

Overview of the Fiscal 2005 Executive Budget

NASSAU COUNTY OFFICE OF LEGISLATIVE BUDGET REVIEW

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October 5, 2004

*Public Safety
Committee*

*Agencies Scheduled to
Testify:*

Police

Correctional Center

Probation

*Traffic and Parking
Violations*

District Attorney

Consumer Affairs

**NASSAU COUNTY
LEGISLATURE**

Hon. Judith A. Jacobs,
Presiding Officer

Hon. Peter J. Schmitt,
Minority Leader

Hon. Joseph Scannell,
*Chairman, Public Safety
Committee*



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Inter-Departmental Memo

To: Hon. Judith A. Jacobs, Presiding Officer
Hon. Peter J. Schmitt, Minority Leader
Hon. Joseph Scannell, Chairman of Public Safety Committee
All Members of the Public Safety Committee

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

Date: October 1, 2004

Re: FY 05 Budget Hearing – October 5, 2004

Enclosed please find preliminary reviews of the FY 05 budget for the specific agencies scheduled to appear before the Public Safety Committee. In order to better evaluate the Proposed Budget, in our analyses we have included OMB's FY 04 projections that were prepared in July for their second quarter budget report. In addition, in looking at staffing needs we also compare the proposed FY 05 budget to actual staffing levels as of September 1, 2004, as well as the FY 04 budget.

In FY 04 the Administration created a budget and accounting charge for inter-departmental charges (HF) and debt service (HD). These charges have been developed to more accurately identify and allocate the costs incurred by service departments, such as Information Technology and Real Estate on behalf of other County agencies. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). The value of these charges is approximately \$415 million. For comparison purposes, the Office of Legislative Budget Review (OLBR) has separated these charges out of the OTPS budget and placed them "below the line".

One of the primary issues facing the departments testifying will be staffing. The Administration has begun to recognize this need and has provided funding for additional staff for each of the

agencies testifying. The new hires will help to reduce the operational concerns based on anticipated future retirements. For example, over 50% of the probation officers will be eligible to retire by the end of 2005. In addition, the new hires will help to control the escalating overtime experienced in the Police Department and Correctional Center. The overtime estimates reflect increases compared to the FY 04 budget and are reasonable, based on our preliminary review. Overtime estimates and staffing decisions represent one of the areas that we have been critical of in previous budget reviews. To achieve the overtime targets in FY 05, new recruits must be hired early in 2005, or if possible late 2004 and the civilianization efforts must result in police officers re-deployed to patrol and correction officers re-deployed to security posts. Also, the overtime budget may be insufficient depending on the number of retirements over the next few months. However, the total salary budget may be sufficient to overcome any slippage in overtime.

One unknown factor in the FY 05 budget is the outcome of three union contract negotiations. In the Police Department, the Detectives Association Inc. (DAI) and the Superior Officers Association (SOA) have been without a contract since December 31, 2000 and December 31, 2001 respectively. The County is currently in binding interest arbitration with these unions and the Administration anticipates contract savings similar to those provided in the recent PBA contract. In their Fiscal 2005 – 2008 Multi-Year Financial Plan the following components anticipated for these contracts are listed:

- 18-month wage freeze and 3.9% COLAs thereafter
- Denominator changes to reduce the hourly calculation of termination, holiday, overtime, and shift differential pay
- Additional hours worked
- Elimination of Flag Day as a paid holiday
- Elimination of travel time
- Ability to adjust workcharts and scheduling procedures

The Sheriffs' Officers' Association (ShOA) union's contract expires December 31, 2004 and the multi-year plan assumes \$5.0 million in labor savings in FY 05 from the new contract.

To help protect the County from termination pay risks the Legislature recently approved the creation of an employee benefit accrued liability reserve fund. The Administration is estimating that it will transfer \$21.2 million to this fund at the close of the current fiscal year. This is a sound practice that guards against circumstances which may create an unexpected surge in retirements in any year, such as September 11th or provisions in a labor settlement. However, at no time should this fund be used to supplant funding for a normal level of retirements. In the proposed budget the Administration has provided \$26.2 million of funding for police termination pay. Considering historical trends and the years of service for the members, OLBR considers a normal retirement year to be 100 – 120 officers, therefore the \$26.2 million would appear to be a reasonable assumption.

My staff and I remain ready to provide any additional assistance the Legislature may require in consideration of the proposed budget and Financial Plan.

PUBLIC SAFETY COMMITTEE

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NASSAU COUNTY POLICE DEPARTMENT

Overtime in 2005 will increase over the Police Department’s Adopted 2004 budget of \$27.8 million by about 25%, or \$6.8 million. This is approximately \$6.4 million less than the current 2004 OMB projection of \$41 million and \$9.6 million less than the Office of Legislative Budget Review’s 2004 projection of \$44.2 million. Declining headcount and contractual constraints have been major contributors to the skyrocketing overtime costs in the past and overtime budgets have been unrealistically low with targets that were unachievable. The 2003 PBA settlement, that provided for concessions in minimum manning and civilianization which allow for greater management efficiencies, and the increased headcount will be significant factors in targeting overtime expense. Also, the recent success of “flying supervisors”, shifting supervisors to areas where needed, has been a proven management tool in positively impacting overtime costs. Based on prior years’ overtime costs and the potential for larger than expected retirements, it remains to be seen if the proposed budget provides adequate funding for overtime expense in 2005. The Administration has stated in its Summary of the Fiscal 2005 Proposed Budget that the proposed budget “accommodates the hiring of approximately 300 cadets in 2005 if necessary to attain the 2,650 headcount.” The growth in the uniform ranks, the PBA concessions for minimum manning, extra hours worked and the 50 additional positions to be civilianized so that more police officers will be redeployed to patrol, will enable the Administration to manage more efficiently through creative redeployment to ensure public safety and control the high cost of overtime.

The following chart illustrates how the Police Department categorizes overtime within both Headquarters and the District funds.

<u>2003/2004 PD OVERTIME</u>				
	<u>2003</u>	<u>% of Total</u>	<u>2004 YTD**</u>	<u>% of Total</u>
PRECINCTS	22,224,374	55.38%	11,916,292	50.01%
OTHER *	4,472,186	11.14%	3,476,957	14.59%
RECORDS SECTION	2,491,971	6.21%	1,590,894	6.68%
SQUADS	2,218,149	5.53%	1,233,524	5.18%
HIGHWAY PATROL	2,070,224	5.16%	1,190,318	5.00%
COMMUNICATIONS BUREAU	1,973,376	4.92%	1,215,083	5.10%
EMERGENCY AMBULANCE	1,009,553	2.52%	576,927	2.42%
FLEET SERVICE BUREAU	726,946	1.81%	683,434	2.87%
BUREAU SPECIAL OPERATIONS	686,207	1.71%	507,528	2.13%
HOMICIDE	655,682	1.63%	452,570	1.90%
NARCOTICS	641,620	1.60%	456,616	1.92%
MARINE BUREAU	474,339	1.18%	245,643	1.03%
SPECIAL INVESTIGATION	257,761	0.64%	188,527	0.79%
ROBBERY	<u>229,325</u>	<u>0.57%</u>	<u>92,064</u>	<u>0.39%</u>
TOTAL	40,133,716	100%	23,826,377	100%

* Consists of 61 responsibility centers that make up a small percentage of total overtime.
 ** September 7, 2004

Overtime expense is classified into 74 responsibility centers in the police department’s budget, the majority of which is in the precincts and highway patrol. It follows that that is where a considerable

portion of the overtime lies because light roll call in the precincts and highway patrol generates many of the overtime hours. Overtime is also high in the detective division, which had approximately \$2.6 million in 2003. It is not reflected in the above chart because detective overtime encompasses too many responsibility centers to be included in the chart, some of which is included in the “other” category such as the electronics unit, legal bureau, asset forfeiture, public information office and planning bureau. There is also a sizeable amount of overtime in the records bureau, communications bureau and emergency ambulance bureau. It should be noted that the communications bureau had almost \$2 million in overtime in 2003 and with 2004’s September actuals at \$1.3 million it appears likely that this year’s expense will equal 2003’s. Yet the headcount for the communication bureau is decreasing by seven positions in 2004. If scheduling and sick and vacation leave are factors that impact overtime, then the reduction in headcount would lead to increased overtime.

Termination in 2005 is budgeted at \$26.2 million, about 4.1%, or \$1 million less than the prior year. To-date there have been about 50 members from Headquarters and about 40 members for District who have retired with an average payout of approximately \$214,000. The 2004 termination budget is adequately funded for OLBR’s projected 125 separations based on the average payout of \$214,000, although the Administration projects a department-wide total of 158 uniforms retiring by the end of 2004 which would mean this year’s termination expense would exceed the 2004 budget. However, the Administration reserved \$38.5 million of 2003 funds and excess accrued funds from the PBA arbitration to ensure there would be sufficient coverage for this expense. The reserve will also protect against a one time surge should more than expected uniform personnel decide to leave as a result of a potential resolution of an arbitration agreement with the County and the DAI and SOA unions. If the unions receive similar provisions to those that were included in the PBA award, there could be a recalculation of termination pay by means of a higher denominator which could result in lower payouts and therefore act as incentive to retire for those undecided about leaving. This could lead to higher than projected numbers retiring. Currently there are 2,588 uniform personnel, 471, or 18.2% of sworn staff, with 20 years or more of service and eligible to retire. Of that total, 243, or 9.4% have 30 or more years of service. The Administration has wisely set aside money for this potential cost in the form of the aforementioned reserve. With an estimated 100 retirements that will take place department-wide in 2005, there should be sufficient funding in the budget for termination expense. While it is unlikely that 18% of the sworn membership will retire because historically, most retire after 25 to 30 years of service, the reserve fund the Administration plans, should protect from any surge in retirements in 2005.

Police Department Headcount by Union					
Union	<u>2004 Adopted</u>	<u>Sept. Actuals</u>	<u>2005 Executive</u>	<u>2005 vs 2004</u>	<u>2005 vs Actuals</u>
PBA	1,716	1,794	1,808	92	14
DAI	370	377	425	55	48
SOA	410	417	422	12	5
Subtotal	2,496	2,588	2,655	159	67
CSEA	715	724	744	29	20
ORD	3	4	4	1	0
Total	3,214	3,316	3,403	189	87

As shown in the chart above, the 2005 Police Department headcount is increasing in all unions over 2004 adopted and September actual numbers. This goes along with the Administration's commitment to reverse the trend of headcount reductions in the Police Department and raise and keep the uniform staff numbers at 2,650. It should be noted that 90 civilians have been transferred into the proposed Fleet Management department and building maintenance in Public Works. Had this shifting not occurred, civilian headcount would actually be higher at 110.

Police Headquarters

Headquarters consists of four divisions: (1) Administration, (2) Detective, (3) Patrol Services, and (4) Support and derives its funding from the taxes of all residents of Nassau County.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	167,326,375	170,140,056	176,171,191	175,945,007	8,618,632	5,804,951
AB	Fringe Benefits	81,067,312	83,786,383	87,117,497	82,268,334	1,201,022	(1,518,049)
	Total PS	248,393,687	253,926,439	263,288,688	258,213,341	9,819,654	4,286,902
BB	Equipment	755,950	755,950	1,200,000	500,000	(255,950)	(255,950)
CC	Material & Supplies	1,417,384	1,417,384	1,022,717	1,022,717	(394,667)	(394,667)
DD	General Expenses	3,601,557	3,601,557	3,333,576	2,229,676	(1,371,881)	(1,371,881)
DE	Contractual Services	6,669,580	6,669,580	6,217,120	6,217,120	(452,460)	(452,460)
OO	Other Expenses	160,000	160,000	200,000	410,000	250,000	250,000
	Total OTPS	12,604,471	12,604,471	11,973,413	10,379,513	(2,224,958)	(2,224,958)
HD	Debt Svc Chargebacks	5,144,402	5,672,754	0	5,217,906	73,504	(454,848)
HF	Inter-Dept. Charges	18,517,431	18,517,431	0	33,807,992	15,290,561	15,290,561
	Grand Total	284,659,991	290,721,095	275,262,101	307,618,752	22,958,761	16,897,657

Salaries in the Headquarters budget will increase by about 5.2% in 2005, or approximately \$8.6 million, and when compared to FY 04 projections, the growth is about 3.4%. This is a result of the annual 3.9% wage increase awarded to the PBA officers from the 2003 arbitration settlement and increased headcount and the CSEA January 2005 increase of 3.5%.

OTPS expense is decreasing by \$2.2 million due to the transfer of approximately \$400,000 from materials & supplies and shifting it into interdepartmental charges for fleet management supplies. In addition, \$925,000 for uniform and equipment allowance has been taken out of general expenses and transferred into the salary line. Another \$500,000 has been deducted from contractual services for radio and communications contracts. A new fleet management department has been proposed for 2005 which will handle all County fleet operations. That the police department makes up a significant portion of the County's fleet force is reflected in the \$13 million increase for fleet maintenance charges in interdepartmental charges, which for comparison purposes is below the OTPS line. Also reflected in the interdepartmental line are various charges from other County departments which were developed to more accurately identify and allocate the costs incurred by other departments on behalf of the

Headquarters Fund. Headquarters is responsible for paying for information technology, purchasing, records management, workers' comp, and other services.

Police Headquarters Staffing Analysis						
	FY 04 <u>Adopted</u>	Sept-04 <u>Actual</u>	FY 05 <u>Request</u>	FY 05 <u>Executive</u>	Exec. vs. <u>04 Adopt</u>	Exec. vs. <u>Actual</u>
Uniform	952	962	1,074	1,074	122	112
Civilian	<u>644</u>	<u>647</u>	<u>681</u>	<u>654</u>	<u>10</u>	<u>7</u>
Total Full-time	1,596	1,609	1,755	1,728	132	119
Part-time and Seasonal	25	35	56	56	31	21

In contrast to the recent past, the Administration has reversed its pattern of reducing the size of the County police force and has added to both the uniform and civilian ranks. The uniform headcount is increasing by 122 with an additional ten civilians over the 2004 budget.

The budget has transferred 68 civilian positions from Headquarters and put them into the proposed Fleet Management department and building maintenance in Public Works, 52 and 16 respectively, and has established a new sub-object code CIV to accommodate 57 civilian positions, the titles of which have yet to be identified. It is our understanding that not all 57 positions targeted for the civilian titles have been agreed upon by the County and the PBA, but it is encouraging to see that funding has been provided for new hires. Some of the problems the Administration has experienced in the past with hiring clerical positions due to low start pay and competition with other jurisdictions have been somewhat alleviated by the elimination of the first two salary steps. This allows the Department to be more competitive when seeking out viable candidates. In addition to the 57 CIV positions, the budget has allowed for 16 more full-time and 23 more part-time Security Officers. That's 42 % more full-timers than last year. Also the number of Police Service Aide Trainees are increasing by four and Police Service Aides go up by one which reflects the police department's efforts towards civilianization.

FY 05 Expense Initiative

Ambulance Billing Reform (PSPD02) - \$470,000

This initiative adjusts ambulance billing collections upwards based on the CPI. The adjustment seems high given the future growth estimates. Additionally, about a quarter of ambulance collections are Medicaid reimbursable and are limited in how much can be reimbursed. If ambulance rates increase, Medicaid does not necessarily increase reimbursement.

REVENUE BUDGET

Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BC	Permits & Licenses	430,000	300,000	325,000	325,000	(105,000)	25,000
BD	Fines & Forfeitures	35,000	35,000	0	0	(35,000)	(35,000)
BE	Investment Income	12,960	90,000	86,258	86,258	73,298	(3,742)
BF	Rents & Recoveries	200,000	200,000	200,000	200,000	0	0
BH	Department Revenue	13,098,000	13,098,000	13,568,000	13,679,000	581,000	581,000
BJ	Interdept. Revenue	9,536,196	9,536,196	0	11,720,186	2,183,990	2,183,990
FA	Federal Aid	334,000	334,000	334,000	334,000	0	0
SA	State Aid	589,435	589,435	589,435	589,435	0	0
TL	Property Tax	239,070,905	239,070,905	239,070,905	258,231,378	19,160,473	19,160,473
TX	Special Tax	21,353,495	16,853,495	21,353,495	22,453,495	1,100,000	5,600,000
Grand Total		284,659,991	280,107,031	275,527,093	307,618,752	22,958,761	27,511,721

The Headquarters Division obtains revenue through several sources. The 2005 revenue budget increases by about \$23 million, or 8%, over revenue in 2004. The main drivers for this increase are the \$19 million growth in property taxes and the \$2 million hike in interdepartmental revenues. Interdepartmental revenues accounts for the costs incurred by Headquarters for services, supplies, and materials provided to other County departments such as the salaries of security officers and other employees budgeted in Headquarters but who provide services to other departments. Also included in this revenue is the chargeback for the use of the police assembly hall for CountyStat meetings which are convened on a regular basis. A corresponding expense gets booked to the budget of the user department as an interdepartmental charge. The \$581,000 increase in departmental revenues is mostly related to the CPI adjustment to ambulance fees.

It is estimated that there may be a shortfall of approximately \$100,000 in permits & licenses in 2004 for two reasons. First, the Police Department based its projection on a mix of about 100 new and renewal pistol licenses per month. In reaction to September 11th, a large number of people applied for and received permits. Those numbers have fallen dramatically and applications for new licenses have declined. Additionally, while the department is continuing to process approximately 100 applications per month, many are for the large number of retired police officers from either Nassau County or New York City who resides in Nassau County and by law, those applicants cannot be charged an application fee. Fines and forfeitures will decline by \$265,000, or 88.3%, due to the suspension of revenue received from the DWI auctions. Special Tax revenues for the E-911 surcharge are growing by \$1 million due to an increase in telephone usage. Also contributing to increased revenue is that the County will get the full year's benefit of the 2004 raise in motor vehicle registrations due to late implementation.

Out-Year Initiatives

ID	NAME	FY 2005	FY 2006	FY 2007	FY 2008
PSPD03	Overtime Reductions	0	5,000,000	5,000,000	5,000,000
PSPD04	LIE Reimbursement	0	0	0	9,800,000

The police department’s desire to curb the trend in rising overtime costs is the driving force behind **overtime reduction** initiative. It is estimated that with the new police hires in 2004 and 2005, the police department could save \$5 million in each of the outyears. The plan is to deploy the new officers, once training has been completed, directly into the precincts where minimum manning requirements are mandated. Efforts to civilianize positions once held by sworn officers will also impact this savings initiative. The savings from this **overtime reduction** initiative are realistic and achievable provided that the Administration stands firm on its plan to keep staffing constant at 2,650 uniform personnel. Civilianizing the 100 agreed upon titles must also be successful to achieve the savings. In the past, there have been problems hiring for certain support positions but the department seems to have overcome the low start pay issue and expects to complete the first phase of 50 hires by the end of 2004. If the department completes the second phase of hiring in 2005, and police officers are redeployed to patrol, then the \$5 million savings will be realized.

The cost incurred by the Police Department for patrolling the **Long Island Expressway**, a State owned highway, is approximately \$9.8 million. This initiative, which requires State legislation, proposes that the State reimburse Nassau County for providing this service. Given that this proposal has not been well received by the State in the past, it was a County initiative in 2000, it is questionable these savings will be achieved.

Police District

The eight precincts within the County are responsible for the following: preserve the public peace; prevent crime; detect and arrest offenders; protect the rights of persons and property; guard the public health; preserve order at elections and all public meetings; remove nuisances existing in public streets, roads and highways; provide proper police attendance at fires; enforce and prevent the violations of laws and ordinances in force in the district. The District fund derives its funding from those taxpayers that live within the police district. Those residents who live in areas that have their own policing services do not pay this tax.

REVENUE BUDGET							
Revenue Class		Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
AA	Fund Balance	0	0	0	2,500,000	2,500,000	2,500,000
BC	Permits & Licenses	1,200,000	1,681,000	1,200,000	1,800,000	600,000	119,000
BD	Fines & Forfeitures	200,000	200,000	200,000	200,000	0	0
BE	Investment Income	10,000	70,000	65,134	65,134	55,134	(4,866)
BF	Rents & Recoveries	150,000	150,000	150,000	150,000	0	0
BH	Department Revenues	2,917,011	3,101,929	3,117,011	3,167,011	250,000	65,082
BJ	Interdepart. Revenues	0	343,000	0	901,426	901,426	558,426
TL	Property Tax	301,296,571	301,296,571	301,296,571	304,354,521	3,057,950	3,057,950
Grand Total		305,773,582	306,842,500	306,028,716	313,138,092	7,364,510	6,295,592

The District Patrol 2005 revenue budget of \$313.1 million is \$7.4 million, or 2.4%, over 2004's budget. There are several reasons for this increase including a \$3 million growth in property taxes and a \$2.5 million in fund balance, \$2 million of which will be used for special police initiatives. The \$600,000 rise in permits & licenses is actually \$119,000 over 2004 projections. The increase is due to the cyclical nature of renewal applications and heavy compliance by business to conform to alarm permit regulations. Providing police services to certain villages generates the revenue in the departmental revenue line. When reassessment occurred, the assessed value in these communities increased and therefore the taxes grew as well. Since the cost of policing services are based on tax rates, revenue also increased and that increase is reflected in the 2005 departmental revenue line. The \$900,000 in interdepartmental revenues accounts for the costs incurred by District for services, supplies, and materials provided to other County departments.

Salaries in 2004 were budgeted at \$195.3 million while OTPS costs were \$8.9 million. The 2005 Executive budget for salaries increases by \$6.5 million, or 3.3%, but when compared to 2004 projections, salaries grow by \$3.4 million, or 1.7%. Higher than budgeted overtime costs, due to a declining headcount, account for the 2004 projected shortfall in salaries. This trend should be reversed in 2005 with the hiring of two new police officer classes in 2004, whose impact on overtime will be felt fully in 2005, and the projected hiring of at least 100 recruits in 2005. The Administration's commitment to holding uniform headcount at 2,650 regardless of the number of terminations, will help in containing overtime expense, particularly in District where mandated minimum manning requires costly overtime. 2004 overtime in District is projected to be about \$13 million over the \$13 million budgeted for 2004. A stabilized headcount and a commitment to civilianization is an encouraging sign that overtime expense could be controlled. The 2005 budgeted salaries also account for the PBA award salary increases.

2005 termination expense is increasing approximately \$1.4 million over 2004 which should be adequate funding in District for the projected 100 department-wide terminations. There are 226 or 13.9%, District uniform personnel with 20 years or more eligible to retire. Although it is unlikely that all 226 will retire, the aforementioned contingency reserve should protect against a one time surge in retirements.

**EXPENSE BUDGET
BY OBJECT CLASS**

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	195,310,451	198,503,678	204,255,580	201,854,675	6,544,224	3,350,997
AB	Fringe Benefits	81,482,103	83,233,567	87,404,444	84,516,983	3,034,880	1,283,416
	Total PS	276,792,554	281,737,245	291,660,024	286,371,658	9,579,104	4,634,413
BB	Equipment	2,000,000	2,000,000	575,000	575,000	(1,425,000)	(1,425,000)
CC	Materials & Supplies	2,650,339	2,650,339	1,933,468	1,933,468	(716,871)	(716,871)
DD	General Expenses	2,562,001	2,562,001	2,500,000	663,000	(1,899,001)	(1,899,001)
DE	Contractual Services	566,500	566,500	500,000	300,000	(266,500)	(266,500)
DF	Utility Costs	916,535	916,535	985,275	985,275	68,740	68,740
OO	Other Expenses	200,000	400,000	400,000	2,900,000	2,700,000	2,500,000
	Total OTPS	8,895,375	9,095,375	6,893,743	7,356,743	(1,538,632)	(1,738,632)
HD	Debt Svc Chargebacks	893,430	943,648	0	845,394	(48,036)	(98,254)
HF	Inter-Dept. Charges	19,192,223	19,192,223	0	18,564,297	(627,926)	(627,926)
	Grand Total	305,773,582	310,968,491	298,553,767	313,138,092	7,364,510	2,169,601

Inter-departmental charges, has been separated out of the OTPS budget for comparison purposes. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of the District fund. District will be responsible for such charges as printing, information technology, building occupancy and purchasing. The two largest are workers compensation and indirect charges, \$3.2 million and \$11 million respectively. A corresponding revenue gets booked to the department providing the service as an inter-departmental charge (BJ). With that in mind it appears that the 2005 proposed OTPS budget is \$1.7 million less than 2004 projections. One of the largest decreases, \$1.4 million, comes in equipment which reflects the purchase of the remainder of the police vehicles ordered in 2003. The \$700,000 decrease in materials & supplies reflects the transfer of the auto parts expense into fleet management. General expenses is going down \$1.9 million due to the transfer of fleet management costs and the transfer of about \$1.4 million in uniform and equipment allowance to salaries. These reductions are offset somewhat by the \$2.7 million increase in other expenses, \$2.5 million of which is scheduled to fund unidentified police initiatives in the districts.

**Police District
Staffing Analysis**

	<u>FY 04 Adopted</u>	<u>Sept-04 Actual</u>	<u>FY 05 Request</u>	<u>FY 05 Executive</u>	<u>Exec. vs 04 Adopt</u>	<u>Exec. vs Actual</u>
Uniform	1,544	1,626	2,427	1,581	37	(45)
Civilian	<u>74</u>	<u>81</u>	<u>102</u>	<u>94</u>	<u>20</u>	<u>13</u>
Full-time Staffing	1,618	1,707	2,529	1,675	57	(32)
Part-time and Seasonal	446	455	458	459	13	4

The District's full time uniform staff is scheduled to increase by 37 over the 2004 Adopted budget but decline by 45 when compared to September actuals. This is in keeping with the Administration's commitment to stabilize uniform headcount at 2,650. Since Headquarters is funded for 1,074 sworn personnel, the Police Department's budget will only accommodate 1,581 heads for which there will be sufficient funding in 2005. The 20 more civilians over 2004 (actually more since 20 mechanics and two supervisors were transferred into fleet management) are also in line with the civilianization initiative. Included in the additional 20 are six more Parking Enforcement Aides, which will have a positive impact on TPVA revenue by generating more parking tickets, and eight Police Service Aide Trainees which are a part of the civilianization effort.

NASSAU COUNTY CORRECTIONAL CENTER

The Correctional Center and the Sheriff's Department have been combined for the FY 05 budget for easier management. In OMB's supporting documents the FY 04 budget and projections are separate but for display purposes they are combined in this report. The inmate population has been decreasing slightly in the last couple of years with a 2.9% decrease projected for 2004 and a 0.9% increase anticipated for 2005. Federal inmates are estimated at 235 for 2005, a 4.1% decrease from the 2004 estimated. The State ready inmates and parole violators are projected to be close to the current year.

<u>ACTIVITY INDICATORS</u>				
<u>INDICATOR</u>	<u>ACTUAL 2002</u>	<u>ACTUAL 2003</u>	<u>ESTIMATED 2004</u>	<u>PROJECTED 2005</u>
Average Daily Inmate Population	1,731	1,685	1,636	1,650
Total Admissions	10,971	10,860	10,800	10,800
<u>Revenue Generating Indicators</u>				
Federal Inmates	227	210	245	235
State Ready Inmates	14	11	9	7
Parole Violators	51	51	43	50

Source: Correctional Center

REVENUE BUDGET						
Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BD Fines & Forfeitures	40,000	40,000	50,000	50,000	10,000	10,000
BH Department Revenue	1,200,000	1,171,310	1,185,000	1,222,000	22,000	50,690
BJ Inter-Dept. Revenue	0	270,000	0	387,360	387,360	117,360
FA Federal Aid	14,205,640	18,600,000	17,026,986	17,026,986	2,821,346	(1,573,014)
SA State Aid	1,050,000	1,040,000	942,000	942,000	(108,000)	(98,000)
Grand Total	16,495,640	21,121,310	19,203,986	19,628,346	3,132,706	(1,492,964)

The proposed FY 05 revenue budget for the Correctional Center is \$19.6 million, up \$3.1 million from the FY 04 budget or 19.0% and down \$1.5 million or 7.1% from the FY 04 projection. Federal reimbursement is expected to increase from the FY 04 budget by \$2.8 million while it is decreasing from the FY 04 projected by \$1.6 million. The FY 05 budget reflects a decrease from the FY 04 projected

due to the removal of a \$2.0 million one-time, unbudgeted, State Criminal Alien Assistance Program (SCAAP) award received in 2004. This revenue source is discounted in 2005 due to an anticipated reduction in federal funding. Excluding the SCAAP award there is a \$426,986 increase in federal aid over the FY 04 projected. For the department to reach its federal inmate revenue the Center will have to maintain an average of 235 inmates in 2005. Although the year-to-date average number of federal inmates at the Center is 246, this number has been lower and inconsistent in previous years. The agreement with the federal government calls for a maximum of 150 inmates to be housed at the Center, but the County has been over the limit consistently since September 2001. The increase in the FY 05 budget over the FY 04 budget also reflects an increase in federal inmates (the 2004 budget was conservatively based on 200 federal inmates) and the increase in revenue received from \$142.32 to \$165 per inmate per day.

Interdepartmental revenues was not part of the adopted budget in 2004 but \$120,000 was added for food services provided to the Juvenile Detention Center. In addition, charges for the Police Academy space located on the Correctional Center grounds (\$260,360) have been added for 2005.

State aid is decreasing from the FY 04 adopted by \$108,000 and from the FY 04 projected by \$98,000 due to a projected decrease in state ready and parole violator inmates. Department revenues are increasing by \$37,000 due to an initiative that increases fees charged to inmates for expenses related to their stay from \$40/day with a maximum cap of \$2,500 to \$60/day with a maximum cap of \$3,000. Revenue class fines and forfeitures represents fines issued by the Sheriff pursuant to Article 420 of the NY State Criminal Procedure law for certain traffic violations. The Correctional Center is designated by the Court to be the receiver of any fines or surcharges imposed on certain traffic violators.

FY 05 Expense Initiatives

340B Pharmacy Program (PSCC01) - \$500,000

Section 340B requires pharmaceutical manufacturers that participate in the Medicaid program to give specified discounts on covered outpatient drugs purchased by certain covered entities. It has recently been determined that Nassau University Medical Center is eligible for this discount and, therefore, the savings will be passed along to the Correctional Center. The Administration anticipates a \$500,000 savings from this in 2005.

**EXPENSE BUDGET
BY OBJECT CLASS**

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	103,173,054	107,410,030	114,866,724	114,203,511	11,030,457	6,793,481
BB	Equipment	62,000	61,900	62,775	62,775	775	875
CC	Materials & Supplies	4,318,150	3,878,604	4,041,258	4,041,258	(276,892)	162,654
DD	General Expenses	741,468	747,940	607,737	250,209	(491,259)	(497,731)
DE	Contractual Services	21,692,120	21,897,643	22,445,084	20,832,344	(859,776)	(1,065,299)
DF	Utility Costs	555,000	589,056	620,275	620,275	65,275	31,219
	Total OTPS	27,368,738	27,175,143	27,777,129	25,806,861	(1,561,877)	(1,368,282)
HF	Inter-Dept. Charges	3,148,858	3,148,858	0	3,781,237	632,379	632,379
	Grand Total	133,690,650	137,734,031	142,643,853	143,791,609	10,100,959	6,057,578

Salary expenses are increasing from the previous year's budget by \$11.0 million or 10.7% due to an increase in headcount of 15 and additional funding of \$6.1 million for overtime to bring the budget in line with actual spending. Although OLBK anticipates 2004 overtime expenses to be at least \$24.0 million and the 2005 budget is \$20.9 million, the 25 new officers hired in 2004 and the additional 25 officers anticipated to start January 2005 should have a significant impact on this cost. The current Sheriffs' Officers' Association (ShOA) contract calls for civilianizing 55 non-security positions. By the end of 2004 ten officers should be placed back in security positions with another five officers anticipated to return to security positions in the first quarter of 2005. The department has also begun to fill vacant civilian positions. The overtime budget may still be at risk if the department is not able to maintain the 1,052 officer headcount due to attrition or a delay in the January class. COLA increases for the ShOA employees have not been included as their contract expires at the end of 2004. Officers received a 2.0% increase in July 2004 per the current contract. CSEA employees will be receiving COLA increases of 3.5% in January 2005 and step increases are included for employees in both unions. Partially offsetting these increases is the transfer of three Auto Mechanics from the Correctional Center into the proposed Department of Fleet Management.

OTPS expenses have decreased by \$1.6 million or 5.7% from the FY 04 budget and by \$1.4 million or 5.0% from the projected actual. The major portion is related to contractual services costs, which makes up 81% of the total OTPS budget. Contractual services are decreasing by \$0.9 million from the 2004 budget and by \$1.1 million from the 2004 projected. This reflects the \$500,000 in savings anticipated for the 340B pharmacy program initiative as discussed previously and about \$1.1 million for the removal of rental and utility charges. These charges are from the Nassau Health Care Corporation (NHCC), which were removed per the Stabilization Agreement between the County and the Hospital.

This agreement also settles disputed bills, with the County paying \$3.1 million in full satisfaction for all services delivered prior to December 31, 2003. It also allows for "the establishment of patient care

standards and binding dispute resolution for corrections bills for services commencing January 1, 2004, in accordance with agreed-to inmate patient care standards, conducted by a third-party reviewer which will be procured by the County.” A more detailed agreement is to be completed no later than January 1, 2005. Claims from NHCC for health services provided at the Correctional Facility will be under tighter controls. Also NHCC agrees that due to past concerns about health care delivery provided to the Correctional Center, the County may review alternative arrangements for these services and the County may terminate the services provided by NHCC with 60 days prior written notice. However, the County would still be responsible for the 21% mark-up on NHCC’s costs attributable to the terminated services through December 31, 2005. The 2003 cost of the terminated services would be used to calculate the mark-up. After December 31, 2005 any payments to NHCC would be dictated by the previously mentioned detailed agreement. An RFP for these services was sent out and the RFP committee is expected to make a selection on September 30th. Two proposals were found to be acceptable and both were planning to continue using NHCC for the in-patient and out-patient services.

Materials and supplies are decreasing from the FY 04 budget by \$276,892 or 6.4% but increasing by \$162,654 or 4.2% from the FY 04 projected actual. General expenses are decreasing by \$491,259 or 66.3% from the FY 04 budget and by \$497,731 or 66.5% from the FY 04 projected actual. The decrease is due to the transfer of \$357,000 in supper money and beeper pay to salaries and the transfer of \$121,000 in auto expenses to the proposed Department of Fleet Management.

Utility costs are increasing by \$65,275 or 11.8% from the FY 04 budget and by \$31,219 or 5.3% to more accurately reflect costs. Equipment costs are expected to stay close to the FY 04 budget and projected actual.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of the Correctional Center. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at \$3.8 million in 2005 primarily for information technology (IT) and telecommunications (\$2.3 million) and building occupancy (\$731,907) charges. Telecommunications charges (\$729,688) have been separated out in 2005 from the IT charges in anticipation of moving them to direct charges in 2006. In 2005 IT and telecommunications is increasing in 2005 by \$320,737 due to an increase in IT staffing. Building occupancy charges have increased by \$103,347 for increases in utilities. County Attorney charges have been added for \$161,734 for County Attorneys actually located at the jail.

**Nassau County Correctional Center
Staffing Analysis**

	<u>FY 04 Adopted</u>	<u>Sept-04 Actual</u>	<u>FY 05 Request</u>	<u>FY 05 Executive</u>	<u>Exec. vs 04 Adopt</u>	<u>Exec. vs Actual</u>
CC Full-time Staffing						
10 Correctional Center						
Uniform	1,053	1,022	1,052	1,052	(1)	30
Civilian	<u>112</u>	<u>105</u>	<u>133</u>	<u>133</u>	<u>21</u>	<u>28</u>
Sub-total Full-Time	1,165	1,127	1,185	1,185	20	58
20 Sheriff						
Uniform	41	39	49	39	(2)	0
Civilian	<u>16</u>	<u>13</u>	<u>19</u>	<u>13</u>	<u>(3)</u>	<u>0</u>
Sub-total Full-Time	57	52	68	52	(5)	0
Total Full-time	<u>1,222</u>	<u>1,179</u>	<u>1,253</u>	<u>1,237</u>	<u>15</u>	<u>58</u>
CC Part-time and Seasonal						
10 Correctional Center	0	8	6	6	6	(2)

Full-time staffing in the Correctional Center is budgeted to increase from the September actual by 58 positions, with 25 officers authorized to be hired in January and a total of 30 civilian positions authorized. The hiring of the civilian positions has begun and is expected to continue into 2005. The FY 05 budget is an increase of 20 full-time positions from the FY 04 adopted budget. The Sheriff's division is budgeted at the current actual headcount and below the FY 04 adopted budget by five positions. Six part-time positions, which were taken out of the FY 04 budget, have been restored to the department along with the funding for them. This is down by two positions from the September actual.

Out-Year Initiatives

ID #	NAME	FY 2005	FY 2006	FY 2007	FY 2008
PSCC02	Housing Non-County Inmates	0	1,505,625	1,505,625	1,505,625
PSCC03	Increase Reimbursement: non-County Inmates	0	0	930,750	930,750

The initiative to **house non-County inmates** increases the daily average number of inmates from 230 to 255 inmates for an annual savings of \$1.5 million. This may be overstated since the 2005 federal inmate budget is based on 235 which would only be an increase of 20, not 25. Since each additional inmate brings in \$165 per day, this leaves a \$301,125 variance. The Department believes any additional expenses associated with housing additional inmates would be minimal.

The **increased reimbursement for non-County inmates**, which increases the federal reimbursement by \$10 per day to \$175 per day, sounds possible. This is an increase of 6.1%, which can be justified by increased wages and inflation between 2004 when the Federal government last agreed to an increase and 2007. A revenue increase of \$930,750 is projected starting in 2007 based on an inmate population of 255 (a misprint in the Fiscal 2005-2008 Multi-Year Financial Plan states the revenue increase is based on 225 inmates). This initiative may be at risk depending on the Federal government's willingness to increase the rate and to supply us with the additional inmates.

DEPARTMENT OF PROBATION

While adult related activity in the Probation Department has been decreasing during 2004, Juvenile related activity has been increasing with the exception of juvenile delinquents intake. Investigations are anticipated to decrease by about 9.9% in 2004 from 2003 and supervisions are expected to decrease from 2003 by 1.4%. Pre-trial intakes are projected to decrease slightly in 2004. Juvenile Intake of Persons in Need of Supervision (PINS) is projected to increase in 2004 by 8.5%. The PINS supervision is anticipated to increase by about 11.4% in 2004. Juvenile Delinquents intake is expected to decrease by about 5.2% in 2004 and the Juvenile Delinquents supervision is projected to increase in 2004 by 27.3%.

<u>ACTIVITY INDICATORS</u>			
<u>INDICATOR</u>	<u>ACTUAL 2002</u>	<u>ACTUAL 2003</u>	<u>ESTIMATED 2004</u>
Investigations	4,906	5,110	4,606
Supervision	7,452	7,371	7,266
Pre-Trial/Intake	13,921	13,609	13,502
Juvenile Intake - PINS*	1,269	1,464	1,588
Juvenile Intake - Juvenile Delinquents	933	1,059	1,004
Juvenile Supervision - PINS*	181	201	224
Juvenile Supervision - Juvenile Delinquents	240	260	331
* Persons in need of supervision			
Source: Probation Department			

REVENUE BUDGET						
Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BH Department Revenue	1,235,000	1,235,000	1,400,000	1,400,000	165,000	165,000
BJ Inter-Dept. Revenue	0	1,240,532	0	835,375	835,375	(405,157)
SA State Aid	4,253,324	4,253,324	4,036,658	4,036,658	(216,666)	(216,666)
Grand Total	5,488,324	6,728,856	5,436,658	6,272,033	783,709	(456,823)

The FY 05 revenue budget is \$783,709 or 14.3% greater than the FY 04 budget, but \$456,823 or 6.8% less than the FY 04 projected actual. The agency generates department revenues primarily from charges to clients for supervision and other administration fees to defray the costs associated with their

supervision. The budget for departmental revenues has increased by \$165,000 or 13.4% from the FY 04 projected actual and budget to reflect the 2004 actual which is at currently at \$1.4 million.

State aid is budgeted to decrease from the 2004 budget and the 2004 projected actual by \$216,666 or 5.1%. Funds from the State have been cut by about 5% due to the new State budget. The increase in salaries by 8.5% from the FY 04 projected may offset some of this reduction, but it is difficult to tell as the amount the department receives is dependant on the reimbursement submitted by all counties in New York. This is because Nassau County will receive a portion of the total amount given by the State relative to the requests of all other counties.

**EXPENSE BUDGET
BY OBJECT CLASS**

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	16,740,442	16,843,442	20,048,014	18,268,500	1,528,058	1,425,058
BB	Equipment	24,600	9,600	24,908	24,908	308	15,308
DD	General Expenses	302,597	302,597	278,113	192,898	(109,699)	(109,699)
DE	Contractual Services	50,000	50,000	101,250	101,250	51,250	51,250
	Total OTPS	377,197	362,197	404,271	319,056	(58,141)	(43,141)
HF	Inter-Dept. Charges	1,826,288	1,826,288	0	1,892,632	66,344	66,344
	Grand Total	18,943,927	19,031,927	20,452,285	20,480,188	1,536,261	1,448,261

Salaries are increasing from the FY 04 budget by \$1.5 million or 9.1% and increasing by \$1.4 million or 8.5% from the FY 04 projected. This is due to the addition of 26 full-time positions over the September 2004 actual. The first group to be hired is currently still being investigated but is expected to begin November 2004. This group will consist of 11 officers with one Accountant III starting at the end of September and another administrative position yet to be determined. A second group of officers have been given conditional offers of employment and many of their investigations have begun. These additions will be partially offset by an anticipated attrition of between 11-15 employees. About 54% of the Probation Officers and Supervisors will be eligible to retire by the end of 2005 since Probation Officers are eligible to retire after 25 years of service regardless of age. The Department's administration has put together a hiring plan to try and deal with this situation but even if the headcount is increased it takes two years for a probation officer to complete training and maintain a full case load. The Administration has stated in their Summary of the Fiscal 2005 Proposed Budget that they would consider hiring above the budget if the need arises and the funding become available. There has also been a problem getting people to take the test who are viable candidates. The Administration is assembling a recruitment team to try to get more people to take the test.

The Administration is currently doing a review of the department to find efficiencies and operational improvements that need to be made. Technology is being looked at to try to help increase the efficiency

of the officers. Kiosks are being considered to help keep track of probationers without the need for face to face contact with a Probation Officer. Although this system may be used to increase supervision for many probationers, it has also been criticized for being used to decrease face to face visits, which provide significantly better supervision. Voice mail is in the process of being provided to the department and personal communication devices have been issued to field officers and supervisors. Training efficiency is also expected to improve with the sending of five employees to a class so they can instruct other officers. This will allow training to take place on site instead of outside the facility.

Also increasing the salary expense is the CSEA contract increase which provides a 3.5% increase in January 2005. Step increases are also included.

Not including the inter-departmental charges, OTPS charges are decreasing in the FY 05 budget by \$58,141 or 15.4% from the FY 04 budget and by \$43,141 or 11.9% from the FY 04 projected actual. General expenses are decreasing from the projected actual primarily due to the transfer of \$85,215 in supper money into the salaries. Additional costs for technological and other office expenses requested for FY 05 will be purchased in FY 04 instead, further reducing expenses in 2005.

Inter-departmental charges identify and allocate the costs incurred by other departments on behalf of the Probation Department. A corresponding revenue gets booked to the department providing the service as an inter-departmental revenue (BJ). Inter-departmental charges are budgeted at \$1.9 million in 2005 primarily for IT and telecommunications (\$800,190) and building occupancy (\$757,043) charges. Building occupancy charges are increasing by \$101,999 in FY 05 due to an anticipated increase in utilities.

Department of Probation Staffing Analysis						
	<u>FY 04 Adopted</u>	<u>Sept-04 Actual</u>	<u>FY 05 Request</u>	<u>FY 05 Executive</u>	<u>Exec. vs 04 Adopt</u>	<u>Exec. vs Actual</u>
Full-time Staffing	229	218	269	244	15	26
Part-time and Seasonal	7	13	13	13	6	0

The number of budgeted full-time positions has been increased by 15 positions from the FY 04 budget. The FY 05 budget is increasing by 26 full-time positions over the September actual and the Department is currently in the process of hiring up. Part-time budgeted positions have been increased by 6 positions from the FY 04 budget to reflect the September actual.

TRAFFIC & PARKING VIOLATIONS AGENCY

The Traffic and Parking Violations Agency (TPVA) was established as a County agency in 1994 and began operating in April 1995. TPVA is authorized to collect parking and traffic ticket fines and pursue collections that are past due. Prior to TPVA's creation, the Court System was responsible for all parking and traffic ticket processing. In the summer of 2002, the Administration was successful in securing State legislation transferring directorship of the Agency to the County Executive from a Board of Judges. This includes the authority to hire and remove the director of the Agency.

EXPENSE BUDGET BY OBJECT CLASS

Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	1,692,810	1,821,919	1,792,290	1,792,290	99,480	(29,629)
BB	Equipment	25,000	21,000	25,313	25,313	313	4,313
DD	General Expenses	78,500	62,000	79,481	79,481	981	17,481
DE	Contractual Services	976,350	976,350	1,000,759	886,759	(89,591)	(89,591)
	Total OTPS	1,079,850	1,059,350	1,105,553	991,553	(88,297)	(67,797)
HF	Inter-Dept. Charges	911,696	911,696	0	694,885	(216,811)	(216,811)
	Grand Total	3,684,356	3,792,965	2,897,843	3,478,728	(205,628)	(314,237)

The 2005 expense budget is less than that of 2004 by approximately 5.6%, or \$206,000, due to a reduction in contractual services and interdepartmental charges by \$90,000 and \$217,000 respectively. The \$99,000 salary line growth, a result of the 2005 3.5% CSEA increase, is actually \$29,000 less than OMB's 2004 projection. This overage in 2004 salaries is a result of the increased amount of overtime used to help reduce the backlog of tickets. Overtime for 2004 is projected to be about \$260,000. TPVA should have a better handle on the backlog in 2005 due to new technology and operational and staff changes and should be able to manage with less overtime, so the overtime budget has been reduced by \$50,000 from \$150,000. In January 2004, there were 52,000 tickets that were considered backlogged and with overtime and new technology, the backlog was reduced to about 31,000 by July 1, 2004. At that time, tickets were labeled "backlogged" the moment time they were entered into the system. Since that methodology did not take into account the allotted time allowed to answer a ticket, whether to pay or plead, a ticket will now be considered backlogged only after a violator has either answered the violation or allowed the allotted time to lapse. Using this new methodology, the current backlog of tickets is down to approximately 12,500 tickets. The reduction in interdepartmental charges is a result of the elimination of a chargeback for salary and fringe expense for a position no longer needed by TPVA.

**Traffic and Parking Violations Agency
Staffing Analysis**

	<u>FY 04 Adopted</u>	<u>Sept-04 Actual</u>	<u>FY 05 Request</u>	<u>FY 05 Executive</u>	<u>Exec. vs 04 Adopt</u>	<u>Exec. vs Actual.</u>
Full-time Staffing	35	32	35	35	0	3
Part-time and Seasonal	15	14	18	14	(1)	0

Full time staffing in 2005 parallels the 2004 adopted budget but when compared to September actuals full time personnel will increase by three. While the total headcount remains constant with 2004 levels, the distribution of personnel has changed. There is an additional Prosecutor, Assistant Deputy Director, two new Bi-lingual Clerks and a new Community Services Representative in the 2005 budget. They will replace a Clerk I, a Multi-Keyboard Operator and four Cashier I positions. The change in distribution reflects the new technology planned for and in current use at TPVA which will allow TPVA to concentrate and improve on different aspects of the collection process including trial preparations and courtroom procedures.

REVENUE BUDGET

Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
BD Fines & Forfeitures	12,000,000	10,800,000	11,800,000	12,900,000	900,000	2,100,000
BF Rents & Recoveries	1,500,000	688,000	0	0	(1,500,000)	(688,000)
Grand Total	13,500,000	11,488,000	11,800,000	12,900,000	(600,000)	1,412,000

TPVA derives its revenue solely from the collection of fines. In 2005 TPVA expects to collect \$2.1 million more in revenue than what is projected in 2004. OMB had revised the 2004 budget downward with a projection of \$10,800,000 due to an earlier booking of a one time payment and a readjustment of another. Rents & recoveries are being eliminated from the 2005 budget due to one shot revenues that will not occur in 2005. Also OMB's 2004's projection had been reduced from the budgeted amount of \$1,500,000 as result of booking a one-time payment of \$811,000 from its delinquent ticket collection vendor Law Enforcement Services (LES) in 2003 rather than in 2004. The payment was for duplicative payments that LES owed the County. Also, original estimates for a partial payment trust fund that had been established by the State DMV had also been adjusted downward from about \$850,000 to between \$650,000 and \$700,000 for a one time payment. In addition, the 2005 proposed Police Department District's budget funds six additional Parking Enforcement Aides (PEAs) who will be utilizing more of the 27 handheld computers which provide more efficiency in the ticket collection process.

Current revenue collections are at \$6.9 million and TPVA is confident that with the implementation of operational improvements, the current revenue target of \$10,800,000 for 2004 will be achieved. These

changes include an improved billing process, expanded night and Saturday hours to accommodate those ticket holders who can not get to TPVA during normal business hours, acceptance of payments by credit card, increased number of conferences and trials that will help the Agency decrease backlog and schedule conferences and trial requests in a more timely manner and an improved voice mail system that assists in eliminating unnecessary phone calls and thereby enabling the staff to utilize their time more efficiently and increase customer service.

TPVA plans on hitting the 2005 revenue target of \$12,900,000 by continuing with the previously mentioned changes and making additional improvements. A new web service that will enable TPVA to accept on-line payments should be fully operational in early 2005, the contract with LES is being amended to include the collection of traffic tickets as well as parking tickets. In addition, the Agency is on the verge of implementing an electronic disposition of the ticket and supporting documentation called TraCS. TraCS was developed in response to the need for a well designed information management tool for field officers that would simplify the data collection process and administrative burden on officers. It eliminates repetition through the use of common information, which allows the user to enter certain types of information and use it many times. TraCS consists of two related applications, TraCS Mobile and TraCS Office which are used to collect incident data and the TraCS Office Database, which is used to store data at the local agency. The State had granted the County \$500,000 in 2004 to fund the hardware in the cars. In 2005, the County would receive \$1 million for continued use of the program. After receiving legislative approval for use of TraCS contract, the system should be up and running by the latter part of 2004.

In order to increase compliance with parking laws and regulations, the County had started a boot and tow campaign in which the most serious scofflaws, of which there are about 1,700, would be booted and could then redeem their vehicles by paying the outstanding fines. TPVA's letter campaign of warning the most serious scofflaws of the impending "boot" had been met with great response and had grossed \$585,000 in 2003 and approximately \$250,000 in early 2004. Due to the success of this program, TPVA is considering embarking on another letter campaign to secure a portion of the estimated 102,000 outstanding parking tickets from 1995 – 2000 which have a potential \$13 million gross revenue. The ten most outstanding scofflaws would generate approximately \$240,000 in fines and penalties.

All these changes, both operational and technical, that have occurred at TPVA illustrate how dramatically the Agency has improved over the past two years. While these improvements strongly suggest that collections will increase, it is questionable whether TPVA can achieve its revenue target of almost \$13 million.

Out-Year Initiatives

ID#	NAME	FY2005	FY 2006	FY 2007	FY 2008
PSTV01	Ticket Processing Surcharge	0	0	1,452,775	1,452,775
PSTV02	Delinquent Traffic Ticket Collection	0	500,000	250,000	250,000

The **ticket processing surcharge** will increase the existing surcharge of \$15 on speeding tickets to \$25 and the \$10 surcharge on parking to \$15. Additional revenue from the surcharge increases would allow the agency training for staff to improve workflow and technology improvements to enhance processing and collections. The \$1.4 million in the outyears is based on current ticket collections which usually run about 55% for moving and approximately 45% for parking tickets. It was thought that this initiative would require both State and local approval. The County Attorney's office, however, has advised that approval is needed only from the Board of Judges, not from the State, nor is local legislation required. The County will present a request for surcharge increases to the Board by late October and based on the Board's decision will begin implementation of this initiative with a potential for earlier impact on revenue.

The **delinquent ticket collection** initiative is an attempt by the Agency to send delinquent moving violations to a collection agency. The County has amended its contract with the current vendor for delinquent parking ticket collections, LES, to include delinquent moving violators. Prior to this, TPVA's performance at collecting this revenue was inadequate and after gaining state approval for an outside vendor to perform this activity, LES was selected to achieve the same success it has attained collecting for delinquent parking tickets. The Agency conservatively projects very little, if any, revenue in 2005 due to implementation time, but initially estimates an additional \$500,000 in 2006 but as delinquent tickets decline, revenue from this initiative should even out to about \$250,000 annually.

OFFICE OF THE DISTRICT ATTORNEY

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

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	23,188,417	22,273,901	24,882,609	24,426,462	1,238,045	2,152,561
BB	Equipment	88,500	88,500	243,603	43,603	(44,897)	(44,897)
CC	Materials & Supplies	80,000	80,000	83,258	83,258	3,258	3,258
DD	General Expenses	396,509	396,509	513,022	496,000	99,491	99,491
DE	Contractual Services	562,250	562,250	771,594	771,594	209,344	209,344
	Total OTPS	1,127,259	1,127,259	1,611,477	1,394,455	267,196	267,196
HF	Inter-Dept. Charges	2,196,483	2,196,483	0	2,338,802	142,319	142,319
	Grand Total	26,512,159	25,597,643	26,494,086	28,159,719	1,647,560	2,562,076

The total FY 05 expenditure budget is increasing by \$1.6 million from \$26.5 million in FY 04 to \$28.2 million. A big portion of this increase results from salaries. Salaries are increasing by \$1.2 million or 5%. The FY 05 budget includes a 3.5% COLA increase as of January 1, 2005 for CSEA employees. Also a salary adjustment of \$750,000 has been included for attorney raises under the career and salary plan. Raises under the career and salary plan are based on merit, therefore the amount given to each attorney will vary. This year’s salary projection is \$22.3 million or \$2.2 million under the FY 05 budget.

Other than personal services is increasing by \$267,196 or 24% in FY 05. The equipment budget decreased from \$88,500 in FY 04 to \$43,603 in FY 05. The equipment budget last year included costs to purchase file cabinets and other office equipment, which are not needed for next year’s budget. Materials and supplies remain close to the FY 04 budget at \$83,258. The FY 05 budget of \$496,000 for general expenses will mostly be used for investigation expenses. Investigation expenses include any expenses incurred by investigators during their investigation of criminal activity such as travel, wire taps, vehicles etc. Other expenses under general expenses include travel, postage, books and periodicals, and membership fees.

The FY 05 budget of \$771,594 for contractual services is to cover prosecution costs which can include costs associated with hiring expert witnesses, witness travel expenses, court reporting, etc. Other costs in contractual services include security and equipment maintenance, and radio and communications.

The \$2.3 million for inter-departmental charges is increasing by 6% from \$2.2 million in FY 04. These charges allocate the costs incurred by other departments on behalf of the District Attorney. Corresponding revenue gets booked to the department providing service as an inter-departmental revenue. For FY 05 charges for information technology have been reduced by \$670,000 while telecommunications have been added and Police Headquarters charges have increased. Last year telecommunications had been included in information technology. Other inter-departmental charges include printing, record management charges, purchasing, fleet maintenance charges, workers compensation expenses, GIS charges, and gasoline charges.

District Attorney Staffing Analysis						
	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual
Full-time Staffing	333	339	349	335	2	(4)
Part-time and Seasonal	28	15	7	7	(21)	(8)

The FY 05 Proposed Budget reflects 335 fulltime positions and seven part-time positions. Subsequent to the budget submission the department received approval to hire an additional 12 positions which has not been included in the FY 05 Executive Budget. The 12 positions include five Investigators, six Assistant District Attorneys and one Investigative Accountant. After including these 12 positions, the department estimates a total full time staff of 352 positions. The department's FY 05 request of 349 falls short of the 352. If hired, there appears to be sufficient funding to cover the additional staff.

REVENUE BUDGET						
Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BE Investment Income	400	400	400	400	0	0
BH Department Revenues	1,274,574	1,274,574	1,031,119	1,031,119	(243,455)	(243,455)
BJ Interdepartmental Revenue	0	132,323	0	0	0	(132,323)
FA Federal Aid - Reimbursable	9,461	9,461	201,147	201,147	191,686	191,686
SA State Aid - Reimbursable	64,700	64,700	55,577	55,577	(9,123)	(9,123)
Grand Total	1,349,135	1,481,458	1,288,243	1,288,243	(60,892)	(193,215)

The revenue budget for the District Attorney is decreasing by 5% which is mostly due to department revenue. Department revenue is made up of miscellaneous receipts and is the largest component in the

department's budget. This revenue includes post conviction forfeiture as well as various grants. Such grants include aid to Prosecution, Motor Vehicle Theft and Insurance Fraud, Welfare Fund, and Stop DWI. Any interest accrued on these funds is credited to investment income.

Federal aid is increasing by \$192,000 from \$9,461 in FY 04 to \$201,147 in FY 05. This increase results from three new grants which include Drug Treatment Diversion, Operation Impact and Project Fed Up.

State Aid is received for the reimbursement of DA expenditures relating to salaries in the District Attorney's Office. State aid is decreasing by 14% which results from a loss in reimbursement of the District Attorney's salary.

OFFICE OF CONSUMER AFFAIRS

The FY 05 Consumer Affairs budget shows increases in both revenues and expenses. Revenues are budgeted to increase since 2005 is a renewal year for home improvement licenses and since the Taxi/Limousine Initiative is being implemented. Expenses are rising to fund additional positions necessary for the implementation of the Taxi/Limousine initiative and the service of Spanish speaking consumers and contractors.

The following initiative has been incorporated into the FY 05 budget and baseline:

FY 05 Revenue Initiative

Taxi and Limousine Registration (PSCA04) - \$500,000

The revenue projection for this initiative was typed incorrectly in the summary book. The Office is anticipating \$500,000 from this initiative. This initiative would require that all taxis and limousines not currently registered with a Nassau County town register annually with the County Office of Consumer Affairs. Additionally, it would require that taxis already registered with a town in Nassau County pay for a County sticker. According to the New York State Department of Motor Vehicles, in 2003 there were 3,632 taxi registrations in force in Nassau County. The Office estimates that there are 400 black cars which are not currently registered with a County town. These cars would pay the County an annual fee of \$750 per vehicle. The remaining 3,232 Nassau County taxis would purchase a County sticker at a cost of \$5 per year. Taxis and limousines whose businesses are based out of another county but wish to drop off passengers in Nassau could pay \$5 to obtain a tier II sticker. Lastly, the Office would collect additional revenues from violator fines. The Office has the right to fine violators up to \$5,000 per violation depending on the fine history of the violator. All totaled the Office could receive \$316,160 if all Nassau based cars register and purchase the decal. Thus, the revenue projection falls short by \$183,840. Part of this may be offset from fines and tier II stickers, but it is doubtful that it all would. Moreover, the Office had planned to hire three investigators who could be cross-trained to work on this initiative as well as others. Civil service issues have arisen regarding the ability of the Office to assign investigators to work on multiple initiatives. If the investigators duties are limited, the revenue projection from this initiative is optimistic.

REVENUE BUDGET						
Revenue Class	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. Vs FY 04 Proj.
BC Permits & Licenses	1,900,000	2,248,000	2,922,096	2,922,096	1,022,096	674,096
BD Fines and Forfeitures	750,000	687,000	750,000	1,027,347	277,347	340,347
BH Department Revenues	100	100	100	100	0	0
SA State Aid - Reimbursable	45,000	45,000	45,000	45,000	0	0
TX Special Taxes	50,000	0	0	0	(50,000)	0
Grand Total	2,745,100	2,980,100	3,717,196	3,994,543	1,249,443	1,014,443

The overall FY 05 Consumer Affairs revenue budget is increasing 45.5% from the FY 04 revenue budget. The increase is due to the fact that 2005 is a renewal year for home improvement licenses and the implementation of several new initiatives. The decrease in the special taxes line is due to the fact that the County is no longer collecting a tax on coin operated amusement devices. The Legislature passed Local Law 19 of 2003 which repealed the tax imposed on coin operated amusement devices. The chart below provides greater detail of the various revenue lines shown above.

	2002 actual	2003 actual	2004 OLBR estimate	2005 budget
Home Improvement Licenses	643,740	2,122,096	1,484,453	2,122,096
Weights & Measures	291,424	602,850	829,800	800,000
Fines	553,110	397,210	422,542	1,027,347
Total	1,488,274	3,122,156	2,736,794	3,949,443

The previously shown permits and licenses line is the sum of the home improvement licenses and weights and measures estimates. The FY 05 home improvement licenses budget is the same as the actual collections obtained in 2003, the last time that all licenses had to be renewed. This estimate may be low since both the taxi/limousine initiative and the unlicensed home improvement seizure law are projected to increase the number of licenses issued by the Office. The fines line shown above is the same as the previously detailed fines and forfeitures line. This revenue class is recording the greatest budgeted increase. The line is increasing 143% from OLBR's 2004 estimate. The Office is expecting to obtain fine revenue from the taxi/limousine initiative, item-pricing initiative, seizure of unlicensed home improvement vehicles, and the smoking ban. The 143% fine increase may be optimistic given that Office statistics show year-to-date 2004 investigation division violations are up 44% from year-to-date 2003. Moreover, the Office may not be able to use their staff where necessary to fully implement all of their investigative initiatives, the revenue projection for this initiative may be optimistic.

EXPENSE BUDGET BY OBJECT CLASS							
Obj	Name	Adopted FY 04 Budget	OMB FY 04 Projection	FY 05 Dept. Request	FY 05 Exec. Budget	Variance Exec. vs Adopted 04	Variance Exec. vs FY 04 Proj.
AA	Salaries	1,858,766	1,983,409	2,317,929	2,277,509	418,743	294,100
BB	Equipment	2,000	52,654	10,000	10,000	8,000	(42,654)
CC	Materials & Supplies	3,710	3,710	5,000	5,000	1,290	1,290
DD	General Expenses	4,585	4,585	8,700	7,200	2,615	2,615
DE	Contractual Services	215	215	215	215	0	0
	Total OTPS	10,510	61,164	23,915	22,415	11,905	(38,749)
HF	Inter-Departmental Charges	370,600	370,600	0	612,028	241,428	241,428
	Grand Total	2,239,876	2,415,173	2,341,844	2,911,952	672,076	496,779

The total Consumer Affairs' expense budget is increasing by 30% from the FY 04 budget. All expense lines are increasing. The salary line is recording the greatest dollar value increase. As mentioned above, the Office is being given funding to hire five full-time workers and 3 part-time workers. The headcount additions are necessary to implement the taxi/limousine initiative and to service bilingual consumers and contractors. Inter-departmental charges have been separated out of the OTPS budget for comparison purposes. These charges have been developed to more accurately identify and allocate the costs incurred by other departments on behalf of Consumer Affairs. A corresponding revenue gets booked to the department providing the service as an inter-departmental charge (BJ). Interdepartmental charges to the Office of Consumer Affairs are increasing due to greater fleet maintenance and building occupancy charges. Fleet maintenance charges in FY 04 were underestimated for the Office's 17 cars.

Office of Consumer Affairs Staffing Analysis							
	FY 04 Adopted	Sept-04 Actual	FY 05 Request	FY 05 Executive	Exec. vs 04 Adopt	Exec. vs Actual	
Full-time Staffing	33	34	38	38	5	4	
Part-time and Seasonal	6	9	9	9	3	0	

Budgeted full-time and part-time/seasonal staffing in the Consumer Affairs Office is increasing. The Office has been operating above their FY 04 headcount, hence they will only have to hire-up for four full-time positions. OLBR estimates that the FY 04 Consumer Affairs payroll will be \$1,923,113. Subtracting that figure from their FY 05 budgeted salary line leaves \$354,396 to fund the 4 new hires. An analysis of the vacant positions reveals that the department will be hiring 3 Consumer Affairs Investigators level I and 1 Weight & Measures Inspector level I. The current salary line seems sufficient

to fund the 4 positions. The analysis also shows that there would be \$171,523 left over to fund additional personnel if required.