



Review of the 2015 Recommended Operating Budget

Suffolk County Legislature
Budget Review Office

Robert Lipp, Director

October 17, 2014

SUFFOLK COUNTY LEGISLATURE



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SUFFOLK COUNTY LEGISLATURE



Robert Lipp
Director

BUDGET REVIEW OFFICE

October 17, 2014

To: DuWayne Gregory, Presiding Officer
and All Suffolk County Legislators

From: Robert Lipp, Director
Budget Review Office

Subject: **Review of the 2015 Recommended Operating Budget**

Accompanying this letter of transmittal is the Budget Review Office assessment of the County Executive's 2015 Recommended Operating Budget. In general, we find revenue and expenditures to be reasonably stated. Of course in a budget comprised of thousands of line items, there are naturally going to be areas in which revenue and expenditures need to be adjusted. With that in mind, we identify shortfalls and surpluses and recommend corrective action.

Although the County has shown considerable improvement since 2012, there is still much work to be done. The 2012 year end fund balance in the General Fund was a \$154.4 million deficit, while the 2014 year-end fund balance is estimated to be a \$25.8 million surplus. The structural shortfall, although reduced, continues to exceed \$100 million, as measured by \$59.8 million in pension amortization, \$22.5 million in borrowing from the ASRF, \$11.25 million in revenue from the yet to be sold former nursing home, \$5.9 million in deferral of holiday pay and the lack of recommended funding for either the \$4 million in deferred pay owed the Deputy Sheriffs or potential settlements associated with the four bargaining units that have not had a contract since the end of 2010.

Major issues implicit in the recommended budget that are discussed in this report, and that the Legislature should be aware of, include structural changes to the Police District budget, numerous staffing changes and the recommended use of pension amortization and borrowing from the Assessment Stabilization Reserve Fund.

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

“Yesterday is not ours to recover, but tomorrow is ours to win or lose.”

Lyndon B. Johnson

Overall the 2015 Recommended Budget includes reasonable amounts for both revenue and expenditures. That being said, in a \$2.89 billion budget with thousands of line items, there are bound to be areas in which revenue and expenditures need adjustment. Corrective action should be taken to selectively amend the budget in order to provide sufficient appropriations that would make it easier to manage County finances. This introduction highlights some of the broad areas where corrective action should be considered. Looking beyond 2015, we then provide a perspective on the County’s structural budget problems and conclude with an overview of some of the major issues in the budget.

Corrective actions that should be considered

We are in the process of scheduling our individual department recommendations. The following represents our thoughts on major areas of the budget that could be problematic. A complete list of BRO recommendations will be made available to the Legislature’s budget amending Working Group a few days after the release of this report.

- Permanent salaries – In the aggregate, the 2015 Recommended Budget provides sufficient permanent salaries. In fact, we estimate there to be sufficient funding in the budget for a police recruit class of 65 in September, as many as 60 new Correction Officers in July, and approximately \$3.6 million remaining to fill new positions and vacant positions. Nevertheless, permanent salaries are insufficient to pay existing staff in various select units, including areas within the Health Department, DPW and DSS. So far we have identified over \$2 million in needed increases to permanent salaries. Putting things into perspective, not adding sufficient appropriations makes it challenging to manage the budget in that funding would have to be moved around and the filling of needed new positions and vacancies would be constrained.
- Overtime – The County typically underfunds overtime salaries, with actual expenses exceeding adopted amounts. The recommended budget is likely understated again in 2015. That being said, the problem does not appear to be as significant as in recent years, as we estimate overtime to be properly budgeted for in the two departments that incur the bulk of this expense, Police and Sheriff. Overtime shortfalls reflect increasing workload demands and a declining County workforce. We have identified select program areas where there are problems in the Departments of Public Works, Health Services and FRES.
- Debt service – Debt service is understated by \$1.1 million (\$0.6 million in the General Fund and \$0.5 million in the Police District). The discrepancy can be attributed in part to a shorter than anticipated term for the just issued Series B serial bond.
- Revenue – We find revenues to be overstated for RPTSA map certification, Clerk subscription and Civil Service fees, as well as for bond premiums and transfers from the TPVA to both the General Fund and Police District. Most, but not all, of this shortfall could be offset by an increase in sales tax that we have forecasted.

- Our sales tax forecast projects growth that is 0.25% higher in both 2014 and 2015 than the recommended increases of 2.75% in 2014 and 4.75% in 2015. The additional 0.25% would add \$9,613,840 to General Fund revenue (\$3,152,988 in 2014 plus \$6,460,852 in 2015).
- **DSS Chargebacks** – There is funding in the recommended budget for DSS that can be thought of as a reserve to address State billing backlogs which have existed for years. There is no reason to suspect that the State will address this anytime soon. As a result, expenditures for DSS Chargebacks could be reduced in the aggregate by \$1.45 million. We believe it is reasonable to reduce these appropriations, which only have a small chance of having to be paid, and reallocate the funds to some of the items noted above that will definitely occur.

Structural budget problems

There still remains a structural problem in the budget that will not be easy to rectify. Although some progress has been made, the structural problem continues to exceed \$100 million. Finances, as reflected in the budget, have improved since 2012. The General Fund experienced a 2012 year end deficit of \$154.4 million, while 2013 closed with a \$30.9 million surplus and 2014 is estimated to end with a surplus of \$25.8 million. The swing is partly explained by use of one shot revenues or cost avoidance.

- In **2013** one-shots totaled **\$187.1 million**, which were made up of **(1)** \$60.7 million that was borrowed (amortized) to pay a portion of the County's pension bill, **(2)** \$37 million borrowed to pay for Correction Officers' retro pay, **(3)** \$19.4 million in revenue received from the sale of land in Yaphank, **(4)** a \$70 million bond issued for the sale-leaseback of the Dennison Building, and **(5)** \$23.0 million included in the adopted budget for sale of the nursing home that did not take place.
- In **2014** one-shots totaled **\$137.0 million**, with **(1)** \$87.1 million that was borrowed (amortized) to pay a portion of the pension bill, **(2)** \$32.8 million borrowed from the Assessment Stabilization Reserve Fund (ASRF), and **(3)** \$17.1 million included in the adopted budget for sale of the Nursing Home that has yet to take place.
- In the **2015** Recommended Budget, one-shots totaling over **\$103.5 million**, with **(1)** \$59.8 million to be borrowed (amortized) to pay a portion of our pension bill, **(2)** \$22.5 million to be borrowed from the ASRF, **(3)** \$11.25 million in 2014 estimated revenue from sale of the nursing home that has yet to take place, **(4)** \$5.9 million in deferral of holiday pay allowed under the Police collective bargaining agreements, and **(5)** \$4 million in deferred pay owed the Deputy Sheriffs that was not included in the budget plus an unspecified amount of deferral associated with not budgeting for potential settlements associated with the four bargaining units that have not had a contract since the end of 2010.
- To partially address the structural deficit, consideration could be given to recommendations discussed in this report to generate additional recurring revenue that would require State enabling legislation. In particular, increasing the Motor Vehicle Registration Surcharge to the same level charged by Nassau County could generate over \$10 million. Also, increasing Pistol Licensing Fees could generate as much as \$1 million in the Police District and \$150,000 in the General Fund (that the Sheriff collects in eastern Suffolk), if the fee was raised from \$10 to the \$200 fee charged in Nassau County.

Major Issues

The 2015 Recommended Budget includes several initiatives or issues that the Legislature should be aware of as follows:

- Structural changes to the Police District budget – Structural changes in the Police District total \$22.1 million and are made up of **(1)** a \$11.98 million increase in the Police District property tax, **(2)** \$36.7 million in TPVA interfund revenue moved from the General Fund to the Police District in 2015, **(3)** a \$15.3 million reduction in cost associated with a net shift of 69 sworn officers from the Police District to the General Fund, and **(4)** a \$42.8 million reduction in Police District sales tax revenue. These changes address most of the Police District shortfall that was projected at the April budget model presentation to the Budget & Finance Committee. While there are valid reasons to not support one or more of these changes, from a fiscal point of view this is good news for the Police District.
- Staffing changes – The 2015 Recommended Budget includes a net increase of 35 authorized positions from 10,894 to 10,929. The increase includes the abolishment of 39 positions and the creation of 74 new positions. Many of the new positions created are replacements for an equal number of abolished positions in order to reclassify certain titles. The budget also includes sufficient funding for a class of 65 police recruits to begin in November 2014 and another class of 65 in September 2015. It is also anticipated that a class of 40 Correction Officers will be hired in July of 2015, although we estimate there to be sufficient funds to hire an additional 20 Correction Officers, or 60 in total (in July of 2015).
- Use of one-shots – There are two important points to make here. First, the recommended budget includes borrowing \$22.5 million from the ASRF in 2015 on top of \$32.8 million borrowed in 2014. In order to allow this borrowing to take place, the referendum contained in Resolution No. 579-2014 would have to be approved at the November 2014 general election. Should the referendum not pass, the 2015 Recommended Budget would have a \$55.3 million shortfall that would have to be addressed. Second, the recommended budget proposes to borrow (or amortize) \$59.8 million of the County's pension bill. This is \$21 million less than the maximum allowable amount. Since the option was offered in 2011 the County had previously amortized the maximum allowable amount, borrowing \$212.6 million (\$19.1 million in 2011, \$45.7 million in 2012, \$60.7 million in 2013 and \$87.1 million in 2014). The cost of amortizing is not cheap, as the principal has to be paid back over ten to twelve years. That being said, the Legislature has the option of amortizing as much as another \$21 million or reducing the amount further to avoid future costs.

Summary of Findings & Recommendations

Sales Tax Revenue

- ❖ The sales tax is Suffolk County's single largest source of revenue. In 2013, the sales tax represented over 54% of General Fund revenue. The recommended budget predicts that it will account for almost 58% in 2014 and more than 61% in 2015.
- ❖ After its first ever year-over-year declines, by 1.1% in 2008 and by an additional 8.5% in 2009, in the wake of the Great Recession, sales tax collections have continued to grow: by 6.5% in 2010, by 2.6% in 2011, by 3.1% in 2012 and by 6.8% in 2013. The 6.8% figure in 2013 was the largest growth in sales taxes the County had seen since 2004.
- ❖ The 2015 Recommended Budget includes estimated sales tax growth of 2.75% for 2014 and 4.75% growth in 2015.
- ❖ BRO predicts sales tax growth of three percent in 2014 and of five percent in 2015. The projections take into consideration our expectations of strengthening growth in the local economy and in national factors that influence local consumer spending.
- ❖ In the General Fund increase sales tax revenue (001-FIN-1110) by \$3,152,988 in 2014 and by \$6,460,852 in 2015, for a total increase of \$9,613,840.
- ❖ In the Suffolk County Water Protection Fund increase sales tax revenue (477-FIN-1110) by \$52,056 in 2014 and by \$197,521 in 2015, for a total increase of \$249,577.

The Economy

- ❖ Projected growth in both national consumer spending and output are trending upward and are forecast to achieve near four percent growth in the fourth quarter of 2014 and above four percent growth in 2015.
- ❖ Employment and wages in Suffolk County are also upwardly trended with both series currently growing by more than one percent and forecast to continue to increase in the fourth quarter of 2014 and to exceed two percent for all of 2015.
- ❖ Many national indicators, including gross domestic product (GDP), consumption, non-farm employment and final sales to domestic consumers experienced a hiccup in growth during the first quarter of 2014, as did Suffolk County employment and sales tax collections. All these indices have since rebounded and seem poised to continue growing at least through the end of 2015.
- ❖ The greatest risk to the economy is the somewhat lackluster growth of wages. Despite some misgivings in this area we remain positive overall about the prospects for the County's economy going forward.

The 2015 Recommended Property Tax Warrant

- ❖ The Executive's budget recommends an increase in the County property tax (excluding sewers) of \$11.99 million, a 2.1% rise over last year's \$558.5 million warrant.
- ❖ The recommended budget calls for Police District taxes to rise by \$11.98 million, a 2.42% increase, and for all sewer district taxes to increase by the usual three percent, except for Southwest, which the budget does not change.

- ❖ The County portion of the average homeowner's tax bill will increase by \$22, or 2.1%, to \$1,036. Average taxes per homeowner rose by \$28 in the five western towns and fell by \$5 in the five eastern towns.

The New York State Property Tax Cap

- ❖ Suffolk County's maximum allowable property tax increase in 2015 is \$12,502,630, or 2.02%. An increase of more than this amount would require approval by at least 60% of the Legislature.
- ❖ The recommended budget calls for an increase of \$12,189,927 or 1.97%, \$11,979,365 (2.42%) in the Police District and 3%, totaling \$210,562, across all Sewer Districts except Southwest. This is \$312,703 less than the allowable 2.02% rate of growth.

Cap Compliance

- ❖ In addition to the two percentage caps, Local Law 29-1995 and Local Law 43-2006 require a minimum of 25% of the General Fund actual discretionary fund balance to be transferred to the Tax Stabilization Reserve Fund and Debt Stabilization Reserve Fund for use in subsequent years.
- ❖ The Executive's recommended budget document shows compliance with both cap laws. The discretionary portion of the budget for 2015 is shown to be \$10.3 million below the expenditure cap and \$8.5 million below the tax levy cap.
- ❖ For several years the Budget Review Office has recommended that legislation be introduced to revise or eliminate the cap laws. The New York State 2% Property Tax Cap, is expected to be the principal driver limiting growth in County property taxes, might serve as a model for a new tax cap law for Suffolk County.

General Fund Revenue

- ❖ The 2015 Recommended Budget has a General Fund Property Tax Warrant of \$49,037,038, which is unchanged from the previous five years.
- ❖ The 2013 adopted General Fund property tax was \$49,037,038, but the actual amount recognized was \$45,736,638; a shortfall of \$3.3 million. The 2014 estimated budget anticipates that collections will decrease by \$5.7 million and fall short of the adopted amount by \$9 million. The fact that 2013 collections were only \$3.3 million less than adopted indicates that the projected deficit of \$9 million is reasonable.
- ❖ In the aggregate, State aid is estimated to increase by \$8.5 million from 2013 to 2014, but decrease \$1.8 million from 2014 to 2015.
- ❖ State aid represented 11% of actual General Fund revenue in 2013. The 2014 estimated budget attributes 11.98% of General Fund revenue to State aid. The 2015 Recommended Budget forecasts that State aid will account for 11.62% of total General Fund revenues.
- ❖ In the aggregate, Federal aid is estimated to decrease by \$7.6 million from 2013 to 2014 and by another \$4.9 million from 2014 to 2015.
- ❖ Federal aid represented 11.2% of all General Fund revenues in 2013 and is estimated to be 11.39% in 2014. The recommended budget attributes 10.89% of all General Fund revenues to Federal aid.

Out-of-County Tuition

- ❖ The 2015 Tax warrant should be calculated by summing \$13,569,325 for out-of-county tuition costs for the 2014-2015 academic year, \$538,736 for 2013-2014 academic year expenses in excess of the 2014 warrant, \$38,530 for late bills associated with the 2012-2013 academic year that have not yet been charged to the towns, and \$1,123,851 to adjust for errors to the 2014 Tax Warrant. The total net adjustment is \$1,701,117.
- ❖ The 2015 Tax Warrant for out-of-county tuition should be \$15,270,442. The warrant is projected to increase by \$1.2 million from 2014 to 2015.

Personnel Costs and Issues

- ❖ The 2015 Recommended Budget includes \$1.6 billion across all funds for salaries, benefits, and other personnel costs; representing approximately 56% of the \$2.88 billion recommended budget (excluding the Vanderbilt Museum).
- ❖ The recommended budget estimates that personnel costs will increase by 1.8% from 2013 to 2014 and projects that personnel costs will increase by another 5.1% from 2014 to 2015.
- ❖ In the aggregate, the 2015 Recommended Budget is \$77.4 million more than the 2014 estimate. The recommended budget reduces non-personnel costs by \$472,489 while personnel expenditures are increased by \$77.9 million. The recommended growth in personnel expenses is comprised of a \$24.3 million increase in salaries and other employee compensation costs (1000s) and a \$53.6 million increase in benefit costs (8000s).
- ❖ The 2015 Recommended Budget includes a net increase of 35 authorized positions, from 10,894 to 10,929. The increase includes the abolishment of 39 positions and the creation of 74 new positions.
- ❖ The recommended budget adds and reclassifies several titles, but no changes to the salary and classification plan can be implemented without a duly adopted resolution of the Suffolk County Legislature. The recommended budget includes a resolution making the amendments on pages 32 and 33; however, the resolution included in the recommended budget cannot be voted on and is expunged in the omnibus resolution each year. If the Legislature supports some or all of these amendments to the salary and classification plan, the changes should be incorporated in the omnibus budget amending resolution or a stand-alone resolution
- ❖ From the end of 2013 through September 14, 2014, the number of active County employees on the payroll decreased by 107. The County hired 152 new employees including 40 Correction Officers in July, but there have been 259 separations. Through retirement incentives, layoffs, and natural attrition, the net number of active employees on the County payroll has declined by 1,442 from 10,603 in January 2004 to 9,161 in September 2014.
- ❖ The number of active sworn police personnel has declined by 409 from 2,665 in January 2004 to 2,256 in September 2014. Assuming a class of 65 recruits in 2014, 65 retirements in 2015, transferring 34 Park Police Officers in 2015, and a class of 65 recruits in 2015, the net number of sworn personnel would increase by 99 by the end of 2015.
- ❖ In 2014, Permanent Salary (1100) costs across all funds are estimated to be \$18.3 million less than adopted. In the General Fund, the 2014 estimated budget for permanent salaries is \$14.2 million less than adopted.

- ❖ Our independent analysis of the permanent salary appropriations concludes that generally the 2014 estimated permanent salary budget is reasonable. Across all funds and departments, our projection differs by \$1.4 million or 0.18% on an almost three-quarters of a billion dollar expense.
- ❖ In the aggregate, the 2015 Recommended Budget provides sufficient Permanent Salaries for all current employees as well as a class of 60 Correction Officers in July and 65 Police Officers in September. In the General Fund we estimate that there is approximately \$3.6 million to fill the remaining new and vacant positions in 2015.
- ❖ The County typically under-budgets overtime salaries. The 2013 Adopted Budget included \$55.5 million and actual expenditures were \$71.9 million. The 2014 Adopted Budget included \$64 million and the 2014 estimate is \$74.3 million. The 2015 Recommended Budget includes \$67.8 million. Overtime expenses have not been under \$70 million since 2009.
- ❖ The Deputy Sheriffs Benevolent Association (DSBA), Correction Officers Association (COA), Probation Officers Association (POA), and District Attorney's Detective Investigators union, have contracts that have not been settled past 2010.
- ❖ The recommended budget includes no funding in the salary contingency account (001-MSC-1991-1880) for retro payments or wage increases.

Employee Benefits

- ❖ Increase the 2014 estimated Interfund Transfer from the General Fund (001) to the Employee Medical Health Plan Fund (039) by \$3,537,677 to more precisely reflect anticipated interfund revenues to the EMHP and decrease the 2015 recommended Interfund Transfer from the General Fund (001) to the Employee Medical Health Plan Fund (039) by a like amount to reflect the transfers in the appropriate years.
- ❖ Increase the 2014 estimated Interfund Transfer from the Police District Fund (115) to the Employee Medical Health Plan Fund (039) by \$155,673 to more precisely reflect anticipated interfund revenues to the EMHP and decrease the 2015 recommended Interfund Transfer from the Police District Fund (115) to the Employee Medical Health Plan Fund (039) by a like amount to reflect the transfers in the appropriate years.
- ❖ Decrease the 2015 Unemployment Insurance expense in the General Fund (001-EMP-9055-8350) by \$100,000 to more precisely reflect anticipated expenditures.
- ❖ Address the policy decision of amortizing a portion of the County's 2015 New York State Local Retirement System pension obligation.

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. However, budgetary relief from the proceeds of these Tobacco bonds ended last year (2013), creating a sudden, significant jump up in the County's budgeted debt service costs.
- ❖ Even with annual borrowing, the County's budgetary shortfall has made it difficult to have sufficient cash on hand to pay bills. For the sixth year in a row, the County expects to issue a TAN in late December, instead of at the beginning of January, as had previously been the case. This TAN is expected to match the \$410 million issue amount of the previous two TANs.

- ❖ In either April or May of each of the last three years (2012-2014), the County has issued a Revenue Anticipation Note (RAN) averaging \$95 million. (Prior to these three borrowings, the last time the County had issued RANs was during the recession in the early 1990s.) It seems likely Suffolk will have to issue another RAN in 2015.
- ❖ The County borrowed \$105 million in Delinquent Tax Anticipation Notes (DTANs) in September of 2012, \$100 million in September of 2013 and \$105 million again this October. If we add the RANs issued in 2012, 2013 and 2014, the totals of \$190 million in 2012, \$215 million in 2013 and \$185 million in 2014 far exceed the \$120 million high water mark for DTANs set in the wake of the Great Depression.
- ❖ Large annual cash flow borrowings are symptomatic of the County's significant structural budget shortfall and cash flow problems. Shortfalls in property taxes and State aid, previous shortfalls in sales tax, and increases in expenditures on pension, health care, debt service, and other costs all have the effect of pushing the County's daily cash position out of balance, thereby necessitating the high levels of cash flow borrowing we observe.
- ❖ In the General Fund increase 2015 recommended serial bond principal (001-DBT-9710-6900-Serial Bonds) by \$449,461 and decrease 2015 recommended serial bond interest (001-9710-7800-Interest On Bonds) by \$753,898.
- ❖ Increase 2014 estimated General Fund Bond Anticipation Notes principal (001-DBT-9730-6930) by \$889,934 in order to account for the principal repayment on the 2013 BAN that was issued for \$37 million.
- ❖ Decrease 2015 recommended General Fund revenue for Serial Bond Premium (001-DBT-2956-Earnings Investments – Capital) by \$2 million to account for the fact that there was no premium on the 2014 Series B Serial Bond issue.
- ❖ In the Police District increase 2015 recommended serial bond principal (115-DBT-9710-6900-Serial Bonds) by \$581,163 and decrease 2015 recommended serial bond interest (115-DBT-9710-7800-Interest on Bonds) by \$59,316.

Self Insurance Fund (038)

- ❖ Workers' compensation is by far the fund's largest expense. The \$34.4 million spent on workers' compensation in 2013 accounted for 63% of the fund's total budget; 76% of all liability expenditures.
- ❖ Workers' compensation benefit rates are increased annually. The maximum weekly benefit, which was \$400 in 2006, has more than doubled. The rate was recently increased from \$803.21 to \$808.65 on 7/1/14. As the maximum benefit increases, workers' compensation will continue to put pressure on the budget.
- ❖ 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. Based on average settlement payments, in order to avoid borrowing altogether, the budget would need to include \$7.5 million (\$3.3 million in bond proceeds plus \$4.2 million in pay-as-you-go funding). Instead, the 2015 Recommended Budget includes \$1.5 million.

Police District Fund (115)

- ❖ The recommended budget includes a Police District property tax increase of \$11.98 million or approximately 2.42%.

- ❖ The recommended budget includes \$36.7 million in TPVA revenue in 2015. The interfund transfer of this revenue is reallocated from the General Fund to the Police District in 2015.
- ❖ There is a \$15.3 million reduction in cost associated with a net shift of 69 sworn officers from the Police District to the General Fund.
- ❖ As a result of structural changes that increase revenues to the Police District, the sales tax allocation to the Police District in 2015 is reduced by \$42.8 million.
- ❖ Revenue sharing to town and village police departments is increased by \$1 million in 2015.

District Court Fund (133)

- ❖ BRO recommends requiring the County Executive's recommended budgets to separately identify in Fund 133 all costs incurred on behalf of and all revenues received in support of the District Court, as required by the 13th Resolved clause of Omnibus Resolution No. 898-2013.

Hotel/Motel Tax Fund (192)

- ❖ The Budget Review Office recommends consultation with State representatives now, in order to initiate timely renewal of the Hotel Motel Tax, which expires at the end of 2015. We recommend consideration of raising the tax from the current 3% to at least 5%, which should generate over \$6 million in additional recurring revenue.

Tax Stabilization Reserve Fund (403)

- ❖ There have been no expenditures made by the Tax Stabilization Reserve Fund over the 2013 to 2015 period covered in the recommended budget.
- ❖ The Tax Stabilization Reserve Fund is estimated to end 2014 with a surplus of \$49,283,071 (2.46% of General Fund expenditures) and to end 2015 with a surplus of \$49,400,649 (2.38% of General Fund expenditures).

Assessment Stabilization Reserve Fund (404)

- ❖ Add \$19,940,000 to the 2013 actual revenues within the Fund 406-Status of Funds presentation to accurately portray interfund revenue received from Fund 404 in 2013.
- ❖ Change the Fund 404 and Fund 406 status of Funds presentations to show all monies that have been identified for expanded sewer purposes transferred to Fund 406 for increased transparency and ease of tracking.
- ❖ Consider the ramifications of the public referendum failing, allowing the County to access the ASRF fund balance surplus to borrow for the purpose of general property tax relief past 2013 and for sewer expansion with no regard to a fund balance surplus threshold.

Suffolk County Water Protection Fund (477)

- ❖ To restore the health of the fund and permit its continued use for water quality related projects, the Budget Review Office recommends continued caution in the use of this fund for employee salaries.
- ❖ The Budget Review Office recommends that the Division of Real Property Acquisition and Management clarify how existing planning step resolutions which did not previously move forward will be incorporated into the new "Triple A" land acquisition process.

- ❖ To correct component balances in the Status of Fund 477 presentation due to the distribution of capital project closeouts, reduce the 2014 estimated land acquisition component of the new DWPP (Local Law 24-2007) by \$1,365,296 and increase the 2014 estimate for the water quality component of the new DWPP (Local Law 24-2007) by the same amount. Similarly, correct the carry-over 2015 recommended fund balance in both components.

Board of Elections

- ❖ The five year warranty on the 370 Ballot Marking Devices (BMD), purchased with HAVA funds, has expired and the warranty on the 1,200 tabulator machines is set to expire in September of 2015. BOE requested and the recommended budget includes \$233,000 for an extended warranty. The 2015 cost is based on a prorated estimate for the 1,200 tabulators. BOE estimates that the cost of the warranty will be approximately \$430,000 on an annual basis starting in 2016.
- ❖ BRO projects that 2014 Permanent Salaries (001-BOE-1450-1100) will exceed the Executive's estimate by \$140,000.
- ❖ The 2015 Recommended Budget includes insufficient funding to maintain existing staffing levels. In order to avoid escalation in overtime costs, Permanent Salaries should be increased by \$91,000.

Civil Service/Human Resources

- ❖ Reduce the 2014 estimated revenue for civil service fees (001-CIV-1430-1240) by approximately \$315,463 to better reflect estimated fee revenue for the remainder of 2014.

County Clerk

- ❖ Decrease County Clerk Fees (001-1255) by \$1.7 million in 2014.

Suffolk County Board of Ethics

- ❖ If the Legislature makes the policy decision to transfer the lobbyist registration function from the Clerk of the Legislature to the Board of Ethics, as laid forth in IR No. 1658-2014, the Board will require the requested Paralegal Assistant position at a total net cost of \$47,618 (salary and benefits). According to the Board of Ethics, the workload associated with the added responsibility of administering this law, in conjunction with current responsibilities, exceeds the capacity of existing staff.

District Attorney

- ❖ The Recommended 2015 Operating Budget provides the District Attorney with additional permanent salaries sufficient for an attorney retention program, two new positions and to fill one vacant position. Any remaining permanent salaries could be used to address the lack of clerical staff by filling vacant clerical titles during the year. It remains up to the Legislature to determine if the skilled attorney retention program is cost effective.

Economic Development and Planning

- ❖ Based on third quarter receipts, the recommended one percent growth rate in Hotel Motel Tax, as compared to the 2014 estimate, appears reasonable but conservative. Although these revenues are difficult to project, recent experience suggests that three percent growth in 2015 is attainable.

- ❖ To reflect increased Take-Off Fee revenue in the Aviation Division, increase the 2014 estimate by \$125,000 and the 2015 recommended revenue by \$100,000. This would result in a decreased interfund transfer from the General Fund, typically required to balance Fund 625, in 2014 and 2015.
- ❖ To reflect the net effect of Resolution No. 647-2014 and other factors, increase the 2014 estimate for Airport Fees and Rents in the Aviation Division by \$100,000. This would also result in a decreased interfund transfer from the General Fund.
- ❖ Fund 351 has been running at an increasing deficit. To reconcile the existing deficit (almost \$1.8 million at year-end 2015), 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.

Executive

- ❖ The recommended budget creates a new Performance Management appropriation in Fund 016 instead of Fund 001, which includes the creation of one new position, Director of Performance Management.
- ❖ The Legislature should consider requesting that the County Executive's Office provide information regarding the details of the focus of the Performance Management Unit and how the prospective initiatives are to be addressed in the future.

Finance and Taxation

- ❖ Increase interest earnings in the General Fund by \$20,000 in 2014 and \$50,000 in 2015. The breakdown between the two relevant revenue codes is: (1) increase 001-2401- Interest and Earnings by \$105,550 in 2014 and by \$75,000 in 2015 and (2) decrease 001-2404-Interest Earnings Other Govts by \$85,550 in 2014 and by \$25,000 in 2015.

Fire, Rescue, & Emergency Services (FRES)

- ❖ Increase the 2014 estimated expenditure for overtime in appropriation 3400 by \$245,952, to \$1,045,952.
- ❖ Increase the 2015 budget for overtime in appropriation 3400 by \$475,000, to \$1.1 million.

Health Services

- ❖ Increase the 2015 permanent salary for the appropriation 4015-HS: Environmental Protection by \$73,254; increase the appropriate benefit appropriations commensurate with the hire of two Public Health Sanitarians in January 2015, to assure that the Bureau of Public Health Protection has sufficient staff to meet State guidelines.
- ❖ Increase the 2015 Recommended Budget for 4109-Jail Medical Unit Fees for Services by \$300,000 to accurately reflect expenditures for agency nursing staff, even with the additional full time staff added to the Jail Medical Unit.
- ❖ Increase the 2015 permanent salary for appropriation 4340-Jail Mental Health, Alcohol, and Drug Abuse Program by \$472,547 to allow hiring in the unit per the Department's request, and allow for sufficient personnel at two sites.

- ❖ Increase the 2015 permanent salary appropriation in 4321-Methadone Clinics by \$200,000 to allow for additional hiring if necessary, or to allow the unit to further explore a possible public-private partnership
- ❖ Increase the 2015 Fees for Services appropriation in 4321-Methadone Clinics by \$150,000 to accurately reflect the anticipated need for contracted fee for service providers and assure that prescribers to patient ratios remain within state guidelines.
- ❖ Increase 2015 permanent salary in appropriation 4320-HS: Mental Health Programs by \$46,275 to fund the Psychiatric Social Worker requested for the Assisted Outpatient Treatment program and meet potential state mandates; increase benefits appropriations commensurate with the filling of this position.
- ❖ Increase 2015 Fees for Services in appropriation 4618-Emergency Medical Care by \$85,000 to account for increased use of per diem instructors and to allow for the first increase in the fee for service rate in 15 years in the fourth quarter of 2015.
- ❖ Increase the 2014 Estimate for 4109-Jail Medical Unit overtime by \$75,000 to accurately reflect expenditures.
- ❖ Increase the 2014 Estimate for 4109-Jail Medical Unit Fees for Services by \$300,000 to accurately reflect expenditures for agency nursing staff.
- ❖ Increase the 2014 Fees for Services appropriation in 4321-Methadone Clinics by \$100,000 to accurately reflect expenditures on contracted providers.
- ❖ We support the transition of the health center network to the public private partnership with Hudson River Healthcare. This model allows the County to continue its commitment to access assurance, at a lower cost, with opportunities to increase both access and quality of care for the people using the health centers. There are sufficient appropriations and offsetting revenues available within the Patient Care Division and the Department as a whole to allow for the transitions of the two remaining clinics as scheduled, in March and in April. There are likely sufficient funds available to transition as late as the end of the second quarter of 2015 without a need to amend the operating budget.

Human Services

- ❖ Add \$26,607 in permanent salaries (001-EXE-6510-1100) to fill the one vacant VSO (grade 16, step S) position in the Veterans Service Agency, as of January 1, 2015, to allow for succession planning.

Information Technology Services

- ❖ Six new positions are created to assist with information technology initiatives. These added positions consist of one Deputy Commissioner of Information Technology, one Secretary, two Sr. Programmer Analysts and two Programmer Analysts. The Department did not request any new positions. BRO recommends filling the two new Programmer Analyst positions in January in order to take advantage of potential cost savings by expanding the capability of the Department to develop more in-house applications. There are sufficient funds in the recommended budget for these positions.

Labor, Licensing & Consumer Affairs

- ❖ The recommended budget reclassifies several titles in the Department of Labor, Licensing and Consumer Affairs; however, no changes to the salary and classification plan can take effect

without a duly adopted resolution of the Suffolk County Legislature. The proposed amendments to the salary and classification plan appear logical and appropriate; we recommend that the changes be incorporated in an authorizing resolution.

- ❖ Department-wide, we estimate that the reclassifications will increase costs for filled positions by \$68,268 in 2015 while reducing the potential cost of vacancies by \$98,990. The total cost of positions is reduced by \$30,722.

Law

- ❖ Add \$118,566 to permanent salaries to provide sufficient funds to pay active personnel in the Department through the end of 2014.

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 for 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.

Parks, Recreation and Conservation

- ❖ The 2014 estimate includes \$547,000 in revenue from the sale of a parcel of real property included in the Suffolk County Parks system. New York State has initiated eminent domain proceedings to acquire the property as part of a construction project on the northern side of New York State Route 347 in the Town of Smithtown. Introductory Resolution No. 1587-2014 would accept \$547,000 as just payment for the property. Appraisals conducted by the County determined that the parcel is valued properly; however, the resolution has been tabled several cycles based on local resident concerns that State construction would impede area drainage and exacerbate flooding problems. The inclusion of revenue from the sale in the budget means that if the resolution is not approved a deficit may occur.
- ❖ The most significant issue in the recommended Parks budget is the transfer of 34 filled Park Police Officer positions to the Police Department. We estimate the total transfer of expenses from the Parks Department to the Police Department to be approximately \$3.1 million.
- ❖ The recommended budget includes \$482,375 in additional funding compared to the 2014 estimate for seasonal and temporary salaries, which will be used to hire security guards and park rangers to protect park property and ensure the safety of park patrons after the Park Police Officers are absorbed into the Police Department.
- ❖ The recommended budget includes three new positions, none of which were requested by the Department. The recommended budget indicates that two new Senior Cashier (grade 10) positions are needed to provide supervision of seasonal employees collecting cash at County parks. One Neighborhood Aide (grade 13) position is created to inspect improvement projects and administer grants. BRO recommends not creating the three new Parks positions and reducing the 2015 Recommended Budget for Permanent Salaries (001-PKS-7110-1100) by \$91,296.

Police

- ❖ A new recruit class of 65 will start at the Police Academy in 2014. 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 been deployed by June 1st. June through August are the heaviest overtime months for the Police Department. Delaying the class until November will cost the County approximately \$1.5 million in additional overtime.
- ❖ In order to control overtime costs an annual class of new recruits should be scheduled each year that at least equals the number of the previous year's separations. Also, this class should be hired in September so that their "boots will be on the streets" by the following summer when peak overtime is required.
- ❖ The Police Department should be aggressive in an attempt to fill vacant Public Safety Dispatcher and Emergency Complaint Operator positions to offset overtime costs and the alleviate the burden being placed on E911 staff.
- ❖ 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

- ❖ Since the Comprehensive Alternatives to Incarceration appropriation (001-PRO-3171) is a new initiative in the budget, as a policy issue the Legislature should consider whether or not it wishes to support this initiative. If the decision is no, then the transfer of the seven positions and their associated permanent salaries should be reversed (except for the Psychiatric Social Worker position that should be transferred to the new Specialized Supervision appropriation (001-PRO-3143) into the Mentally Ill Offenders Services unit) and \$500,000 in funding for contract agencies should be eliminated.
- ❖ As 2015 appropriations allow, fill the Senior Accountant position (grade 24) in Probation General Administration (3140).

Public Administrator

- ❖ To increase revenues and shorten disposal transaction time, we again recommend the Public Administrator's Office evaluate the utilization of online auction services to dispose of real estate and surplus real property in their charge.

Public Works

- ❖ Increase the 2014 estimate for Permanent Salaries within the General Fund by \$688,001 in the aggregate based upon BRO projections.
- ❖ Increase 2015 recommended overtime expenditures by \$1,045,808; \$574,518 in the General Fund and \$471,290 in the County Road Fund to more accurately reflect anticipated expenditures.
- ❖ Increase the 2014 estimate for Social Security related to overtime salaries incurred for Snow Removal, County Highways (105-DPW-5142) by \$198,716 based upon year-to-date

expenditures of \$235,970, as of September 19, 2014. Increase funding in 2015 by \$100,000 in order to more accurately reflect anticipated expenditures.

- ❖ Review the current 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.
- ❖ Review the current policy and determine if building repairs and maintenance expenditures should be paid through the capital program with the related debt service in the operating budget.
- ❖ The Legislature may wish to revisit the policy decision implicit in the recommended budget regarding an appropriate level of funding to budget for Suffolk County Transit and Suffolk County Accessible Transit services in 2015.
- ❖ BRO recommends that consideration be given to increasing Suffolk's Motor Vehicle Registration Surcharge to maintain parity with rates being charged by neighboring counties. State enabling legislation is needed to increase the County's surcharge.
- ❖ Budget Review recommends the Legislature encourage the County Executive to fill at least one of the positions created by the Legislature in the 2014 operating budget for Buildings & Operations.

Real Property Tax Service Agency

- ❖ Decrease RPTSA Tax Map Cert Fees (001-1291) in 2014 by \$500,000.

Sheriff

- ❖ In order to avoid overtime cost overruns, properly staff the Sheriff in 2015, and satisfy the NYS COC, the Budget Review Office recommends an additional 20 new Correction Officer recruits be added to the July 2015 class. There are sufficient funds included in permanent salaries and clothing and accessories to cover the cost of this class.
- ❖ An additional \$50,000 should be added to Prisoner Maintenance (001-SHF-3151-4560) to pay local ambulance companies who are under contract to transport inmates to hospitals when necessary.
- ❖ The Legislature should consider increasing pistol licensing fees for the five eastern towns. The current application fee is \$10 and has not been increased since 1993. For every \$10 increase in the application fee an additional \$7,500 could be generated. An increase to the same level charged by Nassau County would generate an additional \$150,000 in revenue.

Social Services (DSS)

- ❖ Do not create the new Deputy Commissioner of Social Services (grade 36) position in Social Services General Administration (001-6005). The new Deputy Commissioner of Social Services position is not funded in the 2015 Recommended Operating Budget; therefore there will be no associated revenue impact for not creating this position.
- ❖ Increase permanent salaries by \$970,547 in Fund 001 in 2014 to provide sufficient funding for current staff through the end of this year. Associated revenue for these positions should be increased by \$678,798 (\$454,689 in Federal aid and \$224,108 in State aid). The net cost to the County is \$291,749.

- ❖ Increase permanent salaries by \$359,866 in Fund 360 in 2014 to provide sufficient funding for current staff through the end of the year. Associated revenue for these positions should be increased by the same amount.
- ❖ Increase permanent salaries by \$1.77 million in Fund 001 in 2015 to cover the cost of current staff through the end of next year. Associated revenue for these positions should be increased by \$1,370,647 (\$789,982 in Federal aid and \$580,665 in State aid). The net cost to the County is \$399,775.
- ❖ Increase permanent salaries by \$473,932 in Fund 360 in 2015 to cover the cost of current staff through the end of next year. Associated revenue for these positions should be increased by the same amount.
- ❖ Reduce overtime expenditure in 2015 by \$519,600 from \$1,490,400 to \$970,800. The associated revenue impact is a reduction of aid for overtime in the amount of \$345,263, resulting in a net reduction in cost of \$174,337.
- ❖ Reduce the 2014 estimated budget for DSS NYS Chargeback (001-DSS-6040-NYS Chargeback-4610-DSS State Chargebacks) by \$800,000 to \$1.5 million, as was included in the 2014 adopted budget. Reducing the expenditure in this appropriation will have no associated revenue impact.
- ❖ Reduce the 2015 expenditure for DSS NYS Chargeback (001-DSS-6040-NYS Chargeback-4610-DSS State Chargebacks) by \$200,000; from \$1.7 million to \$1.5 million, as was included in the 2014 adopted budget. Reducing the expenditure in this appropriation will have no associated revenue impact.
- ❖ Reduce the expenditure for DSS: Other Districts (001-DSS-6191-DSS: Other Districts-4610-DSS State Chargebacks); by \$450,000 in 2014 from \$700,000 to \$250,000 and by \$550,000 in 2015 from \$800,000 to \$250,000. Reducing the expenditure in this appropriation will have no associated revenue impact.

Soil and Water Conservation District

- ❖ Either add one new Soil District Technician (grade I6) position to the budget to be filled on or after February 10, 2015, or reduce permanent salaries by \$48,734, if this position is not created.
- ❖ Consider making it mandatory for farms for which the County has purchased development rights to comply with the implementation of the recommended best management practices.

Traffic Violations Bureau

Amend 2014 estimates as follows:

- ❖ Decrease revenue from Red Light Camera Fines (136-TVB-2643) by \$1,303,202, from \$17,303,202 to \$16,000,000.
- ❖ Decrease revenue from Red Light Camera Admin Fee (136-TVB-2646) by \$881,921, from \$10,381,921 to \$9,500,000.
- ❖ Increase expenditures for Traffic Violations Bureau fees for service (136-TVB-1130-4560) by \$1,000,000, from \$6,815,572 to \$7,815,572.
- ❖ Decrease the transfer to the General Fund (136-E001 and 001-R136) by the sum of the above actions, \$3,185,123, from \$37,378,410 to \$34,193,287.

Amend the 2015 Recommended Budget as follows:

- ❖ Decrease revenue from Traffic Violations Bureau - Ticket Fines (136-TVB-2648) by \$3,000,000, from \$15,103,000 to \$12,103,000.
- ❖ Decrease the transfer to the Police District (136-E115 and 115-R136) by \$3,000,000, from \$37,601,967 to \$34,601,967.

Summary of Findings 15

Sales Tax Revenue

Introduction

The sales tax is Suffolk County's single largest source of revenue. In 2013, the sales tax represented over 54% of General Fund revenue. The Recommended Budget predicts that it will account for almost 58% in 2014 and more than 61% in 2015. Despite its importance as a revenue source to the County, the volatile nature of sales tax collections, which tend to mirror the ups and downs of the economy itself, greatly complicates the County's budgeting process, especially when the economy turns sour, as it did in the recent Great Recession.

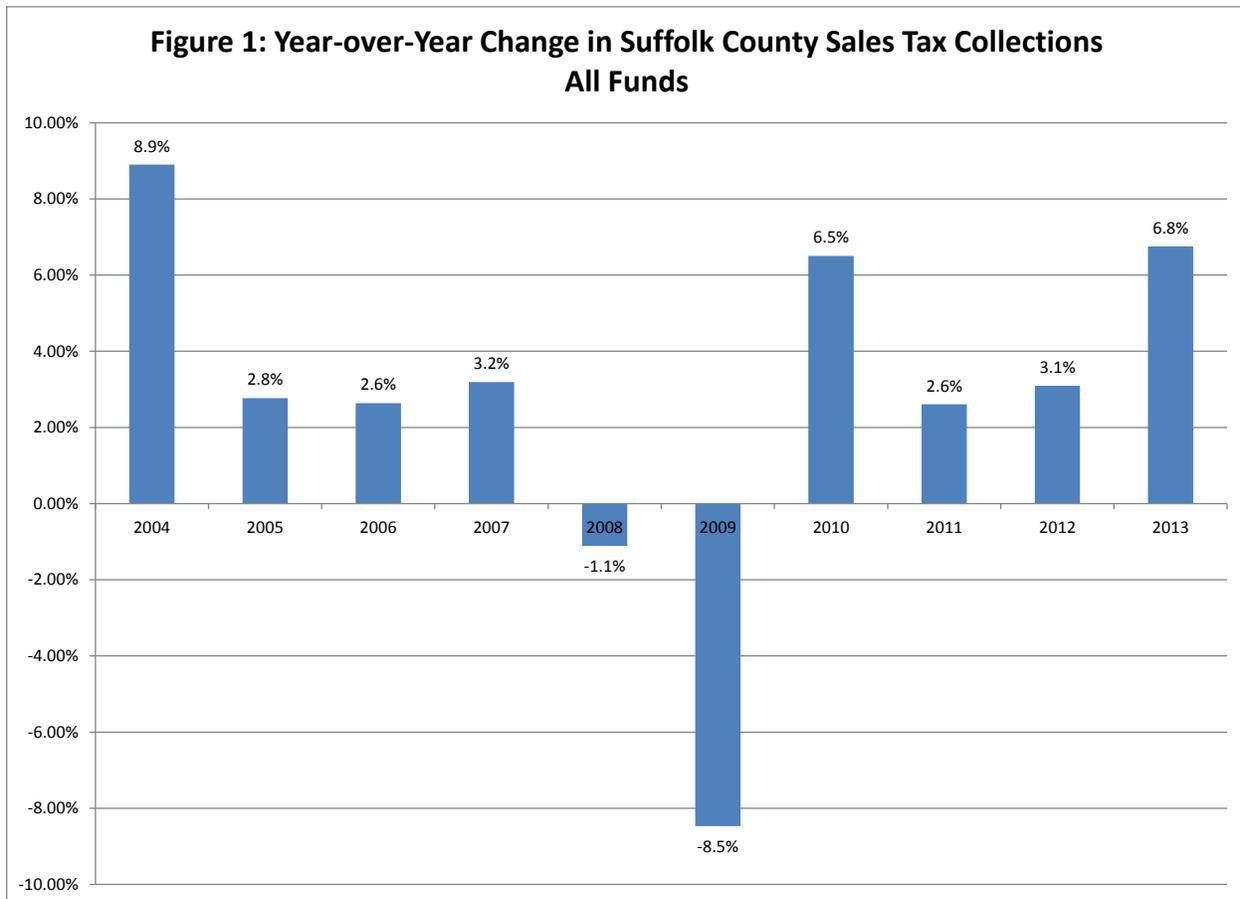


Figure 1 shows year-over-year changes in County sales tax collections over the last ten years for which we have complete data. Perhaps the most striking feature of this graph are the large drops in 2009 and to a lesser extent in 2008, during the Great Recession. In these two years, as a result of this economic downturn, the County experienced its first ever declines (after adjusting for rate changes) in sales tax collections. Revenue decreased year-over-year by 1.1% in 2008 and by an additional 8.5% in 2009. In 2010, the economy rebounded, and, due in part to the lower receipts the year before, collections in 2010 grew by 6.5%. After a drop-off in 2011, when year-over-year sales tax receipts grew by just 2.6%, collections grew at a faster rate in each of the two succeeding years, 3.1% in 2012 and 6.8% in 2013. The 6.8% figure in 2013 was the largest growth in sales taxes the County had seen since 2004.

In 2012 with \$1.201 billion in sales taxes collected, the County surpassed its pre-recession sales tax peak of \$1.177 billion, achieved in 2007.

Sales Tax Rates and Current Collections

Table 1 gives a breakdown of sales tax rates in Suffolk County. The County collects 8.625% on almost all taxable items, 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 four percent of the 4.25% County portion of the sales tax. The General Fund does not receive the full four percent, but instead has in recent years allocated a sum certain to the Police District. The Police District's share cannot exceed three-eighths of one-cent (0.375%).
- **Police District:** In 2014, the Police District's share (\$90,655,994) exceeds the one-quarter cent dedicated to the Suffolk County Water Protection Fund (\$74,856,283). Last year (2013) and in next year's 2015 Recommended Budget, Police District revenue (\$69,838,390 in 2013 and \$47,842,070 recommended for 2015) was less than one-quarter cent. The 2015 Recommended Police District allocation is \$42.8 million less than its 2014 distribution and \$69.1 million less than the maximum three-eighths allocation of \$116.9 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 Suffolk County Environmental Trust Fund), and 11.75% for water quality protection.
- **New York State sales tax (including the portion going to the MTA):** The State portion of the sales tax is four percent and the New York State Metropolitan Transportation Authority (MTA) portion is 0.375%, for a total of 4.375%.

Table 1
Suffolk County Sales Tax Rates

	2013	2014	2015 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)	\$69,838,390	\$90,655,994	\$47,842,070
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%

Sales Tax Projections

In Table 2, we present the Executive's recommended revenue along with Budget Review Office projections. The 2015 Recommended Budget includes estimated sales tax growth of 2.75% for 2014 and 4.75% growth in 2015. In contrast, the Budget Review Office predicts sales tax growth of a full three percent in 2014 and of five percent in 2015. After the dismal 1.74% decline in tax receipts in the first quarter of 2014 the local economy mirroring the national one has continued to pick up steam, and we feel three percent growth for the year is a realistic estimate. For 2015, we remain committed to the projection we made in April of this year that calls for a five percent increase in sales tax revenue over the 2014 level. Again, we believe this is a realistic estimate. Both projections take into consideration our expectations of strengthening growth in the local economy and in national factors that influence local consumer spending.

Table 2
Suffolk County Sales Tax Revenue

	2013 Actual	2014 Adopted	2014 Estimated	2015 Recommended
<u>Budgeted</u>				
General Fund (001)	\$1,139,877,145	\$1,162,904,462	\$1,152,325,565	\$1,254,027,436
Police District (115)	\$69,838,390	\$90,655,994	\$90,655,994	\$47,842,070
Suffolk County Water Protection Fund (477)	\$72,260,630	\$74,856,283	\$74,248,847	\$77,929,344
All Funds	\$1,281,976,165	\$1,328,416,739	\$1,317,230,406	\$1,379,798,850
Growth rate (All Funds)	6.75%		2.75%	4.75%
<u>Budget Review Office (BRO) Projection</u>				
General Fund (001)		\$1,155,478,553	\$1,260,488,288	
Police District (115)		\$90,655,994	\$47,842,070	
Suffolk County Water Protection Fund (477)		\$74,300,903	\$78,126,865	
All Funds		\$1,320,435,450	\$1,386,457,223	
Growth rate (All Funds)		3.00%	5.00%	
		2014 - 2015 Combined	2014 BRO <i>minus</i> Budgeted	2015 BRO <i>minus</i> Budgeted
<u>Budget Review Office (BRO) Projected Surplus</u>				
General Fund (001)		\$9,613,840	\$3,152,988	\$6,460,852
Police District (115)		\$0	\$0	\$0
Suffolk County Water Protection Fund (477)		\$249,577	\$52,056	\$197,521
All Funds		\$9,863,417	\$3,205,044	\$6,658,373

The Forecast

Our forecasts are based on a regression model that includes such factors as local and national employment and national consumption, output and savings. Implicit in our forecasts are the following assumptions:

- National consumer spending and output (GDP) both continue a solid upward trend. Both are forecast to grow by 3.6% in the fourth quarter of this year, and by 4.25% and five percent, respectively, next year. Our forecasts implicitly account for the impact of these national factors on local consumer spending and output.
- We forecast Suffolk County employment to grow by 1.5% year-over-year in the fourth quarter of 2014 and by 2.1% in 2015. As a point of reference, non-farm job growth in the County has averaged just 0.7% annually since 2000. National employment, by contrast, is expected to grow by 1.9% in the fourth quarter of 2014 and by two percent in 2015.

How do these growth rates match up with those implied in our forecast? In order to attain three percent sales tax growth for 2014 as a whole, sales tax in the fourth quarter would have to grow by 5.7% from the year prior. In comparison, to attain the 2.75% growth implicit in the 2015 budget, the fourth quarter would need to be 4.8%. Since our model accounts for non-economic factors as well as for economic ones, we need only assume growth in vendor sales of 3.4% in the fourth quarter in order to attain sales tax growth of 5.7%. Non-economic factors implicit in our forecasts include prior period adjustments, assessment penalties, late filers, and the sequencing of collecting to the period that vendor sales takes place. Once accounting for these non-economic factors, 3.4% growth in vendor sales equates to 5.7% growth in fourth quarter 2014 sales tax collections. As is apparent in the foregoing discussion of economic variables, 3.4% growth is right in line with our predictions (as well as those of much more established economists than ourselves, in particular those of the Research Seminar in Quantitative Economic (RSQE)). For more information about the County's current economic outlook, please see the section of this report entitled "The Economy".

Budget Review Office Recommendations

- As we have stated above, our forecasts, based on what we believe are sound economic assumptions and rigorous econometric modelling, lead us to predict growth in sales tax revenue of three percent for 2014 and five percent in 2015. Each of these figures is 0.25% higher than the corresponding growth rates implicit in the 2015 Recommended Operating Budget. That having been said, the forecasting error inherent in sales tax projections lead us to conclude that the difference between our sales tax forecast and that implicit in the budget is not statistically significant.
- In order to best assure that the 2015 adopted operating budget is fiscally sound, we also propose using the proceeds of our recommended sales tax increase to offset understated expenses and/or overstated revenues that we have identified elsewhere in this review.

- Our recommended increase in sales tax revenue growth of 0.25% in both 2014 and 2015 translates into a total increase of sales tax revenue over the two years of \$9,863,417. The breakdown by year and fund are:
 - In the General Fund increase sales tax revenue (001-FIN-1110) by \$3,152,988 in 2014 and by \$6,460,852 in 2015, for a total increase of \$9,613,840.
 - In the Suffolk County Water Protection Fund increase sales tax revenue (477-FIN-1110) by \$52,056 in 2014 and by \$197,521 in 2015, for a total increase of \$249,577.

MC Sales Tax 15

The Economy

Overview

After years of somewhat lackluster performance in the wake of the Great Recession, both the national and local economies seem poised for more robust growth. Projected growth in both national consumer spending and output are trending upward and are forecast to achieve near four percent growth in the fourth quarter of 2014 and above four percent growth in 2015. Employment and wages in Suffolk County are also upwardly trended with both series currently growing by more than one percent and forecast to continue to increase in the fourth quarter of 2014 and to exceed two percent for all of 2015. This should translate into sales tax revenue growth of three percent for all of 2014 and five percent in 2015. The greatest risk to the economy is the somewhat lackluster growth of wages. Despite some misgivings in this area we remain positive overall about the prospects for the County's economy going forward.

National Factors

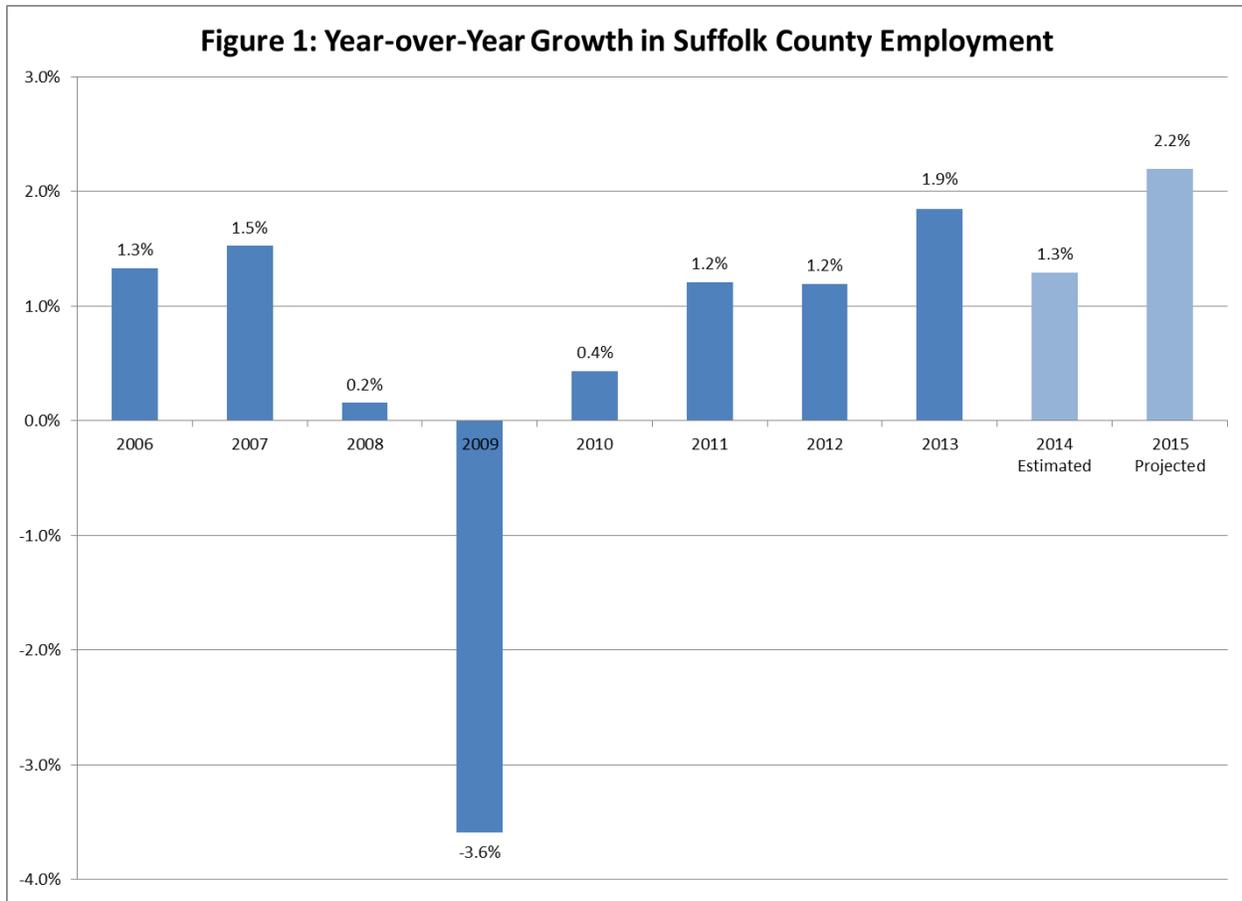
Suffolk County's economy is closely linked to the national economy. In specifying our forecast, we track many variables that quantify economic activity at the national level as potential inputs into our model that projects local employment and consumer spending and, ultimately, sales tax. In the first quarter of this year, the harsh winter had a dampening effect on the US economy as a whole, just as it did here on Long Island. Many national indicators, including gross domestic product (GDP), consumption, non-farm employment and final sales to domestic consumers, which have been growing steadily if moderately since the end of the recent recession, experienced a hiccup in growth during the first quarter of 2014, as did Suffolk County employment and, not coincidentally, sales tax collections. All these indices have since rebounded and seem poised to continue growing at least through the end of 2015.

Local Factors

As one might expect, there is not as much economic data available relating to Suffolk County or Long Island as there is about the United States. Three key data series that do track the local economy come to us from the State Labor Department: employment, unemployment and wages.

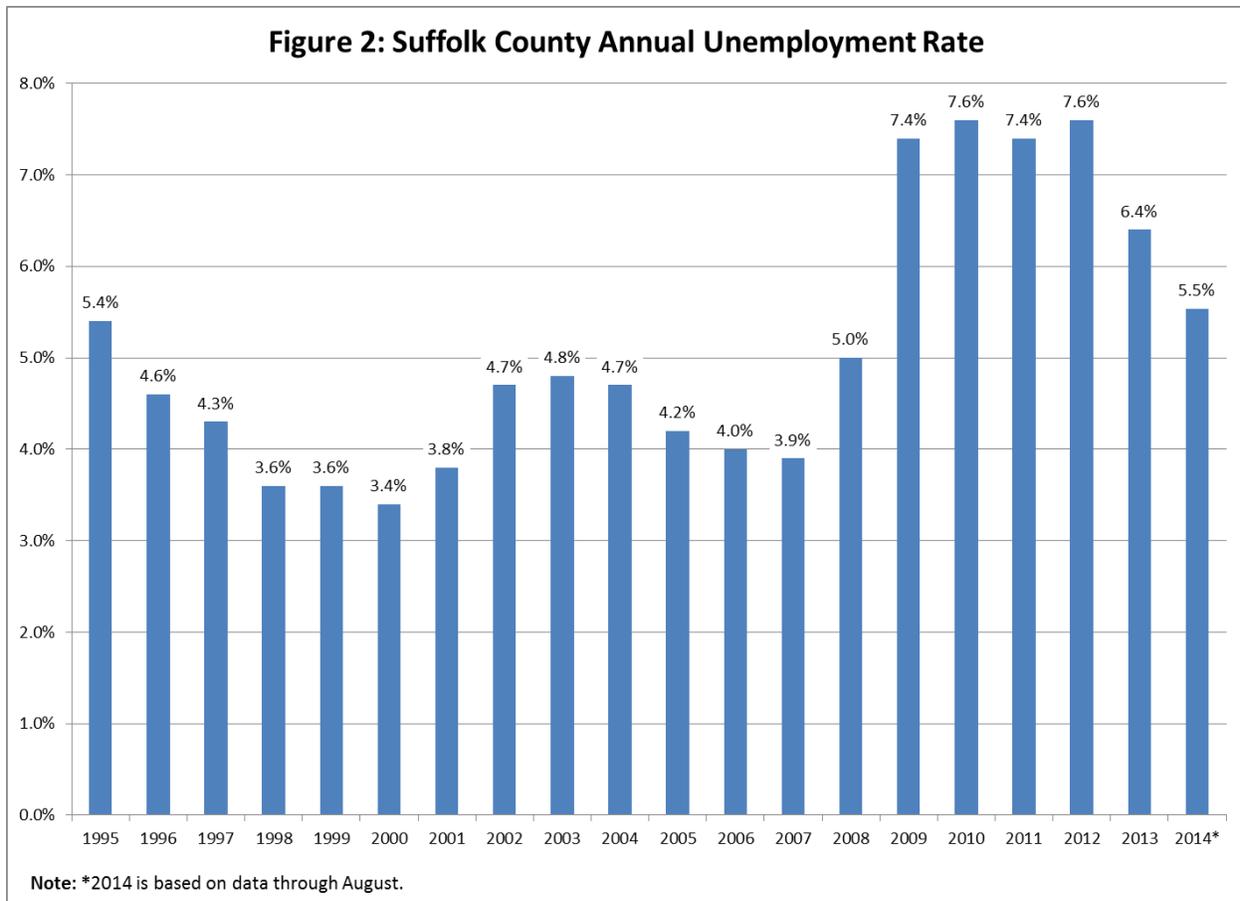
Employment

Figure 1 shows year-over-year changes in Suffolk County employment. After losing more than 22,000 jobs in 2009 (a 3.6% drop), during the Great Recession, Suffolk County's labor market has recovered gradually, adding 2,600 jobs (+0.4%) in 2010, 7,300 jobs (+1.2%) in both 2011 and 2012, and 11,400 jobs (+1.9%) in 2013. In the first quarter of 2014, the most recent for which we have data, the County added 3,900 jobs, a 0.6% increase from the same quarter the year before. Budget Review Office projections of County job growth show continued strengthening through the end of 2014, with job growth slated to hit 1.7% in the fourth quarter, translating into 1.3% growth for the year. Employment is forecast to continue to pick up through the end of 2015, when year-over-year growth is expected to reach 2.2%.



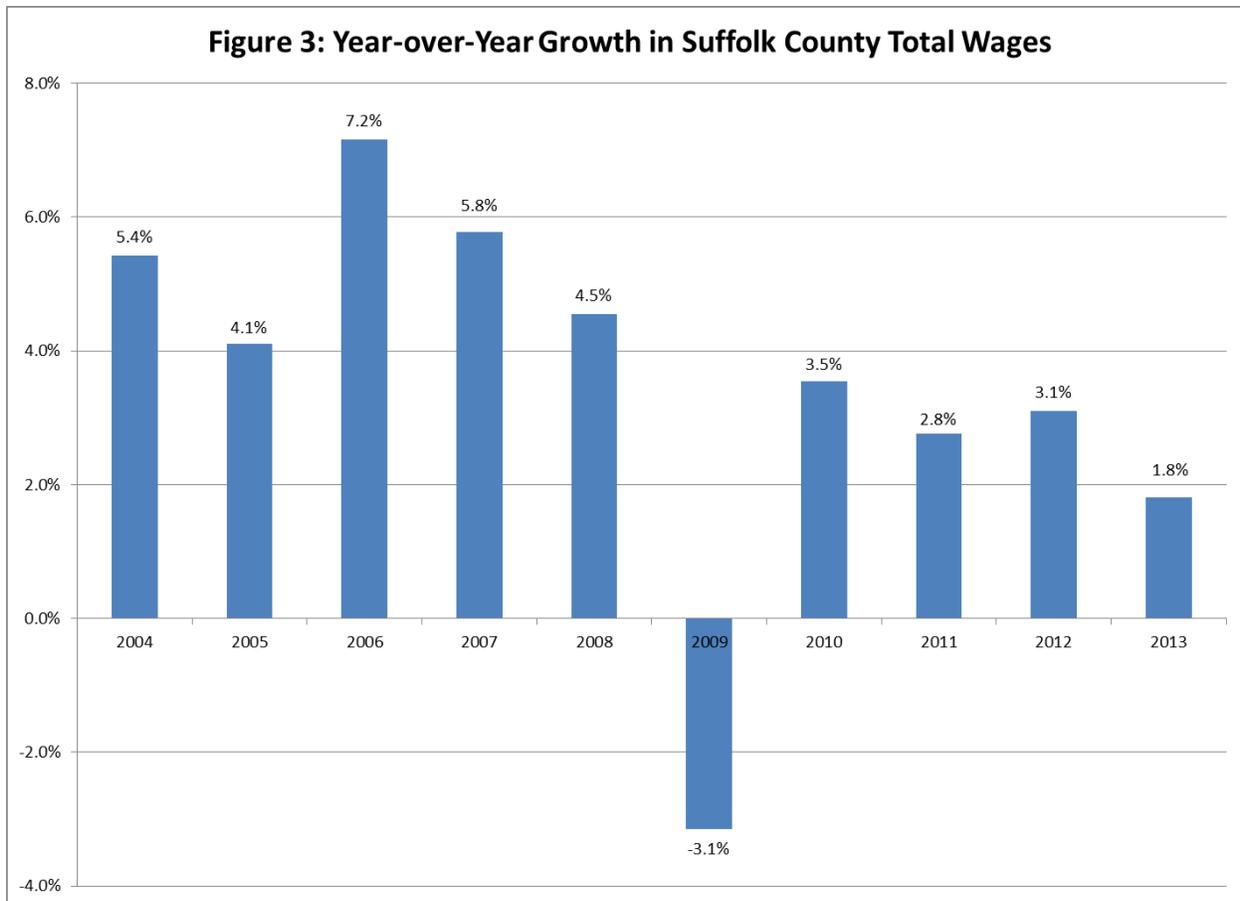
Unemployment

In recent years, Suffolk County unemployment has followed a similar trajectory to that of employment, falling by 1.2 percentage points, from 7.6% in 2012 to 6.4% in 2013, and by an additional 0.9 percentage point, to 5.5%, in the first eight months of this year (see Figure 2). The 5.5% unemployment is still well above the sub-four percent rates the County saw in the halcyon days of the late 90s and early 2000s, but with job growth projected to be strong, the local unemployment rate should continue to fall throughout 2015.



Wages

The only local data series that gives cause for less than full-blown optimism are local wages. Although tracked as part of the same data series as local employment, (Quarterly Census of Employment and Wages, QCEW) wages tell a slightly different story than the job numbers (see Figure 3).



Like employment, total wages have grown every year since 2009. Unlike the jobs series, the track record for total wages has been spotty. For instance, in the first and third quarters of 2013 total wages actually declined. When examined in tandem, these two series seem to reinforce a theme: while job growth appears robust, the jobs being added do not appear to pay as well as those already in existence.

Upon closer examination, this problem may not be as serious as it sounds. Recent economic analysis widely reported in the press identified three factors that help explain how sluggish wage growth can exist in tandem with a robust economic recovery. They are:

- Current unemployment rates are still too high to exert upward pressure on wages. Wages are considered a lagging economic indicator, meaning that pay starts to rise well after the job market begins to rebound.
- Younger workers (who demand lower wages) are replacing older ones in the labor force. This shift is purely demographic, but it has a large and potentially misleading impact on wages.
- Conservative behavior by employers makes them slow to cut wages in bad times but also slow to raise them during recoveries. Out of concern for employee morale, employers were reluctant to reduce employee pay during the Great Recession. However, as the recovery continues, they may be trying to regain some of the lost ground by keeping a tight hand on the purse strings, at least until the economic recovery strengthens.

We are therefore not overly concerned about the impact of sluggish wage growth on our projections but do feel future wage growth bears close scrutiny going forward.

The Economy's Impact on Suffolk County's Budget

Sales Tax Revenue

Our sales tax forecast is discussed in the previous section of this report, titled "Sales Tax Revenue." Our forecast is based on a statistical model that incorporates the view of the economy implicit in this section. The recommended budget includes sales tax growth rates of 2.75% in 2014 and 4.75% in 2015. In comparison, our forecast is slightly higher in each year; three percent in 2014 and five percent in 2015. BRO's forecast implies a combined surplus over the two years of \$9.86 million.

Interest Earnings and Expenses

Interest rates have an impact on both the revenue and expenditure side of the budget. The same can be said for available cash balances, which are also affected by the strength of the economy.

- Short-term rates are still hovering near historic lows, just above zero. In 2015, however, we expect the Federal Reserve to start to pull back from its policy of quantitative easing, which will begin to cause interest rates to rise.
- Short term interest rates and cash needs impact Tax Anticipation Notes (TANs) that are usually issued at the beginning of each year and in the fall, while longer-term interest rates affect serial bonds issued by the County to finance the capital program. Serial bonds are issued each year in the spring and fall.
- Rising interest rates have the potential to have a net negative impact on the County's budget and important implications for its ability to continue its recent strong reliance on both short- and long-term borrowing to balance its budget.

The 2015 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 the accompanying table shows, the Executive's budget recommends an increase in the County property tax (excluding sewers) of \$11.99 million, a 2.1% rise over last year's \$558.5 million warrant. The recommended budget calls for Police District taxes to rise by \$11.98 million, a 2.42% increase. The only other change in the tax warrant between 2014 and 2015 is an increase of \$10,701 in the MTA tax. Our analysis excludes the sewer districts. Once the Southwest Sewer District share of the MTA tax is included, this tax remains flat from year to year. It should also be noted that the individual sewer districts are recommended to increase by the usual three percent except for Southwest, which was not increased.

The proposed County property tax translates into an estimated average homeowner tax bill of \$1,036. This represents an increase of \$22 or 2.1%. County property taxes, however, only account for about 11% of an average homeowner's tax bill. Total property taxes in 2014, including County, town, fire, school and other taxing jurisdictions, averaged \$9,392 per homeowner. On average, homeowners in the western towns of Babylon, Brookhaven, Huntington, Islip and Smithtown, will see their County property taxes increase by an average of about \$28, while their counterparts in the eastern towns of East Hampton, Riverhead, Shelter Island, Southampton and Southold, will see taxes decrease by about \$5. This difference in average tax bill is due mostly to the fact that westerners' tax bills include a charge for the Police District (whose taxes are increasing), and those in the east do not.

Suffolk County Property Tax Warrant

County Portion of the Tax Warrant:	Total Tax Levy appearing on the tax warrant (County portion)			Average Homeowner Tax Bills (County portion)			Percent Change in Total Tax Bill (County, town, school and special district taxes)	
	2014 Adopted	2015 Recommended	Change	Percent Change (County portion of tax warrant)	2014 Adopted	2015 Recommended		Change
General Fund	\$49,037,038	\$49,037,038	\$0	0.00%	\$88.88	\$86.43	-\$2.45	-2.8%
College	\$5,250,467	\$5,250,467	\$0	0.00%	\$9.54	\$9.25	-\$0.29	-3.1%
Police District	\$494,892,795	\$506,872,160	\$11,979,365	2.42%	\$1,101.42	\$1,131.43	\$30.01	2.7%
District Court	\$6,513,302	\$6,513,302	\$0	0.00%	\$13.91	\$13.95	\$0.03	0.2%
MTA Tax (excludes sewers)	\$2,830,258	\$2,840,959	\$10,701	0.38%	\$10.45	\$9.77	-\$0.69	-6.6%
Combined Funds	\$558,523,860	\$570,513,926	\$11,990,066	2.1%	\$1,014	\$1,036	\$22	2.1%
Combined Funds Breakdown:								
Babylon	\$68,240,412	\$68,167,991	-\$72,421	-0.1%	\$1,002	\$1,004	\$2	0.2%
Brookhaven	\$173,281,986	\$178,131,355	\$4,849,369	2.8%	\$1,033	\$1,061	\$28	2.8%
Huntington	\$117,987,530	\$121,531,582	\$3,544,052	3.0%	\$1,596	\$1,652	\$56	3.5%
Islip	\$116,724,168	\$117,823,638	\$1,099,471	0.9%	\$1,127	\$1,145	\$18	1.6%
Smithtown	\$61,466,971	\$62,808,490	\$1,341,519	2.2%	\$1,519	\$1,556	\$37	2.4%
East Hampton	\$5,816,278	\$6,110,935	\$294,658	5.1%	\$293	\$307	\$14	4.7%
Riverhead	\$1,066,362	\$1,236,304	\$169,942	15.9%	\$59	\$68	\$8	14.3%
Shelter Island	\$677,775	\$714,280	\$36,506	5.4%	\$252	\$265	\$13	5.3%
Southampton	\$11,192,819	\$11,994,304	\$801,485	7.2%	\$266	\$245	-\$21	-7.8%
Southold	\$2,069,559	\$1,995,045	-\$74,514	-3.6%	\$134	\$130	-\$5	-3.5%
County Total	\$558,523,860	\$570,513,926	\$11,990,066	2.1%	\$1,014	\$1,036	\$22	2.1%
5 Western Towns	\$537,701,067	\$548,463,057	\$10,761,990	2.0%	\$1,193	\$1,221	\$28	2.3%
5 Eastern Towns	\$20,822,793	\$22,050,869	\$1,228,076	5.9%	\$220	\$214	-\$6	-2.4%

The New York State Property Tax Cap

The New York State property tax cap law prohibits local governments and school districts from raising property taxes from one year to the next by more than 2% or the rate of inflation, whichever is less. The calculation of the actual cap (shown in Table 1) is slightly more complex. The County's maximum allowable property tax increase in 2015 is \$12,502,630 (2.02%). An increase of more than this amount would require a 60% vote by the governing body.

The property tax cap is calculated on the total value of all County taxing funds combined. As such, the entire allowable increase of \$12,502,630 can be applied to a single County fund or divided across any combination of funds. The recommended budget calls for an increase of \$12,189,927 or 1.97%. This is \$312,703 less than the allowable 2.02% rate of growth. The breakdown by fund is an increase of \$11,979,365 (2.42%) in the Police District and 3%, totaling \$210,562, across all Sewer Districts except Southwest (see Table 2). Unlike previous years, the recommended budget includes no increase in property taxes for the Southwest Sewer District, whose finances are quite sound. This frees up \$1.56 million – the amount it would have cost to increase Southwest taxes by 3% - to be applied to other funds. The recommended budget applies this amount to the Police District property tax increase.

	Components Included in Tax Cap Calculation	Tax Cap Calculation	Comment
Total Real Property Tax Levy in 2014	\$617,584,295		2014 Property Taxes for combined General Fund, Police District, MTA Payroll Tax, District Court, Sewers, Community College funds
plus Total Reserve Amount from FYE 12/31/13	\$0	\$617,584,295	= \$617,584,295 + \$0
times Tax Base Growth Factor	1.0043	\$620,239,907	= (\$617,584,295 + \$0) * 1.0043
plus PILOTS Receivable in FYE 2014	\$8,377,141	\$628,617,048	= \$620,239,907 + \$8,377,141
minus tax levy necessary to support expenditures for tort actions for any amount that exceeds 5 percent of the local government's tax levy in the prior fiscal year	\$0	\$628,617,048	= \$628,617,048 + \$0
times Allowable Levy Growth Factor	1.0156	\$638,423,474	= \$628,617,048 * 1.0156
less PILOTS Receivable in FYE 2015	\$8,528,011	\$629,895,463	= \$638,423,474 + \$8,528,011
plus Increases in retirement expenses in excess of 2% increase in the average contribution rate (not available when amortizing)	\$0	\$629,895,463	= \$629,895,463 + \$0
plus Total Tax levy necessary for expenditures from court orders or judgments resulting from tort actions FYE 2014 that exceed 5% of last year's tax levy	\$0	\$629,895,463	= \$629,895,463 + \$0
plus Available Carryover from FYE 12/31/2014	\$191,462	\$630,086,925	2015 Allowable Property Tax = \$629,895,463 + \$191,462
equals 2015 Allowable Increase		\$12,502,630	2015 Allowable Increase = \$630,086,925 - \$617,584,295
2015 Allowable Percent Increase		2.02%	2015 Allowable Percent Increase = \$12,502,630 / \$617,584,295

Table 2				
2015 Recommended and Maximum Allowable Property Taxes Based on the NYS Cap				
Description	2014 Adopted	2015 Recommended	\$ Increase	% Increase
<u>Property Tax</u>				
General Fund (001-1001)	\$49,037,038	\$49,037,038	\$0	0.00%
Police District (115-1004)	\$494,892,795	\$506,872,160	\$11,979,365	2.42%
MTA Payroll Tax (121-1005)	\$2,852,204	\$2,852,204	\$0	0.00%
District Court (133-1001)	\$6,513,302	\$6,513,302	\$0	0.00%
Southwest Sewer District (203-1001)	\$52,019,725	\$52,019,725	\$0	0.00%
All Sewer Districts EXCEPT SW (various-1001)	\$7,018,764	\$7,229,326	\$210,562	3.00%
Community College (818-1001)	\$5,250,467	\$5,250,467	\$0	0.00%
All County Funds	\$617,584,295	\$629,774,222	\$12,189,927	1.97%

MC NYS Tax Cap 15

Cap Compliance

Effects of Recommended Budget

The 2015 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 2015.
- 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 2015.
- In addition to the two percentage caps, Local Law 29-1995 and Local Law 43-2006 require a minimum of 25% of the General Fund actual discretionary fund balance to be transferred to the Tax Stabilization Reserve Fund and Debt Stabilization Reserve Fund for use in subsequent years. This requirement can be thought of as a cap on the amount (no more than 75%) of any discretionary fund balance surplus that can be returned to the taxpayers in any year.

The Executive's recommended budget document shows compliance with both cap laws. The discretionary portion of the budget for 2015 is shown to be \$10.3 million below the expenditure cap and \$8.5 million below the tax levy cap. This presentation can be found on pages 37 and 38 in Volume No. 1 of the 2015 Recommended Operating Budget.

In prior years many revenue and expenditure items had, in our view, been misclassified or reclassified 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 that the stated values of both cap compliance and the discretionary fund balance are not accurately calculated.

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 context to 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. In fact, based on Budget Review Office calculations, the breakdown of the 2014 Adopted General Fund property tax into its mandated and discretionary components, as listed in the 2015 Recommended Operating Budget, is incorrect. 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 in the past to circumvent them in terms of recategorizing various expenditures and revenues, as well as altering the methodology to calculate cap compliance. For these reasons, Budget Review once again

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 that was never adopted, could be used as a guide for a stand alone resolution, or consideration could be given to incorporate this change into the Legislature's budget amending omnibus resolution. It is our understanding that there is outstanding litigation concerning whether or not a mandatory referendum would be needed to rescind local laws such as the ones considered here, which were originally adopted by referendum.

In addition to repeal of the County tax cap laws, we would advise rescinding Local Law 29-1995 and Local Law 43-2006 as they apply to use of the discretionary fund balance. These laws require that a minimum of 25% of the General Fund actual discretionary fund balance be transferred to the Tax Stabilization Reserve Fund and Debt Stabilization Reserve Fund.

The 2015 Recommended Budget shows a 2013 year end General Fund discretionary fund balance of \$13,390,931 (see page 62 of the the 2015 Recommended Operating Budget). The required 25% transfer of \$3,347,733 appears in the budget as a transfer to the Debt Service Reserve Fund 425 (001-E425) - see page 61 of the 2015 Recommended Budget. The 2015 Recommended Budget then transfers these funds back to the General Fund (001-R425). The status of funds presentation in the budget for Fund 425 (on page 209) does not accurately reflect this. The 2015 recommended revenue should be amended as follows:

425-R001-Transfer from General Fund should be reduced from \$25,847,733 to \$3,347,733

425-R404-Transfer from Assessment Stabilization Reserve should be increased from \$0 to \$25,847,733

The recommended budget does not follow a literal interpretation of this legislation, since it does not reserve these funds for subsequent years. In spite of some improvement in County finances that is implicit in the 2015 Recommended Budget, there still remains a structural deficit that presents a significant challenge to the County. As such, we are hardpressed to recommend an offset that would be needed to reserve \$3,347,733 for subsequent years. Instead, we would advise rescinding this requirement.

Another reason for rescinding this requirement is that the discretionary fund balance is based on inaccurate calculations. In the future, should finances allow, the Legislature always has the discretion to reserve funds for a rainy day. It does not need to be forced to reserve funds based on a calculation that no longer makes sense.

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 (2015 Recommended), and where in this report to find the relevant BRO analysis.

General Fund Revenue					
Revenue	2013 Actual	2014 Adopted	2014 Estimated	2015 Recommended	Analysis of Revenue
State Admin Sales & Use Tax	\$1,139,877,145	\$1,162,904,462	\$1,152,325,565	\$1,254,027,436	See separate section of this report.
State Aid	\$231,135,955	\$238,621,400	\$239,603,442	\$237,804,516	Included in this section and various departmental write-ups.
Federal Aid	\$235,301,704	\$219,172,458	\$227,730,718	\$222,826,412	Included in this section and various departmental write-ups.
Other Revenue	\$331,627,681	\$189,013,766	\$191,084,673	\$137,775,890	Included in this section and various departmental write-ups.
Real Property Taxes	\$45,736,638	\$49,037,038	\$40,000,000	\$49,037,038	Included in this section.
Interest & Penalties on Real Property Taxes	\$42,560,792	\$39,250,000	\$40,900,000	\$39,900,000	Included in this section.
Transfer from Debt Service Reserve Fund	\$0	\$32,800,000	\$32,800,000	\$25,847,733	See separate section of this report.
Transfer from Water Protection	\$23,231,792	\$24,066,295	\$23,871,004	\$25,054,284	See separate section of this report.
County Clerk Fees	\$18,336,589	\$17,800,000	\$15,900,000	\$16,500,000	See departmental write-up on County Clerk.
Out-of-County Tuition Chargebacks	\$10,289,023	\$13,515,203	\$14,121,479	\$16,045,388	See separate section of this report.
Real Property Tax Service Agency Map Certification Fees	\$13,482,480	\$11,500,000	\$11,500,000	\$11,400,000	See departmental write-up on Real Property Tax Service Agency.
Bus Operations - Fares	\$9,962,745	\$10,929,414	\$10,052,045	\$10,209,020	See departmental write-up on Public Works.
Total	\$2,101,542,545	\$2,008,610,036	\$1,999,888,926	\$2,046,427,717	

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 2015 Recommended Budget has a General Fund Property Tax Warrant of \$49,037,038, which is unchanged from the previous five 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 2013 adopted General Fund property tax was \$49,037,038, but the actual amount recognized was \$45,736,638; a shortfall of \$3.3 million. The 2014 estimated budget anticipates that collections will decrease by \$5.7 million and fall short of the adopted amount by \$9 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 \$4 billion in 2006 and breaking the \$5 billion mark in 2012. The warrant was almost \$5.5 billion this year (2014). 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 2014 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, the fact that 2013 collections were only \$3.3 million less than adopted indicates that the projected deficit of \$9 million 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 2014, the County will have experienced the tenth 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 2015 – 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 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 allowed 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. Typically, closings occur within two years of the auction, with the majority occurring within the first year.

For 2013, \$2.5 million in revenue was adopted for Gain (from the) Sale of Tax Acquired Property, while \$1,425,146 was realized. Although there were approximately \$4.4 million in sales at the October 2012 auction, the net gain, after accounting for the County investment and assuming all closings occur, would be approximately \$2 million. Losses from 72-h transfers and other property transactions would account for further decreases to this revenue.

For 2014, revenue is estimated at \$1.5 million, as adopted. As of October 10, 2014, the County's Integrated Financial Management System shows \$1,174,925 in Revenue Code 1051. Although there were approximately \$5.5 million in sales at the September 2013 auctions, the net gain, after accounting for the County investment and after all closings occur, is approximately \$2.1 million. A review of 72-h resolutions adopted in 2014, as of October 7th, indicates a net loss from 72-h sales of more than \$300,000 to date. Depending on additional closings and resolutions through year-end, the 2014 estimate is realistic.

The 2015 Recommended Budget includes \$2.5 million in 2015 for this revenue. The County auction sale has not yet occurred, but it is scheduled for late October. According to a representative from the Division of Real Property Acquisition and Management, 211 properties are being offered, with upset prices totaling \$5.1 million and a total County investment of \$5.8 million. If all properties sell at the upset price and go to closing, it would represent a loss to the County of approximately \$0.7 million (not including additional losses from 72-h or other transactions). It would require sales of approximately \$8.3 million (\$3.2 million above the upset price) to attain a net \$2.5 million revenue, prior to considering other losses.

Many variables can affect the auction outcome. Not all properties may sell, not all sold properties may close, and those that do close may not close in 2015. However, some properties may sell for many times the upset price, if there is competitive bidding. The auction brochure indicates that there are over 65 improved properties, which tend to be among the most valuable at auction. We consider the 2015 recommended revenue to be plausible.

Per prior Budget Review Office recommendation, increasing the online presence of the County auction, including advertising, registration, and bidding options, may bring the auction to a wider audience, stimulate competitive bidding and result in higher net sales. The availability of the auction brochure on the County website, with links to property maps, is a step in the right direction, but it is still difficult to find for those who are not already aware of it.

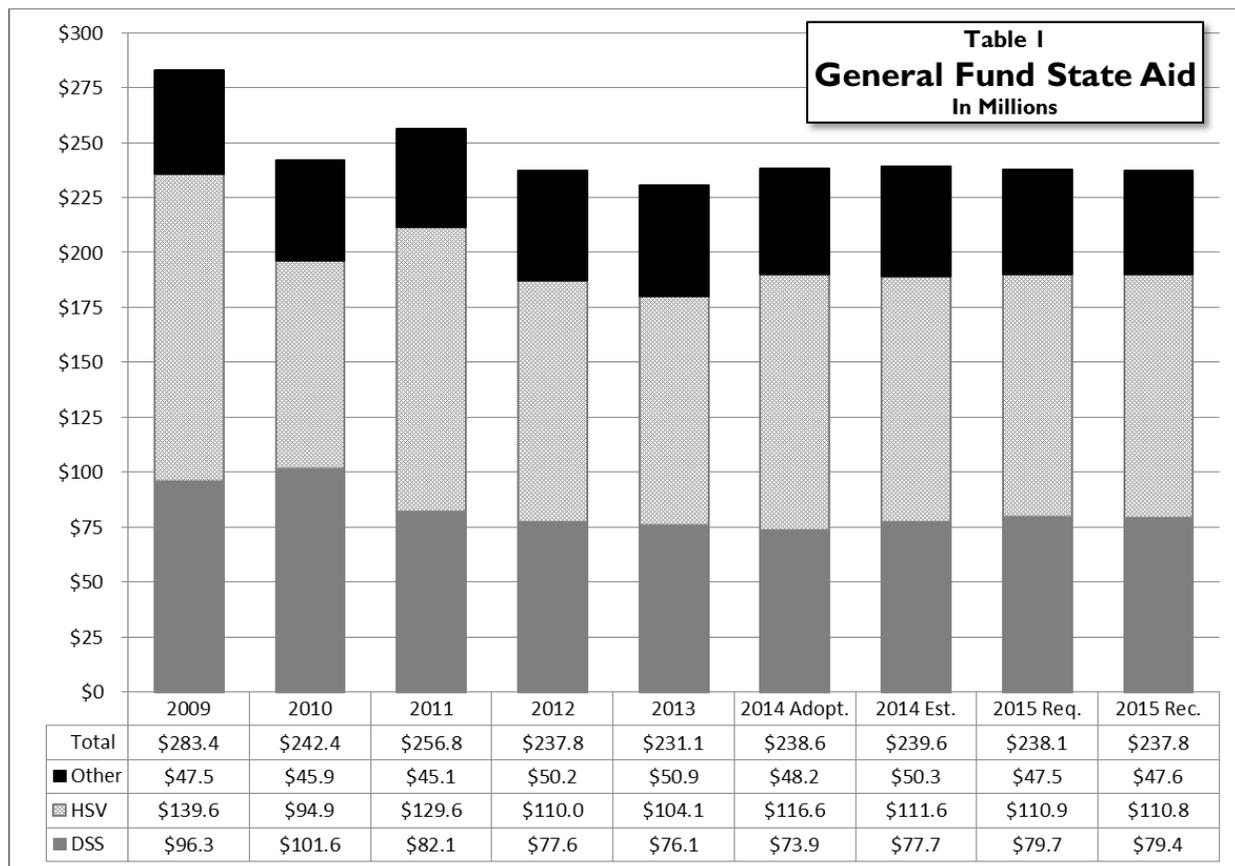
Sales of Real Property (001-EDP-2660)

In 2013 the County sold approximately 230 acres of surplus real property in Yaphank for \$19,354,353. The 2014 estimate is \$547,000 from the sale of a parcel of real property included in the Suffolk County Parks system to New York State, which has initiated eminent domain proceedings to acquire the property as part of a construction project on the northern side of New York State Route 347 in the Town of Smithtown. The 2015 Recommended Budget includes \$660,000 in anticipation of selling land in Selden that is adjacent to the Ammerman Campus of Suffolk County Community College to Empire State College.

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 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 \$8.5 million from 2013 to 2014, but decrease \$1.8 million from 2014 to 2015. Table I depicts the allocations of State aid received for the County's General Fund from 2009 through the 2015 Recommended Budget.



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 \$7.5 million more in 2014 than in 2013; \$6.1 million of which is for preschool programs. The 2014 estimate for State aid to Health programs is \$5 million less than adopted; aid to Public Health programs makes up \$3.7 million of the projected shortfall. The recommended

budget anticipates that State aid for Health Services will decrease another \$814,250 in 2015, most of which can also be attributed to Public Health.

State aid for the Department of Social Services is estimated to be \$3.8 million more than adopted in 2014 and \$1.6 million more than actual revenue in 2013. The largest estimated increase from 2013 to 2014 is for Home Relief. The recommended budget projects State aid for DSS to increase by \$1.7 million in 2015 due primarily to an additional \$1.2 million in reimbursements for DSS Administration.

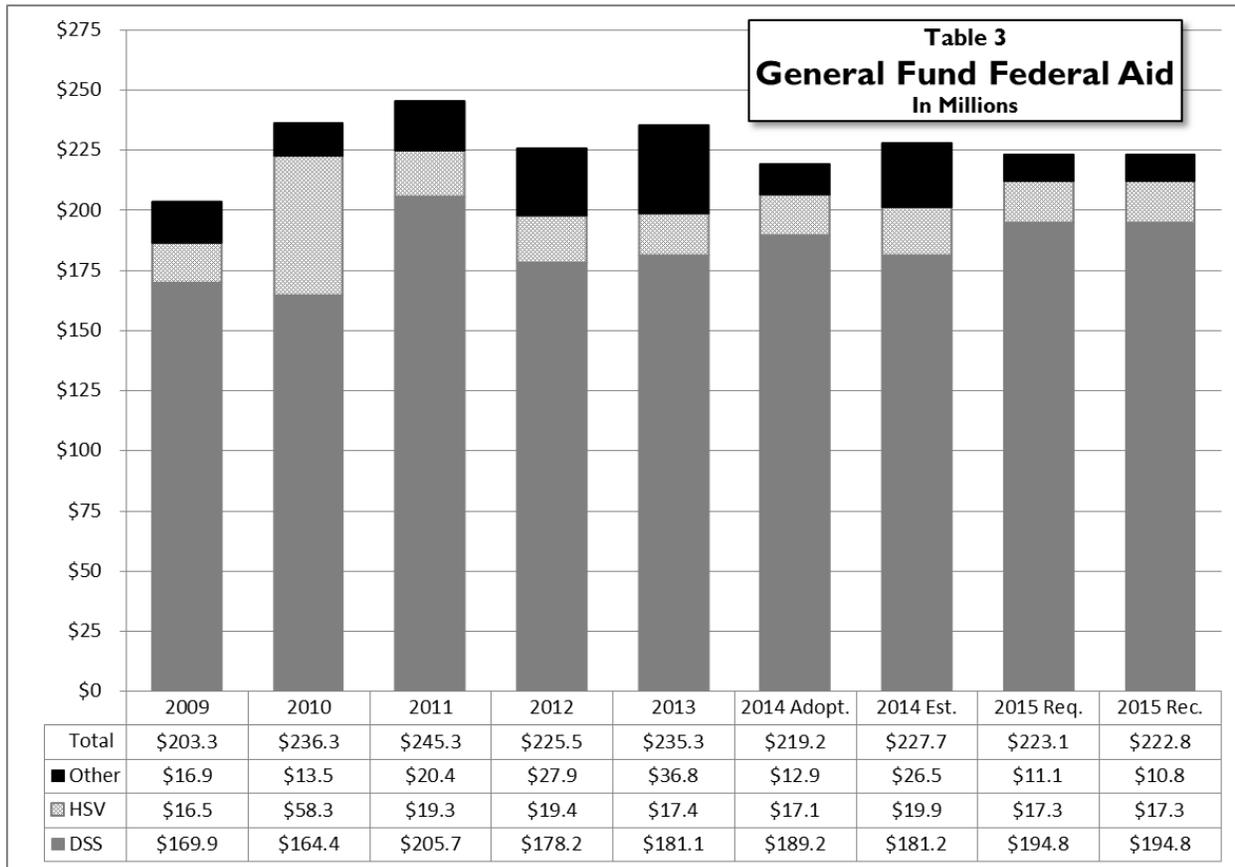
State aid for other departments is typically estimated at a higher amount than adopted because a large percentage of this revenue is from grant funds that are appropriated during the year via resolution. Estimated State aid in 2013 for departments other than DSS and Health Services is \$2.1 million more than adopted. The 2015 Recommended Budget assumes a decrease of \$2.7 million compared to the 2014 estimate; however, 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 11% of actual General Fund revenue in 2013. The 2014 estimated budget attributes 11.98% of General Fund revenue to State aid. The 2015 Recommended Budget forecasts that State aid will account for 11.62% of total General Fund revenues. In 2013, the General Fund benefited from over \$118 million in local one-shot revenue including \$62 million for the sale and leaseback of the Dennison Building, \$37 million in bond proceeds for the Correction Officers settlement, and \$19.3 million for the sale of land in Yaphank. The fact that these revenues did not recur in 2014 contributed to the projected increase in State aid as a percentage of total revenues. The recommended budget assumes that State aid will represent a smaller portion of total revenues in 2015 than in 2014.

Year	Total Fund 001 Revenue	State Aid 001 Revenue	Change in State Aid from Previous Year	Percent of Total Revenue Attributed to State Aid
2009	\$1,752,005,323	\$283,426,489	NA	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	\$2,101,542,545	\$231,135,955	-2.81%	11.00%
2014 Est.	\$1,999,888,926	\$239,603,442	3.66%	11.98%
2015 Rec.	\$2,046,427,717	\$237,804,516	-0.75%	11.62%
Average	\$1,914,961,090	\$247,003,028	-2.64%	12.99%

Table 3 depicts the allocations of Federal aid to the General Fund from 2009 through the 2015 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 decrease by \$7.6 million from 2013 to 2014 and by another \$4.9 million from 2014 to 2015.



The \$19.9 million in estimated Federal aid for Health Services in 2014 is \$2.9 million more than adopted due to the acceptance of grants during the year. The acceptance of grants during the year is also the largest contributing factor to the 2015 Recommended Budget being \$2.7 million less than the 2014 estimate.

Federal aid for Social Services in 2014 is estimated to be flat compared to 2013, but \$8 million less than adopted. While revenue is anticipated to be \$1.8 million more than adopted for Food Stamp Programs, aid for Dependent Children is estimated to be \$6.6 million less and reimbursement for Other Indirect Costs is estimated to be \$3.1 million less. Although the 2014 estimated revenues are approximately equal to 2013 actual revenues, the 2015 Recommended Budget projects that Federal aid to DSS will increase by \$13.5 million; \$5.9 million for Dependent Children, \$2.4 million from the Child Care Block Grant, and \$5.2 million for other DSS programs.

Federal aid for other departments is estimated to be \$10.3 million less in 2014 than in 2013 because the County received \$15.8 million in Federal Emergency Management Agency (FEMA) aid for Super Storm Sandy recovery efforts in 2013. The 2014 estimated budget 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 2015 Recommended Budget is \$15.8 million less than the 2014 estimate for Federal revenue to departments other than DSS and Health Services, as a result of not budgeting the aforementioned grants.

Federal aid represented 11.2% of all General Fund revenues in 2013 and is estimated to be 11.39% in 2014. The recommended budget attributes 10.89% 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 2009.

Comparison of Federal 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 Federal Aid
2009	\$1,752,005,323	\$203,336,580	NA	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	\$2,101,542,545	\$235,301,704	4.35%	11.20%
2014 Est.	\$1,999,888,926	\$227,730,718	-3.22%	11.39%
2015 Rec.	\$2,046,427,717	\$222,826,412	-5.30%	10.89%
Average	\$1,914,961,090	\$228,044,187	1.30%	11.95%

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).

Rev Code	Revenue Source	2013	2014	2015
		Actual	Estimate	Recommended
4609	Dependent Children	\$62,534,503	\$61,732,780	\$67,636,000
4620	Child Care Block Grant	\$28,874,068	\$32,554,051	\$34,908,079
4610	Social Services Administration	\$33,073,902	\$32,398,108	\$34,113,295
3610	Social Services Administration	\$29,582,826	\$29,252,819	\$30,444,203
3640	Home Relief	\$17,177,680	\$18,950,650	\$19,667,800
4619	Child Care (Adc - Fc)	\$19,125,678	\$19,278,080	\$19,244,885
3662	Foster Care Block Grant	\$15,560,177	\$15,983,064	\$15,983,064
4611	Food Stamp Program	\$13,571,275	\$14,127,548	\$15,004,811
Other	Other DSS State and Federal Aid	\$37,703,326	\$34,644,716	\$37,202,336
Total DSS State and Federal Aid		\$257,203,435	\$258,921,816	\$274,204,473
Approp.	Program Name	2013	2014	2015
		Actual	Estimate	Recommended
6140	Safety Net	\$63,150,783	\$71,500,000	\$72,000,000
6109	Family Assistance	\$64,162,951	\$64,100,000	\$70,000,000
6010	Family, Children & Adult Services	\$35,195,653	\$34,738,792	\$38,235,146
6012	Handi. Child Maint. Program	\$26,967,079	\$28,950,000	\$29,200,000
6015	DSS: Public Assist Admin	\$20,423,772	\$19,806,304	\$18,889,165
6118	Institutional Foster Care	\$16,350,603	\$15,100,000	\$15,750,000
6120	DSS: Adoption Subsidy	\$15,642,119	\$15,800,000	\$15,000,000
Other	Other Aided DSS Programs	\$43,443,034	\$44,219,973	\$45,970,979
Total Expenditures in DSS Programs Receiving State and/or Federal Aid		\$285,335,992	\$294,215,069	\$305,045,290
Change in Revenue			2014 - 2013	2015 - 2014
			\$1,718,381	\$15,282,657
Change in Expenditures			0.67%	5.90%
			2014 - 2013	2015 - 2014
Change in Expenditures			\$8,879,077	\$10,830,221
			3.11%	3.68%

DSS revenue from State and Federal aid is estimated to increase by \$1.7 million, or 0.67%, from 2013 to 2014, while related program expenditures are expected to increase by \$8.9 million, or 3.11%. The net cost to the County is \$7.2 million. State and Federal aid for DSS is projected to increase from 2014 to 2015 by \$15.3 million or 5.9%. The recommended budget increases aided expenditures by \$10.8 million or 3.68% for a net County savings of \$4.5 million. The combined two year impact is a \$2.7 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).

		2013	2014	2015
Rev Code	Revenue Source	Actual	Estimate	Recommended
3279	State Aid: Preschool	\$55,571,225	\$61,686,379	\$61,984,280
3493	Community Support Svc Program	\$16,686,249	\$19,420,670	\$19,115,260
3278	State Aid: Early Intervention	\$8,791,412	\$10,530,782	\$10,664,960
3401	Public Health	\$14,648,738	\$10,617,902	\$9,757,006
4491	Alcoholism	\$5,959,885	\$6,260,328	\$6,240,450
4482	W.I.C. Nutrition	\$3,269,261	\$3,830,308	\$3,570,021
3486	Narcotic Addictions Control	\$3,185,606	\$3,248,795	\$3,248,795
Other	Other HSV State and Federal Aid	\$13,388,427	\$15,998,446	\$13,505,379
Total HSV State and Federal Aid		\$121,500,803	\$131,593,610	\$128,086,151
		2013	2014	2015
Approp.	Program Name	Actual	Estimate	Recommended
2960	Education Handicapped Children	\$125,116,614	\$128,378,715	\$129,653,358
4101	Patient Care Programs	\$8,815,555	\$35,669,473	\$26,415,164
4330	Hs: Community Support Svc	\$17,297,582	\$37,675,656	\$34,784,454
4310	Div of Comm Mental Hygiene	\$14,469,514	\$15,326,168	\$15,329,076
4400	Hs: Environmental Health	\$6,464,297	\$6,032,481	\$7,042,181
4320	Hs: Mental Health Pgms	\$6,401,970	\$6,996,075	\$7,041,957
4005	Hs: General Admin	\$6,503,639	\$7,594,082	\$6,389,368
4321	Methadone Clinics	\$5,166,171	\$5,142,979	\$5,122,159
Other	Other Aided HSV Programs	\$65,352,283	\$37,675,656	\$34,784,454
Total Expenditures in HSV Programs Receiving State and/or Federal Aid		\$255,587,625	\$280,491,285	\$266,562,171
			2014 - 2013	2015 - 2014
Change in Revenue			\$10,092,807	-\$3,507,459
			8.31%	-2.67%
			2014 - 2013	2015 - 2014
Change in Expenditures			\$24,903,660	-\$13,929,114
			9.74%	-4.97%

Department of Health Services revenue from State and Federal aid is estimated to increase by \$10.1 million or 8.31% from 2013 to 2014. Most of the growth (77.6%) is due to an increase in

revenues related to the Children with Special Needs program. Related Health Services program expenditures are expected to increase this year by \$24.9 million or 9.4%. The net cost to the County is \$14.8 million. In 2015 State and Federal aid for Health Services is projected to decrease from by \$3.5 million or 2.67%; however, aided expenditures are expected to decrease by \$13.9 million, or 4.97%. The net County savings is \$10.4 million. The combined two year impact is \$4.4 million increase in local cost.

State and Federal aid, for all departments, is estimated to be approximately 23.4% of total General Fund revenues in 2014 and 22.5% in 2015. As seen in Table 7, both are less than the average since 2009.

Year	Total Fund 001 Revenue	Combined State and Federal Aid	Percent of Total Revenue Attributed to State and Federal Aid
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	\$2,101,542,545	\$466,437,659	22.20%
2014 Est	\$1,999,888,926	\$467,334,160	23.37%
2015 Rec	\$2,046,427,717	\$460,630,928	22.51%
Average	\$1,914,961,090	\$475,047,215	24.94%

Recent initiatives such as the Red Light Camera Safety Program, Out-of-County Tuition chargebacks, and the formation of a Traffic Violations Bureau have helped offset declining aid with recurring revenue. In 2015 the County will begin rolling out speed cameras in school zones, which are projected to increase revenues from fees and fines by \$4 million in 2015. Although there are still uncertainties regarding how much revenue a VLT casino operated by Suffolk OTB will provide, the County should see additional local revenue starting in 2016.

While the County has made progress in securing recurring revenue, the County has continued to rely on one-shots to balance the General Fund including Tobacco Securitization in 2008 and 2012, amortization of pension payments to the New York State Retirement system each year since 2011, the sale of the Yaphank parcel in 2013, bonding for Correction Officers retro pay in 2013, the Sale-leaseback of the Dennison Building in 2013, and borrowing from the Sewer Assessment Stabilization Reserve Fund in 2014 and 2015. 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 continue its efforts to generate additional revenue to finance expenditures or substantially reduce expenses, likely resulting in severe cuts to service provision.

Off Track-Pari-Mutual Tax (001-MS-C-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 8.7% annually from 1998 to 2013. The following chart shows OTB revenue to the County since 1998.

County Share of		
Year	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	\$1,123,194	-10.3%
2014 Estimate	\$1,250,000	11%
2015 Recommended	\$1,250,000	0.0%

Effects of Recommended Budget

The 2014 revenue estimate is \$1.25 million, which is \$4.35 million less than what was adopted in 2014. The estimate reflects a \$350,000 deficit in revenues related to horse race wagering and a \$4

million deficit in revenue from Video Lottery Terminals (VLTs), which did not open in 2014. Based on year-to-date revenue of \$863,797 reported in the County's Integrated Financial Management System on October 2, 2014, the \$1.25 million estimate is optimistic, but not unreasonable. The recommended budget anticipates no revenue from VLTs in 2015 and includes only \$1.25 million from horse racewagering.

Issues for Consideration

Bankruptcy

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. According to Suffolk OTB, the bankruptcy proceedings will be completed on October 22, 2014. The plan of adjustment calls for OTB to pay its creditors the full amount owed, which is approximately \$17 million, but with bankruptcy protection until such a time as proceeds from the VLT parlor are available to make payments.

Video Lottery Terminals

Under the New York Gaming Economic Development Act of 2013, Suffolk County OTB was authorized to operate a gaming facility with up to 1,000 video lottery terminals. Suffolk OTB selected Delaware North, a Buffalo, NY based company that provides gaming, lodging, food, and venue management services nationwide, to develop and operate the VLT Parlor. Delaware North will provide up-front financing to construct the facility, which will be located in Medford on the Long Island Expressway at the former site of the Brookhaven Multiplex. Suffolk OTB estimates total startup costs to be \$71 million. OTB will initially make debt service payments to Delaware North, but plans to refinance its debt on more favorable terms after two years of operations.

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 the Suffolk OTB, there are agreed upon arrangements that will provide at least \$2 million in revenue to the County for the first two years of VLT operations. Depending on the profitability of the facility, revenues to the County could exceed that amount.

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 to several categories including State education, casino marketing, and the horse racing industry.

Once the appropriate amounts of funding have been apportioned, 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.

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.

Town of North Hempstead vs. Nassau County

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 adjusted the 2014 warrant to 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.

2014 Tax Warrant

The 2014 Tax Warrant was based on out-of-county tuition costs for the 2012-2013 academic year, which totaled \$13,030,590. However, three adjustments needed to be made to calculate the warrant – a reconciliation for 2012, a reconciliation for 2013 (excluding FIT upperclassmen), and an adjustment for the \$3,630,196 in uncollected taxes associated with FIT upper classmen expenses from the 2012-2013 academic year.

Since the actual cost and apportionment of out-of-county tuition is not known until the following year, the 2012 Tax Warrant for out-of-county tuition chargebacks was based on the estimated cost of \$10.25 million for the 2010-2011 academic year and this cost was apportioned among the ten towns according to residency statistics collected for that year. Actual expenditures for the 2011-

2012 academic year (excluding FIT upper classmen) were \$9,631,002. The County overbilled the towns by \$618,998.

The 2013 Warrant used the same estimated expenditures and distribution as in 2012. Actual out-of-county tuition costs for the 2012-2013 academic year were \$9,400,393. The County overbilled the towns by \$849,607.

As shown in the following table, the total 2014 Tax Warrant for out-of-county tuition should have been \$15,192,181 after the three adjustments were made.

2014 Tax Warrant							
Township	Estimated 2013-	Adjustment for 2012-				Total Adjustment	2014 Warrant
	2014 Out-of-County Tuition	2012 Adjustment	2013 Adjustment	2013 Unpaid FIT Upper Classmen			
	(1)	(2)	(3)	(4)	(5) = (2) + (3) + (4)	(6) = (1) + (5)	
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	

Effects of Recommended Budget

The recommended budget is released before the County Comptroller receives all the information needed to determine the final actual costs for the preceding academic year. The 2014 estimate for out-of-county tuition expenditures for the 2013-2014 academic year is \$13,976,064. According to Audit and Control, actual out-of-county tuition expenditures for the 2013-2014 academic year were \$13,569,325, which is \$538,736 more than what the towns were billed. This amount, in addition to \$38,530 in bills received during 2014 for the 2012-2013 academic year, need to be added to the 2015 Tax Warrant.

Revenue from town chargebacks is estimated to be \$14.1 million in 2014, which is \$1,123,851 million less than the 2014 Warrant due to errors on the 2014 Warrant. The adjustments needed to the 2014 Warrant were not made for four of the six towns. Consequently, the actual 2014 Warrant was \$14,068,330 instead of \$15,192,181 as calculated last year in the Review of the 2014 Recommended Budget. The result is that the Town of East Hampton was overbilled by \$131,547, the Town of Smithtown was undercharged \$1.1 million, the Town of Southold was undercharged \$109,046, and the Town of Shelter Island was undercharged \$226.

Recommended expenditures for out-of-county tuition in 2015 are \$13,976,064, which assumes that expenditures will be the same as estimated in 2014. The assumption is reasonable, but as is the case with the 2014 estimate, the 2015 recommended budget should be reduced by \$538,736.

2015 Tax Warrant

The 2015 Tax warrant should be calculated by summing \$13,569,325 for out-of-county tuition costs for the 2014-2015 academic year, \$538,736 for 2013-2014 academic year expenses in excess of the 2014 warrant, \$38,530 for late bills associated with the 2012-2013 academic year that have not yet been charged to the towns, and \$1,123,851 to adjust for errors to the 2014 Tax Warrant. The resulting 2015 Tax Warrant is \$15,270,442. The following chart shows the calculation by town.

Township	Adopted 2014 Exp for 2013-2014	Actual Exp for 2013-2014	2014 Adjustment	Adj. for Late Billings from Prior Years	Adj. for Errors to 2014 Warrant	Total Adj. to 2015 Warrant	2015 Warrant
	(1)	(2)	(3) = (2) - (1)	(4)	(5)	(6) = (3) + (4) + (5)	(7) = (2) + (6)
Babylon	\$3,660,991	\$3,946,144	\$285,154	\$10,835	\$0	\$295,989	\$4,242,134
Brookhaven	\$2,652,583	\$2,602,916	-\$49,668	\$1,020	\$0	-\$48,648	\$2,554,268
East Hampton	\$107,400	\$142,532	\$35,132	\$1,867	-\$131,547	-\$94,547	\$47,985
Huntington	\$2,649,404	\$2,865,025	\$215,621	\$13,920	\$0	\$229,540	\$3,094,565
Islip	\$2,181,416	\$2,375,206	\$193,789	\$5,515	\$0	\$199,305	\$2,574,510
Riverhead	\$171,607	\$140,639	-\$30,968	\$0	\$0	-\$30,968	\$109,670
Shelter Island	\$2,112	\$1,079	-\$1,033	\$0	\$226	-\$807	\$272
Smithtown	\$1,068,980	\$1,087,175	\$18,195	\$3,840	\$1,146,125	\$1,168,160	\$2,255,334
Southampton	\$400,119	\$344,655	-\$55,464	\$1,533	\$0	-\$53,931	\$290,724
Southold	\$135,977	\$63,956	-\$72,022	\$0	\$109,046	\$37,025	\$100,980
Total	\$13,030,590	\$13,569,325	\$538,736	\$38,530	\$1,123,851	\$1,701,117	\$15,270,442

After all adjustments, the 2015 Tax Warrant is \$1.2 million more than the 2014 Tax Warrant. The following chart shows the change from 2014 to 2015 by town.

Comparison of 2014 Warrant and 2015 Warrant			
Township	2014 warrant	2015 Warrant	Increase/Decrease from 2014 to 2015
Babylon	\$4,467,673	\$4,242,134	-\$225,539
Brookhaven	\$2,648,573	\$2,554,268	-\$94,305
East Hampton	\$157,538	\$47,985	-\$109,553
Huntington	\$2,797,310	\$3,094,565	\$297,255
Islip	\$2,641,486	\$2,574,510	-\$66,976
Riverhead	\$197,559	\$109,670	-\$87,889
Shelter Island	\$0	\$272	\$272
Smithtown	\$541,495	\$2,255,334	\$1,713,839
Southampton	\$537,779	\$290,724	-\$247,055
Southold	\$78,917	\$100,980	\$22,063
Total	\$14,068,330	\$15,270,442	\$1,202,112

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 2014 estimate for out-of-county tuition expenses (001-MS-2490-4780) by \$406,739 from \$13,976,064 to \$13,569,325.
- Decrease the 2015 Recommended Budget for out-of-county tuition expenses (001-MS-2490-4780) by \$368,207 from \$13,976,064 to \$13,607,857.
- Decrease the 2015 Recommended Budget for out-of-county tuition revenue (001-MS-2250) by \$774,946 from \$16,045,388 to \$15,270,442.

BP Out-of-County15

Personnel Costs and Issues Overview

The 2015 Recommended Budget includes \$1.6 billion across all funds for salaries, benefits, and other personnel costs; representing approximately 56% of the \$2.88 billion recommended budget (excluding the Vanderbilt Museum). 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 estimates that personnel costs will increase by 1.8% from 2013 to 2014 and projects that personnel costs will increase by another 5.1% from 2014 to 2015.

In the aggregate, the 2015 Recommended Budget is \$77.4 million more than the 2014 estimate. The recommended budget reduces non-personnel costs by \$472,489 while personnel expenditures are increased by \$77.9 million. The recommended growth in personnel expenses is comprised of a \$24.3 million increase in salaries and other employee compensation costs (1000s) and a \$53.6 million increase in benefit costs (8000s). The following chart shows the growth in personnel costs since 2011.

Year	Salaries and other Compensation (1000s)	Change from Prev. Year	Employee Benefits (8000s)	Change from Prev. Year	All Personnel Expenses	Change from Prev. Year
2011	\$955,474,284	NA	\$515,550,928	NA	\$1,471,025,211	NA
2012	\$978,660,075	2.4%	\$540,430,036	4.8%	\$1,519,090,111	3.3%
2013	\$932,104,476	-4.8%	\$571,002,031	5.7%	\$1,503,106,507	-1.1%
2014 Est	\$929,938,808	-0.2%	\$599,659,916	5.0%	\$1,529,598,724	1.8%
2015 Rec	\$954,245,557	2.6%	\$653,225,182	8.9%	\$1,607,470,739	5.1%

Despite there being approximately 1,000 fewer active employees on the September 14, 2014 payroll than there were at the start of 2012, the recommended budget estimates that personnel costs will be \$10.5 million higher in 2014 than in 2012, and \$88.4 million higher in 2015 than in 2012. By reducing staff, the County has avoided millions of dollars in expenditures; however, with the exception of 2013, the first year after the 2012 layoffs and the year that the County Nursing Home closed, personnel costs have increased over the prior year.

Authorized positions

The 2015 Recommended Budget includes a net increase of 35 authorized positions from 10,894 to 10,929. The increase includes the abolishment of 39 positions and the creation of 74 new positions. The following table compares the number of authorized positions in the County's operating budgets over the period of 2002 through 2015.

Adopted in Budget 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 Adopted	10,889	-188
2014 Modified	10,894	5
2015 Recommended	10,929	35

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 Adopted Budget included a net reduction of 188 authorized positions, due primarily to the closure of the John J. Foley Skilled Nursing Facility in the summer of 2013.

New positions

Many of the new positions created in the 2015 Recommended Budget are replacements for an equal number of abolished positions in order to reclassify certain titles. See the "Reclassifications and Additions to the Salary and Classification Plan" subheading in this section of the report for more information. Excluding new positions that are part of reclassifications, the nine new positions in the Executive are the most for any department followed by six each in the Traffic Violations Bureau and Information Technology Services. 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 2015 Recommended Budget by fund, department, and title.

New Positions				
Fund	Department	Title	Grade	No.
039	Civil Service	Employee Benefits Rep	11	5
039	Civil Service	Senior Employee Benefits Rep	14	3
001	District Attorney	Computer Forensics Analyst	24	2
001	District Attorney	Deputy Bureau Chief	36	1
001	Econ. Dev. and Planning	Neighborhood Aide	13	2
625	Econ. Dev. and Planning: Gabreski Airport	Airport Maintenance Mechanic	15	2
001	Executive: Budget and Management	Budget Assistant	13	1
001	Executive: Budget and Management	Government Liaison Officer	27	1
001	Executive: County Executive	County Executive Assistant I	21	2
001	Executive: County Executive	Secretary	17	2
001	Executive: Office for Women	Neighborhood Aide	13	1
001	Executive: Office for People with Disabilities	Neighborhood Aide	13	1
016	Executive: Performance Management	Director of Performance Management	37	1
001	Health Services	Assistant Public Health Engineer Trainee	19	1
001	Health Services	Drug Abuse Educator	18	1
001	Health Services	Heavy Equipment Operator	13	1
001	Health Services	Medical Program Administrator	38	1
001	Health Services	Medical Social Worker	21	1
001	Health Services	Physician III	38	1
001	Health Services	Public Health Sanitarian Trainee	16	2
016	Information Technology Services	Deputy Commissioner of Info. Tech.	37	1
016	Information Technology Services	Programmer Analyst	24	2
016	Information Technology Services	Secretary	17	1
016	Information Technology Services	Senior Programmer Analyst	27	2
001	Labor, Licensing and Consumer Affairs	Administrative Director of LL&CA	34	1
001	Labor, Licensing and Consumer Affairs	Assistant Administrative Director of LL&CA	32	1
001	Labor, Licensing and Consumer Affairs	Consumer Affairs Specialis I	19	4
001	Labor, Licensing and Consumer Affairs	Consumer Affairs Specialis I (Span. Speaking)	19	1
001	Labor, Licensing and Consumer Affairs	Consumer Affairs Specialis II	23	4
001	Labor, Licensing and Consumer Affairs	Consumer Affairs Specialis III	27	2
001	Labor, Licensing and Consumer Affairs	Consumer Affairs Technician	17	3
001	Labor, Licensing and Consumer Affairs	Consumer Affairs Technician (Span. Speaking)	17	1
320	Labor, Licensing and Consumer Affairs	Administrative Director of LL&CA	34	2
001	Legislature	Legislative Aide II	24	1
001	Parks, Recreation and Conservation	Neighborhood Aide	13	1
001	Parks, Recreation and Conservation	Senior Cashier	10	2
001	Police	Neighborhood Aide	13	1
001	Police	Secretary	17	1
261	Public Works: Sewer Maintenance	Laborer	08	2
261	Public Works: Sewer Maintenance	Wastewater Treatment Plant Helper	09	2
001	Social Services	Deputy Commissioner of Social Services	36	1
136	Traffic Violations Bureau	Assistant to Director of TPVA	22	1
136	Traffic Violations Bureau	Senior Clerk Typist	12	4
136	Traffic Violations Bureau	Traffic Court Supervisor	17	1
Total				74

Abolished Positions

The recommended budget abolishes 39 positions. The following chart shows the abolished positions by department and title.

Abolished Positions				
Fund	Department	Title	Grade	No.
039	Civil Service	Clerk Typist	09	4
039	Civil Service	Principal Clerk	14	1
039	Civil Service	Senior Clerk Typist	12	3
001	District Attorney	Deputy Bureau Chief	36	1
001	Econ. Dev. And Planning	Neighborhood Aide	13	2
001	Executive: Budget and Management	Accountant	20	1
001	Executive: Office for People with Disabilities	Neighborhood Aide	13	1
001	Executive: Veterans Service	Veterans Service Officer	16	1
001	Health Services	Clinical Nurse Practitioner	27	1
001	Health Services	Health Program Analyst I	20	1
001	Health Services	Medical Records Clerk	11	1
001	Health Services	Physician II	37	1
001	Labor, Licensing, and Consumer Affairs	Asst. Dep Commissioner of Labor, Lic & CA	32	1
001	Labor, Licensing, and Consumer Affairs	Consumer Affairs Investigator I	18	2
001	Labor, Licensing, and Consumer Affairs	Consumer Affairs Investigator I- Home Imp.	18	2
001	Labor, Licensing, and Consumer Affairs	Consumer Affairs Investigator I- Plumbing	18	1
001	Labor, Licensing, and Consumer Affairs	Consumer Affairs Investigator II- Elec	23	2
001	Labor, Licensing, and Consumer Affairs	Consumer Affairs Investigator II- Home Imp.	23	1
001	Labor, Licensing, and Consumer Affairs	Consumer Affairs Investigator III	25	3
001	Labor, Licensing, and Consumer Affairs	Dep Commissioner of Labor, Lic & CA	34	1
001	Labor, Licensing, and Consumer Affairs	Occupational Licensing Specialist II	21	2
001	Labor, Licensing, and Consumer Affairs	Occupational Licensing Specialist III	23	1
001	Labor, Licensing, and Consumer Affairs	Occupational Licensing Specialist IV	27	1
320	Labor, Licensing, and Consumer Affairs	Dep Commissioner of Labor, Lic & CA	34	2
001	Legislature	Court Stenographer	24	1
001	Legislature	Legislative Aide II	24	1
Total				39

Reclassifications and Additions to the Salary and Classification Plan

The recommended budget reclassifies several titles, but no changes to the salary and classification plan can be implemented without a duly adopted resolution of the Suffolk County Legislature. The recommended budget includes a resolution making the amendments on pages 32 and 33; however, the resolution included in the recommended budget cannot be voted on and is expunged in the omnibus resolution each year. If the Legislature supports some or all of these amendments to the salary and classification plan, the changes should be incorporated in the omnibus budget amending resolution or a stand-alone resolution.

Civil Service

In the Department of Civil Service, three new titles are created in the Employee Benefits Unit, Employee Benefits Representative (grade 11), Senior Employee Benefits Representative (grade 14), and Principal Employee Benefits Representative (grade 16). Five Employee Benefits Representative positions were created to replace five Clerk Typist (grade 9) positions and three Senior Employee Benefits Representatives positions were created to replace three Senior Clerk Typist (grade 12) positions. We estimate the total salary cost for these reclassifications to be \$15,382 in 2015.

District Attorney

The recommended budget creates two new Computer Forensics Analyst (grade 24) positions in the Investigative Unit and includes funding for a District Attorney retention program, which amends the salary and classification plan to give salary grade increases to seven out of the eight exempt attorney titles. Only the entry level Junior Assistant District Attorney title is unchanged. As of 9/14/14 there are 171 employees that would benefit from this program. The 2015 Recommended Budget assumes the upgrade will take place on July 1, 2015. We estimate the 2015 salary cost to be approximately \$259,000. We estimate the cost in 2016 will be more than \$766,000.

Executive

The recommended budget creates a Director of Performance Management (grade 37) title and adds one new position to the Performance Management Division. This position is in addition to the existing Deputy County Executive-Admin (grade 41) position, which heads the division.

Information Technology Services

The recommended budget amends the salary and classification plan to increase the grade of Data Control Specialist from 21 to 23. There is currently only one filled position with this title. We estimate the salary cost of the increase to be \$2,615 in 2015. The recommended budget also adds a Deputy Commissioner of Information Technology (grade 37) title to the salary and classification plan and creates one new position of this title.

Labor, Licensing and Consumer Affairs

There are eight Labor, Licensing and Consumer Affairs titles added to the salary and classification plan and 17 titles that are deleted. Four administrative positions, three Deputy Commissioner titles and one Assistant Deputy Commissioner title are reclassified to Administrative Director and Assistant Administrative Director, respectively. The positions are also changed from being exempt to being part of AME. These changes make sense because the titles are actually competitive Civil Service titles. The grades of the titles remain the same, but the employees will receive a modest increase in wages as a result of the difference between the exempt and AME salary schedules. The other reclassifications in the Department of Labor, Licensing and Consumer Affairs are to simplify the Consumer Affairs career ladder and to add Spanish speaking titles to better serve County residents. Department wide, we estimate that the reclassifications will increase salary costs for filled positions by \$68,268 in 2015 while reducing the potential cost of vacancies by \$98,990.

Traffic and Parking Violations Agency

Four new titles are added to the salary and classification plan for the Traffic and Parking Violations Agency, Traffic Court Clerk (grade 12), Senior Traffic Court Clerk (grade 14), Traffic Court Supervisor (grade 17), and Assistant to Director of Traffic and Parking Violations Agency (grade 22). The recommended budget creates one new Traffic Court Supervisor position and one Assistant to Director of TPVA position. No filled positions are impacted.

Transfers

Each year the recommended budget transfers positions from unit to unit within departments or from one department to another in order to adjust for shifts in workload or priorities. The 2015 Recommended Budget includes two major transfers, both involving the Police Department.

The recommended budget transfers 86 sworn officers from the Police District to the General Fund and 17 sworn officers from the General Fund to the Police District in order to properly charge expenses to the taxing jurisdiction for which services are being performed. As seen in the following chart, there is a net increase in staff and costs to the General Fund as a result of the transfers.

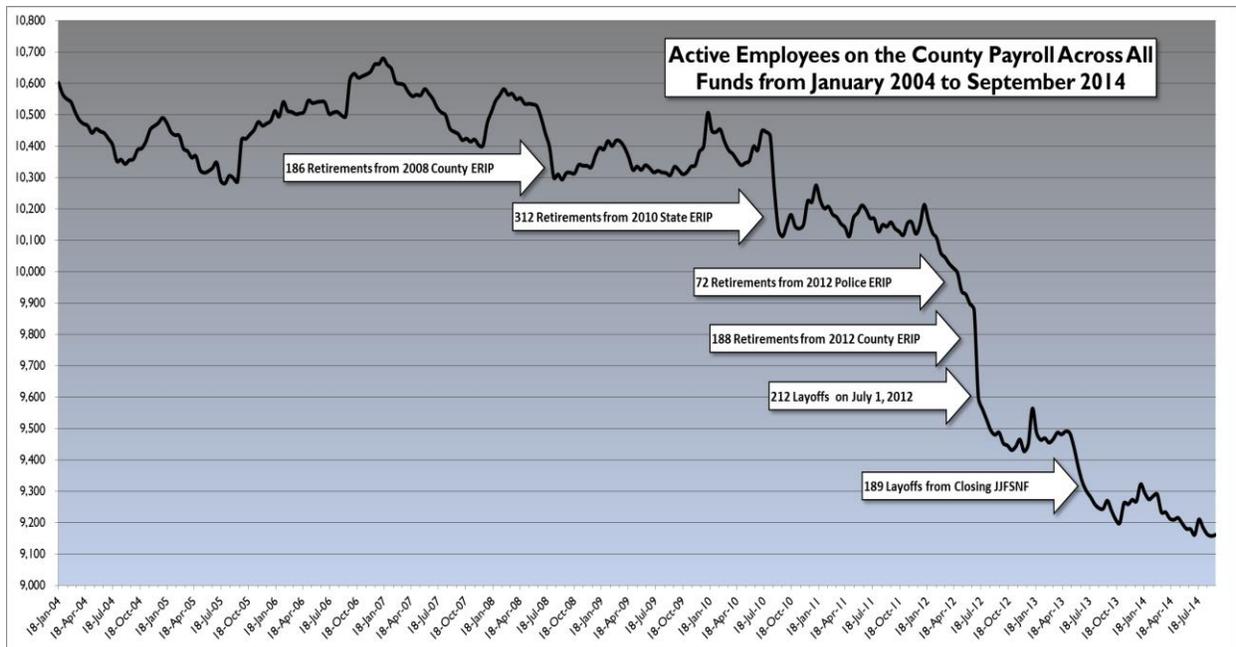
Sworn Personnel Transferred in the 2015 Recommended Budget by Title and Estimated Salary								
Title	From Police District to General		From General Fund to Police		Net Impact to Police District		Net Impact to General Fund	
	# Emp	2015 Salary	# Emp	2015 Salary	# Emp	2015 Salary	# Emp	2015 Salary
Deputy Chief	1	\$199,864	0	\$0	-1	-\$199,864	1	\$199,864
Deputy Inspector	2	\$365,252	0	\$0	-2	-\$365,252	2	\$365,252
Detective	36	\$4,888,829	2	\$258,877	-34	-\$4,629,952	34	\$4,629,952
Detective Lieutenant	1	\$168,378	0	\$0	-1	-\$168,378	1	\$168,378
Detective Sergeant	1	\$151,256	0	\$0	-1	-\$151,256	1	\$151,256
Lieutenant	0	\$0	4	\$641,440	4	\$641,440	-4	-\$641,440
Sergeant	0	\$0	11	\$1,584,583	11	\$1,584,583	-11	-\$1,584,583
Police Officer	45	\$5,609,434	0	\$0	-45	-\$5,609,434	45	\$5,609,434
Total	86	\$11,383,013	17	\$2,484,900	-69	-\$8,898,113	69	\$8,898,113

Although the positions are not actually transferred in the budget, we estimate that more than \$3 million in expenses for 34 Park Police Officers was included in the budget for the Police Department instead of the Parks Department. The recommended budget indicates that this initiative will save the County \$1 million compared to hiring an equal number of recruits.

The recommended budget includes \$482,375 in additional funding compared to the 2014 estimate for seasonal and temporary salaries, which will be used to hire security guards and park rangers to protect park property and ensure the safety of park patrons after the Park Police Officers are absorbed into the Police Department.

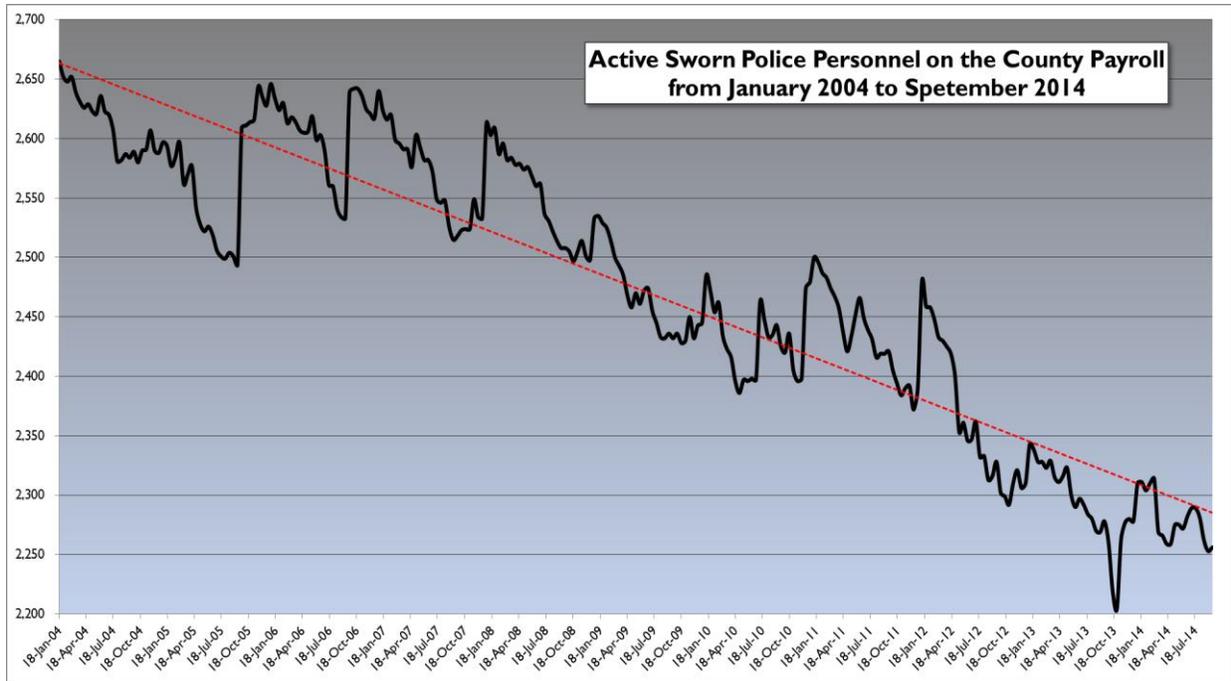
Filled Positions (active employees on the payroll)

From the end of 2013 through September 14, 2014, the number of active County employees on the payroll decreased by 107. The County hired 152 new employees including 40 Correction Officers in July, but there have been 259 separations. Through retirement incentives, layoffs, and natural attrition, the net number of active employees on the County payroll has declined by 1,442 from 10,603 in January 2004 to 9,161 in September 2014. The following chart shows the change in the number of active employees since January 2004.



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 sworn officers fell to a 20-year low of 2,204 in October of 2013 before a class of 40 recruits was hired the following month. As of 9/14/2014, there are 2,256 active sworn police employees on the County payroll.

The narrative in the 2015 Recommended Budget indicates that a class of 65 police recruits will be hired before the end of 2014. The Budget Review Office projects that at least that many will retire in 2015. The narrative states that funding is included for another class in 2015, but does not specify the size or timing. We estimate that there is sufficient funding included for another class of 65 in the fall of 2015. Additionally, the recommended budget transfers funding for 34 Park Police Officers from the Parks Department to the Police Department. This transfer was also included in the 2014 Adopted Budget; however, the State approval needed to effectuate the transfer never came. The measure has since been passed by the Assembly and the Senate, and has been approved by the Governor. Assuming a class of 65 recruits in 2014, 65 retirements in 2015, transferring 34 Park Police Officers in 2015, and a class of 65 recruits in 2015, the net number of sworn personnel would increase by 99 by the end of 2015. The following chart shows the decline in active sworn personnel from 2,665 in January 2004 to 2,256 in September 2014.



The following table summarizes the current number of authorized positions in each department based upon the September 14, 2014 position control register. Approximately 15% of the 10,897 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 14, 2014			
Department	Total Authorized Positions	Filled Positions	Vacant Positions
Audit and Control	68	62	6
Board of Elections	123	120	3
Board of Ethics	2	2	0
Civil Service	79	73	6
County Clerk	103	100	3
District Attorney	388	374	14
Economic Development and Planning	86	78	8
Executive	151	121	30
Finance and Taxation	44	43	1
Fire Rescue and Emergency Services	86	77	9
Health Services	884	703	181
Information Technology Services	110	98	12
Labor, Licensing and Consumer Affairs	220	176	44
Law	132	110	22
Legislature	135	123	12
Medical Examiner	110	96	14
Parks	187	152	35
Police	3,539	2,852	687
Probation	436	335	101
Public Administrator	6	5	1
Public Works	839	697	142
Real Property Tax Service	24	19	5
Sheriff	1,389	1,297	92
Social Services	1,713	1,493	220
Soil and Water Conservation	6	5	1
Traffic Violations Bureau	37	22	15
Total	10,897	9,233	1,664

Lag Payroll

The current labor agreement between the County and the Association of Municipal Employees (AME) authorizes the County Executive to implement one lag payroll equivalent to one biweekly pay period over the life of the contract, which expires on December 31, 2016. Neither the 2014 estimate nor 2015 Recommended Budget anticipate the lag payroll. We estimate the gross value of a lag payroll to be \$11.5 million across all funds for AME employees in 2015; \$8.2 million in the General Fund. When salaries that are reimbursed by State and Federal aid are excluded, the net

value of a lag payroll for AME is \$8.3 million across all funds and \$6 million for the General Fund alone. If Exempt, Board of Elections, and Confidential employees, all of which are not represented by a collective bargaining unit, are included in a lag payroll, an additional \$2 million in salaries would be deferred. The following chart shows the estimated gross and net value of a lag payroll in 2015 by fund.

Fund	Fund Name	2015 Gross	2015 Net	2015 Gross	2015 Net
		AME	AME	Exempt, BOE, & Conf.	Exempt, BOE, & Conf.
001	General Fund	\$8,242,041	\$6,019,875	\$1,872,775	\$1,872,775
016	Interdepartment Operations	\$398,994	\$398,994	\$0	\$0
038	Self Insurance	\$61,823	\$61,823	\$49,215	\$49,215
039	Employee Medical Health Plan	\$22,001	\$22,001	\$0	\$0
102	Public Safety Communications E-911	\$307,490	\$307,490	\$0	\$0
105	County Road Fund	\$151,902	\$151,902	\$0	\$0
115	Police District	\$440,790	\$440,790	\$0	\$0
136	Traffic Violations Bureau	\$31,870	\$31,870	\$11,844	\$11,844
192	Hotel & Motel Tax	\$24,524	\$24,524	\$0	\$0
203	Southwest Sewer District	\$222,588	\$222,588	\$0	\$0
259	Building/Sanitation Administration	\$80,110	\$80,110	\$20,063	\$20,063
261	Sewer Maintenance	\$296,406	\$296,406	\$0	\$0
320	Workforce Investment Act	\$137,093	\$0	\$9,690	\$0
351	Community Development	\$15,374	\$15,374	\$0	\$0
360	Medicaid Compliance	\$934,670	\$0	\$0	\$0
477	Water Quality Protection	\$160,777	\$160,777	\$0	\$0
625	Gabreski Airport	\$16,531	\$16,531	\$0	\$0
Total		\$11,544,983	\$8,251,054	\$1,963,587	\$1,953,897

It should be noted that although lag payrolls offer fiscal relief in the year they are implemented, all salaries must eventually be remitted to employees when they leave County employment at the rate of pay at the time of separation. The final amount paid is often more than the County would have paid in the year of the lag payroll. The benefit to the County is that these payments are staggered over future years.

Permanent Salary Appropriations

In 2014, Permanent Salary (1100) costs across all funds are estimated to be \$18.3 million less than adopted. In the General Fund, the 2014 estimated budget for permanent salaries is \$14.2 million less than adopted. In last year's review, we pointed out that Sheriff salaries appeared overfunded. The Sheriff's Office accounts for \$4.8 million or 34% of the total difference between the Executive's 2014 General Fund estimate and the 2014 Adopted General Fund Budget. The second highest was \$3.7 million in DSS; 26% of the difference. The third highest was Health Services with \$2.9 million or 20% of the difference. 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 2014 estimated permanent salary budget is reasonable. Across all funds and departments, our projection differs by \$1.4 million or 0.18% on an almost three-quarters of a billion dollar expense.

In the aggregate, the 2015 Recommended Budget provides sufficient Permanent Salaries for all current employees as well as a class of 60 Correction Officers in July and 65 Police Officers in September. In the General Fund we estimate that there is approximately \$3.6 million to fill the remaining new and vacant positions in 2015. 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.

Overtime Salaries

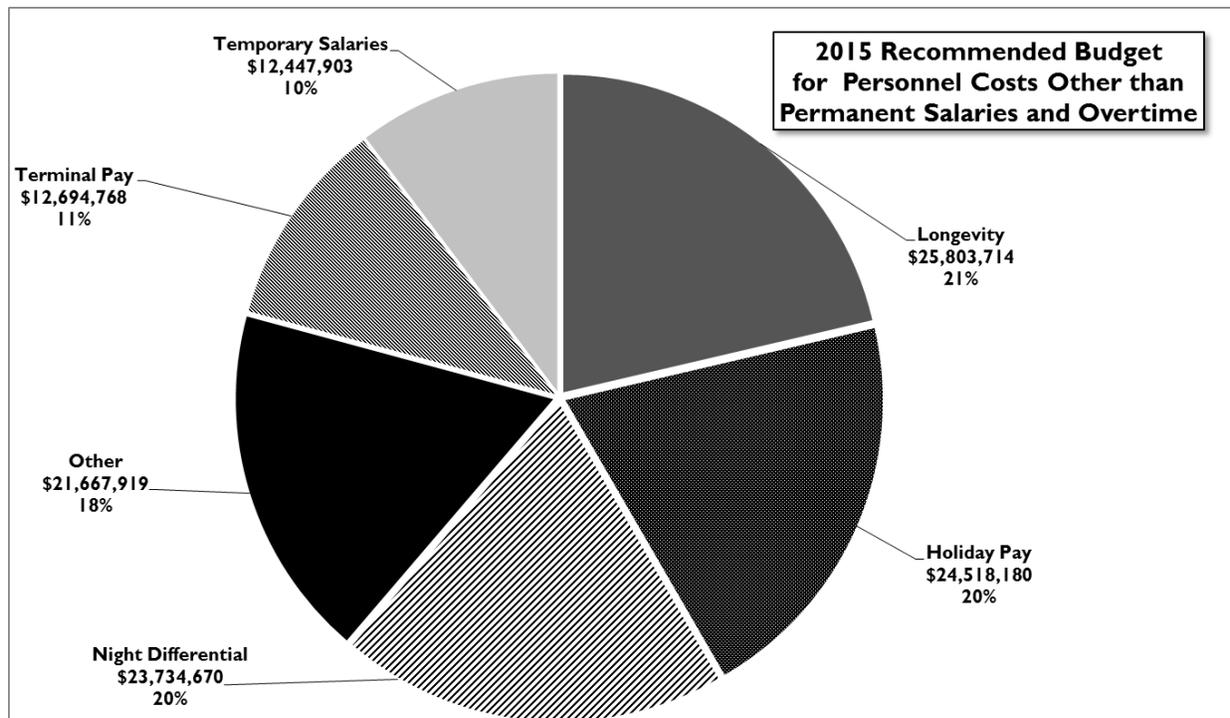
The next largest salary cost after Permanent Salaries is overtime. Together, Permanent Salaries (1100) and Overtime Salaries (1120 & 1620) are approximately 87% of employee compensation. As seen in the following chart, the County typically under-budgets overtime salaries. The 2013 Adopted Budget included \$55.5 million and actual expenditures were \$71.9 million. The 2014 Adopted Budget included \$64 million and the 2014 estimate is \$74.3 million. The 2015 Recommended Budget includes \$67.8 million. Overtime expenses have not been under \$70 million since 2009. Absent a drastic change in the way that the County deploys its human resources, the recommended budget is likely understated again in 2015. The following chart shows overtime expenses by fund since 2013.

Overtime Salaries by Fund (Objects 1120 and 1620)							
Fund	Fund Name	2013	2013	2014	2014 Est.	2015 Req.	2015 Rec.
		Adopted	Actual	Adopted			
001	General Fund	\$29,268,049	\$41,236,659	\$34,074,559	\$38,136,974	\$36,968,070	\$35,556,094
016	Interdepartment Operations	\$125,200	\$182,951	\$126,400	\$145,700	\$174,400	\$139,400
038	Self Insurance	\$350	\$79	\$350	\$350	\$350	\$350
039	Employee Medical Health Plan	\$500	\$103	\$500	\$0	\$500	\$500
102	Public Safety Communications E-911	\$438,193	\$1,534,991	\$626,419	\$1,012,541	\$989,963	\$891,737
105	County Road Fund	\$599,489	\$1,534,212	\$599,489	\$1,708,500	\$1,274,489	\$803,199
115	Police District	\$21,695,922	\$24,871,576	\$25,600,586	\$31,085,308	\$29,698,230	\$27,673,230
136	Traffic Violations Bureau	\$0	\$3,488	\$0	\$9,488	\$6,000	\$6,000
192	Hotel & Motel Tax	\$1,900	\$2,971	\$4,150	\$4,150	\$4,150	\$4,150
203	Southwest Sewer District	\$1,080,463	\$629,474	\$1,195,000	\$745,000	\$1,195,000	\$1,195,000
259	Building/Sanitation Administration	\$36,000	\$10,865	\$22,000	\$15,000	\$22,000	\$11,000
261	Sewer Maintenance	\$1,250,911	\$1,132,131	\$1,250,609	\$1,146,695	\$1,250,634	\$1,246,809
320	Workforce Investment Act	\$0	\$6,965	\$3,700	\$6,256	\$6,200	\$6,200
360	Medicaid Compliance	\$815,524	\$32,278	\$350,000	\$160,000	\$160,000	\$160,000
477	Water Quality Protection	\$65,150	\$54,240	\$57,450	\$47,096	\$64,950	\$59,950
625	Gabreski Airport	\$102,500	\$101,575	\$102,500	\$102,500	\$108,000	\$108,000
632	County Nursing Home	\$63,813	\$614,438	\$0	\$0	\$0	\$0
Total		\$55,543,964	\$71,948,997	\$64,013,712	\$74,325,558	\$71,922,936	\$67,861,619

The Police Department has the greatest overtime costs; the 2014 estimate is \$40 million and the 2015 recommended amount is \$35.5 million. The Sheriff has the second highest overtime costs with \$22.5 million estimated in 2014 and \$21.6 million recommended in 2015. Together, the two departments represent 84% of the County's total cost for overtime in 2014 and 2015.

Other Salaries

The recommended budget includes \$120.9 million in personnel costs other than salaries and overtime; \$104.7 million or 87% of these expenditures are incurred by the Police Department and Sheriff's Office. The largest cost in this category is \$25.8 million for longevity payments paid to employees based on years of County service. The next largest expenses are \$24.5 million for holiday pay and \$23.7 million for night differential paid to employees who work late or overnight shifts. Terminal payment to employees leaving County service is recommended at \$12.7 million. Temporary salaries, primarily for school crossing guards in the Police Department and seasonal employees in the Parks Department, are recommended at \$12.4 million. The following chart shows the percentage of personnel costs other than salaries and overtime by category for all funds.



The \$21.7 million "Other" category in the above chart is comprised of several negotiated employee compensation categories; the most significant components are Peace Officer Compensation (\$7.7 million) and Disability/Workers' Compensation (\$4.2 million).

Collective Bargaining Agreements

Assuming the Park Police become Police Officers in 2015, they will be covered by the PBA contract, which is in place through 2018. The Superior Officers Association (SOA) and Suffolk Detectives Association (SDA) also have contracts through 2018. The County's largest union, the Association of Municipal Employees (AME), is operating under a collective bargaining agreement that extends through 2016. The four remaining unions, the Deputy Sheriffs Benevolent Association (DSBA), Correction Officers Association (COA), Probation Officers Association (POA), and District

Attorney's Detective Investigators union, have contracts that have not been settled past 2010. The recommended budget includes no funding in the salary contingency account (001-MSC-1991-1880) for retro payments or wage increases. To the extent that any of these contracts are settled in 2015, a deficit would result, particularly if large retro payments are required, which is a distinct possibility since all of the affected unions are eligible for binding arbitration. Depending on the size of any settlements, the County may be faced with the need to bond for expenses as was the case in 2013 for the last COA settlement.

BP Personnel15

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 September 2014, the County's health insurance plan consisted of 20,891 enrollees representing 48,525 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 sixteen 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' health insurance covers approximately 149 million non-elderly people in America today. "In 2014, the average annual premiums for employer-sponsored health insurance are \$6,025 for single coverage and \$16,834 for family coverage. The average family premium rose 3% over the 2013 average premium. Single coverage premiums rose 2% in 2014. Over the last 10 years, the average premium for family coverage has increased 69%. Premiums have increased less quickly over the last five years (2009 to 2014) than the preceding five year period (2004 to 2009) (26% vs. 34%)."¹

The 2014 annual premium for family coverage in EMHP of \$18,780 is \$1,008 or 5.7% more than the average family coverage premium for all plans in the Northeast of \$17,772. "Twenty percent of covered workers are in plans with an annual total premium for family coverage of at least \$20,201 (120% of the average premium)..."² Although the EMHP is 5.7% more than the average family coverage premium for all plan types in the Northeast in 2014, which is 2.1% higher than it was in 2013, it also remains 12.0% less than the premium being paid by 20% of all covered workers.

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 that existed prior to or on March 23, 2010, such as the Suffolk County EMHP, are designated as "Grandfathered Health Plans" and are required to meet some, but not all, reforms contained in PPACA. Two requirements of PPACA that will be met in 2015 by the EMHP are funding of the Patient-Centered Outcomes Research Institute (PCORI), which is a private, non-profit corporation created by PPACA, and the Transitional Reinsurance Program (TRP).

The PCORI fee will be collected for seven years, from 2012 through 2018. Suffolk County's budgets reflect payment of this liability in the year following the benefit year. The annual fee begins at the rate of \$1 per each covered life per year in the first year, increases to \$2 per covered life per year in the second year, and is then indexed for the remaining five years wherein the fee will equal the fee for the prior plan or policy year multiplied by the percentage increase in the projected per

¹ KFF/HRET Employer Health Benefits 2014 Summary of Findings pg. 1

² Ibid

capita amount of the National Health Expenditures that was most recently released by the Department of Health and Human Services (HHS) before October 1 (6.2% for 2015). BRO estimates the PCORI liability expense for 2014, to be paid in 2015, at \$2.12 per covered life. PCORI is charged with conducting clinical effectiveness research that will be made available to the public and the medical community to assist in the making of informed decisions by promoting evidence-based medicine.

The TRP fee is levied on employers and insurers and will be used to stabilize premiums in the high cost individual market. The fee will be collected for 2014, 2015 and 2016. The fees are due in the year following the benefit year and are divided among the reinsurance fund, the U.S. Treasury, and administrative expenses. PPACA specified the aggregate amounts to be collected each year which are; \$10 billion for 2014, \$6 billion for 2015 and \$4 billion for 2016. In 2014 and 2015, \$2 billion is earmarked for the U.S. Treasury and in 2016, \$1 billion is earmarked.

HHS allows payment of the annual fee in two installments: the first for reinsurance payments and administrative expenses, and the second for the U.S. Treasury. All contributing entities must submit their enrollment count (the number of covered lives) by November 15 of the benefit year. HHS will send an invoice in December for the first installment that must be paid no later than January 15. HHS will send an invoice for the second installment sometime in the fourth quarter of the year for which payment must be paid by November 15. Based on HHS's estimate of the number of enrollees in contributing plans, the annual per capita contribution rate for 2015 is \$44, or \$3.67 per month per covered life to be paid in 2016. This is a reduction from the annual per capita contribution rate of \$63 in 2014, or \$5.25 per month per covered life to be paid in 2015.

The 2014 adopted Fund 039-EMHP expenditure for PPACA compliance (039-EMP-1982) includes approximately \$3 million for the 2014 TRP liability which will not be spent in 2014 based upon the 2014 Estimated expenditure of \$97,142 (representing the PCORI fee liability) and the lag billing and payment policy implemented by the Federal Government. The 2015 recommended funding for PPACA compliance of \$3.1 million appears reasonable based upon the enhanced PCORI fee for 2015 and deferred payment of the 2014 TRP fee liability to 2015.

SCEMHP Memorandum of Agreement

A memorandum of agreement was entered into by Suffolk County and the Unions, represented jointly as the Suffolk Coalition of Public Employees (SCOPE), wherein the parties agreed to continue all terms and conditions of the October 15, 2007 Suffolk County Employee Medical Health Plan (SCEMHP) Memorandum of Agreement (MOA) through December 31, 2020 with the modifications contained within the new agreement that was signed by all parties on July 31, 2012. All changes made were to be effective January 1, 2013 unless otherwise provided within the new document.

Section 2 of the agreement states that the parties agree there will be a change in the Prescription Benefit Manager (PBM) by January 1, 2013 or as soon as practical and that the Unions shall provide at least \$17 million in PBM modifications and prescription benefits modifications. Reconciliation of the savings in 2013 and 2014 shall be completed no later than June 1, 2015 to ensure at least \$34 million in savings over the projected increases in prescription costs during each bi-annual period were achieved. The EMHP's benefits consultant shall perform all reconciliations.

In addition, during the same bi-annual periods, the parties agree that the average cost of benefits under the SCEMHP shall remain equal to the Kaiser Family Foundation and Health Research and Educational Trust, Employer Health Benefits Survey calculated premium increases in the Northeast Region. This analysis will be conducted pursuant to Paragraphs 1(a) and (b) of the parties' October

15, 2007 SCEMHP Memorandum of Agreement that states the parties to the MOA will perform the calculations.

Upon completion of the calculations previously described, the two figures (PBM savings/losses and SCEMHP Plan savings/losses compared to Kaiser) shall be added for one total figure of savings/losses. If the total is a savings, the amount shall be carried over as a credit to the Unions during the next bi-annual reconciliation period. If the total is a loss, the Unions shall implement EMHP modifications to generate sufficient recurring savings prospectively and to make up for the prior shortfall within 3 months of the reconciliation following the procedure in the 2007 SCEMHP MOA.

There do appear to be some savings programmed within budgeted funding for Prescription Claims in 2013 and 2014. The reconciliation and calculations are to be made by the County's Healthcare Consultant in mid 2015. There could be significant savings that have not been accounted for in the budget as early as late 2015, but more so in 2016 and beyond. It should be noted that BRO has not projected the savings resultant from any PBM or prescription modifications so as not to interject in the labor/management interactions that will ensue upon completion of the calculations.

EMHP Expenditures

The recommended budget estimates health insurance costs in 2014 of \$338.8 million. This estimate is approximately \$9.2 million more than the adopted budget, but \$4.3 million less than the County's Healthcare Consultant's (Lockton) projection and \$2.7 million less than the Budget Review Office (BRO) projection. The statistically insignificant differences between the estimates, which are 1.26% and 0.8% more than the recommended estimate respectively, suggest that it is reasonable.

The 2015 recommended expenditure for health insurance is \$365.4 million, which is \$6.1 million less than what was projected in the Suffolk County Annual Health Benefits Report dated September 19, 2014 provided by Lockton. The difference between the recommended budget and the consultant's cost projection is primarily observed within three expenditures: major medical claims, hospital claims, and prescription claims. The consultant projects major medical costs for EMHP in 2015 at \$118.9 million, which is \$2.3 million or 1.97% higher than the recommended budget of \$116.6 million; hospital claims at \$116.1 million, which is \$2.8 million or 2.46% higher than the recommended budget of \$113.8 million, and prescription claims at \$98.6 million, which is \$2.9 million or 3.03% higher than the recommended budget of \$95.7 million.

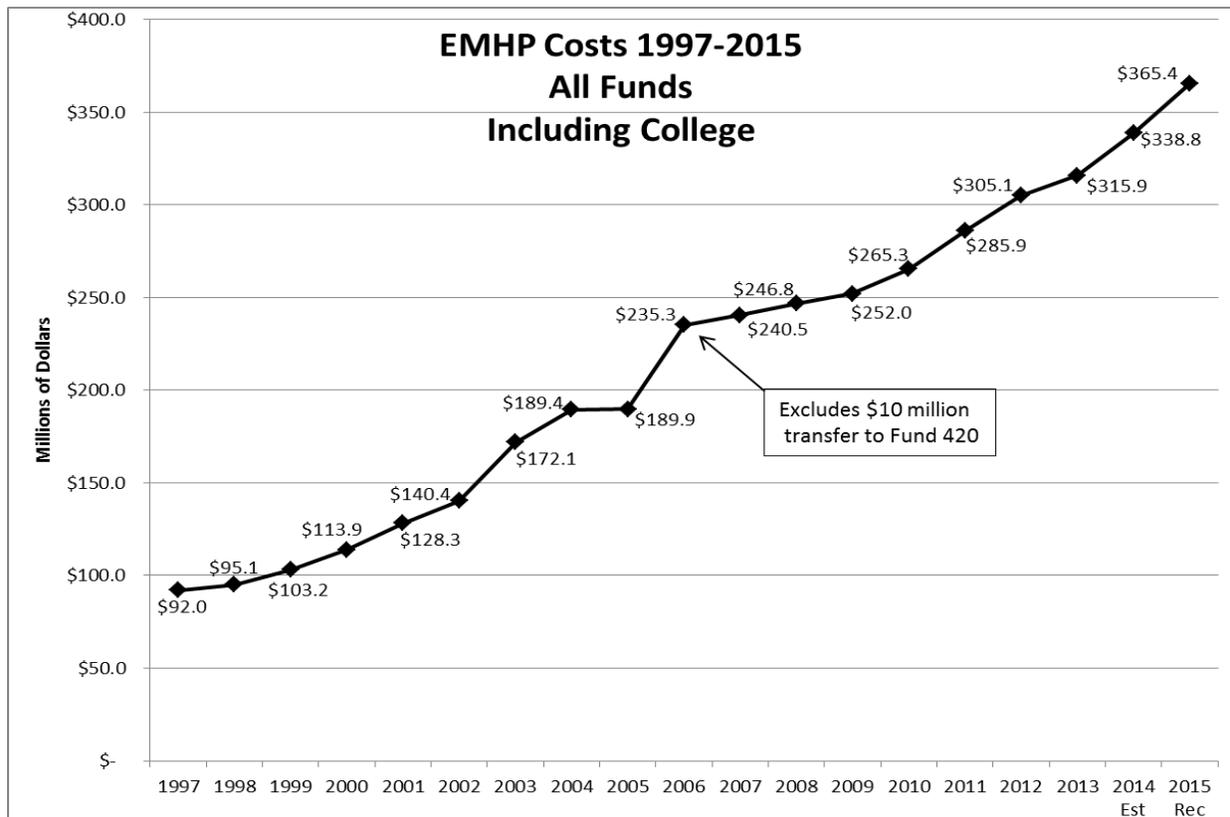
Lockton's medical/hospital, behavioral health, and prescription drug cost trend projections use annual medical trends based on the current marketplace and claims experience specific to EMHP during the past four fiscal years adjusted to reflect plan design changes. The Consultant's 2015 proposed annual trend rates for EMHP are eight percent 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 8.2% for EMHP overall between 2014 and 2015, which appears high based upon the actual prior four year average rate of growth of 5.2%. The 2015 proposed rate trend for medical claims is one half percent lower when compared with Lockton's 2014 proposed trend; however, it may be too high based upon the actual prior four year average increase for medical claims of 4.5%.

The 2015 Consultant cost projections are predicated upon a net increase of 136 enrollees or 0.6% from 21,024 to 21,160. As of September 2014, the County's health insurance plan consisted of 20,891 enrollees. Lockton projects the County's health insurance costs to grow by \$28.4 million or

8.27% in 2015. This projection differs slightly from the recommended budget, which indicates health insurance costs will increase \$26.6 million or 7.85%. BRO’s analysis of the 2015 recommended expenditures, in conjunction with a minor variance of 0.4% between Lockton’s projection and the proposed funding for 2015 healthcare costs, indicates it is reasonable.

The following graph illustrates health insurance expenditures from 1997 to 2015.



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 2014 estimated revenues of \$343.3 million are \$12.2 million or 3.78% higher than the 2014 adopted funding. This increase is explained by the inclusion of \$12.2 million of revenue from the Employee Group Waiver Plan (EGWP) subsidy payments for the Coverage Gap Discount Program, Federal Reinsurance, and the Federal Subsidy which, are based upon estimates provided by Express Scripts, the EGWP prescription benefits manager (PBM).

The 2014 estimated budget includes \$319.6 million in revenue from interfund transfers to the Employee Medical Health Plan (Fund 039), including a transfer from Fund 192 that is shown in Uses of Money and Property.

Based on year-to-date transfers that are directly correlated to the number of enrollees, which is less than what was assumed by the Health Care Consultant, BRO projects that the 2014 estimated transfers from the General Fund and Police District Fund to the EMHP are understated by approximately \$3.7 million. In fact, the recommended budget estimates a year-end 2014 fund

balance deficit of \$4.1 million that can be at least partially attributed to the estimated reductions to interfund transfers. If the Legislature chooses to increase the 2014 transfers, per the BRO recommendation, then the budget should reflect reductions to those same interfund transfers by identical amounts in 2015. There is no net impact on the General Fund and Police District combined 2014 and 2015 budgets. Other than this recommended change, the BRO finds that 2015 recommended revenues are reasonable.

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 contributions Suffolk had opted to amortize through the County's 2013 budget year are fixed for a ten-year repayment period. The County opted into the Alternative Contribution Stabilization Program in the 2014 Adopted Budget, which increased the repayment period to 12 years. The rates charged by the Comptroller change from one rate year to the next based upon market performance. Portions of required 2011 contributions that were amortized have been charged a five percent rate of interest, portions of required 2012 contributions that were amortized have been charged a 3.75% rate of interest and portions of required 2013 contributions that were amortized have been charged a three percent rate of interest.

The graded rate increase or decrease is capped at one percent. 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) established 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 were able to 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 intended to make. Employers that had amortized under the original Contribution Stabilization Program had the option to switch to the alternate program. Once an employer had elected the alternate program, the employer was not able to return to the original program. In the first years of participation, the alternate program allowed 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 increased 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.

Suffolk County opted to make a one-time election in the 2013-2014 billing cycle to enroll in the Alternate Contribution Stabilization Program for the contribution due February 2014 and any future amortizations. Suffolk County opted to amortize \$87.1 million, in the aggregate, of the NYS Local Retirement System contribution due February 2014; approximately \$55.9 million of its ERS contribution due February 2014 to be repaid in equal annual installments of \$5,871,992 over a twelve-year period at a 3.76% rate of interest beginning with the 2015 payment, and \$31.2 million of its PFRS contribution due February 2014 to be repaid in equal annual installments of \$3,280,103 over a twelve-year period at a 3.76% rate of interest beginning with the 2015 payment.

The recommended 2015 NYS retirement employer contribution budget of \$186.6 million represents both the Employees' Retirement System (ERS), excluding the College, payment of

\$107.2 million, and the Police and Fire Retirement System (PFRS) payment of \$79.4 million. The proposed funding appears reasonable, assuming amortization of \$59.8 million, in the aggregate, under the Alternate Contribution Stabilization Program. The recommended budget does not amortize the maximum amount (\$80.8 million) allowed by the State for the first time since the State began allowing amortization of the County's retirement liability. If the policy decision to amortize \$59.8 million of the County's 2015 pension liability is maintained, it would result in future payments of approximately \$6.2 million annually, over the next 12 years, beginning with the County's payment of its 2016 pension liability.

The 2015 ERS liability includes installment four of 10, \$2.4 million, for repayment of the portion of the 2011 ERS Contribution the County opted to amortize, installment three of 10, \$3 million, for repayment of the portion of the 2012 ERS Contribution the County opted to amortize, installment two of 10, \$5.7 million, for repayment of the portion of the 2013 ERS Contribution the County opted to amortize, installment one of 12, \$5.9 million, for repayment of the portion of the 2014 ERS Contribution the County opted to amortize, and installment four of five, \$3.8 million, for repayment of the 2010 Early Retirement Incentive Program (ERIP) incentive cost. The 2015 ERS liability includes \$20.9 million of repayments in the aggregate; \$17 million of amortization repayments and \$3.8 million of 2010 retirement incentive repayments.

The 2015 PFRS liability includes installment three of 10, \$2.5 million, for repayment of the portion of the 2012 PFRS Contribution the County opted to amortize, installment two of 10, \$1.4 million, for repayment of the portion of the 2013 PFRS Contribution the County opted to amortize, and installment one of 12, \$3.3 million, for repayment of the portion of the 2014 PFRS Contribution the County opted to amortize. The 2015 PFRS liability includes \$7.3 million of repayments in the aggregate, all of which can be attributed to portions of PFRS Contributions that the County has opted to amortize.

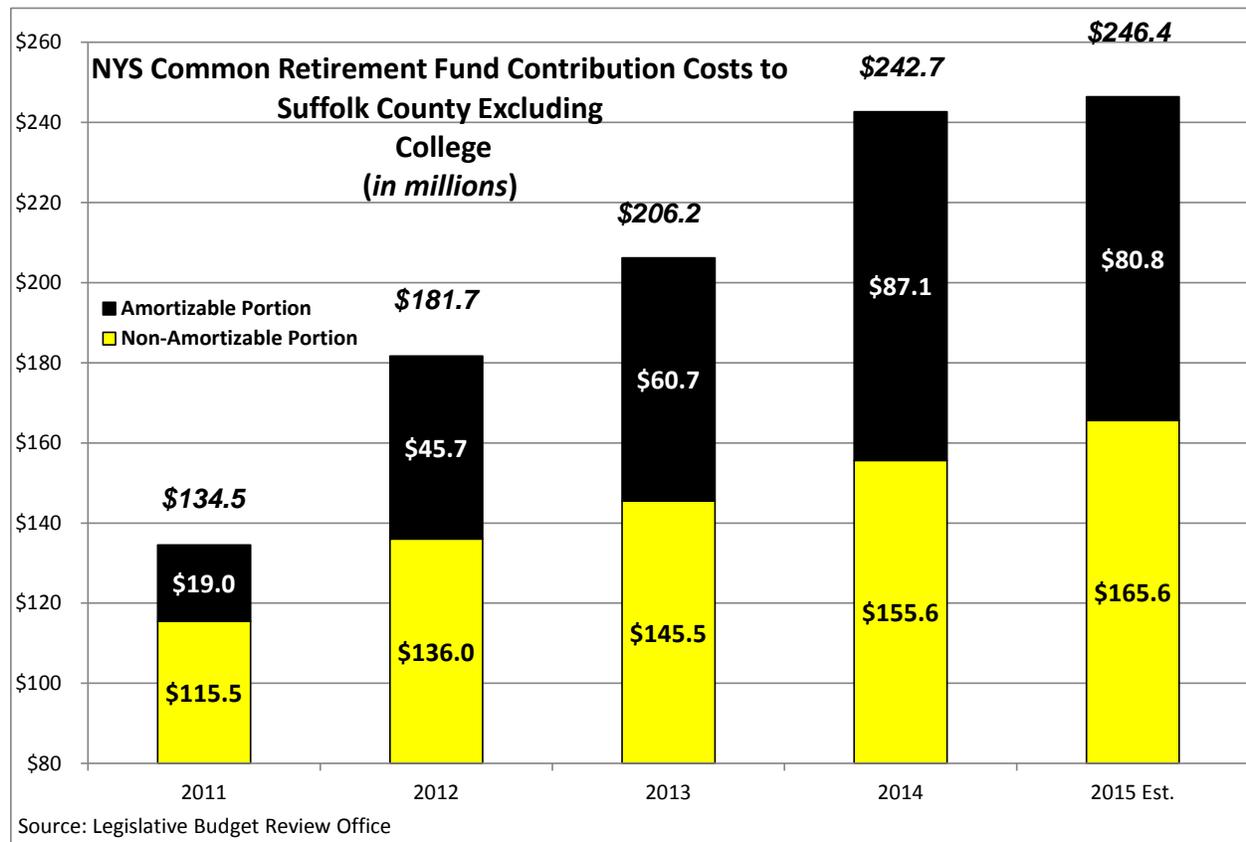
The following table is provided to illustrate the estimated financial impact to the County resultant from utilization of amortization either under the original Contribution Stabilization Program or the Alternate Contribution Stabilization Program. The table assumes that \$59.8 million of the County's 2015 pension liability will be amortized as proposed.

Suffolk County's NYSLRS Pension Amortization Obligations				
	Amortization Principal	Interest Rate	Term (years)	Total Cost to County
Year				
2011	\$19,080,351	5%	10	\$24,709,930
2012	\$45,702,894	3.75%	10	\$55,648,450
2013	\$60,720,968	3%	10	\$71,183,500
2014	\$87,101,698	3.76%	12	\$109,825,140
2015 Rec.	\$59,795,324	3.50%	12	\$74,254,324
Total	\$272,401,235			\$335,621,344

The table above indicates that the County will incur interest expense of approximately \$63.2 million over the life of the amortizations, assuming amortization of \$59.8 million of the County's 2015 pension liability. The 2015 proposed budget's utilization of approximately 75% of the maximum allowable amortization, as compared with 100% utilization which has been the County's practice to date, will positively impact future budgets.

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 2015 recommended NYS retirement employer contribution of \$186.6 million (excluding SCCC) is \$31 million or 20% more than the 2014 estimated contribution of \$155.6 million and assumes amortization of \$59.8 million of the liability due February 2015. The \$186.6 million 2015 recommended contribution is made up of \$165.6 million of non-amortizable contribution (shown in graph) plus \$21 million that the 2015 Recommended Budget chose not to amortize.



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, 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 funds current liabilities only as compared to the annualized required contribution (ARC) funding methodology that accounts for both current and accrued liabilities.

GASB Statement No. 45 requires the County to measure and disclose a dollar figure for its 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 GASB 45 Actuarial Valuation Fiscal Year Ending December 31, 2013, indicates that the County's unfunded actuarial accrued liability (UAAL) for OPEB is \$5.02 billion as of December 31, 2013, which is approximately \$367 million more than our liability as of December 31, 2012 of \$4.65 billion.

Nyhart has calculated the County's annual required contribution (ARC) for 2013 to be \$436.5 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.

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, five of the County's ten labor unions will enter fiscal year 2015 with labor agreements in place. Benefit fund contribution levels will remain the same for any bargaining units entering 2015 without renegotiated labor agreements. Bargaining units two and six, representing the Suffolk County Association of Municipal Employees (AME), negotiated and entered into a stipulation of agreement on September 18, 2013, which extended the provisions of their Collective Bargaining Agreement through December 31, 2016. The agreement held the annual \$1,456 benefit fund contribution the same for the duration of the agreement.

The Suffolk County Police Benevolent Association (PBA) entered into a labor agreement on September 6, 2012 covering the terms and conditions of employment from January 1, 2011 through December 31, 2018 for its members. 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 increases through December 2014 bring the PBA Benefit Fund Contribution to be made by the County to \$2,013. The labor agreement provides for Benefit Fund contribution enhancements again in 2015; 1.5% on June 15, 2015 and 2.5% on December 15, 2015 bringing the annual rate to \$2,094 and the 2015 effective rate to \$2,031. 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 Suffolk County Superior Officers Association (SOA) entered into a labor agreement on February 7, 2014 covering the terms and conditions of employment from January 1, 2011 through December 31, 2018 for its members. Section 5 of the agreement pertains to the SOA Benefit Fund and stipulates that the contributions will increase at varying rates on various dates through December 1, 2016. The increases through December 2014 bring the SOA Benefit Fund Contribution to be made by the County to \$2,012. The labor agreement provides for Benefit Fund contribution enhancements again in 2015; 1.5% on June 15, 2015 and 2.5% on December 15, 2015 bringing the annual rate to \$2,093 and the 2015 effective rate to \$2,030. 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 Suffolk County Detectives Association (SDA) entered into a labor agreement on November 26, 2013 covering the terms and conditions of employment from January 1, 2011 through December 31, 2018 for its members. Section 4 of the agreement pertains to the SDA Benefit Fund and stipulates that the contributions will continue at an amount equal to the PBA contribution which will include the increases set forth in the PBA Memorandum of Agreement dated September 6, 2013. Therefore, the labor agreement provides for Benefit Fund contribution enhancements in 2015 of 1.5% on June 15, 2015 and 2.5% on December 15, 2015 bringing the annual rate to \$2,094 and the 2015 effective rate to \$2,031. 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 2014 benefit fund/life insurance contribution estimate of \$16 million is approximately \$225,000 or 1.4% more than adopted. The most significant shortfall to the adopted funding is noted within Fund 115 where the estimated expenditure exceeds adopted funding by approximately \$330,000 or 6.3%. Based upon year-to-date expenditures of approximately \$13.5 million (as of September 19, 2014), representing 84% of estimated total payments, BRO projects the 2014 benefit fund/life insurance contribution estimate to be understated by approximately \$200,000 assuming the required level of contributions remains the same throughout the remainder of 2014 and are not reduced resultant from provisions included within several labor agreements as previously detailed.

The 2015 Recommended Budget includes a total of \$15.8 million for benefit fund/life insurance contributions, which is a decrease of approximately \$255,000 or 1.6% when compared to the estimated budget of \$16.0 million. BRO observes an increase in the recommended General Fund (001) expenditure of approximately \$125,000 and a recommended decrease in the Police District Fund (115) expenditure of approximately \$371,000.

The increase within the General Fund and a portion of the decrease in the Police District Fund can be explained by the recommended budget's proposal to "correct the funding alignment for the Police Department" via the transfer of various positions between the Police District Fund and the General Fund resulting in a net increase of 69 police officers in the General Fund. Additionally, since the rates for the required PBA Benefit Fund contributions made by the County in 2015 have increased, and the recommended funding has decreased, it is reasonable to assume that either (1) there has been attrition in the number of employees within Fund 115 and/or Benefit Fund reserves have grown to a level that allows the County to make a reduced or no contribution, or (2) the recommended budget fails to properly fund this liability. The dearth of information available to

BRO with respect to the PBA Benefit Fund reserve makes it difficult to project the precise impact resultant from the aforementioned provisions of the current PBA, SDA, and SOA labor agreements.

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 2014 wage base for OASDI is \$117,000, which is an increase of \$3,300 or 2.9% over the 2013 wage base of \$113,700. The Social Security Administration's Office of the Chief Actuary has projected that the Social Security wage base will increase to \$118,500 for 2015. 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 2014 Social Security liability of \$62.4 million is approximately \$1.4 million more than the adopted budget of \$61 million and represents 6.71% of estimated personal services costs. This estimate appears reasonable based upon the County's 2012-2013 average actual FICA expense ratio of 6.68% across all funds.

The estimated 2014 General Fund Social Security appropriation of \$35.0 million is approximately \$1.3 million more than the 2014 adopted funding of \$33.7 million and represents 7.05% of estimated personal services. This estimate appears reasonable based upon the County's 2012-2013 average actual FICA expense ratio of 6.98% within the General Fund.

The estimated Police District Fund Social Security appropriation of \$20.9 million is approximately \$150,000 more than the 2014 Adopted Budget of \$20.75 million and represents 6.0% of estimated personal services within the Police District Fund. This estimate is also reasonable and consistent with the 2012-2013 average actual FICA expense ratio of 5.99% within the Police District Fund.

The 2015 Recommended Budget includes \$64.1 million for the County's Social Security liability across all funds and is reasonable assuming personal service costs are fully expended as budgeted. This level of funding represents 6.72% of the 2015 recommended total personal services costs, is 0.04% more than the 2012-2013 average actual FICA expense ratio of 6.68%, and is in-line with the 2014 estimated FICA expense ratio of 6.71%.

The 2015 proposed Social Security funding of \$36.4 million in the General Fund represents 7.05% of personal services and appears reasonable based upon the County's most recent experience resulting in a 2012-2013 average actual expense ratio of 6.98%. Social Security liability funding of \$21.2 million proposed within the Police District Fund in 2015 represents 6.0% of personal services and appears reasonable based upon the County's most recent experience resulting in a 2012-2013 average actual expense ratio of 5.99%.

Unemployment Insurance

The County reimburses the State dollar-for-dollar for all unemployment claims paid to former employees on a quarterly basis. The 2014 estimated unemployment insurance appropriations total \$623,737 for all funds, which is \$540,798 or 46.4% less than the adopted budget of \$1,164,535. It appears that the 2013 actual expenditure for unemployment of \$1.8 million which, was approximately \$700,000 more than the 2013 estimate, included unemployment expenses which were budgeted to be recognized in 2014. As of September 19, 2014, \$277,387 representing the first and second quarterly payments, has been expended. The 2014 estimate appears reasonable based upon year-to-date expenditures.

The 2015 Recommended Budget includes \$629,500 for unemployment across all funds, which is in line with the County's estimated expenditure in 2014 of \$623,737. The recommended funding includes \$500,000 for unemployment expenses within the General Fund (001) which is \$83,000 or 19.9% more than the 2014 Fund 001 estimate of \$417,000. Based upon the existing "no-layoff" clause through December 31, 2016 in the current AME labor agreement, in conjunction with the 2014 estimated expenditures for General Fund unemployment liability, BRO believes the 2015 recommended unemployment liability funding in the General Fund to be overstated by at least \$100,000.

Budget Review Office Recommendations

- Increase the 2014 estimated Interfund Transfer from the General Fund (001) to the Employee Medical Health Plan Fund (039) by \$3,537,677 to more precisely reflect anticipated interfund revenues to the EMHP and decrease the 2015 recommended Interfund Transfer from the General Fund (001) to the Employee Medical Health Plan Fund (039) by a like amount to reflect the transfers in the appropriate years.
- Increase the 2014 estimated Interfund Transfer from the Police District Fund (115) to the Employee Medical Health Plan Fund (039) by \$155,673 to more precisely reflect anticipated interfund revenues to the EMHP and decrease the 2015 recommended Interfund Transfer from the Police District Fund (115) to the Employee Medical Health Plan Fund (039) by a like amount to reflect the transfers in the appropriate years.
- Decrease the 2015 Unemployment Insurance expense in the General Fund (001-EMP-9055-8350) by \$100,000 to more precisely reflect anticipated expenditures.
- Address the policy decision of amortizing a portion of the County's 2015 New York State Local Retirement System pension obligation.

Debt Service

Effects on the Recommended Budget

Serial Bonds

Serial bonds are general obligation debt used to finance most capital improvements. Principal and interest payments on bonds issued as long as 20 years ago appear as debt service costs in the operating budget. Budgeted debt service had been kept artificially low due to the County's 2008 and 2012 securitization of Tobacco Master Settlement Agreement revenues. However, budgetary relief from the proceeds of these Tobacco bonds ended last year (2013), creating a sudden, significant jump up in the County's budgeted debt service costs.

Budget Review Office estimates are in agreement with the recommended budget's 2014 estimate. However, we find the 2015 recommended amount to have overstated expenses in the General Fund for serial bond debt service by \$304,437. With regard to the Police District the budget understates serial bond debt service in 2015 by \$521,847. It seems likely these discrepancies resulted from the fact that a) interest costs for the just-issued 2014 Series B serial bond were less than those estimated by the Executive, at a time when market interest rates were higher, and b) the term of this bond was shorter than anticipated.

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, the County has issued \$17,537,214 in 2009, \$29,224,970 in 2010, \$5,126,000 in 2011, and \$3.5 million in 2012. In 2013 the County issued a \$37 million BAN for Correction Officer's retro pay. When this last BAN matured in May 2014, the County paid \$889,934 in principal and rolled the remaining \$36,110,066 into another BAN that matures on May 1, 2015, at which time another principal repayment of \$8.5 million will be due.

The recommended budget correctly includes \$740,000 in interest expense for BANs in 2014 and \$541,651 in 2015. It also accounts for the principal repayment in 2015. However, the recommended budget does not account for the \$889,934 principal repaid in May of 2014.

Tax Anticipation Notes and Revenue Anticipation Notes

Tax Anticipation Notes (TANs) are short-term notes issued for one year or less for cash flow purposes in anticipation of the receipt of property taxes and delinquent property taxes (DTANs). Two borrowings take place each year: 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), and 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 either April or May of each of the last three years (2012-2014), the County has issued a Revenue Anticipation Note (RAN) averaging \$95 million. (Prior to these three borrowings, the last time the County had issued RANs was during the recession in the early 1990s.) It seems likely Suffolk will have to issue another RAN in 2015.

The County borrowed \$105 million in DTANs in September of 2012, \$100 million in September of 2013 and \$105 million again this October, with principal repayment and interest in each case due in the subsequent year. Borrowing had risen steadily from \$35 million in 2006. Although the amounts

borrowed for the past three DTANs have been less than the \$120 million issued in the previous two years, if we add the RANs issued in 2012, 2013 and 2014, the totals of \$190 million in 2012, \$215 million in 2013 and \$185 million in 2014 far exceed the \$120 million high water mark for DTANs.

Cash flow problems also play a role in the next County TAN borrowing. For the sixth year in a row, the County expects to issue a TAN in late December, instead of at the beginning of January, as had previously been the case. This TAN is expected to match the \$410 million issue amount of the previous two TANs

Large annual cash flow borrowings are symptomatic of the County's significant structural budget shortfall and cash flow problems. Shortfalls in property taxes and State aid, previous shortfalls in sales tax, and increases in expenditures on pension, health care, debt service, and other costs all have the effect of pushing the County's daily cash position out of balance, thereby necessitating the high levels of cashflow borrowing we observe.

Revenue Related to Borrowing

There are several revenue codes in the budget associated with the debt issues discussed in this section. With a few exceptions, Budget Review Office estimates agree 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 code represents premiums investors offer when bidding to purchase County RANs and TANs. The BANs that paid for Correction Officers' retroactive pay are considered non-capital debt; therefore, associated premiums were also included here, instead of in 001-DBT-2956-Earnings on Investment Capital.
- 001-DBT-2737-Received Reserve for Debt Svc: This revenue code represents transfers from reserve for bonded debt. It is credited for various reasons, including aid for capital projects received after bonds were issued, 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: The 2013 Actual of \$4,926,057 reflects 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-5731-B.A.N.S. Redeemed From Appopr: The 2013 Actual of \$37 million is related to BAN proceeds to pay for Correction Officer's retro pay.
- 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. 1830-2014 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 \$5.7 million of the total proposed close-outs exist within Fund 001-General Fund.
- 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. For 2015, recommended revenue is \$2.1 million. Almost all of this revenue, \$2 million, appears to be an estimate of the premium expected in connection with the 2014 Series B serial bond. However,

this bond was just issued with no premium; therefore we believe revenue is overstated by \$2 million.

Budget Review Office Recommendations

The sum of the following recommended actions result in a budget shortfall in the General Fund of \$2,585,497:

- Increase 2015 recommended serial bond principal (001-DBT-9710-6900-Serial Bonds) by \$449,461.
- Decrease 2015 recommended serial bond interest (001-9710-7800-Interest On Bonds) by \$753,898.
- Increase 2014 estimated Bond Anticipation Notes principal (001-DBT-9730-6930) by \$889,934 in order to account for the principal repayment on the 2013 BAN that was issued for \$37 million.
- Decrease 2015 recommended revenue for Serial Bond Premium (001-DBT-2956-Earnings Investments – Capital) by \$2 million to account for the fact that there was no premium on the 2014 Series B Serial Bond issue.

The sum of the following recommended actions result in a budget shortfall in the Police District of \$521,847:

- Increase 2015 recommended serial bond principal (115-DBT-9710-6900-Serial Bonds) by \$581,163.
- Decrease 2015 recommended serial bond interest (115-DBT-9710-7800-Interest on Bonds) by \$59,316.

MC DebtService15

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	2013 Actual	2014 Adopted	2014 Estimate	2015 Requested	2015 Recommended
Audit & Control	\$426,192	\$472,720	\$440,000	\$494,950	\$477,950
Board of Elections	\$46,991	\$48,500	\$48,500	\$48,500	\$48,500
Board of Ethics	\$65,474	\$134,000	\$105,000	\$131,500	\$131,500
Civil Service	\$263,999	\$517,000	\$428,375	\$1,359,000	\$1,359,000
County Clerk	\$34,243	\$35,000	\$35,000	\$35,000	\$35,000
District Attorney	\$621,981	\$665,284	\$640,284	\$700,000	\$690,000
Economic Development and Planning	\$432,884	\$229,759	\$1,513,498	\$670,799	\$527,459
Employee Benefits	\$10,596,251	\$11,204,830	\$12,389,736	\$12,834,550	\$12,834,550
Executive	\$327,303	\$518,250	\$237,262	\$916,480	\$941,480
Finance & Taxation	\$298	\$285	\$285	\$285	\$285
FRES	\$902,563	\$976,367	\$354,116	\$8,500	\$8,500
Health Services	\$20,874,350	\$17,739,575	\$18,480,270	\$18,009,388	\$16,824,553
Information Technology	\$50,937	\$600,000	\$250,000	\$300,000	\$300,000
Labor, Licensing and Consumer Affairs	\$3,061,282	\$3,661,601	\$3,606,876	\$3,453,500	\$3,453,500
Law	\$1,659,040	\$1,111,301	\$1,241,301	\$1,111,301	\$1,111,301
Legislature	\$36,075	\$105,000	\$35,000	\$55,000	\$55,000
Medical Examiner	\$362,317	\$483,775	\$510,826	\$320,974	\$268,974
Miscellaneous	\$538,210	\$675,000	\$551,000	\$630,000	\$627,000
Parks	\$44,902	\$47,712	\$46,769	\$47,000	\$47,000
Police	\$1,282,357	\$2,030,482	\$2,053,290	\$1,995,481	\$1,995,481
Probation	\$361,398	\$825,595	\$543,247	\$482,245	\$480,225
Public Administrator	\$7,612	\$15,000	\$7,500	\$7,500	\$7,500

Expenditures (4560)					
Department	2013 Actual	2014 Adopted	2014 Estimate	2015 Requested	2015 Recommended
Public Works	\$2,252,008	\$2,888,909	\$3,337,104	\$2,950,937	\$3,050,001
Sheriff	\$426,998	\$672,502	\$141,102	\$542,806	\$137,806
Social Services	\$3,390,117	\$4,351,850	\$3,717,622	\$4,499,539	\$4,169,090
Traffic Violations Bureau	\$5,709,765	\$7,890,100	\$7,826,945	\$7,998,758	\$8,235,592
Vanderbilt Museum	\$341,415	\$150,000	\$168,056	\$230,000	\$230,000
Total	\$54,116,963	\$58,050,397	\$58,708,964	\$59,833,993	\$58,047,247

Effects of Recommended Budget

The 2015 Recommended Operating Budget includes \$58,047,247 for Fees for Services, or two percent of total expenditures across all funds. The recommended amount is approximately 1.1% or \$661,717 less than the 2014 estimate. This is mainly attributed to decreases in Health Services, Economic Development and Planning, FRES and Public Works, which are partially offset by increases in Civil Service, Executive, Social Services and Employee Benefits. Significant changes include:

Health Services: A net decrease of nearly \$1.7 million is principally tied to \$703,300 in closure consultant or transition related fees for services for the John J. Foley Skilled Nursing Facility that will not be needed in 2015, plus a reconciling and closeout of \$906,560 in previous years' National Estuary Program grants and \$167,639 in reduced laboratory contract costs connected to transitioning the County health clinics to Hudson River Health Care.

Economic Development and Planning: An overall net decrease of \$986,039 in 2015 compared to the 2014 estimate relates mostly to the expiration of several grants, including \$650,000 for Recovery Assistance Program Planning, \$110,000 for the HUD Sustainable Communities Grant, and \$72,239 for the NYMTC Bus Rapid Transit Study.

FRES: There is a net decrease of \$345,616 from the 2014 estimate, with the majority of the difference related to the expiration of several grants, such as \$226,295 for the Pre-Disaster Mitigation 2012 Grant, \$74,974 for the SAFER (Staffing for Adequate Fire and Emergency Response) 2009 Grant, \$12,000 for the HazMat 2010 Grant, \$3,900 for the SHSP (State Homeland Security Program) 2012 Grant, and \$3,030 for the HazMat FY 2013 Grant.

Public Works: Overall, there is a decrease of \$287,103 from the 2014 estimate, which includes a \$374,390 one-time payment to the private owner of the sewage treatment plant at Dorade for the County's share of actual expenses incurred by the owner as a result of capital improvements necessitated by a Suffolk County Department of Health Services Consent Order that will not recur in 2015. This decrease is partially offset by a \$198,686 increase associated with opening additional Compressed Natural Gas (CNG) fueling sites and funding for GPS tracking on fleet vehicles to cut costs and boost productivity.

Civil Service/Human Resources: An overall increase of \$930,625 is primarily related to \$735,100 for a consultant to create and score the Police Officer examination in 2015. In addition, \$258,000 is included for costs associated with custodial maintenance of school buildings during regular testing based upon the number of exams to be given in 2015.

Executive: Recommended fees include a net increase of \$704,218, which includes a \$225,000 increase in the County Executive Office, a \$228,730 increase in the Office of Budget and Management, \$39,000 more for Labor Relations, \$55,000 for the Youth Bureau and a \$300,000 increase in the Performance Management Unit.

Social Services: The overall increase of \$451,468 includes a \$250,000 increase in Medicaid Compliance relating to Medicaid fraud and abuse investigations, an \$80,000 increase for expert witnesses, hair and urine testing, adoption pre-placement services and same day process servers for Child Protective Services (CPS) and Foster Care, and \$73,500 to provide consulting services for electronic recertifications, content management and outbound calling systems for appointment reminders and recertification due dates for DSS clients.

Employee Benefits: A net increase of \$444,814 is tied to growth in administrative fees that correlate with ongoing increases in the cost of benefits for the County workforce.

In the aggregate, the 2015 recommended amount is \$1,786,746 less than requested, which is mainly attributable to a redeployment of agency nursing staff to the Jail Medical Program, reduced laboratory fees connected to transitioning the County health clinics to Hudson River Health Care, reduced per diem instructor costs in Emergency Medical Care, decreases to the Sheriff substitute jail housing costs and emergency medical transport, lower than originally anticipated costs in Social Services for Medicaid fraud auditing services and investigations, and decreasing demand for medical and psychiatric assessments for Temporary Assistance clients.

DD FeesForServices15

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 2015 Recommended Budget for the Interdepartment Operation and Service Fund estimates that there will be a 2014 year-end surplus of \$319,675. As shown in the following chart, the recommended fund balance at the end of 2015 is \$0.

Interdepartment Operation and Service Fund (016)				
Status of Funds				
Category	2012 Act	2013 Act	2014 Est	2015 Rec
Revenues	\$34,144,049	\$40,186,166	\$43,868,798	\$45,947,832
Fund Balance	\$2,720,417	\$53,982	(\$828,633)	\$319,675
Expenditures	\$36,810,484	\$41,068,781	\$42,720,490	\$46,267,507
Surplus Deficit	\$53,982	(\$828,633)	\$319,675	\$0

In 1999, procedures governing Fund 016 were modified to show only chargebacks to separate fund entities rather than departmental expenditure chargebacks. The General Fund (001) and the Police District Fund (115), which are both supported directly by real property taxes, contributed between 83.9% to 86.2% of total interfund revenue from 2012 through the 2015 Recommended Budget. All interfund revenues are listed in the following table.

Interfund Revenue: Fund 16					
Fund	Fund Name	2012 Actual	2013 Actual	2014 Estimate	2015 Recommended
001	General Fund	\$17,691,182	\$21,978,587	\$23,701,138	\$25,005,623
038	Self Insurance	\$47,814	\$178,249	\$319,127	\$319,127
039	EMHP	\$55,460	\$107,618	\$113,307	\$122,372
102	E-911	\$141,417	\$225,531	\$152,069	\$257,384
105	County Road	\$1,415,733	\$2,222,786	\$1,641,511	\$2,536,722
115	Police District	\$9,676,517	\$10,483,974	\$11,212,537	\$11,964,681
136	Traffic Violations Bureau	\$0	\$211,348	\$307,299	\$243,100
192	Hotel and Motel Tax	\$10,499	\$10,304	\$12,535	\$11,761
203	Southwest Sewer District	\$391,610	\$398,963	\$446,564	\$455,310
259	Building/Sanitation Admin	\$50,831	\$66,327	\$61,990	\$61,990
261	Sewer Maintenance	\$1,124,712	\$1,205,261	\$1,298,827	\$1,375,487
320	Workforce Investment (Labor)	\$139,092	\$394,804	\$690,796	\$450,583
351	Community Development	\$8,160	\$7,793	\$8,366	\$8,894
360	Medicaid Compliance	\$1,052,000	\$0	\$1,528,553	\$697,662
477	Water Quality Protection	\$84,960	\$146,992	\$104,095	\$185,873
625	Gabreski Airport	\$18,879	\$10,682	\$8,778	\$12,190
818	Community College	\$18,761	\$26,927	\$25,539	\$30,730
Total		\$31,927,627	\$37,676,146	\$41,633,031	\$43,739,489

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

2015 Recommended Budget

The recommended budget increases total revenue by \$2,079,034 from the estimated \$43.9 million in 2014 to \$45.9 million in 2015. The increase is attributable to multiple interfund transfers being

greater than estimated. In fact, the only interfund transfer being reduced is the transfer from the Traffic Violations Bureau in the amount of \$64,199.

Recommended 2015 expenditures are \$3.5 million more than the 2014 estimate due to the fact that the recommended budget transfers the Performance Management Unit from the General Fund to Fund 016 and because personnel and equipment costs have increased for those functions budgeted directly in Fund 016.

Fund 016 Expenditures	2014 Est	2015 Rec	Increase
EXE-1236-PERFORMANCE MANAGEMENT	\$0	\$665,031	\$665,031
ITS-1680-INFORMATION TECHNOLOGY SERVICES	\$11,501,242	\$12,444,306	\$943,064
DPW-5130-DPW: ROAD MACHINERY	\$13,692,405	\$14,556,013	\$863,608
IFT-E039-TRANSFER TO FUND 039	\$4,052,069	\$4,446,798	\$394,729
EMP-9010-RETIREMENT	\$2,170,824	\$2,507,479	\$336,655
TOTAL			\$3,203,087

JO Fund 016 15

Self Insurance Fund (038)

Suffolk County assumes most of the financial risk against claims resulting from workers' compensation injuries, medical malpractice, automobile accidents, negligence, etc. The County also maintains stop-loss insurance coverage for highly unusual or catastrophic events, which limits risk exposure to a predetermined threshold for a covered event; the excess loss is paid for by the third party insurer.

First instance funding against all insurance risk exposures is provided through the County's Self Insurance Fund. This allotment of funds is provided for through budgetary transfers from each fund based upon claims payments and risk analysis. The General Fund and the Police District Fund have the greatest exposure and therefore, the greatest cost. In the event Self Insurance Fund appropriations are inadequate to cover losses resulting from court awards or negotiated settlements, the County is able to bond the required settlement payment and pay off the resulting debt over a period of time.

In addition to workers' compensation and settlements paid from cash reserves, the fund covers the cost of insurance premiums, debt service on bonded settlements, and other internally incurred costs for the administration of the Insurance and Risk Management Division and the Insurance Tort Unit of the Department of Law.

Status of Funds

Expenditures for the fund exceeded revenues in 2013 resulting in a negative starting fund balance of \$4.4 million in 2014. The Executive's 2014 estimate anticipates revenues to be \$2.1 million more than expenditures in 2014, but projects that 2015 will begin with a negative fund balance of \$2.3 million. The recommended budget assumes that 2015 revenues will exceed the sum of the negative starting fund balance and 2015 expenditures. The recommended budget always projects a \$0 balance at the end of the upcoming budget year. The following table summarizes the status of the Self Insurance Fund as presented in the 2015 Recommended Budget.

Status of Fund 038-Self Insurance			
2013 Starting Fund		2013 Ending Fund	
Balance	2013 Revenues	2013 Expenditures	Balance
\$290,952	\$49,663,939	\$54,373,875	-\$4,418,984
2014 Starting Fund		2014 Ending Fund	
Balance	2014 Estimated Revenues	2014 Estimated Expenditures	Balance
-\$4,418,984	\$55,783,327	\$53,706,765	-\$2,342,422
2015 Starting Fund		2015 Ending Fund	
Balance	2015 Recommended Revenues	2015 Recommended Expenditures	Balance
-\$2,342,422	\$55,291,298	\$52,948,876	\$0

Effects of Recommended Budget

Workers' compensation is by far the fund's largest expense. The \$34.4 million spent on workers' compensation in 2013 accounted for 63% of the fund's total budget; 76% of all liability expenditures. The recommended budget estimates workers' compensation will be \$1.2 million less in 2014 and

2015 than it would have been as a result of changes to the formula used by New York State to levy assessments on all workers' compensation carriers, which is used to fund the State Workers' Compensation Board. Under the new formula, self-insured entities have a reduced assessment. The following chart summarizes all Fund 038 expenditures by category.

038-Self Insurance Fund	2013	2014	2014	2015	2015	
	Actuals	Adopted	9/19/14 YTD	Estimated	Requested	Recommended
Total Cost	\$54,373,875	\$50,886,365	\$36,120,103	\$53,706,765	\$52,948,876	\$52,948,876
Personnel and Supplies	2013	2014	2014	2015	2015	
	Actuals	Adopted	9/19/14 YTD	Estimated	Requested	Recommended
Risk Management Salaries and Supplies	\$1,420,700	\$1,432,472	\$990,728	\$1,379,015	\$1,464,168	\$1,464,168
Insurance Tort Unit Salaries and Supplies	\$2,566,474	\$2,293,045	\$1,498,567	\$2,284,147	\$2,253,406	\$2,253,406
Employee Benefits	\$1,948,338	\$2,092,992	\$1,764,165	\$2,136,818	\$2,321,224	\$2,321,224
Personnel and Supplies Total	\$5,935,513	\$5,818,509	\$4,253,460	\$5,799,980	\$6,038,798	\$6,038,798
Liability	2013	2014	2014	2015	2015	
	Actuals	Adopted	9/19/14 YTD	Estimated	Requested	Recommended
Auto Liability	\$2,323,960	\$671,000	\$798,593	\$595,500	\$671,000	\$671,000
Auto Physical Damage	\$1,389,404	\$1,401,000	\$1,075,793	\$1,200,500	\$1,400,500	\$1,400,500
Bus-3CD	\$1,433,928	\$1,201,000	\$497,968	\$885,500	\$1,201,000	\$1,201,000
Employee Practices Liability	\$29,990	\$50,000	\$0	\$25,000	\$50,000	\$50,000
General Liability	\$1,461,502	\$876,000	\$1,054,657	\$5,645,809	\$881,000	\$881,000
Medical Malpractice Insurance	-\$40	\$50,000	\$100,000	\$675,000	\$50,000	\$50,000
Unallocated Insurance	\$4,111,130	\$4,696,500	\$4,211,511	\$4,380,000	\$4,856,325	\$4,856,325
Vdt Claims	\$76,933	\$60,000	\$38,044	\$55,500	\$60,000	\$60,000
Worker's Compensation	\$34,369,752	\$32,619,500	\$22,324,125	\$30,941,000	\$33,156,500	\$33,156,500
Liability Total	\$45,196,559	\$41,625,000	\$30,100,690	\$44,403,809	\$42,326,325	\$42,326,325
Other	2013	2014	2014	2015	2015	
	Actuals	Adopted	9/19/14 YTD	Estimated	Requested	Recommended
Debt Service	\$2,488,819	\$3,123,729	\$1,765,954	\$3,183,849	\$4,264,626	\$4,264,626
Interfund Transfers	\$752,984	\$319,127	\$0	\$319,127	\$319,127	\$319,127
Other Total	\$3,241,803	\$3,442,856	\$1,765,954	\$3,502,976	\$4,583,753	\$4,583,753

The above liability expenses include the cost of settlements, which are typically recommended and adopted at a fraction of their eventual cost. The 2014 Adopted Budget included \$1.5 million for settlements (object 8505, not shown separately in table); the 2014 estimate is \$6.1 million. The 2015 Recommended Budget again 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 (2005-2014), between bonding, Column (1), and pay-as-you-go operating budget expenditures, Column (2). Over the past ten years borrowing has accounted for 44% of the total and operating budget appropriations the remaining 56%. Debt service associated with borrowing, Column (3), is starting to become an increasing share of settlement costs. Debt service over the past ten years averaged \$1.7 million, but is estimated at \$3.2 million this year and is recommended to be \$4.3 million in 2015.

Self-Insurance Fund (038) Liability Settlements			
	Revenue	Expenditures	
	Bond Proceeds (038-2780)	Pay-as-you go funding (Settlements: Obj 8505)	Debt Service on Bond Proceeds (038-9710)
	(1)	(2)	(3)
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	\$2,471,624	\$3,900,710	\$2,488,819
2014 Est.	\$5,002,309	\$6,077,309	\$3,183,849
2015 Rec.	Always Adopted at \$0	\$1,500,000	\$4,264,626
Ten Year Summary of Liability Settlements (2005-2014)			
Total	\$33,175,503	\$42,432,322	\$17,008,152
% of Total	44%	56%	
Average	\$3,317,550	\$4,243,232	\$1,700,815

Issues for Consideration

Workers' compensation benefit rates are increased annually. The maximum weekly benefit, which was \$400 in 2006, has more than doubled. The rate was recently increased from \$803.21 to \$808.65 on 7/1/14. As the maximum benefit increases, workers' compensation will continue to put pressure on the budget.

According to Insurance and Risk Management, the County currently has hundreds of claimants with lifetime awards. The Division recommends that consideration be given to funding lump sum settlements to replace recurring payments. A full actuarial analysis would be required to determine if this initiative is fiscally viable.

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. Based on average settlement payments shown in the previous table, in order to avoid borrowing altogether, the budget would need to include \$7.5 million (\$3.3 million in bond proceeds plus \$4.2 million in pay-as-you-go funding). Instead, the 2015 Recommended Budget includes \$1.5 million.

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		
2014	As of Date	2015
Estimated	Period of Time	Recommended
(\$145,695)	Fund Balance, January 1	(\$2,763,301)
\$21,332,697	Plus Revenues, Jan. 1-Dec. 31	\$25,657,659
\$21,187,002	Total Funds Available	\$22,894,358
\$23,950,303	Less Expenditures, Jan. 1-Dec. 31	\$22,894,358
(\$2,763,301)	Fund Balance, Dec. 31	\$0

Effects of the Recommended Budget

The 2015 Recommended Operating Budget projects that Fund 105 will end 2014 with a \$2,763,301 deficit. The recommended budget projects a fund balance of \$0 at the end of 2015. The fact that the General Fund transfer is nearly doubled from an estimated \$5,071,305 in 2014 to \$9,790,021 in 2015 is important to note. General Fund support for the County Road Fund is increased as a percentage of fund revenue from 24% in 2014 to 38% in 2015.

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 the interfund transfer from the General Fund. The State monies and General Fund transfer typically comprise approximately 98% of Fund 105 revenue.

The 2014 Estimated revenue of \$21,332,697 is \$370,215 or 1.7% less than the \$21,702,912 the Fund received in 2013, which is attributable to a decrease in residential permit fees of \$209,120, an increase in State Aid of \$514,928, a decrease in Federal Aid of approximately \$3.3 million, and an increase in the interfund transfer from the General Fund of \$2.7 million.

The 2015 Recommended revenue of \$25,657,659 is approximately \$4.3 million or 20.3% more than estimated for 2014 which is mainly attributed to an increase in the General Fund transfer of approximately \$4.7 million in conjunction with a decrease to State Aid of approximately \$500,000. The recommended revenue projections appear reasonable.

Expenditures

The 2014 Estimated expenditures of \$23,950,303 are approximately \$1.4 million or 6.2% more than actual expenditures in 2013. The difference is explained by estimated increases to expenditures for snow removal of \$524,404, to highway and bridge maintenance of \$409,976, and increased net interfund transfers, to various funds, of approximately \$500,000.

The 2015 Recommended expenditures of \$22,894,358 are approximately \$1.1 million or 4.4% less than estimated for 2014. The difference can be explained by a decrease to snow removal of \$1.9 million in conjunction with and increase to the interfund transfer from Fund 105 to Fund 016 - Interdepartment Operation and Service Fund of slightly less than \$900,000.

Budget Review Office Recommendations

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

Additionally, we recommend considering increasing Suffolk's Motor Vehicle Registration Surcharge fee to what is charged in Nassau County; where all non-commercial vehicles pay \$15 and commercial vehicles \$40. 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 Motor Vehicle Registration Surcharge fee is deposited in the County Road Fund (105). BRO estimates the fee increase would provide additional revenue in excess of \$10 million annually which could help to provide adequate funding for County Road Fund purposes and reduce the burden upon the General Fund which, is recommended to provide \$9.8 million in assistance via interfund transfer to the County Road Fund in 2015. An increase in the Motor Vehicle Registration Surcharge would require State enabling legislation.

RD County Road Fund 105 15

Police District Fund (115)

2013

- The actual 2013 year-end Police District fund balance is a deficit of \$331,755.
- The two major sources of revenue in the Police District are the property tax and the sales tax. In 2013, the property tax was \$483,558,390 and the sales tax was \$69,838,390.

2014

- The Police District fund balance at the end of 2014 is estimated at a surplus of \$6,086,216 due to revenues estimated to be \$2,779,336 greater than adopted, expenditures that are \$602,928 less than adopted, and a 2013 estimated year-end fund balance that was adopted at a deficit of \$3,035,707, but turned out to be a deficit of only \$331,755.
- The property tax allocation to the Police District is \$494,892,795 in 2014.
- The sales tax allocation to the Police District is \$90,655,994 in 2014. 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.
- The 2014 estimated revenues are \$2.8 million more than the adopted amount due mostly to State and Federal aid that is accepted and appropriated during the course of the year. Expenditures are estimated to be \$602,928 less than adopted due to:
 - Police District (115-3121) accounts were under-expended by \$2.4 million mostly due to a \$7,954,600 savings in deferred pay.
 - The interfund transfer to Fund 039 was decreased by \$923,225.

2015

- There were major changes to the Police District Fund for 2015 including:
 - \$11.98 million Police District property tax increase.
 - \$37.60 million TPVA interfund revenue moved from the General Fund to the Police District.
 - \$15.30 million net shift of 69 sworn officers from the Police District to the General Fund.
 - \$5.30 million deferral of holiday pay allowed under the police collective bargaining agreements.
 - \$42.80 million reduction in Police District sales tax revenue.
- The 2015 recommended property tax in the Police District is \$506,872,160 or \$11,979,365 more than the 2014 estimate. BRO estimates this to be a \$30 increase in the average homeowner's tax bill.
- The 2015 recommended sales tax allocation to the Police District is \$47,842,070 or \$42.8 million less than the 2014 estimate. The maximum amount that can be allocated, based on the 2015 Recommended Budget, would be \$116,894,016.
- Revenue from the Traffic & Parking Violation Agency in the amount of \$37,601,967 is allocated to the Fund 115 (115-IFT-R136).

- As a result, recommended 2015 revenue for the Police District (excluding the fund balance surplus) is \$4,185,029 more than the 2014 estimate.
- Recommended 2015 expenditures for the Police District are \$16.7 million more than the 2014 estimate.
- Police District Administration costs are increased by a net \$5.9 million due to increases in personnel costs (new Police Officer recruits, impact of the PBA, SOA & SDA contracts, overtime, transfer of Park Police Officers). There is a \$1 million increase in Town & Village Revenue Sharing offset in part by Holiday Pay Deferrals and a net transfer of 69 sworn positions into the General Fund.
- Interfund transfers increased by \$9,041,936, as follows.

Interfund Transfers from the Police District Fund			
Fund	2014 Est	2015 Rec	Change
001	\$5,200,000	\$5,200,000	\$0
016	\$11,212,537	\$11,964,681	\$752,144
038	\$18,051,087	\$19,610,055	\$1,558,968
039	\$89,945,295	\$96,365,446	\$6,420,151
102	\$7,805,525	\$8,116,198	\$310,673
Total	\$132,214,444	\$141,256,380	\$9,041,936

JO Fund 115 15

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		
2014 Estimated	As of Date Period of Time	2015 Recommended
\$1,264,846	Fund Balance, January 1	\$0
\$8,691,946	Plus Revenues, Jan. 1-Dec. 31	\$8,763,917
\$9,956,792	Total Funds Available	\$8,763,917
\$9,956,792	Less Expenditures, Jan. 1-Dec. 31	\$8,763,917
\$0	Fund Balance, Dec. 31	\$0

Effects of Recommended Budget

The 2015 Recommended Budget for the District Court Fund projects a 2014 year end Fund balance of \$0.

Revenue

The District Court Fund receives revenue from real property taxes, payments in lieu of real property taxes, interest earnings, fines and forfeited bail, and court facilities aid from the State.

The 2014 Estimated revenue of \$8,691,946 is approximately \$1.6 million or 15.6% less than the \$10,302,976 the District Court Fund received in 2013. The majority of the difference is observed within reductions to State Court Facilities Aid of \$744,719 and Fines and Forfeited Bail of \$867,149.

The 2015 Recommended revenue of \$8,763,917 includes non-property tax revenue of \$2.1 million, including fines and forfeited bail revenue of \$921,686 which is significantly less than the average annual revenue of \$4.12 million between 2006 and 2012 and \$867,149 or 48.5% less than the \$1,788,835 generated in 2013.

Expenditures

Expenditures charged to the District Court Fund include debt service 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 based on a square footage allocation between all court facilities supported by the County.

The 2014 estimated expenditures of \$9,956,792 are \$2.4 million, or 19.4%, less than expended in 2013. This is attributed to a \$2.4 million decrease to the interfund transfer to the General Fund, in conjunction with a \$39,518 increase in debt service expenses. The 2015 recommended expenditures of \$8,763,917 are approximately \$1.2 million, or 12%, less than the 2014 estimated expenditure of \$9,956,792.

Real Property Tax Levy

The 2015 recommended real property tax levy for the District Court Fund is \$6,513,302, which is the same as the 2013 Actual and 2014 Adopted and Estimated real property tax levies but \$799,087 less than the 2009-2012 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, with the exception of villages with their own police departments, 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

BRO recommends requiring the County Executive's recommended budgets to separately identify in Fund 133 all costs incurred on behalf of and all revenues received in support of the District Court, as required by the 13th Resolved clause of Omnibus Resolution No. 898-213.

RD Fund 133 15

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. Local Law 34-2009 raised the previous 0.75% tax to the current three percent level and extended the tax until December 31, 2015, when it is due to expire. The Legislative intent is to promote the County's tourism and convention business and to support cultural programs and activities relevant to the tourism industry. 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 on this agency.

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. This component provides funding for the Cultural Affairs Division of the Department of Economic Development and Planning. Typically, a portion of this funding is provided to specific named agencies through the budget adoption process, and another non-specific portion is allocated to the Division. Funds in the second category are typically distributed by adopted resolution during the budget year, based on recommendations of the Citizens Advisory Board for the Arts (CAB). This agency contains a representative from each Legislative District, appointed by Legislative resolution and subject to approval by the County Executive. Per Chapter 103 of the Suffolk County Code, the Program Director shall be employed by the Commissioner of Economic Development and Workforce Housing (now the Department of Economic Development and Planning). It is our understanding that the recommendations of CAB are advisory only. See our review of the Department of Economic Development and Planning for detail on agencies which received Cultural funding in 2014.

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 (under Parks and Miscellaneous)

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

- 1.5% is for the Walt Whitman Birthplace State Historic Site and Interpretive Center.
- 6.5% is for the support of other museums, historical societies, historic residences, and historic birthplaces. By past practice, a portion of this 6.5% is provided to the Parks Department, Museums and Historic Associations Division (all distributed to contracted agencies chosen during the budget adoption process) and a portion is provided to the Suffolk County Historical Society.

Parks Department, Historic Services

Twenty percent of all revenues collected go to the Historic Services Division of the Parks Department, for the care 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. Funding is typically allocated for employees, supplies, and other operating costs of the Division, not to specific contracted agencies.

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 employee is currently funded in this Division. See our review of the Department of Economic Development and Planning for detail on the Film Division of that Department.

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 2014 estimated and 2015 recommended Hotel Motel Tax revenue are projections based on available data. The 2015 Recommended Operating Budget includes the 2014 estimated tax at \$9,152,754 as previously adopted, and recommends the 2015 tax at \$9,243,437, which is a nearly one percent increase from the 2014 estimate. After a review of year-to-date Hotel Motel revenue as of October 1, 2014, historical growth rates, and economic factors, the Budget Review Office concurs with both the 2014 estimated and 2015 recommended revenue as reasonable and relatively conservative projections. In the following paragraphs we will present supporting arguments for our position, as well as the potential option to take a less conservative stance in regards to 2015 recommended revenue.

The adopted 2014 tax was based on realizing a one percent increase from the 2013 estimate. The projected increase was based on a presumption that a low growth rate in the first half of 2014, compared to the Superstorm Sandy-influenced first half of 2013, would be made up by higher growth rates in the second half. (It is thought that Superstorm Sandy benefitted Hotel Motel Tax revenue at the end of 2012 and in early 2013, due to the high need for hotel rooms by residents and workers.) We did have negative growth in the first quarter of 2014, compared to 2013, but we are catching up with positive growth in the second and third quarters.

As of October 1, 2014, the total tax revenue is up 1.1% from the total tax at this time last year. However, as there was a one percent shortfall in 2013 actual revenue (compared to what had been estimated), approximately two percent growth from the 2013 year-end tax will be required in order to realize the 2014 adopted and estimated tax. We realized approximately 4.5% growth in the third quarter of 2014, and in order to meet the 2014 adopted tax amount, we will need to realize a nearly five percent increase in the last quarter of 2014, as compared to the revenue from the last quarter of 2013. There is significant volatility in historic quarterly growth rates, but this is achievable.

The amount of tax collected can be affected by a variety of factors, including economic conditions, the weather, and the number of tourists to New York City. Per a marketing representative of the Long Island Convention and Visitors Bureau, occupancy rates have returned to pre-recession levels, and average daily rates are also as high as they have been, since the agency began tracking it in about 1999. It is our understanding that the Suffolk County market is approximately 80% Leisure/ 20% business (roughly the opposite of Nassau County) and the increase in occupancy rates applies to both markets. Increased consumer confidence and spending, due to a recovering economy, are contributing factors to tourism growth.

At a May 2014 presentation to the Suffolk County Legislature Economic Development Committee, the then-president of the LICVB indicated that 2013 was a great year for the tourism industry, but it was an anomaly. The effects of Superstorm Sandy helped us recover from the 16% drop in the Long Island tourism economy in 2009, which resulted from the global economic downturn.

We started the first quarter of 2014 in a stronger position than the start of 2012, but in a weaker position than at the start of 2013. By the third quarter, we caught up, and we are anticipating ending 2014 at or near adopted revenue amounts. Coming off an already strong position, the Budget Review Office is most comfortable with the relatively conservative one percent growth rate included in the recommended budget for 2015. A conservative approach increases the likelihood that revenue received will be sufficient to fund salaries, Departments, and agencies as budgeted.

Based on historical growth rates and a recovering economy, a case can be made for a growth rate of five percent in 2015; however, given that there is so much variation in the data, we would be reluctant to recommend more than three percent from the 2014 estimate (approximately two percent higher than recommended). The recommended Hotel Motel tax is just under a one percent increase, so a two percent revenue increase (over the 2014 estimate) would amount to an additional \$92,372 from the 2015 recommended tax revenue, and a three percent increase would amount to an additional \$183,900 from the recommended amount.

Status of Fund 192

The following table demonstrates the Status of Fund 192. Revenues include minor interest and penalties, in addition to the revenue from the tax itself. The 2014 estimated revenue remains the same as adopted, while the 2014 estimated expenditure decreased by \$241,795, reflecting an estimated decrease in Tourism Promotion expenditure.

Although the 2015 recommended revenue is nearly one percent higher than the 2014 estimate, we had over \$1.3 million in adopted starting fund balance to distribute in 2014 (the almost \$1.4 estimate in the table reflects adjustments after 2013 actuals were known). The 2015 starting fund balance is approximately \$1 million less than had been included in the 2014 adopted budget, resulting in approximately nine percent less funds to distribute than at this time last year. Recommended 2015 expenditures are almost \$700,000 less than the 2014 estimate, but almost \$1

million less than the 2014 adopted expenses. This difference is related to the change in the 2014 estimate for Tourism Promotion expenditure.

2014 Estimated	Status of Fund 192 Hotel and Motel Tax Fund	2015 Recommended
\$1,389,650	Fund Balance, January 1	\$305,290
\$9,158,816	Plus Revenue, January 1 to December 31	\$9,249,909
\$10,548,466	Total Funds Available	\$9,555,199
\$10,243,176	Less Expenditures, January 1 to December 31	\$9,555,199
\$305,290	Fund Balance, December 31	\$0

Expenditure

The following chart shows the recommended expenditure for the components that receive Hotel Motel Tax funding, per the recommended budget. The amount allocated is based on new revenue, distributed per the formula in the legislation, and corrections from prior years applied to each component as necessary. Unused funds remaining in any particular funded component at the end of the year are typically rolled-over back to that component, as well as any actual revenue surplus or shortfall. The 2014 estimate for Tourism Promotion reflects adjustments from prior years.

Should the Legislature accept our recommendation for 2015 revenue, at the amount included in the 2015 Recommended Budget, we concur with the recommended 2015 expenditure for each major Tax-funded component. Minor corrections to the distribution of sub-components within the "Other Museums" category are indicated, and will be detailed below, with a net effect of zero to the component.

Program Component	Percent Allocation	2014 Adptd.	2014 Estimate	2015 Exec. Rec.	15 Rec - 14 Est.
Tourism Promotion (LICVB) (EDP-6413)	24% (\$2 million max)	\$2,269,972	\$2,028,177	\$2,000,000	(\$28,177)
Cultural Affairs (EDP-6414)	10% (provision to adjust)	\$1,049,406	\$1,049,406	\$991,050	(\$58,356)
Film Promotion (EDP-6415)	2% or less	\$256,392	\$256,392	\$220,179	(\$36,213)
Vanderbilt Museum (Accredited Museums, MSC-7515)	10% (provision to adjust)	\$1,028,370	\$1,028,370	\$916,018	(\$112,352)
Parks Historic Services (192-PKS-7510)	20% (Parks 7510)	\$2,165,972	\$2,165,972	\$2,040,017	(\$125,955)
Other Museums (PKS-7512, MSC-7516-JGHI, JGII)	8% (Parks 7512 and Misc.)	\$842,982	\$842,982	\$786,308	(\$56,674)
General Fund (001-R 192)	26% (or all remaining)	\$2,871,877	\$2,871,877	\$2,601,628	(\$270,249)
TOTAL	100%	\$10,484,971	\$10,243,176	\$9,555,200	(\$687,976)

The following chart provides detail on three sub-components that share 8% of the Hotel Motel Tax revenue for “Other” museums and historic associations. The Walt Whitman Birthplace (budgeted under “Miscellaneous”) receives a 1.5% allocation, and the remaining 6.5% is shared by the Museums and Historic Associations Division of the Parks Department (where it is used to fund multiple contracted agencies, chosen during the budget adoption process) and the Suffolk County Historical Society (budgeted under “Miscellaneous”). The Budget Review Office recommendation reflects minor corrections to the distribution of the prior year’s fund balance among the components. We present the 6.5% allocation as a subtotal of \$648,905, as the distribution of this amount between contracted agencies in the Parks Department and the Suffolk County Historical Society is a Legislative policy decision. In the 2015 Recommended Operating Budget, the Parks contracted agencies absorb the full decrease in funding from 2014 adopted amounts, while the Historical Society is held harmless. There is no Legislative discretion in the amount of funding for the Walt Whitman Birthplace.

*Other Museums & Historic Associations Detail	Percent Allocation of New Revenue	2014 Adptd. (=2014 Est.)	2015 Exec. Rec.	2015 BRO Rec.
Museums & Hist Assoc., Parks (192-PKS-7512)	6.5%	\$359,444	\$318,384	Distribution is Legislative Prerogative
S.C. Historical Society (192-MSC-7516-JGH1)		\$329,283	\$329,283	
Subtotal		\$688,727	\$647,667	\$648,905
Walt Whitman Birthplace (192-MSC-7516-JGI1)	1.5%	\$154,255	\$138,641	\$137,403
Total All Museums and Historic Associations	8%	\$842,982	\$786,308	\$786,308

Issues for Consideration

Renewal of Hotel Motel Tax

The Tax is due to expire at the end of 2015. The renewal of the Tax is subject to State legislation, which necessitates initiating action now. This is an opportunity to not only renew the tax, but to consider increasing the rate of the tax and to reconsider the way the tax is allocated. Many counties in New York State have a higher Hotel Motel Tax rate. For example, per the respective County websites, Orange County has a five percent tax, and Albany County has a six percent tax.

- Based on the 2015 recommended amount of tax at the current three percent tax rate, we could expect approximately \$3.1 million more in revenue for each percent increase in the tax rate.
- Despite initial fears that the previous rate change, from 0.75% to 3% at the end of 2009, would negatively affect Hotel Motel revenues, this did not prove to be a concern. Instead, revenues have increased.
- Consider whether current funding allocations are appropriate, whether funding should be reserved for other items that may aid Suffolk County tourism, or whether this is an opportunity to increase recurring revenue to the General Fund.
- Currently, the Suffolk County “brand” is identified with its natural resources, beaches, farms, historic properties, fisheries, wineries, and epicurean opportunities. The seasonal nature of the Suffolk County tourism economy has been discussed. Consider whether a portion of tax revenues should be used to expand the Suffolk County brand to perhaps include convention centers, sporting events, equestrian centers, or other potential year-round tourist attractions, or whether the focus should remain on fortifying the existing brand.

- Consider less visible factors that are important for tourism. The availability, ease, and affordability of public transportation can be considered infrastructure for tourism. Environmental stewardship of our open spaces, parks, and water bodies is essential to maintain the attributes that make Suffolk County a desirable destination.
- Consider funding for a Suffolk County visitor's center in a prominent Suffolk County location.
- Consider removing verbiage in the legislation that requires distribution of funds within 30 days of receipt by the County. We understand that the Long Island Convention and Visitor's Bureau is paid quarterly, based on the revenues received, not on budgeted amounts, but in most cases, this is not practical for the County or the agencies. The Tax is due four times a year, and the summer season accounts for a disproportionate amount of the revenue. In addition, December tax is not due until March of the following year. Employee salaries and operating expenses are also paid out of this fund.

Tourism

Consider whether tourism promotion goals are best met by continued funding for the Long Island Convention and Visitors Bureau.

Cultural Affairs

Consider the appropriate level of funding administered by the Department of Economic Development and Planning with advisory recommendations from the Citizens Advisory Board for the Arts versus the appropriate amount for cultural contracted agencies identified by the Legislature during the budget adoption process.

Vanderbilt Museum

The Vanderbilt Museum is a County-owned asset which is dependent on revenue from the Hotel Motel Tax. Built into the Hotel Motel legislation is an option to decrease funding to the Museum by one percent per year, with a one percent increase in the allotment to Cultural Affairs, instead. One percent of the recommended 2015 revenue would be \$92,499. Since the economic downturn affected its trust fund, the Museum cannot currently fund its operating costs from revenue generated by its endowment. Consideration can be given to continue to include this option to gradually reduce funding to the Museum, should its financial standing improve, when the renewal of the Tax is considered.

Museums and Historical Assoc. Division of Parks Dept. and Suffolk County Historical Society

Historically, the County has supported the Suffolk County Historical Society, but it is not a County-owned asset, and it receives funding from various sources. The recommended budget allocates a disproportionate amount of the 6.5% revenue subcomponent (shared by Parks contracted agencies and the Suffolk County Historical Society) to the Suffolk County Historical Society. In addition, the recommended budget includes an additional \$5,000 for the Historical Society in the General Fund (001-MSC-7511-4770), raising the total recommended for this agency to \$334,283. The Historical Society notes its contributions to the economic development and revitalization of downtown Riverhead. It plans to move forward with planned building renovations in 2015.

Historic Services Division of Parks Dept.

Funding for the Historic Services Division of the Parks Department is primarily utilized for employee salaries, building materials and supplies, and other operating expenses. This Division does not contain funding for contracted agencies (Object 4980). Although there were no new positions

in this Division, the two vacant positions were filled in 2014. Increasing expenditures for employees generally reduces the funding available for other items, such as materials and supplies. This Division did not utilize over \$200,000 of its 2013 funding, a large portion of which was related to unused funding for materials and supplies. It is not clear why the Department was not able to use all of the funding allocated it. If the number of filled positions remains constant, employee related costs will typically rise each year, consuming a higher percentage of the budget- unless Hotel Motel revenue rises at a commensurate rate. Moving forward, it is important to identify whether the Division is meeting its performance goals, why the funding was not utilized, and the appropriate amount of funding for each expense category.

The following table demonstrates the way recommended funds in the Parks Historic Services Division are distributed to employee-related and other expenses.

Parks Historic Services Expense Category	Obj.	2014 Estimate	2015 Rec.	Change	% Change
Employee Compensation Related	1000s	\$589,368	\$620,023	\$30,655	5%
Equipment, Materials and Supplies	2000s & 3000s	\$930,549	\$806,916	(\$123,633)	-13%
Contractual Expenses	4000s	\$243,292	\$222,105	(\$21,187)	-9%
Employee Benefits	8000s, 9550	\$375,200	\$354,771	(\$20,429)	-5%
Other Interfund Transfers	9000s	\$27,563	\$36,202	\$8,639	31%
Totals from 2015 Rec. Budget		\$2,165,972	\$2,040,017	(\$125,955)	-6%

Film Promotion Division

The following table demonstrates the way recommended funds in the Film Promotion Division are distributed to employee-related and other expenses. There is only one filled position in this Division. Due to the decrease in available funding, and normal employee-related increases, funding for film-related contracted agencies has decreased.

EDP Film Promotion Expense Category	Obj.	2014 Estimate	2015 Rec.	Change	% Change
Employee Compensation Related	1000s	\$45,774	\$47,492	\$1,718	4%
Equipment, Materials and Supplies	2000s & 3000s	\$38,000	\$26,700	(\$11,300)	-30%
Contractual Expenses	4000s	\$143,676	\$116,896	(\$26,780)	-19%
Employee Benefits	8000s, 9550	\$28,942	\$29,091	\$149	1%
Totals from 2015 Rec. Budget		\$256,392	\$220,179	(\$36,213)	-14%

Budget Review Office Recommendations

Renewal of the Tax

The Budget Review Office recommends consultation with State representatives now, in order to initiate timely renewal of the tax. We recommend consideration of raising the tax to at least 5%, which should generate over \$6 million in additional recurring revenue. See Issues for Consideration, above, for related considerations.

Expenditure

To properly reflect the distribution of the 2013 year end fund balance to the sub-components of the “Other Museums and Historical Societies” component, decrease the 2015 recommended expenditure for the Walt Whitman Birthplace by \$1,238 (to \$137,403) and increase the amount shared by Parks 7512 and the Suffolk County Historical Society by \$1,238 (to \$646,429), for a net-neutral effect in 2015.

Consider whether the \$5,000 included in the General Fund for the Suffolk County Historical Society should be continued.

Consider the proper distribution of Hotel Motel funding between Parks Museums and Historical Associations and the Suffolk County Historical Society.

Consider the proper distribution of Hotel Motel funding between cultural agencies chosen by the Legislature and cultural agencies chosen by advisory recommendation of the Citizens Advisory Board for the Arts.

LH Fund 192 15

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		
2014	As of Date	2015
Estimated	Period of Time	Recommended
\$6,652,964	Fund Balance, January 1	\$5,899,049
\$83,995,792	Plus Revenues, Jan. 1-Dec. 31	\$84,249,814
\$90,648,756	Total Funds Available	\$90,148,863
\$84,749,707	Less Expenditures, Jan. 1-Dec. 31	\$90,148,863
\$5,899,049	Fund Balance, Dec. 31	\$0

Effects of the Recommended Budget

The 2015 Recommended Operating Budget forecasts a 2014 year-end surplus of \$5,899,049 for Fund 203. The estimated fund balance is attributed to an actual 2013 fund balance surplus of \$6,652,964 carried into 2014 as compared to the \$2,767,609 fund balance surplus adopted for 2014 in conjunction with revenues that are estimated to exceed the adopted levels by \$1,670,834 and expenditures estimated at \$342,861 less than adopted.

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 other three percent of revenues is generated primarily from sewer service charges to other governments.

The 2014 estimated revenue of \$83,995,792 is approximately \$2.4 million or 2.9% more than the 2013 actual revenue of \$81,617,088 and approximately \$1.7 million or two percent more than the 2014 adopted revenue of \$82,324,958. The majority of the increase in 2014 estimated revenue, as

compared with 2014 adopted revenue, is observed within Departmental Income and results from positive and negative variances across many categories of revenue, the largest of which is an estimated increase of \$840,888 from residential sewer rents. The \$2.4 million increase between the 2013 actual and 2014 estimated revenues is mainly attributed to an increase in Real Property Taxes of approximately \$1.9 million, an increase in Departmental Income of \$358,962, and an increase in Charges to Other Governments for sewer services of \$159,184.

The 2015 recommended revenue of \$84,249,814 is \$254,022 or 0.3% more than the 2014 estimate, which can be attributed mainly to an increase in residential sewer rents. The 2015 recommended tax rates within the District are frozen at the same rates that were adopted in 2014. The recommended revenue for 2015 appears reasonable based upon assumptions implicit in the proposed budget

Expenditures

The 2014 estimated expenditures of \$84,749,707 are approximately \$3.4 million or 4.2%, more than the 2013 actual expenditures of \$81,361,014. The major changes from 2013 to 2014 are increased operating expenses of approximately \$3.2 million, an \$8.6 million increase to the interfund transfer to Fund 405-Southwest Assessment Stabilization Reserve Fund, a \$4.6 million increase to the interfund transfer to Fund 261- Sewer Maintenance and Operation, and an increase in sewer serial bond debt service of nearly \$1 million offset by a \$14.7 million reduction to the interfund transfer to Fund 404-Assessment Stabilization Reserve Fund.

The 2015 recommended expenditure of \$90,148,863 is approximately \$5.4 million or 6.4% more than the 2014 estimated expenditures of \$84,749,707. The increase is primarily attributed to increased operating expenses of approximately \$1.1 million, a \$4.4 million increase to the interfund transfer to Fund 261- Sewer Maintenance and Operation, and an increase in sewer serial bond debt service of approximately \$2.5 million offset by a \$2.7 million reduction to the interfund transfer to Fund 405-Southwest Assessment Stabilization Reserve Fund.

The 2015 recommended expenditures are \$90,841 less than requested in the aggregate, and appear reasonable.

Issues for Consideration

Debt Service and Reserves

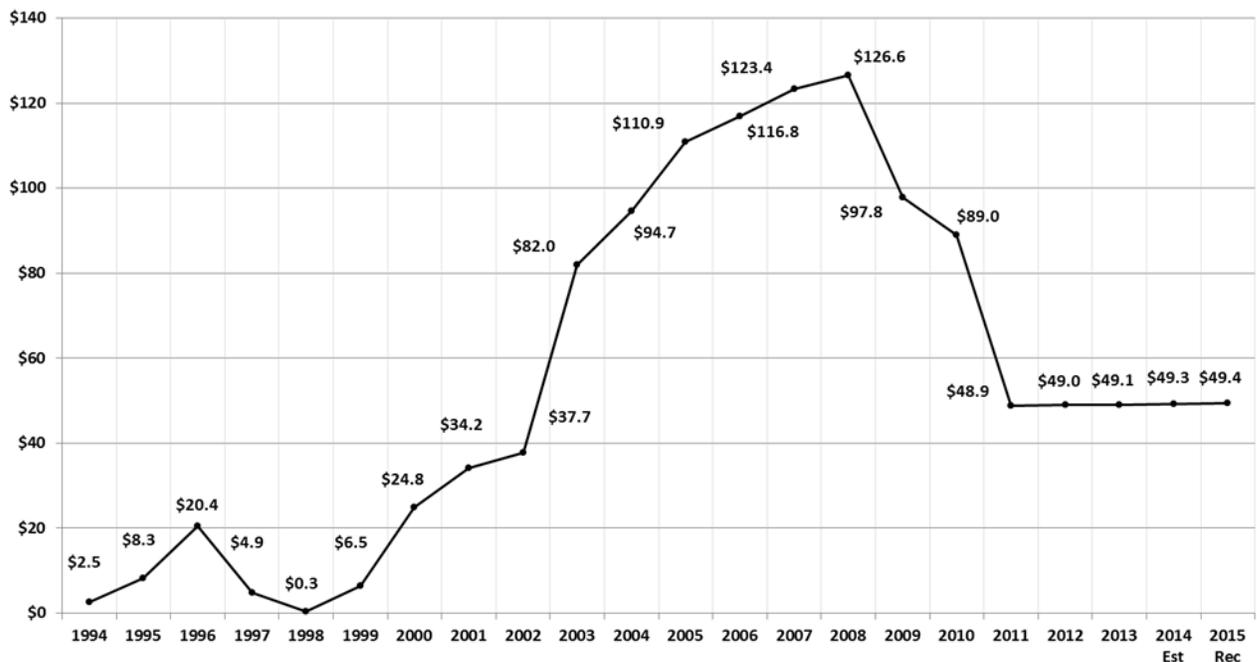
The Southwest Sewer District will again direct funds into Fund 405-Southwest Assessment Stabilization Reserve as indicated by a recommended interfund transfer of \$39,421,893. Southwest ASRF is recommended with a January 1, 2015 fund balance of \$77.4 million which will grow by the aforementioned transfer of \$39.4 million to approximately \$117 million by year's end. No expenditures from Fund 405 are proposed within the recommended budget in 2015. The proposed budget indicates that Southwest Sewer District will not have an increase in sewer tax rates in 2015, which will preclude them from accessing Fund 404- Assessment Stabilization Reserve Fund; however, that does not appear problematic based on the significant balance within Southwest's own assessment stabilization fund. Allocating money to this fund now should allow the district to mitigate interest expense in future years and decrease the District's reliance on rate stabilization via Fund 404 as experienced in the past.

Tax Stabilization Reserve Fund (403)

Effects of the Recommended Budget

There have been no expenditures made by the Tax Stabilization Reserve Fund over the 2013 to 2015 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 2015 at \$49.4 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. At the same time, reserve fund balances in funds such as Fund 403, Fund 404 Assessment Stabilization Reserve, Fund 405 Southwest Assessment Stabilization Reserve, and Fund 477 Suffolk County Water Protection Fund, have aided the County in providing \$265.9 million in liquidity through interfund borrowing in 2014 to meet cash flow requirements. Of the \$265.9 million borrowed, Fund 403 has provided \$32 million.

Suffolk County Tax Stabilization Reserve Fund 403 Year End Fund Balance
in millions of dollars



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.
- The NYS property tax cap may conflict with the required 2.5% threshold for use of Tax Stabilization Reserve Funds – the NYS property tax cap for Suffolk County in 2015 is calculated to be 2.02%. Since the NYS cap is on all County Funds combined, the required 2.5% increase in General Fund property taxes could still be proposed as long as either (1) any increase in other funds, such as the Police District and sewer districts, would collectively be recommended at an amount that is sufficiently less than 2.02% or (2) the 2.02% cap set by the State could be pierced by a 60% vote of the governing body (the County Legislature).
- 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 2015 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 a transfer in 2015 of no less than 25% of the 2013 General Fund balance be deposited into tax or debt stabilization reserve funds (such as Fund 403 Tax Stabilization Reserve and Fund 425 Debt Service Reserve) in amounts approved by the County Legislature. The 2013 actual discretionary fund balance is \$13,390,931. The recommended budget transfers \$3,347,733 or 25% of the 2013 actual discretionary fund balance from the General Fund to Fund 425 Debt Service Reserve in 2015.
 - 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.

- The Tax Stabilization Reserve Fund is estimated to end 2014 with a balance of \$49,283,071 (2.46% of General Fund expenditures) and to end 2015 with a balance of \$49,400,649 (2.38% of General Fund expenditures).

MUN Fund 403 15

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 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 authorized 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 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 was 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. In addition, no less than \$2 million will 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.

Resolution No. 897-2013 transferred \$32.8 million of the ASRF fund balance surplus to the Debt Service Reserve Fund (Fund 425) in 2014. This action was taken in response to the Recommended 2014 Operating Budget's inclusion of a debt restructure program that required state enabling legislation to allow for a negative present value refunding. The Legislature was in opposition to a negative present value refunding and proposed utilization of the ASRF as an alternative to make such restructuring unnecessary. In addition, Resolution No. 898-2013 transferred \$5 million of the ASRF fund balance surplus to the Sewer Infrastructure Program Fund (Fund 406) in 2014 to provide additional funding 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.

An action was taken against the County in March 2014, *Long Island Pine Barrens Society Inc. et. al. vs the County of Suffolk et. al.* under Index No. 14-4753 which challenged the allocation of funds from

the Assessment Stabilization Reserve Fund for general tax relief. Introductory Resolution No. 1746-2014 would approve a settlement agreement relating to the Assessment Stabilization Reserve Fund, if adopted. The settlement agreement includes certain amendments to the Suffolk County Charter to require a referendum to amend or repeal the Suffolk County Drinking Water Protection Program and amend the quarter cent Drinking Water Protection Program for enhanced water quality protection, sewer infrastructure and General Fund property tax relief. Amendments to the Drinking Water Protection Program include:

- authorizing an extension of the sunset period to 2017 on the County's ability to continue to provide general property tax relief with the excess;
- mandating a budget line in the recommended and adopted operating budget to restore monies transferred from the ASRF in 2014, 2015, 2016, and 2017 commencing in 2018;
- continuing the funding for sewer infrastructure, sewage treatment plants, and the installation of enhanced nitrogen removal septic systems throughout Suffolk County; and
- creating a new Enhanced Suffolk County Water Quality Protection Program funded via the issuance of \$29,400,000 of serial bonds to acquire by fee, lease or easement, interests in land for environmental restoration and protection projects, or to acquire by fee, lease, or easement interests in land to protect and / or enhance groundwater.

The settlement agreement also provides that if the proposed charter amendments fail to be adopted by the County that a capital project known as "2014 Drinking Water Protection Program Settlement Act" be proposed in the 2016-2018 recommended capital program and funded with \$29,400,000 of serial bonds to be appropriated in 2016 and expended no later than December 31, 2020.

Resolution No. 684-2014 adopted a charter law amending Article I of the Suffolk County Charter to require a referendum to amend or repeal the Suffolk County Drinking Water Program and was signed by the County Executive on September 24, 2014. Resolution No. 579-2014 adopted a charter law amending the quarter cent Suffolk County Drinking Water Protection Program for enhanced water quality protection, wastewater infrastructure, and General Fund property tax relief for Suffolk County and was signed by the County Executive August 12, 2014; however, this law shall not take effect until it has been approved via public referendum. Introductory Resolution No. 1746-2014 was tabled at the General Meeting of the Legislature on October 7, 2014. Assuming the public referendum passes the terms of the settlement agreement will have been met and IR No. 1746-2014 could be passed by the Legislature at that time.

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		
2014 Estimated	As of Date Period of Time	2015 Recommended
\$140,000,000	Fund Balance, January 1	\$104,575,058
\$22,082,834	Plus Revenues, Jan. 1-Dec. 31	\$23,935,949
\$162,082,834	Total Funds Available	\$128,511,007
\$57,507,776	Less Expenditures, Jan. 1-Dec. 31	\$34,342,417
\$104,575,058	Fund Balance, Dec. 31	\$94,168,590
\$0	Transfer to Fund 420 or 425 (37.5% over \$140 million)	\$0
\$0	Reserved for Septic/Sewerage Enhancement (62.5% over \$140 million)	\$0
\$0	Transfer to Fund 406	\$2,000,000
\$104,575,058	Unreserved Fund Balance, December 31	\$92,168,590

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. The line item in the status of funds presentation illustrates the current annual allocation only. The cumulative balance representing funding reserved for septic/sewerage enhancements is noted below the line in the status of funds presentation included within the 2015 Recommended Operating Budget.

Cumulative Reserve for Septic/Sewerage Enhancement (62.5% over \$140 million)	
Year	Annual Reserve
2011	\$8,312,508
2012	\$23,174,304
2013	\$14,819,382
<i>less</i> 404 IFT E406	(\$19,940,000)
Cumulative Unappropriated Reserve for 2014	\$26,366,194

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

Resolution No. 866-2013 Interfund Transfer Details (404-IFT-E406)	
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 sales tax revenue from Fund 477- Suffolk County Water Protection Fund per Local Law No. 24-2007, as well as repayments from Suffolk County Sewer Districts which have borrowed funds and interest earnings.

The 2014 Estimated revenue of \$22.1 million is approximately \$14.5 million or 39.7% less than the 2013 Actual revenue of \$36.6 million, which can be attributed primarily to a reduction in the interfund transfer from Fund 203-Southwest Sewer District of approximately \$14.7 million. Southwest has satisfied its debt to the ASRF and will no longer be a source of revenue to the Fund as it has been in recent years.

The 2015 Recommended revenue of \$23.9 million is \$1.9 million or 8.4% more than the 2014 estimate of \$22.1 million, mainly attributed to an increase in the transfer from Fund 477- Suffolk County Water Protection Fund of \$920,124 and a net increase in various sewer districts' repayments of their outstanding liabilities.

Expenditures

The 2014 Estimated expenditure of \$57.5 million is approximately \$15.8 million or 37.9% more than 2013 Actual expenditures of \$41.7 million, explained, for the most part, by a decrease in the interfund transfer to Fund 406 - Sewer Infrastructure Program Fund of approximately \$14.9 million in conjunction with an increase of \$32.8 million in the interfund transfer to Fund 425 - Debt Service Reserve Fund.

The 2015 Recommended expenditure of \$34.3 million is \$23.2 million or 40.3% less than the 2014 estimated expenditures of \$57.5 million, mainly attributable to a reduction of \$10.3 million to the transfer to Fund 425-Debt Service Reserve Fund, a reduction of \$5 million to the interfund transfer to Fund 406-Sewer Infrastructure Program Fund, a reduction of \$3 million to the transfer to Fund 201-Sewer District #1 Port Jefferson, a reduction of \$2.8 million to the transfer to Fund 218-Sewer District #18 Hauppauge Industrial, and a reduction of \$2.6 million to the transfer to Fund 527-Capital Sewer Fund.

Issues for Consideration

ASRF Excess Fund Balance

The 2014 Adopted Operating Budget and the 2015 Recommended Operating Budget contain interfund transfers to Fund 425-Debt Service Reserve Fund of \$32.8 million and \$22.5 million respectively. Additionally, the 2014 Adopted Operating Budget transferred \$5 million of the ASRF fund balance surplus to the Sewer Infrastructure Program Fund (Fund 406) in 2014 to provide additional funding 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. Local Law No. 44-2011 was enacted via the passage of Resolution No. 625-2011 and dictates 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. The inclusion of this funding within the 2014 and 2015 operating budgets pre-supposes a revision to the current local law or a new local law, which supersedes the current law, and allows for continued general property tax relief as afforded the County in 2011, 2012, and 2013; it also assumes the elimination of the \$140 million threshold requirement to access the fund balance. Resolution No. 579-2014 amended the ¼% Suffolk County Drinking Water Protection Program to allow for continued general property tax relief in the form of a loan and elimination of the \$140 million threshold requirement to access the surplus fund balance; however, this law will not take effect until a referendum has been approved by the affirmative vote of a majority of the qualified electors of Suffolk County at the next general election on November 4, 2014. Therefore, it is impossible to determine if the \$55.3 million of ASRF fund balance surplus proposed for general property tax relief borrowing and \$5 million of the ASRF fund balance surplus transferred to the Sewer Infrastructure Program Fund (Fund 406) in 2014 are permitted under the law until November 5, 2014, which is the same day that the Legislature is scheduled to adopt the 2015 Operating Budget.

Fund 406-Sewer Infrastructure Program Fund

Fund 406 was created by Resolution No. 866-2013, which amended the 2013 Adopted Operating Budget to include the fund as a multi year (“9999”) non-lapsing fund. That same resolution, signed by the County Executive on October 17, 2013, transferred \$19,940,000 from Fund 404 to Fund 406, reserved \$7,087,000 of Fund 406 for sewer loans to the Village of Northport and the Town of Riverhead, and amended the 2013 operating budget to include four expenditure lines for sewer grants totaling \$12,853,000, as included in the following table.

FUND	AGENCY	UNIT	OBJ	ACTIVITY CODE	TITLE	AMOUNT
406	MSC	6421	4980	JQQ1	Town of Riverhead - Sewer Grant	\$8,091,000
406	MSC	6421	4980	JQR1	Town of Babylon - Sewer Grant	\$1,000,000
406	MSC	6421	4980	JQS1	Village of Patchogue - Sewer Grant	\$578,000
406	MSC	6421	4980	JQT1	Village of Northport – Sewer Grant	\$3,184,000

The 2014 Adopted Operating Budget did not recognize the \$19,940,000 appropriation within the Status of Fund 404, Status of Fund 406, and Miscellaneous expenditure lines due to the timing of the adoption of Resolution No. 866-2013.

The 2015 Recommended Operating Budget does include the \$19,940,000 appropriation in the Fund 404-Status of Funds 2013 Actuals, which indicates that Fund 404 transferred \$19,940,000 to Fund 406 however; the Fund 406-Status of Funds presentation does not recognize the revenue within its 2013 Actuals. Additionally, the appropriation has been subtracted from the verbiage below the line which tracks the cumulative unappropriated projected amount available for sewer projects (62.5% of the surplus ASRF fund balance in years 2011-2013) that is now stated as \$26,366,194. The Miscellaneous expenditure line, representing the grant portion of the \$19,940,000 appropriation, is included in the recommended budget and indicates 2013 actual expenditures of \$0 which agrees with the County's Integrated Financial Management System as of October 15, 2014. Resolution No. 866-2013 does create a revenue code (406-MSC-2404) to accept interest earned from the sewer loans of \$7,087,000 however; it is unclear to BRO how or if the expense for the loans is reflected in the budget. The 2015 Status of Fund 404 presentation does include a transfer to Fund 406 of \$5 million, which is reflected within the Fund 406 Status of Funds. The recommended budget indicates the \$5 million is drawn down against the Fund 404 unreserved fund balance and not from the available for sewer projects (62.5% of the surplus ASRF fund balance in years 2011-2013) balance of \$26.3 million.

The legislature may wish to consider the policy decision of how to best account for monies which have been identified for expanded sewer purposes. One possible option could be that all monies, which have been identified for expanded sewer purposes be transferred to Fund 406 for increased transparency and ease of tracking.

Budget Review Office Recommendations

- The Legislature may wish to consider the possibility that the public referendum, allowing the County to access the ASRF fund balance surplus to borrow for the purpose of general property tax relief past 2013 and for sewer expansion with no regard to a fund balance surplus threshold, fails to pass. If the qualified electors of Suffolk County do not approve the proposition, then the 2015 recommended General Fund operating budget will sustain a \$55.3 million deficit. At that point there would be a need to identify \$55.3 million in offsets or legislation would have to be introduced to amend the Charter.
- Add \$19,940,000 to the 2013 Actual revenues within the Fund 406-Status of Funds presentation to accurately portray interfund revenue received from Fund 404 in 2013.
- Change the Fund 404 and Fund 406 status of Funds presentations to show all monies that have been identified for expanded sewer purposes transferred to Fund 406 for increased transparency and ease of tracking.

Suffolk County Water Protection Fund (477)

Effects of Recommended Budget

Fund 477 contains the funding for the Suffolk County Drinking Water Protection Program (DWPP). The DWPP provides for the allocation of a dedicated additional sales and compensating use tax of one quarter of one percent to four specified components. The DWPP, in its newest form, was established by Local Law No. 24-2007, and runs from December 1, 2007 through November 30, 2030.

Recommended Revenue and Allocation by Component

The 2015 Recommended Operating Budget provides \$77,929,344 in “quarter cent” sales tax revenue to the fund in 2015, which is a 4.96% increase from the 2014 estimate. In addition, \$166,689 in interest and earnings is recommended, for a total of \$78,096,033 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 the land acquisition and water quality-related components.

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. Sales tax revenues are allocated to components under the following formula:

- 32.15%, or \$25,054,284, 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 \$19,482,336, is dedicated to 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 \$24,357,007, is dedicated to 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. 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 \$9,202,406, which includes proportionate interest, is dedicated to 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 2015 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, most of the new revenue to this component is now consumed by ongoing operating budget expenses, per the recommended budget. This leaves primarily the existing fund balance for water quality projects. Capital project closeouts can add to the fund balance.

Status of Fund 477

The following table on the Status of Fund 477 includes total revenue and expenditures related to all four programmatic components, but the fund balances reflect only the land and water quality components of the DWPP. This is because revenues allocated for Property Tax Protection and Sewer Tax Protection are canceled out by equivalent transfers to the General Fund or Assessment Stabilization Reserve Fund.

Fund 477 contains land and water quality 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). Although only the new DWPP (Local Law No. 24-2007) receives new sales tax revenue, old water quality and land fund balances may increase through such means as capital project closeouts. Based on a collaborative effort of the Department of Economic Development and Planning, the County Executive Budget Office, and the Legislative Budget Review Office, the 2014 estimated land component fund balances reflect certain reclassifications, as explained in the Status of Fund 477 note on page 213 of the Adopted 2014 Operating Budget. Due to the reclassifications, as well as appropriating Resolution Nos. 107 and 108 of 2014, only \$12,050 remains reserved for Open Space Acquisition under Local Law 35-1999, while the Water Quality component under Local Law 35-1999 has \$83,971 remaining. The majority of the fund balance is related to the newest, Local Law 24-2007 DWPP land and water quality components.

Suffolk County Water Protection Fund		
2014 Estimated	Status of Fund 477	2015 Recommended
\$25,713,079	Fund Balance, January 1	\$18,647,241
\$75,787,353	Plus Revenue, January 1 to December 31	\$78,096,033
\$101,500,432	Total Funds Available	\$96,743,274
(\$82,853,191)	Less Expenditures, January 1 to December 31	(\$69,839,299)
\$18,647,241	Fund Balance, December 31	\$26,903,975

The next table demonstrates how the 2015 recommended revenue is allocated to the four components of the (newest) DWPP, and the related expenditure for each. Typically, transfers to the capital fund for water quality projects or land acquisition are not reflected until there has been an appropriating resolution. Accordingly, no transfer is reflected in the 2015 Recommended Budget. However, several ongoing Cornell Cooperative Extension water quality programs are included as expenditures built in to the operating budget. The last column indicates how much net new revenue would remain, in addition to any starting fund balance, if 2015 revenues and expenditures come in as recommended.

2015 Recommended Sales Tax Revenue and Expenditure for Fund 477			
Component of DWPP (LL No. 24-2007)	New Revenue	Related 2015 Rec. Expenditure	Net New Revenue
Property Tax Protection (32.15%)	\$25,054,284	\$25,054,284 Transfer to General Fund	\$0
Sewer Taxpayer Protection (25%)	\$19,482,336	\$19,482,336 Transfer to Fund 404	\$0
Land Acquisition (31.1%)	\$24,357,007	\$16,273,699 Serial Bonds for Land Acquisition	\$8,083,308
Water Quality Protection (11.75%)	\$9,202,406	\$9,028,980 Water Quality Operating Expenses*	\$173,426
Totals, DWPP (LL No. 24-2007)	\$78,096,033	\$69,839,299	\$8,256,734

* Includes Cornell Projects, Employee Salaries, and Associated Costs

Land Acquisition Component

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, all allowable borrowing has already occurred, and as of August 31, 2014, all but \$11,010 in borrowed funds were accounted for by closed or pending acquisitions. The County transitioned to the use of pay-as-you-go funds at the start of 2012. A large portion of incoming revenues is reserved to pay debt service on the previously borrowed funds.

Resolutions in late 2013 and in 2014 to date appropriated approximately \$11.7 million from the new land component, consisting of the 2012 actual year-end fund balance of approximately \$3.7 million, as well as approximately \$8 million in funds that had been reclassified from the expired program. The first three rows of the following table reflect appropriating resolutions accounted for in 2013 and 2014 under this program, while the fourth and fifth rows reflect resolutions appropriating funding from the expired DWPP fund balance.

Expenditure: Land Capital Transfers		
Type/ Res. Year	2013 Actuals	2014 Estimated
DWPP, LL 24-2007, (Resolution No. 974-2012)	\$10,000	\$0
DWPP, LL 24-2007, (Res. No. 1120-2013)	\$1,356,337	\$0
DWPP, LL 24-2007, (Resolution No. 109-2014)	\$0	\$10,354,650
DWPP Farmland, LL 35-1999, (Res. Nos. 107 and 325-2014)	\$0	\$2,488,065
DWPP Open Space, LL 35-1999, (Res. Nos. 108 and 326-2014)	\$0	\$1,706,300
Total Land (\$15,915,352)	\$1,366,337	\$14,549,015

Per land acquisition data provided by the Division of Real Property Acquisition and Management (RPA&M), in the Department of Economic Development and Planning, as of August 31, 2014, approximately \$21.28 million in previously appropriated funds remain in the new land acquisition component. This amount would be reduced to approximately \$2.5 million, if and when approximately \$18.74 million reserved for potential purchases in various stages of negotiation or acquisition was expended. These pending acquisitions may not all close, and may take some time to close. The following table demonstrates how remaining appropriations are "reserved" for in-progress acquisitions.

DWPP (LL NO. 24-2007) Land Acquisition Component	
Balances as of 8/31/14	Appropriated Cash Balance ("Pay-Go")
Starting Balance (after \$6,376,229 in 2014 closings)	\$21,275,806
<i>Reserved for "In Contract"</i>	<i>\$7,128,760</i>
<i>Reserved for "Accepted Offers"</i>	<i>\$11,613,298</i>
<i>Reserved for "In Negotiation"</i>	<i>\$0</i>
Total Reserve for Pipeline Projects	\$18,742,058
Ending Balance (Assuming all Pipeline Projects Close)	\$2,533,748

Land Fund Balance

- Approximately \$6 million in 2013 actual year-end fund balance, per the recommended budget, should be available to appropriate once existing appropriations have been exhausted. Per past practice, projected net year end revenues are held in reserve, and are not appropriated until after actual net revenue is known.
- Another approximately \$6.8 million in net revenue is estimated to be available for land purchases by the end of 2014. (This is an adjusted figure to reflect that the 2014 estimated year end fund balance for the new land component includes \$1,365,296 in capital project closeouts, per Introductory Resolution No. 1830-2014, tabled October 7, 2014, that should instead be attributed to the water quality component.)
- Approximately \$8.1 million in net new revenue will be added to the fund balance by the end of 2015, per the recommended budget.
- 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.

Water Quality Component

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, both 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 by this component. 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. The following table shows the increase in the number of positions since 2011. No new water quality funded positions are included in the 2015 Recommended Budget. The number of recommended positions is one more than requested by the Departments, as the Department of Public Works requested that a filled Biologist position in the Water Quality Protection Unit be transferred to the General Fund, but the recommended budget did not include this requested change.

Water Quality Funded Positions				
Department	Sept. 2011	9-14-14 Total	Requested 15	Rec 15
Public Works	1	19	18	19
Parks and Recreation	33	34	34	34
Health Services	0	17	17	17
Ec. Dev. & Planning	18	8	8	8
TOTAL Positions	52	78	77	78

The 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. Even without an increase in the number of employees paid from Fund 477, costs related to employees rise from year to year. Due to contractual salary increases and escalating benefit costs, this fund is near the threshold of utilizing all new sales tax revenue on costs already built in to the operating budget.

The following table demonstrates how recommended operating budget expenses are consuming water quality funding. Note that Cornell programs were recommended as adopted and estimated in 2014 and did not contribute to the slight increase in contractual expenses (instead, the increase is related to a \$10,000 recommended increase in Fees for Services). Cornell Cooperative Extension programs account for 13% of 2015 recommended water quality related expenditures. Transfers to the Capital Fund for other projects have not yet been included in 2015.

Water Quality Expenditure					
Type of Expense	2012 Actual	2013 Actual	2014 Est	2015 Rec.	% 15 Rec of Total Exp
Employee Compensation (1000s)	\$3,804,015	\$4,200,191	\$4,204,774	\$4,389,087	49%
Equipment, Materials, and Supplies (2000s, 3000s)	\$561,049	\$469,743	\$603,536	\$602,757	7%
Contractual Expenses (4000s)	\$1,443,357	\$1,312,853	\$1,328,502	\$1,339,335	15%
Employee Benefits and Health Insurance	\$1,412,820	\$1,587,323	\$2,017,105	\$2,131,820	24%
Other Interfund Transfers (to Funds 16, 38, and 259)	\$150,606	\$338,915	\$381,466	\$565,981	6%
Water Quality Operating Budget Expenses (excluding Capital transfers)	\$7,371,847	\$7,909,025	\$8,535,383	\$9,028,980	100%

In addition to the above expenses, the Water Quality component funds transfers to the Capital Fund for water quality projects (see the following table).

Type of Expense	2012 Actual	2013 Actual	2014 Est	2015 Rec.	% 15 Rec of Total Exp
Transfer to Capital Fund	\$480,000	\$832,195	\$958,773	\$0	0%
*One 2012 Capital Project for \$150,000 was instead included in 2013.					
Total Water Quality Expenses including Capital Transfers	\$7,851,847	\$8,741,220	\$9,494,156	\$9,028,980	100%

Water Quality Fund Balance

The recommended budget indicates that an estimated \$4.3 million fund balance will remain at year-end 2014. It projects that 2015 will end with an additional \$173,426 (projected 2015 revenue minus projected 2015 operating expenses) added to the balance, before deducting any transfers to the Capital Fund for projects approved by resolution (not yet included). Recommended net new 2015 revenue will only be realized if sales tax revenue and operating budget expenses come in as recommended. Filling of vacant positions in the fund would cause an increase in operating costs. If sales tax revenue does not rise commensurately with the rise in employee costs, it will be necessary to utilize the fund balance to meet expenses. Although there is a fund balance, caution has been used in appropriating these funds for water quality projects.

Closing out capital projects which came in under budget has made some funding available for new projects. Not reflected in the 2014 estimated fund balance, is \$1,365,296 in anticipated capital project closeouts (Introductory Resolution No. 1830-2014) which were inadvertently attributed to the land component. The inclusion of these closeouts should bring the year-end 2014 (and January 1, 2015) water quality fund balance to \$5,668,071.

Water Quality Projects

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.

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

The following table indicates the water quality transfers to the capital fund for projects approved in 2013 and 2014.

Expenditure: Water Quality Capital Transfers		
Type/ Res. Year	2013 Actuals	2014 Estimated
Water Quality (2013 Res.)	\$832,195	\$292,500
Water Quality (2014 Res.)	\$0	\$666,273
Total Water Quality (\$1,790,968)	\$832,195	\$958,773

After the adoption of the 2014 Operating Budget, Resolution No. 970-2013 appropriated \$292,500 for the Town of Southampton stormwater abatement to Mill Pond. In addition, the following table details Water Quality projects approved by resolution in 2014. There are also approximately \$628,350 in additional approved projects that have not yet been brought forward by resolution.

Water Quality Capital Projects, Approved by Resolution in 2014			
Resolution No.	Capital Project No.	Project Title	Amount
111	7180.411	Northport Village Community Sustainable Fisheries Initiative	\$147,900
350	8224.117	Harmful Algal Bloom Action Plan and Strategy and Shellfish Aquaculture Monitoring Program Assessment	\$100,323
371	8710.139	Orient Decentralized Wastewater Treatment Engineering Report	\$60,050
373	8710.120	Nitrogen Fertilizer Reduction Initiative	\$8,000
704	8710.140	Innovative Alternative Onsite Wastewater Treatment Program	\$250,000
813	8240.123/333	Town of Babylon Highway Yard MS4 Upgrades and Stormwater Pollution Prevention Project	\$100,000
Total 2014 Projects Approved by Resolution			\$666,273

Budget Review Office Recommendations

- The Budget Review Office recommends continued caution in the use of this fund for employee salaries. Consider limiting, by attrition, the number of employees in the 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.
- The new “Triple A” land acquisition process was initiated to prioritize available land acquisition funding for the most desirable acquisitions. We recommend that the Division of Real Property Acquisition and Management clarify how existing planning step resolutions which did not previously move forward will be incorporated into the new process.
- To correct component balances in the Status of Fund 477 presentation due to the distribution of capital project closeouts, reduce the 2014 estimated land acquisition component of the new DWPP (Local Law 24-2007) by \$1,365,296 and increase the 2014 estimate for the water quality component of the new DWPP (Local Law 24-2007) by the same amount. Similarly, correct the carry-over 2015 recommended fund balance in both components.

LH Fund 477 15

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 2014 estimated year-end fund balance is \$1,870,750. When combined with the 2015 recommended revenue of \$875,200 and recommended expenditures of \$451,035, the recommended fund balance at the end of 2015 is \$2,294,915. Revenue in 2014 came in higher than anticipated due to Federal disaster aid totaling \$63,296 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 2015, \$142,500 is scheduled for structural improvements. 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 2014 estimated debt service is \$312,203 and \$308,535 is recommended in 2015.

While attendance has declined for the fourth consecutive year, attendance at Ducks games has averaged 377,170 over the last five years and is projected to be 350,000 in 2015 based upon the \$1 ticket revenue included in the recommended budget.

JO Fund 620 15

Departments and Agencies

Format for Departmental Presentation

We developed what we believed to be a format that targets key information in a precise and organized manner. We have been using that format since the Review of the 2011 Recommended Operating Budget.

Each department presentation begins with tabular material to depict information about personnel and specific aggregated expenditures and revenues. The personnel data includes the total number of authorized positions, filled, vacant and percentage vacant based on the authorized position control report as of September 14, 2014. This is intended to give the Legislature a picture of the department staffing based on this recent payroll.

The expenditure and revenue data is aggregated to provide an overall picture to show increases and decreases compared to the prior year actuals and the current year estimates. Expenditure data shown in the tables is not a comprehensive listing of all expenses attributed to each department; it is limited to the major categories of expenditure and may include more than one fund. It is intended to provide an illustrative picture of expenditure and revenue.

The department presentation specifically addresses the effects of the recommended operating budget, issues for legislative consideration, and summarizes the Budget Review Office recommendations.

Audit and Control

Personnel (as of 9/14/2014)					
Authorized Positions:	68	Filled Positions:	62		
Vacant Positions:	6	Percentage Vacant:	8.8%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$4,870,256	\$4,944,348	\$4,868,037	\$5,259,782	\$5,093,173
Equipment (2000s)	\$19,897	\$25,020	\$21,400	\$12,000	\$9,200
Supplies (3000s)	\$36,033	\$43,950	\$25,110	\$48,210	\$41,750
Contracts (4000s)	\$428,009	\$476,720	\$442,150	\$499,900	\$482,050
Totals	\$5,354,195	\$5,490,038	\$5,356,697	\$5,819,892	\$5,626,173
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 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	\$4,745,574	\$3,085,783	\$3,277,036	\$3,083,315	\$3,083,315
Totals	\$4,745,574	\$3,085,783	\$3,277,036	\$3,083,315	\$3,083,315

Effects of Recommended Budget

Personal Services

The 2014 estimate for permanent salaries is \$4.72 million, \$119,606 less than adopted. This level of funding properly budgets for current staffing levels. The 2015 Recommended Budget provides \$4.98 million for permanent salaries, which is \$166,609 less than requested and adequate for all 62 filled positions and provides \$230,239 to phase in the filling of six vacant positions in 2015.

Division Reorganization

The recommended budget reorganizes the Accounting Services Division as requested. The Financial Reporting, IFMS, Appropriations and Social Services Monitoring areas are combined into one unit to improve supervision and control by the Executive Director. Of the 33 positions in the Accounting Services Division, 29 are transferred to the new Special Appropriations/Fixed Asset Reporting unit, and four positions are transferred to the Audit Services unit.

Auditing Special Education Preschool Providers

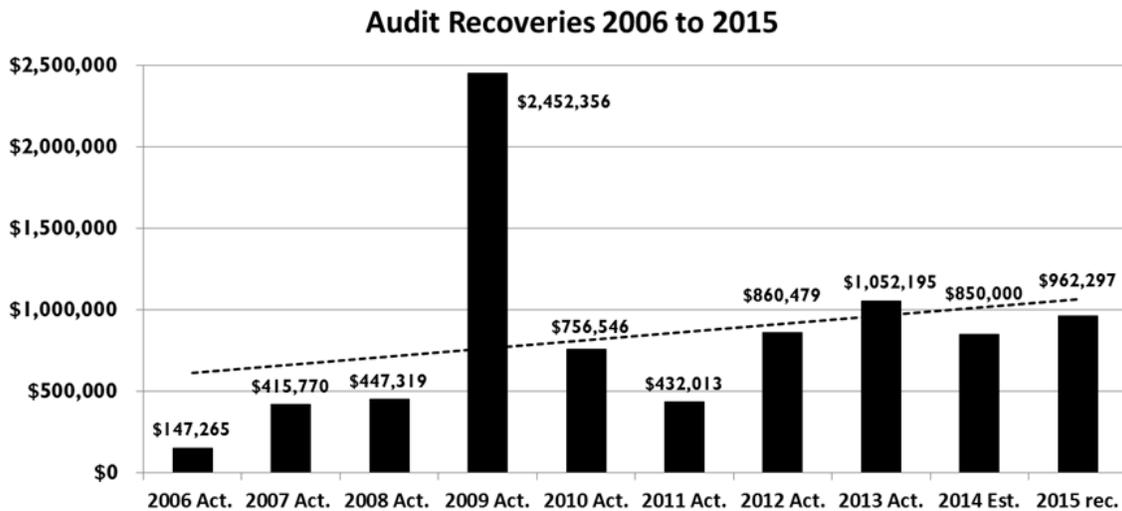
Based on discussions with the Department to meet its auditing mandates, the State has offered the County the opportunity to audit special education preschool providers in Suffolk County and retain 100% of the audit recoveries in the first year and then 41% in the second year. The Department indicated the County expends approximately \$68 million per year for special education preschool services (59% State share, 41% County share) and anticipates audit recoveries to the County of \$3.4 million in the first round of audits and \$1.39 million in the second round of audits. Due to the audit process, the County is projected to receive audit recoveries one year out, \$3.4 million in 2016 for audits completed in 2015, and \$1.39 million in 2017 for audits completed in 2016.

The Department requested that two vacant Auditor (grade 20) positions be earmarked to Investigative Auditor (grade 29) positions for these audits. Funding for increased salaries could be provided from available appropriations for filling vacant positions.

Revenue

The 2014 estimated revenue of \$3.28 million is \$191,253 or 6.2% more than adopted, but almost \$1.5 million less than 2013 due to a reduction in audit recoveries and other compensation for loss. The 2015 Recommended Budget includes revenue of \$3.1 million, as requested. Both the estimated and recommended revenue amounts are reasonable provided current filled staffing levels do not decline.

The following chart illustrates Audit Recoveries since 2006. The 2014 estimated and 2015 recommended amounts are below the trend line. The Department has indicated that audit recoveries would increase if all vacant positions were filled.



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 2014 the staffing level decreased to 62 filled positions. The recommended budget provides adequate funding in 2015 to maintain all 62 filled positions and provides \$230,239 to phase in the filling of six vacant positions in 2015.

Budget Review Office Recommendations

Earmark two vacant Auditor positions to Investigative Auditor and fill these two positions and those of the highest priority within the available funding.

MUN ACC15

Board of Elections

Personnel (as of 9/14/2014)

Authorized Positions:	123	Filled Positions:	120
Vacant Positions:	3	Percentage Vacant:	2.4%
Positions Abolished in the Recommended Budget:	0	New Positions:	0

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$8,520,387	\$8,559,356	\$8,291,126	\$8,828,881	\$8,462,660
Equipment (2000s)	\$0	\$0	\$0	\$0	\$0
Supplies (3000s)	\$2,525,569	\$2,742,000	\$3,188,897	\$2,812,500	\$2,796,500
Contracts (4000s)	\$3,080,800	\$3,971,840	\$3,654,440	\$3,327,773	\$3,327,773
Totals	\$14,126,756	\$15,273,196	\$15,134,463	\$14,969,154	\$14,586,933

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$243,851	\$0	\$687,397	\$0	\$0
Federal Aid (4000s)	\$77	\$0	\$0	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$144,402	\$151,478	\$162,117	\$144,403	\$144,403
Totals	\$388,331	\$151,478	\$849,514	\$144,403	\$144,403

Effects of Recommended Budget

The 2015 Recommended Budget for the Board of Elections (BOE) is \$547,530 less than the 2014 estimate due to \$687,397 in NYS BOE grant funding in 2014 that is not repeated in 2015. When grants are excluded, the recommended budget is \$139,867 more than estimated in 2014, which is attributable to a new expense for an extended warranty for voting equipment and higher projected costs for ballot printing and salaries. The increased costs are partially offset by a reduction in costs for Elections Inspectors. 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 estimated expenditures are optimistic, but not unreasonable.

The recommended budget is \$382,221 less than requested by BOE; \$223,221 less for salaries (Obj. 1100), \$120,000 less for overtime (Obj. 1120 and 1620), and \$39,000 less for other expenditures. As discussed below, the 2015 Recommended Budget appears to be short in the permanent salary account.

The Board of Elections generates 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 2014 estimated revenue is \$849,514, which includes \$162,117 for the rental of equipment and other miscellaneous revenues and \$687,397 in NYS grants. The 2015 Recommended Budget does not anticipate any additional grant funds and includes \$144,403 for all Board of Elections revenues. Both the 2014 estimate and 2015 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 2014, we conclude that the 2014 estimate for permanent salaries is understated by approximately \$140,000. For 2015, the recommended budget for Permanent Salaries (001-BOE-1450-1100) is \$223,221 less than the Board's request, and approximately \$91,000 less than what would be needed to fund all currently filled positions for the duration of 2015. The recommended funding level assumes that the Board's three vacancies will not be filled and that a percentage of positions that become vacated in 2015 will not be refilled. Not backfilling vacancies will likely lead to higher overtime costs, which are already recommended at \$100,000 less than requested.

Voting Equipment

The five year warranty on the 370 Ballot Marking Devices (BMD) purchased with HAVA funds has expired and the warranty on the 1,200 tabulator machines is set to expire in September of 2015. BOE did an internal analysis to determine whether or not the County should self-insure against the risk of repairing or replacing voting equipment that becomes unusable. The Board decided that it made more sense from a fiscal and logistical perspective to purchase an extended warranty for this equipment. BOE requested and the recommended budget includes \$233,000 for this purpose. The 2015 cost is based on a prorated estimate for the 1,200 tabulators. BOE estimates that the cost of the warranty will be approximately \$430,000 on an annual basis starting in 2016.

Issues for Consideration

Election Expenses

The types of elections and number of special elections are significant factors in determining election costs. 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. The major costs associated with holding elections are overtime, Elections Inspectors, ballot printing, and cartage of voting equipment to and from polling sites. The recommended budget is reasonable, but possibly understated for these costs even if there are no special elections in 2015. In the event that special elections are required, the recommended appropriations will likely be insufficient.

Budget Review Office Recommendations

- In order to accurately account for projected salary costs in 2014, increase the 2014 estimate for Permanent Salaries (001-BOE-1450-1100) by \$140,000 from \$6,862,835 to \$7,002,835.
- In order to maintain existing staffing levels and guard against an escalation in overtime costs, increase the 2015 Recommended Budget for Permanent Salaries (001-BOE-1450-1100) by \$91,000 from \$7,017,860 to \$7,108,860.

BP BOE15

Civil Service

Personnel (as of 9/14/2014)					
Authorized Positions:	79	Filled Positions:	73		
Vacant Positions:	6	Percentage Vacant:	7.6%		
Positions Abolished in the Recommended Budget:	8	New Positions:	8		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$4,796,849	\$4,999,743	\$4,814,315	\$5,496,496	\$5,349,883
Equipment (2000s)	\$99	\$3,900	\$2,750	\$8,743	\$7,248
Supplies (3000s)	\$80,527	\$103,610	\$96,630	\$184,244	\$180,244
Contracts (4000s)	\$268,087	\$521,083	\$433,814	\$1,373,697	\$1,373,613
Totals	\$5,145,563	\$5,628,336	\$5,347,509	\$7,063,180	\$6,910,988
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$413	\$0	\$332	\$0	\$0
Departmental Income	\$636,107	\$650,000	\$650,000	\$2,400,000	\$2,400,000
Other Income	\$183,432	\$185,010	\$195,265	\$221,010	\$226,110
Totals	\$819,952	\$835,010	\$845,597	\$2,621,010	\$2,626,110

Effects of Recommended Budget

Personnel

As requested, a new title series was created in the Salary and Classification Plan that reflects the specialized work performed in the Employee Benefits Unit (039-CIV-1317). The employees in this unit currently hold clerical titles. Civil Service indicated that the employees in the Employee Benefits Unit are investigators for the Employee Medical Health Plan (EMHP) and problem solvers for active and retired County employees and their dependents. The following table details the changes made to the positions in the Employee Benefits Unit.

Employee Benefits Unit			
Position	Gr. St.		Action
Employee Benefits Coordinator	29	12	None
Principal Contracts Examiner	28	12	None
Employee Benefits Supervisor	24	2	None
Principal Clerk	14	2	Abolished
Senior Clerk Typist	12	7	Abolished
Senior Clerk Typist	12	7	Abolished
Senior Clerk Typist	12	8	Abolished
Clerk Typist	9	5	Abolished
Clerk Typist	9	5	Abolished
Clerk Typist	9	2	Abolished
Clerk Typist	9	2	Abolished
Senior Employee Benefits Representative	14	5	Created
Senior Employee Benefits Representative	14	5	Created
Senior Employee Benefits Representative	14	6	Created
Employee Benefits Representative	11	4	Created
Employee Benefits Representative	11	4	Created
Employee Benefits Representative	11	2	Created
Employee Benefits Representative	11	2	Created
Employee Benefits Representative	11	2	Created
BRO Cost of Abolished Positions	\$305,716		
BRO Projected Cost of New Positions	\$318,776		
Difference	\$13,060		

The recommended budget abolishes and creates eight positions, as previously detailed. The new titles are two grades higher than the former clerical titles. Based on BRO's cost for the abolished positions and projected cost for the new positions, permanent salaries in the Employee Benefits Unit will be increased by \$13,060.

Expenditure

The 2015 Recommended Budget for Civil Service is \$1,568,562 more than estimated for 2014, which is due primarily to costs associated with the administration of the Police Officer exam in 2015.

Permanent Salaries

The recommended budget includes \$4,087,090 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 2015 and 30% of the vacant positions. Permanent salaries of \$569,743 for the Employee Benefits Unit (039-CIV-1317-1100) are \$17,522 less than our projected permanent salaries for this unit. This difference could be mitigated by unaccounted turnover savings during the year. However, if all currently filled positions remain filled for the duration of 2015, there will be a shortfall.

Revenue

The 2014 estimated revenue for Civil Service is \$845,597. Based on year-to-date revenues of \$184,538 as of September 19, 2014, and estimated revenue of \$150,000 for the remainder of 2014, Civil Service Fees (001-CIV-1430-1240) are overstated by approximately \$315,000. Two of the main factors affecting this revenue during 2014 are:

- The Department did not administer the Park Police Officer I exam because current Park Police Officers are being transferred to the Police Department.
- Increasing number of applicants requesting examination fee waivers.

We recommend reducing the 2014 estimated revenue for Civil Service Fees by \$315,000 to better reflect the estimated revenue for the remainder of 2014.

The 2015 Recommended Budget includes \$2,626,110 in revenue for Civil Service. The majority of the Department's revenue is from exam fees (001-CIV-1430-1240). The recommended budget projects revenue to increase by \$1,750,000 in 2015 due to the administration of the police exam. Based on historical data for both expenditures and revenues, the 2015 Recommended Budget appears reasonable.

Issues for Consideration

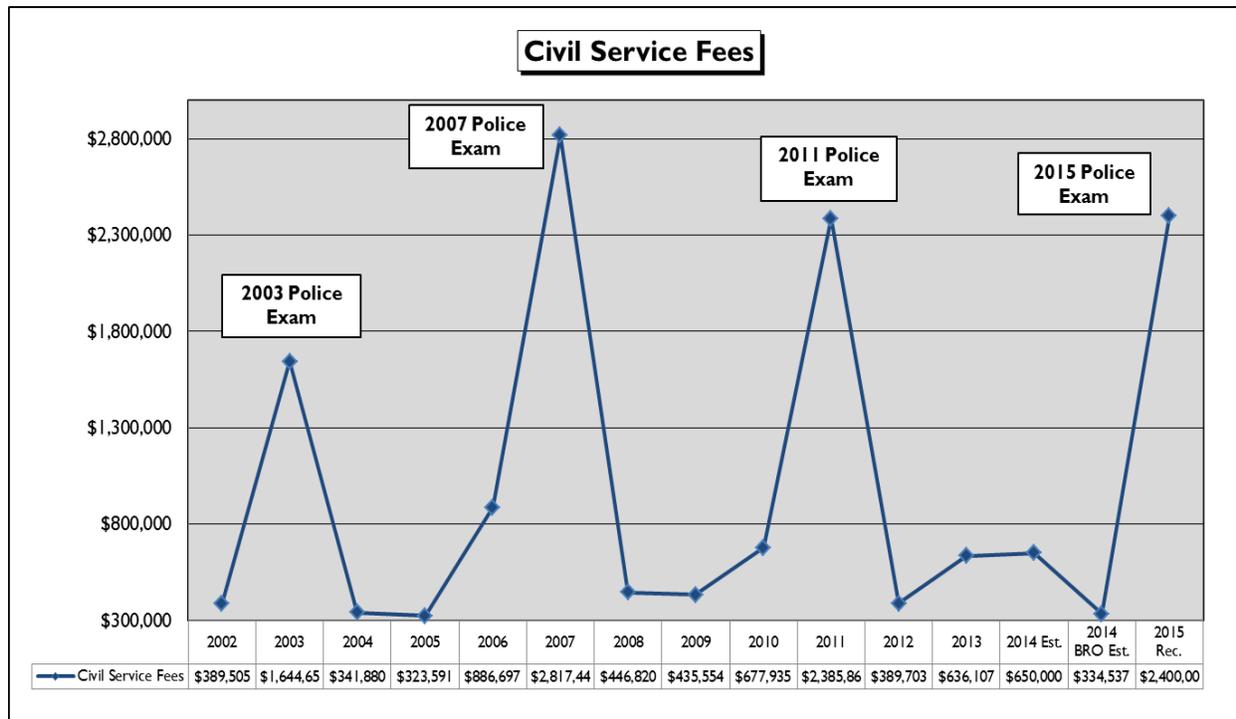
Workload

In addition to the services it provides to the County, Civil Service is also 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 Benefits Unit, which administers and coordinates the health benefits of approximately 21,000 active and former employees, covering more than 48,000 lives. In 2014, the County received subsidy receipts of approximately \$5 million for claims filed in 2013, which is the result of the Unit's preparation of various EMHP Medicare Part D subsidy filings and coordination of ancillary functions.

Civil Service Fees

The Department 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 during 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. Although, as indicated in the revenue section, there are mitigating factors affecting the 2014 estimated budget for civil service fees, which is why the chart below shows a drop in 2014 fee revenue from what was previously estimated.



While the recommended budget projects a \$1,750,000 increase in fee revenue in 2015 due to the upcoming police exam, the Department anticipates that revenue may be less 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:

Resolutions Granting Civil Service Examination Fee Waiver Status	
Resolution No.	Exempt Category
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.

Budget Review Office Recommendations

- Increase Permanent Salaries (039-CIV-1317-1100) by \$17,500 in 2015.
- Reduce the 2014 estimated revenue for civil service fees (001-CIV-1430-1240) by approximately \$315,463 to better reflect estimated fee revenue for the remainder of 2014.

MF CIV15

County Clerk

Personnel (as of 9/14/2014)

Authorized Positions:	103	Filled Positions:	100
Vacant Positions:	3	Percentage Vacant:	2.9%
Positions Abolished in the Recommended Budget:	0	New Positions:	0

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$6,013,481	\$6,040,967	\$5,828,673	\$6,287,542	\$5,978,117
Equipment (2000s)	\$91,396	\$102,730	\$122,568	\$277,180	\$109,230
Supplies (3000s)	\$499,564	\$583,876	\$552,349	\$634,393	\$589,443
Contracts (4000s)	\$616,658	\$616,650	\$587,200	\$585,175	\$526,300
Totals	\$7,221,099	\$7,344,223	\$7,090,790	\$7,784,290	\$7,203,090

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$0	\$0	\$0	\$0	\$0
Departmental Income	\$20,051,478	\$19,500,000	\$17,600,000	\$18,700,000	\$18,700,000
Other Income	\$11,435	\$7,200	\$13,182	\$7,200	\$11,200
Totals	\$20,062,913	\$19,507,200	\$17,613,182	\$18,707,200	\$18,711,200

Effects of Recommended Budget

Personal Services

The 2014 estimate for permanent salaries is \$5.4 million, which is projected by BRO to be insufficient by \$30,915. The Department requested \$5.8 million in 2015; the recommended budget provides \$5.59 million, which is estimated by BRO to be insufficient by \$14,533 to fund all 100 filled positions in 2015. The recommended funding would not likely allow the Department to fill any of its three vacant positions in 2015, two Official Examiner of Title (grade 29) and one Senior Deputy County Clerk (grade 27).

Expenditures

Not including Personal Services, the estimated 2014 expenditures of \$1.26 million are reasonable. The recommended 2015 expenditures are \$1.22 million, which is \$78,283 or six percent less than the 2014 adopted and \$271,775 or 18.2% less than requested.

Revenue

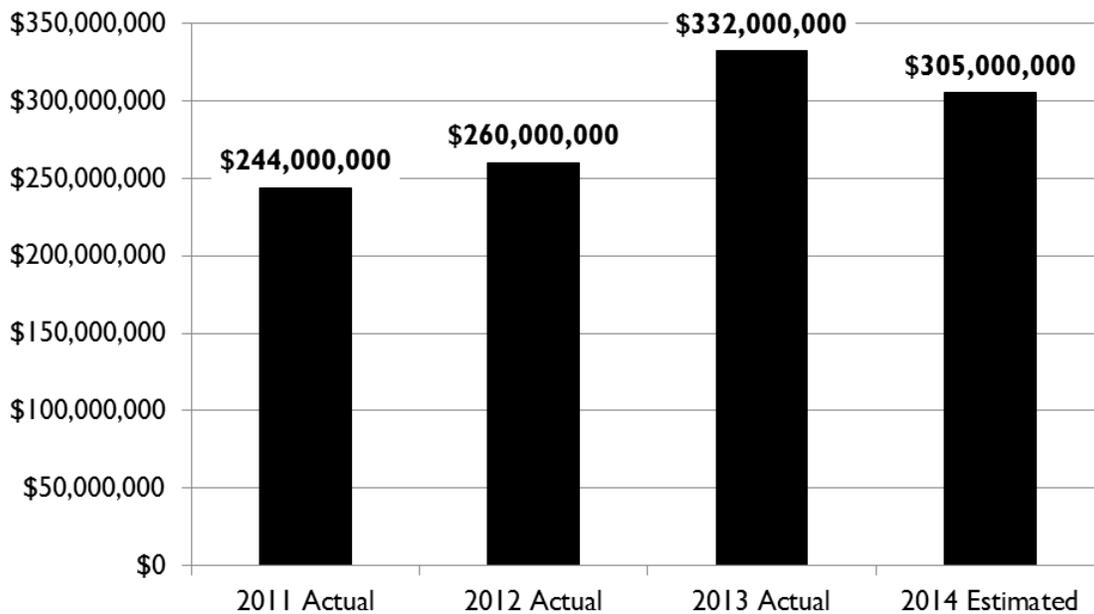
The three core revenues in the County Clerk's Office are: County Clerk Fees (001-1255), Micrographic Fees (001-1256), and County Clerk Subscription Fees (001-1260). The estimated 2014 County Clerk Fees is \$15.9 million, which is \$1.9 million or 10.7% less than the adopted amount of \$17.8 million. BRO analysis indicates that based on year-to-date revenue, the 2014 estimate is overstated by \$1.7 million. However, 2015 recommended County Clerk Fees are in line with collections in recent years. Estimated and recommended Micrographic Fees are \$200,000, which is the same as adopted and requested, and are reasonable. The 2014 estimate for County Clerk Subscription Fees is \$1.5 million as adopted, and the recommended is \$2 million as requested, which is \$500,000 or 33.33% more than the adopted amount of \$1.5 million. BRO analysis indicates the 2015 recommended amount may be overstated by \$300,000.

Issues for Consideration

Personal Services

The Suffolk County Clerk's Office is the busiest County Clerk's Office in the State of New York, as per the Department. This is reflected in the level of revenue that is generated annually. The County Clerk's Office reported generating \$332 million in revenue for the State of New York and local governments in 2013, this was a \$72 million or 27.7% increase over the 2012 level of \$260 million. The County Clerk's Office is projecting a \$27 million or 8.1% decline in aggregate revenue for the State of New York and local governments in 2014, compared to 2013. This decline is reflected in 2014 estimated County Clerk's Office fees, compared to the 2013 actual. The following chart exhibits the State and local revenue generated over the past four years.

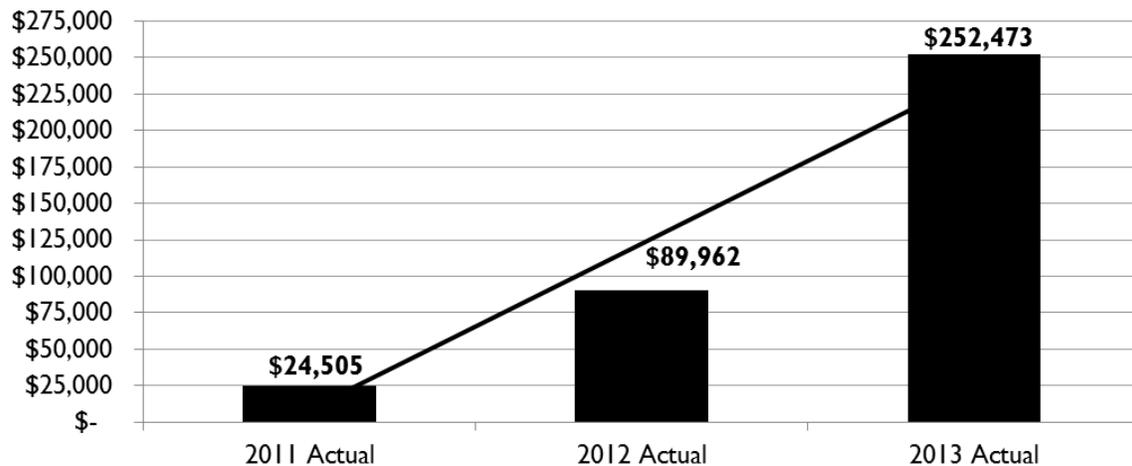
State and Local Revenue



The majority of 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, as a result of a staff reduction of 28 or 21.4% from 2009, and State mandates, the Department has increased the use of overtime and temporary employees to perform the workload, and expanded the computerization of tasks previously done manually. The recommended budget provides \$194,000 for temporary salaries, which is a decrease of \$6,000 compared to the 2014 adopted, \$81,000 less than requested, and \$22,000 more than the 2014 estimate.

Overtime expenditures in the County Clerk's Office increased from \$24,505 in 2011 to \$252,473 in 2013, as shown in the following chart. This increase was a result of clearing up backlogs and an increase in workload.

Overtime



The 2014 estimated overtime is \$71,000, which is \$13,000 more than adopted. The 2015 recommended is \$89,500, which is \$31,500 more than the 2014 adopted and \$10,500 less than requested. Based on recent discussions with the Department, the 2014 estimated and 2015 recommended amounts are in line with their anticipated 2014 and 2015 workload.

Departmental Income

Based on the year-to-date aggregate revenue realized as of the end of September 2014, BRO's analysis indicates that 2014 estimated County Clerk Fees (001-1255) are overstated by \$1.7 million. Micrographics Fees (001-1256) are included in the budget at reasonable levels for both 2014 and 2015, County Clerk Subscriptions Fees (001-1260) may be overstated by \$300,000 in 2015. Although optimistic, given that the potential shortfall is a smaller dollar amount and it is possible that these revenue will come in on budget, we do not think it necessary to amend the budget.

Expenditures

The requested funding of \$30,000 for Furniture & Furnishings (2010), to replace carpeting in the Data Entry unit, was not included in the recommended budget. Based on recent discussions with the Department, this project will be completed under Capital Project 1643 Improvements to County Center C-001, Riverhead.

Budget Review Office Recommendations

Decrease County Clerk Fees (001-1255) by \$1.7 million in 2014.

MUN CLK15

Suffolk County Board of Ethics

Personnel (as of 9/14/2014)					
Authorized Positions:	2	Filled Positions:	2		
Vacant Positions:	0	Percentage Vacant:	0.0%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$146,300	\$153,246	\$151,466	\$218,006	\$160,409
Equipment (2000s)	\$0	\$0	\$0	\$1,000	\$0
Supplies (3000s)	\$5,389	\$9,170	\$6,370	\$7,170	\$7,170
Contracts (4000s)	\$65,494	\$140,000	\$106,000	\$133,132	\$133,132
Totals	\$217,183	\$302,416	\$263,836	\$359,308	\$300,711
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 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	\$310	\$100	\$2,188	\$2,100	\$2,200
Totals	\$310	\$100	\$2,188	\$2,100	\$2,200

Effects of Recommended Budget

The 2015 Recommended Budget for the Board of Ethics is \$36,875 more than the 2014 estimate, which is attributable primarily to a higher projected cost for Fees for Services and contractual salary increases for the Board's two existing employees. The recommended budget is \$58,597 less than requested; \$56,597 less for salaries, \$1,000 less for overtime, and \$1,000 less for the purchase of a conference table.

Staffing

In 2013 the Board requested a new part-time Attorney (grade 30) position to assist with the Board's workload. The 2014 Recommended Budget created the position, but included no funding to fill it. The Legislature abolished the new position in the omnibus resolution. The Board renewed its request for this position and requested a new Paralegal Assistant (grade 14) position. There are sufficient salary appropriations in the 2015 Recommended Budget for the Board's two existing employees, but neither of the new positions are included.

The Board's request for the Paralegal Assistant position is in anticipation of the passage of Introductory Resolution No. 1658-2014, which transfers the responsibility of administering the County's lobbying laws from the Clerk of the Legislature to the Board of Ethics. The legislation directs the Board to develop procedures for filing and receiving documents, investigating complaints and violations, identifying individuals or organizations which must register as lobbyists, and advertising lobbying registration requirements to entities wishing to do business with the County. According to the Board of Ethics, the workload associated with the added responsibility of administering this law, in conjunction with current responsibilities, exceeds the capacity of existing staff.

A full-time Paralegal Assistant hired at entry level step on January 1, 2015 would cost \$33,413 in salary and \$16,004 in fringe benefits. Assuming a 15% employee healthcare premium contribution (\$1,799), the net cost for the position is \$47,618 in 2015. The cost for a part-time Attorney position depends on how many hours the employee works and whether or not he or she is eligible for health benefits. Assuming the employee works at 49% capacity, the total cost of the position in 2015 would be \$34,707 or \$32,241 for salaries and \$2,466 for the employer Social Security FICA responsibility.

Issues for Consideration

Fees for Services

Other than salaries, the Board's most significant expenditures are in the Fees for Services category. Fees for independent outside counsel make up more than half of these expenses. The following chart shows a breakdown of all Fees for Services expenditures.

Fees For Services (001-COE-1120-4560)					
Expenditure by Category	2014		2014	2015	2015
	Adopted	Department Estimate	Executive Estimate	Requested	Recommended
Board Member Stipends	\$24,000	\$24,000	\$105,000	\$24,000	\$131,500
Judicial Hearing Officers	\$20,000	\$7,500		\$10,000	
Outside Training	\$20,000	\$10,000		\$15,000	
Independent Counsel	\$70,000	\$75,000		\$82,500	
Total	\$134,000	\$116,500	\$105,000	\$131,500	\$131,500

Budget Review Office Recommendations

If the Legislature makes the policy decision to transfer the lobbyist registration function from the Clerk of the Legislature to the Board of Ethics, as laid forth in IR No. 1658-2014, the Board will require the requested Paralegal Assistant position at a total net cost of \$47,618.

BP COE15

District Attorney

Personnel (as of 9/14/2014)

Authorized Positions:	388	Filled Positions:	374
Vacant Positions:	14	Percentage Vacant:	3.6%
Positions Abolished in the Recommended Budget:	1	New Positions:	3

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$32,008,746	\$32,961,509	\$32,329,067	\$33,705,521	\$33,717,338
Equipment (2000s)	\$238,447	\$156,696	\$129,035	\$124,350	\$124,350
Supplies (3000s)	\$764,448	\$959,694	\$937,249	\$1,025,691	\$1,025,691
Contracts (4000s)	\$1,552,776	\$1,449,262	\$1,498,585	\$1,502,480	\$1,492,480
Totals	\$34,564,417	\$35,527,161	\$34,893,936	\$36,358,042	\$36,359,859

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$2,920,277	\$3,328,041	\$3,576,582	\$3,259,227	\$3,309,227
Federal Aid (4000s)	\$803,766	\$10,000	\$359,287	\$471,919	\$171,919
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$93,094	\$150,300	\$165,290	\$211,000	\$226,575
Totals	\$3,817,138	\$3,488,341	\$4,101,159	\$3,942,146	\$3,707,721

Effects of Recommended Budget

Expenditure Overview

Total 2015 expenditures are recommended at \$36,359,859, which is \$832,698 or 2.3% more than the 2014 Adopted amount and \$1.4 million or 4.2% more than the 2014 estimated amount. There is sufficient funding in permanent salaries for a skilled attorney retention program, two new positions and for step increases for eligible employees. The 2015 Recommended Budget includes \$1,817 more than requested for all departmental expenses.

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.

As of September 28th there are 15 vacant positions as opposed to 13 at the same time last year and 11 the year before.

VACANT POSITIONS	#
PRINCIPAL CLERK	2
SENIOR ASST DISTRICT ATTY	2
SENIOR CLERK TYPIST (Earmarked to Clerk Typist)	2
ASST SPECIAL INVESTIGATOR	1
CLERK TYPIST	1
COURT STENOGRAPHER	1
GRANTS ANALYST	1
INVESTIGATIVE ASST (TECH SVCS)	1
PRINCIPAL LEGAL SECRETARY	1
RESEARCH TECHNICIAN	1
SENIOR CLERK (Earmarked to District Attorney Operations Aide)	1
SPECIAL INVESTIGATOR	1
TOTAL	15

Additional funding was not included to fill these vacancies except for the Investigative Assistant. This position is needed at the Riverhead Courts to provide technical assistance to the ADAs. Funding is included to backfill positions as they become vacant during 2015.

While the DA did request a cost-to-continue budget, additional permanent salaries were requested for a skilled attorney retention program and two new positions.

Skilled Attorney Retention Program

Additional funding was included to restructure the District Attorney's pay scale in order to improve retention. As of July 1, 2015 almost all exempt attorney titles will receive a four-grade increase and will be lowered in step according to Civil Service Law. The average increase will be approximately 2.2% per employee for 2015 and will cost in aggregate \$259,010.

For instance, a Senior ADA Grade 27, top step 11 would have had a biweekly salary of \$3,560 or \$92,922 annually with no step increase until July 1st. Under the new program, the biweekly salary would be \$3,560 until July 1st, then the position would move to a grade 31, Step 9 with a biweekly of \$3,751, which includes the 1% contractual increase afforded exempt employees based on the AME contract. Therefore, the resulting 2015 annual salary would be \$95,533, which also includes the 1% December 1st contractual increase, or 2.8% greater than the \$92,922. However, this employee will now receive step increases equaling 4.4% every July for two more years and will have a 2016 base salary of \$102,644, which includes the 3% contractual increase. While this example shows a 2.8% increase in 2015, assuming no employees would take a pay cut, 65 employees will have a lateral financial move and literally receive a 0% increase.

While the 2015 percentage increase appears small, it will double in 2016 over a full-year and provides 75 of the 173 positions who used to be at top step 11, annual increases averaging 4.4% until they again reach top step. The intent of this program is to not only retain veteran skilled attorneys but to enhance the pay for incoming ADAs after they pass the bar exam. Junior ADA grades and steps are not changed under this program nor is the salary for the District Attorney.

Requested New Positions

Two new Computer Forensics Analyst positions (grade 24) were requested by the DA and included in the recommended budget. These entry level positions, with an annual salary of \$52,107, will be assigned to, but not limited to, the Investigative Services Unit.

- These are civilian positions that will perform a full range of complex analyses of various types of electronic and digital evidence received by the DA's Office. The Manhattan DA's Office and the NYS Police already have similar positions which have proved to be cost effective. These positions will:
 - Conduct data acquisition and archival;
 - Perform Hardware, software, and tool testing and validation;
 - Do physical examination of computers and other electronic devices;
 - Assist in complex investigations and prosecution of crimes that involve digital and computer evidence;
 - May be required to testify at Grand Jury presentations and at trials.
- The positions will be filled during the course of the year so a full year's salary is not required in 2015 for both positions.
- One new Deputy Bureau Chief position is created in the Legal Services Unit to replace a filled interim Deputy Bureau Chief position. The interim position is abolished. There is no fiscal impact.

Personnel Conclusions

The 2015 Recommended Budget provides sufficient funding for:

- All currently filled positions.
- Contractual increases.
- The ability to backfill positions as they become vacant during 2015.
- Fill one vacant Investigative Assistant (Technical Services).
- A skilled attorney retention program.
- Two new Computer Forensics Analyst positions.
- Create and abolish one Deputy Bureau Chief position.

Revenues

Revenue for District Attorney Investigations is recommended at \$145,000 in 2015, which is \$133,000 more than adopted in 2014. This funding is derived from defendants who as part of a plea agreement pay the DA's Office for some or all of the cost of the investigation. This revenue had previously been recorded under revenue code 001-2605 as late as 2007 when \$181,120 was collected. Since 2008, this funding has been collected as asset forfeiture monies. At the discretion of the DA, the decision was made to return this funding to the General Fund in 2015.

Issues For Consideration

The Recommended 2015 Operating Budget provides the District Attorney a cost-to-continue budget with some additional permanent salaries for an attorney retention program, two new positions and to fill one vacant position. Any remaining permanent salaries could be used to address the lack of clerical staff by filling vacant clerical titles during the course of the year. It remains up to the Legislature to determine if the attorney retention program is cost effective.

JODAI5

Economic Development and Planning

Personnel (as of 9/14/2014)

Authorized Positions:	86	Filled Positions:	78
Vacant Positions:	8	Percentage Vacant:	9.3%
Positions Abolished in the Recommended Budget:	2	New Positions:	4

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$6,480,791	\$6,134,459	\$5,972,731	\$6,483,509	\$6,491,848
Equipment (2000s)	\$0	\$1,000	\$1,000	\$800	\$800
Supplies (3000s)	\$121,971	\$170,396	\$164,776	\$215,120	\$207,345
Contracts (4000s)	\$7,641,436	\$7,309,579	\$8,265,364	\$7,173,242	\$7,350,294
Totals	\$14,244,198	\$13,615,434	\$14,403,871	\$13,872,671	\$14,050,287

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$35,137	\$25,000	\$114,863	\$0	\$0
Federal Aid (4000s)	\$832,579	\$46,061	\$1,253,083	\$0	\$0
Departmental Income	\$2,192,277	\$2,025,284	\$2,257,398	\$1,943,472	\$1,872,711
Other Income	\$29,264,689	\$9,924,052	\$9,917,530	\$10,728,963	\$10,648,772
Totals	\$32,324,682	\$12,020,397	\$13,542,874	\$12,672,435	\$12,521,483

Effects of Recommended Budget

Staffing

In the 2014 Adopted Budget, nine filled Water Quality positions in the Department of Economic Development and Planning (EDP), Fund 477, were transferred to the Department of Public Works (DPW), reducing EDP positions from 93 to 84. In early 2014, two interim Neighborhood Aide positions were created in the General Fund, one in the Economic Development Administration Division (6410) and one in the Planning Division (8020), increasing the total number of Departmental positions from 84 to 86. The interim positions are currently filled at Grade 13, Step 8. The 2015 Recommended Budget abolishes the two interim Neighborhood Aide positions, but creates two new permanent Neighborhood Aide positions in these Divisions.

The 2015 Recommended Budget also creates two new Airport Maintenance Mechanic positions (grade 15) in the Aviation Division (Fund 625), which would bring the total number of positions to 88 in the Department. The Aviation Unit currently has six filled positions. These positions would assist in the maintenance of the lands, runways, taxiways, and buildings on the almost 1,500 acre airport, and specialized knowledge is needed.

Six of the current departmental vacancies are in the General Fund, and two are in Fund 351, Community Development. The recommended budget includes sufficient appropriations to fund all currently filled positions in all funds in the Department for all of 2015, plus enough additional appropriations to fill the six current General Fund vacancies for approximately three quarters of the year. Assuming there are no changes to current Aviation staff in 2015, the recommended budget provides sufficient funding for one new position in this Division for all of 2015, or for both new positions for approximately half a year. There are insufficient appropriations to fill the two vacant positions in the Community Development Fund (Fund 351). There are no current vacancies in the Suffolk County Water Protection Fund (Fund 477) or in the Hotel Motel Tax Fund (Fund 192) in this Department.

Expenditure

The Department's recommended budget is comprised primarily of 46% salary and 52% contractual related costs. Estimated 2014 expenditures were almost six percent higher than adopted, primarily due to approximately \$1 million more in estimated contractual expenditures in 2014, much of it grant-related and non-recurring in the 2015 Recommended Budget. Contractual expenditures were recommended at an 11.1% decrease from this higher base, while salary related 2015 expenditures were recommended at an 8.7% percent increase from the 2014 estimate. Overall, operating budget expenses in 2015 are recommended at a decrease of 2.4% from the 2014 estimate.

The recommended budget includes a \$160,000 expense in the Administration Division (General Fund) in 2015 related to a contract with the National Development Council. It also includes \$50,000 for a new contracted agency in the General Fund (LIGALY- Long Island Pride Arts and Cultural Festival, Activity Code JTGI), which was not requested by the Department or included in the 2014 Adopted Budget.

Cornell

The Department administers a number of Cornell Cooperative Extension contracts in both the General Fund and Water Quality Fund (Fund 477). The Cornell programs recommended in EDP for 2015 were all funded as requested by Cornell and by the Department, at no change from 2014 adopted and estimated amounts. Cornell Cooperative Extension programs account for

approximately 45% of the overall recommended 2015 expenditure for contractual expenses in the Department. We provide detail on Cornell programs later in this section.

Water Quality Improvement Division

This Division was recommended at a one percent increase from the 2014 estimate, primarily related to contractual increases in employee salaries for the eight positions (all filled). This Division receives funding from the Suffolk County Water Protection Fund (Fund 477), which has been under stress in recent years. See our separate report on the status of the Suffolk County Water Protection Fund, in this Review.

Hotel Motel Tax Funded Divisions

Three Divisions in this Department are supported by the Hotel Motel Tax: Tourism Promotion, Cultural Affairs, and Film Promotion. The 2015 recommended expenditures for each affected Division are linked to the 2015 recommended Hotel Motel Tax revenue (projection), as well as any available fund balance for each Division. Hotel Motel expenditures across the three Divisions are recommended at a nearly four percent decrease from the 2014 estimate, which is related to a decrease in available Hotel Motel funding to distribute in 2015.

These three Divisions account for approximately 42% of the overall recommended 2015 expenditure for contractual expenses in the Department. Tourism promotion funding is typically allocated to the Long Island Convention and Visitors Bureau, which receives more funding than any other single agency funded by this tax. Additional funding is also provided for numerous cultural and film organizations, some of which are identified during the budget adoption process. There is one Hotel Motel Tax funded position in this Department, in the Film Division. See our comment on Hotel Motel revenue, below, as well as our separate report on the Hotel Motel Tax Fund, also in this Review.

Aviation Division

Expenditures in the Aviation Division are recommended at a \$185,845 (24%) increase from the 2014 estimate, which is primarily related to the two new Airport Maintenance Mechanic positions, as well as rising Light, Power, and Water costs, and necessary repairs to the Francis S. Gabreski Airport Tower. The Department has indicated that the FAA found several safety issues upon their inspection of the tower, and threatened closure of the tower. The Division instituted a safety mitigation plan to correct these issues. The recommended budget provides \$41,650 more than the 2014 estimate for building repairs and \$18,000 more in Fees for Services, as requested by the Department, to address these concerns.

Grants

Resolution No. 1206-2013 accepted a 100% U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), totaling \$2,130,521 over a five year period, from the NYS Housing Trust Fund Corporation for purposes related to disaster recovery. A portion of the funding was to reimburse County expenditures for Recovery Assistance Programs in various Departments, including \$650,000 for Fees for Services in the Department of Economic Development and Planning (001-8684-Recovery Assistance Program, Planning). The recommended budget includes both the Department's \$650,000 revenue and the related expense in the 2014 modified and estimated budgets.

Resolution No. 518-2014 (approved July 3, 2014) accepted and appropriated \$350,000 in Federal Aid to the Department of Economic Development and Planning (EDP), in new appropriation 8044, for Fees for Services related to completing the County's Nicolls Road Alternatives Analysis Study.

Back-up to the resolution indicated that this is related to the Suffolk County Bus Rapid Transit Study, Phase II, and the Connect Long Island initiative. No related revenue or expenditure was included in the recommended budget. It is our understanding that existing appropriation 8042, NYMTC- Bus Rapid Transit Study, reflects Phase I.

Resolution No. 641-2014 (approved August 8, 2014) accepted and appropriated \$100,000 in State Aid for the Wyandanch Rising STEaM Center, to be accounted for in Unit 6416 of the Department. No related revenue or expenditure was included in the recommended budget. The Department also requested \$143,340 for the Wyandanch Rising Steam Center II in the Cultural Affairs Unit (192-6414-4560), but this was not included in the recommended budget. It is our understanding that related paperwork has not yet been completed.

Revenue

Hotel Motel Tax Revenue (Fund 192)

The most significant component of recommended departmental revenue, by far, is related to Hotel Motel Tax, which comprises 74% (\$9,243,437) of Economic Development and Planning revenue in 2015. Hotel Motel Tax revenue is allocated to specific uses by law, and related expenditures span several departments. The Hotel Motel Tax revenue was recommended at a nearly one percent increase over 2014 adopted and estimated amounts. However, due to a smaller fund balance available to distribute in 2015, the overall effect is a nine percent decrease in Hotel Motel related funding available for 2015 expenditures. This may vary by division due to necessary adjustments from prior years.

The actual 2013 revenue represents a shortfall of \$89,664 from the budgeted amount. This is reflected in related expenditures in 2015. The Budget Review Office concurs with the 2015 recommended Hotel Motel Tax revenue as a reasonable and conservative estimate. See our separate section on the Hotel Motel Tax Fund (Fund 192) for further information on revenue projections and distribution formulas.

Sales of Real Property (Revenue Code 2660)

General Fund revenue of \$1,344,100 related to the Division of Real Property Acquisition and Management comprises 11% the Department's recommended revenue. Revenue for Sales of Real Property (Revenue Code 2660) is recommended at \$660,000 in 2015. This is related to the expected sale of property in Selden (Resolution No. 515-2011), which had been delayed. The 2013 actual revenue in this category reflects \$19,354,353 related to the sale of approximately 230 acres in Yaphank (Resolution No. 851-2012). No General Fund revenue related to the sale of real property was included in 2014. Other significant components of this Division's revenue come from real property rents and land management application fees.

Aviation Division Revenue

Aviation Division revenue (related to the F.S. Gabreski Airport), at \$1,587,496, is the second highest (13%) contributor to 2015 recommended Department revenue, but is dedicated to a separate airport fund (Fund 625) and must be used for airport related expenses. Higher Airport related revenues result in less reliance on General Fund support for Fund 625. The Department notes that Airport operations decreased 38% between 2008 and 2011, likely due to the recession. Since 2011, operations have increased by 13%, but are still 30% below the 2008 peak.

Estimated 2014 Aviation Division revenue is up slightly (two percent) from actual 2013 revenue, but 2015 revenue is recommended at a 20% decrease from the 2014 estimate. Year-to-year differences related to leases of Airport property (revenue code 1770) played a role in this decrease. Actual

2013 and estimated 2014 revenue related to leases of airport property, of approximately \$1.2 million, is recommended at approximately \$400,000 less in 2015. 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 long-delayed lease finally moved forward, with construction beginning in December 2013, resulting in a one-time payment of a \$650,000 deposit in 2013, as well as \$572,275 in first year lease payments in 2014. In 2015, scheduled lease payments drop to \$222,275, then gradually increase to \$1,124,225 over the term of the 40-year lease.

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

Resolution No. 687-2014, approved September 24, 2014, authorized a lease agreement with Sunedison, LLC, for the use of Airport property for a solar installation. The resolution’s Financial Impact Statement indicates that the County will receive a one-time payment of \$51,369 upon signing of the lease, and \$315,000 a year for 20 years once the project is built and connected. The progression of the project is based on the outcome of a “glint/glare” study and FAA approval.

Resolution No. 601-2013, approved August 9, 2013, raised the fee schedule at the airport and was expected to increase fee related revenue. This year will be the first full year of the fee increase.

Resolution No. 647-2014, approved August 8, 2014, authorized the execution of documents related to the use of property and equipment by the Air National Guard. The Air National Guard leases a portion of the Airport. The Airport Joint Use Agreement (AJUA) established the government’s share of the cost of jointly used facilities (particularly the shared use of the Air Traffic Control Tower and related equipment) and it had expired. The proposed AJUA included an immediate back payment of \$210,430 for the years 2009-2013, and an annual payment of \$42,086 for each year in 2014-2023. In the August update to their request, the Department requested additional 2014 estimated revenue for Airport Fees and Rents to reflect this resolution, but the recommended budget does not reflect the higher amount.

Revenue for Take Off Fees was estimated at \$700,000 for 2014, and recommended at the same amount in 2015. This was 12% less than requested by the Department. Updated revenue collection information indicates that \$805,000 had been collected as of October 10, 2014. This revenue is weather dependent and subject to seasonal variation, but revenue reports indicate that, last year, approximately \$162,182 in revenue was recorded in the period between October 1 and January 1. It would be reasonable to increase the 2014 estimate by \$125,000 and 2015 recommended revenue by \$100,000. This would result in a decreased interfund transfer from the General Fund, typically required to balance Fund 625.

Issues for Consideration

Aviation Division

The main concerns in this Division relate to the need for two additional positions, as already noted, as well as sufficient funds to keep this County property in good repair. The Airport Manager has noted that maintaining the 1,500 acre facility, 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.

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 at all times. 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 New York Air National Guard issues. Space and utilities are supplied to the Federal Aviation Administration at the Air traffic Control Tower under the Federal Contract Tower Program.

The recommended budget provides funding as requested, with the exception of the permanent salary line, as discussed under "Staffing". The positions are included, but both are not fully funded for all of next year, assuming no changes in current staff.

F.S. Gabreski Airport Fund (Fund 625)

The creation of the F.S. Gabreski Airport Fund, also known as 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.

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 transfers from the General Fund are included to keep it in balance. A \$706,266 transfer from the General Fund is estimated in 2014. This amount is \$130,909 more than the 2013 actual transfer and \$482,676 more than the \$223,590 General Fund transfer recommended in 2015. Recommended 2015 revenues to Fund 625 are \$1 million less than the 2014 estimate, primarily due to the reduced interfund transfer from the General Fund and a reduction in Airport Fees and Rents. Expenditures are up almost \$0.2 million in 2015, mostly related to tower repairs, utilities and employee expenses. Another main expense category is debt service for Airport related capital projects, which is almost 34% of the 2015 recommended Airport expenses. The 2015 net year end fund balance of zero is maintained by the General Fund transfer.

The following table illustrates the status of Fund 625, as provided in the 2015 Recommended Operating Budget, and includes the aforementioned General Fund transfers.

2014 Estimated	Status of Fund 625 F.S. Gabreski Airport	2015 Recommended
\$252,058	Fund Balance, January 1	\$731,991
\$2,836,018	Plus Revenue, January 1 to December 31	\$1,819,486
\$3,088,076	Total Funds Available	\$2,551,477
\$2,356,085	Less Expenditures, January 1 to December 31	\$2,551,477
\$731,991	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 programs are funded in various departments, including the Department of Social Services (DSS), the Department of Health Services (HSV), and the Department of Economic Development and Planning (EDP). In this section, we will focus on CCE agencies within EDP.

The EDP budget includes nine of ten programs considered to be “core” programs by CCE and one non-core CCE program (Stormwater Phase II). The remaining core CCE agency, Family Health and Wellness, is in the Department of Health Services, where we understand it is approximately 36% reimbursable under Article 6.

The chart that follows summarizes the recommended budget for CCE programs in the Department of Economic Development and Planning. All CCE agencies included in the 2015 Recommended Budget for EDP are funded as adopted in 2014 and as requested by CCE and the Department.

Fund	Activity	Cornell Program	2015 Rec.
001	HSDI	CCE-Administration, Finance and Communication	\$579,215
001	HSEI	CCE-Marine Program	\$392,446
001	HSFI	CCE-Agriculture and Horticulture Programs	\$448,025
001	HSGI	CCE-4H Youth & Development & Farm Education Program	\$75,877
001	HSII	CCE-Farm Meat Production Program	\$608,599
477	GZAI	CCE-SC Stormwater Phase II Program Implementation*	\$367,155
477	HSJI	CCE-Alt Mgt Strategies for Control of Insect Pests	\$118,114
477	HSKI	CCE-Develop & Implement Agriculture Stewardship	\$235,360
477	HSMI	CCE-Integrated Pest Management Program (IPM)	\$160,000
477	HSNI	CCE-Restoration of Peconic Bay Scallop Populations & Fisheries	\$289,198
Total Cornell in EDP			\$3,273,989

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

Tourism Promotion

Twenty-four percent of Hotel Motel revenues collected, but not more than \$2 million per fiscal year, is allocated to a tourism promotion agency, typically the Long Island Convention and Visitors

Bureau (LICVB). In 2013 and 2014, the agency received more than \$2 million as a reconciliation from prior years. Moving forward, the recommended budget includes \$2 million for this agency in 2015.

LICVB

- 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 has instituted a Suffolk County-specific website and a Suffolk County-specific travel guide. These additions were expected to both help the Bureau promote Suffolk County specifically and to better track the effectiveness of its programs on Suffolk County-specific tourism. Advertisement-specific codes are used to track effectiveness.
- The LICVB website has links to both Nassau and Suffolk-specific sites; however, it is our understanding that advertisements paid for by Suffolk County dollars link directly to the Suffolk County-specific site. Regional campaigns will link to the main LICVB site.
- Dues-paying memberships for lodgings that collect Hotel Motel taxes have been eliminated. Previously, dues-paying member hotels were contributing a small percent of the funding, but receiving a disproportionate number of leads and benefits. Lodgings that collect Hotel Motel taxes are now automatically included on the LICVB Suffolk County website, although there are varying degrees of active participation. The LICVB notes that all affected lodgings were notified when this change was instituted.
- New initiatives include marketing Suffolk as an epicurean destination.

Cultural Affairs

The recommended budget includes \$991,050 in Hotel Motel Tax expenditures in the Cultural Affairs Division, an approximate 6% decrease compared to the \$1,049,406 adopted and estimated in 2014. This appropriation represents the corresponding mandated 10% distribution of recommended Hotel Motel Tax revenue for cultural programs and activities relevant to the tourism industry, as well as adjustments from prior years.

Per past practice, but not required, a portion of this funding is allocated generically, for “Special Services”, and another portion is allocated to specific contracted agencies during the budget adoption process. Typically, the distribution of the “Special Services” allocation is made in consideration of advisory recommendations from the Citizens Advisory Board for the Arts (CAB), which then must be approved by Legislative resolution.

The Legislature has less control over the funding distributed by CAB recommendation, and CAB allocations to certain agencies have sometimes been duplicative of funding provided within the adopted budget. In addition, almost 17% of the 2014 expenditure for community regrants went to arts councils for administrative fees.

Of the total recommended for Cultural Affairs, \$273,066 is allocated for Special Services (CAB-related) in 2015, at no change from the 2014 estimated expense, and instead, the reduced funding level disproportionately affects the amount reserved for contracted agencies. These agencies are allocated a total of \$717,984, absorbing the full \$58,356 decrease in cultural funding from the 2014

estimate. The following table shows the total cultural allocation, and the recommended split between Special Services and the amount set aside for individual contracted agencies.

The table that follows shows the 2014 estimated expenditure for the specific contracted agencies in the Cultural Affairs Division.

Cultural Affairs Division Expenditures	2014 Estimate	% of Total Cultural Exp.	2015 Recommended	% of Total Cultural Exp.	% Change 2015 Rec. from 2014 Est.
Allocation for Special Services (192-6414-4770) Typically allocated by recommendation of the Citizens Advisory Board for the Arts	\$273,066	26%	\$273,066	28%	0%
Allocation for Individual Cultural Contracted Agencies (192-6414-4980)	\$776,340	74%	\$717,984	72%	-8%
Total Cultural Allocation	\$1,049,406	100%	\$991,050	100%	-6%

Detail for Individual Cultural Affairs Contracted Agencies

Act. Code	Activity Name	2014 Estimate	Act. Code	Activity Name	2014 Estimate
BBUI	ISLIP ARTS COUNCIL	\$50,000	JHAI	LONG ISLAND WINE COUNCIL	\$15,000
GQOI	SMITHTOWN ARTS COUNCIL	\$5,000	JHCI	GALLERY NORTH ARTS FESTIVAL*	\$10,000
GSZI	GREATERT PORT JEFF ART COUNCIL	\$10,000	JHWI	TEATRO EXPERIMENTAL YERBABRUJA, INC.	\$30,840
GTGI	WESTHAMPTON BCH PERFORM ARTS	\$20,000	JIDI	NORTH FORK COMMUNITY THEATER	\$5,000
GVUI	BAYPORT-BLUE PT CHAMB. OF COMM.	\$5,000	JIYI	LONG ISLAND PHILHARMONIC, INC.	\$15,000
GWZI	PATCHOGUE THEATER FOR PERFORMING ARTS	\$10,000	JJWI	THE SMITHTOWN PERFORMING ARTS COUNCIL, INC.	\$50,000
GXEI	HAMPTONS SHAKESPEARE FESTIVAL	\$5,000	JKSI	EAST END ARTS COUNCIL - HARVEST GOSPEL CONCERT SERIES	\$6,000
GZWI	BAY STREET THEATER	\$20,000	JKXI	DIX HILLS PERFORMING ARTS CENTER	\$15,000
HANI	GUILD HALL OF EAST HAMPTON	\$20,000	JKYI	EAST END TOURISM ALLIANCE	\$15,000
HFHI	EAST END SPECIAL PLAYERS	\$5,000	JKZI	LONG ISLAND LATINO TEACHERS ASSOCIATION, INC.	\$10,000
HHFI	FRIENDS OF SMITHTOWN LIBRARY	\$40,000	JLVI	AFRICAN AMERICAN FILM FESTIVAL	\$5,000
HHJI	NESCONSET CHAMBER OF COMMERCE	\$20,000	JNXI	LUMIERE	\$6,000
HJNI	PARISH ART MUSEUM	\$10,000	JNYI	THEATER THREE	\$15,000
HLTI	CHILDRENS MUSEUM OF THE EAST END	\$10,000	JNZI	HOLBROOK CHAMBER OF COMMERCE	\$8,000
HQBI	SPLASHES OF HOPE	\$5,000	JPJI	PATCHOGUE ARTS COUNCIL, INC.	\$15,000
HVPI	SOUTHAMPTON CULTURAL CENTER	\$5,000	JKPI	FRIENDS OF JOSEPH REBOLI	\$10,000
HWFI	MEDFORD CHAMBER OF COMMERCE	\$20,000	JPLI	WET PAINT FESTIVAL**	\$10,000
HWHI	EAST END ARTS COUNCIL - WINTERFEST	\$10,000	JPMI	HER STORY	\$5,000
JBXI	BABYLON CITIZENS COUNCIL ON THE ARTS	\$12,500	JJNI	STAR PLAYHOUSE AT THE SUFFOLK Y JCC	\$30,000
JBYI	BABYLON VILLAGE ARTS COUNCIL	\$7,000	JPOI	PERFORMING ARTS CENTER OF SUFFOLK COUNTY	\$20,000
JEAI	FISCHER-HEWINS VFW POST 6249	\$30,000	JQMI	SACHEM PUBLIC LIBRARY	\$5,000
JERI	BELLPORT CHAMBER OF COMMERCE	\$10,000	JQWI	LISCA	\$5,000
JEYI	MASTIC BEACH PROPERTY OWNERS ASSOCIATION	\$6,000	JQXI	GREATERT MASTIC BEACH CHAMBER OF COMMERCE	\$10,000
JEZI	REFLECTIVE GARDENS AT COMMON GROUND	\$15,000	JQYI	TOWNSHIP THEATRE GROUP	\$5,000
JGVI	HUNTINGTON CHAMBER OF COMMERCE, LI FALL FESTIVAL	\$40,000	JQZI	BARE BONES THEATER COMPANY	\$5,000
JGWI	HUNTINGTON ARTS COUNCIL, SUMMER ARTS FESTIVAL	\$40,000	JRAI	PATTERSQUASH CREEK CIVIC ASSOC***	\$5,000
JGYI	COPIAGUE CHAMBER OF COMMERCE	\$10,000	JRBI	VAIL-LEAVITT MUSIC HALL	\$5,000

* The name of this agency should be changed to "Gallery North, Inc." per Resolution No. 87-2013.

** The name of this agency should be changed to "Gallery North, Inc. Wet Paint Festival" per Resolution No. 68-2013.

***Pending IR 1758-2014 would transfer this \$5,000 funding to the Post Morrow Foundation Inc. (192-EDP-6414-XXXX).

Resolution No. 516-2014 approved the allocation of \$273,066 in 2014 adopted “Special Services” Cultural funding to various agencies, as recommended by the CAB. Per the Department, CAB acts as an advisory panel to recommend funding, but does not receive or administer the funds directly. The distribution of funding was somewhat atypical this year, as compared to recent years. A portion of funding was provided to various arts councils for re-distribution to agencies in amounts less than \$5,000. The various arts councils administering the regrants received administrative fees totaling \$14,141. The next table summarizes the distribution, while the subsequent tables itemize each expense.

Summary of Distribution:	2014 Grant
The New York Foundation for the Arts, Artrepreneurship Program	\$5,000
Grants of at least \$5,000 each, administered by the Department of Economic Development and Planning.	\$107,000
Community re-grants of less than \$5,000 each, administered by Suffolk County Consortium of Arts Councils	\$70,707
Administrative fees to the various Arts Councils administering the community regrants of less than \$5,000.	\$14,141
Destination Downtown Awards	\$76,218
Total	\$273,066
Contract Agency	2014 Grant
Airmid Theatre Company, Inc.	\$5,000
Atlantic Wind Symphony, Inc	\$5,000
Bay Street Theatre Festival Inc.	\$5,000
Bridgehampton Chamber Music Festival	\$5,000
Byrd Hoffman Water Mill Foundation	\$5,000
East End Arts and Humanities Council, Inc.	\$5,000
Guild Hall of East Hampton, Inc.	\$5,000
Hallockville, Inc.	\$5,000
Huntington Arts Council	\$5,000
Longhouse Reserve (2 programs of \$3,500 each)	\$7,000
Long Island Museum of American Art, History & Carriages	\$5,000
Performing Arts Center of Suffolk County dba Gateway Playhouse	\$5,000
Sag Harbor Whaling & Historical Museum	\$5,000
Sol y Sombra Spanish Dance Co.	\$5,000
Southampton Historical Museum	\$5,000
Stony Brook Foundation, Inc. (Pollock-Krasner House)	\$5,000
The Neo-Political Cowgirls/NYFA Artspire	\$5,000
The Perlman Music Program	\$5,000
The Whaling Museum Society, Inc. Cold Spring Harbor	\$5,000
Westhampton Beach Performing Arts Center, Inc.	\$5,000
Worldwide Voices, Inc.	\$5,000
Total Grants Administered by Department	\$107,000

Contract Agency	Program Sub-Contractor	2014 Grant Amount	Arts Council Admin. Fee
Babylon Citizens Council on the Arts	American Indian Artists, Inc. AMERINDA Shinnecock Nation Cultural Center and Museum	\$3,500	\$700
Babylon Citizens Council on the Arts	Long Island Traditions	\$2,000	\$400
Babylon Citizens Council on the Arts	The Babylon Chorale	\$3,000	\$600
	<i>Subtotal</i>	\$8,500	\$1,700
Brookhaven Arts and Humanities Council	Great Port Jeff. Northern Brookhaven Arts Council	\$4,500	\$900
Brookhaven Arts and Humanities Council	Society for the Preservation of LI Antiquities	\$3,000	\$600
Brookhaven Arts and Humanities Council	The Cultural Arts Guild of Mastic Beach	\$1,000	\$200
	<i>Subtotal</i>	\$8,500	\$1,700
East End Arts	Children's Museum of the East End	\$2,500	\$500
East End Arts	Parrish Art Museum	\$2,000	\$400
East End Arts	Southampton Cultural Center	\$4,000	\$800
	<i>Subtotal</i>	\$8,500	\$1,700
Great Port Jeff. Northern Brookhaven Arts Council	Asian-American Cultural Circle of Unity	\$3,000	\$600
Great Port Jeff. Northern Brookhaven Arts Council	Gallery North	\$3,000	\$600
Great Port Jeff. Northern Brookhaven Arts Council	Research Found of SUNY Paul W. Zuccaire Gallery at Staller Ctr.	\$1,000	\$200
	<i>Subtotal</i>	\$7,000	\$1,400
Huntington Arts Council	Huntington Choral Society	\$4,000	\$800
Huntington Arts Council	North Shore Chamber Choir	\$1,000	\$200
Huntington Arts Council	Northport Arts Coalition	\$1,500	\$300
Huntington Arts Council	Ridotto	\$4,000	\$800
	<i>Subtotal</i>	\$10,500	\$2,100
Islip Arts Council	Heart For Art	\$3,000	\$600
Islip Arts Council	Teatro Experimental Yerbabruja, Inc.	\$2,907	\$581
Islip Arts Council	The Gilbert & Sullivan Light Opera Co. of LI	\$3,000	\$600
	<i>Subtotal</i>	\$8,907	\$1,781
Patchogue Arts Council	Community Dev. Agency of the Village of Patchogue	\$1,000	\$200
Patchogue Arts Council	Long Island Philharmonic	\$4,000	\$800
Patchogue Arts Council	Patchogue Village Center for the Performing Arts	\$4,000	\$800
	<i>Subtotal</i>	\$9,000	\$1,800
Smithtown Township Arts Council	Island Symphony Orchestra (Island Senior Citizens)	\$2,000	\$400
Smithtown Township Arts Council	Smithtown Community Band	\$3,000	\$600
Smithtown Township Arts Council	Sound Symphony Orchestra	\$4,800	\$960
	<i>Subtotal</i>	\$9,800	\$1,960
Total Community Regrants less than \$5,000		\$70,707	\$14,141
Administered by Suffolk County Consortium of Arts Councils			

Film Promotion

The recommended budget provides \$220,179 for film promotion, which is consistent with a corresponding two percent distribution of recommended Hotel Motel Tax revenue for Film Promotion, as well as adjustments from prior years. The legislation provides that "up to" two percent can be used for film promotion; there does not appear to be any mandated minimum for this purpose. 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 recommended budget provides \$21,218 for Special Services and \$93,178 for individual contract agencies. Overall, there is 14% less funding to allocate than last year.

Certain cost increases related to the filled position in this Division are unavoidable; most of the reduction must be absorbed by Special Services and named contracted agencies. For illustrative purposes, the following chart summarizes how the reduced funding affects the different spending categories.

Type of Expense	2014 Est.	2015 Rec.	2015 Rec. Minus 14 Est.	% Change
Salary, Benefits, Health Related, for One Employee	\$74,716	\$76,583	\$1,867	2%
Supplies, MTA Tax, Travel, Advertising, Other	\$39,271	\$29,200	-\$10,071	-26%
Subtotal A- Related to Employees	\$113,987	\$105,783	(\$8,204)	-7%
Special Services (Film Commission)	\$42,405	\$21,218	(\$21,187)	-50%
Individual Contracted Agencies	\$100,000 (detailed below)	\$93,178	(\$6,822)	-7%
Staller Film Festival (HBPI)	\$25,000			
Hampton Film Festival (HIPI)	\$25,000			
Cinema Arts Centre (JGU1)	\$25,000			
Plaza Cinema and Media Arts Center (JRC1)	\$25,000			
Subtotal B- Related to Agencies	\$142,405	\$114,396	(\$28,009)	-20%
Total Film (Subtotal A + Subtotal B)	\$256,392	\$220,179	-\$36,213	-14%

The following table shows how the 2014 estimate of \$42,405 for Special Services in the Film Division was allocated by recommendation of the Suffolk County Motion Picture/TV Film Commission (as per Resolution No. 517-2014) for the promotion of Suffolk County as a film-friendly location.

Film Program	2014 Grant Amount
Next Exposure: Suffolk County Low Budget Independent Film Completion (Through Cinema Arts Center, \$1,000 Administrative Fee)	\$7,405
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
Shinnecock-Sewanaka Society - Native American Film Festival	\$5,000
Total Allocated by Resolution No. 517-2014	\$42,405

Community Development Fund (Fund 351)

The EDP Divisions of Community Development and Home Investment Partnership are funded by Fund 351, the Community Development Fund. The Division administers Federal grants that benefit cooperating municipalities. Expenditures to the fund are primarily comprised of costs related to the six filled positions in these Divisions (two in Community Development, and four in Home

Investment Partnership), plus an interfund transfer related to the cost of health insurance for these employees.

This fund has been running at an increasing deficit. The fund ended 2013 with a negative fund balance (\$1,384,485), which is estimated to increase to a negative \$1,432,126 by the end of 2014. Due to an eight percent increase in recommended expenditures and a 37% decrease in recommended fund revenue, the 2015 recommended year-end fund balance of a negative \$1,795,319 represents a deficit increase of 25% from the start of the year, or a deficit increase of 47% from the fund balance at the end of 2012.

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 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.

It is our understanding, pending confirmation by the Department, that the transfer for health insurance, recommended at \$140,057 in 2015, 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. Even if a General Fund transfer of \$140,057 was included in 2015, recommended expenditures would still be \$223,136 more than 2015 recommended revenue. In order to reconcile the existing deficit, a significant one-time General Fund transfer would be needed.

2013 Actual	2014 Estimated	Status of Fund 351 Community Development Fund	2015 Recommended
(\$1,220,221)	(\$1,384,485)	Fund Balance, January 1	(\$1,432,126)
\$579,963	\$682,826	Plus Revenue, January 1 to December 31	\$426,785
(\$640,258)	(\$701,659)	Total Funds Available	(\$1,005,341)
\$744,227	\$730,467	Less Expenditures, January 1 to December 31	\$789,978
(\$1,384,485)	(\$1,432,126)	Fund Balance, December 31	(\$1,795,319)

Budget Review Office Recommendations

Hotel Motel Tax Revenue (Fund 192)

Based on third quarter receipts, the recommended one percent growth rate in Hotel Motel Tax, as compared to the 2014 estimate, appears reasonable but conservative. Although these revenues are difficult to project, recent experience suggests that three percent growth in 2015 is attainable.

Cultural Affairs

There is a \$58,356 decrease in available funding, compared to the 2014 estimate. The amount reserved for contracted agencies absorbs the full funding decrease in the recommended budget, while the CAB allocation remains unchanged. We recommend that a policy decision be made on the appropriate allocation between contracted agencies (usually distributed during the budget

adoption process) and “Special Services” (usually distributed by recommendation of the Citizens Advisory Board for the Arts-CAB).

Per Resolution No. 87-2013, the name of the contracted agency “Gallery North Arts Festival” (JHCI) should be changed to “Gallery North, Inc.”.

Per Resolution No. 68-2014, the name of the contracted agency “Wet Paint Festival” (JPLI) should be changed to “Gallery North, Inc. Wet Paint Festival”.

Aviation Division and Fund 625

To reflect increased Take-Off Fee revenue, increase the 2014 estimate by \$125,000 and the 2015 recommended revenue by \$100,000. This would result in a decreased interfund transfer from the General Fund, typically required to balance Fund 625 in 2014 and 2015.

To reflect the net effect of Resolution No. 647-2014 and other factors, increase the 2014 estimate for Airport Fees and Rents by \$100,000. This would also result in a decreased interfund transfer from the General Fund.

Consider opportunities to improve revenue. The Division has noted that the expiration of several leases over the next few years will be an opportunity for increased revenue. The creation of new hangar space can also generate revenue, as current hangar space is at capacity.

Status of Funds for Fund 351

Fund 351 has been running at an increasing deficit. Any increase in the number of filled positions in this fund would add to the deficit. To reconcile the existing deficit (almost \$1.8 million at year-end 2015), 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.

LH EDP15

Executive Office

Personnel (as of 9/14/2014)					
Authorized Positions:	62	Filled Positions:	50		
Vacant Positions:	12	Percentage Vacant:	19.4%		
Positions Abolished in the Recommended Budget:	1	New Positions:	7		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$4,329,358	\$4,566,593	\$4,596,143	\$5,230,551	\$5,199,540
Equipment (2000s)	\$0	\$12,634	\$222	\$39,609	\$39,609
Supplies (3000s)	\$58,538	\$133,733	\$72,444	\$138,217	\$137,447
Contracts (4000s)	\$327,237	\$492,549	\$238,322	\$976,823	\$976,823
Totals	\$4,715,134	\$5,205,509	\$4,907,131	\$6,385,200	\$6,353,419
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$1,836	\$0	\$26,424	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$2,250	\$2,250	\$2,250	\$2,250
Totals	\$1,836	\$2,250	\$28,674	\$2,250	\$2,250

Effects of Recommended Budget

Personnel

The 2015 Recommended Budget increases the number of authorized positions in the Executive Office by six. One vacant Accountant (grade 20) position in the Office of Budget and Management (001-EXE-1232) is abolished. The budget also recommends the transfer of seven positions within the Department to better align staff with the services they provide. Of the positions being transferred, one Senior Management Analyst (grade 24) and one Chief Executive Analyst (grade 31) from the Office of Budget and Management are transferred into the newly created appropriation, Performance Management (016-1236). The remaining five transfers, within other units in the Executive Office, are to appropriately reflect the incumbents' job functions. The recommended budget also creates seven new positions in the Executive Office, as detailed in the following table.

New Positions Included in the Recommended Budget for the Executive Office				
Fund	Appropriation	Unit Name	Position	Grade
016	1236	Performance Management	Director of Performance Management	37
001	1232	Office of Budget and Management	Government Liaison Officer	27
001	1230	County Executive	County Executive Assistant I	21
001	1230	County Executive	County Executive Assistant I	21
001	1230	County Executive	Secretary	17
001	1230	County Executive	Secretary	17
001	1232	Office of Budget and Management	Budget Assistant	13

Expenditures

The 2014 estimated budget for the Executive Office of \$4,907,131 is \$298,378 less than previously adopted. The 2015 Recommended Budget of \$6,353,419 provides for a 29% increase over the 2014 estimated budget. Aggregated permanent salaries funding of \$5,112,765 is \$654,572 more than the 2014 estimate. The recommended funding level for permanent salaries is sufficient to fund all currently filled positions for the duration of 2015 with an additional \$691,833 available to fill new and vacant positions next year.

The recommended budget creates a new Performance Management appropriation in Fund 016 instead of Fund 001. The budget narrative indicated that the change was done in an effort to align resources, systems and employees to attain strategic objectives and priorities. As detailed in the previous table, a Director of Performance Management (grade 37) position was created and has been added to the Salary and Classification Plan.

Contractual Expenses

The 2014 estimated budget for fees for services (object code 4560) includes \$229,012, which is \$250,988 or 52% less than previously adopted. This reduction is mainly attributable to Performance Management (001-1235), which is estimated to expend \$190,000 less than previously adopted for fees for services. The recommended budget includes \$878,730 in the aggregate for fees for services: non-employ, which is \$649,718 more than the 2014 estimate. The increase is primarily associated with a net increase of \$225,000 for the Performance Management Unit, \$225,000 for the County Executive's Office and \$160,718 for the Office of Budget and Management.

Issues for Consideration

The recommended budget includes \$665,031 for the new Performance Management Unit. More than half of the recommended budget is for permanent salaries associated with the five positions in this unit. The remainder of the recommended funds are for fees for services. The budget narrative indicates that the Performance Management Unit's core mission is to introduce, develop and implement a program of evidence-based decision making, which rethinks and reframes operating assumptions to evaluate and improve government services by gathering performance results to improve financial outcomes. While the core staff of the Performance Management team is located in the Executive Office, the recommended budget narrative indicates that other Performance Management team members are located within major County departments.

Additional funding and the creation of the new Director of Performance Management position is being recommended for the Performance Management Unit. The recommended budget narrative indicates that during the Unit's (001-1235) first full year of operation, numerous revenue and cost savings opportunities were realized. The Legislature should consider requesting that the County Executive's Office provide information regarding the details of the focus of the Performance Management Unit and how the prospective initiatives are to be addressed in the future.

MF EXE15

Finance and Taxation

Personnel (as of 9/14/2014)					
Authorized Positions:	44	Filled Positions:	43		
Vacant Positions:	1	Percentage Vacant:	2.3%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$3,006,098	\$2,945,172	\$2,893,752	\$3,105,854	\$3,015,554
Equipment (2000s)	\$9,969	\$12,030	\$3,410	\$6,120	\$5,660
Supplies (3000s)	\$214,897	\$295,062	\$252,562	\$338,884	\$324,884
Contracts (4000s)	\$906,090	\$957,029	\$933,979	\$957,029	\$957,029
Totals	\$4,137,053	\$4,209,293	\$4,083,703	\$4,407,887	\$4,303,127
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$0	\$0	\$0	\$0	\$0
Departmental Income	\$688,203	\$729,525	\$733,525	\$719,025	\$733,525
Other Income	\$1,936,082,642	\$1,992,628,397	\$1,977,274,337	\$2,097,503,069	\$2,058,099,275
Totals	\$1,936,770,846	\$1,993,357,922	\$1,978,007,862	\$2,098,222,094	\$2,058,832,800

Effects of Recommended Budget

Personal Services

The 2014 estimate for permanent salaries is \$2.71 million, which is \$66,476 less than adopted. The 2015 Recommended Budget provides \$2.83 million for permanent salaries, which is sufficient to fund all 43 filled positions, with \$27,534 to fill the one vacancy in the last quarter of 2015 (Chief Accountant, grade 31). The Department requested additional funding for two new Clerk Typist positions, which are not included in the recommended budget.

Expenditures

Not including Personal Services, in the aggregate the 2014 estimated expenditures are \$1.19 million which is \$74,170 or 5.87% less than the adopted amount of \$1.26 million. The 2015 recommended funding in the aggregate is \$1.29 million, which is \$23,452 more than the adopted and \$14,460 less than requested.

Issues for Consideration

Staffing

The Department requested two new Clerk Typist positions. One position would be added to the unit charged with the responsibility for recording and supervising all Trust and Agency accounts, and receiving and disbursing all bail monies, fees and fines on deposit with the Treasurer from various Courts as well as the Sheriff's Office, and station house bail taken by the police precincts. This unit also reconciles the County's operating and payroll bank accounts. In addition, this unit processes and mails Social Service checks on a daily basis, totaling over 5,000 checks per month. The additional Clerk Typist position would address compliance issues (court orders) for disbursement due dates associated with Social Service payments.

The second position would be assigned to the unit that interfaces with the ten Town Assessors and Tax Receivers, Legislators, and attorneys regarding tax reductions. This unit's work consists of Court Orders, Small Claim Petitions, and erroneous assessments. The backlog in tax grievances has increased from 29,423 in 2009 to 39,485 in 2013, which is a 34.2% increase over four years. The Department reports the current backlog of disbursements payable associated with erroneous assessments has increased. The recommended budget does not include either Clerk Typist position.

The 2014 Adopted Operating Budget provided \$73,866 for Temporary Salaries. The recommended budget provides an increase of \$8,916 in 2015, as requested, to help address the existing backlogs.

Expenditures

The recommended budget increases funding by \$40,965 in 2015 for Computer Software, as requested. A portion of this funding will be used to enable online property tax payments to the County.

All other recommended expenditures for the Department in 2015 are at the requested level or at the 2014 estimated amount. Based on historical expenditure trends and BRO projected funding requirements in 2015, the recommended funding is reasonable.

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. Cash flow problems are a sign of a structural imbalance in the budget, where revenues exceed expenditures. 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. It appears that the level of cash flow borrowing may have peaked and started a gradual decline. Nevertheless, we expect cash flow management to remain a challenging exercise in 2015.

Interest Earnings (FIN – 2401 and 2404)

During 2013, the Department of Finance and Taxation reportedly managed a monthly average of \$551.8 million in County funds, which is \$106.3 million or 23.9% more than the \$445.5 million reported in 2012. Actual interest earnings for the General Fund totaled \$245,519 in 2013, up from \$95,485 in 2012. For all funds, actual interest earnings totaled \$784,199 in 2013, down \$21,340 from \$805,539 in 2012. 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 2013 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 2014 estimate for General Fund interest revenue is \$225,000, which is \$20,519 less than the amount received in 2013. As of September 19, 2014, interest revenue is \$231,469, or \$6,469 more than estimated. Based on year-to-date General Fund interest revenue and historical trends, BRO estimates 2014 General Fund interest revenue at \$245,000 or \$20,000 more than estimated. The recommended budget includes \$200,000 for 2015. Assuming similar conditions, our projections suggest 2015 recommended General Fund interest revenue may be understated by \$50,000.

Our estimates for interest revenue across all funds in both 2014 and 2015 are consistent with the recommended budget.

Budget Review Office Recommendations

- The 2015 Recommended Budget and the 2014 estimates for expenditures are reasonable.
- The BRO recommends increasing interest earnings in the General Fund by \$20,000 in 2014 and \$50,000 in 2015. The breakdown between the two relevant revenue codes is: (1) increase 001-2401- Interest and Earnings by \$105,550 in 2014 and by \$75,000 in 2015 and (2) decrease 001-2404-Interest Earnings Other Govts by \$85,550 in 2014 and by \$25,000 in 2015.

Fire, Rescue and Emergency Services (FRES)**Personnel (as of 9/14/2014)**

Authorized Positions:	86	Filled Positions:	77
Vacant Positions:	9	Percentage Vacant:	10.5%
Positions Abolished in the Recommended Budget:	0	New Positions:	0

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$6,199,725	\$5,464,932	\$6,620,880	\$5,528,488	\$5,308,986
Equipment (2000s)	\$2,641,179	\$21,027	\$1,713,401	\$122,527	\$20,100
Supplies (3000s)	\$1,236,149	\$403,855	\$1,174,501	\$504,720	\$413,205
Contracts (4000s)	\$3,558,221	\$2,049,308	\$4,421,030	\$2,049,308	\$2,049,308
Totals	\$13,635,273	\$7,939,122	\$13,929,812	\$8,205,043	\$7,791,599

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$5,892,813	\$550,515	\$6,486,834	\$568,568	\$568,568
Departmental Income	\$0	\$155,000	\$0	\$0	\$0
Other Income	\$144,528	\$25,000	\$64,002	\$106,000	\$106,000
Totals	\$6,037,341	\$730,515	\$6,550,836	\$674,568	\$674,568

Effects of Recommended Budget

Overview

The Department of Fire, Rescue and Emergency Services (FRES) 2015 Recommended Operating Budget is five percent, or \$413,444 less than the Department's request due to decreases in overtime, public safety equipment, and clothing and accessories. Grant funding is less than the 2014 estimate as grant funding is often rolled over from a previous year or accepted by resolution during the year.

Personnel

Permanent Salaries are recommended as requested. Overtime in the Department's main appropriation, 3400, is \$175,000 less than requested and in appropriation 3405 (Domestic Preparedness Support) it is \$15,000 less than requested. The 2014 estimate for overtime is \$300,000 more than the 2014 adopted amount (\$500,000) in appropriation 3400.

Equipment and Supplies

Funding in 2015 for Public Safety Equipment (object 2260) in appropriation 3400 is \$100,000 less than requested. The requested funding was to be used to purchase replacement personnel protective equipment for fire coordinators. Clothing & Accessories (object 3310) is \$91,515 less than requested. This funding was to be used for purchase of uniforms for Suffolk County Auxiliary Police Officers.

Contracts

The Vocational Education and Extension Board (VEEB) contract is recommended as requested by the Department, after renegotiations that took place in 2014. All other contract related expenses are also recommended as requested by the Department.

Revenue

Grant revenue is recommended as requested, but is greatly reduced from the 2014 estimate of \$5.9 million. According to the Department, many grants are expiring in 2015. Only two revenues, for Civil Defense, revenue code 4305, and for fire extinguisher fees, are scheduled in the 2015 budget.

Note that there is an error in the budget regarding a grant revenue within the FRES budget that should be corrected. FRES has been assigned funding from Revenue Code 4380, SNAP Fraud FY2013. Instead, the budget should list this revenue under the Police Department (appropriation 001-3685).

Issues for Consideration

Overview

Based on Budget Review Office (BRO) analysis, overtime expenditures are understated in the 2014 estimate and insufficient in 2015 by a combined total of \$725,000. Given the reasonable expenditure assumptions in the rest of the Department's budget, this could result in hiring constraints, which will lead to a continuation in the use of overtime, and possibly growth in the use of overtime, if backfill is constrained by the use of overtime. While the Department has historically been able to utilize unexpended salary funds to cover overtime expenses, over the last five years actual overtime has exceeded the ability of the Department to make good on the overtime "deficit" through the use of permanent salaries. This will likely be the case in 2014 and in 2015 as well.

Grant Revenues

Although many grant revenues expire, the Department can expect to receive funding from the next iteration of the State Homeland Security Program (SHSP) and the Urban Area Security Initiative (UASI). These funds are typically accepted and appropriated in the year they are awarded, with funding rolling over into the next year as necessary. Funding is based on population and threat analysis.

While no grant funding has yet been rolled into 2015, some grant funding, particularly UASI and SHSP FY2013 funding, can be expected to be moved into 2015. The State Emergency Management Office (SEMO) has yet to notify FRES of awards in 2014 for UASI and SHSP. These grants are often appropriated in the fourth quarter of the year of the award. Grant awards vary by program budgets. SHSP has averaged approximately \$846,000 over the last six years; UASI has averaged \$1.3 million.

FRES Overtime and Emergency Services Dispatcher Vacancies

Year-to-date overtime expenditures in appropriation 3400 are \$721,689, as of October 1, 2014. Given the 2014 estimate of \$800,000, the Department would have to expend less than \$11,500 in each of the remaining biweekly pay periods to come in on budget; this seems unlikely. BRO estimates that overtime in appropriation 3400 will be \$1,045,952 in 2014, which is almost \$250,000 more than the 2014 estimate.

In 2015, the recommended budget allocates \$625,000 for overtime in appropriation 3400. To meet this amount, overtime expenditures would have to average approximately \$25,682 per pay period, which is considerably less than the average over the past few years and more recent experience. Of more concern is overtime, which has averaged \$46,323 per pay period since Communications Unit staffing has fallen below 48 personnel (since July 20, 2014).

Because of the loss of staff over the last two months in the Communications Unit, the inability to hire because of the lack of a current Emergency Dispatcher I list, and the analysis of the historical data available, BRO estimates that overtime in appropriation 3400 is probably underbudgeted by at least \$475,000, even if hiring takes place as recommended.

Overtime in the Department as a whole is highly dependent upon the overtime of the Emergency Services Dispatchers in the Communications Unit; 85% to 95% of the overtime costs in the entire Department are attributable to this unit. Three factors affect the overtime within this unit:

- The number of fully trained staff in the unit. Newly hired Emergency Services Dispatchers (ESD) require a six month training and certification period before they can fully man a station by themselves. Recent loss of staff has reduced the number of personnel in the Communications Unit to 45 Emergency Services Dispatchers (all grades) from the full complement of 50. The last civil service eligible list for Emergency Service Dispatchers expired in July 2014. A test for the position is scheduled for October 23, 2014.
- The overall permanent staffing of the unit. Prior to the recent loss of personnel, the Communication unit had been at or close to full staffing for more than a year. At full staffing with fully trained and certified dispatchers, the average biweekly overtime costs were down.
- Emergencies or contingencies such as Superstorm Sandy. In the six months after Superstorm Sandy, the average biweekly overtime increased by 59% compared to the previous 26 weeks.

In addition to the loss of 5 dispatchers over the last three months, the Department expects at least two retirements in 2015. Given the Emergency Services Dispatcher I test administration date, and

the available salary in the appropriation, it would be difficult to hire before the beginning of the second quarter of 2015, with hire dates in third quarter being more likely; the Department's request assumes hiring in the third quarter. Because of the six month training and certification period required for new hires, overtime costs would not likely be favorably impacted by new hires until the first quarter of 2016 at the earliest.

Public Safety Equipment

The \$100,000 reduction from the Department's requested budget in appropriation 3400, object 2260, had been allocated for replacement of Fire Coordinator personal protective equipment (turnout gear), per National Fire Protection Association Standards. According to the Executive Budget Office and FRES, the funding was removed with the intention of finding an offset in either the 2014 Capital Budget or the 2015 Capital Budget. The purchase of this equipment had previously been requested by the Department as a capital project (CP FRE02) for the Proposed 2015-2017 Capital Program; the County Executive did not include this capital project in the proposed program, with the apparent intention of including funding for the equipment in the operating budget.

Suffolk County Auxiliary Police

The recommended budget does not include funding for uniforms for the Suffolk County Auxiliary Police that was requested by the Department for Clothing & Accessories (object 3310) in appropriation 3400. Without the funding, Auxiliary Police Officers will continue the current practice of procuring uniforms secondhand from the Police Department.

Expenditures related to the Auxiliary Police can be difficult to ascertain. The organization reports to the Emergency Management Section of the Police Department, under the Headquarters Division, but also apparently is funded within FRES, for example with the requested uniforms, and also in the FRES capital program, where body armor for the Auxiliary Police was recently authorized and appropriated. While the Auxiliary Police is an unpaid volunteer organization, funds for training, vehicle maintenance, and equipment are expended by the County.

Budget Review Office Recommendations

- Increase the 2014 estimated expenditure for overtime in appropriation 3400 by \$245,952, to \$1,045,952.
- Increase the 2015 budget for overtime in appropriation 3400 by \$475,000, to \$1.1 million.
- Correct the revenue line in the budget that allocates SNAP Fraud FY2013 funding by changing the department designation from FRES to Police.

CF FRES15

Health Services

Personnel (as of 9/14/2014)					
Authorized Positions:	884	Filled Positions:	703		
Vacant Positions:	181	Percentage Vacant:	20.5%		
Positions Abolished in the Recommended Budget:	4	New Positions:	8		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$58,606,743	\$54,403,329	\$52,085,599	\$56,467,467	\$53,047,444
Equipment (2000s)	\$216,957	\$158,618	\$365,084	\$125,008	\$104,966
Supplies (3000s)	\$6,689,757	\$7,523,544	\$6,887,521	\$6,588,777	\$5,928,316
Contracts (4000s)	\$205,875,517	\$208,094,397	\$211,046,735	\$202,700,229	\$199,139,702
Totals	\$271,388,974	\$270,179,888	\$270,384,939	\$265,881,481	\$258,220,428
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$105,656,307	\$116,599,794	\$111,643,874	\$110,901,740	\$110,829,624
Federal Aid (4000s)	\$25,596,423	\$17,078,194	\$21,685,049	\$17,256,527	\$17,256,527
Departmental Income	\$67,131,370	\$35,915,465	\$36,457,433	\$21,298,227	\$25,865,127
Other Income	\$2,086,130	\$19,393,164	\$13,483,475	\$2,065,500	\$2,156,500
Totals	\$200,470,230	\$188,986,617	\$183,269,831	\$151,521,994	\$156,107,778

Effects of Recommended Budget

Overview

The 2015 Recommended Operating Budget for the entire Department of Health Services is \$7.7 million or 2.9% less than requested and \$12.2 million or 4.5% less than the 2014 estimate, when certain employee benefits and interfund transfers. Most of the reduction compared to the request is in personnel, which is \$3.4 million less, and in contractual costs, which are reduced by \$3.6 million. Of the remaining reduction of almost \$700,000, more than 90% is comprised of a 10% reduction in the Department's supply expenditures. Generally, grant funded appropriations are recommended at the requested level, while appropriations with local costs are reduced.

Compared to the 2014 estimate, the recommended budget is 4.5% less, with more than 80% of the reduction related to the continuing divestiture of the health centers, and the consequent realignment of personnel in the Patient Care Services Division. The recommended budget includes revenue of \$11.25 million in 2014 from the sale of the premises and property on the site of the former John J. Foley Skilled Nursing Facility. A transfer of approximately \$3.1 million is anticipated to the General Fund as a result of the sale.

Personnel

The recommended budget reduces permanent salary and overtime as compared to the Department's request by 6.2%. There are no layoffs and eight new positions are created. The reduction is accomplished almost entirely by increasing turnover savings (not filling most of the vacant positions in the Department). There is about \$959,000 available Department-wide to fill a portion of new and currently vacant positions in 2015. Although the recommended budget for the Department as a whole contains sufficient salaries to pay all existing staff in 2015, several individual appropriations lack sufficient funding, notably Public Health Protection, the Public & Environmental Health Lab, the Jail Mental Health, Alcohol, & Drug Abuse Program, Patient Care Programs, Public Health Nursing, and the Methadone Clinics. Other appropriations were recommended with sufficient appropriations for current staff, but due to increases in turnover savings, will be unable to hire at their requested levels. Some of the decrease will be made up by as yet unscheduled transfers from appropriations impacted by the transition of the remaining health centers to another operator.

Equipment and Supplies

Appropriations for equipment and supplies for the Department as a whole are 10% less than requested. Four budget lines comprise more than 85% of the reduction. Computer Software in the Patient Care Programs Division (appropriation 4101-3160) has been reduced by \$278,569 as a consequence of the divestiture of the health center network and the abandonment of the electronic medical record project. The second large reduction is in the Jail Medical Program (4109), where medical, dental & laboratory supplies have been reduced by \$215,000. Computer software in the Community Mental Health Division has been reduced by \$51,036 in the Methadone Clinics (4321) and \$36,389 in Mental Health Programs (4320) appropriations, as the Division elected to maintain its current billing and electronic medical record software.

Contracts and Other Expenditures

The recommended budget reduces all contract expenditures by net of \$3,560,527, a 1.76% reduction. Almost 70% of the reduction relates to the anticipated completion of the transfer of all of Suffolk County's health centers to the control of other licensees, particularly Hudson River HealthCare, which currently operates four former Suffolk County health centers; they will take

over an additional two before the end of 2014. The recommended budget assumes that the last two health centers, in Brentwood and Riverhead, will transition to HRHCare by the end of the second quarter of 2015.

Most of the contract agencies added to the Department's budget in the 2014 Adopted Operating Budget process are funded in the 2015 Recommended Budget at the 2014 Adopted funding level.

In the aggregate, Fees for Services contracts (4560) are \$1,184,835 less than requested. The major components of the reduction are in the Jail Medical Unit (4109), where less outside agency usage is anticipated, and in Patient Care Programs (4101), where lab usage and other services are expected to decrease without the health centers. Emergency Medical Services (4618) expected to use their requested funds to cover increased use of their per diem EMS instructors, and to fund a possible increase in the pay rate for the instructors; this budget line (4618-4560) was reduced by \$85,000.

Revenues

Revenues have increased slightly, about three percent in the recommended budget compared to the Department's request. Of the \$4.6 million increase, \$1.7 million are increased earned revenues in the Patient Care Division, despite the earlier than expected transitions of the Patchogue and Shirley health centers. Mental Health Fees (revenue code 1620) are increased by \$1 million compared to the request. The wage and fringe benefit reimbursement received from Hudson River Healthcare (HRHCare), in anticipation of a contract for certain County employees to be subcontracted to HRHCare, has increased from an estimated \$90,000 in 2014 to \$1.5 million in 2015.

Compared to the 2014 Estimate, revenue is reduced by more than \$27.1 million in the recommended budget; almost \$13.1 million of this difference is revenues in Fund 632, the Nursing Home Fund. Another \$12.3 million is revenue lost because of the cessation of health center operations by the County; this reduction is offset by reductions in expenditures in the Patient Care Division.

Administration

Personnel appropriations in the recommended budget probably preclude hiring other than some backfill in the administrative appropriation, 4005. The personnel units within the appropriation have been reorganized. The Grants Development Unit (1150) has been disbanded and its personnel dispersed to other units within Health Services Administration, and to the Public Health Nursing Bureau. An unnamed unit (1125) consisting of an Employee Relations Director and two support staff has been created.

Services for Children with Special Needs

Recommended Expenditures in the Division are slightly less than requested; the Division anticipates slightly lower enrollment in programs, and the reduction in transportation costs (Appropriation 2960-4110) due to rezoning and better management continues; the 2014 estimate is about \$2.1 million less than previously adopted. State Aid revenues for these programs are down slightly to reflect the lower enrollment and reduced costs.

The Division had requested sufficient appropriations to fill two clerical positions, a Spanish speaking Special Education Coordinator, and either an Assistant Coordinator or the Division Director position for at least part of the year. Recommended appropriations preclude filling any of the currently vacant positions, although backfill will be possible. There will probably be at least one retirement (the acting division director) in 2015.

Public Health

There are two main appropriations within the Division, appropriations 4010 (Public Health) and 4015 (Environmental Protection, which is the Public Health Protection appropriation). Funding for both of these appropriations is less than requested. Appropriation 4010 benefited from the transfer in of several personnel from the Patient Care Division due to health center transitions; however, turnover savings was increased, resulting in less funding for salaries. It appears that one Public Health Nurse position will remain vacant for the year. Medical, Dental and Laboratory Supplies are 33% less than requested.

In appropriation 4015, the Public Health Protection Bureau's main funding source, turnover savings is increased compared to the request; the Bureau was not funded with sufficient salary appropriations for its current personnel. Since the 2015 Operating Budget Request was submitted in June of 2014, the Bureau has hired one Public Health Sanitarian Trainee. Two more vacant sanitarian positions were requested to be filled; there are insufficient funds in the appropriation to fill either of these positions.

Patient Care Services

Divestiture of the County's health center system continues into 2015. The last two remaining sites, at Brentwood and at Riverhead, are expected to transition to Hudson River Healthcare's control and licensure early in the 2nd quarter of 2015. The following table shows information on the progress of the transition of Suffolk County's health centers to licensure under the Hudson River Healthcare FQHC network.

Health Center Transitions 2012-2014					
Health Center	Health Center Location	Previous Contract (for personnel)	Transition Date	HRHCare 2015 Net Contract Cost	Previous Net Cost based on 2011 & 2012 cost reporting
Elsie Owens Family Health Center	Coram	Stony Brook University Hospital	May 1, 2012	\$909,000	\$2,158,743
Kraus Family Health Center	Southampton	Suffolk County	March 17, 2013	\$720,113	\$1,329,043
Maxine S. Postal Tri-Community Family Health Center	Amityville	Suffolk County	June 16, 2014	\$1,483,110	\$2,552,438
MLK Family Health Center	Wyandanch	Good Samaritan Hospital Medical Center	September 15, 2014	\$2,873,396	\$2,926,903
Marilyn Shellabarger South Brookaven Family Health Center-East	Shirley	Brookhaven Memorial Hospital Medical Center	Estimated November 3, 2014	\$2,480,663	\$2,923,003
Marilyn Shellabarger South Brookaven Family Health Center-West	Patchogue	Brookhaven Memorial Hospital Medical Center	Estimated November 3, 2015	\$2,772,103	\$3,330,483
Brentwood Family Health Center	Brentwood	Southside Hospital	Estimated March 2015	\$5.5 million (est)	\$5,681,483
Riverhead Family Health Center	Riverhead	Suffolk County	Estimated April 2015	\$1.5 million (est)	\$2,168,438
Dolan Family Health Center	Huntington	Huntington Hospital	No Transition Date	\$1,620,000	\$1,620,000
Totals				\$19,858,384	\$24,690,533

The HRH Net Contract Cost includes the minimal State Public Health Aid for Municipalities (Article 6) reimbursement still available for the eligible activities in the health centers.

Several budget lines in the 2015 Recommended Operating Budget are affected by health center transitions. Earned revenues related to health center operations are approximately 50% more than requested, which reflects increased time under Suffolk County control for some health centers and updated information on revenue flow compared to the request. The updated revenues are plausible. The 2014 estimate reconciles the later than expected transition of the health centers which transitioned in 2014 to their actual (compared to the date planned for in the 2014 Adopted Operating Budget) transition dates. Riverhead Health Center is funded for the entire year in the 2015 Recommended Budget, even though transition is planned no later than early in the second quarter of the year. Because of the current SCAME contract, personnel expenditures related to the Riverhead Health Center will be mostly unaffected by the Health Center transition. The reduction of \$2.4 million for Contracted Agencies (4101-4980) and approximately \$300,000 for Fees for Services contracts (4101-4560) in Patient Care Programs reflects the reductions in County expenditures as HRHCare contracts mature, and as the Brentwood Health Center transitions to HRHCare licensure.

Patient Care Services--Jail Medical Unit (JMU)

Permanent Salaries, Medical, Dental, and Lab Supplies, and Fees for Services contracts are recommended at a combined total of \$1.2 million less than the request. The reduction in the permanent salary line appears to anticipate transfers from other Patient Care Division units after the Riverhead Health Center closes.

The 2014 Estimate for the JMU's Fees for Services Contracts is below the \$1.5 million already spent or currently encumbered for in 2014; this appropriation may be underbudgeted for 2015. Overtime in 2014 is also probably underestimated, with \$331,000 of the estimated \$375,000 already expended as of October 1, 2014.

Preventive Medicine

The reduction of permanent salary in the recommended budget will prevent hiring in the administrative appropriation (4500). Health Education and Tobacco Control are both funded as requested.

Community Mental Hygiene (CMH)

Funding for salaries is ten percent less than requested. Most of the reduction, more than \$900,000 of the \$1.2 million, is in two appropriations, Methadone Clinics (appropriation 4321) and the Jail Mental Health, Alcohol, and Drug Abuse Program (appropriation 4340). Neither of these two appropriations contains sufficient permanent salary appropriations for currently filled positions, although the Division as a whole contains about \$88,575 available for hiring. One new position was added in the recommended budget, a Drug Abuse Educator, in appropriation 4310. However, turnover was also increased in this appropriation, by \$77,829, which limits the ability to fill the new position and current vacant positions.

Environmental Quality (DEQ)

Turnover savings in appropriation 4400 has been increased fourfold in the recommended budget compared to the Department's request. The Division had requested sufficient permanent salary appropriations to be able to fill positions as early as January. Turnover savings in the Public and Environmental Health Laboratory (4425) have been increased as well; this unit will have insufficient permanent salary appropriations to maintain current staff. However, as a whole, there are sufficient

appropriations within all of the Division's appropriations to meet the current salary requirements, with a small amount available to hire vacant positions.

There are four new positions within the Division. Two positions, one Public Health Sanitarian Trainee and one Heavy Equipment Operator, are in appropriation 4426-Pesticide Detection, which is funded by a Pesticide Monitoring Grant from the New York State Department of Environmental Conservation. These positions were requested by the Department when the grant revenue (revenue code 3910) was increased in 2014. Another two positions are included in the main appropriation for the Division, appropriation 4400-HS: Environmental Health. According to the recommended budget narrative, these positions will "address nitrogen reduction through the expansion of municipal sewers".

The Division hired three Public Health Sanitarians on September 15, 2014; these personnel have been assigned to the Office of Pollution Control, targeting suspected contamination by volatile organic chemicals throughout the County.

Emergency Medical Services (EMS)

Stony Brook University Hospital's contract with the County to provide medical control is underestimated in 2014 by \$20,058. The 2014 Estimate should include back payments to the hospital for this contract of \$233,990 for 2011 and \$447,979 for 2012 in addition to the 2014 contract payment of \$444,301. The total 2014 estimate should be \$1,116,270. This amount completes payments of the past due amounts for this contract. The 2015 recommended budget for this line (4618-4980) has been increased compared to the request by about \$60,000. Recommended expenditures for fee for services contracts (4618-4560) have been reduced by \$85,000 compared to the requested \$465,000.

John J. Foley Skilled Nursing Facility (Fund 632)

The John J. Foley Skilled Nursing Facility was closed in June of 2013. The license to operate a skilled nursing facility was surrendered consequent to the closure of the facility. There were approximately \$1.4 million in legacy expenditures in 2014, split between benefit payouts and the last payments to the closure and sale consultants. Revenues accounted for in the 2014 estimate include \$11.25 million for the sale of the building and equipment, \$1.7 million from the last Intergovernmental Transfer/Upper Payment Limit payment, \$36,155 in disaster aid related to Superstorm Sandy, \$200,000 in collection agency revenue, and other assorted smaller revenues, totaling \$13.2 million. Recommended revenues for 2015 include only \$100,000 in collection revenue and \$1,215 from interest and earnings.

According to the Executive Budget Office, there is a buyer waiting for the expiration of the moratorium imposed pursuant to Resolution No. 304-2014 (as of November 11, 2014) to begin the formal process of selling the former nursing home premises and equipment.

The 2015 Recommended Budget contains no expenditures in appropriation 4530, the County Nursing Home appropriation. If the sale is consummated, the January 1, 2014 Fund 632 deficit of \$8.8 million would be eliminated, and the fund would then transfer \$3.1 million to the General Fund.

Issues for Consideration

Overview

The 2015 Recommended Operating Budget improves the Department's ability to deliver many essential public health services compared to the previous adopted operating budgets. However,

service delivery will be impaired in some units at the recommended funding level, primarily due to lack of funding for personnel. In some programs, particularly in Community Mental Hygiene, fee for service contract costs continue to increase due to lack of staff. Underbudgeting in certain program areas, particularly in the Jail Medical Unit, will compel transfers of appropriations from discretionary programs, if the budget is adopted as recommended; this will probably negatively affect service delivery in other areas, as the Department transfers funds from other program areas to the JMU to maintain current State mandated service levels or even to expand to meet those levels. For example, planned hiring in Public Health or Environmental Quality might be constrained at the Departmental level by the need to use available any salary appropriations for Jail Medical Unit permanent salaries or fees for services contracts, if these lines are underbudgeted. Hiring in Public Health or Environmental Quality would consequently be deferred, and backlogs in inspections and reporting would then remain unaddressed.

State Public Health Aid to Municipalities

Suffolk County's State Aid to Municipalities reimbursement (Article 6), now at \$7.9 million, is in revenue code 3401 allocated to appropriation 4010. Although allocated to appropriation 4010 in the Public Health Division, our claim to receive this revenue is based on reimbursable expenditures throughout the Department. If the claim is reimbursed by New York State as recommended in the operating budget, the revenue received will be the lowest since 1980. Much of the loss is due to the transition of the health centers from Suffolk County licensure.

It should be noted that the decrease in permanent salaries in the recommended budget was not accompanied by a commensurate decrease in the Article 6 claim. The reduction in permanent salaries may decrease the anticipated revenue. The revenue loss could be \$250,000 to \$350,000.

Patient Care Services Jail Medical Unit.

Overtime in the Jail Medical Unit is underestimated in 2014 by about \$50,000-\$75,000. Comparison year-to-date expenditures over the past ten years, through the end of September, indicate that the unit typically expends another 25% of the current expenditures in the last quarter of the year; month to month comparisons between 2013 and available 2014 overtime expenditures also indicate the estimate is low. Overtime expenditures in the JMU have become unstable and higher since 2010, compared to 2009 and prior. Actual overtime has increased by an average of 12% since 2010.

While we believe the Jail Medical overtime estimate to be low for 2014, we believe the \$375,000 allocated in 2015 for JMU overtime is sufficient if appropriations for fees for services contracts are increased. The increase in fees for services contracts, and the influx of personnel from other programs in the Patient Care Division should serve to stabilize the overtime level in 2015.

As previously mentioned, funding for Fees for Services contracts in the JMU is both underestimated in 2014 and insufficient in 2015. The 2014 Estimate should be increased by at least \$148,594, to at least the current year to date expended and encumbered amount of \$1,548,594. Based on the growth rate in this line over the last four years, it could be increased to as much as \$2,070,015. The 2014 estimate should be increased to at least the current year to date expended and encumbered amount of \$1,784,496, as of October 1, 2014. Based on the growth rate in this line over the last four years, it could be increased to as much as \$2,070,015.

The recommended increase in permanent staff brings the Yaphank and Riverhead JMUs onto more equal footings, which should mitigate some of the need for the contract agency staffing funded from fees for services contracts, although it seems unlikely that this would allow for an almost \$700,000 decrease in spending in fee for service contracts. Because of the dynamic interplay between

permanent salary, overtime, new personnel, and contract agency costs at the JMU, we recommend increasing funding for fees for services (4109-4560) by \$300,000, which is approximately the level of 2013 actual expenditure.

Resolution No. 819-2014, “*Establishing Policy for Hiring in the Jail Medical Unit*”, may affect both contract agency usage and overtime; however, without the establishment of a Jail Medical Attendant (JMA) position in the Temporary Salary and Classification Plan, it will be difficult to meet the legislation’s intent of maximizing employment opportunity for qualified former employees of the County. It should be noted that the Jail Medical Unit did employ Registered Nurses in 2013 using temporary salaries. The efficacy of the use of temporary employees is unclear; although the use of temporary salaries for JMA or RN positions could reduce overtime and fees for services contract costs; these costs cannot in any likelihood be eliminated.

Community Mental Hygiene Jail Mental Health Unit (4340)

The recommended budget continues to exclude the Jail Mental Health Unit from 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. Considering that on a national level, some 60% percent of inmates show symptoms of mental illness according to Federal Bureau of Justice Statistics reporting, appropriate staffing for inmates with psychological issues seems appropriate. The Division’s request indicated a decreased ability to provide sessions for inmates requiring psychological or substance abuse services. Increased incarceration times and recidivism tend to result from the dearth of these services and the linkages to outside treatment they provide.

The lack of sufficient personnel for evaluation of inmates on suicide watch is also a cost and staffing 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.

Increasing the personnel appropriations in the Jail Medical Unit to the requested level would allow the Division to provide appropriate substance abuse and mental health services at both sites, as well as at the DWI Alternative Facility.

Community Mental Hygiene—Methadone Clinics

Recommended salary funding for the Methadone Clinics preclude the hiring of any additional staff in 2015. Unmitigated staff losses in 2013 and 2014 have led directly to a decrease in treatment capacity. Most impacted were psychiatric services at the clinics, which declined by 31% in 2013 compared to 2012. Given the difficulty in staffing three clinics without additional staff, the Division is exploring a partnership with the 2013 RFP vendor (no contract was awarded at the time). However, no funds have been allocated for this purpose. We recommend an increase in permanent salaries of \$200,000 and an increase in Fees for Services to the 2014 Adopted level to allow the unit the flexibility to either add staff or move further along the path of the public private partnership with one clinic. The 2014 estimate for Fees for Services is at least \$100,000 too low; expended and encumbered funding was \$513,097 as of October 1, 2014. Increase in staff could be partially offset by additional revenues generated by additional patients.

Suffolk County’s three Methadone Clinics remain the only such clinics in Suffolk County despite the evident increase in opiate abuse in the County.

Community Mental Hygiene—Assisted Outpatient Treatment

In the program narrative for appropriation 4320, Mental Health Programs, the Division requested an additional Psychiatric Social Worker be hired to enable the unit to meet its legislative mandate under the Assisted Outpatient Treatment Program (Kendra's Law), because of the growth in the program over the last few years. The Division is also concerned that recovering opiate users will come under the mandate, as recommended by a 2014 NYS Senate Report. There is no vacant Psychiatric Social Worker position in the appropriation; the position could either be created as a new position or earmarked against a vacant position in the appropriation. A January hire would require another \$46,275 in salary for appropriation 4320.

Public Health Protection--Consolidated Site Visit Plan of Correction

The New York State Department of Health (NYSDOH) conducted a Consolidated Site Visit at the Department of Health Services in December of 2013. This site visit provides a report to the Health Commissioner after the visit is completed, which outlines strengths and weaknesses of the various programs, opportunities for improvement, and if necessary identifies program areas that require plans of correction to be submitted to NYSDOH. The overall conclusion of the surveyors was that the Department "has a strong organizational structure under the direction of a well credentialed Commissioner and Deputy Commissioner. Staff is to be commended for the practices put into place. The continued progress made reflects positively upon the dedicated staff that provides ongoing support for public health programs."

However, Suffolk County was required to submit Plans of Correction for certain program areas needing improvement, including the Food Service Establishment inspection program. The program area findings in Food Service Establishments specifically mention departmental staffing as an issue leading to failure to meet program requirements.

In the Food Service Establishment section of the site visit report executive summary, the reason Suffolk County failed to meet the Environmental Health Manual Standard for inspection of Food Service Establishments was "staff cuts, additional work tasks, and the amount of time required (for) accomplishing these tasks" At the time of the NYS site visit, there were three vacant sanitarian positions in the Bureau of Public Health Protection. For more than three years, the Bureau has repeatedly noted its own difficulty in meeting the EHM standard, and has repeatedly requested staff and has also reorganized workflow and changed its inspection protocols in the Bureau to better meet the standard with its existing staff. One new Public Health Sanitarian Trainee was hired in 2014. BRO recommends the other two requested sanitarian trainees be funded in the 2015 budget, to assure that the Department meets the commitment made in its response to the site visit report to replace two positions and to "see improvement by the end of 2014 and full compliance with our goals by the end of 2015."

Patient Care Services--Health Centers

While BRO estimates of the savings realized from the HRHCare takeover have tended to be lower than those by the Executive's Budget Office, we support the transition of the health center network to the public private partnership with Hudson River Healthcare. This model allows the County to continue its commitment to access assurance, at a lower cost, with opportunities to increase both access and quality of care for the people using the health centers.

We believe there are sufficient appropriations and offsetting revenues available within the Patient Care Division and the Department as a whole to allow for the transitions of the two remaining

clinics as scheduled, in March and in April. There are likely sufficient funds available to transition as late as the end of the second quarter of 2015 without a need to amend the operating budget.

Environmental Quality (DEQ)

While the Division will be able to expand operations in 2015 after five years of personnel losses and service contractions, DEQ's ability to test and inspect for environmental contaminants remains below its capacity prior to 2011.

Implementation of the recommendations contained in the Comprehensive Water Resources Management Plan (CWRMP) may have a very significant medium and long term impact on the Division of Environmental Quality's operating budget. In the original staffing matrix provided by the consulting engineers, Camp, Dresser and McKee, in their assessment of Task 12.2, of the CWRMP, Plan Implementation, Coordination, and Oversight (August 25, 2010), the Division of Environmental Quality required 24 additional full time equivalent staff in order to fully implement the CWRMP. That assessment was prepared prior to the personnel losses incurred because of the 2010 Early Retirement Incentive Program and the 2012 layoffs.

DEQ non-grant staffing (appropriations 4400, 4425, and 4477) now includes 105.25 full time equivalent employees; this is 20.25 less than staffing at the time the recommendation to add 24 personnel was made. Assuming full implementation of the Plan, 44.25 additional staff would be required. The 2015 Operating Budget adds funding for three additional positions needed for CWRMP implementation – an Environmental Analyst, a new Public Health Sanitarian Trainee, and a new Assistant Public Health Engineer Trainee. This would reduce the maximum number of staff required for implementation to 41.25. Given the current ratio in the Division of 75% sanitarians and 25% engineers, annual personnel costs could increase by \$2.3 to \$3.1 million annually, assuming all the additional recommended staff were hired. The plan is now being revised again at the direction of the County Executive; this may change the requirement for additional personnel.

Emergency Medical Services (EMS)

The Division's recommended budget is 1.8% less than requested. The reduction in Fees for Services in appropriation 4618 will preclude an intended rate increase for per diem instructors, who the Division greatly relies upon to provide both the initial and ongoing training of emergency medical personnel at all levels throughout Suffolk County. This rate has not increased for 15 years. Without an increase in this budget line, the division will either not raise the rate, or will offer fewer classes at the higher rate. We recommend including the funding as requested by the Division.

Several recent initiatives at the state and local level have increased the workload or expenditures of EMS without any commensurate increase in resources allocated to the Division. Naloxone training and recertification have added classroom time for the EMS staff; this training is primarily done with EMS Division Staff. Personnel trained have included the lay public and local law enforcement or emergency services staff. While the Naloxone used for administration is paid for either by the State or by the trained agency, no one is paying for the training.

The termination of the Suffolk County Police Academy EMS Course Sponsorship in August 2012 resulted in Health EMS assuming all administrative oversight responsibility for Police Emergency Medical Technician (EMT) training. This has remained an issue since the termination of sponsorship occurred. 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. Health EMS also provides the per diem instructors to test Police Department personnel for various EMS certifications, without any chargeback to the Department.

The body of knowledge required for EMS personnel is increasing. This has led to an increase in course length for both initial and continuing certification, while the EMS staff and the per diem instructor budgets have remained static.

The effort to move EMS agencies to electronic reporting has not as yet been remotely successful. Only two of the 100 EMS agencies in the County utilize the electronic Prehospital Care Report as of June 2014, which has been operational since 2010, and has been updated as recently as 2014. The ongoing cost to the County for this project is \$105,000. Without participation from EMS agencies, this remains a poor investment.

John J. Foley Skilled Nursing Facility (JJFSNF)

While the sale will be able to move forward once the moratorium on the sale of the building is lifted in November, a successful sale of the property will depend on the Brookhaven Zoning Board of Appeals approval of non-zoned (the property is zoned residential/agricultural) use. This has been a problem during previous attempts to sell the building.

Budget Review Office Recommendations

- Increase the 2015 permanent salary for the appropriation 4015-HS: Environmental Protection by \$73,254; increase the appropriate benefit appropriations commensurate with the hire of two Public Health Sanitarians in January 2015, to assure that the Bureau of Public Health Protection has sufficient staff to meet State guidelines.
- Increase the 2015 Budget for 4109-Jail Medical Unit Fees for Services by \$300,000 to accurately reflect expenditures for agency nursing staff, even with the additional full time staff added to the Jail Medical Unit.
- Increase the 2015 permanent salary for appropriation 4340-Jail Mental Health, Alcohol, and Drug Abuse Program by \$472,547 to allow hiring in the unit per the Department's request, and allow for sufficient personnel at two sites.
- Increase the 2015 permanent salary appropriation in 4321-Methadone Clinics by \$200,000 to allow for additional hiring if necessary, or to allow the unit to further explore a possible public-private partnership.
- Increase the 2015 Fees for Services appropriation in 4321-Methadone Clinics by \$150,000 to accurately reflect the anticipated need for contracted fee for service providers and assure that prescriber to patient ratios remain within state guidelines.
- Increase 2015 permanent salary in appropriation 4320-HS: Mental Health Programs by \$46,275 to fund the Psychiatric Social Worker requested for the Assisted Outpatient Treatment program and meet potential state mandates; increase benefits appropriations commensurate with the filling of this position.
- Increase 2015 Fees for Services in appropriation 4618-Emergency Medical Care by \$85,000 to account for increased use of per diem instructors and to allow for the first increase in the fee for service rate in 15 years in the fourth quarter of 2015.

- Increase the 2014 Estimate for 4109-Jail Medical Unit overtime by \$75,000 to accurately reflect expenditures.
- Increase the 2014 Estimate for 4109-Jail Medical Unit Fees for Services by \$300,000 to accurately reflect expenditures for agency nursing staff.
- Increase the 2014 Fees for Services appropriation in 4321-Methadone Clinics by \$100,000 to accurately reflect expenditures on contracted providers.

CF HSV15

Human & Community Services

Personnel (as of 9/14/2014)

Authorized Positions:	89	Filled Positions:	71
Vacant Positions:	18	Percentage Vacant:	20.2%
Positions Abolished in the Recommended Budget:	2	New Positions:	2

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$4,339,040	\$4,779,757	\$4,475,744	\$5,031,142	\$4,884,433
Equipment (2000s)	\$0	\$1,795	\$681	\$4,225	\$4,225
Supplies (3000s)	\$555,274	\$1,228,390	\$592,489	\$1,197,811	\$1,193,580
Contracts (4000s)	\$14,001,007	\$14,836,394	\$15,003,481	\$14,333,897	\$15,056,065
Totals	\$18,895,321	\$20,846,336	\$20,072,395	\$20,567,075	\$21,138,303

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$7,561,358	\$7,320,785	\$7,416,574	\$7,395,073	\$7,395,073
Federal Aid (4000s)	\$4,540,662	\$4,538,948	\$4,408,910	\$4,344,910	\$4,344,910
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$76,203	\$129,749	\$129,974	\$309,749	\$309,749
Totals	\$12,178,224	\$11,989,482	\$11,955,458	\$12,049,732	\$12,049,732

Effects of Recommended Budget

Overview

The mission of the Human and Community Services Divisions of the County Executive's Office is to address the needs of Suffolk County residents and to operate as a resource, and information and advocacy center for the demographics served. The two divisions are each comprised of three functional areas, as detailed below.

- Human Services
 - Office for the Aging
 - Veterans Service Agency
 - Office for People with Disabilities
- Community Services
 - Office of Minority Affairs
 - Youth Bureau
 - Office for Women

Personnel

The 2015 Recommended Budget for Human and Community Services includes 89 authorized positions, which is one less than in 2014. During 2014 one interim Neighborhood Aide position was created in the Office for People with Disabilities, which increased the number of authorized positions from 89 to 90. The 2015 Recommended Budget abolishes two interim positions (one Veterans Service Officer in the Veterans Service Agency and one Neighborhood Aide in the Office for People with Disabilities) and creates two Neighborhood Aide (grade 13) positions, which are assigned to the Office for People with Disabilities and the Office for Women. Two positions (one Secretary from the Office of People with Disabilities and one County Exec Assistant I from the Office for the Aging) are transferred to the County Executive's Office and one position from the County Executive's Office (County Exec Assistant I) is transferred to the Youth Bureau to better align staff with the services they provide.

Expenditure

The aggregated 2014 estimated budget of \$20,072,395 is \$773,914 or four percent less than adopted. Based on average actual expenditures of \$21,428,720 from 2010 to 2013, the 2014 estimated budget for Human and Community Services is reasonable.

The 2015 Recommended Budget for Human and Community Services of \$21,138,303 is \$1,065,908 or five percent more than the 2014 estimate and \$571,228 or three percent more than requested. Contractual expenses comprise 71% of the recommended expenditures for Human and Community Services. In the aggregate, the 2015 Recommended Budget includes \$4,656,668 or 22% for permanent salaries, which is \$437,188 or ten percent more than the 2014 estimate, but \$146,709 or three percent less than requested. The following table depicts the 2015 Recommended Operating Budget expenditure for Human and Community Services by Unit.

Human and Community Services Expenditure						
Unit Name	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended	% of 2015 Rec. Human & Community Services Exp.
Veterans Service Agency	\$468,721	\$620,621	\$543,601	\$708,673	\$659,895	3%
Minority Affairs	\$20,546	\$9,000	\$9,000	\$0	\$9,000	0.04%
Office for the Aging	\$12,541,853	\$13,691,242	\$13,523,973	\$13,679,371	\$13,674,678	65%
Youth Bureau	\$5,408,945	\$5,505,395	\$5,415,887	\$5,054,179	\$5,693,324	27%
Office for People with Disabilities	\$338,344	\$875,899	\$430,782	\$922,987	\$899,541	4%
Office For Women	\$116,912	\$144,179	\$149,152	\$201,865	\$201,865	1%
Total	\$18,895,321	\$20,846,336	\$20,072,395	\$20,567,075	\$21,138,303	100%

Revenue

The 2014 estimated revenue for Human and Community Services of \$11,955,458 is very close to the adopted amount. Over 90% of these revenues are attributable to State and Federal reimbursement for programs administered by the Office for the Aging. Based on the average actual revenue of \$11,934,106 from 2010 to 2013, the 2014 estimated revenue for the two divisions is reasonable. The majority of the programs administered by the Office for the Aging receive significant Federal and State funding. The Youth Bureau also receives substantial State aid for youth programs, which accounts for seven percent of the estimated revenue for Human and Community Services.

The aggregated 2015 recommended revenue for Human and Community Services of \$12,049,732 represents a small increase of \$60,250 or one percent over the 2014 Adopted Budget. The increase is primarily attributable to additional State funding for youth programs and other unclassified revenues (revenue code 2770) for the Veterans Service Agency. Ninety percent of the recommended aid is for Aging. This is followed by six percent for the Youth Bureau, three percent for the Veterans Service Agency and 0.42% for the Office for People with Disabilities.

Issues for Consideration

Veterans Service Agency

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.

Personnel

The 2015 Recommended Budget includes 12 authorized positions for Veterans Service and abolishes one interim Veterans Service Officer (grade I6) position that was divided into two part-time positions. The incumbents in the interim positions were transferred into permanent positions during 2014. Ten of the 12 authorized positions are currently filled and two are vacant. Of the 12 authorized positions, eight are Veterans Service Officer (VSO) positions, of which seven are filled and one is vacant. Veterans Service anticipates one VSO will retire during 2015. The Recommended Budget narrative indicates that funding was included to fill the one vacant VSO position in 2015.

BRO's salary projection indicates that the recommended funding for permanent salaries is sufficient to fill this position in the fourth quarter of 2015, which could be problematic considering the mandatory training required for all VSOs to obtain accreditation. Filling the vacant VSO position in early 2015 would allow for necessary training of the incumbent before the anticipated retirement takes effect and would provide some relief for the agency to address the current backlog. Additionally, Veterans Service requested to fill the vacant Senior Clerk Typist (grade 12) position as a Clerk Typist (grade 9) starting April 1, 2015, to replace the Director's assistant. The Senior Clerk Typist position has been vacant for two years. The 2015 Recommended Budget does not provide funding to fill this position in 2015.

Expenditure

The 2014 estimated budget of \$543,601 is reasonable for Veterans Service. It is \$77,020 or 12% less than previously adopted, which is mainly attributable to a \$72,943 reduction in permanent salaries. The 2014 Adopted Budget for Veterans Service created two new full time VSO positions for which additional funding was provided to fill these positions in 2014; however, only one of the two VSO positions was filled during 2014. Additionally, Veterans Service did not fill one vacant Senior Clerk Typist (grade 12) position that they also had sufficient funding to fill in 2014.

The 2015 Recommended Budget for Veterans Service of \$659,895 is \$116,294 or 21% more than the 2014 estimate, but \$48,778 or seven percent less than requested. The difference is attributable to the recommended permanent salaries. The 2015 Recommended Budget provides \$552,545 for permanent salaries, which is sufficient to fund all currently filled positions in 2015 and approximately ten percent of their vacant positions. The additional funding included for permanent salaries will not provide sufficient funds to fill the vacant VSO position for the whole year; however, there would be approximately \$10,270 available to fill this position in the beginning of October 2015. We recommend adding \$26,607 for permanent salaries (001-EXE-6510-1100) to fill the vacant VSO (grade 16, step S) position as of January 1, 2015 to allow for succession planning. If the vacant VSO position is filled as of January 1, 2015, then the net cost to the County would be \$51,347 (\$36,877 for salary and \$16,269 for fringe benefits, less \$1,799 in Employee Premium Contributions). There would be no additional aid associated with filling this position.

The recommended budget indicates that Veterans Service requested \$74,000 for other: unclassified (object 3500) and recommended that amount for 2015; however, the Veterans Service budget request included \$4,000. According the Executive Budget Office, the additional expenditure of \$70,000 is associated with the County holding the Inaugural Suffolk County Marathon, which is to benefit the County's veterans.

Revenue

The revenue for Veterans Service is comprised of State aid and reimbursement from the Long Island State Veterans Home in Stony Brook and the Towns of Brookhaven and Southampton for costs associated with service agreements that provide County veterans services at these sites.

The 2014 estimated revenue for Veterans Service is \$164,233, as previously adopted. The 2015 recommended revenue of \$322,732 is \$158,499 or 97% more than the 2014 estimate and is attributed to an additional \$180,000 associated with the County holding the Inaugural Suffolk County Marathon, which is partially offset by a decrease in revenue from the Long Island State Veterans Home.

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 censuses, 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. Outside of New York City, Suffolk has the largest senior population in the State.

Personnel

As of September 14, 2014, the Office for the Aging had 58 authorized positions. The 2015 Recommended Budget includes 57 authorized positions due to the transfer of one County Executive Assistant I position from Older Americans Act Programs (appropriation 6772) to the County Executive's Office (appropriation 1230). Of the current 58 positions, 48 are filled and ten are vacant. The following table depicts the distribution of the vacant positions throughout the numerous appropriations for the Office for the Aging.

Office for the Aging Vacancies by Appropriation		
Position	Grade	Vacant
Older Americans Act Title III-B (6772)		
ACCOUNTANT	20	1
CLERK TYPIST	9	2
SENIOR ACCOUNT CLERK TYPIST	14	1
SENIOR CITIZEN AIDE	4	1
Expanded In-Home Services for the Elderly (6778)		
CASEWORKER	20	1
CONTRACTS EXAMINER	20	1
SENIOR CASEWORKER	22	1
Older American Act Title III-C-1 (6790)		
HEAD CLERK Earmarked to Senior Neighborhood Aide	18	1
Older Americans Act Title III-E Family Caregiving Support Program (6801)		
ASST SR CTZN PGRM COORD	21	1
Total		10

The majority of the programs administered by the Office for the Aging are heavily aided with Federal or State funding. Of the four appropriations listed in the previous table, two receive 90% Federal reimbursement and the other two receive 75% State reimbursement with respective County match of funds of ten percent and 25%. The reimbursements cover the aided percentage of the salaries and benefits of the staff in the individual appropriations.

Expenditures

The 2014 estimated budget includes \$13,523,973, which in the aggregate is \$167,269 or one percent less than previously adopted. The 2014 estimate is reasonable.

The 2015 Recommended Budget of \$13,674,678 is in the aggregate \$150,705 or one percent more than the 2014 estimate, but \$4,693 less than requested. Personal services comprise 25% of the recommended budget for the Office for the Aging. The recommended budget for personal services of \$3,442,356 is \$237,769 or seven percent more than the 2014 estimate, but \$93,693 or three percent less than requested. In the aggregate, the recommended budget for permanent salaries provides sufficient funds for all currently filled positions and to fill approximately 84% of their vacant positions.

Contractual Expenses

The 2014 Adopted Budget funded 24 programs through designated contract agencies and seven additional agencies (designated as activity code 0000) for which contract agencies are chosen through the Request for Proposals (RFP) and Request for Qualifications (RFQ) processes. Fifteen of the 31 programs receive between 40% and 90% Federal reimbursement. Eleven other programs receive between 75% and 100% State reimbursement.

Contractual expenses (budget category 4000) comprise 71% or \$9,661,285 of the 2015 Recommended Budget for the Office for the Aging. The 2015 Recommended Budget for contract agencies of \$9,543,120 (representing 99% of contractual expenses) is \$75,000 more than requested. The entire \$75,000 added for contract agencies is for S.A.G.E Long Island (activity code HZWI). Aging requested \$50,000 for this agency, but the recommended level of funding increases the contract amount to \$125,000.

Revenue

During 2014 the New York State Office for the Aging made additional funding available to the Suffolk County Office for the Aging for several of their programs. Resolution Nos. 644, 645 and 756 of 2014 accepted and appropriated the 100% reimbursable grant funds, which were allocated for contract agencies in 2014.

According to the Office for the Aging, they estimate receiving \$619,163 in additional funding from the New York State Office for the Aging in 2014 for the Balancing Incentive Program (appropriation 6807). Of the additional funding, \$145,259 is estimated to be recurring and \$473,904 is estimated to be a one-time grant. Aging anticipates funding two positions and making updates to computers and other technology items with these funds. The grant funds are not included in the 2014 estimate. A resolution to accept and appropriate this funding is forthcoming.

The 2015 recommended revenue of \$10,893,769 is as requested, but is \$64,000 or 0.58% less than the 2014 estimate. The Office for the Aging anticipates the additional revenue received during 2014 will be available again for 2015 with the exception of the one-time grant for the Balancing Incentive Program.

Office for People with Disabilities

The mission of the Office for People with Disabilities (OPD) is to work for the benefit of the estimated 315,000 disabled persons in the County, ensuring compliance with Federal and State mandates, coordinating services and developing programs to assist people with disabilities to become more self-sufficient.

Personnel

The 2015 recommended staffing for OPD includes 8 authorized positions, which is one less position than was previously included. One interim Neighborhood Aide position is abolished, one permanent Neighborhood Aide position is created and one Secretary (grade 17) is transferred to the County Executive's Office (appropriation 1230). As of September 14, 2014, there are nine authorized positions of which two are vacant; one Community Organization Specialist (grade 25) and one Clerk Typist (grade 9).

Expenditure

The 2014 estimated budget of \$430,782 is reasonable. In the aggregate it is \$445,117 or 51% less than the previously adopted budget, which is mainly attributable to a \$500,000 reduction in the Education Handicapped Parking program (112-EXE-8054) and an increase of \$57,748 in permanent salaries. One interim Neighborhood Aide (grade 13) position was created and filled during 2014, which increased OPD's permanent salaries budget. There were no funds expended in 2014 for the Education Handicapped Parking program, which consists of distributing literature and making presentations at community events. According to the OPD, this program has been stalled because of staffing issues in the past. OPD indicates they are in the process of preparing a Request for Proposal (RFP) to have an outside vendor expand the program, as has been done in other jurisdictions.

The 2015 Recommended Budget of \$899,541 is \$468,759 or 109% more than the 2014 estimate and \$23,446 or three percent less than requested. This difference is once again, mainly attributable to expenditures in Fund 112 for the Education Handicapped Parking program and changes in permanent salaries. The recommended budget for permanent salaries appears to be sufficient to fund all currently filled positions for the duration of 2015. Additionally, the 2015 Recommended Budget includes \$40,000 for The Disability Opportunity Fund (activity code JRSI), which was not requested by OPD. This contract agency is funded at 100% County cost.

Revenue

OPD's revenue is comprised of two revenue streams. The first revenue source is Fines - Handicapped Parking (133) (112-EXE-2614), which are the funds received from the fines from handicapped parking tickets. The second revenue source is Surcharge - Handicap Parking (112-EXE-2619), which is a \$30 state surcharge over and above the fine on handicapped parking tickets. The revenue from handicapped parking fines themselves are accounted for in Fund 133. Local Law 19-1982 earmarks this revenue for the sole purpose of improving handicapped access in County facilities; none of the money goes directly to support the OPD. Due to the way expenditures are tracked in Fund 133, it is impossible to determine how these funds are utilized. The Budget Review Office has addressed this issue in the past, and does again in our current review of Fund 133.

The 2014 estimated revenue of \$50,225 in the aggregate is overly optimistic by approximately \$7,842. Handicapped parking fines are understated, but the handicapped parking surcharge is overstated. Actual revenues from 2010 to 2013 averaged \$42,383. Based on the average actual revenue and year-to-date revenues of \$14,739, as of September 19, 2014, we estimate that there is \$27,644 in pending revenue for a total of \$42,383. We recommend reducing surcharge - handicap parking (112-EXE-8054-2619) by \$7,842 to more accurately reflect anticipated revenues through the end of the year. The 2015 recommended revenue of \$50,000 is as requested. Even though the OPD anticipates the 2015 revenue to be \$50,000, average actual revenues demonstrate this projection is overly optimistic as well. We recommend reducing surcharge - handicap parking (112-EXE-8054-2619) by \$7,842 to more accurately reflect anticipated revenues.

Minority Affairs

The mission of the Office of Minority Affairs is to address the needs of African Americans, Hispanic American, Asian Americans, Muslim Americans, Jewish and other minority residents of the County under Federal, State and local laws that provide protection and benefits in business and the workplace.

Personnel

The 2015 Recommended Budget maintains two positions, one Payroll Supervisor (grade 22) earmarked to a Principal Clerk (grade 14) and one Clerk Typist (Spanish Speaking) (grade 9), both vacant, but no funds are recommended to fill the positions in 2015. Based on discussions with the Community Services division, there is one clerical staff assigned to provide administrative support for this unit and the other two units in the division.

Expenditure

The 2014 estimated expenditure of \$9,000 is as previously adopted. Even though no funds have been expended, as of September 19, 2014, the Office of Minority Affairs anticipates finalizing the execution of the contract with the one contract agency before the end of the year. The 2015 Recommended Budget includes \$9,000 for one contract agency, Pronto of Long Island (activity code HIVI), at 100% County cost.

Youth Bureau

The mission of the Youth Bureau is to ensure effective County-wide planning, development and utilization of resources pertaining to youth services.

Personnel

The 2015 Recommended Budget includes six authorized positions for the Youth Bureau, which is one more than in the 2014 Adopted Budget. One position (County Executive Assistant I) is transferred from the County Executive's Office (appropriation 1230). Of the currently authorized positions, three are filled (one Youth Services Coordinator, one Youth Services Supervisor and one Account Clerk/Typist) and two are vacant (one Youth Services Supervisor and one Runaway Coordinator). The Youth Bureau requested to fill the Runaway Coordinator position starting the first quarter of 2015.

Expenditure

The 2014 estimated budget of \$5,415,887 is reasonable. It is \$89,508 or two percent less than previously adopted. The 2014 estimate is reasonable based on:

- The 2014 Adopted Budget included funding to fill the two vacant positions for half of the year; however, the two positions were not filled during 2014.
- The Youth Bureau did not hold the contract agency training and conferences it had planned for 2014.

The 2015 recommended expenditures for the Youth Bureau of \$5,693,324 is \$277,437 or five percent more than the 2014 estimate and \$639,145 or 13% more than requested. Personal services comprise six percent of the 2015 Recommended Budget. Sufficient funding is included for permanent salaries to fund all currently filled positions and 35% of the vacancies in 2015. The additional \$34,708 provided for permanent salaries is sufficient to fill the vacant Runaway Coordinator position starting April 2015. If the Runaway Coordinator position is filled as of April

13, 2015, the net cost to the County would be \$44,394 (\$33,937 in salary and \$11,656 in fringe benefits, less \$1,199 in Employee Premium Contributions).

Ninety three percent of the Youth Bureau's 2015 Recommended Budget is for contracted agencies (\$5,269,501). The 13% increase in the Youth Bureau's recommended expenditures is mainly attributable to \$581,468 more recommended for contractual expenses, of which \$556,868 is to fund contract agencies. Overall, the vast majority of contract agencies are funded at their 2014 Adopted Budget level.

Three agencies received recommended increases, compared to 2014: Police Athletic League (ANOI), Long Island Gay & Lesbian Youth (GFFI) and Mary Avery Palmore Center Of Hope (HFVI). One agency, Islip Homeless (AJLI), was decreased by \$360.

Funding was not recommended for the Long Island Latino Teachers Association (JSNI); this agency was not included in the 2014 Adopted Budget. Resolution No. 434-2014 amended the 2014 Adopted Operating Budget and transferred \$5,000 to this organization.

Revenue

The 2014 estimated revenue of \$783,231 is \$108,016 more than the previously adopted revenue for the Youth Bureau, and equals the 2015 recommended revenue, as requested by the Youth Bureau.

The majority of the revenue for the Youth Bureau is State aid. Nine of the 80 contracted agencies funded through the Youth Bureau are used to claim State reimbursement. The Youth Bureau has expressed concern over the decline in State aid for youth programs in recent years. Additionally, the New York State Office of Children and Family Services (OCFS) instituted a new procedure for the disbursement of State aid to the local government entities in 2014. OCFS now requires the County's Youth Bureau to assume the primary responsibility of processing and submitting claim reimbursements on behalf of towns and villages. Additionally, the County is now responsible for reimbursing the towns and villages while OCFS will, in turn, reimburse the County. Resolution No. 757-2014 accepted and appropriated \$897,476 (001-EXE-3820) from OCFS and created a new appropriation (7326) in the Youth Bureau, from which the aid will be reimbursed to the local youth bureaus. This additional revenue is not included in the 2014 estimated revenue for the Youth Bureau nor is the new appropriation and associated 2014 estimated expenditures. The Youth Bureau expressed concern regarding its ability to submit and process additional claim reimbursement on behalf of the local youth bureaus given their current staffing level.

Office for Women

The mission of the Office for Women is to identify needs and concerns of the female population of the County and advocate and stimulate awareness on their behalf.

Personnel

The recommended budget increases the number of authorized positions in the Office for Women from three to four as it includes one new Neighborhood Aide (grade 13) position. As of September 14, 2014, this unit had the following filled positions: one Women's Resources Advisor I (grade 17), one Secretary (grade 14) and one County Executive Assistant I (grade 21) that was earmarked and reclassified from a Secretary (grade 14). The recommended budget provides sufficient funding for all four positions to be funded for all of next year.

Expenditures

The 2014 estimated expenditures of \$149,152 are \$4,973 more than previously adopted, which is associated with a \$4,973 increase in permanent salaries. The recommended budget provides \$201,865 in 2015, which is \$57,686 more than the 2014 Adopted Budget. This increase is associated with a \$57,686 increase in permanent salaries.

Budget Review Office Recommendations

- Add \$26,607 in permanent salaries (001-EXE-6510-1100) to fill the one vacant VSO (grade 16, step S) position as of January 1, 2015; this will allow for succession planning.
- Reduce surcharge - handicap parking (112-EXE-8054-2619) by \$7,842 in both 2014 and 2015 to more accurately reflect anticipated revenues.

MF HUMAN & COMMUNITY SERVICES15

Information Technology Services

Personnel (as of 9/14/2014)

Authorized Positions:	110	Filled Positions:	98
Vacant Positions:	12	Percentage Vacant:	10.9%
Positions Abolished in the Recommended Budget:	0	New Positions:	6

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$7,675,068	\$7,864,035	\$7,866,636	\$8,548,034	\$8,441,726
Equipment (2000s)	\$529,554	\$390,447	\$242,129	\$392,095	\$322,095
Supplies (3000s)	\$4,115,935	\$4,593,294	\$4,448,090	\$5,591,989	\$4,798,396
Contracts (4000s)	\$4,881,613	\$5,341,266	\$5,104,638	\$5,441,328	\$5,013,328
Totals	\$17,202,170	\$18,189,042	\$17,661,493	\$19,973,446	\$18,575,545

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	(\$3,466)	\$0	\$132,800	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$2,231,866	\$2,190,951	\$2,209,343	\$2,112,343	\$2,208,343
Totals	\$2,228,400	\$2,190,951	\$2,342,143	\$2,112,343	\$2,208,343

Effects of Recommended Budget

The 2015 Recommended Operating Budget for the Information Technology Services (ITS) Division represents an increase of 4.6% in total expenditures, excluding debt service, compared to the Department's 2014 Adopted Operating Budget. This rise is mainly attributable to contractual employee salary increases, six new positions, rental of business machines and computer services, which is partially offset by a 50% reduction in fees for services, and other reductions in office equipment repairs and telephone expenses.

Resolution No. 1083-2013 accepted and appropriated \$132,800 in Federal Aid under the SHSP 2013 grant (001-ITS-1656-4318). Grant funding not spent in 2014 can be rolled over into 2015. This Homeland Security grant is for the purchase and installation of exterior building security cameras and funds carried over into 2015 should appear as \$13,806 in 001-ITS-1658-3160 and \$7,000 in 001-ITS-1658-4210.

Personnel

The 2015 Recommended Operating Budget provides the Department of Information Technology (DoIT) with \$8,441,726 in Personal Services for 110 authorized and six new positions. The Department currently has a workforce of ninety-nine employees and eleven vacancies now that a previously vacant Communications Mechanic position was filled on September 22nd.

The recommended budget transfers two Office Systems Analyst III and one Office System Analyst II employees, currently in DoIT's Health Services Unit (016-1682-0200), back to their respective departments of Health Services and Medical Examiner, as their workload no longer supports them remaining in Information Technology Services. The Department agrees with these transfers.

Furthermore, six new positions are created to assist with information technology initiatives. These added positions consist of one Deputy Commissioner of Information Technology, one Secretary, two Sr. Programmer Analysts and two Programmer Analysts. The Department did not request any new positions.

Based on Budget Review Office (BRO) projections, 2015 recommended permanent salaries across DoIT's combined three appropriations, 1651, 1680 and 1682, are insufficient to adequately fund the recommended 99 filled positions, the 11 vacancies and the proposed six new positions, if completely filled, for the entire year.

- Funding for filled positions in the Telecommunications Division (016-ITS-1651) results in a permanent salary surplus of \$16,980, which is sufficient to fill their one vacant position in the 2nd half of 2015.
- Funding for filled positions in the Management Information Systems Division (016-ITS-1680) results in a permanent salary surplus of \$544,426. However, the cost to fill this division's six current vacancies is \$385,141, and an additional \$355,392 is needed for the six new positions. Consequently, there is a deficit of \$196,107 in financing this appropriation's permanent salaries for filled, vacant and new positions if filled for the entire year.
- Funding for the filled positions in Direct Charge Department Staff Division (016-ITS-1682) results in a permanent salary surplus of \$158,309, which is insufficient to fund the four vacant positions throughout 2015. An additional \$12,337 is needed for permanent salaries of both filled and vacant positions for the entire year.

Equipment

In 2010 the County abolished the five-year procurement strategy for computer office machines and instituted an "as needed" replacement policy among all Departments encompassed within the ITS Operating Budget. This change led to computers and other network hardware remaining in operation long past their practical and effective lifecycle; and became an issue of concern in public safety, human services and revenue producing departments.

The 2015 Adopted Capital Budget addressed this issue by replacing badly needed, greater than five-year-old computer equipment through a new capital project, Countywide Replacement of Computer Equipment/Infrastructure (CP 1816). In anticipation of this project, the 2014 Adopted Operating Budget included reductions in Office Machines (object 2020) across all departments that fall under the ITS computer procurement schedule, and funded DoIT with \$75,000 for Office Machines (016-ITS-1680-2020).

The 2015 Recommended Operating Budget continues this policy by maintaining reductions in Office Machines across all departments under the ITS procurement plan, and funds DoIT with \$111,895, as requested, in its 016-ITS-1680-2020 budget line. The Department maintains this money will be used for unforeseen or emergency office machine purchases throughout the year by departments entitled to the funds, until depleted.

Supplies

The Department requested \$3,902,908 for Computer Software (016-ITS-1680-3160) in 2015; however, the recommended budget includes \$3,195,915, a reduction of \$706,993. This line is utilized by the Department to fund annual licensing, maintenance and support expenses for countywide enterprise level application systems, such as a database platform (Oracle), virtualization software (VMware), geographical software (ESRI), financial management (IFMS), malware protection (McAfee), file auditing (Varonis) and others. Moreover, DoIT's request included \$544,078 for a geographical Pictometry fly-over of Suffolk County. Pictometry is a patented aerial image capture process that produces images showing the fronts and sides of buildings and ground locations. Images are captured by low-flying airplanes and they can be stitched together to create composite aerial maps that seamlessly span many miles of terrain. These maps are utilized by several County Departments and Divisions, such as Fire Rescue and Emergency Services (FRES), Police, Social Services, Geographical Information Systems (GIS), Real Property and Economic Development. The previous Pictometry fly-over of Suffolk County occurred in 2012 at a cost of \$134,485 per annum over a four-year term contract. Due to this line's funding reduction in the 2015 Recommended Operating Budget, the Department intends to finance the next fly-over through its 2016 budget.

An additional expenditure in Computer Software (016-ITS-1680-3160) has occurred as a consequence to the letter of intent, signed earlier this year by the previous Commissioner of IT, affirming that the County would enter into a new Microsoft Enterprise Agreement (EA). This letter of intent has since been rescinded and, as part of an arrangement with Microsoft, the County agreed to perform a countywide audit of the company's software with the objective of bringing all Departments up-to-date and in compliance with Microsoft's licensing terms.

The Department has now completed the first phase of the audit with an inventory of all Microsoft Windows operating systems, user licensing and Office applications, resulting in an expenditure of \$186,000 per annum, over a three-year term starting in 2014. The next phase is currently underway and will encompass Windows Server operating systems and BackOffice software applications, such as SQL (database) and Exchange (email). Even though the assessment is incomplete, the current data leads the Department to expect an expense of approximately

\$100,000 per annum over a three-year term starting in 2015. This will bring the total cost to the County for the Microsoft audit to approximately \$860,000 spanning the years 2014-2017.

The 2015 Recommended Operating Budget increases funding in the Department's Rent: Business Machines & Sys (016-ITS-1680-3510) budget line from \$10,760 in the 2014 Adopted Budget to \$237,777 in 2015. A modest portion of this rise can be attributed to a Countywide Language Access Policy (Executive Order 10-2012) which mandates Executive County agencies to "...provide competent interpretation services between the agency and an individual in his or her primary language with respect to the provision of services or benefits." In order to comply with this Executive Order, the Department is renting 100 Barinas interpretation/translation headsets and up to 100 Language Line Solutions dual handset phones, and making them available to all County agencies where needed.

Contracts

DoIT utilizes funds in Computer Services (016-ITS-1680-4210) for specialized consultation and training expenses related to three vital areas within ITS, networking, application development and Geographical Information Systems (GIS). In many cases, enterprise level upgrades must be performed by Original Equipment Manufacturers (OEM) or third-party consultants who have a working knowledge on the configuration and implementation of new equipment and new software version updates and upgrades. The 2015 Recommended Budget includes \$150,000, which is \$325,000 less than requested; consequently, ITS may need to forego several anticipated and significant system and software upgrades until 2016.

Fees For Services (016-ITS-1680-4560) includes \$300,000 in the 2015 Budget and will solely be used to comply with the Countywide Language Access Policy (Executive Order 10-2012), which directs County agencies to "...translate vital documents, including essential public documents such as forms and instructions provided to or completed by program beneficiaries or participants.", in the six most common non-English languages spoken in Suffolk County. The Department has hired an outside vendor, Language Arts, to translate select documents posted on the County website, which fall within the Executive Order guidelines, into those six non-English languages.

Issues for Consideration

Programmer Analysts

The Department of Information Technology currently has nineteen filled and one vacant programmer analyst positions within its Management Information Systems division (016-1680) and is greatly in need of the four new programmer positions to help with the workload they provide across all Departments. Filling the four new and one currently vacant programmer positions would benefit the Department and County as these new employees can assist with the current workload backlog, begin working on new programming initiatives to develop applications in order to reduce the County's need to purchase costly off-the-shelf software, be brought up to speed on existing county wide departmental applications supported by DoIT and, lastly, they will be ready to help with the workload of retiring staff.

To illustrate the County's reliance on its programming staff, the Department provided several examples of their current workload, though the list is not complete. It should also be noted that when a department or agency purchases a third party commercial off-the-shelf (COTS) system or application, ITS programming staff must still define the specifications, design the statement of work (SOW), assist with any database implementation and data conversion, assist with testing and

training, as well as, maintain and support the network infrastructure, computer hardware and any back office software the new application requires.

- Labor Relations – Kronos countywide timesheet pilot program.
- Payroll – implement new system as the previous mainframe reaches its end-of-life.
- IFMS – County financial management system upgrade.
- Traffic & Parking Violations Agency – port data from Police Mapper system into TPVA.
- Fleet Focus – develop new fleet application to track vehicle inventory and service history.
- Real Estate – design one new application to replace several legacy Access databases.
- Board of Ethics – online applications for employee training and financial disclosure filings.
- Labor – coordinate with Taxi & Limousine application vendor on implementation.
- Law – online eClaim site to process Risk Management applications.
- County Executive – build a Constituent Response Unit application with Microsoft Dynamics.
- Health Services/Public Works – eMosquito database application to report data to NY State.
- Consumer Affairs/Public Works – website for Fire Island to Moriches Stabilization Project.
- Labor/Consumer Affairs – make available contractor forms for online submission.
- FRES – create online training classes for Suffolk Fire Academy training.
- Healthy Suffolk – website for public health information and County initiatives.
- Preventative Medicine – online training for County employees.
- Anti –Bullying – develop a public online training class to address school age bullying.

Additionally, ITS has a number of departmental requests for projects waiting in queue that have been postponed due to a shortage of available programming staff.

- Civil Service – enhance existing application to process all exams and maintain candidate lists.
- Legislature – create new application to house constituent data across all 18 District Offices.
- Payroll – build a Voluntary Defined Contribution retirement program into the database.
- Parks – develop a new Reservation System application for County parks and golf courses.
- DPW – build online application to notify public of bus schedules and locations in real-time.
- Health – application to electronically transfer drinking water quality data generated by certified laboratories to the NY State Safe Drinking Water Information System (SDWIS).

As previously stated, after salaries for filled positions are funded, the 2015 Recommended Operating Budget provides \$544,426 in DoIT's 016-1680 appropriation to fill vacant and new positions. If the County chose to fill the one existing programmer vacancy and four new programmer positions, the cost in permanent salaries to fund these new hires for the entire year would be \$285,844. Another option to consider is filling only the two new Programmer Analyst (grade 24) positions so as to free up Sr. Programmer Analysts to work on new initiatives and applications, which has the potential of saving the County on expensive commercial off-the-shelf

software that often carries with it costly maintenance and support year after year. This scenario also benefits the County by having these new employees learn existing departmental applications and systems, and they will be ready to step in to assist with the increased workload as staff retires. The cost in permanent salaries to fund these two new hires throughout 2015 is \$104,213.

Budget Review Office Recommendations

- Promptly fill the two new entry level Programmer Analysts positions in January to take advantage of potential cost savings by expanding the capability of the Department to develop more in-house applications. The impact on the budget is an increase of \$104,213 in 016-1680-1100 in 2015.
- Request that the Department and the County Executive provide information on the initiatives to be addressed by the new Deputy Commissioner and Secretary positions to justify additional administrative positions.

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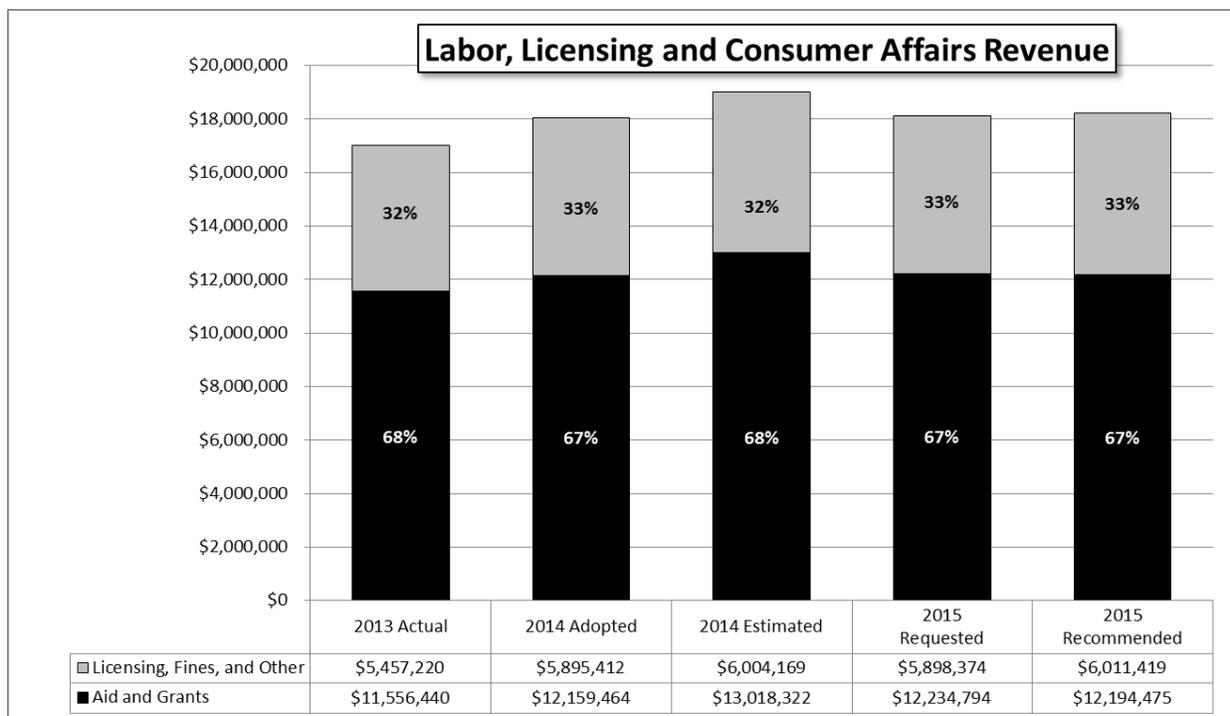
Labor, Licensing, and Consumer Affairs

Personnel (as of 9/14/2014)					
Authorized Positions:	220	Filled Positions:	176		
Vacant Positions:	44	Percentage Vacant:	20.0%		
Positions Abolished in the Recommended Budget:	19	New Positions:	19		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$12,888,189	\$12,870,912	\$13,309,026	\$13,485,749	\$13,451,299
Equipment (2000s)	\$5,256	\$6,400	\$21,880	\$76,880	\$76,880
Supplies (3000s)	\$174,881	\$240,868	\$239,189	\$251,709	\$248,078
Contracts (4000s)	\$3,106,638	\$3,709,608	\$3,670,183	\$3,531,878	\$3,531,878
Totals	\$16,174,963	\$16,827,788	\$17,240,278	\$17,346,216	\$17,308,135
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$980,712	\$967,582	\$1,057,047	\$1,029,204	\$1,174,319
Federal Aid (4000s)	\$10,575,728	\$11,191,882	\$11,961,275	\$11,205,590	\$11,020,156
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$5,457,220	\$5,895,412	\$6,004,169	\$5,898,374	\$6,011,419
Totals	\$17,013,660	\$18,054,876	\$19,022,491	\$18,133,168	\$18,205,894

Effects of Recommended Budget

The 2015 Recommended Budget for the Department of Labor, Licensing and Consumer Affairs contains several initiatives, but at a funding level that is essentially flat. The recommended budget is \$316,361 more than the 2014 Adopted Budget due primarily to contractual salary increases. The recommended budget is \$149,261 less than the 2014 estimate, because the estimate includes expenditures for grants that were accepted during the year. Year-end 2015 expenditures and revenues will likely exceed the 2015 adopted total for the same reason.

Revenue is recommended at 4.3% less than estimated in 2014 due to the acceptance of a nonrecurring federal block grant of \$687,871 by Resolution No. 1206-2013 to provide community outreach for Superstorm Sandy-related work performed by home improvement contractors. The following chart shows departmental revenue by major category. Aid and grants comprise approximately two thirds of the Department's revenues. The other third is for fees, licensing, and other revenue attributable primarily to the Consumer Affairs Division.



The Department of Labor, Licensing and Consumer Affairs operates programs financed by the General Fund and the Workforce Investment Act (WIA) Fund (320). General Fund expenditures are recommended at \$8.1 million or 42% of total expenditures. The recommended budget includes \$3.2 million for the Administration Unit, Living Wage Unit, and Consumer Affairs Division at 100% County cost. The Suffolk Works Employment Program (SWEP) is the Department's largest General Fund expense, recommended at \$4.9 million. The Department of Labor, Licensing and Consumer Affairs acts as a subcontractor to the Department of Social Services for this program. SWEP expenses are heavily reimbursed by State aid claimed by Social Services. Expenditures from the WIA Fund are recommended at \$11.3 million or 58% of the Department's budget. WIA expenditures are 100% reimbursed by federal funds passed through New York State.

Staffing

There are eight Labor, Licensing and Consumer Affairs titles added to the salary and classification plan and 17 titles that are deleted. Four administrative positions, three Deputy Commissioner titles and one Assistant Deputy Commissioner title, are reclassified to Administrative Director of LL&CA and Assistant Administrative Director of LL&CA, respectively. The positions are also changed from exempt status to being represented by the Association of Municipal Employees (AME). These changes make sense as the titles are competitive Civil Service titles. The grades of the titles remain the same, but the employees will receive a modest increase in wages as a result of the difference between the exempt and AME salary schedules. The other reclassifications in the Department of Labor, Licensing and Consumer Affairs are to simplify the Consumer Affairs career ladder and to add Spanish speaking titles to better serve County residents. The following table summarizes the position changes in the recommended budget.

Change in Titles in Labor, Licensing and Consumer Affairs									
Abolished					New				
Job Title	Grade	No. Filled	Vacant		Job Title	Grade	No. Filled	Vacant	
DEP COMM OF LABOR, LIC & CA	34	3	3	0	ADMINISTRATIVE DIR OF LL&CA	34	3	3	0
ASST DEP COMM OF LABOR, LIC & CA	32	1	1	0	ASST ADMINISTRATV DIR OF LL&CA	32	1	1	0
CONSUMER AFFRS INVEST III	25	3	1	2	CONSUMER AFF SPEC III	27	2	2	0
OCC LICENSE SPECIALST III	23	1	1	0	CONSUMER AFF SPEC II	23	4	4	0
CNSMR AFRS INVEST II-ELEC	23	2	2	0					
CNSMR AFRS INVEST II-HOME	23	1	1	0					
OCC LICENSE SPECIALIST II	21	2	2	0	CONSUMER AFF SPEC I	19	4	4	0
CONSUMER AFFRS INVEST I	18	2	2	0	CONSUMER AFF SPEC I (SS)	19	1	1	0
CNSMR AFF INVST I-HME IMP	18	2	1	1	CONSUMER AFFAIRS TECHNICIAN	17	3	0	3
CNSMR AFF INVST I-PLMBING	18	1	1	0	CONSUMER AFF TECHNICIAN(SS)	17	1	0	1
OCC LICENSE SPECIALIST IV	27	1	0	1					
Total Abolished		19	15	4	Total New		19	15	4

Department-wide, we estimate that the reclassifications will increase costs for filled positions by \$68,268 in 2015 while reducing the potential cost of vacancies by \$98,990. As seen in the following chart, the total cost of positions is reduced by \$30,722.

Fiscal Impact of Position Changes				
Status	No.	Cost of Abolished Positions	Cost of New Positions	Increase/Decrease in Cost
Filled	15	\$1,116,163	\$1,184,431	\$68,268
Vacant	4	\$253,172	\$154,183	-\$98,990
Total	19	\$1,369,336	\$1,338,614	-\$30,722

The 2015 Recommended Budget provides adequate appropriations to account for reclassifications and to fund all currently filled positions for the duration of 2015. In the General Fund, we estimate that there is sufficient funding to fill the vacant Clerk Typist position in the Administration Unit and three Consumer Affairs Technician positions in the Consumer Affairs Division. In the WIA Fund, we estimate there is approximately \$220,000 that can be used to fill 25% of WIA vacancies.

Issues for Consideration

Administrative Law Judges

The Department requested and the recommended budget includes \$117,500 for Fees for Services (001-LAB-6610-4560) in 2015, which is \$80,625 more than the 2014 estimate. The increase is for administrative law judges to preside over hearings between customers and vendors/contractors. The Department intends to work with the Traffic Violations and Parking Agency, which also needs administrative law judges for traffic court. Although the use of administrative law judges is an additional expense, it frees up Consumer Affairs personnel to perform inspections and address other backlogs without hiring additional staff.

Taxi and Limousine Commission (TLC)

Resolution No. 534-2014 appropriated \$300,000 to procure a licensing and permitting platform from Accela. After the initial purchase and installation, there is an estimated cost of \$11,000 annually for five software licenses. The Department expects the software to minimize the amount of staff hours that must be dedicated to the TLC, but as previously noted, there are sufficient recommended salary appropriations to hire if necessary.

The recommended budget estimates \$5,000 in revenue from the TLC in 2014 and \$96,000 in 2015. According to the Department, the TLC will not be ready to operate until the software is in place sometime in early 2015. It is difficult to project what revenue will come in during 2015 as it will depend on the number of licenses applied for and the number of violations issued; however, there is not likely to be any revenue in 2014.

Budget Review Office Recommendations

- The recommended budget reclassifies several titles in the Department of Labor, Licensing and Consumer Affairs; however, no changes to the salary and classification plan can take effect without a duly adopted resolution of the Suffolk County Legislature. The proposed amendments to the salary and classification plan appear logical and appropriate; we recommend that the changes be incorporated in an authorizing resolution.
- Reduce the 2014 estimate for Taxi and Limousine Fees (001-LAB-6610-4549) from \$5,000 to \$0 as the Taxi and Limousine Commission will not be operational until early 2015.

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Law

Personnel (as of 9/14/2014)

Authorized Positions:	132	Filled Positions:	110
Vacant Positions:	22	Percentage Vacant:	16.7%
Positions Abolished in the Recommended Budget:	0	New Positions:	0

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$8,868,699	\$9,271,271	\$8,663,940	\$8,949,775	\$9,008,725
Equipment (2000s)	\$240	\$0	\$0	\$0	\$0
Supplies (3000s)	\$219,248	\$218,256	\$219,828	\$259,756	\$255,846
Contracts (4000s)	\$5,861,358	\$5,315,674	\$5,745,090	\$5,315,674	\$5,315,646
Totals	\$14,949,545	\$14,805,201	\$14,628,858	\$14,525,205	\$14,580,217

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$5,585,672	\$3,525,000	\$3,525,000	\$3,525,000	\$3,525,000
Federal Aid (4000s)	\$0	\$0	\$0	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$122,705	\$321,611	\$331,606	\$321,606	\$331,606
Totals	\$5,708,378	\$3,846,611	\$3,856,606	\$3,846,606	\$3,856,606

Effects of Recommended Budget

Staffing

The 2015 Recommended Budget includes all currently authorized positions in the Law Department, of which 110 are filled and 22 are vacant. The 2015 Recommended Budget includes \$8,911,775 for permanent salaries, which is sufficient to cover all filled positions and in the aggregate provides approximately \$200,000 to fill 15% of the Department's vacancies for the entire year. The following table details the number of vacant positions in the Department.

Number of Vacancies in the Law Department	
Position	Vacancies
(001) General Fund	
<i>1420 - Law General Administration</i>	11
ASSISTANT COUNTY ATTY	2
BUREAU CHIEF (LAW)	2
DEPUTY BUREAU CHIEF(LAW)	1
PR ASSISTANT COUNTY ATTY	3
INTERGOVERNMENTAL ANALYST I (earmarked to Research Analyst)	1
SECRETARY	1
CLERK TYPIST	1
<i>1429-DWI Vehicle Seizure Program</i>	1
ASSISTANT COUNTY ATTY	1
<i>8040- Human Rights Commission</i>	3
PRIN HUMAN RIGHTS INVESTGTR	1
SR HUMAN RIGHTS INVESTGTOR	1
HUMAN RIGHTS INVESTR(SPAN SP)	1
(038) Self Insurance	
<i>1316 - Insurance and Risk Management</i>	2
SECRETARIAL ASSISTANT (earmarked to Clerk Typist)	1
WORKERS' COMP CLAIMS EXAMINER	1
<i>1712 - Insurance Tort Unit</i>	2
PR ASSISTANT COUNTY ATTY	1
SR ASSISTANT COUNTY ATTY	1
(136) Traffic Violation Bureau	
<i>1426 - Traffic Violations Law</i>	3
ASST COUNTY ATTY (SPEC ASSIGN)	3
Total Vacancies	22

The recommended budget transfers eight positions within the Department, as requested.

Although we are not making a recommendation, it should be noted that in their August update the Department also requested to transfer one Office Systems Analyst I position (grade 19) from the Department of Information Technology (DoIT) to the Law Department in General Administration (1420), Bureau of General Litigation and to reclassify this position to an Assistant County Attorney (grade 24). According to the Department, they requested this transfer and reclassification because the incumbent, who is an attorney, is currently managing the implementation of the Case Management System in the County Attorney's Office and performing legal work. If the position remained in DoIT in 2015, the cost would be \$68,631.

If this position is transferred and reclassified in January 2015, then the cost for permanent salaries in DoIT would be \$68,631 less for an OSA I with a commensurate increase in permanent salaries in Law of \$77,400 for an Assistant County Attorney. Funding this position in the Law Department is \$8,769 more than if it were not transferred and reclassified from DoIT for all of 2015.

Assuming the time Civil Service will require to evaluate the request and make a determination, the transfer may occur during the second quarter of 2015. In this case, if the position is transferred in April 2015, then the cost for permanent salaries in DoIT for an OSA I would be \$49,810 less. It would cost DoIT \$18,821 for an OSA I from January 1, 2015 through April 12, 2015 and Law \$56,754 for an Assistant County Attorney from April 13, 2015 through the end of the year. Funding this position in DoIT for the first quarter of 2015 would be \$6,944 more than if it were not transferred and reclassified into the Law Department from April 2015 through the end of the year.

The Department also indicated that in 2015, Family Court in Central Islip will be adding a new part and that a part in Riverhead may be moved to Central Islip as well. Law anticipates the creation and relocation of parts may require them to fill two additional Assistant County Attorney vacancies in 2015. Assuming a hire date of January 1, 2015, the additional net County cost would be \$135,483, (\$104,213 for permanent salaries and \$34,868 for fringe benefits less \$3,598 for employee premium contributions). If one Assistant County Attorney position is filled with the transfer of the DoIT employee, the remaining funds provided for permanent salaries would not be sufficient to hire two additional Assistant County Attorneys on January 1, 2015 and would be deferred to at least February 2, 2015.

Expenditure

The 2014 estimated budget of \$14,628,858 is \$176,343 less than the 2014 Adopted Budget. With the exception of permanent salaries, the budgeted amount is reasonable. The decrease is more than accounted for by temporary salaries in Traffic Violations – LAW (001-LAW-1426-1130) that are \$289,920 less than adopted. This difference is explained by the hiring of attorneys (Asst County Atty, Special Assignment) as temporary employees that became contracted employees at the beginning of 2014 and are funded in the Traffic and Parking Violations Agency's operating budget. Other major differences between the estimated and adopted budgets can be attributed to the following:

- \$407,410 less than adopted for permanent salaries in the aggregate for the Department.
- \$300,000 more than adopted for special services in the Bar Association Indigent Defendants appropriation (001-LAW-1171-4770), for the Assigned Counsel Program through the end of 2014.
- \$130,000 more than adopted for fees for services in the Department's main appropriation (001-LAW-1420-4560) for outside counsel costs through the end of 2014.

- \$86,309 more in the aggregate than adopted for personal services, with the exception of permanent salaries, mainly attributable to retirements in the Department.

Based on year-to-date permanent salaries expenditure of \$5,639,409 and BRO's estimated cost of \$2,951,354 to pay existing staff for the remainder of 2014, we conclude the 2014 estimate for permanent salaries is understated by \$118,566 (\$82,127 in Fund 001 and \$36,439 in Fund 038). We recommend adding \$118,566 to permanent salaries to provide sufficient funds to pay active personnel in the Department through the end of 2014.

The 2015 Recommended Budget for the Department includes \$14,580,217 for aggregated expenditures, which is \$48,641 less than the 2014 estimated budget, but \$55,012 more than requested. Assuming requested new hires are not added by the Legislature, 2015 recommended expenditures are reasonable.

Revenue

The recommended budget includes \$3,856,606 in revenue for Law. The majority (91%) of the recommended revenue for the Department is Court Facilities Aid (001-LAW-3021) from New York State for maintaining and operating court facilities. Even though this revenue is attributed in the recommended budget to Law, the reimbursable expenditure is incurred by DPW (001-DPW-1164). As of September 19, 2014, the County has received \$1,162,207 from this revenue source. The 2014 estimated and the 2015 Recommended budgets include \$3,525,000 for Court Facilities Aid; both budgets are reasonable.

Issues for Consideration

Bar Association – Indigent Defendants Program

The Assigned Counsel Defender Plan (001-1171-4770) is a contracted service that provides for private attorneys, who participate in the Bar Association's 18-B program, for defendants accused in homicide cases or for certain cases with dual defendants. Although the County's primary provider of legal representation to indigent defendants is the Legal Aid Society, they can not represent more than one defendant per case. It is more cost effective for the County to have the Legal Aid Society as the main indigent defendants program provider because their attorneys perform assigned caseloads for an annual salary. The 18-B attorneys, contracted through the Law Department, have much higher hourly rates. However, the ultimate decision regarding case assignment is up to the discretion of the courts' judges. When a conflict exists, the assignment of 18-B counsel is unavoidable.

The 2014 estimated budget for the Assigned Counsel Defender Plan is \$4,500,000, which is \$300,000 more than adopted, but \$300,000 less than the 2015 Recommended Budget. Based on year-to-date expenditures and projected costs, the 2014 estimate seems reasonable. Although additional funds were included in the 2014 estimate for this line item, the average actual expenditure from 2010-2013 was \$4,027,525, excluding 2011 expenditures, which was an outlier year. The 2015 Recommended Budget of \$4,200,000 is also reasonable, provided the County continues to have the majority of the cases handled by the Legal Aid Society.

Resolution Nos. 505 and 567 of 2014 accepted and appropriated grant funding from the New York State Office of Indigent Legal Services to provide enhanced defense representation. This funding is not included in the 2015 Recommended Budget.

Additional ILSF grant funds have been awarded to the Assigned Counsel Defender Plan for the procurement and implementation of an electronic voucher system for 18-B work in Criminal and

Family Courts to improve and streamline the receipt, processing and tracking of vouchers, for the hiring of a Technical Support Assistant to support users of the electronic voucher system, and for adjustment in salaries for the administrative staff. The Legislature anticipates accepting and appropriating the additional funds during the November 18, 2014 General Session.

Human Rights Commission

Resolution No. 683-2014 adopted a local law to update the Suffolk County Human Rights Law, Chapter 528 of the Suffolk County Code, to include additional protective categories and incorporate changes adopted by New York State. This resolution also clarifies the Human Rights Commission's civil fines issuance process. The changes to the County's Human Rights Law are anticipated to generate an indeterminate amount of revenue for the Department in the future. The recommended budget does not include any revenue from this source and does not create a dedicated revenue code for this purpose.

Budget Review Office Recommendations

Add \$118,566 to permanent salaries to provide sufficient funds to pay active personnel in the Department through the end of 2014, as follows:

- \$61,092 in 001-LAW-1420-1100
- \$510 in 001-LAW-1429-1100
- \$20,525 in 001-LAW-8040-1100
- \$30,670 in 038-LAW-1316-1100
- \$5,769 in 038-LAW-1712-1100
- The additional funds required for permanent salaries in Fund 038 will require an additional expense, in the form of inter-fund transfers, from other funds. Approximately 40% of the additional expense would be from the General Fund (001), 40% from the Police District (115) and the remainder would be from other funds.

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Legal Aid Society

Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$0	\$0	\$0	\$0	\$0
Equipment (2000s)	\$0	\$0	\$0	\$0	\$0
Supplies (3000s)	\$0	\$0	\$0	\$0	\$0
Contracts (4000s)	\$12,569,086	\$12,923,616	\$12,980,215	\$13,553,752	\$13,029,643
Totals	\$12,569,086	\$12,923,616	\$12,980,215	\$13,553,752	\$13,029,643
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$2,583,909	\$2,247,086	\$2,108,478	\$1,782,086	\$1,782,086
Federal Aid (4000s)	\$53,400	\$53,400	\$53,400	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0
Totals	\$2,637,309	\$2,300,486	\$2,161,878	\$1,782,086	\$1,782,086

Effects of Recommended Budget

In the aggregate, the 2015 Recommended Budget for the Legal Aid Society is \$106,027 more than the Society's 2014 Adopted Budget. The recommended budget increase is \$524,109 less than requested, as shown in the following table.

Comparison of 2015 Requested and Recommended Funding			
2015 LAS Item Request	2015 LAS Budget Request	2015 Recommended Budget	2015 Requested minus Recommended
3% Increase in salaries	\$232,113	\$51,044	\$181,069
Funds to cover projected 10% increase in health insurance premiums	\$108,383	\$108,383	\$0
Five new positions: salaries and fringe benefits	\$343,040	\$0	\$343,040
Total	\$683,536	\$159,427	\$524,109

Legal Aid requested a three percent increase in salaries from their 2014 Adopted Budget. The recommended budget provides for a one percent increase July 1, 2015 and another one percent increase December 1, 2015, which is commensurate with salary increases for AME employees in 2015. The difference between what Legal Aid requested and what was included in the recommended budget for salary increases is \$181,069. Additional funds totaling \$108,383 were included in the recommended budget for a ten percent increase over the 2014 Adopted Budget for medical coverage as requested, to account for a projected net premium increase in the Empire Plan.

Legal Aid requested \$343,040 to hire four additional attorneys and one clerical staff in 2015 to reduce attorney caseload and to provide for staffing of new parts and court initiatives. Court initiatives implemented in the last couple of years include:

- Human Trafficking Intervention Court
- Youth Diversion Court
- Driving While Intoxicated (DWI) Parts
- East End Veterans Court
- Westhampton Dunes Village Court
- Coverage of East End DMV Refusal Hearings

In 2015, Family Court will be adding a new part in Central Islip, as was indicated in the review of the Law Department. The recommended budget did not include funding for new positions. The five positions were to be assigned as follows:

- One attorney in the Family Court Division
- One attorney in the District Court Bureau
- Two attorneys to reduce caseload
- One clerical/ support staff

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 the fund's creation, aid to counties 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 is 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 to Suffolk County has declined each year since 2009.

Impact of Change to New York State Aid Disbursement Formula					
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	\$1,404,172	\$577,779	\$1,981,951	\$601,958	\$2,583,909
2014 Est.	\$702,085	\$826,393	\$1,528,478	\$580,000	\$2,108,478
2015 Rec.	\$500,000	\$702,086	\$1,202,086	\$580,000	\$1,782,086

An additional consequence of the new method for 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 2014 Adopted Budget included \$702,086 in State aid secured under the new guidelines by expanding services through a Spanish language initiative and by ensuring permanent presence of a Legal Aid attorney in three of the busiest Family Court Referee parts. The same level of funding is continued in the 2015 Recommended Budget to pay the salaries of the Spanish-speaking employees hired to better serve the growing Hispanic population and to maintain the permanent assignment of a Legal Aid attorney in the busiest Family Court Referee parts.

Legal Aid was able to secure additional funding from the State Office of Indigent Legal Services in 2014, to implement the following initiatives, which are intended to continue improving/expanding 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
- Hiring additional clerical support staff/program coordinator to assist in the administration of grants
- Offering mandatory Continuing Legal Education (CLE) training and seminars
- Representation for defendant's first appearance before a judge

The Legislature accepted and appropriated the additional grant funding from the State Office of Indigent Legal Services via Resolution Nos. 505 and 567 of 2014. This funding was not included in the recommended budget.

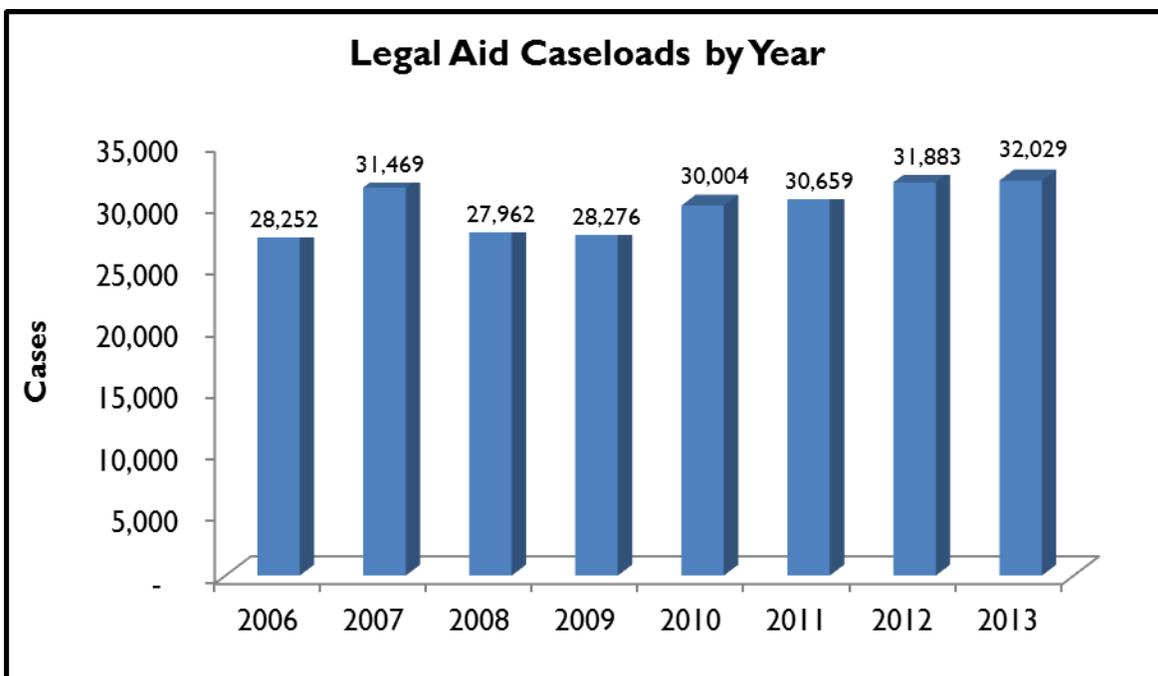
Additional grant funds of \$527,086 from ILFS are estimated to be awarded to Legal Aid during 2014 for parity in salaries with prosecutors and parity in health insurance. The accepting and appropriating resolution is anticipated to be voted on at the November 18th General Meeting of the Legislature.

Issues for Consideration

Staffing

Historically, Legal Aid has indicated they have difficulty recruiting and retaining attorneys due to a disparity in wages and benefits between what the Society is able to offer its lawyers and what is offered by the District Attorney, County Attorney, and private practices.

Legal Aid indicates their attorneys have increasing caseloads due to an increase in workload. The following chart details the increase in caseloads from 2006 to 2013.



In 2013, Legal Aid had an all-time high number of new case assignments totaling 32,029. Legal Aid indicates that the attorneys in the District Court Bureau carry an average caseload of 580 cases per year and have an average of 5.25 appearances per case. Based on American Bar Association

standards for misdemeanors, the maximum caseload for a public defender should be around 400. Additionally, it is important to point out that as the attorney workload increases, so does the workload of support staff. The American Civil Liberties Union (ACLU) filed a suit against New York State and the 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 Assigned Counsel Plan, at an even higher increase in cost.

Legal Aid Versus Assigned 18-B Counsel Program

Article 18-B of the New York State 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 Assigned Counsel Plan, 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 \$310, compared to upwards of \$1,000 if the case is referred to the Assigned Counsel Plan. Ultimately, the decision as to which defense will be provided is the prerogative of the courts' judges. However, ensuring that the Legal Aid Society has enough attorneys to staff all parts improves the likelihood that Legal Aid will be assigned more cases.

The additional funding for salaries and health insurance expenses included in the recommended budget, coupled with recently awarded grant funding, should assist Legal Aid in maintaining necessary service levels.

MF LAS15

Legislature

Personnel (as of 9/14/2014)					
Authorized Positions:	135	Filled Positions:	123		
Vacant Positions:	12	Percentage Vacant:	8.9%		
Positions Abolished in the Recommended Budget:	2	New Positions:	1		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$9,319,232	\$9,437,076	\$9,548,234	\$9,668,701	\$9,604,516
Equipment (2000s)	\$54,752	\$159,550	\$125,493	\$203,700	\$203,700
Supplies (3000s)	\$165,280	\$126,064	\$114,170	\$161,450	\$161,450
Contracts (4000s)	\$61,232	\$124,200	\$52,750	\$73,050	\$73,050
Totals	\$9,600,497	\$9,846,890	\$9,840,647	\$10,106,901	\$10,042,716
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$0	\$0	\$0	\$0	\$0
Departmental Income	\$0	\$10,000	\$10,000	\$10,000	\$10,000
Other Income	\$1,600	\$7,601	\$7,601	\$7,601	\$7,601
Totals	\$1,600	\$17,601	\$17,601	\$17,601	\$17,601

Effects of Recommended Budget

Personal Services/Expenditures/Revenue

In the aggregate, the 2015 Recommended Budget contains \$64,185 less than requested for permanent salaries, however, it is sufficient to fund all currently filled positions through 2015 and provides approximately \$261,000 to fill vacant positions. Two interim positions that are expiring at the end of 2014 are recommended to be abolished with one new Legislative Aide II position created to replace one of the positions, which is currently filled. One vacant Office Systems Analyst II position is recommended to be transferred from the Legislature to the Budget Review Office as requested.

As per Legislative request, the recommended budget includes \$96,000 in office machines (001-1010-2020) to provide video equipment for the internet broadcast of Legislative meetings as pay-as-you-go funding that was scheduled in the 2015 Capital Budget for Capital Project No. 1820.

All other expenditure and revenue items were recommended as requested.

DD LEG 15

Medical Examiner

Personnel (as of 9/14/2014)					
Authorized Positions:	110	Filled Positions:	96		
Vacant Positions:	14	Percentage Vacant:	12.7%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$8,448,523	\$8,552,765	\$8,289,885	\$9,054,445	\$9,323,315
Equipment (2000s)	\$175,539	\$149,483	\$265,337	\$116,990	\$115,990
Supplies (3000s)	\$1,127,435	\$1,269,916	\$1,304,828	\$1,324,186	\$1,323,686
Contracts (4000s)	\$394,081	\$522,374	\$540,297	\$360,716	\$306,866
Totals	\$10,145,577	\$10,494,538	\$10,400,347	\$10,856,337	\$11,069,857
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$478,020	\$560,400	\$571,875	\$490,419	\$490,419
Federal Aid (4000s)	\$534,966	\$418,226	\$482,229	\$362,628	\$362,628
Departmental Income	\$443,283	\$456,000	\$445,000	\$441,000	\$445,000
Other Income	\$0	\$0	\$0	\$0	\$0
Totals	\$1,456,269	\$1,434,626	\$1,499,104	\$1,294,047	\$1,298,047

Effects of Recommended Budget

Overview

The operating budget recommended for the Office of the Medical Examiner in 2015 is slightly (1.97%) higher than requested. Permanent salaries in the Office's main appropriation, 4720, have increased by 3.3% to reflect more permanent staff; fees for services contract expenditures have been reduced. There are some reductions in grant funding, and a few small reductions in non-personnel expenditures. The recommended revenue for the Office is \$4,000 higher than requested.

Compared to the previously adopted budget, the 2015 Recommended Operating Budget increases expenditures in the Office by 1.8%. This increase is due primarily to an increase in filled Medical Examiner Pathologist positions and an increase in permanent salaries resulting from the actions of the Classification and Salary Appeals Board in June of 2014 to elevate the grades for 24 different Forensic Scientist titles.

Personnel

Personnel expenditures increase by \$268,870 as compared to the requested budget; the major component of the increase is permanent salaries in the primary Office appropriation, 4720. The Office expects to fill four vacancies before the end of 2014, including two Deputy Medical Examiner Pathologists. There is a small increase in straight time overtime versus the request; this increase anticipates increases in overtime by forensic scientists at crime scene investigations and reflects a new Memorandum of Agreement (MOA) between the Suffolk County Association of Municipal Employees (SCAME) and the County to assure compensation for crime scene investigations.

Equipment and Supplies

Recommended equipment and supply expenditures are approximately 9.1% less than the 2014 estimated, due to decreases in funding for various grants, particularly the DNA Backlog Reduction Program Grant, the 2013 Urban Areas Security Initiative, and the Target Crime Initiative Grant. At the Office's request, \$10,000 was added for Other Equipment (subobject 2500) in appropriation 4720, for chemical storage cabinets as the current phase of Capital Project 1109, Forensic Sciences Medical and Legal Investigative Consolidated Laboratory, is completed and additional space in the morgue area of the building becomes usable work space.

Contracts

Fees for Services contract expenditures are recommended at a level \$52,000 less than requested. The Office expects to have sufficient permanent staff pathologists, which will reduce the need for contractor performed autopsies. Hiring of a Histology Technician in 2014 will also reduce the need to use the histology lab contract also included in the 4560 subobject.

Revenues

Decreasing State and Federal Grant funding account for a \$201,057 reduction in 2015 revenue as compared to the 2014 estimate. Fee revenues for the Office are less than one percent (\$4,000) more than requested.

Issues for Consideration

Overview

The recommended budget portrays an accurate estimate of the funding required to run the Office of the Medical Examiner in 2015, as well as an accurate estimate for 2014 expenditures by the Office. Sufficient personnel appropriations allow the Office to hire new staff, or utilize contractors, or pay overtime if necessary. The current workload of autopsies and investigations can be maintained at or slightly above current levels with less of the strain on personnel, equipment, and supplies experienced in 2012 and 2013.

Personnel

Deputy Medical Examiner Pathologist was the critical position in the Office in 2014. For a period from mid-March to mid-June of 2014 the County had only one of these positions filled. Currently there are three, plus the Chief Medical Examiner, with two open positions with signed SCIN forms. Both positions should be filled before the end of 2014; positions are accounted for as filled in the recommended budget. The hiring of Chief Medical Examiner and filling two vacant pathology positions accounts for approximately \$500,000 of the increase in permanent salaries which occurs between the 2014 estimated and the 2015 recommended Budgets. According to the Office, a Chief Deputy Medical Examiner will probably not be hired until 2016.

Almost all of the remaining \$700,000 in cost growth between the recommended budget and the 2014 estimate is due to the two pay grade increase in 24 Forensic Scientist positions. These positions were elevated in late June 2014 by the Suffolk County Classification and Salary Appeals Board.

The Office expects at least two retirements in 2015; there are sufficient appropriations to immediately backfill the positions.

Grant Revenue

Three grants, the Target Crime Initiative Grant, the 2013 Urban Area Security Initiative, and the DNA Backlog Reduction Program will decrease or cease in 2015. The net impact on the Office is a loss of \$203,472 in revenue; expenditures are commensurately reduced. No personnel lines are affected by the loss of funds.

Budget Review Office Recommendations

The Budget Review Office concurs with the budget for the Office of the Medical Examiner as recommended by the County Executive.

CF MED15

Parks, Recreation, and Conservation

Personnel (as of 9/14/2014)

Authorized Positions:	187	Filled Positions:	152
Vacant Positions:	35	Percentage Vacant:	18.7%
Positions Abolished in the Recommended Budget:	0	New Positions:	3

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$12,648,683	\$10,504,420	\$11,943,979	\$9,999,406	\$9,664,981
Equipment (2000s)	\$55,084	\$214,512	\$200,082	\$294,492	\$246,992
Supplies (3000s)	\$1,960,828	\$2,314,044	\$2,014,266	\$2,249,580	\$1,966,704
Contracts (4000s)	\$1,119,217	\$1,168,477	\$1,297,124	\$1,274,471	\$1,231,471
Totals	\$15,783,812	\$14,201,453	\$15,455,451	\$13,817,949	\$13,110,148

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$56,113	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$221,916	\$0	\$69,422	\$0	\$0
Departmental Income	\$8,942,072	\$9,507,400	\$9,870,260	\$9,895,000	\$9,895,000
Other Income	\$1,160,544	\$1,189,080	\$1,108,855	\$556,080	\$560,580
Totals	\$10,380,645	\$10,696,480	\$11,048,537	\$10,451,080	\$10,455,580

Effects of Recommended Budget

Funding for the Parks Department is included in three funds, the General Fund, Water Quality Protection Fund, and Hotel and Motel Tax Fund. In the aggregate, the 2014 estimate is \$1.3 million more than adopted; \$1.4 million more in the General Fund because the proposed transfer of Park Police Officers to the Police Department did not occur in May of 2014 as anticipated in the 2014 Adopted Budget and \$164,858 less than adopted in the Water Quality Protection Fund due primarily to turnover savings. The 2014 estimate for Hotel and Motel Tax Fund expenditures is equal to the 2014 adopted amount.

General Fund appropriations finance general Parks operations including the administration, staffing, and upkeep of County parks and campgrounds as well as the Environmental Enforcement Unit, which has the responsibility for overseeing initiatives that preserve and protect County parkland. General Fund expenditures are recommended at \$8.7 million in 2015, representing 65% of the Department's budget. The recommended budget is \$2.3 million less than estimated in 2014 because it once again assumes the transfer of the Park Police to the Police Department. Assuming the transfer of the Park Police on January 1, 2015, the recommended budget for Parks General Fund expenditures is reasonable.

The majority of Parks revenue comes from usage fees at parks, beaches, campgrounds, and golf courses. The Department also receives money from licensing concessionaires and leasing residences on parkland. After adjusting for \$547,000 from the sale of property in 2014, revenue in the recommended budget is relatively flat. There is \$10.46 million recommended in 2015 compared to \$10.5 million estimated in 2014 and \$10.38 in actual 2013 revenue.

Sales of Real Property (001-2660)

The 2014 estimate includes \$547,000 in revenue from the sale of a parcel of real property included in the Suffolk County Parks system. New York State has initiated eminent domain proceedings to acquire the property as part of a construction project on the northern side of New York State Route 347 in the Town of Smithtown. Introductory Resolution No. 1587-2014 would accept \$547,000 as just payment for the property. Appraisals conducted by the County determined that the parcel is valued properly; however, the resolution has been tabled several cycles based on local resident concerns that State construction would impede area drainage and exacerbate flooding problems. The inclusion of revenue from the sale in the budget means that if the resolution is not approved a deficit may occur.

Transfer of Park Police

The most significant issue in the recommended Parks budget is the transfer of 34 filled Park Police Officer positions to the Police Department. We estimate that salaries for these employees as Park Police Officers in 2015 would be \$2.5 million. Salaries in the main Parks appropriation (7110) are recommended at a decrease of \$1.7 million compared to the 2014 estimate because the decrease in salaries from transferring the Park Police Officers out of the Department is partially offset by contractual salary increases for remaining Parks employees. As a result of the transfer, other personnel costs (excluding temporary salaries) are recommended at a \$1.2 million decrease compared to the 2014 estimate; however, approximately half of the 2014 estimate for other personnel costs was for one-time retroactive payments to the Park Police as a result of an arbitration award covering the period of 2009 and 2010. The reduction in other personnel costs net of the arbitration award is \$593,258. Consequently, we estimate the total transfer of expenses from the Parks Department to the Police Department to be approximately \$3.1 million. The cost to the Police Department will be slightly higher than this amount for the transferred employees

because they will be paid at the step in the Police Officer scale that is closest, but above their Park Police Officer salary.

The recommended budget includes \$482,375 in additional funding compared to the 2014 estimate for seasonal and temporary salaries, which will be used to hire security guards and park rangers to protect park property and ensure the safety of park patrons after the Park Police Officers are absorbed into the Police Department. The recommended amount is \$18,000 less than requested, but the Department has indicated that the provided resources are sufficient to implement its deployment strategy.

The narrative in the recommended budget indicates that there will be \$1 million in savings from this initiative compared to hiring an equal amount of police recruits. See the Police Department section of this report for more information.

Permanent Salaries

The recommended budget includes three new positions, none of which were requested by the Department. The recommended budget indicates that two new Senior Cashier (grade 10) positions are needed to provide supervision of seasonal employees collecting cash at County parks. One Neighborhood Aide (grade 13) position is created to inspect improvement projects and administer grants. We question the necessity of creating new positions due to the fact that the Department did not request them and because there are currently 25 existing vacancies (excluding Park Police positions).

In the General Fund, recommended appropriations are sufficient to fund all currently filled positions, the three new positions, and approximately 25% of the Department's vacancies (excluding Park Police). In the Water Quality Protection Fund, there are sufficient appropriations for all currently filled positions, but there is no funding for vacancies. In the Hotel & Motel Tax Fund, recommended salary appropriations are approximately \$42,000 less than the BRO estimated cost for currently filled positions in 2015. This deficit can be made up by reallocating funds from within the Historic Services Division (7510) or transferring a position to the General Fund. If the Legislature increases the estimate for Hotel and Motel Tax revenue over the recommended level, the distribution of funding to Historic Services may be sufficient to cover the deficit. Alternatively, if the estimate is decreased and other Historic Services expenses are not reduced, the shortfall will increase.

Issues for Consideration

Water Quality Protection Fund (477)

The Water Quality Protection Fund supports the Organic Maintenance Program, which includes the staff and equipment necessary to maintain the County's golf courses with organic fertilizers and pesticides, and the Water Quality Environmental Enforcement Unit, which monitors and remediates environmental problems to wetlands and surface water in County parks. Water Quality funds are recommended at \$2.41 million or 18% of the Department's budget. No positions are transferred from the General Fund to the Water Quality Protection Fund as in years past. The recommended budget is \$79,551 more than estimated in 2014 due to contractually obligated salary increases and modest increases for supplies and equipment.

Hotel Motel Tax Fund (192)

The Hotel and Motel Tax Fund finances the Historic Services Division, which provides the staff and supplies necessary to maintain, repair, and ensure safe public access to the County's historic

structures. The Hotel Motel Tax Fund also provides funding to museums and historical societies across the County. Recommended Parks funding from the Hotel and Motel tax Fund in 2015 is \$2.36 million or 17% of the Department's total budget. The recommended budget is \$167,015 less than the 2014 estimate; the major decreases are \$127,939 less for building repairs and \$41,060 less for museums and historical societies.

The 2014 estimate for Hotel and Motel Tax Fund expenditures is equal to the 2014 adopted amount; however, building repairs are estimated at \$503,713, but only \$121,669 has been obligated according to the County's Integrated Financial Management System (IFMS) on 10/2/2014. To the extent that repairs are less than estimated, the resulting fund balance could be used to cover the BRO projected shortfall in salaries.

Budget Review Office Recommendations

- Do not create three new Parks positions and reduce the 2015 Recommended Budget for Permanent Salaries (001-PKS-7110-1100) by \$91,296.
- Reduce the 2014 estimate for building repairs in Historic Services (192-PKS-7510-3650) by \$42,000 from \$503,713 to \$461,713 and increase the 2015 Recommended Budget for Permanent Salaries in Historic Services (192-PKS-7510-1100) by \$42,000 from \$551,023 to \$593,023.

BP Parks15

Police (General Fund)

Personnel (as of 9/14/2014)

Authorized Positions:	602	Filled Positions:	455
Vacant Positions:	147	Percentage Vacant:	24.4%
Positions Abolished in the Recommended Budget:	0	New Positions:	2

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$66,251,202	\$64,757,448	\$69,381,799	\$71,742,903	\$82,453,697
Equipment (2000s)	\$928,307	\$73,639	\$1,397,169	\$72,045	\$72,045
Supplies (3000s)	\$1,767,533	\$1,996,377	\$2,144,402	\$2,165,232	\$2,075,232
Contracts (4000s)	\$2,951,662	\$3,112,197	\$3,501,966	\$3,181,033	\$3,071,033
Totals	\$71,898,704	\$69,939,661	\$76,425,336	\$77,161,213	\$87,672,007

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$440,381	\$487,100	\$927,008	\$110,500	\$160,500
Federal Aid (4000s)	\$2,822,208	\$0	\$2,788,489	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$161,320	\$161,551	\$200,859	\$178,050	\$193,050
Totals	\$3,423,908	\$648,651	\$3,916,356	\$288,550	\$353,550

Police

(District Fund 115)

Personnel (as of 9/14/2014)					
Authorized Positions:	2,774	Filled Positions:	2,254		
Vacant Positions:	520	Percentage Vacant:	18.7%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$339,866,866	\$349,142,734	\$348,379,724	\$365,897,229	\$352,710,956
Equipment (2000s)	\$73,703	\$112,554	\$714,097	\$112,368	\$112,368
Supplies (3000s)	\$2,169,884	\$2,493,510	\$2,473,715	\$2,514,222	\$2,425,939
Contracts (4000s)	\$8,349,568	\$8,394,787	\$8,403,658	\$8,440,972	\$9,338,972
Totals	\$350,460,020	\$360,143,585	\$359,971,194	\$376,964,791	\$364,588,235
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$418,324	\$596,000	\$1,311,654	\$227,500	\$200,000
Federal Aid (4000s)	\$1,478,317	\$75,000	\$1,904,239	\$0	\$0
Departmental Income	\$110,196	\$128,500	\$119,860	\$372,425	\$472,425
Other Income	\$2,687,401	\$2,419,154	\$2,762,470	\$2,394,150	\$2,821,827
Totals	\$4,694,238	\$3,218,654	\$6,098,223	\$2,994,075	\$3,494,252

Police

(Fund 102 – Public Safety Communications E-911)

Personnel (as of 9/14/2014)					
Authorized Positions:	163	Filled Positions:	143		
Vacant Positions:	20	Percentage Vacant:	12.3%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$9,572,753	\$9,473,855	\$9,587,800	\$9,762,961	\$9,668,062
Equipment (2000s)	\$10,854	\$5,000	\$3,000	\$17,250	\$10,250
Supplies (3000s)	\$12,610	\$22,177	\$13,800	\$29,190	\$22,415
Contracts (4000s)	\$4,100,979	\$5,552,494	\$5,072,365	\$5,424,074	\$5,423,643
Totals	\$13,697,196	\$15,053,526	\$14,676,965	\$15,233,475	\$15,124,370
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$95,916	\$0	\$13,686	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$7,136,102	\$7,611,036	\$8,050,979	\$7,588,485	\$7,588,485
Totals	\$7,232,018	\$7,611,036	\$8,064,665	\$7,588,485	\$7,588,485

Effects of Recommended Budget

Expenditure Overview

The 2015 Recommended Budget for the Police Department is \$470,431,786, which represents an increase of \$22.4 million (+5%) from the 2014 Adopted Budget. The increase in funding is due mostly to a \$21.5 million increase in personnel costs. The main factors contributing to this increase are:

- Permanent salaries are increased by \$17,492,343.
- The 2011-2018 contractual agreements with the Police Benevolent Association (PBA), Superior Officer's Association (SOA) and the Detective's Association (SDA) will increase sworn personnel salaries by 6.11% over the course of 2015 with a cumulative year end increase of 6.37%.
- Two recruit classes, one in 2014 (a class of 65 to begin in November of 2014) and one in 2015 will add approximately \$2.5 million, depending on the class size and start date, which was not delineated in the recommended budget.
- The transfer of Park Police Officer's salaries into the Police Department adds \$2.5 million.
- Overtime, also affected by the union contracts and attrition, is increased by \$5,176,774.
- Other personnel costs impacted by the union contract such as Night Differential and Longevity, add \$3.5 million.
- Included in the SOA & SDA contracts was a deferral of Holiday Pay in 2015. This will reduce costs in 2015 by \$5.9 million.
- Normal attrition of sworn personnel subtracts \$5.8 million in permanent salaries.

Total non-personnel costs were cumulatively increased by \$930,226 due primarily to a \$1 million increase for Town and Village Sales Tax Revenue Sharing, which equates to a 15.2% increase for each of the 19 municipalities receiving this funding.

Personnel services constitute 94.6% of the recommended Police budget. Excluding benefits and interfund transfers, the Police District Fund 115 accounts for 78% of the 2015 recommended Police Department expenditures (\$364.6 million), the General Fund 001 (\$87.7 million) accounts for 18.8% and Fund 102 – Public Safety Communications Systems E-911 (\$15.1 million) is 3.2%.

Personnel Issues

The paramount concern facing the Police Department is manpower. With approximately 65 to 80 sworn officers retiring annually (an ERIP in 2012 effectuated 129 retirements) and cost restraints, the County has not backfilled positions on a consistent basis. The Department now confronts the problem of having too few sworn personnel to meet their core mission without having to utilize excessive amounts of overtime.

Contractual increases awarded through binding arbitration over the past two plus decades have made the ability to hire enough Police Officers extremely costly. The latest contractual agreement between the County and the PBA, which avoided arbitration, aims at alleviating this problem by reducing the starting salary of a Police Officer to \$42,000 and more than doubling the length of time for an officer to reach top step. These officers also pay 15% of their health insurance and the County's pension contribution is 16% versus 28% for the existing officers. However, only 41 new

recruits have been hired since the agreement was reached in October of 2012, exacerbating the manpower shortage.

The expected class in November and the transfer of Park Police should help reduce the reliance on overtime in 2015. Ultimately, in order to control overtime costs an annual class of new recruits should be scheduled each year that at least equals the number of the previous year's separations. Also, this class should be hired in September so that their "boots will be on the streets" by the following summer when peak overtime is required.

The Budget Review Office projects that the amount included in the recommended budget for permanent salaries for 2015 is sufficient, with no accommodations for filling existing vacancies other than the aforementioned recruit class. The BRO projection includes:

- The cost to keep all filled positions on the payroll, as of September 14, 2014, filled during 2015.
- Contractual salary increases and appropriate step increases for all bargaining units.
- A recruit class of 65 Police Officers in November of 2014 and another class in 2015 that BRO estimates to be another 65 assuming a September start date.
- The savings attributable to the attrition of 65 sworn officers over the course of the year. 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.
- The transfer of funding from the Parks Department to the Police Department for Park Police Officers.
- The ability to backfill civilian positions as they become vacant.

Transfer of Sworn Positions between the General Fund and the Police District Fund

A total of 103 sworn positions are transferred in the 2015 Recommended Budget. The result is a net transfer of 69 positions into the General Fund. This "budget housecleaning" was performed in order to properly reflect what fund and command these sworn positions should actually be paid from. The following table displays the total financial impact on base salaries as well as all personnel costs.

Sworn Personnel Transferred in the 2015 Recommended Budget by Title										
Title	From Police District to General Fund		From General Fund to Police District		Net Impact to Police District		Net Impact to General Fund		Total Personnel Net Impact to Police District	Total Personnel Net Impact to General Fund
	# Emp	2015 Salary	# Emp	2015 Salary	# Emp	2015 Salary	# Emp	2015 Salary	2015	2015
Deputy Chief	1	\$199,864	0	\$0	(1)	(\$199,864)	1	\$199,864	(\$281,498)	\$281,498
Deputy Inspector	2	\$365,252	0	\$0	(2)	(\$365,252)	2	\$365,252	(\$514,438)	\$514,438
Detective	36	\$4,888,829	2	\$258,877	(34)	(\$4,629,952)	34	\$4,629,952	(\$7,037,462)	\$7,037,462
Detective Lieutenant	1	\$168,378	0	\$0	(1)	(\$168,378)	1	\$168,378	(\$255,932)	\$255,932
Detective Sergeant	1	\$151,256	0	\$0	(1)	(\$151,256)	1	\$151,256	(\$229,907)	\$229,907
Lieutenant	0	\$0	4	\$641,440	4	\$641,440	(4)	(\$641,440)	\$903,434	(\$903,434)
Sergeant	0	\$0	11	\$1,584,583	11	\$1,584,583	(11)	(\$1,584,583)	\$2,231,800	(\$2,231,800)
Police Officer	45	\$5,609,434	0	\$0	(45)	(\$5,609,434)	45	\$5,609,434	(\$8,236,175)	\$8,236,175
Total	86	\$11,383,013	17	\$2,484,900	(69)	(\$8,898,113)	69	\$8,898,113	(\$13,420,178)	\$13,420,178

Two New Positions

There are two new civilian positions included in the recommended budget that were not requested by the Police Department. One Secretary (grade 17) and one Neighborhood Aide (grade 13), are included for the Police Headquarters Division (001-3120). The Department has lost a significant number of civilian positions due to attrition and early retirement incentive programs. The Executive is creating these titles to have flexibility to fill these positions in the future as part of the roll-out of quality improvement initiatives which is a priority for this Administration. The cost of these two positions if filled for a full year, which is not the intention, is \$99,403 in base salary and fringe benefits.

Deferred Pay

Included in the SOA and SDA contracts was a deferral of Holiday Pay in 2015. This will reduce costs in 2015 by \$5.9 million from the 2014 estimated amount.

HOLIDAY PAY DEFERRALS					
FD	UNIT	UNIT NAME	2014 Estimated	2015	
				Recommended	REC-EST
001	3120	Police: General Administration	\$2,360,208	\$1,772,418	(\$587,790)
102	3020	Public Safety Comm E911	\$535,639	\$544,155	\$8,516
115	3121	Police District Administration	\$13,546,927	\$8,235,608	(\$5,311,319)
115	3127	Police: Stop-D.W.I.	\$65,641	\$42,891	(\$22,750)
TOTAL			\$16,508,415	\$10,595,072	(\$5,913,343)

SOA Deferrals

Multiple items are included for deferred holiday pay that will provide short term savings. In particular:

- Section 7.d. defers five days of holiday pay for 2014 and 2015 to be paid upon separation at the members then prevailing rate.
- Section 7.e., f., g., h. allows the County to defer a portion of holiday pay in the event of that a deficit is demonstrated and a deferral is needed to balance the budget. Holiday pay would be paid at the prevailing rate either upon separation or at the discretion of the County in 2020.

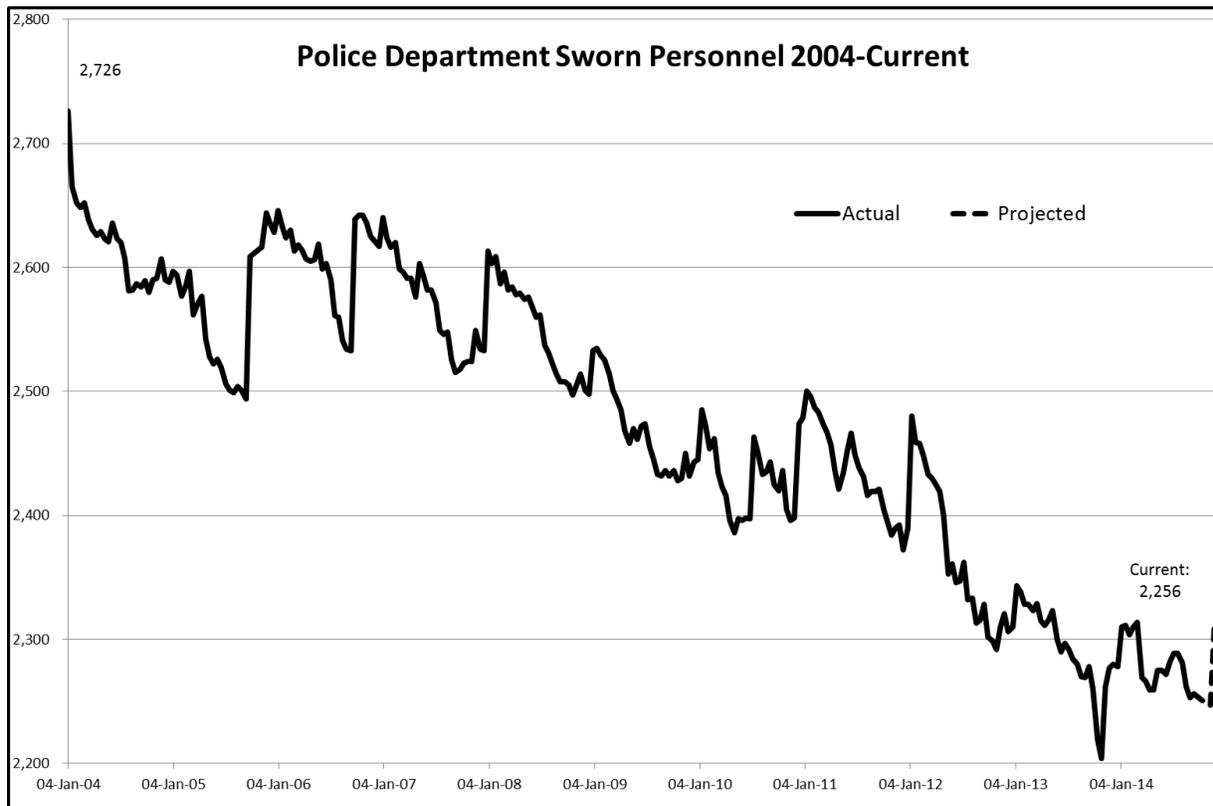
SDA Deferrals

Multiple items are included for deferred compensatory time and holiday pay that will provide short term savings, but members will be paid for this accrued time upon separation at the members then prevailing rate. In particular:

- Section 7.a. of the agreement defers 20 hours of comp time to be paid upon separation (if leaving between January 1, 2011 and March 31, 2014).
- Section 7.b. defers 60 hours of comp time to be paid upon separation (if leaving between January 1, 2012 and prior to March 31, 2015).
- Section 7.d. defers 20 hours of holiday pay in 2014 and 2015 to be paid upon separation.
- Section 7.f.1. and 2. defers, subject to a budget shortfall, the first 100 hours of OT pay in 2014, 2015 and 2016 to be paid upon separation.

Staffing Levels and Crime

The following graph shows the number of active sworn personnel on the payroll from January 2004 through September 14, 2014 including PBA, SOA, 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 470 sworn personnel over this period. Historically, approximately 65 to 80 sworn officers separate from service each year. There have been 64 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 2014 reductions in sworn staffing will coincidentally 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. Murders increased in 2013 from 23 in 2012 to 27 but were still below the ten-year average of 33. 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 - 2013

	Suffolk County											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-13	2012-13
Index Crime	32,016	32,092	32,595	31,374	34,014	32,603	36,238	31,406	28,865	26,291	-17.9%	-8.9%
Violent Crime	2,844	3,109	3,099	2,657	2,612	2,739	2,377	2,217	2,131	1,914	-32.7%	-10.2%
Murder	28	32	38	30	39	33	52	32	23	27	-3.6%	17.4%
Forcible Rape	130	103	110	109	112	85	68	63	51	40	-69.2%	-21.6%
Robbery	958	1,159	1,142	957	985	1,058	877	818	757	691	-27.9%	-8.7%
Agg. Assault	1,728	1,815	1,809	1,561	1,476	1,563	1,380	1,304	1,300	1,156	-33.1%	-11.1%
Property Crime	29,172	28,983	29,496	28,717	31,402	29,864	33,861	29,189	26,734	24,377	-16.4%	-8.8%
Burglary	4,316	4,294	4,182	4,067	4,778	4,555	8,422	5,109	4,358	3,607	-16.4%	-17.2%
Larceny	22,091	22,311	22,830	22,389	24,522	23,648	23,841	22,806	21,192	19,594	-11.3%	-7.5%
MV Theft	2,765	2,378	2,484	2,261	2,102	1,661	1,598	1,274	1,184	1,176	-57.5%	-0.7%

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.

2013 County Index Crime Counts & Rates per 100,000 Population			
County	2013 Population	Count	Rate
Nassau	1,353,478	18,556	1,371.0
Westchester	966,498	14,019	1,450.5
Queens	2,292,142	39,913	1,741.3
Suffolk	1,502,540	26,291	1,749.8
Kings	2,586,007	59,056	2,283.7
Bronx	1,427,341	36,280	2,541.8
New York	1,620,452	51,872	3,201.1
New York State	19,646,695	430,916	2,193.3

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 authorized civilianized positions has increased, the number of active 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 number of total civilian positions to a level that is 13.4% lower than it was at the beginning of 2007. There were 213 vacant civilian positions in the Police Department as of September 14, 2014 or 29% of all civilian titles. Of these, 56 are in clerical titles. Sufficient funding is not included in the recommended 2015 permanent salaries to fill the increasing number of vacant civilian positions.



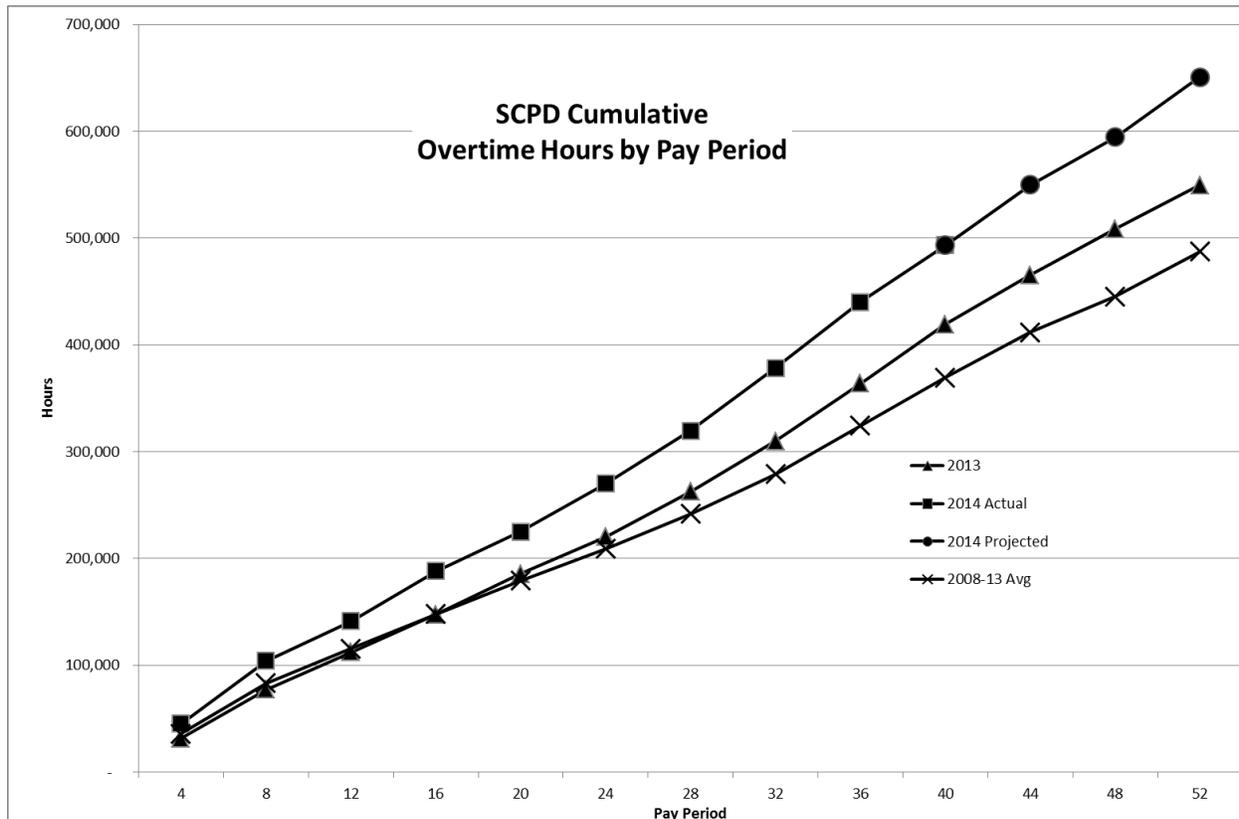
While the Police Department would prefer to fill many of these vacancies, the Executive's mandate of reducing expenditures and exercising strict position control resulted in the Department not requesting funding to fill existing vacancies. However, the Department indicated that they would like to fill civilian titles in the second half of 2015 as they become vacant. There is sufficient funding in permanent salaries to backfill these positions. The Department is anticipating at least 20 civilian retirements including such titles as Payroll Supervisor, Clerk Typist, Principal Clerk, Micrographics Technician, Communications Tech II, Evidence Control Clerk, Public Safety Dispatcher I, Emergency Complaint Operator, Office Systems Technician and Office Systems Analyst III.

Overtime (Excluding Grants)

Overtime (object 1120 excluding grants) is recommended at \$35,066,774 or \$5,176,774 more than the 2014 Adopted amount, yet \$996,040 less than the 2014 estimate. As the Budget Review Office cautioned in our report last year, the overtime account was inadequately funded at \$29,890,000. We noted attrition, delaying the recruit class from September to December, and PBA contractual

increases as reasons why the Police Department could not meet the adopted overtime amount. The 2014 estimate is now \$36,062,814 or \$6.2 million more than adopted. The addition of the 34 Park Police Officers will have a positive impact on overtime mitigation. Negative impacts include delaying the recruit class from September to November in 2014, attrition outpacing hiring and contractual increases that will drive overtime up an additional six percent.

As seen in the following graph, the 2014 overtime hours are 18% above 2013 through the end of August and 34% above the six-year average (2008-2013).



Overtime costs represent 7.5% of the Police Department's total expenditures. Approximately \$2 to \$4 million of the overtime budget can be applied annually to State and Federal grants that are accepted and appropriated during the year.

By bargaining unit, sworn Police personnel average between 7.2% to 14.0% of their total salaries in overtime. This high level of overtime continues to be a budgetary concern.

2013 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)	1,594	\$137,646	\$13,529	9.8%
Superior Officer Association (5)	445	\$175,431	\$12,590	7.2%
Detectives Association, Police (15)	348	\$170,135	\$23,899	14.0%
Grand Total	2,387	\$149,427	\$14,866	9.9%

Town Revenue Sharing

Section 4-6j of the Suffolk County Charter provides the legal authority for sales tax revenue sharing with towns and villages that have their own Police Departments. 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 2015 Recommended Budget includes a total distribution of \$7,588,343, which is an increase of \$1 million or 15.2% compared to the 2014 adopted funding. The same amount had been allocated from 2010 through 2014. The goodwill agreement for revenue sharing expired after 2009 resulting in no increases in the recommended amount for the last five years.

Jursidiction	ACT	2014 Adopted	2015 Recommended	Difference
Town Of East Hampton	ATZI	\$691,117	\$796,017	\$104,900
Town Of Riverhead	AUWI	\$1,178,655	\$1,357,555	\$178,900
Town Of Shelter Island	AUYI	\$112,661	\$129,761	\$17,100
Town Of Southampton	AVJI	\$1,943,561	\$2,238,561	\$295,000
Town Of Southold	AVLI	\$885,473	\$1,019,873	\$134,400
Village Of Amityville	AWHI	\$462,502	\$532,702	\$70,200
Village Of Asharoken	AWKI	\$40,189	\$46,289	\$6,100
Village Of East Hampton	AWLI	\$69,836	\$80,436	\$10,600
Village Of Head Of Harbor	AWVI	\$67,201	\$77,401	\$10,200
Village Of Huntington Bay	AWYI	\$75,766	\$87,266	\$11,500
Village Of Lloyd Harbor	AXBI	\$166,685	\$191,985	\$25,300
Village Of Nissequoque	AXDI	\$81,037	\$93,337	\$12,300
Village Of Northport	AXGI	\$377,512	\$434,812	\$57,300
Village Of Ocean Beach	AXII	\$6,588	\$7,588	\$1,000
Village Of Quogue	AXMI	\$44,801	\$51,601	\$6,800
Village Of Sag Harbor	AXOI	\$106,072	\$122,172	\$16,100
Village Of Southampton	AXQI	\$198,309	\$228,409	\$30,100
Village Of Saltaire	AXRI	\$1,977	\$2,277	\$300
Village Of Westhampton Beach	AXUI	\$78,401	\$90,301	\$11,900
TOTAL		\$6,588,343	\$7,588,343	\$1,000,000

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.

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 \$18,171,544 for 2015, an increase of 1.2% or \$211,908 from the 2014 Adopted Budget. This is mainly due to increases in overtime and employee benefit expenses that are partially offset by decreases in salaries and telephone expenses. 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 several years. Overtime expenditures were in excess of \$800,000 in 2011 and 2012 and were \$1.5 million in 2013. The 2014 estimate is \$972,814 (object 1120). The Budget Review Office warned last year that the adopted \$600,000 would be inadequate unless vacant Emergency Complaint Operator (ECO) and Public Safety Dispatcher (PSD) positions were aggressively filled. There is one more ECO/PSD filled position now than at this time last year. This line item will be over-expended by approximately \$375,000 in 2014. The 2015, Recommended Budget includes \$851,774 for overtime. In comparison, the Police Department requested \$950,000. Given that overtime has exceeded budgeted amounts in recent years, the Department's requested amount may be more realistic.

Through September 28, 2014, 107 ECOs and PSDs had accrued \$675,217 in overtime, ranging from \$93 to \$40,899 per individual with an average of \$6,310 each. Not only is that a substantial amount of overtime 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 again recommends that the Executive allow the Department to aggressively fill some of these vacant positions to mitigate overtime and improve working conditions and efficiencies.

E-911 Revenue

There are sufficient recommended funds for a cost-to-continue budget for the E-911 System in 2015. The system is partially supported by surcharges on landlines, cell phones and VOIP lines as well as interfund transfers from both the General and Police District Funds. The surcharges are estimated to generate \$8,050,246 in 2014 and \$7,587,752 in 2015.

Resolution No. 974-2009 (Local Law 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 2014 is estimated at \$4,155,600 and \$4,251,000 for 2015. Twenty percent of the 2014 estimate is \$831,120 and 20% of the 2015 recommended revenue is \$850,200.

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. 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 2014 is estimated at \$1,810,000 and \$1,815,000 for 2015. Twenty percent of the 2014 estimate is \$362,000 and 20% of the 2015 recommended revenue is \$363,000.

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 \$1,483,200 for 2015. This is equal to the required 20% of the 2015 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	2014 Estimated	2015 Recommended	REC - EST
1	Amityville Village	W	\$133,070	\$134,836	\$1,766
2	Smithtown FD	W	\$133,070	\$134,836	\$1,766
3	Babylon Central Fire Alarm	W	\$133,070	\$134,836	\$1,766
4	Northport Village	W	\$133,070	\$134,836	\$1,766
5	SCPD	W	\$0	\$0	\$0
6	FRES	W	\$0	\$0	\$0
7	Riverhead	E	\$133,070	\$134,836	\$1,766
8	Southampton Village	E	\$133,070	\$134,836	\$1,766
9	Southampton Town	E	\$133,070	\$134,836	\$1,766
10	East Hampton Town	E	\$133,070	\$134,836	\$1,766
11	East Hampton Village	E	\$133,070	\$134,836	\$1,766
12	Southold Town	E	\$133,070	\$134,836	\$1,766
TOTAL			\$1,330,700	\$1,348,364	\$17,664
Based on Local Law 1-2010 / Res. No. 974-2009 & Res. No. 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 2015. As of September 28, 2014 there were 34 filled Park Police Officer positions.

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.
- 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 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 2015 Recommended Budget includes funding 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 2015 Recommended Budget includes full funding for the ShotSpotter (SST) Gunshot Location System in the amount of \$344,000. ShotSpotter 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.

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	\$88,214	\$246,286
Year 4 (2015)*	\$334,500	\$47,500	\$287,000	\$0	\$334,500
Year 5 (2016)	\$47,500	\$47,500	\$0	\$0	\$47,500
2012 - 2016 Total	\$1,501,000	\$254,286	\$1,246,714	\$200,000	\$1,301,000

* The \$287,000 included in 2015 for Other Locations is an extension of the agreement.

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. The Police Department has been touting "intelligence led policing & data-driven enforcement" yet they do not appear to fully embrace the SST technology to date.

In a report issued by the Police Department on September 24, 2014, the Department noted a large amount of unsubstantiated and false alerts, almost 84%. 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.

Revenue: Pistol Licensing Fees

Pistol Licensing Fees (115-2545): Fees for new and renewal pistol permits, gun dealer licenses and other transactions related to new and existing permits are processed by the Police Department for the five western Suffolk County towns. The 2014 estimated revenue is \$118,000.

Current Fee Schedules in Suffolk and Nassau		
Fee	Suffolk	Nassau
Application Fee	\$10	\$200
Renewal Fee (5-years)	\$10	\$200
License Amendment	\$5	\$10
Gunsmith / Dealer	\$10	\$75/\$150
Duplicate License	\$5	\$5
Carry License	\$10	\$10
License Transfer	\$5	\$5

New York State Penal Law, Article 400, Subdivision 14 sets the fees statewide. New York City and Nassau County have received permission from the State to set their own fees.

Approximately 42% of the SCPD's licensing fees are derived from application and renewal fees. The Budget Review Office believes Suffolk County should lobby the State in order to be empowered to raise their fees as well. For every \$10 increase in the fee an additional \$50,000

could be generated. If the SCPD raised the application and renewal fees comparable to Nassau County, an estimated \$1 million in additional revenue could be generated.

Waiver of application and renewal fees is granted to retired police officers, retired bridge and tunnel officers, sergeants or lieutenants of the Triborough Bridge and Tunnel Authority, retired uniformed court officers, retired court clerks in the uniformed court system and retired correction officers.

Revenue: Police Fees (Fund 115)

The Police Department has successfully implemented an online system for the public to acquire police reports and MVA reports. Instead of going to a precinct or to headquarters and putting in a FOIL request, which normally generated \$1 or less, the online report is now available for \$20. An additional \$100,000 is included in the recommended budget under revenue code 115-1520.

Budget Review Office Recommendations

A new recruit class of 65 will start at the Police Academy in November of 2014. 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 been deployed by June 1st. June through August are the heaviest overtime months for the Police Department. Delaying the class until November will cost the County approximately \$1.5 million in additional overtime.

- Ultimately, in order to control overtime costs, an annual class of new recruits should be scheduled each year that at least equals the number of the previous year's separations. Also, this class should be hired in September so that their "boots will be on the streets" by the following summer when peak overtime is required.
- The Budget Review Office recommends that the Police Department should be aggressive in an attempt to fill vacant Public Safety Dispatcher and Emergency Complaint Operator positions. This expense would be offset by a reduction in overtime costs.
- 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.

JOPOLI5

Probation

Personnel (as of 9/14/2014)					
Authorized Positions:	436	Filled Positions:	335		
Vacant Positions:	101	Percentage Vacant:	23.2%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$26,402,022	\$27,446,635	\$25,902,472	\$27,062,339	\$26,178,385
Equipment (2000s)	\$17,573	\$8,785	\$10,239	\$29,405	\$20,300
Supplies (3000s)	\$1,015,902	\$1,110,406	\$1,117,056	\$1,198,191	\$1,159,110
Contracts (4000s)	\$9,789,162	\$10,130,655	\$10,225,068	\$9,669,251	\$10,324,965
Totals	\$37,224,660	\$38,696,481	\$37,254,835	\$37,959,186	\$37,682,760
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$6,491,273	\$5,880,097	\$6,342,702	\$5,908,555	\$5,908,555
Federal Aid (4000s)	\$796,018	\$273,248	\$686,565	\$125,000	\$125,000
Departmental Income	\$1,850,897	\$2,384,003	\$1,623,090	\$1,752,937	\$1,752,937
Other Income	\$561,996	\$787,842	\$615,119	\$560,822	\$625,353
Totals	\$9,700,185	\$9,325,190	\$9,267,476	\$8,347,314	\$8,411,845

Overview of Probation

The Probation Department's central mission of community protection and client assistance/rehabilitation are achieved through the implementation of a vast array of programs. The Department provides community supervision of offenders, pre-trial sentences and aids both juvenile and adult offenders in obtaining needed services. Probation services reduce crime by lowering recidivism among offenders receiving probation services and provides a viable, effective alternative to incarceration. The Department's main responsibilities are intake, investigation, supervision, and specialized services.

Effects of the Recommended Budget

Personnel

The number of authorized positions in Probation remains at 433 in the 2015 Recommended Operating Budget. Sufficient staffing levels are necessary for Probation to meet its objectives of providing community supervision of the offender population to ensure the highest level of public safety and to reduce recidivism. The status of positions in Probation by bargaining unit, as per the County's position control register on September 14, 2014, is detailed in the table that follows.

Status of Positions in Probation by Bargaining Unit (as per the September 14, 2014 position control register)				
Bargaining Unit	# of Authorized Positions	Filled	Vacant	Vacancy Rate
AME (2)	121	89	32	26.4%
SCPOA (16)	309	240	69	22.3%
Exempts (21)	3	3	0	0.0%
Total	433	332	101	23.3%

The number of authorized Probation Officers last year was 310 compared to 309 this year, as one vacant Supervising Probation Officer position (BU 16) was earmarked to a Program Coordinator (Criminal Justice Planning) position (BU2) and subsequently filled and reclassified.

Probation has approval to hire ten new Probation Officer Trainees (two Spanish Speaking) in October 2014. The 2014 estimated and 2015 requested budgets include the cost of the new class, which will be deployed to fill existing vacancies and backfill promoted Probation Officers. The number of authorized positions in the Department will remain the same as ten existing vacant positions will be earmarked to Probation Officer Trainees. According to Probation, supplies for the new Probation Officer Trainees were taken into consideration when the budget was requested including \$6,850 for ten new body armor vests. The recommended budget includes \$22,000 in clothing and accessories (object code 3310) mainly for Probation Officer vests and \$7,450 for policeman supplies (object code 3390) such as holsters, badge ID cases, Oleoresin Capsaicin spray (pepper spray), handcuff cases, tactical flashlights etc. The recommended budget is a negligible \$2,376 less than requested for these items.

Probation may need to hire additional Probation Officer Trainees in 2015 as a result of the Probation Officer Association contract having expired on December 31, 2010 and the possibility that, should a new contract be settled, a number of officers who have been postponing retirement

may decide to leave the Department. The number of new Probation Officer Trainees will be dependent on the number of officers that choose to retire. There is “A Special Plan for Suffolk County Probation Department Peace Officers (Sections 89-s and 603-o)”. This special 25-year retirement plan, which became effective January 1, 1998, provides an alternative retirement benefit for Suffolk County Probation Department’s peace officers. Sections 89-s and 603-o provide a benefit equal to 50 percent of their final average salary on completion of 25 years of creditable service, regardless of age.

- As of August 17, 2014, Probation had 239 active (on the payroll) Probation Officers. Of these employees, by the end of this year there will be 54 or 23% age 55 and over. Fourteen of these Probation Officers will have at least 30 years of service and 29 will have at least 25 years of service.
- As of August 17, 2014, Probation has 37 sworn personnel that would be eligible to retire with 25 years of service at the end of 2014. Assuming a hire date of January 1, 2015, each new Probation Officer Trainee (grade 19) will be a net cost to the County of \$67,081 or \$47,780 in permanent salary and \$21,100 in fringe benefits of which the new employee will pay \$1,799 in employee premium contributions. Additional expenditures for policeman supplies may be required as well depending on the Department’s available supplies.

Discussions with the Department, subsequent to the release of the recommended budget, indicated that in priority order Probation would like to fill the following nine positions in 2015:

- Seven positions that the recommended budget transfers into the newly created Comprehensive Alternatives to Incarceration unit (3171). The Department recognizes this unit as a major County Executive initiative to reduce recidivism. The seven positions in this appropriation will work together in conjunction with the remainder of the Department and the other members of the criminal justice community to implement this initiative. They will work collectively to identify defendants that are appropriate for diversion from possible incarceration and will then make an effort to provide these individuals with services in lieu of incarceration.
 - Three Probation Officers of which one will be Spanish Speaking (grade 21). These three vacant positions are transferred from the Department’s General Administration (3140) appropriation. Assuming a hire date of January 1, 2015, the salary and benefit cost to fill these three positions will be \$184,392 (\$46,275 in permanent salaries and \$16,988 in fringe benefits of which the new employee will pay \$1,799 in employee premium contributions for a net County cost of \$61,464 per position).
 - Three Probation Investigators (grade 17). These positions are transferred from the Release on Recognizance (ROR) division in Department’s General Administration (3140) appropriation. Assuming a hire date of January 1, 2015, the salary and benefit cost to fill these three positions will be \$159,384 (\$38,532 in permanent salaries and \$16,395 in fringe benefits of which the new employee will pay \$1,799 in employee premium contributions for a net County cost of \$53,128 per position).
 - One Psychiatric Social Worker (grade 21). This position is transferred from Mentally Ill Offender Services (3165). Assuming a hire date of January 1, 2015, the salary and benefit cost to fill this position will be \$61,464 (\$46,275 in permanent salaries and \$16,988 in fringe benefits of which the new employee will pay \$1,799 in employee premium contributions).

- One Chief Planner (Crim Just) (grade 32) in the Criminal Justice Coordinating Council (CJCC) (3197). CJCC has representatives from all parts of the criminal justice system, including the Courts. According to Probation, this makes the CJCC the ideal vehicle to develop and implement the ATI initiatives. The Department has identified this position as a particularly important position because this person will be responsible for applying for grants that can assist the County in the development and evaluation of the ATI programs. Assuming a hire date of April 27, 2015, the salary and benefit cost to fill this position will be \$61,647 (\$50,016 in permanent salaries and \$12,830 in fringe benefits of which the new employee will pay \$1,199 in employee premium contributions).
- One Senior Accountant (grade 24) (to be earmarked from a Senior Probation Officer) in Probation General Administration (3140) was requested in anticipation of the retirement of the Department's Principal Accountant. Assuming a hire date of April 27, 2015, the salary and benefit cost to fill this position will be \$46,807 (\$36,230 in permanent salaries and \$11,776 in fringe benefits of which the new employee will pay \$1,199 in employee premium contributions).

Last year, the recommended budget included \$500,000 in Fees for Services (001-3140-4560) to hire retired Probation Officers on a part-time basis as well as part-time clerical staff. Probation's plan was to hire 21 retired Probation Officers; 16 to provide supervision of both office reports and drug testing and five to complete pre-sentence investigations. Additionally, the Department's plan provided for six part-time clericals. Six part time Clerk Typist positions were filled in July 2014. Omnibus Resolution No. 898-2013 transferred \$300,000 in 2014 from fees for services to permanent salaries and employee benefits to fill vacant Probation Officer positions. Although the Legislature provided funding to fill Probation Officer positions, there are six less filled Probation Officer positions this year compared to last year. This is a reflection of the Legislature providing funding to fill vacant positions and the County Executive using his discretion to delay the authorization for the Department to hire them.

According to Probation, the Department has received approval to hire ten Probation Officer Trainees in October 2014. Trainees have a one year probationary period during which they are required to complete a supervised in-service training program. After one year of continuous service as a permanent Probation Officer Trainee, they achieve permanent status as a Probation Officer. The number of Probation Officer Trainees could be compounded if the SCPOA contract is ratified and results in a significant number of Probation Officers retiring that are then backfilled.

Turnover Savings (TOS):

Turnover savings represents permanent salaries that are not anticipated to be spent due to retirements, attrition and normal turnover. High TOS equals less funding for permanent salaries, which in turn means hiring constraints.

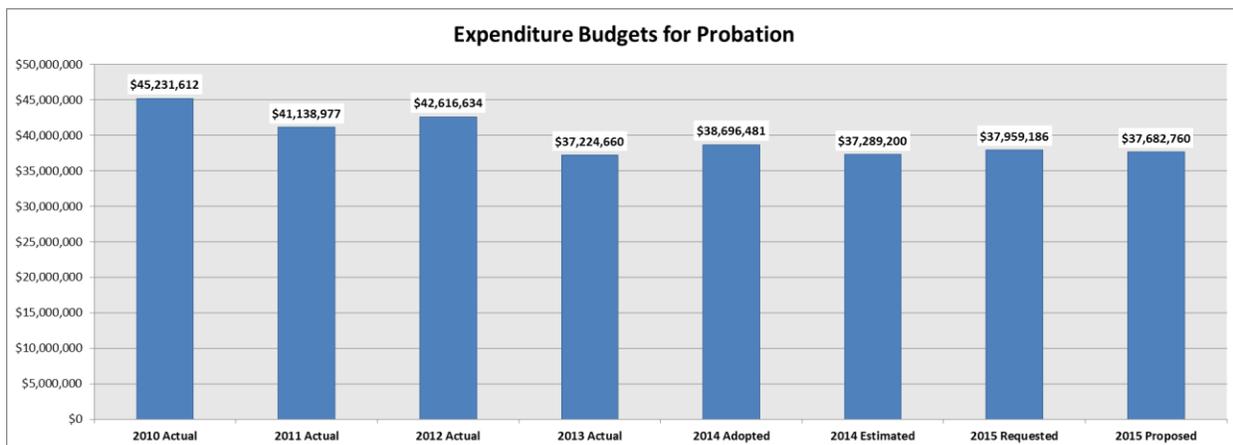
In the aggregate, the 2014 estimated budget for permanent salaries is reasonable. For current staff and ten new Probation Officer Trainees that are expected to be hired in October, our year-end permanent salaries estimate is approximately \$24.56 million. The 2014 estimated budget includes approximately \$24.43 million for permanent salaries across all appropriations, which is a negligible \$132,585 or 0.54% less than BRO's estimate.

Recommended permanent salary appropriations for next year leave very little ability for the Department to increase its number of filled positions. The difference between the recommended budget's permanent salary projection of \$24.89 million and BRO's \$25.06 million is negligible; the recommended budget is \$166,220 less than ours. However, the recommended budget for Probation's permanent salaries is \$825,904 less than the Department requested.

Depending on the status of the Probation Officer’s contract, the pay scale that is agreed upon, and the number of retirees along with their associated payment for accrued vacation, sick and lag pay, the Department may be able to fill some of these positions for a portion of next year. Many of the expected retirements would be at or near top step, which could result in promotions and then the filling of the vacated positions could be backfilled at a lower annual salary. A number of officers who have been postponing retirement are expected to leave County service, however without knowing how many Probation Officers will retire, what their terminal pay would be or the terms of the new contract, it is uncertain how much funding will be potentially available to fill vacancies. As of August 17, 2014, Probation has 37 sworn personnel that would be eligible to retire with 25 years of service at the end of 2014. The Probation Officers that are eligible to retire could be waiting for the terms of the new contract to be negotiated. This is because in order to potentially benefit from negotiated items, such as retroactive pay, if it is included, they may need to be on the County’s payroll when the contract agreement is ratified, depending on the terms of the agreement. Considering that their current contract expired on December 31, 2010, if retroactive pay is included, it could be significant.

Expenditure

The chart that follows provides information on expenditure budgets for Probation.



Although the 2014 estimated expenditure of \$37,289,200 is approximately \$1.41 million less than previously adopted, it is reasonable. The majority of the difference between the adopted and estimated budgets is in permanent salaries, which are estimated at \$1.65 million less than adopted. BRO found the estimate, which includes approximately \$24.43 million for permanent salaries across all appropriations, to be reasonable. There is sufficient funding included in the 2014 estimated budget for current staff and ten new Probation Officer Trainees to begin service in October 2014.

The 2015 Recommended Budget of \$37,682,760 is reasonable, with the exception of permanent salaries and contract agencies. The recommended budget is \$393,560 more than the 2014 estimated budget but \$276,426 less than requested. The major differences between the recommended and requested expenditure budgets for Probation are:

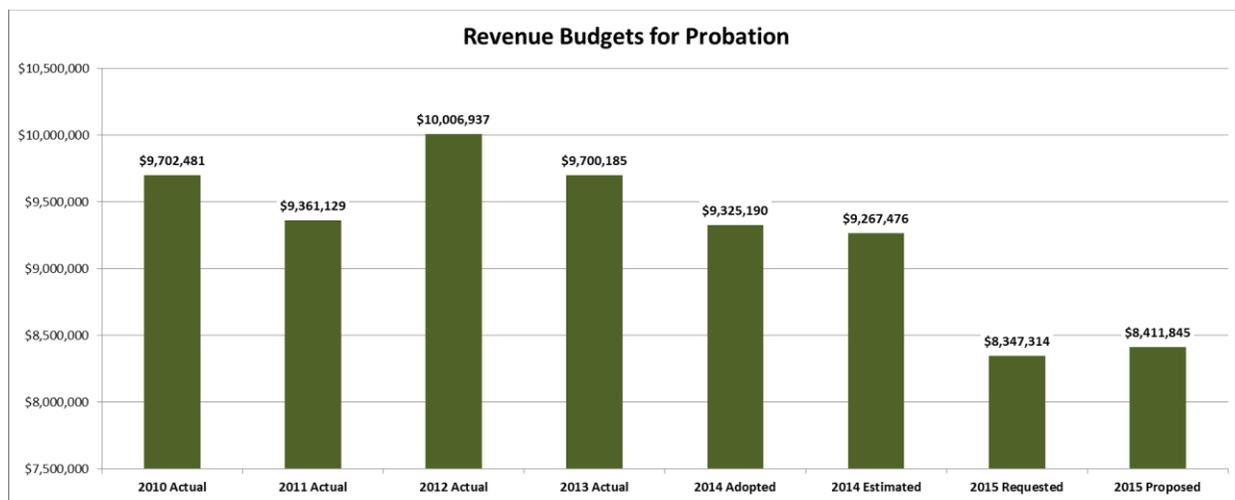
- \$825,904 less than requested for permanent salaries department wide. The recommended budget includes \$24,888,785 for permanent salaries across all appropriations in 2015. Based on our projections, it includes sufficient funding for all of the Department's filled positions in 2015 but limits the Department’s ability to fill its vacancies next year.

- \$661,584 more than requested for contract agencies:
 - \$500,000 in Comprehensive ATI (contract not identified); \$0 was requested.
 - \$75,000 in Probation General Administration for LIGALY – Anti-Violence; \$0 was requested.
 - \$54,901 in Stop Violence Against Women for VIBS, \$68,584 was requested and \$123,485 is recommended. The recommended funding level is as adopted and estimated in 2014.
 - \$24,832 in Stop Violence Against Women for the Suffolk County Coalition Against Domestic Violence; \$10,851 was requested and \$35,683 was recommended. The recommended funding level is as adopted and estimated in 2014.
 - \$6,851 in PINS Diversion Plan for the Long Island Advocacy Center. The recommended funding level is as adopted and estimated in 2014.

If the new Comprehensive Alternatives to Incarceration (3171) division is not created, then the \$500,000 that was included for contract agencies in this appropriation could be used to offset the cost of filling vacancies next year.

Revenue

The chart that follows provides information on revenue generated by the Probation Department.



The 2014 estimated revenue of \$9,267,476 is \$57,714 less than adopted. Actual annual revenue in Probation between 2010 and 2013 averaged \$9.69 million. Based on the following, the estimated budget is reasonable.

- \$3.97 million in year-to-date revenue has been collected as of September 19, 2014.
- \$573,472 in pending departmental income (1000's). Probation Administration Fees are estimated at approximately \$1.6 million, which is reasonable given that the actual revenue from this source averaged \$1.6 million between 2010 and 2013.
- \$567,766 in pending revenue from uses of money and property (2000's), such as Fines: - Stop D.W.I., Vehicle Seizure and Restitution Surcharges. The 2014 estimate of \$615,299 is

reasonable given that the average annual revenue between 2010 and 2013 from this budget category was approximately \$600,000.

- \$3.67 million in pending state aid (3000's).
- \$482,485 in pending federal aid (4000's).

The 2015 recommended revenue is also reasonable. It includes \$8,411,845, or \$64,531 more than requested by Probation, which can be mainly attributed to \$51,275 less in Fines - Stop D.W.I. and \$112,306 more in Vehicle Seizure Program revenue than requested. The recommended revenue is \$855,631 less than the 2014 estimate because of differences in federal and State aid year-to-year. The Department accepts and appropriates federal and State aid funding throughout the year by resolution as it is awarded.

Issues for Consideration

Specialized Supervision (3143)

The 2015 Recommended Budget includes the creation of a new appropriation as requested by the Department, Specialized Supervision (001-PRO-3143). This new appropriation consolidates the seven specialized supervision appropriations into one appropriation with six units, as follows.

Current Appropriation Name and Number	New Unit Name in Specialized Supervision (3143)
Mentally Ill Offenders Services (3165)	Mentally Ill Offenders Services
Sexual Offender Program (3169)	Sexual Offender Program
Gang Reduction Services (3185)	Gang Reduction Services
Domestic Violence Court (3188) and Project SCOPE (3195)	Domestic Violence
Jail Overcrowding/Recidivism Program (3196)	Intensive Narcotics
Probation: STOP-D.W.I. (3541)	Probation Addictions Treatment

Comprehensive Alternatives to Incarceration (001-PRO-3171)

The 2015 Recommended Budget includes \$798,540 for the creation of a new appropriation, Comprehensive Alternatives to Incarceration (CATI), with \$298,540 in permanent salaries and \$500,000 in contract agencies. It is being created in a separate appropriation to implement a distinctive program, which demonstrates an enhanced County commitment to ATI. According to the County Executive’s Office, while the County has been providing ATIs for decades, this particular proposal strategically increases Probation’s capacity by filling positions shown to be the most effective at diverting people from the criminal justice system and reducing recidivism. The Recommended Budget narrative states that this unit will be a pilot four-pronged approach to reduce jail entrants at every stage of the criminal justice continuum. Goals include preventing the initial perpetration of a crime, increasing effective Alternatives to Incarceration programs, and reducing the risk of recidivism. The County will work cooperatively with major participants in the criminal justice system to enhance and create programs that the courts can confidently use as alternatives to jail, both at the pretrial stage and sentencing stage.

Permanent salaries funding is for the transfer of seven existing vacant positions within Probation (three Probation Officers, three Probation Investigators and one Psychiatric Social Worker). These are not “new” positions as the recommended budget narrative indicates. These positions are

expected to carry out the important functions of supervising defendants who are released on supervised release, conduct “released on own recognizance” (ROR) reports and provide those reports to the courts expeditiously, supervise defendants placed in the specialty courts, such as drug courts and the mental health court, and supervise defendants sentenced to probation. A vendor(s) for the contracted services funding is not identified. The recommended budget narrative states the contracted agencies are to perform necessary services, such as substance abuse treatment, and to create and implement innovative programs designed to reduce recidivism. Discussions with the County Executive’s Office indicated that oftentimes the courts impose conditions of probation that include substance abuse treatment, mental health treatment, and/or job counseling, in an effort to deal with the underlying causes of a particular defendant’s criminality. The Department of Probation contracts with service providers to provide these services. To this end, \$500,000 has been included for contract service providers to offer evidence-based services to probationers, such as substance abuse treatment, mental health treatment, and job training/counseling. In addition, through the RFP process, these funds may be made available to contracted agencies that provide evidence-based prevention programs that target individuals who are at risk of becoming involved in the criminal justice system.

It is a legislative policy decision to determine if the 2015 operating budget should include funding for this County Executive initiative. If it is the will of the Legislature not to create this new appropriation, then the recommended transfer of the seven positions and associated permanent salaries should be reversed (except for the Psychiatric Social Worker (grade 21) position that we would then recommend be transferred to the new Specialized Supervision appropriation (001-PRO-3143) into the Mentally Ill Offenders Services unit) and contract agencies should also be reduced from \$500,000 to \$0. The contract agency funding could be used to increase permanent salaries to fund vacant positions next year (see the staffing section of this departmental review for information regarding Probation’s priorities for filling vacancies).

Caseload vs. Workload

Probation is anticipating the hiring of ten Probation Officer Trainees in October 2014. The Department has expressed it wants to fill three Probation Officer positions in the new CATI unit and has the possibility of having a significant number of Probation Officers retire next year if their contract is ratified. As the Department adjusts for all of these potential Probation Officer staffing changes, caseload and workload will likely be a factor in determining how many Probation Officers are needed and how to disperse the caseload and workload. The following is a discussion on the factors that determine staffing needs.

The American Probation and Parole Association, says that the issue of the ideal size for a probation caseload has been discussed for as long as there have been professionals in the field. Why can’t a definitive answer be given to the question of how many offenders a caseload officer should carry? According to the Association, not every offender needs the same type or amount of supervision. To be effective and efficient, there must be varying amounts of supervision provided to offenders. The more serious or higher priority cases are assigned a greater level of supervision, meaning that the officer will be expected to have more frequent contact with that offender. Lower priority cases demand less time of the officer. This is where workload comes in because it is based on differentiation among cases. Under the workload approach, time factors into the weight that a case receives in assigning it to an officer and for accounting for its contribution to the officer’s total responsibilities. Therefore workload, based on differentiation of case supervision, makes it more difficult to define an ideal caseload in numbers. Per the Association, the process of developing a workload model for a given supervision agency is fairly straightforward, and has been well refined.

The difficulty comes in the diversity and pluralistic nature of the probation and parole field. The policies and procedures of probation and parole agencies across the U.S. varies so that there is not enough consistency of practice to support national workload standards.

The American Probation and Parole Association provides the following example to illustrate why workload is a more accurate and fair way to describe officer caseloads and why it is difficult to define an ideal caseload in numbers.

Supervision Caseload		
Case Priority	Hours Per Month	Total Cases
High	4	30
Medium	2	60
Low	1	120

If the maximum number of hours available to the caseload officer is 120 per month, the caseload can be made up of 30 high priority cases (4 hours times 30 cases), 60 medium priority cases (2 hours times 60 cases), or 120 low priority cases (1 hour times 120 cases). In all three instances, the officer would have a full workload, i.e., one where the number of hours needed to fulfill the minimum requirements on all the cases (demand) is equal to the amount of hours available to the officer (supply).

As the table illustrates, there are three caseloads where the total number of cases is very different, but the total workload is equal. When there is a mixture of all three priority level cases in one caseload, there are almost endless possibilities (between 30 and 120 in the example) as to the total number of cases in a given caseload that would equate to a full workload.

Pilot Caseload Explorer (CE) Check-in Program

As requested by the Department, the 2015 Recommended Budget includes \$21,500 (001-PRO-3140-Prob: General Administration-3160-Computer Software) for a pilot Caseload Explorer (CE) Check-in Program that is expected to save money for the County in the future. Probationers who are supervised at the low risk supervision level (probationers who have been actively supervised prior to placement on low risk) do not require face-to-face contacts by State regulations. However, the Department now sees and will continue to see each of these low risk probationers on a quarterly basis. The web-based check-in would replace the current phone check-in on the months when in-person visits are not scheduled. According to the Department, if additional functionality is developed that would allow probationers to be instructed when to report for supervised drug testing on a randomized basis, the need for office reports for the low risk probationers could be greatly curtailed. The Department indicated that this would decrease departmental costs.

Budget Review Office Recommendations

- Since the Comprehensive Alternatives to Incarceration appropriation (001-PRO-3171) is a new initiative in the budget, as a policy issue the Legislature should consider whether or not it wishes to support this initiative. If the decision is no, then the transfer of the seven positions and their associated permanent salaries should be reversed (except for the Psychiatric Social Worker position that should be transferred to the new Specialized Supervision appropriation (001-PRO-3143) into the Mentally Ill Offenders Services unit) and \$500,000 in funding for contract agencies should be eliminated.

- As 2015 appropriations allow, fill the Senior Accountant position (grade 24) (to be earmarked from a Senior Probation Officer) in Probation General Administration (3140).

JM Probation 15

Public Administrator

Personnel (as of 9/14/2014)

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	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$452,360	\$459,913	\$459,913	\$446,900	\$449,058
Equipment (2000s)	\$711	\$0	\$0	\$0	\$0
Supplies (3000s)	\$5,679	\$5,620	\$5,620	\$5,620	\$5,620
Contracts (4000s)	\$7,900	\$15,330	\$7,830	\$7,830	\$7,830
Totals	\$466,650	\$480,863	\$473,363	\$460,350	\$462,508

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$0	\$0	\$0	\$0	\$0
Departmental Income	\$144,637	\$400,000	\$275,000	\$400,000	\$275,000
Other Income	\$124	\$125	\$75	\$125	\$125
Totals	\$144,761	\$400,125	\$275,075	\$400,125	\$275,125

Effects of Recommended Budget

Staffing

The 2015 Recommended Budget includes sufficient funding for all five currently filled positions for all of 2015, as well as one vacant clerical position.

Expenditure

Last year, the Department was one year behind in its mandated annual audit due to contract language and insufficient funding only permitting one audit per year. The 2014 Adopted Budget provided \$7,500 for the 2013 audit. This funding and an amended contract with an accounting firm will permit the 2012 and 2013 audits of the Public Administrator's Office to occur in September of 2014.

The Department's request of \$1,050 to replace three office chairs, which are reported by the Department to be over 20 years old, is not reflected in the recommended budget as being requested; this funding was not included in 2015 Recommended Budget.

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. This would require an investment in software and hardware estimated at approximately \$25,000 in the initial year and \$12,500 annually thereafter.

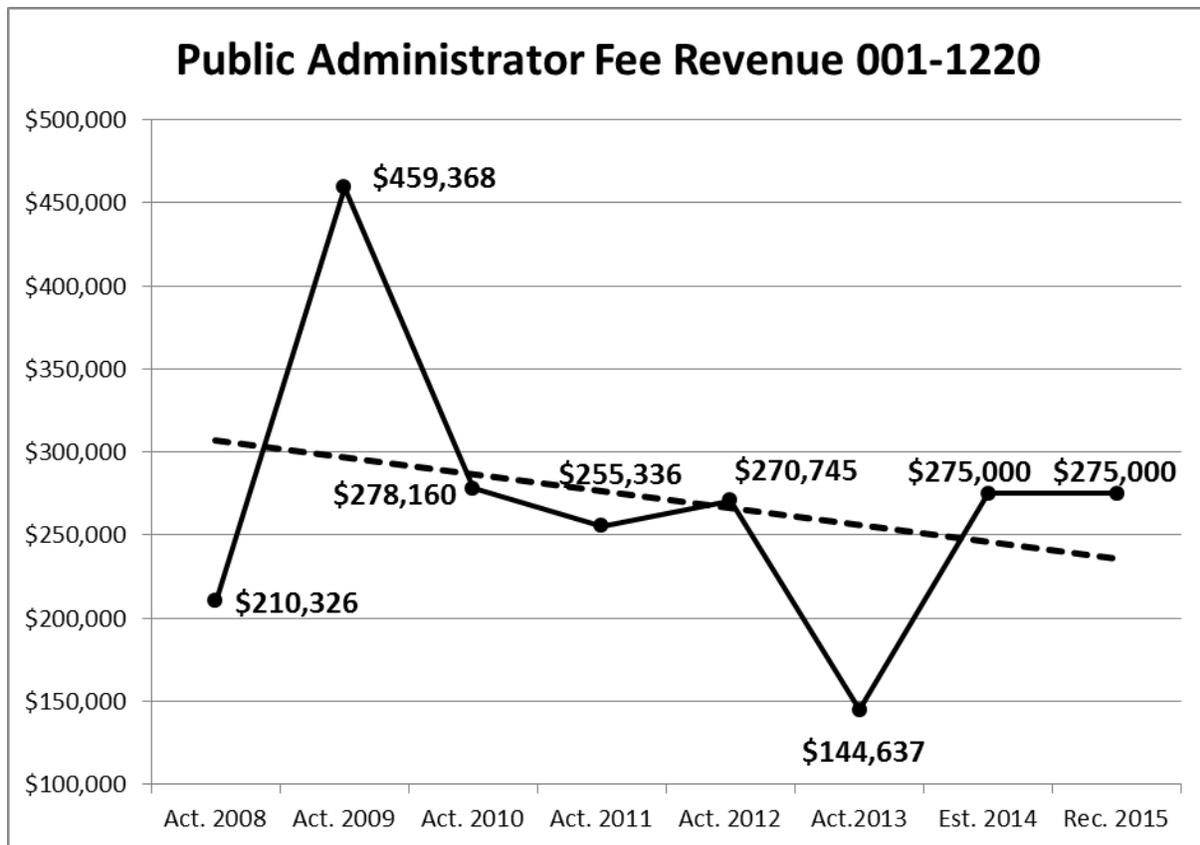
Revenue

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 hearings 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. Live local public auctions are the Department's preferred sales method, which practice has been in place for decades. If properties are not sold at auction, they are sold through local brokers. The use of local 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) since 2008. The chart indicates a diminishing revenue trend over time, possibly the weak real estate market. Another explanation is that the Department may be using an antiquated auction method of liquidating real property that has not kept pace with present real estate marketing strategies. In 2014, the Public Administrator, in compliance with Surrogate Court regulations, began to collect a processing fee of \$500 related to fair hearings, foreclosures and accidents. In addition, the statute for the final accounting proceeding of small estates was amended enabling the department to receive seven percent of the gross receipts, and a five percent award of the total assets on property "guardianship files" upon the maturity and closure of the minor's file. The Department estimates \$25,000 in revenue from these fees in 2014 and \$44,570 in 2015.



The Public Administrator Office's requested \$400,000 in fee revenue for 2014 and 2015. As of September 19, 2014, this revenue is \$218,062. Based on recent discussions with the Public Administrator's Office, some additional revenue may be realized by the end of the year. Of the anticipated additional revenue, \$3,409 is considered achievable, and \$170,000 is tied to a multi-million dollar estate considered on the optimistic side.

The 2015 Recommended Budget estimates 2014 fee revenue at \$275,000 and recommends \$275,000 in 2015. We concur with the estimated and recommended revenue amounts for 2014 and 2015.

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 property 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.

In the Review of the 2014 Recommended Operating Budget, on page 255, the Budget Review Office recommended 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 2014 Omnibus Resolution No. 898-2013, directed the Department of Economic Development and Planning and the Public Administrator to study the feasibility of utilizing online auction services to dispose of surplus real property in their charge in order to reach a wider and larger qualified bidder base; increase the amount of revenue received per transaction; shorten the disposal time per transaction; avoid bidder intimidation; and reduce the level of unsuccessful transactions that require real property to be remarketed.

The Department of Economic Development and the Public Administrator were to report their findings and recommendations to the Legislature and the County Executive by July 1, 2014. As of September 24, 2014 the Legislature has not received this report.

Staffing

The Department has a small staff of six to oversee millions of dollars in assets (\$19.4 million in 2013 and estimated at \$20.2 million in 2014, an increase of \$811,456 or 4.2%) 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 (vacant due to retirement and earmarked to an Account Clerk/Typist), 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 the current case load of 258 (80 estates and trusts, 55 guardianships, and approximately 123 estates with limited letters), or if clerical staff are out sick, or the vacant position is not filled, it will be challenging for existing staff to complete their work assignments in a timely manner. The recommended budget includes sufficient appropriations to fill the vacant position for all of 2015.

Budget Review Office Recommendations

Disposition of Real Property

To increase revenues and shorten disposal transaction time, we again 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.

MUN PAD15

Public Works

Personnel (as of 9/14/2014)					
Authorized Positions:	839	Filled Positions:	697		
Vacant Positions:	142	Percentage Vacant:	16.9%		
Positions Abolished in the Recommended Budget:	0	New Positions:	4		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$49,319,328	\$49,034,802	\$48,773,220	\$50,784,684	\$49,162,022
Equipment (2000s)	\$1,681,475	\$2,234,111	\$2,342,693	\$2,895,648	\$2,652,208
Supplies (3000s)	\$51,921,094	\$45,382,259	\$47,951,303	\$48,268,048	\$45,509,755
Contracts (4000s)	\$134,157,799	\$145,079,656	\$146,961,152	\$156,160,678	\$148,039,521
Totals	\$237,079,696	\$241,730,828	\$246,028,368	\$258,109,058	\$245,363,506
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$30,255,424	\$30,321,800	\$31,315,129	\$30,800,200	\$30,800,200
Federal Aid (4000s)	\$21,454,697	\$3,922,510	\$6,357,749	\$3,012,000	\$3,012,000
Departmental Income	\$50,314,602	\$50,836,261	\$51,154,109	\$52,134,130	\$52,134,130
Other Income	\$7,167,041	\$11,407,860	\$11,567,240	\$11,787,156	\$11,740,965
Totals	\$109,191,765	\$96,488,431	\$100,394,227	\$97,733,486	\$97,687,295

*Approximately \$49.8 million or 20.3% 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 2014 estimated budget includes \$100.4 million of revenue in the aggregate, which is \$3.9 million or four percent more than adopted. Excluding revenue associated with the Sanitation Division, the increase is \$1.8 million, which is mainly attributed to \$3 million in FEMA Disaster Aid that was not included in the 2014 Adopted Budget and an increase of \$478,400 in State Mass Transit Operating Assistance, which is partially offset by reductions in revenue from bus fares, Federal aid and DPW permits. The estimated revenue for DPW appears reasonable assuming the State and Federal aid is realized as anticipated.

The 2015 Recommended Operating Budget includes \$97.7 million in aggregated revenue, which is approximately equal to the requested amount. There is no Federal or State disaster aid included in the recommended budget. This level of revenue appears reasonable and is in line with the 2014 estimated revenue of \$100.4 million less \$3 million of FEMA aid estimated within the recommended budget for DPW in 2014.

Expenditures

The 2014 estimated budget includes approximately \$249.9 million of expenditures in the aggregate, which is approximately \$4.5 million or 1.8% more than adopted, and is reasonable. The increase is resultant from numerous deficits and surpluses within the individual expenditures aggregated, however, expenses experienced as a result of the harsh winter weather in the beginning of 2014 are representative of the entire growth. Snow and ice removal supply expenses exceeded adopted funding by more than \$2.7 million and rental of highway equipment, used for snow removal, was augmented by \$2.0 million in the estimate.

The 2015 Recommended Operating Budget includes \$249.2 million in expenditures, which is in line with the 2014 estimate of \$249.9 million and \$12.8 million or 4.9% less than the Department's request of \$262 million.

The greatest decreases compared to requested funding by DPW in 2015 are contained within the Transportation Division Contracted Agencies (001-DPW-5631-4980) and Contracted Services-Special (001-DPW-5631-4960); nearly \$7.8 million in the aggregate. These expenditures represent the County's cost to contract out, currently with four bus companies, to run Suffolk County Transit (SCT) and one ADA para transit operator, to run Suffolk County Accessible Transit (SCAT). Other significant decreases are \$1.5 million in permanent and overtime salaries and more than \$1 million in snow removal (105-DPW-5142) for snow removal supplies and rental equipment.

Issues for Consideration

Personal Services (1000's)

The 2015 recommended Personal Services expenditure is approximately \$1.6 million or 3.2% less than requested by the Department. This can be explained by permanent salaries that are recommended at \$440,693 less than requested and overtime salaries recommended at \$1,095,633 less than requested. The recommended budget includes four new positions within Fund 261-Sewer District Maintenance and Operation in conjunction with the recent creation and anticipated

operation of Suffolk County Sewer District No. 4 – Smithtown Galleria. Five filled Security Guard positions are transferred from DPW to the Traffic Violations Agency.

Permanent Salaries

The 2014 estimate for permanent salaries is \$41.3 million. The Budget Review Office (BRO) estimate for permanent salaries in 2014 is \$42.5 million which is approximately \$1.1 million or 2.7% more. Our analysis indicates that all variances between the 2014 BRO estimated salaries and the recommended budget estimated salaries that are 3.0% or greater exist solely in the General Fund. Therefore, BRO recommends addressing the deficient 2014 Estimated General Fund permanent salary expenditures with the following changes.

Summary of BRO Proposed 2014 Estimated Permanent Salary Changes (001-DPW-1100)				
Unit	2014 Adopted	2014 BRO Est.	2014 Rec. Budget Est.	BRO Increase
1164	\$2,435,758	\$2,406,731	\$2,284,219	\$122,512
1345	\$841,415	\$827,870	\$800,433	\$27,437
1490	\$5,240,548	\$5,267,571	\$5,108,148	\$159,423
1493	\$1,892,411	\$1,875,742	\$1,812,921	\$62,821
1494	\$3,186,625	\$3,029,886	\$2,951,203	\$78,683
1495	\$1,413,900	\$1,428,811	\$1,375,495	\$53,316
1611	\$2,729,695	\$2,591,144	\$2,456,195	\$134,949
1660	\$610,229	\$610,229	\$586,050	\$24,179
5641	\$632,118	\$632,294	\$607,613	\$24,681
Total	\$18,982,699	\$18,670,278	\$17,982,277	\$688,001

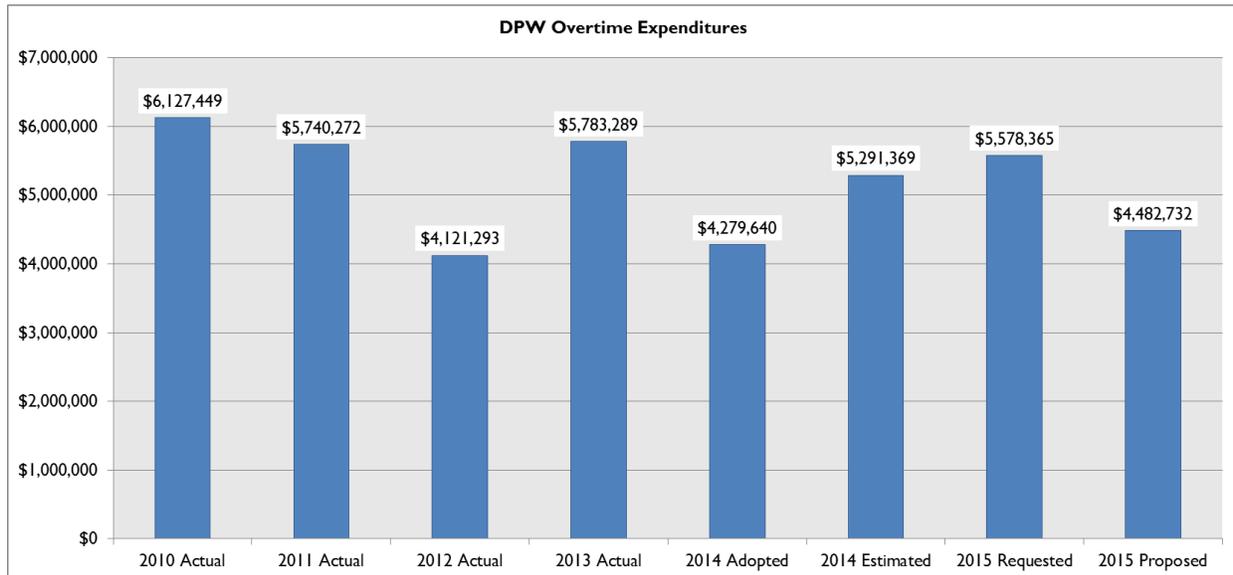
The recommended budget includes \$43.2 million for permanent salaries department wide in 2015. The BRO projection for permanent salaries in 2015 is also \$43.2 million, which supports the funding included within the recommended budget as reasonable.

Overtime

The 2014 estimate for overtime department wide is \$5.3 million which exceeds adopted funding of \$4.3 million by slightly more than \$1.0 million. The estimate appears realistic given year-to-date expenditures as of September 19, 2014, of approximately \$4.1 million representing 77.3% of the estimated expenditure. Overtime expenditures within DPW can be difficult to approximate as they are often driven by weather conditions, which are unknown until actually realized, and only then, dictate the actual demands upon the Department's resources.

The recommended budget includes \$4.5 million in overtime expenses for 2015, which exceeds the 2012 actual expense of \$4.1 million, but is significantly less than the 2010-2013 average annual overtime expense of \$5.4 million. Additionally, the recommended overtime funding is 19.6% less

than requested by the Department and 15.3% less than the 2014 estimate. The following graph represents the Department's overtime costs in recent history.



We recommend increasing funding for overtime in 2015 by \$1,045,808; \$574,518 in the General Fund and \$417,290 in the County Road Fund. This BRO recommendation will bring budgeted overtime funding in line with the 2010-2013 average annual overtime expense of \$5.4 million and in line with 2014 estimated expenditures of \$5.3 million. There appears to be a correlation between diminished staffing levels and increased overtime in recent history that we do not anticipate changing in 2015, based upon the recommended staffing levels and funding provided for vacant positions within the Department.

Equipment (2000's)

The recommended budget includes \$2.7 million for equipment purchases, which is \$243,440 less than requested. The reduction is mainly within Purchase of Automobiles (016-DPW-5130-2030), which was requested at \$192,000 and recommended at \$0 for 2015. No funding has been included or expended via this expense line since 2012 as the County's policy has shifted from funding fleet vehicles through the operating budget to purchasing vehicles through Capital Project No. 3512 for public safety vehicles and Capital Projects No. 5601 and No. 5602 for non-public safety vehicles. Both CP 5601 and CP 5602 received significant federal funding.

As of October 1, 2014:

- CP 3512, Public Safety Vehicles, has \$12.25 million appropriated with an available balance of \$3.5 million. The Adopted 2015 Capital Budget includes \$5 million.
- CP 5601, Purchase of Hybrid Electric Vehicles, has \$5.8 million appropriated with an available balance of \$200,000. The Adopted 2015 Capital Budget includes \$913,000.
- CP 5602, Clean Cities – Alternative Fuel Infrastructure and Compressed Natural Gas (CNG) Vehicles, has \$13.9 million appropriated with an available balance of approximately \$5.6 million. The Adopted 2015 Capital Budget includes \$410,000.

The Legislature may want to consider reviewing the current 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. Additionally, based upon the current policy employed by the County, the Department should consider requesting a new capital project that addresses the replacement of vehicles which do not qualify for funding under the current capital projects that have been established to replenish the County's fleet of vehicles.

Supplies (3000's)

The recommended budget includes \$45.5 million for supplies, which is \$2.8 million or 5.7% less than requested. The greatest variances between the recommended funding and the Departmental request are in (1) Snow Removal: County Highways (105-DPW-5142) where funding is \$1,050,000 less, in the aggregate, for Snow and Ice Removal Supplies (object 3270) and Rent: Highway Equipment (object 3530) and (2) Road Machinery (016-DPW-5130) where funding is \$677,393 less, in the aggregate, for Repairs: Licensed Vehicles (object 3630) and Gasoline & Motor Oil (object 3150). The other Divisions where recommended funding is significantly less than requested are Repairs: Buildings (object 3650) within the Division of Buildings Operations & Maintenance (\$569,878) and Gasoline & Motor Oil (object 3150) within the Transportation Division Omnibus unit (\$327,094).

BRO's analysis of the funding proposed for Snow Removal, County Highways (105-DPW-5142) for rent of equipment and snow supplies, as compared with the Department's request, indicates they are reasonable. The recommended funding for these expenditures of \$2.4 million for 2015 is in line with the average annual expenditures of \$2.2 million between 2010 and 2013. Expenditures in this area are particularly difficult to project based upon their extreme volatility driven by external forces beyond the County's control, such as weather.

The 2014 estimated expenditure for social security of \$37,254, within this Division, is understated by \$198,716 based upon year-to-date expenditures of \$235,970, as of September 19, 2014. The average actual annual expenditure between 2010 and 2013 for social security within the Division is \$136,493; however, the annual liability has ranged between \$62,000 and \$226,000 over those years. The recommended budget includes \$33,974 for the projected 2015 social security liability, which appears deficient based upon recent historical expenditures. BRO recommends adding \$100,000 for the social security liability within this division in 2015 to bring it in line with the average actual expenses experienced in recent years.

The recommended budget includes \$11.6 million for Gasoline & Motor Oil Department-wide for 2015. The proposed funding is approximately \$500,000 or 4.2% less than the Department's request of \$12.1 million and appears reasonable based upon 2014 year-to-date expenditures of \$7.2 million on September 19, 2014 representing 65.3% of the estimated expenditure of \$11.1 million. The recommended funding equates to a 5.2% increase over the 2014 estimate and provides for some limited growth in use and cost of gasoline and motor oil in the coming year.

Expenditures associated with Repairs: Licensed Vehicles (object 3630) within DPW are recommended for 2015 at \$1.5 million, which is the same as adopted in 2014, \$250,000 more than estimated for 2014, and \$500,000 less than requested by the Department. It is unquestionable that demands upon this expenditure have increased in recent history in conjunction with an aging fleet of County vehicles; however, as the conventional fleet is replaced with CNG and Hybrid-Electric vehicles through Capital Projects 5601 and 5602 the County should be able to mitigate this expense to some degree. Year-to-date expenditures of \$595,942, as of September 19, 2014, represent

47.7% of the 2014 estimated expenditure of \$1.25 million. BRO agrees with the recommended funding based upon expenses for repairs to licensed vehicles incurred thus far in 2014.

The recommended budget includes \$569,878 less than requested for Repairs: Buildings (object 3650) within the Division of Buildings Operations & Maintenance. This expense was recommended last year at a significantly reduced level as well, as the result of an effort to shift some of these costs to the capital program and aid in the stabilization of the operating budget. The legislature may wish to review this 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. The recommended budget includes approximately \$1.3 million for building repairs which is nearly \$300,000 less than the Department's August revised request and in line with the 2014 estimate of \$1.3 million. Year-to-date expenditures of \$655,206, as of September 19, 2014, represent 49.3% of the recommended funding.

Contractual Expenses (4000's)

The 2014 estimate of \$147.0 million for contractual expenses exceeds the adopted funding of \$145.1 million by \$1.9 million or 1.3%. The estimate appears sound based upon year-to-date expenditures of \$111.0 million, as of September 19, 2014, representing 75.5% of estimated expenditures.

The 2015 proposed funding for DPW Contractual Expenses department-wide are \$148.0 million, which is \$8.1 million less than requested, mostly related to reduced funding within the Transportation Division for Contracted Agencies (001-DPW-5631-4980) and Contracted Services-Special (001-DPW-5631-4960); nearly \$7.8 million in the aggregate. These expenditures represent the County's cost to contract with four bus companies, to run Suffolk County Transit (SCT) and one ADA para transit operator, to run Suffolk County Accessible Transit (SCAT).

The 2014 estimate for contracted agencies to run SCT is \$42.4 million which is \$134,454 more than adopted. Year-to-date expenditures of \$31.4 million for SCT, as of September 19, 2014, representing 74% of the estimated 2014 expense, support the estimate as being reasonable. The 2014 estimate for SCAT expenditures of \$23.3 million is the same as adopted. Year-to-date expenditures of \$17.1 million for SCAT, as of September 19, 2014, represent 73.5% of the estimated 2014 expense and support the estimate as reasonable.

The 2015 recommended funding of \$42.2 million for contracted agencies to run SCT is \$134,434 less than estimated for 2014 and \$4.2 million or 9.1% less than the Department's request of \$46.5 million for 2015. The 2015 recommended funding of \$23.3 million for contracted agencies to run SCAT is the same as estimated for 2014 and \$3.5 million or 13.1% less than the Department requested for 2015.

DPW has requested increased funding in these areas for the following reasons:

- Contracted Services-Special (001-DPW-5631-4960): The Department seeks a 15% increase in funding based upon experiential growth of the program and since capacity denials are a violation of FTA regulations. Additionally, the current contract with Suffolk Bus Corp., as the County's ADA para-transit operator, is set to expire at the end of 2014 and will need to be re-bid.
- Contracted Agencies (001-DPW-5631-4980): Based upon the results of an FTA Procurement Review conducted in 2013, the County is required to re-bid these services and have new contracts in place starting January 1, 2015. The new contracts will include additional FTA required procedures and processes that are anticipated to increase the operating costs of

potential vendors. The Department projects a 10% increase in operating costs to comply with the FTA requirements.

The County issued a Request for Proposals (RFP) for transit and para-transit services in June 2014. The responses were due back in September 2014 and the Department is currently in the process of reviewing the proposals. At the time of this writing, the Department had already conducted site visits; however, the financial evaluations were pending.

BRO observes that it is unlikely that the 2015 recommended funding will prove sufficient based upon the Department's growth and cost escalation estimates. The Legislature may wish to reconsider the policy decision implicit in the recommended budget regarding an appropriate level of funding to budget for these services in 2015.

Staff

Public Works will have one less authorized position (838 vs. 839) in 2015 than it did at this time last year with which to accomplish its core mission. The Department currently operates with 697 filled positions, which is two more than this time last year. The Department requested no new positions for 2015.

The recommended budget adds and provides for four new positions, two Wastewater Treatment Plant Helper positions (grade 9) and two Laborer positions (grade 8), within the Operations division of the Sewer Maintenance & Operation Fund (261-8199). These positions were created via Resolution No. 798-2014, in conjunction with the formation and operation of Suffolk County Sewer District No. 4 – Smithtown Galleria. The Department's request acknowledges that the creation of these positions will increase their total authorized positions to 843.

The recommended budget also transfers out five filled positions, one Senior Security Guard and four Security Guards from the Custodial Services & Security Division (001-1611) within DPW to the Traffic and Parking Violations Agency to form a new Security unit. The Department's request does not include the transfer of these five positions.

As of September 14, 2014, the Department had 142 vacancies with annual salaries equating to approximately \$5.7 million. The recommended budget proposes approximately \$5.9 million of turnover savings implying that vacant positions will mainly go unfilled in 2015. BRO estimates that 2015 recommended salaries Department-wide provide approximately \$150,000 that could be used to fund vacant positions.

Revenue from Motor Vehicle Registration Surcharges

As indicated 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 four year (2010-2013) average annual revenue from this 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 is approximately \$10.4 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 \$2.4 million in 2013, is estimated to be \$5.1 million in 2014, and is proposed within the recommended budget at \$9.8 million in 2015.

The significant increase to the 2015 General Fund transfer as compared with 2014, is mainly attributed to a 2014 estimated fund balance deficit of approximately \$2.8 million driven by snow removal expenditures and reductions to State and Federal aid.

Energy

Gasoline and Motor Oil (Object 3150)

The DPW budget accounts for approximately 97% of the County's gasoline and motor oil expenses. The majority of the expenses are in the Road Machinery Division, which is budgeted in the Interdepartment Operations & Service Fund (016). The next largest expense is for Suffolk Transit.

Commodity market prices for refined fuels (gasoline and diesel) have decreased by approximately 1.4% compared to the same period a year ago. The cost per gallon of regular gasoline and diesel is projected to decline slowly through 2015. Year-to-date expenditures for gasoline and diesel fuel have decreased by approximately 6.3% compared to the same period a year ago and 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.

Countywide, the 2014 estimate for gasoline and motor oil across all funds is \$11.4 million, which is 7.3% less than adopted and 2.6% less than what was spent in 2013. The 2015 Recommended Budget provides \$12,012,094 or \$573,885 more than the 2014 estimate. In context to projected declines in petroleum product prices, the 2014 estimate is reasonable. Due to the volatility of the market, an increase in appropriations in 2015 is prudent. The Budget Review Office agrees with the 2014 and 2015 funding for gasoline and motor oil as recommended by the County Executive.

Light, Power and Water (Object 4020)

Natural gas commodity prices, which have averaged approximately 20% 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 typically 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.

The DPW budget accounts for approximately 94% of the County's utility costs. For all funds and departments, excluding sewers, actual expenditures for Light, Power and Water (4020) were approximately \$19.9 million in 2013, an increase of approximately \$2.3 million over expenditures in 2012, but still \$2 million below the County's peak recorded expenditures for energy of approximately \$22 million in 2008. Approximately \$3 million of November/December utility billing from both LIPA and National Grid were deferred from 2012 into 2013 as a result of "Superstorm Sandy", which accounts for a significant portion of the spike in 2013 expenditures for energy. The increase in nominal dollars expended is also attributable to a rise in energy prices. It is important to note that 2013 expenditures for energy were mitigated by approximately \$5 million in avoided costs the County secured by implementing energy efficiency upgrades through the capital program. In fact, including cost reductions attributable to fuel switching from fuel oil to natural gas, Suffolk County's avoided costs for energy in 2013 were approximately \$11.6 million.

In the General Fund, payments for electricity (approximately 80%) and natural gas (approximately 10%) 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 2.0%). Long-term payments for performance contracts relating to energy improvements at County facilities by the New York Power Authority (NYPA) and others are subject to variable rate

financing and represent approximately 5.4% of total expenditures. The balance of annual expenditures from Light, Power and Water are attributable to the cost of energy embedded in rental agreements for leased facilities and other County contracts.

The 2014 estimate for Light, Power, and Water is \$19.8 million, which is slightly less than 2013 expenditures, but \$1.6 million more than adopted in 2014. In context to the information noted above and conflicting weather forecasts for the coming winter season, Budget Review estimates 2014 expenditures for Light, Power and Water (4020) to be approximately \$1.2 million less than the County Executive's year-end estimate. The 2015 Recommended Budget for Light, Power and Water is \$20.4 million, which is \$729,661 less than requested, but \$578,842 more than estimated in 2014. 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 volatile natural gas commodity costs, the possibility of a severe winter season ahead, and electric power supply cost fluctuations that will be passed on each month, Budget Review projects 2015 expenditures to be approximately \$1.2 million less than recommended. While we project lower costs in 2014 and 2015, energy costs are difficult to project and we believe that Executive's projections are reasonable.

Staff

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 \$5 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, within existing operating budget funding levels, 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 "culture" of 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.

The Legislature included two Buildings & Operations staff positions along with funding in the 2014 Adopted Operating Budget, but the positions have yet to be filled. Those staff positions are intended to secure anticipated efficiency gains and maximize annual savings. Those benefits would be derived by monitoring real-time utility meter data and performance of building management systems countywide to ensure optimal systems performance and improve Buildings O&M operational efficiency that has been strained by long-term staff reductions. In addition, it is envisioned that these employees would manage the County's participation in local and statewide demand response programs that result in electric grid load reduction, contribute to ratepayer benefits resulting from avoided electric demand, and result in monthly payments to the County. The County rejoined the New York State Independent System Operator's (ISO) demand response program in September 2013, and September '13 through October '14 revenues are expected to total approximately \$167,021. Several County facilities have fallen off the program due to lack of

performance, however, and the reduction in participating capacity will result in lower monthly revenues going forward. County facilities might not have fallen off the program if the referenced positions were filled, because the program would have been monitored for compliance.

DPW has limited appropriations department-wide to fill vacant positions. However, in context to the avoided operating costs and other benefits that are anticipated by filling this important role within the Department, Budget Review recommends the Legislature encourage the County Executive to fill at least one of these this positions in order to further mitigate the County's operating expenses relating to energy and energy systems maintenance.

Budget Review Office Recommendations

- Increase the 2014 estimate for Permanent Salaries within the General Fund by \$688,001 in the aggregate based upon BRO projections.
- Increase 2015 recommended overtime expenditures by \$1,045,808; \$574,518 in the General Fund and \$471,290 in the County Road Fund to more accurately reflect anticipated expenditures. The \$471,290 increase in County Road Fund overtime would require a transfer of the same amount from the General Fund to balance the Fund 105 budget.
- Review the current 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.
- Increase the 2014 estimate for Social Security related to overtime salaries incurred for Snow Removal, County Highways (105-DPW-5142) by \$198,716 based upon year-to-date expenditures of \$235,970, as of September 19, 2014. Increase funding in 2015 (105-DPW-5142) by \$100,000 in order to more accurately reflect anticipated expenditures.
- Review the current policy and determine if building repairs and maintenance expenditures should be paid through the capital program with the related debt service in the operating budget.
- The Legislature may wish to revisit the policy decision implicit in the recommended budget regarding an appropriate level of funding to budget for Suffolk County Transit and Suffolk County Accessible Transit services in 2015.
- BRO recommends that consideration be given to increasing Suffolk's Motor Vehicle Registration Surcharge to maintain parity with rates being charged by neighboring counties. State enabling legislation is needed to increase the County's surcharge.
- Budget Review recommends the Legislature encourage the County Executive to fill at least one of the positions created by the Legislature in the 2014 operating budget for Buildings & Operations.

RD DPW 15

Real Property Tax Service Agency

Personnel (as of 9/14/2014)

Authorized Positions:	24	Filled Positions:	19
Vacant Positions:	5	Percentage Vacant:	20.8%
Positions Abolished in the Recommended Budget:	0	New Positions:	0

Expenditures

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$1,341,050	\$1,406,698	\$1,321,554	\$1,441,496	\$1,388,754
Equipment (2000s)	\$0	\$0	\$0	\$0	\$0
Supplies (3000s)	\$18,771	\$25,900	\$20,100	\$25,650	\$23,650
Contracts (4000s)	\$0	\$150	\$0	\$150	\$0
Totals	\$1,359,821	\$1,432,748	\$1,341,654	\$1,467,296	\$1,412,404

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$0	\$0	\$0	\$0	\$0
Departmental Income	\$13,482,480	\$11,507,000	\$11,507,000	\$11,407,000	\$11,407,000
Other Income	\$259,638	\$200,275	\$250,275	\$200,275	\$250,275
Totals	\$13,742,118	\$11,707,275	\$11,757,275	\$11,607,275	\$11,657,275

Effects of Recommended Budget

Personal Services

The 2014 estimate for Permanent Salaries is \$1,251,435, which is \$4,039 less than projected by the Budget Review Office, if all five vacant positions remain unfilled. The recommended budget provides \$1.34 million for Permanent Salaries in 2015, which is sufficient to fund all 19 filled positions with \$83,160 to fill vacancies.

Revenue

The 2014 estimate for Department revenue is budgeted at or near the adopted level: Tax Map Certification Fees (001-1291) is \$11.5 million as adopted, County Tax Map Sales (001-2656) is estimated to be \$250,000, \$50,000 more than adopted, and Advertising Revenue (001-2032) in 2014 is \$7,000, as adopted.

For 2015, the recommended budget includes revenues at levels similar to 2014: Tax Map Certification Fees (001-1291) in 2015 is recommended as requested at \$11.4 million, which is \$100,000 less than the 2014 adopted revenue, County Tax Map Sales (001-2656) in 2015 is recommended at \$250,000, which is \$50,000 more than requested and previously adopted in 2014, and Advertising Revenue (001-2032) in 2015 is recommended as requested at \$7,000.

Issues for Consideration

Personal Services

Currently the Department has five vacant positions:

- Real Property Recorder I, (grade 9)
- Senior Account Clerk, (grade 14), which is earmarked to an Account Clerk/Typist, (grade 12)
- Real Property Appraisal Tech I, (grade 16)
- Geographic Info System Tech I, (grade 18), which is earmarked to a Mapping Products Developer, (grade 29)
- Map Drafter III, (grade 23)

Based on discussions with the Department, they anticipate requesting to fill the vacant Mapping Products Developer position before the end of the year and the Account Clerk/Typist position by the end of the year. The 2015 Recommended Operating Budget estimates 2014 permanent salaries at \$1.25 million which leaves no funding to fill any of the vacancies in 2014.

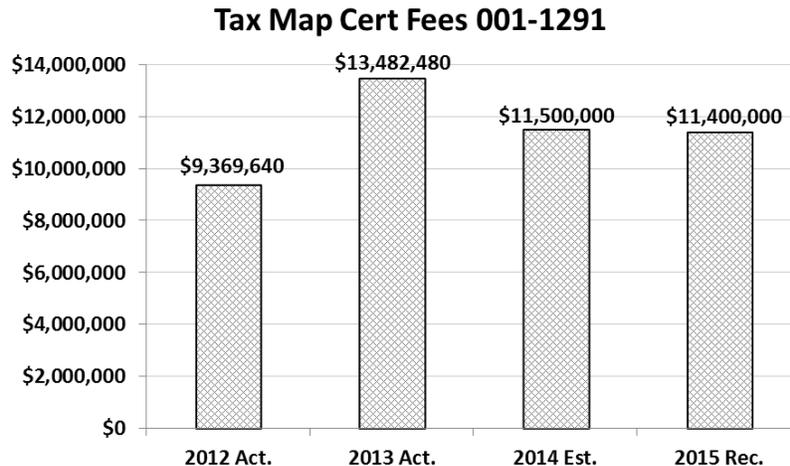
The Department requested that the Real Property Recorder I and Map Drafter III positions be included in the 2015 budget, but without funding. BRO estimates the recommended budget provides \$83,160 to fill the five existing vacancies.

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. In order to maintain the turnaround time and realize projected revenues for 2014, RPTSA has relied on overtime and temporary employees to address backlogs in the verification of tax map numbers.

As requested, the recommended budget reduces Overtime Salaries in 2015 to \$10,000 compared to \$20,000 adopted in 2014 and \$18,400 estimated for 2014. As requested, the recommended budget reduces Temporary Salaries in 2015 by \$4,000 from the 2014 adopted and estimated level of \$12,000. The Department requested the reduced funding in 2015 based on the Mapping Products Developer and Account Clerk/Typist positions being filled by the end of 2014. As noted above, 2014 estimated funding is not sufficient to fill these positions.

The County Clerk's Office expressed concern in late 2013 that if the turnaround time for the verification of tax map numbers goes past 90 days, checks that accompany these documents will go stale and the turnaround time will be further extended awaiting replacement checks. The current backlog is 2,713 documents (as of 9/26/2014). The estimated unrealized revenue is \$162,780. By utilizing overtime and temporary employees there has been an improvement of 76% in addressing the chronic backlog of verification of tax map numbers since September 2013, when the backlog was 11,319 documents with an estimated unrealized revenue amount of \$679,140. The backlog of documents requiring verification of tax map numbers not only prevents the County from realizing revenue in a timely manner, it also holds up millions of dollars of real-estate transactions.

RPTSA Tax Map Cert Fees (001-1291)



2014

The recommended budget estimates RPTSA Tax Map Cert Fees at \$11.5 million, which is the same as adopted. Based on year-to-date collections, 2014 estimated revenue is overstated by more than \$500,000. RPTSA's ability to process and clear the backlog of documents requiring verification of tax map numbers before the end of the year may help to reduce but not eliminate this shortfall. In addition, a stronger than average fourth quarter could lead to 2014 collections coming in on budget.

2015

The Department requested RPTSA Tax Map Cert Fees at \$11.4 million or \$100,000 less than the 2014 adopted; the recommended budget includes this fee revenue as requested. Given recent history, 2015 recommended revenue from RPTSA Tax Map Cert Fees is reasonable.

County Tax Map Sales (001-2656)

2014

The 2014 estimate for County Tax Map Sales is \$250,000, which is \$50,000 more than adopted. Based on historical year-to-date revenue analysis, this estimate is conservative and could be increased by \$15,000.

2015

The recommended budget includes revenue of \$250,000 from County Tax Map Sales; the Department requested \$50,000 less. Based on recent history, 2015 recommended revenue appears to be reasonable.

Budget Review Office Recommendations

Revenue from RPTSA Tax Map Cert Fees (001-1291) is likely to be overstated by \$500,000 in 2014. Although optimistic, the budgeted amount is attainable, but consideration should be given to reducing these revenues by \$500,000 in 2014.

MUN RPT15

Sheriff

Personnel (as of 9/14/2014)					
Authorized Positions:	1,389	Filled Positions:	1,297		
Vacant Positions:	92	Percentage Vacant:	6.6%		
Positions Abolished in the Recommended Budget:	0	New Positions:	0		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$143,853,173	\$143,980,503	\$139,300,539	\$148,037,983	\$140,395,854
Equipment (2000s)	\$349,324	\$318,676	\$542,776	\$372,370	\$243,553
Supplies (3000s)	\$5,451,160	\$6,404,010	\$5,348,342	\$6,929,284	\$6,181,134
Contracts (4000s)	\$1,037,063	\$1,201,302	\$723,955	\$1,072,606	\$634,606
Totals	\$150,690,721	\$151,904,491	\$145,915,612	\$156,412,243	\$147,455,147
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$212,620	\$417,960	\$150,662	\$121,544	\$121,544
Federal Aid (4000s)	\$2,704,793	\$3,020,536	\$3,134,389	\$2,099,495	\$2,099,495
Departmental Income	\$2,797,591	\$3,003,121	\$3,234,327	\$3,294,643	\$3,297,224
Other Income	\$773,702	\$642,237	\$710,880	\$800,154	\$724,025
Totals	\$6,488,706	\$7,083,854	\$7,230,258	\$6,315,836	\$6,242,288

Effects of Recommended Budget

Expenditure Overview

The 2015 Recommended Budget for the Sheriff is \$147.5 million, which is \$4.4 million or 2.9% less than the 2014 adopted but \$1.5 million more than the 2014 estimate. Contributing factors to the decrease from adopted include:

- As previously stated by the Budget Review Office, permanent salaries were overfunded in the 2014 Recommended Operating Budget. Permanent salaries are reduced by \$3.1 million (from 2014 adopted to 2015 recommended). The 2015 recommended amount is \$1.7 million more than the 2014 estimate allowing for an additional Correction Officer class as well as promotions within the Deputy Sheriff and Correction Officer ranks.
- Overtime is decreased by \$668,151 (from 2014 adopted to 2015 recommended).
- Substitute jail housing is reduced by \$540,000, food costs are reduced by \$140,000, and household & laundry supplies are reduced by \$103,192 all due to the diminished inmate census.

Personnel costs account for 95.2% of the recommended budget while other major objects of expense include food, household and laundry supplies, clothing and employee meals.

Not included in the Sheriff's expenditure budget is funding for potential labor settlements for the Deputy Sheriff's PBA and the Correction Officer's Association. Those agreements, last settled in 2012, covered the years 2008-2010. Negotiations are currently proceeding and arbitration dates have been set.

Also not included is funding of approximately \$4 million for the settlement between the Deputy Sheriffs and the County regarding the return of Highway Patrol to the Police Department. The agreement stated that the Deputy Sheriffs would be reimbursed by the end of 2015. The case, initially won by the Deputy Sheriffs, is now in Appellate Court.

Correction Officer Staffing

The Sheriff's operating budget hinges on the number of filled Correction Officer positions. The New York State Commission of Corrections (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 28, 2014, there were 889 filled Correction Officers. A class of 39 was hired in July of 2014 and another class is scheduled in 2015. Assuming the 2015 class will be 40 new COs, the additional 79 COs will still be 53 less than the required 982. 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 (projected 2016) there once again will be a reliance on overtime to cover posts if an insufficient number of COs are hired. Also, the Sheriff intends to start booking new inmates at the new Yaphank addition which will require more CO posts to be filled. The Jail Medical Unit will also be in full operation in 2015 which will require more CO posts to be filled. These two coverage areas will likely require 12 to 15 more COs over the course of 2015.

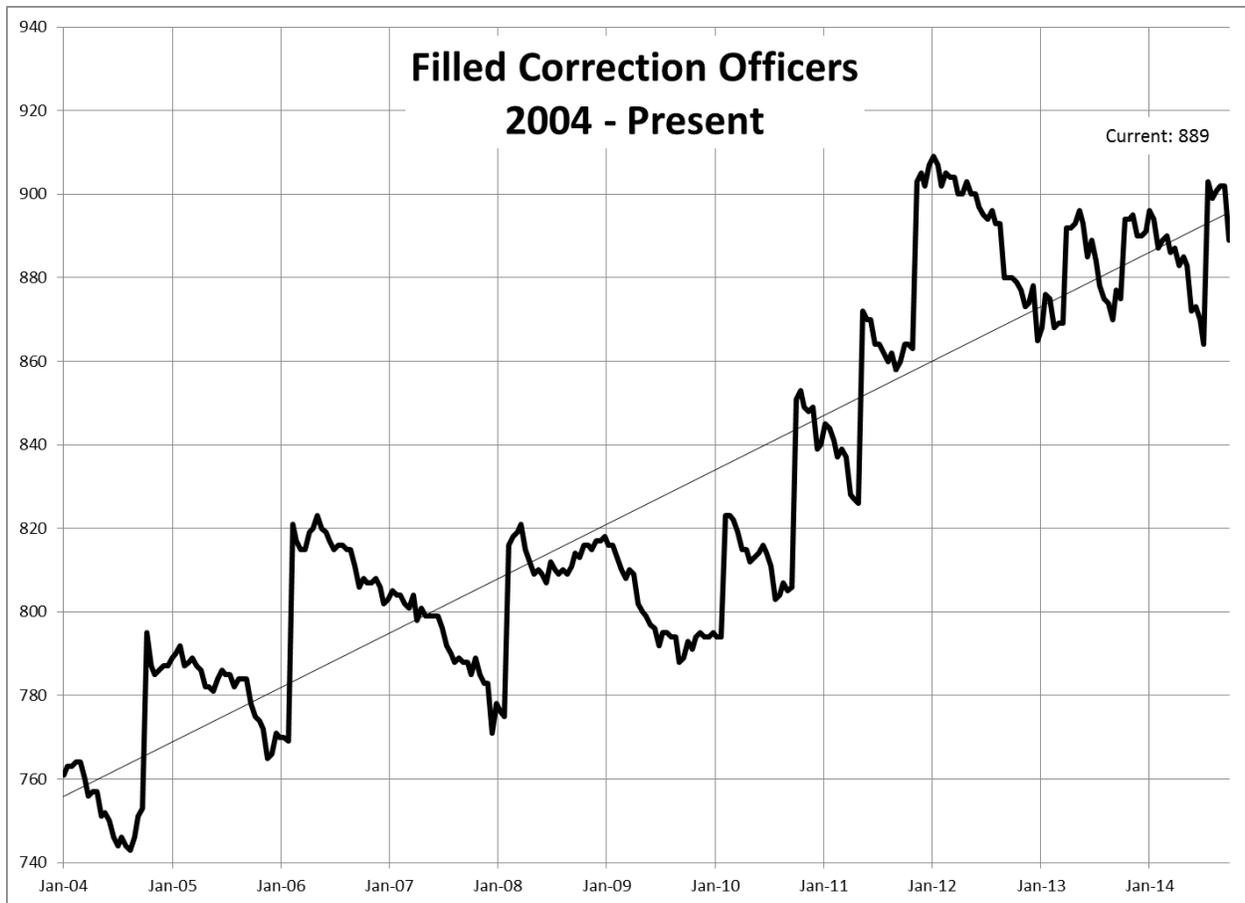
Based upon funding included in the recommended budget, we project that there is sufficient funding for the recruit class in July of 2015. Even with a class of 39 that started in 2014 and the new recruit class in 2015, overtime coverage will be required to meet the full coverage factor (the number of 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 July 2014 class of 39 has already been offset by 29 separations through the end of September this year. A class of 40 in 2015 will be needed 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 only one class in 2014, another class will be necessary in 2015 plus a second class, which is not budgeted for, 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, which has been defunded for 2015. 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 889 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 2015 class at a base salary cost of approximately \$340,000. The Budget Review Office believes there is sufficient funding in the recommended budget to allow for this additional hiring.

Another issue facing the Sheriff's Office is that the Correction Officers Association contract expired at the end of 2010. If the contract is settled during 2015 there is the potential that COs who were waiting for the settlement may retire which would negatively impact staffing levels.

The following graph illustrates Correction Officer filled staffing since 2004. The ascending trend is a result of COC mandates for minimum staffing levels.



The recommended budget includes sufficient funding for permanent salaries factoring in the following:

- All currently filled sworn and civilian positions.
- A recruit class of 40 Correction Officers in July of 2015.
- Normal attrition.
- NYS COC mandated supervisory promotions.
- The Budget Review Office recommendation of an additional 20 CO recruits in July of 2015.

Overtime

The 2015 Recommended Budget for overtime is \$21,009,928, which is \$668,151 less than the 2014 adopted amount. If the Sheriff is to reduce overtime in 2015 they will need the additional CO recruits as proposed by the Budget Review Office (a class of 60 in July).

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.

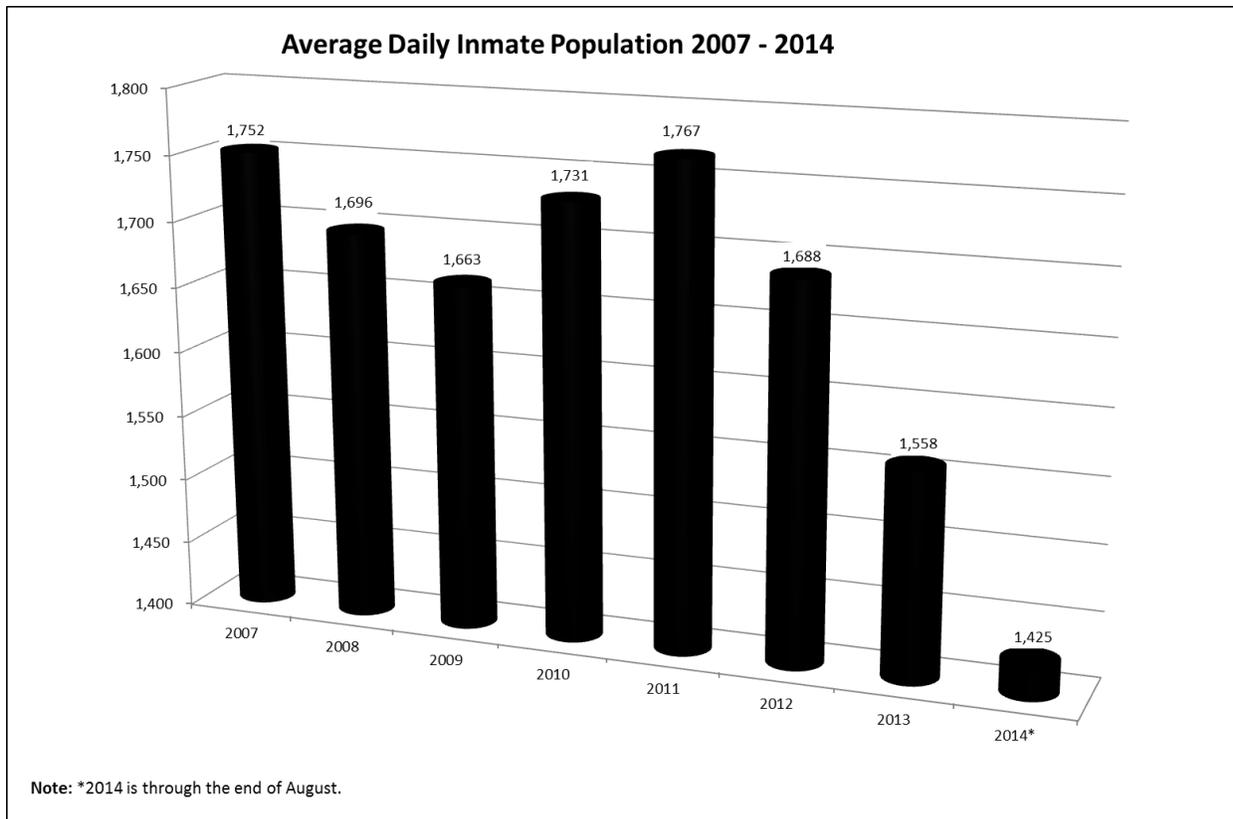
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- Filling vacant positions and effectively managing staff can result in the reduction of overtime costs. If the number of vacancies increases due to attrition and lack of hiring, overtime costs will increase accordingly.
 - The number of posts: required 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 July 2015 class. The recommended amount is \$830,813 below the 2014 estimate, which we believe is a conservative estimate. With the opening of the new Yaphank Facility, the JMU and the intake/booking section, there is a need for more Correction Officers as mandated by the COC.

The average amount of overtime for a Deputy Sheriff was \$27,170 and for a Correction Officer it was \$23,902 in 2013. Based upon reported W-2 earnings in 2013, 222 of the 300 top overtime earners were from the Sheriff's Office, an increase from 177 in 2012. 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 2014 average daily inmate population is 1,425 (2013 Actual: 1,558, 2012: 1,688, 2011: 1,767). Currently the inmate count is 1,441. The total functional capacity of the County correctional system is now 1,748 including 374 variance beds and 120 sprung tent 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. The County still relies on 374 variances from the COC plus 120 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 been temporarily eliminated. The projected amount for substitute jail housing in 2014 is \$0.

While funding for substitute jail housing may not be required in 2015, this budget line item (001-SHF-3151-4560) is also used to pay local ambulance companies to transport inmates to hospitals when necessary, aka, "ambulance runs". There are two contracts with South Country Ambulance (Yaphank) and Flanders-North Hampton Ambulance (Riverhead). The Budget Review Office recommends including \$50,000 for this purpose. As of October 14, 2014 a total of \$23,650 has been expended or encumbered for ambulance services, which is not included in the 2014 estimate.

Pistol Licensing Fees

Fees for new and renewal pistol permits, gun dealer licenses and other transactions related to new and existing permits are processed by the Sheriff for the five eastern towns under revenue code 001-2545. The 2014 estimated amount is \$15,000.

Current Fee Schedules in Suffolk and Nassau		
Fee	Suffolk	Nassau
Application Fee	\$10	\$200
Renewal Fee (5-years)	\$10	\$200
License Amendment	\$5	\$10
Gunsmith / Dealer	\$10	\$75/\$150
Duplicate License	\$5	\$5
Carry License	\$10	\$10
License Transfer	\$5	\$5

New York State Penal Law, Article 400, Subdivision 14 sets the fees statewide. New York City and Nassau County have received permission from the State to set their own fees. The Budget Review Office believes Suffolk County should lobby the State in order to be empowered to raise their fees as well.

For every \$10 increase in the application fee, an additional \$7,500 could be generated. An increase to the same level charged in Nassau County would generate an additional \$150,000 in revenue.

Budget Review Office Recommendations

- In order to avoid overtime cost overruns and properly staff the Sheriff in 2015 and satisfy the NYS COC, the Budget Review Office recommends an additional 20 new Correction Officer recruits be added to the July 2015 class. There are sufficient funds included in permanent salaries and clothing and accessories to cover the cost of this class.
- An additional \$50,000 should be added to 001-SHF-3151-4560 to pay local ambulance companies to transport inmates to hospitals when necessary. In addition, the 2014 estimate should be increased by \$23,650 based on year-to-date expenditures.
- The Legislature should consider increasing pistol licensing fees for the five eastern towns. The current application fee is \$10 and has not been increased since 1993. For every \$10 increase in the application fee an additional \$7,500 could be generated.

JOSHF15

Social Services (DSS)

Personnel (as of 9/14/2014)					
Authorized Positions:	1,713	Filled Positions:	1,493		
Vacant Positions:	220	Percentage Vacant:	12.8%		
Positions Abolished in the Recommended Budget:	0	New Positions:	1		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$94,428,181	\$97,814,641	\$92,465,449	\$98,206,085	\$93,212,414
Equipment (2000s)	\$60,272	\$117,685	\$111,138	\$249,263	\$189,955
Supplies (3000s)	\$1,362,692	\$1,636,719	\$1,393,542	\$1,762,480	\$1,655,153
Contracts (4000s)	\$504,106,814	\$520,336,652	\$517,334,866	\$523,320,114	\$517,824,839
Totals	\$599,957,958	\$619,905,697	\$611,304,995	\$623,537,942	\$612,882,361
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$97,923,147	\$98,292,302	\$101,119,076	\$102,549,847	\$101,234,808
Federal Aid (4000s)	\$203,688,285	\$213,428,929	\$205,761,939	\$218,697,626	\$217,672,588
Departmental Income	\$25,403,073	\$22,905,194	\$24,747,731	\$24,689,851	\$24,939,851
Other Income	\$818,456	\$263,501	\$588,836	\$313,501	\$519,500
Totals	\$327,832,961	\$334,889,926	\$332,217,582	\$346,250,825	\$344,366,747

Overview of DSS

The mission statement for the Department of Social Services (DSS) is to provide financial assistance and support services to eligible Suffolk County residents in a cost effective and efficient manner, simultaneously protecting the vulnerable while encouraging their independence and self-sufficiency.

Net Cost to the County for DSS

The net County cost for DSS is detailed in the table that follows. The net County cost for DSS averaged over \$277.5 million or 47% of the overall County expenditure for DSS between 2010 and 2013, which means for this time period, the County was reimbursed for 53% of its expenditure for DSS, excluding repayments from past expenditures. The 2015 Recommended Budget includes \$632.04 million in DSS expenditure and \$319.4 million in DSS revenue, which means that the 2015 recommended budget includes a reimbursement rate of 49% of the County's expenditure for DSS next year.

Net County Cost for DSS									
Description	2010 Actual	2011 Actual	2012 Actual	2013 Actual	Average for 2010 to 2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Proposed
DSS Expenditure	\$530,291,998	\$592,938,065	\$598,908,648	\$616,489,469	\$584,657,045	\$639,675,655	\$631,041,723	\$642,965,021	\$632,043,625
DSS Revenue Excluding Departmental Income*	\$303,934,097	\$330,268,724	\$296,794,998	\$302,429,888	\$307,107,706	\$311,984,732	\$307,469,851	\$321,560,974	\$319,426,896
Net County Cost (\$)	\$226,357,900	\$262,669,341	\$302,113,650	\$314,059,581	\$277,549,339	\$327,690,923	\$323,571,872	\$321,404,047	\$312,616,729
Net County Cost (%)	43%	44%	50%	51%	47%	51%	51%	50%	49%
Revenue as a % of DSS Expenditure	57%	56%	50%	49%	53%	49%	49%	50%	51%
DSS Revenue Excluding Departmental Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%
Departmental Income*	\$16,754,113	\$23,594,988	\$20,871,721	\$25,403,073	\$22,905,194	\$22,905,194	\$24,747,731	\$24,689,851	\$24,939,851
Total DSS Revenue including Departmental Revenue	\$320,688,210	\$353,863,711	\$317,666,719	\$327,832,961	\$330,012,900	\$334,889,926	\$332,217,582	\$346,250,825	\$344,366,747

*Note: Departmental income is comprised of repayments owed back to DSS from expenditures that have occurred in the past.

Effects of Recommended Budget/Issues for Consideration

Personnel

Sufficient staffing levels are necessary for the Department of Social Services to meet the goals of its core mission. The status of positions in DSS, as per the County's position control register on September 14, 2014, is detailed in the table that follows.

Status of Positions in DSS by Appropriation								
Fund	Approp.	Description	# of Filled Positions in 2014* (1)	# of Vacant Positions in 2014* (2)	# of Authorized Positions in 2014 (3=1+2)	Vacancy Rate* (4=2/3)	# of Rec. Positions in 2015 (5)	# of Positions in 2015 Compared to 2014 (6=5-3)
001	6005	General Administration	60	13	73	17.8%	78	5
001	6006	Information Technology	30	9	39	23.1%	41	2
001	6008	Housing	46	5	51	9.8%	53	2
001	6010	Family, Children and Adult Services	460	20	480	4.2%	506	26
001	6015	Client Benefits	304	48	352	13.6%	352	0
001	6016	Personnel & Supportive Services	38	25	63	39.7%	64	1
001	6073	Child Support Enforcement Bureau	118	29	147	19.7%	148	1
001	6115	Alternative for Youth	4	1	5	20.0%	5	0
360	6204	Medicaid Compliance	433	70	503	13.9%	467	(36)
		Total	1,493	220	1,713	12.8%	1,714	1

*Note: as per the September 14, 2014 position control register.

The 2015 Recommended Budget increases the 1,713 authorized positions in DSS to 1,714 and includes several transfers within the Department. The most notable of the transfers are:

- 36 positions from Fund 360 to Fund 001, as requested by DSS, to reflect their current job duties and functions. It should be noted that Federal and State aid reimbursement for these positions is not claimed based on the fund and appropriation they are budgeted in; it is based on the function that they perform. For example, a DSS Social Services Examiner (SSE) that allocates their time to Medicaid (25%), Food Stamps (50%) and Temporary Assistance (25%) would be reimbursable at a rate of:
 - 25% of their SSE salary at 100% for MA work
 - 25% of their SSE salary at 40% for TA work
 - 50% of their SSE salary at 50% for FS work
- 22 positions transferred into the new Child Care Services unit within Family, Children and Adult Services (001-6010); 18 of the 22 are from the Child Care unit in Client Benefits (001-6015), as requested by DSS.

The Department did not request any new positions. However, the 2015 Recommended Budget creates one new Deputy Commissioner of Social Services (grade 36) in Social Services General Administration (001-6005) to “assist with day-to-day operations of running the Department”.

- Assuming a January 1, 2015 hire date, the net County cost for one new Deputy Commissioner of Social Services position would be \$28,178. For permanent salaries and fringe benefits it would cost the County \$117,703 (\$98,518 in permanent salaries and \$20,984 in fringe benefits of which the new employee will pay \$1,799 in employee premium contributions). The County would then receive approximately \$89,525 in aid comprised of \$49,612 from Federal aid or 42.15% and \$39,913 from State aid or 33.91% for this position.

Discussions with the County Executive’s Office indicated that the new Deputy Commissioner of Social Services position was created and not funded in 2015. Further, administrative positions in DSS have decreased due to attrition, early retirement incentive programs and abolishments made

by the prior administration. The County Executive's Office created the title to have the flexibility to fill the position in the future as part of the roll-out of quality improvement initiatives and data-driven decision making, which is a priority for the current County Executive.

We do not recommend the creation of the new Deputy Commissioner of Social Services. The Commissioner of DSS is in charge of one of the County's largest departments both in expenditures and positions, including multiple locations and the number of County residents being served. Providing sufficient administrative support to the Commissioner is imperative. However, DSS already has one vacant Deputy Commissioner of Social Services position in this unit. The individual that was in this position is now the Commissioner and a vacant Chief Deputy Commissioner of Social Services (grade 37) position that has not been filled since the beginning of 2010. The new Deputy Commissioner of Social Services position is not funded in the 2015 Recommended Operating Budget; therefore there will be no associated revenue impact for not creating this position.

Turnover Savings (TOS)

Turnover savings represents permanent salaries that are not anticipated to be spent due to retirements, attrition and normal turnover. High TOS equals less funding for permanent salaries, which in turn means hiring constraints.

In the aggregate, the 2014 estimated budget for permanent salaries is insufficient. It includes \$86.81 million, which is \$1.33 million less than our year-end permanent salaries estimate of \$88.14 million. Excluding offsetting revenue discussed later in this write up, we recommend including \$970,547 more in Fund 001 and \$359,866 more in Fund 360 permanent salaries to provide sufficient funding for current staff through the end of 2014.

Comparison of the Recommended Budget's DSS Department Wide Permanent Salaries to BRO's Department Wide Permanent Salaries					
Fund	Unit	Unit Name	2014 Estimated	2014 BRO Estimate	Difference
001	6005	DSS: Administration	\$3,343,220	\$3,386,492	(\$43,272)
001	6006	Information Technology	\$1,943,466	\$1,975,492	(\$32,026)
001	6008	Housing Employment & Childcare	\$2,745,009	\$2,808,129	(\$63,120)
001	6010	Family, Children & Adult Services	\$29,295,923	\$29,742,509	(\$446,586)
001	6015	DSS: Public Assist Admin	\$16,585,188	\$16,864,106	(\$278,918)
001	6016	DSS: Training & Staff Develop	\$2,225,651	\$2,234,276	(\$8,625)
001	6073	DSS: Child Support Enforcement	\$6,715,006	\$6,805,974	(\$90,968)
001	6115	DSS: Alternatives For Youth	\$252,368	\$259,401	(\$7,033)
		Fund 001 Total	\$63,105,831	\$64,076,378	(\$970,547)
360	6204	Medicaid Compliance	\$23,704,860	\$24,064,726	(\$359,866)
		Fund 001 and Fund 360 Total	\$86,810,691	\$88,141,104	(\$1,330,413)

The recommended budget's permanent salary projection across all appropriations of \$87.53 million is \$4.38 million less than the Department's request of \$91.91 million and \$2.24 million less than BRO's \$89.77 million estimate. We project that DSS's General Fund (001) permanent salary appropriations in the aggregate will have a deficit of approximately \$1.77 million for the 1,060 filled positions and a deficit of \$473,932 in DSS's Medicaid Compliance Fund (360) permanent salaries appropriations for the 433 filled positions. Due to the high levels of turnover savings included in the 2015 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 220 department wide vacancies next year. As per DSS, "Approximately 22% of DSS staff is age 55 or older and has more than ten years of experience with the Department, and it is anticipated that a significant number of those employees will retire in the next few years". If permanent salaries are included as recommended by BRO to cover the cost of existing staff, depending on the payment for accrued vacation, sick and lag pay, the Department may be able to backfill some of its vacant positions for a portion of next year. In other words, if retirees leave service at or near top step and result in the backfilling of positions with individuals that begin at entry level then there may be available permanent salaries funding left after the retirees leave County service and receive their terminal pay.

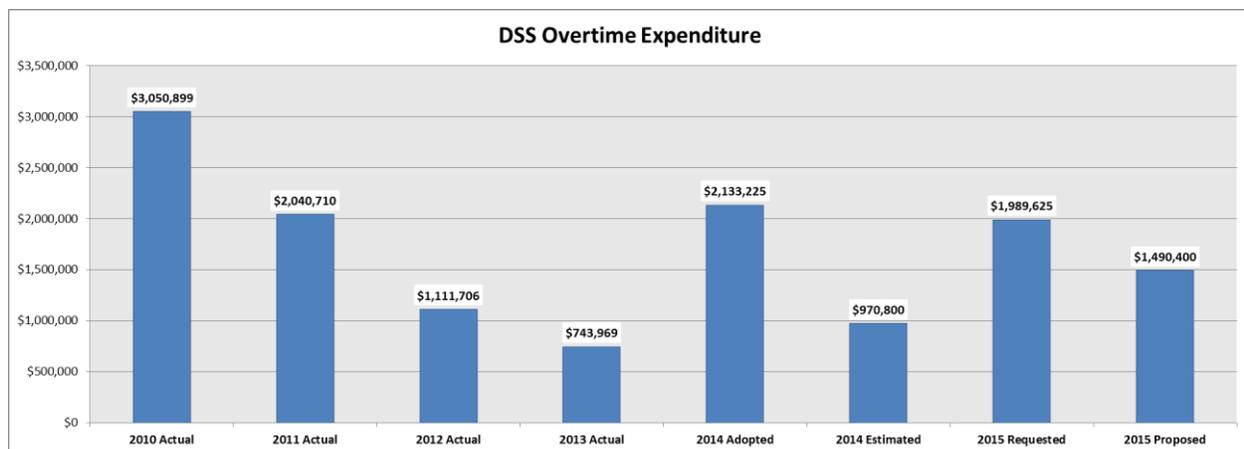
Comparison of the Recommended Budget's DSS Department Wide Permanent Salaries to BRO's Department Wide Permanent Salaries					
Fund	Unit	Unit Name	2015 Recommended	2015 BRO Projection	Difference
001	6005	DSS: Administration	\$3,633,225	\$3,640,526	(\$7,301)
001	6006	Information Technology	\$2,099,713	\$2,184,620	(\$84,907)
001	6008	Housing Employment & Childcare	\$2,786,637	\$2,901,668	(\$115,031)
001	6010	Family, Children & Adult Services	\$31,138,320	\$32,083,552	(\$945,232)
001	6015	DSS: Public Assist Admin	\$16,803,768	\$17,042,350	(\$238,582)
001	6016	DSS: Training & Staff Develop	\$2,244,344	\$2,332,693	(\$88,349)
001	6073	DSS: Child Support Enforcement	\$6,657,999	\$6,981,278	(\$323,279)
001	6115	DSS: Alternatives For Youth	\$299,619	\$267,361	\$32,258
		Fund 001 Total	\$65,663,625	\$67,434,047	(\$1,770,422)
360	6204	Medicaid Compliance	\$21,866,092	\$22,340,024	(\$473,932)
		Fund 001 and Fund 360 Total	\$87,529,717	\$89,774,071	(\$2,244,354)

Expenditures

Expenditure for DSS by Fund							
Fund	2014 Adopted	2014 Estimated	2014 Estimated less 2014 Adopted	2015 Requested	2015 Recommended	2015 Recommended less 2014 Estimated	2015 Recommended less 2015 Requested
General Fund (001)	\$591,379,684	\$584,454,995	(\$6,924,689)	\$596,211,561	\$587,340,242	\$2,885,247	(\$8,871,319)
Medicaid Compliance (360)	\$48,295,971	\$46,586,728	(\$1,709,243)	\$46,753,460	\$44,703,383	(\$1,883,345)	(\$2,050,077)
Total	\$639,675,655	\$631,041,723	(\$8,633,932)	\$642,965,021	\$632,043,625	\$1,001,902	(\$10,921,396)

Department Wide Overtime (object codes 1120 and 1620)

Actual overtime (OT) expenditure has decreased 64% in 2 years; from \$2,040,710 in 2011 to \$743,969 in 2013. DSS reports that this is due to supervisors that have been held accountable for overtime usage, productivity reports used to gauge overtime worth, and status reports required to measure if work met benchmarks that were established. The chart that follows details DSS's OT expenditure.



The 2014 estimate for overtime (object codes 1120 and 1620) is \$970,800. As of September 19, 2014, the Department has expended \$285,828 or 29.4% of the 2014 estimate. The recommended budget includes \$1,490,400 for overtime, which is \$519,600 less than the 2014 estimate and \$499,225 less than the Department requested.

Based on the Department's success at limiting overtime expenditure, the actual OT expenditures trending downward between 2010 and 2013 and the reasonable 2014 estimate for OT, we recommend funding overtime in 2015 at the 2014 estimated level of funding by reducing overtime expenditure by \$519,600; from \$1,490,400 to \$970,800. The Department indicated that any reductions in overtime may hinder their success and impede their processing. Areas that DSS indicated could be of concern if overtime is decreased further from the recommended level of funding are increasing caseloads trends for food stamps and homeless, the Empire Justice lawsuit that is being managed by the Department, CPS and Emergency Services and other related units within Family and Children Services.

Department Wide Contract Agencies (object code 4980)

The 2014 estimated budget included \$9,488,475 for 64 contracts and the 2015 Recommended Budget includes \$9,378,532, or \$109,943 less than the estimated budget, for 61 contracts. The narrative in the recommended budget says that the Executive included \$550,000 in contract agency funding to enhance the current level of services. The recommended budget is \$557,641 more than requested, as follows:

- \$132,809 for food pantries (6004)
- \$15,458 for Housing (6008)
- \$307,027 for Family & Children Services (6010)
- \$19,591 for Client Benefits (6015)
- \$82,756 for Domestic Violence Programs (6017)

The recommended budget includes \$199,750 in Family, Children and Adult Services (6010) for two new contracts that were not requested by DSS.

- \$150,000 for LIGALY – Foster Care & Adoption
- \$49,750 for Suffolk Y JCC-Kidsplace

The recommended budget narrative indicates that contract agency funding is included to continue Legislative initiatives, which were added during the 2014 operating budget adoption process, ensuring that these agencies may continue to operate in 2015. Omnibus Resolution No. 898-2013 provided funding in 2014 for contracted agencies that provide valuable services to County residents. The table that follows includes the contracted agencies in DSS that were increased as a result of the adoption of this budget amending resolution and the funding that is being proposed in 2015. Any legislative changes to DSS's expenditure for contract agencies may have an associated revenue impact.

DSS Contracted Agencies that Received Increased Funding in Omni Resolution No. 898-2013									
FD	UNIT	ACT	OBJ	DEPT	UNIT NAME	ACTIVITY NAME	2014 Adopted	2015 Proposed	Difference
001	6004	AKL3	4980	DSS	Soc Svc: Commodities Dist	LONG ISLAND CARES	\$219,877	\$218,977	(\$900)
001	6004	HNC1	4980	DSS	Soc Svc: Commodities Dist	ISLAND HARVEST	\$87,227	\$87,227	\$0
001	6004	JRK1	4980	DSS	Soc Svc: Commodities Dist	Patchogue Neighbors INN	\$5,000	\$5,000	\$0
001	6004	JRL1	4980	DSS	Soc Svc: Commodities Dist	CIRCLE OF LOVE MINISTRY WORLDWIDE	\$5,000	\$5,000	\$0
001	6004	JRM1	4980	DSS	Soc Svc: Commodities Dist	Our Daily Bread	\$5,000	\$0	(\$5,000)
001	6004	JRN1	4980	DSS	Soc Svc: Commodities Dist	The Gather INN	\$5,000	\$5,000	\$0
001	6004	JRO1	4980	DSS	Soc Svc: Commodities Dist	Holy Cross Parish	\$5,000	\$5,000	\$0
001	6004	JRP1	4980	DSS	Soc Svc: Commodities Dist	PRONTO OF LONG ISLAND	\$5,000	\$5,000	\$0
001	6004	HPI1	4980	DSS	Soc Svc: Commodities Dist	Saint John the Evangelist Roman Catholic Church Food Pantry	\$5,000	\$5,000	\$0
001	6004	JLF1	4980	DSS	Soc Svc: Commodities Dist	Babylon Inter Faith Clergy Cluster	\$5,000	\$5,000	\$0
001	6004	JLG1	4980	DSS	Soc Svc: Commodities Dist	Babylon Rotary Club (Food Collection)	\$5,000	\$0	(\$5,000)
001	6004	JLH1	4980	DSS	Soc Svc: Commodities Dist	East Hampton Food Pantry	\$5,000	\$5,000	\$0
001	6004	JLI1	4980	DSS	Soc Svc: Commodities Dist	Interfaith Nutrition Network - The Welcome INN	\$5,000	\$0	(\$5,000)
001	6004	JLL1	4980	DSS	Soc Svc: Commodities Dist	Salvation Army - Riverhead Food Pantry	\$5,000	\$0	(\$5,000)
001	6004	JLN1	4980	DSS	Soc Svc: Commodities Dist	St. Francis Desales Outreach	\$5,000	\$5,000	\$0
001	6004	JLP1	4980	DSS	Soc Svc: Commodities Dist	St. Louis De Montfort R.C.C. Outreach	\$5,000	\$5,000	\$0
001	6004	JLQ1	4980	DSS	Soc Svc: Commodities Dist	St. Sylvester Parish Outreach	\$5,000	\$5,000	\$0
001	6004	JQD1	4980	DSS	Soc Svc: Commodities Dist	Springs Food Pantry	\$5,000	\$5,000	\$0
001	6008	GKPI	4980	DSS	Housing Employment & Childcare	NASSAU/SUFFOLK COALTN FOR THE HOMELESS	\$36,356	\$0	(\$36,356)
001	6008	GUX1	4980	DSS	Housing Employment & Childcare	FAMILY SVC LEAGUE - PROGRAM HOME	\$134,550	\$0	(\$134,550)
001	6008	HMA1	4980	DSS	Housing Employment & Childcare	FAMILY SERVICE LEAGUE - HUNTINGTON INTERFAITH HOMELESS INITIATIVE	\$5,000	\$0	(\$5,000)
001	6008	HYN1	4980	DSS	Housing Employment & Childcare	PECONIC COMMUNITY COUNCIL	\$40,541	\$40,541	\$0
001	6010	AHE1	4980	DSS	Family, Children & Adult Services	FAMILY SVC LEAGUE OF SUFF CTY	\$515,476	\$515,476	\$0
001	6010	GDM1	4980	DSS	Family, Children & Adult Services	EAC CHILD ADVOCACY	\$166,315	\$166,315	\$0
001	6010	GDQ1	4980	DSS	Family, Children & Adult Services	EAC, INC. FAMILY DRUG COURT	\$211,954	\$0	(\$211,954)
001	6010	GEF1	4980	DSS	Family, Children & Adult Services	FAMILY SERVICE LEAGUE-CHILDREN'S COORDINATED SERVICES INITIATIVE - HOME BASE	\$158,423	\$0	(\$158,423)
001	6010	GNJ1	4980	DSS	Family, Children & Adult Services	FAMILY & CHILDRENS SERVICES INDEPENDENT LIVING PROG	\$347,807	\$0	(\$347,807)
001	6010	GVI1	4980	DSS	Family, Children & Adult Services	HOPE FOR YOUTH - INTENSIVE CASE MGT	\$444,200	\$0	(\$444,200)
001	6010	GVL1	4980	DSS	Family, Children & Adult Services	EAC ENHANCED SUPERVISED VISITATION	\$407,360	\$0	(\$407,360)
001	6010	JDW1	4980	DSS	Family, Children & Adult Services	SCO FAMILY OF SERVICES, PREVENTIVE SERVICE PROGRAM	\$758,387	\$0	(\$758,387)
001	6010	JKH1	4980	DSS	Family, Children & Adult Services	SUFFOLK Y JCC-TRANSITIONAL FAMILIES	\$69,650	\$69,650	\$0
001	6015	ADB2	4980	DSS	Dss: Public Assist Admin	CHILD CARE COUNCIL OF SUFFOLK	\$119,987	\$0	(\$119,987)
001	6015	GKN1	4980	DSS	Dss: Public Assist Admin	CHILD CARE CNCL CDC SUFF LOAN	\$0	\$0	\$0
001	6015	GYD1	4980	DSS	Dss: Public Assist Admin	EAC - SANCTIONED CLIENT OUT	\$180,865	\$180,865	\$0
001	6015	HOR1	4980	DSS	Dss: Public Assist Admin	OUR LADY OF LOURDES PARISH OUTREACH	\$5,000	\$5,000	\$0
001	6015	JEL1	4980	DSS	Dss: Public Assist Admin	MIDDLE COUNTRY LIBRARY DATABASE RESOURCE	\$40,666	\$40,666	\$0
001	6015	JGT1	4980	DSS	Dss: Public Assist Admin	TOURO LAW CENTER-MORTGAGE FORECLOSURE AND BANKRUPTCY LAW CLI	\$37,148	\$37,148	\$0
001	6015	JKF1	4980	DSS	Dss: Public Assist Admin	SUFFOLK Y JCC-KIDSPICE	\$49,750	\$0	(\$49,750)
001	6017	ASX1	4980	DSS	Domestic Violence Programs	THE RETREAT, INC.	\$209,614	\$209,614	\$0
001	6017	AWF1	4980	DSS	Domestic Violence Programs	VICTIMS INFORMATION BUREAU	\$533,135	\$533,135	\$0
001	6017	DDE1	4980	DSS	Domestic Violence Programs	BRIGHTER TOMORROWS	\$212,104	\$212,104	\$0
001	6017	GHC1	4980	DSS	Domestic Violence Programs	SUFFOLK CTY COALITION (VAP)	\$72,766	\$72,766	\$0
001	6017	GNK1	4980	DSS	Domestic Violence Programs	SC COALITION AGAINST DOM VIOL	\$640,352	\$640,352	\$0
001	6073	AFN1	4980	DSS	Dss: Child Support Enforcement	EAC,INC.	\$186,652	\$183,262	(\$3,390)
001	6115	HKBI	4980	DSS	Dss: Alternatives For Youth	EAC-AFY	\$875,918	\$0	(\$875,918)
001	6115	JKEI	4980	DSS	Dss: Alternatives For Youth	FAMILY SERVICE LEAGUE- AFY AFTERCARE	\$319,431	\$316,928	(\$2,503)
Total							\$7,166,511	\$3,590,026	(\$3,576,485)

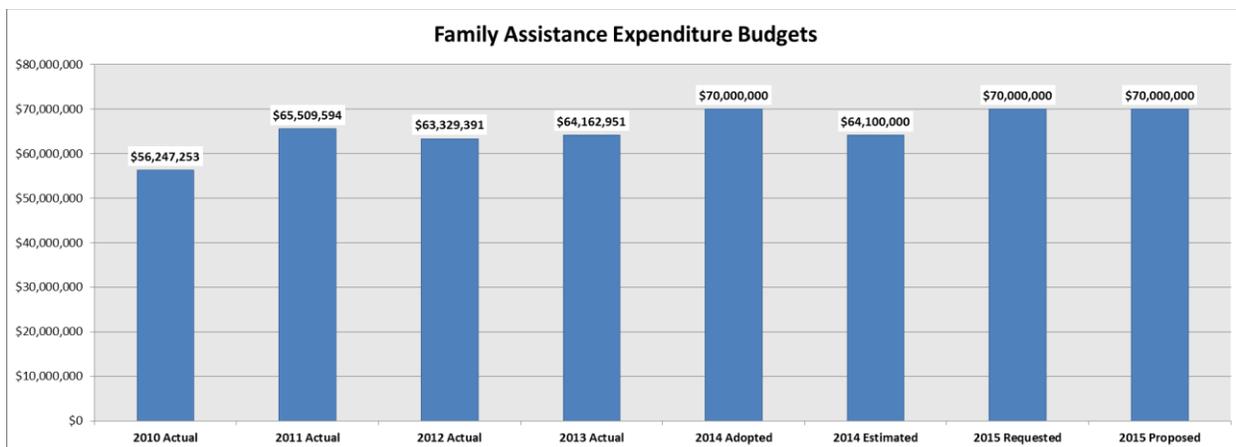
Temporary Assistance (TA) Programs

The two major Temporary Assistance (TA) programs are Family Assistance (FA) and Safety Net (SN). TA provides cash assistance or restricted payments to recipients for shelter, heating fuel, electricity and other basic needs. Temporary Assistance also provides emergency or diversion benefits to individuals who do not need ongoing assistance, but whose needs can be met through a one-time benefit.

- Family Assistance (001-DSS-6109)

Family Assistance (FA) provides cash assistance to eligible needy families that include a minor child living with a parent (including families where both parents are in the household) or a caretaker relative. Family assistance operates under federal Temporary Assistance for Needy Families (TANF) guidelines. Under FA, eligible adults are limited to receiving benefits for a total of 60 months in their lifetime, including months of TANF-funded assistance granted in other states. Once this limit is reached, that adult and all members of his or her FA household are ineligible to receive any more FA benefits.

The estimated budget includes \$64.1 million and the recommended budget includes \$70 million for this program, as requested in the Department’s August budget request update. The estimated and recommended budgets are reasonable. The chart that follows details FA expenditure.



Family Assistance is nearly 100% aided therefore any changes would be effectively budget neutral. The net cost to the County for Family Assistance is detailed in the table that follows.

Net Cost to the County for Family Assistance		
Description	2014 Estimated	2015 Recommended
Expenditure (001-6109)	\$64,100,000	\$70,000,000
Revenue from State Aid (rev code 3609)	\$38,460	\$42,000
Revenue from Federal Aid (rev code 4609)	\$61,732,780	\$67,636,000
Net Cost to the County	\$2,328,760	\$2,322,000
% State Aided	0.1%	0.1%
% Federally Aided	96.3%	96.6%

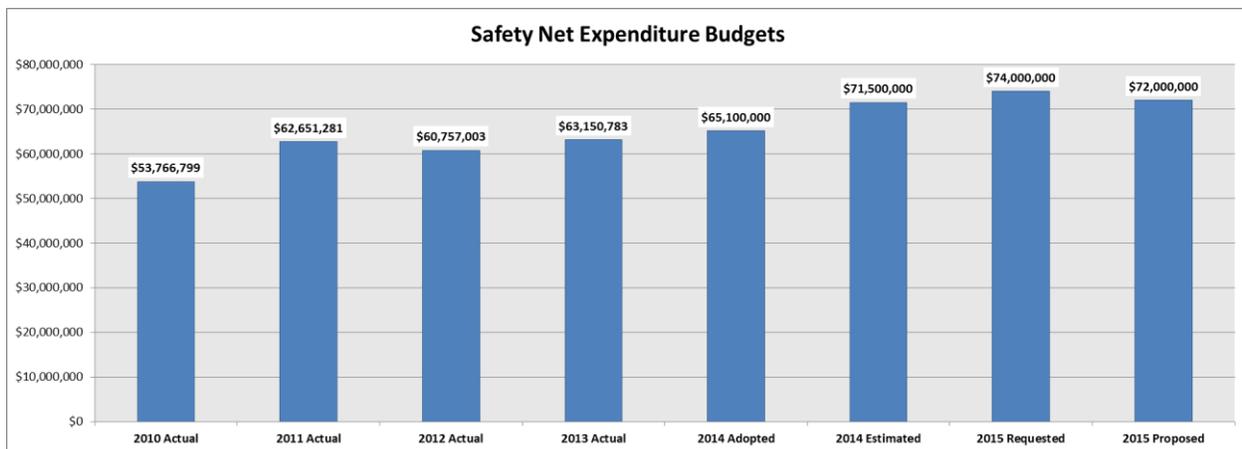
Family Assistance also includes departmental income revenue (revenue code 1809) from repayments that are not included in the previous table. They are not considered in the calculation of the net cost to the County because they are repayments owed back to DSS from expenditures that have occurred in the past.

- Safety Net (001-DSS-6140)

Safety Net (SN) assistance is for:

- Single adults
- Childless couples
- Children living apart from any adult relative
- Families of persons found to be abusing drugs or alcohol
- Families of persons refusing drug/alcohol screening, assessment or treatment
- Persons who have exceeded the 60-month limit on assistance
- Aliens who are eligible for temporary assistance, but who are not eligible for federal reimbursement

The chart that follows details DSS's expenditure on Safety Net.



Actual Safety Net expenditure averaged \$60.08 million between 2010 and 2013. State aid revenue (001-DSS-3640-Home Relief) for the Safety Net program is approximately \$18.95 million in 2014 and \$19.67 million in 2015. The net cost to the County is detailed in the table that follows.

Net Cost to the County for Safety Net		
Description	2014 Estimated	2015 Recommended
Expenditure (001-DSS-6140)	\$71,500,000	\$72,000,000
Revenue from State Aid (rev code 3640)	\$18,950,650	\$19,667,800
Net Cost to the County	\$52,549,350	\$52,332,200
% State Aided	26.5%	27.3%

The 2014 estimate for Safety Net is \$71.5 million, which is \$6.4 million more than previously adopted, but at the funding level requested by the Department. DSS's assumptions for 2014 included an estimated 2.1% decrease in the Safety Net single caseload offset by an estimated 1.2% increase in the Safety Net Family caseload along with a conservative 1.5% increase to the cost per case for both caseloads.

The recommended budget includes \$72 million for Safety Net in 2015, which is \$500,000 more than the 2014 estimate but \$2 million less than the \$74 million requested by DSS. The budget narrative indicates that Safety Net expenditure represents an increase of \$17.2 million in costs over the next two years compared to the approximately \$63.15 million 2013 actual spending level (\$8.35 million more in 2014 and \$8.85 million more in 2015). The Executive's Office expects that this increase will level out in 2015 based on departmental monitoring of caseloads and forecasting analysis of neighboring counties. The County Executive will be directing the Performance Management Team to analyze this program to seek programmatic efficiencies and to try to contain costs.

In July 2011, Phase 1 of the Department's Safety Net Specialist Project began to reexamine the Safety Net family caseload by individual family member with the intent to develop strategies to maximize federal reimbursement. By March 2012, the Safety Net family caseload decreased by 99 cases or 10.6%. In March 2012, Phase 2 of the Safety Net Specialist Project began to focus on Safety Net singles and childless couples, which resulted in a decrease of 732 or 15.7% reduction in Safety Net singles and childless couples cases by February 2013. According to DSS's budget request, the Safety Net Specialist Project continues to drive the overall Safety Net caseload down. The Department reports that there is a joint effort with its Special Investigations Unit (SIU) and Client Benefits Administration (CBA) divisions regarding efforts to reduce the number of Safety net single clients.

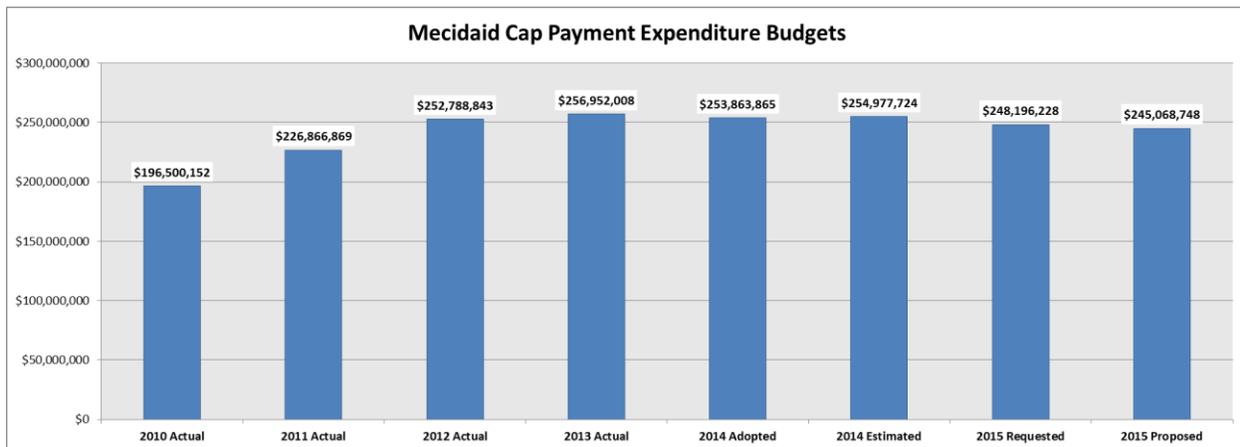
The Budget Review Office concurs with the 2014 estimate and the 2015 recommended funding for Safety Net. Both the Department and the County Executive's Office will be making efforts to limit SN expenditure in 2015.

Medicaid Cap Payment (001-DSS-6103)

The Medicaid Cap Payment, a result of State legislation enacted as part of the State Budget for SFY 2005/2006, changed the "pay as you go" method of paying for Medicaid expenditures, with the County receiving offsetting Medicaid revenue, to a Medicaid Cap (a chargeback from the State). The amount due the State under the Medicaid Cap is calculated in accordance with a formula developed by the State, which uses 2005 net expenditures as a "base year" amount and incorporates a fixed percentage increase each year. The County's Medicaid Cap Payment also includes an Upper Payment Limit (UPL). The Medicaid UPL is the maximum rates that can be paid to Medicaid providers and is linked to Medicare rates. As New York State administers the State's Medicaid programs, the State sets the provider payment rates, which must meet Federal requirements. Federal regulations place a ceiling on the State Medicaid expenditures that are eligible for Federal matching funds for certain types of services. These regulations establish that States may pay facilities a total amount up to the level that Medicare would pay for the same services. With the closure of the John J. Foley Nursing Home, it is expected that the County will no longer have expenditures for UPL's going forward.

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 chart that follows details DSS's Medicaid Cap Payment expenditure.



The 2014 estimated budget for Medicaid Cap Payment includes \$254,977,724, which is \$1,113,859 more than previously adopted but is reasonable. It is also \$66,951,766 more than DSS's \$188,025,958 year-to-date expenditure as of September 19, 2014 for this purpose. The details of this estimate are in the table that follows.

2014 Estimated Medicaid Cap Payment		
Weekly Share (The County's weekly share to fund Medicaid checks released to providers)	# of Weeks	Local Share
\$4,833,645	16	\$77,338,320
\$4,628,141	1	\$4,628,141
\$4,782,269	36	\$172,161,684
2014 Estimated Weekly Medicaid Cap Payment	53*	\$254,128,145
Upper Payment Limit (UPL)		\$849,579
Total 2014 Estimated Medicaid Cap Payment		\$254,977,724
Note: *The number of weeks is 53 because of how the payments to the State fall on the County's calendar.		

The 2015 Recommended Budget is reasonable. It includes \$245,068,748 for Medicaid Cap Payment in DSS State Chargebacks (object code 4610), which is over \$9.9 million less than the 2014 estimate and over \$3.1 million less than the Department requested. Implicit in this calculation is a reduction in the weekly share from \$4,782,269 to \$4,692,038 at week thirteen based on revisions to the State Budget.

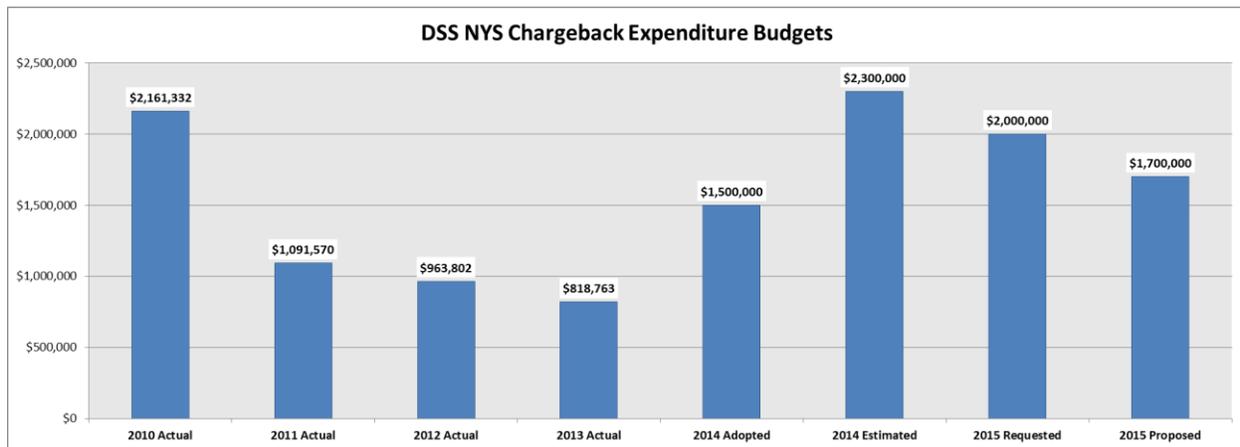
2015 Projected Medicaid Cap Payment		
Weekly Share (The County's weekly share to fund Medicaid checks released to providers)	# of Weeks	Local Share
\$4,782,269*	12	\$57,387,228
\$4,692,038	40**	\$187,681,520
2015 Projected Weekly Medicaid Cap Payment	52	\$245,068,748
Upper Payment Limit (UPL)***		\$0
Total 2015 Projected Medicaid Cap Payment		\$245,068,748
Note:		
*This figure is consistent with the Medicaid Management Information System (MMIS) figure from NYS DOH given to DSS dated October 9, 2014.		
**Week 13 is the first payment in the State's fiscal year.		
***With the closure of the John J. Foley Nursing Home, it is expected that the County will no longer have expenditures for UPL's going forward. Therefore, UPL's were not considered in the 2015 projection.		

NYS Chargeback (001-DSS-6040)

NYS Chargebacks include:

- Mainly DSS State Chargebacks (object code 4610) for NYS Administrative charges for Electronic Benefit Identification Card (EBICS) holders, Common Benefit Identification Card (CBICS) holders, fair hearings, and client notices. Electronic Benefits Transfer (EBT) is the method by which the New York State Office of Temporary and Disability Assistance (OTDA) delivers cash and Supplemental Nutrition Assistance Program (SNAP) benefits to New York State's recipient population. Cash and SNAP benefits are deposited into electronic benefit accounts, which can be accessed using a Common Benefit Identification Card (CBIC) and Personal Identification Number (PIN). Also included are costs related to NYS training, NYS legal services for the disabled, finger imaging, and purchases of NYS personal computers for local use.
- Automated Support Collections/Child Support (object code 4230). This expenditure is for contractual expenses for the NYS Automated Support Collections Unit (ASCU)/Child Support Management System (CSMS) and Child Support Certification Unit (CSCU) computer system for the Child Support Enforcement Bureau (CSEB).

The chart that follows details DSS's NYS chargeback expenditure.



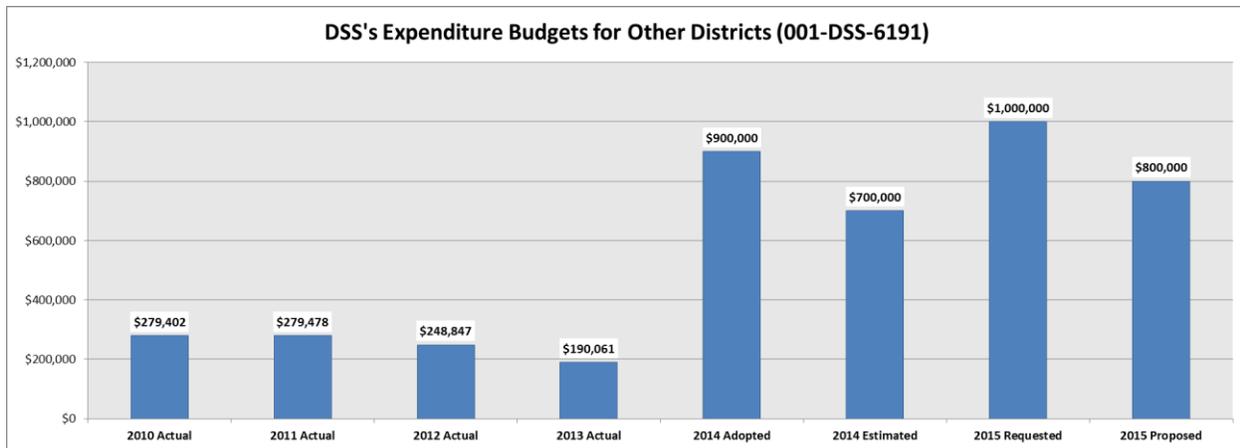
The 2014 estimate of \$2.3 million is as requested by the Department. It is \$800,000 more than previously adopted and approximately \$1 million more than the average actual expenditure of approximately \$1.3 million for this purpose between 2010 and 2013. As of October 5, 2014, the County's Integrated Financial Management System (IFMS) indicated that \$1,369,681 had been expended. Based on the average actual expenditure for this purpose and year-to-date expenditure, we recommend reducing the 2014 estimate for DSS NYS Chargeback (001-DSS-6040-NYS Chargeback-4610-DSS State Chargebacks) by \$800,000 to \$1.5 million, as was included in the 2014 adopted budget. Reducing the expenditure in this appropriation will have no associated revenue impact.

The recommended budget includes \$1.7 million in expenditure for NYS Chargeback, which is \$600,000 less than the 2014 estimate, \$300,000 less than the Department requested and \$881,237 more than the actual expenditure in 2013. We recommend reducing the 2015 expenditure for DSS NYS Chargeback (001-DSS-6040-NYS Chargeback-4610-DSS State Chargebacks) by \$200,000; from \$1.7 million to \$1.5 million, as was included in the 2014 adopted budget. Reducing the expenditure in this appropriation will have no associated revenue impact.

The Department has historically had a State billing backlog issue in this area. Discussions with the Department indicated that DSS believes that the historical billing backlog issue has been compounded in the recent past based on State downsizing and lack of veteran staff. DSS does not concur with reducing this expenditure. Our projection is based on historical expenditure. If the State does begin to address the issue of back billing more aggressively, then a reduction in this appropriation could prove problematic. This issue is the same as for the appropriation that follows; DSS: Other Districts.

DSS: Other Districts (001-DSS-6191)

Following the closing of the Suffolk County Children's Shelter in the 1970's, the children were transferred to shelters outside of Suffolk County and financial management responsibilities were divided between the Departments of Social Services and Probation. DSS budgets and pays the County share of expenditures for juvenile delinquents who are held short term in secure detention facilities outside of Suffolk County but has no monitoring authority. The 2014 and 2015 expenditures are expected to be higher than the 2013 actual due to a billing backlog. The chart that follows details the Department's expenditure for this purpose.



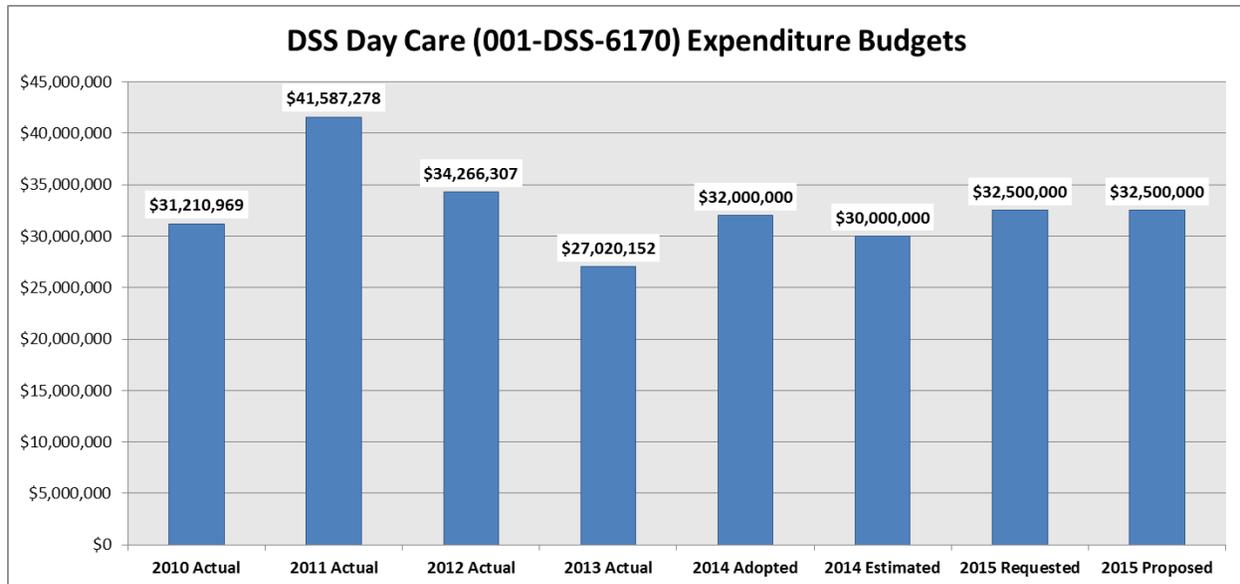
The 2014 estimate for DSS: Other Districts is \$700,000, which is \$200,000 less than previously adopted but \$509,939 more than 2013 actual expenditures. The 2015 Recommended Budget includes \$800,000, which is \$100,000 more than the 2014 estimated budget but \$200,000 less than the Department requested. The County's Integrated Management System (IFMS) on October 4, 2014 indicated that year-to-date expenditure for this purpose was \$51,914. The Budget Review Office recommends reducing the expenditure for DSS State Chargebacks (001-DSS-6191-DSS: Other Districts-4610-DSS State Chargebacks); by \$450,000 in 2014 from \$700,000 to \$250,000 and \$550,000 in 2015 from \$800,000 to \$250,000. Reducing the expenditure in this appropriation will have no associated revenue impact.

As is the case with the NYS Chargeback noted above, the Department has historically had a State billing backlog issue in this area. BRO's recommended level of funding is consistent with the average actual expenditure between 2010 and 2013 for DSS: Other Districts. Therefore, our projection is based on historical expenditure. If the State does begin to address the issue of back billing more aggressively, then a reduction in this appropriation could prove problematic. DSS does not concur with reducing this expenditure.

Day Care (001-DSS-6170)

Day care provides care for children, between the ages of 6 weeks and 13 years, in licensed day care centers, school age child care programs, group family day care homes, registered family day care homes, and informal child care programs. Families must meet income and program eligibility guidelines to receive child care services. Child care may be provided: to help parents to work, attend eligible education/training programs or attend mental health or substance abuse treatment programs, when the parents are unable to provide child care due to illness or incapacity or as part of a child protective or preventive case service plan (without regard to income).

The Department's request indicated that at current caseload levels, Child Care program expenditures are estimated at \$30 million in 2014 and \$32.5 million in 2015. The 2014 estimated and 2015 recommended budgets for Day Care expenditure are reasonable. The 2014 estimate is \$2 million less than previously adopted. The recommended budget includes \$32.5 million, as requested by the Department, which is \$2.5 million more than the 2014 estimate. DSS reports that the increase from 2014 to 2015 is related to eligibility for Non Temporary Assistance (NTA) families at 165% of the State Income Standard (SIS) and to cover the NYS OCFS increase in the Child Care Market rates. DSS's average expenditure for Day Care between 2010 and 2013 was \$33.52 million. The table that follows details DSS's expenditure budgets for Day Care.



The State income eligibility levels are adjusted in June of each year. The local standard for NTA child care was raised as of July 1, 2014. Financial eligibility for child care subsidies is based on family size and the family's gross annual income. Below is a chart of the current income guidelines for eligibility. A recipient must earn less than the amount listed for the family size to be income-eligible for a child care subsidy.

Family Size	165% Non-TA Cases (Income Eligible)	200% Transitional Child Care/Special Needs
1	\$19,256	\$23,340
2	\$25,955	\$31,460
3	\$32,654	\$39,580
4	\$39,353	\$47,700
5	\$46,052	\$55,820
6	\$52,751	\$63,940
7	\$59,450	\$72,060
8	\$66,149	\$80,180

Revenues

As detailed in the table at the beginning of this DSS review, the Department receives most of its revenue from Federal aid and then State aid followed by departmental income and other income. DSS has revenue in both the General Fund (001) and the Medicaid Compliance Fund (360). The vast majority of the Department's revenue is in the General Fund, as can be seen in the table that follows.

Revenue for DSS by Fund							
Fund	2014 Adopted	2014 Estimated	2014 Estimated less 2014 Adopted	2015 Requested	2015 Recommended	2015 Recommended less 2014 Estimated	2015 Recommended less 2015 Requested
General Fund (001)	\$286,208,952	\$284,258,383	(\$1,950,569)	\$299,497,825	\$299,663,824	\$15,405,441	\$165,999
Medicaid Compliance (360)	\$48,680,974	\$47,959,199	(\$721,775)	\$46,753,000	\$44,702,923	(\$3,256,276)	(\$2,050,077)
Total	\$334,889,926	\$332,217,582	(\$2,672,344)	\$346,250,825	\$344,366,747	\$12,149,165	(\$1,884,078)

2014 Estimated DSS Revenue

The estimated revenue for DSS is approximately \$2.67 million less than included in the 2014 Adopted Budget. The majority or \$1.95 million of the difference is in the General Fund.

2014 DSS Medicaid Compliance Fund (360) Revenue

The 2014 DSS Medicaid Compliance Fund revenue is estimated to be approximately \$47.96 million; comprised of \$24,526,450 in Federal aid (revenue code 4610) and \$23,432,749 in State aid (revenue code 3610). As of October 7, 2014, IFMS indicated that the County has received aid for this purpose of approximately \$13.75 million from the Federal government and \$13.21 million from the State.

The revenue impact associated with our 2014 DSS Medicaid Compliance Fund 360 expenditure recommendations is as follows:

- We recommend increasing permanent salaries by \$359,866 in Fund 360 in 2014 to provide sufficient funding for current staff through the end of this year. Assuming these individuals are performing Medicaid functions, the associated revenue for these positions should be increased by a like amount or \$359,866.

2014 DSS General Fund (001) Revenue

The 2014 DSS General Fund revenue is estimated to be approximately \$284.26 million. The 2014 estimated budget is approximately \$1.95 million less than adopted, as follows:

- \$7,950,331 less than adopted in Federal aid
- \$1,842,537 more than adopted in departmental income
- \$3,831,890 more than adopted in State aid
- \$325,335 more than adopted in Other revenue

The revenue impact associated with our 2014 DSS General Fund 001 expenditure recommendations is as follows:

- We recommend increasing permanent salaries by \$970,547 in Fund 001 in 2014 to provide sufficient funding for current staff through the end of this year. Associated State and Federal aid for these positions should be increased by \$678,798, resulting in a net cost of \$291,749.

2015 Recommended Budget for DSS Revenue

The 2015 Recommended Budget includes \$12.15 million more than the 2014 estimate but approximately \$1.88 million less than requested in revenue for DSS.

2015 Medicaid Compliance Fund (360) Revenue

The \$2.05 million difference between the recommended and requested budgets is in the Medicaid Compliance Fund, as follows:

- \$1,025,039 less than requested for State aid Social Services Administration (revenue code 3610)
- \$1,025,038 less than requested for Federal aid Social Services Administration (revenue code 4610).

This \$2.05 million difference is commensurate with the same amount of difference in expenditure between the recommended and requested budgets for this purpose. This is not attributable to the transfer of 36 positions from Fund 360 to Fund 001. These transfers are recommended as requested by the Department.

The revenue impact associated with our DSS 2015 Medicaid Compliance Fund 360 expenditure recommendations are as follows:

- We recommend increasing permanent salaries by \$473,932 in Fund 360 in 2015 to cover the cost of current staff through the end of next year. Assuming these individuals are performing Medicaid functions, the associated revenue for these positions should be increased by a like amount or \$473,932.

2015 DSS General Fund (001) Revenue

The 2015 DSS General Fund revenue is recommended to be approximately \$299.66 million. The 2015 recommended budget is approximately \$15.41 million more than the 2014 estimate and \$165,999 more than the Department requested.

The revenue impact associated with our 2015 DSS General Fund 001 expenditure recommendations are as follows:

- We do not recommend creating the new Deputy Commissioner of Social Services (grade 36) position in Social Services General Administration (001-6005). The new Deputy Commissioner of Social Service position is not funded in the 2015 Recommended Operating Budget; therefore there will be no associated revenue impact for not creating this position.
- We recommend increasing permanent salaries by \$1.77 million in Fund 001 in 2015 to cover the cost of current staff through the end of next year. Associated State and Federal aid for these positions should be increased by \$1,370,647, resulting in a net cost of \$399,775.
- We recommend reducing overtime expenditure in 2015 by \$519,600 from \$1,490,400 to \$970,800, as included in the 2014 estimated budget. The associated revenue impact is a reduction of aid for overtime of \$345,263.

Any legislative determinations regarding funding levels for contract agencies in 2015 may have an associated impact on revenue.

Incorrect Appropriation Name for DSS's Housing Division (6008)

The 2015 Recommended Budget continues to incorrectly carry the outdated name of the DSS Housing Division as "Housing, Employment and Child Care" and should be updated to "Housing" as the Employment Programs and Child Care Program functions are administered by the Client Benefits Division. This correction was addressed by the 15th Resolved clause of Omnibus Resolution No. 898-2013. However, the recommended budget does not incorporate this change.

DSS Concepts that Could Be Applied in Other County Departments

- Employee Suggestion Program

DSS created a link on its intranet that allows employees to fill out their suggestions, which populates a database for administrators to review. DSS's Employee Suggestion Program is expected to encourage suggestions directly from the front line workers. This employee suggestion program could be analyzed for its effectiveness and then replicated in other County departments if it is found to be successful.

- Partnering for Operations Efficiency Team (POET)

POET was developed to create management and program efficiencies within the operations of DSS. The Housing POET participants, ranging from Commissioner O'Neill to line staff, are currently reviewing and analyzing multiple business processes aimed at improving/streamlining Housing operations. The Chronic Care POET consists of various DSS division administrative personnel, joined with the Chronic Care Medicaid Unit to improve compliance and productivity goals of the Chronic Care Unit. The team has redesigned the workflow process, improved conformity among the supervisory staff and implemented specialized units within Chronic Care.

- High Speed Scanners

Utilization of high speed scanners, allows the Department to create "Document Only Drop Off" lines at the centers. This makes it possible to allow clients to quickly submit required paperwork and workers to automatically save the documents into their case records.

- Tablets

Better use of technology, allows for more efficient work performed by field staff. Housing Inspectors are using tablets to record/document housing inspections, performing quicker inspections and reducing security deposit payouts. They enable the staff to video record pre/post inspections to defend claims for the return of security deposits.

- Kiosks & Robo-calls

DSS has been reviewing ways to make its centers more efficient. The Department is considering the utilization of kiosks to assist clients in accessing their cases, recertification and to create more of a self-service concept at the centers. This will allow the time the clients spend with the Examiner's to be shorter and more productive. The kiosks would include a touch screen interface with a high-speed scanner, to allow for the submission of required documentation. This could reduce wait time for clients and reduce congestion at the reception windows. DSS has started using robo-calls to remind clients that have appointments or are nearing a deadline to submit required documentation.

- Contract Database

According to DSS, the new contracts database will streamline, centralize and automate all activities surrounding the execution and maintenance of a contract. Functionality in the new database will allow for ad hoc reporting to monitor expiration dates, appropriation codes, and various costs, which can be shared with the various divisions within the Department. It will be shared with the divisions as a "read only" application so they can monitor their contracts.

Budget Review Office Recommendations

- Do not create the new Deputy Commissioner of Social Services (grade 36) position in Social Services General Administration (001-6005). The new Deputy Commissioner of Social Services position is not funded in the 2015 Recommended Operating Budget; therefore there will be no associated revenue impact for not creating this position.
- Increase permanent salaries by \$970,547 in Fund 001 in 2014 to provide sufficient funding for current staff through the end of this year. Associated revenue for these positions should be increased by \$678,798 (or \$454,689 in Federal aid and \$224,108 in State aid). The net cost to the County is \$291,749.
- Increase permanent salaries by \$359,866 in Fund 360 in 2014 to provide sufficient funding for current staff through the end of the year. Associated revenue for these positions should be increased by the same amount.
- Increase permanent salaries by \$1.77 million in Fund 001 in 2015 to cover the cost of current staff through the end of next year. Associated revenue for these positions should be increased by \$1,370,647 (\$789,982 in Federal aid and \$580,665 in State aid). The net cost to the County is \$399,775.
- Increase permanent salaries by \$473,932 in Fund 360 in 2015 to cover the cost of current staff through the end of next year. Associated revenue for these positions should be increased by the same amount.
- Reduce overtime expenditure in 2015 by \$519,600 from \$1,490,400 to \$970,800. The associated revenue impact is a reduction of aid for overtime in the amount of \$345,263, resulting in a net reduction in cost of \$174,337.
- Reduce the 2014 estimated budget for DSS NYS Chargeback (001-DSS-6040-NYS Chargeback-4610-DSS State Chargebacks) by \$800,000 to \$1.5 million, as was included in the 2014 adopted budget. Reducing the expenditure in this appropriation will have no associated revenue impact.
- Reduce the 2015 expenditure for DSS NYS Chargeback (001-DSS-6040-NYS Chargeback-4610-DSS State Chargebacks) by \$200,000; from \$1.7 million to \$1.5 million, as was included in the 2014 adopted budget. Reducing the expenditure in this appropriation will have no associated revenue impact.
- Reduce the expenditure for DSS: Other Districts (001-DSS-6191-DSS: Other Districts-4610-DSS State Chargebacks); by \$450,000 in 2014 from \$700,000 to \$250,000 and by \$550,000 in 2015 from \$800,000 to \$250,000. Reducing the expenditure in this appropriation will have no associated revenue impact.
- Update the name of the DSS Housing Division from "Housing, Employment and Child Care" to "Housing" as the Employment Programs and Child Care Program functions are administered by the Client Benefits Division.

Soil and Water Conservation District

Personnel (as of 9/14/2014)

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	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$303,782	\$317,604	\$317,604	\$406,185	\$406,185
Equipment (2000s)	\$0	\$0	\$0	\$0	\$0
Supplies (3000s)	\$2,248	\$2,770	\$2,588	\$4,898	\$4,898
Contracts (4000s)	\$0	\$517	\$517	\$7,699	\$7,699
Totals	\$306,030	\$320,891	\$320,709	\$418,782	\$418,782

Revenues

Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$77,803	\$80,000	\$75,000	\$85,000	\$85,000
Federal Aid (4000s)	\$15,655	\$0	\$5,280	\$5,280	\$5,280
Departmental Income	\$0	\$0	\$0	\$0	\$0
Other Income	\$1,625	\$1,525	\$2,100	\$2,300	\$2,300
Totals	\$95,083	\$81,525	\$82,380	\$92,580	\$92,580

Effects of Recommended Budget

Staffing

The Soil and Water Conservation District (District) has six authorized positions, all of which are included in the 2015 Recommended Budget. Five of these positions are filled and one is vacant. Although insufficient staffing has been a historical issue for the District, they did not request any new positions. However, the District would like one new Soil District Technician position to solely focus on nitrogen reduction efforts, though this was not reflected in its requested budget.

Expenditure

The 2015 Recommended Budget includes \$418,782 in expenditures, as requested, of which permanent salaries represent the majority or 95%. The recommended budget provides \$399,660 for permanent salaries in the District, which is \$48,734 more than needed to fund the Department's five filled positions and one vacant Soil District Technician position, assuming a hire date of January 1, 2015. The District has indicated that the \$48,734 could be used to fund a new position that will focus solely on reducing nitrogen into the County's surface water bodies and groundwater aquifer, which has been identified as a County Executive priority. For this purpose, the District is considering one new Soil District Technician (grade 16) position or a similar job title. If one new Soil District Technician position is created, the net cost to the County would be \$51,347 (\$36,877 in permanent salary and \$16,269 in fringe benefits less \$1,799 in employee premium contributions) assuming a date of hire of January 1, 2015. If the new position is created, permanent salaries could be reduced by \$11,857. However, after accounting for fringe benefits, a net cost increase of \$2,613 would be needed. There are sufficient funds in the recommended budget for this new position if the start date was pushed back from January 1, 2015 to February 10, 2015. Alternatively, if this position is not created then permanent salaries could be reduced by \$48,734.

Revenue

The 2014 estimated budget includes \$82,380 in revenue, which is \$855 more than adopted. The 2015 Recommended Budget includes \$92,580 which is reasonable. Ninety-two percent or \$85,000 of the recommended revenue is State aid, while Federal aid and departmental fees account for the balance.

Issues for Consideration

Overview

Although this is a small department, it has the broad mission to conserve the natural resources of the County. According to the District's webpage, they focus on providing assistance to landowners related to the planning, design and implementation of conservation practices that control and prevent soil erosion, sedimentation, flooding and non-point source pollution, agricultural irrigation, engineering and agronomic practices and wildlife preservation. The District is also charged with the protection of public lands.

Cost-Shared Services

The District administers grants for federal and state programs that directly benefit farmers. In 2013, they administered \$263,819 in grant funds. Such programs have positive economic and environmental effects through the creation of efficiencies in land use and the utilization of environmentally-friendly practices. Some of the cost-share programs include the installation of fuel tanks, micro-sprinkler and drip irrigation systems and agri-chemical handling facilities. Although grant funds directly benefit the farmers through their participation in cost-share programs, the

District receives compensation for administering these programs. The administrative fees range from one to five percent of the total grant awarded. Continued application of conservation practices is vital to the preservation of the County's natural resources. This is particularly important when taking into account the amount of agricultural activity that takes place in the County. According to the Long Island Farm Bureau's website, Suffolk County is the largest revenue-producing agricultural region in New York State.

Farmland

The District administers the State Agricultural Environmental Management Program (AEM), which recommends best management practice to farms. Although this is a voluntary program, the Budget Review Office continues to recommend that the County consider making it mandatory for farms on which the County has purchased development rights to comply with the implementation of the recommended best management practices. Requiring these farms to have an AEM plan in place is in the best interest of the County and would align the County's farmland preservation and water protection goals.

Resolution No. 987-2013, amended Chapter Eight of the Suffolk County Code regarding the Development of Agricultural Land. The resolution originally included a provision for new applicants to the County's farmland preservation program to have developed an AEM plan, in cooperation with the District. However, this key provision was removed from revised versions of the bill before enactment.

Interdepartmental Collaboration

The Budget Review Office continues to recommend interdepartmental collaboration with this District and other County Departments for the mutual benefit of shared specialized knowledge. For example, the District could benefit from working in collaboration with DoIT for Computer Aided Design (CAD), database creation to track and inventory programs and its participants, and the division of Geographic Information System (GIS). The Federal and State Aid Unit in the County Executive's Office could provide grant writing assistance to obtain the maximum amount of funding to help farmers implement environmentally-friendly practices that would ensure preservation of the County's natural resources and avoid potentially costly remediation.

Protection of open space, farmland and water quality is vital to County preservation goals. While several departments are involved in the remediation of soil and water pollution once they have occurred, the District has expertise in prevention of soil and water pollution at the source. Implementation of efficient measures that lead to the maintenance of environmental quality is more cost effective than the work and costs associated with reversing effects of pollution. Collaboration with other departments, such as the Departments of Public Works, Parks, Health Services, and Economic Development and Planning, which have similar functions and goals may also allow for maximization of the District's expertise.

Budget Review Office Recommendations

- Either add one new Soil District Technician (grade 16) position to the budget to be filled on or after February 10, 2015, or reduce permanent salaries by \$48,734 if this position is not created.
- Consider making it mandatory for farms for which the County has purchased development rights to comply with the implementation of the recommended best management practices.
- Collaborate with other County departments for mutually beneficial outcomes.

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Traffic Violations Bureau

Personnel (as of 9/14/2014)					
Authorized Positions:	37	Filled Positions:	22		
Vacant Positions:	15	Percentage Vacant:	40.5%		
Positions Abolished in the Recommended Budget:	0	New Positions:	6		
Expenditures					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
Personnel (1000s)	\$1,147,591	\$2,039,677	\$1,499,501	\$2,010,950	\$2,016,223
Equipment (2000s)	\$25,584	\$235,000	\$150,000	\$331,500	\$286,500
Supplies (3000s)	\$101,990	\$1,124,479	\$177,600	\$615,500	\$427,500
Contracts (4000s)	\$5,720,318	\$8,104,776	\$8,108,655	\$8,016,065	\$8,253,370
Totals	\$6,995,483	\$11,503,932	\$9,935,756	\$10,974,015	\$10,983,593
Revenues					
Budget Category	2013 Actual	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
State Aid (3000s)	\$0	\$0	\$0	\$0	\$0
Federal Aid (4000s)	\$0	\$0	\$0	\$0	\$0
Departmental Income	\$0	\$0	\$0	\$500,000	\$500,000
Other Income	\$30,609,834	\$51,245,499	\$49,942,449	\$48,264,058	\$48,264,058
Totals	\$30,609,834	\$51,245,499	\$49,942,449	\$48,764,058	\$48,764,058

Effects of Recommended Budget

Overview

The recommended budget includes \$48.76 million in revenue and \$10.98 million in expenditures. Most of the difference, \$37.6 million, represents the surplus that is recommended to be transferred to the Police District in 2015. This recommended difference is contingent upon TPVA revenue and expenditures coming in on budget.

The major changes in the TPVA recommended for 2015 are: (1) a School Speed Camera Program, which is anticipated to be operational for the start of school in September of 2015; (2) the transfer of five positions from DPW to TPVA aimed at improving oversight of security personnel; (3) contracting for Interpreter Services to improve language communication between staff and the general public; (4) changing the distribution of surplus TPVA revenue from the General Fund to the Police District; (5) instituting a program to collect past due payments; (6) adding six new positions to assist the agency with its increased workload; and (7) adding two new titles necessary for the realignment of staff with operations.

Staff

The Department currently has 37 authorized positions which is an increase of eight from the 2013 level of 29. The recommended budget further increases the staffing level of TPVA in 2015 by 11 to 48, which is a result of the TPVA identifying personnel requirements necessary to address the Department's current workload, the expanding workload associated with the School Speed Camera Program, and to improve supervision of staff. The recommended budget transfers one Senior Security Guard and four Security Guards currently stationed at TPVA, from DPW to TPVA in order to provide direct supervision of this security staff. One Assistant to the Director of TPVA and one Traffic Court Supervisor are added to provide supervision of departmental staff. Four new Senior Clerk Typist positions are added to the Photo Enforcement unit to assist in the expanded workload associated with the School Speed Camera Program, and to avoid backlogs that were significant earlier this year. The Budget Review Office is in agreement with the staffing included in the recommended budget, provided positions are filled in agreement with recommended 2015 funding for personal services expenditures.

Revenue

Red Light Camera Revenue

The 2014 estimate for revenue from the Red Light Camera Safety Program is 8.3% more than adopted. Based on year to date revenue as of October 7, 2014, plus reasonable expectations of additional monthly revenue and accounting for how post-December collections are handled, we conclude that the estimate is overstated. In particular, Red Light Camera Fines should be reduced in 2014 by \$1.3 million, from \$17.3 million to \$16 million, and the Red Light Camera Admin Fee should be reduced by \$0.9 million, from \$10.4 million to \$9.5 million.

The 2015 Recommended Budget predicts that red light camera revenue will be approximately \$6 million less than estimated in 2014. The appropriateness of the recommended revenue is difficult to determine given abnormalities in the 2014 data. The County received State authorization for cameras at an additional 50 intersections in 2013, but not all of those cameras were in operation for the duration of 2014. Additionally, throughout the year, cameras were moved from some intersections that were first identified as prime locations to other intersections that may have less traffic, but have yet to benefit from the program. Furthermore, the County hired several employees this summer, which helped TPVA process a substantial backlog of tickets resulting in a spike in

revenue. Finally, studies have shown that red light camera programs are successful in modifying driver behavior, which eventually leads to fewer infractions and less revenue. It is difficult to determine how much of the projected decrease is related to this factor or other developments. Although the revenue from red light cameras in 2015 appears modest in comparison to the 2014 estimate, it would be risky to increase projections given the number of variables impacting the available data. As such, 2015 recommended Red Light Camera revenue is reasonably stated in the budget. The following table summarizes red light camera revenue in the recommended budget.

Red Light Camera Revenue						
Rev		2013	2014	YTD	2014	2015
Cd	Description	Actual	Adopted	10/7/14	Estimated	Recommended
2643	Red Light Camera Fines	\$12,184,725	\$17,556,000	\$12,368,160	\$17,303,202	\$13,596,600
2644	Red Light Camera Late Fees	\$1,197,545	\$1,056,000	\$1,117,415	\$1,602,500	\$1,362,125
2646	Red Light Camera Admin Fee	\$5,766,295	\$8,426,880	\$7,260,940	\$10,381,921	\$8,157,960
Total Red Light Camera Revenue		\$19,148,565	\$27,038,880	\$20,746,515	\$29,287,623	\$23,116,685

Traffic Violations Revenue

The 2014 estimate for revenue from traffic violations is almost double 2013 actual revenue due to the fact that the Traffic Violations Bureau did not begin operations until April 1, 2013. The 2014 estimate is, however, approximately \$4.1 million less than adopted. Based on year to date receipts through 10/7/14 and the State delay in processing what the County’s allocation should be, it appears that the estimate is reasonable. As for 2015 recommended revenue, Traffic Violations Bureau Ticket Fines appear to be overstated by \$3 million. Of concern is that the backlog of tickets that existed when the County took over from the State have, for the most part, been addressed. As a result, 2015 is likely to generate less revenue than in 2014. In spite of this observation, the recommended budget includes a small increase. The following table summarizes traffic violations revenue in the recommended budget.

Traffic Violations Revenue						
Rev		2013	2014	YTD	2014	2015
Cd	Description	Actual	Adopted	10/7/14	Estimated	Recommended
2647	Traffic Violations Bureau - Ticket Fines	\$8,261,021	\$19,834,403	\$8,414,856	\$14,530,533	\$15,103,000
2648	Traffic Violations Bureau - Ticket Admin Fee	\$2,721,727	\$3,963,050	\$3,155,518	\$5,345,700	\$5,276,000
Total Traffic Violations Revenue		\$10,982,748	\$23,797,453	\$11,570,374	\$19,876,233	\$20,379,000

Speed Camera Revenue

The recommended budget includes approximately \$4 million for speed cameras in school zones. There are several variables that will impact the amount of revenue collected from this program including the timing of camera installation, the location of cameras, and the level of compliance with posted speed limits. There is no information available to us that would indicate that the recommended revenue is unreasonable. The following table shows the anticipated revenue for speed cameras in 2015.

Speed Camera Revenue						
Rev		2013	2014	YTD	2014	2015
Cd	Description	Actual	Adopted	10/7/14	Estimated	Recommended
2641	Speed Camera Fines	\$0	\$0	\$0	\$0	\$2,493,488
2642	Speed Camera Admin Fees	\$0	\$0	\$0	\$0	\$1,496,092
Total Speed Camera Revenue		\$0	\$0	\$0	\$0	\$3,989,580

Expenditures

The 2014 estimate is \$9.9 million, which is \$1.6 million less than adopted. This excludes TPVA expenses associated with benefits, interfunds, debt service and a small amount included in the Law Department budget. Of the \$9.9 million, with the exception of fees for service for the red light camera vendor, estimated expenditures are reasonable. BRO's year-end permanent salary estimate is \$1.1 million and the estimated budget includes approximately \$1.21 million for permanent salaries across all appropriations. The \$113,924 difference will allow the Department to fill vacancies in 2014. As for fees for service, payment to the red light camera vendor is a percentage of revenues generated. Using this formula, the Budget Review Office calculates 2014 estimated fees for service to be \$1 million short of what can be expected. As a result of this expenditure shortfall and the above mentioned revenue shortfalls, the transfer to the General Fund (136-E001 and 001-R136) would need to be reduced by almost \$3.2 million, from \$37.4 million to \$34.2 million.

The 2015 recommended budget includes \$10.98 million in expenditures for the Traffic Violations Bureau. Once again, this excludes expenses associated with benefits, interfunds, debt service and a small amount included in the Law Department budget. The \$10.98 million in recommended expenditures are reasonable. Based on our projections, the recommended budget of approximately \$1.72 million for permanent salaries includes sufficient funding for the Department's currently filled positions in 2015 and approximately \$373,648 to fill a portion of the Bureau's new and vacant positions. As for the 2015 transfer to the Police District (136-E115 and 115-R136), the above mentioned revenue shortfall in ticket fines would necessitate a reduction in this expense of \$3.0 million, from \$37.6 million to \$34.6 million.

Issues for Consideration

Revenue

The budget has had a history of adopting revenue from red light cameras and traffic violations in excess of what eventually is received. It is our contention that the 2015 Recommended Budget continues this practice. The problem is that it is difficult to estimate collections given the short time these programs have been in existence and the numerous changes that have taken place. As such, it is problematic to properly estimate by how much recommended revenue is overstated. That being said, in our estimation, the recommended budget does overstate these revenues as discussed below in our Budget Review Office Recommendations. If this is not corrected by amending the 2015 Recommended Budget, it would need to be addressed next year when adopting the 2016 budget.

Policy Change

Through 2014, surplus TPVA revenue has been transferred to the General Fund – the 2014 estimated transfer is \$37.4 million. Beginning in 2015 the recommended budget proposes to

instead transfer surplus revenue, \$37.6 million, to the Police District. This change is a significant policy issue that the Legislature should explicitly address.

Budget Review Office Recommendations

Amend 2014 estimates as follows:

- Decrease revenue from Red Light Camera Fines (136-TVB-2643) by \$1,303,202, from \$17,303,202 to \$16,000,000.
- Decrease revenue from Red Light Camera Admin Fee (136-TVB-2646) by \$881,921, from \$10,381,921 to \$9,500,000.
- Increase expenditures for Traffic Violations Bureau fees for service (136-TVB-1130-4560) by \$1,000,000, from \$6,815,572 to \$7,815,572.
- Decrease the transfer to the General Fund (136-E001 and 001-R136) by the sum of the above actions, \$3,185,123, from \$37,378,410 to \$34,193,287.

Decrease the 2015 Recommended Budget as follows:

- Decrease revenue from Traffic Violations Bureau - Ticket Fines (136-TVB-2648) by \$3,000,000, from \$15,103,000 to \$12,103,000.
- Decrease the transfer to the Police District (136-E115 and 115-R136) by \$3,000,000, from \$37,601,967 to \$34,601,967.

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CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	4330	GBQ1	HSV	Hs Community Support Svc	Adelante Of Sc - Drop In	\$61,498	\$62,348	\$62,348	\$62,348	\$62,348
001	7320	GJN1	EXE	Youth Bureau/Office For Child	Adelante Of Suffolk Cty Inc	\$191,117	\$190,669	\$190,669	\$186,632	\$190,669
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	\$3,544	\$5,000	\$5,000	\$0	\$0
001	4310	JAD1	HSV	Div Of Comm Mental Hygiene	Alternatives Counseling Center, Inc.	\$2,171	\$2,171	\$2,171	\$0	\$0
192	7512	HKM1	PKS	Museums & Historic Associations	AMITYVILLE HISTORICAL SOCIETY	\$3,476	\$5,000	\$5,000	\$0	\$0
192	6414	JBX1	EDP	Cultural Affairs	BABYLON CITIZENS COUNCIL ON THE ARTS	\$0	\$12,500	\$12,500	\$0	\$0
001	6004	JLF1	DSS	Soc Svc: Commodities Dist	BABYLON INTER FAITH CLERGY CLUSTER	\$3,797	\$5,000	\$5,000	\$0	\$5,000
001	6004	JLG1	DSS	Soc Svc: Commodities Dist	Babylon Rotary Foundation, Inc	\$5,000	\$5,000	\$5,000	\$0	\$5,000
192	7512	JCW1	PKS	Museums & Historic Associations	BABYLON TOWN HISTORICAL SOCIETY	\$10,000	\$5,000	\$5,000	\$0	\$0
192	6414	JBY1	EDP	Cultural Affairs	BABYLON VILLAGE ARTS COUNCIL	\$6,000	\$7,000	\$7,000	\$0	\$0
001	7320	AAS1	EXE	Youth Bureau/Office For Child	Babylon Village Youth	\$7,719	\$7,343	\$7,343	\$6,966	\$7,343
192	6414	JQZ1	EDP	Cultural Affairs	BARE BONES THEATER COMPANY	\$0	\$5,000	\$5,000	\$0	\$0
192	7512	JIF1	PKS	Museums & Historic Associations	BAY SHORE HISTORICAL SOCIETY	\$4,820	\$0	\$0	\$0	\$0
192	6414	GZW1	EDP	Cultural Affairs	Bay Street Theater	\$20,000	\$20,000	\$20,000	\$0	\$0
192	7512	JHS1	PKS	Museums & Historic Associations	Bayport Heritage Association	\$4,866	\$5,000	\$5,000	\$0	\$0
192	6414	GVU1	EDP	Cultural Affairs	Bayport-Blue Pt Chamb.Of Comm.	\$0	\$5,000	\$5,000	\$0	\$0
192	6414	JER1	EDP	Cultural Affairs	BELLPORT CHAMBER OF COMMERCE	\$11,000	\$10,000	\$10,000	\$0	\$0
001	7325	ABC1	EXE	Spec Dignqcy Prevention Pgm	Bellport Comm Action Committee	\$155,958	\$155,497	\$155,497	\$150,245	\$155,497
001	3145	JJU1	PRO	Pins Diversion Plan	BERKSHIRE FARM CENTER AND SERVICES FOR YOUTH	\$267,384	\$283,100	\$283,100	\$0	\$0
001	4310	ABN1	HSV	Div Of Comm Mental Hygiene	Boces ll	\$1,175,839	\$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	\$10,000
001	3199	JRU1	PRO	JUSTICE ASSISTANCE GRANT	Boys and Girls Club of Bellport	\$0	\$0	\$7,500	\$0	\$0
192	7512	JRD1	PKS	Museums & Historic Associations	BRENTWOOD HISTORICAL SOCIETY	\$0	\$8,500	\$8,500	\$0	\$0
001	4310	ABZ1	HSV	Div Of Comm Mental Hygiene	Brentwood Ufsd#12	-\$4,180	\$0	\$0	\$0	\$0
001	7320	ACB1	EXE	Youth Bureau/Office For Child	Brentwood Youth Devel Corp	\$56,132	\$53,396	\$53,396	\$50,659	\$53,396
192	7512	JPY1	PKS	Museums & Historic Associations	Bridghampton Historical Society	\$5,000	\$5,000	\$5,000	\$0	\$0
001	7320	ACE1	EXE	Youth Bureau/Office For Child	Bridghampton Chld Care & Rec Ct	\$33,928	\$40,617	\$40,617	\$38,535	\$40,617
001	6017	DDE1	DSS	Domestic Violence Programs	Brighter Tomorrows	\$211,496	\$212,104	\$212,104	\$206,828	\$212,104
001	3178	JNR1	PRO	Stop Violence Against Women	BRIGHTER TOMORROWS	\$19,578	\$0	\$0	\$0	\$0
001	6015	GEG1	DSS	Dss: Public Assist Admin	Brighter Tomorrows Inc	\$21,922	\$22,088	\$22,088	\$22,088	\$22,088
001	3199	JRW1	PRO	JUSTICE ASSISTANCE GRANT	Brighter Tomorrows, Inc.	\$0	\$0	\$9,500	\$0	\$0
001	7323	ACJ1	EXE	Comprehensive Plning-Runaway	Brookhaven Homeless	\$8,388	\$8,346	\$8,346	\$7,969	\$8,346
001	4310	HZQ1	HSV	Div Of Comm Mental Hygiene	Brookhaven Memorial Hospital Center	\$163,016	\$163,016	\$163,016	\$163,016	\$163,016
001	3420	JKU1	FRE	2008 HazMat Grant Program	BROOKHAVEN TOWN	\$15,444	\$0	\$0	\$0	\$0
001	3422	JOB1	FRE	2009 HazMat Grant	BROOKHAVEN TOWN	\$9,500	\$0	\$0	\$0	\$0
001	3424	JOH1	FRE	HazMat 2010 Grant	BROOKHAVEN TOWN 2010 HAZ MAT	\$0	\$0	\$6,000	\$0	\$0
001	4100	GGU1	HSV	Hs: Patient Care Svcs Adm	C.S.Hospital-Riverhead H.C.	\$511,753	\$473,567	\$473,567	\$0	\$157,856
001	7320	HFC1	EXE	Youth Bureau/Office For Child	Cast(Comm. & Schools Together)	\$38,654	\$36,000	\$36,000	\$0	\$36,000
001	4310	ACN4	HSV	Div Of Comm Mental Hygiene	Catholic Charitie Talbot House	\$1,689,189	\$1,689,689	\$1,689,689	\$1,689,689	\$1,689,689
001	4320	HLE1	HSV	Hs: Mental Health Prgms	CATHOLIC CHARITIES-BAY SHORE OUTREACH	\$2,817	\$2,803	\$2,803	\$2,676	\$2,803
477	8038	HSJ1	EDP	Water Quality Improvement	CCE- ALT MGT STRATEGIES FOR CONTROL OF INSECT PESTS	\$124,151	\$118,114	\$118,114	\$118,114	\$118,114

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
477	8038	HSK1	EDP	Water Quality Improvement	CCE- DEVELOP & IMPLEMENT AGRICULTURE STEWARDSHIP PRO	\$243,435	\$235,360	\$235,360	\$235,360	\$235,360
477	8038	HSM1	EDP	Water Quality Improvement	CCE- INTEGRATED PEST MANAGEMENT PROGRAM (IPM)	\$142,092	\$160,000	\$160,000	\$160,000	\$160,000
477	8038	HSN1	EDP	Water Quality Improvement	CCE- RESTORATION OF PECONIC BAY SCALLOP POPULATIONS & FISHER	\$295,942	\$289,198	\$289,198	\$289,198	\$289,198
001	6410	HSG1	EDP	Economic Development Admin	CCE-4H Youth & Develop & Farm Ed Prog	\$47,353	\$75,877	\$75,877	\$75,877	\$75,877
001	6410	HSD1	EDP	Economic Development Admin	CCE-Admin, Fin, & Comm	\$602,588	\$579,215	\$579,215	\$579,215	\$579,215
001	6410	HSF1	EDP	Economic Development Admin	CCE-Agriculture & Horticulture Programs	\$467,805	\$448,025	\$448,025	\$448,025	\$448,025
001	4100	GGW1	HSV	Hs: Patient Care Svcs Adm	CCE-DIABETES PREVENTION PROGRAM	\$283,880	\$274,796	\$274,796	\$274,796	\$274,796
001	8750	JHU1	HSV	Cooperative Extension Assn	CCE-FAMILY HEALTH & WELLNESS	\$182,575	\$173,446	\$173,446	\$173,446	\$173,446
001	6410	HSI1	EDP	Economic Development Admin	CCE-Farm Meat Production Program	\$893,625	\$608,599	\$608,599	\$608,599	\$608,599
001	6015	GHE1	DSS	Dss: Public Assist Admin	CCE-FOOD STAMP PROGRAM	\$136,422	\$149,807	\$161,655	\$149,807	\$149,807
001	6410	HSE1	EDP	Economic Development Admin	CCE-Marine Program	\$412,872	\$392,446	\$392,446	\$392,446	\$392,446
477	8038	GZA1	EDP	Water Quality Improvement	CCE-SC STORMWATER PHASE II PROGRAM IMPLEMENTATION	\$385,668	\$367,155	\$367,155	\$367,155	\$367,155
001	4109	GVK1	HSV	Medical Program	Central Suffolk Hospital	\$174,435	\$403,811	\$403,811	\$403,811	\$403,811
001	6010	ADB2	DSS	Family, Children & Adult Services	Child Care Council Of Suffolk	\$0	\$0	\$0	\$114,560	\$119,987
001	6010	GGN1	DSS	Family, Children & Adult Services	Child Care Council Of Suffolk	\$0	\$0	\$0	\$1,033,079	\$1,033,079
001	6015	ADB2	DSS	Dss: Public Assist Admin	Child Care Council Of Suffolk	\$111,017	\$119,987	\$119,987	\$0	\$0
001	6015	GGN1	DSS	Dss: Public Assist Admin	Child Care Council Of Suffolk	\$932,146	\$1,033,079	\$1,033,079	\$0	\$0
192	6414	HLT1	EDP	Cultural Affairs	Children's Museum of the East End	\$6,000	\$10,000	\$10,000	\$0	\$0
192	6415	JGU1	EDP	Film Promotion	CINEMA ARTS CENTRE	\$23,500	\$25,000	\$25,000	\$0	\$0
001	6004	JRL1	DSS	Soc Svc: Commodities Dist	Circle of Love Ministry Worldwide	\$0	\$5,000	\$5,000	\$0	\$5,000
001	4330	GNS1	HSV	Hs Community Support Svc	Clubhouse Of Suff Supp Case Mg	\$378,893	\$327,600	\$327,600	\$327,600	\$327,600
001	4332	JQJ1	HSV	Veterans Post-Traumatic Stress Disorder	Clubhouse of Suffolk Veterans Peer-to-Peer Program	\$180,000	\$0	\$185,000	\$0	\$0
001	4330	JAP1	HSV	Hs Community Support Svc	CLUBHOUSE PROS RIVERHEAD	\$101,933	\$101,933	\$94,780	\$94,780	\$94,780
001	4330	JAO1	HSV	Hs Community Support Svc	CLUBHOUSE PROS RONKONKOMA	\$196,713	\$196,713	\$207,444	\$207,444	\$207,444
001	4330	ADK2	HSV	Hs Community Support Svc	Clubhouse Psychosoc/Drop In Ct	\$18,004	\$22,568	\$22,568	\$22,568	\$22,568
001	4330	JDP1	HSV	Hs Community Support Svc	CLUBHOUSE SHELTER-CLINIC CASE MANAGEMENT	\$75,212	\$81,900	\$81,900	\$81,900	\$81,900
001	4330	HEW1	HSV	Hs Community Support Svc	Clubhse Of Suff-Adult Home Scm	\$66,722	\$77,760	\$77,760	\$77,760	\$77,760
001	7325	DDL1	EXE	Spec Dinqncy Prevention Pgm	COLONIAL YOUTH & FAMILY SERVICE	\$232,765	\$238,936	\$238,936	\$230,223	\$238,936
001	7320	GAB1	EXE	Youth Bureau/Office For Child	Colonial Yth & Family Svc	\$51,343	\$48,840	\$48,840	\$46,337	\$48,840
001	6770	GDA1	EXE	Sr Czins Home Energy Pgm/Wrap	Comm Development Corp Of Li	\$42,388	\$0	\$0	\$0	\$0
192	7512	JCG1	PKS	Museums & Historic Associations	COMMERDINGER PRESERVATION SOCIETY	\$10,000	\$20,000	\$20,000	\$0	\$0
001	6004	HLL1	DSS	Soc Svc: Commodities Dist	COMMUNITY ACTION OF SOUTHDOWN (CAST)	\$4,476	\$5,000	\$5,000	\$5,000	\$5,000
001	7320	ADR1	EXE	Youth Bureau/Office For Child	Community Program Center Of Li	\$26,264	\$24,984	\$24,984	\$23,703	\$24,984
001	7320	ADW1	EXE	Youth Bureau/Office For Child	Comsewogue Youth Club Inc	\$26,757	\$25,453	\$25,453	\$24,148	\$25,453
001	4330	JDN1	HSV	Hs Community Support Svc	CONCERN	\$533,035	\$533,035	\$533,035	\$533,035	\$533,035
001	4310	JOJ1	HSV	Div Of Comm Mental Hygiene	Concern for Independent Living, Inc.	\$60,889	\$60,889	\$60,889	\$60,889	\$60,889
192	6414	JGY1	EDP	Cultural Affairs	COPIAGUE CHAMBER OF COMMERCE	\$11,000	\$10,000	\$10,000	\$0	\$0
001	7320	AEL1	EXE	Youth Bureau/Office For Child	Copiague Youth Council	\$44,864	\$42,677	\$42,677	\$40,490	\$42,677
001	3190	JJT1	PRO	Juvenile Day Reporting Center	CORNELL COOPERATIVE EXTENSION ASSOCIATION OF SUFFOLK COUNTY	\$240,968	\$0	\$0	\$0	\$0
001	7320	GHA1	EXE	Youth Bureau/Office For Child	Countywide Counsel Pgm Huntgtn	\$31,927	\$31,616	\$31,616	\$28,814	\$31,616
001	4310	AET2	HSV	Div Of Comm Mental Hygiene	Cth Charity Chem Depend Clinic	\$467,586	\$467,586	\$467,586	\$467,586	\$467,586

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	4320	AET3	HSV	Hs: Mental Health Prgms	Cth Charity Men Hlth Ctr (\$772,795	\$768,931	\$891,395	\$734,155	\$768,931
192	6414	JPP1	EDP	Cultural Affairs	Cultural Arts Guild of Mastic Beach	\$4,115	\$0	\$0	\$0	\$0
192	7512	JOB1	PKS	Museums & Historic Associations	Cumsewogue Historical Society	\$4,711	\$10,000	\$10,000	\$552,972	\$552,972
001	4310	JOH1	HSV	Div Of Comm Mental Hygiene	Daytop Village, Inc.	\$554,234	\$552,972	\$554,234	\$552,972	\$552,972
192	7512	JHM1	PKS	Museums & Historic Associations	DEEPWELLS FARM HISTORICAL SOCIETY	\$0	\$5,000	\$5,000	\$0	\$0
001	7320	AEX1	EXE	Youth Bureau/Office For Child	Deer Park Community Org Inc	\$52,695	\$50,126	\$50,126	\$47,557	\$50,126
192	6414	JKX1	EDP	Cultural Affairs	DIX HILLS PERFORMING ARTS CENTER	\$12,500	\$15,000	\$15,000	\$0	\$0
192	7512	JRG1	PKS	Museums & Historic Associations	DROWNED MEADOW ROE HOUSE MUSEUM	\$0	\$5,000	\$5,000	\$0	\$0
001	6015	GYP1	DSS	Dss: Public Assist Admin	Eac - Sanctioned Client Out	\$164,506	\$180,865	\$180,865	\$171,212	\$180,865
001	6010	GDM1	DSS	Family, Children & Adult Services	Eac Child Advocacy	\$159,132	\$166,315	\$166,315	\$163,924	\$166,315
001	6010	GVL1	DSS	Family, Children & Adult Services	Eac Enhanced Supervised Visit	\$343,853	\$407,360	\$407,360	\$402,606	\$407,360
001	6010	GDO1	DSS	Family, Children & Adult Services	Eac Inc Family Drug Court	\$179,776	\$211,954	\$211,954	\$209,481	\$211,954
001	6073	AFN1	DSS	Dss: Child Support Enforcement	Eac,Inc.	\$183,004	\$186,652	\$186,652	\$183,262	\$183,262
001	6115	HKB1	DSS	Dss: Alternatives For Youth	Eac-Afi	\$757,980	\$875,918	\$875,918	\$869,054	\$869,054
192	6414	HWH1	EDP	Cultural Affairs	EAST END ARTS COUNCIL - WINTERFEST	\$11,000	\$10,000	\$10,000	\$0	\$0
192	6414	JKS1	EDP	Cultural Affairs	EAST END ARTS COUNCIL, HARVEST GOSPEL					
192	6414	HFH1	EDP	Cultural Affairs	CONCERT SERIES	\$6,000	\$6,000	\$6,000	\$0	\$0
192	6414	JKY1	EDP	Cultural Affairs	East End Special Players	\$5,000	\$5,000	\$5,000	\$0	\$0
001	6004	JLH1	DSS	Soc Svc: Commodities Dist	EAST END TOURISM ALLIANCE	\$6,000	\$15,000	\$15,000	\$0	\$0
001	7320	AFS1	EXE	Youth Bureau/Office For Child	EAST HAMPTON FOOD PANTRY	\$5,000	\$5,000	\$5,000	\$0	\$5,000
192	6414	JQO1	EDP	Cultural Affairs	East Hampton Juvenile Aid	\$0	\$17,501	\$17,501	\$15,950	\$17,501
192	7512	HYG1	PKS	Museums & Historic Associations	East Quogue Chamber of Commerce	\$5,000	\$0	\$0	\$0	\$0
001	6141	AGF1	DSS	Dss: Heap	EASTVILLE HISTORICAL SOCIETY	\$5,000	\$5,000	\$5,000	\$0	\$0
001	4330	GKQ1	HSV	Hs Community Support Svc	Empire Training Associates	\$20,006	\$20,394	\$20,394	\$20,394	\$20,394
001	4330	GKX1	HSV	Hs Community Support Svc	F.E.G.S. Li Trans/Med Mgt	\$480,571	\$480,571	\$490,414	\$480,571	\$480,571
001	4330	GGR1	HSV	Hs Community Support Svc	F.E.G.S. Of Li Dss Project	\$42,445	\$42,445	\$197,139	\$197,139	\$197,139
001	4330	GYZ1	HSV	Hs Community Support Svc	F.R.E.E.	\$161,032	\$161,032	\$161,032	\$161,032	\$161,032
001	4330	CAD1	HSV	Hs Community Support Svc	F.R.E.E. Single Point Access	\$113,834	\$113,834	\$158,969	\$158,969	\$158,969
001	4330	HEV1	HSV	Hs Community Support Svc	Fam Sv Lg Ther. Rec.	\$97,615	\$97,615	\$164,797	\$164,797	\$164,797
001	6010	GNJ1	DSS	Family, Children & Adult Services	Fam.Serv.League-Adult Home Scm	\$69,031	\$77,760	\$77,760	\$77,760	\$77,760
001	7320	AGN1	EXE	Youth Bureau/Office For Child	Family & Childrens Assoc	\$341,367	\$347,807	\$347,807	\$346,617	\$347,807
001	6773	GEY1	EXE	Senior Support Programs	Family Court Waiting Room	\$130,017	\$129,411	\$129,411	\$118,788	\$129,411
001	6794	GEY1	EXE	Title Vii / Ombudsman	Family League Service	\$0	\$0	\$40,252	\$40,252	\$40,252
001	7325	JQK1	EXE	Spec Dinqncy Prevention Pgm	Family League Service	\$118,438	\$95,579	\$0	\$0	\$0
001	6772	GET1	EXE	Older Americans Act Programs	Family Life Center	\$81,888	\$109,117	\$109,117	\$109,117	\$109,117
001	6800	JJY1	EXE	State Ltcoop	Family Service League	\$19,259	\$19,755	\$19,755	\$19,755	\$19,755
001	7325	AGS1	EXE	Spec Dinqncy Prevention Pgm	FAMILY SERVICE LEAGUE	\$41,657	\$45,238	\$12,612	\$0	\$0
001	4310	AGW1	HSV	Div Of Comm Mental Hygiene	Family Service League	\$156,785	\$156,182	\$156,182	\$150,759	\$156,182
001	6008	HMA1	DSS	Housing Employment & Childcare	Family Service League	\$1,094,157	\$1,160,626	\$1,202,569	\$1,160,626	\$1,160,626
001	4330	JGG1	HSV	Hs Community Support Svc	FAMILY SERVICE LEAGUE - HUNTINGTON INTERFAITH					
001	6115	JKE1	DSS	Dss: Alternatives For Youth	HOMELESS INITI	\$5,000	\$5,000	\$5,000	\$0	\$5,000
001	3142	HTU1	PRO	Placement Reduction Program	FAMILY SERVICE LEAGUE ACT TEAM WEST	\$112,388	\$120,556	\$120,556	\$120,556	\$120,556
001	3180	HZY1	PRO	Options For Female Adolescents & Adults	FAMILY SERVICE LEAGUE- AFY AFTERCARE	\$317,462	\$319,431	\$319,431	\$316,928	\$316,928
					FAMILY SERVICE LEAGUE HOME BASE II	\$468,688	\$504,935	\$504,935	\$0	\$0
					Family Service league of Suffolk County, Inc.	\$133,231	\$137,250	\$137,250	\$0	\$0

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	4330	JAS1	HSV	Hs Community Support Svc	FAMILY SERVICE LEAGUE PROS HAUPPAUGE	\$42,698	\$54,543	\$49,182	\$47,392	\$47,392
001	4330	JAR1	HSV	Hs Community Support Svc	FAMILY SERVICE LEAGUE PROS HUNTINGTON	\$11,629	\$64,380	\$60,804	\$60,804	\$60,804
001	7320	GLF1	EXE	Youth Bureau/Office For Child	Family Sv League Bay Shore Ctr	\$39,461	\$40,445	\$40,445	\$36,861	\$40,445
001	6010	GEF1	DSS	Family, Children & Adult Services	Family Sv League Ccsi Contract	\$146,169	\$158,423	\$158,423	\$157,182	\$158,523
001	7320	GJK1	EXE	Youth Bureau/Office For Child	Family Svc Huntgn Sta Fam Ctr	\$248,549	\$246,850	\$246,850	\$153,375	\$246,850
001	4330	AGZ1	HSV	Hs Community Support Svc	Family Svc League - C.A.P.	\$33,721	\$33,721	\$175,553	\$175,553	\$175,553
001	4330	GPK1	HSV	Hs Community Support Svc	Family Svc League Act Team	\$87,302	\$84,660	\$88,414	\$84,660	\$84,660
001	6010	AHE1	DSS	Family, Children & Adult Services	Family Svc League Of Suff Cty	\$500,451	\$515,476	\$515,476	\$509,460	\$515,476
001	6008	GUX1	DSS	Housing Employment & Childcare	Family Svc League Program Home	\$133,519	\$134,550	\$134,550	\$130,907	\$134,550
001	4330	GUT1	HSV	Hs Community Support Svc	Family Svc League Supp Case Mg	\$640,949	\$573,300	\$573,300	\$573,300	\$573,300
001	4320	AHG1	HSV	Hs: Mental Health Prgms	Family Svc League-East End Pro	\$413,004	\$408,977	\$408,977	\$372,736	\$408,977
001	4330	AHH1	HSV	Hs Community Support Svc	Family Svc Lg Parent To Parent	\$90,408	\$90,408	\$209,030	\$209,030	\$209,030
192	7512	JHG1	PKS	Museums & Historic Associations	FARMINGVILLE HISTORICAL SOCIETY	\$5,000	\$5,000	\$5,000	\$0	\$0
001	4330	GZ1	HSV	Hs Community Support Svc	Fed Of Org Adult Home Peer Svc	\$178,529	\$181,440	\$181,440	\$181,440	\$181,440
001	4330	GNR1	HSV	Hs Community Support Svc	Fed Of Org Supported Case Mgmt	\$763,829	\$737,100	\$737,100	\$737,100	\$737,100
001	6780	GFC2	EXE	Respite Care Demonstratin Pgm	Fed Of Organizations Respite	\$51,913	\$31,311	\$31,311	\$31,311	\$31,311
001	4330	GTL1	HSV	Hs Community Support Svc	Fed Of Org-Client Svc Dollar P	\$19,969	\$28,300	\$48,130	\$48,130	\$48,130
001	4330	AHM1	HSV	Hs Community Support Svc	Fed Of Orgznatns Nys Mnt Disa	\$393,828	\$577,445	\$557,615	\$557,615	\$557,615
001	4330	GSV1	HSV	Hs Community Support Svc	Fed Of Org-Single Point Entry	\$483,664	\$554,586	\$554,586	\$554,586	\$554,586
001	4330	GUR1	HSV	Hs Community Support Svc	Fed Org Transportation Css	\$802,880	\$994,893	\$994,893	\$994,893	\$994,893
001	4330	JGB1	HSV	Hs Community Support Svc	FEDERATION ADVOCACY	\$180,517	\$180,517	\$180,517	\$180,517	\$180,517
001	4330	AHN1	HSV	Hs Community Support Svc	Federation Multi-Cultural Conf	\$6,253	\$8,810	\$8,810	\$8,810	\$8,810
001	4330	GZH1	HSV	Hs Community Support Svc	Federation Of Org Act Team	\$118,969	\$120,556	\$120,556	\$120,556	\$120,556
001	4330	JAT1	HSV	Hs Community Support Svc	FEDERATION OF ORG PROS BABYLON	\$74,214	\$74,214	\$69,744	\$69,744	\$69,744
001	4330	JAU1	HSV	Hs Community Support Svc	FEDERATION OF ORG PROS PATCHOGUE	\$111,770	\$111,770	\$112,664	\$112,664	\$112,664
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 Demonstratin Pgm	Federation Of Organizations	\$86,435	\$88,035	\$88,035	\$88,035	\$88,035
001	4330	GJP1	HSV	Hs Community Support Svc	Federation Of Organzatn Sesro	\$568,981	\$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 Fmnc Pr	\$98,812	\$98,812	\$98,812	\$98,812	\$98,812
001	4330	GBG3	HSV	Hs Community Support Svc	Federation Psychosoc/Drop In	\$114,720	\$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	\$30,920	\$33,031	\$33,031	\$33,031	\$33,031
001	4330	GCY1	HSV	Hs Community Support Svc	Federation Respite Housing	\$38,878	\$39,014	\$39,014	\$39,014	\$39,014
001	4330	AHO1	HSV	Hs Community Support Svc	Federatn Homeless Mentally Ill	\$365,714	\$446,863	\$446,863	\$446,863	\$446,863
001	4330	AHP2	HSV	Hs Community Support Svc	Federatn Orgs Nys Ment Disabld	\$677,742	\$771,205	\$771,205	\$771,205	\$771,205
001	4330	GZB1	HSV	Hs Community Support Svc	Fegs Family Support	\$136,850	\$136,871	\$227,140	\$214,495	\$214,495
001	4330	GPL1	HSV	Hs Community Support Svc	Fegs Of Li Act Team	\$107,458	\$120,556	\$128,048	\$120,556	\$120,556
001	4330	GPD1	HSV	Hs Community Support Svc	Fegs Of Li Pre-Arrest Forensic	\$40,419	\$41,353	\$106,653	\$106,653	\$106,653
001	4330	JAQ1	HSV	Hs Community Support Svc	FEGS PROS COPAIGUE	\$159,560	\$164,523	\$156,480	\$156,480	\$156,480
001	4330	GZC1	HSV	Hs Community Support Svc	Fegs Support Case Management	\$391,716	\$409,500	\$458,783	\$409,500	\$409,500
192	6414	JEA1	EDP	Cultural Affairs	FISCHER-HEWINS VFW POST 6249	\$22,765	\$30,000	\$30,000	\$0	\$0
001	4330	GPJ1	HSV	Hs Community Support Svc	Fis Supportive Case Mgmt	\$253,096	\$275,688	\$275,688	\$275,688	\$275,688
001	6773	AHV1	EXE	Senior Support Programs	Foster Grandparent Program	\$47,500	\$46,313	\$46,313	\$46,313	\$46,313
192	6414	JPK1	EDP	Cultural Affairs	Friends of Joseph Reboli	\$9,987	\$10,000	\$10,000	\$0	\$0

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
192	6414	H1F1	EDP	Cultural Affairs	Friends Of Smithtown Library	\$35,050	\$40,000	\$40,000	\$0	\$0
192	7512	JET1	PKS	Museums & Historic Associations	FRIENDS OF THE BIG DUCK	\$4,767	\$5,000	\$5,000	\$0	\$0
001	6773	GVE1	EXE	Senior Support Programs	Friends Ret & Sr Vol Adm Rsv	\$14,942	\$14,569	\$14,569	\$14,569	\$14,569
001	6772	GVB1	EXE	Older Americans Act Programs	Friends Ret & Sr Vol lib Tele	\$61,199	\$61,199	\$61,199	\$61,199	\$61,199
001	6792	GVD1	EXE	Title Iii-F	Friends Ret & Sr Vol Iiid Dise	\$31,160	\$31,160	\$31,160	\$31,160	\$31,160
001	4330	AH2	HSV	Hs Community Support Svc	Fsl Coord Child Sav Init	\$36,055	\$36,055	\$36,055	\$36,055	\$36,055
001	4330	JRT1	HSV	Hs Community Support Svc	FSL Family Support Services	\$61,933	\$0	\$61,932	\$61,932	\$61,932
001	4330	JDO1	HSV	Hs Community Support Svc	FSL SHELTER-CLINIC CASE MANAGEMENT	\$65,000	\$81,900	\$81,900	\$81,900	\$81,900
001	4320	HVQ1	HSV	Hs: Mental Health Pgrms	FSL-SUICIDE PREVENTION & RESPONSE PROGRAM	\$29,342	\$35,000	\$35,000	\$0	\$35,000
192	6414	JHC1	EDP	Cultural Affairs	GALLERY NORTH ARTS FESTIVAL	\$6,000	\$10,000	\$10,000	\$0	\$0
001	7320	HFJ1	EXE	Youth Bureau/Office For Child	Gerald Ryan Outreach	\$25,000	\$22,500	\$22,500	\$0	\$22,500
001	7320	AIF1	EXE	Youth Bureau/Office For Child	Gordon Heights Youth Program	\$35,834	\$34,564	\$34,564	\$32,792	\$34,564
192	6414	JQX1	EDP	Cultural Affairs	GREATER MASTIC BEACH CHAMBER OF COMMERCE	\$0	\$10,000	\$10,000	\$0	\$0
192	6414	GSZ1	EDP	Cultural Affairs	GREATER PORT JEFF ART COUNCIL	\$10,973	\$10,000	\$10,000	\$0	\$0
192	7512	JLB1	PKS	Museums & Historic Associations	GREENLAWN-CENTERPORT HISTORICAL SOCIETY	\$10,000	\$10,000	\$10,000	\$0	\$0
192	6414	HAN1	EDP	Cultural Affairs	Guild Hall Of East Hampton	\$13,849	\$20,000	\$20,000	\$0	\$0
001	4330	GPC1	HSV	Hs Community Support Svc	Hali Peer Advocacy	\$182,028	\$112,000	\$112,000	\$112,000	\$112,000
001	4330	GPF1	HSV	Hs Community Support Svc	Hali Pre-Arrest Forensic Pgm	\$119,436	\$119,436	\$119,481	\$119,436	\$119,436
001	4330	JAV1	HSV	Hs Community Support Svc	HALI PROS CENTRAL ISLIP	\$87,627	\$87,627	\$103,724	\$103,724	\$103,724
001	4330	HAL2	HSV	Hs Community Support Svc	Hali Psychosoc/Drop In Ctr	\$69,393	\$69,393	\$69,393	\$69,393	\$69,393
001	4330	JQN1	HSV	Hs Community Support Svc	HALI SPA	\$0	\$70,028	\$70,028	\$70,028	\$70,028
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	AU3	EXE	Youth Bureau/Office For Child	Hampton Council Of Churches In	\$54,508	\$53,688	\$53,688	\$50,936	\$53,688
192	6415	HIP1	EDP	Film Promotion	HAMPTON FILM FESTIVAL	\$23,500	\$25,000	\$25,000	\$0	\$0
192	6414	GXE1	EDP	Cultural Affairs	Hamptons Shakespeare Festival	\$4,859	\$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	\$104,364	\$104,414	\$104,414	\$104,414	\$104,414
001	7320	JEV1	EXE	Youth Bureau/Office For Child	HARRISON HALE GORDON HEIGHTS COMMUNITY ACTION CENTER	\$0	\$10,000	\$10,000	\$10,000	\$10,000
192	7512	JHK1	PKS	Museums & Historic Associations	HECKSCHER MUSEUM OF ART, HUNTINGTON	\$0	\$10,000	\$10,000	\$0	\$0
001	7320	JFG1	EXE	Youth Bureau/Office For Child	HELPING HANDS RESCUE MISSION	\$0	\$5,000	\$5,000	\$0	\$5,000
192	6414	JPM1	EDP	Cultural Affairs	Her Story	\$5,000	\$5,000	\$5,000	\$0	\$0
192	6414	JNZ1	EDP	Cultural Affairs	HOLBROOK CHAMBER OF COMMERCE	\$7,719	\$8,000	\$8,000	\$0	\$0
001	6004	JRO1	DSS	Soc Svc: Commodities Dist	Holy Cross Parish	\$0	\$5,000	\$5,000	\$0	\$5,000
001	6123	HUA1	PRO	Mandated Juvenile Detention Sv	HOPE FOR YOUTH INC	\$1,057,549	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000
001	6010	GV1	DSS	Family, Children & Adult Services	Hope For Youth, Inc	\$414,798	\$444,200	\$444,200	\$439,016	\$444,200
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	\$6,671	\$6,671	\$6,671	\$6,671
001	4310	AIS2	HSV	Div Of Comm Mental Hygiene	Hugs Inc	\$151,749	\$168,427	\$168,427	\$168,427	\$168,427
192	6414	JGW1	EDP	Cultural Affairs	HUNTINGTON ARTS COUNCIL, SUMMER ARTS FESTIVAL	\$36,000	\$40,000	\$40,000	\$0	\$0
001	4100	HMY1	HSV	Hs: Patient Care Svcs Adm	HUNTINGTON BREAST CANCER COALITION	\$0	\$15,000	\$15,000	\$0	\$15,000
192	6414	JGV1	EDP	Cultural Affairs	HUNTINGTON CHAMBER OF COMMERCE, LI FALL FESTIVAL	\$25,000	\$40,000	\$40,000	\$0	\$0
001	6004	HVS1	DSS	Soc Svc: Commodities Dist	HUNTINGTON COMMUNITY FOOD COUNCIL	\$4,937	\$5,000	\$5,000	\$5,000	\$5,000

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
192	7512	JLC1	PKS	Museums & Historic Associations	HUNTINGTON HISTORICAL SOCIETY	\$5,000	\$7,500	\$7,500	\$0	\$0
001	7323	AIV1	EXE	Comprehensive Plning-Runaway	Huntington Homeless	\$15,154	\$15,078	\$15,078	\$14,396	\$15,078
001	4100	AUI1	HSV	Hs: Patient Care Svcs Adm	Huntington Hospital	\$2,481,934	\$2,481,934	\$2,481,934	\$1,800,000	\$1,800,000
001	7320	AIZ1	EXE	Youth Bureau/Office For Child	Huntington Village Youth	\$21,523	\$20,474	\$20,474	\$19,425	\$20,474
001	6004	JLI1	DSS	Soc Svc: Commodities Dist	INTERFAITH NUTRITION NETWORK	\$4,997	\$5,000	\$5,000	\$0	\$5,000
001	6004	HNC1	DSS	Soc Svc: Commodities Dist	ISLAND HARVEST	\$90,250	\$87,227	\$87,227	\$60,016	\$87,227
192	6414	BBU1	EDP	Cultural Affairs	Islip Arts Council	\$42,086	\$50,000	\$50,000	\$0	\$0
001	4100	AJK1	HSV	Hs: Patient Care Svcs Adm	Islip Health Center	\$10,851,351	\$0	\$0	\$0	\$0
001	7323	AJL1	EXE	Comprehensive Plning-Runaway	Islip Homeless	\$8,557	\$8,514	\$8,514	\$8,129	\$8,154
001	3422	JOD1	FRE	2009 HazMat Grant	ISLIP TOWN	\$8,248	\$0	\$0	\$0	\$0
001	7325	AJO1	EXE	Spec Dinqncy Prevention Pgm	Islip Ymca-Outreach	\$77,744	\$81,961	\$81,961	\$79,135	\$81,961
001	4310	AJR1	HSV	Div Of Comm Mental Hygiene	J Mather Memorial Hospital RIVERHEAD LANDMAR	\$175,222	\$175,218	\$175,222	\$175,218	\$175,218
192	7512	JFZ1	PKS	Museums & Historic Associations	JAMESPORT MEETING HOUSE PRESERVATION TRUST	\$5,000	\$5,000	\$5,000	\$0	\$0
001	4330	CAB1	HSV	Hs Community Support Svc	Jcsli/Fegs - Css	\$25,024	\$31,220	\$279,294	\$279,294	\$279,294
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/Patnr/Psy	\$95,600	\$95,600	\$95,600	\$95,600	\$95,600
001	4320	AJS7	HSV	Hs: Mental Health Pgms	Jewish Community Svc Li (90%)	\$278,263	\$432,048	\$432,048	\$374,454	\$432,048
192	7512	JHN1	PKS	Museums & Historic Associations	KETCHUM INN FOUNDATION	\$4,998	\$5,000	\$5,000	\$0	\$0
001	7320	HX1	EXE	Youth Bureau/Office For Child	KEVIN WILLIAMS MEMORIAL FOUNDATION	\$0	\$5,000	\$5,000	\$0	\$5,000
192	7512	HNQ1	PKS	Museums & Historic Associations	L I MARITIME MUSEUM	\$50,000	\$40,000	\$40,000	\$0	\$0
001	4100	AKU2	HSV	Hs: Patient Care Svcs Adm	L.I. Assoc Of Aids Care	\$154,011	\$138,609	\$177,112	\$0	\$138,609
192	7512	JRE1	PKS	Museums & Historic Associations	Lake Ronkonkoma Historical Society	\$0	\$8,500	\$8,500	\$0	\$0
001	4330	GKR1	HSV	Hs Community Support Svc	Li Families Together	\$33,246	\$33,304	\$33,362	\$33,304	\$33,304
001	7320	GFF1	EXE	Youth Bureau/Office For Child	Li Gay & Lesbian Youth	\$100,788	\$103,616	\$103,616	\$91,161	\$178,616
001	4320	JML1	HSV	Hs: Mental Health Pgms	LICADD-HEROIN HOPE PROGRAM	\$35,000	\$35,000	\$35,000	\$0	\$35,000
001	7320	GKJ1	EXE	Youth Bureau/Office For Child	Lifeline Mediation Center	\$60,366	\$58,567	\$58,567	\$36,972	\$58,567
001	3140	JTI1	PRO	Prob: General Administration	LIGALY - Anti-Violence	\$0	\$0	\$0	\$0	\$75,000
001	6010	JTH1	DSS	Family, Children & Adult Services	LIGALY - Foster Care & Adoption	\$0	\$0	\$0	\$0	\$150,000
001	6410	JTG1	EDP	Economic Development Admin	LIGALY - LJ Pride Arts + Cultural Festival	\$0	\$0	\$0	\$0	\$50,000
001	7320	AKD1	EXE	Youth Bureau/Office For Child	Lindenhurst Yth Svcs Board In	\$92,316	\$87,816	\$87,816	\$83,315	\$87,816
192	6414	JQW1	EDP	Cultural Affairs	LISCA	\$0	\$5,000	\$5,000	\$0	\$0
001	6004	JSM1	DSS	Soc Svc: Commodities Dist	Loaves and Fishes of the UMCLR	\$0	\$0	\$5,000	\$0	\$0
192	6414	JPR1	EDP	Cultural Affairs	Long House Reserve	\$5,000	\$0	\$0	\$0	\$0
001	3193	HTZ1	PRO	Alternatives For Youth	LONG ISLAND ADVOCACY CENTER (AFY)	\$192,481	\$194,880	\$194,880	\$194,880	\$194,880
001	3145	HTY1	PRO	Pins Diversion Plan	LONG ISLAND ADVOCACY CENTER (PINS DIVERSION)	\$245,474	\$256,851	\$256,851	\$250,000	\$256,851
001	3140	JEB1	PRO	Prob: General Administration	LONG ISLAND ADVOCACY CENTER, INC.	\$180,868	\$180,000	\$180,000	\$180,000	\$180,000
001	6004	AKL3	DSS	Soc Svc: Commodities Dist	Long Island Cares	\$221,628	\$219,877	\$219,877	\$193,379	\$218,977
192	7512	JQC1	PKS	Museums & Historic Associations	Long Island Children's Explorium	\$5,994	\$5,444	\$5,444	\$0	\$0
001	4310	JGD1	HSV	Div Of Comm Mental Hygiene	LONG ISLAND GAY & LESBIAN YOUTH	\$45,125	\$42,869	\$42,869	\$42,869	\$117,869
001	4330	JPE1	HSV	Hs Community Support Svc	Long Island Home Partial Hospitalization	\$22,142	\$44,284	\$62,402	\$44,284	\$44,284
001	7320	JSN1	EXE	Youth Bureau/Office For Child	Long Island Latino Teachers Assoc.	\$0	\$0	\$5,000	\$0	\$0
192	6414	JKZ1	EDP	Cultural Affairs	LONG ISLAND LATINO TEACHERS ASSOCIATION, INC.	\$5,249	\$10,000	\$10,000	\$0	\$0
192	6414	JY1	EDP	Cultural Affairs	LONG ISLAND PHILHARMONIC, INC.	\$15,000	\$15,000	\$15,000	\$0	\$0

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
192	6414	JHA1	EDP	Cultural Affairs	LONG ISLAND WINE COUNCIL	\$11,000	\$15,000	\$15,000	\$0	\$0
192	7512	JHT1	PKS	Museums & Historic Associations	Long Museum of American Art History and Carriages	\$12,000	\$12,000	\$12,000	\$0	\$0
192	6414	JNX1	EDP	Cultural Affairs	LUMIERE	\$5,995	\$6,000	\$6,000	\$0	\$0
001	4310	AKT1	HSV	Div Of Comm Mental Hygiene	Madonna Heights	\$849,331	\$996,002	\$1,009,007	\$996,002	\$996,002
001	4100	HNT1	HSV	Hs: Patient Care Svcs Adm	MARCH OF DIMES - PERINATAL PROGRAM @ SUNY SB	\$55,000	\$49,500	\$49,500	\$0	\$49,500
001	7320	HV1	EXE	Youth Bureau/Office For Child	Marv Avery Palmore Ctr.Of Hope	\$50,000	\$50,000	\$50,000	\$50,000	\$74,149
001	4330	ALC1	HSV	Hs Community Support Svc	Maryhaven	\$481,304	\$490,408	\$505,404	\$510,403	\$505,404
001	4330	JAW1	HSV	Hs Community Support Svc	MARYHAVEN PROS RIVERHEAD	\$100,145	\$100,145	\$94,780	\$94,780	\$94,780
001	4330	JAX1	HSV	Hs Community Support Svc	MARYHAVEN PROS YAPHANK	\$32,190	\$32,190	\$29,508	\$29,508	\$29,508
192	6414	HEF1	EDP	Cultural Affairs	MASTIC BEACH PROPERTY OWNERS ASSOCIATION	\$5,600	\$6,000	\$6,000	\$0	\$0
192	6414	JWY1	EDP	Cultural Affairs	Medford Chamber of Commerce	\$12,470	\$20,000	\$20,000	\$0	\$0
001	4330	DDD1	HSV	Hs Community Support Svc	Mental Health Assn - Coss	\$77,305	\$77,305	\$77,305	\$77,305	\$77,305
001	4330	JPF1	HSV	Hs Community Support Svc	MENTAL HEALTH ASSOCIATION	\$25,438	\$25,438	\$28,765	\$25,438	\$25,438
001	3199	JRV1	PRO	JUSTICE ASSISTANCE GRANT	Mental Health Association	\$0	\$0	\$20,000	\$0	\$0
001	4330	ALG3	HSV	Hs Community Support Svc	Mental Hlth Assc Child & Youth	\$37,778	\$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	\$83,029	\$80,828	\$83,772	\$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	\$24,260	\$24,260	\$24,260	\$24,260	\$24,260
001	7323	ALM1	EXE	Comprehensive Plning-Runaway	Mercy Center	\$198,916	\$201,568	\$201,568	\$199,360	\$201,568
001	6015	JEL1	DSS	Dss: Public Assist Admin	MIDDLE COUNTRY LIBRARY DATABASE RESOURCE	\$42,749	\$40,666	\$40,666	\$38,581	\$40,666
192	7512	HOC1	PKS	Museums & Historic Associations	MILLER PLACE-MT. SINAI HISTORICAL SOCIETY	\$5,000	\$5,000	\$5,000	\$0	\$0
001	6010	GZQ1	DSS	Family, Children & Adult Services	Ministry for Hope, Inc.	\$13,215	\$0	\$13,215	\$0	\$0
001	7320	JRQ1	EXE	Youth Bureau/Office For Child	Model Student Education Center Inc.	\$0	\$5,000	\$5,000	\$0	\$5,000
192	7512	JHQ1	PKS	Museums & Historic Associations	MONTAUK HISTORICAL SOCIETY	\$10,000	\$10,000	\$10,000	\$0	\$0
192	6414	HOD1	EDP	Cultural Affairs	MONTAUK OBSERVATORY	\$3,000	\$0	\$0	\$0	\$0
192	7512	JRI1	PKS	Museums & Historic Associations	MORICHES BAY HISTORICAL SOCIETY	\$0	\$5,000	\$5,000	\$0	\$0
001	6008	GKP1	DSS	Housing Employment & Childcare	Nassau/Suffolk Coaltn Homeless	\$35,733	\$36,356	\$36,356	\$33,134	\$36,356
001	4310	JPG1	HSV	Div Of Comm Mental Hygiene	Nassau-Suffolk Law Services	-\$5,516	\$0	\$0	\$0	\$0
001	4330	HYO1	HSV	Hs Community Support Svc	NASSAU-SUFFOLK LAW SERVICES	\$199,764	\$199,761	\$199,764	\$199,761	\$199,761
192	6414	HHJ1	EDP	Cultural Affairs	Nesconset Chamber Ofcommerce	\$16,000	\$20,000	\$20,000	\$0	\$0
001	7320	AMK1	EXE	Youth Bureau/Office For Child	North Babylon Teen Center Inc	\$35,872	\$34,123	\$34,123	\$32,374	\$34,123
192	6414	JID1	EDP	Cultural Affairs	NORTH FORK COMMUNITY THEATER	\$0	\$5,000	\$5,000	\$0	\$0
001	7320	AMN1	EXE	Youth Bureau/Office For Child	North Shore Youth Council	\$153,492	\$146,009	\$146,009	\$138,526	\$146,009
192	7512	JQA1	PKS	Museums & Historic Associations	Northport Historical Society	\$5,000	\$7,500	\$7,500	\$0	\$0
001	6004	JRM1	DSS	Soc Svc: Commodities Dist	Our Daily Bread	\$0	\$5,000	\$5,000	\$0	\$5,000
001	6015	HOR1	DSS	Dss: Public Assist Admin	OUR LADY OF LOURDES PARISH OUTREACH	\$4,744	\$5,000	\$5,000	\$0	\$5,000
001	4310	JQH1	HSV	Div Of Comm Mental Hygiene	Outreach Development Corp-Treatment	\$570,231	\$595,667	\$595,667	\$595,667	\$595,667
001	3120	GHD1	POL	Police: General Administration	Parents For Megan's Law	\$304,872	\$334,349	\$334,349	\$334,349	\$334,349
001	3199	JOK1	PRO	JUSTICE ASSISTANCE GRANT	Parents for Megan's Law	\$7,799	\$0	\$0	\$0	\$0
001	3199	JOK1	PRO	JUSTICE ASSISTANCE GRANT	Parents for Megan's Law	\$0	\$0	\$22,201	\$0	\$0
001	3120	JJB1	POL	Police: General Administration	PARENTS FOR MEGAN'S LAW CRIME VICTIMS CENTER	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
001	3120	JQU1	POL	Police: General Administration	Parents for Megan's Law:Community Protection Act	\$0	\$73,896	\$773,896	\$783,572	\$783,572

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Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
192	6414	HJN1	EDP	Cultural Affairs	PARISH ART MUSEUM	\$5,000	\$10,000	\$10,000	\$0	\$0
192	6414	JPJ1	EDP	Cultural Affairs	Patchogue Arts Council, Inc.	\$15,000	\$15,000	\$15,000	\$0	\$0
192	7512	JPU1	PKS	Museums & Historic Associations	Patchogue Historical Society	\$9,435	\$10,000	\$10,000	\$0	\$0
001	7320	GAC1	EXE	Youth Bureau/Office For Child	Patchogue Medford Youth	\$116,353	\$110,681	\$110,681	\$105,008	\$110,681
001	6004	JRK1	DSS	Soc Svc: Commodities Dist	Patchogue Neighbors INN	\$0	\$5,000	\$5,000	\$0	\$5,000
192	6414	GWZ1	EDP	Cultural Affairs	Patchogue Theater For Perf Art	\$10,000	\$10,000	\$10,000	\$0	\$0
192	6414	JRA1	EDP	Cultural Affairs	PATTERSQUASH CREEK CIVIC ASSOC	\$0	\$5,000	\$5,000	\$0	\$0
001	6008	HYN1	DSS	Housing Employment & Childcare	PECONIC COMMUNITY COUNCIL	\$39,682	\$40,541	\$40,541	\$36,948	\$40,541
001	4330	GEC1	HSV	Hs Community Support Svc	Pedersen Krag Act Team	\$120,556	\$120,556	\$120,556	\$120,556	\$120,556
001	4330	GKU1	HSV	Hs Community Support Svc	Pedersen Krag Clinic (Aot)	\$14,701	\$14,701	\$103,342	\$103,342	\$103,342
001	3199	JQG1	PRO	JUSTICE ASSISTANCE GRANT	Pederson Krag	\$0	\$0	\$4,000	\$0	\$0
001	4330	GPN1	HSV	Hs Community Support Svc	Pederson Krag Act Team	\$120,556	\$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	\$19,867	\$19,867	\$19,867
001	4330	GUU1	HSV	Hs Community Support Svc	Pederson Krag C&F Emergency Care	\$249,592	\$264,184	\$299,944	\$299,944	\$299,944
001	4330	GUS1	HSV	Hs Community Support Svc	Pederson Krag Case Mgmt Train	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000
001	4310	JAB1	HSV	Div Of Comm Mental Hygiene	Pederson Krag Center Inc.	\$0	\$671	\$671	\$671	\$671
001	4330	GGG1	HSV	Hs Community Support Svc	Pederson Krag Fam Supp/Respt	\$289,479	\$261,473	\$430,423	\$402,417	\$402,417
001	4330	JPC1	HSV	Hs Community Support Svc	Pederson Krag Family Based Treatment	\$97,438	\$0	\$0	\$0	\$0
001	4330	GGF1	HSV	Hs Community Support Svc	Pederson Krag Mica-Tfip	\$460,481	\$453,195	\$592,207	\$579,561	\$579,561
001	4330	JAY1	HSV	Hs Community Support Svc	PEDERSON KRAG PROS CORAM	\$157,370	\$157,370	\$168,996	\$168,996	\$168,996
001	4330	JAZ1	HSV	Hs Community Support Svc	PEDERSON KRAG PROS SMITHTOWN	\$58,119	\$58,119	\$78,688	\$78,688	\$78,688
001	4330	PKP1	HSV	Hs Community Support Svc	Pederson Krag Psychosoc/Drop	\$69,558	\$68,296	\$69,558	\$68,296	\$68,296
001	4330	GPM1	HSV	Hs Community Support Svc	Pederson Krag Spoa	\$153,057	\$148,399	\$208,413	\$203,755	\$203,755
001	4330	ANL2	HSV	Hs Community Support Svc	Pederson Krag Supprt Case Mgt	\$256,816	\$327,600	\$327,600	\$327,600	\$327,600
001	3199	JOL1	PRO	JUSTICE ASSISTANCE GRANT	Pederson-Krag	\$3,195	\$0	\$0	\$0	\$0
001	3199	JOL1	PRO	JUSTICE ASSISTANCE GRANT	Pederson-Krag	\$0	\$0	\$6,805	\$0	\$0
001	4310	ANL7	HSV	Div Of Comm Mental Hygiene	Pederson-Krag Clinic Inc (96%)	\$879,525	\$1,035,118	\$1,074,778	\$1,035,118	\$1,035,118
001	4320	ANL5	HSV	Hs: Mental Health Pgms	Pederson-Krag Clinic Inc (96%)	\$1,038,175	\$1,011,901	\$1,092,589	\$922,232	\$1,011,901
001	4310	ANL9	HSV	Div Of Comm Mental Hygiene	Pederson-Krag Compul Gambling	\$93,119	\$86,554	\$93,119	\$86,554	\$86,554
001	4330	GST1	HSV	Hs Community Support Svc	Pederson-Krag Ctr Inc School S	\$383,599	\$480,311	\$480,311	\$480,311	\$480,311
192	6414	JPO1	EDP	Cultural Affairs	Performing Arts Center of Suffolk County	\$10,000	\$20,000	\$20,000	\$0	\$0
001	4330	JJA1	HSV	Hs Community Support Svc	PHOENIX HOUSE	\$67,061	\$67,061	\$70,965	\$65,276	\$65,276
001	4330	GPB1	HSV	Hs Community Support Svc	Phoenix House Residential Pgm	\$112,545	\$112,545	\$112,545	\$112,545	\$112,545
192	6415	JRC1	EDP	Film Promotion	PLAZA CINEMA AND MEDIA ARTS CENTER	\$0	\$25,000	\$25,000	\$0	\$0
001	7320	ANO1	EXE	Youth Bureau/Office For Child	Police Athletic League-Citywide	\$94,186	\$94,186	\$94,186	\$94,186	\$99,657
192	7512	JLD1	PKS	Museums & Historic Associations	PORT JEFFERSON HISTORICAL SOCIETY	\$5,000	\$5,000	\$5,000	\$0	\$0
001	3199	JOM1	PRO	JUSTICE ASSISTANCE GRANT	Prison Families Anonymous	\$8,472	\$0	\$0	\$0	\$0
001	3199	JOM1	PRO	JUSTICE ASSISTANCE GRANT	Prison Families Anonymous	\$0	\$0	\$5,000	\$0	\$0
001	4310	JAC1	HSV	Div Of Comm Mental Hygiene	Project Outreach	\$23,091	\$28,028	\$32,927	\$29,463	\$29,463
001	4310	GNC1	HSV	Div Of Comm Mental Hygiene	Project Outreach (Cms)	\$116,241	\$114,854	\$0	\$0	\$0
001	6004	JRP1	DSS	Soc Svc: Commodities Dist	Pronto of Long Island	\$0	\$5,000	\$5,000	\$0	\$5,000
001	6511	HIV1	EXE	Minority Affairs	PRONTO OF LONG ISLAND	\$15,000	\$9,000	\$9,000	\$0	\$9,000
192	6414	JEZ1	EDP	Cultural Affairs	REFLECTIVE GARDENS AT COMMON GROUND	\$16,000	\$15,000	\$15,000	\$0	\$0
001	4320	AOD1	HSV	Hs: Mental Health Pgms	Response	\$126,177	\$125,211	\$125,211	\$114,116	\$125,211
001	7320	AOE1	EXE	Youth Bureau/Office For Child	Response Of Suffolk County In	\$47,033	\$42,330	\$42,330	\$42,330	\$42,330

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	7325	AOF1	EXE	Spec Dlnqncy Prevention Pgm	Response Of Suffolk County In	\$35,704	\$35,560	\$35,560	\$34,262	\$35,560
001	7320	AOJ1	EXE	Youth Bureau/Office For Child	Riverhead Comm Awareness Prog	\$112,549	\$108,921	\$108,921	\$104,757	\$108,921
001	4310	AOH1	HSV	Div Of Comm Mental Hygiene	Riverhead Community Awareness	\$262,145	\$251,370	\$266,562	\$266,562	\$266,562
001	7320	AOO1	EXE	Youth Bureau/Office For Child	Riverhead Teen Center	\$30,648	\$29,154	\$29,154	\$27,660	\$29,154
001	3420	JKV1	FRE	2008 HazMat Grant Program	RIVERHEAD TOWN	\$3,340	\$0	\$0	\$0	\$0
192	7512	ADQ1	PKS	Museums & Historic Associations	Rocky Point Historical Society	\$5,000	\$5,000	\$5,000	\$0	\$0
001	7320	AOV1	EXE	Youth Bureau/Office For Child	S Shore Boys Club Inc Sayville	\$108,215	\$101,608	\$101,608	\$95,000	\$101,608
001	6777	HZW1	EXE	Comm Svcs For The Elderly	S.A.G.E. LONG ISLAND	\$43,996	\$50,000	\$50,000	\$50,000	\$125,000
001	4330	ASR1	HSV	Hs Community Support Svc	S.U.N.Y. Sayville	\$0	\$257,801	\$515,601	\$257,800	\$257,800
192	6414	JQM1	EDP	Cultural Affairs	Sachem Public Library	\$3,000	\$5,000	\$5,000	\$0	\$0
001	7320	AOZ1	EXE	Youth Bureau/Office For Child	Sachem Teen Center Inc	\$98,202	\$93,415	\$93,415	\$88,627	\$93,415
001	6004	HWA1	DSS	Soc Svc: Commodities Dist	SAG HARBOR FOOD PANTRY	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
192	7512	JPD1	PKS	Museums & Historic Associations	Sag Harbor Historical Society	\$5,000	\$5,000	\$5,000	\$0	\$0
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	\$40,071	\$45,210	\$45,210	\$42,893	\$45,210
192	7512	GUK1	PKS	Museums & Historic Associations	Sagittkos Manor Historical Soc	\$5,000	\$0	\$0	\$0	\$0
001	6004	HP11	DSS	Soc Svc: Commodities Dist	SAINT JOHN THE EVANGELIST ROMAN CATHOLIC CHURCH FOOD PANTRY	\$5,000	\$5,000	\$5,000	\$0	\$5,000
001	4330	APK2	HSV	Hs Community Support Svc	Sayville Proj Psychosoc/Drop	-\$37,612	\$45,135	\$47,015	\$0	\$0
001	4330	APK1	HSV	Hs Community Support Svc	Sayville Proj Support Case Mgt	-\$101,000	\$327,600	\$698,412	\$327,600	\$327,600
001	4330	HYP1	HSV	Hs Community Support Svc	SAYVILLE PROJECT ADULT HOME CASE MGT.	\$500	\$51,840	\$112,240	\$51,840	\$51,840
001	6015	GNL1	DSS	Dss: Public Assist Admin	Sc Coalition Against Dom Viol	\$43,768	\$44,174	\$44,174	\$44,174	\$44,174
001	6017	GNK1	DSS	Domestic Violence Programs	Sc Coalition Against Dom Viol	\$622,196	\$640,352	\$640,352	\$607,551	\$640,352
001	7320	DDI1	EXE	Youth Bureau/Office For Child	SC POLICE ATHLETIC LEAGUE	\$24,750	\$23,543	\$23,543	\$22,336	\$23,543
001	6010	JDW1	DSS	Family, Children & Adult Services	SCO FAMILY OF SERVICES, INC	\$741,681	\$758,387	\$758,387	\$749,536	\$758,387
001	4100	APR1	HSV	Hs: Patient Care Svcs Adm	Se & Sw Brookhaven Clinics	\$13,273,490	\$0	\$0	\$0	\$0
001	7320	HXP1	EXE	Youth Bureau/Office For Child	SECCA	\$7,330	\$7,200	\$7,200	\$0	\$7,200
001	7320	APT1	EXE	Youth Bureau/Office For Child	Selden-Centereach Yth Assn In	\$139,568	\$132,764	\$132,764	\$125,960	\$132,764
360	6204	JEM1	DSS	MEDICAID COMPLIANCE	SERVISAIR, LLC	\$669,981	\$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	QAQ2	HSV	Hs Community Support Svc	Skills Unlimited	\$446,922	\$471,382	\$476,312	\$408,713	\$476,312
001	4330	JIZ1	HSV	Hs Community Support Svc	SKILLS UNLIMITED	\$58,120	\$58,120	\$50,968	\$50,968	\$50,968
001	4320	QAQ4	HSV	Hs: Mental Health Prgms	Skills Unlimited (98%)	\$278,157	\$277,277	\$277,277	\$269,355	\$277,277
001	7325	AQC4	EXE	Spec Dlnqncy Prevention Pgm	Smith Haven Ministries Mall	\$116,013	\$119,917	\$119,917	\$115,899	\$119,917
192	6414	GQO1	EDP	Cultural Affairs	Smithtown Arts Council	\$0	\$5,000	\$5,000	\$0	\$0
192	7512	GFW1	PKS	Museums & Historic Associations	Smithtown Historical Society	\$9,066	\$10,000	\$10,000	\$0	\$0
192	6414	JWJ1	EDP	Cultural Affairs	SMITHTOWN PERFORMING ARTS COUNCIL, INC.	\$30,000	\$50,000	\$50,000	\$0	\$0
001	7320	DDK1	EXE	Youth Bureau/Office For Child	Smithtown Veterans Youth	\$14,854	\$14,269	\$14,269	\$13,537	\$14,269
001	7320	AQI2	EXE	Youth Bureau/Office For Child	Snap	\$248,358	\$248,703	\$248,703	\$238,474	\$248,703
192	7512	JPW1	PKS	Museums & Historic Associations	South Fork Natural History Museum	\$5,000	\$5,000	\$5,000	\$0	\$0
001	3199	JJC1	PRO	JUSTICE ASSISTANCE GRANT	SOUTH OAKS	\$0	\$0	\$13,570	\$0	\$0
192	6414	HVP1	EDP	Cultural Affairs	SOUTHAMPTON CULTURAL CENTER	\$5,000	\$5,000	\$5,000	\$0	\$0
001	3420	JKT1	FRE	2008 HazMat Grant Program	SOUTHAMPTON TOWN	\$2,027	\$0	\$0	\$0	\$0
001	4310	AQX2	HSV	Div Of Comm Mental Hygiene	Southmptn Alternative/East End	\$811,717	\$883,292	\$883,292	\$883,292	\$883,292
192	7512	JRJ1	PKS	Museums & Historic Associations	SOUTHOLD HISTORICAL SOCIETY	\$0	\$5,000	\$5,000	\$0	\$0

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	7320	ARH1	EXE	Youth Bureau/Office For Child	Southold Youth Bureau	\$9,527	\$9,063	\$9,063	\$8,598	\$9,063
192	6414	HQB1	EDP	Cultural Affairs	SPLASHES OF HOPE	\$4,052	\$5,000	\$5,000	\$0	\$0
001	6004	QJD1	DSS	Soc Svc: Commodities Dist	SPRINGS FOOD PANTRY	\$5,000	\$5,000	\$5,000	\$0	\$5,000
001	7320	HGM1	EXE	Youth Bureau/Office For Child	St.Cyril & Methodius Outreach	\$7,125	\$7,056	\$7,056	\$6,431	\$7,056
001	6004	JBS1	DSS	Soc Svc: Commodities Dist	ST. ELIZABETH'S PARISH OUTREACH	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
001	6004	JLN1	DSS	Soc Svc: Commodities Dist	ST. FRANCIS DESALES OUTREACH	\$3,514	\$5,000	\$5,000	\$0	\$5,000
001	6004	JLP1	DSS	Soc Svc: Commodities Dist	ST. LOUIS DE MONTFORT R.C.C. OUTREACH	\$2,576	\$5,000	\$5,000	\$0	\$5,000
001	6004	JBR1	DSS	Soc Svc: Commodities Dist	St. Peter's Lutheran Church Outreach	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
001	6004	JLQ1	DSS	Soc Svc: Commodities Dist	ST. SYLVESTER PARISH OUTREACH	\$5,000	\$5,000	\$5,000	\$0	\$5,000
001	7320	HGO1	EXE	Youth Bureau/Office For Child	St.Hugh'S Outreach	\$1,878	\$5,000	\$5,000	\$5,000	\$5,000
192	6415	HBP1	EDP	Film Promotion	Staller Film Festival	\$23,500	\$25,000	\$25,000	\$0	\$0
192	6414	JPN1	EDP	Cultural Affairs	Star Playhouse at the Suffolk Y JCC	\$20,000	\$30,000	\$30,000	\$0	\$0
001	3199	JQV1	PRO	JUSTICE ASSISTANCE GRANT	STONY BROOK UNIVERSITY	\$0	\$0	\$15,000	\$0	\$0
001	7320	ARY1	EXE	Youth Bureau/Office For Child	Suffolk Cnty Special Olympics	\$67,155	\$63,881	\$63,881	\$60,607	\$63,881
001	7320	ASA1	EXE	Youth Bureau/Office For Child	Suffolk County Boy Scouts	\$8,064	\$8,151	\$8,151	\$7,733	\$8,151
001	3653	JMX1	POL	SCOPE 2010	SUFFOLK COUNTY COALITION AGAINST DOMESTIC VIOLENCE	\$0	\$0	\$880	\$0	\$0
001	3653	JMX1	POL	SCOPE 2010	SUFFOLK COUNTY COALITION AGAINST DOMESTIC VIOLENCE	\$119,634	\$0	\$0	\$0	\$0
001	3178	GDE1	PRO	Stop Violence Against Women	Suffolk county coalition Against Domestic Violence	\$42,631	\$35,683	\$35,683	\$10,851	\$35,683
001	7320	ASC1	EXE	Youth Bureau/Office For Child	Suffolk County Girl Scouts In	\$14,542	\$13,833	\$13,833	\$13,124	\$13,833
192	7516	JGH1	MSC	Museums & Historic Associations	SUFFOLK COUNTY HISTORICAL SOCIETY	\$288,524	\$329,283	\$329,283	\$329,283	\$329,283
001	4130	JPB1	HSV	Wic Grant	Suffolk County Perinatal Coalition	\$109,818	\$168,480	\$178,358	\$168,480	\$168,480
001	6017	GHC1	DSS	Domestic Violence Programs	Suffolk Cty Coalition (Vap)	\$72,140	\$72,766	\$72,766	\$70,956	\$72,766
001	4813	JQE1	HSV	Services To Disabled Children	SUFFOLK Y JCC-CENTER FOR SPECIAL NEEDS	\$35,000	\$35,000	\$35,000	\$0	\$35,000
001	6370	JKM1	LAB	Labor: Administration	SUFFOLK Y JCC-CONNECT TO CARE	\$0	\$19,000	\$19,000	\$19,000	\$19,000
001	6010	JKF1	DSS	Family, Children & Adult Services	SUFFOLK Y JCC-KIDSPACE	\$0	\$0	\$0	\$0	\$49,750
001	6015	JKF1	DSS	Dss: Public Assist Admin	SUFFOLK Y JCC-KIDSPACE	\$50,000	\$49,750	\$49,750	\$0	\$0
001	6773	JKL1	EXE	Senior Support Programs	SUFFOLK Y JCC-SENIOR CENTER	\$95,000	\$92,625	\$92,625	\$92,625	\$92,625
001	6010	JKH1	DSS	Family, Children & Adult Services	SUFFOLK Y JCC-TRANSITIONAL FAMILIES	\$70,000	\$69,650	\$69,650	\$0	\$69,650
192	6414	JHW1	EDP	Cultural Affairs	TEATRO EXPERIMENTAL YERBABRUJA, INC.	\$21,000	\$30,840	\$30,840	\$0	\$0
192	7512	JRH1	PKS	Museums & Historic Associations	TESLA MUSEUM	\$0	\$10,000	\$10,000	\$0	\$0
192	7512	JNV1	PKS	Museums & Historic Associations	THE BELLPORT BROOKHAVEN HISTORICAL SOCIETY	\$8,000	\$10,000	\$10,000	\$0	\$0
001	8050	JRS1	EXE	Handicapped Services	The Disability Opportunity Fund	\$0	\$40,000	\$40,000	\$0	\$40,000
192	7512	JPX1	PKS	Museums & Historic Associations	The East End Classic Boat Society	\$4,642	\$5,000	\$5,000	\$0	\$0
001	6004	JRN1	DSS	Soc Svc: Commodities Dist	The Gather INN	\$0	\$5,000	\$0	\$0	\$5,000
001	6004	HTC1	DSS	Soc Svc: Commodities Dist	THE GREATER SAYVILLE FOOD PANTRY	\$4,890	\$5,000	\$5,000	\$5,000	\$5,000
001	7320	JRR1	EXE	Youth Bureau/Office For Child	The Guidance Center Services Inc.	\$0	\$5,000	\$5,000	\$0	\$5,000
001	7323	ASU1	EXE	Comprehensive Plning-Runaway	The Ministries Inc (Residence)	\$354,423	\$398,251	\$398,251	\$383,546	\$398,251
001	3178	GDF1	PRO	Stop Violence Against Women	The Retreat	\$46,171	\$40,871	\$40,871	\$12,371	\$12,371
001	3199	JQF1	PRO	JUSTICE ASSISTANCE GRANT	The Retreat	\$13,076	\$0	\$0	\$0	\$0
001	3199	JQF1	PRO	JUSTICE ASSISTANCE GRANT	The Retreat	\$0	\$0	\$9,504	\$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.	\$211,862	\$209,614	\$209,614	\$189,377	\$209,614
001	6004	JLL1	DSS	Soc Svc: Commodities Dist	THE SALVATION ARMY (RIVERHEAD FOOD PANTRY)	\$4,983	\$5,000	\$5,000	\$0	\$5,000

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	7320	GDT1	EXE	Youth Bureau/Office For Child	The Sunshine Center Inc	\$30,000	\$29,708	\$29,708	\$27,075	\$29,708
192	6414	JPS1	EDP	Cultural Affairs	The Watermill Center	\$5,000	\$0	\$0	\$0	\$0
192	6414	JNY1	EDP	Cultural Affairs	THEATER THREE	\$15,000	\$15,000	\$15,000	\$0	\$0
001	7320	ASY1	EXE	Youth Bureau/Office For Child	Three Village Community Svcs	\$166,105	\$134,853	\$134,853	\$103,600	\$134,853
192	7512	HEP1	PKS	Museums & Historic Associations	Three Village Historical Soc.	\$6,514	\$8,000	\$8,000	\$0	\$0
001	4100	HQ11	HSV	Hs: Patient Care Svcs Adm	THURSDAY'S CHILD	\$96,926	\$100,000	\$108,333	\$0	\$100,000
001	6073	JSO1	DSS	Dss: Child Support Enforcement	Touro College-Family Law Clinic	\$0	\$0	\$12,500	\$0	\$0
001	6015	JGT1	DSS	Dss: Public Assist Admin	TOURO LAW CENTER-MORTGAGE FORECLOSURE AND BANKRUPTCY LAW CLI	\$40,000	\$37,148	\$37,148	\$34,295	\$37,148
001	6772	JGS1	EXE	Older Americans Act Programs	TOURO LAW SCHOOL	\$227,768	\$228,567	\$228,567	\$228,567	\$228,567
001	6772	GEL1	EXE	Older Americans Act Programs	Town Of Babylon	\$23,607	\$24,159	\$24,159	\$24,159	\$24,159
001	7323	ASZ1	EXE	Comprehensive Plning-Runaway	Town Of Babylon	\$18,294	\$18,203	\$18,203	\$17,379	\$18,203
001	4310	JAE1	HSV	Div Of Comm Mental Hygiene	Town Of Babylon	\$0	\$1,171	\$1,171	\$1,171	\$1,171
001	4310	ATC1	HSV	Div Of Comm Mental Hygiene	Town Of Babylon Narc Guid Cnc	\$474,370	\$424,370	\$424,370	\$424,370	\$424,370
001	7320	GLA1	EXE	Youth Bureau/Office For Child	Town Of Babylon Youth Bureau	\$70,849	\$78,937	\$78,937	\$74,891	\$78,937
192	7512	JHL1	PKS	Museums & Historic Associations	TOWN OF BABYLON, OLD TOWN HALL MUSEUM, BABYLON	\$11,977	\$12,000	\$12,000	\$0	\$0
001	6772	GEM1	EXE	Older Americans Act Programs	Town Of Brookhaven	\$9,366	\$24,111	\$24,111	\$24,111	\$24,111
001	7320	ATJ1	EXE	Youth Bureau/Office For Child	Town Of Brookhaven	\$22,469	\$21,374	\$21,374	\$20,279	\$21,374
001	6772	GEV1	EXE	Older Americans Act Programs	Town Of East Hampton	\$19,788	\$25,708	\$25,708	\$25,708	\$25,708
001	6777	JJZ1	EXE	Comm Svcs For The Elderly	TOWN OF EAST HAMPTON	\$10,264	\$19,380	\$19,380	\$19,380	\$19,380
001	3194	AUA1	PRO	High Visibility Road Check Project FY14	Town Of East Hampton	\$0	\$0	\$5,544	\$0	\$0
001	3198	AUA1	PRO	STOP-DWI Crackdown Enforcement	Town Of East Hampton	\$24,220	\$24,220	\$24,220	\$24,220	\$24,220
001	3698	AUA1	PRO	STOP-DWI Crackdown Enforcement 2013	Town Of East Hampton	\$5,544	\$0	\$0	\$0	\$0
115	3135	ATZ1	POL	Town & Village Revenue Sharing	Town Of East Hampton	\$691,117	\$691,117	\$691,117	\$691,117	\$796,017
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	\$7,116	\$7,080	\$7,080	\$6,760	\$7,080
001	4310	JAF1	HSV	Div Of Comm Mental Hygiene	Town Of Huntington	\$6,000	\$7,671	\$7,671	\$8,039	\$8,039
404	8131	DDM1	DPW	Res Assmt Fd Payt Twn/Vlg Sd	Town Of Huntington	\$144,701	\$144,701	\$144,701	\$144,701	\$144,701
001	7320	AUD1	EXE	Youth Bureau/Office For Child	Town Of Huntington Youth Board	\$117,848	\$112,103	\$112,103	\$106,358	\$112,103
001	4310	AUG1	HSV	Div Of Comm Mental Hygiene	Town Of Huntington/Starshine	\$592,526	\$649,308	\$649,308	\$649,308	\$649,308
001	6772	GEP1	EXE	Older Americans Act Programs	Town Of Islip	\$21,482	\$24,160	\$24,160	\$24,160	\$24,160
001	7320	AUJ1	EXE	Youth Bureau/Office For Child	Town Of Islip	\$70,558	\$68,794	\$68,794	\$67,030	\$68,794
001	7323	AUI1	EXE	Comprehensive Plning-Runaway	Town Of Islip	\$16,551	\$16,468	\$16,468	\$15,723	\$16,468
001	7325	AUK1	EXE	Spec Dlnqncy Prevention Pgm	Town Of Islip	\$45,717	\$46,338	\$46,338	\$44,770	\$46,338
001	6772	GEQ1	EXE	Older Americans Act Programs	Town Of Riverhead	\$26,316	\$26,316	\$26,316	\$26,316	\$26,316
001	3194	AUV1	PRO	High Visibility Road Check Project FY14	Town Of Riverhead	\$0	\$0	\$5,544	\$0	\$0
001	3198	AUV1	PRO	STOP-DWI Crackdown Enforcement	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	\$4,735	\$0	\$0	\$0	\$0
115	3135	AUW1	POL	Town & Village Revenue Sharing	Town Of Riverhead	\$1,178,655	\$1,178,655	\$1,178,655	\$1,178,655	\$1,357,555
404	8131	DDN1	DPW	Res Assmt Fd Payt Twn/Vlg Sd	Town Of Riverhead	\$146,688	\$146,688	\$146,688	\$146,688	\$146,688
001	6777	JKA1	EXE	Comm Svcs For The Elderly	TOWN OF SHELTER ISLAND	\$15,780	\$19,380	\$19,380	\$19,380	\$19,380

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	3194	AUX1	PRO	High Visibility Road Check Project FY14	Town Of Shelter Island	\$0	\$0	\$5,544	\$0	\$0
001	3198	AUX1	PRO	STOP-DWI	Town Of Shelter Island	\$2,340	\$2,375	\$2,375	\$2,375	\$2,375
001	3698	AUX1	PRO	STOP-DWI Crackdown Enforcement 2013	Town Of Shelter Island	\$4,851	\$0	\$0	\$0	\$0
115	3135	AUY1	POL	Town & Village Revenue Sharing	Town Of Shelter Island	\$112,661	\$112,661	\$112,661	\$112,661	\$129,761
001	6777	JKB1	EXE	Comm Svcs For The Elderly	TOWN OF SMITHTOWN	\$21,673	\$23,750	\$23,750	\$23,750	\$23,750
001	7320	AVB1	EXE	Youth Bureau/Office For Child	Town Of Smithtown	\$20,780	\$19,767	\$19,767	\$18,754	\$19,767
001	4310	JAH1	HSV	Div Of Comm Mental Hygiene	Town Of Smithtown	\$150	\$7,671	\$7,671	\$8,039	\$8,039
001	4310	AVH1	HSV	Div Of Comm Mental Hygiene	Town Of Smithtown/Horizons	\$906,729	\$975,352	\$992,849	\$971,921	\$971,921
001	6777	JKC1	EXE	Comm Svcs For The Elderly	TOWN OF SOUTHAMPTON	\$18,869	\$19,380	\$19,380	\$19,380	\$19,380
001	3194	AVK1	PRO	High Visibility Road Check Project FY14	Town Of Southampton	\$0	\$0	\$5,544	\$0	\$0
001	3198	AVK1	PRO	STOP-DWI	Town Of Southampton	\$27,771	\$34,500	\$34,500	\$34,500	\$34,500
001	3698	AVK1	PRO	STOP-DWI Crackdown Enforcement 2013	Town Of Southampton	\$2,398	\$0	\$0	\$0	\$0
115	3135	AVJ1	POL	Town & Village Revenue Sharing	Town Of Southampton	\$1,943,561	\$1,943,561	\$1,943,561	\$1,943,561	\$2,238,561
001	6777	JKD1	EXE	Comm Svcs For The Elderly	TOWN OF SOUTHDOLD	\$15,563	\$19,380	\$19,380	\$19,380	\$19,380
001	3194	AVM1	PRO	High Visibility Road Check Project FY14	Town Of Southold	\$0	\$0	\$5,544	\$0	\$0
001	3198	AVM1	PRO	STOP-DWI	Town Of Southold	\$17,771	\$19,000	\$19,000	\$19,000	\$19,000
001	3698	AVM1	PRO	STOP-DWI Crackdown Enforcement 2013	Town Of Southold	\$4,993	\$0	\$0	\$0	\$0
115	3135	AVL1	POL	Town & Village Revenue Sharing	Town Of Southold	\$885,473	\$885,473	\$885,473	\$885,473	\$1,019,873
192	6414	JQY1	EDP	Cultural Affairs	TOWNSHIP THEATRE GROUP	\$0	\$5,000	\$5,000	\$0	\$0
001	4320	AVV1	HSV	Hs: Mental Health Pgms	United Cerebral Palsy (95%)	\$523,895	\$523,506	\$523,506	\$520,003	\$523,506
001	7320	AVY1	EXE	Youth Bureau/Office For Child	United No Amity Youth	\$90,000	\$88,104	\$88,104	\$71,042	\$88,104
001	6008	HH1	DSS	Housing Employment & Childcare	United Veterans Beacon House	\$182,876	\$0	\$170,425	\$0	\$0
001	4618	AVW1	HSV	Emergency Medical Care	University Hospital	\$-3,678	\$444,301	\$1,096,212	\$384,086	\$444,301
192	6414	JRB1	EDP	Cultural Affairs	VAIL-LEAVITT MUSIC HALL	\$0	\$5,000	\$5,000	\$0	\$0
001	3178	GDD1	PRO	Stop Violence Against Women	Vibs	\$132,133	\$123,485	\$123,485	\$68,584	\$123,485
001	3199	JJD1	PRO	JUSTICE ASSISTANCE GRANT	VIBS	\$7,349	\$0	\$0	\$0	\$0
001	6035	GSG1	DSS	Tanf Non Res Dom Violence	Victims Info Bureau Of Suf Cty	\$0	\$0	\$38,398	\$0	\$0
001	6015	GEK1	DSS	Dss: Public Assist Admin	Victims Info Bureau Of Suffolk	\$21,985	\$22,088	\$22,088	\$22,088	\$22,088
001	6017	AWF1	DSS	Domestic Violence Programs	Victims Information Bureau	\$525,352	\$533,135	\$533,135	\$510,503	\$533,135
001	3194	AWI1	PRO	High Visibility Road Check Project FY14	Village Of Amityville	\$0	\$0	\$5,544	\$0	\$0
001	3198	AWI1	PRO	STOP-DWI	Village Of Amityville	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000
115	3135	AWH1	POL	Town & Village Revenue Sharing	Village Of Amityville	\$462,502	\$462,502	\$462,502	\$462,502	\$532,702
115	3135	AWK1	POL	Town & Village Revenue Sharing	Village Of Asharoken	\$40,189	\$40,189	\$40,189	\$40,189	\$46,289
192	7512	JRF1	PKS	Museums & Historic Associations	Village Of Babylon (Hist. Presrvtn & Village Museum)	\$0	\$15,000	\$15,000	\$0	\$0
001	3194	AWM1	PRO	High Visibility Road Check Project FY14	Village Of East Hampton	\$0	\$0	\$5,544	\$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	\$1,379	\$0	\$0	\$0	\$0
115	3135	AWL1	POL	Town & Village Revenue Sharing	Village Of East Hampton	\$69,836	\$69,836	\$69,836	\$69,836	\$80,436

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
404	8131	AWS1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	Village Of Greenport	\$26,984	\$26,984	\$26,984	\$26,984	\$26,984
115	3135	AWV1	POL	Town & Village Revenue Sharing	Village Of Head Of Harbor	\$67,201	\$67,201	\$67,201	\$67,201	\$77,401
115	3135	AWY1	POL	Town & Village Revenue Sharing	Village Of Huntington Bay	\$75,766	\$75,766	\$75,766	\$75,766	\$87,266
192	7512	HQV1	PKS	Museums & Historic Associations	VILLAGE OF LINDENHURST	\$5,000	\$5,000	\$5,000	\$0	\$0
115	3135	AXB1	POL	Town & Village Revenue Sharing	Village Of Lloyd Harbor	\$166,685	\$166,685	\$166,685	\$166,685	\$191,985
115	3135	AXD1	POL	Town & Village Revenue Sharing	Village Of Nissequoque	\$81,037	\$81,037	\$81,037	\$81,037	\$93,337
001	3194	AXH1	PRO	High Visibility Road Check Project	Village Of Northport	\$0	\$0	\$5,544	\$0	\$0
001	3198	AXH1	PRO	STOP-DWI	Village Of Northport	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
115	3135	AXG1	POL	Town & Village Revenue Sharing	Village Of Northport	\$377,512	\$377,512	\$377,512	\$377,512	\$434,812
404	8131	AXF1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	Village Of Northport	\$126,851	\$126,851	\$126,851	\$126,851	\$126,851
115	3135	AXI1	POL	Town & Village Revenue Sharing	Village Of Ocean Beach	\$6,588	\$6,588	\$6,588	\$6,588	\$7,588
404	8131	AXJ1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	Village Of Ocean Beach	\$28,017	\$28,017	\$28,017	\$28,017	\$28,017
404	8131	AXK1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	Village Of Patchogue	\$18,099	\$18,099	\$18,099	\$18,099	\$18,099
001	3194	AXN1	PRO	High Visibility Road Check Project	Village Of Quogue	\$0	\$0	\$5,544	\$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	Village Of Quogue	\$2,726	\$0	\$0	\$0	\$0
115	3135	AXM1	POL	Town & Village Revenue Sharing	Village Of Quogue	\$44,801	\$44,801	\$44,801	\$44,801	\$51,601
001	3194	AXL1	PRO	High Visibility Road Check Project	Village Of Sag Harbor	\$0	\$0	\$5,544	\$0	\$0
001	3198	AXL1	PRO	STOP-DWI	Village Of Sag Harbor	\$12,866	\$14,500	\$14,500	\$14,500	\$14,500
001	3698	AXL1	PRO	STOP-DWI Crackdown Enforcement	Village Of Sag Harbor	\$1,764	\$0	\$0	\$0	\$0
115	3135	AXO1	POL	Town & Village Revenue Sharing	Village Of Sag Harbor	\$106,072	\$106,072	\$106,072	\$106,072	\$122,172
404	8131	AXP1	DPW	Res Assmnt Fd Payt Twn/Vlg Sd	Village Of Sag Harbor	\$19,938	\$19,938	\$19,938	\$19,938	\$19,938
115	3135	AXR1	POL	Town & Village Revenue Sharing	Village Of Saltaire	\$1,977	\$1,977	\$1,977	\$1,977	\$2,277
001	3194	AXS1	PRO	High Visibility Road Check Project	Village Of Southampton	\$0	\$0	\$5,544	\$0	\$0
001	3198	AXS1	PRO	STOP-DWI	Village Of Southampton	\$11,353	\$14,000	\$14,000	\$14,000	\$14,000
001	3698	AXS1	PRO	STOP-DWI Crackdown Enforcement	Village Of Southampton	\$5,425	\$0	\$0	\$0	\$0
115	3135	AXQ1	POL	Town & Village Revenue Sharing	Village Of Southampton	\$198,309	\$198,309	\$198,309	\$198,309	\$228,409
001	3194	AXT1	PRO	High Visibility Road Check Project	Village Of Westhampton Beach	\$0	\$0	\$5,544	\$0	\$0
001	3198	AXT1	PRO	STOP-DWI	Village Of Westhampton Beach	\$2,833	\$7,500	\$7,500	\$7,500	\$7,500
001	3698	AXT1	PRO	STOP-DWI Crackdown Enforcement	Village Of Westhampton Beach	\$1,574	\$0	\$0	\$0	\$0
115	3135	AXU1	POL	Town & Village Revenue Sharing	Village Of Westhampton Beach	\$78,401	\$78,401	\$78,401	\$78,401	\$90,301
192	7516	JG1	MSC	Museums & Historic Associations	WALT WHITMAN BIRTHPLACE	\$136,302	\$154,255	\$154,255	\$138,641	\$138,641
001	7320	AYF1	EXE	Youth Bureau/Office For Child	West Islip Yes	\$94,309	\$85,332	\$85,332	\$76,355	\$85,332
001	4310	JQ1	HSV	Div Of Comm Mental Hygiene	West Islip YES	\$324,281	\$318,989	\$318,989	\$318,989	\$318,989
192	6414	GTG1	EDP	Cultural Affairs	Westhampton Bch Perform Arts	\$20,000	\$20,000	\$20,000	\$0	\$0
192	6414	JQP1	EDP	Cultural Affairs	Westhampton Cultural Consortium	\$4,275	\$0	\$0	\$0	\$0
192	6414	JPL1	EDP	Cultural Affairs	Wet Paint Festival	\$10,000	\$10,000	\$10,000	\$0	\$0
001	4310	HKC1	HSV	Div Of Comm Mental Hygiene	Wsnchs East, Inc	\$294,970	\$330,206	\$451,314	\$441,375	\$441,375

CONTRACTED AGENCY FUNDING IDENTIFIED BY ACTIVITY NAME

Fund	Approp	Act Code	Dept	Appropriation Name	Activity Name	2013 Actuals	2014 Adopted	2014 Estimated	2015 Requested	2015 Recommended
001	4100	AYM1	HSV	Hs: Patient Care Svcs Adm	Wyandanch Clinic	\$5,499,487		\$0	\$0	\$0
001	7325	AYP1	EXE	Spec Dlnqncy Prevention Pgm	Wyandanch Youth Services, Inc	\$17,340	\$0	\$0	\$0	\$0
192	7512	JHJ1	PKS	Museums & Historic Associations	YAPHANK HISTORICAL SOCIETY	\$14,000	\$20,000	\$20,000	\$0	\$0
001	4310	AYU1	HSV	Div Of Comm Mental Hygiene	Ymca Of L Inc	\$1,042,893	\$1,200,457	\$1,200,457	\$1,200,457	\$1,200,457
001	7320	JQL1	EXE	Youth Bureau/Office For Child	Youth Advocacy and Resource Development	\$17,173	\$0	\$0	\$0	\$0
001	7320	AZB1	EXE	Youth Bureau/Office For Child	Yth Devlpmt Assn Of Commack In	\$20,000	\$18,000	\$18,000	\$18,000	\$18,000