The 2017 Recommended Budget

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
  - 3rd 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
The Economy

• Inflation at 0.8%
The Economy

- Consumer confidence strong (but wavering)
The Economy

- Stock market at record high
The Anomaly

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

Programmatic Indicators of Need
Programmatic Trends

- SNAP (food stamp) caseloads declining
Programmatic Trends

- Family Assistance cases continue to decline
Programmatic Trends

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

- 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.)

2014 2015 2016 2017

$34.0 $35.2 $36.3 $37.6

$33.3 $32.9 $33.4 $34.0

Normal  Actual/Projected
County Sales Tax Revenue (mil.)

Sales Tax

2014 2015 2016 2017

$30 $31 $32 $33 $34 $35 $36 $37 $38

$34.0 $34.0 $35.2 $36.3 $37.6

$33.4 $32.9 $33.3

$4.3 million

- Normal
- Actual/Projected
Sales Tax

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

• Most contracts settled through 2017

Wage Growth

• 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

Budgeted FTEs

Roster down 6% since 2009
<table>
<thead>
<tr>
<th>Labor Costs</th>
<th>Fringe</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Up slightly</td>
</tr>
<tr>
<td></td>
<td>• Health costs down $209,000</td>
</tr>
<tr>
<td></td>
<td>• Pension rate reduced to 15.3%</td>
</tr>
</tbody>
</table>
Labor Costs
Overall

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

• Local costs down $144,000
<table>
<thead>
<tr>
<th>Mandates</th>
<th>2\textsuperscript{nd} consecutive decline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>– PreK Special Ed and Early Intervention down by $394,000</td>
</tr>
<tr>
<td></td>
<td>– DSS flat</td>
</tr>
<tr>
<td></td>
<td>– Assigned Counsel up $100,000</td>
</tr>
<tr>
<td></td>
<td>– Mental Health Psychiatric up $76,000</td>
</tr>
</tbody>
</table>
Mandates

Change in Local Costs of Mandated Programs, 2016-2017

- Assigned Counsel
- Medicaid
- Psychiatric
- Medical Examiner
- Jail Medical/B.O.
- Safety Net
- Outside Colleges
- Medical Assistance
- Child Care
- State Training
- Family Assist
- Day Care
- EI
- PreK
Medicaid Costs, 2001-2016

Mandates

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$10.00</td>
</tr>
<tr>
<td>2003</td>
<td>$12.00</td>
</tr>
<tr>
<td>2005</td>
<td>$11.58</td>
</tr>
<tr>
<td>2007</td>
<td>$12.40</td>
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<tr>
<td>2009</td>
<td>$12.40</td>
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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
Projected Capital Expense vs. Available Funding, 2016-26

Capital Reinvestment

- Capital Levy
- Capital Expense
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
• 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)

- 1st 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

Financial Summary
Recommended Levy Growth

3%
Recommended Levy Growth

$1.4 million
# Over Target Requests

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<th>Revenue</th>
<th>Reserves</th>
<th>Levy</th>
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## Over Target Requests

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<tr>
<td>Difference</td>
<td>-$1.41 mil.</td>
<td>-$0.03</td>
<td>-$0.12 mil.</td>
<td>-$1.25 mil.</td>
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<tr>
<td>Total Budget (millions)</td>
<td>2017</td>
<td>$173.0</td>
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<td>------------------------</td>
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</tr>
<tr>
<td></td>
<td>2016</td>
<td>$171.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Change</td>
<td>$1.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Change</td>
<td>0.8%</td>
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</table>

2016 Modified Budget. Excludes sales taxes distributed to municipalities.
<table>
<thead>
<tr>
<th>Year</th>
<th>Budget (millions)</th>
<th>Change $</th>
<th>% Change</th>
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<tbody>
<tr>
<td>2016</td>
<td>$84.1</td>
<td></td>
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<tr>
<td>2017</td>
<td>$84.7</td>
<td>$0.7</td>
<td>0.9%</td>
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<tr>
<td>Year</td>
<td>Tax Levy (millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>---------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$48.06</td>
<td></td>
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<tr>
<td>2015</td>
<td>$46.66</td>
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</table>

$ Change: $1.40

% Change: 3.00%
<table>
<thead>
<tr>
<th>Tax Rate per $1,000</th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>$ Change</td>
<td>($0.10)</td>
<td>$6.73</td>
</tr>
<tr>
<td>% Change</td>
<td>(1.5%)</td>
<td></td>
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</table>
### Average Tax Bill

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,160</td>
<td>$16</td>
</tr>
<tr>
<td>2016</td>
<td>$1,143</td>
<td></td>
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% Change: 1.4%
The 2017 Recommended Budget

Tompkins County, New York

www.tompkinscountyny.gov