. These salary increases are offset in part by the reduction of the overtime budget and elimination of retroactive pay.

**Expenses, cont.**

- The proposed budget maintains the current level of staffing, but eliminates vacant positions from the FY 14 budget.
  - The proposed budget eliminates a vacancy in each of the following titles: Clerk I part-time, Consumer Affairs Investigator I, Consumer Affairs Investigator II.
- The addition of clerical and investigative staff in FY 15 may have presented this revenue generating department with an opportunity to conduct more investigations.

Created in 1971, the Coordinating Agency for Spanish Americans (CASA) has been under the auspices of the County Executive Office since 1977 and serves as advisor on policy issues involving this constituency. CASA works closely with other government agencies including the US Census Bureau, the Department of Labor and the US Citizenship and Immigration Service agency under the Department of Homeland Security. CASA serves between 11,000 to 13,000 clients each year through its direct service, policy training and forums and expanded outreach via contractual services of satellite programs. The agency also serves as the default agency for Haitian, Afro-Caribbean, Asian and all immigrant newcomers in Nassau needing English instruction, citizenship preparation and acculturation programs.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	5	4	4	4	4	0	0.0%	0	0.0%
Salaries	\$300,941	\$260,895	\$226,800	\$213,678	\$264,731	\$37,931	16.7%	\$51,053	23.9%
General Expenses	2,721	0	3,442	3,442	3,442	0	0.0%	0	0.0%
Contractual Services	4,450	9,500	12,500	12,500	12,500	0	0.0%	0	0.0%
<b>Total</b>	<b>\$308,112</b>	<b>\$270,395</b>	<b>\$242,742</b>	<b>\$229,620</b>	<b>\$280,673</b>	<b>\$37,931</b>	<b>15.6%</b>	<b>\$51,053</b>	<b>22.2%</b>

**Expenses**

- The proposed expense budget is increasing by a \$37,931 or 15.6% from the FY 14 Adopted Budget and increasing by \$51,053 or 22.2% from the FY 14 OLBR projections.
- Salaries are increasing by 16.7% mostly due to the inclusion of a payroll adjustment of \$29,731 for salary increases.
  - Headcount remains the same. An additional Program Coordinator position is being offset by the elimination of a Community Outreach Worker.
- General expenses in the FY 15 budget is remaining flat in comparison to the Adopted 2014 Budget; this is used for office supplies including copy paper, workshops, health and wellness supplies.
- The contractual expense budget is remaining flat at \$12,500 when compared to both the Adopted FY 14 Budget and OLBR’s projection; these monies are used for community outreach.

Revenue	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Dept Revenues	\$13,570	\$18,615	\$15,000	\$15,000	\$18,615	\$3,615	24.1%	\$3,615	24.1%

**Revenues**

- Department revenue for FY 15 is increasing minimally by \$3,615 or 24.1% compared to both the FY 14 Adopted Budget and the current projection. The department revenue is made up of school registration fees for English as a Second Languages classes and other services fees, such as immigration petitions.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	1,152	1,093	1,134	1,041	1,072	(62)	-5.5%	31	3.0%
Part-Time and Seasonal	10	9	6	6	6	0	0.0%	0	0.0%
Salaries	\$119,210,437	\$112,281,459	\$117,264,859	\$115,481,731	\$118,676,716	\$1,411,857	1.2%	\$3,194,985	2.8%
Workers Compensation	4,917,842	6,158,955	5,907,268	5,907,268	5,905,420	(1,848)	0.0%	(1,848)	0.0%
Equipment	23,486	7,551	124,000	124,000	52,000	(72,000)	-58.1%	(72,000)	-58.1%
General Expenses	3,050,888	2,920,005	3,257,630	3,257,630	3,400,730	143,100	4.4%	143,100	4.4%
Contractual Services	19,332,525	18,238,349	16,280,989	16,480,989	16,560,645	279,656	1.7%	79,656	0.5%
Utility Costs	423,958	616,088	3,373,883	3,373,883	2,833,883	(540,000)	-16.0%	(540,000)	-16.0%
Inter-Dept. Charges	4,973	0	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$146,964,109</b>	<b>\$140,222,408</b>	<b>\$146,208,629</b>	<b>\$144,625,501</b>	<b>\$147,429,394</b>	<b>\$1,220,765</b>	<b>0.8%</b>	<b>\$2,803,893</b>	<b>1.9%</b>

### Expenses

- The proposed 2015 expense budget for the Correctional Center is rising by \$1.2 million or 0.8% from the prior year's budget and by \$2.8 million or 1.9% compared to OLBR's projection.
- Salaries for FY 15 are allocated at \$118.7 million, which is an increase of \$1.4 million budget to budget but rising by \$3.2 million or 2.8% in comparison to OLBR's 2014 projection. The budgeted change is attributable to the following:
  - The primary driver of the salary increase is the Cost the Cost of Living Adjustments and step increases from the recently negotiated union agreements that are built into the Correctional Center's 2015 Proposed Budget as follows:
    - The Correction Officers Benevolent Association (COBA) agreement for FY 15 includes a step increase on June 1, 2015 and a 3.75% COLA effective September 2015.
    - The Civil Service Employees Association (CSEA) for the 2015 budget includes a 3.75% COLA effective July 2015 and a step increase on September 1, 2015 agreements.
  - The FY 15 budget includes \$2.4 million for terminal leave which is an increase of \$1.6 million compared to roughly \$800,000 that was included in the 2014 budget.
  - The overtime budget for FY 15 is rising by \$1.2 million from \$16.2 million in 2014 to \$17.4 million.

**Expenses, Cont.**

- The salary increase would have been greater but, is being offset by the elimination of retroactive pay, attrition savings and a decrease of full-time employees budget to budget; however, headcount increases from the current staffing level by 31.
- The budget allocates \$5.9 million for workers compensation in FY 15, which remains consistent with 2014.
- The equipment expense allocates \$52,000, a decrease of 72,000 for the 2015 Proposed Budget. This stems from a \$75,000 reduction for building equipment offset by a nominal increase of \$3,000 for uniforms and badges.
- The general expenses for the FY 15 are increasing by \$143,000 which is 4.4% higher than the 2014 Adopted Budget. This surge is driven by a \$105,100 growth of food supplies, \$30,000 for motor vehicle expenses and 29,600 for miscellaneous supplies offset by a decrease of \$27,000 for clothing and uniform supplies.
- The Correctional Center has budgeted \$16.6 million in total contractual services for FY 15, an increase of \$279,656 in comparison to the 2014 Adopted Budget. The spike represents boosts in building and maintenance and medical/psychiatric expenses.
  - The contract for inmate healthcare is budgeted at \$15.5 million for FY 15. This includes the Armor Correctional Health Services of NY, Inc. portion of the contract, budgeted at \$11.7 million and the balance of roughly \$3.7 million is for Nassau University Medical Center (NUMC) for pass through expenses to GDF SUEZ Energy (formerly known as Trigen Nassau Energy Corporation) for the Correctional Center's use of chilled water for air conditioning and steam for heat.
- The utility budget for FY 15 is declining by \$540,000 due to the Sheriff's Department now paying its electric bills directly to Public Service Enterprise Group based on actual usage that was historically expensed to NUMC.

Expenses by Control Center						
(\$'s in millions)						
Control Center	Historical		2014	2015	Exec. vs. Adopted	
	2012	2013	Adopted Budget	Exec. Budget	Var.	%
Correctional Center	\$140.7	\$133.8	\$140.4	\$140.5	\$0.1	0.1%
Office of the Sheriff	6.3	6.4	5.9	6.9	1.1	18.5%
<b>Total</b>	<b>147.0</b>	<b>140.2</b>	<b>146.2</b>	<b>147.4</b>	<b>1.2</b>	<b>0.8%</b>

- The FY 15 budget for the Correctional Center control center is \$140.5 million, which is growth 0.1%, while the Office of the Sheriff's budget increased to \$6.9 million, an 18.5% or \$1.1 million growth from the Adopted 2014 Budget.

Expenses, Cont.

<u>Staffing Analysis</u>						
	<u>FY 14 Adopted</u>	<u>Sept-14 Actual</u>	<u>FY 15 Request</u>	<u>FY 15 Executive</u>	<u>Exec. vs Adopted 14</u>	<u>Exec. vs Actual 14</u>
<b>CC Full-time Staffing</b>						
10 Correctional Center						
Uniform	966	883 *	976	913	(53)	30
Civilian	112	104	113	105	(7)	1
Sub-total Full-Time	1,078	987	1,089	1,018	(60)	31
20 Sheriff						
Uniform	39	38	40	40	1	2
Civilian	17	16	17	14	(3)	(2)
Sub-total Full-time	56	54	57	54	(2)	0
<b>Total Full-time</b>	<b>1,134</b>	<b>1,041</b>	<b>1,146</b>	<b>1,072</b>	<b>(62)</b>	<b>31</b>
<b>CC Part-time and Seasonal</b>						
10 Correctional Center	4	4	4	4	0	0
20 Sheriff	2	2	2	2	0	0
<b>Total Part-time and Seasonal</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>

\* The class of 27 recruits increases the current uniform officer headcount to 910 as of October 2014.

- Full-time staffing for the Correctional Center's uniform officers is budgeted to increase from the September 2014 actual by 30 positions and decrease by 53 positions budget to budget. Based on the data depicted in the schedule above, it should be noted that the department's budget submission request of 976 included headcount restoration for uniform officers above the 2014 Adopted Budget level of 966. However the Sheriff confirms that the budgeted headcount of 913 is sufficient to maintain the optimal operation of the jail.
  - A class of 11 Officers was fully deployed in April of 2014; another 27 recruits are expected to complete training and be assigned to post duty by mid-October. It should be noted that the later class is not reflected in the September actual. Thus with the adjustment the current headcount for uniform officers is 910, which is in line with the 2015 Proposed Budget.
  - The department plans to hire a class of 28-30 candidates the second half of 2015 and another class of the same size in the beginning of FY 16.
- The 2015 part-time and seasonal headcount are constant at six positions compared to FY 14.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$8,830	\$6,930	\$13,000	\$13,000	\$13,000	\$0	0.0%	\$0	0.0%
Rents & Recoveries	62,183	40,594	0	17,522	0	0	*****	(17,522)	-100.0%
Rev Offset To Expense	375,000	300,000	300,000	300,000	300,000	0	0.0%	0	0.0%
Dept Revenues	6,677,267	2,525,890	2,670,000	2,670,000	2,450,000	(220,000)	-8.2%	(220,000)	-8.2%
Interdept Revenues	82,441	78,971	150,000	150,000	150,000	0	0.0%	0	0.0%
Fed Aid-Reimb of Exp	14,587,486	5,957,760	10,711,625	3,959,000	4,909,000	(5,802,625)	-54.2%	950,000	24.0%
State Aid-Reimb of Exp	116,392	(1,184)	250,000	(311,231)	55,000	(195,000)	-78.0%	366,231	-117.7%
<b>Total</b>	<b>\$21,909,599</b>	<b>\$8,908,960</b>	<b>\$14,094,625</b>	<b>\$6,798,291</b>	<b>\$7,877,000</b>	<b>(\$6,217,625)</b>	<b>-44.1%</b>	<b>\$1,078,709</b>	<b>15.9%</b>

## Revenues

- The Correctional Center's FY 15 revenue budget is decreasing by \$6.2 million or 44.1% from FY 14 and increasing by a \$1.1 million from OLBR's projection. The decline is primarily correlated to the reductions in federal and state aid reimbursements and department revenue.
- The 2015 Proposed Budget has \$4.9 million allocated for federal aid, a major decline of 54.2% or \$5.8 million budget to budget and an increase of \$950,000 compared to the OLBR projections. The contributors to this drop in revenue are included below:
  - The 2015 Proposed Budget assumes 40 federal inmates, which equates to \$2.4 million in revenue which is a decrease of \$2.7 million from the 2014 Adopted Budget but in line with OLBR's projection based on current inmate population levels.
  - The department budgeted roughly \$1.8 million for the SCAAP (State Criminal Alien Assistant Program) in FY 15 resulting in a decrease of \$850,000 compared to FY 14 and a drop of \$1.3 million based on OLBR's projection.
  - The FY 15 budget eliminates the \$2.0 million for Diagnosis Related Group (revenue received for providing inpatient mental health services to inmates who are Medicaid recipients) that was included in FY 14.
  - The federal aid budget also incurred a \$250,000 reduction of Title IVD revenue from the Department of Social Services (DSS). This represents a reimbursement from the Federal government for department personnel engaged in the enforcement of child support mandates for dependent children.



**Revenues, Cont.**

- The 2015 Proposed Budget for departmental revenue is \$2.5 million, a reduction of \$220,000 compared to the prior year's budget and OLBR's projection of \$2.7 million.
  - This revenue source is generated directly from charging inmates a fee for committing infractions that are stated in the inmate handbook and for reimbursement of Social Security Administration (SSA) benefits of recipients that are incarcerated.
- The FY 15 fines and forfeits and rents and recoveries budgets remain unchanged at \$13,000 and zero respectively, however OLBR's projection for the later reflects \$17,522 for prior year disencumbrances.
- The revenue to offset expense also remains fixed at \$300,000 for FY 15. This revenue is for commissary profits submitted to the Correctional Center that offsets the salary expense for personnel that oversee this responsibility.
- The 2015 Proposed Budget for interdepartmental revenue is \$150,000, constant with the prior year's budget. This revenue is for food services provided to the Juvenile Detention Center.
- The proposed 2015 state aid budget is declining by \$195,000 from the prior year adopted budget. This decline is attributed to the State discontinuing a \$250,000 reimbursement for personnel engaged in child support mandates offset by \$55,000 received from New York State for transporting state ready inmates and parole violators between State facilities and the Nassau County Correctional Center.

Revenues, Cont.

<u>ACTIVITY INDICATORS</u>				
<u>Indicators</u>	<u>Actual 2012</u>	<u>Actual 2013</u>	<u>Estimated 2014</u>	<u>Projected 2015</u>
Average Daily Inmate Population	1,285	1,174	1,120	1,150
Total Admissions	10,683	9,277	9,468	9,300
<u>Revenue Generating Indicators</u>				
Federal Inmates	101	61	40	40
Parole Violators	25	46	48	45
State Ready Inmates	10	12	14	10
<i>Source: Nassau County Correctional Center</i>				

- The Correctional Center's FY 14 estimate for federal inmates is 40, which is in line with OLBR's 2014 projection and the 2015 Proposed Budget. The federal inmate population has dropped drastically in the last three years by 60.4%.
- The average inmate population decreased by 8.6% from FY 12 to FY 13 and is estimated to drop by 4.6% in 2014. In the Proposed 2015 Budget the population is anticipated to increase by 2.7%.
- The jail continues to house state ready inmates and parole violators, which directly correlates with the aforementioned \$55,000 that is included in the state aid revenue of the 2015 Proposed Budget.

The Office of the County Attorney is comprised of eight legal bureaus, and the administration unit that supervises the activities of the bureaus. The legal bureaus are as follows: Administration Unit, Family Court, General Litigation, Municipal Finance, Municipal Transactions, Appeals and Opinions, Tax Certiorari and Condemnation, Vehicle Forfeiture and Claims Management Bureau.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	106	106	107	93	98	(9)	-8.4%	5	5.4%
Part-Time and Seasonal	2	2	8	2	8	0	0.0%	6	300.0%
Salaries	\$8,695,277	\$8,431,473	\$9,020,570	\$7,767,794	\$7,995,875	(\$1,024,695)	-11.4%	\$228,081	2.9%
Equipment	1,162	14,995	15,000	15,000	15,000	0	0.0%	0	0.0%
General Expenses	421,501	670,490	494,100	694,100	600,000	105,900	21.4%	(94,100)	-13.6%
Contractual Services	3,561,509	5,065,923	5,000,000	5,700,000	5,350,000	350,000	7.0%	(350,000)	-6.1%
<b>Total</b>	<b>\$12,679,449</b>	<b>\$14,182,881</b>	<b>\$14,529,670</b>	<b>\$14,176,894</b>	<b>\$13,960,875</b>	<b>(\$568,795)</b>	<b>-3.9%</b>	<b>(\$216,019)</b>	<b>-1.5%</b>

**Expenses**

- Expenses in FY 15 for the County Attorney are decreasing by 3.9%, or \$568,795, budget to budget, and 1.5%, or \$216,019, from the FY 14 projection.
- The reduction of \$1.0 million in salaries is related to the decrease in headcount which includes five Deputy County Attorneys, a Clerk Typist II, an Attorneys Assistant II, a Claims Examiner I and two positions for savings from initiatives.
  - The department has restructured the current assignment of county attorneys to strengthen particular areas of litigation. The department will reassign those litigations that cannot be handled by in-house counsel due to conflicts of interest and/or due to the need for particular expertise that is required with complex litigations.
- General Expenses are growing by \$105,900 primarily due to a \$150,000 increase in miscellaneous supplies and expenses and a \$79,500 hike in investigative expenses. The deficit of \$200,000 for FY 14 is due to an increase in trials which required the need to retain expert witnesses to testify at trial. Additionally, the cost of litigation services, such as daily transcripts, production of exhibits, etc. added to this expense. These expenses should continue in FY 2015. These are offset by reductions of \$53,000 in copying, blueprint supplies and expenses, \$34,700 educational & training supplies & expenses and \$18,000 in motor vehicle expenses.

- Contractual services are growing by \$350,000 budget to budget and decreasing by the same amount compared to the OLBR projected. The increase is related to the \$400,000 growth in legal because of specific types of current pending litigations that require additional legal services for the anticipated increase in FY 15 trials.
- The equipment line is remaining level budget to budget.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$301,972	\$224,653	\$592,500	\$592,500	\$1,080,000	\$487,500	82.3%	\$487,500	82.3%
Rents & Recoveries	2,812,863	976,890	1,915,000	1,915,000	1,235,000	(680,000)	-35.5%	(680,000)	-35.5%
Dept Revenues	111,960	105,339	125,000	125,000	130,000	5,000	4.0%	5,000	4.0%
Interdept Revenues	1,013,680	1,013,986	712,527	712,527	824,841	112,314	15.8%	112,314	15.8%
Interfund Charges Rev	0	57,084	55,000	55,000	50,000	(5,000)	-9.1%	(5,000)	-9.1%
Fed Aid-Reimb of Exp	256,346	255,739	300,000	300,000	300,000	0	0.0%	0	0.0%
State Aid-Reimb of Exp	(4,569)	0	75,000	0	0	(75,000)	-100.0%	0	*****
<b>Total</b>	<b>\$4,492,252</b>	<b>\$2,633,691</b>	<b>\$3,775,027</b>	<b>\$3,700,027</b>	<b>\$3,619,841</b>	<b>(\$155,186)</b>	<b>-4.1%</b>	<b>(\$80,186)</b>	<b>-2.2%</b>

**Revenue**

- The overall revenue budget for FY 15 is going down by \$155,186, or 4.1 %, compared to the FY 14 budget and declining by \$80,186 when compared to the OLBR projected.
- Fines and forfeitures are increasing by \$487,500, or 82.3% in FY 15. The County Attorney’s Office anticipates that the vehicle forfeiture program will produce additional revenues. This program is tied to County/Police initiative to aggressively combat drunk driving arrests.
- Departmental revenues, which consist of miscellaneous receipts, fees, contractual services, restitution surcharges and criminal restitution, are going up slightly by \$5,000 budget to budget. The growth is attributable to administrative fees associated with outside vendors. (See chart on following page.)
- Interdepartmental revenues are growing by \$112,314, or 15.8%, in FY 15 due to an increase in chargeback allocations to other departments.
- Rents & recoveries are declining by \$680,000, or 35.5%, in FY 15 budget to budget and from the OLBR projected as a result of poor returns for cash recovery. This category is for settlements, judgments or awards for costs. The department allocated \$20,000 in FY 13 but only collected \$249. In FY 2014, the department anticipated collecting \$700,000 but has only received \$23,669. The department decided to take a more realistic approach in FY 15 and allocate \$20,000 for this line.

- State aid reimbursement is being eliminated in FY 2015 because the State will no longer reimburse Social Services for Title IVD services.

<b>Departmental Revenues</b>				
<b>Revenue Source</b>	<b>FY 13 Actual</b>	<b>FY 14 Budget</b>	<b>FY 14 Projected</b>	<b>FY 15 Proposed</b>
Miscellaneous Receipts	\$7,220	\$10,000	\$10,000	10,000
Fees	54,319	55,000	55,000	60,000
Contractual Services	19,936	25,000	25,000	25,000
Restitution Surcharge	23,864	10,000	10,000	10,000
Criminal Restitution	0	25,000	25,000	25,000
<b>Total</b>	<b>\$105,339</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$130,000</b>

The above chart illustrates how departmental revenue is generated.

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.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$106,361	\$229,645	\$100,000	\$100,000	\$100,000	\$0	0.0%	\$0	0.0%
Rents & Recoveries	0	0	0	1,500	0	0	*****	(1,500)	-100.0%
Dept Revenues	27,948,393	39,187,618	36,450,618	27,057,306	31,528,000	(4,922,618)	-13.5%	4,470,694	16.5%
<b>Total</b>	<b>\$28,054,755</b>	<b>\$39,417,262</b>	<b>\$36,550,618</b>	<b>\$27,158,806</b>	<b>\$31,628,000</b>	<b>(\$4,922,618)</b>	<b>-13.5%</b>	<b>\$4,469,194</b>	<b>16.5%</b>

**Revenues**

- County Clerk revenues are typically budgeted on two separate lines, fines & forfeits and departmental revenues. However, a small amount is expected under Rents & Recoveries for FY14.
- Compared to the 2014 Adopted Budget, FY15 County Clerk revenues are budgeted to decrease by 13.5% or \$4.9 million. The decrease is largely driven by the reduced expectation of department revenues performance.
- The chart to the right provides a detail of the departmental revenues budget.
- Mortgage recording fees are budgeted to decrease \$6.4 million when compared to the FY 14 budget.
  - OLBR is projecting that FY 14 year-end will come in under the Adopted Budget by \$8.7 million. The Clerk’s Office is projecting the current year will yield up to \$18.0 million or \$9.9 million less than budgeted.
  - The FY 14 projected year-end performance is likely a reflection of a particularly slow first half of the year that many attribute to abnormally harsh winter weather.

- Deed recording fees are increasing by \$1.0 million (40%) and miscellaneous fees are increasing by \$500,000 (20%).

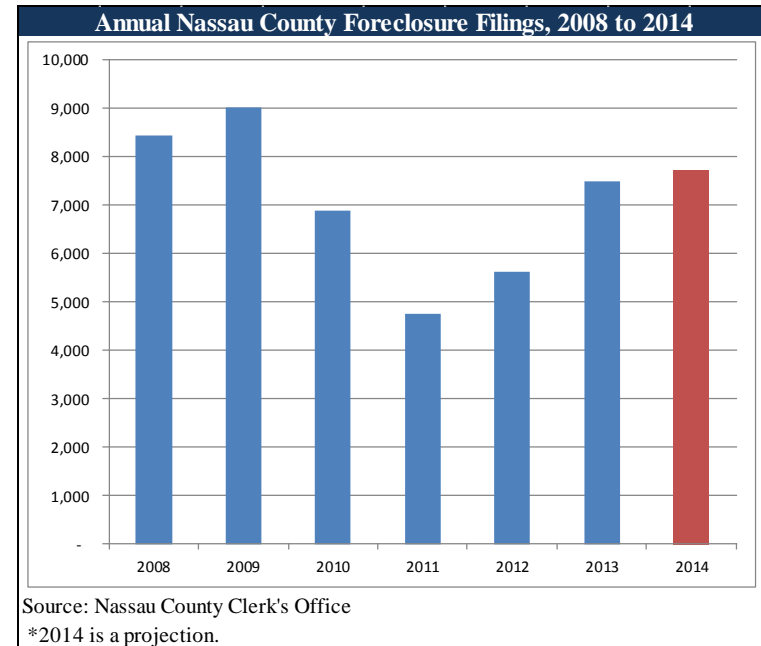
Revenue Source	Departmental Revenues				
	FY 12 Actual	FY 13 Actual	FY 14 Adopted	FY 15 Exec.	14 Adopt. vs. 15 Exec.
Fees	\$5,178	\$4,094	\$4,000	\$4,000	\$0
Court Fees	688,280	1,182,466	800,000	800,000	\$0
Mortgage Recording Fees	19,964,471	27,272,257	27,902,618	21,500,000	(\$6,402,618)
Deed Recording Fees	2,566,280	4,128,670	2,500,000	3,500,000	\$1,000,000
Real Estate Transfer Fees	18,782	20,514	15,000	15,000	\$0
Records Management	192,456	183,355	170,000	150,000	(\$20,000)
Mortgage Exp Reimbursement	1,359,199	1,359,199	1,359,000	1,359,000	\$0
Business Name Fee	222,696	205,653	200,000	200,000	\$0
Miscellaneous Fees	2,931,051	4,831,500	2,500,000	3,000,000	\$500,000
Clerk Initiative	0	0	1,000,000	0	(\$1,000,000)
Sandy Refunds NYS Mandated	0	-90	0	0	\$0
On Line Registration	0	0	0	1,000,000	\$1,000,000
	<b>\$27,948,393</b>	<b>\$39,187,618</b>	<b>\$36,450,618</b>	<b>\$31,528,000</b>	<b>-\$4,922,618</b>

**Revenues, Cont.**

- The FY 15 budget removes the \$1.0 million from the clerk initiative line that was included in the Adopted FY 14 budget. The Proposed Budget now reflects a more descriptive initiative to make documents available online.
- The online registration line of \$1.0 million reflects a new initiative that the Clerk’s Office is expected to launch in 2015.

2014 to 2018 Nassau County Economic Forecast					
Forecast Annual Growth Rates*					
	2014	2015	2016	2017	2018
New Mortgages	2.6%	30.4%	9.3%	-6.9%	9.0%
Mrt Refinances	-35.5%	-20.4%	-16.1%	-2.3%	28.6%
Median Home Sale Price	1.6%	5.4%	3.1%	2.4%	2.8%

Source: Moody's Economy.com



- As can be seen in the lower mortgage recording fees, mortgage transactions have been depressed in the current year. Relatively high foreclosure rates may have depressed home prices and increasing interest rates are expected to reduce mortgage refinancing activity as homeowners lack the equity necessary to complete the transaction.
- However, home sales are expected to increase in the coming year. The activity is driven by a variety of factors, including low interest rates, albeit still increasing from the previous year, and only modest increases in home sale prices. The chart above on the left details Moody’s Economy.com’s current forecast for the Nassau County housing market.
- Currently, 2014 foreclosure filings are expected to exceed the last several years. The chart above on the right details historical Nassau County foreclosure filings and the 2014 forecast.
- The increase in filings could be driven by New York State’s longer than average foreclosure process when compared to other states. As a result, the Long Island housing market may take longer to absorb the housing crisis.<sup>1</sup>

<sup>1</sup> Fusfeld, Adam, “Foreclosure rate remains high on Long Island”, *Newsday*, April 30, 2013.



**Expenses**

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	81	83	84	84	84	0	0.0%	0	0.0%
Part-Time and Seasonal	44	37	100	36	60	(40)	-40.0%	24	66.7%
Salaries	\$4,796,833	\$4,762,397	\$5,169,609	\$5,465,086	\$5,652,866	\$483,257	9.3%	\$187,780	3.4%
Equipment	43,781	48,500	50,000	50,000	50,000	0	0.0%	0	0.0%
General Expenses	281,758	295,042	300,000	300,000	305,000	5,000	1.7%	5,000	1.7%
Contractual Services	278,411	295,015	300,000	300,000	505,000	205,000	68.3%	205,000	68.3%
<b>Total</b>	<b>\$5,400,783</b>	<b>\$5,400,954</b>	<b>\$5,819,609</b>	<b>\$6,115,086</b>	<b>\$6,512,866</b>	<b>\$693,257</b>	<b>11.9%</b>	<b>\$397,780</b>	<b>6.5%</b>

- Total expenses for the department are increasing 11.9% from the Adopted 2014 Budget and increases 6.5% from the 2014 projection.
- The proposed budget reduces the part-time headcount by 40 positions while maintaining the same full-time headcount when compared to FY 14 Adopted Budget.
- The budget to budget growth in salaries reflects the salary increase due to the Cost of Living Adjustments (COLA) and steps from the recently negotiated Civil Service Employees Association (CSEA) agreement. The FY 2015 budget includes a 3.75% COLA effective July 2015 and a step increase on September 1, 2015. This is in addition to the 3.5% COLA and step increase CSEA employees received effective as of April 1, 2014.
  - The proposed budget eliminates a Clerk I position and a Clerk II position which are offset by an additional Photo Machine Operator 1 and a Deputy County Clerk.
- FY 15 OTPS expense lines increases \$210,000 budget to budget.
  - The increase in the contractual services line is related to the On Line Registration initiative of \$205,000. The balance of the contractual services budget goes towards systems and programming contracts.
  - The FY 15 equipment budget funds both information technology and miscellaneous equipment purchases.
  - The FY 15 general expenses budget is used to cover the anticipated office supplies, postage delivery, and miscellaneous supplies costs.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	74	76	86	74	83	(3)	-3.5%	9	12.2%
Part-Time and Seasonal	2	4	5	6	6	1	20.0%	0	0.0%
Salaries	\$5,870,974	\$5,566,921	\$6,426,629	\$5,895,752	\$7,102,179	\$675,550	10.5%	\$1,206,427	20.5%
Equipment	320	3,995	5,000	5,000	5,000	0	0.0%	0	0.0%
General Expenses	47,150	93,668	125,000	125,000	137,500	12,500	10.0%	12,500	10.0%
Contractual Services	440,302	546,500	623,500	623,500	1,090,300	466,800	74.9%	466,800	74.9%
<b>Total</b>	<b>\$6,358,746</b>	<b>\$6,211,083</b>	<b>\$7,180,129</b>	<b>\$6,649,252</b>	<b>\$8,334,979</b>	<b>\$1,154,850</b>	<b>16.1%</b>	<b>\$1,685,727</b>	<b>25.4%</b>

**Expenses**

- The FY 15 proposed expense budget of the Comptroller’s Office is increasing by \$1.2 million or 16.1% as compared to the FY 14 budget.
- The FY 15 salaries expense is increasing by \$0.7 million or 10.5% when compared to the adopted FY 14. The majority of the increase is due to the labor agreements reached with County unions.
  - Full-time positions are decreasing by three while part-time and seasonal headcount is increasing by one when compared to the FY 14 Adopted Budget.
  - The department anticipates filling open positions by the end of the year.
- General expenses are increasing by \$12,500 as compared to the FY 14 budget. Miscellaneous supplies and expenses are increasing by \$7,500 and office supplies and copy paper by \$5,000.
- Contractual services are increasing by \$466,800 as compared to the FY 14 budget. The growth is driven by an increase in financial services of \$429,500 and miscellaneous services of \$37,300.
  - The financial services budget is increasing due to proposals received by the County as a result of the current Request for Proposals (RFP) for annual audit services and the Central Services Cost allocation plan. The contractual services budget primarily funds the cost of the County’s audit services (Annual Audit and Single Audit) provided by the County’s independent auditors. The mandated reports issued include the Comprehensive Annual Financial Report (CAFR) and the annual Single Audit. The Central Services Cost Allocation Plan is used by County departments to allocate indirect costs to federally funded grants.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$3,773	\$714,464	\$250,000	\$250,000	\$250,000	\$0	0.0%	\$0	0.0%
Dept Revenues	19,765	14,672	16,300	16,300	16,300	0	0.0%	0	0.0%
<b>Total</b>	<b>\$23,538</b>	<b>\$729,137</b>	<b>\$266,300</b>	<b>\$266,300</b>	<b>\$266,300</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>

**Revenues**

- The FY 15 proposed revenue budget remains consistent when compared to both the FY 14 budget and the FY 14 OLBR projection.
- The rents and recoveries revenue remains level with the FY 14 budget at \$250,000 for audit recovery.
  - The audit recovery line represents recoveries of FICA refunds. These monies represent reimbursements of FICA tax overpayments collected from the County, its employees and retirees on disability leave.
- The departmental revenue line is also remaining consistent with the FY 14 budget with \$300 for fees and \$16,000 for COBRA administrative fees.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	20	18	18	15	18	0	0.0%	3	20.0%
Part-Time and Seasonal	2	2	0	2	4	4	*****	2	100.0%
Salaries	\$1,712,919	\$1,697,963	\$1,733,129	\$1,645,135	\$1,908,129	\$175,000	10.1%	\$262,994	16.0%
General Expenses	56,663	67,297	80,000	80,000	80,000	0	0.0%	0	0.0%
Contractual Services	200,000	225,000	225,000	225,000	225,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$1,969,581</b>	<b>\$1,990,259</b>	<b>\$2,038,129</b>	<b>\$1,950,135</b>	<b>\$2,213,129</b>	<b>\$175,000</b>	<b>8.6%</b>	<b>\$262,994</b>	<b>13.5%</b>

**Expenses**

- The FY 15 Proposed Budget is expected to increase by \$175,000 or 8.6% when compared to the FY 14 Adopted Budget.
  - The salary expense is the driver for the changed which consists of a payroll adjustment, terminal leave and movement within titles that net out.
- The general and contractual services expenses are remaining unchanged from the FY 14 Adopted Budget and the OLBR projection.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$8,246	\$0	\$0	\$5,951	\$0	\$0	*****	(\$5,951)	-100.0%

**Revenue**

- The rents and recoveries revenue has not been budgeted for but rather contains disencumbered funds as they occur.
  - In FY 12, those monies were \$8,246 and OLBR is projecting \$5,951 in FY 14.

New York State took control over the operation of the Courts and the workers requested to remain in the County’s health plan. The State agreed with this request and reimburses the County for these costs. The department accounts for the fringe benefits for those court workers, most of whom are now retirees.

**Expenses**

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
<b>Fringe Benefits</b>	\$1,576,528	\$1,476,180	\$1,545,938	\$1,515,873	\$1,518,003	(\$27,935)	-1.8%	\$2,130	0.1%

- The Proposed FY 15 Budget of \$1.5 million is decreasing by \$27,935, or 1.8%. This is due mostly to less Medicare eligible retirees receiving the benefit.
- The Proposed FY 15 Budget for health insurance is increasing minimally by 0.14% compared to the FY 14 budget for active and retired health insurance.
- The following chart details the Adopted FY 14 Budget and Proposed FY 15 Budget by sub-object:

Subobject	FY14 Adopted Budget	FY15 Executive Budget	FY15 Executive vs. FY14 Adopted
Active Health Insurance	37,183	38,448	1,265
Dental Insurance	1,000	650	(350)
Medicare Reimbursement	309,000	279,699	(29,301)
Retiree Health Insurance	1,198,755	1,199,206	451
<b>Grand Total</b>	<b>\$1,545,938</b>	<b>\$1,518,003</b>	<b>(\$27,935)</b>

**Revenues**

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
State Aid-Reimb of Exp	\$1,506,230	\$1,378,316	\$1,507,290	\$1,507,290	\$1,487,033	(\$20,257)	-1.3%	(\$20,257)	-1.3%

- The FY 15 revenue budget is decreasing by \$20,257, or 1.3% compared to both the FY 14 adopted and OLBR’s projection.
- The state aid budget of \$1.5 million represents the reimbursement from the State for health insurance costs.

The Debt Service Fund (DSV Fund) is considered one of the County’s Major Operating Funds. The DSV Fund maintains the resources necessary to make required payments on principal and interest for debt service and other associated expenses. The bond and note proceeds are used to fund projects identified in the four year capital plan and for short-term cash flow requirements.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Interest	\$71,344,287	\$75,881,813	\$98,451,669	\$94,284,821	\$100,721,845	\$2,270,176	2.3%	\$6,437,024	6.8%
Principal	57,530,000	58,145,000	69,234,999	62,690,000	80,260,000	11,025,001	15.9%	17,570,000	28.0%
Expense of Loans	4,672,894	5,030,329	7,185,600	8,112,000	4,224,000	(2,961,600)	-41.2%	(3,888,000)	-47.9%
NIFA Set Asides / Loans	207,993,808	197,815,769	193,473,026	193,473,026	189,330,277	(4,142,749)	-2.1%	(4,142,749)	-2.1%
<b>Total</b>	<b>\$341,540,989</b>	<b>\$336,872,911</b>	<b>\$368,345,294</b>	<b>\$358,559,847</b>	<b>\$374,536,122</b>	<b>\$6,190,828</b>	<b>1.7%</b>	<b>\$15,976,275</b>	<b>4.5%</b>

**Debt Service Fund Expense**

- Total debt payments, including Nassau County Interim Finance Authority set-asides and expense of loans, are expected to increase by 1.7% or \$6.2 million from the 2014 Adopted Budget. Compared to the 2014 projection, debt service expense is expected to increase \$16.0 million or 4.5%.
  - The increase in the FY 15 Proposed Budget is driven by total long-term debt issuance outpacing the previous debt issuance amortization schedule. The increased expense is offset by corresponding revenue.
  - The FY 14 projected expenditure savings is driven by delayed borrowing at better than anticipated interest rates for a smaller par amount. The expected expenditure cost savings is offset by lower corresponding debt service chargeback revenue.
- All debt repayment that is issued as general obligations and secured by the County’s faith and credit pledge, generally supported by property tax revenue, is reflected in the principal and interest lines.
  - Interest expense also includes appropriation for interest payment on cash flow notes.
- The NIFA set asides reflect sales tax that is set aside to cover debt service costs for all debt issued by NIFA.
  - NIFA set asides are decreasing by \$4.1 million as its existing debt amortizes and no additional debt is issued. NIFA’s statutory authority to borrow on behalf of the County ended in 2007.

**Debt Service Fund Expenses, Cont.**

- The chart below itemizes the actual 2013 bond issuance, actual and planned issuance for 2014 and the projected 2015 to 2018 issuance.

<b>Historical and Planned Debt Issuances 2013 to 2018</b>						
<b>2014 includes actual and planned issuances</b>						
	<b>FY 13 Actual Issues</b>	<b>FY 14 Actual &amp; Planned Issues</b>	<b>FY 15 Planned Issues</b>	<b>FY 16 Planned Issues</b>	<b>FY 17 Planned Issues</b>	<b>FY 18 Planned Issues</b>
<b>Capital Borrowings</b>						
Capital - General	\$151,899,667	\$85,000,000	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000
Capital - SSWRD	96,191,301	38,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Environmental Bond Act	9,951,466	0	1,000,000	0	0	0
Judgments & Settlements	27,872,566	8,600,000	18,000,000	18,000,000	18,000,000	18,000,000
Tax Certiorari	75,000,000	75,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Termination Costs	11,200,000	20,000,000	33,000,000	0	0	0
<b>Total Long-Term Borrowings</b>	<b>\$372,115,000</b>	<b>\$226,600,000</b>	<b>\$352,000,000</b>	<b>\$318,000,000</b>	<b>\$318,000,000</b>	<b>\$318,000,000</b>
<b>Cash Flow Borrowings</b>						
RANs	\$208,150,000	\$199,900,000	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000
TANs	225,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
BANs	307,570,000	114,425,000	90,000,000	60,000,000	30,000,000	0
BAN - Sandy Tax Levy *		35,000,000				
<b>Total Short-Term Borrowings</b>	<b>\$740,720,000</b>	<b>\$549,325,000</b>	<b>\$490,000,000</b>	<b>\$460,000,000</b>	<b>\$430,000,000</b>	<b>\$400,000,000</b>

\* An additional \$2.0 million may be borrowed for the Sandy Tax Levy.

- Fiscal 2013 Bond Anticipation Notes (BANs) reflects two separate issuances; the first borrowing was largely rolled into the second borrowing.
- Based on the County's year-to-date debt issuance combined with its planned issuance, 2014 would end the year issuing \$775.9 million in long-term and short-term debt. The borrowing is inclusive of \$114.4 million in BANs for Super Storm Sandy recovery projects, which is a roll-over of the 2013 BANs. The BAN borrowing of \$35.0 million reflects the reduction in the tax levy that resulted from the County adopting the Superstorm Sandy Assessment Relief Act.



**Debt Service Fund Expenses, Cont.**

- The long-term borrowing plan is shown in the top section of the above chart; this includes debt issuance for capital purposes, judgments and settlements, tax certiorari payments, termination costs and for the Superstorm Sandy tax assessment.
  - New long-term borrowing in FY 14 is projected to be \$226.6 million.
- The top three lines in the chart above include anticipated debt issuance for capital borrowing. These include general purpose projects, debt issued for the Sewer and Storm Water Resource District (SSWRD) and projects funded by the Environmental Bond Act.
- To date, the County has not issued any long-term debt during Fiscal 2014. The Administration intends to issue \$85.0 million for General Capital improvements, \$38.0 million for SSWRD capital projects, \$8.6 million for judgments and settlements, \$20.0 million for termination pay, and \$75.0 million for tax certiorari payments. These are reduced borrowing figures compared to what has been proposed in the FY2015-18 Multi-Year Plan.
  - The Administration is hoping to seek an additional \$3.0 million, above the \$20.0 million for termination costs before the end of the year.
- To-date in 2014, the County has issued \$199.9 million in short-term Revenue Anticipation Notes. The Administration expects to issue another \$200.0 million in short-term Tax Anticipation Notes prior to year-end. Based on these assumptions, FY 14 will end with a reduction of \$33.3 million in cash flow borrowing when compared to the previous year.
- The MYP assumes the County will issue \$75.0 million in bond funds for tax certiorari refund payments in the current year. In addition, it projects the issuance of \$100.0 million annually from 2015 through 2018.
- Bond Anticipation Notes (BANs) are typically issued in anticipation of a future long-term bond issuance that will retire the outstanding BANs.
  - The 2013 increase was driven by borrowing related to fund Superstorm Sandy recovery projects. Projected borrowing for BANs declines annually as the County anticipates Federal Emergency Management Agency (FEMA) reimbursement.
  - The Sandy Tax Levy projected issuance reflects the reduction in the tax levy that resulted from the County adopting the Superstorm Sandy Assessment Relief Act. The bonds will fund the property tax refunds or credits to property owners for the portion of their property tax bill that was impacted by the assessed value reduction.
- A RAN is a Revenue Anticipation Note. It is issued in the anticipation of one or more various revenues such as sales tax, rents, rates or state aid, etc. A TAN is a Tax Anticipation Note. It is issued in anticipation of property tax receipts. RANs and TANs are typically issued as a result from timing differences between cash receipts and cash expenditures.
  - Short-term borrowing for cash flow purposes (RANs and TANs) remain at an elevated level; although they are projected to decrease by 7.7% in FY 14 when compared to FY 13 levels.

- The MYP includes one TAN issuance for \$200.0 million and one RAN issuance for \$200.0 million annually.
- The coupon rate for cash flow borrowings is projected at an average 2.0% for 2014, and 2.25% for 2015 to 2018.

**Debt Service Fund Revenue**

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Debt Svc From Capital	25,000,919	11,677,549	7,185,600	8,112,000	4,224,000	(2,961,600)	-41.2%	(3,888,000)	-47.9%
Debt Svc Chrgback Rev	290,929,987	298,588,554	325,097,477	314,702,621	338,010,388	12,912,911	4.0%	23,307,767	7.4%
Interfund Charges Rev	20,446,776	21,643,050	30,898,909	30,953,676	27,510,185	(3,388,724)	-11.0%	(3,443,491)	-11.1%
Fed Aid-Reimb of Exp	5,163,308	4,952,319	5,163,308	4,791,550	4,791,549	(371,759)	-7.2%	(1)	0.0%
Interfund Transfers	0	11,439	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$341,540,989</b>	<b>\$336,872,911</b>	<b>\$368,345,294</b>	<b>\$358,559,847</b>	<b>\$374,536,122</b>	<b>\$6,190,828</b>	<b>1.7%</b>	<b>\$15,976,275</b>	<b>4.5%</b>

- The expense of debt service is allocated to the fund in which the capital project is associated. The fund receiving the benefit is charged the expense and the Debt Service Fund collects chargeback revenue.
- These chargeback revenues are included in the Police Headquarters Fund, the Police District Fund, the General Fund and the Fire Commission Fund, along with revenues from non-major operating funds, including the Sewer and Storm Water Resources District Fund and the Environmental Bond Fund.
- Compared to the FY 14 Adopted Budget, aggregate total revenue for the Debt Service Fund is increasing by \$6.2 million in the proposed FY 15 budget. The larger increase in the FY 15 Proposed Budget compared to the FY 14 projected is a result of previously delayed debt borrowing.
- The \$4.8 million included as federal aid reimbursement of expense, is derived from credit subsidy payments received on the issuance of Build America Bonds, BABs, which the County issued in 2009 and 2010.

**Debt Service Fund Revenue – Cont.**

<b>Debt Service Fund Chargeback Revenues - BV/HD</b>		
	<b>FY 14 Adopted</b>	<b>Executive FY 15</b>
Fire Commission	\$295,935	\$282,286
General Fund	\$308,199,125	\$320,852,244
Police District	\$2,239,666	\$2,237,043
Police Headquarters	\$14,362,751	\$14,638,815
<b>Grand Total</b>	<b>\$325,097,477</b>	<b>\$338,010,388</b>

- The chart above shows that 94.9% of the debt service chargebacks in the proposed FY 15 are related to the General Fund. Each fund has a corresponding expense line for debt service charges.
- The General Fund debt service chargeback is located in the Office of Management and Budget.
- Debt service chargebacks are expected to decrease in the Fire Commission and Police District. In both the General Fund and Police Headquarters funds, debt service chargebacks are budgeted to increase.

<b>Debt Service Fund Interfund Charges - BW</b>		
	<b>FY 14 Adopted</b>	<b>Executive FY 15</b>
Revenue from SSW	\$21,228,143	\$17,903,217
Environmental Bond Act. Rev.	9,670,766	9,606,968
<b>Grand Total</b>	<b>\$30,898,909</b>	<b>\$27,510,185</b>

- The Debt Service Fund interfund charges chart on the left reflects the interfund charges budgeted at \$27.5 million in 2015.
- The debt service costs charged to the Sewer and Storm Water Resource District (\$17.9 million) and the Environmental Bond Fund (\$9.6 million) are booked as interfund charges.
- Revenue from the SSW fund is decreasing \$3.3 million in FY 15, the decrease is related to lower debt issuances and from a lower coupon on borrowing for BANs.

<b>Debt Service Fund DS from Capital - BQ</b>		
	<b>FY 14 Adopted</b>	<b>Executive FY 15</b>
Bond Premium	\$7,185,600	\$4,224,000

- In FY 15, \$4.2 million is included as bond premium. This represents a \$3.0 million decrease from the FY 14 Adopted Budget.
- Bond premiums are obtained when the County issues bonds and the coupon is higher than the corresponding yield. This occurs when the market conditions are such that it is cost effective to issue premium bonds.
- This is the corresponding revenue offset to the loan expense under expenditures. NIFA currently limits the premium to cover the costs of issuance.

**Debt Service Fund Multi-Year Plan**

<b>2015-2018 Multi-Year Financial Plan</b>				
<b>Expense</b>				
	<b>2015 Proposed</b>	<b>2016 Plan</b>	<b>2017 Plan</b>	<b>2018 Plan</b>
Interest	\$100,721,845	\$116,413,351	\$127,752,474	\$138,183,797
Principal	80,260,000	92,060,002	107,565,000	120,914,999
Other Expense	193,554,277	182,899,283	166,972,781	153,621,975
<b>Total</b>	<b>\$374,536,122</b>	<b>\$391,372,636</b>	<b>\$402,290,255</b>	<b>\$412,720,771</b>

- The County’s planned debt issuance is increasing in 2015 driven by larger issuance for general and sewer related capital needs along with two planned borrowings to pay for a portion of the tax certiorari liability. This will result in higher debt service costs in the out-years of the plan.
- Looking forward, total debt service fund expenses and revenues are projected to increase from 2015 to 2016 by \$16.8 million or 4.5%. From 2016 to 2018, debt service is projected to increase 5.5%. The chart above provides a detail of the debt service expense lines included in the multi-year plan.
- Both principal and interest costs are expected to increase throughout the plan.

<b>2015-2018 Multi-Year Financial Plan</b>				
<b>Revenue</b>				
	<b>2015 Proposed</b>	<b>2016 Plan</b>	<b>2017 Plan</b>	<b>2018 Plan</b>
Debt Service from Capital Debt Service	\$4,224,000	\$3,816,000	\$3,816,000	\$3,816,000
Debt Service Chargeback Revenue	338,010,388	350,117,318	358,136,530	365,514,613
Interfund Charges Revenue	27,510,185	32,647,769	35,546,176	38,598,609
Fed. Aid -Reim. Of Expense	4,791,549	4,791,549	4,791,549	4,791,549
<b>Total</b>	<b>\$374,536,122</b>	<b>\$391,372,636</b>	<b>\$402,290,255</b>	<b>\$412,720,771</b>

- The chart above details debt service fund revenues as recorded in the multi-year plan. Debt service from capital is expected to decline slightly (9.7%) in 2016 and remain constant through 2018.
- Interfund charge revenues are expected to increase annually through 2018. Included in this line are the revenues associated with the environmental bond issuances as well as the bond issuances made by the County for the sewers. It is the sewer line within this object code that is experiencing the rapid increase annually. The County plans to issue \$50 million annually throughout the MYP.
- Federal aid is held constant throughout the plan at \$4.8 million.

The primary mission of the District Attorney’s Office is to provide for the safety and security of the residents of Nassau County by investigating and prosecuting crime. The Office was established pursuant to the provisions of Section 700, County Government Law and consists of trial bureaus, investigative bureaus and an administrative bureau.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	357	361	375	368	373	(2)	-0.5%	5	1.4%
Part-Time and Seasonal	2	4	0	5	3	3	*****	(2)	-40.0%
Salaries	\$30,555,715	\$28,817,925	\$29,054,886	\$29,255,992	\$31,152,944	\$2,098,058	7.2%	\$1,896,952	6.5%
Equipment	70,280	75,496	75,500	75,500	75,500	0	0.0%	0	0.0%
General Expenses	871,253	990,268	1,002,300	1,002,300	1,013,300	11,000	1.1%	11,000	1.1%
Contractual Services	868,935	922,336	1,281,608	1,281,608	1,407,679	126,071	9.8%	126,071	9.8%
<b>Total</b>	<b>\$32,366,183</b>	<b>\$30,806,026</b>	<b>\$31,414,294</b>	<b>\$31,615,400</b>	<b>\$33,649,423</b>	<b>\$2,235,129</b>	<b>7.1%</b>	<b>\$2,034,023</b>	<b>6.4%</b>

**Expenses**

- The FY 15 proposed expense budget for the District Attorney is increasing by \$2.2 million, or 7.1%, budget to budget and \$2.0 million, or 6.4%, when compared to OLBR’s FY 14 projection.
- Salaries are the main reason for the hike in expenses. They will be \$2.1 million more than those of FY 14 due to contractual increases for members of the CSEA as well as adjustments for non-union employees.
  - Funding for overtime in FY 15 is increasing by \$100,722, to \$1.0 million. Actuals for overtime have fluctuated since 2009 from \$676,997 to about \$979,951 in 2013, and on the whole, has been gradually increasing.
  - Terminal leave will be increasing in the proposed budget by \$70,218 to \$597,481.
  - The addition of \$639,196 centralized in the payroll adjustment code is offset by savings of initiatives of \$213,690.

**Expenses, Cont.**

- Headcount is declining by two budget to budget but gaining five when compared to the OLBR FY 14 projections.
- General expenses in FY 15 are growing by \$11,000 budget to budget. Included in general expenses are investigative expenses which consist of witness protection, surveillance. Witness protection costs to finance efforts to protect witnesses from threats are used to cover temporary lodging, food, relocation expenses and transportation.
  - The general expenses budget also includes office and educational and training supplies.
- The FY 15 budget of \$1.4 million for contractual services, increased by \$126,071, and includes the cost for state-mandated court reporters, grant counseling, Westlaw (a legal subscription service), Pitney Bowes (postal machinery service and maintenance), IPBA administrative expense reimbursement and expert witnesses.
  - An increase of \$92,071 is for the New Dawn Case Management System Maintenance agreement. This system is anticipated to go live December 2014 and the full year's maintenance charges become payable when the system is operational.
  - Additionally, the growth of \$34,000 in miscellaneous contractual services is related to two contracts that were previously funded through grants but the funding by New York State has been eliminated.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$5,000	\$3,000	\$0	\$0	\$0	\$0	*****	\$0	*****
Rents & Recoveries	362,656	11,173	0	174,388	0	0	*****	(174,388)	-100.0%
Dept Revenues	38,096	47,261	12,000	12,000	12,000	0	0.0%	0	0.0%
Interdept Revenues	366,454	369,348	372,327	372,327	270,033	(102,294)	-27.5%	(102,294)	-27.5%
Interfund Charges Rev	275,000	275,000	275,000	275,000	275,000	0	0.0%	0	0.0%
Fed Aid-Reimb of Exp	28,651	32,056	30,600	30,600	30,600	0	0.0%	0	0.0%
State Aid-Reimb of Exp	62,793	69,793	62,800	62,800	69,100	6,300	10.0%	6,300	10.0%
<b>Total</b>	<b>\$1,138,650</b>	<b>\$807,630</b>	<b>\$752,727</b>	<b>\$927,115</b>	<b>\$656,733</b>	<b>(\$95,994)</b>	<b>-12.8%</b>	<b>(\$270,382)</b>	<b>-29.2%</b>

**Revenues**

- The District Attorney’s proposed revenue budget is declining by 12.8% from \$752,727 in FY 14 to \$656,733 in FY 15.
- The elimination of revenue in rents & recoveries in the Adopted FY 14 was due to the Administration’s policy whereby grant revenues are considered an offset or reduction of expenses in the General Fund, rather than revenue. The OLBR projection of \$174,388 represents a recovery of prior year appropriations.
- Interdepartmental revenue, decreasing by \$102,294 in FY 15, is for DSS reimbursements to the DA to investigate and prosecute abuse cases referred by Child Protective Services. Additionally, it includes funding for investigation and prosecution of alleged fraud in social services programs referred by DSS. The FY 15 allocation reflects the reduction in funding in the Department of Social Services.
- Federal aid, budgeted at \$30,600, is remaining flat with FY 14 levels. This is U.S. Drug Enforcement Administration (DEA) funding for investigator overtime in cases where the DA collaborates with that agency. The District Attorney’s Office submits claims for the amount of overtime worked with the DEA State and Local Task Force to the State of New York.
- State aid budgeted at \$69,100 in FY 15 represents reimbursement for a portion of the District Attorney’s salary under the District Attorney Salary Support Program. This is a grant program administered by the New York State Division of Criminal Justice Services.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	139	154	139	169	169	30	21.6%	0	0.0%
Part-Time and Seasonal	77	90	0	77	0	0	*****	(77)	-100.0%
Salaries	\$13,183,670	\$13,203,421	\$14,529,299	\$14,742,164	\$14,866,695	\$337,396	2.3%	\$124,531	0.8%
Equipment	28,985	103,189	112,500	112,500	112,500	0	0.0%	0	0.0%
General Expenses	1,883,215	1,977,715	2,252,400	2,252,400	2,371,403	119,003	5.3%	119,003	5.3%
Contractual Services	401,363	335,831	725,082	725,082	606,600	(118,482)	-16.3%	(118,482)	-16.3%
<b>Total</b>	<b>\$15,497,233</b>	<b>\$15,620,156</b>	<b>\$17,619,281</b>	<b>\$17,832,146</b>	<b>\$17,957,198</b>	<b>\$337,917</b>	<b>1.9%</b>	<b>\$125,052</b>	<b>0.7%</b>

**Expenses**

- Expenses are up 1.9% in the proposed budget, from \$17.6 million in FY 14 to \$18.0 million in FY 15. The Board of Elections’s proposed expenses are 0.7% above the latest projection.
- Salary expenses in the proposed budget are up 2.3%, or \$337,396, from the FY 14 budget. Compared to the current projection, salary expenses are up 0.8%, or \$124,531.
- A few main factors are responsible for the growth in the Board’s salary budget. The proposal includes an additional \$425,000 for part-time and seasonal employees and accounts for step and COLA increases that CSEA members are entitled to in FY 15. The proposed headcount has been adjusted to account for employees who are currently on board but were not included in the FY 14 budget.
  - According to the department, New York State Election Law Title III Section 300, Election Personnel, grants the Board autonomy over all personnel and staffing matters, under the condition that the Board spends within its appropriation from the County Legislature.
  - The Administration has built a \$605,714 accounting adjustment into the salary budget. According to the Administration, this adjustment is being made to encourage the Board to keep personnel costs in line with current County-wide trends. It is not clear if this adjustment is consistent with requisite New York State election law.
- The Board of Elections receives funding to hire part-time and seasonal staff, but is not assigned a headcount for these employees. Funding for part-time and seasonal employees is up 1.1% in the proposed budget, from \$4.1 million in FY 14 to \$4.2 million in FY 15. As of September 1, 2014, there have been 77 part-time and seasonal positions onboard over the course of the year.
- Proposed equipment expenses are in line with the FY 14 budget and the latest projection.



**Expenses, cont.**

- Compared to the Adopted FY 14 Budget, general expenses in the proposal are up 5.3%, or \$119,003. Increased postage delivery (\$172,850) and equipment maintenance and rental (\$176,353) costs are offset by reduced rent and copying and blueprint supply expenses.
  - Equipment rental and maintenance expenses are being increased to compensate for the expiration of the warranty on the County’s electronic voting equipment. The increase covers the cost of preventative maintenance and equipment upgrades.
  - In the FY 14 budget, about \$200,000 was eliminated from the Board’s postage delivery allocation. The adjustment to the FY 15 postage delivery budget indicates that the FY 14 plan may have been too aggressive.
- Proposed contractual service expenses are down 16.3%, or \$118,482, from \$725,082 in FY 14 to \$606,000 in FY 15. The State requires the County to maintain an electronic voter database and a virtual private network uplink with the State Board of Elections. The FY 15 cost for this contract is increasing to \$165,375. This growth is being offset by reduced equipment transportation costs.
- As the chart below demonstrates, expenses across all control centers are up \$0.3 million budget to budget. The \$1.5 million increase in the General Election Control Center is offset in part by decreases in the Administration (\$0.4 million) and Primary Elections (\$0.8 million) Control Centers. The following expense items contribute to the growth in the General Elections Control Center’s budget:
  - As previously mentioned, postage delivery and equipment maintenance and rental costs increase \$172,250 and \$176,353, respectively.
  - The proposal adds 26 full-time Election Clerks and five full-time Data Entry Operators. Most of these employees are currently on payroll but were not accounted for in the FY 14 budget.
  - The proposed part-time and seasonal clerk budget increases 38.6%, from \$1.1 million in FY 14 to \$1.5 million in FY 15.
  - The aforementioned \$605,714 accounting adjustment is housed in the General Election Control Center.

Control Center	Historical		2014	2015	Exec. vs. Adopted	
	2012	2013	Adopted Budget	Exec. Budget	Var.	%
Administration	\$3.4	\$3.4	\$3.5	\$3.1	-\$0.4	-11.1%
General Elections	9.4	10.6	11.4	12.9	1.5	13.2%
Primary Elections	2.7	1.6	2.7	1.9	-0.8	-29.1%
<b>Total</b>	<b>\$15.5</b>	<b>\$15.6</b>	<b>\$17.6</b>	<b>\$18.0</b>	<b>\$0.3</b>	<b>1.9%</b>

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$89,100	\$124,064	\$120,000	\$120,000	\$120,000	\$0	0.0%	\$0	0.0%
Dept Revenues	48,174	63,223	35,000	35,000	35,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$137,274</b>	<b>\$187,287</b>	<b>\$155,000</b>	<b>\$155,000</b>	<b>\$155,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>

**Revenues**

- The proposed revenue budget is in line not only with the Adopted FY 14 Budget but also the current projection.
- The Board of Elections generates most of its revenue by renting out voting machines to other municipalities. This revenue source is expected to generate \$120,000 in 2015.
- Proposed departmental revenues are flat compared to the Adopted FY 14 budget.
  - The Board of Elections collects fees for the sale of a variety of data, such as forms, reports, and maps.
  - According to State law, the Board cannot generate a profit for this service but may charge for the cost of producing such data.
- In the Multi-Year Plan (MYP), the Administration has identified a revenue opportunity in the Board of Elections that would help address the County’s structurally imbalanced budget. State election law allows the County to seek reimbursement for costs associated with holding an election on behalf of another municipality (e.g. city, town, village, special district) during a time period outside the fall primary or general elections. If the County were to enforce this law, the Administration estimates that Nassau may be eligible for up to \$2.0 million in annual reimbursement

The mission of the Nassau County Emergency Management Office (OEM) is to maintain a high level of preparedness, to reduce the vulnerability of the populace and property of the County resulting from natural, technological or civil disasters, to provide prompt and efficient services to persons victimized by disaster, provide for rapid and orderly restoration and recovery following disasters, and to effectively educate the public regarding actions they can take before, during and after a disaster strikes the County.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	8	9	9	10	11	2	22.2%	1	10.0%
Part-Time and Seasonal	0	1	1	1	1	0	0.0%	0	0.0%
Salaries	\$477,455	\$573,839	\$827,773	\$869,095	\$1,036,253	\$208,480	25.2%	\$167,158	19.2%
General Expenses	6,849	1,481	15,500	15,500	11,200	(4,300)	-27.7%	(4,300)	-27.7%
Contractual Services	97,010	0	0	0	0	0	*****	0	*****
Interfund Charges	0	0	0	0	700,000	700,000	*****	700,000	*****
<b>Total</b>	<b>\$581,314</b>	<b>\$575,319</b>	<b>\$843,273</b>	<b>\$884,595</b>	<b>\$1,747,453</b>	<b>\$904,180</b>	<b>107.2%</b>	<b>\$862,858</b>	<b>97.5%</b>

**Expenses**

- The Proposed FY 15 Budget of \$1.7 million has grown by \$904,180, or 107.2%, from the 2014 Adopted Budget and increases by \$862,858 from OLBR’s projection.
  - Salaries are increasing by \$208,480, or 25.2%, compared to the prior year’s budget and \$167,158 when compared to OLBR’s projection. This is attributed to additional positions included in the budget and the impact of the Civil Service Employees Association Labor Agreement Approved in April 2014.
  - The FY 15 full-time headcount in comparison to FY 14 has increased by two positions and one compared to OLBR’s September headcount. The change is due to the addition of one Community Service Representative and the hire of one Director of Emergency Planning.
  - The FY 15 budgeted part-time headcount remains unchanged from the Adopted 2014 Budget.
- The general expense budget has declined marginally by \$4,300 for FY 15 which is due to a decrease in communication supplies and maintenance expenses offset by new allocations for clothing and uniform supplies and meeting expenses.
- The OEM budget has allocated \$700,000 for interfund charges for the first time. This represents funding to reimburse Nassau Community College for the tuition payments made on the behalf of the County’s volunteer firefighter tuition assistance program.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$72,738	\$40,750	\$0	\$0	\$0	\$0	*****	\$0	*****
Fed Aid-Reimb of Exp	609,773	487,103	778,663	778,663	726,080	(52,583)	-6.8%	(52,583)	-6.8%
<b>Total</b>	<b>\$682,512</b>	<b>\$527,853</b>	<b>\$778,663</b>	<b>\$778,663</b>	<b>\$726,080</b>	<b>(\$52,583)</b>	<b>-6.8%</b>	<b>(\$52,583)</b>	<b>-6.8%</b>

**Revenues**

- The FY 15 Proposed Budget allocates \$726,080 for Federal Aid, a decrease of \$52,583 or 6.8% compared to FY 14.
  - The decrease is attributed to the one time funding of \$40,000 received from FEMA that was reflected in FY 14. In addition there is a reduction of \$12,583 in funding for the Homeland Security grant reimbursement of salaries expensed in OEM that equates to \$215,558 in FY 15. The remaining \$510,522 in revenue reflects the Emergency Management Performance Grant (EMPG) that reimburses 52% of qualifying salaries within the department.



Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	97	91	95	93	93	(2)	-2.1%	0	0.0%
Part-Time and Seasonal	30	31	17	36	17	0	0.0%	(19)	-52.8%
Salaries	\$10,345,715	\$10,353,880	\$10,196,409	\$10,279,609	\$10,947,125	\$750,716	7.4%	\$667,516	6.5%
Fringe Benefits	4,156,124	5,067,439	5,041,677	4,761,607	5,150,492	108,815	2.2%	388,885	8.2%
Equipment	402	12,500	29,000	29,000	26,500	(2,500)	-8.6%	(2,500)	-8.6%
General Expenses	75,507	173,139	232,300	357,300	252,800	20,500	8.8%	(104,500)	-29.2%
Contractual Services	4,244,593	4,568,730	5,611,500	5,486,500	4,925,995	(685,505)	-12.2%	(560,505)	-10.2%
Debt Svc. Chargebacks	277,913	279,614	295,935	295,935	282,286	(13,649)	-4.6%	(13,649)	-4.6%
Inter-Dept. Charges	1,822,223	1,880,388	2,158,663	2,158,663	2,328,298	169,635	7.9%	169,635	7.9%
Interfund Charges	61,492	1,065	0	0	0	0	*****	0	*****
Trans To General Fund	0	1,252,082	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$20,983,969</b>	<b>\$23,588,837</b>	<b>\$23,565,484</b>	<b>\$23,368,614</b>	<b>\$23,913,496</b>	<b>\$348,012</b>	<b>1.5%</b>	<b>\$544,882</b>	<b>2.3%</b>

**Expenses**

- The FY 15 proposed expense budget is growing slightly from the Adopted FY 14 Budget by \$348,012, or 1.5%, to \$23.9 million due to increases in salaries, fringe benefits, general expenses and interdepartmental charges.
- Salaries are going up budget to budget by \$750,716, or 7.4%, as a result of the recently negotiated CSEA contract which includes COLAs of 3.75%, effective July 2015 and step increases on September 1, 2015. Additionally, overtime is increasing by \$176,000.
  - The overtime budget of \$2.1 million is a more realistic allocation than those of previous years. The department is projecting a deficit of approximately \$160,000 in FY 14 due to the salary increases from the recently settled CSEA agreement which directly leads to higher overtime costs.
- The department consistently exceeds its overtime budget. From 2007 through 2013, overtime has surpassed the budget.
- Budgeted headcount is decreasing by two full-time positions over the current budget.
  - The decline of two in full time headcount includes a Fire Marshal and an Emergency Medical Services Instructor plus a Fire Commission Technician offset by the addition of a Community Services Rep.
  - The department noticed a discrepancy when comparing the OLBR projected and the proposed part-time headcount. The difference of 19 is Emergency Medical Services Instructors Part-time that should be included in

**Expenses, Cont.**

the part-time headcount. The associated salaries with these positions are factored into the salary line. The inclusion of the 19 part-time instructors for FY 15 will bring the part-time and seasonal headcount level with the OLBR projected. A technical adjustment will be made at the time the budget is adopted.

- Fringe benefits are increasing by \$108,815, or 2.2%, to \$5.2 million for FY 15 Proposed Budget. Compared to the FY 14 projection, fringe expenses have a growth of \$388,885, or 8.2%, due to rising health insurance and social security costs.
- General expenses are increasing by \$20,500 due to growths in miscellaneous supplies and expenses and traveling expense offset by declines in postage and equipment maintenance and rental.
  - Every Fire Marshal, by job requirement, is a New York State Code Enforcement Official (NYSCEO). All CEO's must complete 24 hours a year of in-service training and for this reason the department must pay a membership fee.
- Contractual services are declining \$685,505 in FY 15 to \$4.9 million. The largest contract is \$4.1 million for the Vocational Education and Extension Board (VEEB) contract.
  - In addition to the VEEB contract, contractual services also includes the following contracts:
    - Veterinarian care for the department's canine.
    - Contract with Nassau University Medical Center to provide OSHA medical examinations for Fire Marshal personnel who respond to fire or hazardous emergencies.
    - Contract with Eastern Communications For Fire Communications Emergency Dispatch.
- Inter-departmental charges are increasing by \$169,635 as a result of growths in postal charges, fleet maintenance charges and building occupancy charges which are offset by reductions in gasoline charges, telecommunication charges and indirect charges.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Invest Income	0	5	0	24	0	0	*****	(24)	-100.0%
Rents & Recoveries	2,513	7,210	0	820	0	0	*****	(820)	-100.0%
Dept Revenues	5,921,904	7,440,974	7,475,600	7,475,600	7,725,600	250,000	3.3%	250,000	3.3%
Interfund Charges Rev	0	0	0	0	190,703	190,703	*****	190,703	*****
Interfund Transfers	420,000	0	0	0	0	0	*****	0	*****
State Aid-Reimb of Exp	128,031	139,095	145,000	145,000	145,000	0	0.0%	0	0.0%
Property Tax	15,254,563	15,258,511	15,944,884	15,944,884	15,852,193	(92,691)	-0.6%	(92,691)	-0.6%
<b>Total</b>	<b>\$21,727,011</b>	<b>\$22,845,795</b>	<b>\$23,565,484</b>	<b>\$23,566,328</b>	<b>\$23,913,496</b>	<b>\$348,012</b>	<b>1.5%</b>	<b>\$347,168</b>	<b>1.5%</b>

**Revenues**

- The proposed FY 15 revenue budget is increasing by \$348,012, or 1.5%, due to a 3.3% growth in departmental revenue and interfund charges revenue.
  - Departmental revenue is increasing by \$250,000 and the growth is related to the additional licenses that were established during FY 14. These licenses are for those who install and maintain fire sprinklers and for those who clean and inspect kitchen grease hoods. The department projects, that as a result of these additional fees, the revenue target will be achieved.

- State aid is remaining flat with the FY 14 budget.
  - State aid is made up of tuition reimbursements from New York State for teaching emergency medical courses for emergency service providers who serve the communities within Nassau County.
- Property taxes are declining by \$92,691 compared to the FY 14 budget. This is a result of a reallocation of the property tax levy among the major funds.



**Accelerated Plan Reviews, Tests and Inspections**

In 2011, the Fire Commission decided to increase the accelerated plan reviews and accelerated tests and inspections from \$180 to \$300 fee per test. The increase was introduced as a local law and approved by the Legislature in August 2012. The law became effective in February 2013. The Fire Marshals must perform the tests on overtime and return the plans to the contractor within ten days. Contractors pay the fee for the plan review plus the overtime rate. The overtime rate is based on a minimum of four hours of a Fire Marshal's top salary step.

**Fees**

The Fire Commission collects fees generated from mandatory compliance testing under a variety of state and local public safety laws and from educational fees associated with Emergency Medical Training courses that are offered to the public. Examples of article fees collected include fire alarms, smoke alarms, sprinkler system, bulk storage, and emergency light testing fees. In FY 12, the legislature approved a local law that increases fire alarm permits an additional \$25.00 and emergency light and generator tests between \$95.00 and \$145.00. As mentioned previously, two new license fees were implemented in FY 14 which are expected to generate an additional \$250,000 in FY 15. The licenses are for installers and maintainers of fire sprinklers and inspectors and cleaners of kitchen grease hoods.



The Department of Health was established in 1938 pursuant to Article IX of the County Government Law, and operates under the New York State Public Health Law and Title 10 of the Official Compilation of Codes, Rules and Regulations of the State of New York. The members of the Board of Health oversee all activities and staff.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	167	169	173	171	170	(3)	-1.7%	(1)	-0.6%
Part-Time and Seasonal	27	24	34	28	34	0	0.0%	6	21.4%
Salaries	\$13,288,585	\$13,087,645	\$13,874,046	\$14,471,226	\$14,726,942	\$852,896	6.1%	\$255,716	1.8%
Equipment	9,450	55,020	53,000	53,000	53,000	0	0.0%	0	0.0%
General Expenses	1,001,999	1,036,140	1,431,050	1,431,050	1,331,050	(100,000)	-7.0%	(100,000)	-7.0%
Contractual Services	275,715	298,830	402,330	402,330	392,330	(10,000)	-2.5%	(10,000)	-2.5%
Var Direct Expenses	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	0	0.0%	0	0.0%
Inter-Dept. Charges	6,161,857	6,144,907	5,965,837	5,965,837	6,520,845	555,008	9.3%	555,008	9.3%
Early Int./Special Ed	148,864,247	137,060,435	139,500,000	130,000,000	135,000,000	(4,500,000)	-3.2%	5,000,000	3.8%
<b>Total</b>	<b>\$174,601,854</b>	<b>\$162,682,978</b>	<b>\$166,226,263</b>	<b>\$157,323,443</b>	<b>\$163,024,167</b>	<b>(\$3,202,096)</b>	<b>-1.9%</b>	<b>\$5,700,724</b>	<b>3.6%</b>

### Expenses

- Total expenditures are decreasing by \$3.2 million or 1.9% compared to the FY 14 budget due mostly to a decrease in Provider Payments expenses (PP) for Children's Early Intervention and Pre-school Education services. Compared to the FY14 projection, expenses are increasing by \$5.7 million or 3.6% due to PP expenditures, interdepartmental charges and salaries.
- The \$4.5 million decrease in Provider Payments compared to the FY 14 budget results from a \$4.0 million reduction in Pre-school Education Services and a \$500,000 reduction in Children's Early Intervention Services. In the Pre-school Education program, children are receiving fewer high cost services such as Special Education Itinerant Teachers (SEIT) services, which is being offset by additional caseloads in lower cost services such as speech and physical therapy. The decrease in Children's Early Intervention results from a higher number of children receiving Medicaid reimbursement in lieu of County funds.

**Early Intervention Provider Payments**

The historical reduction in Provider Payments from 2012 is primarily due to reduced Children's Early Intervention Services expenditures related to changes with New York State payment procedures. As of April 1, 2013, the State revised Public Health Law to allow providers to seek reimbursement from third party payers with the remaining portion of reimbursement from the County. Prior to this sequence change, provider claims were paid by the County, and both Medicaid and Third Party reimbursement were made directly to the County, not to the Provider. The Health Department now processes provider payments (PP) through a New Yorks State Fiscal Agent. The payments are paid (net) after reimbursement of Medicaid and Third Party insurance.

- Salaries are increasing by \$852,896 or 6.1% compared to the FY 14 budget and by \$255,716 or 1.8% compared to the FY 14 projection.
  - The salary increase is due to Cost of Living Adjustments and steps from the recently negotiated Civil Service Employees Association (CSEA) agreement. The FY 2015 budget includes a 3.75% COLA effective July 2015 and a step increase on September 1, 2015. This is in addition to the 3.5%

COLA and step increase CSEA employees received effective as of April 1, 2014.

- The salary increase would have been greater but is being offset by a decrease of three full-time employees, the elimination of retroactive pay, and savings from employees electing to take the (CSEA) Voluntary Separation Incentive Program.
- As a result of the CSEA VSIP, the department lost three Sanitarians, a Public Health Nurse, an Early Intervention Service Coordinator and an Accountant. This has been offset by the addition of an Environmental Sanitarian, a Clerk, a Medical Social Worker, and a Community Service Assistant.
  - Per the department, it is meeting State mandates in spite of the low headcount levels by creatively implementing efficiencies and organizational restructuring. For example the department has been cross-training their staff on various responsibilities, in order to obtain optimal production.
- The chart on the next page details the full-time and part-time positions for the FY 14 Adopted Budget, the September 1, 2014 staffing level, the FY 15 Departmental Request, and the FY 15 Proposed Budget:

Expenses, Cont.

Staffing Analysis						
	<u>FY 14</u>	<u>Sept-14</u>	<u>FY 15</u>	<u>FY 15</u>	<u>Exec. vs</u>	<u>Exec. vs</u>
	<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>14 Adopt</u>	<u>Actual</u>
<b>CC Full-time Staffing</b>						
10 Administration	25	23	25	24	(1)	1
20 Environmental Health	76	76	79	75	(1)	(1)
30 Public Health Laboratories	11	11	11	11	0	0
40 Public Health	11	12	13	12	1	0
51 Childm Early Inter. Services	45	44	45	43	(2)	(1)
54 Pre-School Education	5	5	5	5	0	0
<b>Total Full-time</b>	<b><u>173</u></b>	<b><u>171</u></b>	<b><u>178</u></b>	<b><u>170</u></b>	<b><u>(3)</u></b>	<b><u>(1)</u></b>
<b>CC Part-time and Seasonal</b>						
10 Administration	10	8	10	10	0	2
20 Environmenal Health	23	18	23	23	0	5
30 Public Health Laboratories	0	0	0	0	0	0
40 Pubic Health	1	2	1	1	0	(1)
<b>Total Part-time and Seasonal</b>	<b><u>34</u></b>	<b><u>28</u></b>	<b><u>34</u></b>	<b><u>34</u></b>	<b><u>0</u></b>	<b><u>6</u></b>

- The one full-time budgeted decrease in the Administration control center is due the loss of an Accountant to the CSEA VSIP.
- The one full-time budgeted decrease in Environmental Health is due to loss of three Sanitarians to the VSIP, offset by the addition of a Sanitarian Trainee and one Clerk.
- The one full-time budgeted increase in the Public Health control center is due to the addition of a Medical Social Worker II and a Community Services Assistant offset by the loss of a Public Health Nurse to the VSIP.

**Expenses, Cont.**

- The full-time headcount budget for Children Early Intervention Services is decreasing due to the loss of an Early Intervention Services Coordinator and a Clerical Aide position.
- The FY 15 Proposed Budget for equipment remains unchanged at \$53,000. The budget includes copying, blueprint and communication equipment.
- General expenses are decreasing by \$100,000 to \$1.3 million in FY 15 due mostly to a decrease in medical supplies for Children’s Early Intervention Services. The department has achieved savings through discontinuance of the non-mandated Physically Handicapped Children’s program from 3 years ago and is now seeing the savings as participant’s age out.
- Contractual services are decreasing by \$10,000 to \$392,330 in the FY 15 Proposed Budget. The decrease results from eliminating the \$100,000 security contract at the Women, Infants and Children (WIC) Clinic, and a \$10,000 decrease from one less Hearing Officer. These reductions have been partially offset by an increase of \$48,000 in the Medicaid billing support contract, an additional \$49,000 for a new contract to provide an analysis to coordinate and consolidate the County’s school transportation needs and an increase of \$3,000 for OSHA physicals at Nassau University Medical Center.
- The FY 2015 contractual services budget of \$392,330 includes the following funding:

	<b>2014 Adopted Budget</b>	<b>2015 Proposed Budget</b>	<b>2015 vs. 2014 Variance</b>
<b>Heath Department Contracts</b>			
Children's Early Intervention Services & Preschool Educ.	34,000	34,000	0
Medicaid Billing Contract	99,330	147,330	48,000
Risk Management	100,000	0	(100,000)
Hearing Officers	80,000	70,000	(10,000)
North Shore Child Guidance	55,000	55,000	0
Lab Testing & Maintenance in Public Health Lab	10,000	10,000	0
Nassau University Medical Center for OSHA physicals	14,000	17,000	3,000
Spanish Food Manager Course Instructor	10,000	10,000	0
Transportation Study	0	49,000	49,000
<b>Subtotal Contracts</b>	<b>402,330</b>	<b>392,330</b>	<b>(10,000)</b>

**Expenses, Cont.**

- The various direct expenses line is made up of the \$5.0 million for contracted Public Health Services to the Nassau Health Care Corporation.
- Inter-departmental charges are increasing by \$555,008, or 9.3% to roughly \$6.5 million. The increase is due mostly to increased building occupancy charges.

Expenses by Control Center						
(\$'s in millions)						
Control Center	Historical		2014	2015	Exec. vs. Adopted	
	2012	2013	Adopted Budget	Exec. Budget	Var.	%
Administration	\$7.4	\$7.1	\$7.2	\$7.6	\$0.4	5.2%
Public Health	6.0	6.2	6.7	6.7	-0.1	-0.9%
Environmental Health	6.7	6.6	7.0	7.5	0.5	6.7%
Public Health Laboratories	1.5	1.7	1.6	2.0	0.3	20.1%
Childm Early Inter. Services	45.0	35.0	31.8	31.3	-0.4	-1.3%
Pre-School Education	108.0	106.1	111.9	108.1	-3.9	-3.5%
<b>Total</b>	<b>174.6</b>	<b>162.7</b>	<b>166.2</b>	<b>163.0</b>	<b>-3.2</b>	<b>-1.9%</b>

- Children Early Intervention coordinates programs for children (ages 0-3) with special health needs. The \$419,000 decline in this control center is due to a higher number of children receiving Medicaid reimbursement in lieu of County funds.
- Pre-school Education is devoted to providing special needs to pre-school children (ages 3-5) with special services such as

speech, physical therapy and occupational therapy. The \$3.9 million decrease in this control center is due to reductions in the cost for center based programs, transportation costs, and SEIT (Special Education Itinerant Teachers). This decrease is discussed in more detail further in the document.

- The Administration control center is increasing by roughly \$400,000 due to an increase in interdepartmental charges, salaries and miscellaneous office supplies.
- The budget for Environmental Health is increasing by approximately \$500,000 to \$7.5 million due to an increase in salaries. Environmental Health protects the community from adverse effects resulting from environmental pollution, unsanitary conditions or unsafe practices.
- The 20.1% increase in the Public Health Lab is due to an increase in building occupancy charges from interdepartmental charges.

The historical decline from 2012 in the Children’s Early Intervention Services control center is primarily due to a reimbursement reporting change in the New York State Public Health Law. The Health Department now seeks reimbursement of Early Intervention expenditures from New York State net of Third Party revenue and Medicaid. Prior to this change, providers received full payment from the County which included the reimbursement from third party insurers.

**Expenses, Cont.**

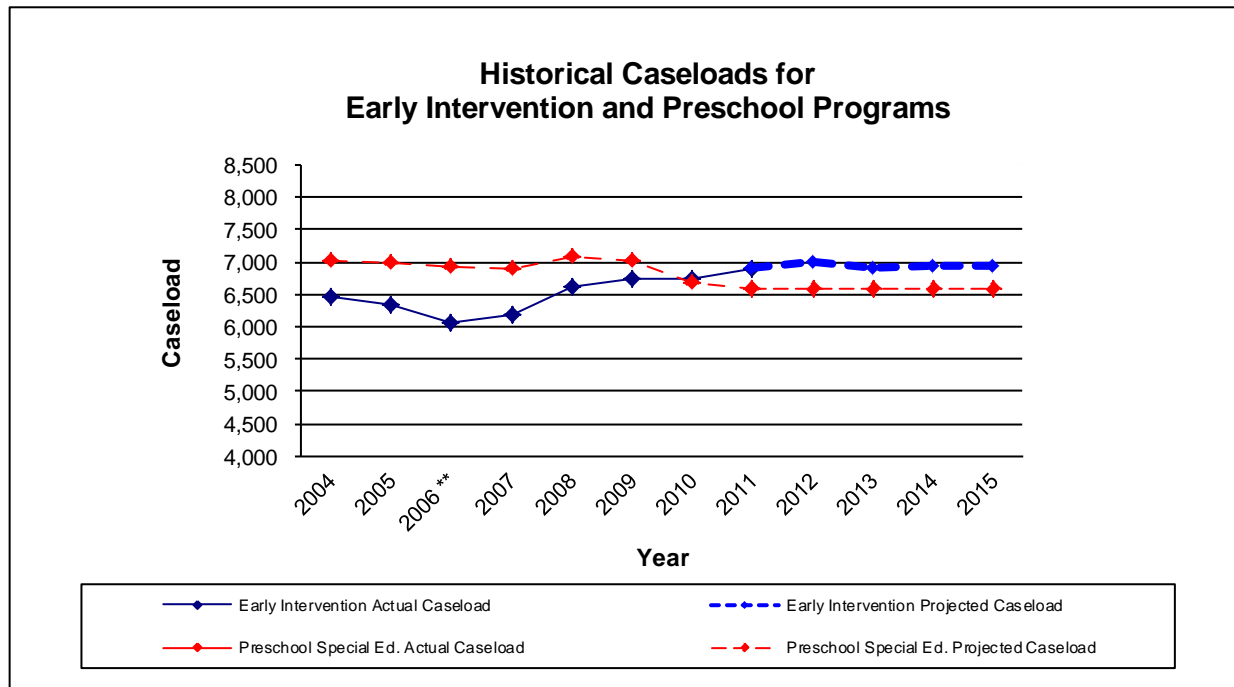
- The control center for Pre-school Education, which is devoted to providing special need services to Pre-school children, is the largest component of the Health Department Budget.
- This control center is budgeted for \$108.1 million in FY 15, which is a \$3.9 million decrease compared to FY 14. The decrease in the control center is due to decreases in authorized school district services for pre-school center based programs, Special Education Itinerant Teachers (SEIT) services and transportation costs. The following chart details the breakout in this control center:

<b>Pre-school Education Services</b>			
<b>Title</b>	<b>FY 14 Adopted Budget</b>	<b>FY 15 Proposed Budget</b>	<b>FY15 vs FY14 Variance</b>
Salaries	314,284	326,683	12,399
General Expenses	2,100	2,100	0
Contractual Expenses	124,330	221,330	97,000
Pre-School (3-5 Years)	66,000,000	62,000,000	(4,000,000)
SEIT Services	10,000,000	7,000,000	(3,000,000)
Summer School Program (5-21 Years)	2,300,000	3,500,000	1,200,000
Preschool Related Services	11,000,000	13,000,000	2,000,000
Transportation Pre-School (3-5 Years)	16,000,000	15,700,000	(300,000)
Evaluations- Pre-School	3,000,000	3,000,000	0
CPSE Administration Costs	2,900,000	3,000,000	100,000
CPSE Consultants	300,000	300,000	0
	<b>111,940,714</b>	<b>108,050,113</b>	<b>(3,890,601)</b>

- As reflected above, the decrease of \$4.0 million in the Pre-school program is the result of school districts authorizing less costly services in the least restrictive environment under the guidance of the State Education Department. Under the least restrictive environment, children receive pre-school related education and therapy services at home or in special schools, at a less costly expense.
  - The FY 14 and FY 15 caseload is approximately 6,600 children, this has been revised down from last year's three year projection of 7,100. It is difficult for the department to project caseload figures since the State allows the school districts up to four years to submit authorization to the County.

- Special Education Itinerant Teachers (SEIT) services are decreasing by \$3.0 million to \$7.0 million. SEIT (one-to-one teaching services) are authorized in a more restrictive environment than Pre-school Related services. There has been a shift in services from less SEIT to increased Pre-school education related services, such as speech therapy.
  - Pre-school education related services are increasing by \$2.0 million since related services are authorized under a less restricted environment than SEIT one-to-one teaching services.
  - The FY 15 budget for summer school is increasing by \$1.2 million to \$3.5 million, which is more consistent with the projected FY 14 spending.
  - Evaluations for Pre-school remain unchanged at \$3.0 million. The department is working diligently to enforce stricter State Education Department guidelines to manage the program more efficiently.
  - Transportation is decreasing by \$300,000 to \$15.7 million in the proposed FY 15 budget. The transportation contracts with ACME Bus Corporation and WE Bus were recently negotiated resulting in reduced rates to the County. In addition, Medicaid reimbursement is now included in one-way transportation, so policy has been revised to encourage parents to transport their child one-way.
  - Committee on Pre-school Special Education (CPSE) administration is budgeted at \$3.0 million, an increase of \$100,000 from last years Adopted Budget. The Pre-school Special Education Program is administrated by individual school districts' committees on Pre-school education. The State bills the County based on cost reports that are submitted by the school districts.
  - The \$300,000 for the CPSE consultants cost is to pay for consultants to attend the school districts' committee meetings to ensure quality assurance. This amount remains unchanged compared to FY 14.
- The second largest budget is the Early Intervention program carrying \$31.3 million in expenses, a \$419,283 decrease compared to the current year's budget. The decrease is due a higher number of children receiving Medicaid reimbursement in lieu of County funds. Since the County now pays Provider Payments after third party revenue, the cost no longer reflects the Medicaid and third party insurance payments made from other insurance providers.

- The following chart provides historical and projected caseload data from FY 04 to the proposed budgeted FY 15 for the Early Intervention Program and the Pre-school Education Program.



- Under the Pre-school Education Program the caseload data from 2011-2015 are subject to revision since the years have not been closed. The FY 14 projected and FY 15 proposed budget assumes caseload figures at 6,930 for Early Intervention and 6,600 for Pre-school Education.



The Health Department has been working to streamline operations and create efficiencies. The department has either accomplished or is currently working towards implementation of the following initiatives:

### **Accomplished**

- DOH was awarded the National Association of County and City Health Officials (NACCHO's) prestigious Model Practice Award for Environmental Health Residential Development Protection Program. The department is one of 22 local Health department programs across the nation to receive this award.
- The Bureau of Minority Health was honored with a NACCHO Promising Practice Award for an initiative to implement dietary changes in communities at high risk for obesity and chronic diseases due to poor dietary habits.
- Strategic Plan and Community Health Assessment Plan, which is required for Accreditation and as part of NYS Department of Health Prevention agenda. The plan identifies the mission and plans for enhancement and improvements throughout the department.
- Communicable Disease Control received a competitive incentive award to increase timeliness and completeness of Communicable Disease reports submitted to New York State.
- Part of the Department relocated from rental space to County owned facilities.

### **In the Process of Implementing**

- DOH is working towards receiving the Nassau County Department of Health Accreditation with the Public Health Accreditation Board. The national initiative launched in 2011 and supported by the Centers for Disease Control and prevention and New York State.
- Transportation analysis of county-wide department needs in an effort to consolidate and effectively utilize scarce resources to maximize benefits.
- Environmental Health is working with our Information Technology department to accept registration and payment for manager's classes, and fines through the internet as well as implementing Tank Removal notification forms and payments through the internet.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Permits & Licenses	\$5,121,319	\$5,986,927	\$5,480,087	\$5,480,087	\$5,480,087	\$0	0.0%	\$0	0.0%
Fines & Forfeits	200,844	278,267	150,000	150,000	250,000	100,000	66.7%	100,000	66.7%
Rents & Recoveries	26,652,994	13,194,641	1,470,000	4,370,000	470,000	(1,000,000)	-68.0%	(3,900,000)	-89.2%
Dept Revenues	12,186,937	7,853,328	1,313,700	1,491,534	1,413,700	100,000	7.6%	(77,834)	-5.2%
Interfund Charges Rev	53,173	62,719	57,100	57,100	57,100	0	0.0%	0	0.0%
State Aid-Reimb of Exp	69,690,094	68,385,930	82,698,500	68,645,000	72,765,000	(9,933,500)	-12.0%	4,120,000	6.0%
<b>Total</b>	<b>\$113,905,361</b>	<b>\$95,761,812</b>	<b>\$91,169,387</b>	<b>\$80,193,721</b>	<b>\$80,435,887</b>	<b>(\$10,733,500)</b>	<b>-11.8%</b>	<b>\$242,166</b>	<b>0.3%</b>

## Revenue

- The proposed FY 15 revenue budget is decreasing by \$10.7 million, or 11.8% to \$80.4 million. The decrease is due to reductions in state aid and rents and recoveries.
- The FY 15 Proposed Budget for permits and licenses remains unchanged at \$5.5 million.
  - Permits and licenses include fees charged for the food establishment inspection program, hazardous materials registration fees under Article XI Program, day camp permits, realty subdivision filings, swimming pool and beach inspections, temporary residence inspections, cross connection control program, water supply plan review, and tattoo parlor.
- Rents and recoveries are decreasing by \$1.0 million to \$470,000.
  - In FY 12, \$26.7 million was recovered due to prior year disencumbrances related to Early Intervention and Pre-school authorizations with claims that never materialized from 2010, 2011 and 2012.
- The inter-fund charges revenue budget of \$57,100 is reimbursement for services received from the Grant Fund.
- The FY 15 Proposed Budget for Fines and forfeitures is 250,000.
  - Fines collected for violations include but is not limited to improper food handling, public swimming violations, improper storage of toxic and hazardous materials, the sale of tobacco products to minors, smoking in indoor facilities, sanitation violations, failure to maintain diagnostic x-ray equipment and records, day camp code violations, water quality violations and cross connection violations.

**Revenue, Cont.**

- The FY 15 budget for state aid is decreasing by \$10.0 million to \$72.8 million or 12.0%. The decrease is due to lower overall expenditures receiving reimbursement.
  - There is also a reduction in state aid received from the Children’s Early Intervention Program due to a change in New York State payment procedures that went into effect last year. The County no longer receives third party reimbursements prior to disbursing provider funds.
  - Compared to the FY 14 projection, state aid is increasing by \$4.1 million. The decrease in FY 14 results from prior period adjustments recorded by the State related to the Pre-school Education services. The State has adjusted prior year revenue to more accurately reflect finalized Pre-school Education

figures, which resulted in a reduction of revenue as previous years have been overstated.

- The department receives different reimbursement rates for state aid depending on the service provided:
  - The department receives 59.5% reimbursement for Pre-school eligible services.
  - The department receives 49.0% reimbursement for Early Intervention services for developmentally delayed children ages 1-3.
  - The department receives 36.0% reimbursement for Public Article 6 funding.



**Revenues, Cont.**

- Department revenue is increasing by \$100,000 or 7.6% to \$1.4 million in the FY 15 Proposed Budget. The chart below details departmental revenue by sub-object code.

<b>Departmental Revenues</b>			
<b>Revenue Source</b>	<b>FY 13 Actual</b>	<b>FY 14 Budget</b>	<b>FY 15 Proposed</b>
Miscellaneous Receipts	\$576,965	\$2,700	\$2,700
Fees	11,649	10,000	10,000
Early Intervention Services Coord Rev	82,477	0	100,000
Medicaid Receipts	(1,760,000)	80,000	0
Pre-School Medicaid	2,963,397	1,219,000	1,219,000
Medicaid Fees, E.I.	5,978,840	0	80,000
Disease Control	0	2,000	2,000
<b>Grand Total</b>	<b>\$7,853,328</b>	<b>\$1,313,700</b>	<b>\$1,413,700</b>

- The significant decline in department revenues from the FY 13 actual is due to the elimination of revenue generated from Medicaid and commercial insurance reimbursement for children receiving Early Intervention services. Disbursements of Medicaid fees related to Early Intervention service are no longer passed through Nassau County.

**Early Intervention Reimbursement**

As of April 1, 2013, the State revised their Public Health Law to allow providers to seek reimbursement from third party payers with the remaining portion of reimbursement from the County. Disbursements of Medicaid fees related to Early Intervention service are now made directly to the health care provider and not passed through Nassau County.

Previously to seek this reimbursement, the County would first bill third party insurance carriers, then secondly Medicaid. If the County was unsuccessful with third party carriers and Medicaid insurers, then the County would apply for state aid reimbursement.

The Nassau County Office of Housing and Community Development (OHCD) is the overall administrative agent for the Federal Community Development Block Grant Program (CDBG), HOME Investment Partnership Program and Housing Choice Voucher Program (Section 8), which are all funded through the U.S. Department of Housing and Urban Development (HUD). It is this department that upgrades, promotes and assists neighborhood developments established by the County. These funds are dedicated to eliminating blight and slums and helping social services programs such as youth counseling, senior citizen services, handicapped access and infrastructure improvements such as drainage projects and affordable housing. HOME funds are federal funds used for the construction or major rehabilitation of residential buildings for single or multiple dwelling units. The Housing Choice Voucher Program serves 9,500 (including 6,500 children) very low-income and/or disabled persons and senior citizens.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fed Aid-Reimb of Exp	\$431,533	\$842,920	\$436,120	\$439,358	\$370,750	(\$65,370)	-15.0%	(\$68,608)	-15.6%
State Aid-Reimb of Exp	151,869	56,021	234,780	87,871	74,150	(160,630)	-68.4%	(13,721)	-15.6%
<b>Total</b>	<b>\$583,402</b>	<b>\$898,941</b>	<b>\$670,900</b>	<b>\$527,229</b>	<b>\$444,900</b>	<b>(\$226,000)</b>	<b>-33.7%</b>	<b>(\$82,329)</b>	<b>-15.6%</b>

**Revenues**

- The OHCD has a Memorandum of Understanding (MOU) with the Department of Social Services (DSS) to provide staffing support services to assist in the Homeless Intervention and Employment program. DSS reimburses OHCD 65%, (50% federal and 15% state), for the expenses incurred (primarily salary and fringe benefits). The reimbursement originates from the State and is passed through DSS to OHCD.
- Federal and state aid is based on the reimbursement rate for the expenses for the aforementioned program, which in FY 2015 are \$741,500. According to OMB, a technical adjustment will be made to the state aid reimbursement line so that it will equal 15% of the expenses of \$741,500. The adjusted state aid will be \$111,200.
- After the adjustment is made to the state aid reimbursement line, the federal aid reimbursement and state aid reimbursement for FY 15 are declining 15.0% and 52.6%, respectively, budget to budget.
- The reduction in state aid is partially due to the end of residual payments for the Brownsfield Redevelopment project related to the Glen Cove Industrial Development initiative. The project was completed in 2012 but some residual payments were made in 2013 and 2014. The department is not expecting any reimbursements for the completed project in FY 15.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	12	12	12	14	14	2	16.7%	0	0.0%
Salaries	\$694,189	\$912,545	\$748,800	\$814,630	\$819,500	\$70,700	9.4%	\$4,870	0.6%
Fringe Benefits	14,278	0	0	0	0	0	*****	0	*****
General Expenses	0	0	2,000	2,000	2,000	0	0.0%	0	0.0%
Inter-Dept. Charges	145,140	165,381	137,868	137,868	156,433	18,565	13.5%	18,565	13.5%
<b>Total</b>	<b>\$853,607</b>	<b>\$1,077,926</b>	<b>\$888,668</b>	<b>\$954,498</b>	<b>\$977,933</b>	<b>\$89,265</b>	<b>10.0%</b>	<b>\$23,435</b>	<b>2.5%</b>

### Expenses

- The \$15.7 million in HUD funding for the CDBG, HOME, and the Emergency Solutions Grant Program (ESG) programs, the 40th program year is reflected in the Grant Fund, not the General Fund operating budget.
- The Nassau County OHCD is the local administrator for the New York State Division of Housing and Community Renewal (DHCR) Housing Choice Voucher Program (Section 8). Nassau County manages the distribution of over \$28.0 million in annual rent subsidies on behalf of Nassau County residents. This is also funded through the Grant Fund.
- The FY 15 expenditure budget is increasing by \$89,265 when compared to the Adopted FY 14 Budget and by \$23,435 in comparison to OLBR's FY 14 projection. This is a result of an increase in salaries and interdepartmental charges.
- Headcount levels in the FY 15 budget are remaining level when comparing OLBR's FY 14 projection but going up by two budget to budget. The positions are partially funded by the Homeless Intervention & Emergency Placement Program whose salaries are offset by federal and state aid reimbursements.
- It should be noted that as of September 2014 there are 51 full-time housing employees whose salaries are funded by grants. For the same time in FY 13 there were 54.
- Interdepartmental charges are growing due to increases in building occupancy charges, printing graphics and postage, IT charges and telecommunication charges.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	8	9	9	9	9	0	0.0%	0	0.0%
Part-Time and Seasonal	2	2	3	2	3	0	0.0%	1	50.0%
Salaries	\$583,139	\$591,526	\$739,354	\$749,596	\$863,328	\$123,974	16.8%	\$113,732	15.2%
General Expenses	8,363	7,419	38,600	38,600	18,600	(20,000)	-51.8%	(20,000)	-51.8%
Contractual Services	0	0	12,500	12,500	12,500	0	0.0%	0	0.0%
<b>Total</b>	<b>\$591,502</b>	<b>\$598,944</b>	<b>\$790,454</b>	<b>\$800,696</b>	<b>\$894,428</b>	<b>\$103,974</b>	<b>13.2%</b>	<b>\$93,732</b>	<b>11.7%</b>

**Expenses**

- The proposed 2015 expense budget increased by \$103,974, or 13.2%, compared to the 2014 Adopted Budget. This is due to an increase in the salaries line of 16.8% and a decrease in general expenses of -51.8%.
  - The increase in salaries is mainly due to the addition of \$100,428 in anticipated payroll adjustment.
    - The FY 15 budget reflects a change in title from a Human Resources Generalist position to a Manager of Human Resources title.
- General expenses are decreasing by \$20,000 for FY 15.
  - The reduced expenses are more reflective of historical trends.
  - The bulk of the \$20,000 decrease is a result of less copying, miscellaneous supplies and blueprint supplies.
- The Contractual services line is remaining flat when compared to both the Adopted FY 14 Budget and OLBR’s projections.
  - This expense line accounts for comprehensive compensation analysis and various training programs run by the department.

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		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	8	8	8	8	8	0	0.0%	0	0.0%
Part-Time and Seasonal	1	0	1	0	1	0	0.0%	1	*****
Salaries	\$513,560	\$512,774	\$548,518	\$578,699	\$577,668	\$29,150	5.3%	(\$1,031)	-0.2%
General Expenses	1,666	2,582	5,450	5,450	5,450	0	0.0%	0	0.0%
Contractual Services	10,050	0	11,000	11,000	10,000	(1,000)	-9.1%	(1,000)	-9.1%
<b>Total</b>	<b>\$525,277</b>	<b>\$515,356</b>	<b>\$564,968</b>	<b>\$595,149</b>	<b>\$593,118</b>	<b>\$28,150</b>	<b>5.0%</b>	<b>(\$2,031)</b>	<b>-0.3%</b>

**Expenses**

- The proposed expense budget is increasing by \$28,150 or 5.0% as compared to the FY 14 budget.
  - The \$29,150 salary increase is primarily due to a payroll adjustment of \$21,283 which is for the labor agreement reached with the Civil Service Employees Association.
- Contractual services line, which is used for outside council when cases are brought against the County, is decreasing marginally.



The Department of Human Services created in 2011 under Local Law # 4-11, consolidates 1) the Office of Mental Health, Chemical Dependency and Developmental Disabilities Services, 2) the Office of Aging, 3) the Office of the Physically Challenged and 4) the Office of Youth Services. The consolidation is intended to facilitate sharing and exchange of expertise, skill and information between the Health and Human Services departments. Each former department keeps its identity through separate responsibility centers within the Department of Human Services.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	79	74	77	69	70	(7)	-9.1%	1	1.4%
Part-Time and Seasonal	6	7	9	7	8	(1)	-11.1%	1	14.3%
Salaries	\$6,547,321	\$5,107,812	\$5,500,889	\$5,147,471	\$5,157,263	(\$343,626)	-6.2%	\$9,792	0.2%
Equipment	0	0	0	0	30,000	30,000	*****	30,000	*****
General Expenses	409,294	821,387	701,898	701,898	919,864	217,966	31.1%	217,966	31.1%
Contractual Services	26,662,600	24,346,385	25,913,873	25,913,873	26,552,331	638,458	2.5%	638,458	2.5%
Inter-Dept. Charges	3,474,059	3,537,266	3,571,363	3,571,363	3,774,107	202,744	5.7%	202,744	5.7%
<b>Total</b>	<b>\$37,093,274</b>	<b>\$33,812,850</b>	<b>\$35,688,023</b>	<b>\$35,334,605</b>	<b>\$36,433,565</b>	<b>\$745,542</b>	<b>2.1%</b>	<b>\$1,098,960</b>	<b>3.1%</b>

**Expenses**

- Expenses for the Department of Human Services are rising by \$745,542 or 2.1% for the 2015 Proposed Budget. The growth is attributed to increases in contractual services, general expenses and Interdepartmental charges offset by a reduction in salaries.
- Salaries are decreasing by \$343,626, or 6.2% compared to the FY 14 budget and increasing 0.2% compared to OLBR’s current projection. The majority of the decline in salaries results from reduced headcount offset by the County approved Labor Agreement with the Civil Service Employees Association (CSEA).
- All eligible CSEA members received steps and cost of living adjustments (COLAs) in FY 14 and will continue to receive adjustments each year through FY 17.
- The full-time headcount for FY 15 decreased by seven positions, budget to budget but increased by one when compared to OLBR’s projection. In addition the Department eliminated one part-time position from FY 14.
- The FY 15 general expense budget of \$701,898 grows by \$217,966. This increase is primarily due to a \$300,000 rise for court remands offset by reductions of \$23,134 for miscellaneous supplies and expenses, approximately \$12,000 for educational & training supplies and minimal decreases in other general expenses.

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**Expenses, Cont.**

- Court remands represents \$750,000 or 81.5% of the general expense budget.

**Court Remands**

The Department's annual budget for court remands consists of two budget lines.

Court remands to Nassau University Medical Center (NUMC) mandates individuals to receive a psychiatric evaluation as ordered by the Family Court. The Department bills the New York State Office of Mental Health (OMH) and receives 50% state aid reimbursement. The court order allows for a maximum of thirty days stay at the hospital. The Family Court will remand individuals to NUMC for inpatient psychiatric evaluations in instances when the court believes that the individual is a danger to themselves or others.

The Criminal Courts and occasionally Family Court will remand an individual to NYS psychiatric facilities. OMH bills Human Services at 50% of the net cost. Most court orders are for a minimum of 90 days although some are for a maximum of one year.

- Contractual services are increasing in FY 15 by \$638,458, or 2.5% due to growths in program funding for all Offices within Human Services.
  - The rise in funding includes an additional 282,072 for the Office of the Aging programs, \$123,789 for the Office of Mental Health, Chemical Dependency and Developmental Disabilities Services programs, and \$232,597 for Youth Services (see program charts on the following pages).
- Interdepartmental charges are greater for FY 15 by \$202,744 with a budget of \$3.8 million. This increase is primarily due to additional building occupancy charges.

**Expenses, Cont.**

**Office of the Aging Contracts**

<b>Contract / Vendor</b>	<b>Description of services</b>	<b>2014 Adopted Budget</b>	<b>2015 Proposed Budget</b>	<b>2015 Proposed vs. 2014 Adopted</b>
Catholic Charities	CSE	836,122	623,402	(212,720)
Catholic Charities	EISEP	1,115,719	1,115,719	0
Catholic Charities	Title IIIC-1 & Title IIIE	892,362	672,362	(220,000)
Catholic Charities	Title IIIC-2	1,211,167	1,191,549	(19,618)
Cornell Cooperative	Title IIID - Medical Mgmt.	29,413	29,613	200
Double Babcock	Title IIIB - Trans & Support	84,540	0	(84,540)
Double Babcock	Title IIIC-1 - Cong. Meals	115,757	0	(115,757)
EAC Network	CSI	30,900	30,900	0
EAC Network	Title IIIB, Title IIIC-1 & Title IIID	638,332	648,447	10,115
EAC Network	Title IIIC-2	241,131	237,893	(3,238)
Family & Children's Agency (FCA)	EISEP	930,735	930,735	0
Family & Children's Agency (FCA)	HEAP & SAFE	355,000	325,000	(30,000)
Family & Children's Agency (FCA)	Title IIIB Ombud, VII & LTCOP	184,032	199,632	15,600
Family & Children's Agency (FCA)	Title IIIC-1	292,877	252,000	(40,877)
Family & Children's Agency (FCA)	Title IIIB SFC & HIICAP	263,857	266,857	3,000
Friends in Service to Humanity (FISH)	CSE	13,019	13,499	480
Five Town	Title IIIC-1	125,763	124,923	(840)
Garden City Hotel	May Senior Conference & Luncheon	33,000	18,000	(15,000)
Glen Cove	Title IIIB, Title IIIC-1 & Title IIIE	356,342	360,782	4,440
Great Neck	Title IIIB & Title IIIC-1	241,869	243,299	1,430
Harmony	CSE	70,000	70,000	0
Helen Keller	Title IIIC-1 - Cong. Meals	37,701	0	(37,701)
Helen Keller	Title IIIB - Trans & Support	25,570	0	(25,570)
Herricks SC	CSE	81,648	81,648	0

**Expenses, Cont.**

**Office of the Aging Contracts**

<b>Contract / Vendor</b>	<b>Description of services</b>	<b>2014 Adopted Budget</b>	<b>2015 Proposed Budget</b>	<b>2015 Proposed vs. 2014 Adopted</b>
Herricks SD	Title IIIC-1 & Title IIIE	174,608	174,998	390
Hispanic Brotherhood	Title IIIC-1	32,348	32,348	0
Human Service outside audit review	Audits for aging, mental health and chemical dependency	80,000	80,000	0
EISEP Blanket	EISEP	3,174,117	3,174,117	0
JASA	EISEP	280,284	280,284	0
JASA	Long Beach	134,619	363,158	228,539
JASA	Title IIIC-2	352,451	340,078	(12,373)
JASA	No. Merrick	170,679	822,000	651,321
Long Island Alzheimer	Title IIIE	80,245	80,245	0
Life Enrichment	Title IIIB & Title IIIC-1	0	201,477	201,477
Nassau Suffolk Law	Title IIIB	237,953	239,953	2,000
Peninsula Counseling Center	Title IIIE & CSE	237,144	258,397	21,253
Salvation Army	Title IIIB, Title IIIC-1 & Title IIIE	349,413	348,628	(785)
Salvation Army	WIN (formerly SNAP)	82,345	82,345	0
Sid Jacobson	Title IIIE	98,299	98,299	0
Senior Citizens of Westbury Inc.	Title IIIC-1	21,224	21,559	335
Visiting Nurse Assoc. of Long Island, Inc.	WIN (formerly SNAP)	925,736	936,736	11,000
TBD	Title IIIC-1 - Cong. Meals	79,900	0	(79,900)
Funding Misallocation		202	0	(202)
Subtotal		14,718,423	14,970,882	252,459
Cornell Cooperative Ext.		0	29,613	29,613
<b>Total</b>		<b>14,718,423</b>	<b>15,000,495</b>	<b>282,072</b>

Expenses, Cont.**Office of Mental Health, Chemical Dependency and Development Disabilities Contracts**

<b>Contract / Vendor</b>	<b>2014 Adopted Budget</b>	<b>2015 Proposed Budget</b>	<b>2015 Proposed vs. 2014 Adopted</b>
Advocacy/Support Services	187,000	0	(187,000)
Angelo Mellilo Center for Mental Health	50,000	50,000	0
Assessment and Review	0	0	0
Assoc. for Children with Learning Disabilities	53,582	53,582	0
Assoc. for the Help for Retarded Children	675,632	675,632	0
Catholic Charities	50,000	50,000	0
Central Nassau Guidance	50,000	50,000	0
Community Counseling of W. Nassau	22,183	22,183	0
Family & Children's Association	438,994	553,974	114,980
Federation Employment Guidance Services (FEGS.)	50,000	0	(50,000)
FEGS Mental Hygiene Court	55,000	50,000	(5,000)
Hispanic Counseling	22,377	22,377	0
Hispanic Counseling Center	50,000	50,000	0
Long Beach Medical Center	41,996	0	(41,996)
Long Beach Reach	1,350	1,350	0
Long Beach School District	0	50,000	50,000
Long Island Crisis Center	0	187,000	187,000
Long Island Jewish Medical Center	42,628	42,628	0
Maryhaven Center of Hope	219,240	109,620	(109,620)
Mental Health Association of Nassau County	316,810	303,810	(13,000)

Expenses, Cont.

## Office of Mental Health, Chemical Dependency and Development Disabilities Contracts

Contract / Vendor	2014 Adopted Budget	2015 Proposed Budget	2015 Proposed vs. 2014 Adopted
Mercy Hospital Center	8,689	8,689	0
Nassau Health Care Corporation	818,370	818,357	(13)
North Shore Child & Family Guidance	828,520	828,520	0
North Shore Child & Family Guidance Center	50,000	50,000	0
North Shore Child & Family Guidance Center	26,556	26,556	0
Peninsula Counseling	25,469	25,469	0
South Shore Child Guidance	50,000	50,000	0
Southeast Nassau Guidance Center	36,739	36,739	0
SSCGA	26,423	26,423	0
Tempo Group	12,685	12,685	0
The Rehabilitation Institute	50,000	50,000	0
United Cerebral Palsy of Assoc. of Nassau County	84,586	84,586	0
<b>Subtotal</b>	<b>4,344,829</b>	<b>4,290,180</b>	<b>(54,649)</b>
<b>Court Remands Family Court (NHCC)</b>	<b>266,102</b>	<b>350,000</b>	<b>83,898</b>
<b>Medical /Psychiatric Services</b>	<b>350,000</b>	<b>444,540</b>	<b>94,540</b>
<b>Total</b>	<b>4,960,931</b>	<b>5,084,720</b>	<b>123,789</b>

**Expenses, Cont.**

**Office of Youth Services Contracts**

<b>Contract / Vendor</b>	<b>2014 Adopted Budget</b>	<b>2015 Proposed Budget</b>	<b>2015 Proposed vs. 2014 Adopted</b>
Advisory Council-(Mineola, New Hyde Park, Williston Park, Herricks)	260,930	260,000	(930)
Big Brothers / Sisters of LI	44,620	44,620	0
Circulo de la Hispanidad-(Long Beach)	169,556	169,566	10
City of Glen Cove Youth Bureau	70,887	70,887	0
Community Parent Center- (Bellmore, Merrick)	23,765	23,765	0
Community Wellness Council - (Bellmores/Merrick)	10,000	10,000	0
Concerned Citizens for Roslyn Youth	143,923	143,923	0
COPAY-(Great Neck)	26,575	26,675	100
EAC - Mediation Alternative Project	155,200	39,970	(115,230)
EOC of Nassau County	39,970	165,200	125,230
FCA Probation	72,000	98,053	26,053
FCA/Nassau Haven-(County wide)	391,320	391,320	0
FCA/PACT (Parents and Children Together)-(West Hempstead, Long Beach)	195,000	195,000	0
FCA/Walkabout for Young Men & Women-(County wide)	357,490	357,490	0
Five Towns Community Center	391,706	411,894	20,188
Floral Park Youth Council	14,550	14,550	0
Freeport Pride	345,892	383,630	37,738
Gateway Youth Outreach-(Elmont)	328,071	328,071	0
Glen Cove Boys/Girls Club	0	40,549	40,549
Hempstead Hispanic Civic Association-(North Hempstead)	32,770	32,770	0

Expenses, Cont.

## Office of Youth Services Contracts

Contract / Vendor	2014 Adopted Budget	2015 Proposed Budget	2015 Proposed vs. 2014 Adopted
Hicksville Teen-Age Council-(Hicksville)	156,861	156,861	0
Hispanic Brotherhood of Rockville Centre-(RVC)	87,383	87,383	0
Hispanic Counseling Center-(Hempstead)	162,970	162,970	0
La Fuerza Unida-(Glen Cove)	133,866	133,866	0
Littig House Community Center-(Port Washington)	155,751	155,751	0
Long Beach Martin Luther King Center-(Long Beach)	0	180,000	180,000
Long Beach REACH (Westbury/New Cassel)	289,541	318,201	28,660
Long Beach REACH combined-(LB)	241,602	289,541	47,939
Long Island Advocacy-(County wide)	68,087	107,027	38,940
Long Island Crisis Center -(County wide)	122,020	0	(122,020)
Long Island Crisis Center RHY	186,452	122,020	(64,432)
Manhasset / Great Neck E.O.C.	93,386	98,386	5,000
Nassau County Coalition Against Domestic Violence-(County wide)	57,535	57,535	0
North Shore Boys and Girls Club-(Glen Head)	20,000	20,000	0
Resource Direct - NYS YS entry system	13,000	13,000	0
RFP's non service areas	405,110	300,000	(105,110)
STRONG Youth-(Uniondale, Roosevelt, Hempstead)	218,250	218,250	0
Tempo Youth Services	30,875	30,875	0
Time Out Club of Hempstead-(South Hempstead)	176,540	176,540	0
Uniondale Community Counseling Center	163,682	163,682	0
YES Community Counseling Center-(Massapequa, Plainview, Plainedge)	307,543	397,455	89,912
Youth & Family Counseling-(Oyster Bay/East Norwich)	69,840	69,840	0
<b>Total</b>	<b>6,234,519</b>	<b>6,467,116</b>	<b>232,597</b>



Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$15,287	\$16,391	\$40,000	\$40,000	\$40,000	\$0	0.0%	\$0	0.0%
Rents & Recoveries	318,473	3,139,956	0	61,999	0	0	*****	(61,999)	-100.0%
Dept Revenues	252	70	0	0	0	0	*****	0	*****
Interdept Revenues	267,750	340,727	379,280	379,280	100,000	(279,280)	-73.6%	(279,280)	-73.6%
Interfund Charges Rev	175,000	175,000	0	0	125,000	125,000	*****	125,000	*****
Fed Aid-Reimb of Exp	5,509,847	5,437,263	5,543,758	5,543,758	5,577,024	33,266	0.6%	33,266	0.6%
State Aid-Reimb of Exp	11,522,239	8,894,705	10,314,824	10,314,824	10,614,824	300,000	2.9%	300,000	2.9%
<b>Total</b>	<b>\$17,808,847</b>	<b>\$18,004,112</b>	<b>\$16,277,862</b>	<b>\$16,339,861</b>	<b>\$16,456,848</b>	<b>\$178,986</b>	<b>1.1%</b>	<b>\$116,987</b>	<b>0.7%</b>

**Revenue**

- The FY 15 revenue budget of \$16.5 million is growing by \$178,986 or 1.1% compared to the 2014 Adopted Budget primarily due to the reduction of interdepartmental revenue offset by increases in state aid, interfund revenue charges and a marginal increase in federal aid. Compared to OLBR’s current projection the revenue budget increased by 0.7%.
- The 2015 fines and forfeits budget is \$40,000, unchanged from FY 14. This revenue represents the department’s handicapped parking fine surcharge.
- The 2015 Proposed Budget for interdepartmental revenue has declined by 73.6% to \$100,000. It represents the referral of services from the Office of the Aging to the Department of Social Services. The department receives funding from Social Services for Title XX.
- The Administration has allocated \$125,000 for interfund charges in the FY15 Proposed Budget which is related to grant fund transfers for Chemical Dependency Court Services.
- The federal aid budget of \$5.6 million increased slightly by \$33,266 or 0.6% in FY 15, which represents New York State pass through Federal funding for the Office of the Aging.
  - State aid funding is increasing by \$300,000 or 2.9% in the 2015 Proposed Budget. This growth is attributable to reimbursements for grants associated with the Office of Youth Services.
  - The following text boxes illustrate the key programs that are sponsored by State funding.

**Funding Sources, Cont.**

**Office of Mental Health, Chemical Dependency and Developmental Disabilities Services**

The department funds the only 24 hours-a-day/7 days-a-week suicide prevention and crisis intervention hotline within the County. Each year this hotline responds to over 10,000 people in crisis, and offers a Suicide Outreach Program where specially trained counselors place outreach calls to persons assessed as being in danger of harming themselves. In 2012, this program was expanded to provide suicide prevention and crisis intervention via texting. All services are free, confidential and anonymous to callers.

This program operates using a large volunteer corps to answer its hotlines. It is one of the most extensive (250+ hours over 9 months) crisis intervention counselor training programs in the nation. Additionally it is certified by the New York State Board of Regents as equivalent to 4.0 college credits. Volunteers are trained and supervised by licensed social workers and mental health counseling professionals. With over 190 volunteers and a small administrative staff, services are extremely cost effective: the in-kind contribution of the volunteers is estimated at over \$750,000.

*Source: Department of Human Services*

**Office of the Aging**

The department receives its State funding from the New York State Office for the Aging (NYSOFA) based on several criteria specific to program functions. NYSOFA funding enables the department to provide financial and programmatic support to non-profit agencies in the following areas of service for Title III (grants for State and community programs on Aging) categories: Title III-B Support Services, Title III-C Nutrition Services, Title III-D Health Promotion and Disease Prevention, Title III-E Caregiver Support Services and Title III-B Ombudsman Program, which provides advocacy for long term care residents in long term care facilities.

*Source: Department of Human Services*



**Funding Sources, Cont.**

**Office of Youth Services**

Youth Development and Delinquency Prevention (YDDP) is a NYS Office of Children and Family Services funding source allocated to Counties and distributed to local Youth Bureaus to meet locally identified needs. This allocation includes a small reimbursable amount for administrative salaries. A local match is no longer required to ensure that YDDP leverages significant contributions from other sources. The 2014 Youth Development allocation will be based on the Nassau County 0-21 year old population as well as community poverty indicators. For the County, the 2010 U.S. Census has a total of 361,403 youths; however the inclusion of a “not withstanding clause” gives the State the ability to change the rate of the allocation from year to year. It is expected that any differential in funding will be 1% greater or 1% less based on a \$14.5 million appropriation. In 2013 the rate of allocation is \$1.94 per capita. The Youth Board receives YDDP monies and Special Delinquency Prevention Plan (SDPP) monies which will be a merged funding resource from New York State in 2014. The County can expect 100% reimbursement on this funding. The Runaway and Homeless Youth Act (RHYA) portion of this allocation will no longer be factored into the Youth Development revenue.

*Source: Department of Human Services*

**Office of Youth Services**

RHYA is an aid to localities which provides 60% state aid reimbursement to Nassau County shelters and programs for runaway and homeless youth. Annual allocation is not formula driven, but instead a share of New York State’s total allocation. Nassau County receives approximately 9% of the statewide allocation.

*Source: Department of Human Services*

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	71	75	79	77	82	3	3.8%	5	6.5%
Part-Time and Seasonal	1	1	0	1	1	1	*****	0	0.0%
Salaries	\$7,113,398	\$6,288,692	\$7,102,898	\$7,416,981	\$7,175,062	\$72,164	1.0%	(\$241,919)	-3.3%
Fringe Benefits	(207,472)	0	0	0	0	0	*****	0	*****
General Expenses	164,351	244,008	347,750	347,750	336,200	(11,550)	-3.3%	(11,550)	-3.3%
Contractual Services	7,497,196	8,679,763	10,411,816	10,411,816	8,647,849	(1,763,967)	-16.9%	(1,763,967)	-16.9%
Utility Costs	3,678,025	3,831,128	3,868,318	3,868,318	3,900,000	31,682	0.8%	31,682	0.8%
<b>Total</b>	<b>\$18,245,499</b>	<b>\$19,043,591</b>	<b>\$21,730,782</b>	<b>\$22,044,865</b>	<b>\$20,059,111</b>	<b>(\$1,671,671)</b>	<b>-7.7%</b>	<b>(\$1,985,754)</b>	<b>-9.0%</b>

**Expenses**

- Expenses in the Proposed FY 15 Budget are down 7.7%, or \$1.7 million, from the budget adopted for FY 14. Expenses in the FY 15 proposal are 9.0% less than the latest OLBR projection. The overall expense reduction coincides with the transfer of \$1.9 million in contractual service expense to the Technology Fund.
- Proposed salary expenses tick up 1.0%, or \$72,164, over the budget adopted for FY 14. Compared to OLBR’s projection, proposed salary expenses decrease by 3.3%, or \$241,919. The proposed budget accounts for step and COLA increases that CSEA members are entitled to in FY 15, but those additional costs are offset in the proposal by several salary items. The proposal eliminates retroactive pay and increases the salary credit for capital project chargebacks.
- Information Technology (IT)’s overtime budget increases 6.8% in the proposal, from \$225,200 in FY 14 to \$240,460 in FY 15. As the chart below demonstrates, growth in the overtime budget has often been outpaced by the department’s use of overtime. If this trend continues, overtime could prove to be a risk to the overall FY 15 budget.

Year	Budget	Actual	Budget vs. Actual	Budget growth from previous year
2011	\$63,000	\$79,306	25.9%	-6.8%
2012	57,200	290,071	407.1%	-9.2%
2013	148,300	371,140	150.3%	159.3%
2014*	\$225,200	\$380,331	68.9%	51.9%

\*2014 actual is year to date as of September 30, 2014

**Expenses, cont.**

- Utility expenses are up slightly in the proposal, compared not only to the FY 14 budget but also to the latest projection.
- Proposed general expenses are down 3.3% when compared not only to the Adopted FY 14 Budget but also to the latest projection. An increase in Grainger expenses is offset by a reduction in information technology supplies and expenses.
- The proposed contractual services budget declines 16.9%, from \$10.4 million in FY 14 to \$8.6 million in FY 15. The department reduced its contractual services budget in FY 15 by transferring a total of \$1.9 million in contracts to the Technology Fund. Several sizable agreements were among the transferred contracts, including a \$500,000 contract with CCSI for a veteran’s software application (VIMS), \$600,000 for Microsoft licenses used by the Police Department, and a \$626,700 contract with IBM for main frame maintenance.
  - The Technology Fund will be exhausted by the transfer of these contracts, as the fund has a current balance of approximately \$1.9 million. If IT plans to maintain these contracts after FY 15, the department would need to migrate them back to the General Fund. The Multi Year Plan (MYP) would accommodate their return to the General Fund, as the Administration has increased the department’s contractual services budget to \$10.6 million in FY 16, \$10.8 million in FY 17, and \$10.9 million in FY 18.
- The table below illustrates that most of the change in contractual expense is accounted for in software and systems & programming contracts.

<b>Contractual Services</b>					
<b>Sub-Object</b>	<b>Historical</b>		<b>2015</b>	<b>Exec. vs. Adopted</b>	
	<b>Actual 2013</b>	<b>Adopted 2014</b>	<b>Exec. Budget</b>	<b>Variance</b>	<b>%</b>
Miscellaneous Contractual Services	\$1,415,889	\$1,895,200	\$1,765,500	(\$129,700)	-6.8%
Software Contracts	6,962,987	6,892,016	5,777,349	(1,114,667)	-16.2%
Systems & Programming	300,888	1,624,600	1,105,000	(519,600)	-32.0%
<b>Total</b>	<b>\$8,679,764</b>	<b>\$10,411,816</b>	<b>\$8,647,849</b>	<b>\$(1,763,967.00)</b>	<b>-16.9%</b>
Total Transferred to Technology Fund	0	0	\$1,869,600	\$1,869,600	

**Revenues**

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$1,242	\$1,160	\$0	\$46,351	\$0	\$0	*****	(\$46,351)	-100.0%
Dept Revenues	10,470	42,463	40,000	311	0	(40,000)	-100.0%	(311)	-100.0%
Cap Backcharges	(2,418,257)	(400,801)	100,000	0	0	(100,000)	-100.0%	0	*****
Interdept Revenues	4,740,173	6,774,958	4,956,265	4,956,265	6,865,934	1,909,669	38.5%	1,909,669	38.5%
Interfund Charges Rev	197,888	96,226	289,294	289,294	488,511	199,217	68.9%	199,217	68.9%
Fed Aid-Reimb of Exp	19,078	0	0	0	0	0	*****	0	*****
State Aid-Reimb of Exp	62,677	(6,167)	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$2,613,272</b>	<b>\$6,507,838</b>	<b>\$5,385,559</b>	<b>\$5,292,221</b>	<b>\$7,354,445</b>	<b>\$1,968,886</b>	<b>36.6%</b>	<b>\$2,062,224</b>	<b>39.0%</b>

- Revenue in the Proposed FY 15 Budget increases 36.6%, or \$1.9 million, from \$5.4 million in FY 14 to \$7.3 million in FY 15. Proposed revenue is roughly \$2.0 million above the latest projection.
- IT has historically generated departmental revenue from the sale of geographic information system (GIS) data. The department sold GIS data, such as maps of sewer lines, utilities lines, and geographic features, to contractors, municipalities, and utility companies (e.g. Verizon). However, the department has experienced little demand for this data in FY 14 and will not rely on it in FY 15.
- Since 2012, the department has charged capital costs directly to projects rather than journalizing it through revenue. As a result, this revenue line has been eliminated from the FY 15 proposal.
- Proposed interdepartmental charges are up 38.5%, or \$1.9 million, from roughly \$5.0 million in FY 14 to \$6.9 million in FY 15. According to the Administration, IT has a new, more detailed cost allocation system.
  - IT classifies each cost it incurs as a direct or an indirect charge. Direct charges are allocated to specific departments to account for IT’s cost of delivering a specific service or product (e.g. iPad, employee labor, software maintenance, etc.). Indirect charges are distributed amongst County agencies and departments for basic IT services rendered. These charges are based on a number of factors, such as the number of employees in a department and the number of help desk tickets processed in a given time period.
- Interfund charges are up 68.9% compared to the Adopted FY 14 Budget as IT has entered into more maintenance and support agreements.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
General Expenses	\$0	\$0	\$100	\$100	\$500	\$400	400.0%	\$400	400.0%
Contractual Services	0	0	5,300	5,300	5,000	(300)	-5.7%	(300)	-5.7%
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,400</b>	<b>\$5,400</b>	<b>\$5,500</b>	<b>\$100</b>	<b>1.9%</b>	<b>\$100</b>	<b>1.9%</b>

**Expenses**

- The total FY 15 proposed expense budget for the office is increasing by \$100 or 1.9% compared to the FY 14 Adopted Budget as well as FY 14 projection.
- No full-time or part-time employees are assigned to Investigations.
- The FY 15 budget includes funding to cover expenses for surveillance equipment and any other items needed to conduct investigations.
- Contractual services is decreasing by \$300. This is mainly due to potential investigations being performed in-house as opposed to hiring an outside contractor.
- The Office of Investigations administers the Financial Disclosure Program, checks for improper billing by contractors, vendors and consultants with whom the County does business. Uncovers any fraud, waste and abuse that affects the County’s finances.

**Full-Time Headcount and Salaries**

The County Attorney serves as Commissioner of Investigations.

The agency will continue to fulfill its charter mandate to identify, investigate and remediate fraudulent activities.

The Office of Labor Relations is responsible for representing the County, its departments and management in all matters that involve interactions with the County’s labor unions and their collective bargaining agreements (CBAs). The Office is responsible for negotiating collective bargaining and interim agreements, administering such agreements, advising departments on how to achieve goals consistent with such agreements and law and assisting with labor management issues.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	4	4	5	5	4	(1)	-20.0%	(1)	-20.0%
Part-Time and Seasonal	0	0	0	1	1	1	*****	0	0.0%
Salaries	\$289,915	\$280,437	\$315,000	\$301,388	\$403,858	\$88,858	28.2%	\$102,470	34.0%
General Expenses	2,552	1,411	5,700	5,700	5,100	(600)	-10.5%	(600)	-10.5%
Contractual Services	228,301	749	407,900	407,900	400,000	(7,900)	-1.9%	(7,900)	-1.9%
<b>Total</b>	<b>\$520,768</b>	<b>\$282,597</b>	<b>\$728,600</b>	<b>\$714,988</b>	<b>\$808,958</b>	<b>\$80,358</b>	<b>11.0%</b>	<b>\$93,970</b>	<b>13.1%</b>

**Expenses**

- The total FY 15 proposed expense budget for the Office of Labor Relations is increasing by \$80,358 or 11.0% compared to the FY 14 Adopted Budget due mostly to salaries, slightly offset by small decreases in general expenses and contractual expenses.
- Despite the decrease in the full-time headcount, the FY 15 salary expenses are increasing by \$88,858 or 28.2% from the 2014 Adopted Budget. Compared to the FY 14 projection salaries are increasing by \$102,470 or 34.0%.
  - The \$88,858 salary increase compared to the FY 14 Budget includes the collapse of two positions, the Deputy Director and the Assistant to the Director into a Director position, essentially eliminating a head count. In addition, the salary line includes a payroll adjustment for \$32,367 for anticipated employee salary increases, an additional \$6,491 for terminal leave and \$50,000 for the addition of a seasonal Clerk.
- The FY 15 contractual services expense budget is decreasing by \$7,900 or 1.9%. These expenses include costs for arbitrator fees, court reporting and outside counsel.
- The 2015 general expense budget of \$5,100 is decreasing minimally by \$600 compared to the FY 14 Proposed Budget. The budget includes funding for office supplies, education expenses and miscellaneous expenses.



Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	91	88	102	85	95	(7)	-6.9%	10	11.8%
Part-Time and Seasonal	33	39	22	39	17	(5)	-22.7%	(22)	-56.4%
Salaries	\$5,542,270	\$5,450,074	\$6,248,334	\$5,456,133	\$6,304,544	\$56,210	0.9%	\$848,411	15.5%
Equipment	27,098	25,202	60,777	60,777	54,503	(6,274)	-10.3%	(6,274)	-10.3%
General Expenses	1,641,955	2,033,884	1,684,331	1,684,331	1,688,631	4,300	0.3%	4,300	0.3%
Contractual Services	1,165,000	920,000	1,104,700	1,069,700	1,044,700	(60,000)	-5.4%	(25,000)	-2.3%
<b>Total</b>	<b>\$8,376,323</b>	<b>\$8,429,160</b>	<b>\$9,098,142</b>	<b>\$8,270,941</b>	<b>\$9,092,378</b>	<b>(\$5,764)</b>	<b>-0.1%</b>	<b>\$821,437</b>	<b>9.9%</b>

### Expenses

- FY 15 total expenditures are decreasing by \$5,764 or 0.1% from the FY 14 Adopted Budget due to a decrease in contractual services and equipment, partially offset by some increases in salaries and general expenses.
- In FY 15, salaries are increasing by 0.9% compared to the FY 14 Adopted Budget. Compared to the FY 14 projection, salaries are increasing by \$848,411 or 15.5% as unfilled vacant positions are budgeted to be filled. Should those positions remain vacant; a surplus will be returned to the General Fund.
  - When comparing the FY 14 projected salary to the current year Adopted Budget, there is a projected salary surplus of \$792,201 due to 17 vacant full-time positions.
- The FY 15 Proposed Budget of 95 full-time positions is a decrease of seven compared to the FY 14 Adopted Budget but an increase of 10 compared to the FY 14 projection.
  - The FY 15 Executive Budget of 17 part-time positions is a decrease of five compared to the FY 14 Adopted Budget and a decrease of 22 compared to the FY 14 projected. The Legislative Minority currently has 22 part timers on board but did not include a head count in the FY 2015 budget submission which will be corrected via a technical adjustment.
- Contractual expenses budgeted at \$1.0 million is decreasing by \$60,000 compared to the FY 14 budget. The decrease is due to a decline in expenses for newsletter mailings in the Clerk's Office.
  - Contractual services also include the costs for stenographic recording, and the production of the Legislature's journal of proceedings.

**Expenses, Cont.**

- The FY 15 Proposed Budget of \$1.7 million for general expenses is increasing by \$4,300 compared to the FY 14 Adopted Budget. The budget includes office supplies, postage delivery and education training expenses.

<b>Expenses by Control Center</b>						
(\$'s in millions)						
Control Center	Historical		2014	2015	Exec. vs. Adopted	
	2012	2013	Adopted Budget	Exec. Budget	Var.	%
Legislators-Majority	\$2.0	\$2.1	\$2.7	\$2.9	\$0.3	10.0%
Legislators-Minority	2.3	2.2	2.4	2.1	-0.3	-11.1%
Legislative Central Staff	3.3	3.5	3.2	3.2	0.0	-0.2%
Legislative Budget Review	0.7	0.6	0.9	0.9	0.0	0.0%
<b>Total</b>	<b>8.4</b>	<b>8.4</b>	<b>9.1</b>	<b>9.1</b>	<b>0.0</b>	<b>-0.1%</b>

- Expenditures are budgeted at \$9.1 million in the Proposed FY 15 Executive Budget, unchanged from last year’s FY 14 Adopted Budget. The \$0.3 million increase in the Majority control center is being offset by a decrease of \$0.3 million in the Minority control center.
  - The FY 15 proposed budget for the Legislature Majority is budgeted at \$2.9 million, an increase of \$266,341, due to a change in allocation stemming from an additional seat on the Legislature.
  - The FY 15 proposed budget for the Legislative Minority is decreasing by \$266,341, due to the reduction in allocation stemming from a decrease of one seat on the Legislature and a minimal decline in equipment.
  - The control centers for the Legislative Clerk and Legislative Budget Review remain flat in FY 15 when compared to the FY 14 Adopted Budget.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	24	21	25	24	25	0	0.0%	1	4.2%
Part-Time and Seasonal	4	4	4	5	5	1	25.0%	0	0.0%
HIPPA Payments	(25,000)	0	25,000	25,000	25,000	0	0.0%	\$0	0.0%
Salaries	4,866,797	4,785,667	5,009,430	4,973,413	4,968,928	(40,502)	-0.8%	(4,485)	-0.1%
Fringe Benefits	24,633,641	24,483,917	27,558,580	27,566,437	25,232,436	(2,326,144)	-8.4%	(2,334,001)	-8.5%
Workers Compensation	9,408,053	6,496,442	9,114,275	8,114,275	8,338,986	(775,289)	-8.5%	224,711	2.8%
Equipment	0	0	5,000	5,000	5,000	0	0.0%	0	0.0%
General Expenses	53,376	69,913	117,105	117,105	114,105	(3,000)	-2.6%	(3,000)	-2.6%
Contractual Services	1,867,151	1,478,819	2,916,766	2,916,766	2,909,566	(7,200)	-0.2%	(7,200)	-0.2%
Local Govt Asst Prog.	64,051,560	68,316,548	69,572,689	65,455,042	68,501,853	(1,070,836)	-1.5%	3,046,811	4.7%
NHC Assn Exp	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	0	0.0%	0	0.0%
Debt Svc. Chargebacks	277,563,668	283,934,350	308,199,125	297,528,623	320,852,244	12,653,119	4.1%	23,323,621	7.8%
Inter-Dept. Charges	5,257,241	4,461,707	5,149,385	5,149,385	3,578,248	(1,571,137)	-30.5%	(1,571,137)	-30.5%
Interfund Charges	24,777,276	18,525,983	20,306,649	20,306,649	27,914,544	7,607,895	37.5%	7,607,895	37.5%
Contingencies Reserve	246,967	(39,172)	0	0	0	0	*****	0	*****
NCIFA Expenditures	1,550,000	1,250,000	1,960,000	1,960,000	1,900,000	(60,000)	-3.1%	(60,000)	-3.1%
Insurance On Bldngs	531,124	500,000	599,266	599,266	346,868	(252,398)	-42.1%	(252,398)	-42.1%
Legal Aid Society	5,904,000	6,054,467	6,205,830	6,205,830	6,360,976	155,146	2.5%	155,146	2.5%
Bar Assn NC Pub Def	6,382,776	6,674,509	7,729,564	7,729,564	6,755,856	(973,708)	-12.6%	(973,708)	-12.6%
Resident Tuition	4,643,395	14,945,485	8,712,000	8,712,000	8,712,000	0	0.0%	0	0.0%
Long Beach Payment	106,233	106,233	106,233	106,233	106,233	0	0.0%	0	0.0%
Lido/Pt Lookout Fd	5,775	5,775	5,775	5,775	5,775	0	0.0%	0	0.0%
NYS Assn Counties	58,686	60,447	63,500	63,500	65,000	1,500	2.4%	1,500	2.4%
Other Suits & Damages	3,292,332	2,405,991	2,000,000	2,000,000	20,200,000	18,200,000	910.0%	18,200,000	910.0%
Natl Assn Counties	(605)	0	0	0	0	0	*****	0	*****
Transfer To PDH (Suits & Damages)	8,937,700	18,415,815	0	0	0	0	*****	0	*****
Transfer To FCF Fund	420,000	0	0	0	0	0	*****	0	*****
Other Expense	0	0	0	0	0	0	*****	0	*****
Contingency Reserve	0	0	10,000,000	0	10,000,000	0	0.0%	10,000,000	*****
<b>Sub-Total</b>	<b>\$457,532,148</b>	<b>\$475,932,895</b>	<b>\$498,356,172</b>	<b>\$472,539,863</b>	<b>\$529,893,618</b>	<b>\$31,537,446</b>	<b>6.3%</b>	<b>\$57,353,755</b>	<b>12.1%</b>
Savings from Initiative	0	0	(1,818,070)	0	(1,139,497)	678,573	-37.3%	(1,139,497)	*****
<b>Consolidated Total</b>	<b>\$457,532,148</b>	<b>\$475,932,895</b>	<b>\$496,538,102</b>	<b>\$472,539,863</b>	<b>\$528,754,121</b>	<b>\$32,216,019</b>	<b>6.5%</b>	<b>\$56,214,258</b>	<b>10.6%</b>

- Beginning FY 12, the Miscellaneous, Unallocated Revenues and Reserves departments were merged with the Office of Management and Budget (OMB). In FY 13, the General Fund debt service chargeback expenses were also rolled up in OMB through the inclusion of the Debt Service Department. The FY 15 proposed headcount, excluding the savings from initiative, shows an increase of one part-time employee from the FY 14 budget while full-time headcount remains flat. As compared to the OLBR projection, the FY 15 proposed headcount is increasing by one full-time employee.

**Expenses, Cont.**

- Shown in the subtotal line in the expenditure chart are the savings from initiative. In FY 15, this figure represents the anticipated attrition of 27 employees throughout the County along with the corresponding \$1.1 million in budgeted attrition savings. These figures are centrally located in the Budget office as it is not known where the separations will occur.
- Total expenses for the consolidated department are increasing \$31.5 million or 6.3% from the FY 14 Adopted Budget level prior to the savings from initiatives.
- Excluding the savings from initiative, salaries stay relatively flat when compared to FY 14 Adopted Budget, a decline of \$40,502.
- The 2012 and 2013 debt service chargeback actuals line includes the former General Fund Debt Service Department. The former department was rolled into OMB in 2013. This expense is completely offset by debt service chargeback revenue from other County departments.
  - The FY 15 Proposed Budget includes \$320.9 million in this line which is a \$12.7 million increase compared to the FY14 Adopted Budget. The increase reflects increased debt service related to projected new borrowings.
  - FY 14 is projected to be under budget by \$10.7 million due to lower amounts and delayed borrowing during the current year.
- The department's fringe benefits line reflects costs related only to retired NHCC employees. The expense is projected to decrease as less retirees are receiving this benefit.
- Although no longer obligated, the FY 15 Proposed Budget maintains funding for the Historic Mission payment to Nassau Health Care Corporation (NHCC) at \$13.0 million.
- The other suits and damages line increases \$18.2 million in the proposed budget when compared to the FY 14 Adopted Budget. The expense for suits and damages is shown in FY 2015 for transparency as required by the Nassau Interim Finance Authority and is offset by borrowing proceeds in the revenue section that are expected to be used for suits and damages.
- The FY 15 Proposed Budget includes \$10.0 million in the contingency reserve for unpredicted expenses. This is the same level as the previous year.
- The Local Government Assistance Program represents the local share of the sales tax revenue allocated to the County's three towns, two cities and incorporated villages. The chart below displays the breakout by municipality.
  - In FY 15, local government assistance (LGA) for the three towns and the two cities are budgeted to receive an overall decrease of 1.5%. The Town and City allotments are based upon their populations. LGA is a function of sales tax collections.

**Expenses, Cont.**

Local Government Assistance Program				
	2013 Actual	2014 Adopted	2015 Proposed	2014 vs. 2013
Town of Hempstead	\$38,040,144	\$38,533,997	\$37,930,045	-1.6%
Town of Oyster Bay	14,680,867	15,509,250	15,266,171	-1.6%
Town of North Hempstead	11,334,246	11,204,921	11,029,304	-1.6%
City of Long Beach	1,663,250	1,776,390	1,748,548	-1.6%
City of Glen Cove	1,348,037	1,298,131	1,277,785	-1.6%
Incorporated Villages	1,250,004	1,250,000	1,250,000	0.0%
<b>Total</b>	<b>\$68,316,548</b>	<b>\$69,572,689</b>	<b>\$68,501,853</b>	<b>-1.5%</b>

- The following chart captures the proposed FY 15 workers' compensation County-wide budget. Except for the Police Department, Corrections and Public Works which maintain their own portion of workers' compensation within their respective budgets, all other workers' compensation costs are accounted for in OMB's budget.

Department	2013	2014	2015	Exec. vs. Adopted	
	Actual	Adopted Budget	Exec. Budget	Var.	%
Office Of Management And Budget	\$6,496,442	\$9,114,275	\$8,338,986	(\$775,289)	-8.5%
Sheriff/Correctional Center	6,158,955	5,907,268	5,905,420	(1,848)	0.0%
Police Department	10,072,183	10,772,045	10,438,979	(333,066)	-3.1%
Public Works Department	1,871,344	2,228,693	1,593,444	(635,249)	-28.5%
<b>Total</b>	<b>\$24,598,924</b>	<b>\$28,022,281</b>	<b>\$26,276,829</b>	<b>(\$1,745,452)</b>	<b>-6.2%</b>

- The FY 15 workers' compensation budget is decreasing by \$1.7 million, or 6.2% versus the FY14 Adopted Budget. Compared to the 2013 actual, workers' compensation costs are increasing by \$1.7 million or 6.8%.
- The County, along with its Third-Pay Administrator (TPA), continues to control expenses by aggressively managing medical cost.
- The NYS Workers Compensation Board has modified its internal verification process for stricter requirement. This change will result in lower medical expenses in FY 2014.

**Revenues**

- The total FY 15 proposed revenue budget incorporates Miscellaneous, Unallocated Revenue and Reserves within the Office of Management and Budget. The revenues are shown below by object code.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$0	0.0%	\$0	0.0%
Fines & Forfeits	1,285,076	1,032,958	1,190,000	1,190,000	1,190,000	0	0.0%	0	0.0%
Rents & Recoveries	3,599,976	2,735,667	5,730,301	2,912,408	6,001,250	270,949	4.7%	3,088,842	106.1%
Rev Offset To Expense	3,891,584	19,356,143	10,898,740	10,898,740	10,812,000	(86,740)	-0.8%	(86,740)	-0.8%
Dept Revenues	620,000	620,000	620,000	620,000	620,000	0	0.0%	0	0.0%
Interdept Revenues	53,526,240	52,097,233	55,936,740	55,936,740	48,213,690	(7,723,050)	-13.8%	(7,723,050)	-13.8%
Pymnt In Lieu of Taxes	8,583,256	10,791,179	9,424,089	10,000,000	11,663,465	2,239,376	23.8%	1,663,465	16.6%
Debt Svc From Capital	0	0	0	0	18,000,000	18,000,000	*****	18,000,000	*****
Interfund Charges Rev	33,193,653	31,632,829	38,676,274	38,676,274	52,660,252	13,983,978	36.2%	13,983,978	36.2%
Fed Aid-Reimb of Exp	146,252	50,327	92,400	92,400	92,400	0	0.0%	0	0.0%
Interfund Transfers	698,200	1,252,082	0	0	0	0	*****	0	*****
State Aid-Reimb of Exp	2,172,145	977,536	769,700	13,469,700	232,200	(537,500)	-69.8%	(13,237,500)	-98.3%
Sales Tax Countywide	992,706,177	1,054,095,384	1,072,930,055	1,006,852,474	1,056,147,928	(16,782,127)	-1.6%	49,295,454	4.9%
Sales Tax Part County	85,423,241	85,582,099	92,933,278	89,010,859	90,044,005	(2,889,273)	-3.1%	1,033,146	1.2%
Property Tax	118,980,289	115,436,350	80,509,740	80,509,740	106,730,782	26,221,042	32.6%	26,221,042	32.6%
OTB 5% Tax	3,515,628	3,339,030	2,999,078	2,999,078	2,557,667	(441,411)	-14.7%	(441,411)	-14.7%
OTB Profits	0	0	0	0	9,000,000	9,000,000	*****	9,000,000	*****
<b>Total</b>	<b>\$1,308,341,717</b>	<b>\$1,378,998,817</b>	<b>\$1,382,710,395</b>	<b>\$1,323,168,413</b>	<b>\$1,423,965,639</b>	<b>\$41,255,244</b>	<b>3.0%</b>	<b>\$100,797,226</b>	<b>7.6%</b>

- Total FY 15 revenues are budgeted to increase by \$41.3 million or 3.0% from the FY 14 adopted level. The increase largely reflects a property tax increase, revenue from Video Lottery Terminals, and bond proceeds which are expected to offset a decrease in sales tax receipts.
- The 2015 General Fund property tax levy in the Proposed Budget increases 32.6%. For more discussion of the FY 15 property tax, see the Executive Summary.

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**Revenues, Cont.**

- Total FY 15 sales tax revenues are decreasing by \$19.7 million, or 1.7% from the FY 14 Adopted Budget. The decrease is primarily due to sales tax revenue projected to underperform the budget in the current year and a readjustment of growth expectations for FY 15.
  - Excluding the deferred piece, FY 15 sales tax revenues are decreasing 1.6% from the FY 14 adopted level. For a more detailed analysis, see the Sales Tax section in the Executive Summary.
- The FY 15 Adopted Budget includes \$18.0 million in the debt service for capital line. This represents borrowed proceeds and is considered a risk as all borrowing approvals to issue additional debt have not been achieved.
- New York State enacted the “Upstate NY Gaming Economic Development Act” in 2013. The Act allows the Nassau Regional Off-Track Betting Corporation to host Video Lottery Terminals (VTLs). It also gave the County the right to share in the profits from the program. The FY 15 Proposed Budget includes \$9.0 million in projected revenue which increases to \$22.0 million in 2016 and \$25.0 million in 2017 and 2018. This has been cited as a risk, a location has not been identified and a roll out plan has not been solidified.
- The Payment in Lieu of Taxes line represents the revenues associated with PILOT agreements. Under these agreements, a business will pay a PILOT instead of taxes for several years. The PILOT payments gradually increase until the entity starts to pay its actual tax liability. The FY 15 PILOT line is increasing by \$2.2 million to \$11.7 million as the benefits to businesses gradually decrease.
- The fine and forfeits line is budgeted to remain at the same level as the previous year. This line includes forfeited bail and other fines.
- The proposed FY 15 departmental revenues line includes \$620,000 in collections, which represents the funding for the Off Track Betting (OTB) debt support agreement with Nassau County. The amount is contractually set.
- State aid reimbursement is declining by \$537,500 reflecting the elimination of state aid related to Indigent Legal Services. The state aid reflected reimbursement for indigent legal services at the Legal Aid Society. The FY 15 budget decrease is due to a phase out of state aid which going forward will be covered by a grant.
- Nassau County derived two revenue streams from horseback racing. These revenue sources are entitled OTB Profits and OTB 5% Tax (Surcharge).
  - OTB profit collections are composed of the net profits generated by the Nassau Regional OTB. The County has not received any OTB profit revenues since 2008 and eliminated the budgeted revenue in FY 11. However, revenue related to the Video Lottery terminals will be booked under this line going forward.

**Revenues, Cont.**

- The OTB 5% Surcharge revenue represents collections from the 5% surcharge placed on all winning bets made at any of the five New York State OTBs (Capital District Regional OTB, Catskill Regional OTB, Nassau Regional OTB, Suffolk Regional OTB and Western Regional OTB) on races that occur at Belmont. The FY 15 budget is decreasing by \$0.4 million from the FY 14 level.
- Inter-fund revenues are used to budget reimbursement for Major Operating Funds that provide services to non-Major Operating Fund entities. These include services provided to the Grant, Community College, Capital, and Sewer and Storm Water Resource District funds. The FY 15 Proposed Budget includes a total of \$52.7 million, an increase of \$14.0 million.
  - The Sewer and Storm Water Resource District reimburses OMB for other than personal services (OTPS), personal services (PS) and workers compensation expenses. The expense is recorded in the Sewer District Fund as an interfund charge. This funding reimburses the General Fund for personnel costs related to storm water operations.
  - The Nassau Health Care Corporation reimbursement of County guaranteed debt accounts for \$7.7 million of the increase.
- The FY 15 Proposed Budget has Interdepartmental revenue decreasing by \$7.7 million. These revenues represent the allocation of indirect administrative charges incurred by one department on behalf of another department within the Major Operating Funds. Some of the departments being charged back include Police Headquarters, Police District, Public Works (General Fund) and the Department of Social Services (DSS).
  - The largest declines in revenue were in the allocation between Public Works (General Fund), Police Headquarters, and the Police District Fund.
- Revenue offset to expense is expected to remain at the relatively same level when compared to the previous year. It includes the reimbursement for the cost of residents attending FIT and other community colleges located in New York State.



Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	62	68	72	69	75	3	4.2%	6	8.7%
Part-Time and Seasonal	6	9	10	11	11	1	10.0%	0	0.0%
Salaries	\$5,615,435	\$6,113,250	\$6,687,325	\$6,836,231	\$7,289,637	\$602,312	9.0%	\$453,406	6.6%
Fringe Benefits	(438)	0	0	0	0	0	*****	0	*****
Equipment	67,274	20,964	45,900	45,900	46,700	800	1.7%	800	1.7%
General Expenses	428,345	643,408	643,017	643,017	707,495	64,478	10.0%	64,478	10.0%
Contractual Services	56,625	58,144	99,664	99,664	100,199	535	0.5%	535	0.5%
<b>Total</b>	<b>\$6,167,241</b>	<b>\$6,835,765</b>	<b>\$7,475,906</b>	<b>\$7,624,812</b>	<b>\$8,144,031</b>	<b>\$668,125</b>	<b>8.9%</b>	<b>\$519,219</b>	<b>6.8%</b>

**Expenses**

- FY 15 expenditures for the Medical Examiner (ME) are growing by \$668,125, or 8.9%, compared to the FY 14 Adopted Budget. This is due to increases in salaries, equipment, general expenses and contractual services.
- Budgeted headcount will be going up by three to 75 full-time employees in FY 15 while part-time headcount will increase by one when comparing budget to budget.
- The proposed salary line reflects the COLAs and steps from the recently negotiated settlement with CSEA. Additionally, there is a payroll adjustment of \$34,950, reflecting increases for ordinance employees, and increases in overtime and terminal leave.
- The slight rise of \$800 in equipment is in miscellaneous equipment for the replacement of irreparable custodial equipment.
- The growth in general expenses is related to an increase of \$10,000 growth in medical supplies and expenses and a \$54,478 hike in building supplies and maintenance.
- The contractual services line is increasing slightly comparing the proposed to the adopted. These costs are mostly related to crime lab software maintenance contracts, the annual service and maintenance for the ME’s database and personal service contracts for a Forensic Neuro-Pathologist and a Forensic Odontologist whose services are often required to help determine the cause and manner of death.

**Crime Lab**

On February 17, 2011, the NCPD's forensic evidence bureau was shuttered by County Executive, Edward Mangano and District Attorney, Kathleen Rice as a result of the lab having been cited for 26 violations by American Society Of Crime Laboratory Directors (ASCLAD)-Lab, the lab's accrediting agency. Since that time the County Executive mandated that the Police Department crime lab fall under the jurisdiction of the Nassau County Medical Examiner's Office. Civilian staff was subsequently hired and resources procured to bring on line the essential crime lab disciplines. Specifically, the Medical Examiner's Toxicology lab began DWI testing in November of 2011. By 2012 the DWI Lab became fully functional in drugs and alcohol testing effectively ending the County's dependence on having to outsource for this service. Presently, this lab continues to provide services to its user agencies. The Latent Prints discipline received accreditation in June of 2012 for latent print comparisons and is actively pursuing accreditation for latent print processing anticipated to be received in 2015. The Controlled Substance discipline is working toward receiving its accreditation by the end of 2015, providing the existing laboratory can support the operation. The Trace Evidence and Firearms disciplines will continue to be outsourced until appropriate lab space is identified, staff is hired and ASCALD International accreditation is granted.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$24,926	\$0	\$0	\$0	\$0	\$0	*****	\$0	*****
Dept Revenues	32,954	27,831	25,000	25,000	25,000	0	0.0%	0	0.0%
State Aid-Reimb of Exp	26	0	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$57,906</b>	<b>\$27,831</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>

**Revenues**

- Historically, in FY 12 and FY 13, state aid was eliminated from the revenue budget and as the chart above indicates, the trend will continue through FY 15.
- Department revenues will remain level with FY 14. The \$25,000 in revenue is generated by fees the Medical Examiner charges for courtesy holds, Pathology Resident Rotation tours by residents from Winthrop and Long Island Jewish Hospitals and requests for copies and photographs.

The Office of Minority Affairs (OMA) is a charter mandated agency that was established by a public referendum held in 1994. OMA was established to further the development, advancement and betterment of economic, employment, business and cultural opportunities for the minority residents of the County, as well as the improvement and stabilization of economically deprived areas in the county. OMA serves as a central coordinating body for County-funded and County-assisted agencies or offices involved in any of the aforementioned endeavors

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	5	6	6	6	6	0	0.0%	0	0.0%
Part-Time and Seasonal	2	2	2	2	2	0	0.0%	0	0.0%
Salaries	\$437,613	\$442,249	\$474,667	\$474,667	\$520,160	\$45,493	9.6%	\$45,493	9.6%
General Expenses	4,672	14,358	24,900	24,900	24,970	70	0.3%	70	0.3%
Contractual Services	3,428	28,063	31,000	31,000	31,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$445,712</b>	<b>\$484,669</b>	<b>\$530,567</b>	<b>\$530,567</b>	<b>\$576,130</b>	<b>\$45,563</b>	<b>8.6%</b>	<b>\$45,563</b>	<b>8.6%</b>

**Expenses**

- Expenses in the Proposed FY 15 Budget grow 8.6%, or \$45,563, from both the Adopted FY 15 Budget and OLBR’s latest projection.
- Salaries increase by 9.6%, or \$45,493, compared not only to the Adopted FY 14 budget but also to the current projection.
  - The proposed budget includes a \$54,203 payroll adjustment for anticipated salary increases. The payroll adjustment is being offset in part by an \$8,710 reduction in the salary line for part time employees.
  - Additional staff may help OMA meet stated duties and responsibilities.
- Contractual services and general expenses are unchanged in the FY 15 proposal.

	Historical		2014		2015	2015 vs. 2014		Proj vs. 2015	
	2012	2013	Adopted Budget	OLBR Projected	Adopted Budget	Variance	Percent	Variance	Percent
Full-time Headcount	1,149	1,153	1,149	1,135	1,137	(12)	-1.0%	2	0.2%
Salaries	\$126,749,423	\$128,119,672	\$130,029,542	\$129,681,000	\$132,731,000	\$2,701,458	2.1%	\$3,050,000	2.4%
Fringe Benefits	50,087,859	53,462,354	57,850,000	56,650,000	58,450,000	600,000	1.0%	1,800,000	3.2%
Equipment	2,363,490	2,268,748	2,458,263	2,458,263	2,400,000	(58,263)	-2.4%	(58,263)	-2.4%
General Expenses	8,459,635	7,225,419	8,031,501	8,031,501	7,800,000	(231,501)	-2.9%	(231,501)	-2.9%
Contractual Services	5,814,635	7,338,234	7,183,201	7,183,201	6,945,000	(238,201)	-3.3%	(238,201)	-3.3%
Utility Cost (Tel. & Other)	1,359,998	1,296,050	906,498	906,498	906,498	0	0.0%	0	0.0%
Utility Cost (LIPA)	3,644,996	3,592,803	3,365,537	3,993,502	3,993,502	627,965	18.7%	0	0.0%
Interfund Charges	2,792,670	3,297,730	3,300,000	3,300,000	3,300,000	0	0.0%	0	0.0%
County Scholarships	55,000	51,400	755,000	755,000	55,000	(700,000)	-92.7%	(700,000)	-92.7%
<b>Total</b>	<b>\$201,327,706</b>	<b>\$206,652,410</b>	<b>\$213,879,542</b>	<b>\$212,958,965</b>	<b>\$216,581,000</b>	<b>\$2,701,458</b>	<b>1.3%</b>	<b>\$3,622,035</b>	<b>1.7%</b>

**Expenses**

- Expenses are budgeted to increase by 1.3%, or \$2.7 million, compared to the Adopted 2014 Budget. There have been some adjustments made to the 2014 Adopted Budget to reallocate expense lines, however, the bottom line approved by the Legislature remained unchanged.
- Salaries in the adopted budget are growing by \$3.0 million, or 2.4%, when compared to the FY 2013-14 salary projection, and increasing by 2.1 %, or \$2.7 million when comparing budget to budget. Salaries make up 61.3% of the total expense budget. Headcount figures in the chart above are based on June 1 data. FY 2014–15 budgeted headcount is declining by 12, budget to budget and increasing by 2 when compared to 2014 projected numbers.
- The growth in salaries includes funding for Civil Service Employees Association (CSEA) cost of living adjustment (COLA) of 3.75% and step increases estimated to be between 1.8% and 2.0%. The current CSEA contract expires 12/31/2015; the union has agreed to an extension through 12/31/2017.
- Also included in the adopted salary budget is an additional \$1.2 million for Nassau Community College Federation of Teachers (NCCFT) members. The NCCFT contract expired August 31, 2013; the union and the College have settled on a new agreement. The contract was passed by the College Board of Trustees but still requires approval of the County Executive and the County

Legislature. Based on their knowledge of the details of the contract, the College estimated the FY 2014-15 cost for full time faculty would be an additional \$1.2 million. In lieu of raises for the first two years of the contract, 2014 and 2015, employees will receive \$1,750 and \$2,000, respectively. These increases will not become part of the base salaries. There are approximately 700 NCCFT members receiving \$1,750 for the first year of the contract which equates to approximately \$1.2 million.

- The agreement with the Adjunct Faculty Association (AFA) expired on August 31, 2010. Aside from promotions and advancement to the next level based on seniority, the budget does not include funding for wage increases should a new contract be agreed upon. The College has advised that should an agreement be reached and its financial impact affect the FY 2014-15 budget, the College would have to use fund balance to pay for any increases.
- The budget does not assume any increase in salaries or cost of living increases for Ordinance (ungraded) employees. The College states that if there are any increases, they would be paid out of fund balance.
- The FY 2013-14 budget for termination expense was \$1.5 million. The FY 2014-15 termination budget is \$2.4 million but is subject to reclassification within the salary line depending on the number of retirements. The College is uncertain as to the estimated number of retirements that will occur in FY 2014-15.
- Also contributing to the increase in expenses is a \$600,000 growth in fringe benefits when comparing budget to budget. This is a result of rising health insurance costs and pension costs from the New York State Teachers Retirement System. Health insurance premiums are projected to rise 4.6% year over year and the Teachers Retirement System contribution is expected to rise 7.9%.
- It should be noted that health insurance rates and retirement contributions are based on the best available current assumptions and estimates. The College does not receive actual rates from the State until after the budget is passed.
- The growth in fringe benefits is offset by a decrease of \$700,000 in OTPS (Other Than Personal Services), specifically, county scholarships. This will be discussed in more detail in the OTPS section.
- Utility and energy rates have been rising and the College has allocated funding to reflect FY 2013-14 projections.
- The College had imposed a spending cap on OTPS expenses for FY 2012-13 with the intent to cease such spending if expenses in other areas of the budget required additional funds. That remained in effect for FY 2013-14 but in FY 2014-15 the College plans to implement a “hard cutoff” of purchasing. The “hard cutoff” will shut down any purchasing for any requisitions after a set date. It is hoped that savings of approximately \$530,000 will be achieved with this initiative. That savings is factored into the adopted budget. The exception to this “hard cutoff” would be utility and energy costs over which the College has no control.

**Salaries**

FULL-TIME HEADCOUNT											
Union	Adopted 13 - 14		Adopted 14 - 15		Difference			'Jun 14	Difference		
	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	FT % Chg	Act. F/T	F/T	% Chg	
NCCFT	677	\$59,972,568	677	\$61,417,924	0	\$1,445,356	0.0%	675	2	0.3%	
NCCFT-LINCC	14	650,614	14	685,895	0	\$35,281	0.0%	15	(1)	-6.7%	
CSEA	393	24,041,783	381	24,353,965	(12)	312,182	-3.1%	381	0	0.0%	
Ordinance	65	7,478,800	65	7,403,945	0	(74,855)	0.0%	66	(1)	-1.5%	
<b>Grand Total</b>	<b>1,149</b>	<b>\$92,143,765</b>	<b>1,137</b>	<b>\$93,861,729</b>	<b>(12)</b>	<b>\$1,717,964</b>	<b>-1.0%</b>	<b>1,137</b>	<b>-</b>	<b>0.0%</b>	

- Fulltime headcount in the adopted budget is decreasing by 12 compared to FY 2013–14.
- The \$1.5 million increase in NCCFT and LINCC salaries reflects faculty promotions and contractual increases from the recently negotiated contract with the NCCFT union.
- The number of Ordinance (ungraded) employees is remaining flat budget to budget. There are three funded positions on the Ordinance line that are currently vacant. They are VP Academic Affairs, College President and a Continuing Education position. It is uncertain when these positions will be filled.
  - The Ordinance (ungraded) budget for FY 2014-15 in salary expense includes the 4 employees that are expected to be charged back to grant funds and the Foundation offset by vacancies. Upon completing the transfers there will be an opportunity to the budget estimated at approximately \$279,000. For an apples to apples comparison, the FY 2013-14 Adopted Budget also reflects the budgeted number prior to the transfers.
- CSEA employees are declining by 12. Some of those positions include Laborer, Maintenance Carpenter, Messenger, Accounting Assistant III, Programmer Analyst I and Registrar’s Assistant I among others.

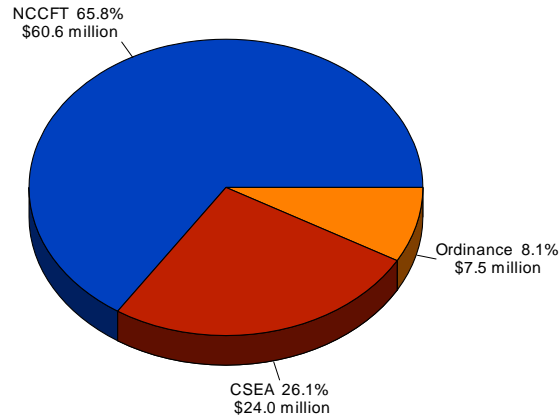
**NCCFT Contract Highlight**

- The College Board of Trustees approved the adopted NCCFT contract.
- The contract extends from FY 2013-14 through FY 2016-17.
- FY 2013-14 , one-time cash bonus of \$1,750 (not added to salary schedule) and unit members eligible for step increment will be granted one half step of their applicable step increment
- FY 2014-15, one-time cash bonus of \$2,000 (not added to salary schedule) and unit members eligible for step increment will be granted the remaining half step of their applicable step increment not granted during the prior contract year; 5 days lag pay taken from five separate salary payments. Payment will be deferred and paid upon separation.
- FY 2015-16, full increment shall be awarded September 1, 2015. Effective September 1, 2015, the salary schedule shall be increased by 1.75%; 5 days lag pay taken from five separate salary payments. Payment will be deferred and paid upon separation.
- FY 2016-17, full increment shall be awarded effective September 1, 2016. Effective September 1, 2016, the salary schedule shall be increased by 2.0%
- Except for the percentage increases provided for the 2015-16 and 2016-17 years, LINCC shall be excluded from the foregoing. There will be a separate LINCC package.
- The above are salary highlights which have been factored into the adopted budget and have been included in this report for informational purposes only.

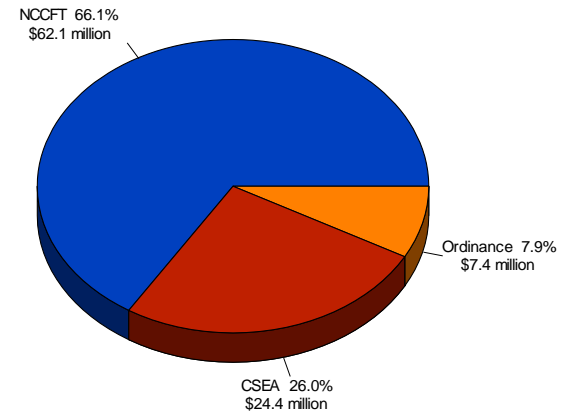


➤ The graph below illustrates salary expenses by union in the adopted budget compared to last year's budget.

**Adopted 2013 - 14 Full Time Salaries by Union**



**Adopted 2014 - 15 Full Time Salaries by Union**



➤ **Fringe Benefits**

Nassau Community College Fringe Benefit Expenses							
	2014 Budget	OLBR Projection	Adopted 2015 Budget	2015 vs. 2014	Percent	Adpt Vs. Projected	Percent
State Retirement	\$6,883,000	\$6,883,000	\$6,660,000	(\$223,000)	-3.2%	(\$223,000)	-3.2%
Teachers Retirement	3,201,000	\$3,201,000	3,454,000	253,000	7.9%	253,000	7.9%
Social Security	9,549,947	\$9,549,947	9,850,000	300,053	3.1%	300,053	3.1%
Health Insurance	19,530,400	\$18,188,303	19,174,000	(356,400)	-1.8%	985,697	5.4%
TIAA CREF	7,339,963	\$7,337,936	7,540,000	200,037	2.7%	202,064	2.8%
Optical Plan	121,945	\$120,704	122,000	55	0.0%	1,296	1.1%
Unemployment	324,997	\$320,000	325,000	3	0.0%	5,000	1.6%
Dental Insurance	649,964	\$650,000	650,000	36	0.0%	0	0.0%
Medicare Reimbursement	1,374,944	\$1,375,000	1,435,000	60,056	4.4%	60,000	4.4%
Health Insurance Retirees	7,389,952	\$7,331,104	7,730,000	340,048	4.6%	398,896	5.4%
Retirees Optical	13,961	\$13,505	14,000	39	0.3%	495	3.7%
MTA Mobility Tax	444,951	\$455,000	455,000	10,049	2.3%	0	0.0%
CSEA Legal Fund	64,996	\$66,000	66,000	1,004	1.5%	0	0.0%
NYS Disability Insurance	10,000	\$0	0	(10,000)	-100.0%	0	0.0%
Workers Compensation	949,980	\$920,000	975,000	25,020	2.6%	55,000	6.0%
<b>Total</b>	<b>\$57,850,000</b>	<b>\$56,411,499</b>	<b>58,450,000</b>	<b>\$600,000</b>	<b>1.0%</b>	<b>\$2,038,501</b>	<b>3.6%</b>

- The Fringe Benefit budget represents 27.0% of the operating budget and is increasing by \$600,000, or 1.0%, compared to the current year’s budget. This growth is primarily due to a rise in the Teacher’s Retirement System, Social Security contributions, Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA CREF) and Health Insurance costs for Retirees, offset by declining Health Insurance costs for Actives and pension costs from the New York State Local Retirement System (NYSLRS).
- The \$3.5 million adopted budget for Teachers Retirement is increasing \$253,000, or 7.9%, compared to the current year’s projection due to an increase in salaries and a 1.28% rise in the employer contribution rate to 17.53%.
- The Social Security budget of \$9.9 million increased by \$300,053, or 3.1%, from the previous year which is attributable to increased salaries mostly from the negotiated contract with the Nassau Community College Federation of Teachers (NCCFT) members.
- Health insurance for Active employees is decreasing by \$356,400, or 1.8%, to \$19.2 million. The decrease compared to the current budget is due to an overstated FY2013-14 health insurance budget for active employees.

- Compared to the current projection, the FY2014-15 budget for active health insurance is increasing by \$985,697, or 5.4%. The College budget assumes a health insurance growth rate of 4.6%. New York State's First Quarter Experience Report projects a best estimate growth rate of 5.4%, effective January 1, 2015, which includes eight months of the College fiscal year. The 2014-15 health insurance budget appears to be sufficient.
- The adopted budget for Health Insurance for Retirees is increasing by \$340,048, or 4.6%, compared to the 2013-14 Adopted Budget and by \$398,896, or 5.4%, compared to the current projection. New York State's First Quarter Experience Report projects a best estimate growth rate of 5.4% effective January 1, 2015. The health insurance budget for retirees appears attainable.
- The New York State Disability Insurance budget of \$10,000 has been eliminated. The negotiated Civil Service Employees Association (CSEA) contract ceases the County from providing disability insurance to CSEA unit members.
- The FY 2014-15 Adopted Budget of \$6.7 million for State Retirement is a reduction of \$223,000 compared to the FY 2013-14 budget. The decrease is due to a reduction in the pension contribution rate. The pension contribution rate in the retirement plan that reflects the majority of College employees is decreasing from 21.1% to 20.4%.

**OTHER THAN PERSONAL SERVICES**

- OTPS spending in FY 2014-15 will be about \$600,000, or 2.3%, less than that of the adopted FY 2013-14. The following chart details the OTPS spending from 2013 to the FY 2014-2015 Adopted Budget:

Nassau Community College OTPS Budget Comparison FY 2013-2015						
	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>2015</u>	Variance	Variance
	<u>Operating</u>	<u>Adopted</u>	<u>Projected</u>	<u>Adopted</u>	Variance	Variance
	<u>Results</u>	<u>Budget</u>	<u>Oper. Results</u>	<u>Budget</u>	<u>2014/2015</u>	<u>Proj/Bud</u>
Equipment	2,268,748	2,458,263	2,458,263	2,400,000	(58,263)	(58,263)
General Expenses	7,225,419	8,031,501	8,031,501	7,800,000	(231,501)	(231,501)
Contractual Services	7,338,234	7,183,201	7,183,201	6,945,000	(238,201)	(238,201)
Utility Costs	4,888,853	4,272,035	4,900,000	4,900,000	627,965	0
Central Utility Plant Chgs	3,297,730	3,300,000	3,300,000	3,300,000	0	0
Scholarships	51,400	755,000	755,000	55,000	(700,000)	(700,000)
	25,070,384	26,000,000	26,627,965	25,400,000	(600,000)	(1,227,965)

- Historically, the College has adjusted spending for OTPS on an as needed basis. Sometimes OTPS spending shifts at year’s end due to surpluses in other areas of the budget to fund needed expenses. The overall budgeted bottom line however, always remains the same.
- Utility costs are growing in FY 2014-15 by \$627,965 budget to budget but are remaining flat when compared to projected 2014 results. Utility and energy rates increased to higher than what was budgeted generating a shortfall for FY 2013-14. The College anticipates similar rates for FY 2014-15 and will allocate funding at projected FY 2013-14 levels.
- The scholarship line is declining by \$700,000 due to the elimination of the scholarship appropriation for the federally funded SAFER grant (Staffing for Adequate Fire and Emergency Response). This allocation was for one-year only to enable Nassau County’s Office of Emergency Management (OEM) to continue to provide services previously covered by the aforementioned grant. According to OEM, it is unclear if funding will be secured at this time for continuation of the program.
  - The SAFER grant is designed to encourage individuals to become participants in Nassau County’s volunteer fire departments and as fire department emergency medical service (EMS) providers while they attend NCC. In exchange for tuition

reimbursement, student/volunteers must maintain volunteer activity and training levels and certain academic objectives during their course of study and must commit to a post-education service obligation of one year for each scholarship they receive.

- Until the grant is renewed, in 2014-15 the College anticipates funding this program with a supplemental appropriation.

### **OPPORTUNITIES & RISKS**

- The AFA union is currently working without a contract. The adopted budget does not include any contractual increases in the salary line should this union reach a labor agreement. The impact of wage increases for members of the AFA would result in the College using fund balance for the FY 2014-2015 only. Contractual increases would be built-in to future budgets. However, the use of fund balance is troubling because the College plans on using additional fund balance monies in other areas of the budget if the need arises, further reducing the reserve.
- Should circumstances evolve during the budget year that generate shortfalls in any area of the budget, the College will implement additional contingencies such as reductions in OTPS spending.
- The three vacant funded positions, chargebacks and grant funded positions generate a net \$279,000 in opportunity to the ordinance salary budget.

### **Points of Discussion**

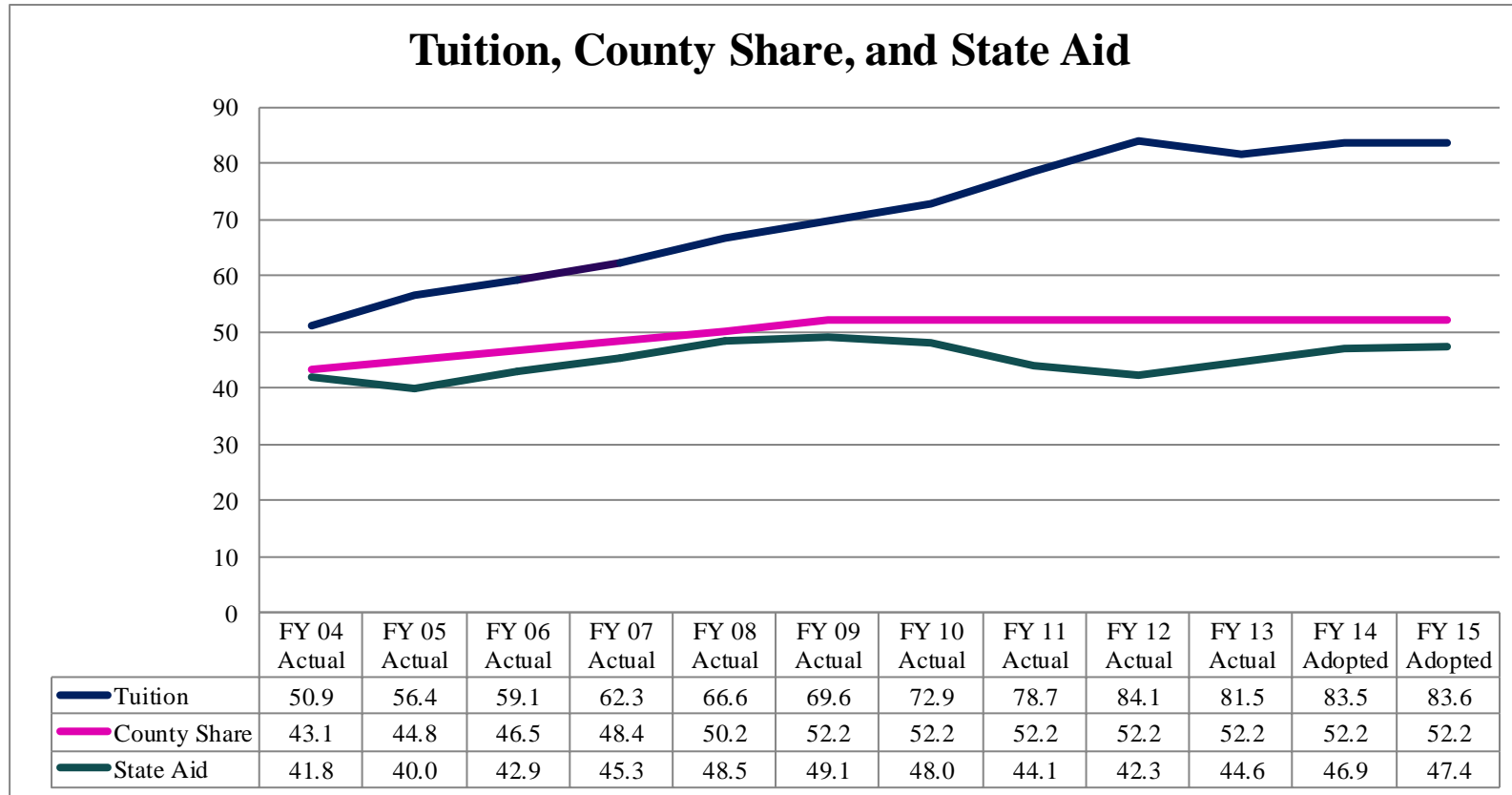
- There is a continued reliance on the College to provide information since the migration to the Banner system to which the County does not have access. The data stored in Banner is crucial to our analysis and making it available facilitates reporting.

	Historical		2014		2015	2014 vs. 2015		Projected vs. 2015	
	2012	2013	Adopted Budget	OLBR Projected	Adopted Budget	Variance	Percent	Variance	Percent
Tuition	\$84,068,378	\$81,469,769	\$83,528,720	\$83,528,720	\$83,598,615	\$69,895	0.1%	\$69,895	0.1%
Property Tax	52,206,886	52,210,077	52,206,883	52,206,883	52,206,883	0	0.0%	0	0.0%
State Aid	42,295,557	44,621,803	46,939,139	46,969,044	47,356,919	417,780	0.9%	387,875	0.8%
Rev. Lieu Spons. Share	14,697,418	14,058,715	14,200,000	15,699,000	15,542,010	1,342,010	9.5%	-156,990	-1.0%
Rev. Offset To Expense	4,156,200	4,964,234	4,272,000	4,472,000	4,472,000	200,000	4.7%	0	0.0%
Service Fees	7,466,949	7,285,588	7,294,000	7,028,000	7,028,000	-266,000	-3.6%	0	0.0%
Rents & Recoveries	12,799	868,040	500,000	500,000	3,838,573	3,338,573	667.7%	3,338,573	667.7%
Investment Income	65,577	64,618	65,000	65,000	65,000	0	0.0%	0	0.0%
Federal Aid	41,415	77,213	0	0	0	0	0.0%	0	0.0%
Suppl Approp/Fund Balance	0	0	0	0	0	0	0.0%	0	0.0%
Fund Balance Appropriated	0	1,533,699	4,873,800	4,873,800	2,473,000	-2,400,800	-49.3%	-2,400,800	-49.3%
<b>Total</b>	<b>\$205,011,179</b>	<b>\$207,153,756</b>	<b>\$213,879,542</b>	<b>\$215,342,447</b>	<b>\$216,581,000</b>	<b>\$2,701,458</b>	<b>1.3%</b>	<b>\$1,238,553</b>	<b>0.6%</b>

**Revenues**

- In the Adopted FY 2014-15 Budget, revenues are projected to increase by 1.3%, or \$2.7 million, compared to the FY 2013-14 Adopted Budget. However, compared to current academic year-end projections, FY 2014-2015 revenue increase by 0.6%, or \$1.2 million.
- The County’s share of College revenue, Property Tax Levy, remains at \$52.2 million in FY 2014-2015.
- The State made a slight adjustment to the Full Time Equivalent (FTE) reimbursement rate. As a result, State aid is expected to grow by only 0.8%, to a total of \$47.4, million compared to current academic year projections.
- In the Adopted FY 2014-2015 Budget, the College is recommending a \$146 increase to the Full Time Tuition rate. The Tuition increase is being instituted to avert a potential FY 2014-2015 budget gap driven by an expected 1.0% drop in enrollment, an increase in overall costs and a flat property tax levy.
- Compared to the Adopted FY 2013-2014 Budget and current academic year projections, proceeds from rents and recoveries are expected to grow by \$3.3 million in FY 2014-2015. The robust growth is attributable to the liquidation of two large encumbrances and an amendment to the overall open encumbrance policy. The College will now disencumber funds within a year.
- The Adopted FY 2014-2015 Budget includes a \$2.5 million appropriation of the fund balance, 49.3% less than in the Adopted FY 2013-2014 Budget.

**FY 2004 – 2015**  
(\$ in millions)



- The FY 2014-2015 Adopted Budget is the seventh consecutive year in which the Property Tax Levy will be \$52.2 million. During this time, State Aid revenue has fluctuated necessitating a steady rise in Tuition.
- Due to inflation, the County share does not offset as much in expenditures in 2014 as it did in 2009. For instance, \$57.68 in 2014 dollars would have the equivalent buying power of \$52.20 in 2009 dollars.
- The expense growth has outpaced revenue growth. In 2009, State Aid revenue accounted for 25.3% of all expenditures, the County Share offset 26.8%, and Tuition 35.8%. In the Adopted FY 2014-2015 Budget, State Aid supports 21.9% of expense, the County Share covers 24.1%, and Tuition 38.6%.

**Tuition**

- Tuition revenue represents about 38.6% of total revenue in the Adopted budget and is a function of student enrollment and tuition rates. The tuition rate is a revenue source wholly controlled by the College.
- Enrollment at the College has been on the decline since 2011. In FY 2011-2012 and FY 2012-2013, enrollment declined 2.1% and 2.7%, respectively. The College built a 1.0% enrollment decrease into the budget adopted for FY 2013-2014. The College’s FY 14 enrollment forecast was accurate as 99.7% of the Tuition budget was collected by May 31, 2014.
- The College anticipates another 1.0% enrollment decline in FY 2014-2015 which the College estimates will negatively impact their budget by \$820,000. To absorb this reduction, the College is recommending a tuition increase of \$73 per semester. The increase would bring the tuition rate to \$4,234 per year and will generate approximately \$2.7 million in revenue. Despite this increase, Nassau Community College’s rate would still be lower than the rate adopted by both Westchester and Suffolk County Community College.

**2014-2015**

<b>Yearly Tuition Comparison</b>				
	Current	2015	Increase	Diff From Nassau
Suffolk	\$4,140	\$4,390	\$250	\$156
Westchester	4,280	4,360	80	126
Nassau	4,088	4,234	146	

- According to the College Administration, Nassau Community College has the second most affordable tuition in the New York State Community College system, as long as cost of living adjustments are made.

**Property Taxes**

- There is no Property Tax increase in the Adopted Budget.
- Nassau County’s contribution of \$52.2 million represents 24.1% of the Adopted Budget.



**State Aid**

- State aid is expected to grow by less than one percent to \$47.4 million in the Adopted budget, compared to the previous year’s Adopted Budget.
  - Overall State Aid revenue is still well below the recent high of \$49.1 million in FY 2008-2009.
- The State imposed a succession of cuts that slashed the FTE rate by \$553, starting mid-year FY 2009-2010 and ending FY 2011-2012.
- Despite three years of FTE rate increases, the FY 2014-2015 rate is still \$178 below the rate in FY 2009-2010.
  - The FY 2014-2015 rate is set at \$2,497 per FTE.

- The State has imposed midyear cuts in the past. Further stress would be put on the budget should midyear cuts occur in the coming year.
- State aid represents 21.9% of Adopted revenue in FY2013-14.

State Aid Changes 2010-2015	
	Change/FTE
2010 Mid Year FTE Reduction	(\$130)
2011 FTE Reduction	(285)
2012 FTE Reduction	(138)
2013 FTE Increase	150
2014 FTE Increase	150
2015 FTE Increase	75
<b>Total</b>	<b>(178)</b>

**Revenue Lieu Sponsor Share**

- This revenue stream is an assortment of collections, including tuition from international students, students from out of state, and students from New York State without a certificate of residency from their home county. The bulk of this revenue source comes from charging back other counties for educating their residents at NCC.
- The charge back rate for non-resident FTEs is a function of Nassau’s Property Tax contribution, FTE levels, and is subject to a prior year adjustment.
  - Individual non-resident students pay tuition. The County collects the chargeback rate from these students’ home counties.
  - In the event a student cannot produce a certificate of residency from their home county, the student is charged double tuition.
- The College Administration estimates that the charge back rate will be \$4,060 per FTE in 2015. Last year, the chargeback rate was \$3,220 per FTE. The chargeback formula factors in criteria such as operating expenses, enrollment, and fund balance usage. The confluence of rising costs, declining enrollment, and reliance on fund balance sparked the College’s chargeback rate growth.
- The \$15.5 million budget for this revenue stream breaks out in the following manner: \$13.3 million from charging back to other counties and \$2.2 million from collections of all other non-resident tuition.

**Revenue Offset to Expenses**

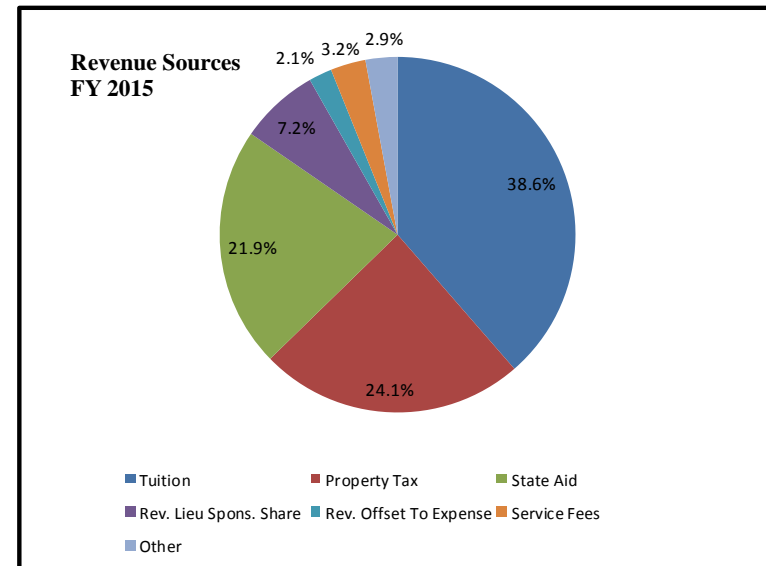
- This revenue source is comprised of commissions, contracts, and course fees to cover special course offerings. These special courses include continuing education, corporate education, and English as a Second Language (ESL).
- The \$4.5 million budget adopted for FY 2014-2015 reflects expected growth in this revenue stream of 4.7% compared to the previous year’s Adopted Budget.

**Rents and Recoveries**

- Revenue is generated as a result of liquidating prior year encumbrances. Compared to current academic year projections, the collection of rents and recoveries surges 667.7% to \$3.8 million in the Adopted FY 2014-2015 Budget.
- The College is able to use the Banner Financial System to exert greater control over the liquidation of encumbrances.
- The College is recovering two unusually large credits that have been on the balance sheet for some time.
  - The College is recovering \$1.5 million reserve that had been set aside for a Federal audit of financial aid. The Federal government released the College from this liability last year.
  - The other large credit the College will recover in FY 14-15 is a \$1.7 million settlement with Egger’s Construction. Although the County settled with Egger’s many years ago, the College only recently gained control over the settlement.
- In addition, the College has amended its policy on open encumbrances to leverage this new found precision. The new policy accounts for about \$175,000 of the new growth. In the past, encumbrances were left open indefinitely. Now, encumbrances can only be rolled over for 12 months following the end of the operating year.

**Federal Aid**

- According to the College Comptroller, the Federal government reimburses the College for administrative costs associated with the work study program and Pell Grants. In FY 2012-2013, the College collected \$77,213 in reimbursements. The College does not expect to realize any excess reimbursements in FY 2014-2015.



**Investment Income**

- The County Treasurer manages this revenue stream on the College’s behalf. Investments are by their very nature directly affected by market interest rates. Rates have been remarkably low.

**Service Fees**

- The Adopted FY 2014-2015 Service Fee Budget is \$7.0 million, in line with current academic projections and 3.6% lower than the FY 2013-2014 Adopted Budget. There are no new fees in the Adopted Budget.

Service Fees Adopted FY 2014 vs. Adopted FY 2015						
Service Fee: Source	Fee	FY 13-14		FY 14-15		Variance
		Adopted Budget	Fee	Adopted Budget	Fee	Revenue
Technology	\$40	\$1,502,245	\$40	\$1,447,460	\$0	-\$54,785
Student Lab	100	1,797,612	100	1,732,056	0	-65,556
Application	50	961,912	50	926,833	0	-35,079
NG Check	20	12,758	20	12,293	0	-465
Academic Transcript Fees	30	24,102	30	23,223	0	-879
Late Registration	25	253,636	25	244,386	0	-9,250
Nursing Evaluation	75	659	75	635	0	-24
Tuition Pay Plan	40	499,471	40	481,256	0	-18,215
Change of Program	25	2,003	25	1,930	0	-73
Consolidated Fee	30	1,090,059	30	1,050,306	0	-39,753
Convenience Fee	18	376,504	18	362,773	0	-13,731
Vehicle Registration	45	596,228	45	574,484	0	-21,744
Immunization Transcript Fee	5	6,452	5	6,217	0	-235
Late Payment- Tuition	25	35,239	25	33,954	0	-1,285
Late Payment- Tuition Payment Plan	25	135,121	25	130,193	0	-4,928
<b>Totals</b>		<b>\$7,294,000</b>		<b>\$7,027,999</b>		<b>-\$266,001</b>

**Fund Balance**

- The College has established a Fund Balance policy which states that “an unreserved fund balance of no less than 4.0% of the prior year’s operating budget” must be maintained. The chart below demonstrates how the Fund balance would change if planned usage occurs.
- The College would end FY 2014-15 with a \$7.9 million Fund Balance, or approximately 3.8% of prior year expenditures. This percentage is below the threshold established by the Board of Trustees.
- Corrective action would need to be taken in order to keep the Fund Balance above the 4.0% threshold.

<b>Fund Balance Reconciliation</b>
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Net End of Year 2013 Fund Balance	<b>14,864,857</b>
FY 13-14 Appropriation of Fund Balance	<b>(4,873,800)</b>
Projected Operating results	<b>385,978</b>
FY 13-14 Un-appropriated Fund Balance	<b>10,377,035</b>
FY 14-15 Appropriation of Fund Balance	<b>(2,473,000)</b>
FY 14-15 Un-appropriated Fund Balance	<b>7,904,035</b>

**Fund Balance, Cont.**

- In the Fiscal Year ending on August 31, 2013, New York State Community Colleges held on average 12.59% of budgeted expenditures in Fund Balance.
- Nassau Community College ranks 21st among Community Colleges in terms of Fund Balances as a percentage of expenditures, at 7.06%. This figure represents a slight decline from the prior year percentage of 7.99. On this list, Nassau ranks lower than both Suffolk and Westchester.
- These rankings are calculated on the Fund Balance of \$14.6 million from the Fiscal Year ending on August 31, 2013.
- Nassau Community College’s standing in relation to the rest of the New York State Community College system would diminish if the Fund Balance spending planned for FY 2014-15 were to take place.

Community College Fund Balance Comparison As of Fiscal Year Ending August 31, 2013			
Community College	Unreserved Fund Balance	Total Expenditures*	Percent of Fund Balance to Expenditures
F-I-T	58,729,841	170,050,773	34.54%
Jamestown	9,831,892	33,939,212	28.97%
Niagara	12,231,533	44,631,106	27.41%
North Country	3,397,993	12,979,719	26.18%
Schenectady	6,536,343	25,668,651	25.46%
Corning	6,688,710	30,409,171	22.00%
Erie	20,401,890	103,720,304	19.67%
Genesee	6,287,718	36,052,061	17.44%
Columbia-Greene	2,606,432	16,400,216	15.89%
Mohawk Valley	7,211,296	48,770,710	14.79%
<b>Suffolk</b>	<b>24,115,315</b>	<b>187,716,325</b>	<b>12.85%</b>
Herkimer	2,981,926	23,291,992	12.80%
Fulton-Montgomery	2,215,163	17,953,397	12.34%
Monroe	13,752,504	119,457,204	11.51%
Jefferson	2,550,398	24,768,336	10.30%
Dutchess	5,739,862	58,319,440	9.84%
Finger Lakes	3,707,817	40,636,160	9.12%
Clinton	1,170,738	14,938,532	7.84%
<b>Westchester</b>	<b>8,871,850</b>	<b>115,410,229</b>	<b>7.69%</b>
Adirondack	1,815,077	25,377,550	7.15%
<b>Nassau</b>	<b>14,566,210</b>	<b>206,417,146</b>	<b>7.06%</b>
Broome	3,099,243	48,109,402	6.44%
Onondaga	3,974,193	72,456,871	5.48%
Sullivan	813,971	15,861,477	5.13%
Tompkins - Cortland	1,253,267	37,367,819	3.35%
Rockland	1,708,855	64,586,053	2.65%
Orange County	754,609	57,300,507	1.32%
Ulster	153,358	24,756,817	0.62%
Hudson Valley	-	94,829,139	0.00%
Cayuga	(43,988)	32,204,135	-0.14%

\* Expenditures do not include unexpended encumbrances at year end  
Community Colleges report actual expenditures only in their NYS Annual Report

### **Opportunities & Risks**

- The FY 2014-15 Adopted Budget will be affected by enrollment. If enrollment rises, the College has the opportunity to realize additional revenues (tuition, service fees, etc.). If enrollment declines, the College risks meeting its budget. In that case, additional contingencies would be required to make up for unrealized revenue.
- A risk to the budget materializes should the State slash the reimbursement rate mid-year, an action the State last took in FY 2010.
- In the event of a settlement with the Adjunct Faculty Association (AFA), the College has stated that they would draw down on the Fund Balance further in order to account for AFA's contract. As previously mentioned, the use of the Fund Balance planned for FY 2014-2015 places the Fund Balance below the Trustees' threshold. Any settlement with the AFA that relies upon use of the Fund Balance poses a risk to this and future budgets.
- An opportunity to the budget emerges if the College identifies additional encumbrances that could be closed in accordance with the amended open encumbrance policy.
- OLBR estimates that the College has \$1.0 million in opportunities in tuition revenue which can grow to \$1.9 million if the budgeted enrollment decline does not materialize. Similarly, state aid has an additional opportunity of \$1.0 million. This will offset the budgeted fund balance usage.

### **Point of Discussion**

- In the FY 2012-2013 NCC Year End analysis, OLBR indicated to the Legislature that this office would report on the College's progress in addressing outstanding accounts receivable. The College Comptroller reported that the College had an accounts receivable balance of about \$14.0 million on August 31, 2011. As of August 31, 2013, the College had reduced that balance by approximately \$4.1 million.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$1,519,229	\$1,929,550	\$1,577,300	\$1,621,518	\$1,616,800	\$39,500	2.5%	(\$4,718)	-0.3%
Dept Revenues	18,426,727	18,035,259	19,515,342	19,330,125	21,137,320	1,621,978	8.3%	1,807,195	9.3%
Interdept Revenues	62,000	66,743	0	0	0	0	*****	0	*****
State Aid-Reimb of Exp	0	0	0	0	0	0	*****	0	*****
Special Taxes	675,000	675,000	2,925,000	2,925,000	3,325,000	400,000	13.7%	400,000	13.7%
<b>Total</b>	<b>\$20,682,956</b>	<b>\$20,706,552</b>	<b>\$24,017,642</b>	<b>\$23,876,643</b>	<b>\$26,079,120</b>	<b>\$2,061,478</b>	<b>8.6%</b>	<b>\$2,202,477</b>	<b>9.2%</b>

**Revenues**

- There is an increase expected in total revenue of \$2.1 million or 8.6% in comparison to the FY 14 Adopted Budget.
- The FY 15 rents and recoveries line has a nominal increase of \$39,500 budget to budget.
- The FY 15 Proposed Budget is increasing \$2.2 million or 9.2% compared to OLBR’s projection. This is due mainly to an increase of \$1.8 million in the departmental revenues line.
- There is an increase expected in Special Taxes of \$0.4 million or 13.7% in comparison to both the FY 14 Adopted Budget and OLBR’s projection.

- The chart below details the 2013 actual, the 2014 projection and the FY 15 Proposed Budget of the Hotel Motel tax.

Hotel/Motel Tax (\$ in million)			
	2013 Actual	2014 Projection	2015 Proposed
Treasurer	\$0.9	\$0.9	\$0.9
Parks/Gen	0.7	2.9	3.3
Parks/Grt	3.4	0	0
<b>Total</b>	<b>\$5.0</b>	<b>\$3.8</b>	<b>\$4.2</b>

**Aquatic Center**

Renovations to the Aquatic Center have three phases, of which two have been completed. The finished work includes: locker rooms, stands, hallways and new HVAC units. A UV filter will be operational after a review from the Department of Health. The last phases include repairs to the roof, skylight replacement, gutters and other enhancements.

- Hotel motel tax is recorded in two departments, Treasurer and Parks.
- Funding is used to promote tourism as well as contracts to improve and advance the marketability of cultural and historic attractions.

**Golf Operations Revenue**

<b>Golf Operations Departmental Revenue</b>				
<b>Revenue Source</b>	<b>FY 13 Actual</b>	<b>FY 14 Budget</b>	<b>FY 14 Projected</b>	<b>FY 15 Proposed</b>
Greens Fees	\$1,109,825	\$1,570,000	\$1,570,000	\$1,370,000
Caddy Cart Fees	33,867	46,500	24,944	46,500
Minature Golf	27,897	40,000	20,000	40,000
Leisure Pass Fee	171,280	161,000	141,000	181,000
Room Rentals	35	0	0	0
Golf Cart Fees	1,047,512	1,047,000	1,040,000	1,160,000
Driving Range Fees	836,694	765,000	550,000	970,000
Golf Reservation Fees	327,416	365,000	355,000	395,000
Golf No Show Fee	3,192	5,000	5,000	5,000
Redeemable Certificates	136,146	104,500	104,850	140,000
Greens Fees Red Course	1,356,920	1,300,000	1,875,000	1,450,000
Greens Fees White Course	1,383,168	1,550,000	1,750,000	1,700,000
Greens Fees Blue Course	1,373,566	1,491,322	1,675,000	1,600,000
Concessions	32,050	31,500	20,000	31,500
<b>Total</b>	<b>\$7,839,568</b>	<b>\$8,476,822</b>	<b>\$9,130,794</b>	<b>\$9,089,000</b>



- The above chart has been populated to capture golf operations that are reflected in departmental revenues.
- Overall golf operations revenue are budgeted to increase from the FY 14 Adopted Budget by 7.2%.
- A few golf operations revenue lines are higher in FY 15 in comparison to the Adopted FY 14 Budget such as driving range fees, golf cart fees, and the Red, White and Blue courses fees.
- The County’s golf operations are significantly impacted by weather conditions. Extreme heat or wet conditions will impede attendance.



**Revenue**

Departmental Revenue				
Revenue Source	FY 2013 Actual	FY 2014 Budget	FY 14 Projected	FY 15 Proposed
Misc Receipts	\$2,294	\$1,600	\$1,600	\$1,600
Concessions	675,008	1,025,500	850,000	1,438,500
Greens Fees	1,109,825	1,570,000	1,570,000	1,370,000
Caddy Cart Fees	33,867	46,500	24,944	46,500
Summer Recreation Prg. Fees Rev.	696,025	680,000	606,245	750,000
Swimming Pools	1,643,751	2,053,000	1,450,000	2,020,000
Ice Rinks	437,903	440,000	439,900	465,000
Old Bethpage Hist Vil	281,738	300,000	390,000	300,000
Museum Of Nat History	42,201	34,800	21,346	43,300
Rental Of Equipment	15,200	0	18,000	15,000
Summer Day Camps	22,440	27,420	27,420	27,420
Special Use Permits	187,935	243,850	267,500	209,700
Ice Skate Lessons	34,205	41,000	41,000	42,000
Ice Skate Rental	44,934	50,500	48,000	52,500
Ice Skate Sharpening	354	700	680	700
Ice Skate Lockr Fees	549	400	400	400
Marina Wantagh	421,961	425,000	415,500	475,000
Roller Skate Admissn	754	0	700	1,000
Beach Parking	338,244	365,000	364,050	400,000
Cabana Rentals	1,808,219	1,820,000	1,751,200	2,000,000
Miniature Golf	242,824	265,000	288,994	290,000
Commercial Parking	9,210	6,200	5,550	2,100
Camping Fees	804,486	770,500	719,697	845,500
Service Fees	2,776	0	0	0
Special Sports Prog	282,480	275,000	234,049	275,000

Departmental Revenue				
Revenue Source	FY 2013 Actual	FY 2014 Budget	FY 14 Projected	FY 15 Proposed
Open Space Usage Fee	9,890	9,000	9,000	2,900
Aerodrome Field Usage Fee	6,800	10,000	10,000	10,000
Batting Cage Fees	32,656	65,000	65,000	65,000
Lifestyle Programs	52,086	60,000	60,000	65,000
Leisure Pass Fee	615,677	649,000	672,500	669,000
Welwyn Revenue	1,000	1,000	1,000	1,000
Launching Ramps	48,175	52,250	52,250	53,750
Tennis Courts	20,123	26,800	26,800	26,500
Room Rentals	76,376	61,950	60,950	72,050
Picnic Reservation Permits	137,536	146,500	145,500	158,800
Swimming Programs	432,052	348,000	338,000	455,000
Athletic Field Fees/Charges	582,775	532,500	531,500	594,500
Non-Resident Fees	151,425	148,000	138,000	163,400
Golf Cart Fees	1,047,512	1,047,000	1,040,000	1,160,000
Driving Range Fees	836,694	765,000	550,000	970,000
Alcohol Permits	27,300	32,700	33,000	35,850
Golf Reservation Fees	327,416	365,000	355,000	395,000
Golf No Show Fee	3,192	5,000	5,000	5,000
Film & Advert Activities	20,800	18,500	12,000	18,500
Redeemable Certificates	138,340	105,850	104,850	141,850
Greens Fees Red Course	1,356,920	1,300,000	1,875,000	1,450,000
Greens Fees White Course	1,383,168	1,550,000	1,750,000	1,700,000
Greens Fees Blue Course	1,373,566	1,491,322	1,675,000	1,600,000
County League Registration	193,475	280,000	280,000	250,000
Non-County League Registration	21,125	0	0	0
Tournament Fees	0	3,000	3,000	3,000
<b>Total</b>	<b>\$18,035,262</b>	<b>\$19,515,342</b>	<b>\$19,330,125</b>	<b>\$21,137,320</b>

➤ The above charts list all revenues included in the FY 15 proposed departmental revenue lines.

➤ The total FY 15 departmental revenues budget is \$21.1 million which represents an increase of 8.3% budget to budget.

**Summer Recreation Program**

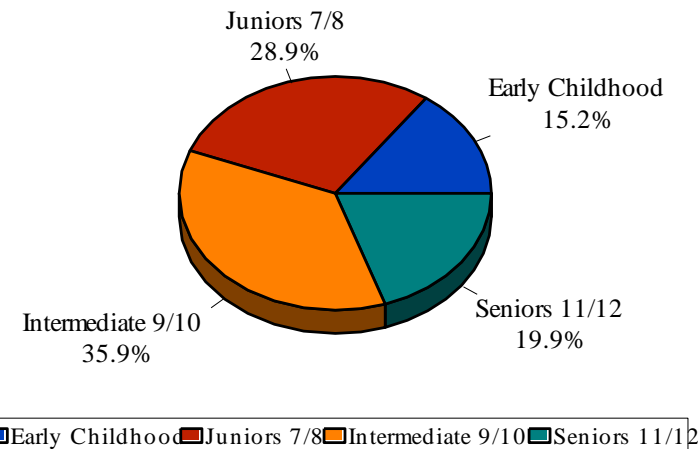


**Nickerson Beach**

- The Summer Recreation Program was launched in 2010. The program hosted children at different County parks. For 2014, the facilities used were Cantiague, Nickerson Beach, Eisenhower and Wantagh Parks.
- The Summer Recreation Program was operational from June 30, to August 7, 2014. There were a total of 888 children who participated in the program for FY 14. The chart below reflects historical and 2014 data.

Summer Recreation Program Age Categories				
	2011	2012	2013	2014
Early Childhood (5-6)	208	197	239	<b>135</b>
Juniors (7-8)	254	295	317	<b>257</b>
Intermediate (9-10)	222	284	275	<b>319</b>
Seniors (11-12)	140	221	173	<b>177</b>
<b>Total</b>	<b>824</b>	<b>997</b>	<b>1,004</b>	<b>888</b>

- The fees consist of \$700 for one child for the 9 a.m. – 3 p.m. session or \$850 for the 9 a.m. – 5 p.m. session. Additional sibling discount: \$50 off for a second child, \$100 for third child, \$150 off for fourth child.
- Children ranging in ages from 5 to 12 were separated in the following categories: early childhood (5–6); juniors (7–8); intermediate (9–10) and seniors (11–12).
- This program generated revenues of \$606,840 through August 7, 2014 and has a FY 15 Proposed Budget of 750,000.



Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	151	153	151	149	156	5	3.3%	7	4.7%
Part-Time and Seasonal	812	983	1,078	1,125	1,084	6	0.6%	(41)	-3.6%
Salaries	\$13,596,353	\$16,720,778	\$15,799,646	\$18,899,124	\$16,206,084	\$406,438	2.6%	(\$2,693,040)	-14.2%
Equipment	399,506	453,651	456,500	456,500	558,500	102,000	22.3%	102,000	22.3%
General Expenses	1,628,584	1,681,183	1,704,700	1,704,700	1,871,250	166,550	9.8%	166,550	9.8%
Contractual Services	2,897,697	3,369,791	6,130,500	6,130,500	7,563,100	1,432,600	23.4%	1,432,600	23.4%
Inter-Dept. Charges	616	0	0	0	0	0	*****	0	*****
Interfund Charges	0	0	0	0	148,499	148,499	*****	148,499	*****
<b>Total</b>	<b>\$18,522,756</b>	<b>\$22,225,403</b>	<b>\$24,091,346</b>	<b>\$27,190,824</b>	<b>\$26,347,433</b>	<b>\$2,256,087</b>	<b>9.4%</b>	<b>(\$843,391)</b>	<b>-3.1%</b>

**Expenses**

- Total expenses increase by \$2.3 million or 9.4% budget to budget and decrease by \$0.8 million or 3.1% compared to the OLBR projection. From the FY 2014 budget, the proposed budget for salaries, OTPS (equipment, general expenses, contractual services) and interfund charges increase.
- The FY 15 budgeted salaries are increasing by \$0.4 million or 2.6% from the FY 14. The full-time budget is increasing by \$1.1 million mainly as a result of the newly negotiated labor contract with CSEA and is offset by reductions of \$155,323 and \$330,602 in part-time and seasonal salaries respectively. The Parks Department will drastically reduce the salary line from the current projection by \$2.7 million by decreasing seasonal and part-time employees.
- FY 15 general expenses are increasing by \$166,550 or 9.8% in comparison to both the FY 14 Adopted Budget and OLBR’s projection, mainly due to a surge in supplies.
- Contractual Services are increasing by \$1.4 million or 23.4% compared to both the 2014 Adopted Budget and OLBR’s projection. Budget items with growths include miscellaneous contractual services, Long Island tourism, Cornell Cooperative Extension of Nassau County, and other program agencies contracts.

Expenses, Cont.

		Staffing Analysis					
		FY 14	Sept-14	FY 15	FY 15	Exec. vs	Exec. vs
		<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>14 Adopt</u>	<u>Actual</u>
<b>CC</b>	<b>Full-time Staffing</b>						
	Administration	26	25	26	27	1	2
	Technical Services	49	43	49	46	(3)	3
	Recreation Services	33	36	36	38	5	2
	Museums	4	3	3	3	(1)	0
	Golf Operations	39	42	40	42	3	0
	<b>Total Full-time</b>	<b>151</b>	<b>149</b>	<b>154</b>	<b>156</b>	<b>5</b>	<b>7</b>
<b>CC</b>	<b>Part-time and Seasonal</b>						
	Administration	30	9	29	24	(6)	15
	Technical Services	126	209	126	125	(1)	(84)
	Recreation Services	750	735	757	755	5	20
	Museums	53	56	59	59	6	3
	Golf Operations	119	116	121	121	2	5
	<b>Total Part-time and Seasonal</b>	<b>1,078</b>	<b>1,125</b>	<b>1,092</b>	<b>1,084</b>	<b>6</b>	<b>(41)</b>

- Full-time headcount for FY 15 is increasing by 5 positions when compared to the 2014 Adopted Budget and by 7 in comparison to the September on board. Part-time and seasonal positions are increasing by 6 in FY 15 as compared to the FY 14 adopted headcount; however the FY 15 budget represents a decrease of 41 heads from the current on board.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	3,030	2,969	3,052	2,970	3,092	40	1.3%	122	4.1%
Part-Time and Seasonal	439	458	506	448	504	(2)	-0.4%	56	12.5%
Salaries	\$444,555,041	\$435,412,863	\$437,235,286	\$467,909,729	\$461,813,531	\$24,578,245	5.6%	(6,096,198)	-1.3%
Fringe Benefits	213,899,880	228,969,413	243,776,659	239,361,109	250,756,023	6,979,364	2.9%	11,394,914	4.8%
Workers Compensation	8,643,864	10,072,183	10,772,045	10,772,045	10,438,979	(333,066)	-3.1%	(333,066)	-3.1%
Equipment	211,489	418,910	575,118	575,118	1,000,000	424,882	73.9%	424,882	73.9%
General Expenses	8,731,905	8,234,646	9,027,033	9,027,033	9,052,900	25,867	0.3%	25,867	0.3%
Contractual Services	9,482,307	11,457,359	12,419,900	12,419,900	12,792,797	372,897	3.0%	372,897	3.0%
Utility Costs	3,499,191	3,930,374	3,986,764	3,986,764	4,706,564	719,800	18.1%	719,800	18.1%
Debt Svc. Chargebacks	13,088,406	14,374,590	16,602,417	16,878,063	16,875,858	273,441	1.6%	(2,205)	0.0%
Inter-Dept. Charges	42,399,167	44,493,003	45,862,809	45,862,809	41,964,979	(3,897,830)	-8.5%	(3,897,830)	-8.5%
Interfund Charges	1,964,612	31,276	0	0	0	0	*****	0	*****
Trans To General Fund	698,200	0	0	0	0	0	*****	0	*****
Other Suits & Damages	1,117,988	674,438	1,000,000	1,000,000	1,000,000	0	0.0%	0	0.0%
Contingency Reserve	0	0	2,000,000	0	5,000,000	3,000,000	150.0%	5,000,000	*****
<b>Total</b>	<b>\$748,292,050</b>	<b>\$758,069,055</b>	<b>\$783,258,031</b>	<b>\$807,792,570</b>	<b>\$815,401,631</b>	<b>\$32,143,600</b>	<b>4.1%</b>	<b>\$7,609,061</b>	<b>0.9%</b>

**Expenses**

- Total FY 15 Police Department expenses of \$815.4 million are increasing by \$32.1 million when compared to the FY 14 budget of \$783.3 million and \$7.6 million when compared to OLBR’s FY 14 projection.
- Full-time headcount is growing by 40, or 1.3%, compared to the FY 14 budget and 122 when compared to OLBR’s projection of 2,970.
- Salaries are increasing by \$24.6 million, or 5.6%, to \$461.8 million, budget to budget, and decreasing by \$6.1 million, or 1.3%, compared to OLBR’s FY 14 projection of \$467.9 million.

The increase in salaries is primarily due to the recent contract agreements with the three police unions, the Police Benevolent Association (PBA), Detectives’ Association, Inc. (DAI), the Superior Officers’ Association (SOA) and the Civil Service

**Expenses, Cont.**

Employees Association (CSEA). All the aforementioned eligible union members will receive steps and cost of living adjustments (COLAs) beginning in FY 14 FY 17.

- The difference of \$6.0 million between OLBR's projection and the proposed budget reflects the lower FY 2015 Proposed Budget amount for overtime, termination and the inclusion of attrition and salary savings. The decreases are offset by the higher costs from the negotiated labor contracts.
  - All sworn union members will receive a 3.75% COLA in FY 2015. The increases will take effect in September except for members of the CSEA who will receive their adjustments in July.
  - The overtime budget assumes \$52.0 million in funding, \$2.0 million over that of FY 14. The Administration states that funding for overtime in FY 2015 is actually \$51.0 million inclusive of \$1.0 million in "special events" savings initiatives. Based on historical trends, it is doubtful that the overtime target will be achieved. The Administration is projecting \$65.0 million in overtime expense in FY14, while the Office of Legislative Budget Review (OLBR) is projecting \$68.8 million, \$15.0 million and \$18.8 million, respectively, more than budgeted. A more detail discussion on overtime expense will follow.
  - The growth in full-time headcount in FY 15 by 40, from the Adopted Budget and 122 from the current onboard reflects the department's plan to continue to hire more police officers. The level of uniform personnel has declined since 2008, the last year police officers were hired, until May 2013, when the department hired 34 recruits and then again in May 2014 when an additional 140 were brought on board. On October 3, 2014, 67 recruits were sworn in and the department plans to hire approximately 100 additional officers by the end of FY 14. Another 100 will be hired in FY 15 adjusted for attrition.
  - The additional police officers will offset the greater than anticipated separations from service for uniform personnel. The department expects approximately 150 or more sworn officers to separate in FY 14. The FY 14 budget assumed 100 separations. Based on the current police separation trends, 117 sworn separations, year-to-date with 12 applications pending, the police budget may not be sufficient.
  - As a result of the higher than expected separations, termination expense could run over the FY 14 termination budget of \$25.2 million by approximately \$11.3 million. The Administration plans to bond for this expense. Included in the FY 15 proposed budget is \$25.0 million bonding for termination expense which can be found on the interfund charges revenue line in both funds. This expense is already earmarked for bonding before approval has been secured.
- Workers' Comp is declining by 3.1%, from \$10.8 million in FY 14 to \$10.4 million in the proposed budget. This decrease comes as a result of a reduction in indemnity rates.

**Expenses, Cont.**

- Adding to the growth in expenses budget to budget are increases in equipment, general expenses, contractual services, utility costs and debt service chargebacks.
- Also, the growth of \$3.0 million to \$5.0 million in contingency reserve reflects the department's budgeting for any unexpected or unbudgeted expense.
- Offsetting these increases is a \$3.9 million decline in interdepartmental charges primarily due to a reduction in both funds for indirect charges.
- Fringe benefits in the Police Department are increasing by \$7.0 million, or 2.9%, from the FY 14 budget to \$250.8 million in FY 15 due mostly to increases in health insurance for active and retired employees, pension contribution and social security costs.
  - Health insurance expenses for active employees are increasing by \$666,969 and \$3.9 million for retirees, resulting in an overall increase of \$4.6 million.
    - The increase in active employees and retirees is due to an increase in the health insurance growth rate. The FY 15 budget is based on a growth rate of roughly 5.5%, which is based on New York State's Health Insurance Plan (NYSHIP) best estimate projection from their Quarterly Experience Report.
  - The 2015 Proposed Budget includes \$84.9 million for pension expense obligations. This is an increase of \$1.5 million compared to the 2014 Adopted Budget. The contribution rate for the retirement plan with the majority of Officers is decreasing from 28.8% to 27.6%. The pension bill for the Police and Fire Retirement System (PFRS) has decreased from the lower contribution rate and reduced PFRS salaries, however since the maximum amortization allowed in FY 15 is lower than the previous year, the contribution cost is higher in FY 15 for PFRS.
  - The 2015 Proposed Budget includes \$28.6 million for Social Security expenses. This is an increase of \$1.6 million compared to the prior year adopted budget. With an increase in FY 15 budgeted salaries, social security is also expected to rise. Salaries are increasing as a result of the new contracts; sworn officers and CSEA members are entitled to Cost of Living Adjustments (COLA) and steps increases from 2014 through 2017.

**Expenses, Cont.****Overtime**

The Police Department overtime expense is a cause for concern. Over the years, the Administration has made attempts to rein in these costs, but managing this expense has been challenging. As a result of the 2012 Precinct Consolidation Plan which generated the Voluntary Separation Incentive Plan for police officers, 98 members separated at a cost of approximately \$35.0 million of which the County issued \$26.5 million in bonds. Overtime expense skyrocketed and the department attributed the increase to lower headcount. As a result, actual FY 13 overtime was \$67.3 million. In FY 14, an unexpected higher than budgeted number of sworn personnel have separated or plan to separate from the County by the end of FY 14. Current projections estimate that 150 members will leave service, at least 50 more than was budgeted. Not only has this resulted in increased termination costs, that may again incur bonding, but the recent recruit class of 140 police officers hired in May 2014 will provide little, if any, relief to the escalating FY 14 overtime expense. The high number of separations has diminished any impact the new police officers would have had on overtime in FY 14. While the new officers will be working at a lesser rate than the retiring officers, they will not be fully deployed until their six –seven month training ends in October of 2014 and their numbers will not increase headcount but merely backfill vacancies left by retiring officers. The department sworn in 67 recruits on October 3, 2014 and is planning to hire an additional 100 officers by the end of 2014 and another 100 recruits adjusted for attrition in FY 2015. If these plans come to fruition, the new hires from the latter part of 2014 will have a positive impact on overtime expense but not until the second half of FY 15. The department has not determined the time of the FY 15 class which makes any impact on FY 15 overtime questionable. Based on recent trends of excessive overtime due to low headcount and the uncertainty as to when sworn numbers will increase, it appears unlikely that \$52.0 million overtime allocation will be sufficient.

The FY 15 overtime budget of \$52.0 million is offset by \$1.0 million in savings initiatives. The department has identified that “special events” such as the Belmont Stakes will be charged to this line. Additionally, the department has implemented an aggressive 207c management system. On a weekly basis, the Commanding Officer of the Internal Affairs Unit conducts a case management meeting with all members who are either on restricted duty or out sick due to a line of duty injury. According to the department, results of the program have been positive with the most recent month’s line of duty sick days down 25%. Also the department is issuing an order wherein officers will be permitted to issue appearance tickets on the street and in certain circumstances, at the precinct. This will result in a reduction of processing that will increase patrol time and cut down on overtime. The department based the overtime budget on reduced overtime hours and an increase in sworn headcount. As mentioned above, the newly hired officers won’t impact overtime until midyear so managing expenses, without impacting operations, will be a constant challenge, given ongoing separations and the aggressive overtime target included in the FY 15 Proposed Budget.

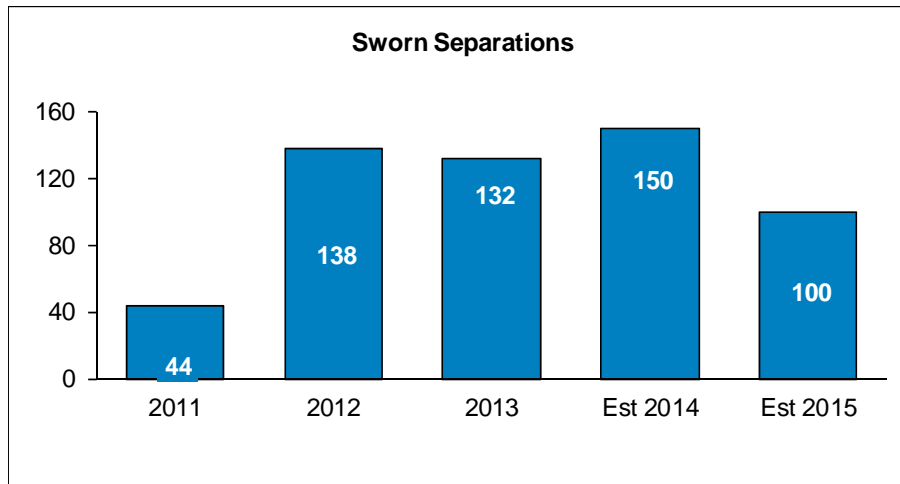


**Expenses, Cont.**

- Included in the FY 15 budget is funding for 2,354 sworn officers (2,349) excluding Chiefs and Deputy Commissioners, 79 heads more compared to the budget of 2,275 in FY 14 and 141 more than September actuals.
- The decline of 41 in CSEA will be achieved as 54 CSEA members elected to take the Voluntary Separation Incentive Program (VSIP) the County offered to CSEA members this past summer. Among all that retired were 30 crossing guards, 3 ambulance medical technicians, 3 police service aides and 8 police communications operators. The rate of backfilling these positions will determine how much of the annual salary savings will be achieved in FY 2015.
- The County plans to backfill the crossing guard positions with part time hourly salary positions, thereby saving on health insurance premiums.
- There will be very little change in overall part-timers budget to budget except for a slight decline of two.

Full-time Police Department Headcount by Union					
Sworn	2014 Adopted	Sept. Actuals	2015 Executive	2015 vs 2014	2015 vs Actuals
<b>PBA</b>	1,575	1,565	1,648	73	83
<b>DAI</b>	361	321	360	(1)	39
<b>SOA</b>	334	323	341	7	18
<b>ORD*</b>	5	4	5	0	1
<b>Subtotal</b>	<b><u>2,275</u></b>	<b><u>2,213</u></b>	<b><u>2,354</u></b>	<b><u>79</u></b>	<b><u>141</u></b>
<b><u>Civilian</u></b>					
<b>CSEA</b>	770	749	729	(41)	(20)
<b>ORD</b>	<u>7</u>	<u>8</u>	<u>9</u>	2	1
<b>Total</b>	<b><u>3,052</u></b>	<b><u>2,970</u></b>	<b><u>3,092</u></b>	<b><u>40</u></b>	<b><u>122</u></b>

\* Includes former members of the SOA bargaining unit.

**Expenses, Cont.**

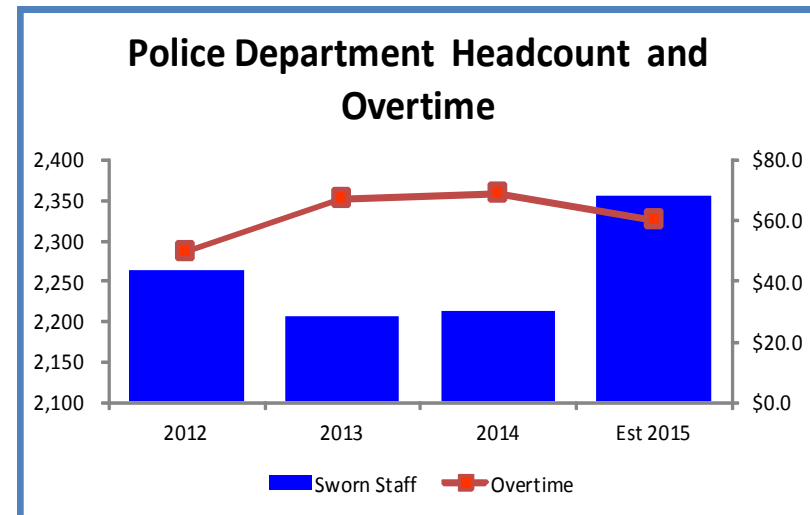
- Annual sworn separations for 2009 and 2010 were greater than 100. FY 12 retirements were 138 and 132, respectively, and the estimate for FY 14 is 150 and possibly more.
- With the exception of FY 11 when retirements were a low of 44 sworn retirements have been trending high. Currently, 41.4% of the sworn force is eligible to retire and the department has budgeted for 100 members to leave service in FY 15. The \$25.0 million allocated for termination expense in FY 15 will be bonded.
- The recently negotiated police union and CSEA contracts approved by NIFA in May 2014 lifted the NIFA imposed wage freeze, and allowed for steps and COLAs for all eligible sworn and civilian union members. The proposed budget assumes COLAs of 3.75% and for uniform personnel in September of FY 15 and 3.75% for members of CSEA in

July. It appears that there is sufficient funding for all positions, both sworn and civilian.

- The planned Academy classes for the latter part of FY 14 (100) and the early part of FY 15 (100) should make headway in mitigating climbing overtime costs. However, if the historical trend of retirements continues in FY 15, the intended number of classes through FY 15 may not be adequate.

**Expenses, Cont.**

- The following chart shows annual overtime costs in relation to Sept 1<sup>st</sup> headcount by year. It should be noted that the FY 12 actuals reflect the \$14.8 million credit in FEMA funds that the County received as a result of Hurricane Sandy.
- The estimated \$68.8 million in overtime in FY 14 indicates a correlation between sworn headcount and overtime. Uniform personnel have declined significantly, from 2,583 in FY 09 to the current (September 1, 2014) headcount of 2,213, a drop of 370.
- Current uniform strength of 2,213 should increase by the end of FY 14. It is estimated that a total of 150 sworn officers will retire in FY 14 and with 117 sworn already separated from service an additional 30 of so will leave. The classes of 100 recruits to be hired in the latter part of FY 14 and the 100 to come on board in FY 15 will increase uniform headcount.
- Due to the six to seven month training period, the future new classes will not have any impact on overtime until the second half of FY 2015.
- The FY 15 budget has funding for 2,354 uniform personnel which, after all recruits are fully deployed, could make some headway in controlling overtime.
- The Police Department anticipates approximately \$2.5 million in grant funding in FY 14 and FY 15, a majority of which will pay for overtime costs. While the department states that it's aggressively pursuing keeping overtime expense within manageable limits, current actuals of approximately \$40.6 million indicate it has become increasingly difficult to keep these costs within manageable limits.



**Police Headquarters, Expenses**

<b>Police Headquarters Expenses</b>						
(\$'s in millions)						
Control Center	Historical		2014	2015	Exec. vs. Adopted	
	2012	2013	Adopted Budget	Executive Budget	Var.	%
Full-Time Headcount	1,569	1,583	1,630	1,584	(46)	-2.8%
Part-Time and Seasonal	70	59	64	64	0	0.0%
Salaries	\$217.1	\$216.7	\$224.6	\$230.4	\$5.8	2.6%
Fringe Benefits	104.9	116.9	125.5	132.8	7.2	5.8%
Workers Compensation	3.0	3.6	3.8	3.1	(0.8)	-20.3%
Equipment	0.1	0.2	0.3	0.4	0.1	15.0%
General Expenses	3.4	3.5	3.6	4.0	0.3	8.3%
Contractual Services	8.7	10.9	11.4	11.9	0.5	4.3%
Utility Costs	2.3	2.6	2.6	3.4	0.7	27.3%
Debt Svc. Chargebacks	11.1	12.3	14.4	14.6	0.3	1.9%
Inter-Dept. Charges	21.9	21.8	24.6	21.6	(3.0)	-12.1%
Interfund Charges	1.0	0.0	0.0	0.0	0.0	*****
Trans To General Fund	0.7	0.0	0.0	0.0	0.0	*****
Other Suits & Damages	0.2	0.0	0.3	0.3	0.0	0.0%
Contingency Reserve	0.0	0.0	0.0	0.0	0.0	*****
<b>Total</b>	<b>\$374.4</b>	<b>\$388.6</b>	<b>\$411.2</b>	<b>\$422.3</b>	<b>\$11.1</b>	<b>2.7%</b>

- Headquarters expenses are increasing by \$11.1 million, or 2.7%, from the 2014 Adopted Budget. The largest growth comes in salaries and fringe benefits with smaller increases in utilities, contractual services, debt services and general expenses offset by a decline of \$3.0 million in interdepartmental revenue.
- The growth in salaries is associated with the contractual increases resulting from the recently negotiated MOAs.
- The overtime allocation for Headquarters is \$1.0 million less compared to that of FY 14.
- Terminal leave is growing \$2.3 million budget to budget. This expense will be bonded in FY 15.
- Fringe benefits are growing by \$7.2 million primarily due to increases in Police Fire Retirement System (PFRS) pension expenses, health insurance premiums for active and retired members and social security costs.
- Workers' compensation is going down by \$775,000 as a result of a reduction in indemnity rates.

**Police Headquarters, Expenses, Cont.**

- OTPS expense in Headquarters is declining by approximately \$1.1 million primarily due to a drop of \$3.0 million in interdepartmental charges. Additionally, in interdepartmental charges, printing and graphics will see a reduction of \$581,430 as well as a decline of about \$142,838 in county attorney charges. Offsetting these decreases are increases in information technology charges of \$585,146 and building occupancy charges of approximately \$415,000.
- Utilities are growing in FY 15 mainly due to a \$673,800 increase in telephone charges.
- The contractual services line is going up by approximately \$489,000 mainly as a result of a \$915,497 increase in miscellaneous contractual services. The increase is offset by reductions in sanitary solid waste disposal and radio & communications.
- General expenses will see a growth of \$303,000 primarily driven by an increase of approximately \$158,000 in motor vehicle parts & supplies.
- The debt service chargebacks line is increasing from approximately \$14.4 million to \$14.6 million, an increase of \$276,000. The increase reflects principal and interest payments on capital projects related to the Police Department.

**Police District Expenses**

Police District Expenses						
(\$'s in millions)						
Control Center	Historical		2013	2014	Exec. Vs. Adpt	
	2012	2013	Adopted Budget	Executive Budget	Var.	%
Full-Time Headcount	1,461	1,386	1,422	1,508	86	6.0%
Part-Time and Seasonal	369	399	442	440	(2)	-0.5%
Salaries	\$227.5	\$218.7	\$212.6	\$231.4	\$18.8	8.8%
Fringe Benefits	109.0	112.0	118.2	118.0	(0.3)	-0.2%
Workers Compensation	5.6	6.5	6.9	7.4	0.4	6.4%
Equipment	0.1	0.2	0.2	0.6	0.4	164.0%
General Expenses	5.4	4.8	5.4	5.1	(0.3)	-5.2%
Contractual Services	0.8	0.6	1.0	0.9	(0.1)	-11.2%
Utility Costs	1.2	1.3	1.4	1.4	0.0	0.0%
Debt Svc. Chargebacks	2.0	2.1	2.2	2.2	(0.0)	-0.1%
Inter-Dept. Charges	20.5	22.7	21.2	20.3	(0.9)	-4.3%
Interfund Charges	0.9	0.0	0.0	0.0	0.0	*****
Other Suits & Damages	0.9	0.6	0.8	0.8	0.0	0.0%
Contingency Reserve	0.0	0.0	2.0	5.0	3.0	150.0%
<b>Total</b>	<b>\$373.9</b>	<b>\$369.4</b>	<b>\$372.0</b>	<b>\$393.1</b>	<b>\$21.1</b>	<b>5.7%</b>

- The allocation for overtime in FY 15 is \$3.0 million more than FY 14. The plan is to charge “special events” such as the Belmont Stakes and the previously discussed initiatives to this line.
- The terminal leave budget will see a decrease of \$2.5 million in FY 15 compared to the \$12.5 million that was allocated in FY 14.
- Overall workers’ compensation costs will increase by approximately \$443,000 due to the anticipation of a large number of partial loss disability awards.
- OTPS expenses are climbing by approximately \$2.1 million mainly due to \$3.0 million increase in contingency reserve. This will provide the department with a little bit of a cushion to fund any unbudgeted or unanticipated expense.
- The equipment line is increasing by approximately \$373,00 due to growths in safety & security equipment, motor vehicle equipment and miscellaneous equipment. Most of the equipment is related to the equipment needs of the new recruit classes.
- Offsetting these increases are reductions in general expenses, contractual services, debt service chargebacks and interdepartmental charges.

- District expenses are increasing by \$21.1 million when comparing budget to budget.
- The \$18.8 million growth in salaries is related to the aforementioned contractual steps and increase and the 86 additional staff compared to the FY 14 budget,

Revenues

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000	*****	\$5,000,000	*****
Permits & Licenses	4,652,520	6,164,181	3,728,500	4,228,500	5,028,500	1,300,000	34.9%	800,000	18.9%
Fines & Forfeitures	788,275	1,289,238	2,750,000	1,750,000	1,750,000	(1,000,000)	-36.4%	0	0.0%
Invest Income	66,589	28,171	288,700	288,700	288,700	0	0.0%	0	0.0%
Rents & Recoveries	295,565	567,078	66,140	91,140	66,140	0	0.0%	(25,000)	-27.4%
Dept Revenues	27,982,220	27,024,499	29,465,500	28,465,500	30,265,500	800,000	2.7%	1,800,000	6.3%
Interdept Revenues	9,994,368	10,140,782	10,428,479	10,428,479	12,746,849	2,318,370	22.2%	2,318,370	22.2%
Interfund Charges Rev	10,373,516	414,242	381,327	7,300	25,007,300	24,625,973	6458.0%	25,000,000	342465.8%
Fed Aid-Reimb Of Exp	6,559,413	992,012	1,064,600	1,064,600	1,064,600	0	0.0%	0	0.0%
State Aid-Reimb Of Exp	1,262,646	641,476	589,000	589,000	589,000	0	0.0%	0	0.0%
Property Tax	669,047,612	672,416,160	710,594,785	710,594,785	709,694,042	(900,743)	-0.1%	(900,743)	-0.1%
Special Taxes	22,713,123	24,193,230	23,901,000	23,901,000	23,901,000	0	0.0%	0	0.0%
Interfund Transfer	8,937,700	18,415,815	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$762,673,547</b>	<b>\$762,286,884</b>	<b>\$783,258,031</b>	<b>\$781,409,004</b>	<b>\$815,401,631</b>	<b>\$32,143,600</b>	<b>4.1%</b>	<b>\$33,992,627</b>	<b>4.4%</b>

- Revenues in FY 15 are rising by \$32.1 million, or 4.1% when compared to FY 14. The revenue budget will climb to \$815.4 million.
- Most of the increase reflects the \$25.0 million the Administration plans to bond for FY 15 termination expense. This can be found on the interfund charges revenue line. Additionally, the Administration plans to utilize \$5.0 million in fund balance.
- Permits & licenses will be growing by \$1.3 million in addition to the hikes in departmental revenues for \$800,000 and growth in interdepartmental revenue of \$2.3 million.
- These hikes are offset by reductions in fines & forfeitures and property tax.
- The decrease of \$1.0 million in fines & forfeitures reflects a downturn in alarm permit fines.
- Investment income, rents & recoveries, federal and state aid reimbursement of expenses and special taxes all will remain flat in FY 15 budget to budget.

**Police Headquarters Revenues**

Police Headquarters Revenues						
(\$'s in millions)						
Control Center	Historical		2014	2015	Exec. Vs. Adpt	
	2012	2013	Adopted Budget	Executive Budget	Var.	%
Permits & Licenses	1.0	0.9	0.9	0.9	0.0	0.0%
Invest Income	0.0	0.0	0.0	0.0	0.0	0.0%
Rents & Recoveries	0.3	0.5	0.1	0.1	0.0	0.0%
Dept Revenues	25.0	24.6	25.6	26.7	1.1	4.3%
Interdept Revenues	9.7	9.9	9.9	12.2	2.3	23.3%
Debt Svc From Capital	0.0	0.0	0.0	0.0	0.0	*****
Interfund Charges Rev	0.0	0.3	0.4	15.0	14.6	3835.5%
Fed Aid-Reimb Of Exp	1.4	1.0	1.1	1.1	0.0	0.0%
Interfund TS	8.9	18.4	0.0	0.0	0.0	*****
State Aid-Reimb Of Exp	0.9	0.6	0.6	0.6	0.0	0.0%
Property Tax	299.1	313.7	348.9	341.9	(6.9)	-2.0%
Special Taxes	22.7	24.2	23.9	23.9	0.0	0.0%
<b>Total</b>	<b>\$369.0</b>	<b>\$394.1</b>	<b>\$411.2</b>	<b>\$422.3</b>	<b>\$11.1</b>	<b>2.7%</b>

- The Headquarters revenue budget is increasing in FY 15 by \$11.1 million, or 2.7%. Driving the change is a \$14.6 million increase in the interfund charges revenue line reflecting the Administration’s intent to bond for terminal leave payouts. The revenue will be generated from bond proceeds. Offsetting this growth is a \$6.9 million reallocation of the property tax levy.
- Pistol permit revenue will remain flat with the Adopted 2014 Budget allocation of \$900,000 although there will be a

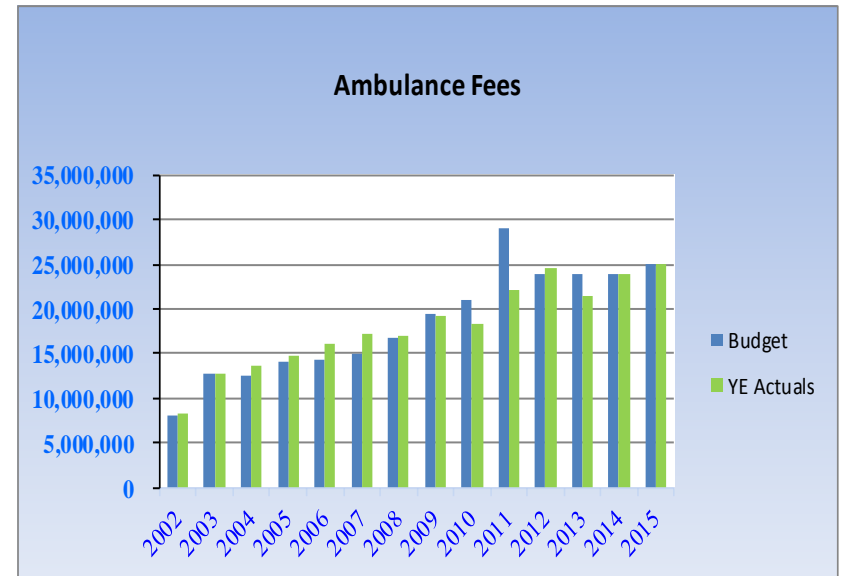
projected shortfall of \$500,000 in FY 14. Due to the multiyear nature cycle of the permit cycle, many renewals are not due in FY 14. The cycle should be back on track in FY 15.

- Interdepartmental revenues are growing due to the \$2.3 million hike in police district charges.
- Departmental revenue remains flat to the FY 14 budget except for a \$1.0 million growth in ambulance fees, although current fees have been lagging and the FY 14 budget may not be achieved.
- The department had planned to aggressively pursue insurance companies for payment in 2014 for a gain of \$500,000. The implementation of the new contract has not been as successful as anticipated and collections are well below budget. OLBR projects FY 14 collections to be approximately \$700,000 short of the target. The FY 15 budget remains flat to that of FY 14 and it remains to be seen if the full budgeted amount can be realized.

Departmental Revenues (\$'s in thousands)				
Revenue Source	FY13	FY14	FY14	FY15
	Actual	Budget	Projected	Proposed
Misc Receipts	\$76.8	\$174.3	\$174.3	\$174.3
Fees	49.4	300.0	300.0	300.0
Parking Meter-Fees	162.5	60.0	60.0	60.0
Ambulance Fees	24,192.0	23,900.0	22,900.0	25,000.0
Ambulance Fee Collections	56.3	1,000.0	300.0	1,000.0
Detective Div Fees	12.0	16.2	16.2	16.2
Games of Chance	2.1	2.0	2.0	2.0
Voluntary Fingerprint Card Fees	88.0	130.0	130.0	130.0
	<b>\$24,639.1</b>	<b>\$25,582.5</b>	<b>\$23,882.5</b>	<b>\$26,682.5</b>



**Police Headquarters Revenues**



- The above chart illustrates the history of ambulance fees since FY 2002 and shows that revenue has steadily increased over the years. In FY 15, the revenue allocation has been increased by \$1.0 million due to an increase in Medicare rates.

**Police District Revenues**

Police District Revenues						
(\$'s in millions)						
Control Center	Historical		2014	2015	Adopted	
	2012	2013	Adopted Budget	Executive Budget	Var.	%
Fund Balance	0.0	0.0	0.0	\$5.0	\$5.0	*****
Permits & Licenses	3.6	5.3	2.8	4.1	\$1.3	46.0%
Fines & Forfeits	0.8	1.3	2.8	1.8	(\$1.0)	-36.4%
Invest Income	0.0	0.0	0.3	0.3	\$0.0	0.0%
Rents & Recoveries	0.0	0.1	0.0	0.0	\$0.0	*****
Dept Revenues	3.0	2.4	3.9	3.6	(\$0.3)	-7.7%
Interdept Revenues	0.3	0.3	0.6	0.6	\$0.0	3.3%
Interfund Charges Rev	10.4	0.1	0.0	10.0	\$10.0	*****
Fed Aid-Reimb Of Exp	5.2	0.0	0.0	0.0	\$0.0	*****
State Aid-Reimb Of Exp	0.4	0.0	0.0	0.0	\$0.0	*****
Property Tax	370.0	358.7	361.7	367.8	\$6.0	1.7%
<b>Total</b>	<b>\$393.7</b>	<b>\$368.2</b>	<b>\$372.0</b>	<b>\$393.1</b>	<b>\$21.1</b>	<b>5.7%</b>

- District revenues are growing by \$21.1 million, or 5.7%, from the adopted FY 14 budget.
- Most of the growth is due to \$10.0 million increase in interfund charges revenue. As in the Headquarters Fund, this revenue is derived from bond proceeds. Additionally, the District Fund will utilize \$5.0 million of appropriated fund balance.

- An increase and a reallocation of the overall property tax levy in all major funds, will add \$6.0 million for use in the District Fund.
- Based on the FY 14 projections for permits & licenses of \$1.0 million above the \$2.8 million budget, the \$1.3 million increase for FY 15 is reasonable.
- Fines and forfeitures are declining by \$1.0 million. Historically, the department has not aggressively enforced an FY 12 amendment to a local law that was to increase false alarm fines. The department has set a more realistic target of \$1.8 million for FY 15.
- The 2012 contract for a new tow truck franchise which is to give the vendor exclusive rights to tow vehicles that have been in accidents or in need of repair has been delayed. Therefore, the revenue of \$1.7 million the department had planned from this contract will not be realized in FY 14. According to the department, new impound zones had to be redrawn but they are planning to have a new contract in FY 15 but based on recent trends, implementation is questionable.

Departmental Revenues				
(\$'s in thousands)				
Revenue Source	FY13	FY14	FY 14	FY 15
	Actual	Budget	Projected	Proposed
Fees	\$321.1	\$250.0	\$250.0	\$250.0
Tow Truck Franchise Fee	\$474.6	\$1,733.0	\$733.0	\$1,733.0
Village Fees	\$1,589.8	\$1,900.0	\$1,900.0	\$1,600.0
	<b>\$2,385.4</b>	<b>\$3,883.0</b>	<b>\$2,883.0</b>	<b>\$3,583.0</b>

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## **Multi-Year Plan**

- The following chart on the next page shows a slight growth in salaries from 2015 to 2017 and a small downturn in 2018 in the Headquarters Fund and a significant growth for the same time period in the District Fund.
  - The combined police fringe benefits line is increasing by \$27.1 million, or 10.8%, to \$277.9 million from FY 2015 to FY 2018 due mostly to increased health insurance, pension and social security costs. Health insurance is increasing by \$13.6 million by FY 18. The MYP baseline inflator used to project out-year health insurance costs for active employees is 4.46% from 2016 through 2018. The inflator for retirees is 4.33% for 2016 through 2018 for retired employees.
  - Including the amortization amounts, pension expenses are increasing by \$10.8 million by FY 2018. The Administration will continue to amortize the pension expense in the out years.
  - Social security expenses are increasing by \$1.9 million or 6.7% by FY 18. The MYP budgets cost of living adjustments (COLA) and step increases in the salary budget due to the new negotiated union contracts, as a result social security is also expected to rise.
  - OTPS expenditures are expected to remain essentially flat after 2015 keeping with the Administration's policy of purchasing none but essential items.
  - As the following charts illustrate, the Administration estimates revenue to remain fairly constant after 2015. The FY 15 revenue includes the \$25.0 million from bond proceeds.
- The charts indicate a steady climb in the gap between expenses and revenues in both funds into the out-years mainly due to increases in salaries and fringe benefits.
  - With no planned increase in revenue for the out-years, funding for the salary increases is problematic. The charts demonstrate the Administration's baseline and gap for the out-years, prior to any gap-closing measures.

<b>POLICE HEADQUARTERS FUND</b>					
(\$'s in Millions)					
		<u>2015Proposed</u>	<u>2016 Plan</u>	<u>2017 Plan</u>	<u>2018Plan</u>
<b>EXPENSE</b>					
AA	Salaries	\$230.4	\$235.0	\$240.3	\$239.8
AB	Fringe Benefits	132.8	135.3	140.1	145.1
	Other Expense	59.2	59.9	59.9	60.1
<b>Expense Total</b>		<b>\$422.3</b>	<b>\$430.3</b>	<b>\$440.2</b>	<b>\$445.0</b>
<b>Revenue</b>					
TL	Property Tax	\$341.9	\$341.9	\$341.9	\$341.9
	Other Revenue	80.4	65.4	65.4	65.4
<b>Revenue Total</b>		<b>\$422.3</b>	<b>\$407.3</b>	<b>\$407.3</b>	<b>\$407.3</b>
<b>Gap</b>		<b><u>\$0.0</u></b>	<b><u>(\$22.9)</u></b>	<b><u>(\$32.9)</u></b>	<b><u>(\$37.7)</u></b>

<b>POLICE DISTRICT FUND</b>					
(\$'s in Millions)					
		<u>2015Proposed</u>	<u>2016 Plan</u>	<u>2017 Plan</u>	<u>2018Plan</u>
<b>EXPENSE</b>					
AA	Salaries	\$231.4	\$238.5	\$248.6	\$253.5
AB	Fringe Benefits	118.0	123.2	128.0	132.7
	Other Expense	43.7	38.7	38.7	38.8
<b>Expense Total</b>		<b>\$393.1</b>	<b>\$400.4</b>	<b>\$415.3</b>	<b>\$425.0</b>
<b>Revenue</b>					
TL	Property Tax	\$367.8	\$367.8	\$367.8	\$367.8
	Other Revenue	25.3	6.2	6.2	6.2
<b>Revenue Total</b>		<b>\$393.1</b>	<b>\$374.0</b>	<b>\$374.0</b>	<b>\$374.0</b>
<b>Gap</b>		<b><u>\$0.0</u></b>	<b><u>(\$26.4)</u></b>	<b><u>(\$41.3)</u></b>	<b><u>(\$51.1)</u></b>

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	198	193	200	190	190	(10)	-5.0%	0	0.0%
Part-Time and Seasonal	17	15	17	14	14	(3)	-17.6%	0	0.0%
Salaries	\$16,165,744	\$15,944,982	\$16,751,515	\$16,703,663	\$17,239,141	\$487,626	2.9%	\$535,478	3.2%
Equipment	19,162	25,320	30,900	30,900	30,900	0	0.0%	0	0.0%
General Expenses	224,693	228,207	277,800	277,800	277,800	0	0.0%	0	0.0%
Contractual Services	519,941	441,007	653,325	653,325	503,325	(150,000)	-23.0%	(150,000)	-23.0%
Utility Costs	450	450	500	500	500	0	0.0%	0	0.0%
Inter-Dept. Charges	211,452	1,958,128	1,535,544	1,535,544	1,892,382	356,838	23.2%	356,838	23.2%
<b>Total</b>	<b>\$17,141,441</b>	<b>\$18,598,093</b>	<b>\$19,249,584</b>	<b>\$19,201,732</b>	<b>\$19,944,048</b>	<b>\$694,464</b>	<b>3.6%</b>	<b>\$742,316</b>	<b>3.9%</b>

**Expenses**

- The Proposed 2015 Budget for expenses is \$19.9 million, an increase of \$694,464, or 3.6%, budget to budget and a rise of 3.9% compared to OLBR’s projection.
- The salaries budget is growing by 487,626 to \$17.2 million in FY 15 from the prior year’s budget of \$16.7 million primarily due to following:
  - A recently negotiated labor contract for the Civil Service Employees Association (CSEA) includes Cost of Living Adjustments (COLA) and a step increases, in addition to a rise in terminal leave.
  - The salary increase would have been greater but is being offset by decreases of full-time and part-time positions, staff opting to participate in the CSEA Volunteer Separation Incentive Program (VSIP) that the County offered from August 8, 2014 through September 12, 2014 and the elimination of retroactive pay that was built into the FY 14 budget.
- The Department funds 190 full-time and 14 part-time positions in FY 15 which are in line with OLBR’s projection.
  - The full-time staffing levels shrunk by 10 positions budget to budget and part-time positions decreased by three positions from 17 positions in FY 14.
- The 2015 Proposed Budget for other than personal expenses (OTPS) consists of equipment, general expenses and contractual services. The equipment and general expenditures remain flat at \$30,900 and \$277,800, respectively, however, the contractual services budget dropped to \$503,325.

**Expenses, Cont.**

- The contractual expense line is the largest portion of the Department’s OTPS budget and was reduced by \$150,000 due to the following:
  - Miscellaneous contractual services declined by \$94,000 to \$77,725 for FY 15. This decrease is driven by an inflated FY 14 budget associated with Juvenile Detention Center (JDC) staff physicals and healthcare services for JDC children performed at the Nassau University Medical Center. In addition, the firing range expenditures for Probation Officers are lower because the department has switched from the Village of Hempstead firing range to the Nassau County Parks, Recreation and Museums rifle and pistol range.
  - The \$56,000 that was included in the Adopted 2014 Budget for program agency funding relating to JDC respite care activities has been transferred to the Supervision and Treatment Services for Juveniles Program (STSJP) grant for FY 15.
- The 2015 Proposed Budget utility expenses are unchanged at a nominal \$500.
- Interdepartmental charges for FY 15 grew by \$356,838, or 23.2%, however according to the department the charges actually declined by \$411,003 due to budget submission allocation errors. The Office of Management and Budget ((OMB) plans to make this correction through a technical adjustment.
  - This change in the budget reflects the removal of postage expenses, decreases in building occupancy and JDC costs offset by increases of indirect charges and Information Technology expenditures.

Expenses, Cont.**Juvenile Justice Reform**

On April 14, 2011, County Executive Mangano launched Nassau's Juvenile Justice Reform Task Force. With the Probation Department as the lead agency and with the support of nearly \$1.0 million in new state funding, the Task Force has built upon the commitment and prior accomplishments of the department's juvenile justice stakeholders, including County and State agencies and local, community-based organizations. Since 2012, Nassau decreased the number of juvenile delinquents (JDs) held in secure detention, increased the number of JDs whose cases are diverted without ever appearing before a judge, and expanded the number of services available to prevent these at-risk youth from deeper system penetration. Nassau case planning and system resource allocation decisions are now being guided by universal actuarial risk assessments. These reform strategies are helping Nassau realize its goal of achieving better outcomes for at-risk youth while more efficiently utilizing scarce system resources. In 2013, in recognition of Probation's successes, NYS Office of Children and Family Services named Nassau one of six statewide Juvenile Detention Alternatives Initiative (JDAI) pilot sites. JDAI makes available both the technical expertise and financial resources of OCFS and the Annie E. Casey Foundation to continue to build upon our successes to date. This initiative was formally kicked-off on September 9, 2014 at the County's Juvenile Detention Center.

In January 2012, the department's reform efforts expanded to include 16 and 17-years old adolescents charged with non-violent criminal acts for which the most appropriate system response may not be criminal sanctions. As of September 2014, more than 2,000 at risk youth have been screened for the Adolescent Diversion Program (ADP). Preliminary state data indicate the program has produced similar outcomes for these offenders, as measured by rates of recidivism, while reducing the average length of time to disposition from 212 to 51 days, saving system resources for those adolescents who most need our services. ADP has become a model for proposed legislation that will change statewide how the criminal justice system responds to these offenders.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$0	\$33,502	\$0	\$0	\$0	\$0	*****	\$0	*****
Dept Revenues	1,895,634	1,811,618	1,780,000	1,640,000	1,674,000	(106,000)	-6.0%	34,000	2.1%
Fed Aid-Reimb of Exp	214,564	202,123	16,000	71,323	16,000	0	0.0%	(55,323)	-77.6%
State Aid-Reimb of Exp	3,904,092	4,778,773	4,857,877	4,857,877	5,206,459	348,582	7.2%	348,582	7.2%
<b>Total</b>	<b>\$6,014,290</b>	<b>\$6,826,016</b>	<b>\$6,653,877</b>	<b>\$6,569,200</b>	<b>\$6,896,459</b>	<b>\$242,582</b>	<b>3.6%</b>	<b>\$327,259</b>	<b>5.0%</b>

**Revenues**

- The FY 15 proposed revenue budget is rising by \$242,582, or 3.6%, from the FY 14 Adopted Budget. State aid is the major contributor to this growth.
- The Administration budgeted departmental revenue at \$1.7 million in FY 14, which is in line with OLBR’s projection. The decrease is driven by declining caseloads and collection rates.
- The 2015 Proposed Budget allocates \$16,000 for federal aid which is a decline of \$55,323 from the OLBR projection. The revenue comprises of the following:
  - The federal aid of \$16,000 represents funding received from the United States Marshals Service Regional Fugitive Task Force (USMS RFTF), which defrays costs associated with joint law enforcement operations between the USMS and the Nassau County Probation Department.
  - The decrease of \$55,323 relates to funding from the Governor’s Traffic Safety Committee (GTSC) Alcohol Interlock Device Grant that was included in the OLBR projection but not built-in the FY15 Proposed Budget.
- The Administration increased State aid revenue by \$348,582 or 7.2% for FY 15, this growth is mostly due to JDC reimbursements for State bed certification.
  - Juvenile Detention Center is authorized by New York State’s Office of Children and Family Services (OCFS) to operate eight secure detention beds, with an additional eight beds in reserve. The reserve beds are available to absorb JDC population spikes due largely to Suffolk County's utilization of Nassau's facility, for which Nassau receives reimbursement at a rate established by OCFS.



**Revenues, Cont.**

ACTIVITY INDICATORS					
INDICATOR	ACTUAL 2012	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	% CHANGE
Investigations - Criminal Division	4,050	3,650	3,300	3,300	0.00%
Supervision - Criminal Division	8,086	7,100	6,844	6,844	0.00%
Pre-Trial/Intake - Criminal Division	12,504	12,500	11,100	11,100	0.00%
Alcohol Interlock Monitoring (AIM)*	552	850	839	839	0.00%
Juvenile Intake - Juvenile Delinquents	645	450	333	333	0.00%
Juvenile Supervision - Juvenile Delinquents	244	76	55	55	0.00%
Juvenile Supervision - (PINS)**	17	7	2	2	0.00%
Investigations - Family Division	345	250	216	216	0.00%
<b>Total Caseloads</b>	<b>26,443</b>	<b>24,883</b>	<b>22,689</b>	<b>22,689</b>	<b>0.00%</b>
*Leandra's Law- ignition interlock for DWI offenders					
** Persons in need of Supervision					
<b>Source: Probation Department</b>					

- The majority of the activity indicators are expected to remain flat for FY 15, down 9% from 2013 levels due to declines in arrests, etc. that drive case workloads.

Since the implementation of Leandra's Law (August 2010), which requires installation of an ignition interlock device (IID) in the vehicles of convicted drunk drivers, Probation has observed an increase in the number of offenders being sentenced to Conditional Discharges (unsupervised probation) rather than traditional (supervised) probation. Concurrently, the number of offenders sentenced to probation for drunk driving has declined. The Court appears to have embraced Conditional Discharges in combination with Interlock monitoring (the population served by Probation's Alcohol Interlock Monitoring (AIM) Program) as an appropriate sanction for relatively low risk drunk drivers who previously may have been sentenced to probation. This allows the Court and Probation to focus more of its resources on the higher risk drunk drivers who are still sentenced to community supervision.

The Office of Public Administrator acts under and with the authorization of the New York State Surrogate’s Court Procedure Act (“SPCA”), Article 12, Sections 1201-1219. The Office of the Public Administrator (PA) is entrusted with the management and disposition of property on behalf of Nassau County residents who die intestate or whose wills name either unqualified or unwilling individuals to assume the responsibility of executing that will.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	6	6	6	6	6	0	0.0%	0	0.0%
Salaries	\$494,459	\$484,853	\$506,013	\$522,444	\$475,249	(\$30,764)	-6.1%	(\$47,195)	-9.0%
General Expenses	2,564	2,147	9,250	9,250	9,250	0	0.0%	0	0.0%
Contractual Services	7,300	7,300	7,300	7,300	7,300	0	0.0%	0	0.0%
<b>Total</b>	<b>\$504,324</b>	<b>\$494,300</b>	<b>\$522,563</b>	<b>\$538,994</b>	<b>\$491,799</b>	<b>(\$30,764)</b>	<b>-5.9%</b>	<b>(\$47,195)</b>	<b>-8.8%</b>

**Expenses**

- The Public Administrator’s expenses decline 5.9% in the Proposed Budget as compared to the Adopted FY 14 Budget. Proposed expenses are 8.8% below OLBR’s latest projection. The decline in expenses is attributable to a reduced salary budget. The Public Administrator made terminal leave and retroactive payments in FY 14, but these items have been eliminated from the FY 15 proposal.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Dept Revenues	\$412,032	\$543,302	\$400,000	\$730,859	\$500,000	\$100,000	25.0%	(\$230,859)	-31.6%

**Revenue**

- The Public Administrator’s fees are based on a percentage of the gross assets of the estates that the office administers. Revenue can vary in a given year based on the number of estates the County administers. Although revenue has been closer to \$500,000 FY 2014 is proving to be a strong year as the department is projected to earn approximately \$735,000.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	421	410	418	413	401	(17)	-4.1%	(12)	-2.9%
Part-Time and Seasonal	36	47	49	59	70	21	42.9%	11	18.6%
Salaries	\$27,201,478	\$28,917,904	\$27,757,713	\$32,493,869	\$31,173,048	\$3,415,335	12.3%	(\$1,320,821)	-4.1%
Fringe Benefits	(447,016)	0	0	0	0	0	*****	0	*****
Workers Compensation	1,914,928	1,871,344	2,228,693	2,228,693	1,593,444	(635,249)	-28.5%	(635,249)	-28.5%
Equipment	20,121	56,791	93,000	93,000	109,763	16,763	18.0%	16,763	18.0%
General Expenses	4,018,018	6,475,948	5,580,800	6,980,800	6,867,531	1,286,731	23.1%	(113,269)	-1.6%
Contractual Services	117,396,167	123,181,710	122,407,419	125,816,818	132,151,546	9,744,127	8.0%	6,334,728	5.0%
Utility Costs	25,254,257	27,062,336	28,334,292	28,334,292	30,251,793	1,917,501	6.8%	1,917,501	6.8%
Inter-Dept. Charges	10,763,628	9,081,458	9,650,361	9,650,361	12,626,675	2,976,314	30.8%	2,976,314	30.8%
Interfund Charges	0	0	0	0	2,000,000	2,000,000	*****	2,000,000	*****
Mass Transportation	42,002,238	42,517,105	43,575,746	43,175,746	43,175,746	(400,000)	-0.9%	0	0.0%
Bus Route	75,000	75,000	75,000	75,000	75,000	0	0.0%	0	0.0%
Rent	13,713,588	12,792,583	14,948,917	13,948,917	13,994,246	(954,671)	-6.4%	45,329	0.3%
Coliseum Repair	0	2,391,499	0	0	100,000	100,000	*****	100,000	*****
<b>Total</b>	<b>\$241,912,407</b>	<b>\$254,423,679</b>	<b>\$254,651,941</b>	<b>\$262,797,496</b>	<b>\$274,118,792</b>	<b>\$19,466,851</b>	<b>7.6%</b>	<b>\$11,321,296</b>	<b>4.3%</b>

\*Expense chart consolidates the Department of Public Works, Office of Real Estate Services and Planning.

## Expenses

- The expense chart above reflects the consolidated Department of Public Works (DPW) which includes Planning and Real Estate Services. Planning was incorporated in the FY 12. The Office of Real Estate Services was integrated in FY 13.
- DPW's proposed FY 15 expense budget is increasing by \$19.5 million, or 7.6% from the FY 14 Adopted Budget.
- The Proposed Budget contains 17 fewer full-time heads while adding 21 part-time/seasonal working when compared to FY 14.
- Salaries are increasing by \$3.4 million or 12.3% which is due to \$1.4 million less in capital backcharge credits, higher overtime and Cost of Living Adjustment (COLA) and steps from the new Civil Service Employees Association agreement. Salaries include a 3.75% COLA effective July 2015 and steps effective July and September 2015.
- Workers' compensation costs are decreasing \$0.6 million due to lower indemnity costs while dpay and medical increased slightly.

**Expenses, Cont.**

- General expenses costs are increasing by \$1.3 million or 23.1%. The items that experienced growths of \$0.1 million or greater are gasoline, motor vehicle supplies and parts, outside vendor repairs, traffic and highway supplies and Genuine Parts Company (GPC) parts/materials/supplies purchases for warehouse management.
- Utility costs are increasing by \$1.9 million or 6.8%. The components are \$1.3 million for light, power and water, \$0.6 million for GDF SUEZ Energy (formerly known as Trigen Nassau Energy Corporation) and \$0.1 million for water.
- The inter-department charges are increased by \$3.0 million, or 30.8%. The major growths are \$2.1 million for PDH and \$1.3 million for Information Technology charges. This charge is allocated by the Office of Management and Budget (OMB).
- The interfund charge, specifically SSW charges, is budgeted at \$2.0 million in the Proposed Budget. This interfund charge represents SSW employees who will perform work for DPW displacing overtime costs as anticipated by the United Water agreement.
- Mass transportation is decreasing by \$0.4 million when compared to the FY 14 Adopted Budget.
- Rent is decreasing by \$1.0 million in FY 15 which is related to the Health Department moving to 200 County Seat Drive as well as vacating other leased locations and consolidating personnel to Main Street in the Incorporated Village of Hempstead.

<b>DPW 2015 Proposed Budget Contractual Services Expense</b>					
(\$'s in millions)					
	<b>Historical</b>	<b>2014</b>	<b>2015</b>	<b>Exec. vs. Adopted</b>	
<b>Control Center</b>	<b>2013</b>	<b>Adopted Budget</b>	<b>Exec. Budget</b>	<b>Var.</b>	<b>%</b>
Contractual Services - Veolia	\$116,218,325	\$115,168,425	\$123,838,517	\$8,670,092	7.5%
Miscellaneous Contractual Serv	4,199,712	3,403,794	3,817,085	413,291	12.1%
Engineering	0	25,500	25,500	0	0.0%
Custodial	59,813	50,000	0	(50,000)	-100.0%
Sanitary Solid Waste Disposal	0	25,000	25,000	0	0.0%
Street Light & Signal Maintenance	2,619,021	2,234,300	2,934,300	700,000	31.3%
Medical/Psychiatric Services	439	31,100	31,100	0	0.0%
Electric Service	0	95,000	0	(95,000)	-100.0%
Laundry Services	0	41,200	41,200	0	0.0%
Lease Purchase	0	100	100	0	0.0%
GPC Warehouse Management	42,000	240,000	280,000	40,000	16.7%
Traffic Management Center	0	700,000	865,744	165,744	23.7%
Rodent Control Services	0	200,000	100,000	(100,000)	-50.0%
Construction & Demolition Debris Removal	0	112,000	112,000	0	0.0%
Software Contracts	42,400	81,000	81,000	0	0.0%
<b>Total</b>	<b>\$123,181,710</b>	<b>\$ 122,407,419</b>	<b>\$ 132,151,546</b>	<b>\$ 9,744,127</b>	<b>8.0%</b>

**Expenses, Cont.**

- Contractual services are increasing \$9.7 million in FY 15 of which Transdev Services, Inc. (formerly Veolia Transportation Services, Inc.) is the largest variance. This is due to the increased cost of operating the system.
  - Miscellaneous contractual services is increasing by \$0.4 million of which \$0.1 million is for Snow Operations, \$0.1 million is for Wastewater Engineering and \$0.2 million is for a new responsibility center, Camera Maintenance, for the upkeep of mobile speed cameras.
  - Street light & signal maintenance is increasing by \$0.7 million in FY 15 versus the FY 14 Adopted Budget which is more in line with 2013 actual and 2014 year-to-date costs.
  - Traffic management center is increasing by \$0.2 million. Prior to FY 14, this expense was captured in miscellaneous contractual services. The contract is with Welsbach Electric.
  - Rodent control is decreasing by \$0.1 million in the Facilities Management Unit.

<b>Historical Public Works and Real Estate Expenses</b>					
(\$'s in millions)					
	<u>Historical</u>	<u>2014</u>	<u>2015</u>	<u>Exec. vs. Adopted</u>	
Control Center	2013	Adopted Budget	Exec. Budget	Var.	%
Public Works 00 Administration	\$20.0	\$20.2	22.8	\$2.6	13.0%
Public Works 01 Division of Engineering	171.2	170.5	181.4	10.8	6.4%
<i>Public Works 02 Division of Operations</i>	<i>57.1</i>	<i>57.5</i>	<i>23.9</i>	<i>-33.6</i>	<i>-58.4%</i>
Public Works 03 Fleet Management	6.3	6.4	7.2	0.8	12.2%
Public Works 06 Facilities Management	0.0	0.0	38.8	38.8	*****
<b>Public Works Total</b>	<b>254.6</b>	<b>254.7</b>	<b>274.1</b>	<b>19.5</b>	<b>7.6%</b>
RE 10 Real Estate Services	-0.1	0.0	0.0	0.0	*****
<b>Total</b>	<b>\$254.4</b>	<b>\$254.7</b>	<b>\$274.1</b>	<b>\$19.5</b>	<b>7.6%</b>

*\*In FY15, PWGEN0200 expenses were relocated to PW06.*

- In totality, FY 15 expense budget is increasing by \$19.5 million or 7.6% versus the FY 14 budget. The FY 13 historical data shows transactions posted to Real Estate even though that department was merged into DPW.

**Expenses, Cont.**

- The Administration CC00 is increasing by \$2.6 million in FY 15. The increase is primarily due to new interdepartmental charges of \$2.1 million for PDH, \$1.3 million for IT and \$0.3 million for telecommunication. Salaries increase by \$0.3 million while general expenses increased by \$0.1 million. Rent within other expenses and workers compensation had savings of \$1.0 million and \$0.6 million respectively.
- The Division of Engineering CC01 is increasing by \$10.8 million in FY 15. The driving factors for the increase are contractual services expense of \$9.8 and salaries of \$2.0 million being offset by savings of \$0.6 million in inter departmental charges and \$0.4 million mass transportation. The largest rise within contractual services was \$8.7 million for Transdev. Additional contractual increases consist of \$0.7 million for the street light and signal maintenance, \$0.3 million for miscellaneous and \$0.2 million for the traffic management center. The salary increase is primarily the result of a lower credit for capital backcharges. Inter departmental charges were not budgeted for in FY 15. Mass transportation, specifically the LIRR station maintenance, is experiencing a decline versus the FY 15 but an increase of \$0.6 million from the FY 13 actual and an increase of \$0.2 million from the 2014 year-to-date costs.
- The Division of Operations CC02 decreased by \$33.6 million in FY 15 which is primarily due to the relocation of funds from responsibility center PWGEN02000 to the new control center PWGEN06, Facilities Management.
  - The table below reflects the change for the Division of Operations excluding PWGEN0200 which shows an increase of \$3.7 million in FY 15. The FY 15 increases consist of \$1.6 million in salaries which are for higher overtime costs coupled with lower credits for capital backcharges. Interfund charges of \$1.5 million are for SSW employees performing work for DPW. General expenses are growing by \$0.4 for traffic and miscellaneous supplies and expenses.
  - The \$7.7 million expense that remains in PWGEN0200 is \$8.0 million for inter departmental charges which consist of \$7.8 million for indirect charges, \$0.2 million for IT charges which is allocated by the Office of Management and Budget. Also included is a credit of \$240,622 for saving from initiative adjustment within salaries.

<b>Public Works 02 Division of Operations without PWGEN0200</b>						
(\$'s in millions)						
<b>Control Center</b>	<b>Historical</b>		<b>2014</b>	<b>2015</b>	<b>Adopted</b>	
	<b>2012</b>	<b>2013</b>	<b>Adopted Budget</b>	<b>Exec. Budget</b>	<b>Var.</b>	<b>%</b>
<b>Public Works 02 Division of Operations Total</b>	\$53.2	\$57.1	\$57.5	\$23.9	-\$33.6	-58.4%
PWGEN0200 Facilities Management Unit	\$42.2	\$43.8	\$44.9	\$7.7	-\$37.2	-82.9%
<b>Public Works 02 without PWGEN0200</b>	<b>11.0</b>	<b>13.3</b>	<b>12.6</b>	<b>16.2</b>	<b>3.7</b>	<b>29.1%</b>

**Expenses, Cont.**

- The Fleet Management CC03 experienced an increase of \$0.8 million. General expenses grew by \$0.5 million in FY 15. The three items that experienced growths of \$0.1 million or greater are gasoline, motor vehicle supplies/parts and GPC parts materials/supplies purchase for vehicles. Salaries increased by \$0.2 million primarily due to COLAs, steps and higher terminal leave being offset by lower retroactive pay and a credit in the savings from initiative line. Contractual services had a rise of \$0.1 million which occurred in miscellaneous and GPS warehouse management.
- The Facilities Management CC06 is new to the budget in FY 15. The control center consists of three responsibility centers, PWGEN0640 (Support Services), PWGEN0542 (Trade Shops) and PWGEN0644 (Facilities Administration). The expenses were previously hosted in the Division of Operations.

**Department of Public Works**

Local Law 1-2012 to amend Article XII of the Nassau County Charter in relation to the establishment of a Division of Real Estate Services within the Department of Public Works.

Local Law 5-2011 to amend the County Government Law of Nassau County in relation to merging Department of Planning into the Department of Public Works as a division of such department.

**Expenses, Cont.**

Full-Time Staffing Analysis						
	FY 14	Sept-14	FY 15	FY 15	Exec. vs	Exec. vs
	Adopted	Actual	Request	Executive	14 Adopt	Actual
<b>PW 00 Division of Administration</b>						
PW Revenues	0	0	0	-1	-1	-1
Capital Management Office	0	0	2	2	2	2
Administration Unit	29	32	30	30	1	-2
Real Estate Services	2	2	2	2	0	0
<b>Total for Control Center</b>	<b>31</b>	<b>34</b>	<b>34</b>	<b>33</b>	<b>2</b>	<b>-1</b>
<b>01 Division of Engineering</b>						
Architect./Building Design	9	9	8	8	-1	-1
Water/Wastewater Engr. Unit	18	18	18	18	0	0
Groundwater Remed. Sect.	2	1	2	2	0	1
Civil/Site Engineering Unit	7	6	8	8	1	2
Traffic Engineering Unit	16	13	15	15	-1	2
Traffic Safety Board	2	1	1	1	-1	0
Bus Transit / Division	2	1	2	2	0	1
Construction Mgmt. Unit	40	39	39	35	-5	-4
Planning	13	12	12	12	-1	0
<b>Total for Control Center</b>	<b>109</b>	<b>100</b>	<b>105</b>	<b>101</b>	<b>-8</b>	<b>1</b>
<b>02 Division of Operations</b>						
Facil. Mgmt. Unit	116	109	0	-6	-122	-115
Road Maint. Unit	90	100	94	94	4	-6
Bridge Operations Section	9	7	7	7	-2	0
Drain Maint./Strm Wtr Maint.	19	19	19	19	0	0
Mosquito Control Section	4	4	4	4	0	0
Traffic Maintenance Section	9	8	8	8	-1	0
<b>Total for Control Center</b>	<b>247</b>	<b>247</b>	<b>132</b>	<b>126</b>	<b>-121</b>	<b>-121</b>
<b>03 Fleet Management</b>						
Fleet Management	31	32	32	30	-1	-2
<b>Total for Control Center</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>30</b>	<b>-1</b>	<b>-2</b>
<b>06 Facilities Management</b>						
Support Services	0	0	42	42	42	42
Trade Shops	0	0	67	67	67	67
Facilities Administration	0	0	2	2	2	2
	0	0	111	111	111	111
<b>PW Total</b>	<b>418</b>	<b>413</b>	<b>414</b>	<b>401</b>	<b>-17</b>	<b>-12</b>

The Sept-14 actuals contain adjustments to align individuals within responsibility centers.

**Full-Time Headcount**

The chart at the left details DPW's full-time staffing.

In totality, DPW's FY 15 proposed headcount is decreasing by 17 full-time employees versus the FY 14 budget and decreasing by 12 when compared to the projection.

DPW relocated the Facilities Management Unit from CC02 (Division of Operations) to CC06 (Facilities Management).

The majority of the decrease is due to the savings from initiative line in the FY15 Proposed Budget, which reflects a half year savings for employees electing to take the CSEA VSIP. This will allow the department to possibly absorb sewer employees once the United Water contract is implemented.

The breakdown is:

Control Center	Headcount	Salary Savings
00	(1)	\$ (40,104)
01	(4)	\$(160,415)
02	(6)	\$(240,622)
03	(2)	\$ (80,207)
<b>Total</b>	<b>(13)</b>	<b>\$(521,348)</b>

Excluding the adjustment noted above, the department's headcount is set to decrease by four full-time positions.

- The FY 15 full-time headcount is set to decrease by 17 positions when compared to the FY 14 budget.



**Expenses, Cont.**

<b>Part-Time and Seasonal Staffing Analysis</b>						
	<b>FY14</b>	<b>Sept-14</b>	<b>FY15</b>	<b>FY15</b>	<b>Exec. vs</b>	<b>Exec. vs</b>
	<b><u>Adopted</u></b>	<b><u>Actual</u></b>	<b><u>Request</u></b>	<b><u>Executive</u></b>	<b><u>14 Adopt</u></b>	<b><u>Actual</u></b>
<b>PW 00 <u>Division of Administration</u></b>						
Administration Unit	5	3	15	15	10	12
<b>Total for Control Center</b>	5	3	15	15	10	12
<b>01 <u>Division of Engineering</u></b>						
Architect./Building Design	0	1	0	0	0	-1
Civil/Site Engineering Unit	1	1	6	6	5	5
Planning	10	9	10	10	0	1
<b>Total for Control Center</b>	11	11	16	16	5	5
<b>02 <u>Division of Operations</u></b>						
Facil. Mgmt. Unit	25	36	0	0	-25	-36
Road Maint. Unit	5	7	11	11	6	4
<b>Total for Control Center</b>	30	43	11	11	-19	-32
<b>03 <u>Fleet Management</u></b>						
Fleet Management	3	2	3	3	0	1
<b>Total for Control Center</b>	3	2	3	3	0	1
<b>06 <u>Facilities Management</u></b>						
Support Services	0	0	23	23	23	23
Trade Shops	0	0	2	2	2	2
	0	0	25	25	25	25
<b>PW Total</b>	<b>49</b>	<b>59</b>	<b>70</b>	<b>70</b>	<b>21</b>	<b>11</b>



- The FY 15 Proposed Budget for part-time and seasonal employees is increasing by 21 positions when compared to the FY 14 budget.
  - The titles experiencing an increase are Laborer I Seasonal, Clerk I Seasonal and Store yard Supervisor (part-time).

**Transit Bus Expenses**

- The history and the proposed FY 15 mass transportation expenses are detailed below.
- The other expense line is used to fund the Pt. Lookout/LIDO Long Beach bus route.

Mass Transportation Funding				
Mass Transportation (MM)	FY 13 Actual	FY 14 Budget	Executive FY 15	2014 - 2015 % Change
630 Metropolitan Suburban Bus Authority	\$1,930,000	\$1,930,000	\$1,930,000	0.0%
631 LIRR Station Maintenance	28,394,605	29,388,146	28,988,146	-1.4%
632 MTA-LIRR Operating Assistance	11,583,000	11,583,000	11,583,000	0.0%
635 Handicapped Transportation System	609,500	609,600	609,600	0.0%
636 Intermodal Center Subsidy	0	65,000	65,000	0.0%
	<b>42,517,105</b>	<b>43,575,746</b>	<b>43,175,746</b>	<b>-0.9%</b>
<b>Other Expenses (OO)</b>				
6H Lido Beach Bus Route	75,000	75,000	75,000	0.0%
<b>Total Mass Transportation</b>	<b>\$42,592,105</b>	<b>\$43,650,746</b>	<b>\$43,250,746</b>	<b>-0.9%</b>

- The Mass Transportation Funding chart details the County expenses related to bus and rail transportation.
- The Metropolitan Suburban Bus Authority and Handicapped Transportation System subsidies are the two historic payments of \$2.5 million made to support Nassau’s bus system. They are required so that the County may receive grant monies.
  - The LIRR Station Maintenance payment is contractually set, and increases each year by the CPI. The department is considering making a technical adjustment to increase the funding in FY 15.
  - The MTA-LIRR Operating Assistance is payable annually. All Counties located within the Metropolitan Commuter District pay this assistance.
  - The Lido Beach Bus Route payment is made annually. This amount continues to remain unchanged.



**Transdev Services, Inc.**

<b>Transdev (formerly Veolia) Bus Contract 2012 - 2015</b>				
	<b>2013</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
<b>Expense</b>	<b>Actual</b>	<b>Adopted</b>	<b>Projection</b>	<b>Exec</b>
		<b>Budget</b>		<b>Budget</b>
<b>Sub-Object</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
Contractual Services-Veolia	116.2	115.2	118.6	123.8
<b>Revenue</b>				
<b>Sub-Object</b>				
Bus Fare Box	44.8	46.0	46.3	51.4
Bus Advertising	0.6	0.5	0.5	0.5
Non-Op Revenue	0.1	0.1	0.1	0.1
Federal Trans Authority Match	0.0	0.0	0.0	0.0
State Trans from Cap Match	0.0	0.0	0.0	0.0
County Trans from Cap Match	0.8	0.7	0.0	0.7
Transfer from Capital Funds	0.0	0.0	0.7	0.0
FTA	6.4	5.6	5.6	5.6
Reimbursed Expend	0.8	0.7	0.7	0.7
STOA Grant	61.6	61.6	62.8	62.8
	<b>115.1</b>	<b>115.2</b>	<b>116.7</b>	<b>121.8</b>
<b>County Subsidies to Veolia</b>				
<b>Sub-Object</b>				
MSBA	1.9	1.9	1.9	1.9
Handitransp Syst (504)	0.6	0.6	0.6	0.6
	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

- The County is set up to act as a pass through for the NICE Bus system in that it will collect all revenues attributable to bus operations and pay them to NICE Bus in the form of a contractual payment.

- The budgeted County expense is \$2.5 million which represents the two subsidy payments historically made to the bus system. However, the County may have to make up any shortfalls between expenses and revenues.
- The FY 15 Proposed Budget anticipates increases in NICE Bus system revenues and expenses.
  - The Bus Fare Box revenue anticipates a \$0.25 increase per ticket commencing on March 1, 2015.
- The \$62.8 million state aid amount reflects the State Transportation Operating Assistance (STOA) grant which is increasing by \$1.2 million in FY 15. The grant monies are a function of the ridership level and the quality/type of services provided. Documentation is provided to New York State each year and allocation is predicated on service levels voted on by the senate and the assembly.

**MTA Litigations**

- There is a lawsuit in upwards of \$5.1 million with the MTA regarding termination costs associated with ending the relationship with MTA/Long Island Bus on December 31, 2011. The County's motion to dismiss the lawsuit was granted in August 2013 in the Supreme County in New York County (Manhattan). The MTA has filed a notice of appeal. Appellate briefs have been filed and the County is waiting to receive MTA's reply brief after which the case will be set for oral argument.

Revenue	Historical		2013		2014	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Permits & Licenses	\$479,181	\$561,077	\$710,000	\$490,000	\$621,400	(\$88,600)	-12.5%	\$131,400	26.8%
Fines & Forfeits	0	0	10,000	0	10,000	0	0.0%	10,000	*****
Rents & Recoveries	19,450,877	10,756,313	8,991,895	9,698,787	9,699,425	707,530	7.9%	638	0.0%
Rev Offset to Expense	0	0	0	0	300,000	300,000	*****	300,000	*****
Dept Revenues	45,228,931	47,256,956	47,871,425	48,044,294	53,432,704	5,561,279	11.6%	5,388,410	11.2%
Cap Backcharges	0	(290,789)	0	0	0	0	*****	0	*****
Interdept Revenues	14,910,543	18,541,783	17,545,265	17,545,265	20,684,796	3,139,531	17.9%	3,139,531	17.9%
Due from Other Governments	13,557	195,987	0	0	0	0	*****	0	*****
Interfund Charges Rev	6,313,504	5,733,827	6,855,006	6,855,006	7,042,183	187,177	2.7%	187,177	2.7%
Fed Aid-Reimb Of Exp	9,265,962	6,659,648	6,132,840	6,132,840	6,367,595	234,755	3.8%	234,755	3.8%
State Aid-Reimb Of Exp	59,055,491	62,281,325	62,449,000	63,679,000	63,659,000	1,210,000	1.9%	(20,000)	0.0%
<b>Total</b>	<b>\$154,718,046</b>	<b>\$151,696,127</b>	<b>\$150,565,431</b>	<b>\$152,445,192</b>	<b>\$161,817,103</b>	<b>\$11,251,672</b>	<b>7.5%</b>	<b>\$9,371,911</b>	<b>6.1%</b>

\*Revenue chart consolidates the Department of Public Works, Office of Real Estate Services and Planning.

## Revenues

- The revenue chart above reflects the consolidated Department of Public Works which includes Planning and Real Estate Services.
- DPW's proposed revenue budget is increasing by \$11.3 million or 7.5% from the FY 14 budget.
- Rents and recoveries revenue is increasing by \$0.7 million. The growth is a result of higher prior year recoveries, sales and rentals of County property being offset by lower coliseum advertising, concessions, utility and rental revenues.
- Revenue offset to expense of \$0.3 million for reimbursement of utility expenses is new in FY 15. This compensation was previously captured within departmental revenues and has been separated for accounting clarity.
- Departmental revenues are increasing by \$5.6 million which is primarily due to the Bus Fare Box rise of \$ 5.4 million.
- Interdepartment revenues are increasing by \$3.1 million. This charge is allocated by the Office of Management and Budget.
- Federal aid is increasing by \$0.2 million, specifically in the NYS Pass thru Federal funds.
- State aid is increase by \$1.2 million, in the State Operating Assistance (STOA) grant. The amount of STOA grant Nassau County will be receiving is not known until New York State's budget is finalized and approved, typically in April.

**Revenues, Cont.**

Departmental Revenues				
	FY13	FY14	FY14	FY15
	Actual	Budget	Projected	Proposed
Misc Receipts	\$402,163	\$10,000	\$95,148	\$102,000
Fees	131,459	125,000	78,296	142,000
Concessions	856,263	860,000	760,132	860,000
Subdivision Plan Review (R080A)	4,500	30,000	4,500	4,500
Non-Stormwater Discharges-Storm	0	3,000	0	1,000
Inspector Services Backcharge	28,646	40,000	38,084	35,000
Plans	49,261	80,000	51,500	50,000
Bus Farebox	44,787,116	45,966,925	46,275,704	51,375,704
Bus Advertising	569,629	500,000	500,000	500,000
Non-Operating Revenue	133,889	100,000	100,000	100,000
Subdivision Inspection Fees	161,426	36,000	0	36,000
Reimb Expenses IGT	0	24,000	28,525	24,000
Rule Book Sales	2,959	1,500	2,846	3,500
Film & Advert Activities	43,744	35,000	25,000	44,000
Subdivision Plan Review (R9868)	64,272	40,000	0	75,000
239-K Review	21,631	20,000	84,560	80,000
<b>Grand Total</b>	<b>\$47,256,956</b>	<b>\$47,871,425</b>	<b>\$48,044,294</b>	<b>\$53,432,704</b>

- The table to the above hosts departmental revenues for DPW.
- The proposed FY 15 departmental revenues are increasing by \$5.6 million to \$53.4 million when compared to FY 14.
  - The major increase is occurring within Bus Fare Box which equates to an additional \$5.4 million in FY 15. A fare increase of \$0.25 is expected to occur on March 1, 2015.

Rents & Recoveries			
	2014	2015	2015 vs.
	Adopted	Proposed	2014
Recvry Prior Yr Appr	\$0	\$300,000	0.0%
Rent County Property	\$221,084	\$894,321	304.5%
Sale County Property	3,000,000	3,673,000	22.4%
Coliseum Utilities	1,893,012	1,090,434	-42.4%
Coliseum Rental	283,385	148,226	-47.7%
Coliseum Concessions	435,272	200,000	-54.1%
Rental Mitchell Field Properties	2,392,142	2,390,287	-0.1%
Coliseum Advertising Revenue	150,000	87,500	-41.7%
Marriott Lighthouse Heating & Chilling	437,000	437,000	0.0%
Coliseum Parking Revenue	180,000	214,077	18.9%
Approvals Period Rent	0	264,580	0.0%
<b>Total</b>	<b>\$ 8,991,895</b>	<b>\$9,699,425</b>	<b>7.9%</b>

- The rents & recoveries line is where the County budgets for rent from County properties, proceeds from sales of County owned property, coliseum utilities, coliseum concessions, coliseum rental and Mitchell Field Properties rental payments.

**Revenues, Cont.**

- The rental of County property is increasing by \$0.7 million. However, \$0.1 million is questionable because of the sale of County real estate.
- The sale of County property is increasing by \$0.7 million. The Administration expects selling property located in Freeport, Glen Cove, Inwood and Levittown.
- With the exception of the coliseum parking revenue, all other coliseum revenues are expected to decrease. The approvals period rent will offset some loss.
  - The approvals period rent is new in FY 15 which is due to the redevelopment of the coliseum.
- Currently, the County collects rent on six Mitchell Field Properties.



The Office of Records Management, under the supervision of the County Clerk, administers and maintains the central records and document storage facility for all agencies of County government. The department ensures that documents on file comply with mandated retention schedules and are available for retrieval by originating agencies. The office provides production capability for microfilming services. The office also assists other departments with document destruction in accordance with New York State Records Retention guidelines.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	9	12	14	12	12	(2)	-14.3%	0	0.0%
Part-Time and Seasonal	8	8	21	6	21	0	0.0%	15	250.0%
Salaries	\$667,607	\$734,271	\$879,484	\$802,979	\$888,915	\$9,431	1.1%	\$85,936	10.7%
Equipment	4,275	4,972	5,000	5,000	5,000	0	0.0%	0	0.0%
General Expenses	139,014	157,837	160,500	160,500	160,500	0	0.0%	0	0.0%
Contractual Services	122,404	118,036	125,000	125,000	125,000	0	0.0%	0	0.0%
<b>Total</b>	<b>\$933,300</b>	<b>\$1,015,116</b>	<b>\$1,169,984</b>	<b>\$1,093,479</b>	<b>\$1,179,415</b>	<b>\$9,431</b>	<b>0.8%</b>	<b>\$85,936</b>	<b>7.9%</b>

**Expenses**

- The Proposed FY 15 Budget for is increasing by \$9,431 or 0.8% from the FY 14 Adopted Budget and is increasing 7.9% from OLBR’s current projection. This is directly related to salaries.
- Salaries are increasing due to Cost of Living Adjustments (COLA) and step increases from the recently negotiated Civil Service Employees Association (CSEA) agreement.
  - The Proposed FY 2015 Budget includes a 3.75% COLA effective July 2015 and a step increase on September 1, 2015. This is in addition to the 3.5% COLA step increase effective April 1, 2014 and the step increase from September 2014.
  - Salaries would have been greater but are partially offset by the elimination of two vacant positions, Photo Machine Operator IIs.
- All other expense lines are being held constant at the adopted and projected FY 14 level.
  - The DD line is made up of office supplies and copier paper.
  - Examples of items that make up the contractual services budget are mandated archival document storage, filming equipment maintenance and support, document scanning and document destruction services.

- The objectives of the Office are to install high-density shelving, install and maintain proper HVAC, humidity control, electronic inventory management and water and fire detection systems in accordance with New York State requirements. The 2014 Capital Improvement Plan provides \$12.5 million in funding from 2014 to 2017 for the Records Center Renovation project (90031).



## 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. The law required the County to transition to three zones of assessment at the end of 2013: sewage collection and disposal services, sewage disposal services, and storm water resources services. The three zones of assessment went into effect in 2014.

## Sewer and Storm Water Finance Authority Expenses

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Contractual Services	\$225,969	\$171,804	\$920,000	\$900,000	\$920,000	\$0	0.0%	\$20,000	2.2%
Interest	7,678,894	7,309,831	6,956,531	6,956,531	5,989,767	(966,764)	-13.9%	(966,764)	-13.9%
Principal	7,800,000	7,955,000	8,425,000	8,425,000	0	(8,425,000)	-100.0%	(8,425,000)	-100.0%
Trans Out To SSW	87,300,334	73,789,428	0	0	0	0	*****	0	*****
Trans To SSW For Debt Svc	28,871,965	27,061,769	100,999,409	100,999,409	116,408,803	15,409,394	15.3%	15,409,394	15.3%
Trans To Debt Service Fund	44,494,928	42,428,304	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$176,372,090</b>	<b>\$158,716,137</b>	<b>\$117,300,940</b>	<b>\$117,280,940</b>	<b>\$123,318,570</b>	<b>\$6,017,630</b>	<b>5.1%</b>	<b>\$6,037,630</b>	<b>5.1%</b>

- FY 15 expenses for the Sewer & Storm Water Finance Authority (SFA) are increasing by \$6.0 million or 5.1%.
- SFA retains sufficient funding to pay its operating expenses and debt service costs and transfers the remainder to the District.
- The County will submit to the Authority a request for financing to issue bonds and/or notes to refinance all of the Authority's outstanding bonds, and issue bonds and/or notes to restructure any or all outstanding County bonds issued for

sewer and/or storm water resources purposes maturing in 2014, 2015 and 2016.

- In FY 15, interest is declining by \$1.0 million and there is no budgeted principal.
- The FY 15 transfer to the Sewer and Storm Water District of \$116.4 million is increasing by \$15.4 million which is a function of additional property taxes, no principal payment and lower interest.
  - This is the amount transferred to the District after the Authority's debt service payments are settled.

- Beginning in 2012, the Treasurer’s Office revised the entry process to reflect the inter-fund transfer between the general and debt service funds of the Sewer Financing Authority. In prior years, although this transaction was reflected in the audited financial statements, this level of detail was not recorded in Nassau Integrated Financial System (NIFS). Expenses and revenues offset one another.
  - The amounts transferred were \$44.5 million and \$42.4 million in FY 12 and FY 13 respectively. This amount is not budgeted for.

**Sewer and Storm Water Finance Authority Revenues**

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Invest Income	\$19,727	\$6,818	\$30,000	\$30,000	\$5,000	(\$25,000)	-83.3%	(\$25,000)	-83.3%
Dept Revenues	0	0	0	0	0	0	*****	0	*****
Fed Aid-Reimb of Exp	0	1,107,722	0	0	0	0	*****	0	*****
Interfund Transfers	44,494,928	42,428,304	0	0	0	0	*****	0	*****
Property Tax	117,282,373	117,274,942	117,270,940	117,270,940	123,313,570	6,042,630	5.2%	6,042,630	5.2%
<b>Total</b>	<b>\$161,797,028</b>	<b>\$160,817,786</b>	<b>\$117,300,940</b>	<b>\$117,300,940</b>	<b>\$123,318,570</b>	<b>\$6,017,630</b>	<b>5.1%</b>	<b>\$6,017,630</b>	<b>5.1%</b>

- Investment income is decreasing by \$25,000 in FY 15. The FY15 amount is more in line with the 2013 actual.
- Property taxes are higher by \$6.0 million or 5.2% as compared to the FY 14 due to an increase in the levy.



Sewer and Storm Water Financing Authority				
Multi Year Plan (MYP)				
(\$'s in millions)				
Expense	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed
Contractual Services	\$0.9	\$0.9	\$0.9	\$0.9
Interest	6.0	6.4	8.8	8.5
Principal	0.0	10.3	10.4	10.7
Trans Out To SSW For Debt Service	116.4	105.7	103.2	103.2
<b>Expense Total</b>	<b>\$123.3</b>	<b>\$123.3</b>	<b>\$123.3</b>	<b>\$123.3</b>
Revenue	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed
Property Tax	123.3	123.3	123.3	123.3
<b>Revenue Total</b>	<b>\$123.3</b>	<b>\$123.3</b>	<b>\$123.3</b>	<b>\$123.3</b>

➤ The table above, which is in millions, does not show the investment income of \$5,000 in 2015, \$5,000 in 2016, \$10,000 in 2016 and \$15,000 in 2018 in the MYP.

- The table to the left indicates the Administration’s MYP baseline for the Authority.
- Total expenses and revenues are projected to remain flat at \$123.3 million through 2018.
- Contractual Services will remain flat.
- Interest is expected to grow in the out-years.
- Principal is not budgeted for in the proposed FY 15 but is expected in the out-years as a result of refinancing.
- The plan contains a decline of debt service in the out-years.
- Interfund transfer is not budgeted in the out-years.
- The Sewer Finance Authority’s MYP indicates property taxes are remaining consistent.



Perimeter Flood Protection – East Park Reconstruction



Perimeter Flood Protection – stockpile of top soil

**Sewer and Storm Water Resource District Expenses**

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	267	270	306	286	273	(33)	-10.8%	(13)	-4.5%
Part-Time and Seasonal	1	1	1	1	0	(1)	-100.0%	(1)	-100.0%
Salaries	\$17,632,617	\$18,201,634	\$19,874,761	\$20,268,445	\$15,748,742	(\$4,126,019)	-20.8%	(\$4,519,703)	-22.3%
Fringe Benefits	10,396,177	11,249,934	12,465,958	12,197,862	12,458,997	(6,961)	-0.1%	261,135	2.1%
Equipment	83,757	150,702	360,855	360,855	50,500	(310,355)	-86.0%	(310,355)	-86.0%
General Expenses	12,340,469	15,050,376	16,983,507	16,983,507	537,875	(16,445,632)	-96.8%	(16,445,632)	-96.8%
Contractual Services	26,138,571	29,683,615	28,539,600	28,539,600	57,877,000	29,337,400	102.8%	29,337,400	102.8%
Utility Costs	9,476,974	11,241,800	11,000,000	11,000,000	8,820,347	(2,179,653)	-19.8%	(2,179,653)	-19.8%
Interest	6,434,736	4,989,371	7,479,116	7,479,116	6,873,137	(605,979)	-8.1%	(605,979)	-8.1%
Principal	16,677,500	14,935,767	13,803,000	13,803,000	11,672,663	(2,130,337)	-15.4%	(2,130,337)	-15.4%
Interfund Charges	29,736,860	30,084,981	39,697,768	39,697,768	35,403,935	(4,293,833)	-10.8%	(4,293,833)	-10.8%
Other Suits & Damages	75,000	0	538,500	538,500	538,500	0	0.0%	0	0.0%
Operations & Man. Reserve	0	0	26,923,577	0	0	(26,923,577)	-100.0%	0	*****
<b>Total</b>	<b>\$128,992,660</b>	<b>\$135,588,181</b>	<b>\$177,666,642</b>	<b>\$150,868,653</b>	<b>\$149,981,696</b>	<b>(\$27,684,946)</b>	<b>-15.6%</b>	<b>(\$886,957)</b>	<b>-0.6%</b>

- FY 15 expenditures are decreasing by \$27.7 million, or 15.6%, as compared to the FY 14 budget.
- Salaries are declining by \$4.1 million, one part-time and 33 full-time positions when compared to the FY 14 budget. The reduction is mostly due to the United Water contract and the Voluntary Separation Incentive Program. Salary savings consist of \$2.9 million in overtime, \$0.3 million in holiday pay, \$0.3 million in retro pay and \$0.2 million in supper money. Offsetting the decline in salaries are 3.75% Cost of Living Adjustment scheduled for July 2015 and step increases planned for in July and September 2015.
- The contractual services line is increasing by \$29.3 million which is a net result of the \$57.4 million for the United Water contract being offset by other contractual saving totaling \$28.0 million. The largest declines are \$16.9 million in miscellaneous, for the maintenance of the sewage plant facilities, and \$9.5 million in sludge disposal.
  - Additionally, the United Water contract anticipates further savings of \$0.3 million in equipment, \$16.4 million in general expenses and \$2.2 million in utility costs.
- Interest and principal are expected to decrease by \$0.6 million and \$2.1 million respectively.
- Interfund Charges are decreasing by \$4.3 million which is primarily attributed to lower capital debt service charges as well as a decline in the indirect cost chargeback rate for the SSW Fund as generated by the annual Maximus report.

**Sewer and Storm Water Resource District Expenses, Cont.**

- The Operations and Maintenance (O&M) Reserve Fund is not being budgeted for in FY 15. Previously, the O&M must have equaled 25% of the District's budgeted operating expenses. The Administration anticipates replacing the O&M with a fully funded Debt Service Reserve Fund. The fund is an escrow account that will receive a deposit from bond proceeds.

<b>SSW 2015 Proposed Budget Contractual Services Expense</b>						
(\$'s in millions)						
Control Center	Historical	2014	2015	Adopted		
	2013	Adopted Budget	Exec. Budget	Var.	%	
Miscellaneous Contractual Serv	\$17.1	\$17.0	\$0.2	-\$16.9	-99.1%	
Legal	0.0	0.1	0.0	-0.1	-100.0%	
Engineering	0.0	0.7	0.0	-0.6	-98.1%	
Sanitary Solid Waste Disposal	1.0	1.1	0.3	-0.8	-72.0%	
Sludge Disposal	10.0	9.6	0.0	-9.5	-99.8%	
Long Island	1.5	0.0	0.0	0.0	*****	
Medical/Psychiatric Services	0.0	0.1	0.0	-0.1	-100.0%	
Radio & Communications	0.0	0.1	0.0	-0.1	-83.9%	
Professional Services	0.0	0.0	57.4	57.4	*****	
GPC Warehouse	0.03	0.0	0.0	0.0	*****	
<b>Total</b>	<b>29.7</b>	<b>28.5</b>	<b>57.9</b>	<b>29.3</b>	<b>102.8%</b>	

- Contractual services are increasing by \$29.3 million. The driving factor is the professional services line which hosts the United Water contract of \$57.4 million.
  - The other across the board contractual services expense reductions are a direct result of the United Water contract.
- The remaining budgeted expenditures within miscellaneous contractual services of \$0.2 million and the sanitary solid waste disposal of \$0.3 million are needed to fund the Cedarhurst and Lawrence facilities for three months.
  - With the State's pending approval, these facilities are being converted to pump stations which will redirect their respective sewage to Bay Park for treatment and discharge.
  - The Cedarhurst facility will send their sewage via a gravity method while Lawrence will use a pump process.

**Sewer and Storm Water Resource District Expenses, Cont.**

**United Water**

Nassau County entered into an agreement with United Water to provide for the Operations and Maintenance of the County's Sewer System. The Administration believes that savings can be achieved from having a private operator run the sewer system. Contracted and synergy savings are expected from this agreement. The contracted savings to be generated by the agreement are mainly based on labor savings, utility costs, and efficiencies created by capital improvements. The Administration has promised that the change in operations will not result in layoffs but will necessitate some employees be moved to other departments within the County.

Contracted savings include items such as salary, fringe benefits, utilities, general and contractual expenses. Savings are realized by comparing what it would have cost the County to run the system to the projected costs from the Agreement. The majority of the contracted savings is from United Water's \$10.0 million annual guaranteed salary savings from the reduction of County sewer personnel. United Water will either hire or utilize County employees assigned to the system for which United Water will pay the contracted service fee. If United Water is unable to meet the \$10.0 million cost savings through direct employment or the utilization of assigned County employees, the County would receive a direct payment for the difference. The Administration has explained that the direct \$10.0 million annual commitment would continue throughout the life of the Agreement.

Savings are also captured from lower utility costs in the contract compared to what the County currently pays. United Water will be responsible for supplying or purchasing, and for paying all costs associated with all utilities, with the exception of natural gas and diesel fuel, required for operating and maintaining the System. These include, but are not limited to, heating oil, water, telephone, internet and electricity.

Synergy savings is a projection based upon redeploying Sewer Fund personnel, not assigned to work for United Water, into other areas of the County. The Administration has identified areas of the County budget where increased staffing can reduce overtime, the need for seasonal workers and/or generate additional revenue.

As part of this Agreement, the County is responsible for investing \$40.0 million to fund a series of Efficiency Capital Improvements to enhance the System. United Water will manage delivery, design, construction and implementation of the Efficiency Capital Improvements. Additionally, the County will be responsible for financing all capital improvements for the duration of the agreement.

The County Legislature approved the agreement on July 18, 2014. NIFA approved it on September 10, 2014.

**Sewer and Storm Water Resource District Revenues**

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$9,848,421	\$25,557,955	\$56,720,839	\$42,513,470	\$0	(\$56,720,839)	-100.0%	(\$42,513,470)	-100.0%
Permits & Licenses	805,771	905,571	810,000	810,000	1,100,000	290,000	35.8%	290,000	35.8%
Invest Income	216,308	108,106	220,000	220,000	110,000	(110,000)	-50.0%	(110,000)	-50.0%
Rents & Recoveries	890,050	3,826,840	2,071,000	2,071,000	13,166,000	11,095,000	535.7%	11,095,000	535.7%
Rev Offset To Expense	0	0	180,000	180,000	180,000	0	0.0%	0	0.0%
Dept Revenues	1,594,729	1,694,904	14,114,000	1,514,000	14,317,000	203,000	1.4%	12,803,000	845.6%
Debt Svc From Capital	340,000	522,931	300,000	300,000	300,000	0	0.0%	0	0.0%
Interfund Charges Rev	0	0	0	0	2,148,499	2,148,499	*****	2,148,499	*****
Fed Aid-Reimb of Exp	0	(112,043)	0	0	0	0	*****	0	*****
Interfund Transfers	113,045,987	100,851,197	100,999,409	100,999,409	116,408,803	15,409,394	15.3%	15,409,394	15.3%
State Aid-Reimb of Exp	0	(18,675)	0	0	0	0	*****	0	*****
Due from Other Gov't	2,251,394	2,251,394	2,251,394	2,251,394	2,251,394	0	0.0%	0	0.0%
<b>Total</b>	<b>\$128,992,660</b>	<b>\$135,588,181</b>	<b>\$177,666,642</b>	<b>\$150,859,273</b>	<b>\$149,981,696</b>	<b>(\$27,684,946)</b>	<b>-15.6%</b>	<b>(\$877,577)</b>	<b>-0.6%</b>

- FY 15 overall revenue for the District is decreasing by \$27.7 million, or 15.6%.
- There is no fund balance budgeted in FY 15.
  - The 2012 and 2013 historical fund balance usage represents the opening fund minus year-end expenses minus revenue.
- The rents and recoveries line is increasing by \$11.1 million which consists of \$10.0 million for enterprise fund recoveries as a result of the United Water contract and \$1.1 million for recovery of prior year appropriations.
- Departmental revenues are increasing by \$0.2 million primarily in miscellaneous receipts and contractual services revenues.
  - The exempt users charge within the departmental revenues has been lowered from \$38.0 million budgeted in FY 12, for a full year's collection, to \$12.6 million in FY 13 and remains at \$12.6 million in FY 14 and proposed FY 15. However, to-date no fees have been collected due to ongoing litigation and a Temporary Restraining Order (TRO). As such, OLBR's projection does not include this revenue.
- The FY 15 revenue from other governments will remain consistent with the FY 12, FY 13 and FY 14 revenue levels of \$1.2 million from Cedarhurst and \$1.1 million from Lawrence. Nassau County assumed duty of these facilities on January 1, 2012.

**Sewer and Storm Water Resource District Revenues, Cont.****Sewer and Storm Water Usage Fees**

In FY 11 two fees were proposed, a high water usage fee and sewer fee for not-for-profit organizations. The County expected to impose service charges upon exempt users and high water users for the use of services of sewage facilities maintained by the District at a rate not to exceed \$0.01 per gallon of water entering the County's sewage system.

The FY 11 budget included the exempt users and high water users revenue of \$19.0 million for half of the year.

The FY 12 budget contained \$38.0 million which anticipated a full year's collections.

A rate study was performed which yielded a preliminary determination that the previous revenue was too aggressive. The FY 13 budget reduced this revenue to \$12.6 million for a full year's collection however; the County has not collected any revenues to-date due to ongoing litigation. It was anticipated that the fees will be billed through the Treasurer's Office once the litigation is resolved.

The FY 14 budget included exempt user revenue of \$12.6 million.

The FY 15 proposed budget will again include the exempt user revenue of \$12.6 million for a full year's collection. The 2015 MYP anticipates revenues to grow to \$18.1 million in the 2016 Plan and \$19.0 million in the 2017 and 2018 Plans.



## Sewer and Storm Water District, Multi-Year Plan

Sewer and Storm Water Resource District				
Multi Year Plan				
(\$'s in millions)				
EXPENSE	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed
Salaries, Wages & Fees	\$15.7	\$15.8	\$15.6	\$15.1
Fringe Benefits	12.5	12.7	12.5	12.5
Equipment	0.1	0.0	0.0	0.0
General Expenses	0.5	0.4	0.4	0.4
Contractual Services	57.9	59.1	60.9	62.7
Utility Costs	8.8	5.9	5.9	6.0
Interest	6.9	6.3	5.8	5.3
Principal	11.7	10.4	9.5	9.7
Interfd Chgs - Interfund Charges	35.4	33.8	37.1	40.1
Other Expenses	0.5	0.6	0.6	0.6
<b>EXPENSE TOTAL</b>	<b>\$150.0</b>	<b>\$144.8</b>	<b>\$148.4</b>	<b>\$152.6</b>
REVENUE	2015 Proposed	2016 Proposed	2017 Proposed	2018 Proposed
Fund Balance	0.0	0.0	5.3	9.4
Permits & Licenses	1.1	1.1	1.1	1.1
Invest Income	0.1	0.1	0.1	0.1
Rents & Recoveries	13.2	13.2	13.2	13.2
Revenue Offset To Expense	0.2	0.2	0.2	0.2
Dept Revenues	14.3	19.8	20.8	20.8
D/S From Cap Debt Service From Capital	0.3	0.3	0.3	0.3
Due Fr Govts - Due From Other Govts	2.3	2.3	2.3	2.3
Interfund Charges Revenue	2.1	2.1	2.1	2.1
Interfd Tsfs - Interfund Transfers	116.4	105.7	103.2	103.2
<b>REVENUE TOTAL</b>	<b>\$150.0</b>	<b>\$144.8</b>	<b>\$148.4</b>	<b>\$152.6</b>

- The table above details the Administration's baseline for the MYP for the District. According to the Plan, the District is expecting an overall decline in 2016 and 2017. Greater expenses and revenues are foreseen in 2018.
- The salaries line contains savings from initiatives of \$0.7 million in 2016, \$1.3 million in 2017 and \$2.0 million in 2018.
- The equipment expense is not funded in the out-years.
- The United Water agreement, in the contractual services budget, assumes a 3.0% increase in each of the out-years.

- Utility costs are diminishing as a result of lower fuel costs.
- Interest and principal are declining in the out-years.
- The interfund charges are expected to increase primarily due to greater capital debt service charges.
  - The capital debt increases are \$5.1 million in 2016, \$3.3 million in 2017 and \$3.1 million in 2018. The increase may be attributed to the Administrations' plan to bond for sewer related projects in each of the out-years of the plan.
  - Indirect charges drop by \$6.8 million in 2016 and then remain at the lower level of \$10.0 million in the remaining years.
- Usage of fund balance is anticipated in 2017 and 2018.
- Interfund transfers from SFA are falling in the out-years.
- Departmental revenues, driven by the user fee, are growing in the out-years. However, to-date fees have not been collected due to litigation.
- Permits & licenses, investment income, rents & recoveries and revenue offset to expense are remaining flat.



Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	11	11	11	11	9	(2)	-18.2%	(2)	-18.2%
Part-Time and Seasonal	0	0	0	0	0	0	*****	0	*****
Salaries	\$927,740	\$908,683	\$877,769	\$926,368	\$915,209	\$37,440	4.3%	(\$11,159)	-1.2%
General Expenses	16,463	10,097	17,500	17,500	18,950	1,450	8.3%	1,450	8.3%
Contractual Services	1,495	1,495	1,700	1,700	37,100	35,400	2082.4%	35,400	2082.4%
<b>Total</b>	<b>\$945,698</b>	<b>\$920,276</b>	<b>\$896,969</b>	<b>\$945,568</b>	<b>\$971,259</b>	<b>\$74,290</b>	<b>8.3%</b>	<b>\$25,691</b>	<b>2.7%</b>

**Expenses**

- The total proposed expense budget is increasing by \$74,290 or 8.3% when compared to the FY 14 budget.
- Salaries are increasing by \$37,440 which is a net result of a payroll adjustment of \$30,333, FY 15 terminal leave of \$23,988, savings from initiatives credit of \$81,069 and savings from eliminating retro pay of \$14,346 along with \$78,534 more in title movements.
- The contractual services line contains miscellaneous costs of \$35,300 which is the County’s portion of vendor payments for the web-based procurement system. The County qualified as a recipient to the Local Government Efficiency Grant. The County anticipates receiving \$317,700 from New York State for the enhanced productivity associated from the deployment of the system.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$314,464	\$403,665	\$200,000	\$200,000	\$200,000	\$0	0.0%	\$0	0.0%
Dept Revenues	23,282	15,407	528,500	100,000	528,500	0	0.0%	428,500	428.5%
<b>Total</b>	<b>\$337,746</b>	<b>\$419,072</b>	<b>\$728,500</b>	<b>\$300,000</b>	<b>\$728,500</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$428,500</b>	<b>142.8%</b>

**Revenues**

- The total proposed revenue budget remains flat when compared to the FY 14 budget but is increasing by \$428,500 in department revenues when compared to the OLBR’s projection. The on-line vendor registration/subscription fee was passed by the County Legislature on June 16, 2014. Revenues were estimated at \$528,000 for a full year’s collection.

The mission of the Department of Social Services (DSS) is to provide supportive services and financial assistance to eligible individuals and families in Nassau County, consistent with federal and state law.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	633	641	640	617	616	(24)	-3.8%	(1)	-0.2%
Part-Time and Seasonal	79	67	101	62	85	(16)	-15.8%	23	37.1%
Salaries	\$42,372,419	\$41,985,324	\$44,157,561	\$44,961,665	\$45,865,399	\$1,707,838	3.9%	\$903,734	2.0%
Equipment	13,374	150,838	24,000	309,000	24,000	0	0.0%	(285,000)	-92.2%
General Expenses	711,597	783,375	883,150	883,150	768,150	(115,000)	-13.0%	(115,000)	-13.0%
Contractual Services	7,781,376	8,195,161	8,779,143	8,194,143	7,944,143	(835,000)	-9.5%	(250,000)	-3.1%
Inter-Dept. Charges	15,039,141	18,034,124	18,345,178	18,345,178	18,057,551	(287,627)	-1.6%	(287,627)	-1.6%
Recipient Grants	64,646,027	60,658,383	64,100,000	58,850,000	60,550,000	(3,550,000)	-5.5%	1,700,000	2.9%
Purchased Services	65,649,070	64,511,946	61,247,021	66,497,021	68,402,576	7,155,555	11.7%	1,905,555	2.9%
Emergency Vendor Payments	62,847,587	57,010,945	56,595,000	49,630,000	52,755,000	(3,840,000)	-6.8%	3,125,000	6.3%
Medicaid	247,935,261	254,850,679	253,257,500	248,712,000	252,255,731	(1,001,769)	-0.4%	3,543,731	1.4%
<b>Total</b>	<b>\$506,995,851</b>	<b>\$506,180,776</b>	<b>\$507,388,553</b>	<b>\$496,382,157</b>	<b>\$506,622,550</b>	<b>(\$766,003)</b>	<b>-0.2%</b>	<b>\$10,240,393</b>	<b>2.1%</b>

**Expenses**

- Expenses in Social Services’ proposed budget decline 0.2% from the budget adopted for FY 14. Increases in purchased services of \$7.2 million and salaries of \$1.7 million are offset by the following reductions: \$1.0 million in Medicaid, \$3.8 million in emergency vendor payments, and \$3.6 million in recipient grants.
- The proposed expense budget is about 2.1% above OLBR’s latest projection. As a result of declining program caseloads, several budget lines are expected to return large surpluses in FY 14. The \$10.2 million increase from OLBR’s projection to the proposed budget is an indication that the department expects direct assistance (recipient grants, purchased services, and emergency vendor payments) program caseloads to normalize and begin to increase some in FY 15, but not back to the levels demonstrated in FY 12 or FY 13. Another contributing factor to the increase in expenses (compared to current projections) is a 2.0% bump in the salary budget.
- Salaries increase \$1.7 million budget to budget. The increase in salaries is primarily due to the recent contract agreement with the Civil Service Employees Association (CSEA). All eligible CSEA members will receive steps and cost of living adjustments (COLAs) beginning in FY 14 and each year through FY 17. The step and COLA increases are being offset in the budget by the inclusion of \$0.9 million in payroll savings from initiatives, with a corresponding decrease of 24 full time positions.

**Expenses, cont.**

- Equipment expenses in the proposed budget are flat compared to the FY 14 budget, and down 92.2%, or \$285,000, from the current projection. In FY 14, the department received a board transfer to fund the purchase of new copy machines.
- The proposed budget reduces spending on office supplies, copy paper, and equipment maintenance and rentals. As a result, general expenses are 13.0% lower than both the FY 14 budget and the current projection.
- Inter-departmental charges dip 1.6% in the FY 15 proposal. Reduced charges for workers’ compensation, telecommunication services, and services from other departments (i.e. District Attorney’s Office, Information Technology) are offset by a \$1.2 million increase in building occupancy charges.
- At the end of the expense section is a summary for each of DSS’s major programs.

Expenses by Control Center						
(\$'s in millions)						
Control Center	Historical		2014	2015	Exec. vs. Adopted	
	2012	2013	Adopted Budget	Exec. Budget	Var.	%
Administration	\$20.6	\$23.9	\$24.3	\$23.9	-\$0.4	-1.6%
Burials	0.3	0.2	0.3	0.3	0.0	0.0%
Child. Foster Homes - IVE	0.6	0.4	0.8	0.8	0.0	0.0%
Children in Foster Homes	1.7	1.7	2.1	1.9	-0.2	-7.3%
Children in Institutions	16.0	14.7	12.8	10.8	-2.0	-15.7%
Division of Services	18.6	18.9	20.1	21.5	1.4	6.8%
Educ Handicapped Child	15.8	16.4	15.5	16.5	1.0	6.5%
Family Assistance (TANF)	33.5	27.9	32.0	27.5	-4.5	-14.1%
HEAP	0.1	0.1	0.5	0.3	-0.2	-40.0%
Juvenile Delinquents	7.5	7.4	6.0	4.5	-1.5	-25.0%
Juvenile Detention Center	0.0	0.0	0.0	0.0	0.0	-100.0%
Medicaid MMIS	247.9	254.9	253.3	252.3	-1.0	-0.4%
Non Secure Detention	0.6	0.6	0.6	0.6	0.0	0.0%
Public Financial Assistance	26.7	26.3	27.8	27.3	-0.4	-1.6%
Real Estate Expense	0.0	0.0	0.0	0.0	0.0	0.0%
Safety Net Assistance	41.1	38.2	39.6	39.5	-0.1	-0.2%
Subsidized Adoptions	5.2	4.8	5.2	5.0	-0.2	-3.8%
Title XX	65.6	64.5	61.2	68.4	7.2	11.7%
Training Schools	5.0	5.2	5.5	5.8	0.3	4.5%
<b>Total</b>	<b>507.0</b>	<b>506.2</b>	<b>507.4</b>	<b>506.6</b>	<b>-0.8</b>	<b>-0.2%</b>

- The proposed budget decreases the Administration Control Center’s expenses by about 1.6% from the budget adopted for FY 14. DSS’s inter-departmental charges are housed in the Administrative control center and account for this variance.
- Expenses in the Family Assistance Control Center are decreasing \$4.5 million, as Temporary Assistance to Needy Families (TANF) cases have dropped 5.6% over the past year.
- The sharp rise in Title XX expenses is attributable to an expected increase in costs associated with day care services.
- The 25% reduction in Juvenile Delinquent expenses is partly attributable to the department’s plan to liquidate \$1.9 million in encumbrances from this control center in FY 2015.

**Expenses, cont.**

**Direct Assistance**

- Recipient grants, purchased services, and emergency vendor payments account for about 35.9% of DSS’s proposed expense budget. These costs are associated with a number of Social Service programs, such as Temporary Assistance to Needy Families (TANF) and Safety Net Assistance (SNA). As the table below demonstrates, the expense is decreasing by \$234,445, budget to budget. A discussion of each category follows the table.

Direct Assistance			
Expense	2014 Adopted Budget	2015 Proposed Budget	Variance
Recipient Grants	\$64,100,000	\$60,550,000	(\$3,550,000)
Purchased Services	61,247,021	68,402,576	7,155,555
Emergency Vendor Payments	56,595,000	52,755,000	(3,840,000)
<b>Total</b>	<b>\$181,942,021</b>	<b>\$181,707,576</b>	<b>(\$234,445)</b>

- A large part of recipient grant funding is used to make payments to DSS clients eligible for TANF and SNA programs. SNA caseloads are down 0.9% from August 2013 to August 2014, while TANF caseloads have declined about 5.6% during this time. As a result, recipient grant expenses in the FY 15 budget are down 5.5%, or \$3.6 million, from the budget adopted for FY 14.
  - The Administration expects TANF cases to remain flat next year, if not continue to decline. As a result, SNA caseloads are expected to increase, as more clients transition from TANF to SNA. Thus, recipient grant expenses in the proposed budget grow by \$1.7 million compared to the latest OLBR projection.
- Emergency vendor payments are made to cover a variety of services rendered to eligible DSS clients, including shelter care, utility, maintenance, and institutional services. In the proposed FY 15 budget, emergency vendor payments fall by 6.8%, or \$3.8 million, from the budget adopted for FY 14. Compared to OLBR’s current projection, emergency vendor payments are up 6.3%, or \$3.1 million, in the proposed budget.
  - The reduced emergency vendor payments expense is a result of declining caseloads, such as in the foster care program. A smaller foster care caseload allowed the department to reduce its room and board expense by \$3.3 million from the Adopted FY 14 Budget. Other adjustments offset foster care related savings, such as a \$1.0 million increase in educational expenses for children in institutions.

**Expenses, cont.**

**Direct Assistance, cont.**

- Purchased services are payments made to independent agencies that provide DSS clients with a variety of services such as day care, adult and child protective services, foster care, and other preventive services. There is 11.7%, or \$7.2 million, more funding for purchased services in the proposed budget than the Adopted FY 14 Budget. The budget for purchased services increases about 2.9%, or \$1.9 million, over OLBR’s current projection.
  - As the chart below demonstrates, rising demand for day care services has put pressure on DSS’s budget dating back to FY 11. The department has initiated several measures to control costs, but they have been met with mixed success. For instance, the department adjusted eligibility requirements in FY 13 from 275% down to 200% of the federal poverty level, but this change had little impact. Conversely, the department reports that its anti-fraud program generated roughly \$1.0 million in cost avoidance so far in FY 14.
  - The department believes that the \$1.3 million increase in the full time group daycare budget and the \$6.2 million increase in full time family daycare budget will be sufficient to meet demand.

Year	Children in Daycare Count as of August 31	Adopted Daycare Services Budget	Year End Expense*
FY2011	5,113	\$50,050,000	\$55,100,336
FY2012	6,139	49,656,400	58,618,658
FY2013	5,659	52,000,000	57,433,441
FY2014	5,893	\$53,500,000	\$59,000,000
<i>*2014 is the current year end projection</i>			

**Expenses, cont.**

**Medicaid**

- The proposed Medicaid budget is 1.4%, or \$3.5 million, more than OLBR’s current projection. As can be seen in the table below, Medicaid costs are down \$1.0 million, or 0.4%, budget to budget.
  - In FY 14, the County experienced relief in Medicaid costs on two fronts. First, the federal government increased the amount of the County share it matches, thereby lowering the County’s Medicaid expenses. Secondly, the State passed a Medicaid Local Share Cap Reduction program as part of its FY 2014-2015 Budget. On April 1, 2014, the State lowered the County’s weekly Medicaid cap payment.
  - The additional assistance from the federal government will continue in FY 2015, but the State’s will not. The State has set the Medicaid cap at 0% for 2015; the decline in Medicaid expenses budget to budget satisfies the State’s mandate.

Expense	Medicaid Expenses		Variance
	2014 Adopted Budget	2015 Proposed Budget	
County Share	\$238,597,760	\$237,595,991	(\$1,001,769)
Health Insurance Premiums	1,300,000	1,300,000	0
Indigent Care	13,159,740	13,159,740	0
Nurshing Home Care	60,000	60,000	0
Physicians' Services	122,000	122,000	0
Transportation	18,000	18,000	0
<b>Total</b>	<b>\$253,257,500</b>	<b>\$252,255,731</b>	<b>(\$1,001,769)</b>

**Expenses, Cont.**

plans to add administrative and clerical staff as well.

- The proposed budget has a full time headcount of 616 employees. This headcount is one fewer than the September 1, 2014 actual and 24 fewer than the Adopted FY 14 Budget.
- The FY 15 budget includes a 24 head count, \$898,368 “savings from initiative” credit in the salary budget. The savings are concentrated in the Medical Assistance Responsibility Center (8 heads at \$299,456) and in the Child Protective Services Responsibility Center (16 heads at \$598,920). The department plans to implement this initiative in the following manner:
  - As part of the Affordable Care Act, the State will be assuming more administrative responsibility for Medicaid in March 2015. As a result, DSS plans to transfer some Medicaid employees to the grant fund.
  - The business process review and organizational realignment, started during the Special Master’s Monitoring Period, will be expanded beyond the TANF and Medicaid program areas. These changes have allowed DSS to staff these programs based on current instead of historic need. A summary of the monitoring period is included at the end of this report.
- While there are currently 617 employees on board, the department could end FY 14 with a lower headcount. As of September 25, 2014, 28 DSS employees from the General Fund have elected to participate in the Voluntary Separation Incentive Program (VSIP).
  - DSS will backfill some caseworker positions to meet State caseload mandates. The department

Staffing Analysis - Full Time						
	FY 14	Sept-14	FY 15	FY 15	Exec. vs	Exec. vs
	<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>14 Adopted</u>	<u>Actual</u>
<b>10 Administration</b>						
Administration	11	11	11	11	0	0
Legal	6	3	4	4	(2)	1
Staff Development	5	5	5	5	0	0
Support Services	24	26	27	27	3	1
Systems Administration	16	14	15	15	(1)	1
<b>Total for Control Center</b>	<b>62</b>	<b>59</b>	<b>62</b>	<b>62</b>	<b>0</b>	<b>3</b>
<b>20 Public Financial Assistance</b>						
Accounting	30	33	36	36	6	3
Cnty. Rtls. & Hsng.	14	15	12	11	(3)	(4)
Employment Program	2	1	3	3	1	2
Food Stamps	11	15	14	14	3	(1)
Medical Assistance	69	50	54	45	(24)	(5)
Medical Services	11	7	7	7	(4)	0
Public Assistance	103	110	113	112	9	2
Support Collection Unit	50	47	48	47	(3)	0
Supporting Services	14	11	13	12	(2)	1
<b>Total for Control Center</b>	<b>304</b>	<b>289</b>	<b>300</b>	<b>287</b>	<b>(17)</b>	<b>(2)</b>
<b>30 Services</b>						
Adult Protective Services	24	25	27	27	3	2
Child Protective Services	146	137	154	136	(10)	(1)
Children's Services	78	78	77	77	(1)	(1)
Day Care Services	21	23	23	23	2	0
Information Resource Referral	4	3	3	3	(1)	0
Provider Services	1	3	1	1	0	(2)
<b>Total for Control Center</b>	<b>274</b>	<b>269</b>	<b>285</b>	<b>267</b>	<b>(7)</b>	<b>(2)</b>
<b>Total Full Time</b>	<b><u>640</u></b>	<b><u>617</u></b>	<b><u>647</u></b>	<b><u>616</u></b>	<b><u>(24)</u></b>	<b><u>(1)</u></b>



**Expenses, Cont.**

Staffing Analysis - Part Time						
	FY14	Sept-14	FY 15	FY15	Exec. vs	Exec. vs
	Adopted	Actual	Request	Executive	14 Adopted	Actual
<b>10 Administration</b>						
Support Services	10	6	7	7	(3)	1
Systems Administration	3	2	3	3	0	1
<b>Total for Control Center</b>	<b>13</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>(3)</b>	<b>2</b>
<b>20 Public Financial Assistance</b>						
Accounting	8	4	8	8	0	4
Community Relations & Housing	2	1	2	2	0	1
Food Stamps	6	2	6	6	0	4
Medical Assistance	11	6	7	7	(4)	1
Medical Services	0	1	1	1	1	0
Public Assistance	15	10	8	8	(7)	(2)
Support Collection Unit	3	1	3	3	0	2
<b>Total for Control Center</b>	<b>45</b>	<b>25</b>	<b>35</b>	<b>35</b>	<b>(10)</b>	<b>10</b>
<b>30 Services</b>						
Child Protective Services	28	20	28	28	0	8
Children's Services	10	6	8	8	(2)	2
Day Care Services	4	2	4	4	0	2
Information Resource Referral	1	0	0	0	(1)	0
Provider Services	0	1	0	0	0	(1)
<b>Total for Control Center</b>	<b>43</b>	<b>29</b>	<b>40</b>	<b>40</b>	<b>(3)</b>	<b>11</b>
<b>Total Part Time</b>	<b><u>101</u></b>	<b><u>62</u></b>	<b><u>85</u></b>	<b><u>85</u></b>	<b><u>(16)</u></b>	<b><u>23</u></b>

- The proposed budget has a part-time headcount of 85 employees. This headcount is 23 more than the September 1, 2014 actual and 16 fewer than the Adopted FY 2014 Budget.
- The proposed budget would fill vacancies in the following control centers: 2 in Administration, 10 in Public Financial Assistance, and 11 in Services.
- The department plans to mainly fill part-time clerk and caseworker titles. Two examples are as follows:
  - The proposal fills one part-time Clerk I position currently open in both the Support Services and Systems Administration Responsibility Centers.
  - The FY 15 proposal includes funding to fill an open part-time Social Welfare Examiner I position in the Medical Assistance Responsibility Center.

**Expenses, Cont.**

- In the proposed budget, contractual expenses fall 9.5%, or \$835,000, from the level in the Adopted FY 14 Budget. Changes to the following contracts led to reduced contractual spending in FY 15:
  - Declining caseloads allowed the department to scale back its spending on scanning services and on the disability determination contract with Nassau University Medical Center (NUMC) and the NUMC nurses.
  - As part of the Affordable Care Act, New York State is slowly absorbing more responsibility for the administration of Medicaid. The department was able to reduce its contract with its client transportation vendor, Logisticare, as a result of this change.
- In order to cover a broader geographic area of the County, the department has decided to split its hunger relief contract amongst three providers. In FY 15, the Long Island Council of Churches will retain \$50,000 of the contract while two new contractors, Island Harvest and Long Island Cares, will receive \$25,000.

Contractual Services	FY 14 Adopted Budget	FY 15 Proposed Budget	Difference
<b>Responsibility Center 1000 Administration</b>			
LI Council of Churches	\$100,000	\$50,000	(50,000)
Long Island Cares	-	25,000	25,000
Island Harvest	-	25,000	25,000
American Record Management Systems	175,000	175,000	-
Staff Training	10,000	10,000	-
Scanning	850,000	700,000	(150,000)
Car Leasing	15,000	15,000	-
Youth Summer Lunch Program	15,973	15,973	-
<b>RC 1000 Total</b>	<b>\$1,165,973</b>	<b>\$1,015,973</b>	<b>\$ (150,000.00)</b>
<b>Responsibility Center 2100 Temporary Assistance (TANF)</b>			
Nassau County Coalition Against Domestic Violence	\$7,132	\$5,752	(1,380)
Circulo De La Hispanidad Homless	6,889	5,752	(1,137)
NUMC-Disability Determinations	250,000	22,913	(227,087)
EAC-HEAP & WRAP	300,000	416,149	116,149
Summit Security Services	767,750	775,428	7,678
Family Type Homes for Adults	115,000	40,000	(75,000)
Car Leasing	25,000	25,000	-
Volunteer Luncheon	-	2,100	2,100
<b>RC2100 Total</b>	<b>\$1,471,771</b>	<b>\$1,293,094</b>	<b>\$ (178,677.00)</b>
<b>Responsibility Center 2400 Medical Assistance</b>			
Salient Medicaid Fraud & Abuse	\$51,600	\$51,600	-
IPRO	360,000	270,000	(90,000)
Logisticare	587,200	440,400	(146,800)
NUMC-Nurses (PCA/DCAP)	2,350,000	2,110,000	(240,000)
<b>RC 2400 Total</b>	<b>\$3,348,800</b>	<b>\$2,872,000</b>	<b>\$ (476,800.00)</b>
<b>Responsibility Center 2600 Employment</b>			
EAC - Concillation Services	\$125,000	\$119,917	(5,083)
FEGS	431,749	431,749	-
EOC	591,410	591,410	-
NADAP	931,666	931,666	-
Career Arc Group/ TweetMyJobs.com	111,000	111,000	-
SMG- Job Fair	-	45,000	45,000
Employment Services	84,440	15,000	(69,440)
<b>RC 2600 Total</b>	<b>\$2,275,265</b>	<b>\$2,245,742</b>	<b>\$ (29,523.00)</b>
<b>Responsibility Center 2800 Child Support</b>			
YMS Management Associates	\$125,000	\$125,000	-
EAC - Project Support	150,000	150,000	-
Laboratory Corporation of America	24,000	24,000	-
Ultimate Process Server	90,000	90,000	-
<b>RC 2800 Total</b>	<b>\$389,000</b>	<b>\$389,000</b>	<b>-</b>
<b>Responsibility Center 3400/3500/3700 Services to Children</b>			
Ultimate Process Server	\$10,000	\$10,000	-
Child Care Council of Nassau	85,000	85,000	-
Car Leasing	18,334	18,334	-
Foster Children Services/ Events	15,000	15,000	-
<b>RC 3400/3500/3700 Total</b>	<b>\$128,334</b>	<b>\$128,334</b>	<b>-</b>
<b>Total Contractual Expense</b>	<b>\$8,779,143</b>	<b>\$7,944,143</b>	<b>\$ (835,000.00)</b>

**Expenses, Cont.****Recipient Grants - TANF and Safety Net**

According to the Federal Government's Office of Family Assistance, states may use Temporary Assistance to Needy Families (TANF) funding "to provide assistance to needy families so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families." States receive a block grant allocation and are required to maintain a historical level of spending known as maintenance of effort. TANF recipients have a 60-month limit on these benefits.

Those individuals ineligible for other assistance programs can apply for New York State's Safety Net program (SNA). SNA was started to serve other individuals/groups who were not eligible for federal assistance, such as single adults, childless couples, children living apart from any adult relative, aliens eligible for temporary assistance but ineligible for federal reimbursement, families of persons abusing drugs or alcohol, or families of persons refusing drug/alcohol screening, assessment and/or treatment. Additionally, persons exceeding the 60-month limit on TANF assistance are also eligible for SNA. Benefits are provided as cash for 24 months. After 24 months benefits may continue as non-cash payment (vendor check or voucher).

TANF (\$21.0 million) and SNA (\$32.5 million) constitute the bulk of the proposed FY 2015 Recipient Grant budget.

**Expenses, Cont.****Emergency Vendor Payments**

Emergency vendor payments are made to cover a variety of services rendered to eligible DSS clients, including shelter care, utility, maintenance, and institutional services. Expenses cover such items as room and board, and education.

**Medicaid**

Medicaid is a jointly-funded, federal-state health insurance program for certain low-income and needy people, including children, the aged, blind, and/or disabled, and people who are eligible to receive federally assisted income maintenance payments.

Medicaid payments are used to pay for nursing homes, hospital bills, prescription medicine, doctors, dentists, medical transportation, etc. Although states are required to pay for a core set of benefits, they can choose to offer such optional benefits as prescription drugs and dental care.

The State caps the annual growth of County Medicaid costs. In 2013, this cap was 2% growth. The State set the cap at 1% in 2014. In 2015, the County Medicaid cap will be flat. However, increased federal assistance will drive FY 2015 Medicaid expenses down about \$1.0 million.

**Purchased Services**

Purchased services are payments made to independent agencies that provide DSS clients with a variety of services such as day care, foster care, preventive services, as well as adult and child protective services. Child care is provided not only for individuals on temporary assistance but also to those working families who meet income subsidy guidelines.

Title XX Homemaker Services provide cooking, shopping, and cleaning services to eligible individuals with limited resources

**Revenues**

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$55,849	\$3,405,017	\$1,900,000	\$14,000,000	\$1,900,000	\$0	0.0%	(\$12,100,000)	-86.4%
Dept Revenues	14,523,612	15,804,371	14,974,440	14,974,440	14,988,920	14,480	0.1%	14,480	0.1%
Interdept Revenues	206,207	179,194	277,029	277,029	203,771	(73,258)	-26.4%	(73,258)	-26.4%
Federal Aid-Reimbursement of Expenses	123,467,109	98,943,851	116,791,754	109,300,000	111,743,088	(5,048,666)	-4.3%	2,443,088	2.2%
State Aid-Reimbursement of Expenses	57,402,378	54,787,837	56,538,103	54,737,058	54,916,614	(1,621,489)	-2.9%	179,556	0.3%
<b>Total</b>	<b>\$195,655,155</b>	<b>\$173,120,270</b>	<b>\$190,481,326</b>	<b>\$193,288,527</b>	<b>\$183,752,393</b>	<b>(\$6,728,933)</b>	<b>-3.5%</b>	<b>(\$9,536,134)</b>	<b>-4.9%</b>

- Federal and state aid account for 90.7% of Social Services' proposed revenue budget.
- The proposed budget has about 3.5%, or \$6.7 million, less revenue than the Adopted FY 14 budget. Compared to OLBR's current projection, there is 4.9%, or \$9.5 million, less revenue in the Proposed Budget. When compared to the projection, slight increases to federal and state aid offset a \$12.1 million decrease in proceeds from rents & recoveries.
- Proceeds from rents & recoveries in the proposed budget are 86.4% lower than the current projection. In FY 14, a relatively light caseload burden allowed the department to disencumber two large foster care contracts.
- Departmental revenue is about level when compared not only to the FY 14 Adopted Budget but also OLBR's latest projection.
- Each year, the State reimburses the County for its administration of specific social programs. For example, the State reimburses the County for 29% of SNA-related expenditures. There is 2.9% less state aid reimbursement in the FY 15 budget than in the Adopted FY 14 Budget. The proposed state aid budget is roughly on par with the latest projection. The Administration expects SNA caseloads to grow in FY 15; but the related growth in SNA reimbursement will be offset by less reimbursement for expenditures on other eligible programs (i.e. institutional care for children, juvenile delinquent care, etc.).
- The federal government also reimburses the County for its administration of specific social programs. For instance, the County is reimbursed for 100% of its TANF-related expenditures. The FY 15 proposal includes 4.3% less federal aid than in the Adopted FY 14 Budget. Federal aid in the proposed budget is up \$2.4 million over OLBR's most recent projection. Programs with expenses that are eligible for federal reimbursement have experienced a decline in caseloads. For example, TANF caseloads are down about 5.6% from August 2013 to August 2014.
  - In FY 14, the State awarded the County with a \$9.0 million share of federal childcare grant money. The County will receive approximately \$2.5 million of this award in FY 15, as the award was made for the State's April 1/March 31 fiscal calendar.

**Revenues, cont.**

- As mentioned in the expense section, the Administration expects TANF cases to be flat in FY 15. Should TANF cases hold steady next year, about \$6.0 million of federal aid would be at risk in FY 15. If TANF cases continue to decline in FY 15, that risk could expand.
- Currently, OLBR is projecting that DSS will bring in \$109.3 million in federal aid in FY 14. The FY 14 projection includes \$6.5 million in award money, meaning reimbursement on caseloads alone would be closer to \$103.0 million. In FY 15, the department will receive the other \$2.5 million in award money. Thus, if TANF cases remain flat in FY 15, the caseload related reimbursement would be about \$103.0 million. Add in the \$2.5 million award, and the FY 15 reimbursement figure would be about \$105.5.

**Governmental Aid**

- Excluding Medicaid expenses, federal and state aid defrays 65.2% of DSS’s proposed expenses. Last year, federal and state aid reimbursement accounted for 67.9% of Social Services’ adopted expense budget. The slight decrease from the Adopted FY 14 level to the Proposed FY 15 level is attributable to reduced aid.

<b>FY 15 FEDERAL AND STATE AID BUDGET AS % OF EXPENSE BY CONTROL CENTER</b>						
Control Center	Expenses	Federal Aid	State Aid	\$ Federal/ State Funded	% Federal/ State Funded	
10 Administration	\$23,862,263	\$10,591,647	\$5,534,543	\$16,126,190	67.6%	
72 Burials	275,000	0	5,000	5,000	1.8%	
63 Children In Foster Homes (Non IV-E)	1,901,100	825,550	404,520	1,230,070	64.7%	
69 Children In Foster Homes (IV-E)	755,000	362,500	248,675	611,175	81.0%	
62 Children In Institutions PINS/DSS	10,750,000	6,450,000	3,160,500	9,610,500	89.4%	
30 Division Of Services	21,450,822	10,067,261	7,918,067	17,985,328	83.8%	
53 Education of Handicapped Children	16,500,000	0	3,039,959	3,039,959	18.4%	
75 Home Energy Assistance Program	300,000	300,000	0	300,000	100.0%	
65 Juvenile Delinquents	4,500,000	2,350,000	736,960	3,086,960	68.6%	
51 NC Juvenile Detention Center	0	0	0	0	*****	
68 Non Secure Detention	575,000	0	281,750	281,750	49.0%	
20 Public Financial Assistance	27,345,158	18,086,130	9,251,640	27,337,770	100.0%	
52 Real Estate Expense	1,000	0	0	0	0.0%	
61 Safety Net	39,500,000	0	10,672,000	10,672,000	27.0%	
70 Subsidized Adoptions	5,000,000	2,650,000	1,813,000	4,463,000	89.3%	
60 Family Assistance (TANF)	27,500,000	23,660,000	3,500,000	27,160,000	98.8%	
76 Title XX/CCBG	68,401,476	36,000,000	8,000,000	44,000,000	64.3%	
66 Training Schools	5,750,000	0	0	0	0.0%	
Sub-Total	<b>254,366,819</b>	<b>111,343,088</b>	<b>54,566,614</b>	<b>165,909,702</b>	<b>65.2%</b>	
73 Medicaid Mmis	252,255,731	400,000	350,000	750,000	0.3%	
<b>Total</b>	<b>\$506,622,550</b>	<b>\$111,743,088</b>	<b>\$54,916,614</b>	<b>\$166,659,702</b>	<b>32.9%</b>	

## Special Master

- In its Review of Fiscal Year 2014, OLBR reported that DSS was under the oversight of U.S. District Court Judge Sandra Feuerstein and her appointee, Special Master Grace Moran. Two public advocates, the National Center for Economic Justice (NCEJ) and the Empire Justice Center (EJC), had filed suit in 2010 alleging that the County does not process public benefit applications (i.e. Medicaid, TANF,SNAP- food stamps, etc.) in a timely manner. The County has argued throughout this matter that although it has not been 100% compliant with application deadlines, it has been “substantially compliant”, a concept that accounts for the variety of factors that can impact the timeliness of a given application. Judge Feuerstein agreed with DSS and appointed Special Master Moran in February 2013 to monitor the department as it worked to improve on its application compliance issues. The initial monitoring period was supposed to last for 90 days, but Special Master Moran requested an extension after analyzing DSS’s improvement plan. Special Master Moran believed the department’s plan would take time to mature but would ultimately produce results.
- Since February 2013, DSS has undertaken a number of operational changes, invested in technological enhancements, and realigned staff to improve departmental performance and create efficiencies. The initiatives included on the following list have been implemented during the monitoring period:
  - DSS created a Medicaid Application Assistance Room, where specialized staff have been deployed to assist clients with the application process. Multi-Keyboard Operators register clients’ applications with the State, expediting the process by five days. Bilingual staff assists those clients for whom English is a second language.
  - The department moved staff from community based locations to the main office, as the main campus experienced an increase in Medicaid application workload. It is important to note that the community based locations consistently reported a low volume of applications.
  - The department added additional clerical support to respond to client calls, process incoming mail, and contact clients for missing information.
  - Set up specialized units with computer literate staff to address increased volume of online food stamp applications.
  - Social Services designed and created internal management reports that detailed attendance, overtime, and worker productivity. These reports helped the department to determine productivity on the individual and unit basis. Understanding internal workflow enabled the department to identify and address potential bottlenecks.
  - As a result of its internal review, the department was able to use controlled and targeted overtime to mitigate TANF and SNAP application surges, thereby preventing the development of backlogs.
  - Reorganized the SNAP program area and created a new application unit for both TANF and Medicaid.

**Special Master, cont.**

- According to the department, these initiatives have helped to improve performance. The department reports that 95% of Medicaid applications are being processed on time in FY 14; 97% of food stamp applications; 95% of TANF applications; and 98% of SNA applications.
- The department is planning to expand on the productivity gains it has made during the monitoring period. For example, DSS is planning to consolidate work units by common functions in order to reduce process application times even further. These consolidated units will leverage new processes, such as upfront imaging, to meet application deadlines. Upfront imaging is a process by which DSS employees digitally capture images of a given client's relevant documentation. The client's case file is stored digitally so that it may be accessed later on in the application process. This process helps managers track the timely disposition of cases. Special Master Moran's oversight of DSS will continue until she issues her findings to Judge Feuerstein. The department expects this to happen soon.



**TRAFFIC & PARKING VIOLATIONS AGENCY**

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$40,860,149	\$57,736,926	\$62,446,289	\$69,719,295	\$98,698,400	\$36,252,111	58.1%	\$28,979,105	41.6%
Rents & Recoveries	238,662	83,789	0	16,309	35,000	35,000	*****	18,691	114.6%
Dept Revenues	336	2,240	0	0	0	0	*****	0	*****
<b>Total</b>	<b>\$41,099,148</b>	<b>\$57,822,955</b>	<b>\$62,446,289</b>	<b>\$69,735,604</b>	<b>\$98,733,400</b>	<b>\$36,287,111</b>	<b>58.1%</b>	<b>\$28,997,796</b>	<b>41.6%</b>

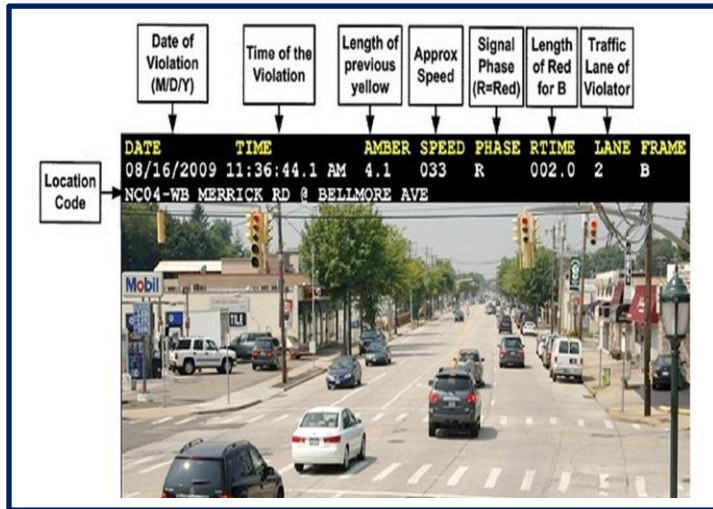
**Revenues**

- The proposed revenue budget for FY 15 is \$98.7 million. This represents an increase of \$36.3 million, or 58.1% from the 2014 Adopted Budget and a growth of \$29.0 million, or 41.6%, from the OLBR projection. Current projection only captures four months of revenue.
- The fines and forfeits budget consists of six revenue sources, of which two components are new to the sub object level detail in the 2015 Proposed Budget.
  - These sources include ticket revenue in the form of fines and forfeits and the corresponding administrative fees in addition to the Red Light Camera (RLC) program and the associated administrative fees. The two new revenue categories that were added are related to Nassau County’s School Zone Speed Safety Program also known as Speed Camera (SC) program and the corresponding administrative fee (detailed in chart to the right).
- In FY 15 the fines revenue and corresponding administrative fee revenue is declining by \$3.0 million and increasing by \$334,070 when compared to OLBR’s projection. Red Light Camera revenue, inclusive of administrative fees, decreases by approximately \$1.0 million budget to budget and current projection.

- The Executive Budget includes a total of \$34.8 million for administrative fee revenue derived from charging a \$30 fee per ticket. Fines are a \$50.0 charge from which \$63.9 million is expected.

Fines and Forfeits	2014	2015
	Adopted	Proposed
R0603-Fines	\$17,500,000	\$15,500,000
R0630-Administrative Fee	6,849,174	5,800,000
<b>Fines Subtotal</b>	<b>24,349,174</b>	<b>21,300,000</b>
R0626-Red Light Camera (RLC)	24,490,187	23,214,000
R0629-RLC Administrative Fee	13,606,928	13,928,400
<b>RLC Subtotal</b>	<b>38,097,115</b>	<b>37,142,400</b>
R0631-Speed Camera (SC)	-	25,160,000
R0632-SC Administrative Fee	-	15,096,000
<b>SC Subtotal</b>	<b>-</b>	<b>40,256,000</b>
<b>Grand Total</b>	<b>62,446,289</b>	<b>98,698,400</b>

**Revenues, Cont.**



**Nassau County School Zone Speed Safety Program**

The Speed Camera Program imposes a monetary liability on the owner of vehicles that fail to comply with posted maximum speed limits in the 56 school districts throughout Nassau County. The program is expected to include 36 fixed and 20 mobile cameras within the County. A fine will be imposed on the owner of vehicles captured in excess of the posted speed limits by ten (10) miles per hour within the school zones. For each infraction, the owner of a vehicle will be liable for a \$50 fine and a \$30 administrative fee.

- Operations commenced in July of 2014 with nine functional cameras. Tickets issued during the initial trial period (July through August) were dismissed by the County Executive. Currently, there are over 40 active cameras and the program is expected to be fully implemented by the end of 2014.
- The Agency has budgeted \$25.2 million in FY 15 solely for speed camera revenue and \$15.1 million for the associated administrative fees with a total allocation of \$40.3 million.



- OLBR is projecting a shortfall of \$2.0 million for parking and traffic fines and forfeits revenue due to historical trends. The RLC budget seems realistic and the Speed Camera budget appears achievable though data is not yet available.
- The Administration is budgeting \$35,000 for rents and recoveries for FY 15 due to prior year disencumbrances.

**Revenues, Cont.**

TPVA Tickets Received YTD						
Issuing Agencies	August 2013 YTD		August 2014 YTD		% Difference	
	Parking	Traffic	Parking	Traffic	Parking	Traffic
Nassau County Police	48,217	65,537	44,908	49,676	-6.9%	-24.2%
All Other Agencies	24,858	23,917	17,867	23,314	-28.1%	-2.5%
<b>Grand total</b>	<b>73,075</b>	<b>89,454</b>	<b>62,775</b>	<b>72,990</b>	<b>-14.1%</b>	<b>-18.4%</b>

- The chart above shows parking and traffic tickets received for FY 14 in comparison to FY 13; parking and traffic tickets declined by 14.1% and 18.4%, respectively. The Administration expects this trend to reverse going forward.
- Through August 2014, the Nassau County Police Department experienced a year over year decline of 6.9% in parking and 24.2% in traffic tickets.

Traffic and Parking Violations Agency Revenue - Multi Year Plan				
Revenue Sources	2015 Proposed	2016 Plan	2017 Plan	2018 Plan
Fines	15,500,000	<b>17,500,000</b>	<b>17,500,000</b>	<b>17,500,000</b>
TV Fines Administrative Fee	5,800,000	<b>6,849,174</b>	<b>6,849,174</b>	<b>6,849,174</b>
Red Light Camera (RLC)	23,214,000	23,214,000	23,214,000	23,214,000
RLC Administrative Fee	13,928,400	13,928,400	13,928,400	13,928,400
Speed Camera (SC)	25,160,000	25,160,000	25,160,000	25,160,000
SC Administrative Fee	15,096,000	15,096,000	15,096,000	15,096,000
<b>Total Fines &amp; Forfeits Revenue</b>	<b>\$98,698,400</b>	<b>\$101,747,574</b>	<b>\$101,747,574</b>	<b>\$101,747,574</b>

- The chart above depicts the MYP for TPVA’s revenue through 2018. The fines portion of revenue is increasing by \$2.0 million in 2016, 2017 and 2018 and the administrative fee associated with such is growing by \$1.0 million in each year for a total increase of \$9.1 million or 14.3% for all three years.

**TRAFFIC & PARKING VIOLATIONS AGENCY**

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	43	43	43	47	47	4	9.3%	0	0.0%
Part-Time and Seasonal	28	28	28	40	63	35	125.0%	23	57.5%
Salaries	\$2,863,716	\$2,680,088	\$3,019,815	\$3,150,618	\$4,318,830	\$1,299,015	43.0%	\$1,168,212	37.1%
Equipment	18,588	1,854	8,900	8,900	9,100	200	2.2%	200	2.2%
General Expenses	174,281	191,707	283,690	283,690	231,450	(52,240)	-18.4%	(52,240)	-18.4%
Contractual Services	8,748,000	9,955,520	11,451,521	13,292,146	22,007,370	10,555,849	92.2%	8,715,224	65.6%
<b>Total</b>	<b>\$11,804,585</b>	<b>\$12,829,169</b>	<b>\$14,763,926</b>	<b>\$16,735,354</b>	<b>\$26,566,750</b>	<b>\$11,802,824</b>	<b>79.9%</b>	<b>\$9,831,396</b>	<b>58.7%</b>

**Expenses**

- The proposed FY 15 expense budget is increasing by \$11.8 million compared to the Adopted FY 14 Budget and rising by 58.7% or \$9.8 million compared to OLBR’s projection. The growth is primarily attributed to the surge in contractual services costs.
- The FY 15 proposed salaries are rising by \$1.3 million budget to budget due to TPVA’s full-time and part-time staff additions, an over-time increase of \$350,000 and the effect of the Civil Service Employees Association (CSEA) Labor Agreement approved April 2014.
  - The department’s full-time headcount increased by four which includes an Assistant Executive Director, a Traffic Prosecutor and two Cashier I’s. These positions are included in the OLBR September headcount.
  - The part-time proposed headcount for FY 15 has grown by 35 positions budget to budget that reflect 32 additional Clerk I positions in conjunction with the Speed Camera program.
- General expenses are allocated at \$231,450 for the 2015 Proposed Budget. This reduction of \$52,240 compared to the 2014 Adopted Budget is primarily attributed to decreases of miscellaneous supplies and expenses and copying, blueprint supplies and expenses.
- The FY 15 contractual services expenses for \$22.0 million are surging by \$10.6 million, or 92.2%, from the FY 14 Adopted Budget and \$8.7 million or 65.6% compared to OLBR’s projection. The increase is due to the following amendments to the budget.
  - A growth of roughly \$9.1 million that is directly correlated to the Speed Camera program, an increase in the collection vendor of \$1.2 million, a budget of \$250,000 allocated for a printing and mailing vendor and the rise of Judicial Hearing Officers’ contract costs of \$50,000.

Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Int Penalty On Tax	\$27,988,221	\$32,809,567	\$29,100,000	\$29,100,000	\$29,100,000	\$0	0.0%	\$0	0.0%
Fines & Forfeits	6,186	8,980	10,000	12,718	17,000	7,000	70.0%	4,282	33.7%
Invest Income	1,524,782	1,929,330	1,830,000	1,830,000	1,830,000	0	0.0%	0	0.0%
Rents & Recoveries	130,991	40,698	10,000	43,890	20,000	10,000	100.0%	(23,890)	-54.4%
Dept Revenues	465,757	815,572	525,000	525,000	625,000	100,000	19.0%	100,000	19.0%
Debt Svc From Capital	0	0	0	0	100,000,000	100,000,000	*****	100,000,000	*****
Property Tax	0	0	0	0	0	0	*****	0	*****
Special Taxes	2,698,606	3,243,793	3,275,000	3,275,000	2,998,000	(277,000)	-8.5%	(277,000)	-8.5%
<b>Total</b>	<b>\$32,814,543</b>	<b>\$38,847,940</b>	<b>\$34,750,000</b>	<b>\$34,786,608</b>	<b>\$134,590,000</b>	<b>\$99,840,000</b>	<b>287.3%</b>	<b>\$99,803,392</b>	<b>286.9%</b>

**Revenues**

- Revenues in the Proposed FY 15 Budget increased by \$99.8 million, or 287.3%, from the Adopted FY 14 Budget. The increase reflects \$100.0 million of bond proceeds intended to pay for tax certiorari claims. When the bond proceeds are excluded, the Proposed FY 15 Budget declined by \$160,000 or 0.5%.
- Interest penalty on tax revenue encompasses all collections for interest on taxes, tax sale expense, penalty on delinquent taxes, differential lien interest, tax lien advertising fees, and listing fees for tax delinquent properties. The 2015 proposal maintains the same total level of funding as the budget adopted for FY 14 at \$29.1 million.
  - Interest on taxes increased \$700,000 while differential lien interest and listing fee for tax delinquent properties were reduced by \$400,000 and \$300,000, respectively.

**Investment Income**

Investment income is generated as the County invests excess cash in certificate of deposits, money markets and time deposits and repurchase agreements. Investment income in the FY 15 proposal remains at the same level as the Adopted FY 14 Budget. The County has been challenged in recent years to meet budget as interest rates remain at historic lows.

The 2015 – 2018 Multi-Year Plan (MYP) holds investment income at the 2015 level. The department based its FY 15 budget on the current rate of return and the economic outlook for 2015. The Federal Reserve projections released September 17, 2014 suggest a rate increase could occur over the next year. Holding the MYP level constant in the out year seems reasonable.



**Revenues, Cont.**

- Proposed fines & forfeiture collections have been adjusted up to \$17,000 from \$10,000.
- Proposed departmental revenues increase 19.0%, or \$100,000, from the Adopted FY 14 Budget. Departmental revenue includes cash bail, cash bail that is abandoned, court and trust fees, and other miscellaneous receipts. The department expects to meet budget for FY 14.
  - The proposed departmental revenue budget of \$625,000 is more in line with recent performance. In 2013, the Treasurer collected \$815,572 in departmental revenue.
- The special taxes budget is comprised of revenues generated by the hotel/motel tax, the entertainment tax, and the Belmont tax. There is 8.5%, or \$277,000, less special tax revenue in the proposed FY 15 budget than in the Adopted FY 14 Budget.
- Hotel/motel collections remain at \$900,000 in the proposed budget when compared to the Adopted FY 14 Budget. The FY 14 budget is in-line with actual collections in 2013 (\$934,852) and in 2012 (\$886,423). Refer to the Parks section for more information on the hotel/motel tax.
- The entertainment tax is a surcharge on tickets sold at venues in the County with seating capacities of 2,500 seats or more.
  - The department is anticipating that total entertainment tax proceeds will be \$2.0 million in FY 15, a \$290,000 decline. The decline largely reflects a lower estimate of \$200,000 at the Nassau Coliseum and \$140,000 in general entertainment tax. These are partially offset by a \$50,000 increase in revenue from beach concerts.
- The Treasurer expects FY 14 receipts to total \$2.1 million against a budget of \$2.3 million. The downturn in collections is related to the Nassau Coliseum and the Westbury Music Fair.
- The Belmont tax is a tax collected upon admission to Belmont Park. The tax is equivalent to 3% of the admission price.
  - Nassau County retains 75% of the collections, as three quarters of the park is located within Nassau County. New York City collects the remaining 25% of revenues.
  - The FY 15 proposal includes \$88,000 in collections for this tax, or \$13,000 more than in the Adopted FY 14 Budget.
  - The increase seems reasonable as the County's Belmont tax collection was \$192,942 in 2013. As of September 30, 2014, the Belmont tax has generated \$91,237 in revenue for the County.
  - If FY 15 collections are closer to current FY 14 totals, the Belmont tax could prove to be an opportunity to the budget.



Big Brown is ridden at Belmont Park - Elmont, NY - Jun 3, 2008 - Photo: Al Bello/Getty Images

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	29	30	32	28	31	(1)	-3.1%	3	10.7%
Part-Time and Seasonal	1	2	2	2	1	(1)	-50.0%	(1)	-50.0%
Salaries	\$2,018,976	\$1,991,981	\$2,160,515	\$2,073,215	\$2,145,051	(\$15,464)	-0.7%	\$71,836	3.5%
Equipment	4,990	0	11,000	11,000	8,800	(2,200)	-20.0%	(2,200)	-20.0%
General Expenses	246,753	272,701	337,050	337,050	420,300	83,250	24.7%	83,250	24.7%
Contractual Services	69,023	159,844	310,500	310,500	257,000	(53,500)	-17.2%	(53,500)	-17.2%
Other Suits & Damages	(5,141,573)	6,321,043	10,000,000	10,000,000	100,000,000	90,000,000	900.0%	90,000,000	900.0%
<b>Total</b>	<b>(\$2,801,831)</b>	<b>\$8,745,569</b>	<b>\$12,819,065</b>	<b>\$12,731,765</b>	<b>\$102,831,151</b>	<b>\$90,012,086</b>	<b>702.2%</b>	<b>\$90,099,386</b>	<b>707.7%</b>

**Expenses**

- Expenses in the FY 15 Proposed Budget are roughly \$90.0 million, or 702.2%, more than in the Adopted FY 14 Budget. Expenses in the FY 15 proposal are \$90.1 million, or 707.7%, more than OLBR’s projection.
- The increase is largely driven by the \$100.0 million expenditure related to tax certiorari settlement payments. The Administration plans to use the previously mentioned \$100.0 million in borrowed proceeds to fund the tax certiorari payments.
- The proposed salary budget is down 0.7%, or \$15,464, from the Adopted FY 14 Budget. Compared to OLBR’s projection, salaries are up \$125,248, or 6.2%, in the budget proposed for FY 15.
- The FY 15 proposed headcount, excluding the savings from initiative, which is expected to reduce headcount by two, shows an increase of one full-time employee from the FY 14 budget. The part-time headcount declines by one position.
- The FY 15 proposal eliminates one part-time Claims Settlement Agent III and one full-time Accountant I and one full-time Accounting Assistant I. The reduction of two Claims Settlement Agent II is offset by the addition of two Cashier I positions.
- The FY 15 equipment budget is decreasing 20.0%, or \$2,200, from the FY 14 adopted level.
- Proposed general expenses climb 24.7%, or \$83,250, from the budget adopted for FY 14. The increase in general expenses is driven by growth in the following expense lines: \$50,000 increase in advertising expenses for tax lien sales, \$35,800 in miscellaneous supplies and expenses, and \$2,250 in membership fees. Equipment maintenance and rental costs decline \$5,000.
- The proposed budget for contractual services declines 17.2%, or \$53,500, when compared to budget adopted for FY 14. The department decreased a contract with a third party debt collection service to pursue delinquent District Court fines.

The Veterans Services Agency advocates for the benefits and needs of U.S. veterans. Its authority was established through Article 17, Section 359 of New York State law. The Agency files claims on behalf of veterans and dependents with the U.S. Veterans Administration and provides advice and guidance in connection with those claims. Such claims include service-connected compensation, widow’s benefits, educational benefits, hospitalization and dental care, along with mortgages and tax exemptions on real property.

Expense	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	5	7	7	7	7	0	0.0%	0	0.0%
Salaries	\$268,307	\$328,018	\$385,877	\$401,225	\$471,048	\$85,171	22.1%	\$69,823	17.4%
General Expenses	6,603	5,926	11,200	11,200	16,200	5,000	44.6%	5,000	44.6%
Contractual Services	0	0	700	700	700	0	0.0%	0	0.0%
Inter-Dept. Charges	228,600	217,227	1,000	1,000	0	(1,000)	-100.0%	(1,000)	-100.0%
<b>Total</b>	<b>\$503,509</b>	<b>\$551,172</b>	<b>\$398,777</b>	<b>\$414,125</b>	<b>\$487,948</b>	<b>\$89,171</b>	<b>22.4%</b>	<b>\$73,823</b>	<b>17.8%</b>

**Expenses**

- Proposed expenses are up 22.4%, or \$89,171, budget to budget. Compared to the latest projection, proposed expenses are up 17.8%, or \$73,823.
- Proposed salary expenses are up 22.1%, or \$85,171, when compared to the Adopted FY 14 Budget, and 17.4% when compared to OLBR’s current projection. The growth in proposed salary expense is attributable to the following salary items:
  - The FY 14 budget did not account for the Civil Services Employees Association (CSEA)’s contractual salary increases. The proposed budget includes funding for the agreement with the CSEA.
  - The proposed budget includes a \$20,022 payroll adjustment to fund anticipated salary increases for ordinance employees.
- General expenses in the proposed budget are up 44.6% when compared not only to the FY 14 Adopted Budget but also to OLBR’s latest projection. The proposal includes an additional \$5,000 for education and training supplies.
- Interdepartmental charges have been eliminated from the proposed budget.
- Proposed contractual expenses are consistent with the budget adopted for FY 14 and the latest projection.



Revenue	Historical		2014		2015	Exec. vs. Adopted		Exec. vs. Projected	
	2012	2013	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Interdept Revenues	\$0	\$0	\$346,159	\$346,159	\$0	(\$346,159)	-100.0%	(\$346,159)	-100.0%
State Aid-Reimb of Exp	59,703	59,703	32,899	32,899	32,899	0	0.0%	0	0.0%
<b>Total</b>	<b>\$59,703</b>	<b>\$59,703</b>	<b>\$379,058</b>	<b>\$379,058</b>	<b>\$32,899</b>	<b>(\$346,159)</b>	<b>-91.3%</b>	<b>(\$346,159)</b>	<b>-91.3%</b>

**Revenues**

- Interdepartmental revenue has been eliminated from the proposed budget.
  - According to the Administration, the Veterans Services Agency will not participate in the County’s Inter-Departmental Charge Back Program in FY 15.
- The state aid budget proposed for FY 15 is on par with the state aid budget adopted for FY 14.

