

# The 2017 Recommended Budget

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Tompkins County, New York

# The Short Story

- Low growth budget
  - Spending up less than 1%
- 3% increase in tax levy
  - 1.5% to offset sales tax loss
  - 0.5% for capital
  - 1.0% for all else
- 1.5% decrease in tax rate
  - 3<sup>rd</sup> Straight Decrease
  - Lowest since 2011

# The Short Story

- Resources aligned with priorities
  - Adaptation to climate change
  - Regulatory Compliance
  - Recruitment and Retention
  - ATI's/Re-entry

# Factors Affecting the Budget

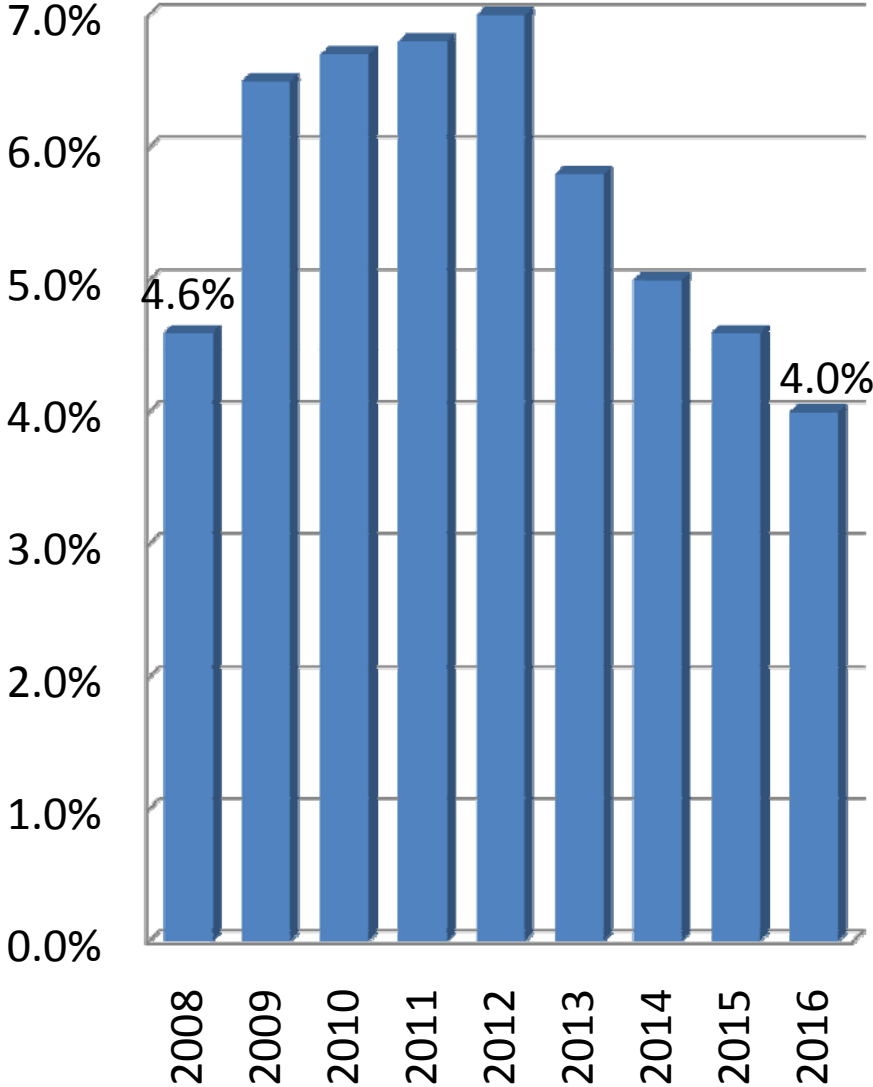
# Factors Affecting the Budget

## **The Economy**

# The Economy

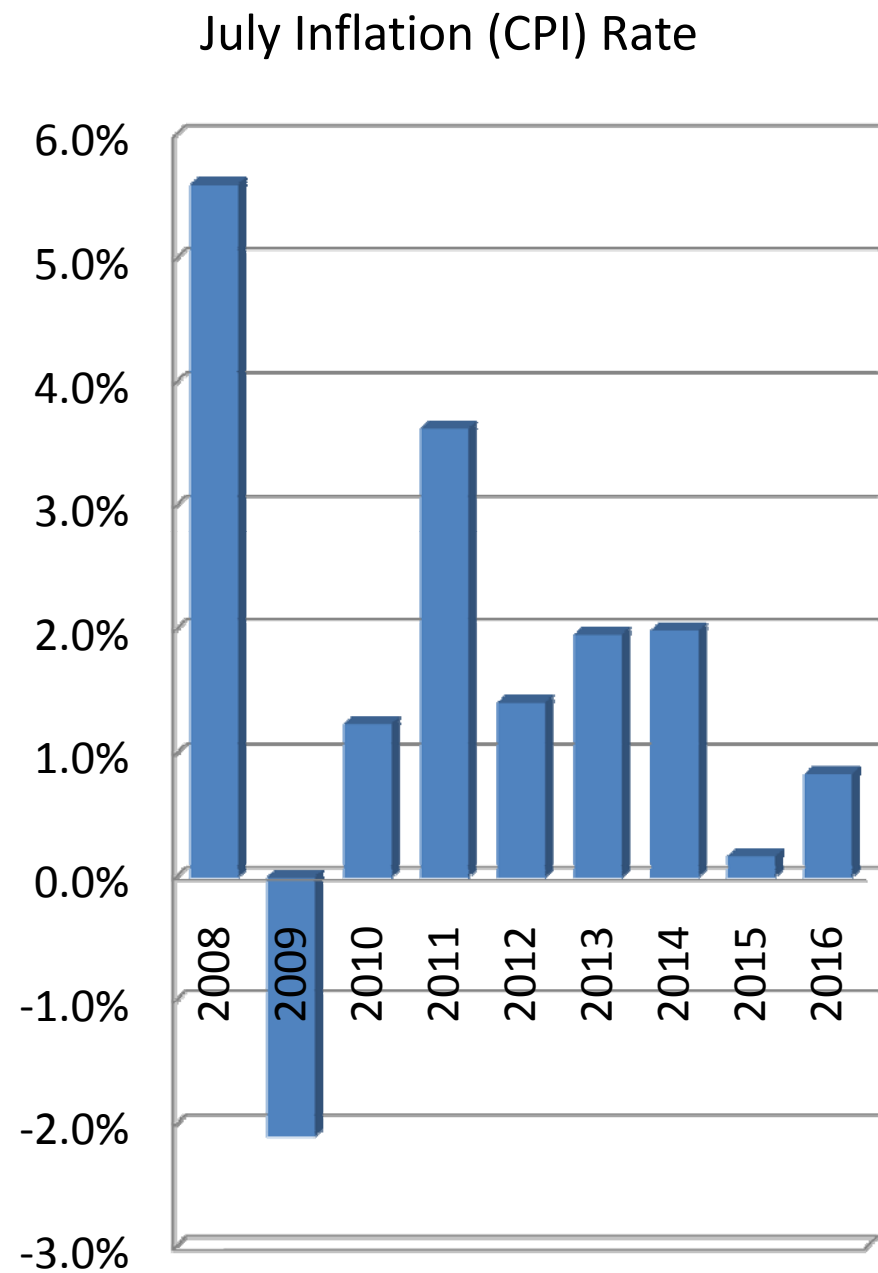
- July unemployment at pre-recession levels

July Unemployment, Tompkins County



# The Economy

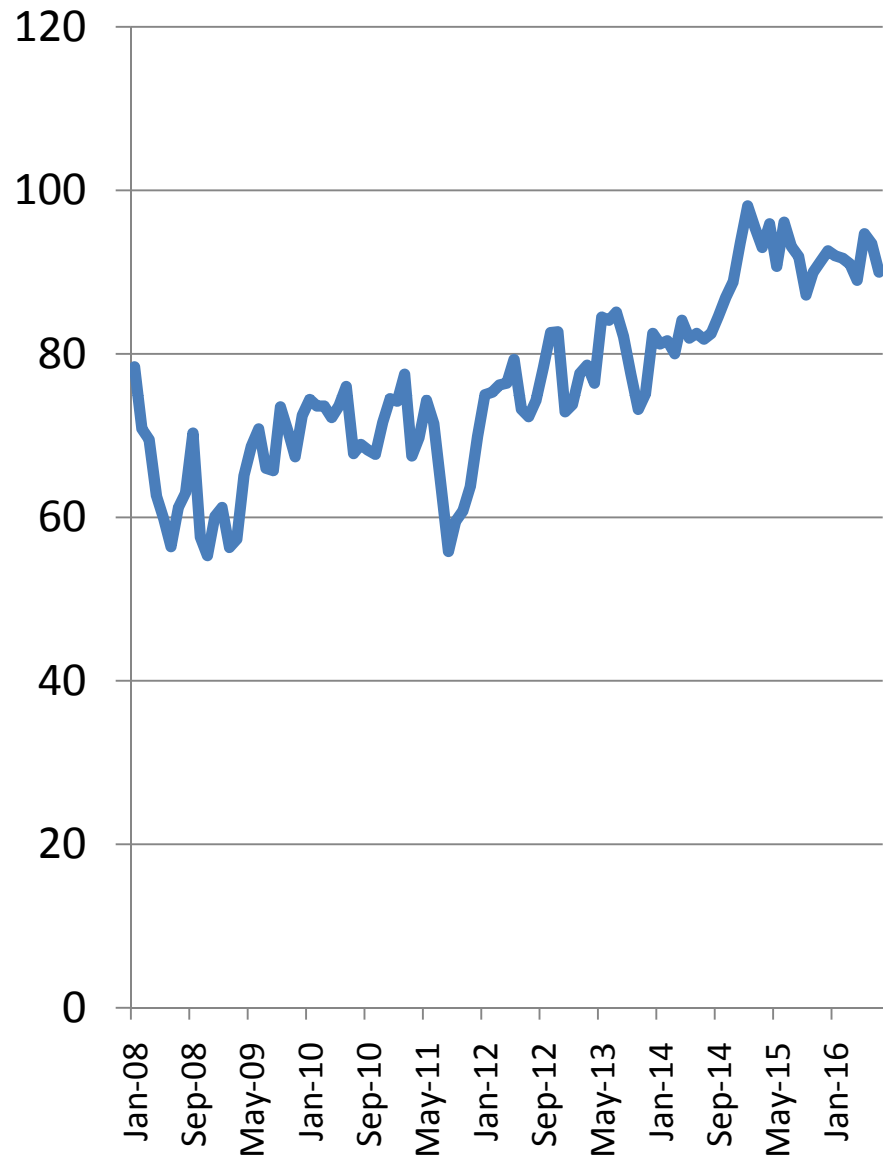
- Inflation at 0.8%



# The Economy

- Consumer confidence strong (but wavering)

Consumer Sentiment, U.S., January 2008-July 2016

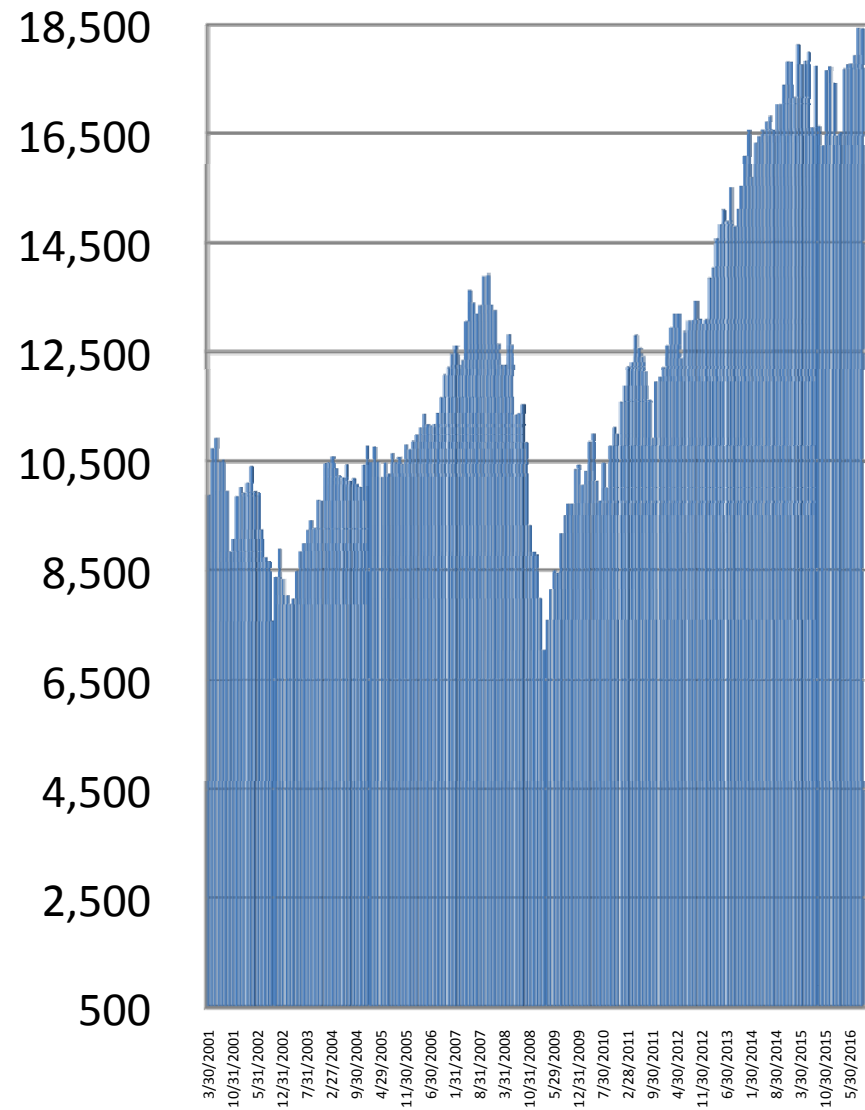




# The Economy

- Stock market at record high

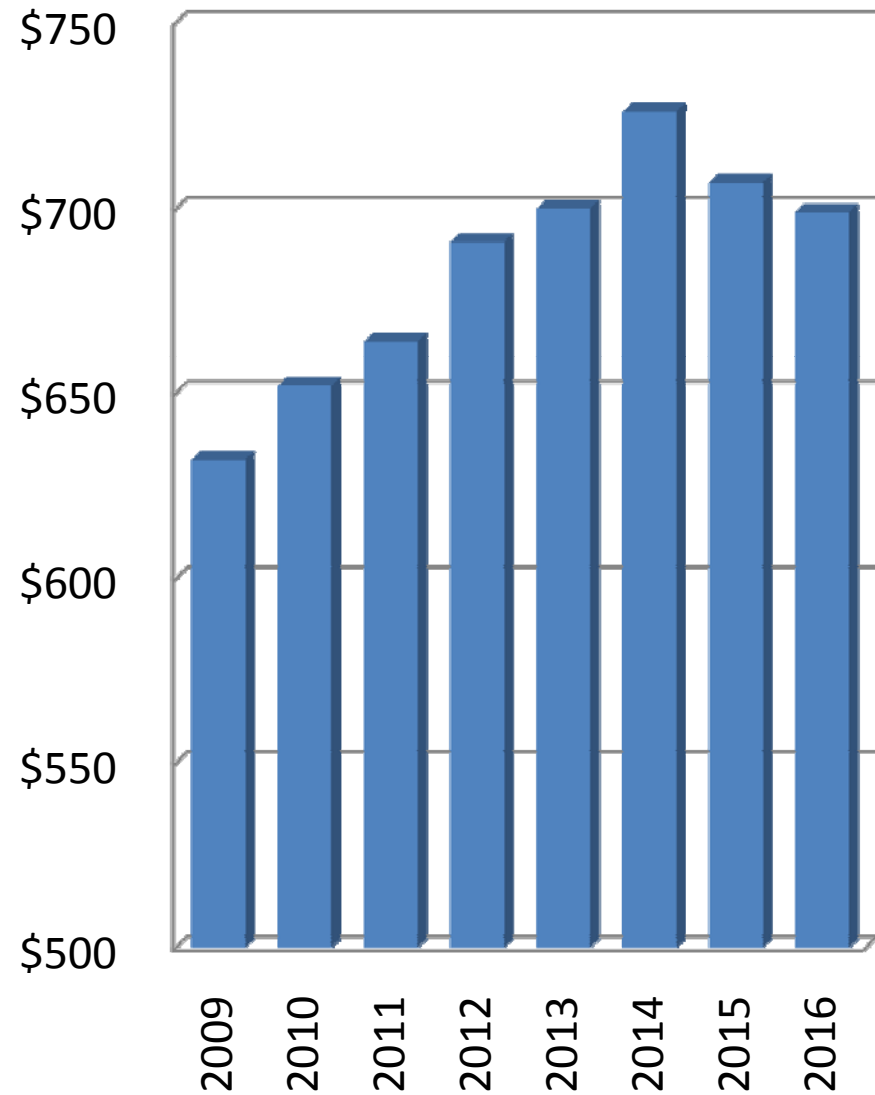
Dow Jones Average, 2001-  
Present



# The Anomaly

- Decline in local consumer spending on taxable goods
- January-June spending down nearly 4% from 2014

Mid-Year Taxable Sales, Tompkins County (millions)



# Factors Affecting the Budget

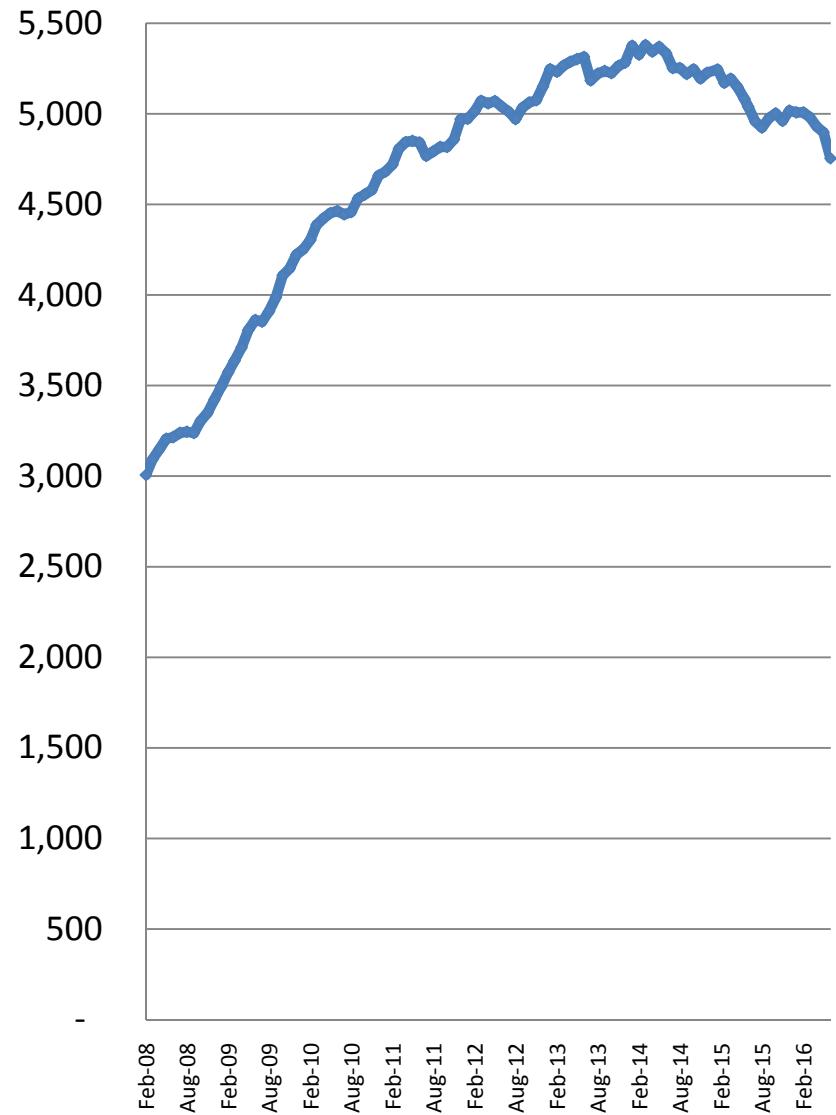
Factors Affecting the Budget

**Programmatic Indicators of  
Need**

# Programmatic Trends

- SNAP (food stamp) caseloads declining

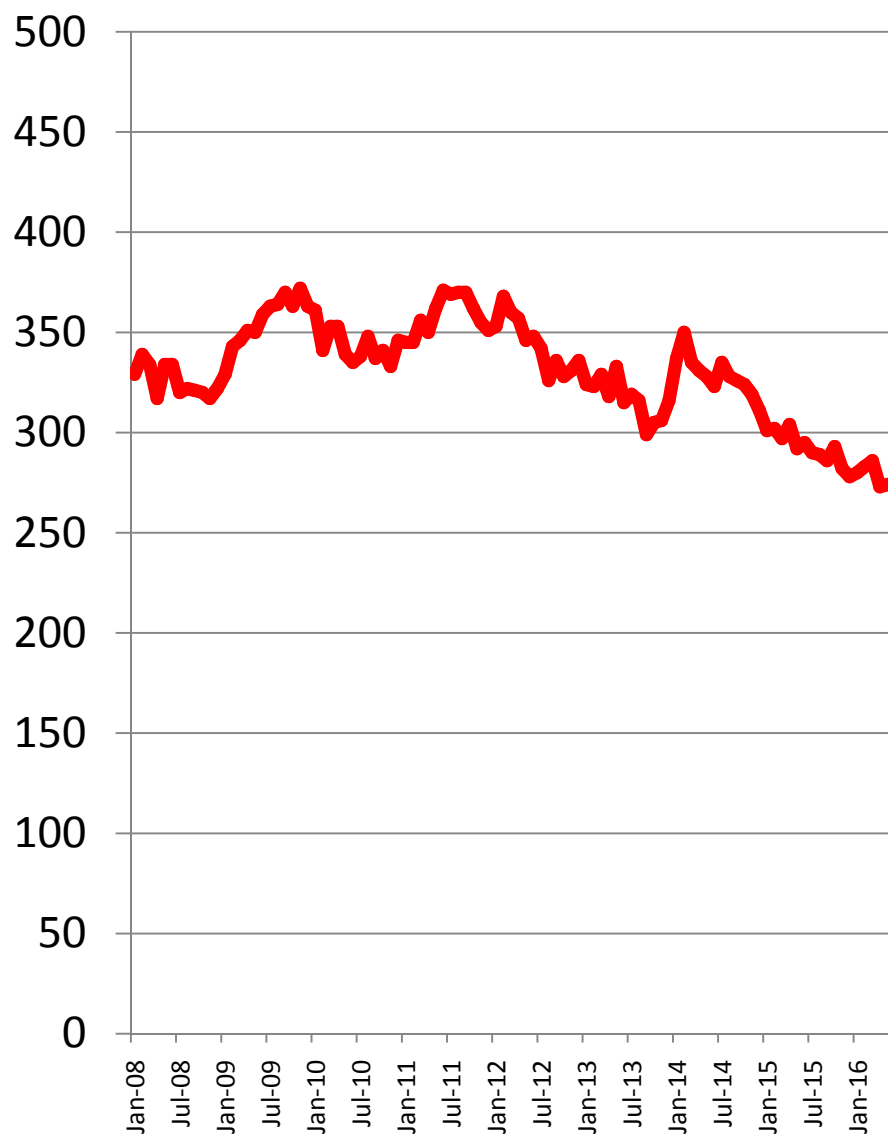
Tompkins County SNAP Cases, January 2008-June 2016



# Programmatic Trends

- Family Assistance cases continue to decline

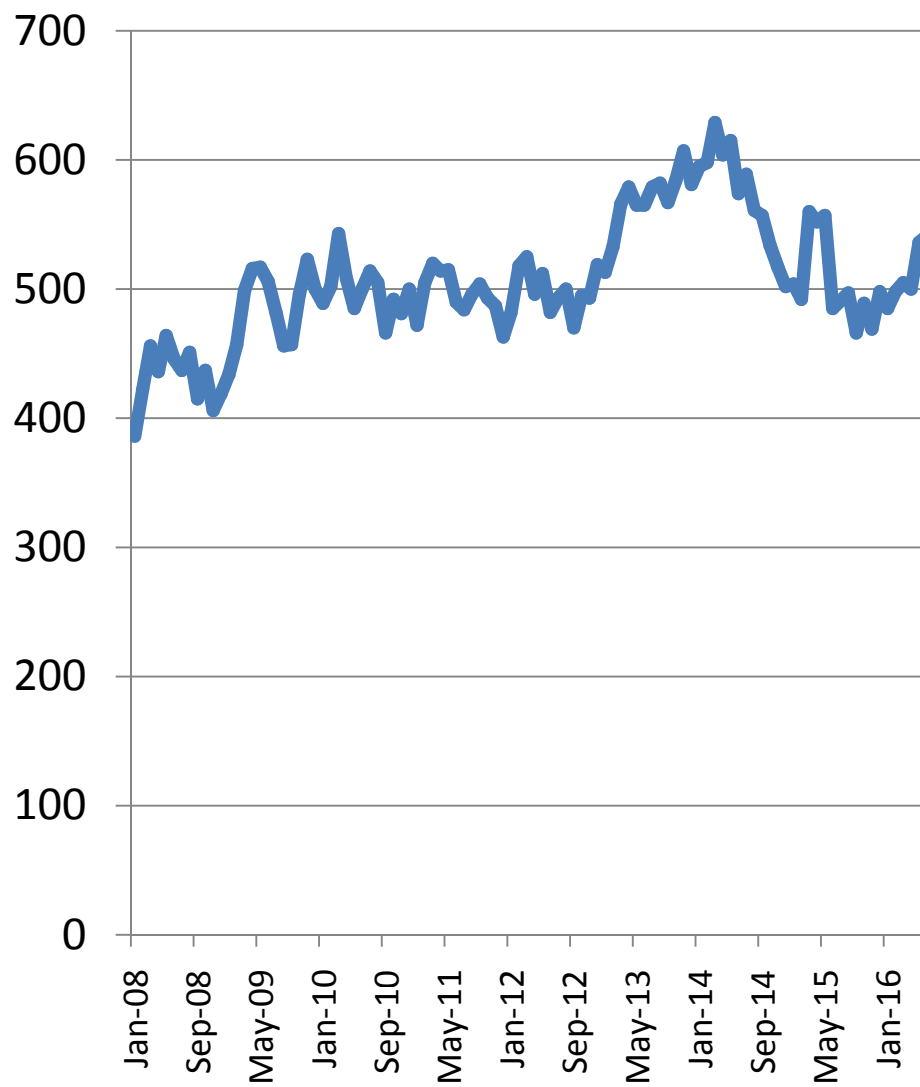
Family Assistance Cases, January 2008-June 2016



# Programmatic Trends

- Safety Net cases remain above recession levels
- Recent increases in caseload

Safety Net Cases, January 2008-  
June 2016



# 2017 Budgetary Goals



Maintain Current Levels of  
Service

Sustain the Investment in Facilities  
and Infrastructure

Maintain fiscal strength and  
resiliency

# Address Evolving Priorities

- Adaptation to Climate Change
- Compliance
- Alternatives to Incarceration/Re-Entry
- Recruitment and Retention

# Major Budget Drivers

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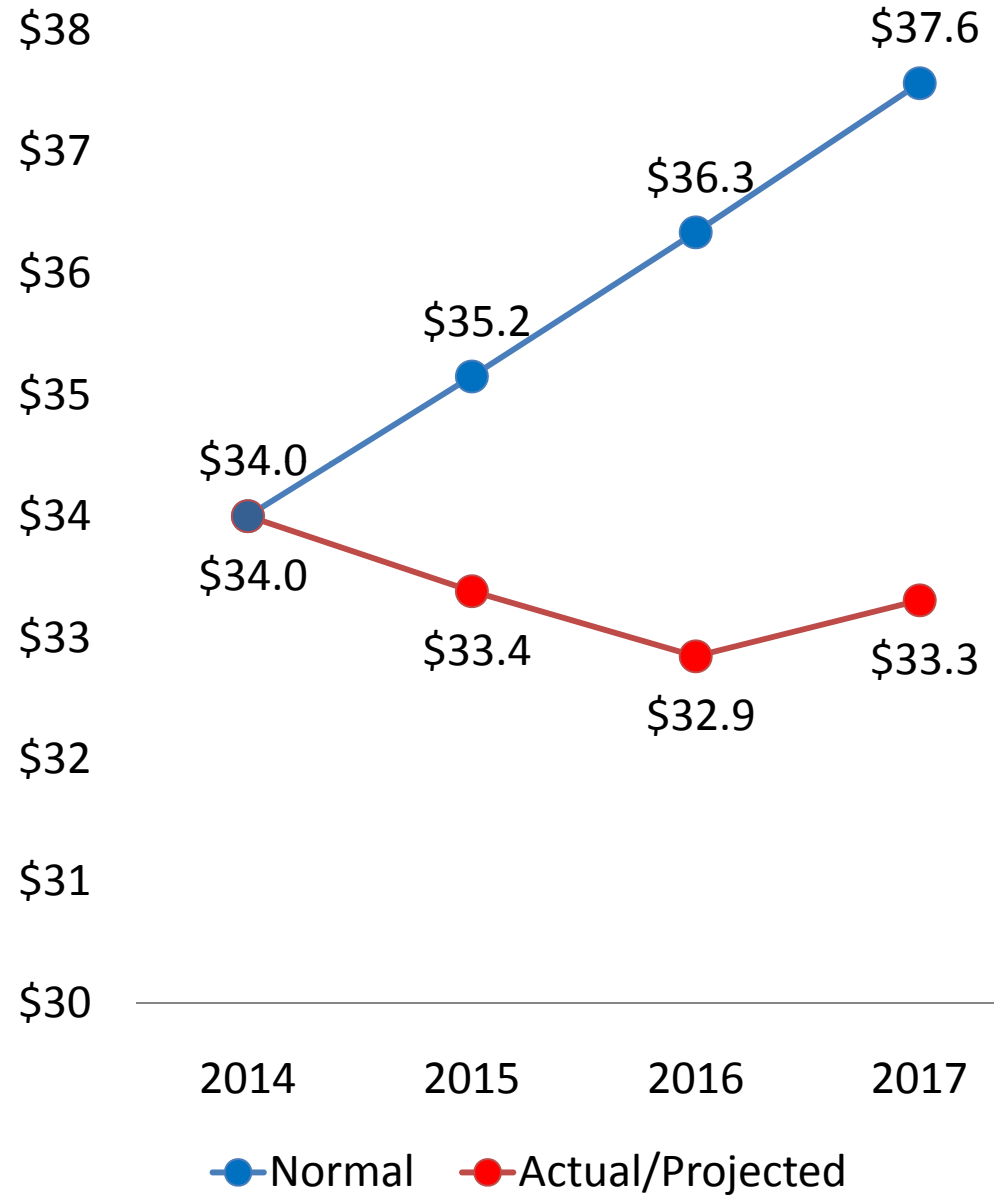
- Sales Tax
- Labor Costs
- Mandates
- Capital Investment
- Agency Funding

# Sales Tax

- Declines in 5 of past 6 quarters
- Worst performance in 20 years
- Projecting:
  - Drop of 1.5% in 2016
  - Increase of 1.4% in 2017

# Sales Tax

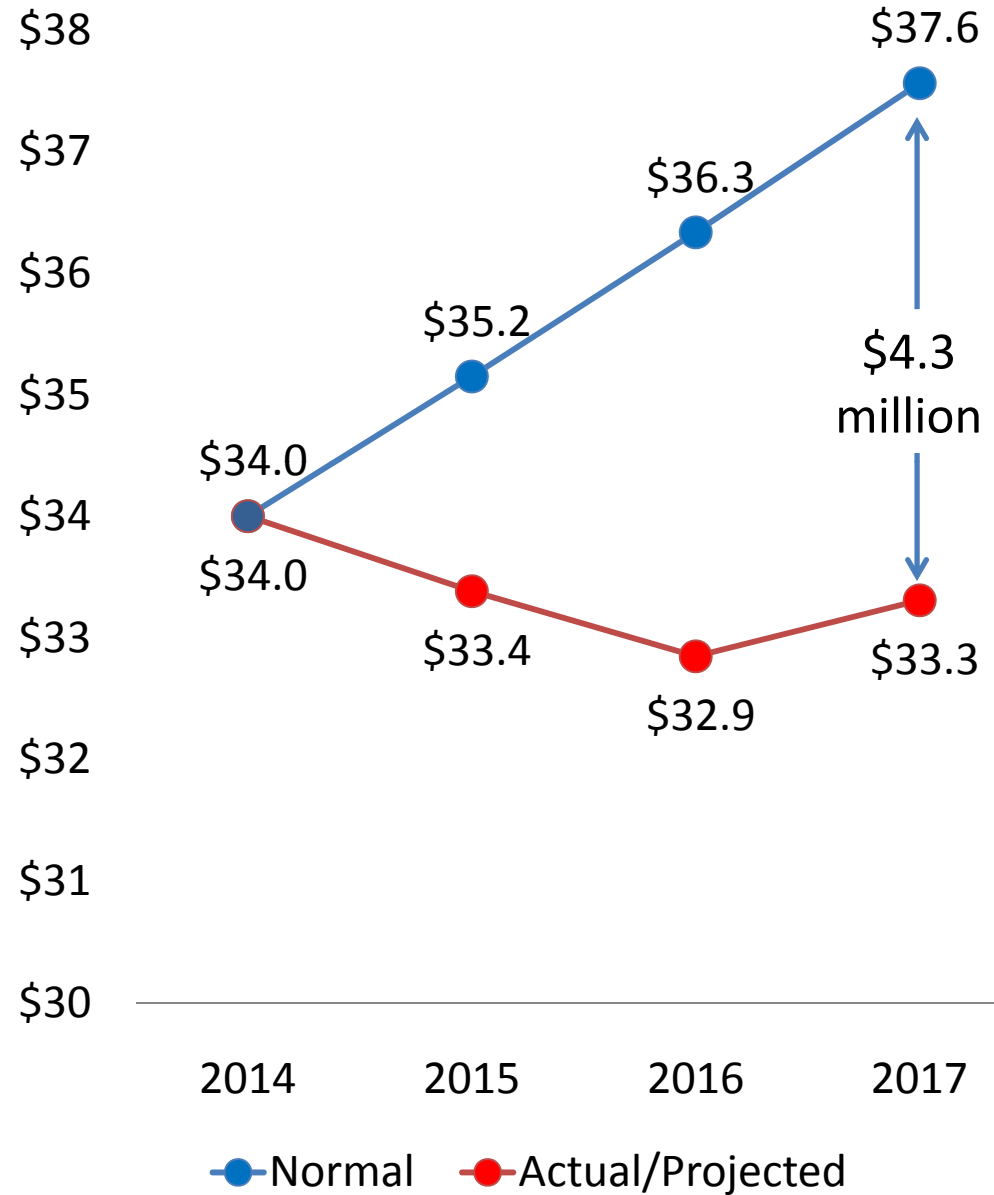
## County Sales Tax Revenue (mil.)





# Sales Tax

County Sales Tax Revenue (mil.)



# Sales Tax

- \$694,000 Budget-to-Budget decline in sales tax adds 1.5% to property tax levy

# Labor Costs

## Wage Growth

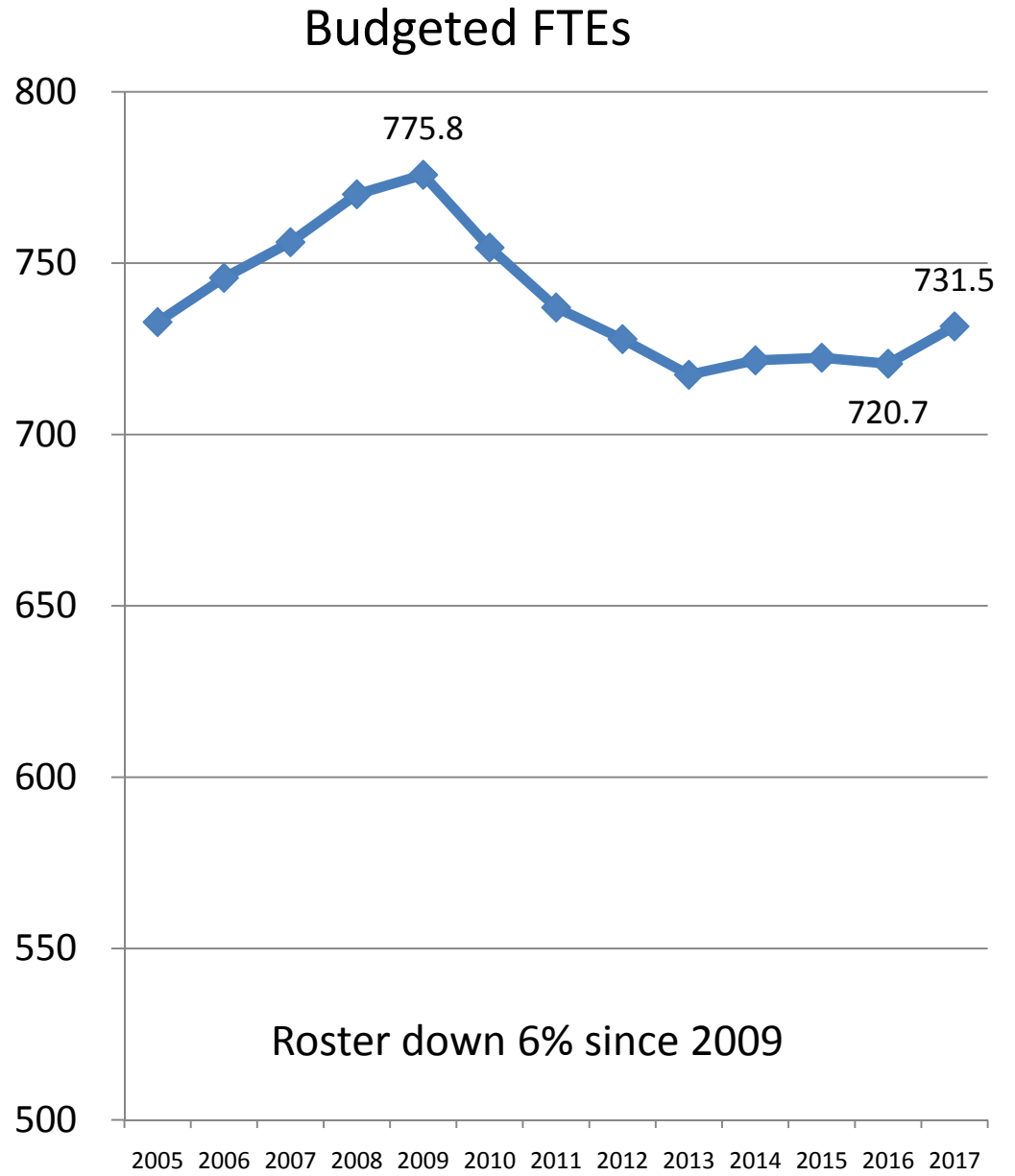
- Most contracts settled through 2017
- All settled contracts at 2.25%

# Labor Costs

## Workforce

- Increase of 10.8 FTEs
- Most created in 2016 and self-funded by grants and earned revenue
- 1.7 new FTEs proposed in Budget

# FTE History



# Labor Costs

## Fringe

- Up slightly
- Health costs down \$209,000
- Pension rate reduced to 15.3%

# Labor Costs

## Overall

- Salary and fringe up 1.3%
- \$831,000 total
- \$613,000 local dollars

# Mandates

- Local costs down \$144,000

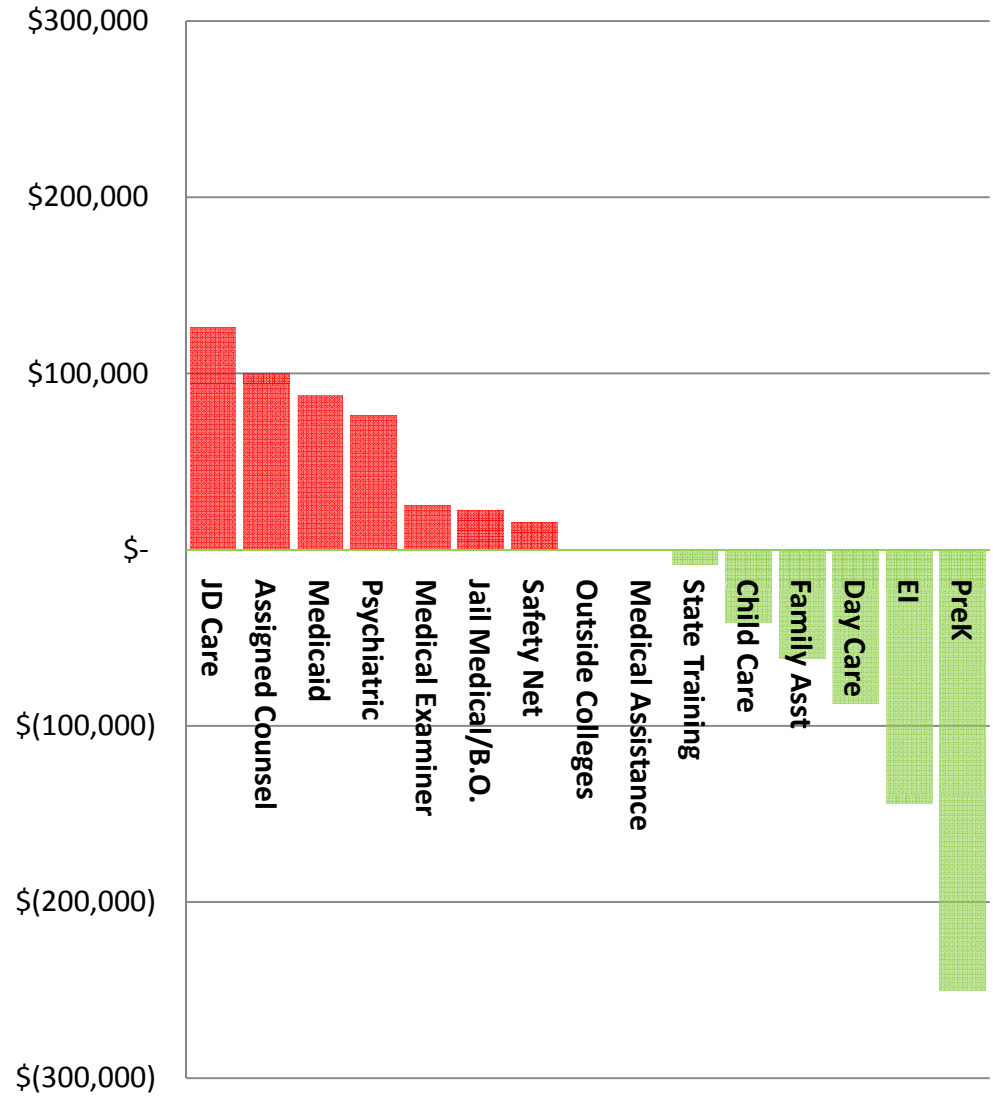


# Mandates

- 2<sup>nd</sup> consecutive decline
  - PreK Special Ed and Early Intervention down by \$394,000
  - DSS flat
  - Assigned Counsel up \$100,000
  - Mental Health Psychiatric up \$76,000

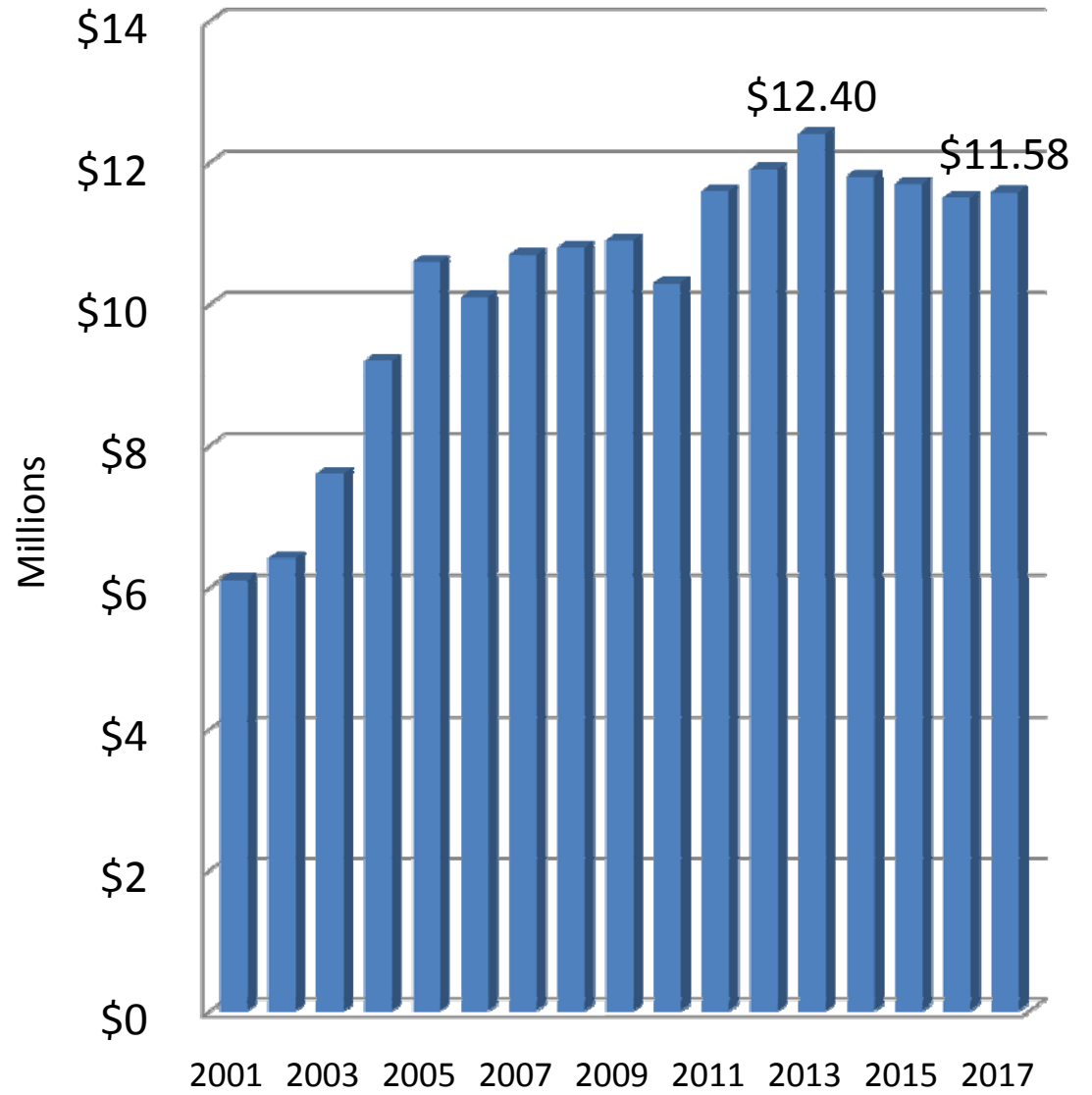
# Mandates

Change in Local Costs of Mandated Programs, 2016-2017



# Mandates

Medicaid Costs, 2001-2016



# Snow Plow Contracts

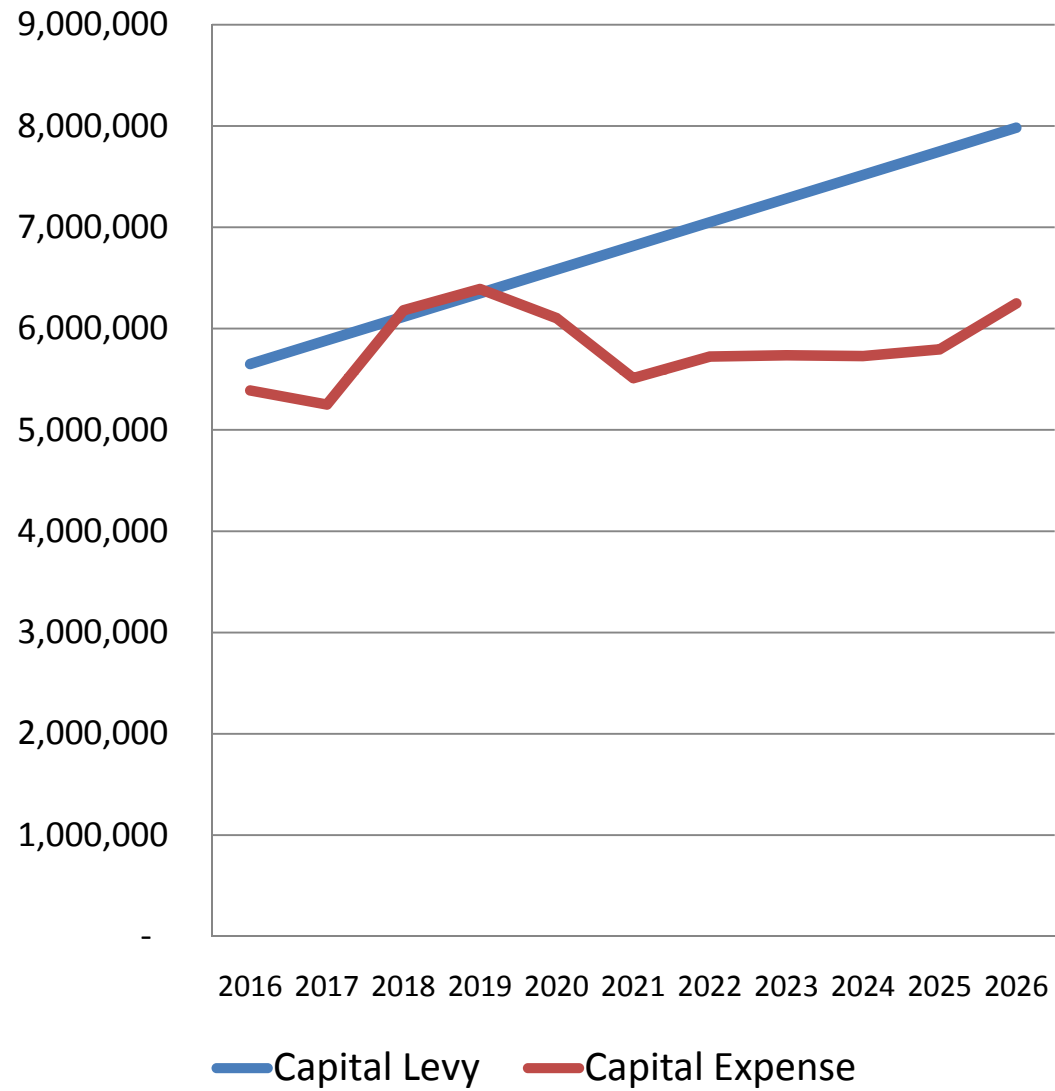
- Light 2015-16 winter = \$250,000 savings in 2017 payments to towns
- Half of savings re-purposed to highway materials
- Mitigates tax impact when normal winter returns

# Capital Reinvestment

- Levy increase of 0.5%, or \$233,318, for capital improvements
- New \$200,000/year *Natural Infrastructure* Program
  - Ongoing program funded with cash rather than debt

# Capital Reinvestment

Projected Capital Expense vs. Available Funding, 2016-26



## Sponsored and Partner Agencies

- TC3 flat
- \$50,000 Onetime for TCAT (same as 2016)
- \$125,000 shift from property tax to room tax support for TCAD

\*Sponsored Agencies: Cornell Cooperative Extension, TCPL, Rural Libraries, Soil & Water, The History Center, Human Services Coalition and Agencies, TCAction, SPCA, Recreation Partnership

## Sponsored and Partner Agencies

- 2% (\$117,200) target increase to agencies
- \$194,000 in Onetime OTRs

\*Sponsored Agencies: Cornell Cooperative Extension, TCPL, Rural Libraries, Soil & Water, The History Center, Human Services Coalition and Agencies, TCAction, SPCA, Recreation Partnership



# Contingency

- Up by \$230,000
- Mitigates risks of:
  - Sales tax
  - Jail board-outs
  - Assigned Counsel eligibility

# Enterprise Funds

# Airport

- Year 3 of 3-year plan to forego County administrative charges to airport
- \$126,000 in savings to airport

## Solid Waste

- Adapts to lower prices for recycled commodities
- Annual Fee remains at \$55

Major Over Target Requests  
Funded in Recommended Budget

## Major Funded OTRs (Target)

- \$78,000 to Personnel to increase recruitment capacity and employee engagement

## Major Funded OTRs (Target)

- \$49,000 to hire a half-time Inspector in Weights and Measures

## Major Funded OTRs (Target)

- \$125,000 to re-purpose a portion of town plowing savings for road work



## Major Funded OTRs (Onetime)

- \$408,000 in major highway equipment
- (From Highway Fund Balance)

## Major Funded OTRs (Onetime)

- \$172,000 for conventional equipment in Sheriff's Office
  - Jail appliances
  - Desks in Civil Unit
  - Bullet Proof Vests
  - In-car computers and radar

## Major Funded OTRs (Onetime)

- \$102,000 in Assessment technology
- \$50,000 for records digitization

## Major Funded OTRs (Onetime)

- \$70,500 for staff development and training
- \$10,000 for employee recognition

## Major Funded OTRs (Onetime)

- \$50,000 in continued support for TCAT (same as 2016)

## Major Funded OTRs (Onetime)

- 1<sup>st</sup> year of 3-year plan for countywide performance measures
- Results Based Accountability
- \$52,890

## Major Funded OTRs (Onetime)

- \$30,000 for public use computers at Library
- \$15,000 for new tables at Borg Warner Room
- \$7,500 for e-content services at rural libraries

# Outcomes



**Goal:  
Maintain  
Services**

**No reduction in service**

Goal:  
Maintain  
Capital  
Investment

- Fully funds projects in Updated CIP
- New natural infrastructure program dealing with effects of climate change

Goal:  
Adapt to  
Evolving  
Priorities

- Sustains ATIs including re-entry
  - Additional DSS commitment to housing assistance, jail evals, and Family Treatment Court

Goal:  
Adapt to  
Evolving  
Priorities

- Incorporates compliance management initiatives begun in 2016

Goal:  
Adapt to  
Evolving  
Priorities

- Funding for diversity recruitment, employee recognition, staff development and training

Goal:  
Adapt to  
Evolving  
Priorities

- Natural infrastructure initiative

Goal:  
Stay within  
3% Levy  
Limit

- Recommended levy up 3%
- Tax Cap projected at 2.22%

Risks



# Risks

- Sales Tax
- Jail Costs
- Assigned Counsel  
Eligibility Thresholds

# Structuring the Budget within Fiscal Parameters

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Financial Summary

# Recommended Levy Growth

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3%

# Recommended Levy Growth

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\$1.4 million

# Over Target Requests

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	<u>Total</u>	<u>Revenue</u>	<u>Reserves</u>	<u>Levy</u>
Requested	\$3.14 mil.	\$0.07 mil.	\$1.50 mil.	\$1.58 mil.

# Over Target Requests

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	<u>Total</u>	<u>Revenue</u>	<u>Reserves</u>	<u>Levy</u>
Requested	\$3.14 mil.	\$0.07 mil.	\$1.50 mil.	\$1.58 mil.
Recom.	\$1.74 mil.	\$0.03 mil.	\$1.38 mil.	\$0.33 mil.

# Over Target Requests

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	<u>Total</u>	<u>Revenue</u>	<u>Reserves</u>	<u>Levy</u>
Requested	\$3.14 mil.	\$0.07 mil.	\$1.50 mil.	\$1.58 mil.
Recom.	<u>\$1.74 mil.</u>	<u>\$0.03 mil.</u>	<u>\$1.38 mil.</u>	<u>\$0.33 mil.</u>
Difference	-\$1.41 mil.	-\$0.03	-\$0.12 mil.	-\$1.25 mil.

# Total Budget

(millions)

2017	\$173.0
2016	<u>\$171.7</u>
\$ Change	\$ 1.4
% Change	0.8%

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2016 Modified Budget. Excludes sales taxes distributed to municipalities



# Local Budget

(millions)

2017	\$84.7
2016	<u>\$84.1</u>
\$ Change	\$ 0.7
% Change	0.9%

# Tax Levy

(millions)

2017	\$48.06
2015	<u>\$46.66</u>
\$ Change	\$ 1.40
% Change	3.00%

**Tax Rate**  
per \$1,000

2017	\$6.63
2016	<u>\$6.73</u>
\$ Change	(\$0.10)
% Change	(1.5%)

## Average Tax Bill

(\$175,000 median in 2017,  
\$170,000 in 2016)

2017	\$1,160
2016	<u>\$1,143</u>
\$ Change	\$ 16
% Change	1.4%

# The 2017 Recommended Budget

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[www.tompkinscountyny.gov](http://www.tompkinscountyny.gov)