

### **Legislators Set “At-Cap” 2015 Financial Goal, Guidelines for Departments and Agencies**

Nearly a month after it was first considered, the Legislature established a 2015 financial goal as the first step in the County’s 2015 budget process. The Legislature approved the goal that County Administrator Joe Mareane and its budget committee had recommended, directing the Administrator to prepare a recommended budget that could be supported by a tax levy increase of no more than 2.36%, the estimated level of the County’s State-imposed Property Tax Cap. When first considered May 6, the proposal passed 7-6, with one Legislator excused—one vote short of the eight votes required for approval. This time, the Legislature approved the goal, by a 9-5 vote (Legislators Dan Klein, Carol Chock, Will Burbank, Dooley Kiefer, and Martha Robertson. voted no.) Legislator Robertson said she voted against the goal because she believes it should be lower. Legislator Kathy Luz Herrera noted that, had she been voting earlier, she would have supported a lower goal, but that as of now, in considering funding needs in this community, she was willing to vote for a higher goal, knowing that Legislators will consider needs carefully during the upcoming budget process.

The levy increase just over a million dollars from the County’s 2014 levy requires a more than \$400,000 reduction in spending and translates into a tax increase of just over \$6.00 for the median-value \$165,000 county home.

In a separate, but identical, 9-5 vote, the Legislature also approved associated spending targets for departments and agencies to use in preparing their budgets, consistent with preliminary instructions already provided to budget units by the Administrator. The tentative spending targets will require departments to reduce their spending by 1% from their 2014 adopted budgets, after adjustments for uncontrollable items such as changes in fringe benefit costs. In the County’s budget process, departments can also request supplemental appropriations called “over target requests” that are considered separately by the County Administrator and County Legislature. Agencies receiving direct funding from the County will be held to a 1% increase above this year’s allocation. None of the fiscal targets include any one-time funding granted as a part of the 2014 budget. Legislator Chock noted that, in view of the tough choices involved she does not like the approach of across-the-board reductions as part of the Administrator’s budget.

Budget Chair Jim Dennis noted that the financial goal and guidelines represent a starting point in the 2015 budget process. As in the past, departments and agencies may submit over-target requests for consideration, first by the Administrator, then by the Legislature during deliberations this fall.

#### *Tax cap override law approved:*

Also related to the 2015 budget process, the Legislature approved a Local Law that permits the Legislature to override the 2015 tax levy limit, if it opts to do so as a result of the 2015 budget process. Passage of such a law, which has been done every year since the Property Tax Cap went into effect, would not mean that the Legislature intends to exceed the cap, but would provide the flexibility to exceed the cap if deemed necessary, and would protect the County if it meets the cap, as calculated, but inadvertently exceeds it due to clerical or technical errors. The Local Law was approved by an 11-3 vote, with Legislators Robertson, Michael Sigler, and Peter Stein dissenting. Mr. Stein said his vote stemmed from principle, that he thinks the Legislature should attempt to comply with the cap, even though he is a “fierce opponent” of it. As in the past, he said that any action on an override of the cap is coming too early in the budget process.