Review of the 2014 Recommended Operating Budget

Suffolk County Legislature
Budget Review Office

October 18, 2013

SUFFOLK COUNTY LEGISLATURE

Wayne R. Horsley, Presiding Officer
In Memoriam, William J. Lindsay, Presiding Officer
January 2006 – September 2013

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SUFFOLK COUNTY LEGISLATURE

Robert Lipp
Director

BUDGET REVIEW OFFICE

October 18, 2013

To: Wayne R. Horsley, Presiding Officer
and All Suffolk County Legislators

From: Robert Lipp, Director
Budget Review Office

Subject: **Review of the 2014 Recommended Operating Budget**

Accompanying this memo is the Budget Review Office evaluation of the County Executive's 2014 Recommended Operating Budget. Although the recommended budget has arguably made the best of fiscal problems that have built up over many years, there are numerous risks implicit in the proposed spending plan. These risks include obtaining State approval for restructuring $32.8 million of our debt and being able to sell the Nursing Home for $17.1 million.

Revenue enhancing measures that bring considerable relief to the budget include the newly created Traffic Violations Bureau and planned Video Lottery Terminal parlor. The County has also been able to control costs by shedding a large number of positions through attrition, retirement incentives, and layoffs. In spite of measures taken, there remains a structural imbalance, with the main culprit being amortizing or borrowing increasingly larger sums associated with the County's pension bill. We first amortized $19.1 million in 2011 and have borrowed more each year. For 2014 the recommended amortization is an additional $87.1 million.

This report also identifies, as it does each year, areas in the budget where there are shortfalls and surpluses. In addition, our review discusses several issues that the Legislature should be aware of, including: (1) the Fire Academy is transitioned from the Vocational Education and Extension Board (VEEB) to FRES in mid-2014, (2) uncertainty surrounding Civil Service approval to allow Park Police to become Police Officers, (3) inclusion in the budget of an additional $4.7 million in amortization to provide short term budgetary relief at a greater cost in the long term, and (4) underfunding Treasurer salaries attributed to the merger referendum being denied by the courts after the recommended budget was issued.

The Legislature has many issues to consider before adopting this budget. I would like to extend my thanks to the staff of the Budget Review Office for their diligence and perseverance in the preparation of this report. We are ready to assist the Legislature in their deliberations during the budget adoption process.

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Introduction

"I gave my standard speech this morning; we don't have any money"

William J. Lindsay
Joint Budget & Finance and
Ways & Means Committee
October 17, 2011

The 2014 recommended operating budget creatively addresses a structural deficit that has built up over several years. The single largest factor contributing to the long term imbalance is the impact of the Great Recession. In order to avoid layoffs or to raise taxes beyond the State imposed property tax cap, the recommended budget has little to no cushion should things not go according to plan.

One of the risks contained in the proposed spending plan is obtaining State approval for restructuring $32.8 million of our debt. The proposal would allow $32.8 million of debt service coming due in 2014 to be paid for with the proceeds of bonds that would in turn be paid back in future years. Another risk is the inclusion of $17.1 million in revenue from the sale of the Nursing Home. The risk is in finding a buyer in the prescribed time and at the recommended price. Given the zoning issues involved and uncertainty over what the property could be used for, it is unclear what the current market is for this property. Next, the budget presupposes that the County will be able open a Video Lottery Terminal parlor by the start of the fourth quarter of 2014 and realize $4 million in revenue. Lesser concerns from a financial perspective have to do with timing issues that might result in experiencing modest cost overruns should transitioning contracted Health Centers take longer than expected and should filling of positions in the Jail Medical Unit have to be advanced.

Positives to the budget include recurring revenue from the newly created Traffic Violations Bureau, the planned Video Lottery Terminal parlor, and strong growth in sales tax revenue that has been given a boost by Super Storm Sandy related federal aid and insurance settlements coming into the region. In addition, the County has been able to control costs by shedding a large number of positions. Through retirement incentives, layoffs, and natural attrition, the net number of active employees on the County payroll declined by 715 in 2012. From December 2012 to September 2013, the net workforce declined by an additional 179. Major increases to staff in 2013 include a class of 25 Correction Officers in March and 26 new hires at the newly opened Traffic Violations Bureau. Major decreases include 179 layoffs resulting from the closure of the nursing home and annual retirements countywide.

In spite of these cost saving measures, government finances in Suffolk County, as well as nationwide, are suffering. The single largest long run concern in Suffolk is the structural imbalance resulting from amortizing or borrowing increasingly larger sums associated with the County's pension bill. In 2011 the County amortized $19.1 million, in 2012 an additional $45.7 million, and in 2013 $60.7 million more. The 2014 Recommended Budget proposes to amortize an additional $87.1 million. The resulting debt service implicit in the 2014 pension bill is $15.2 million, which would grow to $25.2 million in 2015. While this is not a problem in 2014, it does make it more challenging for the future.

As is often the case, our report identifies several shortfalls that present a challenge to balancing the budget, as well as surplus savings that could be utilized to address select problem areas. Some of the major shortfalls that we have identified are:

- $15.5 million for the Employee Medical Health Plan (EMHP).
- $5.1 million for debt service and borrowing related revenue.
- $2.3 million in social security associated with the Correction Officers' retro pay.
- $1.84 million in overly optimistic Hotel-Motel tax revenue. A reduction in hotel-motel revenues is problematic, since the recommended budget transfers five positions from the General Fund to Fund 192.
- $815,000 in overly optimistic fee revenue across several departments.
- $472,841 in Treasurer Salaries attributed to the merger referendum being denied by the courts after the recommended budget was issued.

Surpluses include

- Sales tax revenue that based on BRO forecasts can be raised by more than $5 million in the General Fund (an increase of $7 million in 2013 and a decrease of $2 million in 2014).
- Traffic Violations Bureau ticket fines that can be raised by $5 million.
- The Budget Review Office has identified a net surplus of $3,057,093 in DSS chargeback and program savings after accounting for State and Federal aid and underfunding of 2014 permanent salaries in select units. The net savings are $1,653,550 in 2013 and $1,403,543 in 2014.
- The Sheriff's budget can be reduced by a net of $1,284,383. Permanent salaries are overfunded by $3 million. These savings should be partially offset by $1,715,617 in underfunding of expenditures elsewhere in the Department, as well as overstated revenues.

There are numerous other issues in the budget that are mentioned in our report. Some of those issues that the Legislature should be aware of are:

- The Fire Academy is transitioned from the Vocational Education and Extension Board (VEEB) to FRES in mid-2014.
- There is uncertainty surrounding Civil Service approval to allow Park Police to become Police Officers.
- The budget includes an additional $4.7 million in amortization to provide short term budgetary relief at a greater cost in the future.
- The County continues to chargeback the towns for out-of-county tuition. The 2014 Tax Warrant for out-of-county tuition is projected to increase by $4.9 million from 2013 to 2014. The majority of this increase, $3.6 million, is a one-time retroactive charge for FIT upper classmen for the 2012-2013 academic year.

In closing, to address some of the concerns we have with the 2014 Recommended Budget and to open up a dialogue over addressing our long term structural imbalance, we offer several potential solutions in our section entitled "Budget Shortfalls." There aren't many options available in the short time there is to amend the operating budget. The only large potential source of local funds we are aware of that can be utilized involves accessing a portion of the Fund 404 sewer Assessment Stabilization Reserve (ASRF) surplus. For a description of the specific options, the reader is

referred to that section of our report. The only other significant alternatives that we discuss in our "Budget Shortfall" section require State enabling legislation. Those options should be viewed for consideration in addressing our long term problems.

Summary of Findings & Recommendations

Budget Shortfalls

- The first section of the Review, immediately following the Summary of Findings and Recommendations, discusses the major risks implicit in the 2014 Recommended Operating Budget, as well as a partial list of shortfalls, surpluses, and potential solutions.

Sales Tax Revenue

- The single largest source of revenue for Suffolk County is the sales tax. In 2012 the sales tax represented 57% of General Fund revenue and is recommended to account for 59% in 2014.
- The 2014 Recommended Budget includes estimated sales tax growth of 6.77% for 2013 and 3.78% growth in 2014. The larger than expected increase in 2013 is due in part to the impact of Super Storm Sandy in late October 2012, which negatively affected fourth quarter 2012 collections.
- The BRO sales tax forecast calls for higher than budgeted growth this year (7.4%), but lower growth in 2014 (3.0%).
- Increase General Fund sales tax revenue by $5,187,914, comprised of a $7,178,046 increase in 2013 that is partially offset by a $1,990,132 decrease in 2014.
- Increase Suffolk County Water Protection Fund (477) sales tax revenue by $133,814, comprised of a $386,943 increase in 2013 that is partially offset by a $253,129 decrease in 2014.

The 2014 Recommended Property Tax Warrant

- The Executive's budget recommends an increase of $11.3 million. For the most part, the increase is restricted to the Police District.
- On a percentage basis, the overall tax increase is 2.1%, with an increase of 2.34% in the Police District.
- Average homeowner tax bills are estimated to increase by $25, or 2.5%, to $1,018. Growth in average tax bills exceeds the 2.1% increase in the warrant due to the continued downward trend in property values, with decreases this year attributed to Super Storm Sandy related tax grievances and a local real estate market that has not shown as strong a recovery as the nation as a whole.
- In general, taxes will be going up more in the western towns due to the Police District increase, but will also rise slightly in the eastern towns, due to stronger growth in property values.

The 2% New York State Property Tax Cap

- The New York State property tax cap requires local governments and school districts to increase taxes no more than 2% or the rate of inflation, whichever is less.
- The maximum allowable property tax increase is $13,245,435 or 2.19%.
- The difference between the 2014 cap of 1.66% (inflationary rate) and the allowable 2.19% increase for 2014 is based on the calculated formula applied to Suffolk County. An increase above this amount would require a 60% vote to pierce the cap.

- The cap is based on property taxes for all County taxing funds combined. As such, the entire allowable $13,245,435 increase can be in one County fund or split in any combination desired to reach the total.
- The recommended budget increases taxes across the various County funds by a total of $13,053,973 or 2.16%. This is $191,462 less than the allowable 2.19% rate of growth.

Cap Compliance

- The Executive's recommended budget document shows compliance with the County's two cap laws; the Local Law 21-1983: expenditure cap, and Local Law 29-1995: tax levy cap.
- The discretionary portion of the budget for 2014 is shown to be $48.7 million below the expenditure cap and $34.9 million below the tax levy cap.
- Budget Review, as in previous years, strongly recommends that the County cap laws be rescinded in their entirety. Given the arbitrary nature of previous years' practice, and in recognition of the superior position now held by the New York State 2% Property Tax Cap, that recommendation has never been more appropriate.
- Introductory Resolution No. 1307-2013, A Charter Law Adopting and Incorporating 2% Property Tax Cap into the County Budget Process, could be used as a guide for a stand-alone budget resolution, or consideration could be given to incorporate this change into the Legislature's budget amending omnibus resolution.

General Fund Revenue

- The 2014 Recommended Budget has a General Fund Property Tax Warrant of $49,037,038, which is unchanged from the previous four years.
- The 2012 adopted General Fund property tax was $49,037,038, but the actual amount recognized was $23,601,925; a shortfall of $25.4 million. The 2013 estimate anticipates that collections will increase, but still fall short of the adopted amount by $16.5 million. Based on information from the Treasurer's Office, the 2013 estimate appears reasonable.
- In the aggregate, State aid is estimated to increase by $9.3 million from 2012 to 2013, but decrease $8.5 million from 2013 to 2014.
- State aid represented 12.9% of actual General Fund revenue in 2012. The 2013 estimate attributes 11.8% of General Fund revenue to State aid. The 2014 Recommended Budget forecasts that State aid will account for 12.1% of total General Fund revenues.
- In the aggregate, Federal aid is estimated to increase by $13.6 million from 2012 to 2013, but decrease by $19.9 million from 2013 to 2014. Most of the difference from 2013 is due to $15.3 million in Federal Emergency Management Agency (FEMA) aid for Super Storm Sandy recovery efforts.
- Federal aid represented 12.2% of all General Fund revenues in 2012 and is estimated to be 11.4% in 2013. The recommended budget attributes 11.1% of all General Fund revenues to Federal aid.

Suffolk County Off-Track Betting Corporation (OTB)

- The most significant development in OTB operations is State authorization under the New York Gaming Economic Development Act of 2013 to operate a gaming facility with up to 1,000 video lottery terminals. The authorization for this facility, and a comparable one in Nassau

County, is not contingent upon the outcome of a November referendum like the traditional casinos planned for upstate.

- Based on information available from the VLT facility operated at the Aqueduct Racetrack, OTB believes that $25 million in annual revenue to the County is a conservative estimate once the facility is fully operational.
- The recommended budget anticipates $4 million from VLT revenue in 2014. In the event that OTB and the vendor opt for new construction or significant reconstruction, it is unlikely that the County will recognize any proceeds from video lottery gaming in 2014. For this reason, we believe the inclusion of this revenue in the budget is risky.
- We recommend that revenue from horse wagering and VLTs be accounted for in separate revenue accounts to make it easier to track the proceeds from each individually.

Out-of-County Tuition

- The 2014 warrant is based on the cost of out-of-county tuition for the 2012-2013 academic year, which including FIT upper classmen, is $13,030,590. Three adjustments need to be made to this number – a reconciliation for 2012, a reconciliation for 2013 (excluding FIT upperclassmen), and an adjustment for the uncollected taxes associated with FIT upper classmen expenses from the 2012-2013 academic year. The total net adjustment is $2,161,591 as follows:
    - The towns were overbilled by $618,998 in 2012.
    - The towns were overbilled by $849,607 in 2013.
    - An adjustment of $3,630,196 for unpaid FIT tuition will be charged to the towns.
- The 2014 Tax Warrant for out-of-county tuition should be $15,192,181. The warrant is projected to increase by $4.9 million from 2013 to 2014. The majority of this increase, $3.6 million, is a one-time retroactive charge for FIT upper classmen for the 2012-2013 academic year.

Personnel Costs and Issues

- The 2014 Recommended Budget includes $1.5 billion across all funds for salaries, benefits, and other personnel costs; representing approximately 54% of the $2.81 billion recommended budget.
- The recommended budget projects that personnel costs will increase by 1.97% compared to the 2013 estimate despite the termination of 179 employees from the John J. Foley Skilled Nursing Facility in 2013. However, the 2014 Recommended Budget is still 0.54% less than actual 2012 expenditures for personnel costs.
- In the aggregate, the 2014 Recommended Budget is $17.6 million more than the 2013 estimate. Non-personnel costs are reduced by $11.6 million while personnel expenditures are increased by $29.2 million. The recommended growth in personnel expenses is comprised of a $5.9 million increase in salaries and other employee compensation costs (1000s) and a $23.3 million increase in benefit costs.
- The 2014 Recommended Budget includes a net reduction of 188 authorized positions from 11,077 to 10,889. The reduction includes the abolishment of 223 positions and the creation of

35 new positions. Of the 223 abolished positions, 180 are related to the closure of the John J. Foley Skilled Nursing Facility.

- Through retirement incentives, layoffs, and natural attrition, the net number of active employees on the County payroll declined by 715 in 2012, from 10,164 in January to 9,449 in December. From December 2012 to September 2013, the net workforce declined by an additional 179. Major increases to staff in 2013 include a class of 25 Correction Officers in March and 26 new hires at the newly opened Traffic Violations Bureau. Major decreases include 179 layoffs resulting from the closure of the nursing home and annual retirements countywide.
- Over the last several years, the annual number of sworn police employees separated from the County payroll has exceeded the number of new recruits. In 2012, the number of sworn police employees decreased by 149, including the 72 that participated in the County's Police ERIP. The number of active sworn officers decreased by another 32 employees from December 2012 to September 15, 2013. There has not been a police class hired since December 26, 2011. As a result, the level of active sworn police personnel in Suffolk County is at a historic low.
- In 2013, Permanent Salary (1100) costs across all funds are estimated to be $2.28 million less than adopted. In the General Fund, the 2013 estimate for permanent salaries is $7.92 million less than adopted.
- Our independent analysis of the permanent salary appropriations concludes that generally the 2013 estimated permanent salary budget is reasonable. Across all funds and departments, our projection differs by $138,477 or 0.02% on an almost $736 million expense.
- In the aggregate, the 2014 Recommended Budget provides sufficient Permanent Salaries for all current employees as well as scheduled police and correction officer classes. In the General Fund we estimate that there is approximately $6 million to fill the remaining new and vacant positions in 2014.

Employee Benefits

- Increase 2014 Recommended Major Medical Claims (039-EMP-9060) by $5,000,000 to more precisely reflect anticipated claims expenses.
- Increase 2014 Recommended Hospital Claims (039-EMP-9061) by $5,000,000 to more precisely reflect anticipated claims expenses.
- Increase 2013 Estimated Prescription Claims (039-EMP-9062) by $2,600,000 to more precisely reflect anticipated claims expenses.
- Increase 2014 Recommended Prescription Claims (039-EMP-9062) by $2,100,000 to more precisely reflect anticipated claims expenses.
- Increase 2014 Recommended Interfund Revenue to Fund 039 by $12,100,000 to offset increases in anticipated claims expenses.
- Increase 2013 Estimated Social Security within the General Fund (001-EMP-9030) by $2,300,000 to more accurately reflect anticipated expenditures based upon the $35 million payment made to Corrections Officers to settle contract negotiations retroactively.
- Increase 2013 Estimated interfund transfer from Fund 632- John J Foley Skilled Nursing Facility to Fund 039- Employee Medical Health Plan (039-IFT-R632) by $765,769 to reflect year-to-date expenditures as of September 20, 2013 of $2,631,048.

Debt Service

- Budgeted debt service had been kept artificially low due to the County's 2008 and 2012 securitization of Tobacco Master Settlement Agreement revenues. County debt service payments from the proceeds of Tobacco Bonds were considered an off-budget expense to be footnoted on the County's financial statements. The impact of tobacco bonds creates a significant fiscal problem, as budgetary relief from the proceeds of these bonds ends this year (2013).
- Although there is no relief from tobacco bond proceeds in 2014, recommended General Fund serial bond debt service is $38.2 million less than would have been the case if not for debt restructuring implicit in the County Executive's budget. This will require approval from the State, since it amounts to a negative net present value refunding issue, which under existing State law is not allowed.
- Without debt restructuring implicit in the budget, an increase of $35.9 million over the 2013 estimated amount would be required in the budget. Instead, with debt restructuring, the budget shows a decrease of $2.3 million.
- Increase 2014 recommended serial bond debt service by a total of $1,355,747, with the increase apportioned $945,931 for 001-9710-6900-Serial Bonds and $409,816 for 001-9710-7800-Interest on Bonds.
- Even with annual borrowings, the County's budgetary shortfall has made it difficult to have sufficient cash on hand to pay bills. As a result, in May of 2012, an $85 million Revenue Anticipation Note (RAN) was issued and in April of 2013 a $115 million RAN was issued. Another RAN is expected to be issued in 2014. Previously, the last time the County issued RANs was during a major economic downturn and fiscal crisis in the early 1990s.
- The County borrowed $105 million in DTANS in September of 2012 and $100 million in September of 2013. Borrowing has steadily risen from $35 million in 2006.
- Although the past two DTANs are less than the $120 million issued the previous two years, if we add the RANs issued in 2012 and 2013, the total of $190 million in 2012 and $215 million in 2013 far exceeds the $120 million high water mark.
- Cash flow problems also factor into the next County TAN borrowing. For the fifth year in a row, the County expects to issue a TAN in late December, instead of the usual date at the beginning of January. Expected borrowing will be close to the high water mark of $410 million issued last year.
- Decrease 2013 estimated Capital Project Close Out revenue (001-DBT-2954) by $3.7 million in order to recognize only General Fund capital project close-outs and prevent double counting of highway impact fee revenue already recognized elsewhere in the recommended budget.

Sale-Lease Back of the H. Lee Dennison Building

- The recommended budget includes one-shot revenue of $60.3 million from the sale-lease back transaction approved by New York State in September of 2013. This revenue is recorded in 2013. The first Judicial Facilities Agency (JFA) lease payment, $4.8 million, is budgeted as a 2014 expenditure in the Department of Public Works.

County Road Fund (105)

- As discussed in the DPW review in this report, the budget is in need of long term structural changes to align revenues with expenditures. One possible solution is to seek State enabling legislation to increase Suffolk's Motor Vehicle Registration Surcharge fee. Currently, the County charges $5 per year for passenger vehicles weighing 3,500 pounds or less and $10 for larger non-commercial vehicles and all commercial vehicles.
- The Budget Review Office recommends considering increasing the fee to what is charged in Nassau County; where all non-commercial vehicles pay $15 and commercial vehicles $40. The estimated increase in revenue would be $10.35 million. Currently, the Motor Vehicle Registration Surcharge fee is deposited in the County Road Fund (105). County law would need to be changed to expand the use of these funds in order to provide maximum relief to the General Fund.

Police District Fund (115)

- The 2014 recommended sales tax allocation to the Police District is $90,650,994 or $20.8 million more than the 2013 estimate. The maximum amount that can be allocated, based on the 2014 Recommended Budget, would be $112,664,118. The increase in the reliance on sales tax in 2014 raises a precautionary sign. The overdependence on sales tax could result in a future problem if we continue to rely on this revenue source and reduced transfers to other funds that are supported by the General Fund to balance the Police District Fund.

District Court Fund (133)

- Separately identify in Fund 133 all costs incurred on behalf of and all revenues received in support of the District Court.

Hotel Motel Tax Fund (192)

Hotel Motel Tax Projection

- The 2014 Recommended Operating Budget includes 2014 Hotel Motel Tax at a 25% increase compared to the 2013 estimate. Based on an analysis that included more up-to-date data than was available when the recommended budget was issued, historical trends, and factoring in the effect of Super Storm Sandy, the Budget Review Office is recommending 2014 Hotel Motel Tax at a maximum of $9,515,240. This represents a five percent increase over the 2013 estimate and a net decrease of $1,840,458 from the 2014 Recommended Budget, when minor interest and fees are included. This is the highest projection we are comfortable with. Due to volatility in the growth rate in the wake of Super Storm Sandy, it is possible that even five percent growth may prove optimistic for 2014.

Expenditure

- Should the Legislature accept our recommendation for Hotel Motel Tax revenue in 2014, related expenditures must be reduced by a like amount to keep the Fund in balance.

Recommended Transfer of Positions

- The Budget Review Office recommends reversing the transfer of five positions from the General Fund to the Hotel Motel Tax Fund. This is necessary since the recommended 25% increase in 2014 revenue related to the Hotel Motel Tax is not likely to be realized. Significant

reductions in other expenditure areas will also be required if 2014 revenue is instead adopted at a five percent increase from 2013 and the position transfers are not reversed.

- In the Parks Historic Services Division, pending further detail on the exact positions transferred, reversal of the positions should provide most of the $368,092 expenditure reduction needed if our recommended revenue reduction is accepted by the Legislature. An additional minor expenditure reduction related to materials and supplies may also be needed. Alternatively, if the transfers are not reversed, the budget line for the materials and supplies used to restore and maintain historic structures would need to absorb the full expenditure reduction.
- In the Film Division of Economic Development and Planning, if the one position transfer was not reversed, the $36,809 required expense reduction would necessitate a decrease of that amount in either materials and supplies (recommended at $38,000) or in already reduced contractual services (recommended at $77,215). A further decrease may be required, as it appears employee retirement costs related to the transfer may have remained in the General Fund.

Tax Stabilization Reserve Fund (403)

- There have been no expenditures made by the Tax Stabilization Reserve Fund over the 2012 to 2014 period covered in the recommended budget.
- The Tax Stabilization Reserve Fund is estimated to end 2013 with a surplus of $49,176,012 (2.52% of General Fund expenditures) and to end 2014 with a surplus of $49,308,129 (2.51% of General Fund expenditures).

Assessment Stabilization Reserve Fund (404)

- Change the notation in the Status of Fund 404 presentation to reflect $46,538,991 as the cumulative projected amount available for sewer projects through 2014.
- The Legislature may wish to review Local Law No. 44-2011 as it pertains to excess fund balance allocations in 2014-2021 and consider extending and amending this local law by lowering the threshold for the excess funds in the ASRF to be utilized to fund sewer infrastructure and provide short term tax relief.

Suffolk County Water Protection Fund (477)

New Drinking Water Protection Program (Local Law No. 24-2007)

- Fund 477 transfers $24,147,676 to the General Fund for Property Tax Protection in 2014.
- Fund 477 transfers $18,777,353 to Fund 404 for Sewer Taxpayer Protection in 2014.
- Revenue of $23,448,134 is recommended for Land Acquisition in 2014. This will result in a net revenue of $7,071,330, after accounting for recommended debt service expenses on previous borrowings. The ability to bond under this program ended in 2011; it is now a pay-as-you-go program.
- The 2012 actual year-end land acquisition fund balance, of approximately $3.7 million, is available to be appropriated. Approximately $6 million in additional net new revenue is expected to be realized by 2013 year-end, and should be available for use sometime in 2014.
- Resolutions in 2011 and 2012 already appropriated approximately $49 million of the cash balance for land acquisition. After considering $28.2 million in closings which have already occurred (as of August 31, 2013) and related acquisition costs, plus approximately $19.9 million held in "reserve" for potential acquisitions already in the pipeline, less than $400,000 would

remain. Not all of the potential acquisitions are likely to close, and they may take significant time to close.

- Revenue of $8,859,021 is recommended for Water Quality Protection in 2014. This will result in a net new revenue of $137,903, after accounting for recommended operating expenses. The Water Quality Protection component has been used to fund an increasing amount of operating expenses, such as salaries and benefits for County personnel who perform water quality-related tasks, and equipment and supplies needed for those tasks.
- The recommended budget includes a $4.85 million fund balance for Water Quality Protection at the start of 2013 and an estimated $4.6 million fund balance by the end of 2013. Pending confirmation with the Executive Budget Office, expenditures for employee health insurance may have been understated, and a capital project expense may be negated by a related capital project closeout.
- Expenditures for capital projects approved by resolution through June 2013 are already included in the recommended budget. The Water Quality Review Committee is rightly using caution in approving funding for new projects.
- The Budget Review Office recommends continued caution in the use of this fund for employee salaries. We suggest that consideration be made to limit, by attrition, the number of employees in this fund. As circumstances permit in future years, consider further reducing the number of employees in this fund to restore the health of the fund and permit its continued use for water quality related projects.
- An ongoing recommendation of the Budget Review Office is for all resolutions appropriating 477 funding for water quality projects, including projects in the capital program, to include a clause indicating that the project has been reviewed by the WQRC, the date reviewed, and the Committee's recommendations.
- Consistent with a prior Budget Review Office recommendation, the Committee might impose a deadline by which an authorizing resolution must be introduced once the Committee has approved funding for a project. When an authorizing resolution has been approved, the five year sunset rule would apply for use of the funds. This will prevent water quality funds from being tied up in cases where approved projects are not proceeding in a timely manner.

Older Drinking Water Protection Program (Local Law No. 35-1999)

- The recommended budget includes fund balances attributed to the older Drinking Water Protection Program, which does not receive new sales tax revenue. A capital project cash closeout and state funding contributed to the $10.5 million Farmland Acquisition fund balance recommended in 2014. There is also a $1.7 million balance for Open Space Acquisition.

Board of Elections

- Due to special elections in 2013, we project that BOE costs will exceed the 2013 Adopted Budget. We recommend increasing the 2013 estimate by $175,000 for Outside Printing of ballots (001-BOE-1450-3040) and by $35,000 for Cartage (001-BOE-1450-3930).
- BRO projects that 2013 Permanent Salaries (001-BOE-1450-1100) will exceed the Executive's estimate by $190,000.

County Clerk

- Do not create the Senior Official Examiner of Title position (grade 34).

- Decrease recommended temporary salaries by $45,000 in 2014 (from $245,000 to $200,000).
- Increase the 2013 estimate and 2014 recommended County Clerk Fees (001-1255) by $180,000 in each year.

District Attorney

- There has been a steady decline in clerical staffing forcing legal and investigative personnel to handle clerical duties. This has added to workload as caseloads, complexity of investigations, number of specialty courts and new units have all increased.
- One vacant position should be earmarked and filled as a Paralegal Assistant to assist ADAs in various bureaus with the preparation of legal documents, legal research, and organization of legal documents and discovery. The remaining permanent salaries could be used to address the lack of clerical staff by filling vacant clerical titles during the course of the year.
- One vacant position should be earmarked and filled as an Assistant District Attorney to allow a more senior ADA to handle the additional Sex Offender Hearings because of the passage of the County's Community Protection Act and to prosecute Child Abuse and Domestic Violence cases.

Economic Development and Planning

Hotel Motel Tax Revenue (Fund 192)

- In our review of the Hotel Motel Tax Fund, we recommend a maximum growth rate of five percent from the 2013 estimated Hotel Motel revenue, as a more realistic alternative to the 25% growth rate included in the recommended budget. It is possible that even a five percent growth rate may prove optimistic. Should the Legislature choose to accept our maximum recommendation, 2014 expenditures for the Cultural Affairs and Film Promotion Divisions of this Department would need to be reduced accordingly.
- Should the Legislature choose to adopt the Budget Review Office maximum recommendation for 2014 Hotel Motel Tax, there will be a corresponding revenue decrease of $36,809 in the Film Promotion Division. To maintain sufficient funding for recommended employee expenses, the expenses allocated for film festivals and other film agencies will need to be reduced accordingly.
- Should the Legislature accept the Budget Review Office maximum recommendation for 2014 Hotel Motel revenue, there will be a corresponding revenue decrease of $184,045 in the Cultural Affairs Division. Appropriations typically provided to the Citizens Advisory Board for the Arts and other contracted agencies will need to be reduced accordingly.

Film Promotion-Transfer of General Fund Position to Fund 192

- The Budget Review Office recommends reversing the transfer of one position from the General Fund, Administration Division (001-EDP-6410) to the Hotel Motel Tax Fund, Film Promotion Division (192-EDP-6415). Even at the revenue level included in the recommended budget, which included a prior fund balance, recommended expenditures for contracted services were reduced in order to accommodate increased employee-related costs. Should the Legislature concur with the reversal of the position transfer, related expenses of approximately $110,535 will need to be removed from Fund 192 and restored to the General Fund.

Transfer of Water Quality Positions

- Under the Suffolk County Charter, the responsibilities of the Water Quality Division include the supervision, administration, and implementation of the Water Quality Protection and Restoration Program and the coordination of related activities performed by the Departments of Public Works and Parks, Recreation and Conservation. The Division has a reduced ability to control expenditure of water quality funds because most water quality revenue is now allocated to operating costs in various Departments, and there is little remaining for projects.
- The Budget Review Office has not been an advocate of increasing the number and scope of water quality funded positions, but this has already occurred. We do not object to the transfer of nine water quality positions from the Department of Economic Development and Planning to the Department of Public Works as these positions are already functionally and physically aligned with the Department of Public Works. The transfer would be in keeping with current practice and consistent with the request of the Department.

Aviation Division and Fund 625

- Although costs to maintain F.S. Gabreski Airport are in excess of the revenues it generates, the Airport provides national security and economic benefits to County residents, and the County has an obligation to maintain it.
- Current County finances preclude a definitive recommendation to hire either of the two additional Airport positions requested by the Department. Should the Legislature choose to add funding for either position, additional salary and benefit expenses to Fund 625 would be approximately $45,213 for a Maintenance Mechanic, (grade 9, step 1) and approximately $74,000 for an Assistant Airport Manager (grade 23, step 1).
- If it is verified that the interfund transfer relating to health insurance (IFT-E039) in the Airport Fund is overstated, then any savings could be applied either to reduce the General Fund transfer to Fund 625, or for temporary salaries to address maintenance needs at the Airport.
- Further information from the Department and the Budget Office is needed to clarify whether recommended funding for emergency repairs and runway pavement maintenance, and an Air National Guard Base Retention Grant (object 4560) in the Aviation Division is sufficient.

Status of Funds for Fund 351

- Fund 351 has been running at a deficit of more than $1 million. To reconcile the existing deficit, a one-time General Fund transfer would be needed. Moving forward, the Department must identify expenses that are not reimbursable under the grants they receive. The Status of Funds should include interfund transfers, from the General Fund to Fund 351, to cover the non-reimbursable expenditures and prevent the deficit in this fund from increasing.

Transfer of CCE Family Health and Wellness

- We recommend a reversal of the recommended transfer of Cornell Cooperative Extension Family Health and Wellness from the Department of Health Services to the Department of Economic Development and Planning. This program is not consistent with the mission of the Department of Economic Development and Planning, and a transfer may complicate the 36% Article 6 reimbursement this program receives under the Department of Health Services. Should the Legislature accept this recommendation, General Fund expenses of $173,446 should be transferred from the Economic Development Administration Division of EDP (001-EDP-

6410) to the Cooperative Extension Association unit of the Department of Health Services (001-HSV-8750).

Finance and Taxation

- Since the referendum merging the Treasurer and Controller has been denied by the courts, BRO recommends increasing permanent salaries by $472,841 in 2014 to fund all filled positions.

Fire, Rescue and Emergency Services (FRES)

- The 2014 Recommended Budget is $815,101 less than the Department's request, which is primarily attributable to a $500,000 reduction in overtime. This decrease is tied to the expectation for less overtime being needed on a regular basis due to all of the currently authorized FRES Communications Center Emergency Services Dispatcher (ESD) positions being filled since early 2013. This decrease might be overly optimistic as there are many uncontrollable and unpredictable variables impacting the amounts of overtime needed by FRES.
- Two new positions are created in FRES Administration in 2014: one new Deputy Commissioner of FRES tied to the proposal for FRES to assume administration of the Suffolk County Fire Academy purportedly in the second half of 2014; and one new Assistant to the Commissioner (FRES) to oversee the growing technology needs of all FRES operations plus to act as liaison and primary interface with HUD, FEMA and other State and Federal agencies.
- The VEEB contract for the County's share of running the Fire Academy in 2014 is budgeted at $967,866. This reduced amount represents one-half of the 2013 adopted total County contract for VEEB to operate the Fire Academy. The expectation is that the Fire Academy would continue to be run as it always has under contract by VEEB for the first six months of 2014. During the second half of 2014, implicit in the budget is that the VEEB contract would end, and FRES would assume administration of the Suffolk County Fire Academy. Day-to-day operations would become the responsibility of the new ten-person Fire Training Unit.
- The recommended budget narrative asserts that more volunteer firefighter training classes would be offered under the revamped Fire Academy, but no specifics are provided as to how the administration intends to accomplish this goal.
- A comprehensive cost benefit analysis should be undertaken and made public prior to any further changes authorized in the contracting of, funding for and administration of the Suffolk County Fire Academy from the way it is currently authorized, structured and operated under the Vocational Education and Extension Board (VEEB).
- New hires for FRES would include benefits that are not shown in the Department budget. For illustrative purposes, if all ten new positions were filled in the proposed Fire Training Unit, factoring in retirement, health and other benefits for a full year would result in an additional cost equal to more than 48% of these new salaries.

Health Services

- Three specific assumptions must hold true if the budget is to adequately resource the Department:
    - The Health Centers must transition to another operator no later than the end of July 2014.
    - The Jail Medical Unit would not need to be fully staffed until the 4th quarter of 2014.

- The sale of the nursing home for the recommended price of $17.1 million takes place.

Equipment and Supplies

- Increase the Department's aggregate Medical, Dental, and Laboratory Supplies lines (object 3370) by $281,000, to the requested level.

Administrative/General

- Explore charging municipalities for inspections by Public Health and Environmental Quality personnel. Pool and Beach inspections alone could raise as much as $80,000 in additional revenue.

Services for Children with Special Needs

- Increase the Early Intervention Services appropriation (2960-4120) to the 2012 actual levels; adjust revenue accordingly.
    - For 2013, the estimate should be increased by $2.1 million.
    - For 2014, increase the budget by $4.5 million.
    - Decrease Revenue Code 1660 by $500,000.

Emergency Medical Services (EMS)

- Charge Fund 115 for services provided by the EMS Division for administration and oversight of the Police Emergency Medical Technician training program, and execute a Memorandum of Agreement between the two Departments regarding duties, responsibilities and specific chargebacks for the services provided by EMS.
- Alternately, move the Police Department staff to Health-EMS
- Increase funding in the Medical Control Contract (4618-4980) by $60,000.

Patient Care Services

- Increase 4101-4980 to fully fund nine months of contracted health centers at requested level with Community Benefit Grants (CBG) or nine months at previously adopted w/o CBG.
- Increase 4101-4560 by $125,000 to reflect a transition to an FQHC operator no later than the end of the 3rd quarter of 2014.
- Increase Patient Care and State Aid revenues by $2 million ($250,000 in 3401 Public Health, and $1.75 million in the aggregate for earned revenues) for a full nine months of operation prior to transition.

John J. Foley Skilled Nursing Facility (Fund 632)

- The 2013 Adopted Budget included $1,865,279 for the healthcare contribution for the retirees carried by Fund 632; it did not include funding for personnel employed in the skilled nursing facility in 2013. The 2013 estimate for this line (Transfer to Fund 039) also omits healthcare contributions for personnel who worked in the facility during 2013, and assumes that the adopted and estimated cost for the health care contributions is the same, $1,865,279. However, as of October 10, 2013, revenue received from Fund 632 is $2,742,461.

Information Technology Services

- The Budget Review Office (BRO) agrees with the concept of proposing a capital project in 2014 to fund the replacement of inefficient and outdated computer office machines. BRO offers the following recommendations so as to keep annual Capital costs down:
    - This goes forward as a one-year project with the intent to replace computer equipment greater than five years old or within six months of reaching that age.
    - Priority is given to purchases for public safety, human services and revenue producing departments.
    - At the completion of the project, the County returns to a five-year computer replacement policy funded again in Office Machines (016-ITS-1680-2020) within the Information Technology Services Operating Budget. Exceptions to the five-year term will be allowable for certain equipment deemed essential for an early upgrade based upon Information Processing Committee approval.
- Funding should be restored to $5,600 for the Department's Outside Printing (016-ITS-1680-3040), as requested for the required 2013 tax year W-2 Internal Revenue Service forms.
- BRO concurs with the Department's efforts to move forward with initiatives to integrate Suffolk County towns into its current Verizon Centrex Agreement for voices services, as well as the incorporation of town networks into the County's Disaster Recovery scheme. Monies obtained from the towns for services related to these initiatives would help offset costs in future County Operating Budgets.

Law

- Debt service associated with bonding is starting to become an increasing share of settlement costs. Over the past ten years, it averaged $1.4 million, but is estimated at almost $2.5 million in 2013 and is recommended to be $3.1 million in 2014. When the County's fiscal situation improves, the Legislature should consider increasing cash reserves for settlements to reduce the need to issue serial bonds to cover liability expenses.

Legal Aid Society

- State aid for indigent defense was traditionally disbursed to counties by the New York State Comptroller's Office based upon a formula. The majority of State aid is now given out at the discretion of the Office of Indigent Legal Services, which distributes aid to counties on a competitive basis in the form of "target grants". A consequence of the new method of aid distribution is that competitive grants are only awarded for new initiatives that expand service provision. As aid transitions from the old system to the new, the financing of existing services increasingly becomes a local burden.
- We recommend adding $164,291 to the 2014 Recommended Budget (001-LAS-1170-4770) for the anticipated rise in health insurance premiums.
- The requested cost of living increases are not unreasonable; however, we recommend that if the Legislature wishes to include salary increases, it consider postponing the effective date of raises from January 1st to July 1st, as is the case with steps for County AME and Exempt employees. In doing so, the Legislature can lower the 2014 impact by 50% from $226,999 to $113,500.

Parks, Recreation, and Conservation

- Determine what contract agencies will receive funding in 2014 within appropriation 192-PKS-7512-Museums & Historic Associations-4980-Contracted Agencies. The 2014 Recommended Budget includes $508,174 in Special Services (object 4770) within this appropriation that the Legislature can reallocate among contract agencies (object 4980).
- Consider re-evaluating the current Park Police Officer requirements contained within Resolution No. 1361-2006, which is the legislation that requires one new Park Police Officer for every additional 500 acres of land acquired since 1999.
- Decrease 2013 Estimated Beach and Pool Charges (001-7110-PKS-2025) by $300,000 to more accurately reflect anticipated revenues.
- Decrease 2013 Estimated Recreation Charges (001-7110-PKS-2012) by $50,000 to more accurately reflect anticipated revenues.
- Decrease 2013 Estimated Camping Fees (001-7110-PKS-2003) by $100,000 to more accurately reflect anticipated revenues.
- Decrease 2013 Estimated Park and Recreation Charges (001-7110-PKS-2001) by $50,000 to more accurately reflect anticipated revenues.

Police

- A new recruit class of 40 will start at the Police Academy on October 28, 2013. The recruits require six months in the Police Academy and three months of field training before they can be deployed on patrol. If the class had been hired on September 1st, they could have had their boots on the ground by June 1st. June through August are the heaviest overtime months for the Police Department. Delaying the class until mid-October will cost the County approximately $1.5 million in additional overtime. The Budget Review Office recommends adding $1.5 million to 115-3121-1120: Overtime.
- If the transfer of the 35 Park Police Officers does not come to fruition it will have a substantial impact on overtime in 2014 as the 2013 recruit class was reduced by 35 officers in expectation of the transfer. The loss of this manpower will likely have to be replaced by top step Police Officers at time-and-a-half. The Budget Review Office estimates this impact in 2014 will be an increase of more than $1 million in overtime.
- The Police Department should be aggressive in an attempt to fill 10 vacant Public Safety Dispatcher and Emergency Complaint Operator positions with available permanent salary funds included in the recommended budget to alleviate both overtime costs and the burden being placed on E911 staff.
- The 2014 Recommended Budget includes full funding for the ShotSpotter© Gunshot Location System. The Legislature should evaluate whether to continue the program at a cost of $293,786 in 2014 and evaluate its merits for one more year or to terminate the contract. The Police Department did not request the $287,000 for non-North Bellport locations that are not supported with revenue. Introductory Resolution No. 1592-2013, which terminates the contract, was tabled in the October 3, 2013 Legislative Public Safety Committee.
- The line item for the contract with Parents For Meghan's Law of $773,896 resulting from the passage of the Community Protection Act (sex offender tracking) is 001-3120-4980 and has an Activity Code of "0000" and the generic Activity Name "CONTRACTED AGENCIES". The

agency should be assigned a unique Activity Code and the name should be changed to "Parents For Meghan's Law: Community Protection Act".

- The Police Department should prioritize areas where civilian positions, especially where civilian positions replaced sworn positions, are needed to minimize backlogs, avoid potential liability, enhance investigations and abate overtime. A comprehensive plan should be developed and presented to the Executive and Legislature for review.

Probation

- Reduce the 2013 estimate for probation administration fee revenue (001-PRO-1560) by $230,000 from $2,197,288 to $1,967,288.
- Increase the computer software expenditure line item in Probation's Sexual Offender Program (001-PRO-3169-3160) by $4,950, from $6,000 to $10,950 to enable this unit to upgrade its forensic software.
- Increase contractual expenses in the Placement Reduction Program for Family Service League Home Base II (001-PRO-3142-4980) by $16,594 to restore this contract to its current level of funding.

Public Administrator

- Increase recommended expenditures by $7,500 for Fees for Services (001-1175-4560) to bring the Department into compliance with the State mandated 2013 audit.
- Decrease the 2013 estimate for Public Administrator fees (001-1220) by $200,000 to reflect a revised estimate of $200,000.
- Evaluate the utilization of online auction services to dispose of real estate and real property in their charge.

Public Works

- Reduce Permits-Residential (105-DPW-5110-2590) revenue in 2014 by $245,000, from $423,000 to $178,000.
- Increase permanent salaries Department wide in 2014 by $481,130 to provide sufficient funding for all currently filled positions.
- Increase overtime in 2014:
    - Buildings Operations and Maintenance (001-DPW-1494-1120) by $230,000, from $300,000 to $530,000.
    - Vector Control (001-DPW-1495-1120) by $90,000, from $360,000 to $450,000.
    - Highway and Bridge Maintenance (105-DPW-5110-1120) by $300,000, from $125,000 to $425,000.
- If a policy determination is made to not purchase vehicles solely in the capital budget, then we recommend including $1.5 million in Public Works: Road Machinery (016-DPW-5130-2060), as was indicated would be needed in the Department's budget request narrative, to replace a critical portion of the $2,860,500 of decommissioned vehicles and vehicles with over 150,000 miles that do not qualify for funding through CP 5601or CP 5602.

- If a policy determination is made that the County should not incur the expense of building repairs and maintenance expenditures through the capital budget, then we recommend including Building Materials (object 3250) and Repairs: Building (object 3650) expenditures as the Department requested, by increasing the associated expense line items by $132,530 and $332,349, respectively.
- Increase Road Machinery-Repairs: Licensed Vehicles (016-DPW-5130-3630) in 2014 by $300,000 from $1.5 million to $1.8 million, as requested.
- Increase Rent: Offices and Buildings (001-DPW-1363-4410) in 2014 by $94,614, from $17,042,179 to $17,136,793 to include funding as requested in the Department's August budget update.
- As funding allows, we recommend allowing the Department to fill its vacancies as follows:
    - To implement the intent of the Omnibus last year, and to comply with the court-ordered appointment of an ADA Coordinator, the Department could earmark a vacancy to a Special Transportation Coordinator (grade 27) position and would need $59,291 to provide salary and benefits for this position with a start date of April 1, 2014.
    - To comply with the mandates of the Title VI Limited English Proficiency (LEP) Program, filling one Spanish Speaking Clerk (grade 9) position the Department would need $33,965 to provide salary and benefits for this position with a start date of April 1, 2014.
    - To address backlogs, consider filling some of the sixteen vacant Maintenance Mechanic positions in its Public Works: Court Facilities Division (001-DPW-1164) and/or its Sewer District #3 Division (203-DPW-8113). An entry level Maintenance Mechanic I (grade 9) with a start date of April 1, 2014 would cost the County $20,564 in salary and $13,401 in benefits.
    - To address backlogs, consider filling some of the six vacant Custodial Worker positions in Public Works: Court Facilities Division (001-DPW-1164) and/ or in its Public Works: Custodial Services and Security Division (001-DPW-1611). Filling one entry level custodial position (grade 8) with a start date of April 1, 2014 would cost the County $19,785 in salary and $13,342 in benefits.
    - Allow the Department to earmark a vacant Principal Planner (grade 28) position and fill one Planning Aide (grade 17) position in its Transportation Projects Division (001-DPW-5641). An entry level Planning Aide position with a start date of April 1, 2014 would cost the County $28,728 in salary and $14,026 in benefits.
- We recommend that consideration be given to increasing the Motor Vehicle Registration Surcharge fee (revenue code 105-5110-1760) to what is charged in Nassau County, where all noncommercial vehicles pay $15 and commercial vehicles $40. This would require State enabling legislation and the estimated increase in revenue would be $10.35 million. County law would need to be changed to expand the use of these funds in order to provide maximum relief to the General Fund.
- Budget Review recommends the addition of one Assistant Engineer (Grade 23), at an annual cost of approximately $70,000 ($51,443 salary plus $18,720 benefits), and one Energy Systems Computer Specialist (Grade 34), at an annual cost of approximately $103,000 ($81,902 salary plus $21,051 benefits).

- Anticipated first year savings related to the addition of these two positions would be in excess of $350,000. Recurring annual savings thereafter are expected to be in excess of $1 million.
- If the Legislature adds the new positions, the 2014 recommended funding for Light, Power and Water (4020) can be reduced by $173,000, which is the combined cost of the new positions.

Sheriff

- Failure to hire Correction Officers to meet the New York State Commission of Correction (NYS COC) required minimum staffing levels will result in more overtime and could result in the loss of variance beds with the consequence of increased substitute jail housing costs. In order to avoid overtime cost overruns, properly staff the Sheriff in 2014, and satisfy the NYS COC, an additional 20 Correction Officer (CO) recruits should be hired in March of 2014.
- If the Sheriff is to meet overtime funding included in the 2014 recommended budget they will need the 45 CO recruits that they requested in March as opposed to the 25 that are included in the recommended budget. There are sufficient funds included in permanent salaries and clothing and accessories to cover the cost of this class. If the additional 20 recruits are not added to the March class, we recommend transferring $1.5 million from permanent salaries to overtime to cover cost overruns due to the lack of adequate staffing.
- An additional $250,000 should be transferred from permanent salaries to 001-3151-3330: Food, for the purchase of meat products by the Sheriff since this funding was removed from the Cornell Cooperative Extension budget but not included for the Sheriff.
- Accounting for the 20 additional CO recruits, and transfers for meat and terminal pay, there will be a surplus in the Sheriff's permanent salary account of approximately $2 million. These funds can be used to fund other areas of the 2014 Recommended Budget that are deficient.
- The Budget Review Office estimates that Terminal Vacation Pay, Terminal Sick Leave Pay and Deferred Pay are under budgeted. BRO recommends transferring $351,000 from permanent salaries to Terminal and Deferred Pay.
- The 2013 estimate for the New York State Criminal Alien Assistance Program (SCAAP), revenue code 001-4348, should be decreased by $466,969.

Social Services (DSS)

- The income eligibility standard for new Non-Temporary Assistance (NTA) child care subsidy cases was increased from 2012's lowest possible level of 100% to 125% of the Federal Poverty Level/State Income Standard (FPL/SIS) in April 2013, and raised again to 150% of the FPL/SIS in July 2013 as a direct result of New York State increasing Suffolk County's Child Care Block Grant (CCBG), therefore adding approximately 600 children of low income working families to Suffolk's child care subsidy rolls.
- It is anticipated that 2014 will begin with the NTA eligibility level remaining at 150% of the FPL/SIS. But as the year progresses, DSS may consider requesting the State's approval to expand eligibility for more working low income families to be able to access child care subsidies through the County.
- Much of the most recent upturn in residential foster care cost increases is connected to families where the substance abuse issues of the parent(s) and their refusal to comply with court ordered treatment is causing their children to be removed from the home, put into foster care, and ultimately put up for adoption.

- The current phenomenon observed driving up family boarding home foster care costs after years of decline needs to be brought to the attention of the Criminal Justice Coordinating Council (CJCC). The Budget Review Office recommends that DSS make a presentation to the CJCC regarding the recent trend in rising family foster care costs.
- It may be time to reconvene the Legislature's Strike Force, in concert with the Executive Office and the principal players from the CJCC, to develop recommendations to help families where the reluctance to complete court ordered substance abuse treatment is breaking up homes, forcing children to be taken into foster care and separated from their birth families.
- Staffing levels for all DSS operations including Medicaid Compliance will remain basically status quo in 2014. No significant gains in the percentages of filled versus vacant positions would be expected to occur due to the lack of sufficient permanent salaries funding recommended throughout the DSS budget in 2014.
- The reductions in the 2014 Recommended Operating Budget with the most critical potential to impact operations throughout and impose staffing constraints upon DSS are inherent in turnover savings.
- Sixty-one authorized positions are transferred from Personnel Services, Special Investigations Unit (SIU), Security and Facilities Management into the two-person unit formerly named "Training and Staff Development" (001-DSS-6016), which is being renamed "Personnel and Supportive Services". These changes were requested by DSS after the submission of their 2014 budget request in June.
- The most notable vacant positions in the Department are the Commissioner of Social Services and the Deputy Commissioner. The Budget Review Office urges the County Executive to recommend his candidate for Commissioner of Social Services to allow a vote before the Legislature as soon as possible.
- The 21% rate of unfilled positions in DSS Information Technology (IT) is especially troublesome in recognition of the critical importance of this operation to the efficiencies and productivity of the entire Department of Social Services.
- Reinstatement of the autofill policy for all vacancies in the area of Child Protective Services (CPS) has been critical to ensuring the continuity of staffing resources, upon which the protection of our most fragile and at-risk children is dependent.
- Recommended turnover savings for the Family, Children and Adult Services (FCSA) Division exceeds $1 million, which is an increase of nearly $290,000 from the requested level and portends deficits of more than $277,000 in 2014 permanent salaries. There will be insufficient funding for currently filled positions in FCSA next year. It is not known whether the reduced funding will negatively impact the ability to perpetuate the CPS autofill policy next year, but this is seriously contraindicated.
- Turnover savings for the Client Benefits Administration (CBA) Division is recommended at more than $1.2 million, an increase of just over $209,000 from the requested amount. There will be insufficient funding to fill any of their current vacancies next year and there will be a deficit of nearly $179,000 in 2014 permanent salaries for currently filled positions.
- CBA has reached the point where it cannot stretch a shrinking workforce to cover historic workload increases and satisfy unending legal challenges.

- The newly recommended Personnel and Supportive Services Division includes 24 Security Guard positions (9 filled, 15 vacant) transferred from DSS General Administration. However, the inclusion of $750,000 in turnover savings will effectively prevent any of the vacant Security Guard positions from getting filled next year. In fact, there will be insufficient permanent salaries funding to fill any of the 21 total vacant positions being transferred from General Administration to the new division.
- A full year's cost of $804,000 is included in the recommended budget in 2014 for fees for services (4560) in the new Personnel and Supportive Services Division for Summit Security Services. Summit is the private security firm under contract with DSS to supplement the services of the County Security Guards in order to provide sufficient coverage at the four DSS centers and other offices that receive the public.
- The revenue generating, cost avoidance functions of the Child Support Enforcement Bureau (CSEB) are being impacted by an 18% vacancy rate, which is the third highest vacancy rate in DSS, with 26 of its authorized 121 positions vacant, and more than half of the CSEB vacancies being in the Child Support Specialist (CSS) title series. On average, it is estimated that each CSEB worker brought in more than $1.2 million in child support collections during 2012.
- Turnover savings for CSEB is increased by nearly $113,000 from the requested level of $985,000 to the recommended level of nearly $1.1 million in 2014, with a projected deficit of more than $117,000 next year, rendering CSEB unable to maintain its current level of filled positions.
- Understaffing CSEB represents a lost opportunity to the County to maximize the numbers of established child support court orders, help more families get off and stay off public assistance and bring in even higher levels of child support collections, which remain at a flat growth level.
- More than $2.1 million in turnover savings recommended for the MA Compliance Division in 2014 is $251,000 higher than the requested level and will essentially prevent the filling of any of its 46 vacant positions. Any reductions to permanent salaries could impair the ability of MA Compliance to comply with the existing stipulation order of settlement.
- The end result of the recommended permanent salaries reductions and the inherent constraints they will place upon the hiring of replacement and backfilled positions for DSS operations in 2014 will further burden a department overwhelmed with mandated responsibilities, with its dwindling workforce strained beyond their limits in too many service areas.
- No other County department has experienced more directly the human impact of the recession than DSS. Since 2008, DSS has witnessed and processed historic growth in demand for help from the most fragile of our society, but also from the burgeoning ranks of the new poor, a population that never had to ask for public assistance before the economic downturn.
- The 2014 Recommended Budget is incorrectly carrying the outdated name of the DSS Housing Division as the "Housing, Employment and Child Care Division" and needs to be updated to the "Housing Division" as the Employment Programs and Child Care Program functions are now being administered by the Client Benefits Division.
- Utilizing the most recent costs, including accruals, revenue and caseload trend information to review all DSS program and chargeback lines, the Budget Review Office finds that modest downward adjustments can be made in three appropriation lines from the 2013 estimate and the 2014 recommended amounts: overall, additional DSS chargeback and program gross savings of $1,950,000 are estimated in 2013, which would result in a net County savings of $1,653,550

after Federal and State reimbursements; and for 2014, additional gross DSS chargeback and program savings of $2 million are projected, which results in a net savings of $1,697,800 after deducting Federal and State aid.

- The Budget Review Office recommends reallocating a total of $573,000 from the $2 million in 2014 gross DSS program savings we identified in order to supplement the recommended insufficient permanent salaries funding levels by $277,000 in FCSA, $179,000 in CBA and $117,000 in CSEB. After applicable Federal and State aid, calculated conservatively on a last dollar reimbursement level, the local share costs of providing enough permanent salaries to reverse the potential deficits next year would be projected at $294,257, and would reduce the net DSS 2014 program savings of $1,697,800 down to $1,403,543. This additional funding will not provide for additional staff, but will provide three critically important divisions with sufficient permanent salaries to keep their staffing levels stable in 2014.
- There will be greater assurance that the FCSA CPS (Child Protective Services) autofill policy will continue to be supported by sufficient appropriations, that CBA will be more properly staffed to comply with existing court orders and stave off new legal challenges in public assistance eligibility processing, and that CSEB will be able to sustain and even increase its success in establishing more court orders of support, helping more families become and remain independent of public assistance, and raising the annual increases in child support collections by many more millions of dollars.

Soil and Water Conservation District

Farmland

- An ongoing recommendation of the Budget Review Office has been that the County should consider making it mandatory for farms on which the County has purchased development rights to comply with the recommended best management practices for farms. This would minimize conflict between the County's farmland preservation goals and the County's water protection goals.

Staffing

- As per prior Budget Review Office recommendation, encourage development of a mutually beneficial internship program with local colleges and universities, and investigate sharing of personnel with other County divisions with needed expertise, to alleviate the burden on existing staff.

Consolidation

- In order to make inter-departmental resources more readily available to the District, as well as to better integrate the District's expertise with other departments performing related functions, consider the feasibility of consolidation of the District with a related department, such as the Department of Economic Development and Planning or the Department of Public Works. The intent would be to enhance the profile of the District, not to obscure it. The physical location of the District needs to be taken into account, as well. Although it is physically isolated from other departments, it shares a building with the United States Department of Agriculture and Cornell Cooperative Extension, and it is near many of the farms that it serves and the Farm Bureau.

Traffic Violations Bureau

- Consider legislating periodic reporting requirements for the Traffic and Parking Violations Agency to facilitate improved estimation of revenues and evaluation of program effectiveness.
- Ticket Fine (Revenue Code 2647) may be increased by $5 million in 2014.

Summary of Findings 14

Budget Shortfalls

The County's fiscal difficulties are the result of several years of putting off addressing a structural imbalance that was exacerbated by the Great Recession. As was the case last year, the recommended budget has arguably made the best of a bad situation. Our fiscal problems are so large that it would be unfair to think that the recommended budget could solve them all in one year. With this in mind, we identify major fiscal problems in the recommended budget and offer a few solutions to address them.

Risks Implicit in the 2014 Recommended Budget

There are numerous risks implicit in the 2014 Recommended Budget. Should these risks not be resolved in the County's favor, a deficit would result. Although the nine areas of concern listed here could exceed $50 million, depending upon actions taken, at present they do not represent a deficit, but rather a risk of deficit.

1. Debt Restructuring

The recommended budget includes $32.8 million in debt restructuring. This would require State enabling legislation, since it would result in a negative present value refunding, which State law currently does not allow. The mechanics are that $32.8 million in debt service coming due in 2014 would be paid for with borrowed funds that would in turn be paid back in future years.

2. Sale of the John J. Foley Nursing Home

The budget includes $17.1 million in revenue from the sale of the Nursing Home. There is a risk in finding a buyer in the prescribed time and at the recommended price. It is unclear when the property could be sold and for how much. Given the zoning issues involved and uncertainty over what the property could be used for, a more reasonable price may be about $11 million. In a perfect world, the full $17.1 million should not be included in the budget, but at this point it would be a challenge to find an offset. Reducing the amount to $11 million would be a second best solution.

3. Pension Amortization

The County's reliance upon amortizing its retirement liability has grown significantly since first allowed by the State beginning with the February 2011 payment in which we amortized $19.1 million of the liability. In 2012 we amortized $45.7 million, $60.7 million in 2013, and $87.1 million is proposed in 2014. The 2014 pension payment includes $15.2 million of amortization repayments that BRO estimates will grow to $25.2 million in 2015 if the policy decision to amortize the maximum allowed by the State is embraced by the Legislature.

It is in the County's best interest to pay its current pension liability, in any given year, in full when it is financially feasible. If it is not feasible to meet the current liability, in full, in coming years, then we would recommend utilizing amortization to the smallest degree possible. Our continued reliance upon deferral of payment for this current liability is the single largest factor in the County's structural deficit.

The State has offered a one-time election in the 2013-2014 billing cycle to enroll in the Alternate Contribution Stabilization Program, which the recommended budget proposes to do. This alternative provides short-term cash relief by allowing the County to defer payment on a portion of their current annual contribution liability in exchange for repayment with interest beginning the next year. If the County did not opt into this program we would still be able to amortize $82.4 million, or $4.7 million less than is recommended. By opting in, BRO estimates that the County will

incur an additional cost, over the life of the amortization repayment, of $6.1 million, or $10.8 million in additional debt service, less the additional $4.7 million of our 2014 liability that is proposed to be amortized.

4. OTB

The recommended budget includes $4 million in revenue from Video Lottery Terminals (VLTs). The risk here is one of timing. In the event that OTB and the chosen vendor opt for new construction or significant reconstruction, it is unlikely that the County will recognize any proceeds from video lottery gaming in 2014.

5. Contracted Health Clinics

The recommended budget transitions contracted health centers to Federal Qualified Health Center (FQHC) status. According to the Executive's Budget Office, completion of the transition is expected by the end of the third quarter. BRO estimates that there may be sufficient funding for only one-half of 2014. As such, the tight time schedule presents a risk to the budget. For every month of delay in transitioning, add $3.3 million in appropriations or $1.3 million net of aid should be added to the budget.

6. Jail Medical Unit (JMU)

The budget only has enough funding for new hires in the JMU for half of the 4th quarter of 2014. The risk to the budget is one of timing, since the State Commission of Correction may require full staffing at an earlier date. About $250,000 is needed for every three additional months that hiring needs to be advanced.

7. Fire Academy

The recommended budget proposes to transition the Fire Academy from the Vocational Education and Extension Board (VEEB) to FRES at mid-year 2014. The impact on the budget is unclear. One concern that we have is that any new hires by FRES would include benefits that are not shown in the Department budget. For illustrative purposes, if all ten new positions were filled in the proposed Fire Training Unit, factoring in retirement, health and other benefits for a full year would result in an additional cost equal to more than 48% of these new salaries.

8. Park Police

The risk here is that it is unclear whether or not the County can get Civil Service approval to move Park Police from Parks to the Police Department and make them Police Officers. It is unclear what the ramifications of this would be to the budget. Without approval, there would be upward pressure on overtime and on the need to hire more new recruits.

In addition to risks in the budget, there are a number of areas that we have identified where there are shortfalls and to a lesser extent surpluses. First we present the shortfalls and then the surplus. The list that follows is not meant to be a complete summary of our recommendations, since that list is compiled shortly after the release of this report.

Shortfalls

The six shortfalls that follow total $25.5 million. This is not meant to be a complete list of possible areas where funding could be supplemented.

1. Hotel-Motel Tax (Fund 192)

The 2014 Recommended Budget presupposed stronger growth in the hotel-motel tax for 2013 than will materialize. As a result, in order for 2014 recommended hotel-motel tax revenue to come in on budget, receipts would need to grow by 25% next year. When the budget was issued, third quarter receipts from the summer months were not yet available. Now that third quarter collections are in, at best 2013 will come in on budget, while 25% growth in 2014 is way too optimistic.

BRO recommends a maximum growth rate of 5%, which is consistent with long term median growth. Even 5% may be a stretch, since 2013 was inflated by unusually high occupancy rates attributed to Super Storm Sandy. Assuming 2013 comes in on budget and 2014 grows by 5%, 2014 recommended revenue would need to be reduced by $1,840,458. A reduction in hotel-motel revenues is problematic, since the recommended budget transfers five positions from the General Fund to Fund 192. It is highly unlikely that there will be sufficient funds from the hotel-motel tax to pay for these positions. This would necessitate amending the budget and transferring the positions back to the General Fund. The direct impact on the General Fund would be $1,399,028, or $478,799 in salaries and benefits for the five transferred positions and a reduction in General Fund revenue of $920,229 for Park purposes (001-IFT-R192).

2. Employee Medical Health Plan (EMHP)

As discussed in our write-up on benefits, EMHP is underfunded in 2013 by $2.6 million for prescription claims and by $765,769 for already booked costs for Nursing Home employees retained past the anticipated closure date. In 2014, EMHP is understated by at least $12.1 million for IBNR and prescription claims.

3. Borrowing related expenditures and revenue

The shortfall here totals $5,055,747. Serial bond debt service in the General Fund is understated by $1.35 million in 2014 due to higher than anticipated payments on the upcoming fall 2013 bond issue. This information was not available at the time the recommended budget was issued. In addition, revenue related to borrowing is overstated in 2013. Estimated 2013 capital closeouts (001-DBT-2954) of $13,361,799 is overstated by approximately $3.7 million, or $2.8 million from highway impact fees and by approximately $900,000 associated with non-General Fund Capital closeouts. The impact fee revenue is already recognized in the 2013 Estimated transfer of $4,750,737 from Fund 425-Debt Service Reserve to the General Fund (001-IFT-R425).

4. Social Security

The budget does not include social security for the Correction Officers' retro pay.

5. Treasurer Salaries

Since the referendum to merge the Treasurer and Comptroller has been denied by the courts, the 2014 Recommended Budget underfunds permanent salaries for filled positions by $472,841.

6. Fee Revenue

Fee revenue in the budget appears to be overstated by $815,000, or $750,000 in 2013 and $65,000 in 2014. While we recommend increasing County Clerk Fees (001-1255) by $180,000 in both 2013 and 2014, we believe several other fees need to be reduced. In 2013 Probation Fees should be reduced by $230,000, Park Fees by $500,000, and Public Administrator Fees by $200,000. In 2014, Public Works Permit Fees should be reduced by $245,000.

Surplus (Savings)

The four areas that we identify here as a surplus in the budget total $14.4 million.

1. Sales Tax

BRO projects stronger sales tax revenue in 2013 and weaker growth in 2014 than is implicit in the budget. The net effect is a recommendation to raise General Fund sales tax by $5 million over the two years, or an increase of $7 million in 2013 and a decrease of $2 million in 2014. A strong 3rd quarter gives us confidence to raise the budgeted growth for 2013 from 6.77% to 7.4%. However, as the benefit from Sandy aid trails off, we project growth in 2014 to be less than budgeted and recommend reducing sales tax growth from 3.78% to 3.0%.

2. Sheriff

Permanent salaries in the 2014 Recommended Budget for the Sheriff are overfunded by $3 million. Accounting for $1,715,617 in underfunding of expenditures elsewhere in the Department, as well as overstated revenues, would result in a net surplus of $1,284,383.

3. DSS

The Budget Review Office estimates additional DSS chargeback and program savings (net of Federal and State aid) of $1,653,550 in 2013 and $1,697,800 in 2014. Accounting for underfunding of 2014 permanent salaries by $294,257 (net of aid), would result in a net surplus in 2014 of $1,403,543.

4. Traffic Violations Bureau

Based on limited data from the County Executive's staff, it would appear that recent monthly collections are consistent with increasing revenue code "136-2647-Traffic Violations Bureau - Ticket Fines" by $5 million in 2014.

Potential Solutions

Potential solutions to address imbalances in the budget can be broken down into proposals that can be accomplished as amendments to the 2014 Recommended Budget and proposals that would require State enabling legislation and would have to be addressed during 2014. What will be presented here are options, not recommendations. There are no easy solutions. It is up to the Legislature and the County Executive to size the degree to which corrective measures are required in both the short run and long run and then to weigh that against the costs and benefits of potential solutions.

For starters, the first thing to do would be to amend the recommended budget to include the four areas identified above where there are budget savings that total $14.4 million. The options as listed below would bring in an additional $17.5 million, for a combined benefit to the General Fund totaling $31.9 million. Although this total is more than the $25.5 million in shortfalls, it doesn't address any of the risk factors mentioned in this write-up.

Options that DO NOT require State enabling legislation

1. Property Tax Cap

The State property tax cap would allow a tax increase of an additional $191,462 more than what was recommended for 2014.

2. Access a portion of the Fund 404 sewer Assessment Stabilization Reserve Fund (ASRF) surplus to address shortfalls in the General Fund.

There are several options that can be considered, four of which are presented here. This would help address current problems in the General Fund with the use of surplus funds in Fund 404. These funds represent an accumulation over the years of what is now 25% of one quarter-cent sales tax. Without overstating the case, this would not likely be a problem for the County sewer systems in the short run; however, it is likely that those funds would be needed in the longer run.

2.a. ASRF Option #1

Continue the Fund 404 3/8ths tax relief into 2014 and perhaps beyond (currently it is set to expire at the end of this year). Other action would be needed to provide significant funding, but this action alone would generate $197,169 for the General Fund (3/8ths of the $525,783 recommended 2014 fund balance in excess of $140 million).

2.b. ASRF Option #2

Eliminate or reduce the recommended $6.25 million in A-money for sewer capital projects. This would raise the Fund 404 fund balance in excess of $140 million by the same amount, with 3/8ths for tax relief on the full $6.25 million equating to $2,343,750. The sewer districts scheduled to receive the $6.25 million, to finance capital projects, could instead use sewer serial bonds as the funding source, although the change in financing would require 14-vote approval.

2.c. ASRF Option #3

Lower the Fund 404 fund balance threshold from $140 million to some agreed upon lower amount. For instance, if the threshold was lowered to $120 million, an additional $7.5 million could be generated for General Fund tax relief (3/8ths of $20 million).

2.d. ASRF Option #4

Dedicate a portion of the 5/8ths excess Fund 404 fund balance for sewer purposes to County General Fund sewer purposes. This would provide $3,634,175 in General Fund revenue for 2013. Assuming Option #1 and either Option #2 or #3 are enacted, this option could provide the General Fund with an additional $3,671,113 in 2014. These amounts correspond to what is included in the 2014 Recommended Budget for General Fund transfers to funds 259 and 261, plus the General Fund cost associated with the Yaphank and Riverhead sewer systems.

Options that DO require State enabling legislation

The following four options are not meant to represent a complete list. With the exception of the last one, all are revenue enhancers. The obvious criticism is where are the expenditure cuts? The answer is that short of consolidating municipalities, over the past few years Suffolk County has made significant cuts by shedding a large number of positions, mostly through early retirement incentives and layoffs. As a result, the County finds itself short staffed in many areas, and there are few functions that can be eliminated. Should the first three revenue raising options be enacted, $118 million could be generated annually, which would then grow as the economy expands. The fourth option would bring in a one-time revenue of $17.1 million, but would increase annual costs by approximately $1.27 million thereafter.

1. Sales Tax

A one-quarter cent increase is the sales tax rate would bring in $75.1 million based on numbers in the 2014 Recommended Budget. The current County sales tax rate is 8.625%. The one-quarter cent increase would bring Suffolk up to the rate that exists in NYC, which is the highest in the State.

2. Mortgage Tax

Institute a 0.25% County mortgage tax. The existing 1.05% tax goes to the State MTA, State Mortgage Agency, towns and villages. As of last year, the mortgage tax rate in Suffolk was the same as in Dutchess, Nassau, Orange, and Putnam, while eight municipalities around the State had higher rates. This increase would generate an estimated $21.5 million annually, and more as the real estate market improves.

3. Motor Vehicle Registration Surcharge

Suffolk County's Motor Vehicle Registration Surcharge is currently $5 per year for passenger vehicles weighing 3,500 pounds or less and $10 for larger noncommercial and all commercial vehicles. The proposal here would be to raise the fee to $15 on all noncommercial vehicles and $40 for commercial vehicles, as is currently charged by Nassau County. This would generate an estimated $21.5 million annually. Currently, the motor surcharge proceeds are deposited in the County Road Fund (105). County law would need to be changed to expand the use of these funds in order to provide maximum relief to the General Fund.

4. Sale-leaseback of the Nursing Home

This represents an alternative to the $17.1 million in revenue included in the 2014 Recommended Budget for the sale of the Nursing Home. This option can be thought of as either (1) a fallback position should the facility not be sold or there are no offers close to the recommended price or (2) it would represent an enhancement in service provision (i.e. a partnership with a not-for-profit provider, such as a hospital). This would require State enabling legislation to exercise the lowest cost method of going through the JFA. The obvious drawback is that we would have to pay rent on the lease over a likely 20-year period that would cost an estimated $1.27 million per year.

RL Budget Shortfalls 14

Sales Tax Revenue

Effects of the Recommended Budget

In Table 1 we present a breakdown of the current 8.625% sales tax rate in Suffolk County. The sales tax is 4.25% for County purposes and 4.375% for State purposes. This is further broken down as follows:

- General Fund (001): Sales tax revenue in the General Fund comes from 4% of the 4.25% County portion of the sales tax. The General Fund does not receive the full 4%, but instead allocates a share to the Police District. The Police District share cannot exceed three-eighths of one-cent (0.375%).
- In 2013 the Police District share ($69,838,390) was less than the one-quarter cent dedicated to the Suffolk County Water Protection Fund ($72,185,882). Last year (2012), and in next year's 2014 Recommended Budget, Police District revenue exceed one-quarter cent ($82,271,437 in 2012 and $90,650,994 recommended for 2014). The 2014 recommended Police District allocation is $20.8 million more than its 2013 distribution and $22 million less than the maximum three-eighths allocation of $112.66 million.
- Suffolk County Water Protection Fund (477): Local Law 24-2007 (Resolution No. 770-2007), which went into effect on December 1, 2007, extended this dedicated one-quarter cent of the sales tax from the end of 2013 to November 30, 2030 and also modified its program components. Quarter-cent sales tax revenue is now allocated as follows: 25% for sewer rate relief (Fund 404), 32.15% for tax relief (General Fund), 31.1% for land acquisition (under the SC Environmental Trust Fund), and 11.75% for water quality protection.
- Resolution No. 625-2011 modifies the sewer component, specifying that if the surplus in the Assessment Stabilization Reserve Fund (404) exceeds $140 million in fiscal years 2011, 2012, or 2013, 37.5% of the excess fund balance shall be reserved for General Fund bonded indebtedness or retirement contributions. The remaining 62.5% is intended to enhance wastewater treatment efforts, including installation, improvements, maintenance, and operation of sewer infrastructure, sewage treatment plants, and for the installation of residential and commercial enhanced nitrogen removal septic systems. Consistent with existing legislation, the General Fund allocation sunsets, going from $8,472,741 in 2013 to zero in 2014.
- New York State sales tax (including the portion going to the MTA): The State portion of the sales tax is 4.0% and the New York State Metropolitan Transportation Authority (MTA) portion is 0.375%.

Table 1
Suffolk County Sales Tax Rates

	2012	2013	2014 Recommended
State	4.00%	4.00%	4.00%
NYS Metropolitan Transportation Authority (MTA)	0.375%	0.375%	0.375%
General Fund (001)	4.0% less Police District allocation	4.0% less Police District allocation	4.0% less Police District allocation
Police District (115)	$82,271,437	$69,838,390	$90,650,994
Suffolk County Water Protection Fund (477)	0.25%	0.25%	0.25%
Total	8.625%	8.625%	8.625%
State & MTA	4.375%	4.375%	4.375%
County Total	4.25%	4.25%	4.25%

Issues for Consideration

The single largest source of revenue for Suffolk County is the sales tax. In 2012 the sales tax represented 57% of General Fund revenue and is recommended to account for 59% in 2014. This has been problematic given the volatile nature of this revenue source, which tends to mirror the ups and downs of the economy. For instance, in 2008 and 2009 the County experienced its first ever negative growth rates (after adjusting for rate changes). This was a direct result of the Great Recession. Revenue decreased by 1.1% in 2008 and an additional 8.5% in 2009. In 2010 the County rebounded, registering an increase of 6.5%, due in part to the lower 2009 base. The economy has since continued to grow, but at a slow pace, with sales tax growth registering 2.61% in 2011 and 3.1% in 2012. Before the Great Recession the high water mark for sales tax was $1.177 billion registered in 2007. It was not until 2012, when the County brought in $1.201 billion that the 2007 level was surpassed.

In Table 2 we present the Executive's recommended revenue along with Budget Review Office projections. The 2014 Recommended Budget includes estimated sales tax growth of 6.77% for 2013 and 3.78% growth in 2014. The rebound in 2013 is due in part to Super Storm Sandy, which took place in late October 2012, negatively impacting fourth quarter 2012 collections.

In comparison, our forecast calls for higher than budgeted growth this year (7.4%), but lower growth in 2014 (3.0%). This year's Budget Review Office forecast was for the first time in memory prepared by an outside consultant, Conoscenti & Associates. Our higher growth rate for 2013 is based in part on more current data than was available when the recommended budget forecast was prepared. The recently released data for the third quarter of 2013 was stronger than expected and shows a 9.16% growth rate for the quarter, compared to the same period in 2012.

Without having knowledge of the methodology used to derive the Executive's forecast, it would appear that other differences between the two forecasts can be explained by the timing of the impact of Sandy relief, a possible difference in what the trend growth in sales tax is, and how the home energy portion of the sales tax is treated. In addition, our forecast takes into consideration employment growth on Long Island and national factors that influence local consumer spending.

Super Storm Sandy

The impact of Super Storm Sandy on Suffolk's economy is one of the most significant factors driving sales tax trend analysis and forecasts. Initially after the storm, lack of power and destruction of infrastructure caused a disruption in economic activity; however, the local economy has been boosted by spending for rebuilding and repairs. This trend is consistent with economic studies on other natural disasters and research at the New York Federal Reserve, indicating that economies recovering from natural disasters typically experience exaggerated growth for a period lasting for 18 to 24 months. Suffolk's economy has been in this phase since October 2012.

Implicit in our forecast is that we will continue to experience storm-related growth through the first half of 2014, with the size of the impact lessening in 2014. While sales tax revenues in 2013 have been temporarily boosted by the Federal aid and insurance settlements coming into the region, some of these collections would have been received by the County in 2014 and 2015, but were instead advanced into 2013. Thus, the 2013 tax base is distorted on the upside.

Trend Growth

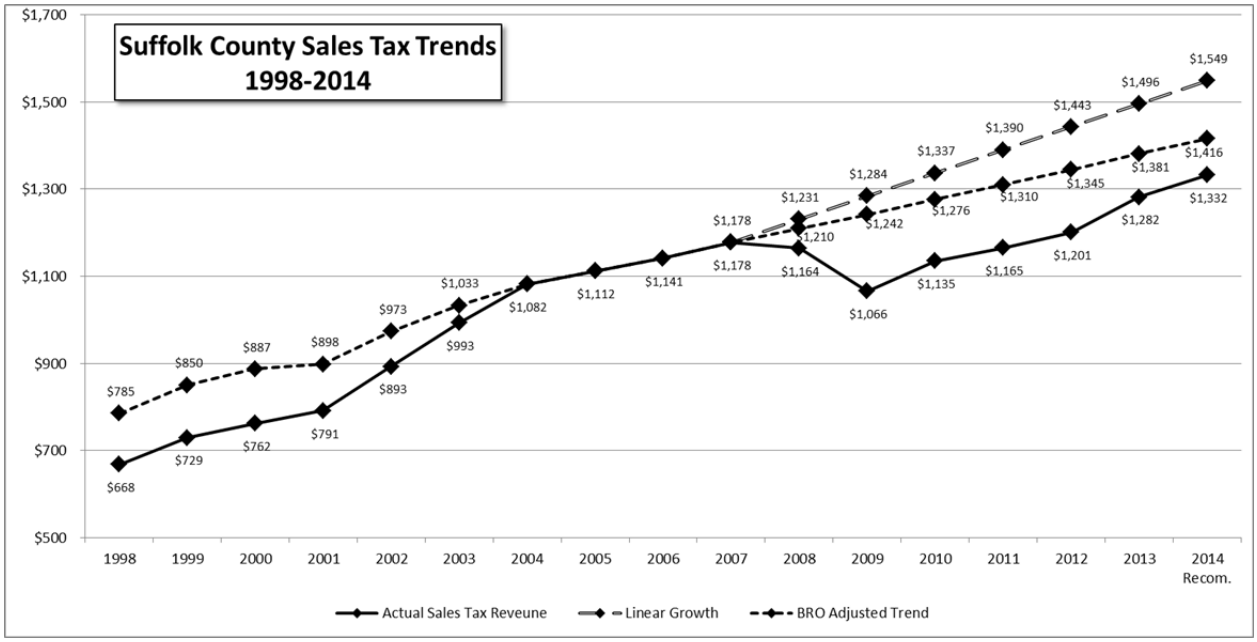
In terms of trend growth, the 2014 Recommended Budget includes a graph (on page 15) comparing actual sales tax revenue to a linear growth rate that is based on the trending of sales tax before the beginning of the recession. However, this trend does not make adjustments for several factors that skew the data. In particular, if relevant adjustments are made to the pre-recession data, we see that trend growth is 2.7%, not what appears to be four percent implicit in the Executive's linear trend.

Consequently, if the assumption in the recommended budget is that an improving economy will result in a resumption in sales tax growth equal to what it was before the recession, a projection of nearly four percent should instead be closer to 2.7%.

The adjustments we made to arrive at our lower trend growth rate are:

- Tax rate changes of 1/4% sales tax increase in 2001 and a 1.5% increase in the home energy portion of the sales tax in 2002.
- Adjusting for the sales tax exemptions on clothing in the early 2000s.
- Netting out the influence of the highly volatile sales tax components for motor fuels and home energy.

We have reproduced that graph here with adjustments made for the above factors. The BRO adjusted trend shows that sales tax revenue was higher from 1998 to 2004 and that the unadjusted linear trend line overstates the trend from 2007 forward. To the extent to which the Executive used the linear trend included in the graph to derive the recommended sales tax for 2014, would explain in part their more optimistic growth rate.



The Home Energy Portion of the Sales Tax

Our forecast separately projects the home energy and motor fuel tax and then forecasts independently the non-energy portion of sales tax revenues. This is done because energy-related sales taxes are very volatile and move with the price of energy. In forecasting the non-energy portion of sales taxes, the data are adjusted for changes in sales tax legislation and then reconciled to account for prior period and other adjustments made by New York State. It is important to note that revenues are estimated using quarterly data, since the sales tax is a quarterly system. Non-energy sales taxes are then estimated using both a time series trend model and a statistical regression model relating sales tax revenue to the economy (regional employment) and national factors. Implicit in our forecast is no growth in sales tax revenues from the home energy and motor vehicle portions of the tax, as the price of energy is projected to remain largely unchanged.

Employment

In addition to the timing of the impact of Super Storm Sandy and trend growth on sales tax collections, our forecast takes into account the strength of the labor market. Nassau and Suffolk Counties added 15,100 jobs in 2011 (1.2% growth), 18,100 in 2012 (1.5% growth), and 23,500 over the first eight months of 2013 (1.9% growth). The impact of Super Storm Sandy was clearly evident in the employment data. From August 2012 to August 2013 employment for specialty trade contractors rose by 6,600 or 14.4% to a level of 52,300 jobs.

Optimism regarding the growth in jobs should be tempered with the realization that many of the jobs created were based on increased spending for Super Storm Sandy recovery efforts. Consequently, these encouraging figures are not necessarily an indicator for long-term growth in the labor market. Implicit in our forecast is payroll employment growth of 2.1% for all of 2013 and 1.5% in 2014.

National Factors

National economic activity affects the local economy and is an input in our model that projects local employment and consumer spending. The national economy is likely to grow at a slow rate

for the rest of 2013 as the government shutdown and uncertainty surrounding the debt ceiling has negatively impacted economic activity. Consumer spending, with the exception of motor vehicle sales, will remain relatively sluggish. Businesses will defer spending until the uncertainty in Washington is resolved. Reduced government spending is a drag on growth.

National GDP growth of around 2.2% is expected in the second half of 2013. Growth in GDP and national employment, while improving, will remain relatively weak through the end of 2014. GDP growth in 2014 is projected to average 2.8% for the year. The modest improvement will partially offset the loss locally from Sandy-related spending.

While the 16-day partial government shutdown just ended and the debt ceiling was lifted at the 24th hour, uncertainty remains, as these fixes are temporary and will have to be revisited early in the new year - January 15, 2014 for funding the federal government and February 7, 2014 for raising the debt limit. Should these issues not be successfully addressed early in the new year, an alternative, although not worst case forecast, would be a sales tax growth rate of 2.0% instead of our 3.0% projected rate. This one percent decrease would reduce sales tax revenue by approximately$12.2 million.

Budget Review Office Recommendations

- Increase General Fund sales tax revenue by $5,187,914, comprised of a $7,178,046 increase in 2013 that is partially offset by a $1,990,132 decrease in 2014.
- Increase Suffolk County Water Protection Fund (477) sales tax revenue by $133,814, comprised of a $386,943 increase in 2013 that is partially offset by a $253,129 decrease in 2014.

Table 2
Suffolk County Sales Tax Revenue

	2012 Actual	2013 Adopted	2013 Estimated	2014 Recommended
Budgeted				
General Fund (001)	$1,050,849,386	$1,114,579,629	$1,140,135,728	$1,164,899,594
Police District (115)	$82,271,437	$69,838,390	$69,838,390	$90,650,994
Suffolk County Water Protection Fund (477)	$67,740,433	$70,588,626	$72,185,882	$75,109,412
All Funds	$1,200,861,256	$1,255,006,645	$1,282,160,000	$1,330,660,000
Growth rate (All Funds)	**3.10%**		**6.77%**	**3.78%**
Budget Review Office (BRO) Projection				
General Fund (001)			$1,147,313,774	$1,162,909,462
Police District (115)			$69,838,390	$90,650,994
Suffolk County Water Protection Fund (477)			$72,572,825	$74,856,283
All Funds			$1,289,724,989	$1,328,416,739
Growth rate (All Funds)			**7.40%**	**3.00%**

	2013 - 2014 Combined	2013 BRO *minus* Budgeted	2014 BRO *minus* Budgeted
Budget Review Office (BRO) Projected Shortfall			
General Fund (001)	**$5,187,914**	$7,178,046	-$1,990,132
Police District (115)	**$0**	$0	$0
Suffolk County Water Protection Fund (477)	**$133,814**	$386,943	-$253,129
All Funds	**$5,321,728**	$7,564,989	-$2,243,261

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The 2014 Recommended Property Tax Warrant

This section of our report provides a town-by-town breakdown of County property taxes for the General Fund, College, Police District, District Court, and MTA tax funds. The accompanying table summarizes the recommended property tax, showing totals for each of these funds and the apportionment of County taxes by town. The left side of each table displays total property taxes raised by the County, while the right side estimates average homeowner tax bills.

As seen in the accompanying table, the Executive's budget recommends an increase of $11.3 million. For the most part, the increase is restricted to the Police District. There is no change in the other districts, except for a $3,005 increase shown for the MTA tax that is attributed to the omission of sewer districts from our analysis - the Southwest Sewer District will experience a $3,005 decrease in its MTA tax, resulting in no overall change in that tax.

On a percentage basis, the overall tax increase is 2.1%, with an increase of 2.34% in the Police District. Overall taxes are heavily weighted by the Police District tax, since it accounts for almost 89% of the combined funds warrant.

Average homeowner tax bills are estimated to increase by $25, or 2.5%, to $1,018. Growth in average tax bills exceeds the 2.1% increase in the warrant due to the continued downward trend in property values, with decreases this year attributed to Superstorm Sandy related tax grievances and a local real estate market that has not shown as strong a recovery as the nation as a whole. As a comparison, although the increase in average tax bills represents a 2.5% hike in the County portion of homeowner tax bills, the increase is only 0.3% of total homeowner taxes. Total taxes in 2013 are estimated to have averaged $9,456 per homeowner when County, town, fire, school, and other taxing jurisdictions are included.

In general, taxes will be going up more in the western towns (increasing on average by $30) due to the Police District increase, but will rise slightly in the eastern towns (increasing on average by $4), due to stronger growth in property values out east.

Finally, as a comparison to this presentation, the County Executive includes a property tax impact on page 26 of the recommended budget. The stated increase in that document is approximately $5 less than our estimate. The difference can, for the most part, be attributed to our inclusion of more up-to-date information on town assessment rolls that were not available at the time the recommended budget was prepared.

Suffolk County Property Tax Warrant

	Total Tax Levy appearing on the tax warrant (County portion)				Average Homeowner Tax Bills (County portion)				
	2013 Adopted	2014 Recommended	Change	Percent Change (County portion of tax warrant)	2013 Adopted	2014 Recommended	Change	Percent Change (County portion of tax warrant)	Percent Change in Total Tax Bill (County, town, school and special district taxes)
County Portion of the Tax Warrant:									
General Fund	$49,037,038	$49,037,038	**$0**	0.0%	$88.8	$89.1	$0.31	0.4%	0.00%
College	$5,250,467	$5,250,467	**$0**	0.0%	$10	$10	$0.04	0.5%	0.0005%
Police District	$483,558,390	$494,892,794	**$11,334,404**	2.34%	$1,077	$1,107	$30.16	2.8%	0.3%
District Court	$6,513,302	$6,513,302	**$0**	0.0%	$14	$14	$0.06	0.4%	0.001%
MTA Tax (excludes sewers)	$2,827,252	$2,830,257	**$3,005**	0.1%	$10.0	$9.9	-$0.09	-0.9%	0.0%
Combined Funds	$547,186,449	$558,523,858	**$11,337,409**	**2.1%**	$993	$1,018	**$25**	**2.5%**	**0.3%**
Combined Funds Breakdown:									
Babylon	$66,577,924	$68,248,771	$1,670,847	2.5%	$976	$1,011	$34	3.5%	0.4%
Brookhaven	$174,363,958	$173,322,629	-$1,041,330	-0.6%	$1,041	$1,037	-$3	-0.3%	0.0%
Huntington	$113,262,207	$117,985,455	$4,723,248	4.17%	$1,541	$1,613	$72	4.7%	0.6%
Islip	$113,677,931	$116,735,659	$3,057,728	2.7%	$1,098	$1,130	$31	2.8%	0.3%
Smithtown	$58,862,434	$61,465,148	$2,602,714	4.4%	$1,454	$1,523	$69	4.74%	0.6%
East Hampton	$5,257,881	$5,763,419	$505,538	9.6%	$265	$291	$25	9.6%	0.3%
Riverhead	$1,153,731	$1,070,525	-$83,206	-7.2%	$64	$59	-$5	-7.5%	-0.1%
Shelter Island	$646,578	$669,754	$23,176	3.6%	$198	$205	$7	3.5%	0.11%
Southampton	$11,304,943	$11,188,971	-$115,972	-1.0%	$268	$266	-$2	-0.7%	0.0%
Southold	$2,078,862	$2,073,528	-$5,334	-0.3%	$135	$135	$0	-0.1%	0.0%
County Total	$547,186,449	$558,523,858	$11,337,409	2.1%	$993	$1,018	$25	2.5%	0.3%
5 Western Towns	$526,744,455	$537,757,662	$11,013,207	2.1%	$1,170	$1,199	$30	2.5%	0.3%
5 Eastern Towns	$20,441,994	$20,766,196	$324,202	1.6%	$214	$218	$4	1.9%	0.05%

Assessment rolls are actuals for all towns except Shelter Island, which had not filed its assessed values (Schedule A) with the Clerk of the Legislature at the time this report was written. The 2014 assessments for Shelter Island represent a weighted average of the growth rates in the other east-end towns.

The 2% New York State Property Tax Cap

In Table 1 we calculate the maximum property tax increase allowable under the New York State property tax cap that requires local governments and school districts to raise taxes no more than 2% or the rate of inflation, whichever is less. As seen in Table 1, the maximum allowable property tax increase is $13,245,435 or 2.19%. The difference between the 2014 cap of 1.66% (inflationary rate) and the allowable 2.19% increase for 2014 is based on the calculated formula applied to Suffolk County, which is shown in the table. An increase above this amount would require a 60% vote to pierce the cap. There is some uncertainty in our estimated cap calculations in the values assigned for Payments in Lieu of Taxes (PILOTS) and the available carryover.

The cap is based on property taxes for all County taxing funds combined. As such, the entire allowable $13,245,435 increase can be in one County fund or split in any combination desired to reach the total. In Table 2 we present several scenarios, starting with 2014 recommended property taxes. The recommended budget increases taxes across the various County funds by a total of $13,053,973 or 2.16%. This is $191,462 less than the allowable 2.19% rate of growth. Scenarios 2 and 3 represent cases in which taxes are raised an additional $191,462 to the allowable cap. In particular:

- Scenario 2: Recommended plus allowable growth in the Police District – Police District taxes are increased by 2.38%, as opposed to the recommended 2.34% increase.
- Scenario 3: Recommended plus allowable growth in the General Fund – General Fund taxes are increased by 0.39%, as opposed to the recommended zero increase.

Table 1
Calculation of NYS Property Tax Cap

	Components Included in Tax Cap Calculation	Tax Cap Calculation	Comment
Total Real Property Tax Levy in 2013	$604,530,322		2013 Property Taxes for combined General Fund, Police District, MTA Payroll Tax, District Court, Sewers, Community College funds
plus Total Reserve Amount from FYE 12/31/12	$0	$604,530,322	= $604,530,322 + $0
times Tax Base Growth Factor	1.0028	$606,223,007	= ($604,530,322 + $0) * 1.0028
plus PILOTS Receivable in FYE 2013	$8,303,533	$614,526,540	= $606,223,007 + $8,303,533
times Allowable Levy Growth Factor	1.0166	$624,727,680	= 1.02 * $614,526,540
less PILOTS Receivable in FYE 2014	$8,377,141	$616,350,539	= $624,727,680 + $8,377,141
plus Increases in retirement expenses in excess of 2% increase in the average contribution rate (not available when amortizing)	$0	$616,350,539	= $616,350,539 + $0
plus Total Tax levy necessary for expenditures from court orders or judgments resulting from tort actions FYE 2013 that exceed 5% of last year's tax levy	$0	$616,350,539	= $616,350,539 + $0
plus Available Carryover from FYE 12/31/2012	$1,425,218	$617,775,757	2013 Allowable Property Tax = $616,350,539 + $1,425,218
equals 2014 Allowable Increase		**$13,245,435**	2013 Allowable Increase = $617,775,757 - $604,530,322
2014 Allowable Percent Increase		**2.19%**	2013 Allowable Percent Increase = $13,245,435 / $604,530,322

Table 2
2014 Recommended and Maximum Allowable Property Taxes Based on the NYS Property Tax Cap

		Scenario 1	Scenario 2	Scenario 3
Description	**2013 Adopted**	**2014 Recommended**	**Recommended plus allowable growth in the Police District**	**Recommended plus allowable growth in the General Fund**
Property Tax				
General Fund (001-1001)	$49,037,038	$49,037,038	$49,037,038	$49,228,500
Police District (115-1004)	$483,558,389	$494,892,795	$495,084,257	$494,892,795
MTA Payroll Tax (121-1005)	$2,852,204	$2,852,204	$2,852,204	$2,852,204
District Court (133-1001)	$6,513,302	$6,513,302	$6,513,302	$6,513,302
Sewers (various-1001)	$57,318,922	$59,038,489	$59,038,489	$59,038,489
Community college (818-1001)	$5,250,467	$5,250,467	$5,250,467	$5,250,467
All County Funds	**$604,530,322**	**$617,584,295**	**$617,775,757**	**$617,775,757**
2013-2014 Growth Rate				
General Fund (001-1001)		0.00%	0.00%	**0.39%**
Police District (115-1004)		**2.34%**	**2.38%**	**2.34%**
MTA Payroll Tax (121-1005)		0.00%	0.00%	0.00%
District Court (133-1001)		0.00%	0.00%	0.00%
Sewers (various-1001)		**3.00%**	**3.00%**	**3.00%**
Community college (818-1001)		0.00%	0.00%	0.00%
All County Funds		**2.16%**	**2.19%**	**2.19%**
2013-2014 Change				
General Fund (001-1001)		$0	$0	**$191,462**
Police District (115-1004)		**$11,334,406**	**$11,525,868**	**$11,334,406**
MTA Payroll Tax (121-1005)		$0	$0	$0
District Court (133-1001)		**$0**	**$0**	**$0**
Sewers (various-1001)		**$1,719,567**	**$1,719,567**	**$1,719,567**
Community college (818-1001)		$0	$0	$0
All County Funds		**$13,053,973**	**$13,245,435**	**$13,245,435**
Change from 2014 Recommneded		*$0*	*$191,462*	*$191,462*

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Cap Compliance

Effects of Recommended Budget

The 2014 Recommended Budget is required to comply with two cap laws adopted by referendum:

- Local Law 21-1983: Expenditure cap, restricting growth in discretionary appropriations across all funds to four percent for 2014.
- Local Law 29-1995: Tax levy cap, restricting growth in the combined General Fund and Police District discretionary tax levy, net of any fund balance surplus or deficit, to four percent for 2014.

The Executive's recommended budget document shows compliance with both cap laws. The discretionary portion of the budget for 2014 is shown to be $48.7 million below the expenditure cap and $34.9 million below the tax levy cap. This presentation can be found on pages 38 and 39 in Volume No. 1 of the 2014 Recommended Operating Budget.

As has been the case for several years, many revenue and expenditure items have, in our view, been misclassified as either mandated or discretionary, making it difficult at best to determine whether the budget complies with the cap laws. We have documented this problem in past reviews of the operating budget. The end result, in our estimation, has been to make the calculation of cap compliance a meaningless exercise.

Budget Review Office Recommendations

For several years the Budget Review Office has recommended that legislation be introduced to revise or eliminate the cap laws. In the context of past practice, and in recognition of the superior position now held by the New York State 2% Property Tax Cap, that recommendation has never been more appropriate.

The New York State 2% Property Tax Cap applies to all County taxing funds combined, with no differentiation between Mandatory and Discretionary designations. The 2% Property Tax Cap is likely to be more stringent than County Caps, which restrict growth in the discretionary budget to the greater of 4% or the rate of inflation. The 2% Cap is expected to be the principal driver limiting growth in County property taxes, while the County's local cap laws, in our estimation, have become irrelevant.

As the County's cap laws currently stand, inconsistent interpretations were made in past years in order to circumvent the caps. Calculations typically do not follow legislated methodology and have been applied in conflicting ways. More importantly, it is not clear how the new State cap may conflict with the County caps. The County caps are less stringent than the State cap and of lesser value because of the effort made to circumvent them and how they are calculated. For these reasons, Budget Review strongly recommends that the County cap laws be rescinded in their entirety. Introductory Resolution No. 1307-2013, A Charter Law adopting and incorporating 2% Property Tax Cap into the County budget process, could be used as a guide for a stand-alone resolution, or the consideration could be given to incorporate this change into the Legislature's budget amending omnibus resolution.

In addition to the repeal of the County tax cap laws, Local Laws 29-1995 and 43-2006 should also be rescinded. These laws require that a minimum of 25% of the General Fund actual discretionary fund balance be transferred to the Tax Stabilization Reserve Fund. The main reason for rescinding this requirement is that the discretionary fund balance is based on inaccurate calculations. Short of

rescinding these laws, if the County decides to transfer a portion of the fund balance from the General Fund to Tax Stabilization Reserve, that transfer should be a portion of the total fund balance surplus instead of the discretionary fund balance.

RL Cap Compliance 14

General Fund Revenue

This section provides a general overview of the revenue sources included in the recommended budget for the General Fund. It summarizes the effects of the recommended budget and highlights broad trends. For more specific detail on individual department revenues, see the separate departmental write-ups in this report. The following chart includes a list of General Fund revenues in the recommended budget that are over $10 million, sorted from largest to smallest (2014 Recommended), and where in this report to find the relevant BRO analysis.

General Fund Revenue					
Revenue	2012 Actual	2013 Adopted	2013 Estimated	2014 Recommended	Analysis of Revenue
State Admin Sales & Use Tax	$1,050,849,386	$1,114,579,629	$1,140,135,728	$1,164,899,594	See separate section of this report
State Aid	$237,810,380	$246,460,559	$247,130,067	$238,627,672	Included in this section
Federal Aid	$225,483,201	$228,951,824	$239,123,195	$219,189,643	Included in this section
Other Revenue	$191,932,110	$278,827,385	$289,598,455	$138,027,318	Included in multiple sections
Real Property Taxes	$23,601,925	$49,037,038	$32,500,000	$49,037,038	Included in this section
Interest & Penalties on Real Property Taxes	$38,536,675	$39,200,000	$39,250,000	$39,250,000	Included in this section
Transfer From Traffic Violations Bureau	$0	$19,589,866	$21,102,196	$33,088,041	See departmental write-up for Traffic Violations Bureau
Transfer From Water Protection Fund	$21,778,549	$22,694,243	$23,207,761	$24,147,676	See separate section of this report
County Clerk Fees	$16,407,603	$16,450,000	$17,700,000	$17,800,000	See departmental write-up for County Clerk
Out of County Tuition Chargebacks	$10,285,500	$10,250,000	$10,285,973	$14,213,517	See separate section of this report
Transfer From District Court Fund	$11,573,378	$13,631,624	$13,150,000	$13,000,000	See separate section of this report
RPTSA Tax Map Certification Fees	$9,369,640	$9,000,000	$11,500,000	$11,500,000	See departmental write-up for Real Property Tax Service
Bus Operations - Fares	$9,409,311	$10,929,414	$10,270,769	$10,929,414	See departmental write-up for Public Works
Total	**$1,847,037,659**	**$2,059,601,582**	**$2,094,954,144**	**$1,973,709,913**	

Real Property Taxes (001-FIN-1001)

This General Fund revenue account is funded by taxes imposed on real property owners at a rate based on the value of their property. The County's property tax levy is apportioned among the ten towns based upon each town's share of the County's total full equalized value (FEV) of property. FEV is derived by equalizing each town's assessed value of property, which is accomplished by dividing the town's assessed value by the State determined equalization rate. The towns are responsible for distributing the levy once it has been apportioned. All real property in Suffolk County is accounted for in this revenue base, with the exception of authorized tax-exempt parcels.

The 2014 Recommended Budget has a General Fund Property Tax Warrant of $49,037,038, which is unchanged from the previous four years. Since 2010, the General Fund Warrant has reflected a reduction equal to its portion of the newly established MTA payroll tax, as per Local Law 31-2009.

That legislation mandated the collection and payment of the MTA Tax to be included in a newly created separate line on the tax bill instead of it being a General Fund charge.

One unique attribute of the General Fund property tax is that it makes all other taxing jurisdictions whole. As a result, other taxing jurisdictions (towns, schools, Police and other County and non-County taxing entities) receive the entire real property tax amount adopted in their budgets while General Fund property tax revenue often deviates significantly from the adopted budget as a result of making these other taxing jurisdictions whole.

The 2012 adopted General Fund property tax was $49,037,038, but the actual amount recognized was $23,601,925; a shortfall of $25.4 million. The 2013 estimated budget anticipates that collections will increase, but still fall short of the adopted amount by $16.5 million.

Factors affecting collections include the size of the overall tax warrant and the delinquency rate (or its complement, the collection rate). While the County General Fund property tax has been more or less flat since 1998 (ranging from $48.9 million to $55.3 million), the overall tax warrant has increased considerably, exceeding $2 billion in 1990, surpassing $3 billion in 2002, breaking the $4 billion mark in 2006 and reaching $5.31 billion this year (2013). For a given collection rate, the increasing size of the warrant places pressure on the General Fund to make up an increasing dollar difference. Other things being equal, as the delinquency rate increases, so does the shortfall. Over time, interest and penalties (001-FIN-1090) on delinquent taxes increase, and as they are paid, a surplus develops. Tax collections are now in a phase where property owners are not paying their back taxes as fast as the rate at which delinquencies on current taxes are rising. All of this is confounded by a rising tax warrant.

In terms of the appropriateness of the 2013 estimated property tax, the method used to calculate property taxes makes it difficult to accurately predict what the actual amount will be. That being said, information from the Treasurer's Office leads us to believe that the estimated amount is reasonable.

The last significant downturn in the local real estate market was in the late 1980s. At that time, the General Fund booked revenue that was less than the adopted amount for eight consecutive years (1989 to 1996). After several years in which General Fund property tax revenue exceeded the adopted warrant, collections turned negative in 2005. In 2013, we will have experienced the ninth consecutive year of a budget shortfall in property tax collections. The recommended budget presumes that General Fund Property tax revenue will come in at the adopted amount in 2014 – the County does not adopt budgets with an allowance for a property tax surplus or shortfall - a deficiency in the budget that should be addressed. Consequently, a likely shortfall in property tax collections will make a challenging budget even more difficult.

Gain Sale Tax Acquired Property (001-FIN-1051)

This revenue represents the gain or loss to the County, upon the sale of properties that were acquired for non-payment of taxes. The County investment in these properties can be significant; once the County has taken the deed, the policy has been to hold properties for at least three years to provide marketable title. The County pays school and library district taxes (about two thirds of all taxes), for three years after taking the deed, which the General Fund must make whole. After three years, the General Fund must make whole all taxing districts. In addition, the County incurs maintenance and liability costs.

Often, the County investment is not recouped upon sale of these properties by auction or other means. It is also generally not recouped for 72-h affordable housing transfers of vacant and

uninhabitable properties (typically for one dollar, waived), or dedication of tax acquired property to parkland. In 2012, the adoption of Local Law No. 10-2012 provided for the 72-h transfer of habitable improved properties for affordable housing use, as well, provided that the County is reimbursed for its costs. Habitable properties are typically among the most valuable when sold at auction, and their sale helps offset the losses from less valuable properties. Thus, the removal of habitable properties from the auction list would likely result in a lower net gain than would otherwise be possible. Restrictions on the auction sale of certain habitable properties may also negatively affect the potential sales price.

For 2012, $8.75 million in revenue was adopted for Gain (from the) Sale of Tax Acquired Property. It was our understanding that this was predicated on receiving approximately $4 million from anticipated closings on auctioned properties that had been tied up in litigation for several years, as well as $4.75 million from a moratorium on 72-h sales. Instead, 2012 actual revenue was $717,658. The moratorium on 72-h sales was never instituted, and the accumulated County investment on many low value properties contributed to the low actual revenue. It is our understanding that approximately $3.6 million was sold at auction in 2011, but the County investment on those properties was close to $3 million. Typically, closings occur within two years of the auction.

For 2013, revenue was adopted at $2.5 million, and is estimated at $1,041,251, which coincides with year-to-date revenue as of October 1, 2013, and is consistent with prior Budget Review Office projections. Approximately $4.4 million was realized at the October 2012 auction. As the County investment in these properties was approximately $2.4 million, the net gain, if and when all these properties close, would be approximately $2 million. Losses from 72-h and other sales would then be deducted to determine the net gain.

The 2014 Recommended Budget includes $500,000 for this revenue code in 2014. It is our understanding that approximately $5.1 million was realized at the October 2013 auction. As the County investment in these properties was approximately $3.1 million, the net gain, if and when all these properties close, would be approximately $2 million. It would seem that, in this case, barring any unusually high loss from the disposition of other properties, 2014 revenue may be more likely to reach at least $1 million. The Division of Real Property Acquisition and Management was not aware of any large impending losses, but sometimes the disposal of one property with a large County investment can cause a significant negative effect on this revenue code.

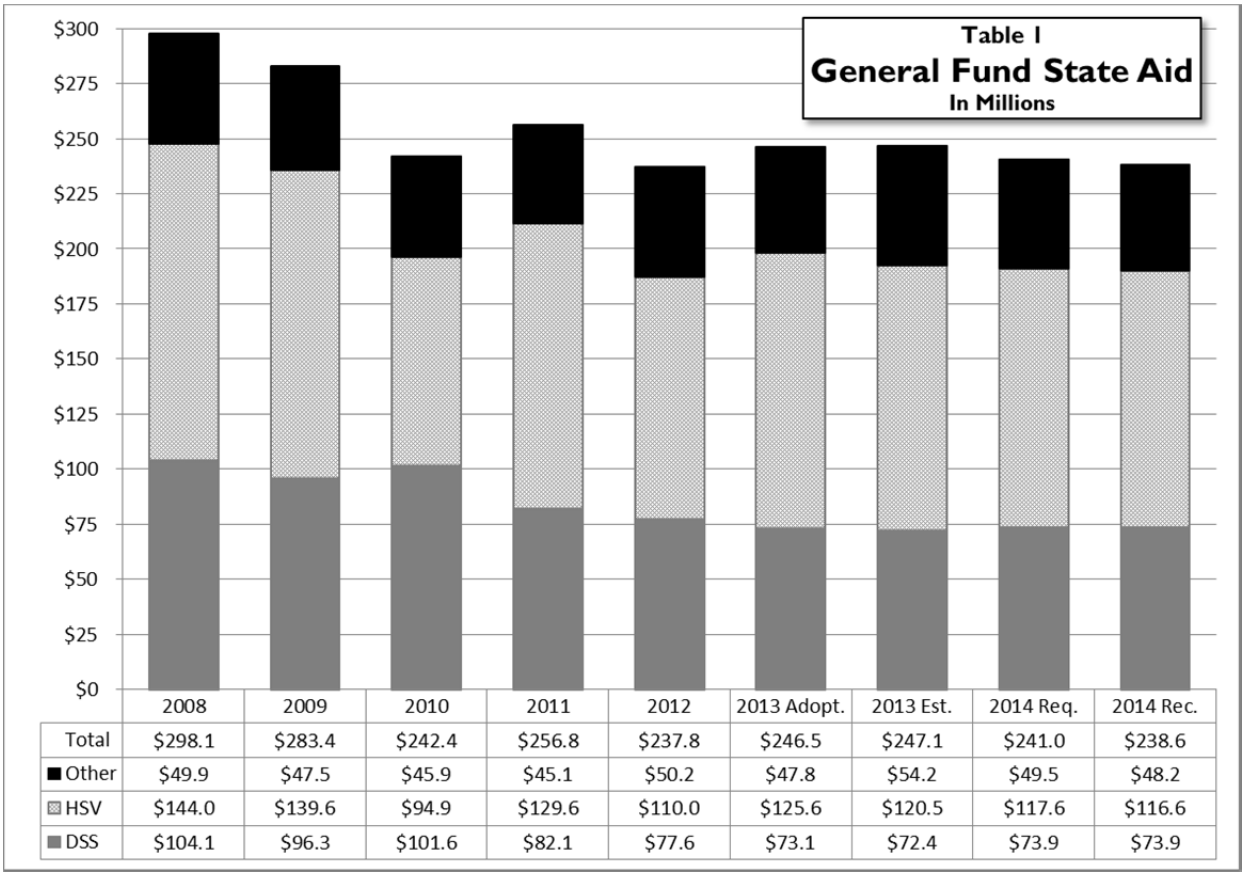
Sales of Real Property (001-EDP-2660)

The 2013 Adopted Budget estimated that the sale of approximately 230 acres of surplus real property in Yaphank, as authorized by Resolution No. 851-2012 would net the County $19.25 million in 2012. The County actually closed the sale for $19,354,353 in 2013. The $18.11 million adopted in 2012 was predicated on the sale of a smaller Yaphank acreage, as well as the sale of a Selden parcel, neither of which occurred in 2012. The 2014 Recommended Budget includes no General Fund revenue from this source; the $17.1 million budgeted for the sale of the John J. Foley Skilled Nursing Facility is recognized in the County Nursing Home Fund (632).

State and Federal Aid

The amount of aid received by the County from the Federal Government and New York State varies in accordance with numerous factors. Each aided program has its own rules as to how aid, if any, is apportioned. Therefore, it is always difficult to gauge the future amounts of State and Federal aid as a whole.

The Department of Health Services (HSV) and the Department of Social Services (DSS) are the biggest recipients of State aid. The amount of State aid received by all other departments combined is less than either HSV or DSS. In the aggregate, State aid is estimated to increase by $9.3 million from 2012 to 2013, but decrease $8.5 million from 2013 to 2014. Table 1 depicts the allocations of State aid received for the County's General Fund from 2008 through the 2014 Recommended Budget.



	2008	2009	2010	2011	2012	2013 Adopt.	2013 Est.	2014 Req.	2014 Rec.
Total	$298.1	$283.4	$242.4	$256.8	$237.8	$246.5	$247.1	$241.0	$238.6
Other	$49.9	$47.5	$45.9	$45.1	$50.2	$47.8	$54.2	$49.5	$48.2
HSV	$144.0	$139.6	$94.9	$129.6	$110.0	$125.6	$120.5	$117.6	$116.6
DSS	$104.1	$96.3	$101.6	$82.1	$77.6	$73.1	$72.4	$73.9	$73.9

In 2010, the County received $41 million from the American Recovery and Reinvestment Act (ARRA) for Education of Handicapped Children (001-HSV-4277). The stimulus funding was offset by a one year reduction in State aid for the same purpose (001-HSV-3277). For this reason, State aid for the Department of Health Services appears to be exceptionally low in 2010 while Federal aid appears to be abnormally high (See Table 3). State aid for the Department of Health Services is estimated to be $10.5 million more in 2013 than in 2012; $9 million of which is for preschool and early intervention programs. However, the 2013 estimate for these programs is $4.8 million less than adopted, making up the majority of the total estimated shortfall of $5.1 million. The recommended budget anticipates that State aid for Health Services will decrease another $3.9 million in 2014, including a $2 million reduction in aid for preschool and early intervention programs and $1 million less for Public Health.

In the aggregate, State aid for the Department of Social Services is estimated to be $625,282 or 0.86% less than adopted in 2013 and $5.1 million less than actual revenue in 2012. While aid is estimated to decline in almost every category, the largest decreases are $2.2 million for Social Services Administration and $1 million for the Foster Children Block Grant. The recommended

budget projects State aid for DSS to increase by $1.4 million in 2014 due to higher reimbursement for the Home Relief Program.

State aid for other departments is typically estimated at a higher amount than adopted because a large percentage of this revenue is from grant funds that are appropriated during the year via resolution. Estimated State aid in 2013 for departments other than DSS and Health Services is $6.4 million more than adopted. Included in this total is $2.7 million in State Emergency Management Office (SEMO) aid for expenses associated with Super Storm Sandy. The 2014 Recommended Budget assumes a similar level of aid (less than one percent more) as in the 2013 Adopted Budget; 2014 actual revenue will likely be higher than recommended after grants are accepted during the year.

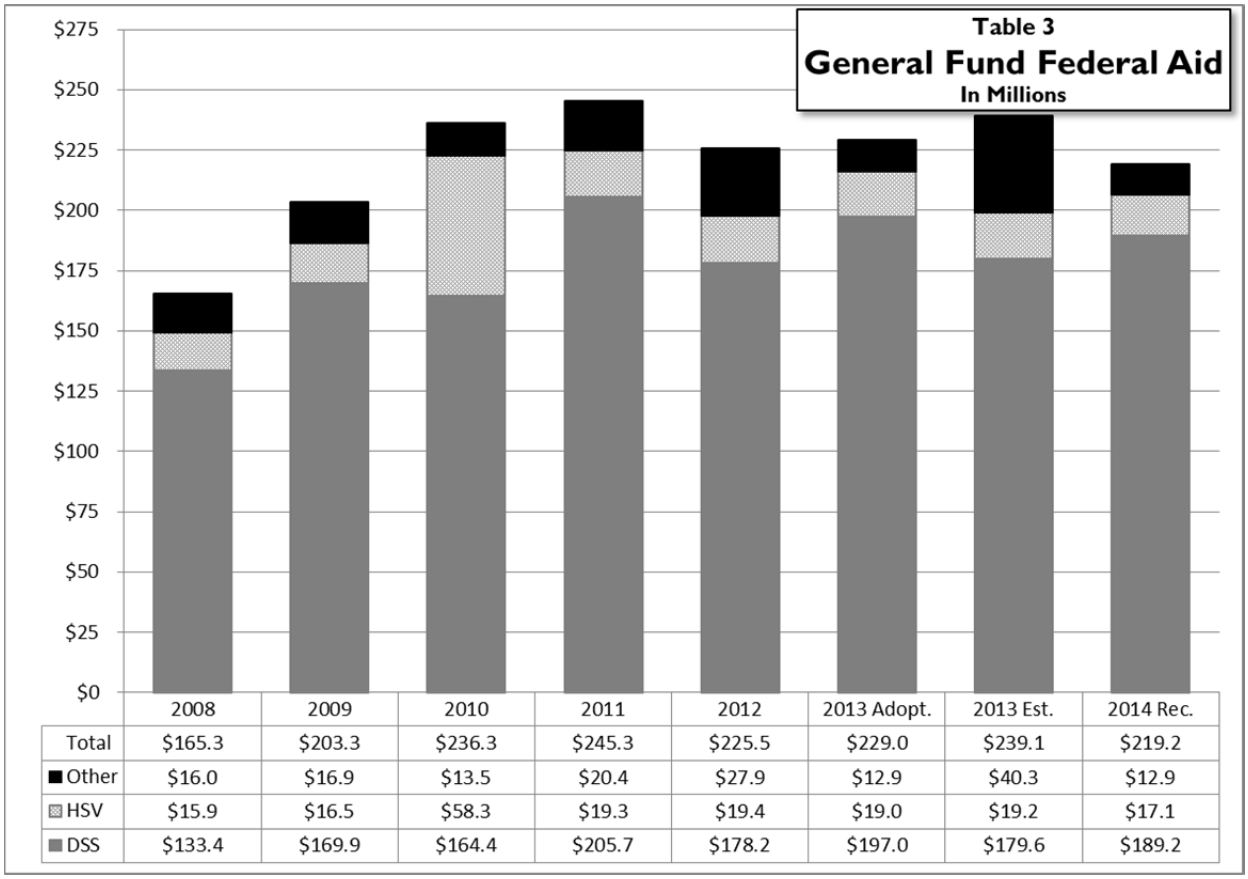
Table 2 shows that, in the aggregate, State aid represented 12.9% of actual General Fund revenue in 2012. The 2013 estimated budget attributes 11.8% of General Fund revenue to State aid. The 2014 Recommended Budget forecasts that State aid will account for 12.1% of total General Fund revenues. In 2013, the General Fund estimate includes over $120 million in one-shot local revenues, which results in a lower relative share of revenue from State aid despite a 3.9% increase in aid from 2012. In 2014, the recommended budget anticipates that State Aid will grow as a percentage of total revenues, but remain below the average proportion for the last several years.

Table 2

Comparison of State Aid to Total General Fund Revenue

Year	Total Fund 001 Revenue	State Aid 001 Revenue	Change in State Aid from Previous Year	Percent of Total Revenue Attributed to State Aid
2008	$1,825,945,612	$298,093,235	NA	16.33%
2009	$1,752,005,323	$283,426,489	-4.92%	16.18%
2010	$1,792,138,343	$242,416,092	-14.47%	13.53%
2011	$1,865,687,119	$256,824,325	5.94%	13.77%
2012	$1,847,037,659	$237,810,380	-7.40%	12.88%
2013 Est	$2,094,954,144	$247,130,067	3.92%	11.80%
2014 Rec	$1,973,709,913	$238,627,672	-3.44%	12.09%
Average	$1,878,782,588	$257,761,180	-3.40%	13.79%

Table 3 depicts the allocations of Federal aid in the County's General Fund from 2008 through the 2014 Recommended Budget. The Department of Social Services receives the greatest amount of Federal aid by far. The Department of Health Services receives the second largest amount; usually slightly more or less than all remaining departments combined. Federal aid was unusually high for the Department of Health Services in 2010 due to the one-time replacement of State aid with ARRA funds. In the aggregate, Federal aid is estimated to increase by $13.6 million from 2012 to 2013, but decrease by $19.9 million from 2013 to 2014.



	2008	2009	2010	2011	2012	2013 Adopt.	2013 Est.	2014 Rec.
Total	$165.3	$203.3	$236.3	$245.3	$225.5	$229.0	$239.1	$219.2
Other	$16.0	$16.9	$13.5	$20.4	$27.9	$12.9	$40.3	$12.9
HSV	$15.9	$16.5	$58.3	$19.3	$19.4	$19.0	$19.2	$17.1
DSS	$133.4	$169.9	$164.4	$205.7	$178.2	$197.0	$179.6	$189.2

The $19.2 million in estimated Federal aid for Health Services in 2013 is slightly more than the $19 million that was adopted, and slightly less than the $19.4 million actually received in 2012. The 2014 Recommended Budget includes $2.1 million less in Federal aid for Health Services. The most significant decrease is for National Estuary Programs at $1.3 million.

Federal aid for Social Services in 2013 is estimated to be $1.4 million more than in 2012, but $17.4 million less than adopted. While revenue is anticipated to be short for almost all programs, the two largest deficits are $9.1 million for Dependent Children and $2.7 million for Social Services Administration. DSS revenue in 2014 is recommended at a $9.6 million increase over the 2013 estimate predicated on improved receipts for Dependent Children ($5.9 million) and Social Services Administration ($1.4 million).

Federal aid for other departments is estimated to be unusually high in 2013 due to $15.3 million in Federal Emergency Management Agency (FEMA) aid for Super Storm Sandy recovery efforts. The 2013 estimate for all Federal aid is $12.5 million more than received in 2012 and $27.4 million more than adopted. In addition to FEMA aid, the estimated budget typically exceeds the adopted budget due to the acceptance of unbudgeted public safety grants during the year for the Department of Fire and Rescue and Emergency Services (FRES), the Sheriff's Office, and the Police Department. The 2014 Recommended Budget is approximately equal to the 2013 Adopted Budget for Federal revenue to departments other than DSS and Health Services, the difference from the 2013 estimate being attributed to FEMA aid and not budgeting the aforementioned grants.

Similar to the trend in State aid, Federal aid is declining as a percentage of total General Fund revenue. Federal aid represented 12.2% of all General Fund revenues in 2012 and is estimated to

be 11.4% in 2013. The recommended budget attributes 11.1% of all General Fund revenues to Federal aid. Table 4 shows the change in General Fund Federal aid as well as overall General Fund revenue since 2008.

Table 4

Comparison of State Aid to Total General Fund Revenue

Year	Total Fund 001 Revenue	Federal Aid 001 Revenue	Change in Federal Aid from Previous Year	Percent of Total Revenue Attributed to State Aid
2008	$1,825,945,612	$165,317,894	NA	9.05%
2009	$1,752,005,323	$203,336,580	23.00%	11.61%
2010	$1,792,138,343	$236,295,093	16.21%	13.19%
2011	$1,865,687,119	$245,335,601	3.83%	13.15%
2012	$1,847,037,659	$225,483,201	-8.09%	12.21%
2013 Est	$2,094,954,144	$239,123,195	6.05%	11.41%
2014 Rec	$1,973,709,913	$219,189,643	-8.34%	11.11%
Average	$1,878,782,588	$219,154,458	5.44%	11.67%

It is important to view revenues in context with associated program expenditures in order to gauge the impact of changes in aid to County programs and finances. The largest recipient of State and Federal aid is the Department of Social Services. Table 5 shows State and Federal aid for DSS as well as related program expenditures. (It does not show expenditures that are not tied to State or Federal aid).

Table 5
Department of Social Services State and Federal Aid and Related Expenditures

Rev Code	Revenue Source	2012 Actual	2013 Estimate	2014 Recommended
3610	Social Services Administration	$29,965,998	$27,815,855	$27,064,811
3640	Home Relief	$16,225,659	$15,818,320	$17,251,500
3662	Foster Care Block Grant	$16,868,231	$15,829,060	$15,829,060
4609	Dependent Children	$61,696,932	$62,353,750	$68,303,690
4610	Social Services Administration	$31,265,283	$31,863,131	$33,231,089
4611	Food Stamp Program	$12,980,558	$11,997,812	$12,302,567
4619	Child Care (Adc - Fc)	$18,071,883	$19,246,315	$19,979,650
4620	Child Care Block Grant	$28,404,495	$31,319,049	$31,816,523
Other	Other DSS State and Federal Aid	$40,283,729	$35,822,690	$37,284,824
Total DSS State and Federal Aid		**$255,762,769**	**$252,065,982**	**$263,063,714**
Approp.	**Program Name**	**2012 Actual**	**2013 Estimate**	**2014 Recommended**
6010	Family, Children & Adult Services	$33,970,934	$35,133,815	$35,484,945
6012	Handi. Child Maint Program	$25,170,624	$24,251,000	$25,100,000
6015	Dss: Public Assist Admin	$17,360,238	$20,672,722	$21,627,488
6109	Family Assistance	$63,329,391	$64,100,000	$70,000,000
6118	Institutional Foster Care	$15,958,032	$16,100,000	$16,600,000
6120	Dss: Adoption Subsidy	$17,343,367	$16,900,000	$17,800,000
6121	Institutional Foster Care/Prob	$8,612,233	$9,950,000	$11,900,000
6140	Safety Net	$60,757,003	$60,100,000	$65,100,000
Other	Other Aided DSS Programs	$37,863,864	$34,651,061	$37,457,027
Total Expenditures in DSS Programs Receiving State and/or Federal Aid		**$280,365,687**	**$281,858,598**	**$301,069,460**
			2012 - 2013	**2013 -2014**
Change in Revenue			**-$3,696,787**	**$10,997,732**
			-1.45%	**4.36%**
			2012 - 2013	**2013 -2014**
Change in Expenditures			**$1,492,911**	**$19,210,862**
			0.53%	**6.82%**

DSS revenue from State and Federal aid is estimated to decrease by $3.7 million, or 1.5%, from 2012 to 2013, while related program expenditures are expected to increase by $1.5 million, or 0.5%. The net impact to the County is $5.2 million. State and Federal aid for DSS is projected to increase from 2013 to 2014 by $11 million or 4.4%; however, the growth in revenue is expected to be outpaced by the growth in expenditures. The recommended budget increases aided

expenditures by $19.2 million or 6.8%. The net County impact is $8.2 million. The combined two year impact is a $13.4 million increase in local cost.

The Department of Health Services also receives a substantial amount of State and Federal aid. Table 6 links major aid sources to their related expenditure programs (it does not show expenditures that are not tied to State or Federal aid).

Table 6

Department of Health Services State and Federal Aid and Related Expenditures

Rev Code	Revenue Source	2012 Actual	2013 Estimate	2014 Recommended
3278	State Aid: Early Intervention	$0	$11,369,721	$11,668,083
3279	State Aid: Preschool	$68,973,747	$66,596,275	$64,254,485
3401	Public Health	$16,052,736	$15,323,249	$14,327,326
3486	Narcotics Addiction Control	$3,228,219	$3,524,020	$3,438,520
3493	Community Support Svc Program	$15,507,059	$17,690,510	$17,053,266
4482	W.I.C. Nutrition	$3,163,297	$3,828,085	$3,570,000
4491	Alcoholism	$6,113,091	$6,381,173	$6,240,450
Other	Other HSV State and Federal Aid	$16,366,714	$14,957,642	$13,125,858
Total HSV State and Federal Aid		**$129,404,862**	**$139,670,675**	**$133,677,988**
Approp.	**Program Name**	**2012 Actual**	**2013 Estimate**	**2014 Recommended**
2960	Education Handicapped Children	$142,189,705	$144,184,328	$137,860,668
4005	Hs: General Admin	$7,166,072	$7,747,698	$7,836,481
4100	Hs: Patient Care Svcs Adm	$34,441,441	$34,409,979	$3,895,695
4101	Patient Care Programs	$8,784,669	$9,855,927	$27,937,779
4310	Div Of Comm Mental Hygiene	$13,721,875	$15,608,869	$15,297,072
4320	Hs: Mental Health Pgms	$6,404,126	$6,941,183	$6,567,913
4321	Methadone Clinics	$5,013,171	$5,313,956	$5,273,444
4400	Hs: Environmental Health	$6,879,133	$5,920,225	$6,189,261
Other	Other Aided HSV Programs	$36,415,508	$33,843,854	$32,636,031
Total Expenditures in HSV Programs Receiving State and/or Federal Aid		**$261,015,700**	**$263,826,019**	**$243,494,344**
			2012 - 2013	**2013 -2014**
Change in Revenue			**$10,265,813**	**-$5,992,687**
			7.93%	**-4.29%**
			2012 - 2013	**2013 -2014**
Change in Expenditures			**$2,810,319**	**-$20,331,675**
			1.08%	**-7.71%**

Department of Health Services revenue from State and Federal aid is estimated to increase by $10.3 million or 7.9% from 2012 to 2013 while related program expenditures are expected to increase by $2.8 million or 1.1%. The net impact to the County is $7.5 million. State and Federal aid for Health Services is projected to decrease from 2013 to 2014 by $6 million or 4.3%; however, aided expenditures are expected to decrease by $20.3 million, or 7.7%, more than half of which is attributed to transitioning health centers to the FQHC model midyear in 2014. The net County impact is $14.4 million. The combined two year impact is $21.8 million in the County's favor.

State and Federal aid, for all departments, is estimated to be approximately 23.2% of total General Fund revenues in 2013 and 2014, which, as seen in Table 7, is 2.3% less than average since 2008.

Table 7

Comparison of Combined State and Federal Aid to Total General Fund Revenue

Year	Total Fund 001 Revenue	Combined State and Federal Aid	Percent of Total Revenue Attributed to State and Federal Aid
2008	$1,825,945,612	$463,411,129	25.38%
2009	$1,752,005,323	$486,763,069	27.78%
2010	$1,792,138,343	$478,711,186	26.71%
2011	$1,865,687,119	$502,159,926	26.92%
2012	$1,847,037,659	$463,293,581	25.08%
2013 Est	$2,094,954,144	$486,253,262	23.21%
2014 Rec	$1,973,709,913	$457,817,315	23.20%
Average	$1,878,782,588	$476,915,638	25.47%

As was cautioned in our past reviews, there is the potential that State aid could be reduced by undetermined amounts in the upcoming year due to continued fiscal problems in Albany. Should this happen, the recommended State aid amounts could be overstated and the County may have to restrict expenditures accordingly. A recent example is the State cut to funding received pursuant to Article 6 of NYS Public Health Law. These revenues were reduced based on the decision by New York State not to fund certain optional services, and also due to the settlement of Suffolk County's Article 78 suit against the New York State Department of Health regarding certain previously claimed revenues. Among the eliminated categories of reimbursement were administration of the Children with Special Needs Division, Emergency Medical Services, Medical Examiner costs, and treatment of chronically ill patients older than 21 years of age.

It should also be noted that if services are reduced because of recent layoffs and retirements, costs will also be reduced. It is likely that cost based elements of reimbursement will then be reduced as well. If services are reduced because the staff no longer exists to provide them, then work plan based reimbursement will be reduced because work plan deliverables will not be met. Either way, reimbursement will be reduced. The only questions are whether aid will be reduced proportionally to the failure to provide services; whether the grants and aid will be suspended or withdrawn; and how long it will take federal and New York State funders to determine the fate of the programs.

As State and Federal aid become less reliable, the County must aggressively seek new local revenue sources and strengthen existing ones in order to lessen its reliance on other governments and avoid catastrophic shortfalls. Recent initiatives such as the Red Light Camera Safety Program and Out-of-County Tuition chargebacks to the towns have helped offset declining aid with recurring revenue; however, the County has continued to rely on one-shots to balance its General Fund including Tobacco Securitization in 2008 and 2012, the sale of the Yaphank parcel in 2013, and the Sale-leaseback of the Dennison Building in 2013. These stopgap measures have been necessary because recurring revenue is insufficient to fund growing expenditures. Long term, these practices are fiscally unsustainable; the County must either generate additional revenue to finance expenditures or substantially reduce expenses, likely resulting in severe cuts to service provision.

BP GF Rev14

Off Track-Pari-Mutual Tax (001-MSC-1150)

The Off-Track Betting (OTB) Corporation of Suffolk County began operations in 1975. Its purpose was to curb illegal bookmaking, to provide gaming revenues to support education, to provide a source of revenue to local governments, and to help ensure the well-being of the horse racing industry. The County's share of the "Handle," the total dollar amount wagered, is derived in two ways:

- the County receives half of a five percent surcharge levied against all wagers if the race is running in the area, and the full surcharge for races run on out-of-state tracks;
- the County receives the residual of the betting handle after payouts for winning bets are made, obligations to racetracks and racing associations are satisfied, remittances to the State are deducted, and all OTB operating expenses are paid.

Overall, betting has decreased, especially on New York State tracks. The result is that OTB handles have decreased, as well as the County share. Revenue has declined by an average of 8.6% annually from 1998 to 2012. The following chart shows OTB revenue to the County since 1998.

Year	County Share of OTB Revenue	% Change
1998	$5,441,241	NA
1999	$5,454,709	0.2%
2000	$5,022,550	-7.9%
2001	$5,923,235	17.9%
2002	$6,221,551	5%
2003	$5,730,218	-7.9%
2004	$3,476,472	-39.3%
2005	$2,847,765	-18.1%
2006	$3,124,612	9.7%
2007	$2,497,607	-20.1%
2008	$2,299,051	-7.9%
2009	$2,044,154	-11.1%
2010	$1,602,989	-21.6%
2011	$1,167,594	-27.2%
2012	$1,251,936	7.2%
2013 Est.	$1,600,000	27.8%
2014 Rec.	$5,600,000	250%

Effects of Recommended Budget

The 2013 revenue estimate is $1.6 million, which is equal to what was adopted in 2013, but is $348,064 more than actually received in 2012, and more than has been recognized since 2010. Based on this trend, we believe that 2013 revenue is overstated.

The 2014 Recommended Budget includes $5.6 million, which is a combination of existing revenues and approximately $4 million associated with the opening of a Video Lottery Terminal (VLT) parlor in 2014. It is difficult to determine the appropriateness of that revenue estimate at this time as there are still many unknowns regarding the timing and profitability of such a facility. As for revenue from traditional OTB activities, it is unlikely that revenue will be much higher than the $1.25 million received in 2012.

Issues for Consideration

Video Lottery Terminals

The most significant development in OTB operations is State authorization under the New York Gaming Economic Development Act of 2013 to operate a gaming facility with up to 1,000 video lottery terminals. The authorization for this facility, and a comparable one in Nassau County, is not contingent upon the outcome of a November referendum like the traditional casinos planned for upstate.

Revenue to Suffolk County from VLTs will flow similarly to traditional OTB revenues in that the amount received is the residual of proceeds after all other obligations are met. According to OTB, each video lottery terminal is expected to pay $92 to players for every $100 gambled. This estimate appears reasonable based on a review of statistics available online for slot/video machines at Mohegan Sun and Foxwoods Casinos. Annually, each machine took in between 7.5% to 8.5% of what was wagered from 1996 through 2011 (Connecticut Department of Consumer Protection, Gaming Division website). According to OTB, the net revenue, representing approximately 8% of all bets, "the drop", is allocated on a percentage basis for the following expenditures:

- Marketing
- Capital Improvements
- NYS Education
- NYS Gaming Commission

Once the appropriate amounts of funding have been allocated to the above categories, the remaining funds are used to offset the operating costs of OTB. Any residual funding available after OTB obligations are met is then rendered to the County. With State-dictated apportionments being tied to percentages, the largest variable in determining the County share of the revenue is the amount going to cover OTB expenses. That being said, based on information available from the VLT facility operated at the Aqueduct Racetrack, OTB believes that $25 million in annual revenue to the County is a conservative estimate once the facility is fully operational.

The deadline for vendors to submit bids to operate the VLT facility was September 24, 2013. As of this writing, OTB has not yet selected a bidder from the three finalists. Once a vendor has been chosen, OTB expects to work with the vendor to select a location before the end of the year. The time it takes to make the necessary improvements to have the facility up and running will depend on several factors including:

- Construction of the facility: new construction or modification to an existing structure
- Financing for the facility: leased space, vendor financing, project financing through OTB
- Zoning and infrastructure requirements

The recommended budget anticipates $4 million from VLT revenue in 2014. Provided that the facility is able operate by the fourth quarter of 2014, that estimate is not unreasonable. Based on OTB's estimate of $25 million per year, proceeds to the County from VLTs would average $2,083,000 a month. Accordingly, two months of operation would be adequate to achieve the budgeted target. However, OTB's estimate was based on a full year of normal operation. Startup costs and seasonal variances might mean that the months at the end of 2014 could generate less revenue than the average monthly total for a full year of operation. In addition, while OTB provided us with an estimate in good faith that is corroborated with data from other facilities, the success of a VLT facility in Suffolk is still entirely unknown. Depending on the availability of an appropriate site, the VLT parlor might be able to open by the end of 2014 if OTB is able to secure a building that needs relatively minimal modifications. In the event that OTB and the vendor opt for new construction or significant reconstruction, it is unlikely that the County will recognize any proceeds from video lottery gaming in 2014. For this reason, we believe the inclusion of this revenue in the budget is risky.

Other Considerations

In 2011, the Legislature passed a resolution authorizing Suffolk OTB to file for Chapter 9 Bankruptcy with the intent of restructuring to enact efficiencies. Subsequently, it was determined by the courts that the County did not have the authority to allow the OTB to file for bankruptcy. It was not until 2012 that the OTB could move forward with the filing, after New York State granted the authorization. The ability to operate a VLT parlor is expected to generate substantial revenue for OTB and should dramatically improve its financial situation; however, there are several other factors that should improve the profitability of the OTB on the horse wagering side of operations. As with VLT operations, it is difficult to project the amount of revenue that will be received from these new initiatives.

State legislation regarding Advanced Deposit Wagering (ADW) on internet betting websites like Churchill Down's Twinspires.com, will result in the collection of additional revenue to New York State. The revenue will then be distributed based on a formula, which Suffolk OTB estimates its share to be 19% of the statewide total.

Additionally, Suffolk OTB recently launched its own internet wagering website, Qwikbetz.com, allowing users to place bets and view simulcast races from computers and mobile devices. As pari-mutual wagering continues to trend away from traditional methods and towards online means, this feature will play a crucial role in determining the long-term viability of OTB.

Budget Review Office Recommendations

We recommend that revenue from horse wagering and VLTs be accounted for in separate revenue accounts to make it easier to track the proceeds from each individually.

BP OTB14

Out-Of-County Tuition

Suffolk County is mandated by State Education Law to pay the sponsor's share of tuition for residents that opt to attend community college outside of Suffolk County. In accordance with Section 6305(5) of the New York Education Law, the County can pass these costs on to the townships. Before 2012, the last time the County exercised its legal right to chargeback the towns was 1994. The 2012 Adopted Budget included $10.25 million in revenue from town chargebacks, representing 73% of the County's $14 million liability for Out-of-County Tuition (001-MSC-2490-4780). The County retained the responsibility for paying the $3.75 million estimated cost for students attending beyond their second year of education at the Fashion Institute of Technology (FIT), which is considered a community college under State law. Resolution No. 807-2011 directed the County Comptroller to limit the County's reimbursement to FIT to costs associated with Suffolk residents in FIT's two-year education programs. The County stopped making these payments in the fall of 2011.

Resolution No. 732-2012 provided local authorization for the continuation of town chargebacks in 2013 and moving forward. The 2013 Adopted Budget once again included $10.25 million in out-of-county tuition expenditures and an equal amount in revenue from the towns for that expenditure. Pursuant to Resolution No. 807-2011, no funds were included for reimbursement to FIT students enrolled in bachelors and masters programs.

On January 16, 2013, the courts decided in the case of Town of North Hempstead vs. Nassau County, that counties are required to pay out-of-county tuition for all FIT students regardless of the degree program in which they are enrolled. The ruling also stated that counties had the authority to chargeback to the towns the expenses associated with currently enrolled FIT upper classmen, but not unpaid amounts from previous school years. In response to the court's decision, the Legislature passed Resolution No. 523-2013, which repealed Resolution No. 807-2011, and Resolution No. 522-2013, which amended Resolution No. 732-2012 to eliminate language that limited town chargebacks to the first two years of Suffolk students attending FIT.

Resolution No. 763-2013 authorized the issuance of $4,926,057 in Suffolk County Serial bonds to cover the cost for all back payments owed to FIT ($3,249,081 for Fall 2011 through Summer 2012 and $1,676,976 for Fall 2012). Pursuant to the Court's decision, the County will charge the towns $3,630,196 for FIT upper classmen for the 2012-2013 academic year, which includes the $1,676,976 for the Fall 2012 semester and $1,953,220 for the 2013 Winter, Spring, and Summer Sessions. This adjustment will be added to the 2014 warrant. However, before the full impact of the 2014 warrant to the towns can be calculated, there needs to be a reconciliation for differences charged to each town on the 2012 and 2013 warrants and actual expenditures for students in those towns.

For the first year of out-of-county tuition charge backs, apportionment on the 2012 Tax Warrant was based on residency statistics from the 2010-2011 academic year. The total estimated cost for the 2011-2012 academic year (excluding FIT upper classmen) was $10.25 million. The actual cost and apportionment of out-of-county tuition is not known until the following year. The following chart shows the difference between what was charged to each town and what the actual out-of-county tuition expenses were for residents of that town for the 2011-2012 academic year. Babylon, Smithtown, and Southampton were underbilled and the remaining seven towns were overbilled. In total, the County collected $618,998 too much from the towns.

2012 Tax Warrant				
Township	2012 Warrant	Actual for 2011-2012 School Year	2011-2012 underbilled (+) / overbilled (-)	2011-2012 Unpaid for FIT Upper Classmen (not charged back to Towns)
	(1)	(2)	(3) = (2) - (1)	(4)
Babylon	$3,022,511	$3,190,713	$168,202	$480,210
Brookhaven	$2,058,394	$1,460,194	($598,200)	$1,072,810
East Hampton	$157,538	$126,266	($31,272)	$71,521
Huntington	$2,403,634	$2,305,771	($97,863)	$643,686
Islip	$1,585,552	$1,449,758	($135,794)	$469,993
Riverhead	$130,581	$115,507	($15,074)	$61,303
Shelter Island	$2,123	$248	($1,875)	$0
Smithtown	$541,495	$632,649	$91,154	$296,300
Southampton	$269,255	$276,052	$6,797	$102,172
Southold	$78,917	$73,842	($5,075)	$51,086
Total	**$10,250,000**	**$9,631,002**	**($618,998)**	**$3,249,081**

The 2013 Warrant used the same estimated expenditures and distribution as in 2012. Actual out-of county tuition costs provided to us from Audit and Control for the 2012-2013 academic year were $9,400,393. Based on these figures, the County overbilled the towns by $849,607 for out-of-county tuition, excluding FIT upper classmen. Babylon and Smithtown were underbilled and the remaining eight towns were overbilled. However, pursuant to Resolution No. 522-2013, expenses for FIT upper classmen, which were not included on the 2013 warrant, will be charged back to the towns as allowed by Town of North Hempstead vs. Nassau County. The following chart shows the amounts to be charged to each town.

2013 Tax warrant					
Township	2013 Warrant	Actual for 2012-2013	2012-2013 underbilled (+) / overbilled (-)	2012-2013 Unpaid for FIT Upper Classmen (charged back to Towns)	2012-2013 Adjustment to 2013 Warrant owed (+) / refund (-)
	(5)	(6)	(7) = (6) - (5)	(8)	(9)=(7)+(8)
Babylon	$3,022,511	$3,062,831	$40,320	$598,160	$638,480
Brookhaven	$2,058,394	$1,639,829	($418,565)	$1,012,754	$594,189
East Hampton	$157,538	$25,540	($131,998)	$81,861	($50,138)
Huntington	$2,403,634	$2,150,950	($252,684)	$498,454	$245,770
Islip	$1,585,552	$1,433,590	($151,962)	$747,826	$595,864
Riverhead	$130,581	$97,341	($33,240)	$74,266	$41,026
Shelter Island	$2,123	$2,112	($11)	$0	($11)
Smithtown	$541,495	$718,027	$176,532	$350,954	$527,485
Southampton	$269,255	$202,562	($66,693)	$197,556	$130,864
Southold	$78,917	$67,612	($11,305)	$68,366	$57,060
Total	**$10,250,000**	**$9,400,393**	**($849,607)**	**$3,630,196**	**$2,780,590**

The 2014 warrant is based on the cost of out-of-county tuition for the 2012-2013 academic year, which including FIT upper classmen, is $13,030,590. Three adjustments need to be made to this number – a reconciliation for 2012, a reconciliation for 2013 (excluding FIT upperclassmen), and an adjustment for the uncollected taxes associated with FIT upper classmen expenses from the 2012-2013 academic year. As shown in the following table, the 2014 Tax Warrant for out-of-county tuition should be $15,192,181.

2014 Tax Warrant						
Township	Estimated 2013-2014 Out-of-County Tuition	2012 Adjustment	2013 Adjustment	Adjustment for 2012-2013 Unpaid FIT Upper Classmen	Total Adjustment	2014 Warrant
	(10)= (6) + (8)	(3)	(7)	(8)	(11) = (3) + (7) + (8)	(12)= (10) + (11)
Babylon	$3,660,991	$168,202	$40,320	$598,160	$806,682	$4,467,673
Brookhaven	$2,652,583	($598,200)	($418,565)	$1,012,754	($4,010)	$2,648,573
East Hampton	$107,400	($31,272)	($131,998)	$81,861	($81,409)	$25,991
Huntington	$2,649,404	($97,863)	($252,684)	$498,454	$147,906	$2,797,310
Islip	$2,181,416	($135,794)	($151,962)	$747,826	$460,070	$2,641,486
Riverhead	$171,607	($15,074)	($33,240)	$74,266	$25,952	$197,559
Shelter Island	$2,112	($1,875)	($11)	$0	($1,886)	$226
Smithtown	$1,068,980	$91,154	$176,532	$350,954	$618,640	$1,687,620
Southampton	$400,119	$6,797	($66,693)	$197,556	$137,660	$537,779
Southold	$135,977	($5,075)	($11,305)	$68,366	$51,986	$187,963
Total	**$13,030,590**	**($618,998)**	**($849,607)**	**$3,630,196**	**$2,161,591**	**$15,192,181**

In 2015, the overall chargeback for out-of-county tuition should be less than in 2014 because the 2014 warrant includes charges for FIT upper classmen from the 2012-2013 academic year in addition to the total estimated out-of-county tuition costs for the 2013-2014 academic year.

However, the amount charged each town will be determined by how many residents attend other community colleges and the cost of the programs in which those students choose to enroll.

The 2014 Warrant features a two-year reconciliation; going forward, there should be a reconciliation each year to adjust for underbilling/overbilling in the previous year to ensure a fair distribution of chargebacks amongst the towns. The following chart shows the warrants by town from 2012 to 2014. The warrant is projected to increase by $4.9 million from 2013 to 2014. The majority of this increase, $3.6 million, is a one-time retroactive charge for FIT upper classmen for the 2012-2013 academic year.

Change in Warrant from 2012 to 2014					
Township	2012 Warrant	2013 Warrant	Change from Previous Yr.	2014 Warrant	Change from Previous Yr.
	(1)	(5)	(13)= (5) - (1)	(12)	(14)= (12) - (5)
Babylon	$3,022,511	$3,022,511	$0	$4,467,673	$1,445,162
Brookhaven	$2,058,394	$2,058,394	$0	$2,648,573	$590,179
East Hampton	$157,538	$157,538	$0	$25,991	($131,547)
Huntington	$2,403,634	$2,403,634	$0	$2,797,310	$393,676
Islip	$1,585,552	$1,585,552	$0	$2,641,486	$1,055,934
Riverhead	$130,581	$130,581	$0	$197,559	$66,978
Shelter Island	$2,123	$2,123	$0	$226	($1,897)
Smithtown	$541,495	$541,495	$0	$1,687,620	$1,146,125
Southampton	$269,255	$269,255	$0	$537,779	$268,524
Southold	$78,917	$78,917	$0	$187,963	$109,046
Total	**$10,250,000**	**$10,250,000**	**$0**	**$15,192,181**	**$4,942,181**

Effects of Recommended Budget

The 2013 estimated budget for out-of-county tuition expenditures is $16,628,827, which includes $9,749,550 in estimated costs associated with two-year students from all NYS community colleges (including FIT), $3,630,196 for FIT upper classmen, and $3,249,081, representing the portion of the court settlement that the County is unable to pass on to the towns. The recommended budget is released before the County Comptroller receives all the information needed to determine the actual costs for the preceding academic year. We have since been provided with actual costs for the 2012-2013 academic year. Based on that data, the estimated expenditure should be decreased by $349,157.

Revenue from town chargebacks in 2013 is $10,285,973, which is essentially the same as the 2012 actual revenue. Based on the fact that the levies were the same for each year, the estimate is reasonable.

Recommended expenditures for out-of-county tuition in 2014 are $13,379,746, which assumes that expenditures will be the same as estimated in 2013 with the exception of the $3.2 million FIT settlement cost. This assumption is reasonable; however, as with the estimate, the recommended budget should be reduced by $349,157.

The methodology used to record revenue from out-of-county tuition chargebacks in the 2014 Recommended Budget is somewhat difficult to understand. Charges and adjustments to the towns that were not included in the bonded liability settlement for unpaid FIT tuition are recommended in the revenue code where out-of-county tuition was recorded in 2012 and 2013 (001-MSC-2250). The portion of the chargebacks that were funded as part of the liability settlement are transferred to a debt service reserve account (001-DBT-2737), proceeds from this account will be disbursed over a two year period to pay debt service associated with the serial bond issue. The following chart shows how these revenues were derived in the recommended budget alongside what BRO calculates the numbers to be based on updated information.

Out-of-County Tuition Revenue Methodology in the 2014 Recommneded Budget		
Revenue	**2014 Exec. Recommended**	**2014 BRO Recommended**
Estimated Out-of-County Tuition Chargeback for 2013-2014 Academic Year	$13,379,746	$13,030,590
Adjustment for 2012 Assessments	($618,998)	($618,998)
Adjustments for 2013 Assessments	($500,451)	($849,607)
Out-of-County Tuition Chargeback for 2012-2013 Academic Year (Not part of the bonded settlement)	$1,953,220	$1,953,220
Revenue from 001-MSC-2250	***$14,213,517***	***$13,515,205***
Out-of-County Tuition Chargeback for 2012-2013 Academic Year *(part of the bonded settlement, transferred to debt reserve account, to be disbursed in 2014)*	$1,083,317	$1,083,317
Out-of-County Tuition Chargeback for 2012-2013 Academic Year *(part of the bonded settlement, transferred to debt reserve account, to be disbursed in 2015)*	$593,659	$593,659
Revenue from 001-DBT-2737	***$1,676,976***	***$1,676,976***
2014 Tax Warrant		
(001-MSC-2250 and 001-DBT-2737)	**$15,890,493**	**$15,192,181**

Budget Review Office Recommendations

Based on updated information from Audit and Control, we recommend the following changes, that when taken together, are budget neutral, but are necessary to show consistency between the budget and the tax warrant:

- Decrease the 2013 estimate for out-of-county tuition expenses (001-MSC-2490-4780) by $349,157 from $16,628,827 to $16,279,670.
- Decrease the 2014 Recommended Budget for out-of-county tuition expenses (001-MSC-2490-4780) by $349,157 from $13,379,746 to $13,030,589.

- Decrease the 2014 Recommended Budget for out-of-county tuition revenue (001-MSC-2250) by $698,314 from $14,213,517 to $13,515,203.

BP Out-of-County14

Personnel Costs and Issues Overview

Personnel Costs

The 2014 Recommended Budget includes $1.5 billion across all funds for salaries, benefits, and other personnel costs; representing approximately 54% of the $2.81 billion recommended budget. Contractually obligated raises and step increases as well as escalating pension and benefit costs contribute to growing personnel costs each year. Consequently, the recommended budget projects that personnel costs will increase by 1.97% from the 2013 estimated budget despite the termination of 179 employees from the John J. Foley Skilled Nursing Facility in 2013. However, the 2014 Recommended Budget is still 0.54% less than actual 2012 expenditures for personnel costs.

In the aggregate, the 2014 Recommended Budget is $17.6 million more than the 2013 estimate. Non-personnel costs are reduced by $11.6 million while personnel expenditures are increased by $29.2 million. The recommended growth in personnel expenses is comprised of a $5.9 million increase in salaries and other employee compensation costs (1000s) and a $23.3 million increase in benefit costs.

Authorized Positions

The 2014 Recommended Budget includes a net reduction of 188 authorized positions from 11,077 to 10,889. The reduction includes the abolishment of 223 positions and the creation of 35 new positions. The following table compares the number of authorized positions in the County's operating budgets over the period of 2002 through 2014.

Adopted for Year	Authorized Positions All Funds	Difference from Previous Line
2002	11,754	N/A
2003	11,597	-157
2004	11,907	310
2004 Modified	11,752	-155
2005	11,882	130
2006	11,958	76
2007	11,968	10
2008	11,977	9
2009	12,052	75
2010	11,824	-228
2011	11,573	-251
2012	10,937	-636
2013 Modified	11,077	140
2014 Recommended	10,889	-188

The 2003 Adopted Budget included a net reduction of 157 authorized positions prompted by the 2002 Early Retirement Incentive Program (ERIP) whereby 614 employees retired and 307 of those vacated positions were abolished. The 2004 Adopted Budget increased the number of authorized positions to a level that exceeded pre-2002 ERIP authorized positions. During 2004 the Legislature

abolished 175 vacant positions (Resolution No. 271-2004). The 2011 Adopted Budget abolished 191 of the 312 positions vacated in connection with the 2010 Early Retirement Incentive Program. In 2012, more than 600 (filled and vacant) positions were abolished resulting in approximately 300 layoffs from February through July. The number of authorized positions increased in 2013 to accommodate the expanded needs of the Jail Medical Unit at the new Yaphank Correctional facility, to provide the Police Department with additional Detective and Superior Officer titles, and to staff the newly created Traffic Violations Bureau. The 2014 Recommended Budget includes a net reduction in authorized positions, due primarily to the closure of the John J. Foley Skilled Nursing Facility in the summer of 2013.

New Positions

Fifteen of the 35 newly created positions are to provide additional support for the revenue generating Traffic Violations Bureau. New positions include two cashiers, seven clerical positions, one Accountant, and three Justice Court Clerk positions. One of the Justice Court Clerk positions will be filled with one full-time employee and each of the other two positions will be filled with two part time employees.

The recommended budget includes 12 new positions for the Department of Fire, Rescue and Emergency Services (FRES). Ten of the new positions, five clerical titles, four maintenance mechanics, and one Director of Fire Training, are intended to staff the newly created Fire Training Unit, which is anticipated to replace training services currently provided by the Vocational Education and Extension Board (VEEB). The other two positions, a second Deputy Commissioner of FRES and an Assistant to the Commissioner of FRES, are added to help with the daily administration of the Department and to provide additional support to the new Fire Training Unit.

Three District Attorney Investigator positions have been created to replace three interim positions of the same title, which are scheduled to expire at the end of 2013. Two Veterans Service Officer positions have been added to the Veterans Service Agency in the Executive's Human Services Division. Each position is to be filled with two part-time employees, the cost of which will be partially offset by the towns. Additionally, one Senior Official Examiner of Title position is created in the County Clerk, one Attorney (Departmental) position is created for the Ethics Board, and two positions, a Senior Industrial Engineer and an Industrial Engineer, are created in the Department of Public Works. For more detailed information on new positions, see the individual department write-ups in this report. The following table lists all of the new positions in the 2014 Recommended Budget by fund, department, and title.

New Positions				
Fund	**Department**	**Title**	**Grade**	**No.**
001	Board of Ethics	Attorney (Departmental)	30	1
001	County Clerk	Sr Official Examiner of Titile	34	1
001	District Attorney	District Attorney Investigator	21	3
001	Fire Rescue & Emer. Svcs.	Deputy Commissioner of FRES	30	1
001	Fire Rescue & Emer. Svcs.	Asst. to Commissioner (FRES)	28	1
001	Fire Rescue & Emer. Svcs.	Director of Fire Training	29	1
001	Fire Rescue & Emer. Svcs.	Head Clerk	18	1
001	Fire Rescue & Emer. Svcs.	Principal Clerk	14	1
001	Fire Rescue & Emer. Svcs.	Account Clerk Typist	11	1
001	Fire Rescue & Emer. Svcs.	Clerk Typist	9	2
001	Fire Rescue & Emer. Svcs.	Maintenance Mechanic II	12	1
001	Fire Rescue & Emer. Svcs.	Maintenance Mechanic I	9	3
001	Parks	Security Director	27	1
259	Public Works	Industrial Engineer	26	1
259	Public Works	Senior Industrial Engineer	29	1
136	Traffic Violations Bureau	Principal Clerk	14	1
136	Traffic Violations Bureau	Principal Account Clerk	17	1
136	Traffic Violations Bureau	Justice Court Clerk	14	3
136	Traffic Violations Bureau	Accountant	20	1
136	Traffic Violations Bureau	Account Clerk Typist	11	2
136	Traffic Violations Bureau	Cashier	8	2
136	Traffic Violations Bureau	Clerk Typist (Span Speak)	9	2
136	Traffic Violations Bureau	Clerk Typist	9	1
001	Veterans Service Agency	Veterans Service Officer	16	2
Total				**35**

Abolished Positions

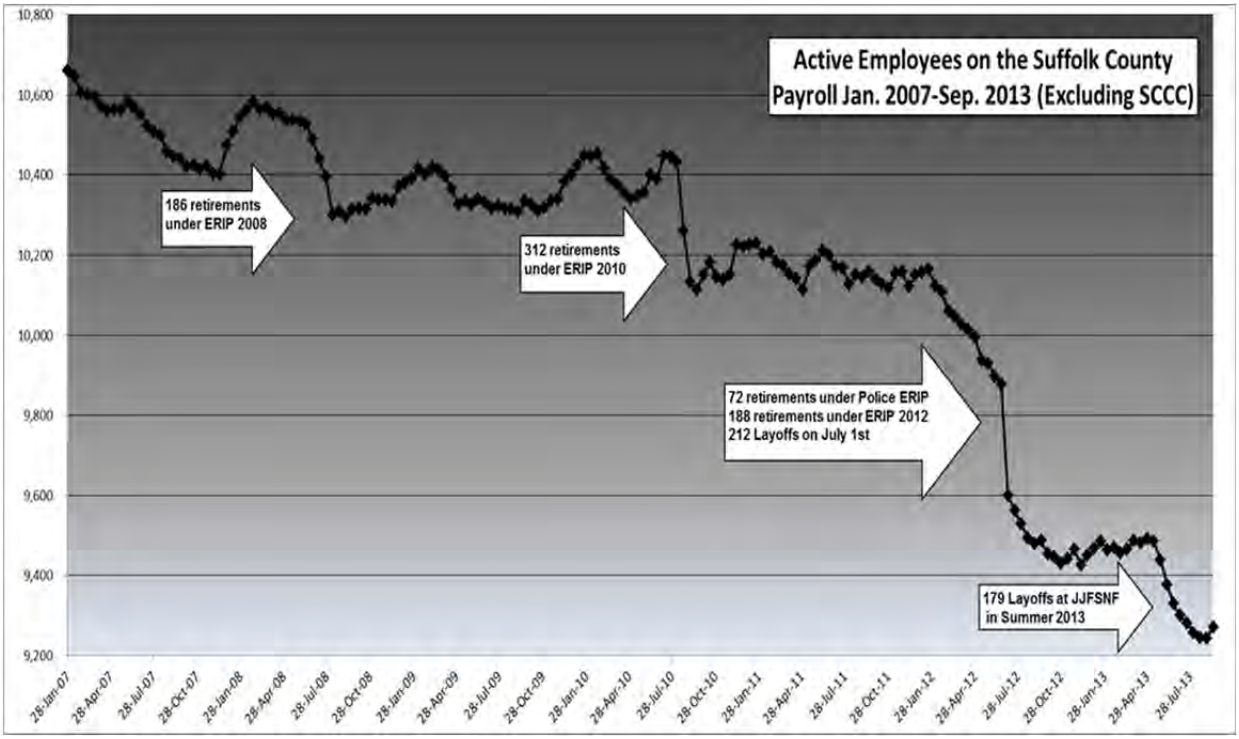
The recommended budget abolishes 223 vacant positions; 180 of which are associated with the closure of the John J. Foley Skilled Nursing Facility. The following chart shows the abolished positions by department and title.

Abolished Positions				
Fund	**Department**	**Title**	**Grade**	**No.**
001	District Attorney	District Attorney Investigator	21	3
001	Health Services	Medical Records Clerk	11	1
001	Health Services	Clinical Nurse Practioner	27	3
632	John J. Foley Skilled Nursing Facility	Account Clerk	11	1
632	John J. Foley Skilled Nursing Facility	Assistant Cook	9	3
632	John J. Foley Skilled Nursing Facility	Food Service Supervisor	16	2
632	John J. Foley Skilled Nursing Facility	Clinical Nurse Practioner	27	1
632	John J. Foley Skilled Nursing Facility	Cook	12	2
632	John J. Foley Skilled Nursing Facility	Custodial Worker II	11	11
632	John J. Foley Skilled Nursing Facility	Custodial Worker III	16	1
632	John J. Foley Skilled Nursing Facility	Dietetic Technician	13	1
632	John J. Foley Skilled Nursing Facility	Dietician	19	1
632	John J. Foley Skilled Nursing Facility	Director of Housekeeping	21	1
632	John J. Foley Skilled Nursing Facility	Financial Director (Nursg Hom)	28	1
632	John J. Foley Skilled Nursing Facility	Food Service Worker	7	16
632	John J. Foley Skilled Nursing Facility	Food Service Worker II	9	2
632	John J. Foley Skilled Nursing Facility	Laundry Worker	6	1
632	John J. Foley Skilled Nursing Facility	Licensed Practical Nurse	14	26
632	John J. Foley Skilled Nursing Facility	Maintenance Mechanic II	12	4
632	John J. Foley Skilled Nursing Facility	Maintenance Mechanic III	15	1
632	John J. Foley Skilled Nursing Facility	Maiintenance Mechanic IV	18	1
632	John J. Foley Skilled Nursing Facility	Med Social Worker Asst	18	1
632	John J. Foley Skilled Nursing Facility	Medical Records Clerk	11	2
632	John J. Foley Skilled Nursing Facility	Medical Social Worker	21	1
632	John J. Foley Skilled Nursing Facility	Needle Trade Specialist	10	1
632	John J. Foley Skilled Nursing Facility	Nurse's Aid	9	76

Abolished Positions				
Fund	**Department**	**Title**	**Grade**	**No.**
632	John J. Foley Skilled Nursing Facility	Physical Therapist	21	1
632	John J. Foley Skilled Nursing Facility	Physician III	38	1
632	John J. Foley Skilled Nursing Facility	Recreation Instructor	17	1
632	John J. Foley Skilled Nursing Facility	Reg Nurse Supvr-Nrsng Hme	22	2
632	John J. Foley Skilled Nursing Facility	Registered Nurse	19	5
632	John J. Foley Skilled Nursing Facility	Senior Account Clerk	14	1
632	John J. Foley Skilled Nursing Facility	Senior Account Clerk Typist	14	1
632	John J. Foley Skilled Nursing Facility	Senior Clerk typist	12	3
632	John J. Foley Skilled Nursing Facility	Senior Cook	14	1
632	John J. Foley Skilled Nursing Facility	Therapuetic Activities Worker	10	6
632	John J. Foley Skilled Nursing Facility	Warehouse Worker II	10	1
001	Medical Examiner	Forensic Scientist I-BAL	19	1
001	Office for the Aging	Community Relations Asst	17	1
001	Probation	Principal Research Analyst	28	1
001	Probation	Supervising Psychologist	29	1
001	Probation	Drug Counselor (Span Speak)	19	1
001	Real Property Tax Service	Principal Clerk	14	1
001	Real Property Tax Service	Map Drafter II	20	1
360	Social Services	Licensed Practical Nurse	14	8
360	Social Services	Medical Services Specialist	23	11
360	Social Services	Principal Stenographer	15	1
360	Social Services	Registered Nurse	19	5
136	Traffic Violations Bureau	Assistant County Attorney	24	1
136	Traffic Violations Bureau	Attorney (Departmental)	30	1
136	Traffic Violations Bureau	Senior Clerk	12	1
136	Traffic Violations Bureau	Senior Security Guard	17	1
Total				**223**

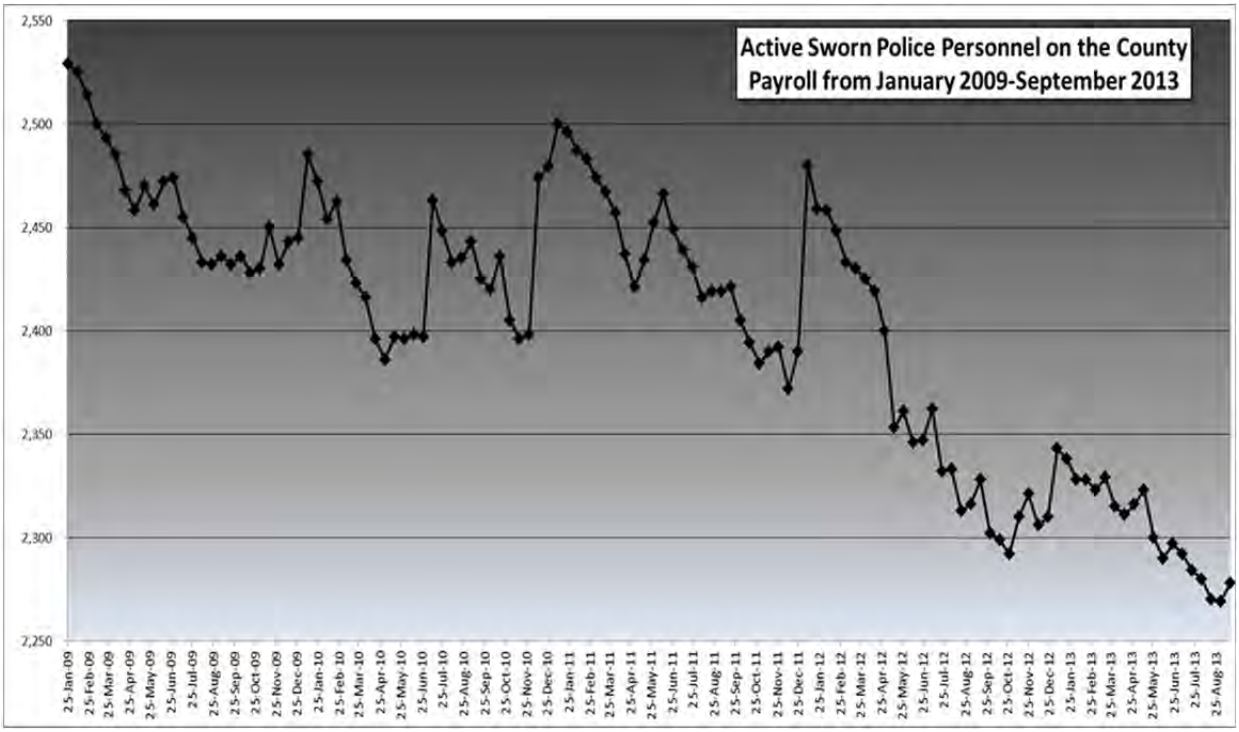
Filled Positions (active employees on the payroll)

Through retirement incentives, layoffs, and natural attrition, the net number of active employees on the County payroll declined by 715 in 2012, from 10,164 in January to 9,449 in December. From December 2012 to September 2013, the net workforce declined by an additional 179. Major increases to staff in 2013 include a class of 25 Correction Officers in March and 26 new hires at the newly opened Traffic Violations Bureau. Major decreases include 179 layoffs resulting from the closure of the nursing home and annual retirements countywide. As shown in the following graph, the number of active employees has decreased by 1,390 from January 2007 to September 2013.



Over the last several years, the annual number of sworn police employees separated from the County payroll has exceeded the number of new recruits. In 2012, the number of sworn police employees decreased by 149, including the 72 that participated in the County's Police ERIP. The number of active sworn officers decreased by another 32 employees from December 2012 to September 15, 2013. There has not been a police class hired since December 26, 2011. As a result, the level of active sworn police personnel in Suffolk County is at a historic low.

To address the declining numbers, a class of 40 police recruits is scheduled to be hired this fall and an additional class of 60 recruits is scheduled in September of 2014. In addition, the recommended budget includes an initiative that transfers funding for 34 Park Police Officers from the Parks Department to the Police Department. The combination of these actions would result in an additional 144 officers. However, we project that there will be approximately 65 retirements in 2014. The result is a net increase of 79 from September 15, 2013, but still 102 less than at the start of 2012. The following chart shows the decline in active sworn personnel from 2,529 in January 2009 to 2,278 in September 2013.



The following table summarizes the current number of authorized positions in each department based upon the September 15, 2013 position control register. Approximately 16% of the 11,087 authorized positions are vacant. The number of filled positions is greater than the number of active employees because at any given time a percentage of the workforce is out on disability, leave of absence, maternity, suspension, etc.

Authorized Positions on September 15, 2013			
Department	**Total Authorized Positions**	**Filled Positions**	**Vacant positions**
Audit and Control	68	63	5
Board of Elections	123	122	1
Board of Ethics	2	2	0
Civil Service	79	75	4
County Clerk	102	99	3
District Attorney	387	372	15
Economic Development and Planning	93	86	7
Executive	151	119	32
Finance and Taxation	44	42	2
Fire Rescue and Emergency Services	82	74	8
Health Services	1,069	726	343
Information Technology Services	111	97	14
Labor, Licensing and Consumer Affairs	220	168	52
Law	132	107	25
Legislature	132	119	13
Medical Examiner	111	97	14
Parks	185	154	31
Police	3,540	2,889	651
Probation	436	342	94
Public Administrator	6	6	0
Public Works	826	695	131
Real Property Tax Service	26	20	6
Sheriff	1,389	1,271	118
Social Services	1,738	1,559	179
Soil and Water Conservation	6	5	1
Traffic Violations Bureau	29	24	5
Total	**11,087**	**9,333**	**1,754**

Permanent Salary Appropriations

In 2013, Permanent Salary (1100) costs across all funds are estimated to be $2.28 million less than adopted. Because of the way that the Department of Labor salaries are budgeted for aid reporting purposes, we have included Interim Salaries (1110) for Units 6300 and 6380. In the General Fund, the 2013 estimated budget for permanent salaries is $7.92 million less than adopted. The County typically generates a surplus in salaries from turnover savings, which accumulates in the following ways:

- Not filling funded positions
- Separations from retirement, layoffs, resignations etc.
- Extending the length of time between when a position becomes vacant and when it is refilled
- Filling a position at a lower starting salary than its previous incumbent

The Budget Review Office monitors permanent salary expenditures throughout the fiscal year. Our independent analysis of the permanent salary appropriations concludes that generally the 2013 estimated permanent salary budget is reasonable. Across all funds and departments, our projection differs by $138,477 or 0.02% on an almost $736 million expense.

In the aggregate, the 2014 Recommended Budget provides sufficient Permanent Salaries for all current employees as well as scheduled police and correction officer classes. In the General Fund we estimate that there is approximately $6 million to fill the remaining new and vacant positions in 2014. This funding includes, but is not limited to the following:

Department	Function	Permanent Salaries (Obj 1100)
District Attorney	To fill key vacancies	$333,000
F.R.E.S.	Fund a portion of the 10 new positions in the new Fire Training Unit	$259,000
Health Services	Fill positions in the Jail Medical Unit as mandated by NYS Comission of Correction	$275,000
Labor	Fund 4 positions to staff a new program providing increased Saftey Net services to the single male population	$270,000
Medical Examiner	Fund critical vacancies including a Chief Medical Examiner, Deputy Chief Medical Examiner, and Deputy Medical Examiner-Pathologists	$435,000
Probation	To fill a portion of vacant positions	$350,000
Sheriff	Funding in excess of our projected cost for existing employees and anticipated correction officers classes	$3,200,000
Veterans Service Agency (EXE)	Fill the two new Veterans Service Officer positions with four part-time employees	$76,000

It is important to note that while we conclude that the overall level of recommended salaries is sufficient to fund existing staff as well as a portion of new and vacant positions, the adequacy of proposed salary funding varies by department. An example of this is the Department of Finance and Taxation. Although no positions are abolished, the recommended budget provides approximately $473,000 less than what would be required to fund all currently filled positions for the duration of

2014. The proposed funding is predicated on positions being eliminated at a later date as a result of merging the Department with Audit and Control; however, to date the courts have opined that the referendum to place the issue of merger on the ballot is invalid. As such, action is likely needed to avoid a deficit. For more information on this and other specific details, refer to the separate department write-ups in this report.

BP Personnel14

Employee Benefits

Health Insurance

Overview

The Employee Medical Health Plan of Suffolk County (EMHP) was created via legislative resolution in 1991 with an effective start date of January 1, 1992. It is a self-insured health plan which provides for a diverse universe of enrollees and their dependents including active employees, retirees, dependent survivors, terminated vested employees, self-paying faculty, COBRA participants, and Benefit Fund employees to whom it offers a wide array of coverage including hospitalization, prescription drugs, mental health, and major medical. The vast majority of County employees and retirees are enrolled in the EMHP; while those whom are not, are offered healthcare through one of three available HMO health plans. As of August 2013, the County's health insurance plan consisted of 20,989 enrollees representing 48,389 lives.

The Kaiser Family Foundation and the Health Research and Educational Trust have conducted an annual survey from January to May for each of the last fifteen years targeting non-federal private and public employers on an annual basis in order to compile and analyze current data pertaining to employer sponsored health benefits. They have determined that employers are the leading source for health insurance across the country and that employers' health insurance covers approximately 149 million non-elderly people in America today. "In 2013, the average annual premiums for employer-sponsored health insurance are $5,884 for single coverage and $16,351 for family coverage. The single premium is 5% higher and the family premium is 4% higher than the 2012 average premiums. Over the last 10 years, the average premium for family coverage has increased 80%."[1]

Considering the level of benefits provided by the EMHP, the 2013 annual premium for family coverage in EMHP of $17,200 compares favorably to the average family coverage premium for all plan types of $16,351 and the average family coverage premium for all plans in the Northeast of $17,411. "Twenty-one percent of covered workers are in plans with an annual total premium for family coverage of at least $19,622 (120% of the average premium)."1 Although the EMHP is 5.2% more than the average family coverage premium for all plan types in 2013, which is 0.4% higher than it was in 2012, it also remains 12.3% less than the premium being paid by 20% of all covered workers. Additionally, Kaiser has determined the average annual premium for family coverage within a Point of Service (POS) plan (as is EMHP) in the Northeast in 2013 to be $18,177 which is $977 or 5.7% more than the premium of $17,200 for similar EMHP coverage. The growth in family coverage premiums for EMHP between 2012 and 2013 of 4.2% is significantly less than the average growth experienced in employer sponsored POS plan family coverage premiums in the Northeast of 7.2%.

EMHP Specific Considerations

EMHP and the Patient Protection Affordable Care Act (PPACA)

PPACA imposes a number of requirements upon group health plans. Some group health plans, which existed prior to or on March 23, 2010, are designated as a "Grandfathered Health Plan" and required to meet some, but not all, reforms contained in PPACA. The following requirements will apply to most health plans regardless of whether or not they maintain grandfathered status:

- Elimination of lifetime limits on essential benefits

[1] KFF/HRET Employer Health Benefits 2013 Summary of Findings pg. 1

- Phase-out of annual limits on essential benefits by 2014
- Extending eligibility for dependents up to age 26
- Elimination of pre-existing condition limitations for children under age 19
- Elimination of all pre-existing condition limitations in 2014
- Limitation of benefit waiting periods to no more than 90 days in 2014
- Insurer rebates if minimum loss ratio standards are not met
- Assessment of "Cadillac plan tax" if applicable (effective 2018)
- Assessment of employer mandate charge, if applicable (effective 2015)

The following reform requirements will not apply to most grandfathered group health plans as long as they retain their status as such:

- Cover immunizations and certain preventive care without cost sharing
- Allow member choice with respect to selection of participating primary care physicians and pediatricians
- Allow access to OB/GYN services without referral
- Cover emergency services without pre-authorization or additional cost sharing if out-of-network
- Provide internal and external review process for certain denied claims
- Eliminate discrimination in favor of highly compensated individuals
- Prohibit discrimination based on participants in a clinical trial
- Apply certain Federal rating limitations in 2014 for small group plans
- Provide essential benefits in the small group market in 2014
- Abide by cost sharing and deductible limits in 2014

There seems to be some question as to whether or not EMHP will retain grandfathered status since the most recent memorandum of agreement negotiated between Labor Relations and the Unions specified that all employees hired after January 1, 2013 will contribute 15% of the premium or group cost of health insurance they select. It appears the County is in receipt of conflicting legal opinions indicating that the status will be retained and that it will not be retained as well.

Additionally, PPACA imposes fees upon applicable self-insured health plans to help fund the Patient-Centered Outcomes Research Institute (PCORI) and fund a Transitional Reinsurance Program to support payments to individual market issuers that cover high cost individuals. The requested and recommended budgets agree in budgeting $3.1 million for these costs in 2014.

EMHP Expenditures

The 2014 recommended expenditure for health insurance is $322.3 million, which is $29.8 million less than the projection of $352.1 million within the most recent draft of the Suffolk County Annual Health Benefits Report dated August 12, 2013 and provided by Lockton, the County's health insurance consultant. The vast majority of the difference between the recommended budget and the consultant's cost projection lies within three expenditures: major medical claims, hospital

claims, and prescription claims. The consultant projects major medical costs for EMHP in 2014 at $115.0 million, which is approximately $6.0 million or 5.46% higher than the recommended budget of $109.0 million; hospital claims at $116.8 million, which is approximately $11.3 million or 10.66% higher than the recommended budget of $105.5 million, and prescription claims at $86.8 million, which is approximately $16.1 million or 22.76% higher than the recommended budget of $70.7 million.

The health insurance consultant's medical/hospital, behavioral health, and prescription drug cost trend projections use annual medical trends based on current marketplace trends and claims experience specific to EMHP during the past four fiscal years and adjusted to reflect plan design changes. The consultant's 2014 proposed annual trend rates for EMHP are 8.5% for medical claims (major medical and hospitalization), nine percent for prescription drugs, four percent for behavioral health, and five percent for Medicare Part B premium reimbursements. The consultant proposes a growth trend rate of 8.6% for EMHP overall between 2013 and 2014 even though the actual prior four year average rate of growth is 5.3%. The 2014 proposed rate trends are one half percent lower for major medical and one percent lower for prescription drugs when compared with Lockton's 2013 proposed trends; however, they may be too high based upon the actual prior four year average increases for medical claims of 5.3% and prescription drugs of 5.8%. The 2014 health consultant cost projections assume a net decrease of 64 enrollees from 21,044 to 20,980 or 0.3%. Lockton projects the County's health insurance costs to grow by $28.2 million or 8.7% in 2014 from $323.9 million to $352.1 million. This projection differs significantly from the recommended budget, which indicates health insurance costs will increase $13.1 million or 4.2% from $309.2 million estimated for 2013 to $322.3 million recommended in 2014. The divergence in estimated or projected 2013 EMHP expenditures between the consultant and County Executive, in conjunction with significant variations between those entities anticipated health care costs in 2014, result in an aggregated two-year difference to the magnitude of $44.5 million. This significant difference can be explained by reductions to prescription, major medical, mental health, and hospital claims contained within the estimated and recommended budgets as compared to the consultant's projections.

BRO's analysis of the 2014 recommended expenditures indicates they are understated by at least $12.1 million. BRO attributes this deficit to inadequate claims expense projections.

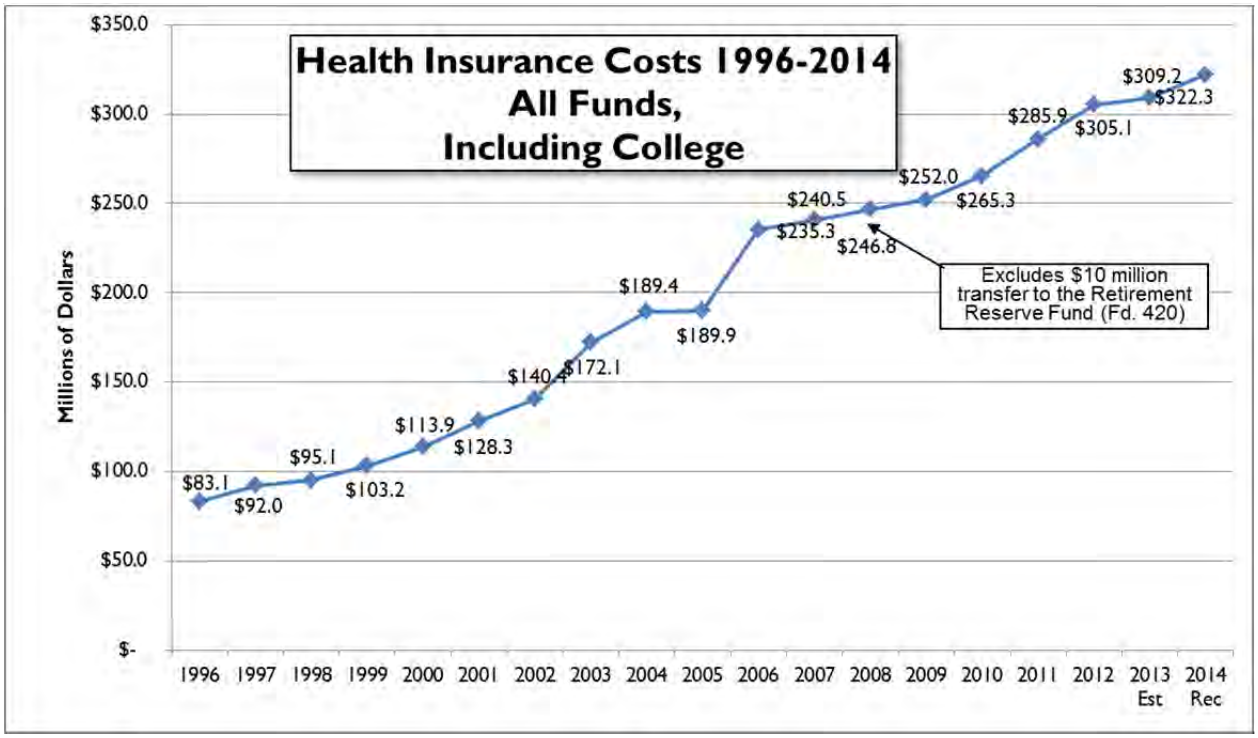
The recommended incurred but not reported (IBNR) cost of $13.8 million accounts for medical and hospital claims which will be incurred in 2014, but not reported until sometime in 2015. The 2014 recommended IBNR is identical to the 2013 adopted and estimated IBNR, which BRO identified as deficient in the 2013 Operating Budget Review. The implicit assumption associated with projecting IBNR at the same level is that there will be no growth in these claims expenses in 2014 and/or a significant change in the manner in which the IBNR is portrayed or calculated. EMHP claims experience and the consultant's projections indicate IBNR comprises approximately 8% of expenditures on an annual basis. The recommended budget for IBNR of $13.8 million represents only 4.86% of recommended expenditures and 51.5% of the consultant's projected 2014 IBNR of $26.9 million. BRO estimates that hospital and medical claims are understated by at least $10 million in 2014.

Implicit within the 2014 recommended expenditures for prescription claims are anticipated savings of $10 million resultant from plan modifications associated with the adoption of an Employer Group Waiver Plan (EGWP). BRO assumes the Executive's recommended and the consultant's projected 2014 prescription claims expense takes into account plan modifications implemented to produce $17 million in savings as specified in the EMHP MOA entered into by Suffolk County and the labor

unions in 2012; however, it is unclear to BRO to what degree the programmed savings from both initiatives are attainable. BRO estimates prescription claims expense in 2014 of $72.8 million, which is $2.1 million more than recommended by the Executive.

The 2013 budget estimate includes $309.2 million for health insurance costs, which is $1.5 million more than the adopted budget of $307.7 million, $14.7 million less than Lockton's projection of $323.9 million, and $13.0 million less than the BRO projection of $322.2 million. A significant difference can be observed between the 2013 estimate and the consultant's and BRO's projections within the estimated IBNR of $13.8 million, which is approximately $10.4 million less than the actual IBNR experienced in 2012 of $24.2 million. The 2013 medical and hospital claims may prove to be understated by approximately $10.4 million, reflected within IBNR, if a change to the calculation, portrayal, or accrual methodology employed cannot explain the notable variance. Additionally, estimated prescription claims expenses for 2013 appear to be understated by $2.6 million based upon a BRO projection of $78.2 million for these claims in 2013.

The following graph illustrates health insurance expenditures from 1996 to 2014, excluding the 2006 $10 million transfer to the Retirement Reserve Fund. The source of the data are the relevant County operating budgets.



EMHP Revenues

The health insurance fund typically receives the vast majority of its revenue from interfund transfers and the remaining portion from COBRA, other premiums, interest, rebates, and recoveries from providers.

The 2013 Estimated Budget incorporates the 2012 Actual fund balance of $2.0 million, which is $2.0 million more than the 2013 Adopted that assumed there was no available fund balance. The estimated budget includes $292.6 million in revenue from interfund transfers to the Health Insurance Fund (Fund 039), including transfers from Funds 360 and 192 shown in Uses of Money &

Property in the status of funds presentation for Fund 039, which is the same as adopted and less than the Budget Review Office estimate of $293.4 million by approximately $765,000. The estimate fails to take into account that Fund 632- John J. Foley Skilled Nursing Facility transferred $765,769 more than budgeted in 2013 to pay for health benefits for its employees whom remained employed past the anticipated closure date budgeted for in the 2013 Adopted Budget.

For 2014, the recommended budget includes $318.3 million of interfund revenue, including transfers from Funds 360 and 192, representing 98.3% of total revenues, which is slightly higher than the typical revenue source allocation within EMHP of approximately 95%. The Health Care Consultant has projected that a County contribution of $360.2 million would be required in 2014 predicated upon 20,980 enrollees in the plan and a beginning fund balance deficit of $16.5 million, whereas the recommended budget estimates a beginning fund balance deficit of $1.4 million. The recommended budget appears to account for a revenue reduction of $5 million for Medicare Part D subsidies received from the Federal government due to the planned transition to an Employee Group Waiver Plan (EGWP). The 2014 Recommended revenues from County contributions should be augmented by at least $12.1 million to $330.4 million in order to adequately fund projected claims expenses whether they be 2013 expenses carried forward to 2014 (explaining the low 2013 IBNR numbers) or expenses actually incurred in 2014.

Non-Healthcare Benefit Considerations

Retirement

The Employer Contribution Stabilization Program was signed into State law on August 11, 2010 as Chapter 57 of the Laws of 2010. Participation in the Program is optional and it has been designed to allow those employers whom elect to participate to pay a portion of their annual contributions over time resulting in more level, predictable pension costs.

The State determines each employer's normal annual contribution in the same manner employed historically. The State then establishes a "graded rate" for the employer based upon a methodology established by the Program. The graded rate is used to establish a graded contribution for the employer. The difference between the normal contribution and the graded contribution is equal to the maximum amount the State will allow the employer to amortize (or borrow from the NYS Local Retirement System). Employers may choose to amortize less than the maximum amount. These computations are made separately for contributions to the Employees Retirement System and the Police & Fire Retirement System. Employers may opt to participate in the Program for one system, both systems, or not at all. Once an employer opts to participate in the Program they cannot opt out; however, they may choose not to amortize every year or for a lesser amount than the maximum allowed. If an employer does opt to amortize a portion of their contribution, they will pay interest on the amortized amount at a rate determined by the State Comptroller to be comparable to taxable fixed income investments. The interest rate charged on any portion of a contribution the employer has opted to amortize in a particular rate year will be fixed, for that year, and all subsequent years of the ten-year repayment period. The rates charged by the Comptroller may change from one rate year to the next based upon market performance. Portions of required 2011 contributions that were amortized have been charged a 5% rate of interest, portions of required 2012 contributions that were amortized have been charged a 3.75% rate of interest, and for 2013 amortizations, the Comptroller has set an interest rate of 3.0%.

The graded rate increase or decrease is capped at 1%. Therefore, as the average contribution rates rise, annual contributions under the Program will be less than normal contributions. Conversely, as average contributions fall, annual contributions under the Program would exceed normal

contributions. Any additional contributions paid in excess of the normal contributions will first be used to pay off existing amortizations. Once all amortizations have been paid, any contributions in excess of the normal contribution will be deposited into a reserve account maintained by the State and used to offset future increases in contribution rates. Payments into the reserve accounts will continue until reserves equal the employer's total salary base.

Suffolk County opted to amortize approximately $19.1 million of its Employees Retirement System (ERS) contribution due February 2011 to be repaid in equal annual installments of $2,470,993 over a ten year period at a five percent rate of interest beginning with the 2012 payment. No portion of the 2011 Police and Fire Retirement System (PFRS) contribution was eligible to be amortized.

Suffolk County opted to amortize $45.7 million, in the aggregate, of the NYS Local Retirement System contribution due February 2012; approximately $24.8 million of its ERS contribution due February 2012 to be repaid in equal annual installments of $3,019,990 over a ten-year period at a 3.75% rate of interest beginning with the 2013 payment, and $20.9 million of its PFRS contribution due February 2012 to be repaid in equal annual installments of $2,544,855 over a ten-year period at a 3.75% rate of interest beginning with the 2013 payment.

Suffolk County opted to amortize $60.7 million, in the aggregate, of the NYS Local Retirement System contribution due February 2013; approximately $48.4 million of its ERS contribution due February 2013 to be repaid in equal annual installments of $5,669,778 over a ten-year period at a 3.0% rate of interest beginning with the 2014 payment, and $12.4 million of its PFRS contribution due February 2013 to be repaid in equal annual installments of $1,448,572 over a ten-year period at a 3.0% rate of interest beginning with the 2014 payment.

Legislation enacted as part of the State budget (Chapter 57, Part BB, Laws of 2013) establishes an alternative to the original Contribution Stabilization Program enacted in 2010. Similar to the Contribution Stabilization Program, the Alternate Contribution Stabilization Program provides short-term cash relief for employers by allowing them to defer payment on a portion of their current annual contribution liability in exchange for repayment with interest beginning the next year. Participating employers can make a one-time election in the 2013-2014 billing cycle to enroll in the Alternate Contribution Stabilization Program for any future amortizations that they intend to make. Employers that have amortized under the original Contribution Stabilization Program have the option to switch to the alternate program. Once an employer has elected the alternate program, the employer may not return to the original program. In the first years of participation, the alternate program allows employers to amortize more than the original program. Each year, after the first two years, the graded rate will change. The new graded rate always moves from the previous graded rate towards the new actuarial rate. The original program graded rate moves by up to one percent per year. The alternate program graded rate moves by up to 0.5% per year. The Alternate Program increases the maximum length of any amortizations from 10 years to 12 years. The interest rate will be set annually. The interest rate on an amount amortized in a given year will be the interest rate for that year and will be fixed for the duration of that repayment period. Amounts amortized in other years will be at the interest rate set for the year of the amortization. The Alternate Program interest rate is comparable to a 12-year US Treasury Bond plus one percent. Any additional contributions paid in excess of the normal contributions will first be used to pay off existing amortizations. Once all amortizations have been paid, any contributions in excess of the normal contribution will be deposited into a reserve account maintained by the State and used to offset future increases in contribution rates. Payments into the reserve accounts will continue until reserves equal the employer's total salary base.

The recommended 2014 NYS retirement employer contribution budget of $155,576,599 is reasonable, assuming participation in the new Alternate Contribution Stabilization Program, and represents both the Employees' Retirement System (ERS), excluding the College, and the Police and Fire Retirement System (PFRS). The 2014 contribution includes installment 3 of 10, $2.4 million, for repayment of the portion of the 2011 ERS Contribution the County opted to amortize, installment 2 of 10, $3 million, for repayment of the portion of the 2012 ERS Contribution the County opted to amortize, installment 1 of 10, $5.7 million, for repayment of the portion of the 2013 ERS Contribution the County opted to amortize, installment 2 of 10, $2.5 million, for repayment of the portion of the 2012 PFRS Contribution the County opted to amortize, installment 1 of 10, $1.4 million, for repayment of the portion of the 2013 PFRS Contribution the County opted to amortize; it also includes installment 3 of 5, $3.8 million, for repayment of the 2010 Early Retirement Incentive Program (ERIP) incentive cost. The 2014 pension payment includes $15.2 million of amortization repayments in the aggregate and $19 million of repayments when the 2010 retirement incentive repayment is included.

The recommended budget indicates the Executive's intention to opt into the Alternative Contribution Stabilization Program and amortizes the maximum amount of the 2014 liability allowed by the State; $55.9 million in ERS and $31.2 million in PFRS totaling $87.1 million. This policy decision should not be made lightly as there are significant costs associated with opting into the Alternate Contribution Stabilization Program as opposed to continuing to amortize portions of our regular pension contribution through the existing Contribution Stabilization Program. The immediate benefit realized with opting into the Alternate Program is that it will allow the County to amortize an additional $4,656,330 of its regular pension contribution due February, 1 2014. The long term costs associated with utilization of the Alternate Program are increased interest rates over a longer term, the inability to opt back into the more favorable terms of the original Contribution Stabilization Program for any future amortizations, and the limitation of a 0.5% adjustment annually to the graded contribution rate after year two as opposed to a one percent adjustment with the Original Program. Specifically, the duration of the amortization will change from a ten-year repayment to a 12-year repayment and the rate of interest charged will change from "an interest rate comparable to taxable fixed income investments of a similar duration" (3% for 2013 amortizations) to "an interest rate comparable to a 12-year US Treasury Bond plus one percent" that BRO estimates to be 3.89% currently based upon interpolation of the yield curve for AAA municipal debt in September 2013 and stated treasury yields on October 9, 2013. This rate may vary depending on the current treasury yields at the point in time at which the State makes the calculation.

The following table is provided to illustrate the estimated financial impact to the County resultant from utilization of either the original Contribution Stabilization Program or Alternate Contribution Stabilization Program to amortize a portion of our regular pension contribution due February 1, 2014.

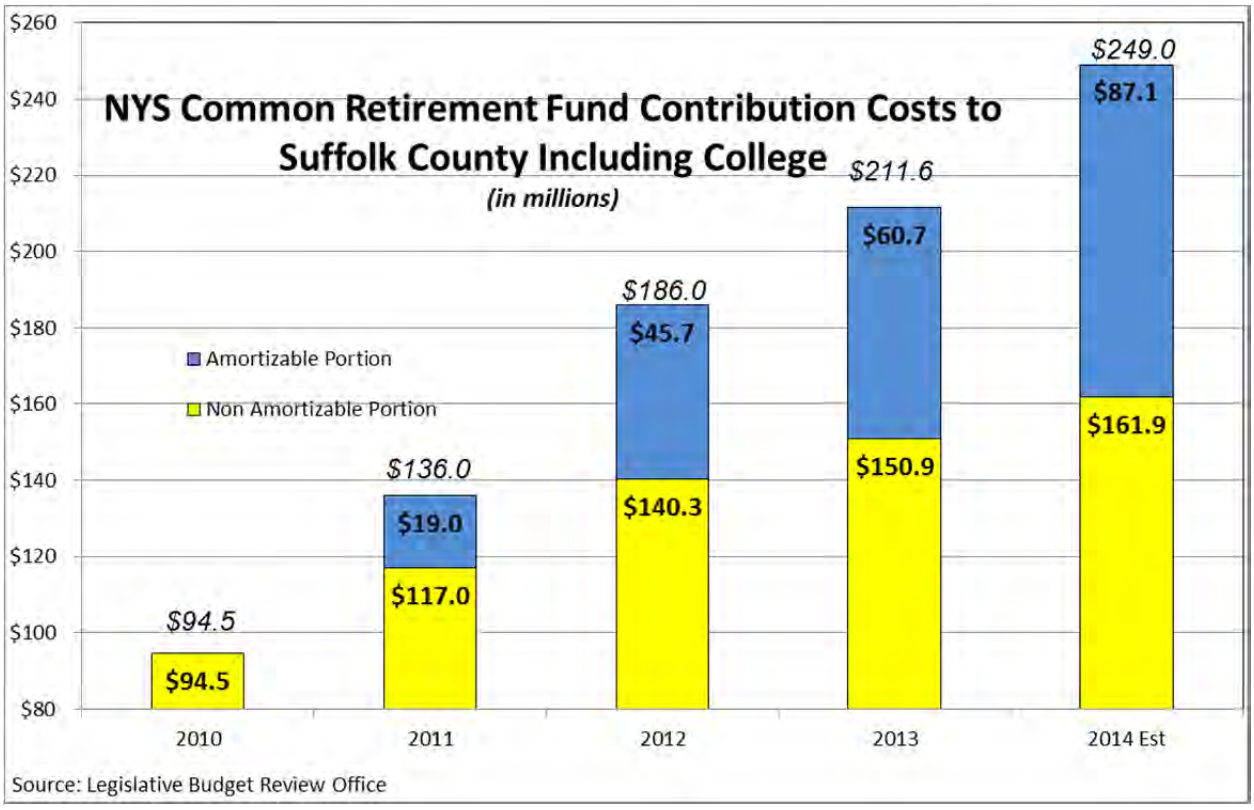
NYSLRS Maximum Retirement Contribution Amortization Allowed in 2014			
	Contribution Stabilization Program		Alternate Contribution Stabilization Program
Amortization Allowed	$82,445,368		$87,101,698
Estimated Interest Rate	3.64%		3.89%
Estimated Annual Debt Service	$9,983,442		$9,221,737
Duration Of Amortization	10 years		12 years
Estimated Total Debt Service	$99,834,420		$110,666,844
Estimated Total Interest Expense	$17,389,052		$23,565,146

As illustrated in the table above, the County's continued reliance upon amortization of a portion of our annual State retirement liability does not come without a cost. The County Executive's election to opt into the Alternate Program is implicit within the recommended budget. BRO estimates that the County will incur additional debt service expense, over the life of the Alternate Program amortization repayment, of approximately $10.8 million, consisting of $6.1 million of interest and $4.7 million of our 2014 liability that is proposed to be amortized.

The County's reliance upon amortizing its retirement liability has grown significantly since first allowed by the State beginning with the February 2011 payment in which we amortized $19.1 million of the liability. In 2012 we amortized $45.7 million, $60.7 million in 2013, and $87.1 million is proposed in 2014. The 2014 pension payment includes $15.2 million of amortization repayments in the aggregate that BRO estimates will grow to $25.2 million in 2015 if the policy decision to amortize the maximum allowed by the State is embraced by the Legislature.

It is in the County's best interest to pay its current pension liability, in any given year, in full when it is financially feasible. If it is not feasible to meet the current liability in full, in coming years, then we would recommend utilizing amortization to the smallest degree possible. Our continued reliance upon deferral of payment for this current liability will only contribute to the structural instability of future budgets.

The 2014 Recommended NYS retirement employer contribution of $155.6 million (excluding SCCC) is $9.9 million or 6.76% more than the 2013 Estimated contribution of $145.7 million. The following graph illustrates the growth in retirement costs experienced by the County (including SCCC) in recent history.



GASB 45-Other Post-Employment Benefits

The Governmental Accounting Standards Board (GASB) Statement No. 45 requires governments to establish standards for the measurement, recognition, and display of all other post-employment benefit (OPEB) expenses, expenditures, and related liabilities including, but not limited to, life insurance and healthcare. Suffolk County budgets and finances its OPEB obligations on a pay-as-you-go basis, which accounts for current liabilities only as compared to the annualized required contribution (ARC) funding methodology, which accounts for both current and accrued liabilities.

GASB Statement No. 45 requires the County to measure and disclose a dollar figure for OPEB liability utilizing an accrual basis of accounting on an annual basis. Annual OPEB cost is calculated by combining the annual employer contribution for current liabilities along with a component representing the total unfunded actuarial accrued liabilities, which may be amortized over a period not to exceed 30 years.

The Suffolk County Interim Year GASB 45 Financial Report generated by Nyhart for the fiscal year ending December 31, 2012, indicates that the County's unfunded actuarial accrued liability (UAAL) for OPEB is $4.41 billion as of the beginning of 2012, which is approximately $228 million more than our liability at the beginning of 2011 of $4.19 billion.

Nyhart has calculated the County's annual required contribution (ARC) for 2012 to be $418.79 million. The ARC is the annual expense represented utilizing the GASB 45 accrual basis of accounting as opposed to recognition of the liability on a cash basis method. The GASB 45 ARC calculation is higher than the pay-as-you-go cost basis because it includes recognition of anticipated future employer costs. The 2012 ARC is derived by adding the normal cost at the year's inception with a figure representing amortization of the UAAL and interest expense to the end of the year as illustrated in the following table (in millions).

Annual Required Contribution (ARC)	2012
Normal cost as of beginning of year	$ 141.44
plus Amortization of the UAAL for 30 years	$259.32
equals Total normal cost and amortization	$400.76
plus Interest to end of year	$18.03
equals Total ARC	**$418.79**

The County's Net OPEB Obligation (NOO) represents the cumulative difference between the annual OPEB cost and employer contributions. The NOO liability is created when employer cash contributions are less than the current year expense under GASB 45 accrual rules. Our NOO has grown approximately $289.2 million or 20.2% from the 2011 year end liability of $1.43 billion to the 2012 year end liability of $1.72 billion, as illustrated in the following table (in millions).

Net OPEB Obligation (NOO)	2012
ARC as of end of year	$418.79
plus Interest on NOO to end of year	$64.42
plus Total adjustment to the ARC	($87.89)
equals Annual OPEB cost	$395.32
less Total annual employer contribution for pay-go cost	$106.10
less Total annual employer contribution for pre-funding	$0.00
equals Change in NOO	$289.22
plus NOO as of beginning of year	$1,431.65
equals NOO as of end of year	**$1,720.87**

GASB Statement No. 45 requires municipalities to quantify their accrued OPEB liabilities only. The funding methodology utilized by the County is a policy decision.

Benefit Fund and Life Insurance Contributions

Suffolk County employees are represented by ten collective bargaining units; each unit has its own benefit fund. The County's contribution to each benefit fund is based upon a negotiated per employee rate. Additionally, the County pays life insurance premiums within the benefit fund contributions as stipulated within the collective bargaining agreements for employees and for retirees as well, in the Correction Officer Association and Deputy Sheriff Benevolent Association bargaining units. Each benefit fund has a Board of Trustees, designated by the Union and the County, which manages and sets benefit levels within their respective fund.

Currently, nine of the County's ten labor unions will enter fiscal year 2014 with no labor agreements in place. Bargaining units two and six, representing the Suffolk County Association of Municipal Employees (AME), negotiated and entered into a stipulation of agreement on March 2, 2011, which extended the provisions of their Collective Bargaining Agreement through December 31, 2012. One modification to the Agreement was an increase to the Benefit Fund contribution. Effective January 1, 2011 the annual rate of contribution was increased $25 from $1,381 to $1,406 and effective December 31, 2012 the rate was increased $50 from $1,406 to $1,456, as it remains to date. AME members are currently being asked to vote on a Stipulation of Agreement proposed by the County, with a term expiring December 31, 2016, that holds the $1,456 annual rate static for the duration of the proposed Agreement.

Currently, the Suffolk County Police Benevolent Association (PBA) is the only employee union that will enter 2014 with a labor agreement in place. Resolution No. 883-2012 was approved by the Legislature on October 9, 2012 and authorized the County Executive to enter into a labor agreement covering the terms and conditions of employment from January 1, 2011 through December 31, 2018 for members of the PBA. Section 6 of the agreement pertains to the PBA Benefit Fund and stipulates that the contributions will increase at varying rates on various dates through December 1, 2016. The agreement indicates the Benefit Fund contribution was increased 1.5% on June 1, 2013 from $1,905 to an annual contribution rate of $1,934. The agreement states that the contribution will increase twice in 2014; once on June 1, 2014 by 1.5% to $1,964 and again on December 1, 2014 by 2.5% to $2,013. The agreement also includes a provision which states that the County shall not be required to make Benefit Fund contributions when the Fund reserve exceeds 32 months; shall make one-half the normal Fund contribution when the reserve falls below 32 months, but is greater than 24 months; and shall make full contributions when the reserve falls below 24 months until it reaches 32 months reserve again. The dearth of information available with

respect to the PBA Benefit Fund reserve makes it difficult to project the precise impact resultant from the aforementioned provision of the current PBA labor agreement.

The estimated 2013 benefit fund/life insurance contribution of $14.6 million is approximately $1.6 million more than adopted. A significant shortfall to the adopted funding is noted within Fund 115 where no payment to the PBA Benefit Fund was budgeted in 2013 due to provisions within the labor agreement entered into with the PBA in 2012. Based upon year-to-date expenditures of approximately $11.5 million (as of September 20, 2013), representing 78.8% of estimated total payments, and conversations with the Executive's Budget Office concerning pending adjustments, the estimated budget appears reasonable.

The 2014 Recommended Budget includes a total of $15.8 million for benefit fund/life insurance contributions, which is an increase of approximately $1.2 million or 7.9% when compared to the estimated budget of $14.6 million. This significant increase can be observed within Fund 115-Police District, which is budgeted at a level that assumes the PBA Benefit Fund will be due full contributions in 2014 at enhanced rates as specified in the current labor agreement. The 2014 recommended benefit fund contribution appears reasonable based upon assumptions implicit in the recommended funding.

Social Security (FICA)

Employer's contributions to Social Security tax are computed based upon a pre-determined contribution and benefit base and tax rate for Old Age, Survivors, and Disability Insurance (OASDI) and an unlimited earnings base and pre-determined tax rate for Medicare Hospital Insurance (HI). The 2013 wage base for OASDI is $113,700, which is an increase of $3,600 or 3.3% over the 2012 wage base of $110,100. The Social Security Administration's Office of the Chief Actuary has projected that the Social Security wage base will increase to $115,500 for 2014. The OASDI rate remains set by statute at 6.2% as it has been for more than 20 years. The Medicare Hospital Insurance tax has no maximum wage base; it is 1.45% on all wages.

The estimated 2013 Social Security liability of $60.6 million is approximately $1.6 million less than the adopted budget of $62.2 million and represents 6.48% of estimated personal services costs. The estimated General Fund Social Security appropriation of $33.3 million is approximately $2.8 million less than the 2013 Adopted Budget of $36.1 million and represents 6.65% of estimated personal services within the General Fund. This estimate is likely understated by approximately $2.3 million based upon the 2013 Estimated Social Security funding failing to recognize the liability for Correction Officer retroactive pay paid in 2013 of approximately $35 million. The 2013 Estimated Police District Social Security appropriation of $20.3 million is $858,858 more than the 2013 Adopted budget of $19.4 million and represents 5.95% of the estimated personal services within the Police District Fund. This estimate is reasonable and consistent with the 2012 actual FICA ratio of 5.93%.

The 2014 Recommended Budget includes $61.0 million for Social Security, which represents 6.49% of total personal services costs and is 0.1% more than the 2012 actual FICA ratio of 6.48%. The 2014 recommended Social Security funding of $33.6 million in the General Fund represents 6.68% of personal services and appears reasonable based upon the County's most recent experience resulting in a 2012 actual rate of 6.65% and assuming personal service costs are fully expended as budgeted. The 2014 Recommended Social Security funding of $20.8 million within the Police District Fund represents 5.94% of personal services and appears reasonable based upon the County's most recent experience resulting in a 2012 actual rate of 5.93%.

Unemployment Insurance

The County reimburses the State dollar-for-dollar for all unemployment claims paid to former employees on a quarterly basis. The 2013 estimated unemployment insurance appropriations total $1,071,692 for all funds, which is $94,892 or 9.7% more than the adopted budget of $976,800. As of September 20, 2013, $479,071, representing the first and second quarterly payments, has been expended. The prolonged closure process at the Foley nursing facility will likely contribute to larger claims in the second half of 2013, which is reflected in the estimate. The 2013 estimate appears reasonable based upon the anticipated timing for receipt of unemployment claims.

The 2014 Recommended Budget includes $1,164,535 for unemployment across all funds, which is in line with the County's estimated expenditure in 2013 of $1,071,692. The recommended funding includes $300,000 for unemployment expenses anticipated resultant from layoffs at Foley late in 2013. The 2014 recommended funding appears reasonable.

Budget Review Office Recommendations

- Increase 2014 Recommended Major Medical Claims (039-EMP-9060) by $5,000,000 to more precisely reflect anticipated claims expenses.
- Increase 2014 Recommended Hospital Claims (039-EMP-9061) by $5,000,000 to more precisely reflect anticipated claims expenses.
- Increase 2013 Estimated Prescription Claims (039-EMP-9062) by $2,600,000 to more precisely reflect anticipated claims expenses.
- Increase 2014 Recommended Prescription Claims (039-EMP-9062) by $2,100,000 to more precisely reflect anticipated claims expenses.
- Increase 2014 Recommended Interfund Revenue to Fund 039 by $12,100,000 to offset increases in anticipated claims expenses.
- Increase 2013 Estimated Social Security within the General Fund (001-EMP-9030) by $2,300,000 to more accurately reflect anticipated expenditures based upon the $35 million payment made to Corrections Officers to settle contract negotiations retroactively.
- Increase 2013 Estimated interfund transfer from Fund 632- John J Foley Skilled Nursing Facility to Fund 039- Employee Medical Health Plan (039-IFT-R632) by $765,769 to reflect year-to-date expenditures as of September 20, 2013 of $2,631,048.

RD Employee Benefits 14

Debt Service

Effects of Recommended Budget

Serial Bonds

Serial bonds are general obligation debt used to finance most capital improvements. Related debt service costs in the operating budget represent principal and interest payments on bonds issued over the past 20 years. Budgeted debt service had been kept artificially low due to the County's 2008 and 2012 securitization of Tobacco Master Settlement Agreement revenues. County debt service payments from the proceeds of Tobacco Bonds were considered an off-budget expense to be footnoted on the County's financial statements. The impact of tobacco bonds create a significant fiscal problem, as budgetary relief from the proceeds of these bonds ends this year (2013).

- In 2008, the County issued $233 million in tobacco bonds, $219 million of which was being used to pay off a portion of existing County debt from 2008 to 2013. To pay debt service on these bonds, the County had to forgo 36% of tobacco revenue (001-2640) between 2009 and 2012 ($6.75 million per year based on 2012 actual revenue), and 75% of tobacco revenue from 2013 until the bonds are repaid, which is forecasted to be in 2034. The 75% loss of revenue is estimated to be $14.1 million per year (based on 2012 actual revenue).
- In 2012, the County issued $38.375 million in tobacco bonds, $31.8 million of which was being used to pay off a portion of existing County debt in 2012 and 2013 and an additional $2.5 million treated as working capital in 2012 (see revenue code 001-2661-Sale of Tobacco Settlement Revenue). To pay debt service on these bonds, most of the remaining 25% of tobacco revenue will be lost - estimated to be $4.7 million per year (based on 2012 actual revenue). Since required debt service is expected to be less than the remaining 25% of tobacco revenue, the 2014 Recommended Budget included $1.82 million in revenue as the residual after debt service obligations are met.

In the General Fund, the impact of tobacco bonds on budgeted debt service costs is:

- $20.0 million in 2008, reducing budgeted debt service from $91.2 million to $71.2 million;
- $48.3 million in 2009, reducing budgeted debt service from $96.0 million to $47.7 million;
- $46.0 million in 2010, reducing budgeted debt service from $115.2 million to $69.2 million;
- $39.3 million in 2011, reducing budgeted debt service from $117.6 million to $78.3 million;
- $53.0 million in 2012, reducing budgeted debt service from $119.3 million to $66.3 million; and
- $33.6 million in 2013, reducing budgeted debt service from $123.4 million to $89.8 million.

Although there is no relief from tobacco bond proceeds in 2014, recommended General Fund serial bond debt service is $38.2 million less than would have been the case if not for debt restructuring implicit in the County Executive's budget. This will require approval from the State, since it amounts to a negative net present value refunding issue, which under existing State law is not allowed. It remains to be seen whether or not State approval will be granted. Recommended General Fund serial bond debt service for 2014 is $87.5 million ($68.3 million in principal and $19.2 million in interest). Without debt restructuring implicit in the budget, it would have been $125.7 million, an increase of $35.9 million over the 2013 estimated amount. Instead, with debt restructuring, the budget shows a decrease of $2.3 million.

Budget Review Office estimates are in agreement with the recommended budget's 2013 estimate. However, we find the 2014 recommended amount to be short by $1,355,747. This finding is based on our calculation of debt service for the upcoming 2013 Series B serial bond issue. A preliminary debt service schedule by the County's financial advisor, using only the $38,150,772 General Fund portion of the $61,675,000 issue, adds $3,466,492 to 2014 debt service, or $2,418,638 in principal repayment and $1,047,854 in interest.

Bond Anticipation Notes

Bond Anticipation Notes (BANs) are issued for one year. In general, when BANs mature the County may (1) renew the BANs annually for up to five years, (2) roll them over into long term serial bonds, or (3) retire them with proceeds from local revenue, State aid or Federal aid. The County did not issue BANS from 2004 through 2008. Since then, $17,537,214 was issued in 2009, $29,224,970 in 2010, $5,126,000 in 2011, and $3.5 in 2012, and $37 million in 2013 for the Correction Officer's retro payout that was booked in the budget in 2012.

The recommended budget correctly includes $40,000 in interest expense for BANs in 2013 and $740,000 in 2014.

Tax Anticipation Notes and Revenue Anticipation Notes

Tax Anticipation Notes (TANs) are short-term notes, one year or less, issued for cash flow purposes in anticipation of the receipt of property taxes and delinquent property taxes (DTANs). Two borrowings take place each year: (1) TANs are usually issued at the beginning of January, although the County has the discretion to close in December (and has exercised this option each year since December of 2009). (2) DTANs are issued in the fall.

Even with these two annual borrowings, the County's budgetary shortfall has made it difficult to have sufficient cash on hand to pay bills. As a result, in May of 2012, an $85 million Revenue Anticipation Note (RAN) was issued and in April of 2013 a $115 million RAN was issued. Another RAN is expected to be issued in 2014. Previously, the last time the County issued RANs was during a major economic downturn and fiscal crisis in the early 1990s.

The County borrowed $105 million in DTANS in September of 2012 and $100 million in September of 2013, with interest to be paid in the subsequent year. Borrowing has steadily risen from $35 million in 2006. Although the past two DTANs are less than the $120 million issued the previous two years, if we add the RANs issued in 2012 and 2013, the total of $190 million in 2012 and $215 million in 2013 far exceeds the $120 million high water mark.

Cash flow problems also factor into the next County TAN borrowing. For the fifth year in a row, the County expects to issue a TAN in late December, instead of the usual date at the beginning of January. Expected borrowing will be close to the high water mark of $410 million issued last year.

Large annual increases in cash flow borrowings are indicative of the significant mounting fiscal and cash flow problems that the County is experiencing. Revenue shortfalls in property tax and State aid, previous shortfalls in sales tax, and expenditure increases in pension, debt service, and other costs result in insufficient revenues to pay for day-to-day expenditures.

Revenue Related to Borrowing

There are several revenue codes that are included in the budget which are associated with the debt issues discussed in this section. Budget Review Office estimates are in agreement with the amounts included in the recommended budget for the following General Fund revenue codes:

- 001-DBT-2710-Premium & Accrued Interest on Borrowing: This revenue represents premiums offered by investors when bidding to purchase County TANs. An exception is a $516,890 premium to be booked in 2014 for the $37 million 2013 BAN that paid for Correction Officer retro pay. This was included here, instead of 001-DBT-2956-Earnings on Investment Capital, because it is considered non-capital debt.
- 001-DBT-2737-Received Reserve for Debt Svc: This revenue code represents transfers from reserve for bonded debt. The reserve is credited for various reasons, including aid receipts on a capital project that became available after bonds were borrowed, and certain unused serial bond proceeds remaining in a capital project when it is closed (that would otherwise have gone to revenue code 2956).
- 001-DBT-2780-Proceeds: Debt: 2013 adopted revenue represents the $37 million in BAN proceeds to pay for Correction Officers retro pay. The 2013 estimate is made up of $36,200,000 for the Correction Officers' settlement (the additional $800,000 borrowed is reserved for the first BAN payment) plus $4,926,057 for the FIT out-of-county tuition settlement. Small amounts in other years typically represent revenue from bonds issued for payment of court ordered settlements.
- 001-DBT-2954-Capital Project Close Out: This represents unexpended and unencumbered balances of borrowed funds from completed capital projects. NYS law requires balances to first be used to retire outstanding debt. As such, only the current year's debt service can be transferred. Introductory Resolution No. 1790-2013 authorizes the County Comptroller and County Treasurer to close certain Capital Projects and transfer funds. The back-up included with the resolution indicates that approximately $9.7 million of the total proposed close-outs of $10.6 million exist within Fund 001-General Fund. That resolution is short of the approximately $13.4 million included in the 2013 estimate. According to the Executive's Budget Office, the estimate consists of $10.6 million of project close-outs and $2.8 million associated with highway impact fees that will be credited to this revenue code. The estimate is overstated by approximately $3.7 million consisting of $904,321 of non-general fund capital project closeouts and $2.8 million associated with highway impact fees, which has already been accounted for within the transfer of $4,750,737 from the Debt Service Reserve Fund to the General Fund (001-IFT-R425).
- 001-DBT-2956-Earnings on Investment Capital: This revenue is from premiums offered by investors as part of their bid when purchasing County BANS and serial bonds.

Budget Review Office Recommendations

- Increase 2014 recommended serial bond debt service by a total of $1,355,747, with the increase apportioned $945,931 for 001-9710-6900-Serial Bonds and $409,816 for 001-9710-7800-Interest On Bonds.
- Decrease 2013 estimated Capital Project Close Out revenue (001-DBT-2954) by $3.7 million in order to recognize only General Fund capital project close-outs and prevent double counting of highway impact fee revenue already recognized elsewhere in the recommended budget.

RL DebtService14

Fees For Services: Non-Employees (4560)

Fees for Services are primarily used to hire consultants to provide services not available in-house. The consultant services are provided by both firms and individuals that are generally "for profit" groups.

Expenditures (4560)

Department	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Audit & Control	$418,182	$428,320	$453,000	$472,720	$472,720
Board of Elections	$61,641	$48,500	$43,650	$48,500	$48,500
Civil Service	$263,114	$541,000	$487,000	$517,000	$517,000
County Clerk	$0	$35,000	$35,000	$35,000	$35,000
District Attorney	$786,290	$730,000	$725,284	$665,284	$665,284
Economic Development and Planning	$54,047	$252,000	$446,394	$187,802	$154,759
Employee Benefits	$9,653,851	$10,757,632	$10,956,820	$11,204,830	$11,204,830
Ethics Commission	$15,962	$134,000	$113,500	$134,000	$134,000
Executive	$348,774	$316,250	$491,000	$518,250	$518,250
Finance & Taxation	$696	$200	$300	$285	$285
FRES	$598,670	$30,278	$1,170,526	$8,500	$976,367
Health Services	$23,173,659	$18,956,675	$23,027,160	$19,244,978	$17,739,575
Information Technology	$0	$400,000	$200,000	$300,000	$600,000
Labor, Licensing and Consumer	$4,203,388	$2,873,704	$3,170,730	$3,661,601	$3,661,601
Law	$850,061	$1,047,581	$1,170,172	$1,094,354	$1,111,301
Legislature	$32,217	$169,567	$20,000	$105,000	$105,000
Medical Examiner	$0	$231,830	$255,830	$348,775	$483,775

Expenditures (4560)

Department	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Miscellaneous	$592,463	$638,100	$548,100	$675,000	$675,000
Parks	$45,061	$48,000	$45,652	$47,712	$47,712
Police	$1,231,033	$1,277,061	$1,356,573	$966,946	$2,030,482
Probation	$252,451	$795,771	$938,165	$673,595	$1,125,595
Public Administrator	$8,000	$10,000	$7,500	$7,500	$7,500
Public Works	$7,521,426	$2,980,566	$2,747,665	$2,885,393	$2,888,909
Real Property Tax Service	$696	$0	$0	$0	$0
Sheriff	$5,371,496	$672,502	$672,502	$672,502	$672,502
Social Services	$3,096,770	$4,883,682	$3,593,480	$4,416,349	$4,351,850
Traffic Violations Bureau	$0	$11,836,559	$6,110,343	$7,890,100	$7,890,100
Vanderbilt Museum	$243,563	$125,000	$359,137	$150,000	$150,000
Total	$58,823,511	$60,219,778	$59,145,483	$56,931,976	$58,267,897

Effects of Recommended Budget

The 2014 Recommended Operating Budget includes $58,267,897 for Fees for Services, or 2.1% of total expenditures across all funds. The recommended amount is approximately 1.5% or $877,586 less than the 2013 estimate. This is mainly attributed to decreases in Economic Development and Planning, FRES and Health Services, which are partially offset by increases in Labor, Police, Social Services and the Traffic Violations Bureau. Significant changes include:

Economic Development and Planning: Grant funding of $220,000 for consultant assistance with the preparation of the Suffolk County Comprehensive Plan will expire.

FRES: Expiration of various grant funding, which is offset by an increase of $967,867 related to a proposed change in firefighter training.

Health Services: A decrease of $5.3 million is mainly attributed to a reduction of $3.4 million due to the closure of the John J. Foley Skilled Nursing Facility, most of which was attributed to agency nurses, and lesser reductions in patient care programs related to health center transitioning, and grants. There is an increase of $265,556 for the jail medical program, as requested by the department.

Labor: Increase of $882,499 associated with the Workforce Investment Act, partially offset by a decrease related to the Suffolk Works Employment Program.

Police: Increase of approximately $750,000 in revenue sharing for the individual Public Safety Answering Points (PSAP's).

Social Services: An overall increase of approximately $750,000 comprised of increases in the Training and Staff Development unit and Medicaid Compliance.

Traffic Violations Bureau: Increase of approximately $1.8 million.

In the aggregate, the 2014 recommended amount is $1,335,921 more than requested, which is mainly attributed to a proposed change in firefighter training, an increase in revenue sharing for the individual Public Safety Answering Points (PSAP's) and funding for the hiring of retired Probation Officers on a part-time basis and part-time clerical staff. However, there were some decreases associated with patient care programs and the expiration of grant funding in Health Services and various other departments.

RG FeesForServices14

Sale-Lease Back of the H. Lee Dennison Building

The recommended budget includes revenue and expenditure line items for the sale-lease back of the H. Lee Dennison Building as detailed in the table that follows.

Sale Leaseback Presentation in the Budget			
	2013 Adopted	2013 Estimated	2014 Recommended
Judicial Facilities Agency Fund 135			
Revenue - 135-DBT-2780-Proceeds: Debt	$70,000,000	$0	$0
Expenditure-135-IFT-E001-Transfer to General Fund	$70,000,000	$0	$0
General Fund 001			
Revenue-001-DPW-2651-Proceeds of Sale	$0	$60,300,000	$0
Expenditure-001-DPW-1365-4450-JFA Lease Payments	$0	$0	$4,822,389

The proposal is for the Judicial Facilities Agency (JFA) to issue approximately $70 million in bonds for twenty years to buy the H. Lee Dennison Building, thus holding the rights to the property, and for the County to make annual lease payments equivalent to the cost of repaying the bonds; approximately $4.8 million annually. This is included in the recommended budget in DPW expenditure for JFA lease payments in a newly created appropriation (001-DPW-1365-4450-JFA Lease Payments). The County will regain ownership of the building upon repayment over the term of the lease. The proposal is structured to use tax-exempt financing issued by a public authority, the JFA, to ensure that a profit will not be made on the transaction and to ensure that the asset remains in municipal ownership. Historically, the JFA only had authorization to issue debt on behalf of the County for court and correctional facilities, thus requiring approval from New York State to expand its authority to issue debt on behalf of the County for the H. Lee Dennison Building. The required State enabling legislation for this initiative was recently approved. The New York State Legislature passed an amendment to Article 8, Title 16 of the New York Public Authorities Law to permit the JFA to assist the County by purchasing the building and leasing it back to the County, which amendment was approved by the Governor on September 27, 2013 as Chapter 351 of the Laws of the State of New York of 2013. The sale-lease back transaction is said to be on track and is expected to close in November 2013, bringing in anticipated net revenue to the County of $60.3 million in 2014 in a newly created DPW revenue code (001-DPW-2651-Proceeds of Sale).

The recommended budget does include net revenue of $60.3 million from the sale-lease back transaction; however, it does not provide any insight within its expenditure lines as to how a debt issuance of $70 million results in recognized revenue to the County of $60.3 million. The following table illustrates the projected costs associated with deriving the net revenue of $60.3 million (001-DPW-2651-Proceeds of Sale) included in the recommended budget.

001-DPW-2651-Proceeds of Sale	
Proceeds of Issuance JFA Lease Revenue Bonds	$70,000,000
less Underwriting and Cost of Issuance	$585,000
less JFA Operating and Contingency	$815,000
less Defeasement of Dennison Outstanding Capital Debt	$8,300,000
equals Recommended Proceeds of Sale	$60,300,000

Resolution No. 891-2013 authorizes the $70 million sale of the H. Lee Dennison Building to the Suffolk County Judicial Facilities Agency (JFA), and the leaseback of the Building from the JFA. This

legislation was approved by the Legislature at its October 8, 2013 General Meeting and is awaiting County Executive approval.

Budget Review Office Recommendations

The Budget Review Office is in agreement with the projected funding within the recommended budget as a result of the sale-lease back of the H. Lee Dennison Building.

RD Sale-Lease Back 14

Interdepartment Operation and Service Fund (016)

The Interdepartment Operation and Service Fund (016) was established in 1983 to account for the costs of certain centralized functions in County government. Costs are redistributed to County departments that benefit from the services supported by this fund in order to enhance accountability and control. Costs are allocated to fund entities like the General Fund and the Police District Fund to ensure equity between property tax supported jurisdictions.

Status of Funds

The 2014 Recommended Budget for the Interdepartment Operation and Service Fund estimates that there will be no 2013 year-end surplus or deficit. The recommended fund balance in 2014 is also $0.

Interdepartment Operation and Service Fund (016) Status of Funds				
Category	**2011 Act**	**2012 Act**	**2013 Est**	**2014 Rec**
Revenues	$41,919,794	$34,144,049	$42,513,460	$43,689,242
Fund Balance	$2,224,184	$2,720,417	$53,982	$0
Expenditures	$41,423,561	$36,810,484	$42,567,442	$43,689,242
Surplus/Deficit	$2,720,417	$53,982	$0	$0

In 1999, procedures governing Fund 016 were modified to show only chargebacks to separate fund entities rather than departmental expenditure charge backs. The General Fund (001) and the Police District Fund (115), which are both supported directly by real property taxes, contributed 72.5% of total interfund revenues in 2012, are estimated at 68.4% in 2013 and are recommended at 69.5% in 2014. All interfund revenues are listed in the following table.

INTERFUND REVENUE: FUND 016					
IFT	FUND NAME	2011 Act	2012 Act	2013 Est	2014 Rec
R001	General Fund	$18,314,290	$15,091,200	$18,105,384	$19,157,205
R038	Self Insurance	$79,801	$47,814	$201,269	$319,127
R039	EMHP	$128,035	$55,460	$70,389	$113,307
R102	E-911	$210,293	$141,417	$147,041	$152,069
R105	County Road	$2,207,363	$1,415,733	$1,638,565	$1,641,511
R115	Police District	$13,187,790	$9,676,517	$10,983,894	$11,212,537
R136	Traffic Violations Bureau	$0	$0	$296,841	$307,299
R203	Southwest S.D.	$562,386	$391,610	$436,077	$446,564
R259	Bldng/Sanit. Admin	$94,286	$50,831	$52,452	$61,990
R261	Sewer Maint/Oper.	$1,268,479	$1,124,712	$1,281,450	$1,298,827
R320	Workforce Invest.	$274,532	$0	$0	$0
R351	Community Dev.	$14,322	$0	$0	$0
R360	Medicaid Comp.	$627,376	$1,052,000	$0	$0
R477	Water Quality	$76,370	$84,960	$96,775	$104,095
R625	Gabreski Airport	$14,754	$18,879	$7,146	$8,778
R818	Community College	$22,245	$18,761	$21,985	$25,539
TOTAL		$37,082,322	$29,169,894	$33,339,268	$34,848,848

Fleet operations, telecommunications, and computer supported information services are the primary functional areas of Fund 016 expenses. Cost allocations are made according to the following criteria:

Interdepartment Operation and Service Fund Interfund Chargebacks Cost Allocation Criteria		
Departmental Function	**Cost Type**	**Chargeback Criteria**
Fleet Operations	Gasoline Usage Vehicle Purchases Maintenance: Labor & Parts All Other Cost Items	Actual Utilization
Telecommunications	All Costs Together	Number of Employees
Information Services	IFMS Communications Main Frame Personal Computer Licenses Desktops All Other Cost Items	Number of Employees Number of Vouchers Paid No. of Personal Computers

2013 Estimated Budget

The 2013 estimated revenue for Fund 016 is $8.4 million more than in 2012 due primarily to increases of $3,014,184 to the General Fund IFT, $1,307,377 to the Police District IFT, $1,680,026 in the chargeback to the General Fund (001-2810), $408,719 in one-time State and Federal Disaster Aid and $296,841 from the newly created Traffic Violations Bureau.

2014 Recommended Budget

The recommended budget increases total revenue by $1,175,782 from the estimated $42.5 million in 2013 to $43.7 million in 2014. The increase is mainly attributable to an interfund transfer from the General Fund of $1,051,821 more than estimated.

Recommended 2014 expenditures are $1,121,800 more than the 2013 estimate, mainly attributable to an increase of $805,450 for Department of Information Technology (DoIT) services.

JO Fund 016 14

County Road Fund (105)

The County Road Fund operates as an extension of the General Fund. It serves to fund the maintenance of County roads, snow removal, and the relocation of County employees into new buildings. The fund exists pursuant to New York State Highway Law Section 114, which dictates that all highway funds be segregated in a common fund such as Fund 105.

Status of Fund		
2013 Estimated	As of Date Period of Time	2014 Recommended
$707,375	Fund Balance, January 1	$697,369
$22,466,287	Plus Revenues, Jan. 1-Dec. 31	$20,891,145
$23,173,662	Total Funds Avaialble	$21,588,514
$22,476,293	Less Expenditures, Jan. 1-Dec. 31	$21,588,513
$697,369	Fund Balance, Dec. 31	$0

Effects of the Recommended Budget

The 2014 Recommended Operating Budget forecasts that Fund 105 will end 2013 with a $697,369 surplus.

Revenue

The County Road Fund receives the majority of its revenue in the form of State monies through motor vehicle registration surcharges and consolidated highway fees. The next largest portion of Fund 105 revenue is achieved via interfund transfer from the General Fund. The State monies and General Fund transfer typically comprise over 98% of Fund 105 revenue.

The 2013 estimated revenue of $22.47 million is $441,802 or 2.0% more than the $22.02 million the Fund received in 2012, which is primarily attributable to FEMA Disaster Aid of $3,606,964, an increase in Motor Vehicle Registration Surcharge of $815,004 and an increase in Consolidate Highway Fees of $445,956 coupled with a decrease of $4,903,311 in the General Fund transfer.

Although the Fund is expected to begin 2014 with a surplus of $697,369, the 2014 recommended revenue of $20.89 million is $1.58 million or 7.5% less than the 2013 estimated revenue of $22.47 million. This is mainly as a result of no FEMA Disaster Aid or SEMO Disaster Aid included in 2014, when this accounted for $3.85 million in the 2013 estimated revenue, and a proposed decrease of $400,074 in Motor Vehicle Surcharge coupled with an increase of $2.68 million in the General Fund transfer.

Expenditures

The 2013 estimated expenditures of approximately $22.48 million are $2.66 million or 13.4% more than actual expenditures in 2012 of $19.81 million. The difference is explained by an estimated increase in expenditures for snow removal of $3.22 million in conjunction with a decrease in highway and bridge maintenance of $1.16 million.

The 2014 recommended expenditures of $21.59 million are $887,780 or 3.9% less than estimated for 2013. The largest decrease to expenditure is seen in snow removal, which is decreased by $988,669.

Budget Review Office Recommendations

The Budget Review Office agrees with the status of funds as presented.

As discussed in the DPW review in this report, the budget is in need of long term structural changes to align revenues with expenditures. One possible solution is to seek State enabling legislation to increase Suffolk's Motor Vehicle Registration Surcharge fee. Currently, the County charges $5 per year for passenger vehicles weighing 3,500 pounds or less and $10 for larger non-commercial vehicles and all commercial vehicles.

The Budget Review Office recommends considering increasing the fee to what is charged in Nassau County; where all non-commercial vehicles pay $15 and commercial vehicles $40. The estimated increase in revenue would be $10.35 million. Currently, the Motor Vehicle Registration Surcharge fee is deposited in the County Road Fund (105). County law would need to be changed to expand the use of these funds in order to provide maximum relief to the General Fund.

JM County Road Fund 105 14

Police District Fund (115)

2012

- The actual 2012 year-end Police District fund balance is a deficit of $2,126,880.
- The two major sources of revenue in the Police District are the property tax and the sales tax. In 2012, the property tax was $471,166,070 and the sales tax was $82,271,437.

2013

- The Police District fund balance at the end of 2013 is estimated at a deficit of $3,035,707 due to the negative carry-over fund balance from 2012 and an overall reduction in revenues of $1,910,369.
- The property tax allocation to the Police District in 2012 was $471,166,070 and is estimated at $483,558,389 for 2013.
- The sales tax allocation to the Police District in 2012 was $82,271,437 and is estimated at $69,838,390 for 2013. The amount of sales tax is predicated on Local Law that allows a maximum of 3/8% of sales tax revenue to be used for public safety purposes.
- While the 2013 estimated revenues are very close to the adopted amount (+0.32%) the expenditures were increased in the aggregate by $3.7 million.
    - Police District (115-3121) personnel and other accounts were over-expended by $4.3 million.
    - Social Security (115-9030) and Welfare Fund Contributions (115-9080) were over-expended by $2,761,700 combined.
    - The interfund transfer to the General Fund 001 was increased by $900,000 while the interfund transfer to Interdepartment Operations Fund 016 was reduced by $753,596.
    - Grants accepted and appropriated during the year increased expenditures, and revenues, by over $800,000.

2014

- Recommended 2014 revenue for the Police District is $29,810,858 more than the 2013 estimate.
- The 2014 recommended property tax allocation to the Police District is $494.9 million or $11.3 million more than the 2013 estimate. The tax warrant per $1,000 of full value will be $3.24, which equates to a $0.07 increase compared to the 2013 adopted.
- The 2014 recommended sales tax allocation to the Police District is $90,650,994 or $20.8 million more than the 2013 estimate. The maximum amount that can be allocated, based on the 2014 Recommended Budget, would be $112,664,118. The increase in the reliance on sales tax in 2014 raises a precautionary sign. The overdependence on sales tax could result in a future problem if we continue to rely on this revenue source and reduced transfers to other funds that are supported by the General Fund to balance the Police District Fund.
- Interfund Transfers to Funds 001, 016, 038, 039 and 102 cumulatively increased by $11.4 million.

Interfund Transfers from the Police District Fund			
Fund	**2013 Est**	**2014 Rec**	**Change**
001	$5,200,000	$5,200,000	$0
016	$10,983,894	$11,212,537	$228,643
038	$16,109,895	$18,051,087	$1,941,192
039	$82,895,229	$90,868,520	$7,973,291
102	$6,525,470	$7,805,525	$1,280,055
Total	**$121,714,488**	**$133,137,669**	**$11,423,181**

- Recommended 2014 expenditures for the Police District are $25.9 million more than the 2013 estimate.
- Police District Administration costs are increased by $9.7 million due to increases in personnel costs (new Police Officer recruits, impact of the Police Benevolent Association contract, overtime, transfer of Park Police Officers), the impact of the Community Protection Act and an increase in revenue sharing for the 10 Towns and Villages' Public Safety Answering Points (PSAPs).
- An increase of $5,257,592 in employee benefits.
- Debt service increased by $343,930.

JO Fund 115 14

District Court Fund (133)

The District Court for Suffolk County was created by the State Legislature in 1963. Its responsibility extends to the five western towns of the County: Babylon, Brookhaven, Huntington, Islip, and Smithtown. It oversees misdemeanor criminal cases, felony cases prior to indictment, civil actions involving sums up to $15,000, landlord and tenant matters, park and recreation law enforcement, transportation law, environmental violations, and small claims.

Effective April 1, 1977, the State established a unified court system for all regional districts under its direct control and jurisdiction. The State agreed to assume responsibility for payment of all operational or non-facility related costs, while the County accepted responsibility for the care of all District Court facilities located in Suffolk. Although the County initially paid for all maintenance and capital improvements, these costs are now shared with the State.

Since the District Court is a separate taxing jurisdiction with its own tax levy, a District Court Fund was established to account for all of its financial resources and cost outlays. Although the County's share of the costs to run the District Court system are initially accounted for in the General Fund, a subsequent accounting adjustment is made to charge these costs to the District Court Fund. Funding needed to pay for these charge backs and debt service on bonded debt is secured from several sources: namely state aid, interest earnings from cash investments, fines and forfeited bail, real property taxes and other receipts in lieu of real property taxes.

Status of Fund		
2013 Estimated	As of Date Period of Time	2014 Recommended
$3,320,471	Fund Balance, January 1	$1,554,030
$11,561,386	Plus Revenues, Jan. 1-Dec. 31	$11,662,868
$14,881,857	Total Funds Avaialble	$13,216,898
$13,327,827	Less Expenditures, Jan. 1-Dec. 31	$13,216,898
$1,554,030	Fund Balance, Dec. 31	$0

Effects of Recommended Budget

The 2014 Recommended Budget for the District Court Fund forecasts a 2013 year end surplus of $1,554,030.

Revenue

The District Court Fund will receive revenue from the following five sources in 2013: real property taxes, payments in lieu of real property taxes, interest earnings, fines and forfeited bail, and court facilities aid from the State.

The 2013 estimated revenue of $11.56 million is $1,074,053 or 8.5% less than the $12.64 million the District Court Fund received in 2012. The majority of the difference is due to $799,087 more collected in Real Property Taxes in 2012 than estimated to be collected in 2013.

The 2014 recommended revenue of $11.66 million includes non-property tax revenue of $5.15 million, including fines and forfeited bail revenue of $3.85 million that are approximately $400,000 less than the average annual revenue of $4.12 million over the past seven years (2006-2012).

Expenditures

Expenditures charged to the District Court Fund include debt service on bonded debt incurred for capital improvements to District Court facilities and interfund transfers to the General Fund to pay for custodial, maintenance, and utility services incurred in support of these facilities. The redistribution of these costs to the District Court Fund is essentially accomplished based on a square footage allocation between all court facilities supported by the County.

The 2013 estimated expenditures of $13.33 million are $1.56 million, or 13.2%, more than expended in 2012. This is attributed to a $1.58 million increase in the interfund transfer to the General Fund, offset by a $20,018 decrease in debt service expenses. The 2014 recommended expenditures of $13.22 million are $110,929, or 0.8%, less than the 2013 estimated expenditures of $13.33 million.

Real Property Tax Levy

The 2014 recommended real property tax levy for the District Court Fund is $6,513,302, which is the same as the 2013 adopted real property tax levy but $799,087 less than the 2012, 2011, 2010 and 2009 adopted real property tax levy.

Issues for Consideration

Verification of Expenditures

The Budget Review Office cannot independently verify the current year's expenditures and therefore it is difficult to accurately project future expenditures. District Court Fund expenditures are not managed the same way in the budget as the Police District Fund even though both have the same real property tax base covering the five western towns in Suffolk County. Unlike the Police District Fund, costs incurred on behalf of the District Court Fund are captured and reported in the General Fund portion of the budget along with all other related expenses for the maintenance of County facilities used by the Supreme Court, Family Court, District Court, etc. The District Court's portion of these costs is determined by the Department of Public Works and the County's Federal and State Aid Claims Unit. A full apportionment is then made to charge the District Court Fund through an interfund transfer for the purpose of reimbursing the General Fund for these costs provided there are sufficient appropriations.

The General Fund does not separately identify the costs that are likely to be incurred to maintain the facilities belonging to the District Court. A separate set of accounts to keep track of the District Court's expenditure requirements are not provided for in the County's Integrated Financial Management System (IFMS). Therefore, the system does not readily facilitate budgetary projections and analysis of the District Court Fund's cost of operations. Given the fact that the District Court represents a separate taxing jurisdiction with its own real property tax levy similar to the Police District Fund, the Legislature should require the County Executive to separately identify in Fund 133 all costs incurred on behalf of and all revenues received in support of the District Court. Future budgetary presentations should include line item detail of costs that are included in the transfer to the General Fund.

Budget Review Office Recommendations

Separately identify in Fund 133 all costs incurred on behalf of and all revenues received in support of the District Court.

JM Fund 133 14

Hotel Motel Tax Fund (192)

Background and Components

The Hotel Motel Tax is described in §523-7 - §523-16 of the Suffolk County Code and applies to any facility providing lodging on an overnight basis, including bed-and-breakfasts, inns, cabins, cottages, campgrounds, tourist homes, and convention centers. The previous 0.75% tax was raised to the current three percent, and extended until December 31, 2015, by Local Law 34-2009. The tax is allocated according to a specified formula, as follows:

Tourism

Twenty-four percent of all revenues collected, but not more than $2,000,000 per fiscal year, are set aside for a tourism promotion agency (not specified by name, but typically the Long Island Convention and Visitor's Bureau, or LICVB) with which the County contracts pursuant to §523-14. The agency is obligated to keep a separate accounting of Suffolk County Hotel Motel Tax revenue and to ensure these monies are used to promote tourism in the targeted region, and not to direct visitors to any particular business. The agency is subject to audit by the County Comptroller. The LICVB has recently instituted procedural changes in response to stated concerns of the Comptroller and the Legislature. See our review of the Department of Economic Development and Planning for further details.

Cultural Affairs

Ten percent of all revenues are to be utilized to support cultural programs and activities related to the enhancement of the tourism industry. Typically, although not required, a portion of these funds has been allocated to the Citizens Advisory Board for the Arts (CAB) for distribution, and a portion has been allocated to specified agencies. Beginning in fiscal year 2011, the County Legislature was able to increase the cultural allocation by one percent each fiscal year, to an amount not to exceed 15% of all revenues collected. The optional annual one percent increase is linked to an optional annual one percent decrease in the amount allocated to the Vanderbilt Museum. This option has not as yet been exercised.

Suffolk County Vanderbilt Museum

Ten percent of all revenues collected are for the support of the Suffolk County Vanderbilt Museum. This amount may be decreased by the County Legislature by one percent in each fiscal year (beginning in fiscal year 2011), up to an amount of not less than five percent of all revenues collected. If the optional one percent decrease is applied, the County may increase the allocation for cultural programs by one percent.

Other Museums and Historic Societies

Eight percent of all revenues collected are for the support of "other" museums and historical societies, historic residences, and birthplaces.

- 1.5% of the eight percent is specified for the Walt Whitman Birthplace State Historic Site and Interpretive Center.
- 6.5% of the eight percent is not designated to particular agencies. Typically, the County has used a portion of this allocation to support the Suffolk County Historical Society.
    - The Historical Society requested 2014 funding at $339,283, an increase of $50,000 from 2013 estimated expenditure. The extra funding would be used to provide more gallery space for exhibitions and community events by the restoration of the East Wing. The

Historical Society notes its contributions to the economic development and revitalization of downtown Riverhead.

Parks Department, Historic Services

Twenty percent of all revenues collected are for the care, maintenance and interpretation for the general public of the historic structures, sites, and unique natural areas that are managed by the Suffolk County Department of Parks, Recreation and Conservation, for sites and activities open to tourists on a regular and predictable basis.

- The 2014 Recommended Budget for the Historic Services Division of the Parks Department would increase the number of Hotel Motel Tax- funded positions in the Division from 10 to 14. Two of the existing positions are currently vacant. The two primary components of total recommended 2014 expenditure for the Division are permanent salaries (30%) and building repairs (29%).

Film Promotion

Not more than two percent of all revenues collected shall be utilized for the promotion of Suffolk County as a film-friendly location through the Department of Economic Development and Planning. The Department is required to submit an annual report to the County Executive and County Legislature on their progress in this endeavor, and annual statistics of revenue generated for this purpose.

- One Film Division position is currently funded by Hotel Motel Tax, and one additional position is recommended in 2014.

General Fund, for Parks Purposes

All remaining revenue collected shall be deposited into the General Fund to be utilized for general Park purposes (26% plus any amount of the 24% for tourism promotion in excess of $2 million).

Revenue Projections

The estimated 2013 and recommended 2014 Hotel Motel Tax revenue are projections based on available data and historical growth rates. The amount of tax collected can be particularly affected by factors such as economic conditions, the weather, and the number of tourists to New York City. The mid-year business activity report of the Long Island Convention and Visitors Bureau, dated September 23, 2013, indicates that the events related to the October 2012 Superstorm Sandy weather event had a direct positive effect on Suffolk County's tourism economy throughout the normally slow months of November and December of 2012. There was a high demand for lodging for displaced residents, FEMA workers, and emergency work crews. The report surmised that storm recovery efforts continued to influence lodging activity through May, with future business activity representing normal seasonal fluctuations. Increased consumer confidence and spending, due to a recovering economy, were also mentioned as contributing to significant tourism growth in 2012.

The first three quarters of last year were all pre-Superstorm Sandy. Consistent with the "Sandy effect", robust growth in Hotel Motel Tax collections was realized in the first two quarters of 2013, as compared to the first two quarters of 2012; however, third quarter growth slowed significantly as the Sandy-effect dissipated. This is particularly significant because over 40% of the tax is typically realized in the third quarter, which covers the summer months of June, July, and August. We are projecting minimal growth, if any, in the fourth quarter of 2013 because it will be compared with the particularly strong final quarter of 2012 - the only quarter in 2012 which was Sandy-influenced.

Reaching the 2013 estimate will require a 10% growth from the 2012 actual tax. Cumulatively, the first three quarters of 2013 represent an approximate 13% increase over the first three quarters of last year. We expect a considerable slow-down in the fourth quarter. It will require fourth quarter growth of approximately one percent over the already strong results of the Sandy-influenced fourth quarter of 2012 to meet the 2013 estimate. We think it is plausible for this to occur, and for 2013 to come in at, or near, the estimate.

Typically, the current year estimate is not changed from adopted, but current year projections are used to determine 2014 recommended revenues. The Executive Budget Office did not have the advantage of utilizing third quarter results in their projections. Their recommendation of 2014 tax revenue at a 25% increase from the 2013 estimate was likely influenced by early indications of an unusually strong 2013, based on only the Sandy-influenced first half. The 2014 Recommended Operating Budget includes 2013 estimated tax revenue at $9,062,133, as previously adopted, and recommends 2014 tax at $11,351,000.

For our 2014 projection, we looked at the growth realized in eight out of the last nine years for which we had data, excluding 2009, which had a large drop due to the Great Recession. We made allowances for years prior to 2010, to be consistent with the higher tax collected when the new Hotel Motel Tax was instituted. Due to significant volatility in the results, we utilized the median growth of approximately five percent for the years reviewed. The highest projection we are comfortable with for 2014 is an overall five percent growth rate. This assumes that a low growth rate in the first half of 2014, compared to the Sandy-influenced first half of 2013, will be made up by higher growth rates in the second half.

Accordingly, we have recommended 2014 Hotel Motel revenue at a maximum of $9,521,542 ($9,515,240 tax plus minor interest and fees of $6,302), a five percent increase over the 2013 estimated tax and a 16% decrease from the Executive recommended tax. This represents an overall reduction of $1,840,458 from the recommended 2014 tax-related revenue of $11,362,000, (not including the existing fund balance).

Should the Legislature accept our recommendation, the last column in the following chart demonstrates how funding for each component should be reduced to account for the $1,840,458 revenue reduction. Adjustments from prior years (represented by the January 1, 2014 recommended $1,326,155 fund balance) have been applied to both Executive and Budget Review Office recommended expenditures. Unused funds remaining in any particular funded component at the end of the year are rolled-over back to that component. Of particular concern is the sufficiency of 2014 funding for positions recommended to be added to the Divisions of Film Promotion and Parks Historic Services and Maintenance.

Program Component	Percent Allocation of New Revenue	2013 Adptd. (=2013 Est.)	2014 Exec. Rec.	2014 BRO Rec.	Difference BRO-Exec.
Tourism Promotion (LICVB) (192-EDP-6413)	24% ($2 million max)	$2,055,985	$2,269,972	$2,269,972	$0
Cultural Affairs (192-EDP-6414)	10% (provision to adjust)	$939,066	$1,269,723	$1,085,678	($184,045)
Film Promotion (192-EDP-6415)	2% or less	$218,471	$300,456	$263,647	($36,809)
Vanderbilt Museum (Accredited Museums) (192-MSC-7515)	10% (provision to adjust)	$930,140	$1,248,688	$1,064,642	($184,046)
Historic Services/ Maint., Parks (192-PKS-7510)	20% (Parks)	$1,873,191	$2,606,609	$2,238,517	($368,092)
Museums & Hist. Assoc., Parks & Misc. (192-PKS-7512 & 192-MSC-7516-JGH1)	6.5% (Parks & S.C. Hist. Soc.)	$616,283	$847,457	$712,304	($135,153)
Museums & Hist. Assoc. (192-MSC-7516-JGI1)	1.5% (Walt Whitman)	$136,302	$171,780	$159,696	($12,084)
General Fund for Park Purposes (001-R 192)	26% (or all remaining)	$2,594,718	$3,973,470	$3,053,241	($920,229)
TOTAL Funds for Distribution	**100%**	**$9,364,156**	**$12,688,155**	**$10,847,697**	**($1,840,458)**

The following chart provides detail on two items that share 6.5% of the Hotel Motel Tax revenue: multiple contracted agencies within the Museums and Historic Associations Division of the Parks Department, and the Suffolk County Historical Society, which is budgeted under "Miscellaneous". (The 6.5% allocation for these agencies, in combination with the 1.5% allocation for the Walt Whitman Museum, comprises the overall eight percent allocation for Museums and Historic Associations.)

The Historical Society had requested additional funding in 2014 for expansion of its gallery space by the restoration of its East Wing. The recommended budget provides the full $339,283 requested by the Historical Society and provides $508,174 for Legislative distribution to the various agencies in the Museums and Historic Associations Division of Parks. Should the Legislature accept our recommended reduction of 2014 revenue, then 2014 expenditures must be reduced by $135,153 in total. The distribution of funds between agencies is the Legislature's prerogative.

If recommended Hotel Motel revenue is not changed, funding for these two elements should instead be reduced by $15,523 (from $847,457 to $831,934) to correct a minor distribution error in the recommended budget. Expenditure for the Walt Whitman Birthplace State Historic Site and Interpretive Center would then increase by a like amount (from $171,780 to $187,303).

*Museums & Historic Associations Detail	Percent Allocation of New Revenue	2013 Adptd. (=2013 Est.)	2014 Exec. Rec.	2014 BRO Rec.	Difference BRO-Exec.
Museums & Hist Assoc., Parks (192-PKS-7512)	6.5%	$327,000	$508,174	Legislative	Legislative
S.C. Historical Society (192-MSC-7516-JGH1)		$289,283	$339,283	Prerogative	Prerogative
Total Funds for Distribution	6.5%	**$616,283**	**$847,457**	**$712,304**	**($135,153)**

Positions

In the past, Fund 192 has been used primarily to fund particular programs or agencies. The 2014 Recommended Budget transfers five additional positions, currently funded by the General Fund, to Fund 192. This relieves the pressure on the General Fund, but reduces the amount of Hotel Motel funding available for other purposes. There are two main considerations in whether to allow these proposed transfers to proceed. The first consideration is whether there will be sufficient revenues to fund these positions in 2014, and if so, whether future revenues will keep up with rising employee costs. Secondly, it is a policy decision whether to use Fund 192 funding for personnel who do related work, instead of allocating these funds to the particular programs and agencies the fund supports.

The Recommended Operating Budget transfers one General Fund position from the Administration Unit of the Department of Economic Development (EDP) to the Hotel Motel Tax-funded Film Division and four General Fund positions from the Park Maintenance Unit of the Parks Department to the Hotel Motel Tax-funded Historic Services Division. The following table demonstrates the permanent salaries that are tied to the transferred positions in the recommended budget. Additional expenses for such items as benefits, health insurance, and supplies or travel expenses are not included here.

Transfer From General Fund	Position Title	Gr	Transfer to Fund 192	Permanent Salary Costs for Transferred Positions
Park Maintenance, 7110	Maintenance Mechanic I	9	Parks Historic Services, 7510	$230,365
Park Maintenance, 7110	Maintenance Mechanic III	15	Parks Historic Services, 7510	
Park Maintenance, 7110	Maintenance Mechanic IV	18	Parks Historic Services, 7510	
Park Maintenance, 7110	Maintenance Mechanic IV	18	Parks Historic Services, 7510	
Ec. Dev. & Plan., Admin., 6410	Program Coord. (Cultural Affairs)	25	Ec. Dev. & Plan., Film, 6415	$86,459
			Total	**$316,824**

The next two tables demonstrate the way recommended funds in the Parks Historic Services and EDP Film Promotion Divisions are distributed to employee-related and other expenses. The recommended budget adds four positions to the Parks Historic Services Division. Should the Legislature adopt the reduction in 2014 Hotel Motel Tax revenue recommended by the Budget Review Office, then available funding for Parks Historic Services will be reduced by $368,092 (from $2,606,609 to $2,238,517), and we recommend reducing the increase in expenditure by a like amount, from $733,418 to $365,326. This will negatively affect the amount available to be spent for contracted agencies and materials and supplies. It should also be noted that approximately $334,000 of recommended 2014 funding for Historic Services was due to adjustments from prior years. This portion of revenue should be considered a one-time adjustment and should not be relied upon for ongoing expenses such as salaries.

Parks Historic Services Expense Category	Obj.	2013 Estimate	2014 Rec.	2014 Rec. Increase in Expenditure
Employee Compensation Related	1000s	$596,575	$856,760	$260,185
Materials and Supplies	3000s	$801,956	$1,162,224	$360,268
Contractual Services	4000s	$98,178	$99,004	$826
Employee Benefits	8000s	$174,813	$225,096	$50,283
Employee Health Insurance	9000s	$201,669	$263,525	$61,856
Totals from 2014 Rec. Budget		**$1,873,191**	**$2,606,609**	**$733,418**

The recommended budget adds one position to the existing one position in Film Promotion. The following chart demonstrates how recommended 2014 funds were already distributed in favor of employee compensation by reducing the amount recommended for contractual services, as compared to the 2013 estimate. Should the Legislature adopt the reduction in 2014 Hotel Motel Tax revenue recommended by the Budget Review Office, then available funding for EDP Film Promotion will be reduced by $36,809 (from $300,456 to $263,647), and we recommend reducing the increase in expenditure by a like amount, from $81,985 to $45,176. It should also be noted that approximately $73,000 of recommended 2014 funding for Film Promotion was due to adjustments from prior years. This portion of revenue should be considered a one-time adjustment and should not be relied upon for ongoing expenses such as salaries.

EDP Film Promotion Expense Category	Obj.	2013 Estimate	2014 Rec.	2014 Rec. Increase in Expenditure
Employee Compensation Related	1000s	$44,378	$132,233	$87,855
Materials and Supplies	3000s	$26,722	$38,000	$11,278
Contractual Services	4000s	$111,706	$77,215	($34,491)
Employee Benefits	8000s	$21,327	$23,098	$1,771
Employee Health Insurance	9000s	$14,338	$29,910	$15,572
Totals from 2014 Rec. Budget		**$218,471**	**$300,456**	**$81,985**

Budget Review Office Recommendations

Hotel Motel Tax Projection

The 2014 Recommended Operating Budget includes 2014 tax at a 25% increase over the 2013 estimate. Based on an analysis that included more up-to-date data than was available when the recommended budget was issued, historical trends, past years' quarterly receipts, the effect of Superstorm Sandy, and economic trends, the Budget Review Office is recommending 2014 Hotel Motel Tax at a maximum of $9,515,240. This represents a five percent increase over the 2013 estimate and a net decrease of $1,840,458 from the 2014 Executive Recommended Budget when minor interest and fees are included.

Expenditure

Should the Legislature accept our maximum recommendation for Hotel Motel Tax revenue in 2014, related expenditures must be reduced by a like amount to keep the Fund in balance. Detail on appropriate distribution of revenue is provided in the body of the report.

Transfer of Five General Fund Positions to Hotel Motel Tax Fund

The Budget Review Office recommends reversing the transfer of five positions from the General Fund to the Hotel Motel Tax Fund. The recommended 25% increase in 2014 revenue related to the Hotel Motel Tax, as compared to the 2013 estimate, is not likely to be realized. Significant reductions in other expenditure areas will be required if 2014 revenue is instead adopted at a five percent increase from 2013 and the position transfers are not reversed.

In the Parks Historic Services Division, pending further detail on the exact positions transferred, reversal of the positions should provide most of the $368,092 expenditure reduction needed if our recommended revenue reduction is accepted by the Legislature. An additional minor expenditure reduction related to materials and supplies may also be needed. Alternatively, if the transfers are not reversed, the budget line for materials and supplies used to restore and maintain historic structures would need to absorb the full expenditure reduction.

In the Film Division of Economic Development and Planning, if the position transfer was not reversed, the $36,809 required expense reduction would necessitate a decrease of that amount in either materials and supplies (recommended at $38,000) or already reduced contractual services (recommended at $77,215). A further decrease may be required as it appears employee retirement costs related to the transfer may have remained in the General Fund.

LH Fund 192 14

Sewer District #3 – Southwest (203)

Southwest Sewer District received substantial federal subsidies to aid in the construction of Suffolk County's largest wastewater treatment facility. Terms of the ensuing agreement provided that the district would be formed as an ad valorem district as well as a user benefit district in order to guarantee a sufficient revenue stream to service the outstanding debt since property taxes are collected from everyone owning property within the district including those who have opted not to hook up to the sewage treatment plant.

Southwest Sewer District, Fund 203, was formed under County Law Section 271 as an ad valorem sewer district with specific authority for alternate methods of assessment including user fees and special parcel or lot charges based on benefits received. All residents of the district pay real property taxes to support the capital costs and those residents whom are connected to the facilities pay for the operating expenses through user fees, which are billed separately on a quarterly basis.

All residents would eventually be required to hook up to the Bergen Point Sewage Treatment Plant in order to lower operating costs by spreading expenses over the broadest possible user base. To date, the requirement to connect has never been enforced nor has the County required residents who have not connected to pay user fees.

Status of Fund		
2013 Estimated	**As of Date Period of Time**	**2014 Recommended**
$6,396,890	Fund Balance, January 1	$2,767,609
$81,182,081	Plus Revenues, Jan. 1-Dec. 31	$82,324,958
$87,578,971	Total Funds Avaialble	$85,092,567
$84,811,362	Less Expenditures, Jan. 1-Dec. 31	$85,092,568
$2,767,609	Fund Balance, Dec. 31	$0

Effects of the Recommended Budget

The 2014 recommended operating budget forecasts a 2013 year-end surplus of $2,767,609 for Fund 203.

Revenue

The Sewer District #3-Southwest Fund receives approximately 97% of its revenue from real property taxes and departmental income comprised mainly of sewer rents, late fees, and scavenger waste. The residual three percent of revenues is generated from sewer service charges to other governments and interest and earnings.

The 2013 estimated revenue of $81,182,081 is $1,707,307 or 2.1% more than the 2012 actual revenue of $79,474,774 but $160,725 or 0.2% less than the 2013 Adopted revenue of $81,342,806. This reduction in 2013 estimated revenue, as compared with 2013 adopted revenue, is observed mainly within Department Income and results from positive and negative variances across many categories of revenue. The $1.7 million or 2.1% increase between the 2012 actual and 2013 estimated revenues is mainly attributed to an increase in Real Property Taxes of approximately $1.6 million.

The 2014 recommended revenue of $82,324,958 is $1,142,877 or 1.4% more than the 2013 estimate, which can be attributed to an increase in real property tax revenue of $1,515,138 in conjunction with other negligible revenue reductions. The 2014 revenue projection appears reasonable.

Expenditures

The 2013 estimated expenditure of $84,811,362 is $3,331,829 or 4.1%, more than the 2012 actual expenditure of $81,479,533. The increase is mainly attributed to increased operating expenses of approximately $3.05 million, an interfund transfer to Fund 405-Southwest Assessment Stabilization Reserve Fund of approximately $22.05 million more than in 2012, offset by a $17.61 million reduction to the interfund transfer to Fund 404-Assessment Stabilization Reserve Fund and a $4.77 million reduction to the interfund transfer to Fund 261- Sewer Maintenance and Operation.

The 2014 recommended expenditure of $85,092,568 is $281,206 or 0.3% more than the 2013 estimated expenditures of $84,811,362. These differences are explained by numerous adjustments, both additions and deletions, to various expenditures within the District. The 2014 recommended expenditures are $4,427 less than requested for the District and appear reasonable.

Issues for Consideration

Debt Service and Reserves

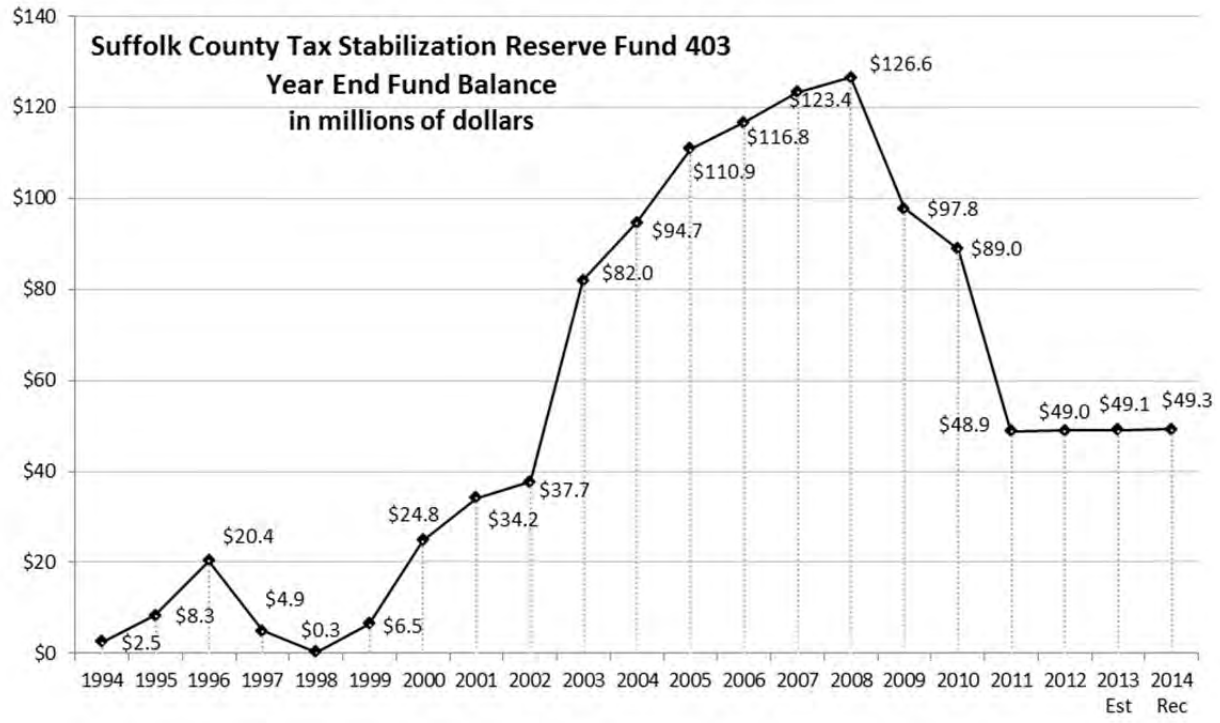
The recommended budget includes no interfund transfer from Fund 203-Southwest to Fund 404-ASRF as Southwest SD has fulfilled its financial obligation to ASRF for the sewer district's outstanding capital loan debt. The sewer district will once again avail itself of the opportunity to direct funds into Fund 405-Southwest Assessment Stabilization Reserve indicated by a recommended interfund transfer of $42,151,420 within the proposed operating budget. Allocating money to this fund now should allow the district to mitigate interest expense in future years and could decrease the District's reliance on rate stabilization as experienced in the past.

JM Fund 203 14

Tax Stabilization Reserve Fund (403)

Effects of the Recommended Budget

There have been no expenditures made by the Tax Stabilization Reserve Fund over the 2012 to 2014 period covered in the recommended budget. The accompanying chart graphs the year-end Tax Stabilization Reserve fund balance over time. The surplus in this reserve fund peaked at $126.6 million at the end of 2008 and is recommended to end 2014 at $49.3 million. The decrease reflects the County's fiscal health. The great recession, which was in full swing by 2008, has had an adverse impact on County finances and has created tremendous pressure to tap into this reserve fund.



Budget Review Office Evaluation

Suffolk County's Tax Stabilization Reserve Fund (403) is authorized under Section 6-e of New York State General Municipal Law and was adopted by County Resolution No. 1154-1997. Only the General Fund can have a tax stabilization reserve fund.

- Under Section 6-e of New York State General Municipal Law, expenditures from the Fund (403-E001-Transfer to General Fund) are used to avoid a projected increase in the real property tax levy in excess of 2.5%. The resulting interfund revenue received by the General Fund cannot exceed an amount that would lower the tax levy increase to less than 2.5%. A 2.5% increase in the General Fund property tax would equate to $1,225,926 (2.5% x $49,037,038). Only the County Executive can recommend transfers from the Tax Stabilization Reserve Fund directly to the General Fund.
    - As an exception, during the year expenditures from the Tax Stabilization Reserve Fund can be made without raising taxes in order to finance an unanticipated revenue loss or an unanticipated expenditure for which there are insufficient appropriations. This

provision was invoked in 2009 and 2010, Resolution No. 327-2009 transferred $30 million from Tax Stabilization to the General Fund and Resolution No. 1282-2010 transferred $9,647,056.

- Another exception to the required 2.5% increase in the property tax is provided under Section 6-r(3) of the General Municipal Law, which allows transfers from Tax Stabilization Reserve to a Retirement Reserve fund.
    - This provision was invoked in 2011 and the adopted budget transferred $30 million from the Tax Stabilization Reserve Fund (403) to the Retirement Contribution Reserve Fund (420) in order to pay for pension costs.
    - The 2012 adopted budget modified the recommended budget, increasing the 2011 transfer to the Retirement Contribution Reserve Fund (420) by $10,587,517, from $30 million to $40,587,517.
    - The 2014 recommended budget does not invoke this provision.
- Finally, Fund 403 is also subject to Local Law 29-1995, which requires a minimum of 25% of the General Fund actual discretionary fund balance surplus be transferred to the Tax Stabilization Reserve Fund (403) or Debt Service Reserve Fund (425), see Article 4 of the County Charter. This requirement was amended by Local Law 43-2006 (Resolution No. 923-2006) and by Local Law 19-2009 (Resolution No. 373-2009).
    - Local Law 43-2006 requires that once the Tax Stabilization Reserve Fund exceeds the greater of $120 million or five percent of the General Fund operating budget, adopted in the prior year, use of funds in excess of the $120 million cap may be either returned to the taxpayers or appropriated for one of the following approved purposes: (1) clearing of snow and ice, (2) road maintenance, (3) heat, light and power, (4) disaster preparedness, (5) debt service, or (6) pay-as-you-go financing pursuant to LL 23-1994. It should be noted that as an upper limit, contributions to the Tax Stabilization Reserve Fund cannot exceed ten percent of the eligible portion of the annual General Fund budget.
    - Local Law 19-2009 suspended the required General Fund transfer to the Tax Stabilization Reserve Fund for the years 2009 through 2012. Although this legislation has sunset, a transfer is not required in 2014, since the 2012 year-end General Fund discretionary fund balance is a $95,482,185 deficit (combined with the mandated deficit of $58,930,911 the total 2012 shortfall in the General Fund is $154,413,096).
    - The Tax Stabilization Reserve Fund is estimated to end 2013 with a surplus of $49,176,012 (2.52% of General Fund expenditures) and to end 2014 with a surplus of $49,308,129 (2.51% of General Fund expenditures).

MUN Fund 403 14

Assessment Stabilization Reserve Fund (404)

The Assessment Stabilization Reserve Fund (ASRF) received funding from 1985 to 1989 as a result of Resolution No. 823-84, which directed a quarter cent (.25%) of sales tax to be allocated to the fund. In 1989 the quarter cent allocation was redirected to Fund 475-the Water Quality Protection Reserve Fund. ASRF received no additional sales tax revenue until 1994 when it received an infusion of $7.6 million and in the following year $12.5 million.

The passage of Local Law No. 35-1999 renewed the quarter cent sales tax and created the Suffolk County Sewer Assessment Stabilization Reserve Fund to be funded through the deposit of 35.7% of total revenues generated by the quarter cent sales tax. The law also required sewer districts to increase rates by a minimum of three percent before funds could be transferred from the ASRF to stabilize sewer taxes/usage fees in a district.

From December 2000 through November 2007 the recommended budget directed the quarter cent sales tax receipts into the Suffolk County Water Protection Fund (Fund 477) which then transferred 35.7% of the sales tax to the Assessment Stabilization Reserve Fund. The passage of Local Law No. 24-2007 reduced the transfer from Fund 477 to Fund 404 to 25% of sales tax receipts.

Local Law No. 44-2011 was enacted via the passage of Resolution No. 625-2011 . This charter law provides for the utilization of ASRF surpluses to enhance wastewater treatment efforts and provide short term property tax relief. The charter law specifies that if the ASRF fund balance exceeds $140 million in fiscal years 2011, 2012, or 2013 that 62.5% of the excess fund balance be used, via duly approved resolutions of the County, for installation, improvements, maintenance, and operation of sewer infrastructure, sewage treatment plants, and for the installation of residential and commercial enhanced nitrogen removal septic systems. Additionally, the remaining 37.5% of the excess fund balance in 2011, 2012 and 2013 is to be transferred to a reserve fund for bonded indebtedness or a reserve fund for retirement contributions (to the benefit of the General Fund). The law provides that in the event the ASRF fund balance exceeds $140 million in fiscal years 2014-2021 that any excess fund balance be used exclusively for installation, improvements, maintenance, and operation of sewer infrastructure and sewage treatment plants and for the installation of residential and commercial enhanced nitrogen removal septic systems, and that no less than $2 million be appropriated in those years for the installation of residential and commercial enhanced nitrogen removal septic systems. However, any portion of the $2 million appropriated for septic systems, which is not used in any given year, would instead be used for sewer infrastructure and sewage treatment plants.

ASRF has provided millions of dollars of stabilization funding since its inception, enabling the County to offer sewer services with increases in tax rates and user fees that are limited to three percent per year. In addition, the ASRF has provided funds for infrastructure and capital improvements within sewer districts in order to avoid incurring the expense of bonding.

Status of Fund 404 - Assessment Stabilization Reserve		
2013 Estimated	As of Date Period of Time	2014 Recommended
$140,000,000	Fund Balance, January 1	$140,000,000
$36,707,436	Plus Revenues, Jan. 1-Dec. 31	$22,209,169
$176,707,436	Total Funds Available	$162,209,169
$13,708,299	Less Expenditures, Jan. 1-Dec. 31	$0
$162,999,137	Fund Balance, Dec. 31	$162,209,169
$8,472,741	*Transfer to Fund 420 or 425 (37.5% over $140 million)	$0
$46,013,208	*Reserved for Septic/Sewerage Enhancement (62.5% over $140 million)	$46,538,991
$140,000,000	Unreserved Fund Balance, December 31	$115,670,178

The table that follows details the figures for the cumulative "Reserved for Septic/Sewerage Enhancement (62.5% over $140 million)" line item in the previous table.

Cumulative Reserve for Septic/Sewerage Enhancement (62.6% over $140 million)	
Year	Annual Reserve
2011	$8,312,508
2012	$23,174,304
2013	$14,526,396
Cumulative for 2013	**$46,013,208**
2014	$525,783
Cumulative Reserve for 2014	**$46,538,991**

The status of funds in the recommended budget has a notation that states, "The cumulative projected amount available for sewer projects through 2014 is $47,076,987." We recommend changing this amount to $46,538,991, as indicated in the previous table. This is $537,996 less than the Executive's 2014 projection for this reserve.

Resolution No. 866-2013 amended the 2013 Operating Budget and transferred $19,940,000 from Fund 404 Assessment Stabilization Reserve to a newly created Fund 406 Sewer Infrastructure Program Fund. The table that follows details the transfers.

IR No. 1806-2013 Proposed Transfers from Fund 404 to Fund 406	
Sewer Grants	
Town of Riverhead	$8,091,000
Town of Babylon	$1,000,000
Village of Patchogue	$578,000
Village of Northport	$3,184,000
Subtotal	**$12,853,000**
Sewer Loans	
Town of Riverhead	$4,057,000
Village of Northport	$3,030,000
Subtotal	**$7,087,000**
Total	**$19,940,000**

Effects of the Recommended Budget

Revenue

The Assessment Stabilization Reserve Fund receives revenue in the form of repayments from Suffolk County Sewer Districts which have borrowed funds, Fund 477 Suffolk County Water Protection Fund per Local Law No. 24-2007, and interest earnings.

The 2013 Estimated revenue of $36.7 million is approximately $15 million or 28.9% less than the 2012 Actual revenue of $51.7 million, mainly attributable to a reduction in the interfund transfer from Fund 203-Southwest Sewer District of approximately $17.6 million coupled with an increase in the interfund transfer from Fund 205-Sewer District #5 Strathmore Huntington of $604,532, Fund 220-Sewer District #20 William Floyd of $1,062,472 and Fund 477 Water Protection of $1,111,363.

The 2014 Recommended revenue of $22.2 million is $14.5 million or 39.5% less than the 2013 Estimated of $36.7 million, mainly attributed to a reduction to the interfund transfer from Fund 203-Southwest Sewer District of $14.7 million.

Expenditures

The 2013 Estimated expenditure of $22.2 million is approximately $6.3 million or 22.1% less than 2012 Actual expenditures of $28.5 million, explained for the most part by a decrease in the interfund transfer to Fund 420-Retirement Contribution Reserve of approximately $7.08 million and a decrease of $2.3 million in the interfund transfer to Fund 527-Capital Sewer in conjunction with increases in the interfund transfer to Fund 218-Hauppauge Industrial of approximately $5.01 million and Fund 201-Sewer District #1-Port Jefferson of approximately $2.1 million.

The 2014 Recommended expenditure of $21.7 million is $497,654 or 2.2% less than the 2013 Estimated expenditures of $22.2 million mainly attributable to a reduction of $8.5 million to the transfer to Fund 420-Retirement Contribution Reserve in conjunction with increases in the interfund transfer to Fund 527-Capital Sewer of $5.4 million, Fund 206-Sewer District #6-Kings Park of $943,676, Fund 221-Sewer District #21-SUNY @ Stony Brook of $883,302, Fund 214-Sewer District #14-Parkland of $852,966 and increases and decreases to thirteen other transfers recommended to be made by Fund 404 in 2014.

Issues for Consideration

ASRF Excess Fund Balance

In order to address some of the problem areas in the recommended budget, identified elsewhere in this report, the only significant source of local funds available, without the requirement of State enabling legislation, is the ASRF excess fund balance. With this in mind, the Legislature may want to consider the following policy options:

- Dedicate a portion of the 5/8ths excess Fund 404 fund balance (above $140 million) for sewer purposes to County General Fund sewer purposes. This would provide $3,634,175 in General Fund revenue for 2013. Assuming other changes to generate additional Fund 404 fund balance in 2014, this option could provide the General Fund with an additional $3,671,113 in 2014.
- Amend Resolution No. 625-2011 and continue funding of the 3/8ths of excess Fund 404 fund balance for tax relief in 2014. Other action would be need to provide sufficient funding, since the recommended 2014 fund balance exceeds the $140 million threshold by only $525,783, equating 3/8ths to $197,169.
- Eliminate or reduce the recommended $6.25 million in A-money for sewer capital projects. To the extent these projects are need in 2014, the funding source could be changed next year to sewer serial bonds with a 14 vote super majority. This would raise the Fund 404 fund balance over $140 million by the same amount, with 3/8ths for tax relief equating to $2,343,750.
- Amend Resolution No. 625-2011 and lower the Fund 404 fund balance threshold from $140 million.

Budget Review Office Recommendations

- Change the notation in the Status of Fund 404 presentation to reflect $46,538,991 as the cumulative projected amount available for sewer projects through 2014.
- The Legislature may wish to review Local Law No. 44-2011 as it pertains to excess fund balance allocations in 2014-2021 and consider extending and amending this local law by lowering the threshold for the excess funds in the ASRF to be utilized to fund sewer infrastructure and provide short term tax relief.

JM Status of Fund 404 14

Suffolk County Water Protection Fund (477)

Effects of Recommended Budget

The Suffolk County Drinking Water Protection Program (DWPP) allocates specified portions of Suffolk County quarter cent sales tax revenue to four components, and Fund 477 contains these funds. The DWPP, in its newest form, was established by Local Law No. 24-2007, and runs from December 1, 2007 through November 30, 2030. Funds for two of the four components (related to property tax protection and sewer tax protection) are immediately transferred out of Fund 477. This report will focus on the two components (related to land acquisition and water quality) which remain in Fund 477.

Recommended Revenue and Allocation by Component

The 2014 Recommended Operating Budget provides $75,109,412 in 1/4% sales tax revenue to the fund in 2014, which is a 4.1% increase from the 2013 estimate. In addition, $122,272 in interest and earnings is recommended, for a total of $75,232,184 in revenues. These revenues are based on overall sales tax projections by the Executive, and are subject to change. In addition to new sales tax revenues, there are fund balances available for land acquisitions and water quality related uses.

Sales tax revenues are allocated under the following formula, as directed by the current DWPP:

- 32.15%, or $24,147,676, is dedicated to County-wide Property Tax Protection. This amount is immediately transferred from Fund 477 to the General Fund, to reduce or stabilize the County's General Fund property taxes. It is not intended to fund new programs or positions of employment.
- 25%, or $18,777,353, is dedicated for Sewer Taxpayer Protection. This amount is immediately transferred to the Assessment Stabilization Reserve Fund, Fund 404, to stabilize sewer district tax rates. Fund 404 also receives revenue from other sources. See our report on Fund 404 for further detail.
- 31.1%, or $23,448,134, is dedicated for Land Acquisition ("Specific Environmental Protection" component). This component, along with the water quality component, also receives proportionate interest, which is included in this amount.
    - As we will describe, a significant portion of this land acquisition revenue will be used to pay debt service on funds previously borrowed for accelerated land acquisition under this program. New borrowing can no longer occur. Remaining cash funds can be used for new acquisitions, including open space and purchase of farmland development rights ("PDR"), plus ancillary costs related to those acquisitions. Open Space is acquired outright, but only the development rights are purchased on farmland, typically at a cost of 70%-90% of an outright purchase of the land.
- 11.75%, or $8,859,021, which includes proportionate interest, is dedicated for Water Quality Protection ("Water Quality Protection and Restoration Program and Land Stewardship Initiatives" component).
    - This component funds a variety of specified environmental programs and projects. The projects are subject to review by the Water Quality Review Committee and Legislative approval (by resolution or by inclusion in the adopted operating or capital budgets). Five such programs, run by Cornell Cooperative Extension, are included in the 2014 Recommended Operating Budget.

- This component has also been used to fund an increasing amount of other operating budget expenditures, such as salaries and benefits for County personnel who perform water quality-related tasks, and equipment and supplies for those tasks.
- As we will describe, almost all new revenue to this component is now consumed by operating budget expenses, per the recommended budget. This leaves only the existing fund balance for other water quality projects.

Status of Fund 477

Fund 477 contains the existing fund balances for both the newest DWPP (Local Law No. 24-2007) and the preceding (now expired) version of the DWPP (Local Law No. 35-1999). The older DWPP does not receive new revenue, but fund balances may increase through such means as capital project closeouts. The last row on the following Status of Fund 477 table demonstrates 2013 estimated and 2014 recommended year-end fund balances for all components of both DWPPs. The estimated 2013 year-end balance is the recommended starting balance for 2014. The fund balances relate only to the land and water quality components of the DWPP, as revenues allocated for Property Tax Protection and Sewer Tax Protection are transferred to other funds.

2013 Estimated	Status of Fund 477 Suffolk County Water Protection Fund	2014 Recommended
$22,068,175	Fund Balance, January 1	$26,651,000
$72,612,065	Plus Revenue, January 1 to December 31	$75,232,184
$94,680,240	Total Funds Available	$101,883,184
$68,029,240	Less Expenditures, January 1 to December 31	$68,022,951
$26,651,000	Fund Balance, December 31	$33,860,233

Fund Balances Remaining, Older DWPP (Local Law No. 35-1999)

The following table details the portion of the fund balance that is attributed to the older DWPP (LL 35-1999), which does not receive new sale tax revenue. These balances are included in the previous table and therefore do not represent additional funds. The 2013 estimated year-end fund balance for the Farmland Acquisition portion ($10.5 million) increased by approximately $7.5 million from the 2011 actual. This was due to a $5.8 million capital project (cash) closeout (CP 8708.210), along with receipt of $1.7 million in State funding, all in 2012. There is also a remaining $1.7 million balance in 2014 for the Open Space Acquisition component. The fund balance in this component had previously been reserved to repay EFC (Environmental Facilities Corp.) long term financing, for which we understand the final payment was in 2013.

2013 Estimated	Distribution of Fund Balance	2014 Recommended
$83,971	Reserved for Water Quality Protection Program (L.L. No. 35-1999)	$83,971
$1,706,300	Reserved for Open Space Acquisition (L.L. 35-1999)	$1,706,300
$10,509,701	Reserved for Farmland Acquisition (L.L. No. 35-1999)	$10,509,701
$12,299,972	**Total**	**$12,299,972**

Land Acquisition Component, Newest DWPP (Local Law No. 24-2007)

The land acquisition focus, of late, has been on the newest Drinking Water Protection Program (Local Law No. 24-2007). This program is funded by 31.1% of the quarter-cent sales tax, and acquisitions made under it do not directly impact the General Fund. The allowable period for bonding (2008-2011) in the quarter-cent program is over. There are remaining borrowed funds, but they are reserved for pending acquisitions already in progress, plus associated acquisition costs. We transitioned to the use of pay-as-you-go funds at the start of 2012. A large portion of incoming revenues are reserved to pay debt service on the previously borrowed funds. The following table demonstrates the recommended 2014 revenue, and the net revenue that will remain, after accounting for serial bond debt service.

2014 Recommended Sales Tax Revenue and Expenditure Land Acquisition Component (L.L. No. 24-2007)		
Total New Revenue (31.1% of quarter cent sales tax plus interest and earnings)	**Related 2014 Recommended Expenditure**	**New Revenue Remaining after Expenditure**
$23,448,134	$16,376,804 Serial Bonds for Land Acquisition	$7,071,330

The following summarizes pay-as-you-go funding in the quarter-cent program and utilizes data from the 2014 Recommended Operating Budget and land acquisition data, as of August 31, 2013, provided by the Division of Real Property Acquisition and Management, in the Department of Economic Development and Planning:

- A total of approximately $49 million in pay-go (cash) funding has been appropriated in 2011 and 2012 (by Resolution No. 997-2011, and 2012 Resolution Nos. 220, 295, 367, 368, 386, 388, 389, 974, and 1191). These appropriations are accounted for in Capital Project Nos. 8714.210 and 8714.211. The recommended budget accounts for one $10,000 appropriation (Resolution No. 974-2012) in 2013 rather than in 2012.
- Approximately $28.2 million in closings that occurred in 2012 and through August 31, 2013, along with related acquisition costs, have decreased available appropriations to approximately $20.3 million.
- There are still $19.9 million in potential purchases, in various stages of negotiation or acquisition, as of August 31, 2013, which would further reduce the remaining $20.3 million to less than $400,000, if and when they all close. However, there is an additional cash balance from 2012 that has not yet been appropriated.
- The 2012 actual year-end fund balance, which we can turn to once existing appropriations have been exhausted, is approximately $3.7 million, per the recommended budget. Expenditure for debt service in 2012 was approximately $0.6 million higher than expected, due to corrections needed from prior years, and this negatively affected the available fund balance.
- An additional approximate $6 million in net new revenue is expected to be available by the end of 2013, per the recommended budget. Per past practice, this projected net revenue for the

current year is held in reserve, and will not be appropriated until actual revenues and expenditures are known, sometime in 2014.

- Net new revenue for 2014 is projected at approximately $7.1 million.
- Final fund balances are affected by actual sales tax receipts and actual expenditures, including new appropriating resolutions.
- Available appropriations are affected by the number of closings that actually occur, along with ancillary acquisition costs, and the number of new potential acquisitions. The Division of Real Property Acquisition and Management policy has been to "reserve" sufficient appropriations to fund all potential acquisitions that are in progress.

The following table demonstrates how remaining appropriations are "reserved" for in-progress acquisitions, as well as the actual 2012 fund balance available to be appropriated, and estimated net new revenue expected to be realized in 2013.

DWPP (LL NO. 24-2007) Land Acquisition Component	
Balances as of 8/31/13	**Appropriated Cash Balance ("Pay-Go")**
Starting Balance (after 2012 and 2013 closings)	**$20,328,338**
Reserved for "In Contract"	$4,467,436
Reserved for "Accepted Offers"	$13,950,375
Reserved for "In Negotiation"	$1,530,000
Total Reserve for Pipeline Projects	**$19,947,811**
Ending Balance (Assuming all Pipeline Projects Close)	**$380,527**
Actual 2012 year end fund balance (Not yet Appropriated)	**$3,689,351**
Estimated Additional Cash Balance by 2013 year end (Reserve- Not Appropriated)	**$6,034,774**

Water Quality Component, Newest DWPP (Local Law No. 24-2007)

The Water Quality Protection and Restoration Program and Land Stewardship Initiatives component (referred to as the "Water Quality" component) is funded by 11.75% of the quarter-cent sales tax. It has been interpreted that this component could be used for water quality-related operating budget expenses, for employees doing water quality-related work, and for other associated operating expenses, such as equipment and supplies. Five water quality-related Cornell Cooperative Extension Programs are also funded in the operating budget. In the past, revenues in excess of operating expenditures were used to fund other water quality-related capital projects. Funding for these projects has typically been appropriated by individual resolution, after approval of the project by the Water Quality Review Committee, and they are rarely included as part of the Adopted Capital Program.

In 2012, water quality funding was utilized to restore positions, previously funded by the General Fund, which would otherwise have been terminated. At the start of 2012, there were 66 water

quality funded positions, 65 of which were filled. By mid-September, this number had increased to 78 positions, 74 filled. This was an increase of nine filled positions from the start of the year and of 23 filled positions from the same time in 2011. The following table shows the increase in the number of positions, in an expanding variety of Departments, since 2011, as of September 15, 2013. The 2014 Recommended Budget transfers nine filled positions from the Department of Economic Development and Planning to the Department of Public Works, but no new water quality funded positions are recommended.

Water Quality Funded Positions				
Department	**Sept. 2011**	**Sept. 2012**	**Sept. 2013**	**Rec 14**
Public Works	1	10	10	19
Parks and Recreation	33	34	34	34
Health Services	0	17	17	17
Ec. Dev. & Planning*	18	17	17	8
TOTAL Positions	**52**	**78**	**78**	**78**
TOTAL Filled Positions	**51**	**74**	**73**	**n/a**
*includes former Environment & Energy and Planning				

The increasing use of Fund 477 for expenses related to employees who perform water quality related work relieves pressure on the General Fund, but reduces the monies available for water quality related projects. In addition, we are right at the threshold, if not past it, of the need to deplete the fund balance to pay operating expenses. The following table demonstrates how recommended operating budget expenses are consuming the new revenue expected to be received in 2014. Note that no capital fund transfer expenditures have yet been included for 2014. Such transfers are usually accounted for only after there has been a resolution approved by the Legislature to appropriate water quality funds.

2014 Recommended Sales Tax Revenue and Expenditure Water Quality Protection Component (L.L. No. 24-2007)		
Total New Revenue (11.75 % of quarter cent sales tax plus interest and earnings)	**Related 2014 Recommended Expenditure**	**New Revenue Remaining after Expenditures**
$8,859,021	$8,721,118 Water Quality Operating Budget Expenses (Cornell Projects, Employee Salaries, and Associated Costs)	$137,903

The net new revenue of $137,903 will only be realized if sales tax revenue and operating budget expenses come in as recommended. Employee-related expenses tend to increase each year. We also have concerns that operating expenses for employees' health insurance do not appear commensurate with the number of employees currently in the fund. We do not have access to individual employee health plan data, and we are in the process of reconciling this number with the

Executive Budget Office, but the difference may be several hundred thousand dollars a year, and may affect multiple years. Should actual expenses prove higher than included in the budget and surpass annual revenues, the fund balance would be used to make up the difference and would eventually be depleted. The 2014 Recommended Budget indicates a fund balance of $4.6 million at the start of 2014.

The following table demonstrates the increase in operating budget costs. The only area where 2014 expenses decreased was for contracted services, primarily due to reductions in Cornell Cooperative Extension programs, which comprise almost 90% of this expense category. The final row indicates capital project transfers for water quality appropriating resolutions.

Water Quality Expenditure				% Change from 2012 Actual
Type of Expense	**2012 Actual**	**2013 Estimate**	**2014 Rec.**	
Employee Compensation (1000s)	$3,804,015	$4,167,266	$4,349,626	14%
Equipment and Supplies (2000s, 3000s)	$561,049	$639,276	$635,570	13%
Contracted Services (4000s) (primarily Cornell Programs)	$1,443,357	$1,354,622	$1,334,799	-8%
Employee Benefits (8000s)	$811,162	$993,548	$1,353,342	67%
Employee Health Insurance	$601,657	$621,498	$666,315	11%
Other Interfund Transfers (to Funds 16, 38, and 529)	$150,606	$287,133	$381,466	153%
Total Water Quality Operating Budget Expenses (excludes Capital transfers)	**$7,371,847**	**$8,063,343**	**$8,721,118**	**18%**
Transfer to Capital Fund for Water Quality Projects	$480,000	$982,195*	$0	

*One 2012 Capital Project for $150,000 was instead included in 2013

Water Quality Fund Balance

The recommended budget includes a $4.85 million fund balance at the start of 2013 and an estimated $4.6 million fund balance by the end of 2013. Capital project cash balance closeouts of $261,844 helped boost the fund balance in 2013. The budget presentation for 2013 includes expenditures for capital projects already approved by resolution in 2013 (plus the Islip Regional Shellfish Hatchery project, approved by resolution in 2012), but does not consider the effect of any appropriating resolutions that may be presented in late 2013. It is our understanding that, due to

the stress on this fund, the Water Quality Review Committee (WQRC) did not approve any new funding for projects at its August meeting. Instead, the Committee was planning to reconvene in late October to consider approval of funding for projects in an amount equal to any capital project closeouts.

The addendum to the 2013 capital project closeout resolution, released after the 2014 Recommended Budget, indicates that funds for the Islip Regional Shellfish Hatchery project remain uncommitted, and that the project will not be moving forward. There was no cash balance in this project, so it did not contribute to the 2013 capital project closeout revenue. If this is the case, the 2013 capital budget transfer expenditure can be reduced by $150,000, which will have a positive effect on the fund balance.

Water Quality Appropriations by Resolution

Water Quality projects (both capital and operating) are supposed to go before the Water Quality Review Committee prior to seeking Legislative approval. The Committee determines whether the project meets the criteria for inclusion in the program, ranks it, and makes advisory recommendations to the County Executive and the Legislature. Cornell projects included in the operating budget are typically approved by the WQRC and approved by the Legislature as part of the operating budget approval process.

The following table shows Water Quality projects approved by resolution in 2012 and 2013.

Prior to the WQRC's August meeting, there were approximately $1.6 million in additional approved projects that had not yet been brought forward by resolution. It is our understanding that projects totaling at least $600,000 were not expected to advance. An update on currently approved projects should be available after the Committee reconvenes.

Water Quality Capital Projects, Approved by Resolution in 2012 and 2013					
Resolution No.	**Capital Project No.**	**Project Title**	**Approved by WQRC**	**Date Resolution Approved**	**Amount**
454-2012	8240.110 & 8240.328	Watchogue Creek Stormwater Mitigation - Town of Islip	2011	6/13/2012	$125,000
452-2012	7180.115	Islip Regional Shellfish Hatchery*	2011	6/13/2012	$150,000
740-2012	7180.116	CCE Eelgrass Restoration	2011	8/31/2012	$105,000
978-2012	8240.119 & 8240.329	Geiger Lake Park Redevelopment Sewer Infrastructure	2012	12/3/2012	$250,000
33-2013	8710.135	Evaluation of Innovative/Alternative Sewage Disposal Systems to Remediate Water Quality in SC	2011	2/14/2013	$303,110
34-2013	8710.136	Pilot Study for Clustered Treatment of Decentralized Wastewater in the Peconic Estuary	2012	2/14/2013	$90,000
35-2013	8240.121 & 8240.330	Village of Sag Harbor Havens Beach Stormwater Remediation	2012	2/14/2013	$147,500
36-2013	8710.137	Monitoring Tidal Water Elevation and Water Quality to Assess Tidal Wetland Loss in Flax Pond and Embayments of Long Island Sound, New York	2012	2/14/2013	$185,715
109-2013	8240.122 & 8240.331	Village of Southampton Agawam Lake Phase III Stormwater Remediation	2012	3/12/2013	$50,500
529-2013	8710.324 & 8710.515	Boat Pumpout Stations Replacement at Timber Point County Marina East and Shinnecock Canal County Marina	2012	6/26/2013	$55,370
Total					**$1,462,195**

* The $150,000 expense for this project was accounted for in 2013 in the Recommended Budget.

Issues for Consideration

Land Acquisition

Land Acquisition funds are diminishing, but this was to be expected, because we are now using cash balances instead of borrowing against future revenues, while debt service on past borrowings still needs to be paid. Moving forward, prioritization of purchases is an area of renewed importance, to ensure the best use of limited existing funding. The land acquisition process has recently been amended in an attempt to do just this (Resolution No. 265-2013). Further refinements should be considered, as necessary, as the new "Triple A" land acquisition procedure is still in its infancy. Still under discussion, and of great import, is how existing "Master List" properties will be incorporated into the new procedure, and whether they will be subject to it, at all. Timing issues should also be closely examined, as Division of Real Property Acquisition and Management policy has been to "reserve" sufficient appropriations to fund all potential acquisitions that are in progress. This can tie up funding, potentially for years, until a closing eventually occurs, or it is known that the acquisition will not proceed.

The strength of the County program to purchase farmland development rights can also be refined, to ensure that farmers can continue to farm, and to prevent abuses of the program. Introductory Resolution No. 1700-2013 would revise elements of the County's purchase of farmland development rights program. The resolution seeks to increase the economic viability of farming by broadening the scope of allowable activities on preserved farmland. It will be important to find the right balance of allowable activities and restrictions to ensure that the goals of the program are met.

Although the focus of late has been on the newest Drinking Water Protection Program, the recommended budget indicates that there are additional fund balances available under the prior Drinking Water Protection Program (Local Law No. 35-1999), of approximately $10.5 million for purchase of farmland development rights and $1.7 million for open space acquisitions. We are not aware of any expense obligation on these funds beyond 2013, and appropriation of these funds should be considered for potential purchases.

Water Quality

No new positions have been recommended to be added to the fund in 2014. Even so, the number of employees added to this fund since 2011 may not be sustainable. The recommended budget indicates that operating expenses funded by this component are increasing to a point where little or no new net revenue to the fund will be realized. It appears that expenses related to employee health costs may be understated, and may result in further pressure on the fund balance. Even if that is not the case, rising employee-related costs may surpass revenues in the future. If net new revenue does not continue to replenish the fund balance, the fund balance will be drawn down, even before considering funding for water quality related projects. The Water Quality Review Committee has rightly used caution in recommending funding for new projects.

Budget Review Office Recommendations

The Budget Review Office recommends continued caution in the use of this fund for employee salaries. We suggest that consideration be made to limit, by attrition, the number of employees in this fund. As circumstances permit in future years, consider further reducing the number of employees in this fund to restore the health of the fund and permit its continued use for water quality related projects.

Pending confirmation with the Executive Budget Office, the 2013 capital budget transfer expenditure for water quality projects can be reduced by $150,000, to reflect the discontinuation of the Islip Regional Shellfish Hatchery project per the 2013 capital closeout resolution (Resolution No. 813-2013). The addendum to this resolution was released after the 2014 Recommended Budget was submitted.

An ongoing recommendation of the Budget Review Office is for all resolutions appropriating 477 funding for water quality projects, including projects in the capital program, to include a clause indicating that the project has been reviewed by the WQRC, the date reviewed, and the Committee's recommendations.

It is our understanding that, consistent with a prior Budget Review Office recommendation, the Committee is considering the imposition of a time limit by which an authorizing resolution must be introduced, once the Committee has approved funding for a project. Once an authorizing resolution has been approved, the five year sunset rule would apply for use of the funds. This will prevent water quality funds from being tied up in cases where approved projects are not proceeding in a timely manner.

LH Fund 477 14

Suffolk County Ballpark Fund (620)

This enterprise fund was created in 2000 after the ballpark was built in 1999. The fund was created to provide improved accountability of the expenses and revenue generated by the ballpark.

Resolution No. 642-1998 accepted and appropriated a $14.4 million grant from the NYS Empire State Development Corporation for the construction of the ballpark and the purchase of the land.

The County share for the project was $4.5 million or 23.8%. Resolution No. 1213-1998 amended the 1998 Capital Budget and appropriated the $4.5 million in Suffolk County serial bonds for the construction of the ballpark. The total cost of the ballpark was $17,809,000.

The ballpark is the home of the Independent Atlantic League Long Island Ducks. It is a 6,000-seat two story steel and concrete structure with a small parking area located in Central Islip adjacent to the Cohalan Court Complex. The building houses the team business office, locker rooms, public restrooms, concession stands, 20 skyboxes, press booth, and other space required for a ballpark.

The 2013 estimated fund balance is $1,490,554. When combined with the 2014 recommended revenue of $894,469 and recommended expenditures of $454,703, the 2014 recommended fund balance is $1,930,320. Revenue in 2013 came in higher than anticipated due to Federal and State disaster aid totaling $369,137 for damage sustained from Super Storm Sandy.

Each year, $90,000 is reserved for future capital improvements to the ballpark in a reserve fund. For 2014, $142,500 is scheduled for structural improvements and $150,000 is estimated in 2013. Outside of capital improvements, the major cost center for the ballpark is debt service to pay the County's portion of the construction costs. The 2013 estimated debt service is $359,883 and $312,203 is recommended in 2014.

Attendance at Ducks games has averaged 383,735 over the last five years and is projected to be 350,000 in 2014 based upon the $1 ticket revenue included in the recommended budget. Congratulations are due to the Ducks who captured the Atlantic League Championship for the second consecutive year in 2013.

JO Fund 620 14

Departments and Agencies

Audit and Control

Personnel (as of 9/15/13)

Authorized Positions:	68	**Filled Positions:**	63
Vacant Positions:	5	**Percentage Vacant:**	7.4%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$5,110,085	$5,121,666	$4,848,373	$4,984,702	$4,944,348
Equipment (2000s)	$6,548	$22,700	$20,430	$27,020	$25,020
Supplies (3000s)	$39,249	$51,875	$40,025	$45,225	$43,950
Contracts (4000s)	$419,969	$435,920	$456,700	$476,820	$476,720
Totals	**$5,575,851**	**$5,632,161**	**$5,365,528**	**$5,533,767**	**$5,490,038**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$3,609,594	$3,475,961	$3,585,566	$3,085,783	$3,085,783
Totals	**$3,609,594**	**$3,475,961**	**$3,585,566**	**$3,085,783**	**$3,085,783**

Effects of Recommended Budget

Department of Financial Management and Audit

The County Executive initiated legislation to create a Department of Financial Management and Audit, which was adopted as County Resolution No. 621-2013 (For supplementary analysis of this legislation see Budget Review Office memo dated June 19, 2013 "Creating a Unified County Department of Financial Management and Audit"). The legislation would amend the County Charter to establish the Department of Financial Management and Audit, contingent upon approval by public referendum.

The County Treasurer challenged this legislation in a court of law. The challenge made its way to the State Appeals Court. On September 30, 2013 a four-judge panel from the Appellate Division, second Judicial Department, ruled in favor of the County Treasurer's law suit, based on County officials violating County rules when the language of the referendum stated in Introductory Resolution No. 1567-2013 was amended after public notice was given. The County appealed this ruling, and on October 8, 2013 the state Court of Appeals upheld the two lower court rulings. The public referendum to create a Department of Financial Management and Audit will not be included on the November 5, 2013 ballot.

Personal Services

The 2013 estimate for permanent salaries, $4.72 million, is reasonable, and is less than the 2013 Adopted amount by $305,909 or 6.1% due to vacancies occurring in 2013. The 2014 Recommended Budget provides $4.84 million for permanent salaries, which is $40,354 less than the Department's request and adequate for all 63 filled positions and provides $82,513 to phase in the filling of five vacant positions in 2014. An increase of $91,764 in permanent salaries in 2014 would be required to fill all five vacant positions in the second quarter of 2014.

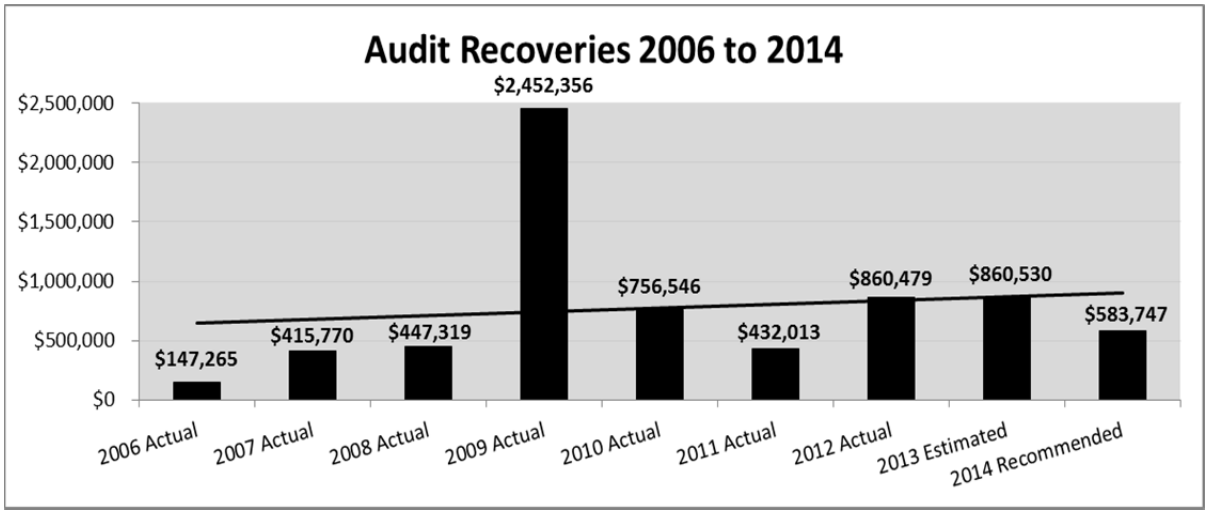
Expenditures

Not including Personal Services and $403,000 for the preparation of the County's 2014 Annual Audit, the Department requested $146,065 for expenditures in 2014. The recommended budget provides $142,690. The Department requested $2,000 in 2014 for Furniture & Furnishings, which was not included. Additional funding for Fees For Services: Non-Employee is included, as requested by the Department, providing a total of $69,720 in 2014 (001-1315-4560).

Revenue

The 2013 estimated revenue of $3.59 million is $109,605 or 3.2% percent more than adopted. The 2014 Recommended Budget includes revenue of $3.1 million as requested, which is $390,178 or 11.2% less than the 2013 Adopted amount. Both the estimated and recommended revenue amounts are reasonable based on current filled staffing levels. Based on discussions and statements from the Department, decreased staffing levels have hindered their ability to perform the same level of audits as in the past. The recommended revenue for Audit Recoveries is $166,253, or 22.2% less than the adopted.

The following chart illustrates this drop-off of Audit Recoveries in 2014.



Issues for Consideration

Staffing

The Department's authorized positions decreased by 17 (from 85 to 68) or 20% from 2011 to 2012. In the first quarter of 2013 all 68 authorized positions were filled, by mid-September 2013 the staffing level dropped to 63 filled positions. BRO estimates a reduction in the 2013 permanent salaries of $305,490 and foresees a slowdown in the turnaround time for issuing audits, if the staffing level is maintained at 63 filled positions. As of September 15, 2013, the following job titles were vacant: one Sr. Contracts Examiner (grade 24), three Auditors (grade 20), and one Financial Analyst (grade 19).

The recommended budget provides adequate funding in 2014 to maintain all 63 filled positions and provides $82,513 to phase in the filling of five vacant positions in 2014. BRO estimates an additional $91,764 would be required to fill all five vacant positions in the second quarter of 2014.

Computer Equipment

The Department's reduced staffing level and aging computers and software highlights the necessity for reliable and functioning computer equipment in 2014. The recommended budget includes $24,620 for Office Machines, as requested. The computer equipment to be replaced is reported to be from 2004 and cannot be upgraded with newer software. The current operating system is Windows XP, which will no longer be supported by Microsoft as of April 2014. The Department's plan replaces half of the obsolete machines (28 computer systems) in 2013 and the balance in 2014.

Fees For Services

The recommended budget provides $69,720 for fees for services (001-AAC-1315-4560), which is $29,400 more than the 2013 adopted amount of $40,320, as requested. The following table reflects the Department's request for Fees For Services: Non-Employee.

Description of Services	Requested
Consultant (Audit Division)	$30,000
Preparation of the Indirect Cost Allocation Plan	$23,400
Independent outside counsel for legal matters involving conflicts of interest	$15,000
Application Fee for Certificate of Excellence (CAFR Program)	$1,100
Application Fee for Certificate of Excellence (PAFR Program)	$220
Total	**$69,720**

The fundamental difference between the adopted and the recommended amounts is the addition of funding as requested of $30,000 for outside consultant services for the audit division. As staffing levels remain low, and the workload increases and becomes more complex, the Department of Audit and Control may seek to increase funding in future years for outside consultant services to address audit issues.

MUN ACC14

Board of Elections

Personnel (as of 9/15/13)

Authorized Positions:	123	**Filled Positions:**	122
Vacant Positions:	1	**Percentage Vacant:**	0.8%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$9,122,603	$8,709,610	$8,501,030	$8,642,356	$8,559,356
Equipment (2000s)	$0	$0	$0	$0	$0
Supplies (3000s)	$2,854,770	$2,234,500	$3,083,645	$3,011,500	$2,742,000
Contracts (4000s)	$4,481,530	$3,168,600	$3,153,329	$4,471,940	$3,971,840
Totals	**$16,458,903**	**$14,112,710**	**$14,738,004**	**$16,125,796**	**$15,273,196**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$6,289	$0	$161,697	$0	$0
Federal Aid (4000s)	$9,458	$0	$77	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$151,363	$125,569	$157,689	$151,478	$151,478
Totals	**$167,109**	**$125,569**	**$319,463**	**$151,478**	**$151,478**

Effects of Recommended Budget

The 2014 Recommended Budget for the Board of Elections is $1.16 million more than the 2013 Adopted Budget and $1.42 million more than the 2013 estimate (excluding $886,645 in expenditures associated with nonrecurring NYS BOE grants). Significant increases include an additional $200,000 for ballot printing (001-BOE-1450-3040), $200,000 for the cartage of election equipment (001-BOE-1450-3930), and $811,340 for Elections Inspectors (001-BOE-1450-4510). However, the recommended budget provides $200,000 less than requested for ballots and $500,000 less than requested for Elections Inspectors, which together, make up the majority of the total $852,600 difference between the requested and recommended budgets.

Estimating expenditures for the Board of Elections is challenging since a large percentage of expenditures are not incurred until election season, which takes place after the budget cycle is substantially complete. Generally, the 2014 Recommended Budget appears reasonable; however, the 2013 estimate may be understated for several objects.

The Board of Elections brings in revenue from the sale of election maps and other documents as well as renting voting equipment to local jurisdictions such as school districts and fire departments. The 2013 estimated revenue is $319,463, which includes $157,766 for the rental of equipment and other miscellaneous revenues and $161,697 in NYS grants. The 2014 Recommended Budget includes $151,478 for all Board of Elections revenues. Both the 2013 estimate and 2014 Recommended Budget for BOE revenue are reasonable.

Permanent Salaries

Based on year-to-date expenditures and the projected cost to pay existing staff for the remainder of 2013, we conclude that the 2013 estimate for permanent salaries is understated by approximately $190,000. For 2014, the recommended budget for Permanent Salaries (001-BOE-1450-1100) is equal to the Board's request, but is approximately $111,000 less than what would be needed to fund all currently filled positions for the duration of 2014. The recommended and requested funding assumes that the Board's one existing vacancy will not be filled and that a percentage of positions that become vacated in 2014 will not be refilled.

Issues for Consideration

Special Elections

A significant factor in election costs is determined by special elections. The County typically does not budget for special elections because it is difficult to anticipate the number of special elections that will be required in an upcoming year as a result of various public offices becoming vacant. In addition to the number of elections, the types of special elections impact costs based on the number of election districts affected. For each special election there are additional expenses for overtime, Elections Inspectors, ballot printing, and cartage of voting equipment to and from polling sites. The following chart shows the number and types of special elections in Suffolk County since 2006.

Special Elections Since 2006		
Year	No. Special Elections	Election Details
2006	1	8th NYS Assembly District (108 Election Districts)
2007	0	NA
2008	1	15th SC Legislative District (51 Election Districts)
2009	2	Brookhaven Town Supervisor (294 Election Districts) Huntington Town Proposition (178 Election Districts)
2010	2	3rd NYS Assembly District (87 Election Districts) 6th District Brookhaven Town Council (41 Election Districts)
2011	1	6th SC Legislative District (53 Election Districts)
2012	0	NA
2013	2	1st SC Legislative District (65 Election Districts) Brookhaven Highway Superintendent (295 Election Districts)
Source: http://www.suffolkcountyny.gov/Departments/BoardofElections/ElectionResults.aspx		

In 2013, there were two special elections, including a town-wide election in Brookhaven, the County's largest town. As a result, the Board of Elections is likely to exceed budgeted appropriations for several expenditures. Based on year-to-date data in the County's Integrated Financial Management System (IFMS) on October 3, 2013, BOE has already expended over 2/3 of its cartage budget and more than 1/2 of available funding for overtime, ballot printing, and Elections Inspectors. The 2013 estimated budget for these objects is equal to the 2013 Adopted Budget. We believe that these estimates are optimistic, but plausible for overtime and Elections Inspectors, but expect cost overruns for printing and cartage.

Budget Review Office Recommendations

Increase the 2013 estimate by $400,000 as follows:

- $190,000 for Permanent Salaries (001-BOE-1450-1100) from $6,829,266 to $7,019,266
- $175,000 for Outside Printing of ballots (001-BOE-1450-3040) from $800,000 to $975,000
- $35,000 for Cartage (001-BOE-1450-3930) from $300,000 to $335,000

BP BOE14

Civil Service

Personnel (as of 9/15/13)

Authorized Positions:	79	**Filled Positions:**	75
Vacant Positions:	4	**Percentage Vacant:**	5.1%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$6,163,304	$4,997,935	$4,893,428	$5,099,243	$4,999,743
Equipment (2000s)	$10,702	$1,231	$999	$3,280	$3,900
Supplies (3000s)	$90,764	$140,006	$106,880	$126,610	$103,610
Contracts (4000s)	$265,727	$549,026	$493,750	$523,772	$521,083
Totals	**$6,530,496**	**$5,688,198**	**$5,495,057**	**$5,752,905**	**$5,628,336**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$171	$0	$0
Federal Aid (4000s)	$9,369	$0	$81,277	$0	$0
Departmental Income	$389,703	$500,000	$500,000	$500,000	$650,000
Other Income	$181,195	$212,510	$195,010	$187,510	$185,010
Totals	**$580,267**	**$712,510**	**$776,458**	**$687,510**	**$835,010**

Effects of Recommended Budget

The 2014 Recommended Budget for the Department of Civil Service is $138,117 more than estimated for 2013 due primarily to contractually obligated increases in personnel costs; however, it is $121,209 less than requested by the Department. The most significant differences from the request are $95,000 less for exam monitors (001-CIV-1430-1110) and $18,000 less for credit card fees (001-CIV-1430-3460). Revenue for the Department of Civil Service is predominantly from exam fees (001-CIV-1430-1240). The recommended budget anticipates revenue to come in on target in 2013 and to increase by $150,000 in 2014 as applicants begin to prepay for the 2015 police exam. Based on historical data for both expenditures and revenues, the 2013 estimated budget and the 2014 Recommended Budget appear reasonable.

Permanent Salaries

The recommended budget provides $4,176,198 for Permanent Salaries in Civil Service's General Fund appropriation (001-CIV-1430-1100), which is sufficient to fund all currently filled positions for the duration of 2014 and four vacant positions for 80% of the year. Funding of $560,945 for permanent salaries for the Employee Medical Health Plan Unit (039-CIV-1317-1100) is sufficient to fund all positions for the duration of 2014 (there are currently no vacancies in this unit).

Issues for Consideration

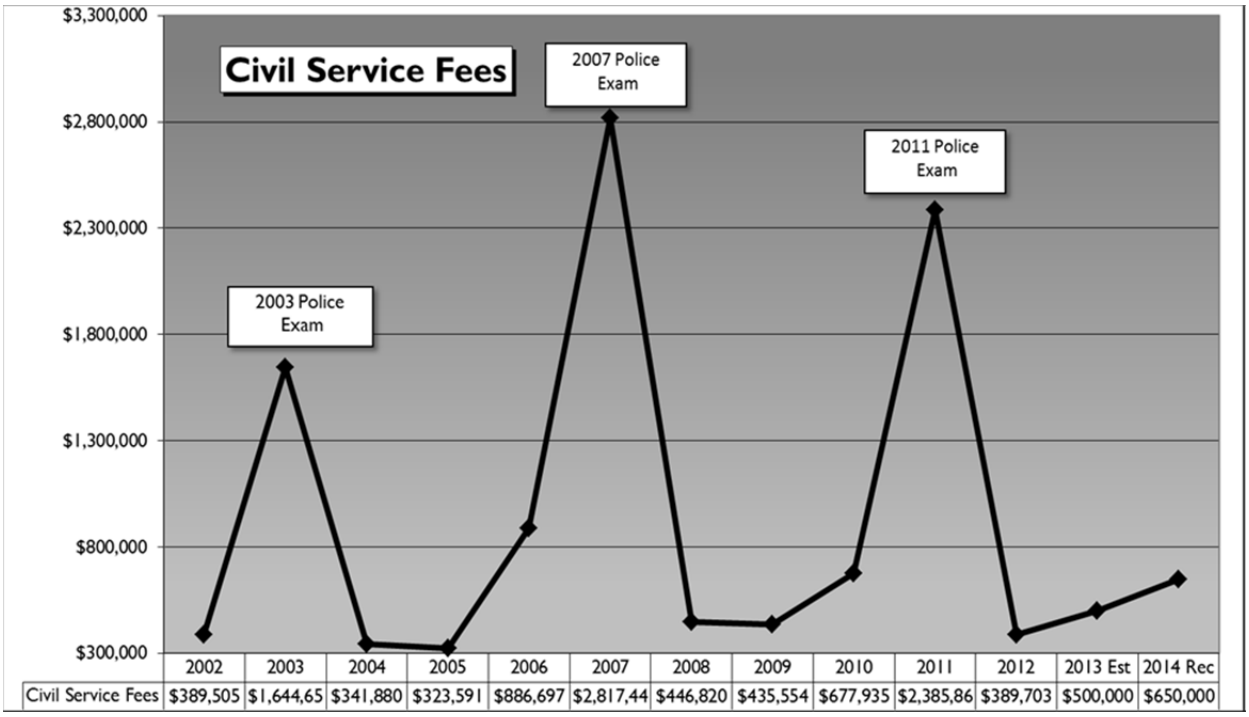
Workload

In addition to the services it provides to the County, the Department of Civil Service is responsible for administering exams and performing personnel analysis for all of Suffolk County's municipal employers, including towns, villages, and school districts. As local governments have struggled financially, the Department has been asked by multiple jurisdictions to conduct time consuming layoff analyses.

Workload has also been increasing in the Employee Medical Health Plan (EMHP) Unit, which administers and coordinates the health benefits of approximately 21,000 former and current employees, covering more than 47,000 lives. In 2013, the Unit was responsible for instituting employee healthcare premium contributions for new employees as well as coordinating changes with the County's prescription benefit manager (PBM). Two interim Clerk Typist positions were created during the year to assist with backlogs in form processing and to answer employee questions and concerns regarding the switch to mail order prescription processing. The 2014 Recommended Budget makes these positions permanent and provides sufficient funding for the four part-time employees that occupy them.

Civil Service Fees

The Department of Civil Service is authorized by law to charge exam fees to offset the cost of giving Civil Service tests. Revenue from fees follows a predictable pattern based on the police officer exam that is given every four years. Revenue is highest in the year of the police test, followed by two years of modest revenue, and then somewhat higher revenue in the third year as applicants begin to prepay for the next police exam. In accordance with this pattern, the recommended budget includes an increase in fee revenue from $500,000 in 2013 to $650,000 in 2014 in advance of the 2015 police exam. The following chart shows revenue from Civil Service Fees since 2002.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 Est	2014 Rec
Civil Service Fees	$389,505	$1,644,65	$341,880	$323,591	$886,697	$2,817,44	$446,820	$435,554	$677,935	$2,385,86	$389,703	$500,000	$650,000

While the recommended budget projects a $150,000 increase in fee revenue in 2014 due to the upcoming police exam in 2015, the Department anticipates that revenue will remain flat from 2013 to 2014 based on the growing number of applicants taking advantage of fee waivers. Pursuant to the legislation listed below, the following groups are entitled to have exam application fees waived:

Resolution No.	Exemption
206-2006	Unemployed, Medicaid Recipients, TANF Recipients, and Food Stamp Recipients
326-2007	Auxiliary Police
459-2007	Veterans
254-2008	Volunteer Fire Department and EMT Personnel
402-2009	Volunteer Members of the Community Emergency Response Team (CERT)

Due to the poor economy, a larger percentage of applicants have become eligible for fee waivers pursuant to Resolution No. 206-2006. Resolution No. 823-2011 amended Resolution No. 206-2006 to specify that eligible applicants must not simply lack a job, but be able to certify to the Suffolk County Department of Civil Service that they are unemployed (as defined in Section 50 5b of New York State Civil Service Law) and primarily responsible for the support of a household. Even under the stricter criteria, the number of applicants eligible for the waiver continues to negatively impact revenue. That being said, the recommended revenue of $650,000 is reasonable based on actual receipts in 2010 ($677,935), which was the last year immediately preceding a police exam.

Budget Review Office Recommendations

The 2014 Recommended Budget and 2013 estimates are reasonable.

BP CIV14

County Clerk

Personnel (as of 9/15/13)

Authorized Positions:	102	**Filled Positions:**	99
Vacant Positions:	3	**Percentage Vacant:**	2.9%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	1

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$5,715,907	$5,988,786	$5,956,203	$6,157,902	$6,085,967
Equipment (2000s)	$84,537	$53,340	$86,340	$105,830	$102,730
Supplies (3000s)	$509,571	$606,226	$556,026	$652,726	$583,876
Contracts (4000s)	$629,314	$603,300	$602,800	$617,750	$616,650
Totals	**$6,939,330**	**$7,251,652**	**$7,201,369**	**$7,534,208**	**$7,389,223**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$17,864,120	$17,903,534	$19,400,000	$19,500,000	$19,500,000
Other Income	$29,358	$6,400	$8,680	$6,400	$7,200
Totals	**$17,893,478**	**$17,909,934**	**$19,408,680**	**$19,506,400**	**$19,507,200**

Effects of Recommended Budget

Personal Services

The 2013 estimate for permanent salaries is $5.5 million, which is reasonable. The Department requested $5.7 million in 2014, the recommended provides $5.67 million, which is adequate to fund all 99 filled positions in 2014, and provides $76,973 to fill four vacant positions during 2014. The recommended budget increases the number of authorized positions from 102 to 103 by creating one new Senior Official Examiner of Title position, (grade 34).

Expenditures

Not including Personal Services, the estimated 2013 expenditures of $1.25 million are reasonable. The recommended 2014 expenditures are $1.3 million, which is $40,390 or 3.2% more than the 2013 adopted and $73,050 or 5.3% less than requested.

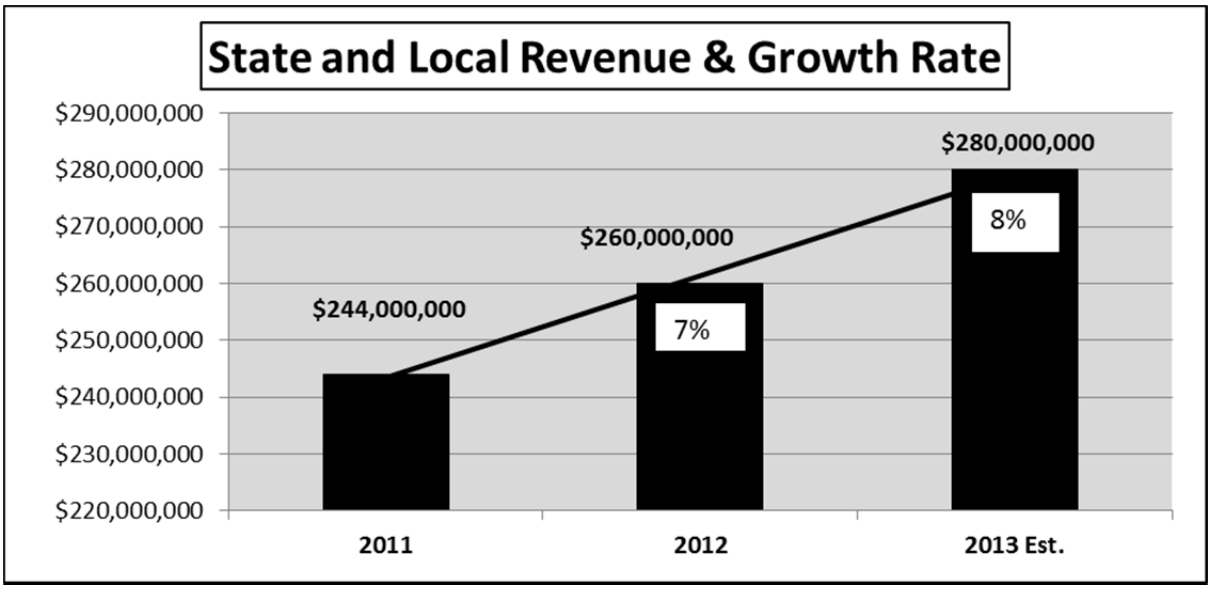
Revenue

The three core revenues in the County Clerk's Office are: County Clerk Fees (001-1255), Micrographic Fees (001-1256), and County Clerk Subscription Fees (001-1260). In the aggregate, the 2013 revenue estimate is $19.4 million, a $1.5 million or 8.4% increase compared to the adopted amount of $17.9 million. In the aggregate, the recommended revenue of $19.5 million is a $1.6 million or 8.9% increase in 2014 compared to the 2013 adopted amount.

Issues for Consideration

Personal Services

The Suffolk County Clerk's Office is the busiest County Clerk's Office in the State. This is reflected in the level of revenue that is generated annually. The County Clerk's Office reported generating more than $260 million in revenue for the State and local governments in 2012, and anticipates $280 million, or an eight percent growth rate, in 2013. The following chart exhibits the State and local revenue growth in dollars and percent from 2011 to 2013.



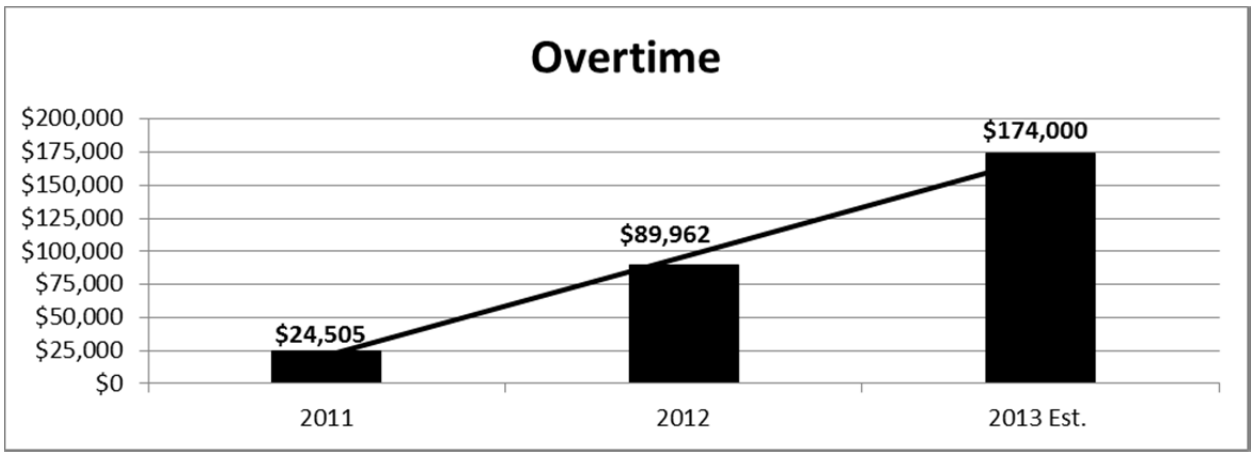
The majority of vacant positions in the County Clerk's Office are the workforce that interacts with the general public on a daily basis and processes the records in the office. These records include

deeds, mortgages, court judgment, certificates of incorporation, and papers in accordance with County and State Laws. Based on discussions with the County Clerk's Office and field visits, processing time has increased and back logs have occurred (a result of reduced staff levels of 29 or 22.1% from 2009). To function with fewer staff, the Department has relied on overtime and temporary staff. The County Clerk's Office has expressed concern that staff members are becoming burned out and sick time has increased as a result of this practice. The recommended budget creates one new Senior Official Examiner of Title position (grade 34), which does not currently exist in the County's Salary and Classification Plan. To add a Civil Service approved title, the adoption of a resolution is required amending the salary and classification plan. Introductory Resolution No. 1815-2013, sponsored by the County Executive, to adopt the 2014 Operating Budget, does not include the necessary resolved clause to add this title to the salary and classification plan. The Legislature utilizes their own legislation to adopt the 2014 Operating Budget, which can include a resolved clause for this purpose if desired. The Senior Official Examiner of Title position was created anticipating the reclassification of the filled Official Examiner of Title position (grade 29) to the senior position by the Department of Civil Service.

The reclassification of a filled position does not require adding a position through the budget adoption process, therefore we recommend the new Senior Official Examiner of Title position not be created. Pending the approval of the New York State Department of Civil Service and a review by the Suffolk County Department of Civil Service of duties to be assigned to the new title, the previous position can be reclassified to Senior Official Examiner of Title. If the new title is not added to the Salary and Classification Plan during the budget adoption process, a resolution will be required to do so.

The recommended budget provides $245,000 for temporary salaries, which is a decrease of $30,000 or 10.9% compared to the 2013 adopted, $40,000 less than requested, and $75,000 or 44.1% more than the 2013 estimate. We recommend decreasing temporary salaries by $45,000 in 2014 (from $245,000 to $200,000).

Overtime expenditures in the County Clerk's Office have increased $149,495 or 610% from the 2011 actual amount of $24,505 to the 2013 of $174,000. This trend is a result of increased workload, staff reductions and unfilled positions. The following chart exhibits overtime growth in dollars from 2011 to 2013.



Funding for overtime is recommended at $58,000, which is $1,000 or 1.7% less than adopted. The Department requested $59,000, as adopted in 2013. The 2013 estimated overtime is $174,000,

which is $115,000 or 194.9% more than adopted. Assuming vacant positions funded in the budget are filled, recommended overtime should be sufficient.

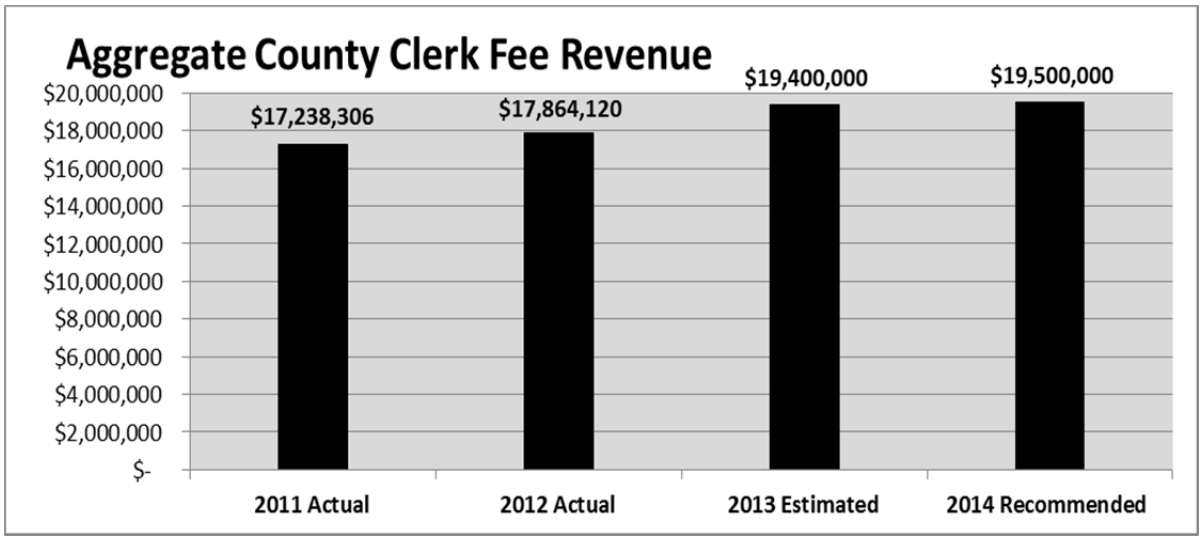
The Department requested $5.7 million in permanent salaries to maintain all 99 filled positions, and fill three vacant positions during 2014. The recommended budget provides $5.67 million for permanent salaries, which is adequate to fund all 99 filled positions in 2014, and provides $76,973 to phase in the filling of the three vacant positions during 2014.

The following table lists the vacant positions in the County Clerk's Office as of September 15, 2013, which is four less than this time last year.

No.	Job Title	Grade
1	Principal Clerk	14
1	Senior Clerk Typist	12
1	Laborer	08

Departmental Income

Based on the year to date revenue amounts realized as of the end of September 2013, and an anticipated active County Clerk Office in the last quarter of 2013 and all of 2014, the estimated and recommended revenues appear understated. BRO analysis indicates County Clerk Fees (001-1255) are understated by $180,000 in 2013 and 2014.



Rev. Code	Object Name	EXE 2013 Estimated	BRO 2013 Estimated	2013 Difference	EXE 2014 Recommended	BRO 2014 Recommended	2014 Difference
001-1255	County Clerk Fees	$17,700,000	$17,880,000	$180,000	$17,800,000	$17,981,000	$181,000
001-1256	Micrographics Fees	$200,000	$200,000	$0	$200,000	$200,000	$0
001-1260	Subscription Fees	$1,500,000	$1,500,000	$0	$1,500,000	$1,500,000	$0
		$19,400,000	$19,580,000	$180,000	$19,500,000	$19,681,000	$181,000

This revenue projection assumes that the current backlog of documents requiring verification of tax map numbers has been addressed by the Real Property Tax Service Agency (RPTSA). Every land use document that is recorded by the County Clerk's Office is reviewed and verified by RPTSA. This includes deeds, notices of pendency, tax liens, mechanics liens, covenants and restrictions,

various mortgage documents, and other real property related documents. The County Clerk's Office has expressed concern that if the turnaround time for the verification of tax map numbers goes past 90 days, checks that accompany these documents will go stale. The turnaround time will be further extended awaiting replacement checks. Not filling the six vacant positions in the Real Property Tax Service Agency in 2013 has contributed to the current backlog (as of 9/24/2013) of 11,000 documents requiring verification of tax map numbers. The RPTSA is currently utilizing part-time employees and overtime to address this backlog, as well as positioning a RPTSA employee within the County Clerk's Office to expedite the flow of documents that require verification of tax map numbers. In addition, the County Clerk's Office and RPTSA are modernizing their systems for document tracking, movement and retrieval between their two offices through a barcode document identification system.

Expenditures

The County Clerk's Office requested funding for non-personnel expenditures in 2014 with an increase of $113,440 or nine percent compared to the 2013 adopted. The recommended budget provides $40,390 or 3.2% increase over the 2013 adopted. The following table identifies leading differences between requested and recommended in 2014.

Unit	OBJ	Object Name	2014 Requested	2014 Recommended	2014 Req. vs. Rec.
1410	3010	Office Supplies	$145,000	$130,000	-$15,000
1410	3460	Bank Service Charges	$30,000	$15,000	-$15,000
1412	3030	Photostat, Photograph & Bluepr	$57,950	$35,000	-$22,950
1412	3610	Repairs: Office Equipment	$116,704	$106,704	-$10,000
			$349,654	**$286,704**	**-$62,950**

The County Clerk's Office 2014 funding request is based on information received from venders, economic trends, and the necessity to repair office equipment that is failing or no longer useable by staff and the public. Should this additional funding be needed, there is likely to be sufficient funds within the Clerk's budget to make necessary adjustments.

Budget Review Office Recommendations

- Do not create the Senior Official Examiner of Title position (grade 34).
- To avoid over funding temporary salaries, decreasing recommended temporary salaries by $45,000 in 2014 (from $245,000 to $200,000).
- Increase the 2013 estimate and 2014 recommended County Clerk Fees (001-1255) by $180,000 in each year.

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Suffolk County Board of Ethics

Personnel (as of 9/15/13)

Authorized Positions:	2	Filled Positions:	2
Vacant Positions:	0	Percentage Vacant:	0.0%
Positions Abolished in the Recommended Budget:	0	New Positions:	1

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$54,587	$140,000	$146,300	$187,685	$153,246
Equipment (2000s)	$0	$0	$0	$2,500	$0
Supplies (3000s)	$927	$7,670	$6,170	$9,170	$9,170
Contracts (4000s)	$27,213	$140,000	$116,500	$140,000	$140,000
Totals	**$82,727**	**$287,670**	**$268,970**	**$339,355**	**$302,416**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$0	$100	$100	$100	$100
Totals	**$0**	**$100**	**$100**	**$100**	**$100**

Effects of Recommended Budget

The 2014 Recommended Budget for the Board of Ethics is five percent more than the 2013 Adopted Budget due primarily to salary step increases for the two employees appointed by the Ethics Board. The recommended budget includes one new Attorney (Departmental) position as requested by the Executive Director; however, no funds are included to fill the position in 2014.

Issues for Consideration

The Board consists of five members; two appointed by the County Executive and one each by the Presiding Officer, Majority Leader, and Minority Leader. The responsibilities of the Ethics Board include: ethics training and education for County officials and employees, rendering advisory opinions, reviewing financial disclosure statements, conducting investigations/hearings, and imposing penalties for ethics violations.

The Board of Ethics is authorized to appoint an Executive Director, outside counsel, and other support staff. These hires do not require the County Executive's approval and do not report to the Department of Law.

Staffing

The recommended budget includes sufficient permanent salary appropriations for existing staff in 2014, but does not provide any funding for the newly created Attorney (grade 30) position. The Executive Director requested $34,439 to fill this position on a part-time basis to draft advisory opinions, respond to phone inquiries, conduct legal research, and perform a variety of other duties that would allow the Executive Director to focus additional time and energy on outreach and new initiatives.

In addition to permanent salary costs, board members are entitled to $200 for each board meeting they attend, not to exceed $400 per month. Accordingly, the maximum possible cost for five members is $24,000.

Fees for Services

The 2014 Recommended Budget includes $134,000 for Fees for Services: Non-Employee (001-COE-1120-4560), which is the same as adopted in 2013 and equal to the Board's request for 2014. These funds include $24,000 for board member stipends, $20,000 for Judicial Hearing Officers, $70,000 for independent counsel, and $20,000 for the second year of the ethics training program contract initiated in 2013. The 2013 estimate for Fees for Services is $113,500, which appears to be understated based on the following anticipated expenses: $40,000 for the first year of the ethics training contract, $65,700 for outside counsel, and $24,000 for board member stipends.

Budget Review Office Recommendations

Increase the 2013 estimate for Fees for Services (001-COE-1120-4560) by $16,200 from $113,500 to $129,700 to account for anticipated expenditures.

BP COE14

District Attorney

Personnel (as of 9/15/13)

Authorized Positions:	387	**Filled Positions:**	372
Vacant Positions:	15	**Percentage Vacant:**	3.9%
Positions Abolished in the Recommended Budget:	3	**New Positions:**	3

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$31,228,105	$32,420,472	$32,039,861	$33,013,003	$32,961,509
Equipment (2000s)	$168,307	$208,227	$260,227	$352,696	$156,696
Supplies (3000s)	$887,976	$1,091,974	$1,033,239	$959,694	$959,694
Contracts (4000s)	$1,665,242	$1,536,340	$1,698,286	$1,449,262	$1,449,262
Totals	**$33,949,630**	**$35,257,013**	**$35,031,613**	**$35,774,655**	**$35,527,161**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$4,740,329	$3,645,843	$4,117,912	$3,517,912	$3,328,041
Federal Aid (4000s)	$403,829	$10,000	$107,497	$44,405	$10,000
Departmental Income	$0	$0	$0	$0	$0
Other Income	$136,175	$76,540	$150,325	$150,300	$150,300
Totals	**$5,280,333**	**$3,732,383**	**$4,375,734**	**$3,712,617**	**$3,488,341**

Effects of Recommended Budget

Expenditure Overview

Total 2014 expenditures are recommended at $35,527,161, which is $270,418 or 0.8% more than the 2013 Adopted amount. There is a 2% increase in permanent salaries for step increases for eligible employees but a 9.5% decrease in supplies, equipment, travel, rent of automobiles and contracts. The 2014 Recommended Budget includes the majority of the District Attorney's cost-to-continue budget request, with the exception of additional permanent salaries to address personnel issues and computer hardware that will be purchased through the Department of Information Technology.

Personnel Issues & Costs

A major concern for the District Attorney is staffing. Layoffs, retirements and other separations from service coupled with the inability to hire additional staff has strained the DA's staff to maintain the level of investigative and prosecutorial services the County has come to expect. With a further increase in areas such as caseload, complexity of investigations, number of specialty courts and new DA units, it will become even more difficult for the DA to handle critical public safety issues. There also has been a steady decline in clerical staff forcing legal and investigative personnel to handle clerical duties.

Examples of areas that have increased the demands placed upon the DA:

- Search warrant activity has tripled in the last year as Assistant District Attorneys (ADAs) for the first time were assigned to individual Suffolk County Police Precincts to work with officers and detectives on front line gang issues and initiatives.
- The abuse of prescription drugs: The prosecution of these cases spans multiple bureaus including Homicide, Major Crime and Narcotics.
- Heroin addiction: The dual scourge of prescription drug abuse and heroin addiction has become a major point of emphasis where the continued use of long term eavesdropping investigations are used to arrest, prosecute and incarcerate these criminals.
- Robberies, burglaries and other thefts prosecuted across multiple bureaus are on the rise due to the continued pursuit of money by those addicted to drugs.
- Creation of a Vehicular Crimes Bureau: The prosecution of crimes resulting from drugged and/or drunken drivers, Leandra's Law and leaving the scene cases increased dramatically, as reflected by the number of laboratory blood draws from drivers. Vehicular Crimes Bureau ADAs are on call 24/7.
- Financial crimes and mortgage fraud: Due to the ongoing recession, these complex cases are increasing and are particularly time consuming for professional and support staff because they often involve thousands of documents and multiple electronic devices that must be reviewed and analyzed.
- Technical complexities: The large majority of cases now involve smart phones, computers, social media websites, video cameras, Photoshop, etc. adding to the complexity of prosecuting cases.

- Guns and Gangs: The continuing proliferation of the use of guns and gang activity poses an ongoing threat and requires targeted, specific initiatives resulting in the seizure of weapons that may have been used in multiple crimes after being passed between gang members.
- Specialty courts, village courts and night courts: The increasing number of courts being established that must be covered by the DA and often require intensive and multiple court appearances have become an increasing burden. At a recent Criminal Justice Coordinating Council meeting, it was revealed that a new specialty court for human trafficking would soon be mandated by the State.

Currently there are 13 vacant positions as opposed to 11 at the same time last year (one Clerk Typist is on unpaid leave). This table does not include two positions that were recently filled or will be filled in early October.

VACANT POSITIONS	#
CLERK TYPIST	3
SENIOR CLERK TYPIST	2
DISTRICT ATTORNEY INVESTIGATOR	2
SENIOR ASST DISTRICT ATTY	1
ASST SPECIAL INVESTIGATOR	1
DISTRICT ATTORNEY OPERATN AID	1
INVESTIGATIVE ASST (TECH SVCS)	1
PRINCIPAL LEGAL SECRETARY	1
COURT STENOGRAPHER	1
TOTAL	**13**

While the DA did request a cost-to-continue budget, additional permanent salaries were requested for two new positions and to fill some existing vacancies. A portion of this requested funding was included. The 2014 Recommended Budget provides sufficient funding for:

- All currently filled positions.
- Contractual increases.
- The ability to backfill positions as they become vacant during 2014.
- Fill three vacant positions for a full year or four to five positions over the course of the year, depending on salary and scheduling.
- Deferred Pay was not included in the recommended budget for the DA. Approximately $75,000 of permanent salaries will be required to pay employees who separate from service for their accrued time due to lag payrolls.

Requested New Positions Not Included

Two new positions were requested by the DA that were not included in the recommended budget.

- One Assistant District Attorney to be assigned to the District Court Bureau for coverage in the Suffolk County District Courts and the 29 Town and Village Criminal Courts. This position will backfill a more senior ADA that will be assigned to Child Abuse and Domestic Violence cases.

The Senior ADA will be responsible to conduct the additional Sex Offender Hearings because of the passage of the County's Community Protection Act.

- One Paralegal Assistant to assist ADAs in various bureaus with the preparation of legal documents, legal research, and organization of legal documents and discovery.

Abolished Interim Positions

Three District Attorney Investigator positions were abolished in the 2012 Operating Budget. While the positions were vacant at that time, the DA stated that these positions were essential to operations and they would be filled over a period of time. Three "Interim" positions were created with the caveat that they would be retired by the end of 2013. One of the positions was filled in July of 2013. The recommended budget abolishes these three District Attorney Investigator positions and creates three new permanent District Attorney Investigator positions in effect transferring them from the Interim Unit to the Investigative Unit.

Discretionary Step Increases for Exempt and Management Employees

Resolution No. 412-2013 gave the District Attorney the discretionary authority to grant step increases to the exempt and management employees within his department. Resolution No. 1173-2005 had authorized automatic annual step increases for the County's exempt and management employees. The District Attorney, on or before June 25, 2013 and June 1, 2014 and every June 1st, thereafter, will submit to the County Treasurer and County Comptroller a list of those employees in the titles included in Resolution No. 412-2013 who are to receive a step increase on July 1st instead of those employees receiving an automatic step. The resolution contains no language authorizing the District Attorney to grant multiple steps to employees or use the cost savings in any manner.

Of the 185 active employees in the exempt and management titles listed in this resolution, 110 of them are "in-step", which means that these 110 employees would have automatically received a step on July 1, 2013. The District Attorney determined that seven of these employees would not receive a step increase in 2013 due to their performance. This generated turnover savings in the amount of $12,922.

Vehicles

The DA has an authorized fleet of 133 vehicles and currently has 120 vehicles in the fleet. Over 30% of the fleet has mileage ranging from 102,000 to 161,000 miles. Every month approximately 10% of their fleet is out of service for maintenance and repairs. Vehicles are used to transport staff, witnesses and defendants, conduct surveillance, undercover operations, and in general for the prosecution and investigation of criminal offenses. The DA did not receive any vehicles in 2013. The DA articulated his need to replace 25 sedans in 2014 at a cost of $561,650. However, the recommended operating budget does not include funding for DA vehicles. The DA is willing to match the amount of vehicles purchased for his office with asset forfeiture funds. The 2014 Capital Budget includes $5 million for the purchase of public safety vehicles countywide (CP 3512).

Budget Review Office Recommendations

The Recommended 2014 Operating Budget provides the District Attorney a cost-to-continue budget with some additional permanent salaries to fill vacant positions. The Budget Review Office recommends that one vacant position should be earmarked and filled as an Assistant District Attorney to allow a more senior ADA to handle the additional Sex Offender Hearings because of the passage of the County's Community Protection Act and to prosecute Child Abuse and

Domestic Violence cases. Additionally, one of the other remaining vacant positions should be earmarked and filled as a Paralegal Assistant to assist ADAs in various bureaus with the preparation of legal documents, legal research, and organization of legal documents and discovery. The remaining permanent salaries could be used to address the lack of clerical staff by filling vacant clerical titles during the course of the year.

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Economic Development and Planning

Personnel (as of 9/15/13)

Authorized Positions:	93	**Filled Positions:**	86
Vacant Positions:	7	**Percentage Vacant:**	7.5%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$6,678,868	$6,419,294	$6,472,698	$6,196,917	$6,134,459
Equipment (2000s)	$0	$0	$0	$1,000	$1,000
Supplies (3000s)	$127,455	$256,800	$159,900	$250,206	$170,396
Contracts (4000s)	$3,285,542	$7,334,659	$7,508,811	$6,792,338	$7,519,881
Totals	**$10,091,865**	**$14,010,753**	**$14,141,409**	**$13,240,461**	**$13,825,736**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$125,000	$25,000	$25,000
Federal Aid (4000s)	$238,737	$390,000	$1,175,083	$119,409	$46,061
Departmental Income	$1,349,716	$1,707,230	$1,626,871	$2,025,284	$2,025,284
Other Income	$8,706,657	$10,542,983	$29,246,337	$28,776,138	$12,122,298
Totals	**$10,295,110**	**$12,640,213**	**$32,173,291**	**$30,945,831**	**$14,218,643**

Effects of Recommended Budget

Staffing

The recommended budget includes sufficient appropriations to fund all currently filled positions in all funds in the Department for all of 2014, plus enough additional appropriations to fill five current General Fund vacancies for approximately half of the year. There are insufficient appropriations to fill two vacant positions in the Community Development Fund (Fund 351). There are no current vacancies in Suffolk County Water Protection Fund (Fund 477), but an additional $29,678 in appropriations is included.

No positions are abolished, but the Executive has recommended that nine filled positions in the Department of Economic Development and Planning (EDP), Water Quality Unit, be transferred to the Department of Public Works (DPW), Water Quality Unit. This transfer would reduce total EDP positions from the current 93 to 84, a 9.7% decrease, and the EDP vacancy rate would rise slightly, to 8.3%, as no vacant positions are transferred. The number of positions in the EDP Water Quality Unit would be reduced from 17 to eight, all currently filled.

The Department has indicated that these nine positions are already aligned with the Department of Public Works, both physically and functionally, rendering supervision by EDP difficult. The intent is to move the positions in the budget to reflect where they are physically located and supervised. The nine water quality positions would be added to ten water quality positions already present in DPW. The positions are as follows:

Job Title	Grade	Step
SENIOR CIVIL ENGINEER	29	08
JR CIVIL ENGINEER	23	07
MAP DRAFTER III	23	08
COMP GRAPHICS MAP SPECLST	20	05
BIOLOGIST	21	11
HEAD CLERK	18	09
BLDG FACILITIES CREW LDR	16	12
LABOR CREW LEADER	14	12
ASSISTANT LABOR CREW LEADER	11	12

The recommended budget transfers one filled position within EDP from the General Fund, Administration Unit (001-8410-0100), to the Hotel Motel Tax Fund, Film Unit (192-6415-0100). Salary costs of $86,459 for one Program Coordinator (Cultural Affairs), grade 25, step 11 are recommended to be transferred to Hotel Motel Tax Fund. This transfer was not requested by the Department. There are some parallels between the increasing use of the Hotel Motel Tax Fund (Fund 192) for employee-related costs and the situation we are now facing with Fund 477. In regards to evaluating these issues, which we discuss in more detail in our Review of Fund 192, four additional Fund 192 positions have also been recommended for the Parks Department.

The final staffing issue is in the Aviation Division. There are currently six filled positions in this Division. The Department's actual request included $79,710 to fund two additional positions: an entry level Maintenance Mechanic I (grade 9, requested at $28,266) and an Assistant Airport Manager (grade 23, requested at $51,443). The staffing pages of the recommended budget do not

reflect that two additional positions were requested, although the requested $79,710 is reflected in the salary line and the staffing page. The additional funding is not recommended for 2014. See additional discussion under Aviation Division.

The Department has made numerous intra-departmental transfers as well. This is to be expected as the Department has undergone significant changes in the past few years, including consolidations of previously separate Departments, name changes, and reduced personnel. There is a recommended net increase of six positions in the Administration Unit (from 15 to 21), mostly involving transfers of administrative support staff into the Finance and Personnel sub-unit. Five positions are transferred in from Real Property Acquisition and Management and two from Planning, as requested by the Department, and one is transferred out to the Hotel Motel Tax funded Film Unit. The Division of Real Property Acquisition and Management is recommended to be reduced by six positions (five to Administration and one to Planning), and Planning is recommended to be reduced by one position.

Expenditure

Salary-related costs comprise 44% of the Department's recommended budget. The recommended transfer of nine filled water quality positions from EDP to DPW resulted in a $574,570 (54%) decrease from 2013 estimated salary related costs of $1,055,561 for the Water Quality Unit. Despite these transfers, Department-wide recommended salary-related costs only decreased $338,239, or five percent, from the 2013 estimate. The change in salary related costs is the primary contributing factor to the Department's recommended overall two percent decrease in all operating budget expenses, as compared to the 2013 estimate.

Contractual expenditures comprise 54% of the Department's recommended budget. The net change across all funds was close to zero in this category. There was a significant recommended increase in contractual expenditures funded by the Hotel Motel Tax ($510,153, or 16%) from the 2013 estimate. This correlates with an increase in the amount of recommended Hotel Motel Tax funding allocated for this purpose. The Long Island Convention and Visitors Bureau is the largest single agency funded by this tax, but numerous other organizations are also funded.

The increase in recommended contractual expenditures funded by the Hotel Motel Tax is mostly offset by a corresponding decrease in recommended contractual expenditures funded by the General Fund ($438,222, or 15%). The major components of these recommended General Fund expenditure reductions from the 2013 estimate relate to Cornell Cooperative Extension agencies in the General Fund (a $200,457 expenditure reduction) and a $220,000 expenditure reduction in fees for services in the Planning Division.

The Department administers a number of Cornell Cooperative Extension agencies in both the General Fund and Water Quality Fund. The Cornell agencies recommended in EDP for 2014 were all funded as requested by Cornell and by the Department, except for Family Health and Wellness. This agency was requested by the Department of Health Services and was therefore not included in the 2013 estimate for EDP. We discuss Cornell agencies in more detail later in this section.

The recommended budget only provides $21,540 of $107,570 requested in 2014 for advertising costs (object 3770) in the Administration Unit. The recommended amount is approximately half of the 2013 estimated expense. The Department's intent was to use advertising as a tool to increase awareness of its economic development programs and other initiatives.

In the Division of Real Property Acquisition and Management, expenses on property acquisitions (4730) and fees for services (4560) were funded as requested, at a combined expense of $87,500.

There was some indication, pending clarification from the Division, that the 2013 estimate of $89,433 may not accurately reflect pending expected expenses to maintain an inventory of approximately 2,000 tax acquired properties, of which approximately 400 are houses. Approximately $5.1 million in sales reportedly resulted from the September auction of some of these properties.

Note that the Department of Economic Development and Planning was initially adopted in 2012 as the "Department of Planning" but shortly thereafter was reorganized under its current name by Resolution No. 56-2012 (approved 2/21/12) and related Resolution No. 58-2012. The 2012 Actual expenditure and revenue derived from both Departments are combined in our chart at the beginning of this section, for a more accurate comparison to other years, the recommended budget separately includes the Department of Planning in a section just after the EDP budget pages. Minor 2012 expenditure and revenue components under the Department of Economic Development (now included as part of EDP) are also included in our chart.

Revenue

The most significant components of the revenue to the Department are related to Sales of Real Property, the Hotel Motel Tax, and revenue related to F.S. Gabreski Airport. (See our separate write-ups on Revenue Code 2660 (Sales of Real Property) and the Hotel Motel Tax Fund (Fund 192) for further detail on these items).

Sales of Real Property (Revenue Code 2660)

The 2012 adopted General Fund revenue related to sales of real property was $18.11 million. This amount was predicated on the sale of approximately 122 acres in Yaphank and the sale of a smaller parcel in Selden. The actual 2012 revenue is zero, as neither sale occurred last year.

The 2013 adopted revenue of $660,000 was related to the Selden sale (Resolution No. 515-2011), which did not occur, and is not currently expected to occur. Estimated 2013 revenue of $19,354,353 is related to the sale of approximately 230 acres in Yaphank (per Resolution No. 851-2012). Last year's recommended budget estimated that we would receive $19.25 million from this sale in 2012, but the closing actually occurred in 2013. No General Fund revenue relating to sales of real property is recommended in 2014.

Hotel Motel Tax Revenue (Fund 192)

The second major component of 2013 estimated revenue and the primary component of 2014 recommended revenue are related to Hotel Motel Tax receipts. The 2014 tax is recommended at $11,351,000, which is a 25.3% increase ($2,288,867) over the 2013 estimate of $9,062,133. Hotel Motel Tax revenue is allocated to specific uses by law. It is used to fund several divisions in the Department: Tourism Promotion, Cultural Affairs, and Film Promotion. The 2014 recommended expenditures for these Divisions are linked to the recommended revenue projection. Recommended Hotel-Motel Tax revenue in 2014 exceeds the Budget Review Office projection by $1.84 million. This calls into question the appropriateness of the level of recommended funding in 2014. See our separate section on the Hotel Motel Tax Fund (Fund 192) for further information on revenue projections and distribution formulas.

F.S. Gabreski Airport Revenue (Fund 625)

Department revenue related to the F.S. Gabreski Airport, at approximately $1.8 million, is the next major contributor to 2014 recommended revenue for the Department, but it goes into an airport specific fund (Fund 625) and must be used for airport related expenses. Resolution No. 601-2013, adopted July 30, 2013, raised the fee schedule at the airport and is expected to increase fee related

revenue in both 2013 and 2014. Next year will be the first full year of the fee increase, and a 47.5% ($237,591) increase over the 2013 estimate of $500,000 for "take-off fees" is recommended.

Revenue related to leases of airport property, estimated at $1,019,830 for 2013 and recommended at $976,053 in 2014, includes an assumption that a major lease will begin in the third quarter of 2013. Resolution No. 379-2009 first authorized the execution of a lease agreement with Rechler at Gabreski LLC (Rechler), for the proposed development of a 55 acre industrial park. This is a long-delayed lease that appears to be finally moving forward, but a 2013 start appears overly optimistic. Approximately $1 million in related revenue was never realized in 2012.

The Division's requested revenue related to this lease included $793,069 in 2013 (a $650,000 deposit plus $143,069 for three month's rent at the first year lease rate) and $484,775 in 2014 ($429,206 for nine more months at the first year lease rate and $55,569 for three months at the second year lease rate). As of mid-September, the site plan for the first building had been submitted to the Southampton Town Planning Board and had received conditional approval. The final building site plan must address specific zoning and building criteria, as the area is an Airport Planned Development District (APDD). Once the conditions of compliance with APDD requirements and Town codes have been met, the plans will be submitted to the Town Building Department for approval. It is our understanding that, unless other arrangements are agreed to, payments will not be due until Rechler has obtained the required permit for the first building as well as approvals for overall development of the site. The Department has indicated that there are interested tenants, which may encourage Rechler to expedite the time frame for construction.

If no related revenue is realized in 2013, but the lease is able to commence at the beginning of 2014, the net, two year difference in revenue would be approximately $55,569 (equivalent to three months at second year rate), assuming receipt of the deposit and one year's full rent at the first year lease rate. The following table contains the lease schedule.

F.S. Gabreski Airport Rechler Lease Terms	
Lease Year	**Annual Rent**
1	$572,275
2	$222,275
3 to 4	$444,550
5 to 6	$666,825
7 to 8	$777,963
9 to 10	$889,100
11 to 15	$924,664
16 to 20	$961,651
21 to 25	$1,000,117
26 to 30	$1,040,121
31 to 35	$1,081,726
36 to 40	$1,124,995

Issues for Consideration

Aviation Division

The main concerns in this Division relate to the request for two additional positions, as already noted, as well as sufficient funds to keep this County property in good repair. The Department's actual request included $79,710 to fund two additional positions: an entry level Maintenance Mechanic I (grade 9, requested at $28,266) and an Assistant Airport Manager (grade 23, requested at $51,443). The additional funding was not recommended for 2014.

The Federal government, on July 12, 1972, signed a "quitclaim deed", which conveyed F.S. Gabreski Airport to the County "for the development, improvement and operation and maintenance of the airport" under the oversight of the FAA. Related covenants and restrictions are enforceable through a reverter clause in the quitclaim deed. The County is mandated to maintain and operate Francis S. Gabreski Airport in a safe and serviceable condition 24 hours a day, 7 days a week. Approximately $10 million in grants received over the last 10 years could be at risk of being recalled and fines could be levied if the County fails to maintain the Airport according to Federal guidelines. The Air National Guard is based at the Airport and the airfield must be maintained according to the Joint Use Agreement with the Guard. Approximately 10% of administrative staff time is devoted to NY Air National Guard issues.

The Airport Manager has noted that maintaining the 1,451 acre airport, with its three runways and seven taxiways, is a monumental task, and assistance with maintenance is needed. Snow needs to be cleared, airport markings must be painted, runway lights replaced, and electrical and plumbing systems as well as eight aviation buildings must be maintained. Issues related to airport security since 9/11 have significantly impacted the Division. A Maintenance Mechanic position was laid off in 2012. Assistance is also needed to monitor leases, FAA grants, airport compliance requirements, master planning, environmental issues, capital project supervision, Air National Guard coordination issues, and air traffic control.

The Division's request also noted that cracks and joints on all taxiways were last sealed in 2010. These funds (object 4560) are paid in the last quarter of the year after annual emergency repairs are no longer needed. Reductions in funding in 2011 and 2012 did not allow this work to occur. The Division requested $116,686 under this object code, of which $15,000 was to be for emergency repairs and runway pavement maintenance and $101,686 was related to an Air National Guard Base Retention Grant. The recommended budget includes $83,343. We are awaiting clarification from the Department regarding the sufficiency of the recommended funds.

F.S. Gabreski Airport Fund (Fund 625)

Note that the Airport Fund has revenue and expenditure components related to various County Departments, not just the Aviation Division of EDP. The Airport Fund continues to run at a deficit, and a $706,266 transfer from the General Fund is recommended in 2014, which is $130,909 more than the 2013 estimate.

The creation of the F.S. Gabreski Airport Fund, a/k/a the Aviation Enterprise Fund, was a legislative initiative, based on a recommendation by the Budget Review Office. The fund allows identification of County airport expenditures and revenues, facilitates reinvestment of any fund surpluses for use in the maintenance and development of the airport, and can be used to demonstrate the County‘s compliance with the covenant and restrictions of the quitclaim deed. Airport revenue must be spent on the Airport.

The following table illustrates the status of Fund 625, as provided in the 2014 Recommended Operating Budget. The table indicates an estimated 2013 year end deficit of $390,284. None of the Rechler lease-related revenue was realized in 2012, but the inclusion of a $400,880 Capital Budget closeout in the 2013 estimate helped reduce the size of the 2013 fund balance deficit. There may be an additional $793,069 deficit in 2013 if none of the Rechler lease revenue is realized. Depending on if and when the lease actually starts, some of this deficit could be mitigated by 2014 lease-related revenue. Serial bond expenditure for capital projects rose significantly from 2012 through 2014, now accounting for 37% of recommended Fund expenditure. Recommended 2014 expenditure of $190,376 related to health insurance appears high for six current employees. If this is the case after review by the Executive Budget Office, this expense may be able to be reduced.

The fund status below already includes a $575,357 transfer from the General Fund in 2013 estimated (and adopted) revenue, and a transfer of $706,266 in 2014 recommended revenue.

2013 Estimated	Status of Fund 625 F.S. Gabreski Airport	2014 Recommended
($883,368)	Fund Balance, January 1	($390,284)
$2,644,279	Plus Revenue, January 1 to December 31	$2,639,877
$1,760,911	Total Funds Available	$2,249,593
$2,151,195	Less Expenditures, January 1 to December 31	$2,249,593
($390,284)	Fund Balance, December 31	$0

Cornell Cooperative Extension of Suffolk County

Cornell Cooperative Extension (CCE) is not a separate department, but is considered a subordinate governmental agency established under NYS County Law § 224 (8) (b), and it is a major provider of contracted services for the County. Cornell agencies are found in various departments, including the Department of Social Services (DSS), the Department of Health Services (HSV), the Probation Department (PRO), and the Department of Economic Development and Planning (EDP). In this section, we will focus on CCE agencies within EDP.

All CCE agencies included in the 2014 Recommended Budget for EDP are funded as requested by CCE. Recommended funding also aligns with the Departmental request, except for Family Health and Wellness, which was requested by HSV, in compliance with the Executive ADH budget memorandum, at $96,229, a five percent decrease from the 2013 recommended expense of $101,294 and about half of the 2013 estimated expense. For 2014, Family Health and Wellness is moved to EDP.

FUND	DEPT.	UNIT	ACT.	Cornell Program	2013 Rec.	2013 Adopt./ 2013 Est.	2014 Request Cornell	2014 Request HSV	2014 Rec.
001	HSV Current/ 2014 Rec. in EDP	8750 HSV/ 6410 EDP	JHU1	CCE-FAMILY HEALTH & WELLNESS	$101,294	$182,575	$173,446	$96,229	$173,446

CCE has indicated that six of its General Fund programs are considered "core programs", most relevant to the basic mission of the organization. The EDP budget included one non-core CCE program (Stormwater Phase II), but last year's adopted budget made a functional change by transferring jurisdiction for four CCE Fund 477 core programs and five of six General Fund programs from HSV to EDP. This year's recommended budget would transfer the remaining core

CCE agency, Family Health and Wellness, from HSV to EDP. Cornell requested the consolidation of all its core programs into EDP to simplify administration of the core programs' contract and budget.

Unlike most of the other CCE programs in EDP, the function of the Family Health and Wellness program is more closely aligned with the Department of Health Services. It is our understanding that Family Health and Wellness is approximately 36% reimbursable under Article 6. Information provided by the Department of Health Services (HSV) indicates that the services provided by this program would still be eligible for reimbursement if transferred to EDP, provided that the scope of services (health and nutrition education) does not change and the services remain "under the control of the local Health Commissioner". For the Health Department to continue to claim the expenses under Article 6, a Memorandum of Understanding between the two departments would need to be approved. This would appear to cause a complication in the administration and budgeting of the program, rather than a simplification, and may also put reimbursement at risk, due to the extra layers of administration.

Also of note is a requested $250,000 decrease in expenditure for the Farm Meat Production Program beyond the five percent decrease from the 2013 Adopted Budget as per Executive directive. This is the portion of the program's funding which is used to purchase meat for the Jail. CCE was directed by their central administration to withdraw from activities not related to their educational mission. The Sheriff's Department had indicated a willingness to assume the purchase of meat. Corresponding funds for this purpose have not been recommended in the Sheriff's 2014 budget. This issue is discussed further in our review of the Sheriff's Office.

The chart that follows compares 2014 Recommended CCE expenses for the Department to 2013 Estimates.

Fund	Actlvity Code	Cornell Program	2013 Est.	2014 Rec.	Difference from 13 Est.	% Difference
001	HSD1	CCE-Administration, Finance and Communication	$609,700	$579,215	-$30,485	-5%
001	HSE1	CCE-Marine Program	$413,101	$392,446	-$20,655	-5%
001	HSF1	CCE-Agriculture and Horticulture Programs	$471,605	$448,025	-$23,580	-5%
001	HSI1	CCE- 4H Youth & Development & Farm Education Program	$79,871	$75,877	-$3,994	-5%
001	HSI1	CCE- Farm Meat Production Program	$903,788	$608,599	-$295,189	-33%
001	JHU1	CCE-Family Health and Wellness*	$182,575*	$173,446	-$9,129	-5%
477	GZA1	CCE- SC Stormwater Phase II Program Implementation**	$386,479	$367,155	-$19,324	-5%
477	HSJ1	CCE- Alt Mgt Strategies for Control of Insect Pests	$124,331	$118,114	-$6,217	-5%
477	HSK1	CCE- Develop & Implement Agriculture Stewardship	$247,747	$235,360	-$12,387	-5%
477	HSM1	CCE- Integrated Pest Management Program (IPM)	$142,327	$160,000	$17,673	12%
477	HSN1	CCE- Restoration of Peconic Bay Scallop Populations & Fisheries	$304,419	$289,198	-$15,221	-5%
Total Cornell in EDP			**$3,865,943**	**$3,447,435**	**-$418,508**	**-11%**

* The 2013 Estimate for Family Health and Wellness is budgeted in the Department of Health Services (HSV), not in EDP, as this agency has been newly recommended in EDP. The Budget lines for that agency are combined for the purposes of this chart. Calculations using the EDP estimate of zero would reduce the overall difference between recommended and estimated Cornell expenditure in EDP to $235,933, or a six percent decrease in 2014.

** Stormwater Phase II Program Implementation is not considered part of Cornell's "core contract".

Tourism Promotion

The recommended budget includes $2,269,972 for Tourism Promotion, a 10% increase over 2013 adopted and estimated amounts. Twenty-four percent of Hotel Motel Tax funding, up to a maximum of $2 million, is allocated to a tourism promotion agency, typically the Long Island Convention and Visitors Bureau (LICVB). The $2 million maximum will apply next year. The remaining appropriation is comprised of adjustments from previous years.

The agency is obligated to keep a separate accounting of Suffolk County Hotel Motel Tax revenue to ensure these monies are used to promote tourism in the targeted region, and not to direct visitors to any particular business. The agency is subject to audit by the County Comptroller. The LICVB has recently instituted procedural changes in response to concerns expressed by the Comptroller and the Legislature.

- The LICVB promotes both Nassau and Suffolk Counties, but receives the bulk of its funding from Suffolk County. The LICVB is instituting both a Suffolk County-specific website and a Suffolk County-specific travel guide. These additions are expected to both help the Bureau promote Suffolk County specifically and to better track the effectiveness of its programs on Suffolk County-specific tourism. In the past, the LICVB has measured the effectiveness of its programs by surveying those who requested its Long Island Travel Guide and by analyzing information supplied by meeting planners relating to number of contracts, rooms, and attendees resulting from conventions and sporting events. Neither of these methods was Suffolk County-specific, and a new survey is overdue.
- Dues-paying memberships for hotels that collect taxes for lodging will be eliminated. Previously, dues-paying member hotels were contributing a small percent of the funding, but receiving a disproportionate number of leads and benefits. Now, all hotels collecting and paying the tax will receive equal benefits, and all will be informed equally of sales leads, except in the case of site-specific requests for certain meetings, conventions and sporting events.

Cultural Affairs

The recommended budget includes $1,269,723 in Hotel Motel Tax funding to the Cultural Affairs Division, a 35% increase over the $939,066 adopted and estimated amounts in 2013. The total cultural recommended appropriation represents the corresponding 10% distribution of recommended Hotel Motel Tax revenue for cultural programs as well as adjustments from prior years. Should Budget Review Office projections be adopted (see our Fund 192 write-up), less would be available.

Of the total recommended for Cultural Affairs, $368,000 is allocated for Special Services (4770), a $94,934 (35%) increase over the 2013 estimate of $273,066. Typically, this funding is provided to the Citizens Advisory Board for the Arts (CAB) for further distribution to various agencies. There is no mandated distribution to this agency.

The remaining recommended cultural funding of $901,723 is allocated generically, for contracted agencies not specifically identified. This is a $235,723 (35%) increase from the 2013 estimate of $666,000.

The table that follows shows the 2013 "Revised Estimate" for specific agencies in Cultural Affairs, as well as for CAB. The 2013 "Revised Estimate" includes changes made by approved legislative resolution through early June, which may not have been included in the 2013 estimate found in the recommended budget.

Cultural Affairs Contracted Agencies		
Activity Code	**Activity Name**	**2013 Revised Estimate***
BBU1	ISLIP ARTS COUNCIL	$50,000
GSZ1	GREATER PORT JEFF ART COUNCIL	$11,000
GTG1	WESTHAMPTON BCH PERFORM ARTS	$20,000
GWZ1	PATCHOGUE THEATER FOR PERFORMING ARTS	$10,000
GXE1	HAMPTONS SHAKESPEARE FESTIVAL	$5,000
GZW1	BAY STREET THEATER	$20,000
HAN1	GUILD HALL OF EAST HAMPTON	$20,000
HFH1	EAST END SPECIAL PLAYERS	$5,000

Cultural Affairs Contracted Agencies		
HFY1	MUSIC FOR MONTAUK (Amended by Res. No. 320-2013)	$0
HHF1	FRIENDS OF SMITHTOWN LIBRARY	$41,000
HHJ1	NESCONSET CHAMBER OFCOMMERENCE	$16,000
HJN1	PARISH ART MUSEUM	$5,000
HLT1	CHILDREN¿S MUSEUM OF THE EAST END	$6,000
HOH1	MUSIC FESTIVAL OF THE HAMPTONS (Amended by Res. No. 320-2013)	$0
HQB1	SPLASHES OF HOPE	$5,000
HVP1	SOUTHAMPTON CULTURAL CENTER	$5,000
HWF1	MEDFORD CHAMBER OF COMMERCE	$20,000
HWH1	EAST END ARTS COUNCIL - WINTERFEST	$11,000
JBX1	BABYLON CITIZENS COUNCIL ON THE ARTS	$12,500
JBY1	BABYLON VILLAGE ARTS COUNCIL	$6,000
JEA1	FISCHER-HEWINS VFW POST 6249	$26,000
JER1	BELLPORT CHAMBER OF COMMERCE	$11,000
JEY1	MASTIC BEACH PROPERTY OWNERS ASSOCIATION	$6,000
JEZ1	REFLECTIVE GARDENS AT COMMON GROUND	$16,000
JGV1	HUNTINGTON CHAMBER OF COMMERCE, LI FALL FESTIVAL	$25,000
JGW1	HUNTINGTON ARTS COUNCIL, SUMMER ARTS FESTIVAL	$36,000
JGY1	COPIAGUE CHAMBER OF COMMERCE	$11,000
JHA1	LONG ISLAND WINE COUNCIL	$11,000
JHC1	GALLERY NORTH ARTS FESTIVAL (Gallery North, Inc. per Res. No. 87-2013)	$6,000
JHW1	TEATRO EXPERIMENTAL YERBABRUJA, INC.	$21,000
JIY1	LONG ISLAND PHILHARMONIC, INC.	$15,000
JJW1	THE SMITHTOWN PERFORMING ARTS COUNCIL, INC.	$30,000
JKS1	EAST END ARTS COUNCIL - HARVEST GOSPEL CONCERT SERIES	$6,000
JKX1	DIX HILLS PERFORMING ARTS CENTER	$12,500
JKY1	EAST END TOURISM ALLIANCE	$6,000
JKZ1	LONG ISLAND LATINO TEACHERS ASSOCIATION, INC.	$6,000
JLV1	AFRICAN AMERICAN FILM FESTIVAL	$5,000
JNX1	LUMIERE	$6,000
JNY1	THEATER THREE	$15,000
JNZ1	HOLBROOK CHAMBER OF COMMERCE (Amended by Res. No. 495-2013)	$8,000
JOA1	INCORPORATED VILLAGE OF MASTIC BEACH	$11,000
JPJ1	PATCHOGUE ARTS COUNCIL, INC.	$15,000
JPK1	FRIENDS OF JOSEPH REBOLI	$10,000
JPL1	WET PAINT FESTIVAL (Gallery North, Inc. Wet Paint Festival, per Res. No. 68-2013)	$10,000
JPM1	HER STORY	$5,000
JPN1	STAR PLAYHOUSE AT THE SUFFOLK Y JCC	$20,000

Cultural Affairs Contracted Agencies		
JPO1	PERFORMING ARTS CENTER OF SUFFOLK COUNTY	$10,000
JPP1	CULTURAL ARTS GUILD OF MASTIC BEACH	$5,000
JPQ1	SPIRIT OF HUNTINGTON ARTS CENTER	$5,000
JPR1	LONG HOUSE RESERVE	$5,000
JPS1	THE WATERMILL CENTER	$5,000
JPT1	MADOO CONSERVANCY (Amended by Res. No. 320-2013)	$0
XXXX	EAST QUOGUE CHAMBER OF COMMERCE (Amended by Res. No. 320-2013)	$5,000
XXXX	WESTHAMPTON CULTURAL CONSORTIUM (Amended by Res. No. 320-2013)	$5,000
HOD1	MONTAUK OBSERVATORY (Amended by Res. No. 320-2013)	$5,000
XXXX	SACHEM PUBLIC LIBRARY (Amended by Res. No. 495-2013)	$3,000
TOTAL Cultural Affairs Individual Contracted Agencies (192-6414-4980)		**$666,000**

*Note, the chart above includes changes made by approved Legislative Resolution, through 6/7/13, which may not be reflected in the Revised Estimate included in the recommended budget.

Add Citizens Advisory Board for the Arts (CAB) Cultural Allocation (192-6414-4770)	**$273,066**
Equals Total 2013 Estimate for Cultural Affairs	**$939,066**

The table that follows provides detail on how the 2013 CAB appropriation of $273,066 was distributed by Resolution No. 327-2013.

Citizens Advisory Board for the Arts	
Grantee	**2013 Grant Amount**
Arena Players Repertory Theatre of L.I., Inc.	$9,010
Atlantic Wind Symphony, Inc	$5,000
Babylon Citizens Council on the Arts, Inc.	$6,510
Bay Street Theatre Festival Inc.	$5,000
Bridgehampton Chamber Music Festival	$5,000
Brookhaven Arts and Humanities Council, Inc.	$6,000
Byrd Hoffman Water Mill Foundation	$5,000
Cutchogue-New Suffolk Historical	$5,000
East End Arts and Humanities Council, Inc.	$13,510
Guild Hall of East Hampton, Inc.	$5,000
Hallockville, Inc.	$9,000
Heart for Art, Inc.	$5,000
Heckscher Museum	$9,000
Herstory Writers Workshop, Inc.	$6,510
Huntington Arts Council	$7,000
Huntington Choral Society	$5,000
Islip Arts Council, Inc.	$10,000
Long Island Museum of American Art, History & Carriages	$14,745

Citizens Advisory Board for the Arts	
Grantee	**2013 Grant Amount**
Long Island Symphonic Choral Association (LISCA)	$5,000
Long Island Traditions	$5,000
Long Island Wine Council	$7,500
Longhouse Reserve	$5,000
Parrish Art Museum	$5,000
Patchogue Village Center for the Performing Arts	$5,000
Performing Arts Center of Suffolk County dba Gateway Playhouse	$5,000
PlazaMAC, Inc.	$5,000
Ridotto Arts Organization, Inc.	$5,000
Sag Harbor Whaling & Historical Museum	$6,000
Smithtown Township Arts Council, Inc.	$10,000
Sol y Sombra Spanish Dance Co.	$8,710
Southampton Cultural Center	$8,000
Stony Brook Foundation, Inc. (Pollock-Krasner House)	$5,000
The Babylon Chorale, Inc	$5,000
The Perlman Music Program	$5,000
The Port Jefferson Harbor Education and Arts	$5,061
The Whaling Museum Society, Inc. Cold Spring Harbor	$5,000
Theatre Three Productions, Inc.	$10,000
Town of Southampton (Historic Division)	$5,000
Westhampton Beach Performing Arts Center, Inc.	$11,510
Worldwide Voices, Inc.	$5,000
YMCA Boulton Center for the Performing Arts	$5,000
Total Allocated by CAB	**$273,066**

Film Promotion

The recommended budget provides $300,456 for film promotion, which is an increase of $81,985 from the 2013 estimate. The recommended appropriation is consistent with a corresponding two percent distribution of recommended Hotel Motel Tax revenue for Film Promotion, as well as adjustments from prior years. Typically, a portion of this revenue is set aside under "Special Services" for agencies recommended by the Suffolk County Motion Picture/TV Film Commission, and a portion is given to specific film festivals. The legislation provides that "up to" two percent can be used for film promotion; there does not appear to be any mandated minimum to be dedicated for this purpose.

The 2013 Adopted Operating Budget included funds for one position in this Division, and the 2014 Recommended Operating Budget would add one additional position (Program Coordinator, Cultural Affairs, grade 25, step 11), formerly paid by the General Fund. The transfer of this position to the Film Division was not requested by the Department. Allocation of Hotel Motel Tax for employee salaries and other employee-related costs relieves the impact of those costs on the General Fund, but reduces the amount of funding available to provide to specific agencies and programs. In addition, sufficient revenues to fund this position rely on projected revenue for this purpose. Two percent of the 2012 actual Hotel Motel Tax would not have been sufficient for the current recommended employee-related costs.

It appears that the 2014 retirement costs related to the recommended transfer remained in the General Fund. With this assumption, if the Legislature wishes to reverse the action of the recommended budget concerning the transferred position, approximately $110,535 in related funding will need to be restored to the General Fund. The following chart illustrates how the recommended increase in employee-related costs for the transferred position relates to a concurrent decrease in the recommended funds available for contracted services.

Type of Expense	2013 Est.	2014 Rec.	Change from 13 Est.
Salary Related	$44,378	$132,233	$87,855
Supply Related	$26,722	$38,000	$11,278
Benefits Related	$21,327	$23,098	$1,771
Health Insurance Related	$14,338	$29,910	$15,572
Subtotal A- Related to Employees	**$106,765**	**$223,241**	**$116,476**
Special Services (Film Commission)	$39,935	$15,000	$24,935
Staller Film Festival (HBP1)	$23,500	$60,965	$9,535
Hampton Film Festival (HIP1)	$23,500		
Cinema Arts Centre (JGU1)	$23,500		
Other	$1,271	$1,250	$21
Subtotal B- Related to Contracts	**$111,706**	**$77,215**	**($34,491)**
Total Film (Subtotal A + Subtotal B)	**$218,471**	**$300,456**	**$81,985**

The chart below shows how the 2013 estimate of $39,935 for Special Services was allocated by recommendation of the Suffolk County Motion Picture/TV Film Commission (as per Resolution No. 328-2013) for the promotion of Suffolk County as a film-friendly location:

Film Program	Grant Amount
Next Exposure: Suffolk County Low Budget Independent Film Completion (Through Cinema Arts Center)	$9,935
Hamptons Take 2 Film Festival	$5,000
Westhampton Beach Performing Arts Center-Finest in World Cinema	$5,000
Plaza Cinema and Media Arts Center	$5,000
Greater Port Jefferson Arts Council- Port Jefferson Documentary Series	$5,000
Artisan Festival International	$5,000
Byrd Hoffman Watermill Center	$5,000
Total Allocated by Resolution No. 328-2013	**$39,935***

*Total represents $5,000 more than 2013 Adopted.

Community Development Fund (Fund 351)

This fund has been in existence for decades, and has been running at a deficit of over $1 million. A combination of events has caused difficulties in this fund. The Community Development Fund now receives primarily Federal HUD (Housing and Urban Development) funding, which has been cut significantly in the past few years. A portion of the grants reimburse the Community Development and Home Investment Partnership Divisions of EDP for a portion of operating expenditures associated with the administration of the programs. Although some expenses are covered at 100%, not all expenses are covered. Some of the grants are multi-year, creating timing issues between expenses and reimbursement revenues. Our understanding from Audit and Control is that Fund 351 has to be an annual budgeted fund, not a multi-year fund, because payroll comes out of it. Grants received go into off-budget Funds 352-359, which are then used to reimburse Fund 351 for payroll. Inconsistent methods of recording grant information in the past have also created difficulties in reconciling the fund.

As the following Status of Fund 351 table demonstrates, there was an actual 2012 year-end fund balance deficit of $1,220,221, which remains the estimated 2013 and recommended 2014 year-end deficit. Maintaining the fund balance deficit at the same level is predicated on revenues equaling expenditures. The expenditure side of the fund relates to the two EDP Divisions funded by Fund 351 (currently containing six filled and two vacant positions) and $126,917 related to employee health insurance. It is our understanding, pending confirmation by the Department, that health insurance is typically not a reimbursable expense under the grants. If this is the case, the Status of Fund 351 could include an interfund transfer from the General Fund to cover the non-reimbursable expenditure and prevent the deficit in this fund from increasing. In order to reconcile the existing deficit, a significant one-time General Fund transfer would be needed.

2012 Actual	2013 Estimated	Status of Fund 351 Community Development Fund	2014 Recommended
($1,106,183)	($1,220,221)	Fund Balance, January 1	($1,220,221)
$617,500	$724,745	Plus Revenue, January 1 to December 31	$750,358
($488,683)	($495,476)	Total Funds Available	($469,863)
$731,538	$724,745	Less Expenditures, January 1 to December 31	$750,358
($1,220,221)	($1,220,221)	Fund Balance, December 31	($1,220,221)

The table that follows includes introductory resolutions, laid on the table September 12, 2013, which accept and appropriate 100%, reimbursed Federal grants. The portion allocated to reimburse County operating expenses totaled $426,785.

2013 Introductory Resolution No. (L.O.T. 9/12/13)	Grant	Full Grant	To Cooperating Municipalities or Agencies	County Portion
1777	HUD Home Investment Partnership Grant (Off Budget Fund 353)	$1,178,462	$1,060,616	$117,846
1778	HUD Community Development Entitlement Block Grant (Off Budget Fund 352)	$3,032,794	$2,739,515	$293,279
1779	HUD Emergency Shelter Grant (Off Budget Fund 354)	$208,804	$193,144	$15,660
	TOTAL County Portion by 2013 Resolution			**$426,785**

Community Development Entitlement Block Grant (Off Budget Fund 352)

The following table details the distribution of grant funding to cooperating municipalities, per Resolution No. 780-2013, laid on the table September 12, 2013.

Activity Code	Name of Town / Village	Amount
JON1	Town of Brookhaven	$1,693,385
JOO1	Town of East Hampton	$104,404
JOP1	Town of Riverhead	$143,261
JOQ1	Town of Shelter Island	$13,570
JOR1	Town of Smithtown	$243,667
JOS1	Town of Southampton	$154,463
JOT1	Town of Southold	$98,385
JOU1	Village of Bellport	$12,860
JOV1	Village of Lake Grove	$39,290
JOW1	Village of Patchogue	$170,510
JOX1	Village of Port Jefferson	$16,430
JOY1	Village of Sag Harbor	$11,430
JOZ1	Village of Southampton	$17,860
JPA1	Village of Westhampton Beach	$10,000
JPH1	Long Island Housing Services	$10,000
	Total Grants to Cooperating Municipalities	**$2,739,515**

Budget Review Office Recommendations

Hotel Motel Tax Revenue (Fund 192)

Based on third quarter receipts, the recommended 25.3% growth rate in Hotel Motel Tax, as compared to the 2013 estimate, appears overly optimistic. In our review of the Hotel Motel Tax Fund, we recommend a maximum growth rate of 5% as a more realistic alternative. Should the Legislature choose to accept our recommendation, it will affect the available funding for the Cultural Affairs and Film Divisions of this Department, and 2014 expenditures would need to be adjusted accordingly. The Tourism Division (Long Island Convention and Visitors Bureau) will not be affected due to the $2 million maximum new revenue allocation for that agency. See our review of the Hotel Motel Tax Fund for additional detail.

Film Promotion-Transfer of General Fund Position to Fund 192

Recommended Film Division funding is derived from $227,240 in recommended new Hotel Motel Tax revenue and a $73,216 adjustment from prior years. Even if 2014 Hotel Motel Tax revenue is adopted as recommended, new revenue is not sufficient to fund all the recommended employee-related expenses ($223,241) once the retirement cost for the transferred employee is included. Should the Legislature choose to adopt the Budget Review Office recommendation for 2014 Hotel Motel Tax, there will be a corresponding revenue decrease of $36,809 in this Division. The only way to maintain sufficient funding for recommended employee expenses would be to decrease the expenses allocated for film festivals and other film agencies.

Employee-related expenses tend to increase each year, and the two percent of the Hotel Motel Tax allocated for Film promotion is a maximum; there is no stated minimum. The Budget Review Office

recommends reversing the transfer of one position from the General Fund, Administration Division (001-EDP-6410) to the Hotel Motel Tax Fund, Film Promotion Division (192-EDP-6415). Should the Legislature concur with the reversal of the position transfer, related expenses of approximately $110,535 will need to be removed from Fund 192 and restored to the General Fund.

Cultural Affairs

Should the Legislature accept the Budget Review Office Recommendation for 2014 Hotel Motel revenue, there will be $184,045 less revenue for this Division, and appropriations typically provided to the Citizens Advisory Board for the Arts and other contracted agencies will need to be reduced by a like amount.

Transfer of Water Quality Positions

As per § C35-10 of the Suffolk County Charter, the responsibilities of the Water Quality/ Environmental Unit in the Department of Economic Development and Planning include the supervision, administration, and implementation of the water quality protection and restoration program under § C12-2B of the Suffolk County Charter, the remediation and redevelopment of all brownfield sites, and the coordination of activities performed by the Department of Public Works and the County Department of Parks, Recreation and Conservation under the Drinking Water Protection Program, Fund 477.

For consistency, it appears the section of the Charter referenced above should be amended to include the Department of Health Services, which had 17 water quality funded positions newly included in 2012. In spite of the increasing number of Water Quality funded positions in various Departments, water quality projects are still reviewed and recommended through the Water Quality Unit of EDP, via the Water Quality Review Committee. The Department now has less ability to control expenditure of water quality funds because most water quality revenue is allocated to operating costs in various Departments, and there is little left for projects. See our related discussion in our review of Fund 477. The Budget Review Office has not been an advocate of increasing the number and scope of water quality funded positions, but as this has already occurred, we do not object to the transfer of nine water quality positions to the Department of Public Works, as it is in keeping with current practice and consistent with the request of the Department.

Aviation Division and Fund 625

Further information from the Department and the Budget Office is needed to clarify whether recommended funding for emergency repairs and runway pavement maintenance, and an Air National Guard Base Retention Grant (object 4560) in the Aviation Division is sufficient.

Although costs to maintain F.S. Gabreski Airport, including repayment of debt service for capital projects, are in excess of revenues brought in by the Airport, the airport brings National Security and economic benefits to the area. Just as capital projects on County-owned roads are done without expectation of receiving related revenue, the Airport should be maintained for the benefits it provides to County residents. Current County finances preclude a definitive recommendation to hire any additional personnel at this time. Should the Legislature choose to add funding for either position requested by the Department, additional salary and benefit expenses to Fund 625 would be approximately $45,213 for a Maintenance Mechanic, (grade 9, step 1) and approximately $74,000 for an Assistant Airport Manager (grade 23, step 1).

If it is verified that the interfund transfer relating to health insurance (IFT-E039) in the Airport Fund is overstated, then any savings could be applied either to reduce the General Fund transfer to the fund or for temporary salaries to address maintenance needs at the Airport.

Status of Funds for Fund 351

Fund 351 has been running at a deficit of more than $1 million. To reconcile the existing deficit, a one-time General Fund transfer would be needed. Moving forward, the Department must identify expenses that are not reimbursable under the grants they receive. The Status of Funds should include interfund transfers, from the General Fund to Fund 351, to cover the non-reimbursable expenditures and prevent the deficit in this fund from increasing.

Transfer of CCE Family Health and Wellness

We recommend a reversal of the recommended transfer of CCE Family Health and Wellness from the Department of Health Services to the Department of Economic Development and Planning. This program is not consistent with the mission of the Department of Economic Development and Planning, and a transfer may complicate the 36% Article 6 reimbursement this program receives under the Department of Health Services. Should the Legislature accept this recommendation, General Fund expenses of $173,446 should be transferred from the Economic Development Administration Division of EDP (001-EDP-6410) to the Cooperative Extension Association unit of the Department of Health Services (001-HSV-8750).

LH EDP14

Executive Office

Personnel (as of 9/15/13)

Authorized Positions:	62	**Filled Positions:**	50
Vacant Positions:	12	**Percentage Vacant:**	19.4%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$4,251,553	$4,660,727	$4,328,698	$4,566,593	$4,566,593
Equipment (2000s)	$0	$13,300	$1,550	$12,634	$12,634
Supplies (3000s)	$60,321	$136,788	$81,326	$133,733	$133,733
Contracts (4000s)	$342,922	$312,665	$480,160	$492,549	$492,549
Totals	**$4,654,796**	**$5,123,480**	**$4,891,734**	**$5,205,509**	**$5,205,509**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$21,720	$0	$659	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$0	$2,250	$2,250	$2,250	$2,250
Totals	**$21,720**	**$2,250**	**$2,909**	**$2,250**	**$2,250**

Effects of Recommended Budget

Staffing

The recommended budget lists the organization of the County Executive's Office in 2014 as follows:

- Office of Budget and Management
- Intergovernmental Relations
- Office of Labor Relations
- Performance Management
- Constituent Affairs

The 2014 Recommended Budget provides $5.2 million, an $82,029 or 1.6% increase over the adopted amount of $5.1 million. The increase is primarily associated with an aggregate increase of $180,500 in Fees For Services: Non-Employee (4560), and an aggregate decrease of $96,109 in Permanent Salaries (1100).

Personal Expenditures

The estimate for permanent salaries is $4.25 million, which is $347,873 or 7.6% less than adopted. The principal decrease is associated with the Performance Management Division. The estimate for permanent salaries is $241,319, which is $153,626 or 38.9% less than adopted.

The recommended budget provides $4.5 million for permanent salaries, which is $96,109 or 2.1% less than the 2013 adopted amount. In the aggregate, this funding is sufficient to fund the 50 currently filled positions, with $113,026 or 16.2% remaining to fill a portion of the 12 vacant positions in 2014.

Contractual Expenses

The 2013 estimate for Fees For Services: Non-Employee is $475,000, which is $175,500 or 58.6% more than adopted. The principal increase is associated with the Performance Management Division, with a 2013 estimate of $265,000, which is $140,000 or 112% more than adopted.

In the aggregate, the 2014 recommended amount for Fees For Services: Non-Employee is $480,000, which is $180,500 or 60.3% more than adopted. The principal increase is associated with $265,000 for the Performance Management Division, which is $140,000 or 112% more than adopted, but equal to the 2013 estimate.

MUN EXE14

Finance and Taxation

Personnel (as of 9/15/13)

Authorized Positions:	44	**Filled Positions:**	42
Vacant Positions:	2	**Percentage Vacant:**	4.5%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$2,978,862	$3,035,535	$3,001,510	$3,102,653	$2,472,331
Equipment (2000s)	$2,830	$11,587	$12,030	$12,030	$12,030
Supplies (3000s)	$187,564	$334,395	$256,562	$295,062	$295,062
Contracts (4000s)	$762,451	$945,994	$959,006	$957,029	$957,029
Totals	**$3,931,706**	**$4,327,511**	**$4,229,108**	**$4,366,774**	**$3,736,452**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$1,717,537	$0	$0	$0	$0
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$723,350	$736,525	$729,525	$729,525	$729,525
Other Income	$1,833,683,876	$1,907,146,085	$1,916,048,768	$1,993,879,651	$1,993,876,596
Totals	**$1,836,124,763**	**$1,907,882,610**	**$1,916,778,293**	**$1,994,609,176**	**$1,994,606,121**

Effects of Recommended Budget

Personal Services

The 2013 estimate for permanent salaries is $2.8 million, which is $37,625 less than adopted. The 2014 Recommended Budget provides $2.3 million for permanent salaries, which is $559,954 less than the 2013 adopted and is projected by BRO to be insufficient by $472,841 to fund all 42 currently filled positions in 2014.

Expenditures

Not including Personal Services, in the aggregate the 2013 estimated expenditures are $64,378 or five percent less than adopted. The 2014 funding is recommended as requested and is $27,855 or 2.2% less than the 2013 adopted amount of $1.3 million.

Issues for Consideration

Department of Financial Management and Audit

The County Executive initiated legislation to create a Department of Financial Management and Audit, which was adopted as County Resolution No. 621-2013 (For supplementary analysis of this legislation see Budget Review Office memo dated June 19, 2013 "Creating a Unified County Department of Financial Management and Audit"). The legislation would amend the County Charter to establish the Department of Financial Management and Audit, contingent upon approval by public referendum.

The County Treasurer challenged this legislation in a court of law. The challenge made its way to the State Appeals Court. On September 30, 2013 a four-judge panel from the Appellate Division, second Judicial Department, ruled in favor of the County Treasurer's law suit, based on County officials violating County rules when the language of the referendum stated in Introductory Resolution No. 1567-2013 was amended after public notice was given. The County appealed this ruling, and on October 8, 2013 the state Court of Appeals upheld the two lower court rulings. The public referendum to create a Department of Financial Management and Audit will not be included on the November 5, 2013 ballot.

Expenditures and Staffing

The recommended funding for permanent salaries is predicated on the approval of the public referendum and the abolishment of the following five filled positions on December 31, 2013: County Treasurer, Chief Deputy County Treasurer, Deputy County Treasurer, Assistant County Treasurer, and Secretary. BRO estimates an additional $472,841 in permanent salaries is required to fund all filled positions in 2014.

Based on discussions with the Department, their currently filled clerical staffing level is insufficient to process the increased volume of property tax refunds which are approved by Certioraris, Small Claims hearings. The Department has reported the townships have indicated a significant increase in the number of Small Claims petitions.

The recommended budget does not provide funds to fill the vacant Clerk Typist (grade 9) and Principal Clerk (grade 14) positions; and does not include the requested new Clerk Typist position.

Based on discussions with the Department, staff are crossed trained. The additional Clerk Typist position was requested to assist in addressing the property tax refund backlog and other areas within the Department. The vacant Principal Clerk position is a result of a retirement; work assignments have been reallocated and the vacant position now requires the skill level of a Clerk

Typist. BRO estimates the salary and benefits expenditures associated with filling three Clerk Typist positions for a full year is $135,639. The benefit will not be seen in the County's operating budget, but will be reflected as an estimated reduction of $500,000 in interest in the next year's Tax Warrant of Erroneous Assessments to the towns.

Compared to 2013 adopted, not including permanent salaries, the principal changes in the recommended budget are decreases in Postage ($27,000) and Computer Software ($5,000), and an increase in Computer Services of $12,000 or 2.8%. The County Treasurer's Office has the responsibility for maintaining the tax history for over 584,000 parcels in Suffolk County to accommodate the myriad of functions related to this responsibility. The Department, to improve the reliability and serviceability of the County's system, amended their contract with Tyler Technologies to provide Tyler Munis ASP. Tyler Technologies now maintains the software, hardware, servers, provides technical support, and host and provides backup capabilities from their data center in Falmouth, Maine. The Tyler Munis ASP system is now critically important for the management and storage of essential tax parcel information and is relied upon by the Department to administer property tax collection and assist taxpayers by phone or in person. The increase in Computer Services expenditures is associated with maintaining this computer system.

Property Taxes

The Department of Finance and Taxation is heavily impacted by economic conditions. A slow economy results in a greater amount of property tax delinquencies, the amount of tax collected is reduced, and taxpayer refunds and certioraris increase.

Cash Flow

The amount of cash on hand at any one point in time is a fraction of budgeted revenue and varies significantly from day to day. Over the past several years, managing cash flow has been extremely challenging as expenses have outpaced the receipt of revenues. Historically high levels of interfund borrowing, Tax Anticipation Note and Revenue Anticipation Note issuances have been necessary to generate the liquidity needed to meet outlays for the last few years. We expect cash flow management to remain a challenging exercise in 2014.

Interest Earnings (2401, 2403, 2404, and 2405)

During 2012, the Department of Finance and Taxation reportedly managed a monthly average of $445.5 million in County funds, which is $81 million or 15.4% less than the $526.5 million reported in 2011. Actual interest earnings for the General Fund totaled $95,485 in 2012, down from $333,088 in 2011. For all funds, actual interest earnings totaled $805,539 in 2012, down from $1.5 million in 2011. The downturn in the world and local economy over the last few years has taken a dramatic toll on interest revenue the County is able to generate; interest rates are at historic lows while the amount of idle cash on hand to invest has declined steeply. Interest Earnings in 2012 were a shadow of what the County earned in 2007, which was $10.5 million in the General Fund, and $24.4 million across all funds.

The 2013 estimate for General Fund interest revenue is $155,725, which is $304,970 or 66.2% less than the adopted amount of $460,695. As of September 3, 2013, interest revenue is $282,412, which is $126,687 more than estimated. Based on year-to-date General Fund interest revenue and historical trends, BRO estimates 2013 General Fund interest revenue at $300,000 or $144,275 more than estimated. The Department requested $194,965 and the recommended budget includes $195,134 for 2014. Assuming similar conditions, our projections suggest 2014 recommended General Fund interest revenue may also be understated by $105,000.

The 2013 estimate for interest revenue across all funds is $753,048, which is $460,431 less than the adopted amount of $1.21 million and consistent with BRO analysis. The Department requested $796,917 and the recommended budget includes $794,586 for 2014. Our estimates for interest revenue across all funds in 2014 are consistent with the recommended budget.

Budget Review Office Recommendations

Since the merger referendum has been denied by the courts, BRO recommends increasing permanent salaries by $472,841 in 2014 to fund all filled positions.

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Fire, Rescue and Emergency Services (FRES)

Personnel (as of 9/15/13)

Authorized Positions:	82	**Filled Positions:**	74
Vacant Positions:	8	**Percentage Vacant:**	9.8%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	12

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$6,023,225	$4,855,223	$6,433,939	$6,232,313	$5,464,932
Equipment (2000s)	$524,211	$44,000	$2,729,165	$21,427	$21,027
Supplies (3000s)	$1,147,546	$450,075	$1,337,494	$454,964	$403,855
Contracts (4000s)	$3,141,021	$2,058,686	$4,981,387	$2,045,519	$2,049,308
Totals	**$10,836,004**	**$7,407,984**	**$15,481,985**	**$8,754,223**	**$7,939,122**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$27,532	$0	$0	$0	$0
Federal Aid (4000s)	$3,689,132	$549,385	$7,591,097	$550,515	$550,515
Departmental Income	$0	$0	$0	$0	$155,000
Other Income	$10,850	$196,296	$125,000	$25,000	$25,000
Totals	**$3,727,514**	**$745,681**	**$7,716,097**	**$575,515**	**$730,515**

Effects of Recommended Budget

Expenditures

The operations under the auspices of the Department of Fire, Rescue and Emergency Services (FRES) include Administration, FRES Commission, Fire and EMS Communications, Fire Marshal's Office, Arson Task Force, Deputy County Fire Coordinators Program, Domestic Preparedness, Office of Emergency Management, Office Systems Management and the Vocational Education and Extension Board (VEEB), which runs the Suffolk County Fire Academy. Expenditures across all appropriations are recommended at $7,939,122 for 2014, which is a 9.3% decrease from the total budget of $8,754,223 requested by FRES, and a 48.7% decrease from the 2013 estimate of $15,481,985.

The 2013 estimated budget includes $7,178,930 in grant appropriations that reflect 2013 grant expenditures as well as grant appropriations carried over from prior years. Other Federal and State grants may continue into 2014 and authorizations for new grant appropriations will be addressed by resolution in 2014.

The 2014 Recommended Budget is $815,101 less than the Department's request, which is primarily attributable to the following:

There is a $500,000 reduction in overtime salaries, which represents a 50% decrease from the $1 million in overtime requested by FRES. This decrease is tied to the expectation for less overtime being needed on a regular basis due to all of the currently authorized FRES Communications Center Emergency Services Dispatcher (ESD) positions (40 ESD I, nine ESD II and one ESD III) being filled since the early part of 2013. Overtime for emergencies, unforeseen contingencies and peak workload periods will still be needed to operate the FRES Communications Center on an ongoing basis.

There is a decrease of $432,942 in 2014 permanent salaries under the FRES Grant Positions Unit, which is tied to the inclusion of the funding for these positions under the SHSP and UASI Grants, which are carried over year-to-year as rollover expenses. FRES then journal vouchers the payroll expense from 001-FRE-3401-1100 to the appropriate grant under interim salaries.

There is a $40,000 reduction in 001-FRES-3400-3620 - Repairs and Maintenance for Communications Equipment from the requested level of $290,000 to $250,000 recommended for 2014. The decrease in this budget line is tied to covering the cost of repair contingencies that are outside the Intergraph service contract for the Radio Room. FRES does not view this reduction as problematic.

The foregoing decreases in the 2014 recommended appropriations for FRES are offset by the following recommended increase of a net increase of $203,760 in FRES Administration permanent salaries primarily connected to the recommended creation of two new positions: one new Deputy Commissioner of Fire, Rescue and Emergency Services tied to the proposal for FRES to assume administration of the Suffolk County Fire Academy in the second half of 2014 and beyond, and one new Assistant to the Commissioner (FRES) position to develop, coordinate and oversee the growing technology needs of all the operations under FRES, plus act as liaison and primary interface for FRES with HUD, FEMA and other State and Federal agencies. The intended incumbent for this position has been providing critical support to FRES in the aftermath of Super Storm Sandy and Nor'easter Nemo.

Revenue

Total 2014 revenue recommended for FRES is $730,515, which is comprised primarily of Federal aid with $550,515 for the Local Emergency Management Performance Grant (LEMPG). This amount is for the Federal Fiscal Year (FFY) 2012 LEMPG. The 2013 grant has not yet been announced. This is a recurring grant from FEMA technically covering up to 50% of emergency management administrative costs. This grant is capped and comes in the form of a lump sum payment.

The second greatest source of revenue recommended in 2014 for FRES is $155,000 for two new revenue items included under the newly proposed 001-FRE-3415 - Fire Training Unit, with $75,000 for Fire & Rescue Training Fees (001-3415-1580) and $80,000 for Fire Equipment Testing Fees (001-3415-1581). These fees are two sources of revenue now being generated by the Fire Academy, which is currently operated under contract between the County and the Vocational Education and Extension Board (VEEB). These two revenue items are reported within and remain under the operating budget for the Fire Academy and VEEB.

If the proposed plan to terminate the contract with VEEB during 2014 comes to fruition and FRES assumes administration of the Fire Academy, along with the creation of the Fire Training Unit as is being considered, these fees would appear as revenue for FRES as presented in the recommended budget. However, if the Fire Academy continues to be operated under contract by VEEB during all of 2014, these two sources of revenue would not appear under the 2014 revenue estimates for FRES.

Fire Extinguisher Licensing fees for 2014 are recommended at $25,000, which represents a $100,000 decrease from the 2013 estimate and is equal to the amount requested by the Department. This decrease reflects 2014 as being the off-year in a two-year renewal cycle for the majority of licensing fees for portable fire extinguisher companies and their employees.

Issues for Consideration

Staff

At the current time, FRES has 82 authorized positions, of which eight are vacant. No vacancies are recommended to be abolished in 2014, and the Budget Review Office estimates that there will be sufficient permanent salaries to allow FRES to fill all of its current vacancies plus fill the two new FRES Administration positions (Deputy Commissioner and Assistant to the Commissioner) for the majority of next year.

Ten new positions are created and included under a new FRES unit entitled, 'Fire Training'. FRES did not request this new unit, or any of its ten proposed staff in their original budget submission. The unit includes six administrative positions and four maintenance positions: one Director of Fire Training (grade 29), one Head Clerk (grade 18), one Principal Clerk (grade 14), one Account Clerk/Typist (grade 11), two Clerk Typists (grade 9), one Maintenance Mechanic II (grade 12) and three Maintenance Mechanic I positions (grade 9). The creation of this unit is tied to the proposal for FRES to assume administration of the Fire Academy from the Vocational Education and Extension Board later this year.

Total recommended funding for the proposed Fire Training Unit in 2014 is $967,867, which is exactly half of the 2013 Adopted Operating Budget for VEEB and the Fire Academy of $1,935,733. All of the new unit's recommended 2014 funding is consolidated under the Fees for Service (4560) budget line, rather than being apportioned into permanent salaries, overtime, equipment, supplies and contractual expenses.

FRES Overtime

Overtime for FRES is driven by the frequency and duration of the Emergency Operations Center (EOC) activation for the County during natural or manmade disasters and severe weather events, recent examples being the Manorville wildfires, Super Storm Sandy and Nor'easter Nemo. Other FRES regularly occurring overtime situations include evening and weekend work connected to properly supporting the needs of the County's volunteer fire and ambulance service companies. In the Communications Center personnel area, overtime is connected to peak workload periods such as New Year's Day, Memorial Day, July 4th and Labor Day, and is significantly impacted by emergency dispatch personnel on maternity, family medical and extended sick leaves.

For 2014, the Budget Review Office is concerned that the $500,000 recommended reduction from the $1 million requested for FRES administrative overtime might be overly optimistic, despite the fact that the FRES Communications Center is fully staffed. There are many uncontrollable and unpredictable variables impacting the amounts of overtime needed by FRES in any given year. In consideration of the 2012 actual of $1,179,231 for FRES overtime, and year-to-date costs of $938,005, which, at year's end the Budget Review Office projects will exceed the 2013 estimate of $1 million (which is double the 2013 adopted level of $500,000), the reduced recommended overtime budget of $500,000 for FRES in 2014 might not be enough to provide for unforeseen EOC activations and other factors driving the need for overtime in the FRES Communications Center.

Vocational Education and Extension Board (VEEB)

The Vocational Education and Extension Board (VEEB) was created in 1943 for the sole purpose of developing and delivering a volunteer firefighter training program. VEEB is an authorized agency of Suffolk County that operates on a contractual basis to run the Suffolk County Fire Academy. For 2014, VEEB requested total County support of $1,896,946.35, with a decrease overall of 4.9% from the 2013 adopted total of $1,993,733.

The 2014 Recommended Budget includes $967,866 for the VEEB contract for the County's share of running the Fire Academy next year. This reduced amount represents exactly half of the 2013 adopted total County contract for VEEB to operate the Fire Academy this year. The expectation is that the Fire Academy would continue to be run as it always has under contract by VEEB for the first six months of 2014. During the second half of 2014, implicit in the budget is that the VEEB contract would end, and FRES would take over administration of the Suffolk County Fire Academy. Day-to-day operations would become the responsibility of the new ten-person Fire Training Unit, under the direct supervision of the new Director of Fire Training, with administrative oversight provided by the new Deputy Commissioner of Fire, Rescue and Emergency Services in FRES Administration.

The recommended budget narrative asserts that more volunteer firefighter training classes would be offered under the revamped Fire Academy, but no specifics are provided as to how the administration intends to accomplish this goal.

Budget Review Office Recommendations

The Budget Review Office recommends that a comprehensive cost benefit analysis be undertaken and made public prior to any further changes authorized in the contracting of, funding for and administration of the Suffolk County Fire Academy from the way it is currently authorized, structured and operated under the Vocational Education and Extension Board.

One concern with FRES taking over the Fire Academy, is that any new hires by the County would include benefits that are not shown in the Department budget. For illustrative purposes, if all ten

new positions were filled in the proposed Fire Training Unit, factoring in retirement, health and other benefits for a full year would result in an additional cost equal to over 48% of these new salaries.

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Health Services

Personnel (as of 9/15/13)

Authorized Positions:	1,069	**Filled Positions:**	726
Vacant Positions:	343	**Percentage Vacant:**	32.1%
Positions Abolished in the Recommended Budget:	184	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$77,576,575	$57,232,828	$58,268,398	$57,224,116	$54,403,329
Equipment (2000s)	$493,748	$190,693	$302,648	$314,679	$158,618
Supplies (3000s)	$8,872,555	$6,711,935	$7,784,486	$8,207,272	$7,523,544
Contracts (4000s)	$227,937,582	$238,848,938	$231,662,749	$217,881,086	$206,963,507
Totals	**$314,880,460**	**$302,984,394**	**$298,018,281**	**$283,627,153**	**$269,048,998**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$109,990,834	$125,575,922	$122,005,967	$117,599,794	$116,599,794
Federal Aid (4000s)	$29,342,597	$22,544,448	$23,955,843	$18,452,715	$17,078,194
Departmental Income	$74,177,369	$57,209,173	$58,926,110	$41,963,013	$35,915,465
Other Income	$965,205	$25,736,680	$2,375,061	$19,393,164	$19,393,164
Totals	**$214,476,005**	**$231,066,223**	**$207,262,981**	**$197,408,686**	**$188,986,617**

Effects of Recommended Budget

Overview

- The 2014 Recommended Operating Budget for the Department of Health Services is reduced by 5% compared to the Department's request, and by approximately 10.2% compared to the 2013 Estimate. The largest components of the reduction as compared to the request are:
- A net reduction of $9.2 million in Health Center contracts, as the Department anticipates transition to a Federally Qualified Health Center (FQHC) model similar to the current relationship with Hudson River Healthcare at the Elsie Owens Family Health Center in Coram;
- A net decrease in the Department's permanent salary funding of more than $2.8 million;
- A decrease in positions and permanent salary for the jail medical unit (appropriation 4109) of $1,574,576;
- A decrease of $1,061,022 in appropriation 4412, Peconic Estuary Program-FY12, as this portion of the grant is fully expended; and
- A decrease of $952,181 in appropriation 4101-4560, related to the FQHC transition.

The reduction in expenditures compared to the 2013 Estimate includes all of the above components, and the reductions related to the closure and cessation of operations at the John J. Foley Skilled Nursing Facility. Revenue from the sale of the building and footprint of the former nursing home is anticipated to contribute $3.2 million to the General Fund in 2014, and to eliminate the negative balance in Fund 632.

While the Department was not fully funded at the requested level, there are sufficient appropriations for currently filled positions and to fill a portion of vacant positions, if the assumptions implicit in the budget hold true.

Subsequent sections describe the budget's effects on personnel, equipment, supplies and contracts, and on the individual Divisions of the Department. Unless otherwise noted, the descriptions, comparisons, and analyses do NOT include Fund 632.

Personnel

None of the new positions requested by Health Services are included in the 2014 Recommended Budget. The Department requested 25 new positions in the Jail Medical Unit (JMU); none of these were added, and three positions in the JMU were abolished. All but five of the 185 interim positions remaining in the John J. Foley Skilled Nursing Facility are abolished. Health Services retains 878 positions in the 2014 Recommended Operating Budget. The 17 positions in the Division of Environmental Quality that were moved in 2012 from the General Fund to the Water Protection Fund (Fund 477) remain in that fund.

There are 49 total transfers for 25 personnel contained in the Recommended Budget, including the transfers from JJFSNF; one position, a Senior Clerk Typist, is transferred to the Department of Social Services. The Personnel and Payroll Unit is disbanded and moved into the Budget and Management Unit in Health Services Administration (appropriation 4005).

Permanent Salaries are approximately $2.7 million, or five percent less than requested. The largest component of this reduction is found in the Jail Medical Unit with almost $1.6 million less than requested. Although appropriations have increased compared to the 2013 estimate to allow some hiring in the Department, with about $1.5 million available for the entire Department for vacant

positions, much of that funding may be used in the Jail Medical Unit as both the Yaphank and Riverhead infirmaries will be 100% operational by the end of 2014. Also, while there are sufficient salary appropriations in the Department as a whole, several individual appropriations are underfunded, notably, Health Administration (4005), Patient Care Programs (4101), the Jail Mental Health Programs (4340), the Public and Environmental Health Lab (4425), and Community Mental Health (4310). Some of the individual appropriation shortages may be made up by retirements; at least 43 Health Services personnel are probably eligible to retire from Suffolk County Service in 2014.

Overtime salaries are approximately four percent less than requested and 3.5% more than estimated for 2013. The 2013 estimate assumes overtime will exceed the 2013 adopted appropriations by more than $84,000, 15% more than appropriated. Most of this overage is attributable to the Jail Medical Unit, and the overtime salaries recommended for 2014 are adjusted accordingly.

Equipment and Supplies

Equipment and supply lines are $839,789, or 9.9% less than requested; no equipment or supply lines were increased in the recommended budget. The largest components of the decrease are in the Jail Medical Unit (4109-3370), with a $200,000 decrease from requested medical supplies (medical supply lines were reduced about 11% overall), despite the ramp-up of the new Yaphank facility; in Patient Care Programs, $100,000 less (4101-3160), assuming fewer software licenses will be required after the FQHC transition; and Department-wide, the removal of most of the funding for Office Machines (2020). Finally, the Preventive Medicine Division requested $75,500 for other County-wide health education efforts, including the purchase of additional HealthSmart curricula if necessary; this funding has been reduced to $500.

Other significant reductions include the elimination of more than 70% of building repair funding in the Department's budget. No funding for Health Services replacement vehicles was included in the Department of Public Works Recommended Operating Budget.

Contracts and Other Expenditures

The Department of Health Services complied with the 2014 Operating Budget Requests All Department Heads Memo (ADH 14-13), which stipulates that funding added to the 2013 Adopted Budget (from what was recommended) to any appropriation is NOT included in the requested budget base. This practice typically reduces contract agency budgets noticeably from the previously adopted budget in the Department's request and consequently in the Recommended Budget. For example, the budget for the Dolan Family Health Center (4100-4980-AIU1) is ultimately reduced by 10% from the 2013 Adopted Budget to the 2014 Recommended Budget.

Three of the four contract health center budgets are reduced by 34%, from requested, then combined into a single appropriation, and moved from appropriation 4100-4980 to 4101-4980. According to the Budget Office, the net expenditure reduction from over $27 million for these three contracts to just over $18 million is sufficient to fund operations at the health centers until the transition to the new Federally Qualified Health Center operator, no later than the end of the third quarter of 2014. The other hospital based health center contract, with Huntington Hospital to supplement its operation of the Dolan Family Health Center, is reduced by about seven percent compared to the request, and about 10% compared to the 2013 estimate.

The last Cornell Cooperative Extension contract remaining in the Department of Health Services, Family Health and Wellness (8750-4980-JHU1), has been transferred to the Department of Economic Development and Planning.

Fee for Services lines (object 4560) Department-wide are also reduced by about 11% versus the request. The largest component of the more than $2 million reduction is in the Patient Care Division, where funding for laboratory and centralized appointment are reduced, again in anticipation of the transition to the FQHC. Other reductions in this expenditure category include a two percent reduction in funding for emergency medical training instructors; a 14% reduction in contract agency nursing in the Public Health Nursing Bureau; and a 64% reduction in the Preventive Medicine Bureau, reducing their ability to hire public health educators to support school programs and tobacco education instructors to support the tobacco cessation program.

Revenues

Recommended Departmental Revenues are reduced by $8.4 million, 4.3% less than requested. The largest component of the revenue reduction is the $6 million reduction in earned revenues related to the health centers; after the transition to the FQHC, the Department will no longer earn revenue, as it will no longer be the operator for the health centers. State Aid to Municipalities is also reduced commensurate with a reduction in net expenditures on the health center system by the Department; some state aid will continue through the operation of the contract with the new FQHC operator.

The final component of the revenue reduction in the 2014 Operating Budget is a $1.4 million reduction in 2014 revenues for the Peconic Estuary Program. This change is primarily a change in accounting for the program. In previous years, the entire multiyear grant revenues were carried forward from year to year, and then adjusted in actual or estimated lines depending on the expenditures in a given year. Now, the grant will be accounted for in a manner similar to homeland security and urban areas security initiative grants; only revenue expected in a given year will be in the revenue lines, and any additional revenue will be accounted for over the course of the year through the budget amendment process.

Revenue code 3277, PS/EI State Aid, is disaggregated into two separate revenue lines, 3278, State Aid: Early Intervention and 3279, State Aid: Preschool, to allow for separate accounting for the changes in the programs on the New York State level.

Pollution Control and Wastewater Management Fee revenue are anticipated to be approximately 20% higher than in 2013, based on increasing applications for permits.

Administration

As mentioned in the Personnel Section, Permanent Salaries in the 4005 appropriation are slightly underfunded; however, six of the possible retirees in the Department are in this Division. The reduction in building repairs appropriations ($50,000 less in this appropriation) will prevent the Department from pursuing certain upgrades to the Department's headquarters that are not covered in the lease agreement.

Services for Children with Special Needs

The budget reduces the appropriations as compared to the 2012 actual expenditures for three of the four components of appropriation 2960, Education of Handicapped Children. Revenues associated with these appropriations are reduced commensurately.

The transportation component of the appropriation, 2960-4110, has been reduced as the new contract for transportation management has been implemented, and the County's share of the cost is expected to be about one million dollars lower in 2014 than in 2013. Although the costs are about $1.5 million lower, a change to reimbursement for Medicaid transportation will reduce revenues associated with the transportation component of the appropriation by about $500,000.

Appropriations in the Early Intervention Program (2960-4120) are reduced by about $2.2 million from the 2012 actual expenditures to the 2013 estimated expenditures, and by about $4.6 in both the Departmental request and the 2014 Recommended Operating Budget compared to the 2012 actual expenditures. These reductions were made based on the takeover of the Medicaid billing portion and provider reimbursement portion of the program by New York State. However, based on the Department's experience with this change thus far, the estimated and recommended expenditures may be inadequate.

Turnover savings in appropriation 4813, Services to Disabled Children, has been increased by about $40,000 from requested; this will likely delay hiring in the Division by six months.

Public Health

The Recommended Budget reduces Division permanent salaries to preclude hiring in the Environmental Health Unit (appropriation 4015). Overtime is recommended as requested. Because permanent salary funding to fill vacancies is extremely limited (three percent of Division salaries) these funds will probably end up shifted to another appropriation or used for overtime or temporary salaries.

Not included in the budget but already accomplished is the shift of Public Health Emergency Preparedness responsibilities to the Emergency Medical Services Division.

Patient Care Services--Health Centers

The most significant effect of the 2014 Recommended Operating Budget on the Division of Patient Care Services is the proposed change to health center governance and service delivery implicit in the change to a Federally Qualified Health Center operator versus the current model, with Suffolk County as the Diagnostic and Treatment Center operator. The table below illustrates changes in the Health Center Budgets from 2011 to 2014.

Health Center Budgets									
Health Center	2011 Actual	2012 Actual	2013 Adopted	2013 Estimate	2014 Request	2014 Recommended	Recommended - 2013 Estimate	Recommended - Request	% Change Request v. Recommended
Contract Health Centers									
HUNTINGTON HOSPITAL (Dolan)	$2,612,562	$2,481,934	$2,481,934	$2,481,934	$2,233,741	$2,233,741	($248,193)	$0	0%
ISLIP HEALTH CENTER-(Brentwood & CI)	$10,573,650	$9,989,840	$10,851,352	$10,851,352	$9,906,309	$0	($10,851,352)	($9,906,309)	-100%
4101 Contracted Agencies (includes Coram, partial year for MLK, Brentwood, Patchogue, and Shirley)	$3,879,157	$666,667	$1,066,667	$1,066,667	$2,016,534	$20,097,808	$19,031,141	$18,081,274	897%
SE & SW BROOKHAVEN CLINIC (Patchogue & Shirley)	$13,276,754	$12,950,408	$13,276,574	$13,276,574	$12,236,710	$0	($13,276,574)	($12,236,710)	-100%
WYANDANCH CLINIC (MLK)-Good Sam	$5,406,213	$5,499,487	$5,499,487	$5,499,487	$4,982,078	$0	($5,499,487)	($4,982,078)	-100%
PECONIC BAY MC - RVHD HLTH CLNC	$358,616	$511,753	$511,753	$511,753	$473,567	$473,567	($38,186)	$0	0%
County Health Centers									
Riverhead Health Center (Includes Southampton and East Hampton)	$4,200,953	$4,262,772	$3,705,331	$3,862,973	$4,029,568	$3,987,248	$124,275	($42,320)	-1%
TriCommunity Health Center	$2,974,481	$2,790,319	$2,270,146	$2,172,086	$2,279,871	$2,276,871	$104,785	($3,000)	0%
Brentwood Health Center (County Portion of Islip HC)	$839,880	$648,324	$808,452	$800,342	$793,848	$792,837	($7,505)	($1,011)	0%
Contracted Only	**$36,106,952**	**$32,100,089**	**$33,687,767**	**$33,687,767**	**$31,848,939**	**$22,805,116**	**($10,882,651)**	**($9,043,823)**	**-28%**
County Portion Only	**$8,015,314**	**$7,701,415**	**$6,783,929**	**$6,835,401**	**$7,103,287**	**$7,056,956**	**$221,555**	**($46,331)**	**-1%**
All Health Centers	**$44,122,266**	**$39,801,504**	**$40,471,696**	**$40,523,168**	**$38,952,226**	**$29,862,072**	**($10,661,096)**	**($9,090,154)**	**-23%**

Because of the anticipated changes, the budgets for the three hospital contracts are eliminated as contract agencies in appropriation 4100-4980, are funded for part of 2014, and have been moved to the contract agency line in Patient Care Programs (4101-4980); that line contains slightly more than $20 million. Approximately $2 million of this $20 million will pay for the Community Benefit Grant contracts with Hudson River Healthcare currently in place. Given the requested appropriations of $27 million for the three contracts, the remaining $18 million could sustain the four health centers paid through the contracts until the end of July. If any of the health centers transition earlier, there would be appropriations to sustain the remaining contracts still under Suffolk County's license for somewhat longer. According to the Budget Office, the intent is to have all four centers under the control of an FQHC by the end of the third quarter of 2014.

While appropriations for the Riverhead (4102), TriCommunity (4104), and the County-staffed portion if the Brentwood Health Center (4104) are funded for the entire year, the Recommended Budget and the Department of Health Services assume that these health centers will also pass to the operational control of an FQHC operator in 2014. Absent any agreement with the new operator, transition to a new operator would probably entail layoffs of up to 89 current employees: 53 at Riverhead; 30 at TriCommunity; and six at Brentwood.

Patient Care Services--Jail Medical Unit (JMU)

As previously described in the Personnel Section above, JMU permanent salaries were approximately $1.6 million less than requested, none of the additional personnel requested were included in the Recommended Budget, and three vacant Clinical Nurse Practitioner positions were abolished. Within the JMU (appropriation 4109), there is $275,000 available to fill more than $1.2 million in vacant jail medical positions. Even with the relaxed staffing requirements granted by the Commission of Correction and the cross leveling of certain staff between the Riverhead and

Yaphank facilities, the Department believes that the full complement of the current vacant positions should be filled by the time the Yaphank facility is 100% operational. If that happens no earlier than 4th quarter of 2014, the permanent salary line will be sufficient; if it happens earlier than 4th quarter, funds for this mandated cost will necessarily be moved from other appropriations.

Community Mental Hygiene (CMH)

As in much of the Department, permanent salaries are reduced compared to the request; 34 of the 48 transfers in the Department occur in Community Mental Health, as staff have been reallocated, especially to Jail Mental Health and some of the more highly reimbursed appropriations in the Division, and to appropriations where New York State has expressed concern regarding staffing. While there were increases in turnover savings in the Division, in the two divisions with the highest staffing needs, Methadone Clinics (4321) and Mental Health Programs (4320), some hiring of vacant positions will be possible, albeit at a level lower than requested by the Division. In the Methadone Program, hiring will probably be deferred from the beginning of the 3rd quarter to the beginning of the 4th quarter; in Mental Health Programs, hiring is deferred from the 2nd to the 3rd quarter.

Contract agencies in Mental Health Programs and Community Mental Hygiene (4310, the administrative appropriation for the Division) are funded as per the request.

A filled Senior Clerk Typist position is transferred from the Division to the Department of Social Services. This transfer should be reversed.

Environmental Quality (DEQ)

Permanent salaries in the Division are reduced by 4.3%; as noted in the personnel section, the Public and Environmental Health Lab (PEHL) has insufficient appropriations for its current staff in the individual appropriations; however, three personnel are probably eligible to retire in 2014. The PEHL had requested sufficient funds to hire a chemist, who could, among other responsibilities, back up the Environmental Radiochemist, a unique title; this funding is not included in the 2014 Recommended Operating Budget.

While permanent salaries are increased in appropriation 4400, the main appropriation for the Division, the requested salary amount has been decreased by more than $220,000, a four percent decrease. This probably moves the ability to hire from the 3rd quarter to the end of the 4th quarter of 2014.

Well drilling supplies, in appropriation 4477, have been reduced to the 2013 adopted level, $20,000 less than the request. The 2013 estimate for these supplies is $0. As of October 10, 2013, there are accrued expenses of $15,000.

Preventive Medicine

The Division's budget is reduced by 4.1% compared to the recommended budget. As discussed above in the Equipment and Supply and the Contracts sections, the division lost $75,000 from the instructional supply line (4501-3100), a reduction in the fees for services line used to fund contract health education instructors, and a reduction in fee for services contract agency staffing in Public Health Nursing (4508). At the current funding levels, the Division will be unable to purchase sufficient instructional supplies.

Emergency Medical Services (EMS)

Fees for Service Instructor funding (4618-4560) is reduced slightly from the request, and the funding for the Medical Control contract is reduced by $60,000 from the request. The reduction in overtime pay will impact the Division's ability to offer night and weekend EMS courses taught by

County instructors; the reduction in the fees for services lines further reduces the ability to offer EMS courses.

John J. Foley Skilled Nursing Facility (Fund 632)

The John J. Foley Skilled Nursing Facility was closed in June of 2013. All but five of the 185 interim positions remaining in appropriation 4530 are abolished in the 2014 Recommended Operating Budget. The five remaining positions are transferred as follows:

- One Clinical Nurse Practitioner and one Licensed Practical Nurse to the Jail Medical Unit;
- One Health Program Analyst I to Community Mental Hygiene Services;
- One Secretarial Assistant to Health Services Administration; and
- One Medical Records Clerk to the Riverhead Health Center.

Debt service for the facility is moved off budget in 2014, with defeasement of the remaining debt through the HEAL-NY 21 funds awarded to Suffolk County in 2012. Appropriation 4530, which previously contained the operating appropriations for JJFSNF, contains $1.6 million for fees for services contracts related to closure, miscellaneous expenses, unemployment insurance, and the final NYS retirement contribution.

The budget assumes a sale of the building and grounds of the former nursing home for a price of $17,071,28, which will be used to close out the fund and payoff the current negative fund balance; only $3.2 million of the expected revenue is transferred to the General Fund.

The 2013 Adopted Budget included $1,865,279 for the healthcare contribution for the retirees carried by Fund 632; it did not include funding for personnel employed in the skilled nursing facility in 2013. The 2013 estimate for this line (Transfer to Fund 039) also omits healthcare contributions for personnel who worked in the facility during 2013, and assumes that the adopted and estimated cost for the health care contributions are the same, $1,865,279. However, as of October 10, 2013, revenue received from Fund 632 is $2,742,461.

The building has not yet been formally mothballed.

Issues for Consideration

Overview

While many resource issues remain unaddressed, as a whole, the 2014 Recommended Operating Budget for the Department of Health Services will probably allow the Department to provide, for the first time since 2010, an equivalent volume and quality of service as compared to the previous year. There are, however, risks inherent in the limited amount of funding provided by the recommended budget; three specific assumptions must hold true if the budget is to adequately resource the Department:

- The Health Centers must transition to another operator no later than the end of July 2014.
- The Jail Medical Unit would not need to be fully staffed until the 4th quarter of 2014.
- The sale of the nursing home for the recommended price of $17.1 million takes place.

A more general assumption is also implicit in the budget, that nothing out of the ordinary will happen in Suffolk County in 2014; that there will be no adverse weather events that require public health or emergency service overtime, such as a hurricane or blizzard; that there will be no communicable disease outbreaks, such as the Hepatitis outbreak in Southampton; that there will be

no chemical spills or sewage treatment plant overflows that require extraordinary effort by the environmental quality staff; and that the Department is faced with anything but the most mundane and routine problems. When any contingency occurs, it is the routine and regular that suffer, as hiring does not occur, supplies are expended and not replaced therefore, the Department is less prepared for the next time.

Personnel

The critical variable that will determine whether the various Divisions are able to fill vacant positions will be the pace of the migration to the new Yaphank facility. If the full occupancy comes earlier in the year, more of the Department's personnel resources will be expended on the Jail Medical Unit, and less salary will be available for other appropriations.

Practically every Division needs personnel; much of the decrease in output measures and increases in work cycle times since 2010 can be attributed to the decreased staffing in the Department.

Vehicles

The Department requested 19 vehicles through the Department of Public Works. However, no civilian vehicles were included in the 2014 vehicle purchase recommended in the DPW budget. All but one of the requested vehicles had more than 125,000 miles on them (one vehicle had less mileage, but was unserviceable). The Department has 25 vehicles with more than 125,000 miles, not quite 20% of its vehicles. Another 31 vehicles have more than 100,000 miles on them. As these vehicles have become less reliable due to wear and tear, their absence, for maintenance, from the available fleet affects the work of public health sanitarians, nurses, social workers, and public health engineers, all of whom use them to do their work. Some personnel have been left with the difficult choice of cancelling service appointments or using private vehicles (with minimal mileage reimbursement available) or transporting clients and patients in private vehicles. The loss of the heavier trucks used in site inspections and sampling by the Environmental Quality Staff has contributed (along with the loss of staff) to the increase in cycle times for permitting.

Equipment and Supplies

The apparent intention of the administration is to fund some of the equipment and supply lines that were eliminated or greatly reduced in the 2014 Recommended Operating Budget through the upcoming capital budget, notably Building Repairs (object 3650), Office Machines (object 2020), and Well Drilling Supplies (object 3280). Setting aside the wisdom of funding expendable items such as well drilling equipment and computer components through serial bonds, the inability to repair buildings without borrowing from other budget lines reduces the ability of the Department to plan and to execute its programs.

Medical, Dental, & Laboratory Supplies (object 3370) were reduced by almost 11% across the Department; as noted in the Effects Section. The largest decrease, $200,000, occurred in the Jail Medical Unit, and is based on the assumption of full use of both jail medical facilities late in 2014. The decrease of $40,000 in the Public Health (4010) Division is more problematic; this decrease leaves the Department with little reserve funds for any type of vaccine.

Revenues

It could be possible to increase many of our Public Health and Environmental Quality revenues by charging other municipalities for the work done by the County's sanitarians and engineers. Suffolk County has not, for example, typically charged townships for pool inspections; we do however charge private congregate pool owners (camps and health clubs, for example) for their pool inspections. In addition to the unrealized revenue, there is an equity issue as well--the residents of

Riverhead, for example, which has no Public Pool, are paying County taxes so that Huntington residents can have a safe and sanitary pool or beach.

Services for Children with Special Needs

New York State's takeover of the Early Intervention Services (EIS) payment functions, through a contracted fiscal agent, has done little or nothing to help Suffolk County manage its program. While the recommended budget funds this appropriation (2960-4120) as requested, at the time of the creation of the budget request, it was hoped that the State would be able to meet the expectations of program savings. However, the situation has not improved.

Prior to 2013, claims for EIS payments came to Suffolk County from providers, and the County paid the claims and billed Medicaid, third party insurers, or paid the service through Early Intervention Services appropriations and State Aid for the program. Presently, the County no longer has any responsibility or authority to adjudicate a claim or find a payor other than itself for the claim; County funds for payment of the claims are passed to New York State and placed in an escrow account, from which the County's share is paid.

The State, however, has essentially foregone its responsibility to adjudicate claims. In its desire to expeditiously pay providers, the State pays directly out of the escrow fund. Providers, who now are supposed to bill Medicaid, simply bill the State, who pays the claim with the escrow account. The result is that Suffolk County expenditures have remained basically the same as prior to the takeover by the fiscal agent, but that the County no longer has the ability to check the validity of a claim, or to find a payor (Medicaid or private insurer) other than itself.

Thus far, it does not appear that the savings expected in the budget will be realized. The appropriations for this mandatory line should be increased to the 2012 actual levels, for both the 2013 Estimate and the 2014 Adopted, to assure sufficient appropriations are available.

A change by New York State in the eligibility of some transportation services will result in a reduction of transportation revenue, the net loss is likely to be $400,000.

Public Health

Understaffing remains a critical issue in both of the main appropriations in the Division, Public Health Administration (4010) and Public Health Protection (4015). While an inability to fill positions because of a lack of funding is, as elsewhere, an endemic problem, the Division also has lost positions over the last three years due to the abolition of vacant positions. In 2010, there were 78 positions in appropriations 4010 and 4015; as of mid-September 2013, there were 59, of which four are vacant. For example, Arthropod Borne Disease Laboratory is now at pre-West Nile Virus levels in positions, just as it will take on new responsibilities regarding Lyme Disease.

Patient Care Services--Health Centers

Suffolk County's time as the operator of Diagnostic and Treatment Centers is coming to an end; if not completely, by the end of 2014, then soon, and by necessity. In 2003, the ten health centers then operated by Suffolk County had a net cost of approximately 20 cents for every dollar spent. That net cost is now 40 cents on the dollar as of 2011, and will likely rise as New York State continues to reduce aid, and as the Affordable Care Act draws some insurable patients away from the health centers. Because Federally Qualified Health Centers (FQHC) are provided with some funding for uninsurable patients, and have other cost savings advantages such as Federal Tort Claims Act protections, the need for transition in Suffolk County to one or more FQHC is critical.

In 2012, Hudson River Healthcare, an FQHC originating in Peekskill, took over the operation of the Elsie Owens North Brookhaven Family Health Center in Coram. They are expected to complete the transition to operate the new Health Center in Southampton by the end of 2013, and they have an RFP waiver to negotiate with Suffolk County on operating the Riverhead and TriCommunity Health Centers.

The 2014 Recommended Operating Budget assumes that Suffolk County will successfully transfer the remaining health centers operating under its license in Brentwood, Patchogue, Shirley, Wyandanch, Riverhead, and Amityville to a FQHC licensed in New York State. The budget funds the two County staffed centers (in Riverhead and Amityville) at slightly less than requested by the Department. Funding for the other four centers under Suffolk County's license is sufficient to fund these sites for eight months at the requested level. However, the requested level of funding is 8.5% less than the 2013 adopted and estimated amounts. This will force the hospital contractors to either reduce expenses by 8.5%, or run at the current rate, and assume that FQHC transition can be completed by the end of August.

The assumption that the transition can be made by the end of August is reasonable but ambitious. Several factors decrease the likelihood of a transition on that schedule:

- The Request for Proposals distributed in 2013 to solicit FQHC operators was not awarded by the decision of the RFP committee. The next step, an RFP waiver, has not yet been granted for negotiations with any party.
- While the Coram Health Center transition took approximately eight months, and the transition for the two South Fork sites seems to be on schedule for about that time, all three sites are relatively small, and consolidation of East Hampton and Southampton probably would have occurred with or without Hudson River.
- The new operator will be required to file administrative Certificate of Need (CON) applications with the NYS Department of Health for up to six sites. While not as involved as a full CON review, it appears that the approval process takes about four months. The Coram CON was applied for and received contingent approval within four months; the new Southampton CON is still under review.
- FQHCs are also required to request an expansion of their service scope from the Federal Government. This process may well be delayed by the October 2013 Federal shutdown.
- The Health Centers in Amityville and Riverhead are staffed with Suffolk County employees. Their transition to either employment with the new operator or a contract with the new operator maintaining their civil service status will have to be worked out. To avoid layoffs at these facilities, a public-private agreement similar to Hudson River Healthcare's partnership with Stony Brook Hospital (a New York State facility) would have to be arranged.
- Total patients transitioned to Hudson River HealthCare (HRH) by the end of 2013 will be about 11,000 patients, although HRH has added more patients since then. Including their upstate facilities, Hudson River had about 97,000 patients in 2012; if an operator of a similar size were to take over the remaining health centers, they would have to absorb more than 50,000 patients in the eight month period allotted by the budget.
- The new operator will likely receive community benefit grant payments similar to the ones currently budgeted for Coram and Southampton in appropriation 4101-4980 with the funding for the contracted health centers. If these payments were similar to those for Coram and Southampton, and payment was for the four months of the year after transition, the $18 million

currently available for operating until the takeover would be reduced by about $1.3 million. This would leave sufficient funds for all centers only until the second week of July at the requested level of funding, and late June at the previously adopted level of funding.

Given the risk that the transition will not happen as implied by the Recommended Budget, the addition of sufficient funds to appropriation 4101-4980 to mitigate the risk of needing more funds seems prudent. To fund the health centers at the requested level for nine months, and account for possible payments to the new operator for the last quarter, would require an increase of approximately $3.3 million in appropriation 4101-4980. The net cost of the increase would be approximately $1.3 million when additional revenues related to continued operation are accounted for, if funding were increased to the previously adopted level, for nine months,

Community Mental Hygiene

As previously noted in the reviews of the 2013 and 2012 Recommended Operating Budgets, the Division remains critically low on prescribers; they have been criticized by New York State for the lack of prescribers in some programs. The 2014 Recommended Budget does mitigate this problem to an extent by providing the requested funding in Fees For Services contracts (object 4560) for contracted psychiatrists.

Despite the award of an RFP regarding the Methadone Clinics, no transition to a private operator is planned at this time. The Methadone Clinics recently received a very positive inspection report from NYS on the management and efficacy of its program.

The Jail Mental Health Unit, unlike the JMU, has not been included in the plans to increase staff due to the requirement to run two sites. While the requirements imposed on the Jail Mental Health Unit, with respect to mandated staffing, are not as stringent as those imposed on the JMU, the Mental Health Unit is still charged with the mental health needs of inmates at two separate sites.

While the transfer of a number of personnel into the unit will help, the lack of sufficient staff for evaluation ultimately costs Suffolk County. The lack of sufficient personnel for evaluation of inmates on suicide watch is a cost and manning issue. Any correction officer, medical staff, or mental health staff can recommend an inmate for suicide watch protocols, but mental health staff must evaluate the prisoners placed on the watch to remove inmates from that status. If there are insufficient mental health staff for this task, inmates remain on suicide watch for longer than may be necessary, which has a cost in staff resources.

Environmental Quality (DEQ)

According to the Division, the national shortage of qualified engineers has caused difficulties in recruiting and retaining public health engineers, who are central to DEQ's mission functions. The engineering corps, once at 35, now stands at 18; ten of those engineers are eligible to retire in the next 5-8 years. In response to this problem, the Engineering Crisis Recovery Plan calls for summer intern support (three interns, one for each engineering office). This will assist in conducting essential programs and project, and will provide a nucleus of potential future employees to maintain continuity in environmental health services. The funding for this program was reduced by one third from the requested $18,000.

If the policy option discussed elsewhere in the report regarding use of sewer Assessment Stabilization Reserve Funds becomes available to the General Fund, the personnel in the Sewer Treatment Plant Bureau could be funded through this revenue stream, at least in the short and perhaps medium term. The funding freed up by the direct revenue assignment could then be used to move some or all of the personnel now paid through Fund 477 back to the General Fund, thus

relieving pressure on the Fund Balance, and freeing 477 funds for water quality projects. Some of this funding might also be used to increase the funding for the engineering program, described above, to the requested level.

Preventive Medicine

While the Division expects to purchase most of the needed HealthSmart curricula with the funds provided in 2013, the funding requested in 2014 was practically eliminated in the Recommended Budget. These funds were to be used to start up and support the new Diabetes Prevention Program. From 2008 until 2011, average expenditures in this line were more than $18,000 annually. It is not reasonable to assume that Health Educators would not need any instructional supplies.

Emergency Medical Services (EMS)

The New York State Department of Health (NYSDOH) terminated the Police Academy EMS Course Sponsorship in August 2012, at which time Health EMS assumed all administrative oversight responsibility for Police Emergency Medical Technician (EMT) training. As the Course Sponsor of record, EMS must meet course performance standards consistent with State mandates. However, EMS has no authority over the management of the civilian instructor staff at the Police Academy.

As Course Sponsor, EMS is in the untenable position of being responsible for the program (EMS will be audited by NYSDOH) without any authority over program management The Police EMT training staff should be transferred to EMS, or the Police Department should be treated like any other EMS agency in the County without Course Sponsorship, and should be charged for the services provided.

The Division has absorbed many costs that should be charged-back to the Police Department. Overtime and per diem contractor budget lines are also used to cover the cost of instructors and evaluators needed to process Police EMT courses, without any chargeback to the Police. This has placed an additional burden on a Division that is now also the proponent for Public Health Emergency Preparedness, with the consequent planning and management responsibilities that follow that function.

The contract for Medical Control with Stony Brook Hospital remains unexecuted; apparently the hospital has not returned the contract to Suffolk County. While this contract remains unexecuted, payment to the hospital has been suspended, although it is budgeted. The $384,086 in the Recommended Budget is more than $60,000 below the last full payment made in 2011.

John J. Foley Skilled Nursing Facility (JJFSNF)

The 2014 Recommended Operating Budget includes just over $17 million in proceeds from the sale of the building and footprint. This amount seems to be based on the 2012 Rogers & Taylor appraisal of the facility. This appraisal, like the previous two appraisals, 2010 and the 2008 Horan, Martello, and Morrone report, value the facility as a going concern. Since the facility is no longer operating, the valuation as an operational skilled nursing facility is no longer valid.

Anecdotal comparison of the facility to other empty or nearly empty facilities elsewhere in New York and nationwide indicates a value in the $11-$13 million range. The anticipated revenues should be adjusted accordingly. Even if the building is sold, operation of the building, if it is owned by anyone other than Suffolk County as a nursing home (or as anything other than a single family home or farm), will require a zoning change. The Town of Brookhaven has so far been less than enthusiastic about such a change.

Because of the difficulties involved in the zoning change, and perhaps even in the sale of the building, BRO believes that a possible solution might be a sale and lease-back of the facility. There are several advantages to disposal of the building in this manner.

- It would allow the building to be sold at or above the budgeted value.
- Assuming a non-profit operator could be found for the facility, it could then be leased to the operator to defease the sale-leaseback.
- A lease arrangement may allow the County to bypass the requirement for a zoning change or variance.

A sale-lease back is a sub-optimum choice for increasing or creating revenue; however, given the strong possibility that the building will not sell at the budgeted price, it should be taken into consideration as a fallback method to reach the budgeted revenue.

The Upper Payment Limit/Intergovernmental Transfer payment was not included as revenue in the 2014 Recommended Budget. Based the 2013 budget, and given the closure of the facility, a payment of $1.7 million may be received in 2014, although a change in payment methodology may alter this estimate.

Budget Review Office Recommendations

Personnel

- Cancel the transfer of the Senior Clerk Typist position from appropriation 4320 to appropriation 6010

Equipment and Supplies

- Increase the Department's aggregate Medical, Dental, and Laboratory Supplies lines (object 3370) by $281,000, to the requested level.

Administrative/General

- Explore charging municipalities for inspections by Public Health and Environmental Quality personnel. Beach and pool inspections alone could raise as much as $80,000 in additional revenue.

Services for Children with Special Needs

- Increase the Early Intervention Services appropriation (2960-4120) to the 2012 actual levels; adjust revenue accordingly.
    - For 2013, the estimate should be increased by $2.1 million.
    - For 2014, increase the budget by $4.5 million.
- Decrease Revenue Code 1660 by $500,000.

Emergency Medical Services (EMS)

- Charge Fund 115 for services provided by the EMS Division for administration and oversight of the Police Emergency Medical Technician training program, and execute a Memorandum of Agreement between the two Departments regarding duties, responsibilities and specific chargebacks for the services provided by EMS.
- Alternately, move the Police Department staff to Health-EMS

- Increase funding in the Medical Control Contract (4618-4980) by $60,000.

Patient Care Services

- Increase 4101-4980 to fully fund nine months of contracted health centers at requested level with Community Benefit Grants (CBG) or nine months at previously adopted w/o CBG.
- Increase 4101-4560 by $125,000 to reflect a transition to an FQHC operator no later than the end of the 3rd quarter of 2014.
- Increase Patient Care and State Aid revenues two million dollars ($250,000 in 3401 Public Health, and $1.75 million in the aggregate for earned revenues) for a full nine months of operation prior to transition.

Preventive Medicine

- Increase Instructional Supplies to $18,000.

CF HSV14

Human & Community Services

Personnel (as of 9/15/13)

Authorized Positions:	89	**Filled Positions:**	69
Vacant Positions:	20	**Percentage Vacant:**	22.5%
Positions Abolished in the Recommended Budget:	1	**New Positions:**	2

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$4,672,813	$4,701,011	$4,374,898	$4,857,127	$4,779,757
Equipment (2000s)	$349	$1,903	$400	$1,845	$1,795
Supplies (3000s)	$535,819	$1,170,176	$631,994	$1,232,720	$1,228,390
Contracts (4000s)	$13,659,970	$15,040,034	$14,982,325	$14,276,740	$14,310,146
Totals	**$18,868,952**	**$20,913,124**	**$19,989,617**	**$20,368,432**	**$20,320,088**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$6,459,870	$7,173,930	$7,336,733	$7,300,054	$7,320,785
Federal Aid (4000s)	$4,798,746	$4,661,646	$4,644,389	$4,538,948	$4,538,948
Departmental Income	$0	$0	$0	$0	$0
Other Income	$68,646	$93,135	$113,136	$121,749	$129,749
Totals	**$11,327,262**	**$11,928,711**	**$12,094,258**	**$11,960,751**	**$11,989,482**

Effects of Recommended Budget

Human and Community Services

The Human Services and Community Services divisions of the County Executive's office address human and community needs throughout the County focusing on prevention as well as remediation of problems, and maintaining a commitment to improving the overall quality of life of the County's population. The Human Services Division is comprised of three operational areas: Office for the Aging, Veterans Services Agency, and Office for People with Disabilities. The Community Services division is comprised of three operational areas: Minority Affairs, Youth Bureau, and the Office for Women.

In the aggregate, the 2013 estimate for expenditures is $19.98 million, which is $923,507 or 4.4% less than adopted. This decrease is primarily a result of not expending any of $500,000 budgeted for Handicapped Parking Education (Fund 112) in 2013, and a net reduction of $340,776 or 7.6% in Permanent Salaries. The recommended budget provides $20.32 million in 2014, which is $593,036 or 2.8% less than the 2013 adopted and $48,344 less than requested. This decrease is primarily the result of reduced funding for two-thirds of the contract agencies.

In the aggregate, the 2013 estimated revenue is $12.09 million, which is $165,547 or 1.4% more than the 2013 adopted amount of $11.93 million. The recommended budget includes $11.99 million in 2014, which is $60,771 or 0.5% more than the 2013 adopted and $28,731 more than requested.

Issues for Consideration

Office for the Aging

The Office for the Aging is designated as the area agency on aging and is charged with the responsibility of administering Federal, State and County programs for persons 60 years of age or older. Based on the 2000 and 2010 census, Suffolk County's population of 60 years of age or older has increased by 26.8% and is now estimated to be 285,071 or 19% of the population. Based on this increase, the Office for the Aging was able to increase the level of State aid in 2012 and 2013. The increase of $498,402 in the state aid award for Community Services for the Elderly program (CSE) and Expanded in Home Services for the Elderly Program (EISEP) has been successfully maintained and awarded again for 2014.

Expenditures

The 2013 estimated expenditures of $13.5 million are $275,455 or 2% less than adopted. The recommended budget provides $13.7 million in 2014, which is $86,157 less than the 2013 adopted and $54,028 less than requested.

Revenues

The 2013 revenue estimate, in the aggregate, is $11.22 million for the Office for the Aging, which is $62,112 or 0.6% more than adopted. The recommended budget includes $11.1 million in 2014, which is $60,664 less than adopted and $20,731 more than requested.

Staffing

As of September 15, 2013, the Office for the Aging had 11 vacant positions out of 59 for a vacancy rate of 18.6%, compared to the September 2012 rate of 11.5%. Six of the vacant positions are in Older Americans Act Program (Title III-B): one Accountant, two Clerk Typists, one Community

Relations Assistant, one Senior Account Clerk, and one Senior Citizen Aid. Two are in Community Service for the Elderly (CSE): one Caseworker and one Dietetic Technician. One is in Expanded in Home Services for the Elderly Program (EISEP): a Senior Caseworker. Two are in Older Americans Act Title III-C-1: one Food Service Supervisor and one Senior Neighborhood Aide. The majority of the 11 vacant positions have been unfilled for more than one year due to the lack of offsetting State and or Federal aid needed to fund the positions. One vacant Community Relations Assistant position in the Older Americans Act Program is abolished, as requested by the Department. This position has been vacant for more than one year.

Based on year to date Permanent Salaries expenditures, the 2013 estimate for the Older Americans Act Title III-C-1 (6790), 90% aided, can be reduced by $32,082. Due to the program's high percentage rate of reimbursement, the net General Fund expenditure reduction is estimated at $3,208.

The recommended budget provides sufficient funds to maintain all currently filled positions in 2014 and approximately $265,000 to fill various, but not all vacant positions in 2014. The recommended budget provides $123,095 for the Older Americans Act Program, Title III-B (6772), $70,001 for Community Services for the Elderly (6777) and $71,488 for Older Americans Act Title III-C-1 (6790) to fill vacant positions.

No federal funds are available for the Senior Citizens Home Energy Program (6770) in 2014, which has one filled Neighborhood Aide position. This position is transferred to the Expanded In-Home Services for the Elderly Program (6778), as requested by the Department.

Veterans Service Agency

The County has its main Veterans Service Agency office in Hauppauge and a satellite office in Riverhead. In addition, the County has a Veterans Service Officer stationed two to three days a week at Brookhaven Town Hall and one Veterans Service Officer at the Long Island State Veterans Home in Stony Brook. The County's Veterans Service Agency mission includes assisting members of the armed forces, veterans, their dependents and survivors in relation to (1) matters pertaining to education, training and retraining services and facilities, (2) health, medical and rehabilitation services and facilities, (3) provisions of federal, state and local laws and regulations affording special rights and privileges to the members of the armed forces, war veterans and their families and (4) employment and re-employment services, and other matters of a similar, related or appropriate nature.

Expenditures

The 2013 estimated expenditures are $477,106, which is $57,466 or 10.8% less than adopted. The expenditure reduction is mainly associated with Permanent Salaries of $54,006. The Agency had two retirements during the year, one Senior Clerk Typist and one Veterans Service Officer. The recommended budget provides $620,621, which is $86,069 (16.1%) more than the 2013 adopted and $2,600 more than requested. The recommended increase compared to the adopted is principally associated with increased funding for Permanent Salaries ($81,727) and Employee Training for two new Veterans Service Officers ($3,150).

Revenues

The County has entered into agreements with the Long Island State Veterans Home in Stony Brook and the Town of Brookhaven to provide County veterans services at these sites, on a cost sharing basis. The estimated 2013 revenue is $15,000 from the Town of Brookhaven and $63,001, from Long Island State Veterans Home in Stony Brook. The 2014 recommended revenue from the

Town of Brookhaven is $33,000 and $63,001 from Long Island State Veterans Home in Stony Brook.

The 2013 revenue estimate for State Aid (001-EXE-6510-3710) is $68,232, which is $3,324 more than the 2013 adopted. The 2014 requested/recommended amount is $68,232. The allotment of State funds for disbursement to County Veterans Service Agencies is based on Article 17, Section 359, of the New York State Executive Law. Based on discussions with the Veterans Service Agency, Suffolk County may not be receiving its fair allotment of State aid.

Staffing

As of September 15, 2013, the Veterans Service Agency had one vacant position (Senior Clerk Typist, grade 12) out of 10 permanent authorized positions. There are four vacant interim part time Veterans Service Officer positions, which will expire at the end of 2013. The recommended budget creates two new full time Veterans Service Officer positions which will be filled with four part time employees. In order to obtain the mandated training required to perform their job, the new positions should be filled before February 2014. The recommended budget provides sufficient funds for Permanent Salaries in 2014.

Office for People with Disabilities

Expenditures

For the Office for People with Disabilities, the 2013 estimated General Fund expenditures are $334,559, which is $17,804 or 5.1% less than adopted. The 2014 recommended expenditures are $355,899, which is $5,300 less than requested. The primary differences are $2,000 for Temporary Salaries and $1,600 for Longevity Pay. BRO concurs with the recommended funding. BRO projects Permanent Salaries are sufficient for currently filled positions in 2014.

Revenues

Fund 112 - Handicap Parking Education Fund

The recommended budget estimates the Fund balance to be $680,250 by the end of 2013, and recommends $500,000 be expended under Other: Unclassified (112-8054-3500) in 2014. However, there is no proposal on how the funds will be used in 2014. The recommended budget includes $50,000 in Surcharge-Handicap Parking revenue and $2,712 in interest and earnings for a total of $52,712 in Fund 112 revenue in 2014. The actual Fund 112 revenue is as follows: $51,742 in 2008, $37,612 in 2009, $54,727 in 2010, $43,271 in 2011 and $41,266 in 2012.

Staffing

As of September 15, 2013, the Office for People with Disabilities had two vacant positions out of eight for a vacancy rate 25%. The vacant positions are one Community Organization Specialist (grade 25), and one Neighborhood Aide (grade 13).

The recommended budget provides sufficient funds to maintain operations in the Office for People with Disabilities in 2014 as in 2013. This includes funding for six positions as follows: Director of Office for People with Disabilities, Education Coordinator, Principal Clerk, Disabilities Service Aide, Clerk Typist, and Community Service Aide. There are no funds to fill the two vacancies. BRO estimates $66,477 is required to fill the two vacancies in the second quarter of 2014.

Minority Affairs

Expenditures

The 2013 estimated expenditures are $13,257, which is $50,612 less than adopted. The reduced expenditures are a result of not filling positions (permanent salaries adopted at $37,669 in 2013) and other units throughout the County Executive's Office being assigned the responsibilities of the Minority Affairs unit in 2013. The 2014 Recommended Budget provides $0, as requested.

Staffing

The recommended budget maintains two positions, one Principal Clerk and one Clerk Typist (Spanish Speaking), both vacant, but no funds are recommended to fill the positions in 2014. Based on discussions with the Community Services division, a County Executive Assistant I, funded elsewhere in the County Executive's Office, has been actively engaged in fulfilling the staffing requirements of the Minority Affairs unit.

Youth Bureau

Expenditures

The 2013 estimated expenditures for the Youth Bureau are $5.55 million, which is $37,803 less than adopted. The 2014 Recommended Budget provides $5.03 million, which is $557,027 or 9.97% less than the adopted and $8,464 less than requested.

The majority of the recommended funding decreases are associated with contracted agencies (4980). The 2014 Recommended Budget provides $4.69 million, which is $616,715 or 11.6% less than the adopted amount of $5.31 million.

As requested, the recommended budget does not include $109,117 for Wyandanch Youth Services (AYP1) as previously adopted. The evaluation of the agency's effectiveness indicated that the program was ineffective, and the Department's recommendation was to eliminate funding. Resolution No. 12-2013 transferred $90,931 from Wyandanch Youth Services to the Family Life Center.

As requested, the recommended budget includes $119,117 for the Family Life Center (JQK1). The program is to provide early childhood education, counseling and youth development services that transform young people in the Wyandanch community.

The Youth Bureau requested $42,447 for Response of Suffolk County (AOE1), a contract agency that provides telephone services, information and referral, and telephone counseling to youth and their families on a 24/7 basis. They also provide training in communication skills and prevention of teenage suicides. The recommended budget does not include funding for this contract.

Staff

The Youth Bureau has five authorized positions, of which three are filled: one Youth Services Coordinator, one Youth Services Supervisor and one Account Clerk/Typist. There are two vacant positions: one Youth Services Supervisor and one Runaway Coordinator, which is a vacancy rate of 40%. Based on year-to-date expenditures, there are sufficient funds for the three filled positions in 2013. The recommended budget includes permanent salary funding for all currently filled positions and $47,424 to fill the two vacancies in the second half of 2014.

Revenues

The 2013 revenue estimate in the budget is $675,215 for the Youth Bureau, which is $17,110 or 2.6% more than adopted. The 2014 revenue is recommended at $675,215, as requested.

The majority of the revenue for the Youth Bureau is State aid, estimated at $657,835 in 2013, which is the same amount recommended in 2014. The Youth Bureau has expressed concern over the decline in State aid for youth programs in recent years. In 2010, aid was $993,808 or 51.1% more than the 2013 estimate.

The principal reason for the reduced aid percentage from 2010 to 2013 is that the County has increased its funding share to maintain youth programs as State aid declined. Not all County Youth Bureau expenditures are covered by State aid, and a proportion of State aid for Development / Delinquency Prevention programs has been waived to the five Western Town Youth Bureaus under the single disbursement contract.

Office for Women

Expenditures

The 2013 estimated expenditures of $115,380 are $15,613 more than adopted, which is associated with a $16,763 increase in permanent salaries. The recommended budget provides $144,179 in 2014, which is $44,412 more than the 2013 adopted. This increase is associated with a $43,555 increase in permanent salaries.

Staffing

The Office for Women is recommended as requested with three positions: one Women's Resources Advisor I and two Secretary Positions. The recommended budget provides sufficient funding for all three positions.

Budget Review Office Recommendations

Develop a proposal, with funding recommendations, for Handicapped Parking Education programs.

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Information Technology Services

Personnel (as of 9/15/13)

Authorized Positions:	111	**Filled Positions:**	97
Vacant Positions:	14	**Percentage Vacant:**	12.6%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$5,454,449	$7,763,850	$7,643,546	$8,368,377	$7,864,035
Equipment (2000s)	$635,260	$736,847	$612,246	$872,203	$390,447
Supplies (3000s)	$3,293,177	$4,116,850	$3,932,871	$5,378,475	$4,588,194
Contracts (4000s)	$4,501,582	$5,180,116	$5,079,039	$5,041,266	$5,341,266
Totals	**$13,884,469**	**$17,797,663**	**$17,267,702**	**$19,660,321**	**$18,183,942**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$214,026	$0	$0	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$2,132,586	$2,560,699	$2,127,116	$2,592,783	$2,190,951
Totals	**$2,346,612**	**$2,560,699**	**$2,127,116**	**$2,592,783**	**$2,190,951**

Effects of Recommended Budget

The 2014 Recommended Operating Budget for Information Technology Services (ITS) represents a 2.2% increase in total expenditures, excluding debt service, over the Department's 2013 Adopted Operating Budget. This rise is mainly attributable to cost increases for Computer Software (016-ITS-1680-3160), Fees for Services (016-ITS-1680-4560) and employee salary adjustments. Noted in the Recommended Budget is a reduction of 53% for equipment, which will be addressed by the County Executive in 2014 as a new Capital Project.

Anticipated revenues in the 2014 Recommended Budget indicate a 15.5% decrease over the 2013 Adopted Budget for ITS. This reduction in revenue is credited to both a slowdown in the development of Suffolk County's cellular tower sites leading to a decline in the growth of Wireless Communication Carrier commissions (016-ITS-1651-2450), combined with a projected reduction in the use of inmate coin operated telephone commissions (016-ITS-1651-2456) at the Yaphank Correctional Facility.

Personnel

The 2014 Recommended Operating Budget provides $7,864,035 for Personal Services for 110 authorized positions. The Department currently has a workforce of 111 employees, but the recommended budget transfers one Public Safety Technical Coordinator (16-1682-0100) to the Department of Fire, Rescue and Emergency Services (FRES). DoIT is in agreement with this transfer.

Based on Budget Review Office (BRO) projections, 2014 recommended permanent salaries across DoIT's combined three units, 1651, 1680 and 1682, are insufficient to adequately fund the recommended 96 filled positions along with the 14 vacancies, if filled, for the full year.

- Funding for the Telecommunications Unit's (016-ITS-1651) filled positions results in a permanent salary surplus of $115, which is not sufficient to fund either of this unit's two vacant positions in 2014. Consequently, additional monies needed to fund this unit's permanent salaries of both filled and vacant positions for the entire year is $75,471.
- Funding for the Information Technology Services Unit's (016-ITS-1680) filled positions results in a permanent salary deficit of $22,136, while the cost to fund permanent salaries of this unit's seven vacancies for the entire year is $329,121. Consequently, additional monies needed to fund this unit's permanent salaries of both filled and vacant positions for the entire year is $351,257.
- Funding for the Direct Charge Department Staff Unit's (016-ITS-1682) filled positions results in a permanent salary surplus of $142,076, which is sufficient to fund three of this unit's five vacant positions for the entire year, or to fund all five positions for seven months of the year. An additional $84,786 is needed to fund this unit's permanent salaries for both filled and vacant positions for the entire year.

Equipment

In 2005, Suffolk County enacted a policy change whereby computer desktop, laptop and server warranties would be purchased for a five-year term rather than the standard practice three-year duration. This adjustment resulted in significant savings over the years to annual Operating Budgets of the County with little consequence to the computer lifecycle extension or workflow for the preponderance of the workforce. In 2008, the County enacted a further adjustment regarding the procurement of computers across the majority of departments by authorizing DoIT to purchase

these office machines through line item 016-ITS-1680-2020. This financing modification allowed the Department to consolidate costs across departments in order to maximize the purchasing power of the County. Lastly, in 2010 the County abolished the five-year procurement strategy and instituted an "as needed" replacement policy for computer office machines among all County departments encompassed within the ITS Operating Budget. The consequences of this final policy change has led to computers remaining in operation long past their practical and effective lifecycle, software that either runs inefficiently on outdated hardware or cannot be upgraded to the latest, and possibly required, version and inefficiencies with staff workflow and downtime. These issues are of concern, particularly in County public safety, human services and revenue producing Departments.

The County Executive and the Department Of Information Technology will be addressing these issues with a proposal to bond badly needed computer equipment through a new Capital Project next year. In order to prepare for the upcoming plan, the 2014 Recommended Operating Budget includes reductions in Office Machines (object 2020) across all Departments that fall under DoIT's computer procurement schedule. The 2014 DoIT financing request for 016-ITS-1680-2020 is $553,756, but the 2014 Recommended Operating Budget includes just $75,000. Moreover, the combined 2014 requests for Office Machines among all involved Departments totaled $1,277,858, but the Recommended Budget includes $434,856, a reduction of $843,002.

Supplies

The Department requested $5,600 for Outside Printing (016-ITS-1680-3040), however, the 2014 Recommended Budget includes $500. This line is mainly used by the Department to pay for annual W-2 form printing as required by the Federal Internal Revenue Service, and, by law, these forms must be issued to every County employee by January 31st of each year. Moreover, the County's Integrated Financial Management System (IFMS) reveals a pre-encumbered obligation of $2,600 that the Department has incurred for year-end preparation of the 2013 tax year W-2 form printing.

Contracts

In Fees for Services (016-ITS-1680-4560), the 2014 Recommended Budget includes an additional $300,000 compared to the departmental request. The additional funding is necessary to comply with the Countywide Language Access Policy (Executive Order 10-2012), which directs County agencies to translate vital documents, including public documents such as forms and instructions, in the six most common non-English languages spoken by individuals in the County of Suffolk. This now requires DoIT to hire an outside vendor to translate all documents posted to the County website, which fall within the Executive Order guidelines, into six non-English languages.

Issues for Consideration

Town Initiatives

The Department Of Information Technology has expressed an interest in pursuing certain telecommunication and technology initiatives with each of the ten Suffolk County towns. The telecommunications proposal involves providing to each town the option of participating in Suffolk County's Verizon Centrex Agreement, which covers 15,205 land line phones throughout the County. In 2012 the Department exercised an option within the Agreement for a three-year contract extension, which will bring the current contract to an end in May of 2015; and, following recent conversations with Verizon, the Department fully anticipates either extending the contract again or entering into a new Agreement with the vendor at that time. This proposition would be advantageous to all municipalities involved. The benefit for each town involved is the ability to take advantage of the County's current pricing structure of $12.44 per line, excluding taxes and fees.

The towns are presently under different types of agreements. Verizon Centrex voice services are mainly provided by the company itself since it delivers those services under their proprietary agreement. Verizon, however, does allow for authorized resellers and agents to sell these services to businesses, but pricing is significantly higher than the pricing now offered to Suffolk County in its current contract. For example, New York State Office of General Services (OGS) offers Centrex services in their pricing schedule with a volume discount tier structure which specifies that for 5,000 lines and above, the cost will be $20.00 per line, excluding taxes and fees. The County's advantage is that by increasing the number of land lines maintained, the more leverage it has with preserving the existing low cost price structure in the future. In fact, the current Agreement asserts that in order to maintain the $12.44 per line cost, the County cannot drop below a minimum of 12,164 supported lines. If the County were to fall below this minimum, it would incur a penalty of $12.44 a line for the remaining months of the contract. Moreover, the Department would like to offer telecommunication support services to towns taking advantage of the proposal. The County would be able to charge towns for these services and DoIT would expect to use these monies to fill a Communications Mechanic position currently vacant within the Department.

An additional process, which Information Technology Services is able to offer to some Suffolk County towns, is to incorporate their networks into the County's Disaster Recovery (DR) scheme. Again, participating towns would be charged a fee to offset the costs associated with the County's current DR structure. This initiative is also of benefit to the towns since the County has Level 1 priority in emergency situations, due to public safety and human services needs; and this level declares that communication and utility vendors, such as National Grid, Lightower, Verizon and Cablevision, must respond within four hours of the emergency.

Budget Review Office Recommendations

- The Budget Review Office (BRO) agrees with the concept of proposing a Capital Project in 2014 for the procurement of inefficient and outdated computer office machines. BRO offers the following recommendations so as to keep annual Capital costs down:
    - This goes forward as a one-year project with the intent to replace computer equipment greater than five years old or within six months of reaching that age.
    - Priority is given to purchases for public safety, human services and revenue producing departments.
    - At the completion of the project, the County returns to a five-year computer replacement policy funded again in Office Machines (016-ITS-1680-2020) within the Information Technology Services Operating Budget. Exceptions to the five-year term will be allowable for certain equipment deemed essential for an early upgrade based upon Information Processing Committee approval.
- Funding should be restored to $5,600 for the Department's Outside Printing (016-ITS-1680-3040), as requested for the required 2013 tax year W-2 Internal Revenue Service forms.
- BRO concurs with the Department's efforts to move forward with initiatives to integrate Suffolk County towns into its current Verizon Centrex Agreement for voices services, as well as the incorporation of town networks into the County's Disaster Recovery scheme. Monies obtained from the towns for services related to these initiatives would help offset costs in future County Operating Budgets.

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Labor, Licensing, and Consumer Affairs

Personnel (as of 9/15/13)

Authorized Positions:	220	**Filled Positions:**	168
Vacant Positions:	52	**Percentage Vacant:**	23.6%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$13,360,079	$12,473,569	$13,754,044	$13,001,460	$12,870,912
Equipment (2000s)	$62,255	$1,900	$3,866	$7,300	$6,400
Supplies (3000s)	$247,653	$224,297	$209,555	$220,300	$240,868
Contracts (4000s)	$4,232,164	$2,887,518	$3,205,114	$3,709,608	$3,709,608
Totals	**$17,902,150**	**$15,587,284**	**$17,172,579**	**$16,938,668**	**$16,827,788**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$1,023,229	$1,022,424	$1,017,784	$967,582	$967,582
Federal Aid (4000s)	$10,997,868	$11,074,699	$12,703,985	$11,180,127	$11,191,882
Departmental Income	$0	$0	$0	$0	$0
Other Income	$5,088,471	$5,814,750	$5,896,051	$5,885,496	$5,895,496
Totals	**$17,109,567**	**$17,911,873**	**$19,617,820**	**$18,033,205**	**$18,054,960**

Effects of Recommended Budget

The 2014 Recommended Budget appears to provide adequate resources, in the aggregate, for the Department to meet its core goals as stated in the departmental narrative. The Department sought and the Executive recommends no new positions for 2014. The recommended budget appears reasonable in that it proposes 2014 expenditures at a level that is $110,880 or 0.65% less than requested and revenues at a level that is $21,755 or 0.12% more than requested by the Department.

In the aggregate, BRO estimates approximately $350,000 of surplus salary appropriations, which is explained by the Executive's intent to fund four additional staff to focus on the employability of the Safety Net single male population in an effort to reduce Safety Net expenses within the County. The Department reports the number of clients served by the Safety Net program has increased in excess of 57% over the last three years. The narrative suggests a net savings of approximately $170,000 to the County resultant from this initiative.

The only other recommendation indicated within the recommended budget as a "major recommendation" for the Department is the inclusion of $75,000 revenue from implementation of the Taxi and Limousine Commission sometime in mid-2014. The 2013 Adopted Operating Budget included $250,000 in fine and fee revenue anticipated from the creation of this Commission, which is indicated as $0 in the Executive's 2013 estimate. The Commissioner indicated that he desires to implement the Commission revenue neutral in 2014 via overhaul of some information technology functions and absorption of the Commission into the Bureau of Licensing Certification within the Office of Consumer Affairs. The recommended budget includes $75,000 of fine/fee revenue from implementation of the Commission in 2014, which would indicate a mid-September start date based upon the anticipation of $250,000 revenue on a yearly basis as included in the 2013 Adopted Operating Budget.

Net Cost to the County

The County's 2014 General Fund expenditure for the Department of Labor, Licensing, & Consumer Affairs is recommended at $4.5 million or 23.4% of the Department's total expenditures. The General Fund cost for the Department of Labor, Licensing, & Consumer Affairs is comprised of expenditures for Administration (6370), Consumer Affairs (6610), Living Wage (6700), and approximately 30% of the expenditure for the Suffolk Works Employment Program (SWEP) (6380), per the Department.

Revenue Overview

The Department receives a substantial portion of its revenue from the State and Federal governments, which each have different fiscal years from the County. The State fiscal year is April to March, the Federal government is October to September, and the County is January to December, which presents a challenge when estimating and projecting the Department's revenue. Due to the differences in fiscal years, the Department will consider grant award letters for a portion of the County's fiscal year, which it then uses to forecast what it expects to receive for the remainder of the year.

The recommended budget includes revenues of $18,054,960 for the Department for 2014 that is $21,755 or 0.12% more than the $18,033,205 requested by the Department and appears reasonable based upon historic revenue realization trends. The 2013 revenue estimate of $19.6 million is approximately $1.7 million more than adopted, and also appears reasonable, based upon the Department's appropriation of $1.87 million of National Emergency Grant Funds via Resolution No.

387-2013. These funds were not included in the 2013 Adopted Operating Budget and exemplify some of the difficulty inherent in projecting revenues within the Department.

Expenditure Overview

The 2014 recommended expenditures of $16,827,788 are $110,880 or 0.65% less than the request of $16,938,668 submitted by the Department and appear reasonable. This relatively small difference is mainly attributable to variances in salary expenditure projections in some of the Department's programs. Precise salary funding requirements are difficult to project within these heavily aided programs as grant funding that is provided throughout the year to offset these costs is difficult to estimate until it is actually realized.

Based on our projections, the recommended budget includes sufficient funding in the aggregate to adequately fund salaries for the Department's existing filled positions and approximately $350,000 to fill vacant positions in 2014. The departmental narrative indicates the Executive's intent to fund four additional staff to focus on the employability of the Safety Net single male population at a cost of $270,000, which the recommended budget provides leaving approximately $80,000 to fill other vacancies.

The 2013 estimated expenditures of $17,172,579 are reasonable. They are $1,585,295 more than adopted mainly attributable to $1,563,450 of WIA grant funds appropriated in 2013 that were not included in the adopted budget for various WIA programs and positions. The 2013 estimated expenditure for salaries across all appropriations appears reasonable and differs from the BRO estimate of $10.2 million by approximately $185,000 or 1.8%.

Budget Review Office Recommendations

The Budget Review Office recommends adoption of the Labor, Licensing, and Consumer Affairs operating budget as proposed within the 2014 Recommended Operating Budget.

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Law

Personnel (as of 9/15/13)

Authorized Positions:	132	**Filled Positions:**	107
Vacant Positions:	25	**Percentage Vacant:**	18.9%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$7,894,615	$8,814,572	$8,847,914	$9,114,697	$9,271,271
Equipment (2000s)	$0	$3,236	$1,000	$3,236	$0
Supplies (3000s)	$241,305	$224,404	$209,634	$220,190	$218,256
Contracts (4000s)	$5,181,451	$5,252,441	$5,373,299	$5,299,070	$5,315,674
Totals	**$13,317,371**	**$14,294,653**	**$14,431,847**	**$14,637,193**	**$14,805,201**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$3,410,773	$3,150,000	$3,520,703	$3,525,000	$3,525,000
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$105,583	$282,408	$331,611	$282,389	$321,611
Totals	**$3,516,356**	**$3,432,408**	**$3,852,314**	**$3,807,389**	**$3,846,611**

Effects of Recommended Budget

The 2014 Recommended Budget of $14.8 million for the Department of Law is $373,354 more than the 2013 estimated budget. Expenditure growth is mostly attributable to increases in Permanent Salaries for annual employee step increases. The 2014 Recommended Budget is $1.49 million more than 2012 actual expenditures because the Insurance and Risk Management Unit, which is recommended at $1.43 million in 2014, was transferred from Civil Service to Law in the 2013 Adopted Budget. The 2013 estimated budget for the Department of Law is reasonable.

The budget attributes to the Department of Law Court Facilities Aid (001-LAW-3021) from New York State for maintaining and operating court facilities; however, the reimbursable expenditures are incurred by the Department of Public Works (001-DPW-1164). As of September 20, 2013, the County has received $3,254,552 from this revenue source, which exceeds the adopted amount by $104,552. The 2013 estimate and the 2014 recommended amount for this revenue are $3.5 million; both are reasonable.

Permanent Salaries

The Department of Law is budgeted in three funds as follows:

(001) General Fund		
Unit	**Unit Name**	**No. Emp.**
1171	Bar Assn Indigent Defendants (18-B Panel)	0
1420	Law (General Administration)	61
1429	DWI Vehicle Seizure Program	3
8040	Human Rights Commission	3
(038) Self Insurance		
Unit	**Unit Name**	**No. Emp.**
1316	Insurance and Risk Management	22
1712	Insurance Tort Unit	17
(136) Traffic Violations Bureau		
Unit	**Unit Name**	**No. Emp.**
1426	Traffic Violations Law	1
Total No. Department of Law Employees		**107**

There are sufficient recommended appropriations to fund all currently filled positions for the duration of 2014 in each fund. In the aggregate, the recommended budget for Permanent Salaries exceeds the Department's request by $156,574. We estimate that there is approximately $190,000 for promotions or to fill vacancies in the General Fund, $39,000 in the Self Insurance Fund, and $47,000 in the Traffic Violations Bureau Fund.

Issues for Consideration

Insurance and Risk Management

Risk Management oversees the County's self-insurance program, workers' compensation, and auto and general liability. The Division is responsible for processing these expenditures; however, the

actual expenses are accrued to the miscellaneous category in the County's Self Insurance Fund (038).

The Division of Insurance and Risk Management was transferred in the 2013 Adopted Budget from Civil Service to the Law Department based on the recommendations made by the worker's compensation consultant, Brady Risk Management, and by the County Executive's Performance Management Unit, to streamline the processing of settlements and make worker's compensation reforms. From a budgetary perspective it is unclear how the County has benefited from the transfer. There are many variables that influence worker's compensation costs; however, both the 2013 estimate and the 2014 Recommended Budget for worker's compensation are more than 2012 actual expenditures. The following table is a summary of the County's budgeted liability from 2012 through the 2014 Recommended Budget.

Category	2012 Actual	2013 Adopted	2013 YTD	2013 Estimate	2014 Recommended
Auto Liability	$1,163,842	$570,000	$2,224,500	$2,373,000	$671,000
Auto Physical Damage	$1,191,718	$1,401,000	$1,133,868	$1,400,000	$1,401,000
Bus-3CD	$1,156,115	$1,225,000	$901,070	$1,125,000	$1,201,000
Employee Practices Liability	$250,000	$50,000	$24,990	$0	$50,000
General Liability	$858,518	$845,000	$1,023,032	$1,526,624	$876,000
Medical Malpractice Insurance	$4,795,000	$50,000	($40)	$0	$50,000
Unallocated Insurance	$4,017,320	$4,315,000	$4,014,745	$4,225,000	$4,696,500
Vdt Claims	$48,023	$80,000	$76,633	$47,500	$60,000
Worker's Compensation	$30,777,189	$32,081,100	$24,211,122	$30,959,100	$32,619,500
Total	**$44,257,725**	**$40,617,100**	**$33,609,921**	**$41,656,224**	**$41,625,000**

The above liability expenses include the cost of settlements, which are typically recommended and adopted at a fraction of their eventual cost. The 2013 Adopted Budget included $1.28 million for settlements (object 8505, not shown separately in table); the 2013 estimate is $3.8 million. The 2014 Recommended Budget provides $1.5 million. In order to supplement budgeted cash reserves, the County has the option to issue serial bonds to pay for settlements. While this offers the County the advantage of deferring payment and is sensitive to cash flow needs, it leads to higher overall costs. By placing additional funds in the operating budget each year for liability cases, the County could avoid significant debt service costs. The downside of placing these funds in the operating budget is that it requires the County to identify additional revenue to offset the expense.

The following chart shows the breakdown of financing settlements, over the past ten years (2004-2013), between bonding, Col (1), and pay-as-you-go operating budget expenditures, Col (2). Over the past ten years borrowing has accounted for 42% of the total and operating budget appropriations the remaining 58%. Debt service associated with borrowing, Col (3), is starting to become an increasing share of settlement costs. Debt service over the past ten years averaged $1.4 million, but is estimated at almost $2.5 million this year and is recommended to be $3.1 million in 2014.

Self-Insurance Fund (038) Liability Settlements			
	Revenue	Expenditures	
	Bond Proceeds (038-2780) (1)	Pay-as-you go funding (Settlements: Obj 8505) (2)	Debt Service on Bond Proceeds (038-9710) (3)
2004	$9,030,000	$14,765,391	$399,817
2005	$575,000	$2,163,223	$1,045,101
2006	$0	$2,676,096	$1,399,547
2007	$2,500,000	$2,373,179	$1,413,120
2008	$1,475,000	$4,522,143	$1,588,852
2009	$3,125,000	$4,388,298	$1,264,556
2010	$2,372,583	$4,493,260	$1,506,721
2011	$9,548,987	$9,628,218	$1,673,519
2012	$6,105,000	$2,209,886	$1,444,069
2013 Est.	$2,471,624	$3,836,624	$2,488,819
2014 Rec.	Always Adopted at $0	$1,500,000	$3,123,729
Ten Year Summary of Liability Settlements (2004-2013)			
Total	$37,203,194	$51,056,318	$14,224,121
% of Total	42%	58%	
Average	$3,720,319	$5,105,632	$1,422,412

Bar Association – Indigent Defendants Program

The Indigent Defendants Program (001-1171-4770) provides for private attorneys, which are necessary for homicide cases and in certain dual defendant cases, when the Legal Aid Society cannot represent more than one defendant. It is more cost efficient for Legal Aid attorneys to perform the assigned caseload for an annual salary instead of 18-B lawyers contracted through the Department of Law at much higher hourly rates. However, the ultimate decision as to which defense will be provided is the decision of the court judges. When a conflict exists, the use of 18-B outside counsel is unavoidable.

The 2013 estimated budget for private 18-B lawyers is $4.2 million, which is equal to the 2013 Adopted Budget and the 2014 Recommended Budget. Based on year to date expenditures, the estimated budget seems reasonable. The 2014 Recommended Budget is also reasonable, provided the County continues to have the majority of its cases handled by the Legal Aid Society.

Budget Review Office Recommendations

When the County's fiscal situation improves, the Legislature should consider increasing cash reserves for settlements to reduce the need to issue serial bonds to cover liability expenses.

BP Law14

Legal Aid Society

Expenditures					
Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$0	$0	$0	$0	$0
Equipment (2000s)	$0	$0	$0	$0	$0
Supplies (3000s)	$0	$0	$0	$0	$0
Contracts (4000s)	$11,907,196	$12,727,976	$12,727,976	$13,371,034	$12,923,616
Totals	**$11,907,196**	**$12,727,976**	**$12,727,976**	**$13,371,034**	**$12,923,616**

Revenues					
Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$2,991,953	$3,415,000	$2,809,258	$3,415,000	$2,247,086
Federal Aid (4000s)	$40,043	$53,400	$53,400	$53,400	$53,400
Departmental Income	$0	$0	$0	$0	$0
Other Income	$0	$0	$0	$0	$0
Totals	**$3,031,996**	**$3,468,400**	**$2,862,658**	**$3,468,400**	**$2,300,486**

Effects of Recommended Budget

In the aggregate, the 2014 Recommended Budget for the Legal Aid Society is $195,640 more than the 2013 Adopted Budget, which is the amount requested by Legal Aid for two additional attorney positions and one additional clerical position. However, the recommended increase is $447,418 less than the total requested increase. Requested items not included in the recommended budget include: funds to cover the increased cost of health insurance premiums, funds to decrease the current employee health insurance premium contributions, and cost of living increases. The following table shows the difference between what was requested by Legal Aid and what was included in the recommended budget.

Change in Funding from the 2013 Adopted Budget	2014 Legal Aid Request	2014 Recommended Budget
To fund projected 2.3% increase in medical insurance premiums	$164,291	$0
To reduce employee health insurance premium contributions from 20% to10% for existing employees and from 20% to 15% for new employees	$109,258	$0
3% Increase in salaries	$226,999	$0
Three new positions: salaries and fringes	$195,640	$195,640
Other	$270	$0
DCJS Sex Offender Program	-$53,400	$0
Total	$643,058	$195,640

Legal Aid did not request the $53,400 included in the recommended budget for the DCJS Sex Offender Program, which it has been running since 2007. The recommended funding in the budget is offset by an equal amount of federal aid. If the program is not continued, the impact is budget neutral.

Revenue

In 2010, New York State established the Office of Indigent Legal Services to oversee the Indigent Legal Services Fund (ILSF), from which the State disburses aid to counties. Prior to its creation, aid had been disbursed by the New York State Comptroller's Office based upon a formula. Starting in 2011, the Office of Indigent Legal Services was given discretion to distribute a portion of the dedicated aid to counties on a competitive basis in the form of "target grants". The Office of Indigent Legal Services was authorized to allocate 10% of the available funding in 2011, 25% in 2012, and 50% in 2013. In 2014, the Office will be responsible for the distribution of 75% of available aid and 100% of all aid to counties will be under the Office's discretion by 2015.

When the change in distribution criteria was implemented several years ago, it was unclear how the new methodology would impact aid to Suffolk County. As shown in the following chart, ILSF aid has declined each year since 2009.

Year	ILSF Aid Distribution Under Old Formula (1)	ILSF Aid Distribution Under New Formula (2)	Total ILSF Aid (3) = (1) + (2)	Other State Grants (4)	Total State Funding (5) = (3) + (4)
2009	$3,177,347	$0	$3,177,347	$588,961	$3,766,308
2010	$2,808,344	$0	$2,808,344	$606,500	$3,414,844
2011	$2,499,707	$0	$2,499,707	$505,158	$3,004,865
2012	$2,414,894	$67,708	$2,482,602	$509,351	$2,991,953
2013 Est.	$1,404,172	$702,086	$2,106,258	$703,000	$2,809,258
2014 Rec.	$1,000,000	$702,086	$1,702,086	$545,000	$2,247,086

An additional consequence of the new method of aid distribution is that competitive grants are only awarded for new initiatives that expand service provision. As aid transitions from the old system to the new, the financing of existing services increasingly becomes a local burden.

The 2013 Adopted Budget included $702,086 in State aid secured under the new guidelines by expanding services through a Spanish language initiative. The same level of funding is continued in the 2014 Recommended Budget to pay the salaries of the Spanish speaking employees that were hired to better serve the growing Hispanic population.

The Legal Aid Society has submitted a proposed plan to the State Office of Indigent Legal Services in an attempt to secure additional funding for the upcoming year based on the following initiatives intended to improve/expand service provision:

- Creation of a Social Worker Unit in the District/Family Court
- Creation of an Immigration Law Compliance Team
- Hiring additional investigators for the District/County Court

Once approved by the State, the Legislature must approve a resolution accepting the grant and appropriating the funds.

Issues for Consideration

Staffing

The Legal Aid Society has stated over the years that it has had difficulty recruiting and retaining attorneys due to a disparity in wages and benefits between what it is able to offer its lawyers and what is offered by the District Attorney, County Attorney, and private practices.

As the workload increases, the caseload per attorney increases. According to the Legal Aid Society, its attorneys typically handle 400-600 misdemeanor cases per year. Based on New York City Bar Association standards, the maximum caseload should be around 300. The American Civil Liberties Union (ACLU) has filed a suit against the State and County claiming that the attorney to client ratio is in violation of the federal mandate to provide acceptable indigent defense. If the ACLU prevails, the County will have to either increase its contract with Legal Aid or refer more cases to the 18-B panel, at an even higher increase in cost.

Legal Aid Versus Assigned 18-B Counsel Program

Article 18-B of the NYS County Law delegates to the counties the responsibility to provide representation to indigent defendants. Suffolk County fulfills its 18-B obligation by contracting primary responsibility to the Legal Aid Society, which is a cost effective means for providing legal counsel to indigent defendants. In cases of murder trials, conflict of interest, or when there is more than one defendant, counsel is assigned to the 18-B panel, which is contracted through the Law Department. It is fiscally preferable for the County to have as many cases as possible handled by the Legal Aid Society since Legal Aid attorneys perform the assigned caseload for an annual salary while 18-B lawyers charge much higher hourly rates. Legal Aid estimates that its cost per case is approximately $300, compared to upwards of $1,000 if the case is referred to the 18-B panel. Ultimately, the decision as to which defense will be provided is the prerogative of the court judges; however, ensuring that the Legal Aid Society has enough attorneys to staff all parts improves the likelihood that Legal Aid will be assigned the case.

Employee Health Insurance

In 2011, the Legal Aid Society successfully petitioned the State to allow its employees to participate in the New York State Health Insurance Program, saving approximately 30% of the cost of its previous health plan. Nevertheless, the increasing cost of healthcare has caused premiums to increase. In 2012, the Legal Aid Society increased employee premium contributions from 15% to 20% to mitigate the growth in costs. Last year, the Legislature increased the 2013 Recommended Budget by $220,000 to offset the growth in premiums. For 2014 Legal Aid is requesting $164,291 for the same purpose. Legal Aid is also requesting $109,258 to roll back the employee premium contribution increases instituted in 2012 from 20% to 10% for existing employees and 15% for new employees.

Budget Review Office Recommendations

- We recommend adding $164,291 to the 2014 Recommended Budget (001-LAS-1170-4770) for the anticipated rise in health insurance premiums.
- The requested cost of living increases are not unreasonable; however, we recommend that if the Legislature wishes to include salary increases, it consider postponing the effective date of raises from January 1st to July 1st, as is the case with steps for County AME and Exempt employees. In doing so, the Legislature can lower the 2014 impact by 50% from $226,999 to $113,500.

BP LAS14

Legislature

Personnel (as of 9/15/13)

Authorized Positions:	132	**Filled Positions:**	119
Vacant Positions:	13	**Percentage Vacant:**	9.8%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$8,939,574	$9,359,557	$9,407,479	$9,437,075	$9,437,076
Equipment (2000s)	$2,123	$62,298	$52,037	$159,550	$159,550
Supplies (3000s)	$161,074	$197,873	$112,815	$126,064	$126,064
Contracts (4000s)	$57,414	$189,992	$40,680	$124,200	$124,200
Totals	**$9,160,186**	**$9,809,720**	**$9,613,011**	**$9,846,889**	**$9,846,890**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$917	$0	$0	$0	$0
Federal Aid (4000s)	$2,751	$0	$0	$0	$0
Departmental Income	$6,534	$10,000	$10,000	$10,000	$10,000
Other Income	$0	$7,600	$7,601	$7,601	$7,601
Totals	**$10,201**	**$17,600**	**$17,601**	**$17,601**	**$17,601**

Effects of Recommended Budget

Personal Services/Expenditures/Revenue

In the aggregate, the 2014 Recommended Budget contains sufficient funding for permanent salaries to fund all currently filled positions through 2014 and provides approximately $195,000 to fill vacant positions, as requested. All other expenditure and revenue items were recommended as requested.

RG LEG 14

Medical Examiner

Personnel (as of 9/15/13)

Authorized Positions:	111	**Filled Positions:**	97
Vacant Positions:	14	**Percentage Vacant:**	12.6%
Positions Abolished in the Recommended Budget:	1	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$0	$8,678,430	$8,242,843	$8,692,509	$8,552,765
Equipment (2000s)	$0	$83,820	$162,728	$171,283	$149,483
Supplies (3000s)	$0	$1,357,629	$1,305,025	$1,274,916	$1,269,916
Contracts (4000s)	$0	$263,570	$289,676	$387,374	$522,374
Totals	**$0**	**$10,383,449**	**$10,000,272**	**$10,526,082**	**$10,494,538**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$471,100	$560,400	$560,400
Federal Aid (4000s)	$0	$0	$464,578	$418,226	$418,226
Departmental Income	$0	$625,000	$451,600	$456,000	$456,000
Other Income	$0	$0	$0	$0	$0
Totals	**$0**	**$625,000**	**$1,387,278**	**$1,434,626**	**$1,434,626**

Effects of Recommended Budget

Overview

The 2014 Recommended Operating Budget for the Office of the Medical Examiner is less than one-half of one percent less than the Office's requested budget, and approximately five percent higher than the 2013 estimate. Most of the increase in 2014 compared to the 2013 estimate is for personnel, as the Office requested and received in the recommended budget sufficient funding to fill vacancies. The 2013 estimated operating budget for the Office is reasonable.

Personnel

Turnover savings is $140,957 higher than in the Office's request; this is less than two percent of the requested $7.6 million in permanent salaries. The reduction in available salary is somewhat offset by an increase in fee for services contracts. Between the personnel and fee for service contract appropriations, there is sufficient funding to staff the Office at current salary levels, with more than $436,000 available to fill vacant positions.

Equipment and Supplies

The recommended budget removes all funding for computers from the department's budget, and reduces funding for building repairs and for miscellaneous equipment. These small changes reduce the recommended equipment and supplies budget for the department by 1.9%. The Department of Information Technology facilitates computer purchases for most County departments.

Contracts

As noted in the personnel section above, the 2014 Recommended Operating Budget increases fees for services contracts in the Office (001-4720 4560) by $135,000, to partially offset the reduction in permanent salaries.

Revenues

Revenues for the Office are recommended as requested.

Issues for Consideration

Overview

While the 2014 Recommended Operating Budget for the Office of the Medical Examiner is sufficient to maintain the operations and services at current levels, several problems that remain unmitigated by the recommended budget will likely negatively impact services and operations. One of these problems is probably not solvable without legislation. Other unaddressed issues do not require legislative solutions, and affect the Office more in the medium and long term.

Medical Examiner Salaries

The Chief Medical Examiner recently resigned to take a position in the City of New York's Office of the Chief Medical Examiner. There is no Chief Deputy; that position has remained unfilled since its creation last year. Of the remaining five Deputy Medical Examiner positions, two remain unfilled; of the filled three positions, one will be at least on temporary leave in 2014. Although sufficient funding for vacancies exists at the current salary level, the current salary level remains below the national and regional average for forensic pathologists, and particularly for the Chief and Deputy Chief Medical Examiners. Hiring these senior exempt positions at competitive salaries requires amendment of Chapter 205-5 of the Suffolk County Administrative Code, and of current county

policy, which constrain Suffolk County salaries, with a few exceptions, to a level below the County Executive's salary.

If the Chief and Deputy Chief Medical Examiners do become exempt from Chapter 205-5, there is sufficient salary available to fill at least one of the positions early in 2014, with the other hire later in the year.

Other Personnel Issues

Eight personnel in the Office of the Medical Examiner appear to be eligible for retirement in 2014; five of the positions with retirement-eligible incumbents are in the crime lab, one is in a grant funded position, and the other two are in the forensic investigators and medical sections.

Assuming that the Office will maintain its caseload of approximately 1,200 autopsies a year, the Office of the Medical Examiner will require the equivalent of five full time forensic pathologists (pathologists are limited to no more than 250 autopsies per year by the American Board of Pathology; exceeding that amount risks their certification). Given current and future pathologist staffing, the current workload, and the upper limit constraint on autopsies, it is probable that at least for some time in 2014, 60% of the autopsies performed by the Office of the Medical Examiner will be performed by contract staff. While the contractors are competent pathologists, they do not typically testify in court or complete autopsy reports or address family members of decedents. Without the now vacant supervisory positions, it will also become more difficult to assure quality and continuity with cases handled by contract pathologists.

There are no funds budgeted for continuing medical education (CME) for any of the pathologist positions in the Office of the Medical Examiner. However, CME is required for board certification, which is required for employment in the civil service job description for all of the forensic pathologists (Chief Medical Examiner, Deputy Chief Medical Examiner, and Deputy Medical Examiner-Pathologist). Given the current understaffing, it will become more difficult for our pathologists to maintain their board certification and eligibility for employment.

Administrative Support

Prior to 2012, the Office of the Medical Examiner was a division of the Department of Health Services. As a subordinate division, sufficient administrative support (personnel, payroll, purchasing, information technology, and building services) was provided by Health Services. When the Office first became an independent agency, it was unclear how much administrative support would be required; Health Services and Civil Service provided some support on an ad hoc basis, but without any formal interdepartmental agreements; in a constrained resource environment, those departments have understandably prioritized their own issues before the Office of the Medical Examiner. The Office is currently able to adequately manage payroll and other personnel functions internally; they have also developed a working relationship with the Department of Public Works that has facilitated timely address of their physical plant without requiring an organic building manager. However, the Office could use clerical support for purchasing, and will attempt to fill a clerical position in 2014.

Workload

Reportable deaths and autopsies in Suffolk County have increased every year since 2007; DWI blood draws and crime scene visits by Forensic Investigators are trending upward as well. Crime Laboratory case reports seem to be stable, between 5,500 and 6,500 assigned cases over the same time period, and new testing procedures in place since 2011 have reduced or stabilized the number of samples analyzed by the various lab sections. The net effect of the continuing (or in some cases

growing) caseload on even a slightly understaffed agency has been to leave less time for court preparation, professional development, quality assurance, and accreditation preparation.

No Performance Management initiatives have taken place within the Office. Given the output and process driven work performed by the Office, assistance from Performance Management might be of some assistance.

Budget Review Office Recommendations

Personnel

Change Chapter 205-5 of the Suffolk County Administrative Code to exempt the Chief Medical Examiner and Deputy Chief Medical Examiner from the salary limitation imposed by the Administrative Code.

CF MED14

Parks, Recreation, and Conservation

Personnel (as of 9/15/13)			
Authorized Positions:	185	Filled Positions:	154
Vacant Positions:	31	Percentage Vacant:	16.8%
Positions Abolished in the Recommended Budget:	0	New Positions:	1

Expenditures					
Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$12,607,814	$12,233,995	$11,681,319	$13,009,193	$10,504,420
Equipment (2000s)	$188,337	$239,300	$227,140	$218,787	$214,512
Supplies (3000s)	$1,729,583	$2,171,095	$2,099,860	$2,467,732	$2,430,995
Contracts (4000s)	$880,143	$1,193,736	$1,114,414	$1,319,457	$1,317,207
Totals	**$15,405,876**	**$15,838,126**	**$15,122,733**	**$17,015,169**	**$14,467,134**

Revenues					
Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$304	$0	$0	$0	$0
Federal Aid (4000s)	$537,329	$0	$337,439	$0	$0
Departmental Income	$9,895,457	$9,504,900	$9,511,400	$9,504,900	$9,507,400
Other Income	$1,085,475	$1,289,080	$1,137,029	$1,289,080	$1,189,080
Totals	**$11,518,564**	**$10,793,980**	**$10,985,868**	**$10,793,980**	**$10,696,480**

Effects of Recommended Budget

Staff

The recommended budget increases the Parks Department's 185 authorized positions to 186 via the addition of one Security Director (grade 27) within the Ranger Operations and Radio Room division (001-7110-Parks-4000) at a starting annual salary cost of $60,604 that is included in the recommended budget. Four positions (two Maintenance Mechanic IVs, one Maintenance Mechanic III, and one Maintenance Mechanic I) are transferred from the main Parks appropriation (001-7110-Parks-1100) to Historic Services (192-7510-Historic Services-0200). The departmental narrative within the recommended budget states that these positions can be moved since they meet the eligibility criteria for Hotel Motel Tax funding (Fund 192).

The additional position, Security Director, has been added in conjunction with an Executive initiative to transfer 35 filled Park Police Officer positions to the Police Department and hire part time and temporary Park Rangers and Public Safety Officers to police the parks. The Executive's assertion within the departmental narrative is that security coverage in the parks will be increased resultant from this change. The recommended budget does augment funding for temporary salaries by $427,625 from $1.7 million to $2.1 million; however, it is difficult to determine the adequacy of this enhancement in conjunction with the recommended reductions of $2.4 million to permanent salaries from $7.5 million to $5.1 million and $300,000 for overtime salaries from $550,000 to $250,000 in the General Fund. Although the recommended budget reduces permanent salaries by approximately $2.4 million within the main Parks appropriation, from which the Park Police are paid, it fails to transfer or abolish the Park Police Officer positions. Conversations with the Executive's Budget Office and the Commissioner of Parks has revealed that adequate appropriations are provided within the main Parks appropriation to pay Park Police Officer salaries through April 2014; hence no transfer or abolishment of the positions in the recommended budget. If the transfer of Park Police Officers to the Police Department does not occur in 2014 then permanent salaries within Parks main appropriation (001-7110-PKS) will need to be augmented by approximately $1.6 million assuming no vacancies are filled.

Expenditures

The 2013 estimated budget of $15,122,733 is $715,393 or 4.5% less than adopted and is reasonable. The majority of the difference between the estimated and adopted expenditure budgets can be seen in permanent salaries. The largest variance is in permanent salaries within the main Parks appropriation in which the Executive estimates a $471,347 surplus, which is reasonable, based upon BRO's projected surplus of $469,990.

The 2014 recommended budget of $14,467,134 is $2,548,035 or 15% less than requested and is reasonable considering the approximately $2.4 million reduction to permanent salaries proposed within the main Parks appropriation (001-PKS-7110-1100). The reduction consists primarily of a $1.6 million transfer of Park Police Officer salaries to the Police Department in conjunction with the Executive's intention to move the Park Police Officers to the Police Department after approximately one third of the year, $230,000 transfer of salaries to another division within the Department, and $822,933 of projected turnover savings. If the $2.4 million reduction was restored to the Parks Department then the recommending funding, in the aggregate, would be approximately $190,000 or 1.1% less than requested by the Department.

The BRO salary projection for Parks main appropriation (001-PKS-7110) indicates that if the Parks Police transfer does not take place, a $1.4 million deficit would exist. This assumes no filling of vacancies, funding the addition of one new position, and salary funding for the Park Police Officers

for the entire year. If the transfer of Park Police Officers to the Police Department does not come to fruition, then a transfer back of salary funding from the Police Department will be necessary.

Revenue

The 2013 estimated revenue of $10,985,868 appears overstated by $500,000, in the aggregate, based upon unverified point of sales data through September 2013 and the Department's year-to-date receipt of $241,901 of unanticipated Other revenue (001-PKS-7110-4089) in 2013. As of September 20, 2013, the County's Integrated Financial Management System (IFMS) only had $2.4 million posted representing 22% of the estimated revenue. Therefore, the Budget Review Office was unable to validate the revenue included in the estimated budget using IFMS. Alternatively, we used the Department's unverified point of sale data through September, which included $8.9 million in revenue, in conjunction with the Department's 2014 budget request revisions (Form 6) submitted to the Executive's Budget Office. BRO's analysis indicates that Park and Recreation Charges (001-7110-PKS-2001) are overstated by $50,000, Camping Fees (001-7110-PKS-2003) are overstated by $100,000, Recreation Charges (001-7110-PKS-2012) are overstated by $50,000, and Beach and Pool Charges (001-7110-PKS-2025) are overstated by $300,000.

The 2014 recommended revenue of $10,696,480 is $97,500 or 0.9% less than the Department requested and is reasonable. The difference can be explained by Rental of Real Property (001-7110-PKS-2410), which is requested by the Department for 2014 at $900,000 and recommended at $800,000, which is more in line with the 2013 estimate of $740,000.

Issues for Consideration

The County continues to expand the number of parks, preserves, historic sites and programs without a simultaneous increase in staff to maintain and operate these sites. In recent years existing staff has assumed additional tasks while incurring expanding geographical areas of responsibility. These acquisitions in conjunction with attrition in Park Police Officer (PPO) positions has resulted in the Department's inability to comply with current legislation pursuant to Resolution No. 242-1999 as amended by Resolution No. 1361-2006. This legislation requires one new Park Police Officer for every additional 500 acres of land acquired since 1999. The chart that follows details the calculation used to determine that 11 new PPO positions are required to comply with existing legislation.

Detail for the Calculation of the Number of Park Police Officer Positions						
(1) 1999 # of Authorized Positions (as per 3/21/99 position control register)	(2) 2013 # of Authorized Positions (as per 9/29/13 position control register)	(3) Additional Authorized Positions since 1999 (2) - (1)	(4) Total Acreage that Meets Criteria through August 2013 as per Dept. of Env. & Energy*	(5) # of New PPO per 500 Additional Acres Since 1999 (4)/500	(6) # of New Park Police Officer Positions Required (5) - (3)	(7) Total # of Authorized Positions Needed (1) + (3) + (6)
39	**44**	**5**	**8,445.85**	**16**	**11**	**55**

To meet the standard of 55 PPO positions would require filling nine vacancies and the addition of 11 new positions. The annual salary and fringe benefit cost to fill all 20 positions as PPO I at entry level is estimated at $1,379,537 consisting of $897,135 for salary and $482,402 for fringe benefits. In addition, the cost to outfit the 20 PPO positions required with the necessary policeman supplies (clothing, equipment, and a Glock 9mm pistol) would exceed $63,000.

The amendment or deletion of this legislation should be considered if the Executive's initiative to move the Park Police Officers from the Department of Parks to the Police Department comes to fruition. It is BRO's understanding that the Executive must seek permission from the State Department of Civil Service to effectuate the proposed transfer of positions therefore; it remains unclear at this time if the Executive's initiative will progress.

Contract Agencies

It is a legislative policy decision to determine what contract agencies will receive funding in 2014 in the following appropriation.

- 192-PKS-7512-Museums & Historic Associations-4980-Contracted Agencies

In 2013, this appropriation included $327,000 for 42 contract agencies. The 2014 Recommended Budget includes $508,174 in Special Services (object 4770) within this appropriation that the Legislature can reallocate among Contracted Agencies (object 4980). The recommended funding within this appropriation represents a $181,174 or 55.4% increase compared to 2013, which may prove overly optimistic. BRO recommendations regarding projected revenues to Fund 192-Hotel & Motel Tax in 2014 could negatively impact this funding. The revenue shortfall for this appropriation and the Suffolk County Historical Society is a combined $135,153. It is a matter of policy how the reduction would be split between the two. See the status of funds write-up for Fund 192 for additional information pertaining to the allocation of Fund 192 monies in 2014.

Budget Review Office Recommendations

- Determine what contract agencies will receive funding in 2014 within appropriation 192-PKS-7512-Museums & Historic Associations-4980-Contracted Agencies. The 2014 Recommended Budget includes $508,174 in Special Services (object 4770) within this appropriation that the Legislature can reallocate among Contracted Agencies (object 4980).
- Consider re-evaluating the current Park Police Officer requirements contained within Resolution No. 1361-2006, which is the legislation that requires one new Park Police Officer for every additional 500 acres of land acquired since 1999. The County's current economic climate and continued land preservation efforts may warrant revisions to the standards established originally in 1999. Additionally, the proposed transfer of Park Police Officers to the Police Department may warrant amendment or deletion of this legislation if the initiative comes to fruition.
- Decrease 2013 Estimated Park and Recreation Charges (001-7110-PKS-2001) by $50,000 to more accurately reflect anticipated revenues.
- Decrease 2013 Estimated Camping Fees (001-7110-PKS-2003) by $100,000 to more accurately reflect anticipated revenues.
- Decrease 2013 Estimated Recreation Charges (001-7110-PKS-2012) by $50,000 to more accurately reflect anticipated revenues.
- Decrease 2013 Estimated Beach and Pool Charges (001-7110-PKS-2025) by $300,000 to more accurately reflect anticipated revenues.

RD Parks 14

Police
(General Fund)

Personnel (as of 9/15/13)

Authorized Positions:	606	**Filled Positions:**	467
Vacant Positions:	139	**Percentage Vacant:**	22.9%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$72,010,955	$62,335,372	$66,838,452	$64,326,479	$64,757,448
Equipment (2000s)	$1,076,318	$77,844	$1,402,974	$73,639	$73,639
Supplies (3000s)	$2,031,853	$1,931,192	$2,039,752	$2,095,377	$1,996,377
Contracts (4000s)	$2,417,780	$2,340,759	$3,341,668	$3,112,197	$3,112,197
Totals	**$77,536,906**	**$66,685,167**	**$73,622,846**	**$69,607,692**	**$69,939,661**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$2,648,040	$1,310,500	$1,826,316	$487,100	$487,100
Federal Aid (4000s)	$2,917,938	$0	$3,782,059	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$245,144	$151,550	$845,967	$161,551	$161,551
Totals	**$5,811,123**	**$1,462,050**	**$6,454,342**	**$648,651**	**$648,651**

Police
(District Fund 115)

Personnel (as of 9/15/13)			
Authorized Positions:	2,775	Filled Positions:	2,285
Vacant Positions:	490	Percentage Vacant:	17.7%
Positions Abolished in the Recommended Budget:	0	New Positions:	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$348,572,922	$334,539,079	$340,449,287	$344,411,376	$349,142,734
Equipment (2000s)	$910,369	$120,755	$182,899	$114,554	$112,554
Supplies (3000s)	$2,293,102	$2,489,036	$2,303,216	$2,791,606	$2,488,510
Contracts (4000s)	$8,225,468	$8,403,457	$8,388,787	$8,107,787	$8,394,787
Totals	**$360,001,861**	**$345,552,327**	**$351,324,189**	**$355,425,323**	**$360,138,585**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$813,700	$334,740	$1,238,147	$200,000	$596,000
Federal Aid (4000s)	$4,391,410	$104,220	$1,653,743	$75,000	$75,000
Departmental Income	$117,595	$134,200	$123,685	$128,500	$128,500
Other Income	$2,669,567	$3,277,782	$2,520,263	$2,459,940	$2,419,154
Totals	**$7,992,273**	**$3,850,942**	**$5,535,838**	**$2,863,440**	**$3,218,654**

Police
(Fund 102 – Public Safety Communications E-911)

Personnel (as of 9/15/13)

Authorized Positions:	159	**Filled Positions:**	137
Vacant Positions:	22	**Percentage Vacant:**	13.8%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$8,921,345	$8,901,342	$9,346,996	$9,360,677	$9,473,855
Equipment (2000s)	$4,728	$8,400	$9,000	$7,900	$5,000
Supplies (3000s)	$15,625	$23,282	$21,055	$22,177	$22,177
Contracts (4000s)	$4,903,612	$4,818,017	$4,814,323	$4,775,958	$5,552,494
Totals	**$13,845,309**	**$13,751,041**	**$14,191,374**	**$14,166,712**	**$15,053,526**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$13,686	$0	$0
Federal Aid (4000s)	$102,644	$0	$75,387	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$7,975,276	$7,906,856	$8,307,442	$7,431,088	$7,611,036
Totals	**$8,077,920**	**$7,906,856**	**$8,396,515**	**$7,431,088**	**$7,611,036**

Effects of Recommended Budget

Expenditure Overview

The 2014 Recommended Budget for the Police Department is $448,037,882, which represents an increase of $19.4 million (+4.5%) from the 2013 Adopted Budget. The increase in funding is due mostly to a $17.6 million increase in personnel costs. The main factors contributing to this increase are:

- Permanent salaries are increased by $13,521,510.
- The 2011-2018 contractual agreement with the Police Benevolent Association (PBA) will increase Police Officer salaries by 3.83% over the course of 2014 with a cumulative year end increase of 5.53%. The contract calls for four base pay increases in 2014.

1. Effective 1/1/2014 a $1,500 increase to base pay.

2. Effective 4/1/2014 top base pay shall be increased by the dollar amount of twenty hours Compensatory Time at the then prevailing top step rate.

3. Effective 6/1/2014 a 1.5% increase to base pay.

4. Effective 12/1/2014 a 1.5% increase to base pay.

- Two recruit classes, one in 2013 (to begin on 10/28/13) and one in 2014 adds $2.6 million.
- The transfer of Park Police Officer's salaries into the Police Department adds $1.6 million.
- Overtime, also affected by the PBA contract and attrition, is increased by $4.95 million.
- Other personnel costs impacted by the PBA contract such as Night Differential, Holiday Pay and Longevity, adds $2.5 million.
- Normal attrition of sworn personnel subtracts $4.4 million.

Total non-personnel costs were cumulatively increased by $1.5 million or 7.6% due to:

- The Community Protection Act (sex offender tracking) resulted in a contract with Parents For Meghan's Law in the amount of $773,896.
- Increased revenue sharing for the 10 Towns and Villages' Public Safety Answering Points (PSAPs) to 20% of the projected landline, Voice Over Internet Protocol (VOIP), and cell phone revenue of $749,091.

Personnel services constitute 94.5% of the recommended Police budget. The Police District Fund 115 accounts for 80.4% of the 2014 recommended Police Department expenditures ($360 million), the General Fund 001 ($69.9 million) accounts for 15.6% and Fund 102 – Public Safety Communications Systems E-911 ($18 million) is 4%.

Personnel Issues

The Budget Review Office projects that the amount included in the recommended budget for permanent salaries for 2014 is sufficient, with no accommodations for filling vacancies other than in Fund 102. The BRO projection includes:

- The cost to keep all filled positions on the payroll, as of September 15, 2013, filled during 2014,

- The cost of the PBA contract settlement [1],
- Contractual salary increases and appropriate step increases for all bargaining units,
- A recruit class of 50 Police Officers in 2013 [2],
- A recruit class of 60 Police Officers in September 2014 [3],
- The savings attributable to the attrition of 65 sworn officers over the course of the year [4], and
- The transfer of funding from the Parks Department to the Police Department for Park Police Officers [5].
- The ability to fill 10 vacant Public Safety Dispatcher and Emergency Complaint Operator positions in Fund 102 - Public Safety Communications E-911.

[1] The 2013 cost of the PBA agreement for personnel costs will be approximately $11.3 million.

[2] The 2013 class of 50 recruits will cost $2,144,577 million in 2014 for permanent salaries.

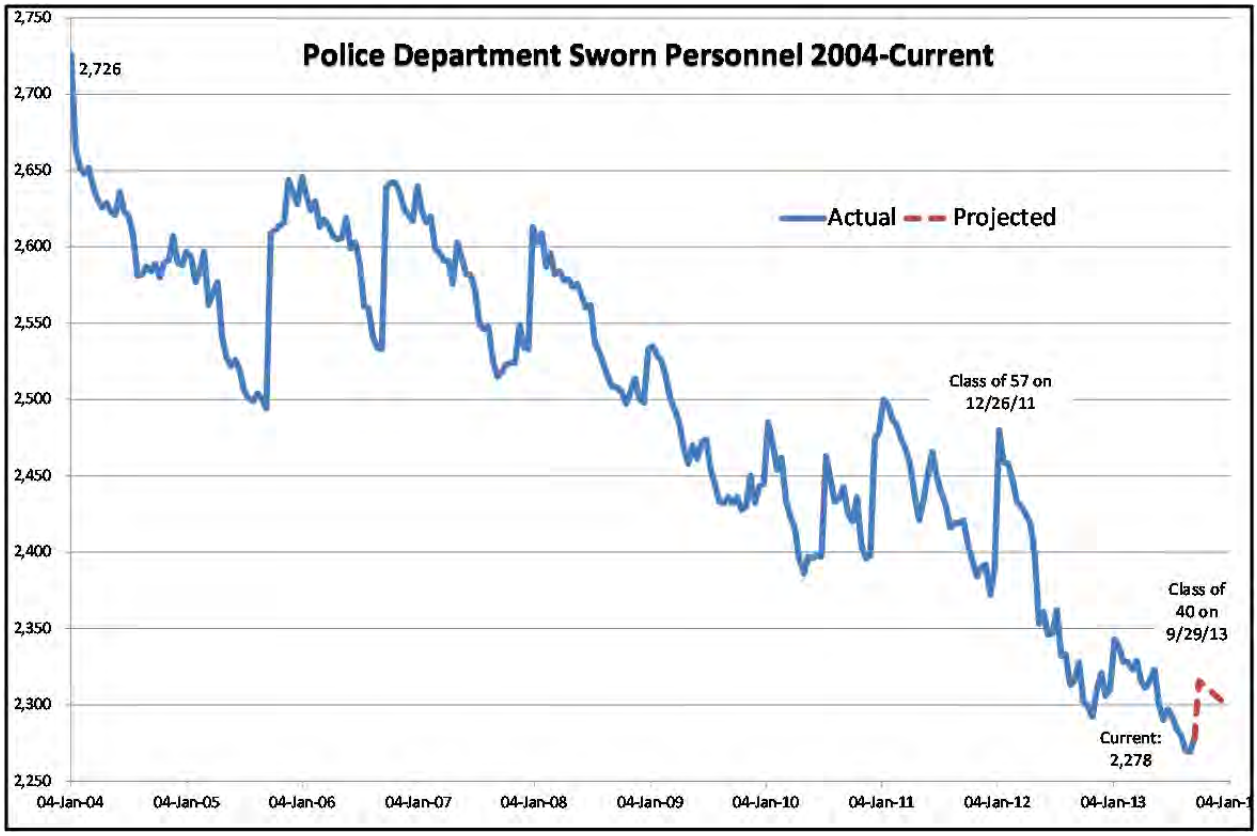
[3] The September 2014 class of 60 recruits will cost $682,670 in 2014 for permanent salaries.

[4] Savings for attrition assumes a blended salary for PBA, SOA and SDA with 65 sworn officers separating over the course of the year but primarily in January and July.

[5] Permanent salaries of $1.6 million.

Staffing Levels and Crime

The following graph shows the number of active sworn personnel on the payroll from January 2004 through September 15, 2013 including SOA, PBA and Detectives. Active positions differ from filled positions because at any point in time there are approximately 100 sworn officers off the payroll due to disability, worker's compensation, and various types of leave of absences. There has been a decrease of 448 sworn personnel over this period. Historically, approximately 65 sworn officers separate from service each year although due in part to retirement incentive agreements with the sworn bargaining units, there were 135 sworn separations in 2012. There have been 57 separations through the end of September this year.



While there is a nationwide trend of diminishing crime starting in 1993, which Suffolk County has mirrored, by the end of 2013 reductions in sworn staffing will coincidently result in the lowest level of filled sworn officers since 1993. In the aggregate, crime statistics may show a decreasing trend but specific actions such as gang activity, the heroin epidemic, human trafficking, sex offenders, hate crimes and street crimes remain a major concern in many parts of the County. Heroin related arrests increased by 20.5% from 2011 to 2012 and heroin related deaths increased by 29.7%. (See the following Index Crime Data statistics).

Index Crimes Reported to Police: 2004 - 2012

	Suffolk County										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2004-12	2011-12
Index Crime	32,016	32,092	32,595	31,374	34,014	32,603	36,238	31,405	28,851	**-9.9%**	**-8.1%**
Violent Crime	**2,844**	**3,109**	**3,099**	**2,657**	**2,612**	**2,739**	**2,377**	**2,217**	**2,131**	**-25.1%**	**-3.9%**
Murder	28	32	38	30	39	33	52	32	23	-17.9%	-28.1%
Forcible Rape	130	103	110	109	112	85	68	63	51	-60.8%	-19.0%
Robbery	958	1,159	1,142	957	985	1,058	877	818	756	-21.1%	-7.6%
Agg. Assault	1,728	1,815	1,809	1,561	1,476	1,563	1,380	1,304	1,301	-24.7%	-0.2%
Property Crime	**29,172**	**28,983**	**29,496**	**28,717**	**31,402**	**29,864**	**33,861**	**29,188**	**26,720**	**-8.4%**	**-8.5%**
Burglary	4,316	4,294	4,182	4,067	4,778	4,555	8,422	5,109	4,357	0.9%	-14.7%
Larceny	22,091	22,311	22,830	22,389	24,522	23,648	23,841	22,805	21,181	-4.1%	-7.1%
MV Theft	2,765	2,378	2,484	2,261	2,102	1,661	1,598	1,274	1,182	-57.3%	-7.2%

Source: DCJS, Uniform Crime/Incident-Based Reporting Systems.

The following table illustrates that while Suffolk's crime index per 100,000 population is healthier than the New York state average, it is lagging behind Nassau, Westchester and Queens Counties.

2012 County Index Crime Counts & Rates

per 100,000 Population

County	2012 Population	Count	Rate
Nassau	1,351,693	19,552	1,446.5
Westchester	961,058	14,949	1,555.5
Queens	2,261,906	40,199	1,777.2
Suffolk	1,506,906	28,851	1,914.6
Kings	2,539,714	60,690	2,389.6
Bronx	1,404,471	35,962	2,560.5
New York	1,608,042	51,756	3,218.6
New York State	**19,565,754**	**451,142**	**2,305.8**

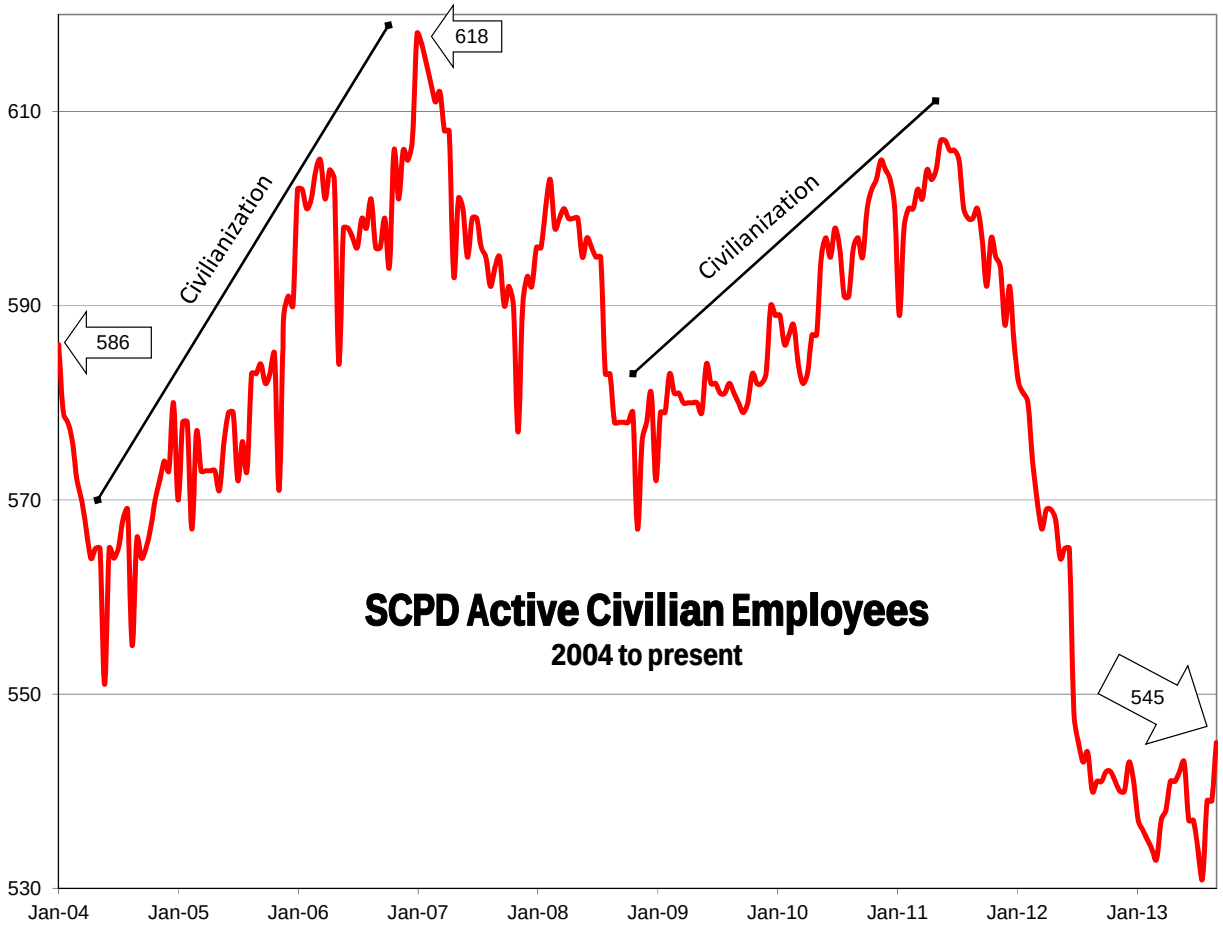
Source: DCJS, Uniform Crime/Incident Based Reporting systems.

NOTE: A lower "Rate" equals a lower crime index per population.

Civilianization versus Civilian Positions

Over the past several years, the Police Department has redeployed approximately 120 police officers to patrol functions by replacing them with civilians and light duty officers. It should be noted that there is a difference between civilian positions and civilianized positions. While the number of civilianized positions has increased, the number of civilian positions (never filled by a sworn officer) is markedly decreasing.

Even with an additional 120 civilianized positions during this effort, repeated Early Retirement Incentive Programs plus normal attrition over the past several years have reduced the amount of total civilian positions to a level that is 12% lower than it was at the beginning of 2007. There were 208 vacant civilian positions in the Police Department as of September 15, 2013 or 28% of all civilian titles. Of these, 70 are in Clerk titles. Sufficient funding is not included in recommended 2014 permanent salaries to backfill the increasing number of vacant civilian positions other than E911 Operators and Dispatchers.

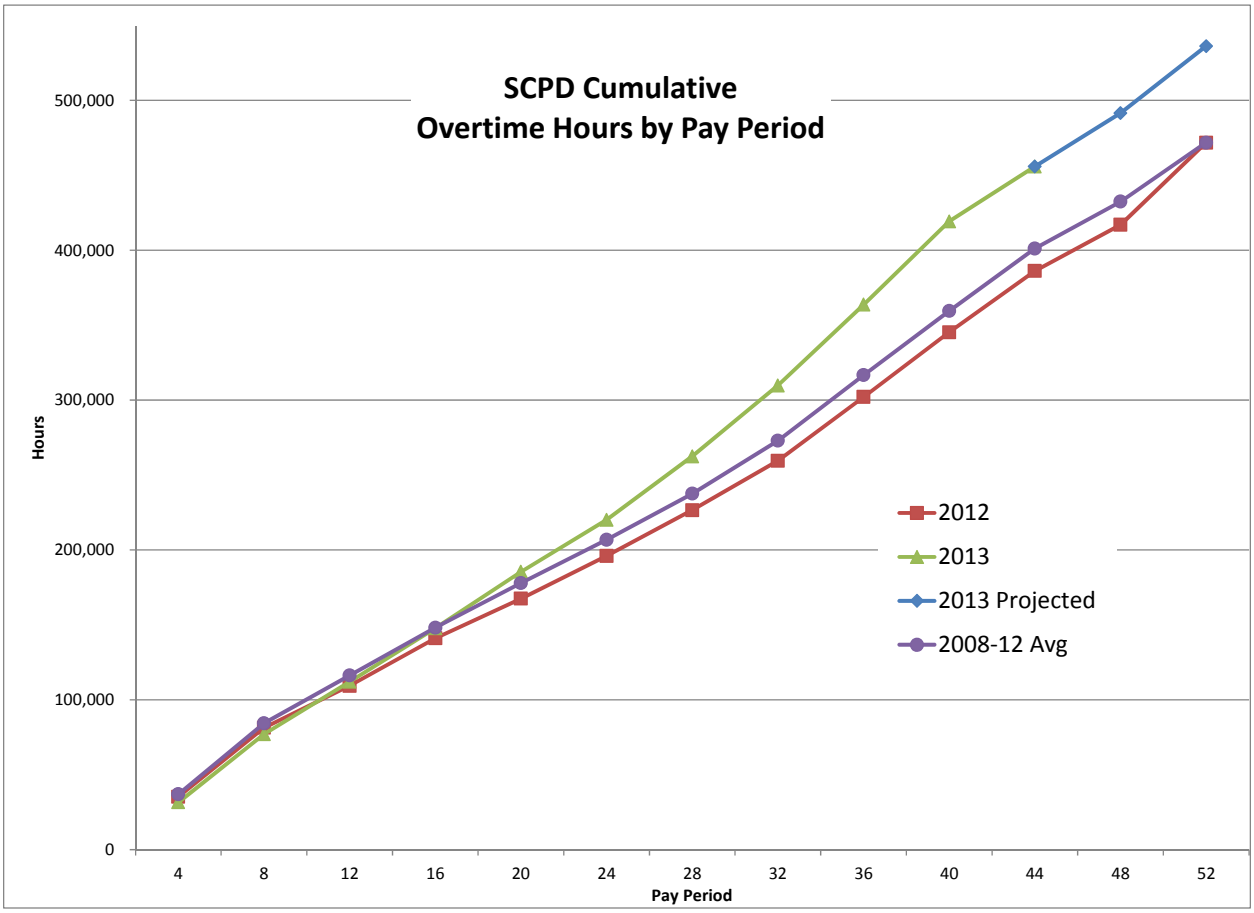


While the Police Department would prefer to fill many of these vacancies, the Executive's mandate of reducing expenditures and allowing no new positions resulted in the Department not requesting funding to fill vacancies.

Overtime

Overtime (object 1120) is recommended at $30,616,000 or $4,947,000 more than the 2013 Adopted amount, yet $2,276,222 less than the 2013 estimate. As the Budget Review Office cautioned in our report last year, the overtime account was inadequately funded. We noted attrition, delaying the recruit class from September to December, PBA contractual increases and reclaiming the LIE/Sunrise Highway patrol as reasons why the Police Department could not meet the adopted overtime amount of $25,669,000, which represented a $4.4 million reduction from the 2012 actual amount. Additionally, the February 2013 blizzard cost the Department a significant amount of man-hours in additional overtime. The 2013 estimate is now $32,892,222 or $7.2 million more than adopted. The combination of underfunding and unexpected weather events in 2013 has prompted the Executive to include a more realistic overtime amount for 2014. If the recommended addition of the Park Police Officers materializes, it would have a positive impact on overtime mitigation. If not, overtime is likely underfunded again for 2014 due to the reduction of the recruit class from 75 to 40 in 2013 in anticipation of the transfer of the Park Police Officers.

As seen in the following graph, in 2012 the Police Department was able to keep overtime hours below the five-year average. However, for the reasons outlined above, in 2013, overtime hours are 18% above 2012 through mid-September and 14% above the five-year average (2008-2012).



Overtime costs represent 6.8% of the Police Department's total expenditures. Approximately $2 million of the overtime budget can be applied to State and Federal grants that are accepted and appropriated during the year.

Sworn Police personnel average between 7.8% to 14.4% of their total salaries in overtime. This high level of overtime continues to be a budgetary concern.

2012 W-2 Sworn Remuneration by Bargaining Unit

Bargaining Unit (BU#)	# of Active Employees	Average W-2 Remuneration	Average Overtime Remuneration	Overtime as a % of Total Remuneration
Police Benevolent Association (1)	1,682	$135,610	$11,828	8.7%
Superior Officers Association (5)	405	$177,436	$13,755	7.8%
Detectives Association, Police (15)	320	$172,361	$24,898	14.4%

Town Revenue Sharing

Section 4-6J of the Suffolk County Charter provides the legal authority for sales tax revenue sharing with certain towns and villages outside of the Police District. The previous formula, which was essentially abandoned several years ago, was based on an original 1997 allocation, adjusted upward or downward each fiscal year subsequent to 1997, taking into account changes in sales tax revenues.

The 2014 Recommended Budget includes a total distribution of $6,588,343, which is the same amount allocated from 2010 through 2013. The goodwill agreement for revenue sharing expired after 2009 resulting in no increases in the recommended amount for the last four years.

JURISDICTION	2014 RECOMMENDED
TOWN OF EAST HAMPTON	$691,117
TOWN OF RIVERHEAD	$1,178,655
TOWN OF SHELTER ISLAND	$112,661
TOWN OF SOUTHAMPTON	$1,943,561
TOWN OF SOUTHOLD	$885,473
VILLAGE OF AMIITYVILLE	$462,502
VILLAGE OF ASHAROKEN	$40,189
VILLAGE OF EAST HAMPTON	$69,836
VILLAGE OF HEAD OF HARBOR	$67,201
VILLAGE OF HUNTINGTON BAY	$75,766
VILLAGE OF LLOYD HARBOR	$166,685
VILLAGE OF NISSEQUOQUE	$81,037
VILLAGE OF NORTHPORT	$377,512
VILLAGE OF OCEAN BEACH	$6,588
VILLAGE OF QUOGUE	$44,801
VILLAGE OF SAG HARBOR	$106,072
VILLAGE OF SOUTHAMPTON	$198,309
VILLAGE OF SALTAIRE	$1,977
VILLAGE OF WESTHAMPTON BEACH	$78,401
TOTAL	$6,588,343

Resolution No. 688-2000 required municipalities that receive public safety revenue sharing funds from the County to account for these funds to ensure that they are utilized for public safety purposes only, by providing a report to the Clerk of the Legislature by March 31st of the following fiscal year. Resolution No. 359-2013 changed this policy. Beginning in fiscal year 2014, towns and villages that are budgeted to receive public safety revenue sharing monies in the County operating budget shall file an accounting with the County Comptroller no later than March 31st, which verifies that the town or village's public safety expenditures in the prior fiscal year exceeded the amount of revenue sharing that was allocated to it in the prior year's County operating budget.

Also beginning in fiscal year 2014, a town or village will be eligible to receive the revenue sharing monies allocated to it in that year's County operating budget at any point after it files the accounting of its prior year's public safety expenditure. This changes the current policy where the towns and villages must claim how they spent the money in 2013 by March 31st of 2014 to receive the Adopted 2013 amount in the second quarter of 2014. The towns and villages will receive the 2014 amount in April of 2014, or shortly afterwards, and will also be paid the 2013 amount in 2014 and every year thereafter will be paid in the same calendar year as it was adopted.

Public Safety Communications System E-911 (Fund 102)

The enhanced 911 (E911) Emergency Telephone System went online in 1997. It provides selective routing of emergency telephone calls with automatic telephone and location identification. The Emergency Complaint Operator answering a 911 call receives critical information including the address and phone number of the caller. The system also identifies the appropriate police, fire, and ambulance unit that should respond.

Recommended expenses in Fund 102 total $17,959,636 for 2014, an increase of 9.6% from the 2013 Adopted Budget. This increase is due to Resolution No. 443-2013 which amended Chapter 441 of the SUFFOLK COUNTY CODE to implement changes to the County's E-911 program recommended by the Department of Audit and Control and to ensure adequate and timely funding for the ten non-County Public Safety Answering Points (PSAPs). It also ensured that a full 20% of Voice-Over-Internet-Protocol-Services (VOIP) revenues are distributed to the 10 non-County PSAPs. Additionally, four Public Safety Dispatcher positions with permanent salaries totaling $205,304 were transferred from the General Fund to correctly represent the fund in which these job titles are performing.

The system is partially supported by surcharges on landlines, cell phones and VOIP lines as well as inter-fund transfers from both the General and Police District Funds. The surcharges are estimated to generate $7,900,356 in 2013 and $7,610,000 in 2014.

There are sufficient recommended funds for a cost-to-continue budget for the E911 System in 2014. While the recommended overtime funding is $150,000 less than requested, additional funds are included in permanent salaries to fill a portion of the 22 vacant positions (as of 9/15/2013), which would aid in reducing overtime. Vacant positions are primarily comprised of Emergency Complaint Operators (ECOs) and Public Safety Dispatcher (PSDs) titles (20 of the 22 titles). The equivalent of 10 total ECO and PSD positions could be filled for a full year with the funding provided in the 2014 Recommended Budget.

Overtime due to public safety emergencies, such as severe weather conditions, and mandated overtime due to a lack of staffing has been a major concern for the Emergency 911 Complaint Center for the past two years. Overtime expenditures were in excess of $800,000 in 2011 and 2012 and are estimated to be $1.3 million in 2013. Through September 15, 2013 exactly 100 ECOs and PSDs had accrued $943,286 in overtime, ranging from $23 to $60,181 per individual with an

average of $9,433 each. Not only is that an alarming amount of overtime financially for a relatively small number of moderately salaried civilian positions, it also puts a tremendous burden on these employees to perform their duties at a high level of competence without creating extremely poor working conditions. The Budget Review Office recommends that the Executive allow the Department to aggressively fill these vacant positions. If not, the $600,000 included for overtime in the 2014 Recommended Budget will be inadequate for the third consecutive year. The Police Department requested $750,000.

Resolution No. 974-2009 (LL 1-2010), effective January 1, 2010, created a monthly 30 cent surcharge to be imposed on each wireless communications device whose place of primary use is within the County of Suffolk. All surcharge monies remitted to the County would be expended only upon authorization of the County Legislature and only for payment of actual costs incurred by the County related to design, installation or maintenance of the system to provide enhanced wireless 911 service, including, but not limited to hardware, software, consultants, financing, and other acquisition costs. Surcharge monies shall not be expended to pay salaries. Local Law 1-2010 mandates that no less than 20% of the wireless revenue will be allocated to the Public Safety Answering Points (PSAP's). The anticipated revenue for 2013 is estimated at $4,260,000 and $4,270,000 for 2014. Twenty percent of the 2013 estimate is $852,000 and 20% of the 2013 recommended revenue is $854,000.

Resolution No. 818-2009 expanded Chapter 278 of the Suffolk County Regulatory Local Laws to make such law applicable to those supplying voice over Internet protocol (VOIP) services and their customers, in accordance with the recent amendments to the New York State Law. Pursuant to §303 of the New York State County Law, there is a charge in the amount of thirty-five cents per line to fund the enhanced 911 service. Previously, the surcharge was only levied against subscribers to telephone services provided by telephone companies. The anticipated revenue of $1.9 million is included in the 2014 Recommended Budget. As previously mentioned, Resolution No. 443-2013 mandates that no less than 20% of the VOIP revenue will be allocated to the Public Safety Answering Points (PSAP's). The anticipated revenue for 2013 is estimated at $1,875,000 and $1,900,000 for 2014. Twenty percent of the 2013 estimate is $375,000 and 20% of the 2013 recommended revenue is $380,000.

PSAP's

The operating budget does not line item detail the amount designated for individual PSAP's. The single line item (102-3020-4560) for PSAP's is recommended at $1,522,000 for 2014. This is equal to the required 20% of the 2014 recommended revenue from the landline, wireless and VOIP communication surcharges, less the FRES PSAP, which is funded directly from the Police Department budget.

PUBLIC SAFETY ANSWERING POINTS					
	12 PSAP's	W/E	2013 Estimated	2014 Recommended	REC - EST
1	Amityville Village	W	$70,413	$138,364	$67,950
2	Smithtown FD	W	$70,413	$138,364	$67,950
3	Babylon Central Fire Alarm	W	$70,413	$138,364	$67,950
4	Northport Village	W	$70,413	$138,364	$67,950
5	SCPD	W	$0	$0	$0
6	FRES	W	$0	$0	$0
7	Riverhead	E	$70,413	$138,364	$67,950
8	Southampton Village	E	$70,413	$138,364	$67,950
9	Southampton Town	E	$70,413	$138,364	$67,950
10	East Hampton Town	E	$70,413	$138,364	$67,950
11	East Hampton Village	E	$70,413	$138,364	$67,950
12	Southold Town	E	$70,413	$138,364	$67,950
	TOTAL		**$704,132**	**$1,383,636**	**$679,505**

Based on LL1-2010 / Res 974-2009 & Res 443-2013: NO LESS THAN 20% of land line, wireless & VOIP surcharge revenues.

- There are 12 PSAP's but 11 share the surcharge revenue. FRES is funded directly from the Police Department line item budget and also receives in-kind services.
- The SCPD does not receive a percentage of the surcharges as the remainder of the revenue is received by the Department.

Transfer of Park Police Officers

The recommended budget transfers funding for Park Police Officers to the Police Department's Police District Fund in anticipation of these employees becoming Police Officers to "supplement Police staffing levels for 2014." As of the September 15, 2013 there were 35 filled Park Police Officers, however the Executive's Budget Office indicates that funding in the amount of $1.6 million for 36 positions was transferred, to fund salaries for approximately two thirds of the year.

The positions remained in the Parks Department since they are not yet Police Officers and the job title of Park Police Officer does not exist in the Police Department. The potential benefits to the Police Department include:

- The Department needs more Police Officers in patrol, which will improve public safety service provisions and provide overtime relief.

- Reduces the size of the 2013 recruit class from 75 to 40 offering a cost avoidance of recruit personnel costs in both 2013 and 2014.
- The Park POs received the exact same training in the Police Academy as Police Officers. They use the same dispatch system, arrest paperwork, police codes and uniforms. Ideally, with minimal training these officers will be promptly deployed.

There will be some logistic hurdles to clear before these positions can actually be transferred.

- The Department of Civil Service has stated that it will take State enabling legislation to accomplish the transfer/change of title. They concluded that by doing this through the operating budget it may circumvent Civil Service Law, as there is an existing Civil Service list for Police Officer that is valid through 2015.

The Police Department has stated that they could alleviate the need for part time and temporary Park Rangers and Public Safety Officer hirings as recommended in the Parks Department budget, by absorbing that responsibility into their sector patrol functions. The 2014 Recommended Budget includes $427,625 for this purpose in the Parks Department. For further discussion on the transfer of Park Police Officers, see the Parks Department section in this review. One concern that would have to be addressed is how to patrol parks that are outside the Police District.

ShotSpotter©

The ShotSpotter (SST) Gunshot Location System was launched in Suffolk on December 18, 2011. The implementation of this system was driven by a dramatic increase in shooting incidents in certain portions of the Police District during 2010-2011. Initially, Huntington Station was identified as the location of a significant amount of shooting incidents and funds were appropriated for a pilot program of the SST system in that area.

During the initial planning process, prior to system implementation, SST employed a new business model. While the initial project was to be a two square mile capital project, with all of the equipment owned and monitored by Suffolk County, the new business model involved the leasing of SST equipment. The County subsequently contracted a five-year subscription for North Bellport (one square mile) and a three-year subscription in Huntington Station (two square miles), Brentwood (two square miles), Wyandanch (one square mile) and North Amityville (one square mile) at a net cost of $1,014,000 from 2012 through 2016. Through a municipal agreement with the Town of Brookhaven and a private donor, revenue in the amount of $200,000 was accepted for this initiative to cover North Bellport. All alert data is evaluated by SST staff and apparent gunshot occurrences are sent to the Police Department for appropriate response.

The practical effects of the business model change were:

- Expansion of coverage from two square miles to seven for the same price.
- The Police Department's Public Safety Dispatchers would not be responsible for evaluating and classifying gunfire alerts.

Terms of the agreement stipulate that annual payments will be made prior to the start of each contract year. If the contract were to be terminated at this point, a net savings of $341,286 would result. The net savings for 2014 would be $293,786. The net savings for years 2015 and 2016 combined would be $47,500.

ShotSpotter© Contract Terms					
Pricing Terms	Total	North Bellport	Other Locations	Revenue	Annual Net Cost
Year 1 (2012)	$450,000	$64,286	$385,714	$64,286	$385,714
Year 2 (2013)	$334,500	$47,500	$287,000	$47,500	$287,000
Year 3 (2014)	$334,500	$47,500	$287,000	$40,714	$293,786
Year 4 (2015)	$47,500	$47,500	$0	$47,500	$0
Year 5 (2016)	$47,500	$47,500	$0	$0	$47,500
2012 - 2016 Total	$1,214,000	$254,286	$959,714	$200,000	$1,014,000

The Budget Review Office believes that there is a disconnect between the Police Department and ShotSpotter, which brings the cost effectiveness of the program to date in question. In a report issued by the Police Department in June of 2013, as requested by the Legislature's Public Safety Committee, the Department noted that while SST has led to some arrests, the data showed a large amount of unsubstantiated and false alerts. All alerts require a proper investigation by responding officers sometimes requiring extensive man hours. With declining sworn staffing levels, these man hours are in high demand. The Police maintain that they afford every alert an appropriate amount of manpower. ShotSpotter believes that more alerts would not have been deemed unsubstantiated and false if the Police utilized the system properly.

In July of 2012, SST modified their notification algorithm to make it less inclusive of non-gunshot alerts, which the Police Department noted as a positive step. With only about 18-month's worth of usable data to analyze it is difficult to determine whether SST will become a cost effective tool for the County. Over the past several months, multiple meetings between Legislators, the Public Safety Committee, the Police Department and ShotSpotter have been conducted to determine why SST claims the product to be of essential public safety value while the Police Department does not fully agree. The Police Department has been touting "Intelligence Led Policing" yet they don't appear to fully embrace the SST technology to date.

The question remains, with a net amount of $966,500 already spent, does the County want to continue the ShotSpotter program at a cost of $293,786 in 2014 to evaluate its merits for one more year?

Not surprisingly, the Police Department did not request the $287,000 for non-North Bellport locations that are not supported with revenue.

Budget Review Office Recommendations

- A new recruit class of 40 will start at the Police Academy on October 28, 2013. The recruits require six months in the Police Academy and three months of field training before they can be deployed on patrol. If the class had been hired on September 1st, they could have had their boots on the ground by June 1st. June through August are the heaviest overtime months for the Police Department. Delaying the class until mid-October will cost the County approximately $1.5 million in additional overtime. The Budget Review Office recommends adding $1.5 million to 115-3121-1120: Overtime.
- If the transfer of the 35 Park Police Officers does not come to fruition it will have a significant impact on overtime in 2014 as the 2013 recruit class was reduced by 35 officers in expectation of the transfer. The loss of this manpower will likely have to be replaced by top step Police

Officers at time-and-a-half. The Budget Review Office estimates this impact in 2014 will be an increase of more than $1 million in overtime.

- The Budget Review Office recommends that the Police Department should be aggressive in an attempt to fill 10 vacant Public Safety Dispatcher and Emergency Complaint Operator positions with available permanent salary funds included in the recommended budget to alleviate both overtime costs and the burden being placed on E911 staff.
- The 2014 Recommended Budget includes full funding for the ShotSpotter© Gunshot Location System. The Legislature should evaluate whether to continue the program at a cost of $293,786 in 2014, and evaluate its merits for one more year, or to terminate the contract. The Police Department did not request the $287,000 for non-North Bellport locations that are not supported with revenue. Introductory Resolution No. 1592-2013, which terminates the contract, was tabled in the October 3, 2013 Legislative Public Safety Committee.
- The line item for the contract with Parents For Meghan's Law of $773,896 resulting from the passage of the Community Protection Act (sex offender tracking) is 001-3120-4980 and has an Activity Code of "0000" and the generic Activity Name "CONTRACTED AGENCIES". The agency should be assigned a unique Activity Code and the name should be changed to " Parents For Meghan's Law: Community Protection Act".
- The Police Department should prioritize areas where civilian positions, especially where civilian positions replaced sworn positions, are needed to minimize backlogs, avoid potential liability, enhance investigations and abate overtime. A comprehensive plan should be developed and presented to the Executive and Legislature for review.

JOPOL14

Probation

Personnel (as of 9/15/13)

Authorized Positions:	436	**Filled Positions:**	342
Vacant Positions:	94	**Percentage Vacant:**	21.6%
Positions Abolished in the Recommended Budget:	3	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$27,583,588	$26,990,619	$26,493,437	$27,677,584	$27,217,530
Equipment (2000s)	$52,778	$8,700	$20,688	$13,840	$8,785
Supplies (3000s)	$1,018,723	$1,168,225	$1,134,394	$1,171,555	$1,105,456
Contracts (4000s)	$13,961,544	$11,996,750	$10,774,203	$10,724,926	$10,309,966
Totals	**$42,616,634**	**$40,164,294**	**$38,422,722**	**$39,587,905**	**$38,641,737**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$6,382,561	$6,342,681	$6,289,382	$5,880,097	$5,880,097
Federal Aid (4000s)	$1,122,895	$1,093,471	$1,065,679	$273,248	$273,248
Departmental Income	$1,947,732	$2,317,622	$2,197,288	$2,384,003	$2,384,003
Other Income	$553,749	$763,864	$819,125	$622,842	$787,842
Totals	**$10,006,937**	**$10,517,638**	**$10,371,474**	**$9,160,190**	**$9,325,190**

Effects of the Recommended Budget

Overview

The Recommended Budget for Probation of $38.64 million includes $165,000 more in revenue and nearly $1 million less in expenditure than requested by the Department and a decrease of three vacant authorized positions in 2014. It also includes the closure of the Day Reporting Center.

Revenue

The 2013 estimated revenue of $10.4 million is $146,164 less than the Department's adopted budget. This is mainly attributed to $246,430 more in anticipated federal aid crime control revenue than adopted for Ignition Interlock sentencing orders coupled with $337,417 less in Byrne JAG Recovery Program revenue in 2013 because the grant period ended February 28, 2013 and will not be renewed. Based on the following, the estimated budget is reasonable, with the exception of probation administration fees that appear overly optimistic.

- $4.5 million in year-to-date revenue as of September 20, 2013.
- $3.5 million in pending state aid (3000's).
- $704,000 in pending federal aid (4000's).
- $460,000 in pending Stop D.W.I. fines (rev code 2615).
- $280,000 in pending revenue from the vehicle seizure program (rev code 2623).
- $871,272 in additional probation administration fees expected by years end (rev code 1560). In other words, the estimated budget of $2.197 million includes $871,272 more than the $1.320 million in IFMS as of September 30, 2013. This revenue appears overly optimistic based on monthly averages for the collection of probation administration fees last year and this year. We recommend reducing probation administration fees by $230,000 from $2,197,288 to $1,967,288. When the Department submitted its budget request they expected to have online payment capability in 2013, which they expected to increase this revenue source due to convenience in payment. To date, this is still being developed as there are vendor issues that need to be resolved.

The 2014 recommended revenue is reasonable. It includes $9,325,190 or $165,000 more than requested by the Department. The difference can be attributed to $165,000 more in recommended revenue for the Vehicle Seizure Program than requested by the Department. The Recommended Budget is $1.05 million less than the estimated budget mainly for the following reasons:

- $363,840 less revenue for Criminal Justice Services revenue (3321) in 2014. If the state continues this grant award in 2014, then the revenue will be accepted and appropriated through a resolution.
- $239,827 less revenue for Byrne JAG (4353) in 2014. If this federal grant award continues in 2014, then the revenue will be accepted and appropriated through a resolution.
- $266,626 Second Chance Act Grant (4623) is less in 2014 because this revenue was associated with the Day Reporting Center that will be closed.

Expenditure

The 2013 estimated expenditure of $38,483,340 is approximately $1.68 million less than adopted. The estimated budget is reasonable given year-to-date expenditure as of September 3, 2013 of approximately $21.8 million, approximately $9.3 million in permanent salary expenditure through the end of the year, approximately $1.5 million in pending expenditure for contract agencies and approximately $5 million in pending expenditure for the State Training School. BRO's year-end permanent salary estimate is approximately $25 million and the estimated budget includes approximately $25 million for permanent salaries across all appropriations.

The 2014 Recommended Budget of $38,641,737 is reasonable. The Recommended Budget is $946,168 or 2.4% less than requested, which is mainly attributable to the following:

- $750,000 less than the $5.75 million requested for the State Training School (001-6129). The expenditure for this is in Probation while the revenue is in DSS. Billing for the State Training School has been an ongoing issue, with the County unable to verify the number of actual care days that the state is billing for and the states billing including retroactive rate increases. The County's state aid can be withheld in DSS to pay for this expenditure should the County not meet its financial obligation for outstanding OCFS bills. This occurred in 2010.
- $425,504 less than requested for permanent salaries department wide. The Recommended Budget includes $25,846,080 for permanent salaries across all appropriations in 2014. Based on our projections, the Recommended Budget includes sufficient funding to adequately fund the Department's filled positions in 2014 and nearly $350,000 to fill vacant positions.
- $247,045 less than requested for Probation's Day Reporting Program (001-3138) for expenditures exclusive of permanent salaries. The Day Reporting Center will be closed, the staff will be reassigned, and associated expenditures will be reflected in Probation General Administration (3140), Mentally I/II Offender Services (3165) and Jail Overcrowding/Recidivism (3196). There will be a net savings to the County from this reorganization, which Probation has estimated at $210,350.
- $548,000 more than requested in Probation's General Administration (001-3140) Fees for services: Non-Employee appropriation of which, $500,000 is to be used to fund the proposal to hire retired Probation Officers on a part-time basis as well as part-time clerical staff. We recommend decreasing this line item by $21,544 and increasing the following line items in Probation:
    - Increase the computer software expenditure line item in Probation's Sexual Offender Program (001-PRO-3169-3160) by $4,950, from $6,000 to $10,950, as requested. The funding will enable this unit to upgrade its forensic software. Probation plans on purchasing a Cellebrite upgrade ($3,000) for its software/hardware as this is essential for examining the most current mobile devices, an EnCase upgrade ($3,000) and an FTK upgrade ($4,000) for the daily examination of various devices including PC's, Mac's, Tablets, phones, and various storage devices as numerous modifications have occurred since Probation's last upgrade, as well as upgrades to the Department's firewall ($300), miscellaneous software and computer upgrades ($650).
    - Increase contractual expenses in the Placement Reduction Program for Family Service League Home Base II (001-PRO-3142-4980) by $16,594 to restore this contract to its current level of funding. Subsequent to the Department's budget submission that reduced this line item by approximately 3% from the 2013 adopted budget for this

contract in an effort to adhere to the Executive's ADH budget directive, Probation learned that this reduction would result in losing at least a full time family development specialist for next year resulting in a negative impact to the number of youth served. The current contract is for $506,594 and the proposed amount for 2014 is $490,000, which is $16,594 less or approximately 3.3% less than the current contract. The intent of this contract is to provide a range of comprehensive preventive services that divert youth from costly residential placement.

The remaining funding above the requested amount ($26,456) will be utilized for Fees for Services: Non-Employee expenditure (4560) line items that were recommended less than requested in various appropriations that the Department can request to have transferred as needed in 2014.

Issues for Consideration

Staff

The 2014 Recommended Budget decreases the Department's 436 authorized positions to 433 by abolishing three vacant positions, one Supervising Psychologist and one Spanish Speaking Drug Counselor in the Day Reporting Program proposed to be discontinued and one Principal Research Analyst in the Byrne JAG Recovery Program, which the grant period for this program ended February 28, 2013.

The Recommended Budget narrative indicates that the Recommended Budget includes $500,000 in Fees for Services Non-Employees (001-3140) to hire retired Probation Officers on a part-time basis as well as part-time clerical staff. Probation's hiring plan for part-timers is to hire 21 retired Probation Officers, 16 to provide supervision of both office reports and drug testing, and five to complete pre-sentence investigations. It should be noted that retired peace officers would not be allowed to carry a weapon in the performance of any duties for the Department and would not be able to function as peace officers. They would not be assigned to supervise probationers. Additionally, the Department's plan provides for six part-time clericals. Regarding the hiring process, Probation is aware that the Department of Social Services employs part-time retirees. Probation intends on obtaining details from DSS on the procedures they followed to model Probation's process using DSS's experience to the extent possible, making adjustments as necessary.

Probation's August budget request update indicated the following:

- The role of the Probation Department is to provide community supervision of the offender populations to ensure the highest level of public safety. In order to continue to achieve this departmental objective, attention must be paid toward the maintenance of sufficient staffing levels.

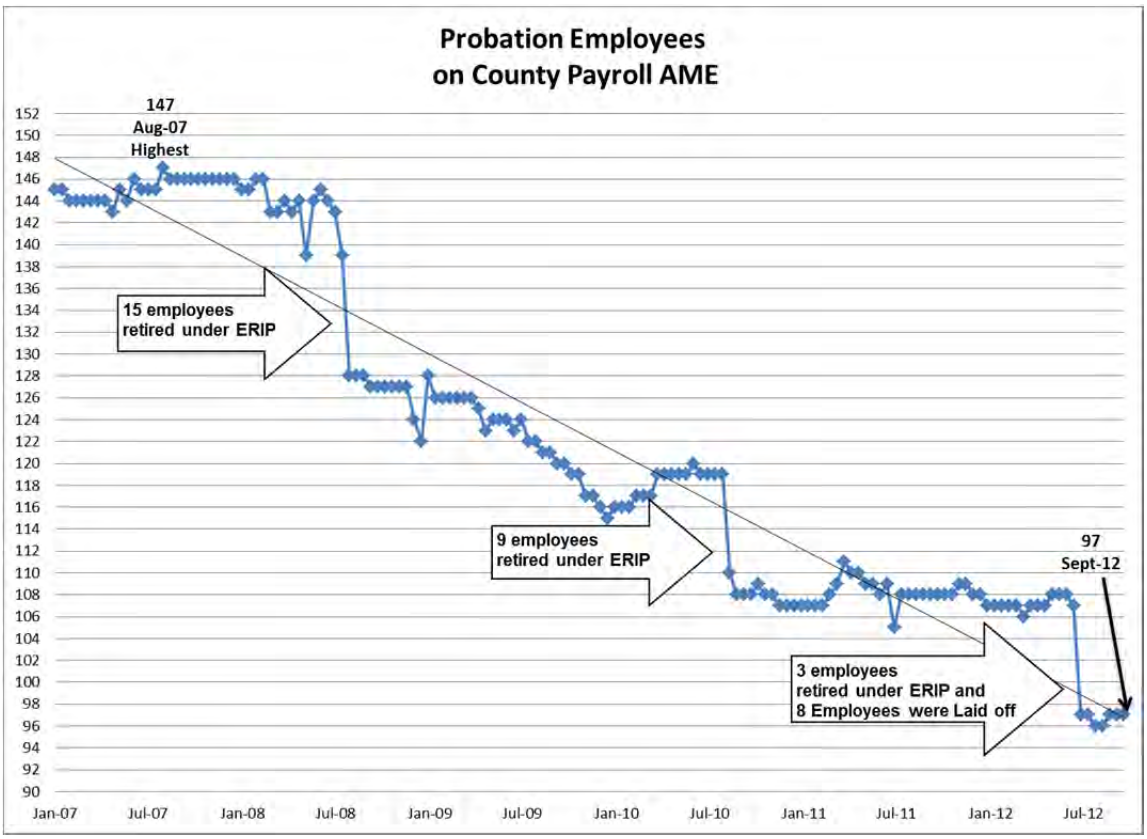
The Department's requested budget included the filling of 43 vacant positions, 24 Probation Officer positions and 19 civilian support staff positions, in its 2013 and 2014 requested operating budgets, as follows:

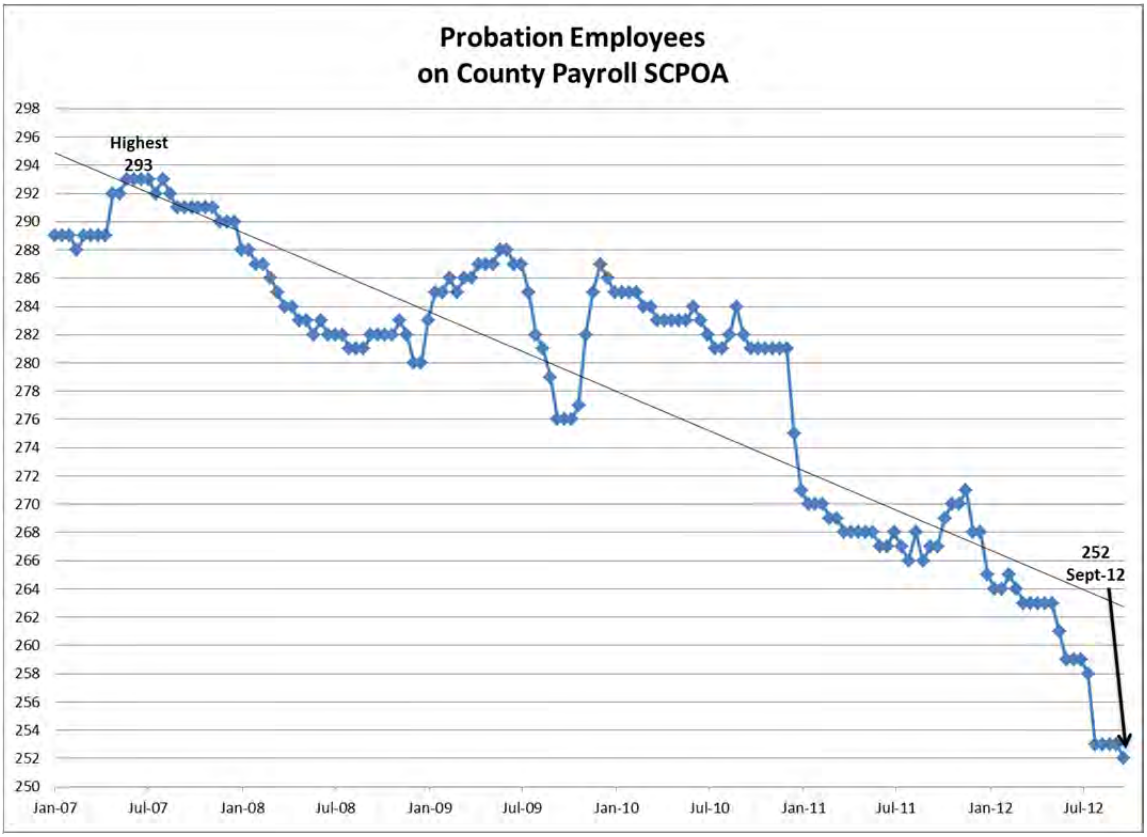
- 24 Probation Officers (PO's)
- 5 Prob. Assistants (PA's)
- 6 Pre-trial Probation Investigators (PI's)
- 6 Clerical positions
- 1 Contracts Examiner

- 1 Principal Research Analyst

Our year-end permanent salary estimate is approximately $25 million and the estimated budget includes approximately $25 million for permanent salaries across all appropriations. Therefore, it does not appear that Probation will be able to fill vacant positions in 2013. However, our 2014 permanent salary projections indicate that the recommended budget includes nearly $350,000 to fill vacant positions in Probation next year. Based on our projections, the Recommended Budget does not include sufficient funding to fill all of Probation's requested 43 vacancies. Additionally, the Department's vacant Principal Research Analyst position is recommended to be abolished. With the exception of this position and a hire date of July 1 at entry level, the Department can fill approximately 41% of the remaining vacancies they requested to fill.

Overall Probation staffing levels have been considerably diminishing. The number of active civilian positions and the number of active sworn personnel has been trending significantly downward, as can be seen in the charts that follow.





Closure of the Day Reporting Center (DRC)

At the request of the Department, the Day Reporting Center (001-3138) will be closed in October of 2013. According to Probation, the total clientele in DRC had decreased to approximately 44 at any given time but the Department could not reduce the number of assigned PO's because of the full day nature of the program. The cost of running the DRC could not be justified by the number of probationers benefiting from the program. The money received through the Second Chance Act did not offset this cost. Therefore, it was determined that the staff could be better utilized in other programs throughout the Department. The Federal government was advised that the County is terminating the program. The Department was assured that early termination of the grant would not be harmful to the Department's, or the County's, future prospects of receiving grants. In fact, Probation was told that other counties were forced to take the same action with grant funds because of their current fiscal situations.

As per the Department's August budget request update:

- Incorporated in the Day Reporting Center was a five year contract under the Justice Department Second Chance Act for $591,112. The grant was due to expire on September 31, 2013 but was extended until September 30, 2014 for the purpose of expending the remaining funds. The County will be closing the Program in October of 2013 and all final claims for reimbursement will be processed to the Justice Department.

The staff at the DRC will be reassigned. The unit consists of 14 positions with 10 filled as of September 15, 2013. The Recommended Budget abolishes one Supervising Psychologist and one Drug Counselor (Spanish SPK) and transfers ten positions to Probation General Administration (3140), one position to Mentally Ill Offender Services (3165) and one position to Jail

Overcrowding/Recidivism (3196). The job titles and status of the positions being transferred are detailed in the table that follows.

Positions Transferred Out of Day Reporting Center (3138)				
Job Title	**Filled**	**Vacant**	**Total**	**Transferred To**
Probation Officer	1	1	2	Probation General Administration
Probation Officer Trainee		1	1	Probation General Administration
Program Coordinator-Prob Offc	1		1	Probation General Administration
Registered Nurse	1		1	Probation General Administration
Senior Clerk Typist	1		1	Probation General Administration
Senior Probation Officer	5		5	1 to Jail Overcrowding/Recidivism; 4 to Probation General Administration
Sr Psychiatric Soc Worker	1		1	Mentally Ill Offender Services
Total	10	2	12	

Requests for Proposals/Qualifications

The Department is currently in the process of addressing numerous requests for proposals for the following services:

- Remote Electronic Monitoring Services for the Electronic Monitoring Program

This is a new request for a service that is presently awarded under an approved waiver, which was extended from December 31, 2012 to run concurrent with the term of the equipment rental through March 22, 2014. The extension of the waiver has allowed the department to analyze and critique the required service and prepare comprehensive technical specifications for the future provision of the monitoring services. The issuance of and responses to this RFP are expected to be addressed in late 2013 and the responses will be the determining factor for the impact to the 2014 budget. It is projected that the related monitoring expense will continue to be an offset to the staffing/overtime costs previously incurred in operating this monitoring program on a 24/7 required basis in the Electronic Monitoring Program (001-3189).

- Counseling Services for PINS Diversion Program

This is a request to continue an existing component of the PINS Diversion Program. The result of the awarded vendor is not anticipated to result in additional funding needed for 2014. The 2014 request for the Berkshire Farm Center and Services for Youth (3145-4980-JJU1) was recommended as requested by the Department with a five percent reduction in County funding in comparison to the 2013 adopted budget, as directed by the County Executive.

- Mental Health and/or Substance Abuse Clinical Consultant Services

This is for all relevant appropriations department-wide. The last RFQ was issued in 2008 for a service period of 2009 – 2011 with extension options for 2012 and 2013. These consultants are an integral part of the DCJS prescribed treatment process for Probationers and perform both individual and group counseling for adults and juveniles as well as parent counseling groups and specialized counseling and testing for the Sexual Offender program. This RFQ will need to be issued and contracts established for 2014. According to the Department, there are funds designated in each relevant appropriation.

- Education Advocacy, Assessment and Support Services

Contracts with The Long Island Advocacy Center, Inc. have a last option year of 2014. An RFP/RFQ will have to be processed with an award determination by November 2014 so a contract will be in place for a vendor effective January 2015.

- The Home Base Program

Contracts with Family Service League have a last option year of 2014. There are two programs servicing Probation juveniles. These programs are a mechanism for JD/PINS placement reduction as a result of the in-home services, which treat the family in totality, not just the juvenile the Department is monitoring. This service is used in the most at-risk cases. An RFP/RFQ will need to be processed with an award determination by November 2014 so a contract will be in place effective January 2015.

- Respite Services Under the PINS Diversion Program Plan

The current contact has a last option year of 2014. An RFP/RFQ will need to be processed with an award determination by November 2014 so a contract will be in place for a vendor effective January 2015.

- Psychosocial Assessments

This is a request to continue contracting with vendors for the purpose of providing psychosocial assessments for the benefit of the Mental Health Court and Probations Mental Health unit. Funding for the relevant contracts is dependent on grant award money. As the total worth of all the contracts exceeds the $25,000 procurement limit an RFQ is necessitated. Due to the contracts being based on grant funding, the terms for the contract are for one year with four (4) one year renewals. The 2014 budget request was submitted with no expenditure or revenue projections for any of this grant money as the future funding would establish the expenditure base as required by the grant.

Budget Review Office Recommendations

- Reduce probation administration fee revenue (001-PRO-1560) by $230,000 from $2,197,288 to $1,967,288.
- Increase the computer software expenditure line item in Probation's Sexual Offender Program (001-PRO-3169-3160) by $4,950, from $6,000 to $10,950 to enable this unit to upgrade its forensic software.
- Increase contractual expenses in the Placement Reduction Program for Family Service League Home Base II (001-PRO-3142-4980) by $16,594 to restore this contract to its current level of funding.

JM Probation 14

Public Administrator

Personnel (as of 9/15/13)

Authorized Positions:	6	Filled Positions:	6
Vacant Positions:	0	Percentage Vacant:	0.0%
Positions Abolished in the Recommended Budget:	0	New Positions:	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$434,265	$452,362	$452,360	$459,913	$459,913
Equipment (2000s)	$0	$0	$600	$0	$0
Supplies (3000s)	$4,685	$5,620	$5,620	$5,620	$5,620
Contracts (4000s)	$8,255	$10,330	$7,830	$7,830	$7,830
Totals	**$447,205**	**$468,312**	**$466,410**	**$473,363**	**$473,363**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$270,745	$400,000	$400,000	$400,000	$400,000
Other Income	$0	$200	$70	$125	$125
Totals	**$270,745**	**$400,200**	**$400,070**	**$400,125**	**$400,125**

Effects of Recommended Budget

Staffing

The 2014 Recommended Budget includes sufficient funding for all six currently filled positions for all of 2014.

Expenditure

To be within the Executive's guidelines for the 2014 Operating Budget, the Department requested funding for office supplies as adopted in 2013 at $2,200. The Department reported that this level of funding may require borrowing of supplies and materials from other departments to fulfill their mission in 2014.

The Department also reported the need to purchase one replacement typewriter, at an estimated cost of $503, which is used to create financial instruments and documents that safeguard and protect the County from fraud. To stay within the Executive's guidelines, the Department did not request this funding in 2014. Based on discussions with the Department, under a healthier economic environment, they would have requested funding for the modernization of the Public Administrator Office's recordkeeping system vs. the replacement of a typewriter. This would require an investment in software and hardware estimated at about $25,000 in the initial year and $12,500 annually thereafter.

The Department is one year behind in its mandated annual audit due to contract language only permitting one audit per year. The 2014 Recommended Budget includes $7,500 for the 2012 audit as requested. In order to bring the Department into compliance, an additional $7,500 is required in 2014 for the 2013 audit. If this funding is provided, the current contract between the County and the firm that audits the Public Administrator's Office will need to be amended to permit the 2012 and 2013 audits of the Public Administrator's Office to occur in 2014.

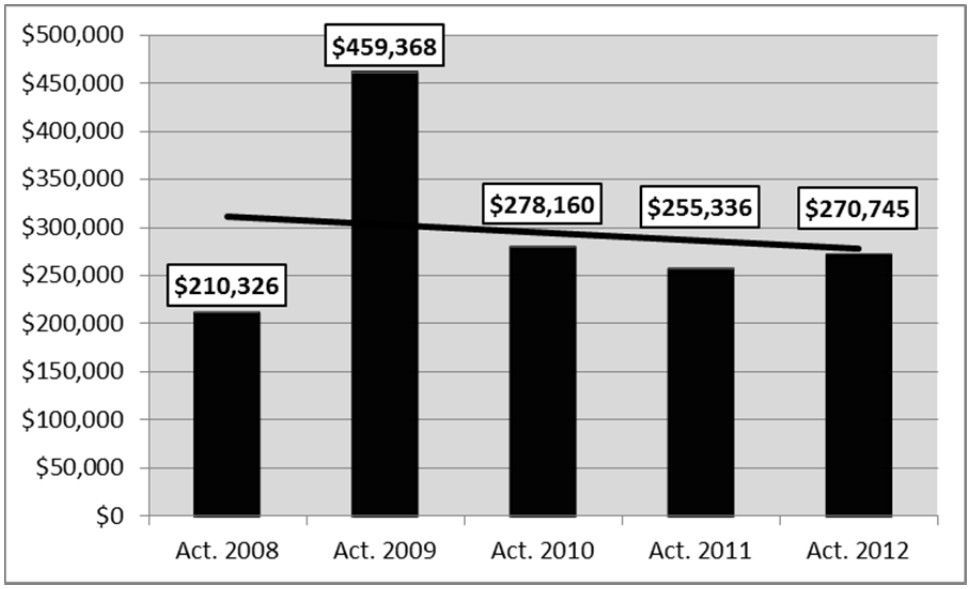
Revenue

The Department's revenue is derived from commissions allowed under the Surrogate Court Procedure Act. The value of assets administered determines the amount of revenue, and the nature of the asset determines how quickly revenue is realized. Commissions typically take six months to receive from the date of sale of real estate. Revenue is received much more quickly from the administration of non-real estate assets, barring delays from kinship hearing or IRS audits.

The Department indicates that the glut of properties already on the real estate market has had a negative impact on their ability to sell properties at auction, especially because many of the properties are in poor condition.

The Department typically holds two to three auctions per year, with four or less properties offered at each. Due to unforeseeable IRS audits and kinship hearings, the Department was only able to hold one auction in 2013 disposing of the following four properties: $291,000 in Dix Hills ($11,000 over minimum bid), $320,000 in Commack (at minimum bid), $375,000 in Greenport ($55,000 over minimum bid) and $525,000 in Southampton ($295,000 under minimum bid). Direct County conducted auctions are the Department's preferred sales method. If properties are not sold at auction, they are sold through brokers. The use of real estate brokers impacts the net disbursement of an estate as commission fees are incurred.

The following chart shows actual Public Administrator fee revenue (001-1220) from 2008 to 2012.



Public Administrator fee revenue as of September 20, 2013 was reported in the County system as $63,606. Based on discussions with the Public Administrator's Office on September 24, 2013, an estimated additional $136,394 is projected to come in by the end of the year. The 2014 Recommended Budget estimates 2013 fee revenue at $400,000 and recommends $400,000 in 2014. Based on the developing delays from kinship hearings and IRS audits, the Public Administrator has revised his revenue estimate for 2013 from $400,000 to $200,000. We recommend reducing the 2013 estimated revenue by $200,000 to reflect this revision. Based on information provided by the Public Administrator's Office, there are a few multi-million dollar estates in their inventory. When these assets are sold, they will produce sufficient fee revenue to realize the recommended amount of $400,000 in 2014.

Issues for Consideration

Disposition of Real Property

The Public Administrator's Office sells real estate similar to the Auction and Direct Sales Unit within the Department of Economic Development and Planning. After publicizing in local print news outlets, the real estate is offered for sale at a live local public auction, if not sold, is then listed with a local broker. This approach has not kept pace with present marketing strategies that reach a broader audience of potential willing and able purchasers. The real estate market is still a buyers' market. Not only is the County competing with local properties sellers, but with an ever growing approach by municipalities and others to auction real property online. This is not an uncommon strategy. The following New York State municipalities utilize online auctions to sell real estate: Onondaga County, Warren County, City of Lockport, City of Niagara Falls, and many others.

Staffing

The Department has a small staff of six to oversee millions of dollars in assets (Actual of $26.8 million in 2012, and estimated at $29.1 million in 2013, an increase of $2.3 million or 8.3%) and is subject to a high level of scrutiny. The positions of Public Administrator and Deputy Public Administrator are appointed by a Surrogate Court Judge and are required to report to him on a monthly basis. The balance of the Department is comprised of four positions: Administrator I,

Senior Account Clerk, Account Clerk, and Secretary. The Public Administrator acts as the Administrator, Guardian, and Trustee pursuant to the Surrogate Court Procedure Act.

As a result of its staffing size, staff is cross trained. If the Department's workload increases above current levels or if clerical staff are out sick, it will be challenging for existing staff to complete their work assignments in a timely manner without requiring overtime. The Department did not request, and the Recommended Budget does not include, any funding for overtime salaries.

Budget Review Office Recommendations

Expenditures

Increase recommended expenditures by $7,500 for Fees for Services (001-1175-4560) to bring the Department into compliance with the State mandated 2013 audit.

Revenue

Decrease the 2013 estimate for Public Administrator fees (001-1220) by $200,000 to reflect a revised estimate of $200,000, which is based on actual year-to-date revenue and projected payment of fees to the County.

Disposition of Real Property

To increase revenues and shorten disposal transaction time, we recommend the Public Administrator's Office and the County evaluate the utilization of online auction services to dispose of real estate and surplus real property in their charge. The advantages are as follows:

- Administrative time and costs would likely be reduced and market exposure would be increased. In addition, it allows for a quantification of administrative costs that may otherwise be more difficult to recoup.
- Property is currently marketed on the Public Administrator's website, and usually in Newsday and a local paper. The wider audience and exposure of the online auction could create increased bidding activity and ultimately higher sales price for the estate, and higher commissions for the Department.
- The buyer need not be physically present to bid, win, and remit payment.
- An online bidder is required to make a binding financial commitment before being permitted to bid. If the bidder fails to complete the transaction after being the high bid, the deposit is forfeited.
- All property information can be placed online, avoiding excessive County staff time spent on potential buyers seeking information, and "tire kickers" who request information but never intend to bid or make a purchase.
- Legal electronic documents and payment transactions can be administered online.
- Anticipated better overall auction outcome should reduce or eliminate the additional expenditure for broker services after an unsuccessful auction where real property was not sold.

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Public Works

Personnel (as of 9/15/13)

Authorized Positions:	826	**Filled Positions:**	695
Vacant Positions:	131	**Percentage Vacant:**	15.9%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	2

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$50,860,610	$47,148,274	$49,344,992	$48,449,559	$48,335,529
Equipment (2000s)	$2,070,567	$4,871,879	$2,641,747	$2,724,520	$2,234,111
Supplies (3000s)	$51,238,353	$48,351,267	$58,626,001	$45,420,944	$44,914,534
Contracts (4000s)	$130,825,814	$135,347,485	$133,403,379	$145,346,402	$145,248,776
Totals	**$234,995,343**	**$235,718,905**	**$244,016,119**	**$241,941,425**	**$240,732,950**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$28,704,153	$27,865,298	$33,373,511	$30,321,800	$30,321,800
Federal Aid (4000s)	$9,203,951	$2,911,510	$21,594,697	$3,922,510	$3,922,510
Departmental Income	$47,894,375	$51,651,957	$50,558,609	$50,573,463	$50,836,261
Other Income	$19,380,080	$12,397,201	$72,127,347	$11,127,260	$11,407,860
Totals	**$105,182,560**	**$94,825,966**	**$177,654,164**	**$95,945,033**	**$96,488,431**

*Approximately $51.7 million or 24.4% of Public Work's total expenditures are borne by the County's 21 Sewer Districts and their administration, operation, and maintenance. Each Suffolk County Sewer District is a separate taxing jurisdiction that maintains its own unique operating fund via the levy of taxes and/or fees among residents and commercial entities within the district. The costs associated with operating Suffolk County Sewer Districts do not impact the General Fund tax levy.

Effects of Recommended Budget

Revenues

The 2013 estimated budget includes approximately $177.7 million in aggregated revenue, which is approximately $82.8 million more than adopted. The majority of the difference is attributable to $60.3 million in Proceeds of Sale (revenue code 001-2651) for the sale lease back of the H. Lee Dennison building, approximately $18.7 million in FEMA Disaster Aid (revenue code 4530) and approximately $3.1 million in SEMO Disaster Aid (revenue code 3530), all of which were not included in the 2013 adopted budget. According to the recommended budget narrative, "The sale-lease back transaction is on track and is expected to close November 2013, bringing in anticipated net revenue of $60.3 million". As of September 20, 2013, the County has received $16.4 million or $5.3 million less than the estimated $21.7 million in FEMA and SEMO aid. The estimated revenue for DPW is reasonable if the County receives the pending revenue from these revenue sources. The Department reports that we are on track for receiving this funding by year's end.

The 2014 Recommended Operating Budget includes $96.5 million in aggregated revenue, which is $543,398 more than the Department's request of nearly $96 million. There is no FEMA or SEMO aid included in the recommended budget. The majority of the difference between the recommended and requested revenue can be attributed to:

- $150,000 more than requested for Bus Advertising revenue (revenue code 001-1750). The recommended budget includes $325,000, which is reasonable when compared to the 2012 actual of $325,000 from this revenue source.
- $112,798 more than requested for Motor Vehicle Registration Surcharge (revenue code 105-1760). The recommended budget of $9.25 million is reasonable when compared to the 2013 estimate of $9.65 million and the average actual annual revenue for the past seven years from this revenue source of approximately $9.1 million.
- $251,000 more than requested for Permits - Residential (revenue code 105-2590). The recommended revenue of $423,000 is overly optimistic when compared to the average actual annual revenue for the past four years from this revenue source of $174,180. The Department requested $172,000 for this source of revenue. We recommend reducing this revenue in 2014 by $245,000, from $423,000 to $178,000.

Expenditures

The 2013 estimated budget includes $247,233,015 for aggregated expenditures, which is $8,422,079 more than adopted, and is reasonable. The increase is mainly attributable to increased expenses of $5.8 million associated with Storm Mitigation (001-1498) and various lesser increases related to overtime, snow removal and grant funding.

The 2014 Recommended Operating Budget includes $244,379,792 for aggregated expenditures within the Department, which is $1,210,531 less than requested.

<u>Personal Services (1000's)</u>

Compared to the Department's request, Personal Services expenditure is $114,030 less than requested because permanent salaries are recommended at $150,272 more than requested but

overtime is recommended at $264,302 less than requested. The recommended budget includes the transfer of nine water quality personnel from Economic Development and Planning to DPW.

- Permanent Salaries

The 2013 estimated budget for permanent salaries is $41.7 million. Our estimate for permanent salaries in 2013 is $41.8 million or approximately $87,000 more.

The recommended budget includes $42.7 million in permanent salaries department wide. Our projection for permanent salaries in 2014 is $43.1 million or $481,130 more than the recommended budget includes. We recommend increasing permanent salaries in 2014 by a total of $481,130 to provide sufficient funding in 2014 for all currently filled positions in the Department.

- Overtime

The 2013 estimate for overtime expenses department wide includes nearly $5.7 million or about $1.6 million more than adopted. This is reasonable given that IFMS indicates this expense, as of October 8, 2013, was $3.8 million and the 2012 actual expenditure was slightly more than $4.1 million.

The recommended budget includes $4.3 million in overtime expenses in 2014, which is comparable to the 2012 actual expense for this in 2012 of $4.1 million but approximately $1.5 million less than included in the estimated budget and $264,302 less than requested by the Department. We recommend increasing overtime expenses as follows:

- The narrative in the Department's budget request for its Buildings Operations Maintenance Division (001-1494) indicated that overtime in 2014 is expected to be $550,000; however the request was for $300,000. Based on average annual overtime expenditure in DPW's Buildings Operations Maintenance Division for the past seven years of $530,748, we recommend increasing overtime in 2014 for this Division by $230,000, from $300,000 to $530,000.
- The narrative in the Department's budget request for its Vector Control Division (001-1495) indicated that overtime has been exacerbated by cutbacks in preventative work due to reduced staffing. Overtime is required due to peaks in workloads, particularly when mosquitos become abundant, there is heavy rain, or there is virus activity that requires response. The need for adult control and virus response is highly variable, depending on weather and other factors. For this reason, Vector Control believes it is more efficient to cover this need with overtime rather than full time staff. Based on this, the seven year average annual overtime of $456,315 and Resolution No. 797-2013 that was adopted by the full legislature on October 8, 2013, which will increase this Division's workload by developing and maintaining plans to reduce tick-borne illnesses, we recommend increasing overtime for this Division in 2014 by $90,000, from $360,000 to $450,000.
- The narrative in the Department's budget request for its Highway and Bridge Maintenance Division (105-5110) indicated that that this Division is often called out during non-working hours to respond to emergencies such as wind storms, flooding, major motor vehicle accidents, fuel spills, etc. Also, some of the services provided are required to be performed during off hours such as traffic control, public safety complaints, sweeping and debris removal on roads, and County facilities. In our capital budget review of CP 5072, Improvements to County Environmental Recharge Basins, we said, "DPW can do recharge basin restorative work with in-house staff on overtime for 60% less, or $75,000 less than the average contractor's cost per job; however, DPW must be able to deploy highway staff on the weekends on overtime to accomplish this increasingly important rehabilitative work". For these reasons as well as the

seven year average annual overtime expenditure in this Division of $511,814 and the Department's August budget request update that indicates it will need $425,000 for this purpose and not the $125,000 that it requested, we recommend increasing overtime for this Division in 2014 by $300,000, from $125,000 to $425,000.

Equipment (2000's)

Compared to the Department's request, Equipment expenditure is $490,409 less than requested, primarily for the Purchase of Automobiles ($200,000), Trucks, Trailers and Jeeps ($133,000) and Other Equipment Not Otherwise ($152,525).

- Purchase of Automobiles (016-5130-2030)

The recommended budget includes no operating funds for the purchase of vehicles in 2014, while the Department requested $200,000 to replace a critical portion of the $2,860,500 of decommissioned vehicles and vehicles with over 150,000 miles that do not qualify for funding through Capital Project 5601 and Capital Project 5602. No funding was expended in 2012, and the 2013 estimate is $0. The County has been purchasing vehicles through Capital Project 3512 for public safety vehicles and Capital projects 5601 and 5602 for non-public safety vehicles. According to the Department, the County is expected to have over one hundred non-public safety vehicles with over 150,000 miles by December 31, 2014.

As of September 1, 2013:

- CP 3512, Public Safety Vehicles, has $6.25 million appropriated with an available balance of $2,532,863. The Adopted 2014 Capital Budget includes $5 million. DPW has determined that in order to sustain the Public Safety fleet at current levels, $9,134,344 would be required based on the existing decommissioning requirements of 130,000 miles for patrol cars and 150,000 miles for the remainder of the Public Safety fleet.
- CP 5601, Purchase of Hybrid Electric Vehicles, has $5,771,250 appropriated with an available balance of $2,010,331. The Adopted 2014 Capital Budget includes $625,000.
- CP 5602, Clean Cities – Alternative Fuel Infrastructure and Compressed Natural Gas (CNG) Vehicles, has $13,933,000 appropriated with an available balance of $5,617,659. The Adopted 2014 Capital Budget includes $625,000.

Insufficient funding for the purchase of replacement vehicles has resulted in vehicles retained in the fleet beyond their useful life, which the Department has indicated results in more costly repairs, extensive downtime for vehicles and disruption of operations for user agencies. Additionally, it is expected that there will be more repairs because of an increase in out of warranty vehicles. This has resulted in increasing costly repairs being done by outside vendors to keep the County's vehicles and equipment in service.

The Legislature may want to consider reviewing this change in policy to determine if the County should continue to purchase vehicles solely through the capital program and incur the related debt service in the operating budget. If there is a change in policy, we recommend including $1.5 million as was indicated would be needed in the department's budget request narrative to replace a critical portion of the $2,860,500 of decommissioned vehicles and vehicles with over 150,000 miles that do not qualify for funding through CP 5601 and CP 5602. The balance of projected vehicles required is anticipated to be appropriated in 2014 under Capital Projects 3512 (public safety) and 5601/5602 (non-public safety). The requested line in the budget for this purchase reflects $200,000; however, this was reduced from $1.5 million in an effort to meet the ADH requirements.

Supplies (3000's)

The recommended budget includes nearly $45 million for supplies, which is $506,410 less than requested across numerous appropriations, the greatest of which are Building Materials (object 3250) recommended at $132,530 less than requested, and Repairs: Buildings (object 3650) recommended at $332,349 less than requested. The recommended budget narrative indicates, "The County has reduced expenses for building repairs and maintenance and materials as this will be requested in the Capital Program with an offset, in order to stabilize the operating budget". Infrastructure maintenance efforts become increasingly challenging as the inventory of County structures age and damage occurs. The legislature may wish to review this change in policy and determine if building repairs and maintenance expenditures should be paid through the capital budget with the related debt service in the operating budget. If there is a change in policy, then we recommend including Building Materials and Repairs: Building as requested by increasing the associated expense line items by $132,530 and $332,349, respectively. Delaying building repairs may lead to increased cost estimates for building maintenance or condemning of buildings as well as the potential for an unhealthy work environment. The Department's position on this proposal is that while it has been the County's intent to pay as we go wherever possible, given the current fiscal issues the County is faced with, DPW is in agreement with the proposal to pay for certain maintenance/upgrades through the capital program. As these improvements extend the service life of the County's facilities, the work can be bonded appropriately. As per DPW, this method of funding is used everywhere and Suffolk is one of the last hold outs, with good reason. DPW expects that when the economy improves, the County will revert much of this work back to the operating budget.

The recommended budget includes $1.5 million for Repair: Licensed Vehicles (016-DPW-5130-Public Works: Road Machinery-3630-Repairs: Licensed Vehicles). The Department's August budget request update indicates that the average age of the fleet continues to increase and personnel is at historical lows. As a result, the number of repairs done by outside vendors has increased substantially. The Department's August updated budget request was for what it referred to as a "conservative" estimate of $1.8 million for this purpose in 2014. Considering this, coupled with the County not purchasing vehicles through the operating budget, we recommend increasing funding in 2014 by $300,000, from $1.5 million to $1.8 million, as requested.

Contractual Services (4000's)

The 2013 estimate of $133.4 million for contractual expenditures is reasonable.

Compared to the Department's request, Contractual Expenses are $97,626 less than requested, mostly related to $100,000 less for Light, Power and Water expenditures department wide. The 2014 recommended budget for contractual services is reasonable, with the exception of the recommended expenditure for Rent: Offices and Buildings in the amount of $17,042,179. The Department's original request was for $17,155,929 but DPW submitted an update that reduced this by $19,136 to $17,136,793 with a comment that said recent Common Area Maintenance (CAM) charges and property tax reimbursement submittals were factored into these necessary changes. Tax Reimbursement amounts for two locations were also adjusted. The recommended budget included the Department's updated figures in the 2013 estimate but not in the recommended budget. We recommend increasing Rent: Offices and Buildings by $94,614, from $17,042,179 to $17,136,793 to include funding as requested. Recent discussions with the Department indicated that the Department's updated projection for rent expenditure in 2014 is an accurate estimate.

Staff

Public Works will have 11 more authorized positions (826 vs. 837) in 2014 than it did at this time last year with which to accomplish its core mission. The Department currently operates with 695 filled positions, which is the same as this time last year. The recommended budget creates two new positions, one Senior Industrial Engineer (grade 29) and one Industrial Engineer (grade 26), in the Commissioner's Office division within General Administration (259-8195), that were not requested by the Department. These titles are not part of the County's current salary and classification plan; therefore, they must be added by resolution. The Department reports that the County Executive wishes to employ two Industrial Engineers to work in conjunction with Performance Management to engage in process mapping, streamlining departments and improving services. As Engineers are generally a position located within DPW, this is the reason the positions are located within this department. The Industrial Engineers are expected to work on activities such as: developing/updating policies and procedures, training staff, engaging in work flow analysis and streamlining operations in the County.

The recommended budget also transfers nine filled positions from the Water Quality Improvement Unit within Economic Development and Planning (477-8038) to the Water Quality Unit within DPW (477-1497). The recommended budget provides $42.7 million for permanent salaries, which is $150,272 more than requested. However, in the aggregate, the recommended budget for permanent salaries is insufficient to fund all of the Department's currently filled positions. Our analysis indicates that the recommended budget for permanent salaries is deficient by approximately $481,130 to fund the filled positions within the Department in 2014. We recommend providing adequate funding for the entire year for filled positions.

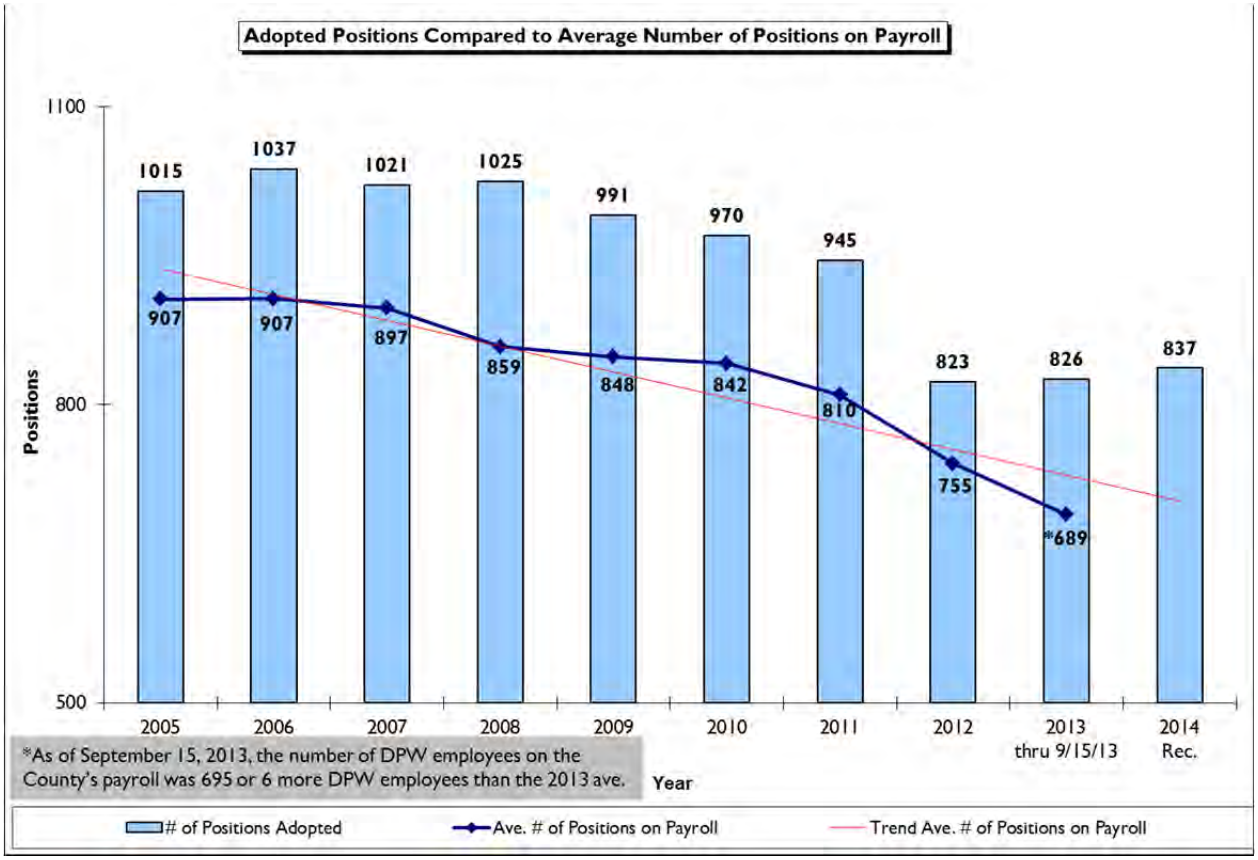
The nine positions recommended to be transferred into DPW from ECD are as follows:

Positions Transferred Into DPW Water Quality Protection (477-1497) From EDP Water Quality Improvement (477-1497)	
Job Ttle	**Grade**
Senior Civil Engineer	29
Junior Civil Engineer	23
Map Drafter III	23
Computer Graphics Map Specialist	20
Biologist	21
Head Clerk	18
Building Facilities Crew Leader	16
Labor Crew Leader	14
Assistant Labor Crew Leader	11

The Department is in agreement with the nine water quality positions being transferred into DPW. These employees already work within DPW and their transfer would facilitate the Department's ability to complete not only water quality projects, but highway engineering projects as well.

Staffing levels within DPW have reached historically low levels over the past several years. The number of employees on the payroll in 2013 slightly increased with 693 in the beginning of 2013 and

695 as of the end of September 2013. Over the years, the loss of seasoned staff has divested the Department of valuable institutional knowledge. As can been seen in the chart that follows the number of DPW employees on the County's payroll has been trending downward.



As of September 15, 2013, the Department has 131 vacancies as detailed in the table that follows.

DPW Department Wide Vacancies			
Job Title	**# of Vacancies**	**Job Title**	**# of Vacancies**
ACCOUNT CLERK/TYPIST	2	LABORER	1
ADMINISTRATOR I	1	MAIL ROOM SUPERVISOR	1
ASSOCIATE ELECTRICAL ENGINEER	1	MAINT CREW CHIEF(WASTEWTR TRT	3
ASST CIVIL ENGINEER	3	MAINTENANCE MECHANIC I	7
ASST HIGHWAY MAINT SUPV	1	MAINTENANCE MECHANIC II	2
ASST MAP & COORD SUPVR	1	MAINTENANCE MECHANIC III	4
ASST MECHANICAL ENGINEER	1	MAINTENANCE MECHANIC IV	2
ASST WASTEWTR PLANT OPERS SUP	3	MAINTENANCE MECHANIC V	1
AUTO EQUIPMENT OPERATOR	3	MATERIEL CONTROL CLK III	1
AUTO MECHANIC I	4	MECHANICAL ENGINEER	1
AUTO MECHANIC III	5	OPER CREW CHF(WASTEWTR TRTMNT	2
AUTO MECHANIC IV	1	PENDING REVIEW-DO NOT REFILL	5
AUTO MECHANIC V	1	PRETREATMENT PROGRAM COORD	1
BIOLOGIST	1	PRIN ENGINEERING AIDE	1
BUILDING MAINTENANCE SUPV	1	PRIN PLANNER-TRANSPORT	2
CLERK TYPIST	2	PRINCIPAL STENOGRAPHER	1
CONSTRUCTION EQUIP OPER	3	PURCHASING AGENT	1
COUNTY ARCHITECT	1	SECRETARY	1
COURIER	2	SECURITY GUARD	2
CUSTODIAL WORKER I	5	SENIOR ACCOUNT CLERK	1
CUSTODIAL WORKER III	1	SENIOR CLERK TYPIST	1
DATA ENTRY OPERATOR	1	SENIOR ENGINEERING AIDE	1
DIR CUST & SECURITY SVCS	1	SENIOR SAFETY OFFICER	1
DIR OF COUNTY FLEET SERVICES	1	SIGN SHOP MANAGER	1
DIR OF MAIN (WASTEWATER TRTMT	2	SR INDUST WASTE PRETREAT TECH	1
DIR OF OPERATIONS (S D)	1	SR SECURITY GUARD	1
DIR OPER & MAINT(SWR DST)	1	SR WASTEWATER TRT PLT OP (3A)	3
DIR TRANSPORTATION OPRTNS	1	TRAFFIC ENGINEER I	1
ENGINEERING AIDE	1	TRAINING & SAFETY OFFICER	1
EXEC ASST FOR FIN & ADMIN	1	TREE TRIMMER I	1
HEAVY EQUIPMENT OPERATOR	2	VECTOR CNTRL LBR CREW LDR	1
HIGH VOLTAGE SPECIALIST	3	VECTOR CONTROL SUPERVISOR	1
HWY LABOR CREW LEADER	1	WAREHOUSE WORKER II	1
INDUST WSTE PRETRT TECH TRAIN	1	WASTEWATER TRTMNT PLNT HELPER	2
INDUSTRIAL WST PRETRT PROG SP	1	WASTEWATER TRTMT PLT OP (3A)	1
INSTRUMENTATION TECH	2	WASTEWATER TRTMT PLT OPER TRN	10
Total Vacancies			**131**

Vacancies

As funding allows, the following are in priority order for filling vacancies in DPW:

Special Transportation Coordinator Position and Spanish Speaking Clerk Typist- the Transportation Division is required by court order to appoint a staff member with responsibility as an ADA Coordinator responsible for responding to complaints and taking necessary corrective action. With the retirement of the Special Transportation Coordinator in 2010, the position was abolished and left the Division in non-compliance with the stipulations of the settlement. Filling this position is essential to safeguarding the County's federal funding. Last year's Omnibus Resolution No. 908-2012 was to abolish one vacant Clerk Typist (grade 9) position and create one Special Transportation Coordinator (grade 27) position and provided salary and benefit funding for nine months to address the needs of the disabled community, adhere to court mandates and safeguard the County's future federal funding. However, the staff lines were not included and the position changes did not occur. The court mandate is being met through a Senior Planner and a Bus Transportation Technician. The Clerk Typist position that is earmarked as a Spanish Speaking Clerk is needed pursuant to the mandates of Title VI, Limited English Proficiency (LEP) program. DPW expects to be audited next spring by the Federal Transit Authority (FTA) to ensure that they are meeting LEP guidelines. If DPW does not comply, then the County could be in violation of Title VI regulations and could lose its FTA funding of $7 million per year. The addition of the bilingual clerk will also assist with the bus information lines workload of the Transportation Liaison allowing this position to better meet the needs of the disabled population. To implement the intent of the Omnibus last year, the Department could earmark a vacancy to a Special Transportation Coordinator (grade 27) position and would need $59,291 to provide salary and benefits for this position with a start date of April 1, 2014. To fill one Spanish Speaking Clerk (grade 9) position the Department would need $33,965 to provide salary and benefits for this position with a start date of April 1, 2014.

Auto Mechanic Positions - the Department has 39 authorized Auto Mechanic positions, including earmarked titles, all within 016-DPW-5130-Public Works: Road Machinery of which there are eleven vacancies or 28% of the positions in this job series. Personnel in these titles perform automotive equipment maintenance and repair for the County's vast fleet of vehicles. The Department's request indicated that there is a backlog in repairs, outfitting new vehicles (primarily police cars), and servicing of vehicles during peak usage periods (snow equipment, moving equipment, Vector Control spraying equipment). The lack of replacement vehicles and personnel increases reliance on overtime work or increases the backlog. More repairs are necessary because an increasing number of the County's fleet is not under warranty. Due to the County's policy change in the mileage criteria, more repairs are needed to keep the vehicles on the road longer, which is creating an overabundance of repair orders. As funding allows, we recommend allowing the Department to fill some of the eleven vacant Auto Mechanic positions. An entry level Auto Mechanic I (grade 9) with a start date of April 1, 2014 would cost the County $20,564 in salary and $13,401 in benefits. Having Auto Mechanics that can address maintenance issues in a timely manner may also help to reduce the costly repairs that are being done by outside vendors. The recommended budget for this line item (016-DPW-5130-Public Works: Road Machinery-3630-Repairs: Licensed Vehicles) includes $1.5 million, the 2013 estimate is $1.8 million and the 2012 actual expenditure was $1,158,286. The Department's August budget request update indicates that the average age of the fleet continues to increase and personnel is at historical lows. As a result, the number of repairs done by outside vendors has increased substantially. DPW reports that the Department has approval to hire three new auto mechanics.

Maintenance Mechanic Positions - the Department has 136 authorized maintenance mechanic positions within six different appropriations of which there are sixteen vacancies or 12% of the positions in this job series. Personnel in these titles perform work at the craftsman level in more than one major trade area, such as carpentry, plumbing, mechanical, electrical, high temperature water systems, and welding. The lack of personnel coupled with an aging County infrastructure may lead to exacerbated deterioration of the County's buildings and more costly repairs as well as the potential for an unhealthy working environment. As funding allows, we recommend allowing the Department to fill some of its sixteen vacant Maintenance Mechanic positions. An entry level Maintenance Mechanic I (grade 9) with a start date of April 1, 2014 would cost the County $20,564 in salary and $13,401 in benefits.

Custodial Worker Positions - the Department has 77 authorized positions (29 in Court Facilities 001-1164 and 48 in Public Safety and Custodial Services 001-1611) in this job series of which six are vacant; four in Court Facilities and two in Public Safety and Custodial Services. The Department's request indicated that due to manpower shortages, it has become necessary to utilize overtime for all extra services such as floor stripping and waxing, and gang cleaning. Also due to shortages, a number of regular daily shifts must be covered by employees working overtime. As funding allows, we would recommend allowing the Department to fill some of its six vacant Custodial Worker positions. Filling one entry level custodial position (grade 8) with a start date of April 1, 2014 would cost the County $19,785 in salary and $13,342 in benefits.

Planning Aide Position- the Department's budget request narrative indicated that currently there is only one planning position (Senior Planner-Transportation, grade 24) in the Transportation Division, and additional planning staff is needed to provide proper oversight of federally funded transportation projects and to manage data provided from the County's AVL system to improve scheduling for the transit system. The Division's sole planner has had to take on the responsibilities of two retired Principal Planners, as well as the duties from the retired Special Transportation Coordinator. The loss of staff has affected the monitoring of key performance standards of the bus companies and other contractors and potential findings by the FTA could result in sanctions and possible reductions in future funding. As funding allows, we would recommend allowing the Department to earmark a vacant Principal Planner (grade 28) position and fill one Planning Aide (grade 17) position. An entry level Planning Aide position with a start date of April 1, 2014 would cost the County $28,728 in salary and $14,026 in benefits.

Sewers

The 2014 recommended budget includes 340 authorized positions for sewer operations, which is seven more than the 2013 modified of 333. The seven additional positions in sewers are detailed in the table that follows.

Recommended Budget For Positions in Sewers		
# of Authorized Positions		
333		
# of New Positions	**Job Title**	**Grade**
1	Senior Industrial Engineer	29
1	Industrial Engineer	26
2	**Subtotal**	
# of Positions Transferred Into Sewers from the General Fund	**Job Title**	**Grade**
1	Maintenance Mechanic III	15
1	Government Liason Officer	27
1	Principal Clerk	14
1	Senior Clerk Typist	12
1	Construction Equipment Operator	16
5	**Subtotal**	
# of Positions Net Changes		
340	**Total**	
Note: Other positions were transferred within the Sewers.		

The recommended budget for sewer operations of $51.78 million is reasonable. It is $140,589 less than requested with the majority of the difference or $128,423 attributable to the following:

- Overtime is $160,302 less than requested. The majority or $150,000 of the difference is overtime for Southwest Sewer District #3 for emergency repairs and shift coverage at the Bergen Point Plant, pumping stations, and the collections systems. The recommended overtime expenditure of $1.15 million for Southwest Sewer District #3 is reasonable in comparison to actual overtime expenditures in 2011 of $1,141,351 and 2012 of $780,339.
- Permanent salaries are $313,358 more than requested. The majority of the difference or $148,423 is for Southwest Sewer District #3 and $130,000 is for Building/Sanitation Administration.

Issues for Consideration

Bus Service

Resolution No. 1295-2013 directed the Department of Public Works to expand the County's bus service in the evening hours and on Sundays to the fullest extent possible within the limits of $1.1 million of the additional $2 million in State Transit Operating Assistance (STOA) for Suffolk Transit funding provided along with the potential for additional funding from the Job Access Reverse Commute (JARC) program that would achieve a goal of a total of $2 million in new funding for expanded Sunday and evening bus service. Further, the expanded bus service, once enacted, is to be continued as a pilot program for one year. The recommended budget narrative indicates,

"Funding has been included for Sunday bus service in 2014". The Department requested funding to begin this expansion of bus service in October 2013 not January 1, 2014. Recent discussions with DPW indicate that the Department is now planning to implement the expanded bus service as of January 2014. The Department's August update for Transportation (001-5631) includes $700,000 in contract agency expenditure for this purpose that is not reflected in the estimated budget. To implement this service as requested by the Department in 2013, to fund a legislative action for Sunday Service that was to begin in January 2014 to now begin October 2013, Contracted Services-Special (4960) would need to be increased by $560,500, from $20,309,500 to $20,870,000 and Contracted Agencies (4980) would need to be increased by $695,540 in the Department's Planning: Omnibus appropriation (001-DPW-5631). It should be noted that bus routes will be re bid in 2014.

Security Guards

In 2012, the County announced its intention to privatize the County's security guard operations in DSS and DPW. As of September 15, 2013, DPW has 10 positions in the security job title series of which three are vacant. In DSS, it appears that the recommended budget includes $804,000 for a full year's cost of the Summit security guard contract in Fees for Services (4560) under the new Personnel and Supportive Services Division. In DPW, the recommended budget includes $200,000, as requested by the Department, in Fees for Services in Public Works: Custodial Services and Security (001-DPW-1611-4560). We were unable to confirm if this funding is for a Summit security guard contract for private security guard coverage.

Sale Lease Back of the H. Lee Dennison Building

The recommended budget includes $60.3 million in 2013 in a newly created DPW revenue code (001-DPW-2651-Proceeds of Sale) and $4.8 million in 2014 DPW expenditures for Judicial Facilities Agency (JFA) lease payments in a newly created appropriation (001-DPW-1365-4450-JFA Lease Payments). Please see the front end section of this report entitled "Sale Lease Back of the H. Lee Dennison Building" for further information.

Revenue from Motor Vehicle Registration Surcharges

As discussed in the review of the County Road Fund (105), the budget is in need of long term structural changes to align revenues with expenditures. One possible fix is to seek State enabling legislation to increase Suffolk's Motor Vehicle Registration Surcharge. Currently the County charges $5 per year for passenger vehicles weighing 3,500 pounds or less and $10 for heavier noncommercial vehicles and all commercial vehicles. The County's seven year (2006-2012) average annual revenue from this revenue source is approximately $9.1 million.

The Budget Review Office recommends that consideration be given to increasing the fee to what is charged in Nassau County, where all noncommercial vehicles pay $15 and commercial vehicles $40. The estimated increase in revenue would be $10.35 million. Currently, the Motor Vehicle Registration Surcharge is deposited in the County Road Fund (105). County law would need to be changed to expand the use of these funds in order to provide maximum relief to the General Fund. Based on current use, the General Fund transfer to Fund 105 was $7.3 million in 2012, is estimated to be $2.4 million in 2013 and is projected to be $5.1 million in 2014.

Energy

<u>Transportation:</u>

The 2013 Adopted budget for Gasoline and Motor Oil (3150) was approximately $12.3 million across all funds. The recommended budget includes approximately $12.3 million across all funds, which is only $10,000 less than requested. The recommended General Fund allocation for Suffolk

Transit and Inter-department Operations and Service represents approximately 27.3% of total funding for this object, with approximately $3.1 million for Suffolk Transit buses. Recommended funding for Suffolk Transit buses is $535,286 more than 2012 actual expenditures, including funding for the addition of Sunday service. Another $8.9 million is included for Public Works: Road Machinery (Fund 016), used for countywide fleet services. Recommended funding for County-wide fleet services is as requested, but $306,179 less than 2012 actual expenditures.

Commodity market prices for refined fuels (gasoline and diesel) have decreased by approximately 1.3% compared to the same period a year ago. The cost per gallon of regular gasoline and diesel has decreased by approximately 1.8% and prices are expected to decline slowly through 2014. Year-to-date expenditures for gasoline and diesel fuel have decreased by approximately 3.4% compared to the same period a year ago; that decline may be attributable to several factors, including but not limited to a lower number of available fleet vehicles, reduced operations related to staff reductions, and the introduction of more fuel efficient hybrid-electric vehicles.

As of September 20, 2013, year-to-date expenditures total approximately $1.7 million for Suffolk Transit and $6.3 million for Inter-department Operations and Service, from Fund 016. In context to NYMEX commodity contracts and anticipated contract costs for fuel through the remainder of this year, Budget Review anticipates that there is sufficient 2013 funding for Suffolk Transit, and a potential surplus of approximately $310,000 for countywide fleet operations accounted for in Road Machinery (Fund 016).

Budget Review agrees with 2013 and 2014 funding for Gasoline and Motor Oil (3150) as recommended by the County Executive.

Buildings:

Natural gas commodity prices, which have averaged approximately 40% higher than the same period a year ago, have a direct impact on natural gas fired equipment used for space conditioning and domestic hot water supplied to the vast majority of County facilities. Since LIPA is reliant upon natural gas for approximately 90% of its electric supply, natural gas prices also influence the retail cost of electricity used at County facilities.

Across all funds, actual expenditures for Light, Power and Water (4020) were approximately $23.3 million in 2012, down from a peak of approximately $30.1 million in 2008. On average, approximately 72% of expenditures for this object flow from the General Fund. Payments for electricity (approximately 80%) and natural gas (approximately 12%) represent nearly all expenditures from this object. The fund also includes expenditures to the Suffolk County Water Authority (SCWA) and other local water districts (approximately 2.5%). A once growing line item within this object is attributable to payments for performance contracts relating to energy improvements at County facilities by the New York Power Authority (NYPA) and others. Those performance contracts are subject to variable rate financing and now represent approximately 5.5% of total expenditures for Light, Power and Water.

Reduced staffing and other factors have contributed to marginal reductions in energy used by office equipment, but self-directed energy efficiency improvements at County facilities funded through the Capital Program have helped to significantly reduce consumption of energy in all forms. Natural gas consumed at County facilities has been purchased through commodity brokers during the previous three winter seasons, contributing to a year-over-year savings on the unit cost of energy.

Suffolk County is currently engaged in a 30-month contract to purchase natural gas independent of our local natural gas utility, National Grid. The contract period began on January 1, 2013 and is

open to all municipal subdivisions within the County. The contract currently includes forty-three school districts, five towns, three fire districts and one library. The contract cost of natural gas fluctuates with market prices and has resulted in modest year-to-date savings compared to "bundled" service from National Grid.

In November 2012 LIPA began recovering "excess" fuel and purchased power costs on a "month after" basis. Prior to that, LIPA had a history of "absorbing" such costs with cash on hand that could have paid down debt, or bonding those costs, which were then compounded by additional debt service. While there are legitimate questions relating to the aggregate costs included in the "bill adjustment", LIPA's new practice will send timely and appropriate price signals to consumers and more closely conforms with Public Service Commission (PSC) guidelines adhered to by "regulated" electric utilities throughout the State. In fact, the fuel and purchased power cost adjustment mechanism was created by the PSC during the 1970s in response to volatile energy commodity markets in the years following the OPEC oil embargo.

While LIPA's monthly Power Supply adjustment is a more appropriate method of recovering costs from ratepayers, the practice also results in less consistent monthly bills that reflect current energy commodity market volatility. LIPA's monthly adjustments are included in its Power Supply Charge and have been mischaracterized in the press as "rate hikes". In fact, the change will help to reduce the rate of growth in LIPA's debt and is in the best interest of ratepayers. Year-to-date 2013 LIPA's Power Supply cost has increased by an average of 20% when compared to the same period a year ago. In context, LIPA is dependent on natural gas for approximately 90% of its power supply and 2013 natural gas commodity prices have increased by approximately 40% compared to the same period during 2012.

Budget Review anticipates the 2013 estimate for Light, Power and Water (4020) to be reasonable.

In context to the ongoing energy efficiency gains achieved through the capital program, and despite the potential for increases in the cost of electricity that may result from rising natural gas commodity costs, the likelihood of a more severe winter season ahead, and cost fluctuations that will be passed on each month, Budget Review agrees with the recommended funding for Light, Power and Water (4020) in 2014.

Recommended Staff Positions:

The County's self-directed efforts to improve the energy use profile of its facilities have typically resulted in savings net of debt service during the first year after project completion, and thus far resulted in approximately $4.6 million in recurring annual savings in operating expenditures for energy. Overcoming technical issues has been an essential component to reducing energy consumption, and while technical challenges remain, there are also cultural issues to address. The Legislature has supported this effort by providing adequate capital funding, but additional support is necessary to add essential staffing.

High-end technologies to better control energy use have been installed in Suffolk County facilities for more than two decades. As effective as those systems can be if properly installed, programmed, and maintained, Building Management Systems (BMS) and other controls are not adequately employed because the staffing for building management has not kept pace with technology. Suffolk County facilities equipped with these sophisticated energy management systems are typical of commercial facilities throughout our region, and have suffered from a systemic lack of control. Their wide-spread failure has been documented by Investment Grade Energy Audits and less intensive building assessments of several County properties. The consequence of poor systems

performance is occupant discomfort, wasted energy, and unnecessarily excessive expenditures for energy.

Budget Review has recommended the addition of staff positions within DPW Facilities Engineering and Operation and Maintenance Divisions since 2008. The new staff would be dedicated to both enhancing the County's ability to scope efficiency opportunities and to ensure that anticipated savings are actually realized. Based on current staffing levels, Budget Review recommends the addition of one Assistant Engineer (grade 23), at an annual cost of approximately $70,000, and one Energy Systems Computer Specialist (grade 34), at an annual cost of approximately $103,000, both including salary and benefits. More than 30 of the County's landmark and/or energy intensive facilities are equipped with or ready for remote monitoring of energy systems. It is anticipated that the new positions would better employ available technologies to compensate for staff reductions, contribute to maintaining proper building performance on a daily basis, and ensure recurring energy savings in excess of $1 million annually. Anticipating ramp-up capability of new staff, and integration of command and control improvements with web-based systems, it is estimated that first year savings would be in excess of $350,000. If the Legislature adds the new positions as recommended by Budget Review, the County Executive's recommended funding for Light, Power and Water (4020) can be reduced by $173,000, which is the combined cost of the new positions.

Budget Review Office Recommendations

- Reduce Permits-Residential (105-DPW-5110-2590) revenue in 2014 by $245,000 from $423,000 to $178,000.
- Increase permanent salaries department wide in 2014 by $481,130 to provide sufficient funding for all currently filled positions.
- Increase overtime in 2014:
    - Buildings Operations and Maintenance (001-DPW-1494-1120) by $230,000, from $300,000 to $530,000.
    - Vector Control (001-DPW-1495-1120) by $90,000, from $360,000 to $450,000.
    - Highway and Bridge Maintenance (105-DPW-5110-1120) by $300,000, from $125,000 to $425,000.
- If a policy determination is made to not purchase vehicles solely in the capital budget, then we recommend including $1.5 million in Public Works: Road Machinery (016-DPW-5130-2060) as was indicated would be needed in the Department's budget request narrative to replace a critical portion of the $2,860,500 of decommissioned vehicles and vehicles with over 150,000 miles that do not qualify for funding through CP 5601or CP 5602.
- If a policy determination is made that the County should not incur the expense of building repairs and maintenance expenditures through the capital budget, then we recommend including Building Materials (object 3250) and Repairs: Building (object 3650) expenditures as the Department requested, by increasing the associated expense line items by $132,530 and $332,349, respectively.
- Increase Road Machinery-Repairs: Licensed Vehicles (016-DPW-5130-3630) in 2014 by $300,000 from $1.5 million to $1.8 million, as requested.

- Increase Rent: Offices and Buildings (001-DPW-1363-4410) in 2014 by $94,614 from $17,042,179 to $17,136,793 to include funding as requested in the Department's August budget update.
- As funding allows, we recommend allowing the Department to fill its vacancies as follows:
    - To implement the intent of the Omnibus last year, and to comply with the court-ordered appointment of an ADA Coordinator, the Department could earmark a vacancy to a Special Transportation Coordinator (grade 27) position and would need $59,291 to provide salary and benefits for this position with a start date of April 1, 2014.
    - To comply with the mandates of the Title VI Limited English Proficiency (LEP) Program, filling one Spanish Speaking Clerk (grade 9) position the Department would need $33,965 to provide salary and benefits for this position with a start date of April 1, 2014.
    - To address backlogs, consider filling some of the sixteen vacant Maintenance Mechanic positions in its Public Works: Court Facilities Division (001-DPW-1164) and/or its Sewer District #3 Division (203-DPW-8113). An entry level Maintenance Mechanic I (grade 9) with a start date of April 1, 2014 would cost the County $20,564 in salary and $13,401 in benefits.
    - To address backlogs, consider filling some of the six vacant Custodial Worker positions in Public Works: Court Facilities Division (001-DPW-1164) and/ or in its Public Works: Custodial Services and Security Division (001-DPW-1611). Filling one entry level custodial position (grade 8) with a start date of April 1, 2014 would cost the County $19,785 in salary and $13,342 in benefits.
    - Allow the Department to earmark a vacant Principal Planner (grade 28) position and fill one Planning Aide (grade 17) position in its Transportation Projects Division (001-DPW-5641). An entry level Planning Aide position with a start date of April 1, 2014 would cost the County $28,728 in salary and $14,026 in benefits.
- We recommend that consideration be given to increasing the Motor Vehicle Registration Surcharge fee (revenue code 105-5110-1760) to what is charged in Nassau County, where all noncommercial vehicles pay $15 and commercial vehicles $40. This would require State enabling legislation and the estimated increase in revenue would be $10.35 million. County law would need to be changed to expand the use of these funds in order to provide maximum relief to the General Fund.

JM DPW 14

Real Property Tax Service Agency

Personnel (as of 9/15/13)

Authorized Positions:	26	**Filled Positions:**	20
Vacant Positions:	6	**Percentage Vacant:**	23.1%
Positions Abolished in the Recommended Budget:	2	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$1,369,017	$1,352,230	$1,395,131	$1,499,358	$1,406,698
Equipment (2000s)	$0	$0	$0	$0	$0
Supplies (3000s)	$20,671	$19,700	$19,700	$25,250	$25,900
Contracts (4000s)	$715	$0	$0	$150	$150
Totals	**$1,390,403**	**$1,371,930**	**$1,414,831**	**$1,524,758**	**$1,432,748**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$9,369,640	$9,000,000	$11,500,000	$11,507,000	$11,507,000
Other Income	$204,067	$200,275	$200,275	$200,275	$200,275
Totals	**$9,573,707**	**$9,200,275**	**$11,700,275**	**$11,707,275**	**$11,707,275**

Effects of Recommended Budget

Personal Services

The 2013 estimate for permanent salaries is $1,298,303, which is $36,466 more than projected by the Budget Review Office, if all six vacant positions remain unfilled. The department anticipates filling one vacant position by the end of the year. The recommended budget provides $1.34 million for permanent salaries in 2014, which is sufficient to fund all 20 filled positions with $60,219 to fill vacancies.

Revenue

Revenue from Tax Map Certification Fees (001-1291) in 2013 is estimated to be $2.5 million more than adopted. In the aggregate, the 2014 recommended revenue is $11.7 million, as requested, and is $2.5 million more than the 2013 adopted amount of $9.2 million.

Issues for Consideration

Personal Services

The recommended budget abolishes two vacancies: one Map Drafter II and one Principal Clerk, as requested by RPTSA. Four vacancies remain for 2014 as follows:

- 1 Map Drafter III
- 1 Geographic Info System Tech I
- 1 Senior Account Clerk
- 1 Real Property Recorder I

BRO estimates $149,057 in permanent salaries is required to fill all four vacant positions for a full year in 2014.

The County Clerk's Office is the main intake point for most of the documents that RPTSA processes. As mandated by New York State, the RPTSA prepares and maintains tax map parcels for ad valorem purposes and collects parcel related ownership data. Every land use document that is recorded by the County Clerk's Office is reviewed and verified by RPTSA, including deeds, notices of pendency, tax liens, mechanics liens, covenants and restrictions, various mortgage documents, and other real property related documents. BRO projects the abolishment of the Map Drafter II and Principal Clerk positions in 2014 will have no effect on further slowing down the turnaround time per Parcel Count, as these positions have been vacant all of 2013. To maintain the turnaround time and realize projected revenues for 2013, RPTSA has relied on overtime and temporary employees to address backlogs in verification of tax map numbers.

The County Clerk’s Office has expressed concern that if the turnaround time for the verification of tax map numbers goes past 90 days, checks that accompany these documents will go stale. The turnaround time will be further extended awaiting replacement checks. Not filling the six vacant positions in 2013 has contributed to the current backlog of 11,000 documents (as of 9/24/2013). The estimated unrealized revenue is $660,000. There has only been a minor improvement of 15.4% in addressing the chronic backlog of verification of tax map numbers since September 2012, when the backlog was 13,000 documents with estimated unrealized revenue of $780,000.

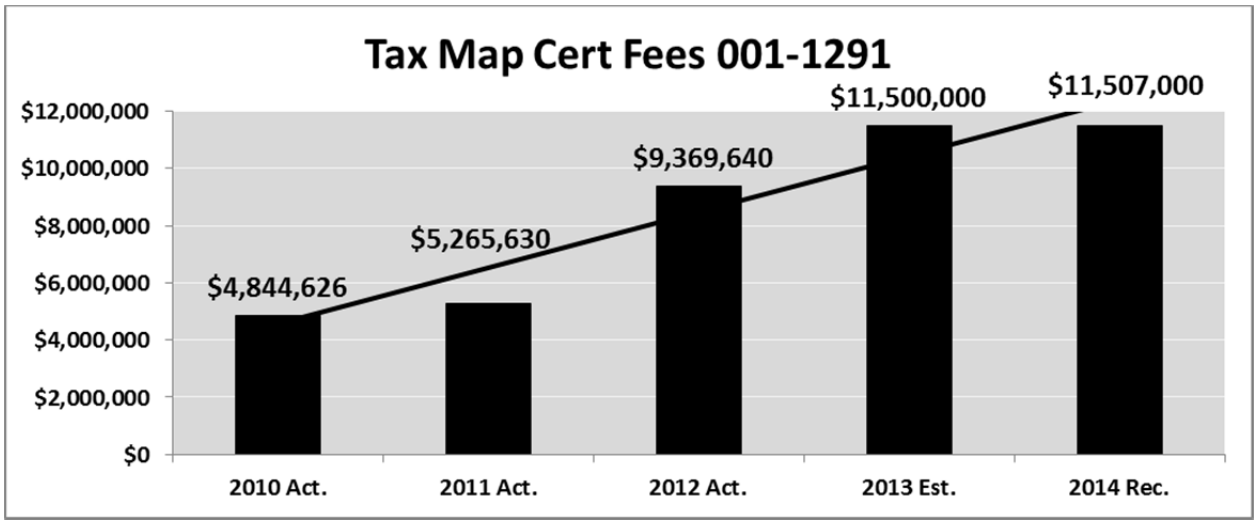
The backlog of documents requiring verification of tax map numbers not only prevents the County from realizing revenue in an acceptable time period, it also stagnates millions of dollars of real-estate transactions in Suffolk County. To reduce the risk of further lengthening the turnaround

time of verification of tax map numbers in 2014, the Department is investigating having two or more of the vacant positions earmarked to titles requiring the technological skills necessary to perform map drafting, verify tax map numbers, and duties that require strong computer skills in an drafting/mapping environment.

Revenue

Based on discussions with RPTSA, workload and revenue have increased in 2013 compared to 2012. In 2013 the housing market in Suffolk County showed indicators that it is gaining an improved foothold. Prior to the downturn in the U.S. housing market, RPTSA revenue was correlated to certified documents connected with new mortgages and re-financing. In 2012, banks and finance firms took more assertive legal action and moved forward with clearing their books of bad mortgages. The current and projected 2014 workload is a mix of these factors. This evolving economic environment, if maintained on a positive path in 2014, will require the filling of vacant positions and the use of overtime and temporary employees to address the backlog of documents requiring verification of tax map numbers, and to achieve projected revenue.

RPTSA Tax Map Cert Fees (001-1291)



2013

The recommended budget estimates RPTSA Tax Map Cert Fees at $11.5 million, which is $2.5 million or 27.8% more than the adopted amount of $9 million. This estimate is reasonable contingent on RPTSA's ability to process and clear the backlog of documents requiring verification of tax map numbers before the end of the year. The revenue increase is a result of an active housing market.

2014

The Department requested RPTSA Tax Map Cert Fees at $11.5 million or $2.5 million more than 2013 adopted; the recommended budget includes this fee revenue as requested.

Based on an improving local housing market, the estimated and recommended revenue from RPTSA Tax Map Cert Fees are reasonable.

County Tax Map Sales (001-2656)

2013

The 2013 estimate for County Tax Map Sales is $200,000, as adopted. Based on historical year-to-date revenue analysis this estimate is overstated by $11,000.

2014

The recommended budget includes revenue of $200,000 from County Tax Map Sales, as requested and as adopted in 2013. Based on an improving real estate market in 2014, the recommended revenue from County Tax Map Sales is reasonable.

Budget Review Office Recommendations

Provided the vacant positions are earmarked and filled in a timely manner as envisioned by the Director of RPTSA, the recommended budget provides sufficient appropriations for RPTSA to accomplish their mission in 2014.

MUN RPT14

Sheriff

Personnel (as of 9/15/13)

Authorized Positions:	1,389	**Filled Positions:**	1,271
Vacant Positions:	118	**Percentage Vacant:**	8.5%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$165,846,826	$173,687,441	$144,745,327	$148,704,774	$146,181,854
Equipment (2000s)	$1,096,109	$289,792	$252,255	$355,306	$318,676
Supplies (3000s)	$4,430,347	$6,256,529	$6,237,509	$6,817,670	$6,154,010
Contracts (4000s)	$5,928,177	$1,205,302	$1,482,154	$1,201,302	$1,201,302
Totals	**$177,301,459**	**$181,439,064**	**$152,717,245**	**$157,079,052**	**$153,855,842**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$377,356	$417,960	$441,995	$417,960	$417,960
Federal Aid (4000s)	$4,125,700	$3,020,536	$3,298,646	$3,020,536	$3,020,536
Departmental Income	$3,040,823	$3,003,121	$3,003,121	$3,003,121	$3,003,121
Other Income	$564,333	$622,636	$670,142	$622,457	$642,237
Totals	**$8,108,212**	**$7,064,253**	**$7,413,904**	**$7,064,074**	**$7,083,854**

Effects of Recommended Budget

Expenditure Overview

Excluding $35 million for retroactive pay for the Correction Officer Association labor settlement, the 2014 Recommended Budget for the Sheriff is $153.9 million, which is $7.4 million or 5% more than the 2013 adopted and $1.1 million more than the 2013 estimate. Contributing factors to the increase over adopted include:

- Permanent Salaries are increased by $2.5 million for new Correction Officer recruits to meet New York State Commission of Corrections (COC) mandates and contractual step increases.
- Overtime has been increased by $4.1 million.

Personnel costs account for 95% of the budget while other major objects of expense include food, household and laundry supplies, clothing and substitute inmate housing.

Sworn Officer Staffing

The Sheriff's operating budget hinges on the number of filled Correction Officers. The COC mandated construction of the new Yaphank Correctional Facility (Phase I) that included 440 new beds and required additional Correction Officers (COs) to man the facility. Natural attrition was accelerated by the Correction Officers Association contract settlement in 2012 (covering 2008-2010), which prompted additional officers to retire after they received their retroactive payments. The COC mandates that the County have a total of 982 CO positions filled with the new Yaphank Correctional Facility now operational.

As of September 15, 2013, there were 877 Correction Officers. As required by the COC to maintain minimum staffing levels, two new CO recruit classes of 25 have been and will be hired. A class was hired on September 30th and another class of 25 is scheduled to be hired in March of 2014. The additional 50 COs will still be less than the required 982 by 55 filled CO positions. However, the Commission is allowing the filling of ten percent of designated security posts on overtime. In addition, due to ongoing renovations of a portion of the dormitories at the Old Yaphank Facility, some of the COs have been transferred to the new Yaphank Facility to cover posts. When the renovations are complete there once again will be a reliance on overtime to cover posts if an insufficient number of COs are hired.

Based upon funding included in the recommended budget, we project that there is sufficient funding for the two recruit classes. Even with a class of 37 that started in March 2013 and the new recruit classes, overtime coverage will be required to meet the full coverage factor (the number of personnel needed to fully cover mandated posts). The full coverage factor is based upon the number of CO's needed to meet the minimum personnel needs of an eight hour-365-day shift. Historically between 20 and 25 CO's retire each year. The March 2013 class of 37 has already been offset by 36 separations through the end of September this year. A class of 25 in 2014 will be needed purely to keep up with attrition.

The Sheriff requested the hiring of two classes in 2014; 45 in March and another class in September to backfill separations and promotions. With the starting salary of a new CO reduced by $10,000, hiring additional CO's instead of authorizing overtime may be prudent. Failure to hire CO's to meet the COC required minimum staffing levels will result in more overtime and could result in the loss of variance beds with the consequence of increased substitute jail housing costs. The combination of overtime and substitute jail housing could dwarf the cost of additional CO recruits.

While the County has not fully satisfied the COC mandates, the COC is aware of the fiscal climate and has been willing to allow the County to proceed with the previous hiring plans the past several years. The recommended budget will allow for necessary promotions for supervision, but this would leave the CO I ranks even thinner. There are currently 877 active filled positions, and considering potential attrition, additional classes will be necessary to approach the mandated level of 982 positions. The Budget Review Office recommends that an additional 20 CO's be included in the March 2014 class at a base salary cost of $647,648. The Budget Review Office believes there is sufficient funding in the recommended budget to allow for this additional hiring. The following graph illustrates Correction Officer filled staffing since 2004.

The recommended budget includes sufficient funding for permanent salaries factoring in the following:

- All currently filled sworn and civilian positions.
- A recruit class of 25 Correction Officers in March.
- Normal attrition.
- NYS COC mandated supervisory promotions.
- The Budget Review Office recommendation of an additional 20 CO recruits in March of 2014.

The Budget Review Office stated last year that the cumulative permanent salary accounts in the Sheriff's Office were overfunded by approximately $1 million. Even with an additional 12 COs

added to the March 2013 recruit class, there will be more than $1 million in surplus at the end of 2013. The Budget Review Office finds that the cumulative permanent salary accounts in the Sheriff's Office are once again overfunded in 2014 by approximately $3 million. This additional funding can be utilized to hire additional COs and to offset other areas of the Sheriff's budget that are underfunded in the recommended budget, which will be discussed below.

Overtime

Unlike permanent salaries, BRO identified that overtime was underfunded in last year's budget at $17.5 million and recommended increasing overtime funding. It is estimated that overtime will in fact be $8.7 million more than adopted for 2013. The 2013 estimate is $26.2 million and the 2012 actual was $26.7 million. The 2014 Recommended Budget for overtime is $21.7 million. If the Sheriff is to reduce overtime in 2014 by $4.5 million they will need the 45 CO recruits that they requested in March as opposed to the 25 that are included in the recommended budget.

Overtime costs are affected by the following factors.

- Collective bargaining agreements: The Correction Officers' contract has strict seniority rules for the assignment of overtime and for assignment choice. Therefore, most overtime is paid to those with the highest salary rates. These limitations on management prerogatives impede the ability to control costs and assignments.
- Filling vacant positions and effectively managing staff can result in the reduction of overtime costs. If the number of vacancies increases due to attrition and lack of hiring, overtime costs will increase accordingly.
- The number of posts: required posts by the COC as well as ad hoc posts, which from time to time have to be created due to prisoner configuration, prisoner classification, program needs, or facility design.
- The number of prisoners that must be transported out of county.

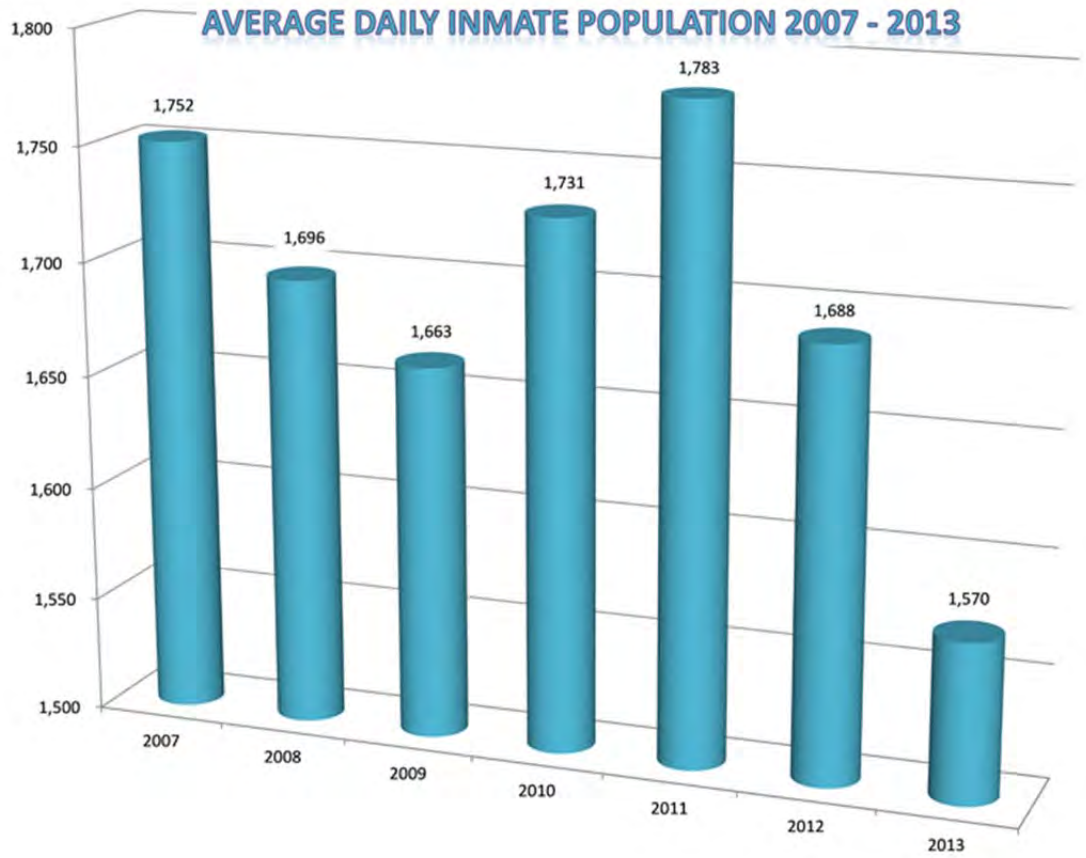
The Budget Review Office believes the amount of recommended overtime will be insufficient unless an additional 20 COs are added to the March 2014 class. The recommended amount is $4.5 million below the 2013 estimate. With the opening of the new Yaphank Facility there is a need for more Correction Officers as mandated by the COC. The Budget Review Office had recommended hiring 150 CO's in 2011 to alleviate this need. Only 83 were hired in 2011, none in 2012, and 52 in 2013. As BRO noted last year, the delay in hiring COs was shortsighted and would cost the County more in 2013 for overtime.

The average amount of overtime for a Deputy Sheriff was $30,558 and for a Correction Officer it was $13,755 in 2012. Based upon reported W-2 earnings in 2012, 173 of the 300 top overtime earners were from the Sheriff's Office, a decrease from 196 in 2011. Despite the fact that the correctional facility is a 24/7 operation, the number of Deputy Sheriffs and Correction Officers earning high amounts of overtime remains a budgetary concern.

Inmate Population & Substitute Housing

The projected 2013 average daily inmate population is 1,570 (2012 Actual: 1,687, 2011: 1,783). Currently the inmate count is 1,540. The total functional capacity of the County correctional system is now 1,857 including 404 variance beds. The functional capacity is defined as the point at which a facility is able to operate before the effects of crowding occur. Functional capacity considers the physical plant and its ability to accommodate classification differences. Most corrections experts agree that functional capacity is 85% of the approved physical capacity. The

Sheriff has managed to increase and maintain this percentage to over 90%, effectively reducing the number of inmates required to be housed "out-of-county" in substitute housing. Currently the percentage is 93%.



The opening of the new Yaphank Facility introduced 440 additional beds to the County Correctional System. However, ongoing renovation at the old Yaphank facility, have reduced capacity by 240 beds. According to the Sheriff's budget request, the County is relying on 496 variances from the COC, 120 of which are associated with the temporary "sprung tent" in Yaphank. Even after Phase I construction, variances exceed the amount of beds required. Consequently, additional permanent capacity is needed to satisfy COC requirements. With the County's emphasis on Alternative to Incarceration programs and the declining crime rate, the reliance on substitute jail housing has diminished. The projected amount for substitute jail housing in 2013 is approximately $500,000. While some substitute jail housing may be required in 2014 when inmate levels peak, funding was requested by the Sheriff and recommended at $540,000 for 2014.

Termination Pay and Deferred Pay

The Budget Review Office estimates that Terminal Vacation Pay, Terminal Sick Leave Pay and Deferred Pay are underbudgeted as recommended for 2014. This is pay for separating employees for accrued Vacation, Sick and Lag Payroll time. The Budget Review Office recommends transferring $351,000 from overfunded permanent salaries line items to Terminal and Deferred Pay.

Additionally, the 2013 estimates for Terminal Vacation Pay and Terminal Sick Leave Pay are under estimated by $440,000 due to higher than anticipated retirements.

Inmate Meals

The Sheriff has absorbed the function of purchasing meat products for inmate meals in 2014. Previously, Cornell Cooperative Extension had purchased the meat. The Sheriff requested an additional $250,000 in 2014 for this purpose. The recommended budget does not include the $250,000. Cornell Cooperative Extension did not request the $250,000 and therefore it is not included in their recommended budget either. The Budget Review Office recommends transferring $250,000 from permanent salaries for the purchase of meat.

Revenue

The County receives reimbursement for expenses related to the incarceration of criminal aliens under the New York State Criminal Alien Assistance Program (SCAAP), revenue code 001-4348. Funding amounts are based on appropriations in the federal budget and the relationship of the expenditures of competing jurisdictions. The 2013 estimate is $2,297,673. The County recently received confirmation that the grant award amount will be $1,830,704. Therefore, the 2013 estimate should be decreased by $466,969. The recommended budget includes $2,297,673 in 2014, as requested. Based on the 2012 actual of $1,396,098 and the 2013 grant award, this revenue amount may be overly optimistic.

Budget Review Office Recommendations

In order to avoid overtime cost overruns and properly staff the Sheriff in 2014 and satisfy the NYS COC, the Budget Review Office recommends:

- An additional 20 new Correction Officer recruits should be added to the March 2014 class. There are sufficient funds included in permanent salaries and clothing and accessories to cover the cost of this class. If the additional 20 recruits are not added to the March class, we recommend transferring $1.5 million from permanent salaries to overtime to cover cost overruns due to the lack of adequate staffing.
- An additional $250,000 should be transferred from permanent salaries to 001-3151-3330: Food, for the purchase of meat products by the Sheriff since this funding was removed from the Cornell Cooperative Extension budget but not included for the Sheriff.
- The Budget Review Office estimates that Terminal Vacation Pay, Terminal Sick Leave Pay and Deferred Pay are under budgeted. BRO recommends transferring $351,000 from permanent salaries to Terminal and Deferred Pay.
- Accounting for the 20 additional CO recruits, and transfers for meat and terminal pay, there will be a surplus in the Sheriff's permanent salary account of approximately $2 million. These funds can be used to fund other areas of the 2014 Recommended Budget that are deficient.
- The 2013 estimate for the New York State Criminal Alien Assistance Program (SCAAP), revenue code 001-4348, should be decreased by $466,969.

Budget Review Office Recommended Changes

2013 Expenditures

Fd-Unit-Obj	Description	2013 Estimated	2013 BRO Estimate	Change
001-3110-1020	Terminal Vacation Pay	$100,000	$140,138	$40,138
001-3150-1020	Terminal Vacation Pay	$444,745	$623,257	$178,512
001-3162-1020	Terminal Vacation Pay	$130,000	$182,179	$52,179
001-3150-1050	Terminal Sick Leave Payments	$341,474	$478,535	$137,061
001-3162-1050	Terminal Sick Leave Payments	$80,000	$112,110	$32,110

2013 Revenues

Fd-Rev Code	Description	2013 Estimated	2013 BRO Estimate	Change
001-4348	Correctional Srvcs SCAAP	$2,297,673	$1,830,704	($466,969)

2014 Expenditures

Fd-Unit-Obj	Description	2014 Recommended	2014 BRO Recommended	Change
001-3110-1100	Permanent Salaries	$15,201,247	$15,132,435	($68,812)
001-3115-1100	Permanent Salaries	$7,937,231	$7,889,056	($48,175)
001-3150-1100	Permanent Salaries	$56,455,073	$56,106,471	($348,602)
001-3154-1100	Permanent Salaries	$3,474,925	$3,453,557	($21,368)
001-3162-1100	Permanent Salaries	$24,463,178	$24,349,135	($114,043)
001-3110-1020	Terminal Vacation Pay	$250,000	$160,000	($90,000)
001-3115-1020	Terminal Vacation Pay	$5,000	$25,000	$20,000
001-3150-1020	Terminal Vacation Pay	$240,000	$400,000	$160,000
001-3162-1020	Terminal Vacation Pay	$70,000	$150,000	$80,000
001-3150-1050	Terminal Sick Leave Payments	$280,000	$300,000	$20,000
001-3162-1050	Terminal Sick Leave Payments	$80,000	$100,000	$20,000
001-3110-1380	DEFERRED PAY	$0	$20,000	$20,000
001-3150-1380	DEFERRED PAY	$0	$70,000	$70,000
001-3151-1380	DEFERRED PAY	$0	$5,000	$5,000
001-3158-1380	DEFERRED PAY	$0	$6,000	$6,000
001-3162-1380	DEFERRED PAY	$0	$40,000	$40,000
001-3151-3330	Food	$3,000,000	$3,250,000	$250,000
			2014 Total Net Change	**$0**

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Social Services (DSS)

Personnel (as of 9/15/13)

Authorized Positions:	1,738	**Filled Positions:**	1,559
Vacant Positions:	179	**Percentage Vacant:**	10.3%
Positions Abolished in the Recommended Budget:	25	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$94,923,625	$96,663,709	$95,164,922	$98,972,164	$97,241,641
Equipment (2000s)	$68,495	$137,450	$77,000	$126,219	$117,685
Supplies (3000s)	$1,360,154	$1,699,451	$1,485,376	$1,668,999	$1,636,719
Contracts (4000s)	$502,556,374	$522,808,789	$501,971,317	$530,481,095	$522,039,688
Totals	**$598,908,648**	**$621,309,399**	**$598,698,615**	**$631,248,477**	**$621,035,733**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$98,043,481	$97,104,309	$96,081,791	$97,920,568	$98,298,574
Federal Aid (4000s)	$198,677,310	$220,878,959	$203,072,809	$213,293,026	$213,446,114
Departmental Income	$20,871,721	$24,488,406	$22,674,650	$22,905,194	$22,905,194
Other Income	$74,207	$1,177,026	$339,976	$25,001	$263,501
Totals	**$317,666,719**	**$343,648,700**	**$322,169,226**	**$334,143,789**	**$334,913,383**

Effects of Recommended Budget

Department Wide Expenditures

The grand total of expenditures for the Department of Social Services (DSS) across all divisions, including General Fund and the 100% aided Fund 360 (Medicaid Compliance), are recommended for 2014 at $640,805,691, with $621,035,733 in personnel, equipment, supplies, contracts and other services costs, plus $19,769,958 in fringe benefits and interfund transfers for Medicaid (MA) Compliance included as direct expenditures of Fund 360.

Not including the MA Compliance fringe benefits and interfund transfer expenditures, the total recommended budget for DSS in 2014 is $621,035,733, which represents an increase of 3.7% over the 2013 estimate, and is $210,033 less than the 2012 actual. DSS expenditures paid from the General Fund are recommended to increase in 2014 over the 2013 estimate by 3.8%, while MA Compliance administrative expenditures are recommended in 2014 to increase by 5.6% over the 2013 estimate.

The 2014 recommended total for all General Fund and Fund 360 DSS administrative and program appropriations is $9,004,418 less than requested. The majority of this is tied to an $8.3 million reduction in the 2014 Medicaid Cap Payment (001-6103-4610). The second largest difference between the 2014 requested versus recommended totals for DSS relates to a $1,182,808 overall reduction in permanent salaries, which is principally tied to Department-wide recommended increases in turnover savings for seven out of nine DSS appropriations, as compared to the levels requested by DSS.

Total Revenue and Net DSS Costs

Total revenue for DSS in 2014 is recommended at $334,913,383, which is projected to cover 52.3% of all administrative and program costs. DSS 2014 total recommended revenue translates to a 4% increase from the 2013 estimate of $322,169,226 covering an equivalent share of 52.3% of all costs. Therefore, the 2014 recommended net County cost of $305,892,308 for DSS represents a 4% increase over the 2013 estimated net cost of $294,173,333.

Federal Aid

Federal aid for DSS department wide administrative and program costs in 2014 is recommended at an overall increase of $10.4 million or 5.1% over the 2013 estimated total. Major positive influences in Federal revenue for DSS include full federalization of the Family Assistance (FA) Program (001-6109-4690). Federal aid for FA program costs increased from the previous level of approximately 50% in 2010 to 88% in 2011 to 96% in 2012 and 2013. In line with the increasing Federal aid for FA costs, the 2014 recommended total for revenue code 4609 is increased over the 2013 estimate by $5.9 million, which also provides for ongoing FA caseload growth and State mandated increases in the basic non-housing needs allowance.

The second greatest recommended increase in Federal revenue for DSS in 2014 compared to the 2013 estimated level includes a $1.4 million increase for DSS Fund 001 and $0.8 million more for Medicaid Compliance Fund 360 to cover higher administrative costs (revenue code 4610).

State Aid

State reimbursement for all DSS administrative and program costs is recommended in 2014 at an overall increase of $2.2 million over the 2013 estimate. The biggest part of this increase is tied to $1.4 million in higher State reimbursements projected to be received for the Safety Net (SN) program under Revenue Code 3640 - Home Relief. The percentage in State aid to the County for

the SN program remains stable at approximately 26% in 2013 and 2014. The recommended revenue increase is primarily tied to rising caseload trends predicted by DSS for both Safety Net singles as well as Safety Net families. It also incorporates a conservative increase in the cost per case for the entire SN caseload.

The second greatest increase in 2014 recommended State aid is administrative reimbursement for DSS personnel under Revenue Code 3610 of approximately $0.8 million for Fund 360 Medicaid (MA) Compliance staff. Conversely, State reimbursement for DSS staff paid from the General Fund are included in the 2014 budget at a decrease of just under $0.8 million.

Medicaid (MA) Cap Expenditures

The MA Cap Payment (001-DSS-6103-4610), carries a 100% County cost and comprises 40.9% of all recommended costs for DSS in 2014 as compared to the 42.3% estimated share of all DSS costs tied to the 2013 MA Cap. The 2014 recommended total for the MA Cap is $253,863,865, which is a 0.2% increase over the 2013 estimate of $253,360,355, which, in turn, constituted a 0.2% increase over the 2012 actual of $252,788,843.

A three-year takeover of the mandated percentage increases in the MA Cap began in SFY 2013/2014 with a transition from three to two per cent increases that the counties must pay for their local share of the Medicaid Program. By SFY 2015/2016, the counties will no longer have to pay an increasing share of their mandated Medicaid Cap costs; this will be a fixed expenditure item. The diminishing share of the MA Cap Payment as a percentage of the entire budget for DSS testifies to the benefit of the State's takeover of Medicaid Program increases for the local districts.

The 2014 Recommended Budget includes an anticipated fifty-third weekly share payment for the MA Cap as projected and requested by DSS. This mandated cyclical payment occurring every four or five years for the local districts is expected to be dated December 31, 2013. But the required payment of County funds to the State that are normally due on Wednesday will be made instead on Thursday, January 2, 2014, because of the holiday. Therefore, County fiscal year 2014 will include 53 weekly share cycle payments for Suffolk's local share of the Medicaid Program costs.

Recommended reductions to the 2014 Medicaid Cap Payment include a $6 million decrease tied to the start of the Affordable Care Act, which is projected to bring enhanced Federal Medical Assistance Percentage (FMAP) relief to Suffolk County for a projected lower local share of the mandated Medicaid Program. An additional $2.3 million in local share Medicaid cost is taken out of the 2014 recommended total MA Cap Payment in anticipation of there being no more Upper Payment Limit (UPL or formerly Intergovernmental Transfer (IGT)) payment obligation due to the closure of the John J. Foley Skilled Nursing Facility this summer.

The Budget Review Office is in the process of confirming with the State the possibility of there being a partial year UPL payment for the time period in 2013 that the County's nursing home was still in operation. Confirmation of this County cost obligation may require the 2014 MA Cap Payment to be increased.

Mandated Administrative, Chargeback and Program Expenditures

The overwhelming majority of program costs, and a portion of administrative expenditures incurred by DSS are mandated by the federal and state governments. All of the salaries, benefits and overhead connected to the Medicaid Compliance Division operation are categorized as mandated. Mandated program and chargeback costs are payments of assistance made on behalf of clients in the areas of Medicaid, Family Assistance, Safety Net, Adoption Subsidy, Handicapped Children, DSS and Probation Institutional Foster Care, Family Boarding Foster Care, and Emergency Aid to Adults.

For 2014, all mandated administrative Medicaid Compliance costs, plus all DSS mandated program and chargeback expenditures total $523,434,678 and comprise 82.1% of the total DSS recommended 2014 budget, compared to 81.7% of the 2013 estimate. Clearly, DSS mandated costs across all areas are taking up the greatest proportion of all DSS expenditures.

Program Costs, Savings and Shortfalls

The three DSS program lines contributing to the majority of overall increases in departmental program expenditures are:

- Family Assistance (FA) Program (001-6109-4690) costs recommended at $70 million, which is $5.9 million more or 9.2% higher than the 2013 estimate;
- Safety Net (SN) Program costs (001-6140-4690) recommended at $65.1 million, which is an increase of $5 million or 8.3% over the estimated level for 2013; and
- Day Care Program (001-6170-4690) costs recommended at $32 million, which is $1.9 million or 6.3% over the 2013 estimate.

Family Assistance and Safety Net

FA and SN constitute the two largest public assistance programs in DSS, both of which are mandated, and for which there is no local discretion in determining who is eligible and what the level of benefits are for clients. Taken together, FA and SN program costs recommended for 2014 total $135.1 million and represent 54.8% of all DSS program expenditures.

Since the beginning of the economic downturn in 2008, DSS experienced unprecedented increases in demand for Family Assistance and Safety Net benefits. Recently, both FA and SN programs have begun to show signs of leveling off and even decreasing. By the end of 2012, FA costs decreased by nearly $2.2 million or dropped 3.3% to $63.3 million from the 2011 total, and SN costs declined by just under $1.9 million or fell by 3% to nearly $60.8 million compared to the 2011 actuals.

Safety Net (SN) Costs

Continuing declines in SN costs of 1.1% are estimated for 2013, with some of the savings attributable to locally initiated DSS revenue maximization and programmatic efficiencies such as the Safety Net Specialist Project. Phase 1 of this project went into full operation in July 2011 to reexamine the SN family caseload by individual family member with the intent to develop strategies to maximize federal reimbursement. By March 2012, the SN family caseload decreased by 99 cases, which represented a 10.6% reduction. March 2012 marked the start of Phase 2 of the project to focus on SN singles and childless couples, with a resultant decrease of 732 SN singles and childless couples cases representing a 15.7% reduction by February 2013.

For 2014, an 8.3% increase in cost has been built into the SN program, in part to account for increasing costs per case, plus decreases in the number of SN singles cases more than offset by increasing numbers of SN families cases. The closure of the homeless sex offender trailers in May of this year has also impacted SN costs, as it was less expensive to provide emergency housing for this hard-to-place homeless population in this manner.

Family Assistance (FA) Costs

The 2013 estimate for FA program costs incorporates an overall 1.2% increase over the 2012 actual, including a 2.3% decrease in caseloads that is more than offset by the full annualized impact of a 10% mandated increase in the basic allowance per case authorized in the latter half of 2012. Although the FA caseloads appear to be plateauing, and the Budget Review Office estimates

possible program savings of $2 million in 2013, this program is virtually 100% reimbursed by the federal government and therefore, any changes to the 2013 budget estimates would be budget neutral. Therefore, we recommend no change to the 2013 estimate.

The possibility of there being a real downward trend in Suffolk's FA caseload, or if it is just a temporary downturn is not yet clear, and the 2014 requested and recommended budget includes a 9.2% growth factor over the 2013 estimate, which the Budget Review Office believes to be prudent. Once again, any decreases to the 2014 operating budget cost for the 100% funded FA program would be budget neutral, there would be no net gain to making these adjustments.

Day Care Costs

Day Care Program costs constitute the third largest program expenditure area in DSS. Child care services and subsidies under Day Care (001-6170-4690) are considered as discretionary, but in reality are operated by the counties under the mandates and regulations of New York State and the Office of Children and Family Services (OCFS).

CCBG (Child Care Block Grant)

Unclear and unstable formulas generated by OCFS for determining how much each county receives in Child Care Block Grant funding (CCBG) to pay for their day care program subsidies have disadvantaged Suffolk County in the last several years and prompted DSS to cut the eligibility levels for working low income families three times in 2012. An estimated 2,100 children of low income working families were taken off Suffolk's child care subsidy rolls during 2012.

2013 Day Care Costs

As of April 1, 2013, the income eligibility standard for new Non-Temporary Assistance (NTA) child care subsidy cases was increased from 2012's lowest possible level of 100% to 125% of the Federal Poverty Level/State Income Standard (FPL/SIS). State budget deliberations increased Suffolk County's Child Care Block Grant (CCBG) funding for FFY 2013/2014 by $994,946, from $29,788,498 to $30,783,444. As a result, during July 2013, OCFS gave the County approval to increase the NTA eligibility standard to 150% of the FPL/SIS, and approximately 600 children of low income working families were added to Suffolk's child care subsidy rolls.

The recommended budget incorporates the Department's 2013 estimate of $30.1 million for Day Care Program costs as compared to the $33,460,200 included in the 2013 Adopted Operating Budget. At the current rate of expenditure, the Budget Review Office estimates that approximately $4.0 million in additional monthly child care subsidy costs would have to be incurred for the remainder of 2013 in order to expend the estimated amount and DSS is confident that actual Day Care Program costs will come in very close to their 2013 estimate.

CCBG Rollover

DSS indicates that New York State allows counties to roll over up to 15% of their CCBG allocation; however, in the recent past, the State changed the rules midstream and reallocated Suffolk County's CCBG rollover. There is no ironclad guarantee that the State will allow the County to roll over the estimated $2.3 million that is not expected to get charged against the FFY 2012/2013 CCBG, which spans the twelve month period of October 2012 through March 2013 plus April 2013 through September 2013.

2014 Day Care Costs

For 2014, the budget includes the requested amount of $32 million for the Day Care Program, of which the CCBG allocation total equals $30,783,444. It is anticipated that 2014 will begin with the

NTA eligibility level remaining at 150% of the FPL/SIS. But as the year progresses, DSS may consider requesting the State's approval to expand eligibility for more working low income families to be able to access child care subsidies through the County.

After years of a decreasing cost trend, another notable area of growing program expenditure in DSS is foster care, including institutional care and family boarding home foster care.

Foster Care Costs

Institutional foster care program costs, both on the DSS side (001-6118-4690) and on the Probation JD/PINS (Juvenile Delinquent/Persons In Need of Supervision) side (001-6121-4690), plus the Foster Care - Family Home Boarding Program (001-6119-4690) are contributing nearly $3.3 million to the higher 2014 recommended total for all DSS program costs. DSS Institutional Foster Care is recommended at an increase of 3.1% over the 2013 estimate, while JD/PINS Institutional Foster Care is included in the recommended budget at 19.6% higher than the 2013 estimate. Family Home Boarding Foster Care is increased by nearly 13.8% in the 2014 recommended budget over the 2013 estimate. These recommended increases follow several years of steady decreases in the census and cost of care for children in the two major venues of institutional foster care, plus family boarding home foster care.

Department Wide Staff

Total staffing across all DSS operations for 2014 are recommended to decrease from the 2013 modified level of 1,738 to 1,714 in 2014, with 25 currently vacant positions recommended to be abolished.

Abolished Positions

All of the positions being eliminated are from the Medicaid Compliance Division including 11 Medical Services Specialists, eight Licensed Practical Nurses, five Registered Nurses and one Principal Stenographer. DSS requested that 22 of these vacant positions be abolished in anticipation of the Home Care Program being transitioned to the New York State Medicaid Managed Care Program, with oversight by the local district phasing out.

The remaining three vacant positions being abolished from MA Compliance were added to the 2012 Operating Budget by Resolution No. 859-2012 to staff the Patient Advocate Unit. The positions intended for the Patient Advocate Unit were never filled in DSS and the understanding was that DSS was working with the County Department of Health Services (HSV) to transition this unit or its intended function. The status of transitioning or absorbing the Patient Advocate Unit functions into Health Services is not known, but the positions are eliminated and not transferred.

One Senior Clerk Typist position is recommended, but was not requested by DSS, to be transferred into the Child Protective Services (CPS) - Child Welfare Direct Services Unit from the Department of Health Services, Mental Health Programs - Clinics Unit. This transfer into DSS brings the net total difference in staffing recommended in 2014 to 24 less authorized staff than 2013 across all the operations and units of DSS.

New Positions

No new positions were requested by DSS nor recommended in 2014.

Vacant vs. Filled DSS Staff

There are currently 179 vacant positions in DSS, which represents a department wide vacancy rate of 10.3%. This compares to an overall vacancy rate of 9.6% in September 2012 when there was a

total of 1,735 authorized DSS positions, of which 167 were vacant. The number of filled positions in DSS has steadily declined, from 1,621 on-board staff in the beginning of 2012, to 1,568 filled positions mid-September 2012, to the current count of 1,559 on-board personnel as of September 15, 2013. This is the lowest level of on-board staff in DSS since 2009.

The expectation is that the staffing levels for all DSS operations including Medicaid Compliance will remain basically status quo in 2014. Any significant gains in the percentages of filled versus vacant positions would not be expected to occur due to the lack of sufficient permanent salaries funding recommended throughout the DSS budget in 2014.

Requested vs. Recommended Turnover Savings

The reductions in the 2014 Recommended Operating Budget with the most critical potential to impact operations throughout and impose staffing constraints upon DSS are inherent in turnover savings. Total turnover savings requested by DSS across all operations and divisions of the Department, including discretionary General Fund 001 administrative appropriations and the 100% funded mandated MA Compliance or Fund 360 administrative lines, totals more than $5.8 million in 2014. Turnover savings represents permanent salaries that are not anticipated to be spent due to retirements, attrition and normal turnover.

The 2014 recommended budget increases DSS turnover savings from the overall requested level of $5.8 million to $7 million for all administrative operations in DSS. This effectively reduces permanent salaries by $977,253 over the requested levels for Fund 001 DSS divisions, bureaus and units, and decreases the permanent salaries that will be available for MA Compliance Fund 360 operations by $251,447.

The following chart illustrates the requested versus recommended turnover savings by fund and division in DSS as well as the current vacancy rates for all of the divisions and bureaus for the Department.

DSS Requested & Recommended Turnover Savings (TOS) by Division & Reductions to Permanent Salaries							
Division	2014 REQ TOS	2014 REC TOS	$ Diff. REQ vs. REC TOS - Permanent Salaries Reductions	% Difference REQ vs. REC TOS	No. Filled Positions	No. Vacant Positions	% Vacant
001-6005 - DSS Administration	$874,004	$413,946	$460,058	-53%	101	32	24%
001-6006 - Information Technology (IT)	$215,064	$260,000	-$44,936	21%	31	8	21%
001-6008 - Housing	$93,729	$125,000	-$31,271	33%	47	3	6%
001-6010 - Family,Children & Adult (FCSA) Services	$741,873	$1,030,892	-$289,019	39%	467	14	3%
001-6015 - Client Benefits Administration (CBA)	$1,002,842	$1,212,039	-$209,197	21%	321	25	7%
001-6016 - Training & Staff Development	$0	$750,000	-$750,000	100%	2	0	0%
001-6073 - Chld Support Enforement Bureau (CSEB)	$985,097	$1,097,985	-$112,888	11%	121	26	18%
001-6115 - Alternatives For Youth (AFY)	$0	$0	$0	0%	5	0	0%
FUND 001 TOTALS	$3,912,609	$4,889,862	-$977,253	25%	1,095	108	9%
360-6204 - Medicaid (MA) Compliance	$1,898,516	$2,149,963	-$251,447	13%	464	71	13%
FUND 360 TOTALS	$1,898,516	$2,149,963	-$251,447	13%	464	71	13%
TOTALS	**$5,811,125**	**$7,039,825**	**-$1,228,700**	21%	**1,559**	**179**	10%

Due to the high levels of turnover savings built into the 2014 Recommended Budget, the Budget Review Office projects that in the aggregate, there will be insufficient permanent salaries for DSS to fill any of its current 179 vacancies throughout the entire Department for all of next year. Medicaid Compliance (Fund 360) is projected to have just enough appropriations for permanent salaries to keep its staffing at the current level of 464 working employees. However, the Budget Review Office projects that the remainder of DSS (Fund 001) permanent salary lines in total will have a deficit of approximately $430,000 for its 1,095 existing, on-board personnel. Due to the prospect of severe permanent salary restrictions, DSS will have a difficult time finding sufficient funding to backfill any positions that become vacant next year.

The following discussion details staffing issues in DSS by major division or bureau.

Fund 001

DSS General Administration

The major recommended change for DSS General Administration in 2014 is the transfer out of 61 authorized positions from Personnel Services, Special Investigations Unit (SIU), Security and Facilities Management into the two-person unit formerly named "Training and Staff Development" (001-DSS-6016), which is being renamed "Personnel and Supportive Services". These changes were requested by DSS after the submission of the 2014 departmental budget request in June.

This is basically an administrative carve-out from the current General Administration organization chart of every unit except for the Commissioner's two offices and all of the finance operations. Additional details regarding the staffing, vacancies and recommended versus requested permanent salaries funding for the newly configured Personnel and Supportive Services Unit are included in the pertinent section on this unit.

What will officially remain under the auspices of DSS General Administration in 2014 are the Office of the Commissioner, the Commissioner's Response Unit, the Contracts Unit, all of Finance and Administration (including DSS Accounting) and the Revenue Unit. DSS General Administration will decrease from 133 authorized staff to a total of 73 budgeted positions. Currently, there are 11 vacant positions throughout the existing DSS General Administration Division units that will remain under appropriation 001-DSS-6005, which represents a vacancy rate of 15%. The most notable vacant positions in General Administration are the Commissioner of Social Services and the Deputy Commissioner.

Information Technology

With the exception of the General Administration Division as it is currently structured, which has the highest vacancy rate of 24% compared to all other DSS divisions and bureaus, the Information Technology (IT) Division has the next highest vacancy rate of 21%, with eight of its 39 authorized positions unfilled. This high rate of unfilled positions in DSS IT is especially troublesome in recognition of the critical importance of this operation to the efficiencies and productivity of the entire Department of Social Services. The dependence of DSS upon its IT Division has grown exponentially since its creation in 1976 by the laws of New York State, when the age of automation was in its infancy.

DSS IT turnover savings is increased by nearly $45,000 in the recommended budget from a little more than $215,000 to $260,000. With this reduced level of permanent salaries, the Budget Review Office finds that DSS IT will not be able to fill any of its outstanding vacancies in 2014. For an enormous, expensive and technology dependent department such as DSS, under-resourcing its IT operations suggests small savings at great cost to overall operations.

Housing

The DSS Housing Division is currently operating with three of its 50 authorized positions vacant, which represents a vacancy rate of 6%. The recommended turnover savings for Housing in 2014 is increased by more than $31,000 to $125,000, from the requested level of just under $94,000. The Budget Review Office projects that with the reduced amount of permanent salaries recommended for 2014, the Housing Division will only be able to fill one of its outstanding vacancies for a portion of next year.

As the problem of homelessness has continuously grown in Suffolk County, the Housing Division has been increasingly challenged with their mandated mission to provide emergency housing and supportive services to homeless families and singles, to work with shelter operators to expand shelter capacity more equitably throughout the County, and to transition homeless families and singles to permanent housing.

Family, Children and Adult Services

The Family, Children and Adult Services Administration (FCSA) Division is currently operating with 14 of its 481 authorized positions vacant, which constitutes a vacancy rate of 3%. The reinstatement of the autofill policy for all vacancies occurring in the area of Child Protective

Services (CPS) has been critical to ensuring the continuity of staffing resources, upon which the protection of our most fragile and at-risk children is dependent.

For 2014 the recommended turnover savings for the FCSA Division exceeds $1 million, an increase of nearly $290,000 from the requested level of just under $742,000. With personnel funding constraints of this magnitude, the Budget Review Office projects that there will be insufficient funding to fill any of the current vacancies in the Family, Children and Adult Services Division next year.

Even more importantly, the Budget Review Office projects total gross deficits of over $277,000 in 2014 permanent salaries for all currently filled positions in the FCSA Division. It is not known whether the decreased permanent salaries funding recommended in 2014 for FCSA will negatively impact the ability to perpetuate the CPS autofill policy next year, but this is seriously contraindicated and the Budget Review Office strongly cautions against it.

Client Benefits Administration

With 25 of its currently authorized 321 positions being unfilled, the Client Benefits Administration (CBA) Division is operating with a vacancy rate of 7%, which seems low, but is critical because of the legal challenges brought against the Department relative to not meeting mandated food stamp application processing timeframes and the possibility of additional legal challenges being brought in the area of public assistance eligibility processing.

Turnover savings for CBA is recommended at more than $1.2 million, an increase of just over $209,000 from the requested amount of $1 million. The Budget Review Office finds that with the lowered 2014 level of permanent salaries recommended for CBA, there will be insufficient funding to fill any of their current vacancies next year. In addition, we project that there will be a deficit of nearly $179,000 in 2014 permanent salaries for currently filled positions.

DSS continues to try to reassign and shift personnel to the most critical areas in CBA, but it has reached the point where it cannot stretch a shrinking workforce to cover historic workload increases and satisfy unending legal challenges.

Personnel and Support Services

This newly reconfigured DSS division will include 63 authorized staff positions and will encompass the existing units handling DSS Personnel, Special Investigations (SIU), Security and Facilities Management combined with the original function of Training and Staff Development. At present, there are 21 vacancies throughout all of the units that will be part of the Personnel and Support Services Division, with 15 of these unfilled positions being in the Security Guard position series, there are two vacant Senior Security Guards and 13 vacant Security Guards. Most of the unfilled DSS Security Guard positions were vacated during 2012 when the administration announced its intention to privatize the County's security guard operations in DSS and DPW.

There are nine full-time County Security Guards still working for DSS with two Senior Security Guards and seven Security Guards stationed at every DSS building location that has public access. The County's Security Guards are working alongside contracted security guards who are employed by Summit Security Services. This is the private security firm the Department is contracting with to supplement the services of the County guards in order to provide sufficient coverage at the four DSS centers and other offices that receive the public. DSS reports that the recent transition from Dreamland Security, the agency temporarily employed until the contract with Summit Security began last month, has been seamless. The Department is generally satisfied with how the remaining

County Security Guards and Summit security guards are working together, and noted that the added presence of Spanish speaking security guards has been helpful.

It appears that the 2014 Recommended Budget includes $804,000 for a full year's cost of the Summit security guard contract in the fees for services (4560) line under the new Personnel and Supportive Services Division. This is an increase of $54,000 from the $750,000 originally requested by DSS in its June budget submission in the fees for services line under General Administration, which preceded the plan to create the new division. Additional costs have been factored into the 2014 fees for services line to account for increased private security guard coverage in the event any of the County guards retire or otherwise vacate their positions.

The 2013 year-to-date Dreamland Security contract costs are in excess of $335,000 through the transition period of August, when the Summit contract began and for which the costs to the end of the year are estimated to be $228,000. Therefore, the 2013 estimate of $400,000 (under General Administration-001-6005-4560) undervalues the actual and projected combined total of $563,000 for Dreamland and Summit private security guard coverage for DSS this year.

The 2014 Recommended Budget transfers all 24 DSS Security Guard positions, including the nine filled and 15 vacant positions from General Administration to the new Personnel and Supportive Services Division. However, the Budget Review Office finds that the inclusion of $750,000 in turnover savings will effectively prevent any of the vacant Security Guard positions from getting filled next year. In fact, there will be insufficient permanent salaries funding to fill any of the 21 total vacant positions being transferred from General Administration to the new division.

Child Support Enforcement Bureau Permanent Salaries Reductions

Turnover savings for the Child Support Enforcement Bureau (CSEB) is increased by nearly $113,000 from the requested level of $985,000 to the recommended level of nearly $1.1 million in 2014. The revenue generating, cost avoidance functions of CSEB are already being impacted by an 18% vacancy rate, which is the third highest vacancy rate in DSS, with 26 of its authorized 121 positions vacant, and more than half of the CSEB vacancies being in the Child Support Specialist (CSS) title series.

On average, it is estimated that each CSEB worker brought in more than $1.2 million in child support collections during 2012. The concept is simple; bringing more CSEB CSS staff on board will locate more absent parents, establish more court orders of support, help more families become independent of public assistance and bring in more child support collections.

With the reduced levels of permanent salaries recommended in the 2014 budget, the Budget Review Office finds that there will be insufficient funding for CSEB to fill any of its vacancies next year. In fact, Budget Review projects a deficit of more than $117,000 in permanent salaries for CSEB in 2014, just to maintain its current level of filled positions.

Understaffing CSEB represents a lost opportunity to the County to maximize the numbers of established child support court orders, help more families get off and stay off public assistance and bring in even higher levels of child support collections, which remain at a flat growth level. The modest cost of further resourcing CSEB to increase all of these factors would translate to millions of dollars in direct, positive effects on Suffolk's economy and the independence of its families.

Fund 360

Medicaid (MA) Compliance Permanent Salaries Reductions

At present, the 100% funded and mandated Medicaid (MA) Compliance Division has a vacancy rate of 13%, with 71 of its 535 authorized positions unfilled. As per the request of DSS, total 2014 MA

Compliance staff is recommended to drop by 32 to 503, with 25 vacant positions abolished, and a net of seven positions transferred to other operations in DSS. Twenty-two of the vacant MA Compliance positions are being eliminated in anticipation of the Home Care Program being transitioned to the New York State Medicaid Managed Care Program; oversight by the local districts will phase out.

Also eliminated are three vacant MA Compliance positions added to the 2012 Operating Budget to staff the Patient Advocate Unit. The positions were never filled and the status of the proposal to transition this unit or its intended function to Health Services is unknown; the positions are abolished and not transferred.

Properly trained, resourced and supervised staff is the most crucial variable in enabling MA Compliance to continue to meet its mandates. Since the training periods are so long and involved for Medicaid Examiners, it is essential for the Division to maintain a steady flow of trainees in order to keep up with normal attrition as well as staying current with the ongoing increases in workloads and caseloads.

Any reductions to permanent salaries could impair the ability of the Division to remain in compliance with the existing stipulation order of settlement. According to Budget Review Office projections, the more than $2.1 million in recommended turnover savings, which represents an increase of more than $251,000 from the requested level, will prevent the MA Compliance Division from filling any of its remaining 46 vacancies for nothing more than a small fraction of next year.

More TOS = Less Permanent Salaries = More DSS Hiring Constraints = Less DSS Staff in 2014

In conclusion, the end result of the recommended permanent salaries reductions and the inherent constraints they will place upon the hiring of replacement and backfilled positions for DSS operations in 2014 will further burden a department overwhelmed with mandated responsibilities, with its dwindling workforce strained beyond their limits in too many service areas.

No other County department has experienced more directly the human impact of the recession than DSS. Since 2008, DSS has witnessed and processed historic growth in demand for help from the most fragile of our society, but also from the burgeoning ranks of the new poor, a population that never had to ask for public assistance before the economic downturn. Elder and child abuse, homelessness, hunger, mental illness, alcohol and substance abuse, lack of food, lack of heat, lack of a job, lack of health insurance and lack of decent housing are just some of the problems that DSS must contend with day after day, with lower and lower levels of working staff.

Budget Review Office Recommendations

Foster Care

At the 2014 Operating Budget hearing, DSS brought to light a tragic societal problem that appears to be driving up the costs of foster care, especially in the Family Boarding Home Foster Care Program. Much of the most recent upturn in residential foster care cost increases is connected to families where the substance abuse issues of the parent(s) and their refusal to comply with court ordered treatment is causing their children to be removed from the home, put into foster care, and ultimately put up for adoption.

The County's preventive programs have undoubtedly saved millions of taxpayer dollars in unspent residential foster care costs. More importantly, no price can be put upon the lives of young people that have been turned around thanks to all the preventive efforts and programs operated and funded by Suffolk County. One of these efforts, the Alternatives for Youth (AFY) Program, was the

end product of the Legislature's Strike Force in cooperation with the County Executive's Office, which designed and implemented AFY to stem the tide of inexorable growth in the cost of institutional foster care connected to the Persons In Need of Supervision (PINS) population.

The Budget Review Office believes that the current phenomenon observed by DSS as driving up family boarding home foster care costs after years of decline needs to be brought to the attention of the Criminal Justice Coordinating Council (CJCC). We recommend that DSS make a presentation to the CJCC regarding the recent trend in rising family foster care costs. It may be time to reconvene the Legislature's Strike Force, in concert with the Executive Office and the principal players from the CJCC, to develop recommendations to help families where the reluctance to complete court ordered substance abuse treatment is breaking up homes, forcing children to be taken into foster care and separated from their birth families.

Housing

The 2014 Recommended Budget is incorrectly carrying the outdated name of the DSS Housing Division as the "Housing, Employment and Child Care Division" and needs to be updated to the "Housing Division" as the Employment Programs and Child Care Program functions are now being administered by the Client Benefits Division.

Differences in DSS Program Estimates & Recommended Totals

The Budget Review Office reviewed all DSS program lines utilizing the most recent costs, including accruals, revenue and caseload trend information, and finds that modest downward adjustments can be made in three program or chargeback lines from the 2013 estimate and the 2014 recommended amounts. The reductions we are recommending are significantly smaller than in past budgets, and it should be noted that the budgeting process for all DSS program and chargeback lines has become noticeably tighter.

BRO DIFFERENCES IN DSS PROGRAM 2013 EST & 2014 REC TOTALS						
Appropiation Number	Program Name	2013 EST	BRO 2013 EST	Difference Savings (Shortfall)	Estimated % County Share	Estimated County Savings (Shortfall)
001-6040-4610	NYS Chargebacks	$ 2,200,000	$ 1,200,000	$ 1,000,000	100.0%	$ 1,000,000
001-6120-4690	Adoption Subsidy	$ 16,900,000	$ 16,600,000	$ 300,000	26.1%	$ 78,300
001-6121-4690	Institutional Foster Care - JD/PINS	$ 9,950,000	$ 9,300,000	$ 650,000	88.5%	$ 575,250
2013 TOTAL DIFFERENCES		**$ 29,050,000**	**$ 27,100,000**	**$ 1,950,000**		**$ 1,653,550**
Appropiation Number	Program Name	2014 REC	BRO 2014 REC	Difference Savings (Shortfall)	Estimated % County Share	Estimated County Savings (Shortfall)
001-6040-4610	NYS Chargebacks	$ 2,200,000	$ 1,200,000	$ 1,000,000	100.0%	$ 1,000,000
001-6120-4690	Adoption Subsidy	$ 17,800,000	$ 17,500,000	$ 300,000	26.1%	$ 78,300
001-6121-4690	Institutional Foster Care - JD/PINS	$ 11,900,000	$ 11,200,000	$ 700,000	88.5%	$ 619,500
2014 TOTAL DIFFERENCES		**$ 31,900,000**	**$ 29,900,000**	**$ 2,000,000**		**$ 1,697,800**

Overall, the Budget Review Office estimates additional DSS chargeback and program gross savings of $1,950,000 in 2013, which would result in a net County savings of $1,653,550 after Federal and State reimbursements.

For 2014, the Budget Review Office projects additional gross DSS chargeback and program savings of $2 million, which results in a net savings of $1,697,800 after deducting Federal and State aid.

Restore Permanent Salary Deficits

As a consequence of having their 2014 turnover savings increased and their permanent salaries reduced, the recommended budget provides insufficient appropriations next year to cover all currently filled positions in the following three major DSS divisions: Family, Children and Adult Services (FCSA), with a $277,000 projected deficit, Client Benefits Administration (CBA), with

estimated personnel funding shortages of $179,000, and Child Support Enforcement Bureau (CSEB), which is expected to be underfunded by $117,000 in permanent salaries.

The Budget Review Office recommends reallocating a total of $573,000 from the $2 million in 2014 gross DSS program savings identified by us in order to supplement the recommended shortchanged permanent salaries funding levels by $277,000 in FCSA, $179,000 in CBA and $117,000 in CSEB. After applicable Federal and State aid, calculated conservatively on a last dollar reimbursement level, the local share costs of providing enough permanent salaries to reverse the potential deficits next year would be projected at $294,257, and would reduce the net DSS 2014 program savings of $1,697,800 down to $1,403,543.

The additional personnel funding the Budget Review Office recommends be diverted from the program savings lines we identified in 2014 will not provide for additional staff, although a case could be made for bolstering staff in nearly all of these under-resourced DSS operations. This redirected funding will provide three critically important divisions with enough permanent salaries to keep their staffing levels stable in 2014. There will be greater assurance that the FCSA CPS (Child Protective Services) autofill policy will continue to be supported by sufficient appropriations, that CBA will be more properly staffed to comply with existing court orders and stave off new legal challenges in public assistance eligibility processing, and that CSEB will be able to sustain and even increase its success in establishing more court orders of support, helping more families become and remain independent of public assistance, and raising the annual increases in child support collections by many more millions of dollars.

Appointment of Commissioner

A permanent appointment to the position of Commissioner of the Suffolk County Department of Social Services needs to be made without further delay. The Chief Deputy Commissioner has been serving as Acting Commissioner of DSS since the beginning of 2013, and has earned the respect and gratitude of the Legislative and Executive branches for filling in for this most demanding position.

The Budget Review Office urges the County Executive to recommend his candidate for Commissioner of Social Services to allow a vote before the Legislature as soon as possible.

DD DSS14

Soil and Water Conservation District

Personnel (as of 9/15/13)

Authorized Positions:	6	**Filled Positions:**	5
Vacant Positions:	1	**Percentage Vacant:**	16.7%
Positions Abolished in the Recommended Budget:	0	**New Positions:**	0

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$303,905	$304,865	$303,792	$356,153	$317,604
Equipment (2000s)	$0	$0	$0	$0	$0
Supplies (3000s)	$3,074	$3,116	$2,770	$2,770	$2,770
Contracts (4000s)	$431	$544	$540	$517	$517
Totals	**$307,410**	**$308,525**	**$307,102**	**$359,440**	**$320,891**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$96,860	$75,000	$75,000	$80,000	$80,000
Federal Aid (4000s)	$0	$5,500	$25,000	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$1,050	$2,500	$1,525	$1,525	$1,525
Totals	**$97,910**	**$83,000**	**$101,525**	**$81,525**	**$81,525**

Effects of Recommended Budget

Staffing

Insufficient staffing has been an ongoing problem for this small Department. Currently filled positions include the District Manager, three Soil District Technicians, and one Principal Account Clerk. There is no back up staff for the one clerical position. A Senior Soil District Technician position remains vacant. The recommended budget includes sufficient funding for all currently filled positions for all of 2014.

Expenditure

Recommended salary-related expenditures comprise 99% of the District's total budget. The District Manager has expressed the need to fill the Senior Soil District Manager Position to meet the demands of an increasing workload, allow more time for managerial duties, and to provide for succession planning. The recommended budget may provide sufficient funding to promote an existing employee to the Senior Soil District Technician position in 2014, if the vacated Soil District Technician position remains vacant.

Revenue

Recommended 2014 revenue is primarily comprised of State aid, with Departmental fees providing approximately two percent of revenue.

Issues for Consideration

The Soil and Water Conservation District has a broad mission to conserve the multiple natural resources of the County. It plans, designs, and implements conservation practices that protect the County's soils, water, open spaces, wildlife, and native plants.

The District Manager is a member of the Farmland Committee and serves as a technical advisor. According to the District's webpage, Agricultural Environmental Management (AEM) Plans can be provided to farmers, to both document good stewardship practices of their operation and suggest corrections or improvements for compliance with United States Department of Agriculture (USDA) Standards of Best Management Practices. Adherence to Best Management Practices can lead to optimum crop performance while protecting and conserving soil, water, and related resources. All decisions are made by the landowner/operator.

Technical assistance regarding EPA Phase II Stormwater regulations is also provided by the District. As per these stormwater regulations, which now apply to any construction activity disturbing one acre or more (previously, five acres or more), each site requires an Erosion and Sediment Control Plan. The Soil and Water District's expertise in sediment and erosion control helps deal with the problem of contaminated waterways at the source, by prevention, which is a more efficient and economical way to deal with the problem than remediation, after contamination has occurred.

The District administers grants that directly benefit farmers. Such grants have positive economic and environmental effects through creation of efficiencies in land use and use of environmentally-friendly practices. According to the Long Island Farm Bureau website, Suffolk County is the State's largest revenue-producing agricultural region.

Drainage and Aquifer Protection

Protection of open space and farmland and water quality protection are inter-related and concurrent goals of the County. While several Departments are involved in managing soil and water pollution once they have occurred, the Suffolk County Soil and Water District has expertise

in prevention of soil and water pollution at the source. Preventative measures, such as correction of improper drainage, are a more efficient means of maintaining environmental quality than attempts to reverse pollution that is already present. Collaboration with other Divisions with similar functions and goals, such as Divisions in the Departments of Public Works, Parks, Health Services, and Economic Development and Planning may allow maximization of the District's expertise.

Budget Review Office Recommendations

Farmland

The District administers the State Agricultural Environmental Management Program (AEM), which recommends best management practice to farms. An ongoing recommendation of the Budget Review Office has been that the County should consider making it mandatory for farms on which the County has purchased development rights to comply with the recommended best management practices for farms. This would minimize conflict between the County's farmland preservation goals and the County's water protection goals.

Introductory Resolution No. 1700-2013, laid on the table on 9/12/13, amends Chapter Eight of the Suffolk County Code, regarding the Development of Agricultural Land. The resolution originally included a provision for new applicants to the program to have developed an Agricultural Environmental Management Plan in cooperation with the Suffolk County Soil and Water District. It is unclear why this key provision was removed from revised versions of the resolution.

Staffing

As per prior Budget Review Office recommendation, encourage development of a mutually beneficial internship program with local colleges and universities to alleviate the burden on existing staff. Expertise in specific areas such as Geographic Information System (GIS) and Computer Aided Design (CAD) would be very helpful to the staff. Investigate sharing of personnel with other County divisions with this expertise. Grant writing assistance may be available from either the Federal or State Aid Unit in the County Executive's Office or the Department of Economic Development and Planning, where staff may have more specialized knowledge in related fields, such as water quality and farmland protection.

Consolidation

In order to make inter-departmental resources more readily available to the District, as well as to better integrate the District's expertise with other departments performing related functions, consider the feasibility of consolidation of the District with a related department, such as the Department of Economic Development and Planning or the Department of Public Works. The intent would be to enhance the profile of the District, not obscure it. The physical location of the District needs to be taken into account, as well. Although it is physically isolated from other departments, it is near many of the farms that it serves and the Farm Bureau. In addition, it shares a building with the USDA and Cornell Cooperative Extension; the District works closely with both on some projects.

LH SWC14

Traffic Violations Bureau

Personnel (as of 9/15/13)

Authorized Positions:	29	**Filled Positions:**	24
Vacant Positions:	5	**Percentage Vacant:**	17.2%
Positions Abolished in the Recommended Budget:	4	**New Positions:**	13

Expenditures

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
Personnel (1000s)	$0	$535,746	$1,330,249	$2,039,677	$2,039,677
Equipment (2000s)	$0	$40,000	$7,000	$235,000	$235,000
Supplies (3000s)	$0	$198,187	$96,076	$1,124,479	$1,124,479
Contracts (4000s)	$0	$19,794,922	$8,817,178	$8,104,776	$8,104,776
Totals	**$0**	**$20,568,855**	**$10,250,503**	**$11,503,932**	**$11,503,932**

Revenues

Budget Category	2012 Actual	2013 Adopted	2013 Estimate	2014 Requested	2014 Recommended
State Aid (3000s)	$0	$0	$0	$0	$0
Federal Aid (4000s)	$0	$0	$0	$0	$0
Departmental Income	$0	$0	$0	$0	$0
Other Income	$0	$40,340,493	$32,097,623	$46,245,499	$46,245,499
Totals	**$0**	**$40,340,493**	**$32,097,623**	**$46,245,499**	**$46,245,499**

Effects of Recommended Budget

Overview

The recommended budget includes approximately $46.25 million in revenue and $11.5 million in expenditure as well as 37 authorized positions, which accounts for the abolishment of four vacant positions and the inclusion of thirteen new positions for 2014. At the Department's request, the recommended budget consolidates revenue, expenditure and personnel from the Department's Red Light Cameras appropriation (136-1425) into its Traffic Violations Bureau (136-1130) within four units: Administration, Finance Unit, Traffic and Parking and Red Light Camera.

Revenue

The 2013 revenue estimate is approximately $32.10 million, which is $8.24 million less than adopted but $8.1 million more than the Department's August updated budget request. This estimate includes a transfer to the General Fund of $21.1 million from the TPVA. The recommended budget includes $46,245,499, which is $14,147,876 more than the 2013 estimate. The 2014 Recommended Budget transfer to the General Fund is $33.09 million.

The largest component of Bureau revenues are fee and fines from red light cameras; the three revenue codes (2643, 2644, and 2646) related to red light camera violations comprise more than 56% of the 2013 estimated revenue and almost 59% of the 2014 recommended revenue.

Expenditure

The 2013 estimate is approximately $10.25 million, which is $10.32 million less than adopted and $3.3 million more than the Department's estimate for 2013 expenditures. The estimated expenditure is reasonable. BRO's year-end permanent salary estimate is nearly $800,000 and the estimated budget includes approximately $1.05 million for permanent salaries across all appropriations. The $260,118 difference will allow the Department to fill vacancies in 2013. The Executive's Office reports:

- Payments to the Red light Camera vendor, Xerox, were estimated at $5,860,343 or $560,343 more than requested to account for the additional cameras that are being installed in 2013.
- For contract agencies, the TPVA estimated $0 in 2013 and the County's Integrated Financial Management System (IFMS) on October 10, 2013 reflected $0; however, the 2013 estimate includes $2,698,191. The Executive's Office reports that this expenditure is for surcharge payments to NYS that were not budgeted. Further, the Executive's Office indicated that the County will no longer budget the surcharges and did not include this expense in 2014.

The recommended budget, which includes approximately $11.5 million in expenditures for the Traffic Violations Bureau, is reasonable. Based on our projections, the recommended budget of approximately $1.54 million for permanent salaries includes sufficient funding for the Department's currently filled positions in 2014 and approximately $383,500 to fill a portion of the Bureau's 13 new or five vacant positions. The Executive's Office reports:

- Subsequent to the Department's budget request, the Executive's Office was told that the Department plans on purchasing a source code license for the TPVA application to do continued development. The Department originally requested $50,000 for computer software (object code 3160) and the recommended budget includes $600,000 or $550,000 more than requested.

- Subsequent to the Department's budget request, the Executive's Office was told that the Department plans on upgrading areas such as "next in line" notifications. The Department's request was for $100,000 and the recommended budget included $351,979 or $251,979 more than requested for Other: Unclassified (object 3500).

Staff

The Department currently has 29 authorized positions of which 24 are filled and five are vacant as of September 15, 2013. The recommended budget includes 37 authorized positions, the abolishment of four vacant positions and the inclusion of 13 new positions in 2014. The Department did not request to abolish any positions. The Budget Review Office is in agreement with the staffing included in the recommended budget. The table that follows details the differences between the recommended budget and the Department's August updated budget request.

Comparison of the New Positions in the Recommended Budget to the Department's August Updated Budget Request			
Recommended Budget		**Dept. August Update**	
# of Authorized Positions		**# of Authorized Positions**	
28		**28**	
# of New Positions	**Job Title**	**# of New Positions**	**Job Title**
1	Principal Clerk		
1	Accountant	1	Accountant
1	Principal Account Clerk	1	Principal Account Clerk
2	Account Clerk/Typist	1	AccountClerk/Typist
2	Cashier	2	Justice Court Cashier
3	Justice Court Clerk		
2	Clerk Typist (Spanish Speaking)	2	Clerk Typist (Spanish Speaking)
1	Clerk Typist	1	Clerk Typist
13		**8**	
# of Abolished Positions	**Job Title**	**# of Abolished Positions**	**Job Title**
1	Attorney (Departmental)		
1	Senior Security Guard		
1	Assistant County Attorney		
1	Senior Clerk		
4		**0**	
# of Positions Net Changes		**# of Positions Net Changes**	
37		**36**	

The duties of some of the new positions may include:

- Two Cashiers in the Finance Unit - needed to address long lines of people waiting to pay their tickets, which can create a difficult and sometimes dangerous situation.
- Three Justice Court Clerks in the Traffic and Parking Unit - the preparation and issuance of various legal papers and recording legal matters pertaining to the operation of the court.
- One Clerk Typist in the Red Light Camera Unit and Two Clerk Typists (Spanish Speaking) in the Traffic and Parking Unit - data entry of tickets, answering telephones, filing etc.

Issues for Consideration

Red Light Camera Revenue

The largest portion of the Bureau's revenue, related to red light camera fines and fees, has been consistently and substantially overestimated since the program's inception. In 2011, revenues were adopted at almost $34 million; the actual revenue collected was just over $12.5 million. The next year, adopted revenues were about $23.2 million; actual revenues for 2012 were $9.6 million. The 2013 Adopted Budget assumed about $23.2 million in red light camera fees and fines; the 2013 estimate, as previously noted, is slightly more than $13 million.

Revenues for the TPVA are admittedly difficult to estimate or project with certainty. Amongst the reasons for this are:

- The number of red light cameras and traffic violations are not constant.
- Traffic violation related revenue (Revenue Codes 2647 and 2648) owed to the State varies by the vehicle & traffic law and only applies to moving violations; detailed data specifying violations is not available.
- Since the TPVA became operational April 1, 2013, the County has limited historical data for the related sources of revenue.
- With the recent opening of the TPVA, the staff is on a learning curve, and the complement of TPVA staff is changing.
- There is a backlog of violations and citations.
- The contract with the vendor for red light cameras has been updated.
- Suffolk County's TPVA allows plea bargains; New York State did not. Tickets plea-bargained to parking tickets do not carry a New York State surcharge, so the State's historical data for traffic violations is not useful as an indicator.

Although the red light camera program is ostensibly a safety program, the program has also generated close to $30 million in revenues since its inception in 2011. Additional red light cameras are being installed and some of the existing red light cameras are being relocated. New York State recently authorized the County to increase the number of intersections with red light cameras from 50 to 100, though not all of the 50 new red light camera intersections are up and running yet. As of October 2013, the County has 153 cameras installed; and of the 35 planned for relocation, 20 cameras have been moved. According to the Budget Office, there should be no less than 190 cameras operational County-wide for all of 2014.

The public is becoming more cognizant of the red light cameras and changing its behavior, leading to fewer violations. A 2001 National Transportation Safety Board literature review of red light camera programs describes a large variance in violation decreases, ranging from 20% to 75%; this paper

included the Oxnard, California and Fairfax City, Virginia experiences described in the recommended budget narrative. Suffolk County's experience has been somewhat better over the 33 month period available for analysis, with an apparent decrease in the number of citations per camera of 14%. This "decay" in revenue is somewhat mitigated by moving the cameras, and of course by the large increase in the number of red light cameras in 2014.

Ticket Revenues

Based on limited data from the County Executive's staff, it would appear that recent monthly collections are consistent with an increasing revenue code "136-2647-Traffic Violations Bureau - Ticket Fines" by $5 million in 2014. In particular, it seems reasonable that average monthly collections should be at least $2 million per month in 2014. Even if this is the gross collection and we make a 17.5% allowance for the State surcharge, the result would be about $5 million more than the 2014 recommended amount of $14,834,403.

Amnesty and Boot Programs

Last year, BRO recommended considering an amnesty program and then a "Boot and/or Tow program". The Department is planning to do this; however according to the Executive's Office, no revenue was included for this in 2013 or 2014. It is unclear how these programs will impact revenues.

Collection Fee

Last year, BRO recommended implementing a collection fee similar to Nassau County. The Department is in the beginning stages of the process for implementing this. Nassau County has an aggressive in-house collection process and utilizes contract vendors to recoup revenue from delinquent defendants. Once a traffic, parking or red light camera ticket is forwarded to a collection agency, Nassau receives all of the fines, penalties and fees and a collection fee is added to each ticket. The collection vendor is paid with the collection fee. It is unclear how these programs will impact revenues.

Data Entry for Tickets

Currently, both the Police Department and the TPVA personnel are inputting the same data for ticket information. The Department is working on streamlining and eliminating this duplication through a records management computer software system. This could free up personnel to perform other processing functions and reduce the backlog.

Budget Review Office Recommendations

- Legislate periodic reporting requirements for the Traffic and Parking Violations Agency to facilitate better estimation of program effectiveness and revenue collection.
- Ticket Fine (Revenue Code 2647) may be increased by $5 million in 2014.

RL Traffic Violations Bureau 14

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	4310	AAA2	HSV	Div Of Comm Mental Hygiene	ACCESS-TOWN OF ISLIP	$156,876	$188,251	$0	$0	$0
001	4330	GBQ1	HSV	Hs Community Support Svc	ADELANTE OF SC - DROP IN	$64,080	$63,251	$63,251	$62,348	$62,348
001	7320	GJN1	EXE	Youth Bureau/Office For Child	ADELANTE OF SUFFOLK CTY INC	$175,445	$191,117	$191,117	$172,483	$186,632
001	4330	GNT1	HSV	Hs Community Support Svc	ADELANTE PSYCHO SOCIAL CLUB	$48,659	$48,659	$48,659	$48,659	$48,659
001	4330	GGQ1	HSV	Hs Community Support Svc	ADELANTE SPECIAL EMP	$53,684	$53,684	$53,684	$53,684	$53,684
192	6414	JLV1	EDP	Cultural Affairs	African American film festival	$0	$5,000	$5,000	$0	$0
001	4310	JAD1	HSV	Div Of Comm Mental Hygiene	ALTERNATIVES COUNSELING CENTER, INC.	$0	$8,075	$8,075	$2,171	$2,171
192	7512	HKM1	PKS	Museums & Historic Associations	AMITYVILLE HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
192	6414	JBX1	EDP	Cultural Affairs	BABYLON CITIZENS COUNCIL ON THE ARTS	$7,500	$12,500	$12,500	$0	$0
001	6004	JLF1	DSS	Soc Svc: Commodities Dist	Babylon Inter Faith Clergy Cluster	$2,815	$5,000	$5,000	$0	$0
001	6004	JLG1	DSS	Soc Svc: Commodities Dist	Babylon Rotary Club (Food Collection)	$4,750	$5,000	$5,000	$0	$0
001	3422	JOC1	FRE	2009 Hazmat Grant	BABYLON TOWN	$0	$0	$7,000	$0	$0
192	7512	JCW1	PKS	Museums & Historic Associations	Babylon Town Historical Society	$0	$10,000	$10,000	$0	$0
192	6414	JBY1	EDP	Cultural Affairs	BABYLON VILLAGE ARTS COUNCIL	$5,000	$6,000	$6,000	$0	$0
001	7320	AAS1	EXE	Youth Bureau/Office For Child	BABYLON VILLAGE YOUTH	$7,719	$7,719	$7,719	$6,966	$6,966
192	7512	JIF1	PKS	Museums & Historic Associations	BAY SHORE HISTORICAL SOCIETY	$5,000	$5,000	$5,000	$0	$0
192	6414	GZW1	EDP	Cultural Affairs	BAY STREET THEATER	$15,000	$20,000	$20,000	$0	$0
192	7512	JHS1	PKS	Museums & Historic Associations	BAYPORT HERITAGE ASSOCIATION	$4,500	$5,000	$5,000	$0	$0
192	6414	JER1	EDP	Cultural Affairs	BELLPORT CHAMBER OF COMMERCE	$10,000	$11,000	$11,000	$0	$0
001	7325	ABC1	EXE	Spec Dlnqncy Prevention Pgm	BELLPORT COMM ACTION COMMITTEE	$152,947	$156,081	$156,081	$150,245	$150,245
001	3145	JJU1	PRO	Pins Diversion Plan	BERKSHIRE FARM CENTER AND SERVICES FOR YOUTH	$196,310	$284,000	$284,000	$275,000	$275,000
001	4310	ABN1	HSV	Div Of Comm Mental Hygiene	BOCES II	$1,106,426	$1,201,267	$1,201,267	$1,201,267	$1,201,267
001	7320	GVV1	EXE	Youth Bureau/Office For Child	BOYS & GIRLS CLUB OF BELLPORT	$9,000	$10,000	$10,000	$0	$0
001	4310	ABZ1	HSV	Div Of Comm Mental Hygiene	BRENTWOOD UFSD#12	$92,048	$175,738	$0	$0	$0
001	7320	ACB1	EXE	Youth Bureau/Office For Child	BRENTWOOD YOUTH DEVEL CORP	$50,519	$56,132	$56,132	$50,659	$50,659
192	7512	JPY1	PKS	Museums & Historic Associations	BRIDGEHAMPTON HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
001	7320	ACE1	EXE	Youth Bureau/Office For Child	BRIDGEHMPTN CHLD CARE & REC CT	$38,428	$42,698	$42,698	$38,535	$38,535
001	6017	DDE1	DSS	Domestic Violence Programs	BRIGHTER TOMORROWS	$207,207	$212,690	$212,690	$206,828	$206,828
001	3178	JNR1	PRO	Stop Violence Against Women	BRIGHTER TOMORROWS	$15,192	$0	$0	$0	$0
001	6015	GEG1	DSS	Dss: Public Assist Admin	BRIGHTER TOMORROWS INC	$22,083	$22,088	$22,088	$22,088	$22,088
001	3424	JOH1	FRE	Hazmat 2010 Grant	BRKHVN TOWN 2010 HAZ MA	$0	$0	$6,000	$0	$0
001	7323	ACJ1	EXE	Comprehensive Plning-Runaway	BROOKHAVEN HOMELESS	$8,830	$8,388	$8,388	$7,969	$7,969
001	4310	HZQ1	HSV	Div Of Comm Mental Hygiene	BROOKHAVEN MEMORIAL HOSPITAL CENTER	$163,015	$163,016	$163,016	$163,016	$163,016
001	3422	JOG1	FRE	2009 Hazmat Grant	BROOKHAVEN NATIONAL LAB	$0	$0	$4,000	$0	$0
001	3420	JKW1	FRE	2008 HAZMAT GRANT PROGRAM	BROOKHAVEN NATIONAL LABORATORY	$0	$0	$6,013	$0	$0
001	3420	JKU1	FRE	2008 HAZMAT GRANT PROGRAM	BROOKHAVEN TOWN	$0	$0	$15,633	$0	$0
001	3422	JOB1	FRE	2009 Hazmat Grant	BROOKHAVEN TOWN	$0	$0	$9,500	$0	$0
001	3199	JMV1	PRO	JUSTICE ASSISTANCE GRANT	BYRNE JAG PGM - SOUTH OAKS	$56,040	$0	$13,959	$0	$0
001	4100	GGU1	HSV	Hs: Patient Care Svcs Adm	C.S.HOSPITAL-RIVERHEAD H.C.	$510,842	$511,753	$511,753	$473,567	$473,567
001	7320	HFC1	EXE	Youth Bureau/Office For Child	CAST(COMM. & SCHOOLS TOGETHER)	$35,794	$40,000	$40,000	$0	$0
001	4310	ACN4	HSV	Div Of Comm Mental Hygiene	CATHOLIC CHARITIE TALBOT HOUSE	$1,689,689	$1,689,689	$1,698,189	$1,689,689	$1,689,689
001	4320	HLE1	HSV	Hs: Mental Health Pgms	CATHOLIC CHARITIES-BAY SHORE OUTREACH	$0	$2,817	$2,817	$2,676	$2,676
001	6410	HSG1	EDP	Economic Development Admin	CCE- 4H YOUTH & DEVELOP & FARM ED PROG	$0	$79,871	$79,871	$75,877	$75,877

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
477	8038	HSJ1	EDP	Water Quality Improvement	CCE- ALT MGT STRATEGIES FOR CONTROL OF INSECT PESTS	$0	$124,331	$124,331	$118,114	$118,114
477	8751	HSJ1	HSV	Cornell Cooperative Extension	CCE- ALT MGT STRATEGIES FOR CONTROL OF INSECT PESTS	$130,551	$0	$0	$0	$0
477	8038	HSK1	EDP	Water Quality Improvement	CCE- DEVELOP & IMPLEMENT AGRICULTURE STEWARDSHIP PRO	$0	$247,747	$247,747	$235,360	$235,360
477	8751	HSK1	HSV	Cornell Cooperative Extension	CCE- DEVELOP & IMPLEMENT AGRICULTURE STEWARDSHIP PRO	$251,963	$0	$0	$0	$0
001	6410	HSI1	EDP	Economic Development Admin	CCE- FARM MEAT PRODUCTION PROGRAM	$0	$903,788	$903,788	$608,599	$608,599
001	8750	HSI1	HSV	Cooperative Extension Assn	CCE- FARM MEAT PRODUCTION PROGRAM	$805,577	$0	$0	$0	$0
477	8038	HSM1	EDP	Water Quality Improvement	CCE- INTEGRATED PEST MANAGMENT PROGRAM (IPM)	$0	$142,327	$142,327	$160,000	$160,000
477	8751	HSM1	HSV	Cornell Cooperative Extension	CCE- INTEGRATED PEST MANAGMENT PROGRAM (IPM)	$187,272	$0	$0	$0	$0
477	8038	HSN1	EDP	Water Quality Improvement	CCE- RESTORATION OF PECONIC BAY SCALLOP POPULATIONS & FISHER	$0	$304,419	$304,419	$289,198	$289,198
477	8751	HSN1	HSV	Cornell Cooperative Extension	CCE- RESTORATION OF PECONIC BAY SCALLOP POPULATIONS & FISHER	$308,951	$0	$0	$0	$0
001	6410	HSD1	EDP	Economic Development Admin	CCE-ADMIN,FIN, & COMM	$0	$609,700	$609,700	$579,215	$579,215
001	8750	HSD1	HSV	Cooperative Extension Assn	CCE-ADMIN,FIN, & COMM	$577,584	$0	$0	$0	$0
001	6410	HSF1	EDP	Economic Development Admin	CCE-AGRICULTURE & HORTICULTURE PROGRAMS	$0	$471,605	$471,605	$448,025	$448,025
001	8750	HSF1	HSV	Cooperative Extension Assn	CCE-AGRICULTURE & HORTICULTURE PROGRAMS	$431,353	$0	$0	$0	$0
001	4100	GGW1	HSV	Hs: Patient Care Svcs Adm	CCE-DIABETES PREVENTION PROGRAM	$273,320	$283,880	$283,880	$274,796	$274,796
001	6410	JHU1	EDP	Economic Development Admin	CCE-FAMILY HEALTH & WELLNESS	$0	$0	$0	$0	$173,446
001	8750	JHU1	HSV	Cooperative Extension Assn	CCE-FAMILY HEALTH & WELLNESS	$0	$182,575	$182,575	$96,229	$0
001	6015	GHE1	DSS	Dss: Public Assist Admin	CCE-FOOD STAMP PROGRAM	$149,651	$149,807	$149,807	$149,807	$149,807
001	6410	HSE1	EDP	Economic Development Admin	CCE-MARINE PROGRAM	$0	$413,101	$413,101	$392,446	$392,446
001	8750	HSE1	HSV	Cooperative Extension Assn	CCE-MARINE PROGRAM	$390,223	$0	$0	$0	$0
477	8038	GZA1	EDP	Water Quality Improvement	CCE-STORMWATER PHASE II	$405,423	$386,479	$386,479	$367,155	$367,155
001	7320	GZZ1	EXE	Youth Bureau/Office For Child	CENTRAL ISLIP CIVIC COUNCIL	$9,000	$0	$0	$0	$0
192	7512	HLJ1	PKS	Museums & Historic Associations	CENTRAL ISLIP HIS. PRES SOC.	$0	$8,500	$8,500	$0	$0
001	4109	GVK1	HSV	Medical Program	CENTRAL SUFFOLK HOSPITAL	$107,151	$403,811	$403,811	$403,811	$403,811
001	6015	GKN1	DSS	Dss: Public Assist Admin	CHILD CARE CNCL CDC SUFF LOAN	$0	$0	$0	$10,234	$10,234
001	6015	ADB2	DSS	Dss: Public Assist Admin	CHILD CARE COUNCIL OF SUFFOLK	$0	$120,590	$120,590	$114,560	$114,560
001	6015	GGN1	DSS	Dss: Public Assist Admin	CHILD CARE COUNCIL OF SUFFOLK	$967,572	$1,033,079	$1,033,079	$1,033,079	$1,033,079
192	6414	HLT1	EDP	Cultural Affairs	CHILDREN¿S MUSEUM OF THE EAST END	$5,000	$6,000	$6,000	$0	$0
192	6415	JGU1	EDP	Film Promotion	CINEMA ARTS CENTRE	$20,000	$23,500	$23,500	$0	$0
001	4330	GNS1	HSV	Hs Community Support Svc	CLUBHOUSE OF SUFF SUPP CASE MG	$279,653	$327,600	$406,621	$327,600	$327,600
001	4332	JQJ1	HSV	Veterans Post-Traumatic Stress Disorder	Clubhouse of Suffolk Veterans Peer-to-Peer Program	$0	$0	$180,000	$0	$0
001	4330	JAP1	HSV	Hs Community Support Svc	CLUBHOUSE PROS RIVERHEAD	$91,193	$91,193	$101,933	$101,933	$101,933
001	4330	JAO1	HSV	Hs Community Support Svc	CLUBHOUSE PROS RONKONKOMA	$200,267	$200,267	$196,713	$196,713	$196,713
001	4330	ADK2	HSV	Hs Community Support Svc	CLUBHOUSE PSYCHOSOC/DROP IN CT	$22,431	$22,568	$22,568	$22,568	$22,568
001	4330	JDP1	HSV	Hs Community Support Svc	CLUBHOUSE SHELTER-CLINIC CASE MANAGEMENT	$65,354	$81,900	$81,900	$81,900	$81,900
001	4330	HEW1	HSV	Hs Community Support Svc	CLUBHSE OF SUFF-ADULT HOME SCM	$62,564	$77,760	$77,760	$77,760	$77,760
001	7325	DDL1	EXE	Spec Dlnqncy Prevention Pgm	COLONIAL YOUTH & FAMILY SERVICE	$232,198	$239,904	$239,904	$230,223	$230,223
001	7320	GAB1	EXE	Youth Bureau/Office For Child	COLONIAL YTH & FAMILY SVC	$46,209	$51,343	$51,343	$46,337	$46,337

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	6770	GDA1	EXE	Sr Ctzns Home Energy Pgm/Wrap	COMM DEVELOPMENT CORP OF LI	$59,433	$108,236	$42,388	$0	$0
192	7512	JCG1	PKS	Museums & Historic Associations	COMMERDINGER PRESERVATION SOCIETY	$5,000	$10,000	$10,000	$0	$0
001	6004	HLL1	DSS	Soc Svc: Commodities Dist	COMMUNITY ACTION OF SOUTHOLD TOWN (CAST)	$2,381	$5,000	$5,000	$4,750	$5,000
001	7320	ADR1	EXE	Youth Bureau/Office For Child	COMMUNITY PROGRAM CENTER OF LI	$23,638	$26,264	$26,264	$23,703	$23,703
001	7320	ADW1	EXE	Youth Bureau/Office For Child	COMSEWOGUE YOUTH CLUB INC	$24,081	$26,757	$26,757	$24,148	$24,148
001	4330	JDN1	HSV	Hs Community Support Svc	CONCERN	$533,036	$533,035	$533,035	$533,035	$533,035
001	4310	JOJ1	HSV	Div Of Comm Mental Hygiene	CONCERN FOR INDEPNDT LVNG	$91,326	$60,889	$60,889	$60,889	$60,889
192	6414	JGY1	EDP	Cultural Affairs	COPIAGUE CHAMBER OF COMMERCE	$10,000	$11,000	$11,000	$0	$0
001	7320	AEL1	EXE	Youth Bureau/Office For Child	COPIAGUE YOUTH COUNCIL	$40,378	$44,864	$44,864	$40,490	$40,490
001	3190	JJT1	PRO	Juvenile Day Reporting Center	CORNELL COOPERATIVE EXTENSION ASSOCIATION OF SUFFOLK COUNTY	$418,512	$545,859	$197,530	$0	$0
001	7320	GHA1	EXE	Youth Bureau/Office For Child	COUNTYWIDE COUNSEL PGM HUNTGTN	$28,734	$31,927	$31,927	$28,814	$28,814
001	4310	AET2	HSV	Div Of Comm Mental Hygiene	CTH CHARITY CHEM DEPEND CLINIC	$467,586	$467,586	$467,586	$467,586	$467,586
001	4320	AET3	HSV	Hs: Mental Health Pgms	CTH CHARITY MEN HLTH CTR (	$702,460	$772,795	$895,259	$734,155	$734,155
192	6414	JPP1	EDP	Cultural Affairs	CULTURAL ARTS GUILD OF MASTIC BEACH	$0	$5,000	$5,000	$0	$0
192	7512	JQB1	PKS	Museums & Historic Associations	CUMSEWOGUE HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
001	4310	JOI1	HSV	Div Of Comm Mental Hygiene	DAYTOP VILLAGE, INC.	$262,847	$552,972	$554,235	$552,972	$552,972
192	7512	JHM1	PKS	Museums & Historic Associations	DEEPWELLS FARM HISTORICAL SOCIETY	$5,000	$5,000	$5,000	$0	$0
001	7320	AEX1	EXE	Youth Bureau/Office For Child	DEER PARK COMMUNITY ORG INC	$47,426	$52,695	$52,695	$47,557	$47,557
192	6414	JKX1	EDP	Cultural Affairs	DIX HILLS PERFORMING ARTS CENTER	$7,500	$12,500	$12,500	$0	$0
001	6015	GVO1	DSS	Dss: Public Assist Admin	DSS:PUBLIC ASSIST ADMIN	$27,583	$0	$0	$0	$0
001	6008	GYD1	DSS	Housing Employment & Childcare	EAC - SANCTIONED CLIENT OUT	$165,617	$0	$0	$0	$0
001	6015	GYD1	DSS	Dss: Public Assist Admin	EAC - SANCTIONED CLIENT OUT	$0	$181,937	$181,937	$171,212	$171,212
001	6010	GDM1	DSS	Family, Children & Adult Services	EAC CHILD ADVOCACY	$166,446	$166,581	$166,581	$163,924	$163,924
001	6010	GVL1	DSS	Family, Children & Adult Services	EAC ENHANCED SUPERVISED VISITATION	$391,764	$407,888	$407,888	$402,606	$402,606
001	6010	GDQ1	DSS	Family, Children & Adult Services	EAC, INC. FAMILY DRUG COURT	$180,412	$212,229	$212,229	$209,481	$209,481
001	6073	AFN1	DSS	Dss: Child Support Enforcement	EAC,INC.	$183,352	$187,029	$187,029	$183,262	$183,262
001	6115	HKB1	DSS	Dss: Alternatives For Youth	EAC-AFY	$779,985	$876,681	$876,681	$869,054	$869,054
192	6414	JKS1	EDP	Cultural Affairs	EAST END ARTS COUNCIL - HARVEST GOSPEL CONCERT SERIES	$5,000	$6,000	$6,000	$0	$0
192	6414	HWH1	EDP	Cultural Affairs	EAST END ARTS COUNCIL - WINTERFEST	$10,000	$11,000	$11,000	$0	$0
192	6414	HFH1	EDP	Cultural Affairs	EAST END SPECIAL PLAYERS	$0	$5,000	$5,000	$0	$0
192	6414	JKY1	EDP	Cultural Affairs	EAST END TOURISM ALLIANCE	$5,000	$6,000	$6,000	$0	$0
001	6004	JLH1	DSS	Soc Svc: Commodities Dist	East Hampton Food Pantry	$0	$5,000	$5,000	$0	$0
001	7320	AFS1	EXE	Youth Bureau/Office For Child	EAST HAMPTON JUVENILE AID	$12,000	$17,673	$5,000	$15,950	$15,950
001	3422	JOE1	FRE	2009 Hazmat Grant	EAST HAMPTON TOWN	$0	$0	$5,000	$0	$0
192	7512	HYG1	PKS	Museums & Historic Associations	EASTVILLE HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
001	6022	JIR1	DSS	GREEN JOBS CORPS PROGRAM	EDUCATION & ASSISTANCE CORPORATION, INC.	$182,656	$0	$0	$0	$0
001	6141	AGF1	DSS	Dss: Heap	EMPIRE TRAINING ASSOCIATES	$15,783	$20,394	$20,394	$20,394	$20,394
001	4330	GKQ1	HSV	Hs Community Support Svc	F.E.G.S. LI TRANS/MED MGT	$466,687	$480,571	$480,571	$480,571	$480,571
001	4330	GKX1	HSV	Hs Community Support Svc	F.E.G.S. OF LI DSS PROJECT	$42,445	$42,445	$42,445	$42,445	$42,445
001	4330	GGR1	HSV	Hs Community Support Svc	F.R.E.E.	$161,032	$161,032	$161,032	$161,032	$161,032
001	4330	GYZ1	HSV	Hs Community Support Svc	F.R.E.E. SINGLE POINT ACCESS	$105,047	$113,834	$113,834	$113,834	$113,834
001	4330	CAD1	HSV	Hs Community Support Svc	FAM SV LG THER. REC.	$96,839	$97,615	$97,615	$97,615	$97,615
001	4330	HEV1	HSV	Hs Community Support Svc	FAM.SERV.LEAGUE-ADULT HOME SCM	$52,659	$77,760	$77,760	$77,760	$77,760

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	6010	GNJ1	DSS	Family, Children & Adult Services	FAMILY & CHILDRENS SERVICES INDEPENDENT LIVING PROG	$338,970	$347,939	$347,939	$346,617	$346,617
001	7320	AGN1	EXE	Youth Bureau/Office For Child	FAMILY COURT WAITING ROOM	$118,857	$130,591	$130,591	$118,788	$118,788
001	6773	GEY1	EXE	Senior Support Programs	FAMILY LEAGUE SERVICE	$0	$0	$0	$40,252	$40,252
001	6794	GEY1	EXE	Title Vii / Ombudsman	FAMILY LEAGUE SERVICE	$101,776	$103,305	$103,305	$0	$0
001	7325	JQK1	EXE	Spec Dlnqncy Prevention Pgm	Family Life Center	$0	$0	$90,931	$119,117	$119,117
001	6772	GET1	EXE	Older Americans Act Programs	FAMILY SERVICE LEAGUE	$19,755	$19,755	$19,755	$19,755	$19,755
001	6800	JJY1	EXE	State Ltcop	FAMILY SERVICE LEAGUE	$48,906	$48,906	$48,906	$12,227	$12,227
001	7325	AGS1	EXE	Spec Dlnqncy Prevention Pgm	FAMILY SERVICE LEAGUE	$152,837	$156,785	$156,785	$150,759	$150,759
001	4310	AGW1	HSV	Div Of Comm Mental Hygiene	FAMILY SERVICE LEAGUE	$592,407	$465,886	$1,252,569	$1,160,626	$1,160,626
001	6008	HMA1	DSS	Housing Employment & Childcare	FAMILY SERVICE LEAGUE - HUNTINGTON INTERFAITH HOMELESS INITIATIVE	$4,275	$5,000	$5,000	$0	$0
001	4330	JGG1	HSV	Hs Community Support Svc	FAMILY SERVICE LEAGUE ACT TEAM WEST	$70,995	$120,556	$120,556	$120,556	$120,556
001	6115	JKE1	DSS	Dss: Alternatives For Youth	FAMILY SERVICE LEAGUE- AFY AFTERCARE	$313,785	$319,709	$319,709	$316,928	$316,928
001	3142	HTU1	PRO	Placement Reduction Program	FAMILY SERVICE LEAGUE HOME BASE II	$433,880	$506,594	$506,594	$490,000	$490,000
001	3180	HZY1	PRO	Sheriff: Aviation Division	FAMILY SERVICE LEAGUE OF SUFFOLK COUNTY, INC.	$140,395	$137,500	$137,500	$135,000	$135,000
001	4330	JAS1	HSV	Hs Community Support Svc	FAMILY SERVICE LEAGUE PROS HAUPPAUGE	$63,477	$63,477	$56,333	$54,543	$54,543
001	4330	JAR1	HSV	Hs Community Support Svc	FAMILY SERVICE LEAGUE PROS HUNTINGTON	$84,845	$73,312	$64,380	$64,380	$64,380
001	6010	GEF1	DSS	Family, Children & Adult Services	FAMILY SERVICE LEAGUE-CHILDREN'S COORDINATED SERVICES INITIATIVE - HOME BASE	$155,732	$158,561	$158,561	$157,182	$157,182
001	7320	GLF1	EXE	Youth Bureau/Office For Child	FAMILY SV LEAGUE BAY SHORE CTR	$36,374	$40,843	$40,843	$36,861	$36,861
001	7320	GJK1	EXE	Youth Bureau/Office For Child	FAMILY SVC HUNTGN STA FAM CTR	$228,960	$257,236	$257,236	$153,375	$153,375
001	4330	AGZ1	HSV	Hs Community Support Svc	FAMILY SVC LEAGUE - C.A.P.	$33,721	$33,721	$33,721	$33,721	$33,721
001	6008	GUX1	DSS	Housing Employment & Childcare	FAMILY SVC LEAGUE - PROGRAM HOME	$130,650	$134,955	$134,955	$130,907	$130,907
001	4330	GPK1	HSV	Hs Community Support Svc	FAMILY SVC LEAGUE ACT TEAM	$61,001	$84,660	$84,660	$84,660	$84,660
001	4330	JGJ1	HSV	Hs Community Support Svc	FAMILY SVC LEAGUE- CLINIC PLUS	$43,744	$0	$0	$0	$0
001	6010	AHE1	DSS	Family, Children & Adult Services	FAMILY SVC LEAGUE OF SUFF CTY	$500,571	$516,144	$516,144	$509,460	$509,460
001	4330	GUT1	HSV	Hs Community Support Svc	FAMILY SVC LEAGUE SUPP CASE MG	$518,822	$573,300	$666,250	$573,300	$573,300
001	4320	AHG1	HSV	Hs: Mental Health Pgms	FAMILY SVC LEAGUE-EAST END PRO	$413,004	$413,004	$413,004	$372,736	$372,736
001	4330	AHH1	HSV	Hs Community Support Svc	FAMILY SVC LG PARENT TO PARENT	$90,339	$90,408	$90,408	$90,408	$90,408
192	7512	JHG1	PKS	Museums & Historic Associations	FARMINGVILLE HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
001	4330	GZI1	HSV	Hs Community Support Svc	FED OF ORG ADULT HOME PEER SRV	$158,032	$181,440	$181,440	$181,440	$181,440
001	4330	GNR1	HSV	Hs Community Support Svc	FED OF ORG SUPPORTED CASE MGMT	$589,060	$737,100	$842,432	$737,100	$737,100
001	6780	GFC2	EXE	Respite Care Demonstratn Pgm	FED OF ORGANIZATIONS RESPITE	$46,386	$31,311	$31,311	$31,311	$31,311
001	4330	GTL1	HSV	Hs Community Support Svc	FED OF ORG-CLIENT SVC DOLLAR P	$22,510	$28,300	$28,300	$28,300	$28,300
001	4330	AHM1	HSV	Hs Community Support Svc	FED OF ORGNIZATNS NYS MNT DISA	$422,550	$577,445	$577,445	$577,445	$577,445
001	4330	GSV1	HSV	Hs Community Support Svc	FED OF ORG-SINGLE POINT ENTRY	$511,426	$554,586	$554,586	$554,586	$554,586
001	4330	GUR1	HSV	Hs Community Support Svc	FED ORG TRANSPORTATION CSS	$890,782	$994,893	$994,893	$994,893	$994,893
001	4330	JGB1	HSV	Hs Community Support Svc	FEDERATION ADVOCACY	$177,619	$180,517	$180,517	$180,517	$180,517
001	4330	AHN1	HSV	Hs Community Support Svc	FEDERATION MULTI-CULTURAL CONF	$8,393	$8,810	$8,810	$8,810	$8,810
001	4330	GZH1	HSV	Hs Community Support Svc	FEDERATION OF ORG ACT TEAM	$120,556	$120,556	$120,556	$120,556	$120,556
001	4330	JAT1	HSV	Hs Community Support Svc	FEDERATION OF ORG PROS BABYLON	$75,100	$75,100	$74,214	$74,214	$74,214
001	4330	JAU1	HSV	Hs Community Support Svc	FEDERATION OF ORG PROS PATCHOGUE	$104,604	$104,604	$111,770	$111,770	$111,770
001	6772	GES1	EXE	Older Americans Act Programs	FEDERATION OF ORGANIZATIONS	$9,478	$9,478	$9,478	$9,478	$9,478
001	6780	GFC1	EXE	Respite Care Demonstratn Pgm	FEDERATION OF ORGANIZATIONS	$86,625	$88,035	$88,035	$88,035	$88,035

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Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	4330	GJP1	HSV	Hs Community Support Svc	FEDERATION OF ORGANZATN SESRO	$726,035	$726,035	$726,035	$726,035	$726,035
001	4330	GPA1	HSV	Hs Community Support Svc	FEDERATION PEER BRIDGER PGM	$171,657	$171,657	$171,657	$171,657	$171,657
001	4330	GPE1	HSV	Hs Community Support Svc	FEDERATION PRE-ARREST FRNSC PR	$98,812	$98,812	$98,812	$98,812	$98,812
001	4330	GBG3	HSV	Hs Community Support Svc	FEDERATION PSYCHOSOC/DROP IN	$111,155	$114,720	$114,720	$114,720	$114,720
001	4330	GBD1	HSV	Hs Community Support Svc	FEDERATION REPRESENT PAYEE	$350,622	$350,622	$350,622	$350,622	$350,622
001	4330	GBG2	HSV	Hs Community Support Svc	FEDERATION RESPITE CARE	$33,031	$33,031	$33,031	$33,031	$33,031
001	4330	GCY1	HSV	Hs Community Support Svc	FEDERATION RESPITE HOUSING	$39,408	$39,014	$39,014	$39,014	$39,014
001	4330	AHO1	HSV	Hs Community Support Svc	FEDERATN HOMELESS MENTALLY ILL	$425,838	$446,863	$446,863	$446,863	$446,863
001	4330	AHP2	HSV	Hs Community Support Svc	FEDERATN ORGS NYS MENT DISABLD	$762,585	$771,205	$771,205	$771,205	$771,205
001	4330	GZB1	HSV	Hs Community Support Svc	FEGS FAMILY SUPPORT	$120,222	$136,871	$136,871	$136,871	$136,871
001	4330	GPL1	HSV	Hs Community Support Svc	FEGS OF LI ACT TEAM	$89,791	$120,556	$120,556	$120,556	$120,556
001	4330	GPD1	HSV	Hs Community Support Svc	FEGS OF LI PRE-ARREST FORENSIC	$41,353	$41,353	$41,353	$41,353	$41,353
001	4330	JAQ1	HSV	Hs Community Support Svc	FEGS PROS COPAIGUE	$169,869	$169,869	$164,523	$164,523	$164,523
001	4330	GZC1	HSV	Hs Community Support Svc	FEGS SUPPORT CASE MANAGEMENT	$399,733	$409,500	$409,500	$409,500	$409,500
192	6414	JEA1	EDP	Cultural Affairs	FISCHER-HEWINS VFW POST 6249	$23,155	$26,000	$26,000	$0	$0
001	4330	GPJ1	HSV	Hs Community Support Svc	FLS SUPPORTIVE CASE MGMT	$260,588	$275,688	$275,688	$275,688	$275,688
001	6773	AHV1	EXE	Senior Support Programs	FOSTER GRANDPARENT PROGRAM	$45,000	$47,500	$47,500	$45,125	$45,125
192	6414	JPK1	EDP	Cultural Affairs	FRIENDS OF JOSEPH REBOLI	$0	$10,000	$10,000	$0	$0
192	6414	HHF1	EDP	Cultural Affairs	FRIENDS OF SMITHTOWN LIBRARY	$36,320	$41,000	$41,000	$0	$0
192	7512	JET1	PKS	Museums & Historic Associations	FRIENDS OF THE BIG DUCK	$5,000	$5,000	$5,000	$0	$0
001	6773	GVE1	EXE	Senior Support Programs	FRIENDS RET & SR VOL ADM RSV	$14,155	$14,942	$14,942	$14,195	$14,195
001	6772	GVB1	EXE	Older Americans Act Programs	FRIENDS RET & SR VOL IIIB TELE	$61,199	$61,199	$61,199	$61,199	$61,199
001	6792	GVD1	EXE	Title Iii-F	FRIENDS RET & SR VOL IIID DISE	$34,503	$31,160	$31,160	$32,827	$32,827
001	4330	AHH2	HSV	Hs Community Support Svc	FSL COORD CHILD SERV INIT	$36,055	$36,055	$36,055	$36,055	$36,055
001	4330	JDO1	HSV	Hs Community Support Svc	FSL SHELTER-CLINIC CASE MANAGEMENT	$67,536	$81,900	$81,900	$81,900	$81,900
001	4320	HVQ1	HSV	Hs: Mental Health Pgms	FSL-SUICIDE PREVENTION & RESPONSE PROGRAM	$27,602	$35,000	$35,000	$0	$0
192	6414	JHC1	EDP	Cultural Affairs	GALLERY NORTH ARTS FESTIVAL	$5,000	$6,000	$6,000	$0	$0
001	7320	HFJ1	EXE	Youth Bureau/Office For Child	GERALD RYAN OUTREACH	$22,500	$25,000	$25,000	$0	$0
001	7320	AIF1	EXE	Youth Bureau/Office For Child	GORDON HEIGHTS YOUTH PROGRAM	$32,702	$36,335	$36,335	$32,792	$32,792
192	6414	GSZ1	EDP	Cultural Affairs	GREATER PORT JEFF ART COUNCIL	$10,000	$11,000	$11,000	$0	$0
192	7512	JLB1	PKS	Museums & Historic Associations	GREENLAWN-CENTERPORT HISTORICAL SOCIETY	$5,000	$10,000	$10,000	$0	$0
192	6414	HAN1	EDP	Cultural Affairs	GUILD HALL OF EAST HAMPTON	$15,000	$20,000	$20,000	$0	$0
001	4330	JQN1	HSV	Hs Community Support Svc	HA LI SPA	$0	$0	$0	$0	$70,028
001	4330	GPC1	HSV	Hs Community Support Svc	HALI PEER ADVOCACY	$182,028	$182,028	$182,028	$182,028	$112,000
001	4330	GPF1	HSV	Hs Community Support Svc	HALI PRE-ARREST FORENSIC PGM	$119,391	$119,436	$119,436	$119,436	$119,436
001	4330	JAV1	HSV	Hs Community Support Svc	HALI PROS CENTRAL ISLIP	$76,879	$76,879	$87,627	$87,627	$87,627
001	4330	HAL2	HSV	Hs Community Support Svc	HALI PSYCHOSOC/DROP IN CTR	$71,706	$69,393	$69,393	$69,393	$69,393
001	4330	HAL1	HSV	Hs Community Support Svc	HALI TRNG/CONF/RESOURCE CTR	$27,537	$27,537	$27,537	$27,537	$27,537
192	7512	JFY1	PKS	Museums & Historic Associations	HALLOCKVILLE MUSEUM FARM	$5,000	$5,000	$5,000	$0	$0
001	7320	AIJ3	EXE	Youth Bureau/Office For Child	HAMPTON COUNCIL OF CHURCHES IN	$51,774	$56,439	$56,439	$50,936	$50,936
001	4310	AIJ1	HSV	Div Of Comm Mental Hygiene	HAMPTON COUNCIL OF CHURCHES IN	-$46,266	$459,824	$0	$0	$0
192	6415	HIP1	EDP	Film Promotion	HAMPTON FILM FESTIVAL	$20,000	$23,500	$23,500	$0	$0
192	6414	GXE1	EDP	Cultural Affairs	HAMPTONS SHAKESPEARE FESTIVAL	$0	$5,000	$5,000	$0	$0
001	4330	AIN1	HSV	Hs Community Support Svc	HANDS ACROSS LI ADVOCACY PGRM	$201,655	$201,655	$201,655	$201,655	$201,655
001	4330	AIM1	HSV	Hs Community Support Svc	HANDS ACROSS LI PSYCHOSOCIAL	$104,414	$104,414	$104,414	$104,414	$104,414

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Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	7320	JEV1	EXE	Youth Bureau/Office For Child	HARRISON HALE GORDON HEIGHTS COMMUNITY ACTION CENTER	$0	$0	$0	$0	$10,000
192	7512	JHK1	PKS	Museums & Historic Associations	HECKSCHER MUSEUM OF ART, HUNTINGTON	$5,000	$10,000	$10,000	$0	$0
192	6414	JPM1	EDP	Cultural Affairs	HER STORY	$0	$5,000	$5,000	$0	$0
192	6414	JNZ1	EDP	Cultural Affairs	HOLBROOK CHAMBER OF COMMERCE	$10,000	$11,000	$11,000	$0	$0
001	6010	GVI1	DSS	Family, Children & Adult Services	HOPE FOR YOUTH - INTENSIVE CASE MGT	$407,374	$444,776	$444,776	$439,016	$439,016
001	6123	HUA1	PRO	Mandated Juvenile Detention Sv	HOPE FOR YOUTH INC	$1,051,341	$1,100,000	$1,100,000	$1,072,000	$1,072,000
001	4310	JBA1	HSV	Div Of Comm Mental Hygiene	HOPE FOR YOUTH, INC	$205,678	$205,678	$205,678	$205,678	$205,678
001	4310	JAI1	HSV	Div Of Comm Mental Hygiene	HOPE FOR YOUTH, INC.	$0	$8,075	$8,075	$6,671	$6,671
001	4317	JAI1	HSV	Alternatives For Youth	HOPE FOR YOUTH, INC.	$75	$0	$0	$0	$0
001	4310	AIS2	HSV	Div Of Comm Mental Hygiene	HUGS INC	$95,499	$100,000	$178,427	$168,427	$168,427
001	6004	HVZ1	DSS	Soc Svc: Commodities Dist	HUMAN RESOURCES PROGRAM OF SOUTHAMPTON	$0	$5,000	$0	$0	$0
192	6414	JGW1	EDP	Cultural Affairs	HUNTINGTON ARTS COUNCIL, SUMMER ARTS FESTIVAL	$35,000	$36,000	$36,000	$0	$0
192	6414	JGV1	EDP	Cultural Affairs	HUNTINGTON CHAMBER OF COMMERCE, LI FALL FESTIVAL	$0	$25,000	$25,000	$0	$0
001	6004	HVS1	DSS	Soc Svc: Commodities Dist	HUNTINGTON COMMUNITY FOOD COUNCIL	$4,750	$5,000	$5,000	$4,750	$5,000
192	7512	JLC1	PKS	Museums & Historic Associations	Huntington Historical Society	$5,000	$5,000	$5,000	$0	$0
001	7323	AIV1	EXE	Comprehensive Plning-Runaway	HUNTINGTON HOMELESS	$14,357	$15,154	$15,154	$14,396	$14,396
001	4100	AIU1	HSV	Hs: Patient Care Svcs Adm	HUNTINGTON HOSPITAL	$2,481,934	$2,481,934	$2,481,934	$2,402,512	$2,233,741
001	7320	AIZ1	EXE	Youth Bureau/Office For Child	HUNTINGTON VILLAGE YOUTH	$19,371	$21,523	$21,523	$19,425	$19,425
192	6414	JOA1	EDP	Cultural Affairs	INCORPORATED VILLAGE OF MASTIC BEACH	$2,355	$11,000	$11,000	$0	$0
001	6004	JLI1	DSS	Soc Svc: Commodities Dist	Interfaith Nutrition Network - The Welcome INN	$12,815	$5,000	$5,000	$0	$0
001	6004	HNC1	DSS	Soc Svc: Commodities Dist	ISLAND HARVEST	$81,225	$90,250	$90,250	$60,016	$60,016
001	4310	AJF1	HSV	Div Of Comm Mental Hygiene	ISLIP ACCESSO CLINIC	$360,685	$432,822	$0	$0	$0
001	6410	BBU1	EDP	Economic Development Admin	ISLIP ARTS COUNCIL	$4,750	$0	$0	$0	$0
192	6414	BBU1	EDP	Cultural Affairs	ISLIP ARTS COUNCIL	$40,000	$50,000	$50,000	$0	$0
001	4100	AJK1	HSV	Hs: Patient Care Svcs Adm	ISLIP HEALTH CENTER	$9,989,840	$10,851,352	$10,851,352	$9,906,309	$0
001	7323	AJL1	EXE	Comprehensive Plning-Runaway	ISLIP HOMELESS-YMCA	$9,007	$8,557	$8,557	$8,129	$8,129
001	3422	JOD1	FRE	2009 Hazmat Grant	ISLIP TOWN	$0	$0	$8,500	$0	$0
001	6511	HFP1	EXE	Minority Affairs	Islip Town NAACP	-$75	$0	$0	$0	$0
001	7325	AJO1	EXE	Spec Dlnqncy Prevention Pgm	ISLIP YMCA-OUTREACH	$75,739	$82,275	$82,275	$79,135	$79,135
001	4310	AJR1	HSV	Div Of Comm Mental Hygiene	J MATHER MEMORIAL HOSPITAL	$175,214	$175,218	$175,223	$175,218	$175,218
192	7512	JFZ1	PKS	Museums & Historic Associations	JAMESPORT MEETING HOUSE PRESERVATION TRUST RIVERHEAD LANDMAR	$5,000	$5,000	$5,000	$0	$0
001	4330	CAB1	HSV	Hs Community Support Svc	JCSLI/FEGS - CSS	$31,220	$31,220	$31,220	$31,220	$31,220
001	4330	GBE2	HSV	Hs Community Support Svc	JEW COMM SVC/FEGS PSYCHOSOC/D	$90,270	$90,270	$90,270	$90,270	$90,270
001	4330	GGP1	HSV	Hs Community Support Svc	JEWISH COM SVC FEGS SP EMP	$57,564	$57,564	$57,564	$57,564	$57,564
001	4330	AJS1	HSV	Hs Community Support Svc	JEWISH COMM SVC LIFE/PRTNR/PSY	$95,600	$95,600	$95,600	$95,600	$95,600
001	4320	AJS7	HSV	Hs: Mental Health Pgms	JEWISH COMMUNITY SVC LI (90%)	$504,612	$438,447	$438,447	$374,454	$374,454
192	7512	JHN1	PKS	Museums & Historic Associations	KETCHUM INN FOUNDATION	$5,000	$5,000	$5,000	$0	$0
192	7512	HNQ1	PKS	Museums & Historic Associations	L I MARITIME MUSEUM	$45,863	$50,000	$50,000	$0	$0
001	4100	AKU2	HSV	Hs: Patient Care Svcs Adm	L.I. ASSOC OF AIDS CARE	$144,307	$154,010	$154,010	$0	$0
001	3146	JGP1	PRO	Byrne JAG Recovery Program	LEGAL AID SOCIETY	$40,650	$0	$0	$0	$0
001	4330	GKR1	HSV	Hs Community Support Svc	LI FAMILIES TOGETHER	$33,304	$33,304	$33,304	$33,304	$33,304
001	7320	GFF1	EXE	Youth Bureau/Office For Child	LI GAY & LESBIAN YOUTH	$105,000	$105,000	$105,000	$91,161	$91,161

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001	4330	JPE1	HSV	Hs Community Support Svc	LI HOME PARTIAL HOS	$22,142	$44,284	$44,284	$44,284	$44,284
001	4320	JML1	HSV	Hs: Mental Health Pgms	LICADD Heroin HOPE Program	$0	$35,000	$35,000	$0	$0
001	4330	JML1	HSV	Hs Community Support Svc	LICADD Heroin HOPE Program	$28,836	$0	$0	$0	$0
001	7320	GKJ1	EXE	Youth Bureau/Office For Child	LIFELINE MEDIATION CENTER	$54,869	$60,966	$60,966	$36,972	$36,972
001	7320	AKD1	EXE	Youth Bureau/Office For Child	LINDENHURST YTH SVCS BOARD IN	$83,084	$92,316	$92,316	$83,315	$83,315
192	7512	JPZ1	PKS	Museums & Historic Associations	LLOYD HARBOR HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
192	6414	JPR1	EDP	Cultural Affairs	LONG HOUSE RESERVE	$0	$5,000	$5,000	$0	$0
001	3193	HTZ1	PRO	Alternatives For Youth	LONG ISLAND ADVOCACY CENTER (AFY)	$189,664	$194,880	$194,880	$194,880	$194,880
001	3145	HTY1	PRO	Pins Diversion Plan	LONG ISLAND ADVOCACY CENTER (PINS DIVERSION)	$251,844	$257,612	$257,612	$250,000	$250,000
001	3140	JEB1	PRO	Prob: General Administration	LONG ISLAND ADVOCACY CENTER, INC.	$168,648	$183,903	$183,903	$180,000	$180,000
001	6004	AKL3	DSS	Soc Svc: Commodities Dist	LONG ISLAND CARES	$199,876	$222,821	$222,821	$193,379	$193,379
192	7512	JQC1	PKS	Museums & Historic Associations	LONG ISLAND CHILDREN'S EXPLORIUM	$0	$6,000	$6,000	$0	$0
001	4310	JGD1	HSV	Div Of Comm Mental Hygiene	LONG ISLAND GAY & LESBIAN YOUTH	$47,500	$45,125	$45,125	$42,869	$42,869
192	6414	JKZ1	EDP	Cultural Affairs	LONG ISLAND LATINO TEACHERS ASSOCIATION, INC.	$4,875	$6,000	$6,000	$0	$0
192	7512	JNU1	PKS	Museums & Historic Associations	LONG ISLAND MUSIC HALL OF FAME	$5,000	$5,000	$5,000	$0	$0
192	6414	JIY1	EDP	Cultural Affairs	LONG ISLAND PHILHARMONIC, INC.	$10,000	$15,000	$15,000	$0	$0
192	6414	JHA1	EDP	Cultural Affairs	LONG ISLAND WINE COUNCIL	$10,000	$11,000	$11,000	$0	$0
192	7512	JHT1	PKS	Museums & Historic Associations	LONG MUSEUM OF AMERICAN ART HISTORY AND CARRIAGES	$5,000	$12,000	$12,000	$0	$0
001	4100	JGR1	HSV	Hs: Patient Care Svcs Adm	Lucia's Angels	-$5,000	$0	$0	$0	$0
192	6414	JNX1	EDP	Cultural Affairs	LUMIERE	$5,000	$6,000	$6,000	$0	$0
001	4310	AKT1	HSV	Div Of Comm Mental Hygiene	MADONNA HEIGHTS	$872,119	$996,002	$996,002	$996,002	$996,002
192	6414	JPT1	EDP	Cultural Affairs	MADOO CONSERVANCY	$0	$5,000	$5,000	$0	$0
001	4100	HNT1	HSV	Hs: Patient Care Svcs Adm	MARCH OF DIMES - PERINATAL PROGRAM @ SUNY SB	$43,140	$55,000	$55,000	$0	$0
001	7320	HFV1	EXE	Youth Bureau/Office For Child	MARV AVERY PALMORE CTR.OF HOPE	$44,231	$50,000	$50,000	$60,000	$74,149
001	4330	ALC1	HSV	Hs Community Support Svc	MARYHAVEN	$490,408	$490,408	$490,408	$490,408	$490,408
001	4330	JAW1	HSV	Hs Community Support Svc	MARYHAVEN PROS RIVERHEAD	$96,557	$96,557	$100,145	$100,145	$100,145
001	4330	JAX1	HSV	Hs Community Support Svc	MARYHAVEN PROS YAPHANK	$36,728	$33,974	$32,190	$32,190	$32,190
192	6414	JEY1	EDP	Cultural Affairs	MASTIC BEACH PROPERTY OWNERS ASSOCIATION	$4,497	$6,000	$6,000	$0	$0
001	6410	HWF1	EDP	Economic Development Admin	Medford Chamber of Commerce	$4,750	$0	$0	$0	$0
192	6414	HWF1	EDP	Cultural Affairs	Medford Chamber of Commerce	$0	$20,000	$20,000	$0	$0
001	4330	DDD1	HSV	Hs Community Support Svc	MENTAL HEALTH ASSN - CSS	$77,305	$77,305	$77,305	$77,305	$77,305
001	4330	JPF1	HSV	Hs Community Support Svc	MENTAL HEALTH ASSOCIATION	$6,000	$25,438	$25,438	$25,438	$25,438
001	4330	ALG3	HSV	Hs Community Support Svc	MENTAL HLTH ASSC CHILD & YOUTH	$37,804	$37,778	$37,778	$37,778	$37,778
001	4330	ALG4	HSV	Hs Community Support Svc	MENTAL HLTH ASSOC ANTI-STIGMA	$5,332	$5,332	$5,332	$5,332	$5,332
001	4330	GBF1	HSV	Hs Community Support Svc	MENTAL HLTH ASSOC S C ADVOC	$81,162	$80,828	$83,029	$80,828	$80,828
001	4330	GBF2	HSV	Hs Community Support Svc	MENTAL HLTH ASSOC S C ELEC EMP	$26,955	$26,955	$26,955	$26,955	$26,955
001	4330	ALG5	HSV	Hs Community Support Svc	MENTAL HLTH ASSOC SUFFOLK CNTY	$26,203	$24,260	$24,260	$24,260	$24,260
001	7323	ALM1	EXE	Comprehensive Plning-Runaway	MERCY CENTER	$193,823	$203,776	$203,776	$199,360	$199,360
001	6015	JEL1	DSS	Dss: Public Assist Admin	MIDDLE COUNTRY LIBRARY DATABASE RESOURCE	$40,826	$42,750	$42,750	$38,581	$38,581
192	7512	HOC1	PKS	Museums & Historic Associations	MILLER PLACE-MT. SINAI HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
001	6010	GZQ1	DSS	Family, Children & Adult Services	MINISTRY OF HOPE OF EASTERN LI	$0	$13,215	$13,215	$0	$0
192	7512	JHQ1	PKS	Museums & Historic Associations	MONTAUK HISTORICAL SOCIETY	$5,000	$10,000	$10,000	$0	$0
192	6414	HOH1	EDP	Cultural Affairs	MUSIC FESTIVAL OF THE HAMPTONS	$0	$5,000	$5,000	$0	$0

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
192	6414	HFY1	EDP	Cultural Affairs	MUSIC FOR MONTAUK	$0	$5,000	$5,000	$0	$0
001	6008	GKP1	DSS	Housing Employment & Childcare	NASSAU/SUFFOLK COALTN FOR THE HOMELESS	$32,825	$36,714	$36,714	$33,134	$33,134
001	4310	JPG1	HSV	Div Of Comm Mental Hygiene	Nassau-Suffolk Law Services	$23,750	$0	$0	$0	$0
001	4330	HYO1	HSV	Hs Community Support Svc	NASSAU-SUFFOLK LAW SERVICES	$199,761	$199,761	$199,761	$199,761	$199,761
192	6414	HHJ1	EDP	Cultural Affairs	NESCONSET CHAMBER OFCOMMERENCE	$15,000	$16,000	$16,000	$0	$0
001	7320	AMK1	EXE	Youth Bureau/Office For Child	NORTH BABYLON TEEN CENTER INC	$32,285	$35,872	$35,872	$32,374	$32,374
001	4100	AML1	HSV	Hs: Patient Care Svcs Adm	NORTH BROOKHAVEN CLINIC	$1,188,294	$0	$0	$0	$0
001	7320	AMN1	EXE	Youth Bureau/Office For Child	NORTH SHORE YOUTH COUNCIL	$139,371	$153,492	$153,492	$138,526	$138,526
192	7512	JQA1	PKS	Museums & Historic Associations	NORTHPORT HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
001	6015	HOR1	DSS	Dss: Public Assist Admin	OUR LADY OF LOURDES PARISH OUTREACH	$3,593	$5,000	$5,000	$0	$0
001	4310	JQH1	HSV	Div Of Comm Mental Hygiene	Outreach Development Corp-Treatment	$149,178	$0	$595,667	$595,667	$595,667
001	3120	GHD1	POL	Police: General Administration	PARENTS FOR MEGANS LAW	$300,170	$334,349	$334,349	$334,349	$334,349
001	3199	JOK1	PRO	JUSTICE ASSISTANCE GRANT	PARENTS FOR MEGAN'S LAW	$0	$0	$30,000	$0	$0
001	3120	JJB1	POL	Police: General Administration	PARENTS FOR MEGAN'S LAW CRIME VICTIMS CENTER	$22,500	$25,000	$25,000	$25,000	$25,000
192	6414	HJN1	EDP	Cultural Affairs	PARISH ART MUSEUM	$0	$5,000	$5,000	$0	$0
192	6414	JPJ1	EDP	Cultural Affairs	PATCHOGUE ARTS COUNCIL, INC.	$0	$15,000	$15,000	$0	$0
192	7512	JPU1	PKS	Museums & Historic Associations	PATCHOGUE HISTORICAL SOCIETY	$0	$10,000	$10,000	$0	$0
001	7320	GAC1	EXE	Youth Bureau/Office For Child	PATCHOGUE MEDFORD YOUTH	$104,718	$116,353	$116,353	$105,008	$105,008
192	6414	GWZ1	EDP	Cultural Affairs	PATCHOGUE THEATER FOR PERFORMING ARTS	$0	$10,000	$10,000	$0	$0
001	6008	HYN1	DSS	Housing Employment & Childcare	PECONIC COMMUNITY COUNCIL	$36,846	$40,940	$40,940	$36,948	$36,948
001	4330	GEC1	HSV	Hs Community Support Svc	PEDERSEN KRAG ACT TEAM	$60,278	$120,556	$120,556	$120,556	$120,556
001	4330	GKU1	HSV	Hs Community Support Svc	PEDERSEN KRAG CLINIC (AOT)	$14,701	$14,701	$14,701	$14,701	$14,701
001	4330	GPN1	HSV	Hs Community Support Svc	PEDERSON KRAG ACT TEAM	$332	$120,556	$120,556	$120,556	$120,556
001	4330	GGH1	HSV	Hs Community Support Svc	PEDERSON KRAG C & Y TRAINING	$11,352	$11,352	$11,352	$11,352	$11,352
001	4330	GUU1	HSV	Hs Community Support Svc	PEDERSON KRAG C&F EMERGCY CARE	$264,184	$264,184	$264,184	$264,184	$264,184
001	4330	GUS1	HSV	Hs Community Support Svc	PEDERSON KRAG CASE MGMT TRAIN	$4,000	$4,000	$4,000	$4,000	$4,000
001	4310	JAB1	HSV	Div Of Comm Mental Hygiene	PEDERSON KRAG CENTER INC.	$0	$8,075	$8,075	$671	$671
001	4330	GGG1	HSV	Hs Community Support Svc	PEDERSON KRAG FAM SUPP/RESPT	$231,235	$261,473	$289,479	$261,473	$261,473
001	4330	GGF1	HSV	Hs Community Support Svc	PEDERSON KRAG MICA-TFIP	$456,016	$453,196	$460,482	$453,195	$453,195
001	4330	JAY1	HSV	Hs Community Support Svc	PEDERSON KRAG PROS CORAM	$160,929	$160,929	$157,370	$157,370	$157,370
001	4330	JAZ1	HSV	Hs Community Support Svc	PEDERSON KRAG PROS SMITHTOWN	$42,369	$47,384	$58,119	$58,119	$58,119
001	4330	PKP1	HSV	Hs Community Support Svc	PEDERSON KRAG PSYCHOSOC/DROP	$67,034	$68,296	$69,558	$68,296	$68,296
001	4330	GPM1	HSV	Hs Community Support Svc	PEDERSON KRAG SPOA	$148,399	$148,399	$153,057	$148,399	$148,399
001	4330	ANL2	HSV	Hs Community Support Svc	PEDERSON KRAG SUPPRTV CASE MGT	$167,708	$327,600	$327,600	$327,600	$327,600
001	3199	JOL1	PRO	JUSTICE ASSISTANCE GRANT	PEDERSON-KRAG	$0	$0	$10,000	$0	$0
001	3199	JQG1	PRO	JUSTICE ASSISTANCE GRANT	PEDERSON-KRAG	$0	$0	$3,000	$0	$0
001	4310	ANL7	HSV	Div Of Comm Mental Hygiene	PEDERSON-KRAG CLINIC INC (96%)	$746,805	$1,035,118	$1,074,779	$1,035,118	$1,035,118
001	4320	ANL5	HSV	Hs: Mental Health Pgms	PEDERSON-KRAG CLINIC INC (96%)	$941,178	$1,021,864	$1,070,364	$922,232	$922,232
001	4310	ANL9	HSV	Div Of Comm Mental Hygiene	PEDERSON-KRAG COMPUL GAMBLING	$69,975	$86,554	$92,689	$86,554	$86,554
001	4330	GST1	HSV	Hs Community Support Svc	PEDERSON-KRAG CTR INC SCHOOL S	$480,958	$480,311	$480,311	$480,311	$480,311
001	4330	JPC1	HSV	Hs Community Support Svc	PEDERSON-KRAG FMLY BASED T	$179,310	$0	$97,438	$0	$0
192	6414	JPO1	EDP	Cultural Affairs	PERFORMING ARTS CENTER OF SUFFOLK COUNTY	$0	$10,000	$10,000	$0	$0
001	4330	JJA1	HSV	Hs Community Support Svc	PHOENIX HOUSE	$55,000	$63,480	$67,061	$67,061	$67,061
001	4330	GPB1	HSV	Hs Community Support Svc	PHOENIX HOUSE RESIDENTIAL PGM	$112,545	$112,545	$112,545	$112,545	$112,545

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	7320	ANO1	EXE	Youth Bureau/Office For Child	POLICE ATHLETIC LEAGUE-CTYWIDE	$87,216	$94,186	$94,186	$85,508	$99,657
192	7512	JLD1	PKS	Museums & Historic Associations	PORTJEFFERSON HISTORICAL SOCIETY	$5,000	$5,000	$5,000	$0	$0
192	7512	JNW1	PKS	Museums & Historic Associations	PORTUGESE AMERICAN CENTER OF SUFFOLK, INC.	$0	$8,500	$8,500	$0	$0
192	6414	JLE1	EDP	Cultural Affairs	PRINCESS RONKONKOMA HISTORICAL SOCIETY	$4,927	$0	$0	$0	$0
001	3199	JOM1	PRO	JUSTICE ASSISTANCE GRANT	PRISON FAMILIES ANONYMOUS	$0	$0	$8,472	$0	$0
001	4310	JAC1	HSV	Div Of Comm Mental Hygiene	PROJECT OUTREACH	$0	$29,503	$34,402	$28,028	$28,028
001	4317	JAC1	HSV	Alternatives For Youth	PROJECT OUTREACH	$21,909	$0	$0	$0	$0
001	4310	GNC1	HSV	Div Of Comm Mental Hygiene	PROJECT OUTREACH (CMS)	$229,513	$260,881	$116,241	$114,854	$114,854
001	6511	HIV1	EXE	Minority Affairs	PRONTO OF LONG ISLAND	$19,768	$15,000	$0	$0	$0
001	6010	ANU1	DSS	Family, Children & Adult Services	PRONTO OF LONG ISLAND, INC	$28,184	$0	$0	$0	$0
192	6414	JEZ1	EDP	Cultural Affairs	REFLECTIVE GARDENS AT COMMON GROUND	$15,000	$16,000	$16,000	$0	$0
001	4320	AOD1	HSV	Hs: Mental Health Pgms	RESPONSE	$106,080	$126,444	$126,444	$114,116	$114,116
001	7320	AOE1	EXE	Youth Bureau/Office For Child	RESPONSE OF SUFFOLK COUNTY IN	$43,506	$47,033	$47,033	$42,447	$0
001	7325	AOF1	EXE	Spec Dlnqncy Prevention Pgm	RESPONSE OF SUFFOLK COUNTY IN	$33,431	$35,704	$35,704	$34,262	$34,262
001	7320	AOJ1	EXE	Youth Bureau/Office For Child	RIVERHEAD COMM AWARENESS PROG	$101,775	$113,085	$113,085	$104,757	$104,757
001	4310	AOH1	HSV	Div Of Comm Mental Hygiene	RIVERHEAD COMMUNITY AWARENESS	$251,258	$251,370	$261,370	$251,370	$251,370
001	7320	AOO1	EXE	Youth Bureau/Office For Child	RIVERHEAD TEEN CENTER	$30,648	$30,648	$30,648	$27,660	$27,660
001	3420	JKV1	FRE	2008 HAZMAT GRANT PROGRAM	RIVERHEAD TOWN	$0	$0	$9,620	$0	$0
192	7512	ADQ1	PKS	Museums & Historic Associations	ROCKY POINT HISTORICAL SOCIETY	$0	$5,000	$5,000	$0	$0
001	7320	AOV1	EXE	Youth Bureau/Office For Child	S SHORE BOYS CLUB INC SAYVILLE	$97,394	$108,215	$108,215	$95,000	$95,000
001	4100	DDB1	HSV	Hs: Patient Care Svcs Adm	S. FORK RURAL HEALTH	-$2,086	$0	$0	$0	$0
001	4330	ASR1	HSV	Hs Community Support Svc	S.U.N.Y. SAYVILLE	$404,942	$257,801	$257,801	$257,801	$257,801
001	7320	AOZ1	EXE	Youth Bureau/Office For Child	SACHEM TEEN CENTER INC	$88,382	$98,202	$98,202	$88,627	$88,627
001	6004	HWA1	DSS	Soc Svc: Commodities Dist	SAG HARBOR FOOD PANTRY	$4,750	$5,000	$5,000	$4,750	$5,000
192	7512	JHR1	PKS	Museums & Historic Associations	SAG HARBOR WHALING & HISTORICAL MUSEUM	$5,000	$5,000	$5,000	$0	$0
001	7320	APF1	EXE	Youth Bureau/Office For Child	SAG HARBOR YOUTH CENTER INC	$40,408	$47,527	$43,027	$42,893	$42,893
192	7512	JPD1	PKS	Museums & Historic Associations	SAG HRBR HISTORICAL SOCIETY	$4,995	$5,000	$5,000	$0	$0
001	6777	HZW1	EXE	Comm Svcs For The Elderly	SAGE-LI (Services & Advocacy for Gay Elders)	$0	$50,000	$50,000	$50,000	$50,000
192	7512	GUK1	PKS	Museums & Historic Associations	SAGTIKOS MANOR HISTORICAL SOCIETY	$5,000	$5,000	$5,000	$0	$0
001	6004	HPI1	DSS	Soc Svc: Commodities Dist	SAINT JOHN THE EVANGELIST ROMAN CATHOLIC CHURCH FOOD PANTRY	$0	$5,000	$5,000	$0	$0
001	6004	JLL1	DSS	Soc Svc: Commodities Dist	Salvation Army - Riverhead Food Pantry	$4,750	$5,000	$5,000	$0	$0
001	4010	HPK1	HSV	Hs: Public Health	SAVE-A-PET	-$5,000	$0	$0	$0	$0
001	4330	APK2	HSV	Hs Community Support Svc	SAYVILLE PROJ PSYCHOSOC/DROP	$67,869	$45,135	$45,135	$45,135	$45,135
001	4330	APK1	HSV	Hs Community Support Svc	SAYVILLE PROJ SUPPRTV CASE MGT	$235,832	$327,600	$400,043	$327,600	$327,600
001	4330	HYP1	HSV	Hs Community Support Svc	SAYVILLE PROJECT ADULT HOME CASE MGT.	$55,678	$51,840	$51,840	$51,840	$51,840
001	6015	GNL1	DSS	Dss: Public Assist Admin	SC COALITION AGAINST DOM VIOL	$43,691	$44,174	$44,174	$44,174	$44,174
001	6017	GNK1	DSS	Domestic Violence Programs	SC COALITION AGAINST DOM VIOL	$617,908	$643,996	$643,996	$607,551	$607,551
001	7320	DDI1	EXE	Youth Bureau/Office For Child	SC POLICE ATHELETIC LEAGUE	$22,275	$24,750	$24,750	$22,336	$22,336
001	6010	JDW1	DSS	Family, Children & Adult Services	SCO FAMILY OF SERVICES, PREVENTIVE SERVICE PROGRAM	$748,249	$759,370	$759,370	$749,536	$749,536
001	4330	JGN1	HSV	Hs Community Support Svc	SCO FAMILY OF SERVICES-CLINIC PLUS	$1,503	$0	$0	$0	$0
001	4100	APR1	HSV	Hs: Patient Care Svcs Adm	SE & SW BROOKHAVEN CLINICS	$12,950,408	$13,276,574	$13,276,574	$12,236,710	$0
001	7320	HXP1	EXE	Youth Bureau/Office For Child	SECCA	$3,321	$8,000	$8,000	$0	$0
001	7320	APT1	EXE	Youth Bureau/Office For Child	SELDEN-CENTEREACH YTH ASSN IN	$125,611	$139,568	$139,568	$125,960	$125,960

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	6017	JLR1	DSS	Domestic Violence Programs	SEPA MUJER	$5,000	$0	$0	$0	$0
360	6204	JEM1	DSS	MEDICAID COMPLIANCE	SERVISAIR, LLC	$640,207	$684,287	$684,287	$684,287	$684,287
192	7512	JPV1	PKS	Museums & Historic Associations	SHINNECOCK NATION CULTURAL CENTER AND MUSEUM	$0	$5,000	$5,000	$0	$0
001	4330	AQA2	HSV	Hs Community Support Svc	SKILLS UNLIMITED	$471,382	$471,382	$471,382	$471,382	$471,382
001	4330	JIZ1	HSV	Hs Community Support Svc	SKILLS UNLIMITED	$73,932	$62,583	$58,120	$58,120	$58,120
001	4320	AQA4	HSV	Hs: Mental Health Pgms	SKILLS UNLIMITED (98%)	$287,422	$278,157	$278,157	$269,355	$269,355
001	7325	AQC4	EXE	Spec Dlnqncy Prevention Pgm	SMITH HAVEN MINISTRIES MALL	$118,031	$120,363	$120,363	$115,899	$115,899
192	7512	GFW1	PKS	Museums & Historic Associations	SMITHTOWN HISTORICAL SOCIETY	$9,000	$10,000	$10,000	$0	$0
001	7320	DDK1	EXE	Youth Bureau/Office For Child	SMITHTOWN VETERANS YOUTH	$12,796	$15,000	$15,000	$13,537	$13,537
001	7320	AQI2	EXE	Youth Bureau/Office For Child	SNAP	$226,426	$249,839	$249,839	$238,474	$238,474
192	7512	JPW1	PKS	Museums & Historic Associations	SOUTH FORK NATURAL HISTORY MUSEUM	$0	$5,000	$5,000	$0	$0
192	6414	HVP1	EDP	Cultural Affairs	SOUTHAMPTON CULTURAL CENTER	$0	$5,000	$5,000	$0	$0
001	3420	JKT1	FRE	2008 HAZMAT GRANT PROGRAM	SOUTHAMPTON TOWN	$0	$0	$6,013	$0	$0
001	3422	JOF1	FRE	2009 Hazmat Grant	SOUTHAMPTON TOWN	$0	$0	$5,500	$0	$0
001	4310	AQX2	HSV	Div Of Comm Mental Hygiene	SOUTHMPTN ALTERNATIVE/EAST END	$881,257	$883,292	$903,292	$883,292	$883,292
001	7320	ARH1	EXE	Youth Bureau/Office For Child	SOUTHOLD YOUTH BUREAU	$9,527	$9,527	$9,527	$8,598	$8,598
192	6414	JPQ1	EDP	Cultural Affairs	SPIRIT OF HUNTINGTON ARTS CENTER	$0	$5,000	$5,000	$0	$0
192	6414	HQB1	EDP	Cultural Affairs	SPLASHES OF HOPE	$0	$5,000	$5,000	$0	$0
001	6004	JQD1	DSS	Soc Svc: Commodities Dist	Springs Food Pantry	$0	$5,000	$5,000	$0	$0
001	7320	HGM1	EXE	Youth Bureau/Office For Child	ST CYRIL & METHODIUS OUTREACH	$7,125	$7,125	$7,125	$6,431	$6,431
001	6004	JBS1	DSS	Soc Svc: Commodities Dist	ST. ELIZABETH'S PARISH OUTREACH	$4,750	$5,000	$5,000	$4,750	$5,000
001	6004	JLN1	DSS	Soc Svc: Commodities Dist	St. Francis Desales Outreach	$4,492	$5,000	$5,000	$0	$0
001	6004	JLP1	DSS	Soc Svc: Commodities Dist	St. Louis De Montfort R.C.C. Outreach	$1,405	$5,000	$5,000	$0	$0
001	6004	JBR1	DSS	Soc Svc: Commodities Dist	ST. PETER'S PARISH OUTREACH	$4,750	$5,000	$5,000	$4,750	$5,000
001	6004	JLQ1	DSS	Soc Svc: Commodities Dist	St. Sylvester Parish Outreach	$4,750	$5,000	$5,000	$0	$0
001	7320	HGO1	EXE	Youth Bureau/Office For Child	ST.HUGH'S OUTREACH	$0	$5,000	$5,000	$4,750	$5,000
192	6415	HBP1	EDP	Film Promotion	STALLER FILM FESTIVAL	$20,000	$23,500	$23,500	$0	$0
192	6414	JPN1	EDP	Cultural Affairs	STAR PLAYHOUSE AT THE SUFFOLK Y JCC	$0	$20,000	$20,000	$0	$0
001	3653	JMX1	POL	SCOPE 2010	SUFF CNTY COALITION AGA	$236,344	$0	$128,659	$0	$0
001	4130	JPB1	HSV	Wic Grant	SUFF CNTY PERINATAL CO	$97,974	$168,480	$168,480	$168,480	$168,480
001	7320	ARY1	EXE	Youth Bureau/Office For Child	SUFFOLK CNTY SPECIAL OLYMPICS	$59,210	$67,155	$67,155	$60,607	$60,607
001	7320	ASA1	EXE	Youth Bureau/Office For Child	SUFFOLK COUNTY BOY SCOUTS	$8,321	$8,568	$8,568	$7,733	$7,733
001	3178	GDE1	PRO	Stop Violence Against Women	SUFFOLK COUNTY COALITION AGAINST DOMESTIC VIOLENCE	$37,579	$38,442	$38,442	$10,851	$10,851
001	7320	ASC1	EXE	Youth Bureau/Office For Child	SUFFOLK COUNTY GIRL SCOUTS IN	$13,340	$14,542	$14,542	$13,124	$13,124
192	7516	JGH1	MSC	Museums & Historic Associations	SUFFOLK COUNTY HISTORICAL SOCIETY	$278,994	$289,283	$289,283	$339,283	$339,283
001	4010	GSP1	HSV	Hs: Public Health	SUFFOLK COUNTY SPCA	-$9,545	$0	$0	$0	$0
001	6017	GHC1	DSS	Domestic Violence Programs	SUFFOLK CTY COALITION (VAP)	$70,629	$72,967	$72,967	$70,956	$70,956
001	4813	JQE1	HSV	Services To Disabled Children	SUFFOLK Y JCC-CENTER FOR SPECIAL NEEDS	$0	$35,000	$35,000	$0	$0
001	6370	JKM1	LAB	Labor: Administration	SUFFOLK Y JCC-CONNECT TO CARE	$18,000	$0	$19,000	$19,000	$19,000
001	6015	JKF1	DSS	Dss: Public Assist Admin	SUFFOLK Y JCC-KIDSPLACE	$0	$50,000	$50,000	$50,000	$47,500
001	6773	JKL1	EXE	Senior Support Programs	SUFFOLK Y JCC-SENIOR CENTER	$72,675	$95,000	$95,000	$90,250	$90,250
001	4813	JKJ1	HSV	Services To Disabled Children	SUFFOLK Y JCC-THE RODGER SCHOOL OF MUSIC FOR CHILDREN WITH SPECIAL NEEDS	-$6	$0	$0	$0	$0
001	6010	JKH1	DSS	Family, Children & Adult Services	SUFFOLK Y JCC-TRANSITIONAL FAMILIES	$0	$70,000	$70,000	$0	$66,500

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
192	6414	JHW1	EDP	Cultural Affairs	TEATRO EXPERIMENTAL YERBABRUJA, INC.	$20,000	$21,000	$21,000	$0	$0
192	7512	JNV1	PKS	Museums & Historic Associations	THE BELLPORT BROOKHAVEN HISTORICAL SOCIETY	$5,000	$8,000	$8,000	$0	$0
192	7512	JPX1	PKS	Museums & Historic Associations	THE EAST END CLASSIC BOAT SOCIETY	$0	$5,000	$5,000	$0	$0
001	6004	HTC1	DSS	Soc Svc: Commodities Dist	THE GREATER SAYVILLE FOOD PANTRY	$4,462	$5,000	$5,000	$4,750	$5,000
001	7323	ASU1	EXE	Comprehensive Plning-Runaway	THE MINISTRIES INC (RESIDENCE)	$381,734	$399,885	$399,885	$383,546	$383,546
001	3178	GDF1	PRO	Stop Violence Against Women	THE RETREAT	$40,152	$40,871	$40,871	$40,871	$40,871
001	3199	JQF1	PRO	JUSTICE ASSISTANCE GRANT	THE RETREAT	$0	$0	$13,080	$0	$0
001	6015	GEJ1	DSS	Dss: Public Assist Admin	THE RETREAT INC	$22,088	$22,088	$22,088	$22,088	$22,088
001	6017	ASX1	DSS	Domestic Violence Programs	THE RETREAT, INC.	$201,333	$211,862	$211,862	$189,377	$189,377
192	6414	JJW1	EDP	Cultural Affairs	THE SMITHTOWN PERFORMING ARTS COUNCIL, INC.	$10,000	$30,000	$30,000	$0	$0
001	7320	GDT1	EXE	Youth Bureau/Office For Child	THE SUNSHINE CENTER INC	$30,000	$30,000	$30,000	$27,075	$27,075
192	6414	JPS1	EDP	Cultural Affairs	THE WATERMILL CENTER	$0	$5,000	$5,000	$0	$0
192	6414	JNY1	EDP	Cultural Affairs	THEATER THREE	$10,000	$15,000	$15,000	$0	$0
001	7320	ASY1	EXE	Youth Bureau/Office For Child	THREE VILLAGE COMMUNITY SVCS	$149,495	$166,105	$166,105	$103,600	$103,600
192	7512	HEP1	PKS	Museums & Historic Associations	THREE VILLAGE HISTORICAL SOCIETY	$3,443	$8,000	$8,000	$0	$0
001	4100	HQL1	HSV	Hs: Patient Care Svcs Adm	THURSDAY'S CHILD	$87,917	$100,000	$100,000	$0	$0
001	6015	JGT1	DSS	Dss: Public Assist Admin	TOURO LAW CENTER-MORTGAGE FORECLOSURE AND BANKRUPTCY LAW CLI	$36,000	$40,000	$40,000	$34,295	$34,295
001	6772	JGS1	EXE	Older Americans Act Programs	TOURO LAW SCHOOL	$218,322	$218,567	$218,567	$228,567	$228,567
001	6772	GEL1	EXE	Older Americans Act Programs	TOWN OF BABYLON	$24,018	$24,159	$24,159	$24,159	$24,159
001	7323	ASZ1	EXE	Comprehensive Plning-Runaway	TOWN OF BABYLON	$17,331	$18,294	$18,294	$17,379	$17,379
001	4310	JAE1	HSV	Div Of Comm Mental Hygiene	TOWN OF BABYLON	$0	$8,075	$8,075	$1,171	$1,171
001	4310	ATC1	HSV	Div Of Comm Mental Hygiene	TOWN OF BABYLON NARC GUID CNC	$415,375	$424,370	$474,370	$424,370	$424,370
001	7320	GLA1	EXE	Youth Bureau/Office For Child	TOWN OF BABYLON YOUTH BUREAU	$73,425	$82,982	$82,982	$74,891	$74,891
192	7512	JHL1	PKS	Museums & Historic Associations	TOWN OF BABYLON, OLD TOWN HALL MUSEUM, BABYLON	$8,782	$12,000	$12,000	$0	$0
001	6772	GEM1	EXE	Older Americans Act Programs	TOWN OF BROOKHAVEN	$16,034	$24,111	$24,111	$24,111	$24,111
001	7320	ATJ1	EXE	Youth Bureau/Office For Child	TOWN OF BROOKHAVEN	$20,222	$22,469	$22,469	$20,279	$20,279
001	6772	GEV1	EXE	Older Americans Act Programs	TOWN OF EAST HAMPTON	$25,562	$25,708	$25,708	$25,708	$25,708
001	6777	JJZ1	EXE	Comm Svcs For The Elderly	TOWN OF EAST HAMPTON	$5,892	$19,380	$32,867	$19,380	$19,380
001	3198	AUA1	PRO	STOP-DWI	TOWN OF EAST HAMPTON	$22,508	$24,220	$24,220	$24,220	$24,220
001	3698	AUA1	PRO	Stop-DWI Crackdown Enforcement 2013	TOWN OF EAST HAMPTON	$0	$0	$5,544	$0	$0
115	3135	ATZ1	POL	Town & Village Revenue Sharing	TOWN OF EAST HAMPTON	$691,117	$0	$0	$0	$0
001	6772	GEN1	EXE	Older Americans Act Programs	TOWN OF HUNTINGTON	$24,159	$24,159	$24,159	$24,159	$24,159
001	7323	AUC1	EXE	Comprehensive Plning-Runaway	TOWN OF HUNTINGTON	$7,491	$7,116	$7,116	$6,760	$6,760
001	4310	JAF1	HSV	Div Of Comm Mental Hygiene	TOWN OF HUNTINGTON	$0	$8,075	$8,075	$7,671	$7,671
001	4317	JAF1	HSV	Alternatives For Youth	TOWN OF HUNTINGTON	$3,750	$0	$0	$0	$0
404	8131	DDM1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	TOWN OF HUNTINGTON	$144,701	$0	$0	$0	$0
001	7320	AUD1	EXE	Youth Bureau/Office For Child	TOWN OF HUNTINGTON YOUTH BOARD	$106,063	$117,848	$117,848	$106,358	$106,358
001	4310	AUG1	HSV	Div Of Comm Mental Hygiene	TOWN OF HUNTINGTON/STARSHINE	$488,032	$649,307	$674,307	$649,308	$649,308
001	6772	GEP1	EXE	Older Americans Act Programs	TOWN OF ISLIP	$24,159	$24,160	$24,160	$24,160	$24,160
001	7320	AUJ1	EXE	Youth Bureau/Office For Child	TOWN OF ISLIP	$66,845	$70,558	$70,558	$67,030	$67,030
001	7323	AUI1	EXE	Comprehensive Plning-Runaway	TOWN OF ISLIP	$15,680	$16,551	$16,551	$15,723	$15,723
001	7325	AUK1	EXE	Spec Dlnqncy Prevention Pgm	TOWN OF ISLIP	$45,050	$46,512	$46,512	$44,770	$44,770
001	4310	AUT1	HSV	Div Of Comm Mental Hygiene	TOWN OF ISLIP/ACCESS	$331,467	$397,761	$0	$0	$0

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
001	6772	GEQ1	EXE	Older Americans Act Programs	TOWN OF RIVERHEAD	$24,899	$26,316	$26,316	$26,316	$26,316
001	3198	AUV1	PRO	STOP-DWI	TOWN OF RIVERHEAD	$25,000	$25,000	$25,000	$25,000	$25,000
001	3698	AUV1	PRO	Stop-DWI Crackdown Enforcement 2013	TOWN OF RIVERHEAD	$0	$0	$5,544	$0	$0
115	3135	AUW1	POL	Town & Village Revenue Sharing	TOWN OF RIVERHEAD	$1,178,655	$0	$0	$0	$0
404	8131	DDN1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	TOWN OF RIVERHEAD	$146,688	$0	$0	$0	$0
001	6777	JKA1	EXE	Comm Svcs For The Elderly	TOWN OF SHELTER ISLAND	$14,150	$19,380	$24,610	$19,380	$19,380
001	3198	AUX1	PRO	STOP-DWI	TOWN OF SHELTER ISLAND	$2,375	$2,375	$2,375	$2,375	$2,375
001	3698	AUX1	PRO	Stop-DWI Crackdown Enforcement 2013	TOWN OF SHELTER ISLAND	$0	$0	$5,544	$0	$0
115	3135	AUY1	POL	Town & Village Revenue Sharing	TOWN OF SHELTER ISLAND	$112,661	$0	$0	$0	$0
001	6777	JKB1	EXE	Comm Svcs For The Elderly	TOWN OF SMITHTOWN	$23,750	$23,750	$23,750	$23,750	$23,750
001	7320	AVB1	EXE	Youth Bureau/Office For Child	TOWN OF SMITHTOWN	$18,702	$20,780	$20,780	$18,754	$18,754
001	4310	JAH1	HSV	Div Of Comm Mental Hygiene	TOWN OF SMITHTOWN	$0	$8,075	$8,075	$7,671	$7,671
001	4310	AVH1	HSV	Div Of Comm Mental Hygiene	TOWN OF SMITHTOWN/HORIZONS	$903,781	$728,277	$1,021,781	$975,352	$975,352
001	6777	JKC1	EXE	Comm Svcs For The Elderly	TOWN OF SOUTHAMPTON	$14,028	$19,380	$24,732	$19,380	$19,380
001	3198	AVK1	PRO	STOP-DWI	TOWN OF SOUTHAMPTON	$34,282	$34,500	$34,500	$34,500	$34,500
001	3698	AVK1	PRO	Stop-DWI Crackdown Enforcement 2013	TOWN OF SOUTHAMPTON	$0	$0	$5,544	$0	$0
115	3135	AVJ1	POL	Town & Village Revenue Sharing	TOWN OF SOUTHAMPTON	$1,943,561	$0	$0	$0	$0
001	6777	JKD1	EXE	Comm Svcs For The Elderly	TOWN OF SOUTHOLD	$13,716	$19,380	$25,043	$19,380	$19,380
001	3198	AVM1	PRO	STOP-DWI	TOWN OF SOUTHOLD	$14,670	$19,000	$19,000	$19,000	$19,000
001	3698	AVM1	PRO	Stop-DWI Crackdown Enforcement 2013	TOWN OF SOUTHOLD	$0	$0	$5,544	$0	$0
115	3135	AVL1	POL	Town & Village Revenue Sharing	TOWN OF SOUTHOLD	$885,473	$0	$0	$0	$0
001	4320	AVV1	HSV	Hs: Mental Health Pgms	UNITED CEREBRAL PALSY (95%)	$507,156	$523,895	$523,895	$520,003	$520,003
001	7320	AVY1	EXE	Youth Bureau/Office For Child	UNITED NO AMITY YOUTH	$81,000	$90,000	$90,000	$71,042	$71,042
001	6008	HHI1	DSS	Housing Employment & Childcare	UNITED VETERANS BEACON HOUSE	$109,034	$0	$175,104	$0	$0
001	4320	JMY1	HSV	Hs: Mental Health Pgms	UNITED WAY-MEDIATION & CLEARING HOUSE	$16,117	$0	$0	$0	$0
001	4330	JMZ1	HSV	Hs Community Support Svc	UNITED WAY-SPA	$7,980	$0	$0	$0	$0
001	4618	AVW1	HSV	Emergency Medical Care	UNIVERSITY HOSPITAL	$250,921	$444,301	$444,301	$384,086	$384,086
001	3178	GDD1	PRO	Stop Violence Against Women	VIBS	$125,754	$129,585	$129,585	$68,584	$68,584
001	3199	JJD1	PRO	JUSTICE ASSISTANCE GRANT	VIBS	$0	$0	$10,000	$0	$0
001	6035	GSG1	DSS	TANF Non Res Dom Violence	VICTIMS INFO BUREAU OF SUF CTY	$0	$0	$19,199	$19,199	$0
001	6015	GEK1	DSS	Dss: Public Assist Admin	VICTIMS INFO BUREAU OF SUFFOLK	$22,087	$22,088	$22,088	$22,088	$22,088
001	6017	AWF1	DSS	Domestic Violence Programs	VICTIMS INFORMATION BUREAU	$517,580	$535,650	$535,650	$510,503	$510,503
001	4100	AWB1	HSV	Hs: Patient Care Svcs Adm	VICTIMS INFORMATION BUREAU	-$35	$0	$0	$0	$0
001	3198	AWI1	PRO	STOP-DWI	VILLAGE OF AMIITYVILLE	$19,608	$22,000	$22,000	$22,000	$22,000
001	3698	AWI1	PRO	Stop-DWI Crackdown Enforcement 2013	VILLAGE OF AMIITYVILLE	$0	$0	$5,544	$0	$0
115	3135	AWH1	POL	Town & Village Revenue Sharing	VILLAGE OF AMIITYVILLE	$462,502	$0	$0	$0	$0
115	3135	AWK1	POL	Town & Village Revenue Sharing	VILLAGE OF ASHAROKEN	$40,189	$0	$0	$0	$0
001	3198	AWM1	PRO	STOP-DWI	VILLAGE OF EAST HAMPTON	$0	$11,000	$11,000	$11,000	$11,000
001	3698	AWM1	PRO	Stop-DWI Crackdown Enforcement 2013	VILLAGE OF EAST HAMPTON	$0	$0	$5,544	$0	$0
115	3135	AWL1	POL	Town & Village Revenue Sharing	VILLAGE OF EAST HAMPTON	$69,836	$0	$0	$0	$0
404	8131	AWS1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	VILLAGE OF GREENPORT	$26,984	$0	$0	$0	$0

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2012 Actuals	2013 Adopted	2013 Estimated	2014 Requested	2014 Recommended
115	3135	AWV1	POL	Town & Village Revenue Sharing	VILLAGE OF HEAD OF HARBOR	$67,201	$0	$0	$0	$0
115	3135	AWY1	POL	Town & Village Revenue Sharing	VILLAGE OF HUNTINGTON BAY	$75,766	$0	$0	$0	$0
192	7512	HQV1	PKS	Museums & Historic Associations	VILLAGE OF LINDENHURST	$0	$5,000	$5,000	$0	$0
115	3135	AXB1	POL	Town & Village Revenue Sharing	VILLAGE OF LLOYD HARBOR	$166,685	$0	$0	$0	$0
115	3135	AXD1	POL	Town & Village Revenue Sharing	VILLAGE OF NISSEQUOQUE	$81,037	$0	$0	$0	$0
001	3198	AXH1	PRO	STOP-DWI	VILLAGE OF NORTHPORT	$12,500	$12,500	$12,500	$12,500	$12,500
001	3698	AXH1	PRO	Stop-DWI Crackdown Enforcement 2013	VILLAGE OF NORTHPORT	$0	$0	$5,544	$0	$0
115	3135	AXG1	POL	Town & Village Revenue Sharing	VILLAGE OF NORTHPORT	$377,512	$0	$0	$0	$0
404	8131	AXF1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	VILLAGE OF NORTHPORT	$126,851	$0	$0	$0	$0
115	3135	AXI1	POL	Town & Village Revenue Sharing	VILLAGE OF OCEAN BEACH	$6,588	$0	$0	$0	$0
404	8131	AXJ1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	VILLAGE OF OCEAN BEACH	$28,017	$0	$0	$0	$0
404	8131	AXK1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	VILLAGE OF PATCHOGUE	$18,099	$0	$0	$0	$0
001	3198	AXN1	PRO	STOP-DWI	VILLAGE OF QUOGUE	$10,000	$10,000	$10,000	$10,000	$10,000
001	3698	AXN1	PRO	Stop-DWI Crackdown Enforcement 2013	VILLAGE OF QUOGUE	$0	$0	$5,544	$0	$0
115	3135	AXM1	POL	Town & Village Revenue Sharing	VILLAGE OF QUOGUE	$44,801	$0	$0	$0	$0
001	3198	AXL1	PRO	STOP-DWI	VILLAGE OF SAG HARBOR	$13,761	$14,500	$14,500	$14,500	$14,500
001	3698	AXL1	PRO	Stop-DWI Crackdown Enforcement 2013	VILLAGE OF SAG HARBOR	$0	$0	$5,544	$0	$0
115	3135	AXO1	POL	Town & Village Revenue Sharing	VILLAGE OF SAG HARBOR	$106,072	$0	$0	$0	$0
404	8131	AXP1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	VILLAGE OF SAG HARBOR	$19,938	$0	$0	$0	$0
115	3135	AXR1	POL	Town & Village Revenue Sharing	VILLAGE OF SALTAIRE	$1,977	$0	$0	$0	$0
001	3198	AXS1	PRO	STOP-DWI	VILLAGE OF SOUTHAMPTON	$13,590	$14,000	$14,000	$14,000	$14,000
001	3698	AXS1	PRO	Stop-DWI Crackdown Enforcement 2013	VILLAGE OF SOUTHAMPTON	$0	$0	$5,544	$0	$0
115	3135	AXQ1	POL	Town & Village Revenue Sharing	VILLAGE OF SOUTHAMPTON	$198,309	$0	$0	$0	$0
001	3198	AXT1	PRO	STOP-DWI	VILLAGE OF WESTHAMPTON BEACH	$2,915	$7,500	$7,500	$7,500	$7,500
001	3698	AXT1	PRO	Stop-DWI Crackdown Enforcement 2013	VILLAGE OF WESTHAMPTON BEACH	$0	$0	$5,544	$0	$0
115	3135	AXU1	POL	Town & Village Revenue Sharing	VILLAGE OF WESTHAMPTON BEACH	$78,401	$0	$0	$0	$0
192	7516	JGI1	MSC	Museums & Historic Associations	WALT WHITMAN BIRTHPLACE	$108,975	$0	$0	$0	$0
001	7320	AYF1	EXE	Youth Bureau/Office For Child	WEST ISLIP YES	$84,878	$94,309	$94,309	$76,355	$76,355
001	4310	JQI1	HSV	Div Of Comm Mental Hygiene	WEST ISLIP YES	$53,165	$0	$329,989	$318,989	$318,989
192	6414	GTG1	EDP	Cultural Affairs	WESTHAMPTON BCH PERFORM ARTS	$15,000	$20,000	$20,000	$0	$0
192	6414	JPL1	EDP	Cultural Affairs	WET PAINT FESTIVAL	$0	$10,000	$10,000	$0	$0
001	4310	HKC1	HSV	Div Of Comm Mental Hygiene	WSNCHS EAST, INC	$313,427	$330,206	$330,206	$330,206	$330,206
001	4100	AYM1	HSV	Hs: Patient Care Svcs Adm	WYANDANCH CLINIC	$5,499,487	$5,499,487	$5,499,487	$4,982,078	
001	7325	AYP1	EXE	Spec Dlnqncy Prevention Pgm	WYANDANCH YOUTH SERVICES, INC	$116,235	$109,117	$18,186	$0	$0
192	7512	JHJ1	PKS	Museums & Historic Associations	YAPHANK HISTORICAL SOCIETY	$9,000	$14,000	$14,000	$0	$0
001	4310	AYU1	HSV	Div Of Comm Mental Hygiene	YMCA OF L I INC	$1,053,428	$1,139,738	$1,216,680	$1,200,457	$1,200,457
001	7320	JQL1	EXE	Youth Bureau/Office For Child	Youth Advocacy & Research Development	$0	$0	$17,173	$0	$0
001	7320	AZB1	EXE	Youth Bureau/Office For Child	YTH DEVLPMT ASSN OF COMMACK IN	$18,000	$20,000	$20,000	$0	$0