

Overview of the Fiscal 2012

Executive Budget



Nassau County Office of Legislative Budget Review

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October 12, 2011

*Agencies Scheduled to
Testify:*

Assessment

Corrections

*Parks, Recreation,
and Museums*

Police

Public Works

**Nassau County
Legislature**

Hon. Peter J. Schmitt,
Presiding Officer

Hon. Diane Yatuaro,
Minority Leader



NASSAU COUNTY LEGISLATURE

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Inter-Departmental Memo

To: Hon. Peter J. Schmitt, Presiding Officer
Hon. Diane Yatauro, Minority Leader
All members of the Legislature

From: ^{SA} Steven Antonio
Office of Legislative Budget Review

Date: October 11, 2011

Re: FY 12 Budget Hearing – October 12, 2011

Enclosed please find preliminary reviews of the FY 12 Executive Budget for the specific agencies scheduled to appear before the Legislature at the October 12 budget hearing.

Our analysis includes two years of historical expenditures and revenue, as well as the Office of Legislative Budget Review's (OLBR) projections for FY 11. In addition, in looking at staffing needs we also compare the proposed FY 11 budget to actual staffing levels for the last two years. The OLBR headcount projection represents each department's on-board staffing as of September 1, 2011.

Assessment

- The proposed expense budget is decreasing by 33.3%, or \$4.6 million, compared to the FY 11 adopted budget. Excluding, inter-departmental charges, all expense lines are being reduced.
- The Assessment Department lost 43 employees during the previously implemented layoffs. The 2012 budget includes positions at the current on-board level.

- The contractual services line provides funding for software contracts (\$15,000) and miscellaneous contractual services (\$24,000). The miscellaneous contractual services line was cut from \$170,250 in the Adopted FY 11. The Department will no longer have funding for temporary workers or County Attorney appraisals.
- The proposed FY 12 revenue budget is decreasing 68.0% from the FY 11 adopted budget.
- The decrease is largely a function of the elimination of State Aid. This aid had been given out to municipalities to reimburse the cost incurred in annually updating the assessment roll. The law had allowed for up to \$5 per parcel annually. Aid was capped at \$500,000 per year. Under the quadrennial assessment, the County no longer qualifies for this revenue.

Correctional Center

- The proposed 2012 expense budget for the Correctional Center is decreasing by \$5.7 million or 3.8% from the adopted 2011 budget, and decreasing by \$8.2 million or 5.3% from OLBR's projected actual.
- Salaries for FY 12 are declining by \$6.2 million or 5.0% budget to budget and \$6.0 million or 4.9% in comparison to OLBR's 2011 projections. The budgeted change is attributable to a reduction in overtime expenses, vacancy savings and a \$5.6 million savings initiative. The initiative's dollar amount is the target that the department has to reach through layoffs or attrition, which is not title or position specific.
- The proposed 2012 budget assumes \$15.2 million in overtime expense which is a \$5.1 million or a 25.1% decrease from the adopted 2011 budget. The overtime target will be very challenging for the Correctional Center, but they believe that this objective is achievable based on the implementation of new operational and departmental modifications to be enforced in 2012. The department is successfully managing the 2011 overtime budget of \$20.2 million. If the current trend through September 1, 2011 continues, OLBR projects expenses to be \$18.3 million, which translates into a \$2.2 million savings.
- A class of 25 that started in July was fully deployed the first week of October 2011, but the overtime target will be at risk if the aforementioned modifications are not imposed.
- The Executive 2012 Correctional Center revenue budget is increasing by \$4.1 million or 18.3% from the adopted 2011 budget and \$5.1 million or 24.1% from OLBR's projection. The growth is mainly related to the increases in department revenues and federal aid reimbursements.
- The 2012 proposed budget has \$17.1 million allocated for federal aid, an increase of \$3.0 million from the adopted 2011 budget and \$3.6 million compared to OLBR projections. This is due to growth of the State Criminal Alien Assistance Program (SCAAP) and an

increase in federal inmate headcount. The components that generate the revenue for federal aid include the following:

- The 2012 proposed budget assumes 130 federal inmates, which equates to \$7.8 million in revenue. The fluctuation of revenue is attributed to the number of federal inmates housed at the jail. The department receives \$165 per day per inmate; based on FY 11 population OLBR believes there to be \$0.9 million risk.
- Department revenue has a growth of \$1.1 million or 18.2% for the proposed FY 12 budget, which is attributable to the revenue for housing 100 of the approved 117 Suffolk County inmates at \$125 per day for a full year. The department anticipates reaching their budgeted goal of \$4.5 million for 2012 due to the facility maintaining the current headcount of 100. Additionally the Correctional Center is optimistic about housing the 40 aforementioned Suffolk County inmates due to the State removing its approved housing cap of 117 inmates.

Police Department

- Total FY 12 Police Department expenses of \$685.7 million are decreasing by \$15.2 million, or 2.2%, from the FY 11 budget of \$701.0 million and \$69.8 million, or 9.2%, when compared to OLBR's FY 11.
- Full-time headcount is declining by 85, or 2.6%, compared to the FY 11 budget.
- The proposed appropriation for full-time salaries is less than the total salaries of the department's current personnel. This is due to \$15.8 million savings initiative adjustment, which is the target the department has to reach by attrition or layoffs.
- The layoffs are closely allied to a plan to close two precincts which would reduce the number of precincts to six.
- The FY 12 budget assumes certain savings related to precinct restructuring. While it is still in the planning stages, the Police Department intends to redraw precinct boundaries which are currently based on 1970 population data.

Parks, Recreation, and Museums

- Total FY 12 revenue is decreasing by \$2.4 million or 9.5% in comparison to the FY 11 adopted budget and by \$45,528 or 0.2% compared to OLBR's projection.
- The 9.2% increase in total expenses is the result of the return to the Parks Department of the Parks Maintenance workers from Public Works. Had the reorganization not occurred, the expense budget of the Parks Department would have decreased 13.0%.
- Compared to the FY 11 adopted budget there is an increase of 24 full-time and 206 part-time positions. The increase is a direct result of the transfer of the parks

maintenance workers from the Department of Public Works back to Parks. This can be seen on the line for Technical Services in the chart above. In the FY 12 budget, these workers are shown on the technical services line where 46 full-time workers and 144 part-time workers are incorporated.

- Compared to the September 2011 actual full-time positions are decreasing by 19. The decrease of 24 in museums is due to the workforce reduction.

Department of Public Works

- The Department of Public Works (DPW) proposed FY 12 budget contains 55 fewer full-time and 115 fewer part-time/seasonal positions than the FY 11 adopted. The salaries line has decreased by \$9.7 million or 26.8%.
 - The salaries line has been reduced by a negative adjustment of \$6,432,144 representing the savings to be achieved from lay-offs.
 - Transferred out of the proposed FY 12 budget were 98, 53 full-time and 45 part-time/seasonal employees, Parks Maintenance Workers with associated costs of \$4.5 million.
 - Transferred into the proposed FY 12 budget were 29, 20 full-time and 9 part-time employees, Planning Employees with associated costs of \$2.2 million and revenue of \$1.3 million.
 - Local law 5-2011 amended the County Government Law of Nassau County, in relation to merging the Department of Planning into the Department of Public Works as a division of such Department.
- DPW's proposed FY 12 budget is decreasing by \$7.8 million or 8.9%, from the FY 11 adopted. Every expense category except for workers' compensation, general expenses and inter-departmental charges has been reduced.
- The contractual services expense has decreased by \$2.8 million or 33.0%, from the FY 11 adopted. The largest decrease is for custodial services followed by miscellaneous services, engineering and sanitary solid waste disposal.
 - The custodial, miscellaneous and sanitary solid waste disposal services are in the proposed FY 12 budget, for the Parks Department.
- DPW's proposed FY 12 revenue budget is increasing by \$1.1 million or 5.7%, from the FY 11 adopted amount.
 - The Planning Department's revenue of \$1.3 million is now included within the Department of Public Works.

PUBLIC SAFETY COMMITTEE

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Expense	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	225	214	216	169	169	(47)	-21.8%	0	0.0%
Part-Time and Seasonal	1	1	1	0	0	(1)	-100.0%	0	*****
Salaries	\$12,487,911	\$12,273,956	\$13,074,883	\$11,331,004	\$8,434,763	(\$4,640,120)	-35.5%	(\$2,896,241)	-25.6%
Equipment	9,360	0	5,000	5,000	5,000	0	0.0%	0	0.0%
General Expenses	567,392	524,874	520,369	459,762	303,900	(216,469)	-41.6%	(155,862)	-33.9%
Contractual Services	361,220	119,774	185,250	40,000	39,000	(146,250)	-78.9%	(1,000)	-2.5%
Inter-Dept. Charges	0	0	0	0	412,068	412,068	*****	412,068	*****
Total	\$13,425,883	\$12,918,603	\$13,785,502	\$11,835,766	\$9,194,731	(\$4,590,771)	-33.3%	(\$2,641,035)	-22.3%

Expenses

- The proposed expense budget is decreasing by 33.3%, or \$4.6 million, compared to the FY 11 adopted budget. Excluding, inter-departmental charges, all expense lines are being reduced.
- Budgeted headcount will decrease by 47 full-time and 1 part-time positions. This reduction has been achieved through the elimination of vacant positions and layoffs.
- The Assessment Department lost 43 employees during the previously implemented layoffs. The 2012 budget includes positions at the current on-board level.
- The salaries line has been reduced by an adjustment of \$1.4 million, representing the savings anticipated from workforce reductions. It should be noted that if the savings are not achieved, the department will not have money to fund its current on-board staffing level.
- The proposed equipment budget is unchanged from the adopted FY 11 level.
- The general expenses line has been reduced from the FY 11 budget by 41.6%. The largest components in this category are for postage for the mailings of notices (\$200,000), copying (decreasing from \$129,390 to \$64,700), and office supplies (\$15,000).
- The contractual services line provides funding for software contracts (\$15,000) and miscellaneous contractual services (\$24,000). The miscellaneous contractual services line was cut from \$170,250 in the Adopted FY 11. The Department will no longer have funding for temporary workers or County Attorney appraisals.
- New to the FY 12 budget are \$412,068 in inter-departmental charges. These are all County Attorney charges.

Revenue	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$29,181	\$5,696	\$0	\$0	\$0	\$0	*****	\$0	*****
Dept Revenues	162,612	98,685	150,000	100,346	100,400	(49,600)	-33.1%	54	0.1%
Cap Backcharges	9,557	35,552	150,000	150,000	155,300	5,300	3.5%	5,300	3.5%
State Aid-Reimb Of Exp	428,750	0	500,000	0	0	(500,000)	-100.0%	0	*****
Total	\$630,100	\$139,933	\$800,000	\$250,346	\$255,700	(\$544,300)	-68.0%	\$5,354	2.1%

Revenues

- The proposed FY 12 revenue budget is decreasing 68.0% from the FY 11 adopted budget.
- The decrease is largely a function of the elimination of State Aid. This aid had been given out to municipalities to reimburse the cost incurred in annually updating the assessment roll.
 - The law had allowed for up to \$5 per parcel annually. Aid was capped at \$500,000 per year. Under the quadrennial assessment, the County no longer qualifies for this revenue.
- The departmental revenue line is where the department budgets for the fees it collects for such services as the sale of tax maps, property record cards, and various reports.
 - Also included on this line are the penalties collected for non-compliance in submitting the Annual Survey of Income and Expense form (ASIE).
 - The proposed budget is declining 33.1% from the FY 11 adopted budget.
- The 2012 proposed budget includes a 3.5% increase in capital backcharges. These are used to offset the expense of

employee hours spent working on the ADAPT capital project.

Expense	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	1,231	1,215	1,235	1,200	1,227	(8)	-0.6%	27	2.3%
Part-Time and Seasonal	14	13	10	10	8	(2)	-20.0%	(2)	-20.0%
Salaries	\$125,773,000	\$125,139,220	\$123,608,029	\$123,441,166	\$117,412,839	(\$6,195,190)	-5.0%	(\$6,028,327)	-4.9%
Workers Compensation	4,159,903	4,812,321	5,131,089	5,229,536	5,260,135	129,046	2.5%	30,599	0.6%
Equipment	15,707	12,807	15,707	15,707	101,700	85,993	547.5%	85,993	547.5%
General Expenses	3,223,415	3,073,616	3,699,536	3,599,536	3,213,800	(485,736)	-13.1%	(385,736)	-10.7%
Contractual Services	25,908,548	26,366,423	18,853,053	21,273,533	19,160,600	307,547	1.6%	(2,112,933)	-9.9%
Utility Costs	402,108	483,589	545,420	750,420	740,400	194,980	35.7%	(10,020)	-1.3%
Inter-Dept. Charges	11,040	23,358	177,017	177,017	431,772	254,755	143.9%	254,755	143.9%
Total	\$159,493,721	\$159,911,334	\$152,029,851	\$154,486,915	\$146,321,246	(\$5,708,605)	-3.8%	(\$8,165,669)	-5.3%

Expenses

- The proposed 2012 expense budget for the Correctional Center is decreasing by \$5.7 million or 3.8% from the adopted 2011 budget, and decreasing by \$8.2 million or 5.3% from OLBR's projected actual.
- Salaries for FY 12 are declining by \$6.2 million or 5.0% budget to budget and \$6.0 million or 4.9% in comparison to OLBR's 2011 projections. The budgeted change is attributable to a reduction in overtime expenses, vacancy savings and a \$5.6 million savings initiative. The initiative's dollar amount is the target that the department has to reach through layoffs or attrition, which is not title or position specific.
 - The proposed 2012 budget assumes \$15.2 million in overtime expense which is a \$5.1 million or a 25.1% decrease from the adopted 2011 budget. The overtime target will be very challenging for the Correctional Center, but they believe that this objective is achievable based on the implementation of new operational and departmental modifications to be enforced in 2012.
 - The department is successfully managing the 2011 overtime budget of \$20.2 million. If the current trend through September 1, 2011 continues, OLBR projects expenses to be \$18.3 million, which translates into a \$2.2 million savings.
 - A class of 25 that started in July was fully deployed the first week of October 2011, but the overtime target will be at risk if the aforementioned modifications are not imposed.
- The budget allocates \$5.3 million for workers compensation, an increase of \$129,046 or 2.5% for FY 12. This growth is attributed to a rate increase on new weekly indemnity claims, anticipated higher medical rates and increases in the State assessments, which have been incorporated in OLBR's projections.

- The equipment expense for the proposed FY 12 budget is \$101,700, an increase of \$85,993 from FY 11. This growth is primarily due to an increase in building equipment and marginal increases in traffic/highway equipment and office furnishings.
- The general expenses for the proposed 2012 budget have been reduced by \$485,736 or 13.1 %, which is attributed to decreases of \$300,000 in food supplies and \$110,816 in miscellaneous expenses as well as minimal cuts in building supplies and maintenance and educational and training expenses.
- The Correctional Center has allocated \$19.2 million in contractual services, which is an increase of \$307,547 or 1.6% from the Adopted FY 11 Budget and \$2.1 million or 9.9% when compared to OLBR's projection.
- The contract for inmate healthcare is budgeted at \$18.1 million, which is a growth of \$442,500 or 2.5% for FY 12. This increase is attributed to the base compensation of the contract to be adjusted in the second year of the contract (June 1, 2012) in accordance with whichever is the lowest: the Consumer Price Index or the Medical Care Expenditure category of 4%, which is the maximum increase allowed.
- The utility expenses are budgeted at \$740,400, an increase of \$194,980 or 35.7% for the FY 12; however they are in line with OLBR September 1 projections.
- The department has increased interdepartmental charges by \$254,755 for FY 12 for County Attorney legal counsel chargeback.

Expenses by Control Center						
(\$'s in millions)						
Control Center	Historical		2011	2012	Exec. vs. Adopted	
	2009	2010	Adopted Budget	Exec. Budget	Var.	%
Correctional Center	\$153.9	\$153.6	\$145.8	\$140.6	-\$5.2	-3.6%
Office Of The Sheriff	5.6	6.3	6.3	5.8	-0.5	-8.0%
Total	159.5	159.9	152.0	146.3	-5.7	-3.8%

- The FY 12 budget for the Correctional Center control center is \$140.6 million, which is a reduction of \$5.2 million or 3.6% while the Sheriff's office has been reduced by \$502,893 or 8.0% in comparison to the Adopted 2011 Budget.

<u>Staffing Analysis</u>						
	<u>FY 11</u>	<u>Sept-11</u>	<u>FY 12</u>	<u>FY 12</u>	<u>Exec. vs</u>	<u>Exec. vs</u>
	<u>Adopted</u>	<u>Actual</u>	<u>Request</u>	<u>Executive</u>	<u>11 Adopt</u>	<u>Actual</u>
CC Full-time Staffing						
10 Correctional Center					0	0
Uniform	1,056	1,034	1,056	1,053	(3)	19
Civilian	121	109	138	114	(7)	5
Sub-total Full-Time	1,177	1,143	1,194	1,167	(10)	24
20 Sheriff						
Uniform	44	41	50	41	(3)	0
Civilian	14	16	19	19	5	3
Sub-total Full-time	58	57	69	60	2	3
Total Full-time	1,235	1,200	1,263	1,227	(8)	27
CC Part-time and Seasonal						
10 Correctional Center	5	6	4	4	(1)	(2)
20 Sheriff	5	4	4	4	(1)	0
Total Part-time and Seasonal	10	10	8	8	(2)	(2)

- Full-time staffing in the Correctional Center is budgeted to increase from the September 1, 2011 actual by 27 positions. Although the department submitted a request for 36 additional correction officers, illustrated in the chart above, Corrections has stated that their goal is to achieve and maintain headcount at the 2012 budgeted level of 1,227 due to the hiring freeze.
- A class of 25 was fully deployed the first week of October 2011; however the department may not attain to the proposed budget headcount due to normal attrition of 25-32 employees. Additionally a date for another class has yet to be determined, which could have a significant impact on overtime as previously discussed, especially if the inmate population increases to the anticipated levels.
- The part-time and seasonal positions are budgeted to decrease from the 2011 budget by two positions.

Revenue	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$16,988	\$14,013	\$20,000	\$20,000	\$20,000	\$0	0.0%	\$0	0.0%
Rents & Recoveries	1,164,151	829,639	893,000	827,481	819,000	(74,000)	-8.3%	(8,481)	-1.0%
Rev Offset To Expense	526,730	500,000	500,000	500,000	500,000	0	0.0%	0	0.0%
Dept Revenues	2,504,096	2,406,945	6,187,500	5,812,500	7,312,500	1,125,000	18.2%	1,500,000	25.8%
Interdept Revenues	210,691	160,300	290,000	290,000	290,000	0	0.0%	0	0.0%
Fed Aid-Reimb Of Exp	13,172,983	12,878,755	14,069,425	13,467,175	17,101,550	3,032,125	21.6%	3,634,375	27.0%
State Aid-Reimb Of Exp	364,653	303,945	372,000	372,000	372,000	0	0.0%	0	0.0%
Total	\$17,960,293	\$17,093,596	\$22,331,925	\$21,289,156	\$26,415,050	\$4,083,125	18.3%	\$5,125,894	24.1%

Revenues

- The Executive 2012 Correctional Center revenue budget is increasing by \$4.1 million or 18.3% from the adopted 2011 budget and \$5.1 million or 24.1% from OLBR's projection. The growth is mainly related to the increases in department revenues and federal aid reimbursements.
- The 2012 proposed budget has \$17.1 million allocated for federal aid, an increase of \$3.0 million from the adopted 2011 budget and \$3.6 million compared to OLBR projections. This is due to growth of the State Criminal Alien Assistance Program (SCAAP) and an increase in federal inmate headcount. The components that generate the revenue for federal aid include the following:
 - The 2012 proposed budget assumes 130 federal inmates, which equates to \$7.8 million in revenue. The fluctuation of revenue is attributed to the number of federal inmates housed at the jail. The department receives \$165 per day per inmate; based on FY 11 population OLBR believes there to be \$0.9 million risk.
 - The department budgeted \$6.3 million for SCAAP in FY 12, an increase of \$2.7 million. The additional funding has been allocated to an incorrect revenue source and it is expected that the Office of Management and Budget will correct it through a technical adjustment, reallocating some of the funding to department revenue, prior to adoption.
 - The department allocated \$2.0 million for Diagnosis Related Group (revenue received for providing mental health services to inmates who are Medicaid recipients) and assigned \$1.0 million for Title IV D (aid to dependent children), which are constant with the FY 11.

Revenues, Cont.

- Department revenue has a growth of \$1.1 million or 18.2% for the proposed FY 12 budget, which is attributable to the revenue for housing 100 of the approved 117 Suffolk County inmates at \$125 per day for a full year.
 - The department anticipates reaching their budgeted goal of \$4.5 million for 2012 due to the facility maintaining the current headcount of 100. Additionally the Correctional Center is optimistic about housing the 40 aforementioned Suffolk County inmates due to the State removing its approved housing cap of 117 inmates.
- The department budgeted \$500,000 for revenue to offset expense for FY 12, which is equal to the FY 11 adopted budget. This revenue represents commissary profits submitted to the Correctional Center for the salary expense of staff who maintain the commissary for the benefit of the inmates. This transfer of funds is authorized by the New York State Commission of Corrections.
- The proposed 2012 state aid budget is constant with FY 11 at \$372,000.
- Interdepartmental revenues for 2012 remain the same at \$290,000. This is for food services provided to the Juvenile Detention Center. The Rents and Recoveries budget for 2012 has been reduced by \$74,000.

<u>ACTIVITY INDICATORS</u>				
<u>Indicators</u>	<u>Actual 2009</u>	<u>Actual 2010</u>	<u>Estimated 2011</u>	<u>Projected 2012</u>
Average Daily Inmate Population	1,576	1,637	1,544	1,550
State Ready Inmates	93	9	13	13
Parole Violators	19	23	18	17
<u>Revenue Generating Indicator</u>				
Federal Inmates	127	128	115	130
Suffolk County Inmates	0	0	117	100
Total Admissions	11,454	11,264	11,415	11,395

Source: Correctional Center

- The Department is anticipating getting 15 additional Federal and 40 additional Suffolk inmates in FY 12.

- The department's FY 11 projection for federal inmates is 115; however, the department anticipates an increase of 15 inmates or 13.5% of federal inmates in 2012 based on recent trends.
- The department estimated 117 Suffolk County inmates for 2011 and budgeted 100 inmates for FY 12, a decrease of 17 inmates.
- The average inmate population increased by 3.9% from FY 2009 to FY 10 and is estimated to decrease by 5.7% in 2011 from 2010. In the proposed 2012 budget the population is anticipated to increase by 0.4% . or 6 inmates.
- The jail continues to house state ready inmates and parole violators, although funding has been revoked from the State.

Revenue	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Rents & Recoveries	\$1,058,367	\$1,094,281	\$1,654,440	\$1,641,440	\$1,587,340	(\$67,100)	-4.1%	(\$54,100)	-3.3%
Dept Revenues	18,076,679	17,861,591	22,751,611	20,420,578	20,429,150	(2,322,461)	-10.2%	8,572	0.0%
Interdept Revenues	0	7,126	0	0	0	0	*****	0	*****
State Aid-Reimb Of Exp	0	(54,000)	0	0	0	0	*****	0	*****
Special Taxes	611,069	657,704	675,000	675,000	675,000	0	0.0%	0	0.0%
Total	\$19,746,114	\$19,566,702	\$25,081,051	\$22,737,018	\$22,691,490	(\$2,389,561)	-9.5%	(\$45,528)	-0.2%

Revenues

- Total FY 12 revenue is decreasing by \$2.4 million or 9.5% in comparison to the FY 11 adopted budget and by \$45,528 or 0.2% compared to OLBR’s projection.

	Hotel/Motel Tax			
	2009 Actual	2010 Actual	2011 Projection	2012 Proposed
Treasurer	\$687,419	\$765,778	\$650,000	\$650,000
Parks/Gen	611,069	657,704	675,000	675,000
Parks/Grt	2,367,745	2,640,668	2,160,255	2,160,255
Total	3,666,233	4,064,150	3,485,255	3,485,255

- FY 12 hotel motel tax budget, shown on the special taxes line, is basically remaining flat. Nassau’s hotel motel tax collections are primarily dependent upon corporate travel.
- Only the hotel motel tax allocation to the Treasurer’s Office and Park’s general fund are unchanged at the FY 11 level. Total collections are expected to increase.
- The FY 12 proposed departmental revenue is decreasing by \$2.3 million, or 10.2%, when compared to the FY 11 adopted

budget. The 2012 budget is in line with OLBR’s 2011 projection.

- There are 54 different revenues included in the department revenues line. In FY 12 three new revenue initiatives are being pursued.
- The largest increase in dollar terms is in the cabana rental line. The largest decrease in dollar terms is on the swimming pools line.

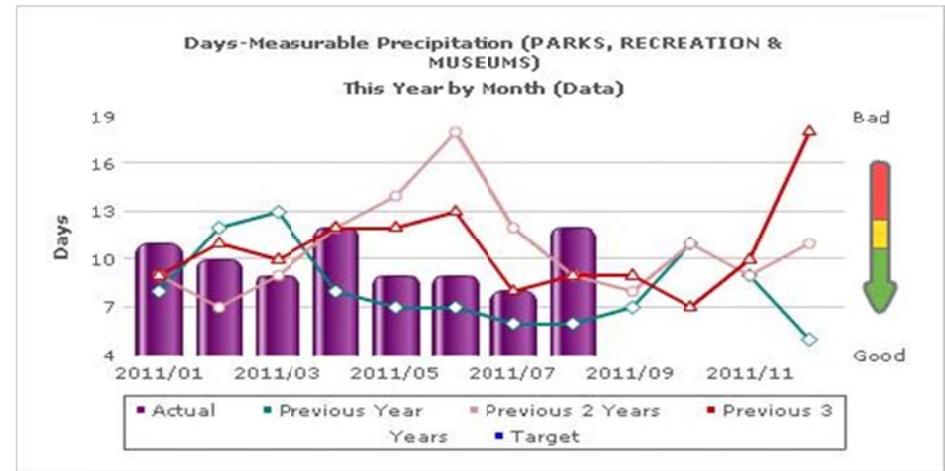
Advertising Revenue

A media contract in the amount of \$1 million has been approved by the County Executive, and will be carried out in July of 2012. These revenues are shown on the departmental revenues line. According to the RFP for this contract, the County sought a provider to solicit sponsorships for County-wide events. Revenues were expected from commercial advertisements on outdoor furniture, bus shelters and benches, banners, posters, bill boards, vehicles, refuse containers, websites, sponsorships and naming rights

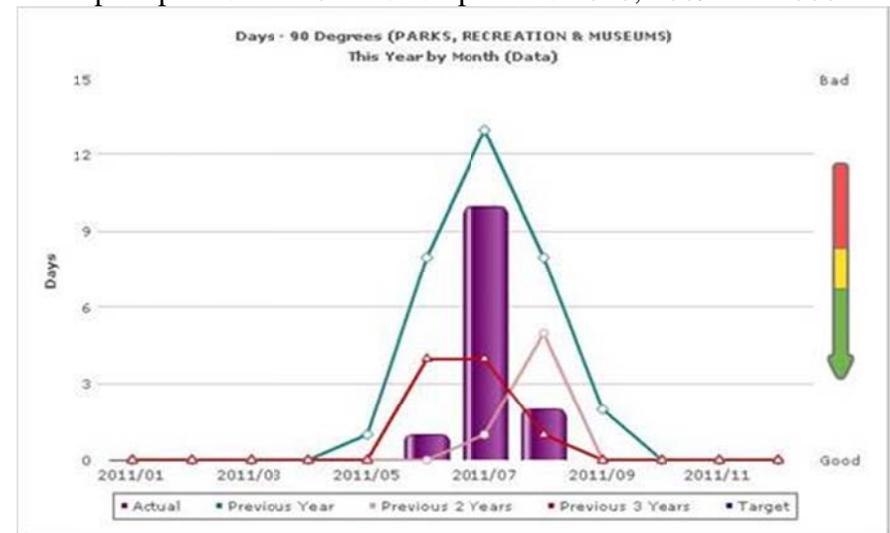
Golf Operations Revenue

Golf Operations Revenue				
Revenue Source	FY 10 Actual	FY 11 Budget	FY 11 Projected	FY 12 Proposed
Greens Fees	\$1,449,960	\$1,880,000	\$1,770,020	\$1,468,000
Caddy Cart Fees	46,763	70,700	66,564	47,500
Minature Golf	38,098	376,500	354,475	315,000
Leisure Pass Fee	164,950	195,600	171,000	171,000
Golf Cart Fees	1,000,733	1,137,500	1,070,956	1,014,000
Driving Range Fees	891,413	1,120,000	1,054,480	925,000
Golf Reservation Fees	362,652	385,000	362,477	364,000
Golf No Show Fee	12,628	20,000	18,830	13,000
Redeemable Certificates	71,074	70,500	71,083	71,500
IKE Greens Fees Red Course	1,405,251	1,645,000	1,528,803	1,450,000
IKE Greens Fees White Course	1,468,615	1,780,000	1,657,236	1,470,000
IKE Greens Fees Blue Course	1,396,880	1,720,000	1,599,415	1,400,000
Concessions	28,001	27,926	30,200	30,200
Total	\$8,337,018	\$10,428,726	\$9,755,539	\$8,739,200

- The above chart has been updated to capture the golf operations revenues within control center 61.
- The County’s golf operations are significantly impacted by weather conditions. Extreme heat or wet conditions will impede attendance.
- Overall golf operation revenues are budgeted to decrease from both the FY 11 adopted budget and the FY 11 projection.
- Green fees, driving range fees and IKE green fees are budgeted to decline.



- The chart above details the number of days with measurable precipitation in 2011 as compared to 2010, 2009 and 2008.



- The chart above details the number of days with temperatures over 90 degrees in 2011 as compared to 2010, 2009 and 2008.

PARKS, RECREATION AND MUSEUMS

Departmental Revenue				
Revenue Source	FY 2010 Actual	FY 2011 Budget	FY 11 Projected	FY 12 Proposed
Misc Receipts	(\$40,860)	\$1,200	\$1,130	\$1,300
Concessions	1,089,296	1,237,926	1,165,507	1,207,200
Greens Fees	1,449,962	1,880,000	1,770,020	1,468,000
Caddy Cart Fees	46,767	70,700	66,564	47,500
Summer Recreation Prgg. Fees Rev.	171,699	600,000	564,900	650,000
Swimming Pools	2,049,864	1,881,000	1,770,961	1,050,000
Ice Rinks	410,432	552,000	519,708	431,000
Old Bethpage Hist Vil	398,062	455,000	428,382	400,000
Museum Of Nat History	71,222	99,500	93,679	2,400
Rental Of Equipment	17,950	25,000	23,537	18,000
Summer Day Camps	24,788	23,800	22,408	29,900
Special Use Permits	330,956	314,000	295,631	290,200
Ice Skate Lessons	40,605	48,000	45,192	42,200
Ice Skate Rental	39,492	65,000	61,197	42,500
Ice Skate Sharpening	541	400	377	500
Ice Skate Lockr Fees	771	425	400	300
Marina Cow Meadow	0	0	0	55,000
Marina Wantagh	329,627	375,000	353,062	330,000
Roller Skate Admissn	720	400	377	800
Beach Parking	368,199	370,000	348,355	370,000
Cabana Rentals	1,175,068	1,390,000	1,308,685	2,820,000
Minature Golf	293,109	376,500	354,475	315,000
Commercial Parking	11,780	3,000	2,824	4,850
Camping Fees	569,954	637,360	600,074	575,400
Advertising Revenue	0	1,000,000	0	1,000,000
Service Fees	870	1,200	1,130	0
Special Sports Prog	208,289	250,000	235,375	210,000

Departmental Revenue				
Revenue Source	FY 2010 Actual	FY 2011 Budget	FY 11 Projected	FY 12 Proposed
Open Space Usage Fee	9,670	3,400	3,201	9,400
Aerodrome Field Usage Fee	8,500	10,000	9,415	10,000
Batting Cage Fees	67,398	125,000	117,687	75,000
Lifestyle Programs	62,914	50,000	47,075	0
Sales Misc.	691	0	0	0
Leisure Pass Fee	679,483	807,400	760,167	567,700
Welwyn Revenue	1,000	1,000	941	0
Launching Ramps	53,320	70,500	66,376	53,800
Tennis Courts	22,656	95,000	89,442	0
Room Rentals	76,889	58,300	54,889	56,100
Picnic Reservation Permits	143,570	182,600	171,918	148,000
Swimming Programs	284,419	292,500	275,389	89,500
Athletic Field Fees/Charges	585,569	1,343,500	1,264,905	784,400
Non-Resident Fees	138,786	99,000	93,208	156,500
Golf Cart Fees	1,000,737	1,137,500	1,070,956	1,014,000
Driving Range Fees	891,415	1,120,000	1,054,480	925,000
Alcohol Permits	31,410	38,000	35,777	33,900
Golf Reservation Fees	362,653	385,000	362,477	364,000
Golf No Show Fee	12,628	20,000	18,830	13,000
Film & Advert Activities	23,363	35,000	32,952	25,300
Redeemable Certificates	74,612	75,500	71,083	71,500
Ike Greens Fees Red Course	1,405,252	1,645,000	1,528,803	1,450,000
Ike Greens Fees White Course	1,468,615	1,780,000	1,657,236	1,470,000
Ike Greens Fees Blue Course	1,396,880	1,720,000	1,599,415	1,400,000
County League Registration	0	0	0	292,500
Non-County League Registration	0	0	0	50,000
Tournament Fees	0	0	0	7,500
Total	\$17,861,591	\$22,751,611	\$20,420,578	\$20,429,150

➤ On the prior page is a chart listing all revenues included in the FY 12 proposed departmental revenues line. A comparison to 2010 and 2011 data is shown. The total FY 12 departmental revenues budget is \$20.4 million.

- Items highlighted in grey reflect proposed new fees.
- The department plans to add 200 cabanas in 2012 at the rate of \$3,700 per cabana for the summer season totaling \$680,000 in additional revenue.
- These revenues are budgeted on the cabana rental line.

Marina Docking Fees

Wantagh	Current Fee	Proposed Fee
Sesonal Docking (Nassau County Residents only)	\$50 per foot	\$80 per foot
Slip with common water and no electric	(\$750 min)	(\$1,430 min)
Sesonal Docking (Nassau County Residents only)	\$65 per foot	\$80 per foot
Slip with common water and electric	(\$1,430 min)	(\$1,430 min)
Electric only	\$0	\$100 per season
Total Wantagh		
Cow Meadow	Current Fee	Proposed Fee
Slip with common water and no electric	\$50 per foot	\$80 per foot
	(\$750 min)	(\$1,430 min)
Slip with common water and electric	\$65 per foot	\$80 per foot
	(\$1,430 min)	(\$1,430 min)
Electric only	\$0	\$100 per season
Total Cow Meadow		

- Above is a chart detailing the component pieces of the departmental fees for marina docking. These revenues are included on the departmental revenues line. They are titled Marina Cow Meadow and Marina Wantagh.
- The FY 12 budget includes \$330,000 for Marina Wantagh fees and \$55,000 for Marina Cow Meadow fees. The Marina Cow Meadow fees were implemented in 2011, but not included in the FY 11 budget. The FY 12 Marina Wantagh fees are down from the FY 11 adopted level of \$375,000.

Aquatic Center

- The aquatic center is open to competitive swimmers in addition to the general public. However, the ventilation system began to cause corrosion. The County filed a lawsuit against those responsible in hopes to recover the costs incurred for the repairs in the amount of \$36 million.
- The County Executive delayed the closure of the Aquatic Center to make repairs until the spring of 2012. The center was originally scheduled to be closed beginning in July, 2011. It is remaining open because of the great need by high school swimmers and their coaches. There are no safety issues involved in the delay according to County engineers.
- The repairs include: a new roof, a new heating, ventilation and air conditioning system for the pool area, new lighting and a new filter system in the pool area. The capital budget includes project 90025 Rehabilitation of Aquatic Center Building.
- Nassau has budgeted \$32 million for the work. During the closure the County will have two other heated pools available at Cantiague Park and Christopher Morley Park.



Summer Recreation Program

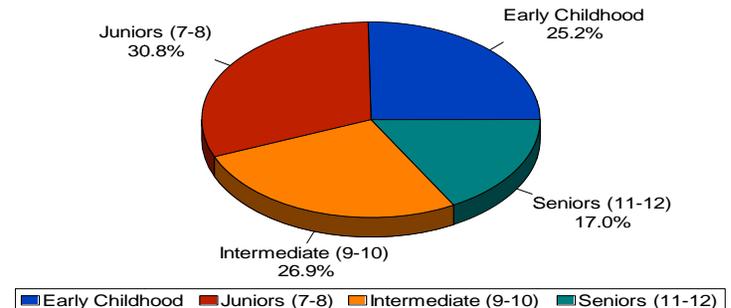


- The Summer Recreation Program was launched in 2010. This program hosted children at Cantiague, Christopher Morley, Nickerson Beach and Wantagh Park. The County has added Eisenhower Park as another facility.
- The Summer Recreation Program was operational from July 5 to August 11 2011. There were a total of 824 children who participated in the program.
- The fees consist of \$600 for one child and \$570 for a second child from the same family, \$540 for a third child.
- Children ranging in age 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 revenue of \$466,241 in 2011 and has been budgeted at \$650,000 in the FY 12 proposed executive budget.

- The increased revenue plan is based on an expansion of the program, including extended hours (after 3:00 pm, until 5:00 p.m.) at the end of the day for an additional fee of \$150, supervising children during their lunch break, and additional recreational activities such as swimming.

Summer Recreation Program Age Categories	
Early childhood (5-6)	208
Juniors (7-8)	254
Intermediate (9-10)	222
Seniors (11-12)	140
Total	824

Summer Recreation Program
Age Categories



Expense	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	148	145	148	173	172	24	16.2%	(1)	-0.6%
Part-Time and Seasonal	586	668	854	804	1,060	206	24.1%	256	31.8%
Salaries	\$13,601,959	\$13,491,099	\$13,883,431	\$17,306,788	\$13,502,466	(\$380,965)	-2.7%	(\$3,804,322)	-22.0%
Equipment	213,392	168,493	235,400	203,950	516,500	281,100	119.4%	312,550	153.2%
General Expenses	708,896	743,242	989,400	932,784	1,754,700	765,300	77.3%	821,916	88.1%
Contractual Services	2,234,761	2,346,247	2,676,071	1,309,143	3,647,700	971,629	36.3%	2,338,557	178.6%
Inter-Dept. Charges	0	0	80,000	80,000	80,000	0	0.0%	0	0.0%
Total	\$16,759,008	\$16,749,081	\$17,864,302	\$19,832,665	\$19,501,366	\$1,637,064	9.2%	(\$331,299)	-1.7%

Expenses

- The 9.2% increase in total expenses is the result of the return to the Parks Department of the Parks Maintenance workers from Public Works. Had the reorganization not occurred, the expense budget of the Parks Department would have decreased 13.0%.
- The reorganization brought back 53 full-time workers and 45 part-time workers to the Parks Department.
- FY 12 total expenses are increasing by \$1.6 million or 9.2% in comparison to the FY 11 adopted budget. Compared to 2011 projections, a decrease of \$331,299, or 1.7%, is expected.
- The FY 12 budgeted salaries are decreasing by \$380,965 or 2.7% from the FY 11 adopted budget. Included in the salaries budget is a negative adjustment of \$581,633. This represents the anticipated saving from the workforce reduction initiative.
- OTPS is increasing \$3.5 million compared to FY 11 projections.
- The contractual services line is increasing by \$971,629 or by 36.3% versus the FY 11 adopted budget.
- The increase is a function of greater miscellaneous contractual services spending, and new custodial and sanitary solid waste disposal contracts.

Expenses, Cont

Staffing Analysis						
	<u>FY 11 Adopted</u>	<u>Sept-11 Actual</u>	<u>FY 12 Request</u>	<u>FY 12 Executive</u>	<u>Exec. vs 11 Adopt</u>	<u>Exec. vs Actual</u>
CC Full-time Staffing						
Administration	36	33	34	28	(8)	(5)
Technical Services	0	46	54	46	46	0
Recreation Services	33	36	37	37	4	1
Museums	35	33	19	18	(17)	(15)
Golf Operations	44	43	43	43	(1)	0
Total Full-time	<u>148</u>	<u>191</u>	<u>187</u>	<u>172</u>	<u>24</u>	<u>(19)</u>
CC Part-time and Seasonal						
Administration	30	17	32	32	2	15
Technical Services	0	79	145	144	144	65
Recreation	648	486	708	708	60	222
Museums	70	64	63	63	(7)	(1)
Golf Operations	106	101	113	113	7	12
Total Part-time and Seasonal	<u>854</u>	<u>747</u>	<u>1,061</u>	<u>1,060</u>	<u>206</u>	<u>313</u>

- Compared to the FY 11 adopted budget there is an increase of 24 full-time and 206 part-time positions. The increase is a direct result of the transfer of the parks maintenance workers from the Department of Public Works back to Parks. This can be seen on the line for Technical Services in the chart above. In the FY 12 budget, these workers are shown on the technical services line where 46 full-time workers and 144 part-time workers are incorporated.
- Compared to the September 2011 actual full-time positions are decreasing by 19. The decrease of 24 in museums is due to the workforce reduction.

Expense	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	3,266	3,326	3,306	3,193	3,221	(85)	-2.6%	28	0.9%
Part-Time and Seasonal	433	488	493	480	509	16	3.2%	29	6.0%
Salaries	\$386,421,656	\$421,340,758	\$396,835,674	\$444,123,496	\$386,249,996	(\$10,585,678)	-2.7%	(57,873,500)	-13.0%
Fringe Benefits	187,940,312	185,851,495	211,969,128	211,172,850	202,763,165	(\$9,205,963)	-4.3%	(8,409,685)	-4.0%
Workers Compensation	8,374,341	8,229,871	10,276,496	11,448,994	10,784,397	\$507,901	4.9%	(664,597)	-5.8%
Equipment	329,743	516,201	635,185	635,185	574,893	(\$60,292)	-9.5%	(60,292)	-9.5%
General Expenses	4,473,389	6,441,532	6,409,070	8,333,211	8,881,667	\$2,472,597	38.6%	548,456	6.6%
Contractual Services	7,587,090	8,174,665	11,223,818	11,223,818	9,582,967	(\$1,640,851)	-14.6%	(1,640,851)	-14.6%
Utility Costs	3,429,110	3,376,572	3,828,571	3,828,571	3,697,000	(\$131,571)	-3.4%	(131,571)	-3.4%
Debt Svc. Chargebacks	5,061,849	6,991,569	10,074,786	10,074,786	12,441,539	\$2,366,753	23.5%	2,366,753	23.5%
Inter-Dept. Charges	58,522,276	48,100,576	48,928,728	48,928,728	46,716,382	(\$2,212,346)	-4.5%	(2,212,346)	-4.5%
Trans To General Fund	27,118,299	6,481,737	0	0	0	\$0	*****	0	*****
Other Suits & Damages	716,321	342,902	794,792	5,794,792	4,052,100	\$3,257,308	409.8%	(1,742,692)	-30.1%
Total	\$689,974,385	\$695,847,877	\$700,976,248	\$755,564,431	\$685,744,106	(\$15,232,142)	-2.2%	(\$69,820,325)	-9.2%

Expenses

- Total FY 12 Police Department expenses of \$685.7 million are decreasing by \$15.2 million, or 2.2%, from the FY 11 budget of \$701.0 million and \$69.8 million, or 9.2%, when compared to OLBR's FY 11 projection.
- Full-time headcount is declining by 85, or 2.6%, compared to the FY 11 budget.
- Salaries are decreasing by \$10.6 million, or 2.7% to \$386.2 million, when comparing budget to budget and \$57.9 million, or 13.0%, when compared to OLBR's FY 11 projection.
 - The projected FY 11 shortfall of \$47.3 million in salaries is due primarily to \$45.3 million in budgeted union concessions that never materialized and a projected \$11.0 million additional expense for the insufficiently funded overtime budget. Some of the deficit was offset by salary savings garnered from the FY 10 Early Retirement Incentive (ERI) in which higher paid police and superior officers retired.
 - The decline in headcount in FY 12 by 85 from the adopted budget is largely the result of the elimination of vacant civilian positions.

Expenses, Cont.

- The proposed appropriation for full-time salaries is less than the total salaries of the department's current personnel. This is due to \$15.8 million savings initiative adjustment, which is the target the department has to reach by attrition or layoffs.
- The savings target is not title or position specific and applies to all unions.
- The layoffs are closely allied to a plan to close two precincts which would reduce the number of precincts to six. The Administration intends to sell the land and buildings for approximately \$2.5 million. The anticipated revenue is budgeted in the proposed FY 12 budget for the Department of Real Estate.
- The salaries line includes \$7.3 million for contractually deferred prior year earnings.
- Additionally, funding for termination leave has been eliminated in FY 12. A total of \$4.0 million for this expense was included in FY 11 and OLBR is projecting approximately \$9.0 million for termination in FY 11, although it appears that expense will be bonded. The department estimates that 35 sworn officers will retire in FY 11 and another 65–75 will separate in FY 12, that expense also to be bonded.

Overtime

The Administration has identified three initiatives that are aimed at reining in overtime costs: eliminating minimum manning, extending annual tours by four (four extra days a year per officer) and paying the first 48 hours of overtime at straight pay. While these suggestions are fiscally sound, implementation could be a problem. It appears that the only way these initiatives can be achieved is for the unions to negotiate voluntarily, or if the existing labor agreements contracts are broken. Either scenario at this point does not look promising. The FY 11 budget included \$45.3 million in union concessions which have not materialized. Funding for FY 12 overtime is budgeted at \$7.0 million, which is \$32.0 million less than that of the FY 11 budget of \$39.0 million. OLBR is projecting FY 11 overtime to exceed budget by \$11.0 million at current staffing levels. If union concessions are not obtained, either voluntarily or by mandate, it would be nearly impossible for the department to live within such limits.

- Lower sworn headcount with higher salaried police officers, whose overtime rate is significantly more expensive, will require strict management of overtime hours with little margin for crisis situations. History has shown that the department’s attempts to manage overtime has had limited success due to union constraints. Even if the department successfully curbs overtime to the same number of projected hours as in FY 11, without fundamental changes to the labor rules, overtime expense will be \$44.0 million more than what is budgeted for FY 12.
- Included in the FY 12 budget is funding for 2,403 sworn officers (2,397 excluding Chiefs and Deputy Commissioners), down 30 compared to the budget of 2,433 in FY 11 and 8 above September actuals. September actuals do not reflect the projected 5 additional sworn separations in FY 11.
- The reduction of 60 civilian positions when compared to FY 11 includes the elimination of nine police forensic scientist positions which is related to the closing of the police crime lab, four ambulance technicians, 21 police service aide and police service aide trainee positions and eight information technology positions among others. It should be noted that many of these positions are currently vacant based on September headcount reports.
- In FY 11 an additional 13 Office of Information Technology (IT) personnel were transferred back into PD, from the County’s IT department, reflecting the need for the Police Department to have its own IT unit. The aforementioned eight IT positions being eliminated are currently unfilled.

Full-time Police Department Headcount by Union					
Sworn	2011 Adopted	Sept. Actuals	2012 Executive	2012 vs 2011	2012 vs Actuals
PBA	1,701	1,657	1,667	(34)	10
DAI	366	371	369	3	(2)
SOA	361	362	361	0	(1)
ORD*	5	5	6	1	1
Subtotal	<u>2,433</u>	<u>2,395</u>	<u>2,403</u>	<u>(30)</u>	<u>8</u>
Civilian					
CSEA	874	793	814	(60)	21
ORD	3	4	4	1	0
Total	<u>3,310</u>	<u>3,192</u>	<u>3,221</u>	<u>(89)</u>	<u>29</u>

* Includes former members of the SOA bargaining unit.

Fleet Services

In FY 09, the Administration consolidated certain operations, one of which was fleet services, as cost savings measures, and fleet services for the Police Department were transferred to Public Works. The initiative failed to generate the desired savings and efficiencies and sometimes caused a delay in the quick return of vehicles, specifically ambulances, to the street resulting in lost revenue. In FY 11 the Administration returned 62 police automotive mechanics to the Police Department. Currently, there are 47 police automotive mechanics on board, and the department plans on hiring 6 additional police auto mechanics and 2 auto servicers to continue the quick turn-around of vehicles that need repair. Laid-up ambulances, as well as marked and unmarked police vehicles, are being put back on the street at a faster rate.

Expenses, Cont.

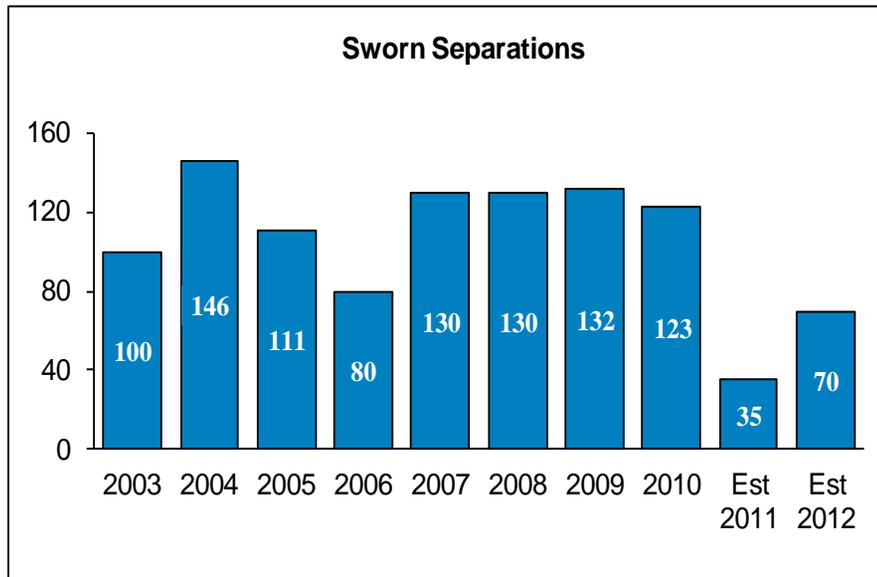
PBA, DAI and SOA Extensions

By extending the police union contracts for three years through 2015 the Administration was able to delay contractually deferred cost of living adjustments (COLAs) for FY 07, FY 08 and FY 09 for two years. This deferment has exacerbated budgetary problems in FY 11 and will do so in FY 12 when further deferments of \$7.3 million are payable. The contract extension included the civilianization of 50 positions once held by uniform personnel. The implementation of this initiative is ongoing.

Precinct Reorganization

The FY 12 budget assumes certain savings related to precinct restructuring. While it is still in the planning stages, the Police Department intends to redraw precinct boundaries which are currently based on 1970 population data. The location of the precincts will be determined by activity within certain areas. The plan will include six precincts, down from eight, and keep the buildings currently in the First and Third Precincts. The building in the Third is the largest among all those in the precincts and the First is currently being rebuilt. The remaining four buildings will most likely be built to specifications in the newly designated precincts. Each building will be staffed by at least 35 police employees and that will free up at least 81 staff from the 2 shuttered buildings to perform other duties. The realignment of police precincts will require legislative approval.

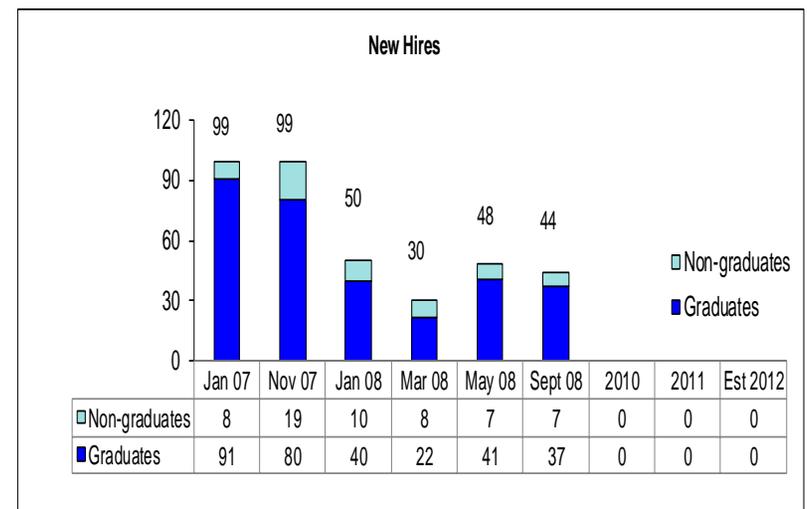
Expenses, Cont.



- Annual sworn separations for the period in the chart above have been 100 or greater every year with the exceptions of 2006 and the estimated 35 in FY 11 and 70 in FY 12.
- A total of 123 sworn members retired in FY 10, 113 of who took advantage of the retirement incentive, contributing to the current diminished headcount. Sworn retirements in FY 11 and FY12 are projected to be significantly lower than in the past as a result of the recent retirement incentives.
- Police union members received their step increments in January 2011, but the NIFA wage freeze took effect prior to the scheduled COLAs. The budget assumes the freeze will continue throughout 2012, which may influence members' decisions to stay or leave.
- FY 11 budgeted termination expense is \$4.0 million. Year-to-date actual is \$6.6 million, a shortfall of \$2.6 million. OLBR is

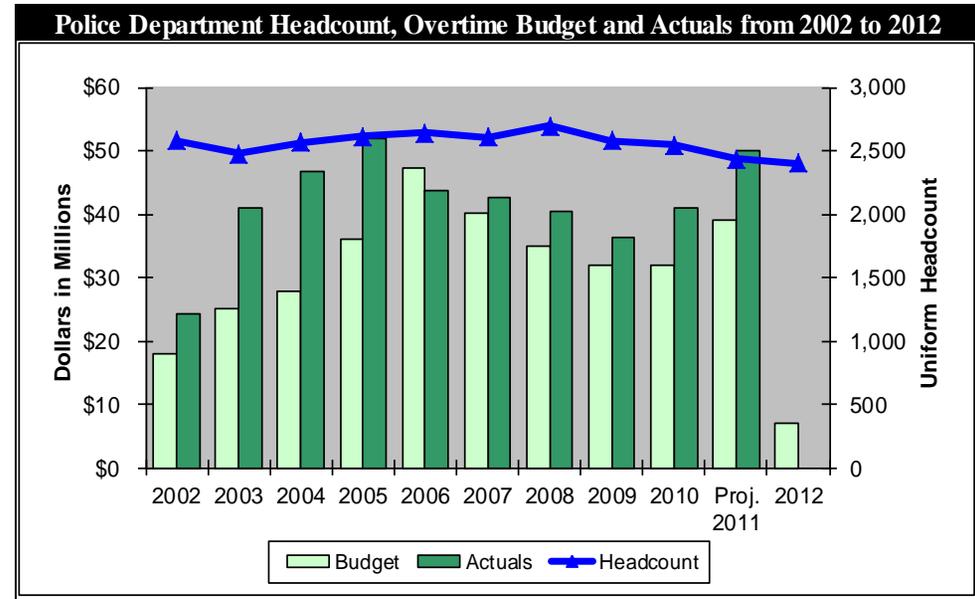
projecting approximately \$9.0 million which would create a deficit of \$5.0 million. In FY 12, funding for this expense has been eliminated because the Administration plans to bond for it.

- In keeping with the Administration's efforts to reduce headcount, the chart below illustrates how the Police Department is complying with County policy. It appears that there will be no recruit class for the remainder of FY 11. Plans for any new future classes in FY 12 are still unclear.
- According to the department, hiring of a recruit class will depend upon FY 12 attrition. When sworn headcount declines to approximately 2,333, plans for a class may be executed.
- For future recruit classes, the Department will implement an agility test to all prospective candidates before background checks have begun or classes started. The Department is hopeful that this screening process will ensure a more capable pool of prospects to successfully complete the Academy courses.
- Until the Administration begins hiring again, it cannot be determined if this improved screening is effective.



Expenses, Cont.

- The chart on the right shows annual overtime costs in relation to budget and Sept. 1 headcount. With the exception of 2006, overtime actuals have exceeded the budget. In FY 12, with sworn headcount declining to the lowest levels in decades, it seems highly unrealistic to expect that overtime can be managed to stay within budget of \$7.0 million.
- Current (September 8, 2011) uniform strength is 2,395 and will decline only slightly more by the end of FY11. However, it is uncertain that a new class will be hired in FY12 and that definitely will have a negative impact on overtime.
- The Police Department anticipates \$2.5 million in federal grant funding, a majority of which will pay for overtime costs. While it appears the department is aggressively pursuing keeping overtime expense within manageable limits, it will become increasingly difficult if headcount continues to decline and no new academy class has begun.
- Management tools that have been employed in the past, such as reducing short roll call and flying supervisors will become standard practice while contractual constraints (minimum manning) are still in place. Without a change in work rules, it is unrealistic to expect that FY 12 overtime expense with lower headcount will be less than projected FY 11 costs.



Police Headquarters, Expenses

Police Headquarters Expenses						
(\$'s in millions)						
	<u>Historical</u>		<u>2011</u>	<u>2012</u>	<u>Exec. vs. Adpt</u>	
	<u>2009</u>	<u>2010</u>	<u>Adopted Budget</u>	<u>Executive Budget</u>	<u>Var.</u>	<u>%</u>
Full-Time Headcount	1,501	1,607	1,626	1,567	(59)	-3.6%
Part-Time and Seasonal	58	72	68	89	21	30.9%
Salaries	\$180.5	\$194.9	\$167.7	\$182.2	\$14.5	8.7%
Fringe Benefits	89.7	88.8	103.2	97.6	(5.6)	-5.4%
Workers Compensation	2.6	2.8	3.3	3.5	0.2	5.3%
Equipment	0.2	0.2	0.4	0.4	0.1	20.8%
General Expenses	1.9	2.8	2.7	4.7	1.9	71.9%
Contractual Services	6.8	7.1	10.2	8.7	(1.5)	-14.6%
Utility Costs	2.4	2.4	2.4	2.5	0.0	1.0%
Debt Svc. Chargebacks	4.9	6.0	8.3	10.7	2.5	29.8%
Inter-Dept. Charges	28.9	25.8	25.4	24.3	(1.2)	-4.6%
Trans To General Fund	27.1	6.5	0.0	0.0	0.0	*****
Other Suits & Damages	0.2	0.1	0.3	1.5	1.2	485.4%
Total	\$345.3	\$337.4	\$323.8	\$336.0	\$12.2	3.8%

- Headquarters expenses are increasing by \$12.2 million, or 3.8% from the 2011 adopted budget. The largest growth comes in salaries and debt service chargebacks offset by a decline in fringe benefits.
- Salaries include the deferments for all three police unions. Some of the police union wage increases for FY 08 and FY 09 were deferred until FY 12, and are included in the salary line, for a total of \$3.3 million.

- Overall, salaries are increasing by \$14.5 million, or 8.7%, in large part due to the elimination of the \$45.3 million negative salary adjustment included in the FY 11 budget. Also included in the salary line is a \$6.5 million savings from workforce reduction.
 - Overtime expense in Headquarters has been reduced \$17.0 million from the current budget.
- Fringe benefits in Police Headquarters are declining by \$5.6 million to \$97.6 million from the FY 11 budget. The decrease is attributed to savings from amortizing a portion of the pension bill and the inclusion of a 25% contribution towards health insurance from all active and retired employees.
- Pension costs for the Employee Retirement System (ERS) and the Police and Fire Retirement System (PFRS) are increasing by \$12.0 million or 41.6% due to increased pension contribution rates in FY 12.
 - The pension contribution rate for the retirement plan with the majority of uniform members is escalating from 18.4% to 21.2%.
 - The pension increase is being offset by \$8.2 million from the Administration's plan to amortize a portion of the pension bill.
- Health insurance costs are increasing by \$6.9 million or 12.2% to \$63.0 million due to an increase in health insurance premiums.

Police Headquarters, Expenses, Cont.

- The FY 12 budget for health insurance includes a growth rate of 13.3% for active and retired health insurance. The growth rate is very conservative based on New York State's Second Quarter Experience Report which estimates health insurance rates to increase by 9.4% in 2012.
- The health insurance budget has been offset by \$15.7 million from the inclusion of a 25% contribution from all active and retired employees.
- Social security costs are decreasing by roughly \$889,278 or 7.0% compared to the FY 11 budget to \$11.8 million in FY 12. The decrease can be attributed to lowered total salaries anticipated from the Administration's workforce reduction plan.



Crime Lab

On February 17, 2011, the Nassau County Crime Lab was ordered shut down indefinitely by County Executive Edward Mangano and District Attorney Kathleen Rice as a result of a national accreditation agency citing the lab for 26 violations and the ensuing investigation by the Inspector General for the State of New York. The investigation focuses on the lab's procedures for drug testing and other mishandling of evidence, the outcome of which could have significant financial ramifications to the County. In the meantime, the Police Department sends its drug testing to a lab in Pennsylvania. Additionally, the County has hired outside law firms to represent County employees in connection with the investigation. The FY 12 budget for contractual services includes about \$1.0 million for crime lab related expenses such as drug testing and expert witness testimony. It is unclear what the net cost for the crime lab problems will be since many cases may be reopened pending the outcome of the investigation. What is clear is that this potentially costly problem could stretch an already unforgiving budget.

Police Headquarters, Expenses, Cont.

- The FY 12 proposed budget includes \$3.5 million for worker’s compensation related costs, an increase of nearly \$0.2 million from the FY 11 adopted budget. This variance is due to a rate increase on new weekly indemnity claims, anticipated higher rates and increases in the State assessments.
- OTPS expense in Headquarters is increasing by \$3.1 million budget to budget. Most of the growth is in general expenses, at \$1.9 million, debt service chargebacks, at \$2.5 million and other suits & damages with \$1.2 million. Offsetting this rise is a decline of \$1.5 million in contractual services and a \$1.2 million in inter-departmental charges.
- The \$1.9 million increase in general expenses is due to a hike in gasoline and motor vehicle supplies along with greater investigative expenses, informational tech supplies and miscellaneous supplies and expense. The growth in motor vehicle supplies is associated with fleet services being transferred back into the Police Department from Public Works in FY 11.
- The debt service chargeback line of \$10.7 million, an increase of \$2.6 million over that of FY 11, accounts for the principal and interest payments on capital projects related to the Police Department.

Police District Expenses

Police District Expenses						
(\$'s in millions)						
Control Center	Historical		2011	2012	Exec. vs. Adpt	
	2009	2010	Adopted Budget	Executive Budget	Var.	%
Full-Time Headcount	1,765	1,719	1,680	1,654	(26)	-1.5%
Part-Time and Seasonal	375	416	425	420	(5)	-1.2%
Salaries	\$205.9	\$226.4	\$229.1	\$204.0	(\$25.1)	-11.0%
Fringe Benefits	98.3	97.0	108.8	105.2	(3.6)	-3.3%
Workers Compensation	5.7	5.4	6.9	7.3	0.3	4.8%
Equipment	0.1	0.4	0.3	0.2	(0.1)	-46.7%
General Expenses	2.6	3.7	3.7	4.2	0.5	14.2%
Contractual Services	0.8	1.1	1.0	0.9	(0.2)	-14.6%
Utility Costs	1.0	1.0	1.4	1.2	(0.2)	-11.2%
Debt Svc. Chargebacks	0.2	1.0	1.8	1.7	(0.1)	-4.9%
Inter-Dept. Charges	29.6	22.3	23.5	22.5	(1.0)	-4.4%
Other Suits & Damages	0.5	0.3	0.5	2.6	2.0	373.9%
Total	\$344.7	\$358.5	\$377.1	\$349.7	(\$27.4)	-7.3%

- District expenses are declining by \$27.4 million when comparing budget to budget.
- The \$25.1 million reduction in salaries is partly related to the decline in full-time (26) and part-time (5) headcount. However, like the Headquarters Fund, the salary line is underfunded because the proposed budget includes a \$9.3 million savings from initiatives line.
 - As with the Headquarters Fund, the Administration removed terminal leave from salary lines County-wide.

Police District, Expenses, Cont.

- Overtime expense for District has been reduced almost \$15 million.
- Fringe benefits in the Police District are decreasing by \$3.6 million from the FY 11 budget, consistent with the changes in Police Headquarters
- Health insurance costs for active and retired employees are increasing by \$4.4 million to \$59.9 million compared to FY 11 budget due to increased premiums.
- The health insurance cost has been offset by \$15.0 million from the inclusion of a 25% contribution cost towards health insurance from all active and retired employees.
- Social security costs are decreasing by \$652,425 compared to the FY 11 budget to \$14.1 million in FY 11. The decrease can be attributed to lowered total salaries from the reduced headcount anticipated from the Administration’s workforce reduction plan.
- Pension costs for the Employee Retirement System (ERS) and the Police and Fire Retirement System (PFRS) are increasing by \$4.3 million or 7.9% compared to FY 11.
 - The pension contribution rate for the retirement plan with the majority of uniform members is escalating from 18.4% to 21.2%.
- Offsetting the pension costs is \$9.1 million from amortizing a portion of the pension bill.
- The FY 12 proposed budget for includes \$7.3 million for worker’s compensation related costs, an increase of nearly \$0.3 million from the FY 11 adopted budget. This variance is due to a rate increase on new weekly indemnity claims, anticipated higher rates and increases in the State assessments.
- OTPS expenses are increasing by \$1.0 million in FY 11 mainly due to a \$2.0 million growth in other suits & damages.
- General expenses are growing by about \$500,000 due to increases of \$173,000 for motor vehicle supplies and \$425,000 for gasoline.
- Utility charges are going down by \$155,931 as a result of lower costs for fuel, light and telephone. Contractual services is decreasing by \$153,500 as a result of eliminating some leases for vehicles and reducing the number, currently 2,450 of non-emergency (non-911), phone lines within the Police Department.

Revenues

Revenue	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Permits & Licenses	\$2,808,036.70	\$2,356,084	\$3,728,447	\$3,728,447	\$3,728,500	\$53	0.0%	\$53	0.0%
Fines & Forfeits	1,058,552	959,900	1,750,000	1,750,000	1,750,000	0	0.0%	0	0.0%
Invest Income	161,642	116,630	288,549	288,549	288,700	151	0.1%	151	0.1%
Rents & Recoveries	660,094	1,888,471	750,000	387,591	200,000	(550,000)	-73.3%	(187,591)	-48.4%
Rev Offset To Expense	0	0	3,456,139	0	3,456,200	61	0.0%	3,456,200	*****
Dept Revenues	23,329,029	22,249,076	33,244,117	24,143,617	35,744,200	2,500,083	7.5%	11,600,583	48.0%
Cap Backcharges	1,969,124	1,123,739	1,751,043	1,751,043	1,812,400	61,357	3.5%	61,357	3.5%
Interdept Revenues	7,409,580	11,493,367	13,343,044	13,343,044	13,692,715	349,671	2.6%	349,671	2.6%
Debt Svc From Capital	0	0	0	0	3,000,000	3,000,000	*****	3,000,000	*****
Interfund Charges Rev	627,523	404,175	2,356,000	2,356,000	356,000	(2,000,000)	-84.9%	(2,000,000)	-84.9%
Fed Aid-Reimb Of Exp	378,606	124,823	3,664,463	1,064,463	1,664,600	(1,999,863)	-54.6%	600,137	56.4%
State Aid-Reimb Of Exp	2,194,428	244,634	2,589,000	589,000	589,000	(2,000,000)	-77.2%	0	0.0%
Property Tax	634,109,843	623,334,476	610,154,451	610,154,451	595,560,791	(14,593,660)	-2.4%	(14,593,660)	-2.4%
Special Taxes	23,600,643	23,845,401	23,900,995	23,900,995	23,901,000	5	0.0%	5	0.0%
Total	\$698,307,100	\$688,140,774	\$700,976,248	\$683,457,200	\$685,744,106	(\$15,232,142)	-2.2%	\$2,286,906	0.3%

- Revenues in FY 12 are declining by \$15.2 million, or 2.2%.
- Most of the decline is the result of a \$14.6 million decrease in the property tax allocation to the Police Department.
- Federal and state aid reimbursement is dropping by approximately \$4.0 million due to cutbacks on the state and federal levels.
- Interfund charges revenue is decreasing by \$2.0 million due to its removal in the District Fund.
- Offsetting these decreases are increases in debt service from capital for \$3.0 million, and department revenues for an additional \$3.0 million.

Police Headquarters Revenues

Police Headquarters Revenues						
(\$'s in millions)						
	Historical		2011	2012	Exec. vs. Adpt	
Control Center	2009	2010	Adopted Budget	Executive Budget	Var.	%
Permits & Licenses	\$0.4	\$0.5	\$0.9	\$0.9	\$0.0	0.0%
Invest Income	0.0	0.0	0.0	0.0	0.0	0.4%
Rents & Recoveries	0.4	1.0	0.4	0.0	(0.4)	-100.0%
Rev Offset To Expense	0.0	0.0	2.0	2.0	0.0	0.0%
Dept Revenues	19.9	19.0	29.8	29.8	0.0	0.0%
Cap Backcharges	2.0	1.1	1.8	1.8	0.1	3.5%
Interdept Revenues	7.0	11.2	12.8	13.3	0.6	4.4%
Debt Svc From Capital	0.0	0.0	0.0	1.0	1.0	*****
Interfund Charges Rev	0.4	0.4	0.4	0.4	0.0	0.0%
Fed Aid-Reimb Of Exp	0.4	0.1	3.7	1.7	(2.0)	-54.6%
State Aid-Reimb Of Exp	2.2	0.2	2.6	0.6	(2.0)	-77.2%
Property Tax	289.1	280.0	245.7	260.6	15.0	6.1%
Special Taxes	23.6	23.8	23.9	23.9	0.0	0.0%
Total	\$345.3	\$337.4	\$323.8	\$336.0	\$12.2	3.8%

Departmental Revenues (\$'s in thousands)				
Revenue Source	FY 10 Actual	FY 11 Budget	FY 11 Projected	FY 12 Proposed
Misc Receipts	\$86.9	\$174.3	\$125.0	\$174.3
Fees	263.9	300.0	250.0	300.0
Parking Meter-Fees	13.0	60.0	40.0	60.0
Ambulance Fees	18,413.8	29,100.0	24,100.0	29,100.0
Ambulance Fee Collections	65.5	50.0	50.0	50.0
Detective Div Fees	12.0	16.2	16.2	16.2
Games of Chance	1.7	2	2.0	2.0
Voluntary Fingerprint Card Fees	96	130	130.0	130.0
	\$18,952.5	\$29,832.5	\$24,713.2	\$29,832.5

- The Headquarters revenue budget is increasing in FY 12 by \$12.2 million or 3.8%. Driving the change is a \$15.0 million increase in the property tax revenue allocated to Headquarters offset by a combined \$4.0 million reduction in federal and state aid reimbursement.
- Revenue for departmental revenue remains flat to the FY 11 budget. However, OLBR's FY 11 projection for ambulance fees is currently \$5.0 million below the budget of \$29.0 million.

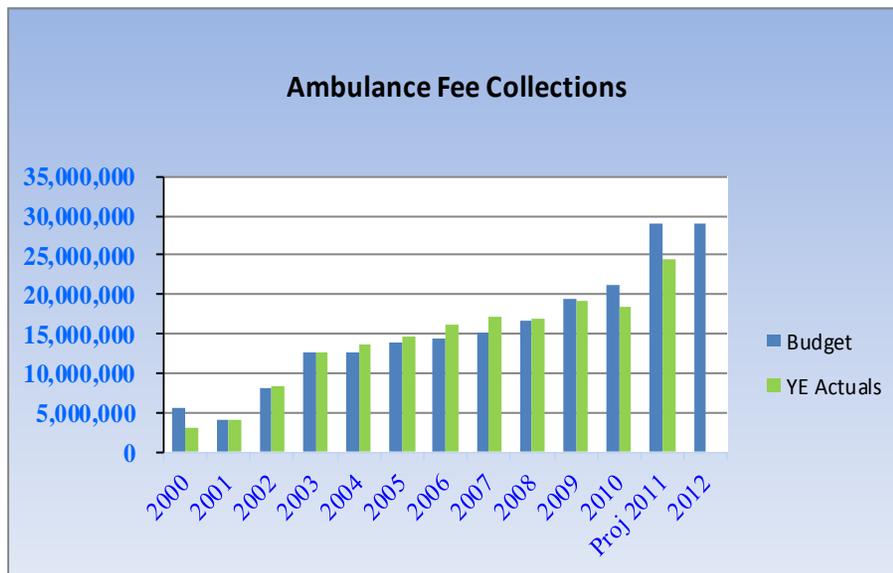
Ambulance Fees

In department revenues the proposed budget for ambulance fees is flat with the FY 11 budget but \$5.0 million greater than the OLBR projection. In FY 11, the Administration had proposed and implemented raising fees for type of care and mileage over 100%. Increasing rates, purchasing four new ambulances, along with an annual 2.8% CPI increase in billing rates and an additional two posts were the basis for the budgeted increase in FY 11. In FY 09 the vendor that manages the billing for the Department implemented new technology that greatly enhanced the transfer of patient information thereby expediting the billing process. Additionally, the Administration hired a new collection vendor by late FY 10 to improve the collection process. To date, the expectations for increased revenue appear to have fallen short. The department is confident it will achieve budgeted targets of \$29.1 million but September 2011 actuals of \$13.3 million are lagging. OLBR projects \$24.1 million for FY 11 and FY 12.



Police District Revenues

Police District Revenues						
(\$'s in millions)						
	Historical		2011	2012	Exec. vs. Adpt	
Control Center	2009	2010	Adopted Budget	Executive Budget	Var.	%
Permits & Licenses	2.4	1.9	2.8	2.8	0.0	0.0%
Fines & Forfeits	1.1	1.0	1.8	1.8	0.0	0.0%
Invest Income	0.1	0.1	0.3	0.3	0.0	0.0%
Rents & Recoveries	0.2	0.9	0.4	0.2	(0.2)	-42.9%
Rev Offset to Expense	0.0	0.0	1.5	1.5	0.0	0.0%
Dept Revenues	3.5	3.3	3.4	5.9	2.5	73.3%
Interdept Revenues	0.4	0.3	0.6	0.4	(0.2)	-37.8%
Debt Svc From Capital	0.0	0.0	0.0	2.0	2.0	*****
Interfund Charges Rev	0.2	0.0	2.0	0.0	(2.0)	-100.0%
Property Tax	345.0	343.4	364.5	334.9	(29.5)	-8.1%
Total	\$353.0	\$350.8	\$377.1	\$349.7	(\$27.4)	-7.3%



- District revenues are declining by \$27.4 million, or 7.3%, from the adopted FY 11 budget.
- Most of the decrease is due to an 8.1%, or \$29.5 million reduction in the property tax revenue allocated to District. This decline is offset by a growth of \$2.5 million, or 73.3%, in departmental revenues.
- The chart on the following page illustrates that departmental revenues are increasing \$2.5 million due to a contract for a new tow truck franchise which will give the vendor exclusive rights to tow vehicles that have been in accidents or in need of repair. The department anticipates generating about \$1.5 million from this contract.

Departmental Revenues				
(\$'s in thousands)				
Revenue Source	FY 10 Actual	FY11 Budget	FY 11 Projected	FY 12 Proposed
Misc Receipts	\$0	\$0	\$0	\$1,000
Fees	175.0	250.0	250.0	250.0
Tow Truck Franchise Fee	131.6	232.9	232.9	1,733.0
Village Fees	2,989.9	2,928.7	2,928.7	2,928.7
	\$3,296.6	\$3,411.6	\$3,411.6	\$5,911.7

- Debt service from capital has been added for \$2.0 million in FY 12 to cover the cost of other suits and damages. The revenue will come from issuance of new debt.

- Fees are remaining flat budget to budget. Accident and aided fees are fees collected when an accident report has been generated by the Police Department upon request after an accident.
- The increase for miscellaneous receipts is related to legislation the department will introduce before the end of FY 11 that will seek reimbursement for special details that work private events such as the Belmont Stakes.

Multi-Year Plan

- The chart on the following page shows a significant growth in salaries in the out years. This is due to COLAs awarded in the PBA, DAI, SOA and CSEA contracts. Salaries in the out-years include union salary deferrals and the continuation of savings from initiatives related to workforce reductions.
- The fringe benefits line is increasing by \$40.9 million or 20.2% to \$243.7 million in FY 2015 due mostly to increased health insurance, social security and unemployment costs. The MYP continues to offset health insurance costs with a 25% premium contribution from all active and retired employees. Also offsetting the increase, are pension expenses which are projected to decline in FY 2015 due to lower contribution rates. In addition, the out-years do not include amortizing a portion of the pension expense.
- OTPS expenditures are expected to remain essentially flat over the next four years 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 in the future.
- The charts indicate a steady climb in the gap between expenses and revenues in both funds into the out-years due to significant increases in personal services.
- With no planned increase in revenue for the out-years, funding for the dramatic salary increases is problematic. The charts demonstrate the Administration's baseline and gap for the outyears, prior to any gap-closing measures.

Expenses

Expense	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	610	504	526	453	471	(55)	-10.5%	18	4.0%
Part-Time and Seasonal	68	118	133	47	18	(115)	-86.5%	(29)	-61.7%
Other Expense	\$0	\$0	\$0	\$0	\$0	\$0	*****	\$0	*****
Salaries	40,964,650	36,527,976	36,262,487	35,453,322	26,537,741	(9,724,746)	-26.8%	(8,915,581)	-25.1%
Workers Compensation	1,463,071	1,705,798	1,900,743	1,667,201	2,040,200	139,457	7.3%	372,999	22.4%
Equipment	404,342	121,788	166,324	102,054	93,000	(73,324)	-44.1%	(9,054)	-8.9%
General Expenses	6,702,462	5,858,076	4,605,498	5,213,729	4,631,300	25,802	0.6%	(582,429)	-11.2%
Contractual Services	5,574,219	6,625,350	8,489,009	6,078,910	5,690,791	(2,798,218)	-33.0%	(388,119)	-6.4%
Utility Costs	27,754,899	28,311,942	27,401,896	30,801,896	27,329,340	(72,556)	-0.3%	(3,472,556)	-11.3%
Inter-Dept. Charges	7,838,295	0	8,821,229	8,821,229	13,480,936	4,659,707	52.8%	4,659,707	52.8%
Total	\$90,701,939	\$79,150,930	\$87,647,186	\$88,138,341	\$79,803,308	(\$7,843,878)	-8.9%	(\$8,335,033)	-9.5%

- The Department of Public Works (DPW) proposed FY 12 budget is decreasing by \$7.8 million or 8.9%, from the FY 11 adopted. Every expense category except for workers' compensation, general expenses and inter-departmental charges has been reduced.
- The contractual services expense has decreased by \$2.8 million or 33.0%, from the FY 11 adopted. The largest decrease is for custodial services followed by miscellaneous services, engineering and sanitary solid waste disposal.
 - The custodial, miscellaneous and sanitary solid waste disposal services are in the proposed FY 12 budget, for the Parks Department.
- The workers' compensation expense has increased by \$139,457 or 7.3%, from the FY 11 adopted.
 - The New York State Workers Compensation Board has increased the indemnity rates by 4.2% from \$739.83 to \$773.00. This increase is significantly less than the 23% from \$600.00 to \$739.83 per week that occurred in 2011.
- The proposed budget contains 55 fewer full-time and 115 fewer part-time/seasonal positions than the FY 11 adopted. The salaries line has decreased by \$9.7 million or 26.8%.
 - The salaries line has been reduced by a negative adjustment of \$6,432,144 representing the savings to be achieved from lay-offs.

Expenses, Cont.

- The inter-departmental charges expense has been increased by \$4.66 million or 52.8%. The increases are \$2.64 million in Facility Management and \$1.22 million in Fleet and \$0.8 million in Planning. This charge is allocated by Office of Management and Budget.

Expenses by Control Center							
(\$'s in millions)							
Control Center	Historical		2011	2012	Exec. vs. Adopted		
	2009	2010	Adopted Budget	Exec. Budget	Var.	%	
Administration	\$4.2	\$4.1	\$4.6	\$5.1	\$0.4	9.3%	
Engineering	11.9	13.3	14.3	13.8	-0.5	-3.6%	
Operations	61.8	55.7	62.5	53.2	-9.3	-14.9%	
Fleet Management	12.8	6.0	6.2	7.7	1.6	25.4%	
Total	90.7	79.2	87.6	79.8	-7.8	-8.9%	

- The chart above shows DPW’s expenses by control center.
- The operations control center has been impacted by a reduction in salaries, equipment, general expenses and contractual services costs. The decrease is due to the transfer of Parks Maintenance Workers returning to the Parks Department in January 2011 via a board transfer.
 - The FY 12 DPW budget was decreased by a total \$4.5 million as a result of the movement. Salaries totaled \$3.6 million while OTPS was \$0.9 million.
- The largest across the board reductions have occurred in salaries and contractual services while the largest increase was in inter-departmental charges.

2011 Parks Maintenance Workers Transfer		
	FY 11	FY 11
	Hdct	Budget
DPWGEN0215		
AA - SALARIES, WAGES & FEES	(98)	(3,650,579)
BB - EQUIPMENT		(13,450)
DD - GENERAL EXPENSES		(222,652)
DE - CONTRACTUAL SERVICES		(643,983)
Total DPW	(98)	(4,530,664)
PARKSGEN2200		
AA - SALARIES, WAGES & FEES	98	3,650,579
BB - EQUIPMENT		13,450
DD - GENERAL EXPENSES		222,652
DE - CONTRACTUAL SERVICES		643,983
Total PARKS	98	4,530,664

Parks Maintenance Workers

The FY 12 budget reflects the re-alignment of 98 budgeted positions out of the Department of Public Works and back into the Parks Department which occurred in January 2011. These employees are included in the FY 11 adopted budget but were moved out via a board transfer.

There were 53 full-time and 45 part-time positions. The positions are Eqpt Operator I, Eqpt Operator II, Eqpt Operator III, Rec&Pks Mower Lead Mechanic, Maint Mason, Pls&Rks Mnt Spvr III, Groundskeeper I , Groundskeeper III, Superintendent Of Parks Maintenance, Maint Mechanic I, Maint Mechanic II, Laborer I, Laborer I Seasonal, Laborer I PT, Laborer II PT and Park Worker P/T.

Staffing Analysis						
	FY 11 <u>Adopted</u>	Sept-11 <u>Actual</u>	FY 12 <u>Request</u>	FY 12 <u>Executive</u>	Exec. vs 11 <u>Adopt</u>	Exec. vs <u>Actual</u>
CC Full-Time Staffing						
00 Administration	34	31	29	29	(5)	(2)
01 Engineering	106	99	119	119	13	20
02 Operations	356	295	293	293	(63)	(2)
03 Fleet Management	30	28	30	30	0	2
Total Full-Time	<u>526</u>	<u>453</u>	<u>471</u>	<u>471</u>	<u>(55)</u>	<u>18</u>
CC Part-Time and Seasonal						
00 Administration	9	7	5	5	(4)	(2)
01 Engineering	1	1	10	10	9	9
02 Operations	120	36	2	2	(118)	(34)
03 Fleet Management	3	3	1	1	(2)	(2)
Total Part-Time and Seasonal	<u>133</u>	<u>47</u>	<u>18</u>	<u>18</u>	<u>(115)</u>	<u>(29)</u>

Operations

This control center had the largest headcount reduction within Public Works.

This is largely due to the Parks Maintenance Workers being transferred back to the Parks Department. The impact was a decrease of 53 full-time and 45 part-time and seasonal employees.

The transfer occurred in January of this year.



Full-Time Staffing Analysis						
	FY 11	Sept-11	FY 12	FY 12	Exec. vs	Exec. vs
	Adopted	Actual	Request	Executive	11 Adopt	Actual
00 Division of Administration						
Capital Management Office	0	2	0	0	0	(2)
Administration Unit	34	29	29	29	(5)	0
Total for Control Center	34	31	29	29	(5)	(2)
01 Division of Engineering						
Architect./Building Design	12	8	8	8	(4)	0
Water/Wastewater Engr. Unit	24	23	23	23	(1)	0
Groundwater Remed. Sect.	2	2	2	2	0	0
Civil/Site Engineering Unit	8	10	10	10	2	0
Traffic Engineering Unit	18	14	14	14	(4)	0
Traffic Safety Board	2	2	2	2	0	0
Construction Mgmt. Unit	40	40	40	40	0	0
Planning	0	0	20	20	20	20
Total for Control Center	106	99	119	119	13	20
02 Division of Operations						
Facil. Mgmt. Unit	144	141	141	141	(3)	0
Parks Maintenance	53	0	0	0	(53)	0
Road Maint. Unit	111	110	108	108	(3)	(2)
Bridge Operations Section	11	9	9	9	(2)	0
Drain Maint./Strm W tr Maint.	22	21	21	21	(1)	0
Mosquito Control Section	4	4	4	4	0	0
Traffic Maintenance Section	11	10	10	10	(1)	0
Total for Control Center	356	295	293	293	(63)	(2)
03 Division of Fleet Management						
Fleet Management	30	28	30	30	0	2
Police Fleet Group (PDD)	0	0	0	0	0	0
Total Full-Time	526	453	471	471	(55)	18

Full-Time Headcount

The chart at the left details DPW’s full-time staffing. It also reflects the transfer of the parks maintenance workers.

In total, DPW’s budgeted headcount is decreasing by 170 positions of which 55 are full-time employees.

Some of the positions that were eliminated in the FY 12 proposed budget are Equipment Operators, Maintenance Mechanics, Civil Engineers, Construction Inspectors Traffic Engineers and Deputy Commissioners for Public Works.

These positions are in addition to the transfer of Park Maintenance Workers.

Part-Time and Seasonal Staffing Analysis						
	FY 11 <u>Adopted</u>	Sept-11 <u>Actual</u>	FY 12 <u>Request</u>	FY 12 <u>Executive</u>	Exec. vs 11 <u>Adopt</u>	Exec. vs <u>Actual</u>
00 Division of Administration						
Administration Unit	9	7	5	5	(4)	(2)
Total for Control Center	9	7	5	5	(4)	(2)
01 Division of Engineering						
Civil/Site Engineering Unit	1	1	1	1	0	0
Planning	0	0	9	9	9	9
Total for Control Center	1	1	10	10	9	9
02 Division of Operations						
Facil. Mgmt. Unit	23	10	2	2	(21)	(8)
Parks Maintenance	45	0	0	0	(45)	0
Road Maint. Unit	52	26	0	0	(52)	(26)
Snow Operations	0	0	0	0	0	0
Total for Control Center	120	36	2	2	(118)	(34)
03 Division of Fleet Management						
Fleet Management	3	3	1	1	(2)	(2)
Total for Control Center	3	3	1	1	(2)	(2)
Total Part-Time and Seasonal	<u>133</u>	<u>47</u>	<u>18</u>	<u>18</u>	<u>(115)</u>	<u>(29)</u>

Part-Time Headcount

The FY 12 proposed part-time headcount is decreasing by 115 positions from the FY 11 budget.

Some of the positions that were eliminated in the FY 12 proposed budget are Laborers P/T, Sign Painter, Maintenance Mechanic, Clerks and Laborer Seasonal.

These positions are in addition to the transfer of Park Maintenance Workers.

Facility Management

The specific part-time positions that were eliminated from the FY 12 proposed budget in the Facility Management Unit are Custodial Workers, Laborers, Sign Painter, Maintenance Mechanic I Park Worker and Laborer Seasonal.



Road Maintenance

All the Laborer I Seasonal positions were eliminated in the Road Management Unit.

Revenue	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Permits & Licenses	\$380,884	\$398,124	\$1,292,532	\$1,292,532	\$1,292,600	\$68	0.0%	\$68	0.0%
Fines & Forfeits	0	0	0	0	10,000	10,000	*****	10,000	*****
Rents & Recoveries	741,291	2,211,542	0	1,090,814	0	0	*****	(1,090,814)	-100.0%
Dept Revenues	958,189	492,467	920,000	943,444	1,779,000	859,000	93.4%	835,556	88.6%
Cap Backcharges	5,574,760	4,076,001	4,694,639	4,694,639	5,420,164	725,525	15.5%	725,525	15.5%
Interdept Revenues	18,518,659	8,863,079	8,718,321	8,718,321	8,154,796	(563,525)	-6.5%	(563,525)	-6.5%
Due Fr Govts - Due From	0	0	0	291,390	0	0	*****	(291,390)	-100.0%
Interfund Charges Rev	3,283,402	3,637,880	3,630,000	3,630,000	3,630,000	0	0.0%	0	0.0%
Fed Aid-Reimb Of Exp	0	635,560	0	3,345,900	25,000	25,000	*****	(3,320,900)	-99.3%
State Aid-Reimb Of Exp	59,537	327,259	55,000	223,562	100,000	45,000	81.8%	(123,562)	-55.3%
Total	\$29,516,722	\$20,641,912	\$19,310,492	\$24,230,602	\$20,411,560	\$1,101,068	5.7%	(\$3,819,042)	-15.8%

Revenues

- DPW’s proposed FY 12 revenue budget is increasing by \$1.1 million or 5.7%, from the FY 11 adopted amount.
 - The Planning Department’s revenue of \$1.3 million is now included within the Department of Public Works.
- Capital back-charges are generated by those operating costs related to capital project planning carried out by DPW personnel, which are charged back to the appropriate capital project. The FY 12 increased by 15.5% or \$725,525 versus the FY 11 budget.
- Rents and recoveries revenue is not budgeted in FY 12. There are no prior year recoveries anticipated.
- The interdepartmental revenues decreased by \$563,525 or 6.5% which is the net a Facility Management decrease combined with an increase in Fleet Management.

➤ The chart below details DPW’s departmental revenues.

	Departmental Revenues			
	FY10 Actual	FY11 Budget	FY11 Projected	FY12 Proposed
Misc Receipts	\$ 351,724	\$ 610,000	\$ 341,563	\$ 610,000
Fees	0	0	50,206	165,000
Concessions	0	0	0	750,000
Subdivision Plan Review	0	150,000	29,753	50,000
Non-Stormwater Discharges-Sto	0	10,000	9,734	3,000
Contractua	0	0	273,253	0
Plans	70,231	51,000	95,589	80,000
Adopt-A-Highway Program	0	0	0	0
Subdivision Inspection Fees	0	0	0	36,000
Waste Disp	0	0	55,290	0
Reimb Expenses Igt	5,147	0	29,605	0
Reimb Expenses General	0	25,000	0	0
Rule Book Sales	3,125	1,000	2,106	3,000
Film & Advert Activities		0	0	22,000
Subdivision Plan Review	30,206	15,000	31,311	30,000
239-K Review	32,034	58,000	25,034	30,000
Grand Total	\$492,467	\$920,000	\$943,444	\$ 1,779,000

- The proposed FY 12 departmental revenues line, which includes the revenues formerly in the Planning Department, is expected to increase by 93.4% or \$859,000 versus the FY 11 adopted amount.

Departmental Consolidation (\$ in millions)						
	<u>Historical</u>		<u>2011</u>	<u>2012</u>	<u>Exec. vs. Adopted</u>	
	2009	2010	Adopted Budget	Executive Budget	Var.	%
<u>Planning Department</u>						
Full-Time Headcount	20	17	22	-	(22)	-100.0%
Part-Time & Seasonal Headcount	9	11	10	-	(10)	-100.0%
Expenses	49,871,738	49,175,882	50,966,232	-	(50,966,232)	-100.0%
Revenue	1,439,121	1,141,521	1,331,000	-	(1,331,000)	-100.0%
<u>Public Works Department</u>						
Full-Time Headcount	610	504	526	471	(55)	-10.5%
Part-Time & Seasonal Headcount	68	118	133	18	(115)	-86.5%
Expenses	90,701,939	79,150,930	87,647,186	79,803,308	(7,843,878)	-8.9%
Revenue	29,516,722	20,641,912	19,310,492	20,411,560	1,101,068	5.7%
<u>Consolidated Totals</u>						
Full-Time Headcount	630	521	548	471	(77)	-14.1%
Part-Time & Seasonal Headcount	77	129	143	18	(125)	-87.4%
Expenses	140,573,677	128,326,812	138,613,418	79,803,308	(58,810,110)	-42.4%
Revenue	30,955,843	21,783,433	20,641,492	20,411,560	(229,932)	-1.1%

- In May 2011, the Department of Public Works was merged with the Department of Planning. The 2012 proposed budget reflects this merger.
- Included in the Engineering control center are many of the salaries, expenses and revenues of the Planning Department.
- It should be noted that the transportation function of the Department of Planning was merged with the Office of Real Estate Planning and Development.
- The Department of Public Works, Engineering control center now includes funding for 20 full-time employees and 9 part-time employees who were previously included in the Planning Department.

DPW Expenses by Responsibility Center, From Planning						
(\$'s in millions)						
Responsibility Center	Historical		2011	2012	Exec. vs. Adopted	
	2009	2010	Adopted Budget	Exec. Budget	Var.	%
0175 - Planning						
AA- Salaries	\$1.61	\$1.72	\$1.71	\$1.33	-0.4	-22.4%
DE - Contractual Services	0.13	0.07	0.08	0.04	0.0	-55.1%
HF- Inter-Departmental Charges	0.0	0.0	1.0	0.8		
Total Expenses	1.7	1.8	2.8	2.2	0.0	-15.3%

- The above chart details the Planning responsibility center now included in the DPW, Engineering control center.
- The salary costs reflect the projected salaries for 20 full-time employees, as well as health insurance buyback, supper money, and overtime.
- The salary line also includes \$218,679 as savings from initiative. It is unclear how the Department will cover these savings.
- No funding was granted for the Department’s terminal leave request. The Administration plans to bond this expense.
- The contractual services line includes funding for both software and miscellaneous contracts.
- The miscellaneous contractual service budget is funding both stenography services and soil & water conservation district services.
- The Planning responsibility center inter-departmental charges reflect information technology, telecommunication and indirect charges.

DPW Revenues by Responsibility Center, From Planning						
(\$'s in millions)						
Responsibility Center	Historical		2011	2012	Exec. vs. Adopted	
	2009	2010	Adopted Budget	Exec. Budget	Var.	%
0175 - Planning						
BD-Fines & Forfeits	0.00	0.00	0.01	0.01	0.0	0.0%
BF-Rents & Recoveries	0.08	0.03	0.00	0.00	0.0	*****
BH-Dept Revenues	1.24	0.81	0.99	0.97	0.0	-2.0%
BI - Cap backcharges	0.00	0.13	0.30	0.32	0.0	4.1%
BW - Interfund Charges	0.00	0.23	0.00	0.00	0.0	*****
FA - Federal Aid	0.11	-0.06	0.03	0.03	0.0	0.0%
Total without Inter. Trans.	1.44	1.14	1.33	1.32	0.0	-0.6%

- The above chart details the revenues moved to the Planning responsibility center of DPW from the Planning Department.
- The proposed 2012 revenues are unchanged from the adopted FY 11 level.
- The fines & forfeits revenue is collected when a developer does work without planning commission approval.
- Federal Aid for the department is unchanged at the adopted 2011 level. The aid money is received as reimbursement from a Town of North Hempstead project. It is available from a federal drawdown.
- The \$315,500 capital back charge revenues are for SEQRA related Hub and Master Plan work.
- As the department’s employees are devoting more time to Hub and Master Plan work, their salaries are being charged back to the respective capital project.
- The department had received interfund charges revenue from the Grant fund for reimbursable overhead costs. These revenues are now included in the AA, salaries line. They are detailed as salaries allocable to grants. The expense is credited.

- An itemization of the Departmental Revenues may be found below.

DPW Departmental Revenues From Planning Itemization			
Revenue Source	2010 Actual Collections	2011 Adopted Budget	2012 Proposed Budget
Fees	\$100,850	\$150,000	\$165,000
Concessions	0	787,000	750,000
Subdivision Inspection Fees	16,920	36,000	36,000
Film & Advertising Activities	36,100	20,000	22,000
Total	\$153,870	\$993,000	\$973,000

Red Light Camera (RLC) Revenue

The DPW RLC inter-departmental revenue of \$51,157 is for RLC functions performed by DPW. The operations consist of Engineers' review, Field Inspectors' examination and Traffic Safety's reporting requirements.

- Total Planning responsibility center revenues are decreasing 2.0% from the adopted 2011 level. The decrease is a function of lower concession revenues.
- These concession revenues originate from a ten-year contract between Nassau County and Signal Outdoor Advertising LLC. Signal was given the exclusive franchise to build, maintain, and place advertising on waiting facilities at public bus stops.
 - Signal pays the County a percentage of the revenues with an annual minimum of \$750,000.
- The subdivision inspection fee and film & advertising 2012 budgets are correlated with the 2010 actuals.
- The 2012 subdivision inspection fee budget is based upon closing one average major subdivision.

Local Law 5-2011 Merging the Department of Planning into the Department of Public Works

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

Upon passage of the local law, the Department of Planning became a Planning division within the Department of Public Works. The Planning administrative staff merged into DPW responsibility centers.

The merger is intended to generate operational efficiencies by eliminating duplicative work relating to the planning, design and construction phases of road improvement, streetscape, and traffic projects.

Finance Authority and District

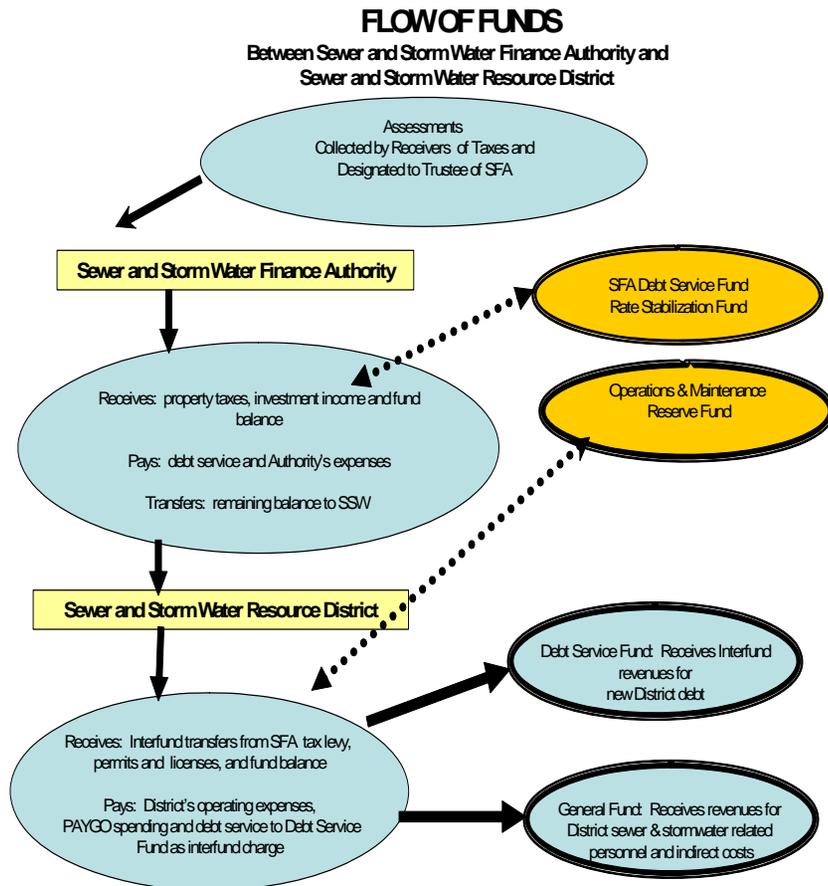
The Nassau County Sewer and Storm Finance Authority (the Authority) and a consolidated County-Wide Sewer & Storm Water District (the District) were established in 2003 to work collectively to carry out the County's sewer and storm water functions in a fiscally prudent and efficient manner. The Authority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

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

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

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

Flow of Funds



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

FY 2011 Budget - Sewer and Storm Water Finance Authority

Expense	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Contractual Services	\$511,782	\$281,688	\$950,000	\$500,000	\$950,000	\$0	0.0%	\$450,000	90.0%
Interest	8,279,246	8,321,256	7,992,356	7,992,356	7,678,894	(313,462)	-3.9%	(313,462)	-3.9%
Principal	6,545,000	7,295,000	7,360,000	7,360,000	7,800,000	440,000	6.0%	440,000	6.0%
Trans Out To SSW	62,144,424	70,084,737	0	0	0	0	*****	0	*****
Trans To SSW For Debt Svc	36,000,457	33,969,639	102,929,459	102,759,459	100,872,046	(2,057,413)	-2.0%	(1,887,413)	-1.8%
Total	\$113,480,909	\$119,952,319	\$119,231,815	\$118,611,815	\$117,300,940	(\$1,930,875)	-1.6%	(\$1,310,875)	-1.1%

Expenses

- FY 12 expenses for the Sewer & Storm Water Finance Authority are decreasing by 1.6% or \$1.9 million, when compared to the FY 11 adopted budget.
- SFA retains sufficient funding to pay its operating expenses and debt service costs and transfers the remainder to the District.
- Contractual services will remain consistent with FY 11 levels.
 - These costs represent fees for letters of credit, rating agency fees, audit fees and miscellaneous fees.
- The Administration believes that there will be savings in the contractual services line for the current year. Subsequently, OLBR has lowered its projection to \$500,000.
- The SFA debt service in FY 12 is \$15.5 million.
- The FY 12 transfer to the Sewer and Storm Water District is increasing by 2.0% or \$2.1 million.



Revenue	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Invest Income	\$177,456	\$30,272	\$200,000	\$30,000	\$30,000	(\$170,000)	-85.0%	\$0	0.0%
Property Tax	110,036,805	116,037,607	119,031,815	119,031,815	117,270,940	(1,760,875)	-1.5%	(1,760,875)	-1.5%
Total	\$110,214,261	\$116,067,879	\$119,231,815	\$119,061,815	\$117,300,940	(\$1,930,875)	-1.6%	(\$1,760,875)	-1.5%

Revenue

- Revenue is declining in FY 12 by \$1.9 million or 1.6%, due to a property tax decrease of \$1.8 million or 1.5% compared to the FY 11 adopted budget.
- Investment income is also decreasing in FY 12 but is in-line with the current year’s projections. The income is decreasing by \$170,000 or 85.0%, when compared to the adopted FY 11 budget which is a reflection of the current economic environment.

Sewer and Storm Water Financing Authority				
Multi Year Plan				
EXPENSE	2012 Proposed	2013 Proposed	2014 Proposed	2015 Proposed
DE - Contractual Services	950,000	950,000	950,000	950,000
FF - Interest	7,678,894	7,309,831	6,956,531	6,606,881
GG - Principal	7,800,000	7,955,000	8,425,000	8,545,000
LZ - Trans Out To SSW For Debt Service	100,872,046	101,116,109	101,029,409	101,289,059
EXPENSE TOTAL	117,300,940	117,330,940	117,360,940	117,390,940
REVENUE				
BE - Invest Income	30,000	60,000	90,000	120,000
TL - Property Tax	117,270,940	117,270,940	117,270,940	117,270,940
REVENUE TOTAL	117,300,940	117,330,940	117,360,940	117,390,940

- The table above indicates the Administration’s MYP baseline for the Authority.
 - The Sewer Finance Authority MYP does not show any property tax increases in the out-years.

Sewer and Storm Water Resource District

Expense	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	262	239	294	267	277	(17)	-5.8%	10	3.7%
Part-Time and Seasonal	2	2	0	1	2	2	*****	1	100.0%
Other Suits & Damages	\$0	\$0	\$525,313	\$525,313	\$538,500	\$13,187	2.5%	\$13,187	2.5%
Salaries	18,002,854	17,345,270	19,124,473	18,631,950	18,541,440	(583,033)	-3.0%	(90,510)	-0.5%
Fringe Benefits	9,017,196	8,752,309	9,684,548	10,510,296	9,671,972	(12,576)	-0.1%	(838,324)	-8.0%
Equipment	137,445	55,759	329,500	329,500	323,900	(5,600)	-1.7%	(5,600)	-1.7%
General Expenses	9,533,684	10,174,986	14,731,643	14,731,643	14,540,674	(190,969)	-1.3%	(190,969)	-1.3%
Contractual Services	18,536,449	21,315,605	22,150,297	22,150,297	24,020,600	1,870,303	8.4%	1,870,303	8.4%
Utility Costs	10,920,567	10,011,490	13,454,596	13,454,596	10,749,300	(2,705,296)	-20.1%	(2,705,296)	-20.1%
Interest	8,178,398	8,347,671	10,037,190	10,037,190	9,143,079	(894,111)	-8.9%	(894,111)	-8.9%
Principal	25,300,500	21,895,500	17,771,989	17,771,989	16,677,500	(1,094,489)	-6.2%	(1,094,489)	-6.2%
Interfund Charges	27,869,632	27,335,437	35,122,475	35,122,475	36,720,711	1,598,236	4.6%	1,598,236	4.6%
Operations & Man. Reser	0	0	20,557,066	20,557,066	20,557,100	34	0.0%	34	0.0%
Total	\$127,496,725	\$125,234,028	\$163,489,090	\$163,822,315	\$161,484,776	(\$2,004,314)	-1.2%	(\$2,337,539)	-1.4%

Expenses

- FY 12 expenditures are declining by 1.2% or \$2.0 million as compared to the FY 11 adopted budget which is a result of reductions in salaries, general expenses, utility costs, interest and principal.
- The FY 12 salaries are decreasing by 3.0% or \$0.6 million which is due to no terminal leave being budgeted and headcount being reduced by 17 budgeted full-time employees.
 - These costs are for sewer related personnel and do not include salaries that are paid to the General Fund for Public Works employees who are assigned to storm water functions.
- The FY 12 fringe benefits expense is declining 0.1% from FY 11 adopted level. This is due to anticipated savings of \$2.0 million for active and retiree health insurance contribution of 25% and \$0.7 million in fringe savings related to amortizing a portion of the annual pension bill.

Expenses, Cont.

- For the past several years, the Sewer and Storm Water District has been dealing with an ongoing staffing issue. The positions that continue to be difficult to fill are Laborer I, Sewer Maintenance Workers I and II, Equipment Operators, Sewage Maintenance Worker I and II, Plant Maintenance Mechanic II and Plant Maintenance Supervisor I and II.
- The FY 12 utility costs expense is decreasing by \$2.7 million or 20.1% as compared to the FY 11 adopted budget.
 - The sewer utility costs have been analyzed by the department and new budgetary requirements have been produced for 2012. The Office of Management and Budget is projecting the current FY 11 adopted budget of \$13.4 million in their second quarter report. The lower utility costs appear to be a risk in the FY 12 proposed budget.
- The FY 12 OTPS costs for equipment, general expenses utilities are decreasing by 10.2% or \$2.9 million versus the FY 11 budget.
- The FY 12 contractual services expense has increased by \$1.9 million or 8.4%, from the FY 11 adopted. The largest increase is for miscellaneous services, specifically for waste recycling and bio-solids treatment, and sludge disposal.
- Principal and interest are decreasing by a combined total of \$2.0 million as compared to FY 11.
- The FY 12 interfund charges expense is increasing by \$1.6 million or 4.6% as compared to the FY 11 adopted budget. The increase in FY 12 is due to growth in the amount of interest and principal expense on County and NIFA debt. The interfund charges consist of \$19.7 million for indirect cost chargeback, \$0.6 million for County Attorney charges and \$16.4 million for the capital debt service charges of NIFA issued bonds or General Obligation bonds for past capital projects.
- The operations and maintenance reserve fund must equal 25% of the District's budgeted operating expenses. It is remaining consistent with FY 11 adopted levels and OLBR projections.



Revenue	Historical		2011		2012	Exec. vs. Adopted		Exec. vs. Projected	
	2009	2010	Adopted Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$59,495,437	\$52,784,573	\$35,537,547	\$35,870,772	\$15,594,836	(\$19,942,711)	-56.1%	(\$20,275,936)	-56.5%
Permits & Licenses	316,180	297,436	709,800	709,800	734,800	25,000	3.5%	25,000	3.5%
Invest Income	1,875,766	1,132,743	1,338,556	1,338,556	1,141,500	(197,056)	-14.7%	(197,056)	-14.7%
Rents & Recoveries	3,284,590	1,315,183	1,770,901	1,770,901	71,000	(1,699,901)	-96.0%	(1,699,901)	-96.0%
Rev Offset To Expense	0	0	164,805	164,805	164,900	95	0.1%	95	0.1%
Dept Revenues	1,566,370	2,031,875	20,604,110	20,604,110	40,004,300	19,400,190	94.2%	19,400,190	94.2%
Cap Backcharges	592,922	392,600	433,912	433,912	650,000	216,088	49.8%	216,088	49.8%
Debt Svc From Capital	0	335,000	0	0	0	0	*****	0	*****
Due Fr Govts - Due From	0	0	0	0	2,251,394	2,251,394	*****	2,251,394	*****
Interfund Transfers	98,144,880	104,054,375	102,929,459	102,929,459	100,872,046	(2,057,413)	-2.0%	(2,057,413)	-2.0%
Total	\$165,276,631	\$162,343,785	\$163,489,090	\$163,822,315	\$161,484,776	(\$2,004,314)	-1.2%	(\$2,337,539)	-1.4%

Revenue

- FY 12 overall revenue for the District is declining \$2.0 million, or 1.2%.
- The FY 12 rents and recoveries line has decreased by \$1.7 million or 96.0% which is due to no prior year recoveries being budgeted.
- The fund balance line in the chart above shows the amount appropriated in each year, which includes the funding for the O&M reserve (\$26.4 million in FY 09, \$24.3 million in FY 10 and \$20.5 million in FY 11).
 - In FY 12 only \$15.6 million in fund balance is needed to meet the 25% O&M reserve requirement. Other revenues will make up the difference. This means that the fund balance will not be needed to cover any operating expense other than the O&M reserve.
- Fund balance is decreasing by \$19.9 million as compared to the FY 11 adopted revenue. Offsetting this reduction is an increase in departmental revenues for \$19.4 million. The FY 11 adopted budget only included sewer fees for the latter half of the current year. The 2012 budget anticipates a full year of collections.
- The departmental revenue is largely comprised of the sewer fees budgeted at \$38.0 million for the entire 2012 year.
- The due from government line represents revenues from Cedarhurst and Lawrence for usage of the Bay Park Sewer Treatment Plant.
 - Cedarhurst and Lawrence will begin utilizing the County's sewer treatment plant on January 1 2012. The County will then receive the respective taxes of \$1.2 million from Cedarhurst and \$1.1 million from Lawrence. Revenue may be impacted if implementation is not realized when expected.

Sewer and Storm Water Usage Fee

In FY 09 & FY 10 plans were made to implement a high water usage fee. Included in the budget were \$4.0 million for half year in 2009 and \$8.0 million for a full year in 2010. This charge was to have been applied to residents that the County deemed were using more water than would be covered in the sewer tax. This fee was never implemented and no revenue was ever received.

In FY 11 two fees were proposed, the aforementioned high water usage fee as well as a 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. However, the FY 11 adopted budget only included the exempt users charge revenue of \$19 million for half of the year. The Request for Proposal (RFP) process was enacted to select a vendor who would perform a rate study to calculate the correct amount to be charged. Subsequently, the process will also identify the high water users amongst all the parcels. The half year sewer fee is expected to be billed in arrears on the January 2012 property tax invoice.

The amount of \$38.0 million included in the FY 12 proposed budget anticipates a full year's collections. The Multi-Year Plan projects revenue to remain consistent at \$38.0 million in years FY 12 through FY 15. It is anticipated that all users will eventually be transitioned to the sewer usage fee.



Multi-Year Plan

Sewer and Storm Water Resource District				
Multi Year Plan				
(\$'s in millions)				
EXPENSE	<u>2012 Proposed</u>	<u>2013 Proposed</u>	<u>2014 Proposed</u>	<u>2015 Proposed</u>
AA - Salaries, Wages & Fees	\$18.5	\$20.1	\$21.8	\$23.0
AB - Fringe Benefits	9.7	10.9	10.6	11.5
BB - Equipment	0.3	0.3	0.3	0.4
DD - General Expenses	14.5	14.8	15.1	15.5
De - Contractual Services	24.0	24.7	25.4	26.2
DF - Utility Costs	10.7	10.9	11.1	11.3
FF - Interest	9.1	8.3	7.6	6.9
GG - Principal	16.7	14.4	13.8	12.9
HH - Interfd Chgs - Interfund Charges	36.7	40.4	43.9	46.6
OO - Other Expense	21.1	21.1	21.1	21.1
EXPENSE TOTAL	161.5	166.0	170.8	175.4
REVENUE				
AA - Fund Balance	15.6	19.9	24.4	28.8
BC - Permits & Licenses	0.7	0.7	0.7	0.7
BE - Invest Income	1.1	1.1	1.3	1.4
BF - Rents & Recoveries	0.1	0.1	0.1	0.1
BG - Revenue Offset To Expense	0.2	0.2	0.2	0.2
BH - Dept Revenues	40.0	40.0	40.0	40.0
BI - Cap Backcharges	0.7	0.7	0.7	0.7
BR - Due Fr Govts - Due From Other Govts	2.3	2.3	2.3	2.3
IF - Interfd Tsfs - Interfund Transfers	100.9	101.1	101.2	101.3
REVENUE TOTAL	161.5	166.0	170.8	175.4

- The table above details the Administration's baseline for the MYP for the Authority. According to the Plan, the Authority will be increasing its expenditures and revenues through FY 15.

- Salary, general expense, contractual services and utility costs are expected to increase in the out-years.
- Interest and principal are expected to decline in the out-years.



- Fund balance, investment income and interfund transfers are expected to grow through 2015.
- Use of fund balance, net of the O&M reserve, is zero for 2012 and 2013, \$3.8 million in 2014, and \$8.3 million in 2015.
 - Permits and licenses, departmental revenue and due from other government are remaining consistent.