

# 2014 Executive Budget

Presentation by Ulster County Executive Mike Hein  
September 26, 2013

# The “Cahill Crisis”



Ulster County still faces  
the loss of **\$22 Million**  
in sales tax revenue

# The “Cahill Crisis”



We will take the steps  
needed to shield property  
taxpayers and  
**NOT RAISE TAXES**

# This Budget...

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- Protects the Sheriff's Deputies from layoffs
- Protects the Community College from cuts
- Maintains critical programs
- Helps vulnerable residents

**Delivers a budget with NO LAYOFFS**





# Golden Hill



- Told it was “impossible” to sell the County nursing home
- Was no longer Public vs. Private...  
It was Open vs. Closed
- Refused to let the facility close
- Prevented the loss of jobs and the displacement of residents



impossible

# Financial Questions

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**Question:** Where did the sale proceeds go?

**Financial Reality:** Golden Hill was sold for \$11.25 million, virtually all of which was budgeted for in 2012 and 2013. After paying all of the liabilities and debts of the nursing home, there was a net \$6 million in available revenue, all of which had been budgeted for in 2012 and 2013 by my Administration and the Ulster County Legislature.

# Financial Questions

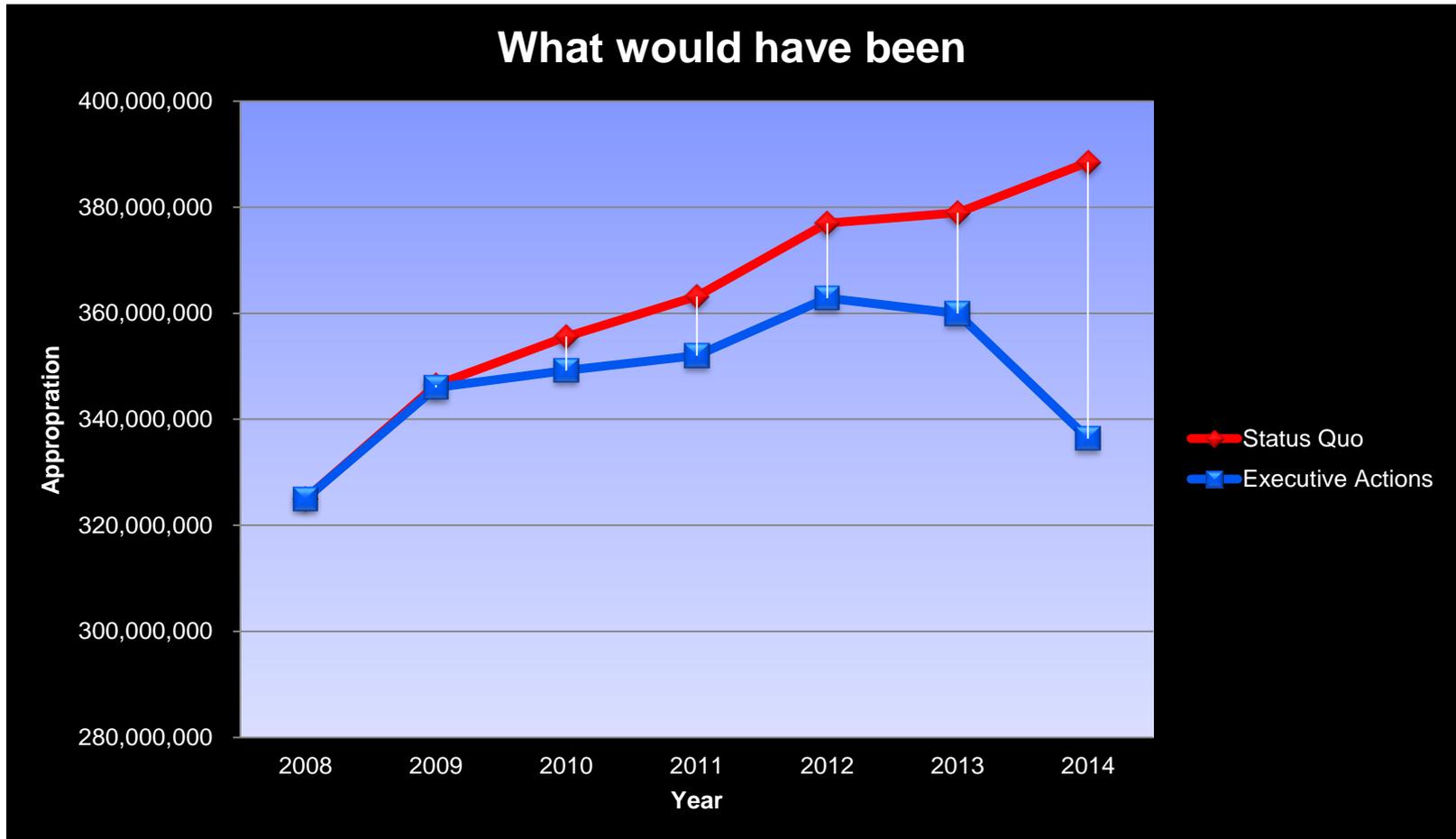


**Question:** How are the annual savings spent (former subsidy)?

**Financial Reality:** An elimination of a subsidy does not equate to a financial surplus. Ulster County used “one shot” revenues to offset the subsidy in 2012 & 2013. In 2014 while the subsidy to Golden Hill no longer exists, neither do the “one shot” revenues.

**This “financial bridge” was part of the benefit of the LDC model**

# Without Action



**90% Tax Increase Avoided**

# Spending Cut

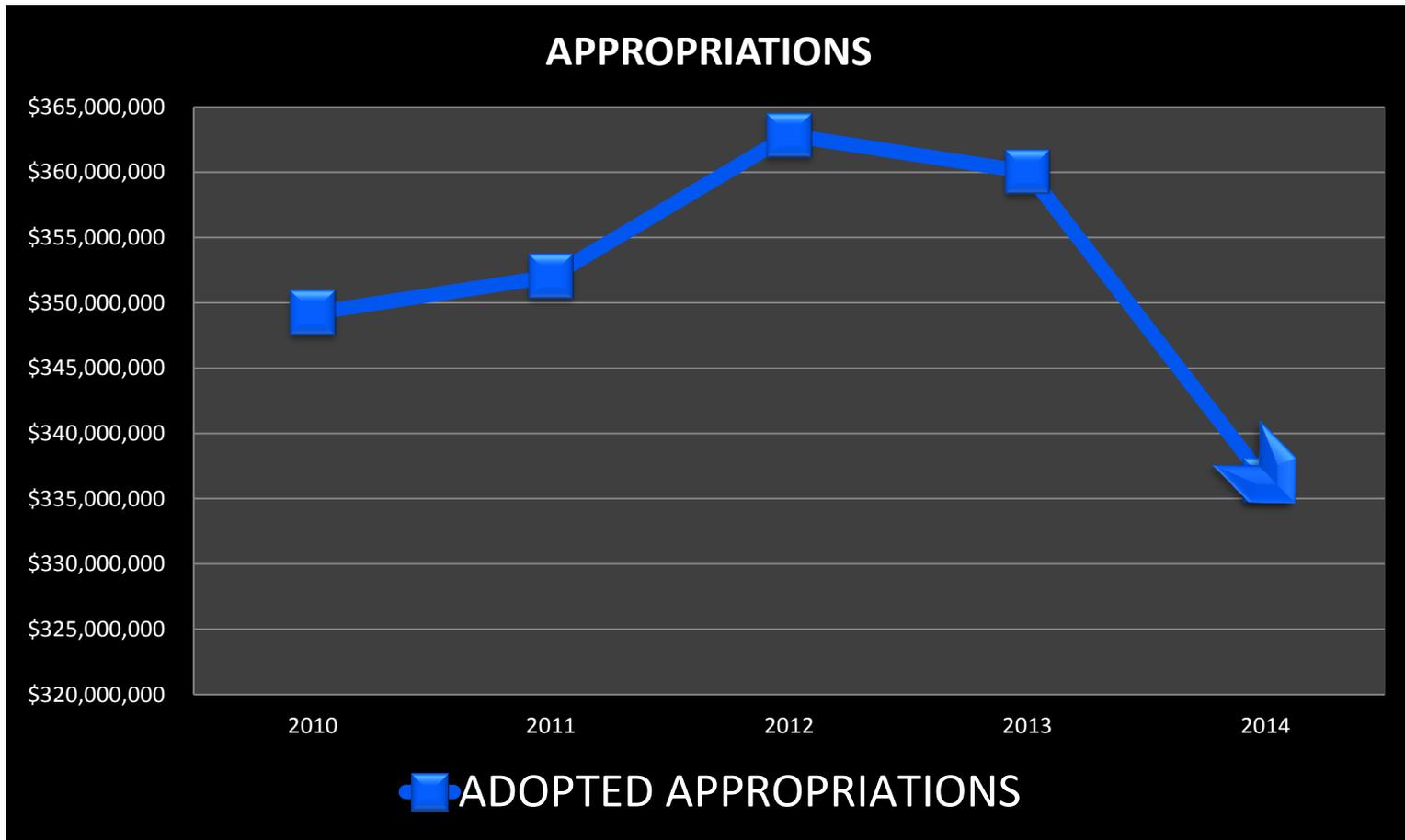
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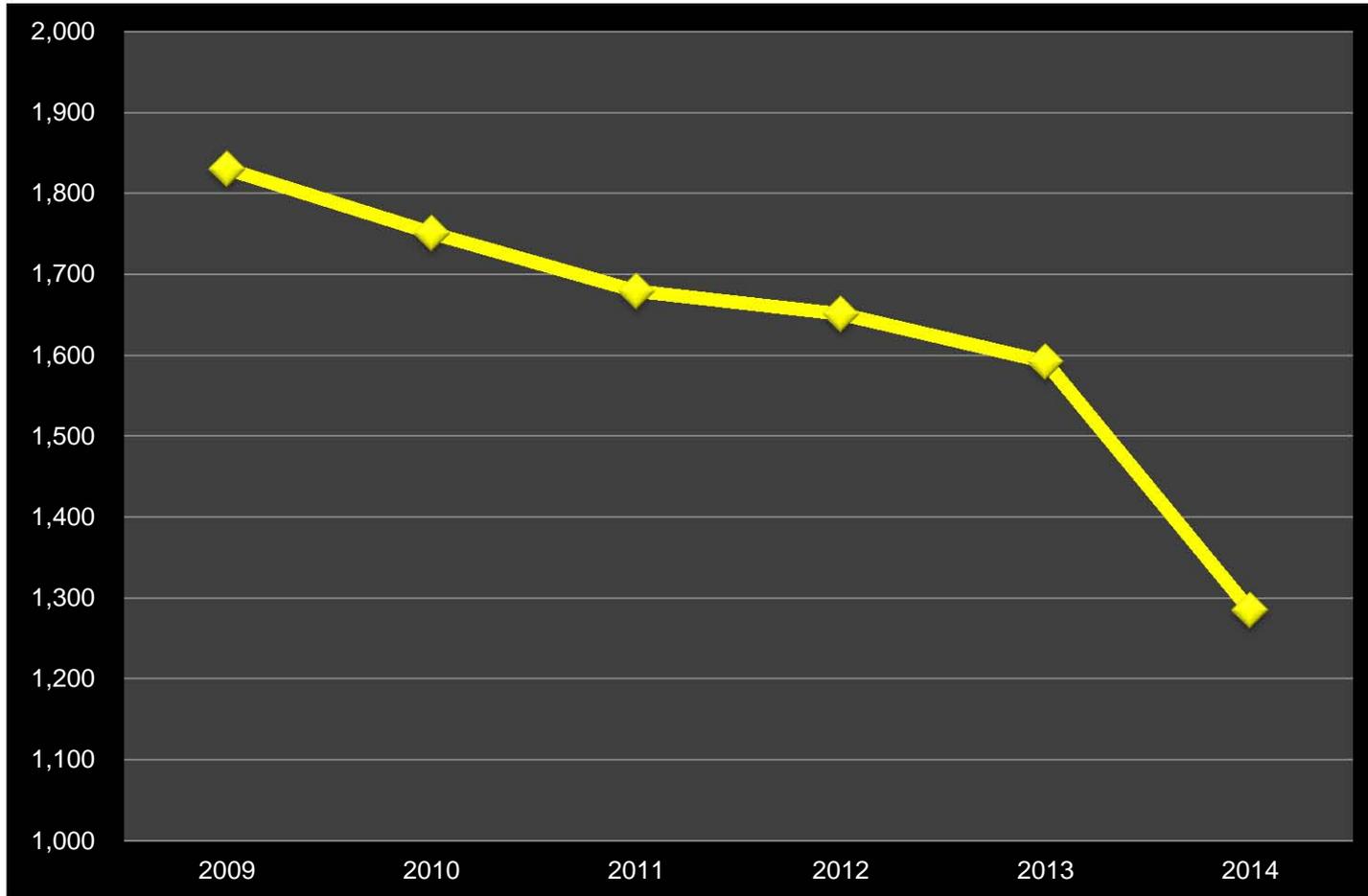
This Budget includes the largest spending reduction in County history

Spending is down  
**\$23.7 million**

# Spending Reduction



# Doing More With Less



**Position levels are down 32% since 2009**

# The Bottom Line...the “Cahill Crisis”

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- Never about Safety Net
- About Assemblyman’s desire to impose control over local government
- Cahill’s actions cost taxpayers \$4.5 million

**In the end...**



**The planned takeover of  
Safety Net continues**

# The “Cahill Crisis” Legacy

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- Assemblyman Cahill severely hurt his constituents
- Visitors will receive a tax break on the backs of the property taxpayers
- The financial stability of Ulster County and the City of Kingston have been weakened
- County property taxpayers lost out on a major property tax cut

# Sequestration

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- \$2 million in spending restrictions are included in contingency
- February Sales Tax is budgeted in a designated line to balance this spending
- There are a progression of spending cuts that only kick in if timely action is not taken in Albany

# Sequestration

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- Contract Agencies
- Mental Health Contracts
- Personnel Adjustments
- Sheriff's Department
- Department of Public Works
- Social Services Contracts
- UCAT Buses
- Municipal Dues

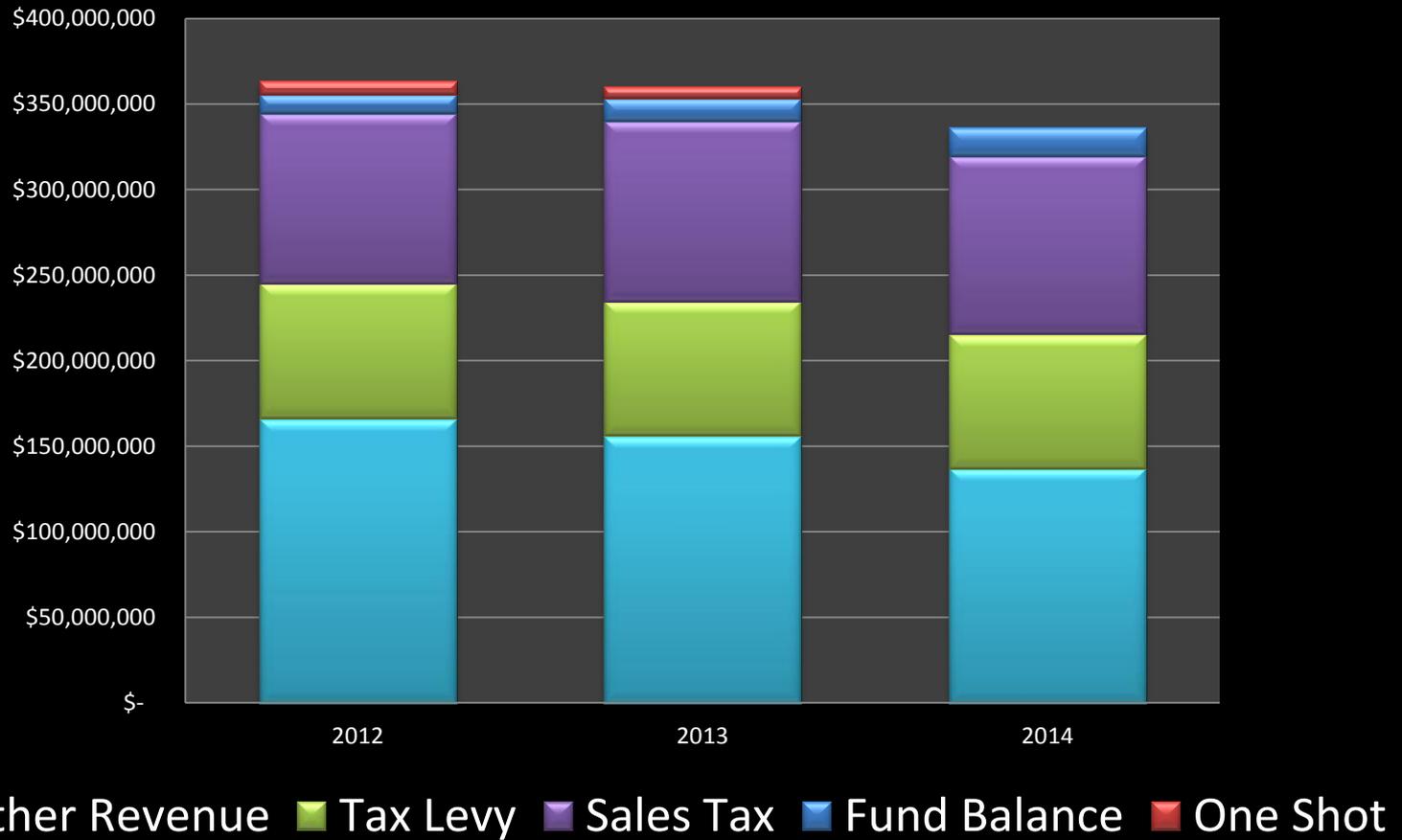
# Sequestration

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Time runs out on February 1, 2014

# How We Pay For It



# Fund Balance



- Without Kevin Cahill's actions there would be \$4 million more in the General Fund Balance
- This would have left the General Fund Balance at 5.1%
- Instead, because of the "Cahill Crisis" the 2013 General Fund Balance appropriation leaves only 3.7%

# Property Tax Levy



|                               |               |
|-------------------------------|---------------|
| 2013 Property Tax Levy        | \$ 78,730,408 |
| 2014 Proposed Tax Levy Change | <u>- \$ 0</u> |
| 2014 Proposed Tax Levy        | \$ 78,730,408 |

## Property Tax Levy

**0%**

# The Past 5 Years

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## Reorganized

- DPW...Buildings & Grounds
- Stop DWI...Probation
- The Health Department...Mental Health
- Traffic Safety...Safety
- Real Property...Finance
- Youth...Human Rights

# A.C.E- Accountability, Compliance & Efficiency

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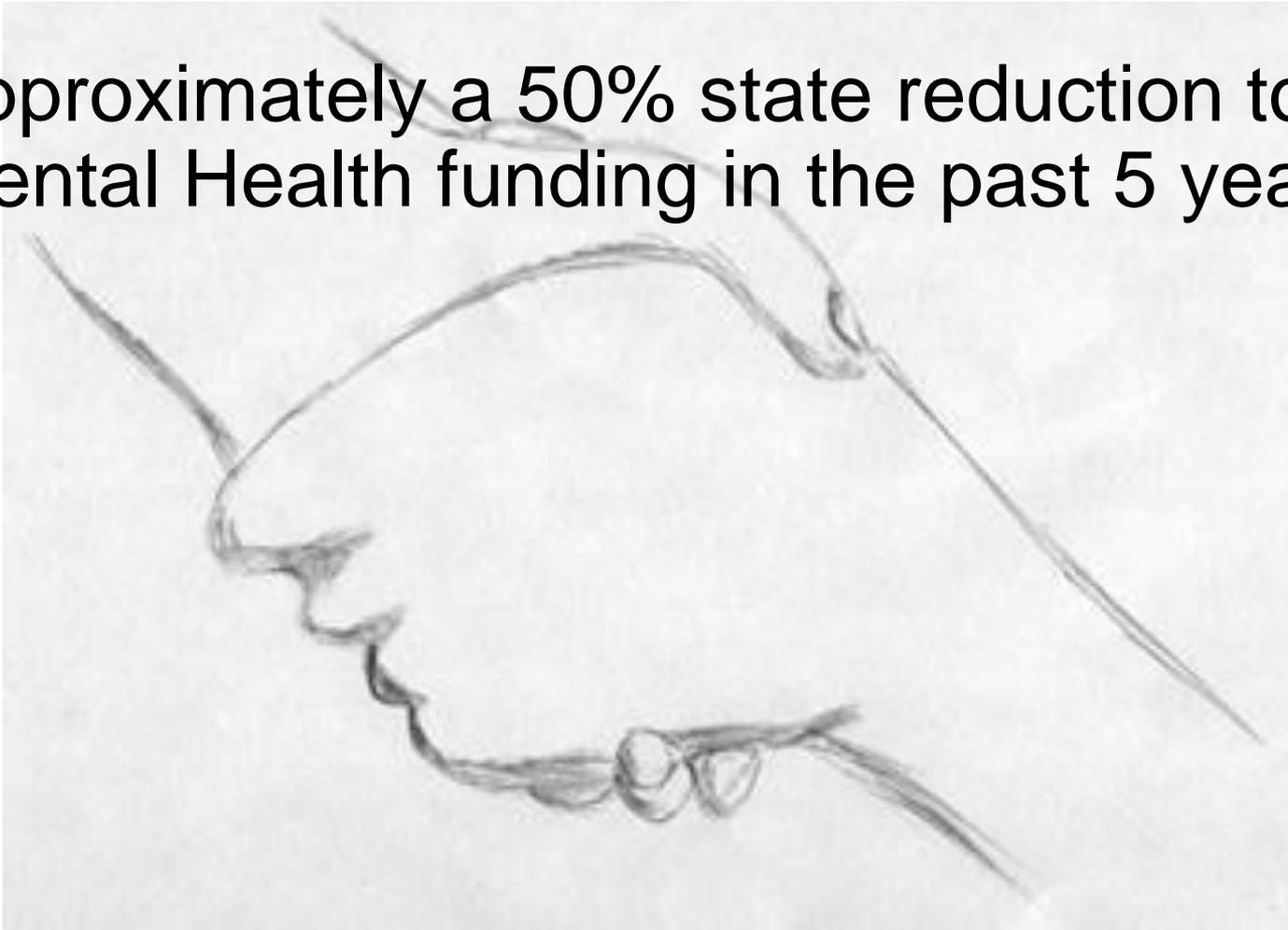
- Good government initiative to implement best practices
  
- Responsible for:
  - Risk Management
  - Corporate Compliance
  - Program Development
  - Operational Efficiency
  - Grant Management
  - Capital Project Management
  - Internal Controls



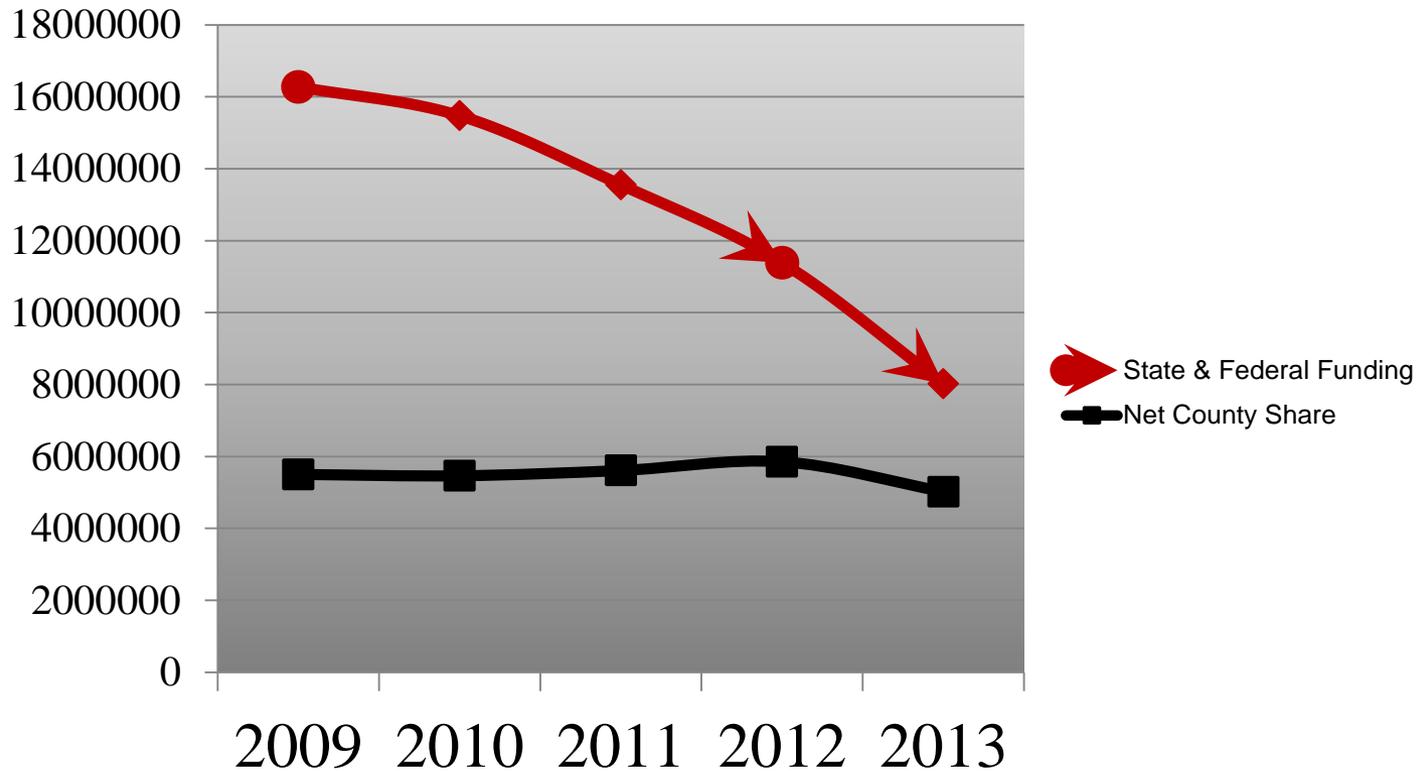
# Ulster Cares



- Approximately a 50% state reduction to Mental Health funding in the past 5 years



# State and Federal Cuts to Mental Health



**\$8 Million less over 5 years**

# Ulster Cares



- Approximately a 50% state reduction to Mental Health funding in the past 5 years
- Service delivery was at risk
- Innovative public-private partnership with Hudson Valley Mental Health

# Ulster Cares



- Improves the Local Government Unit (LGU)
- Results in no Layoffs
- Ensures the continuation of care regardless of ability to pay



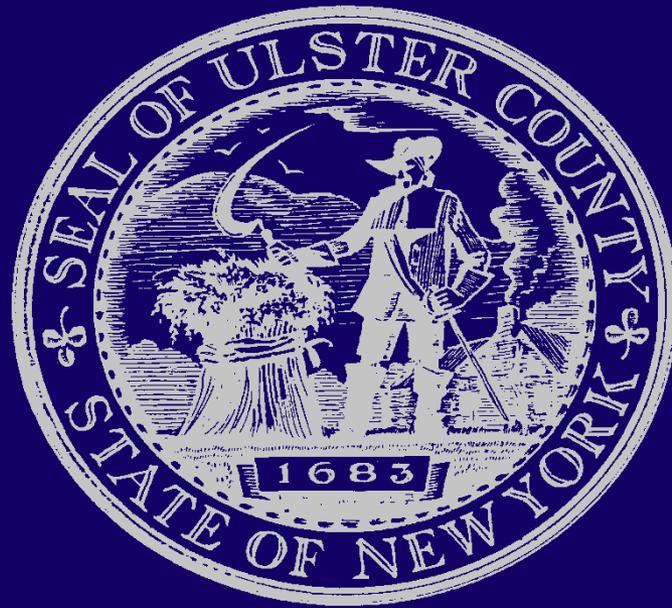
**We will always fight to protect the  
great people of Ulster County**





**We will never be like typical governments**





Available online at

[WWW.ULSTERCOUNTYNY.GOV](http://WWW.ULSTERCOUNTYNY.GOV)