



# 2012 Executive Budget

“Government Must Change”

Presentation by Ulster County Executive Mike Hein  
October 5, 2011

# Budget Environment



- All New York State counties are facing unprecedented challenges.
- Employee pension costs are \$16.8 million – up almost 3,700% since 2001.
- Employee healthcare costs are \$25 million and completely unsustainable.

# Budget Conditions

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- State aid continues to be reduced.
  
- The local impact of the Federal “debt ceiling” deal is unknown.
  
- Mandates make up 70% of the Ulster County budget.
  - DSS expenses are up \$6.3 million.
  - The County share for this heavily mandated department is now \$49.3 million.

# 30% Non-Mandated Areas



- Sheriff's Road Patrol
- Mental Health Department
- SUNY Ulster (UCCC)
- Golden Hill Health Care Center
- Department of Public Works

# The Challenge

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**Government  
Must Change!**

# Hurricane Irene



# Hurricane Irene



# Hurricane Irene





# Hurricane Irene



# Hurricane Irene



# Hurricane Irene



## With These Challenges

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**It's no longer an issue of  
what we would like to do or  
want to do, it's now about  
what we must do.**

# The Bottom Line



Government  
Must Change!

# For Ulster County to thrive

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- People of courage must step forward.
- Difficult decisions must be made.
- We must rekindle our spirit of change.

# The Plan

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- Transforms County government.
- Makes County government more sustainable.
- Acknowledges that there is less money to do more work with.

# Tax Cap

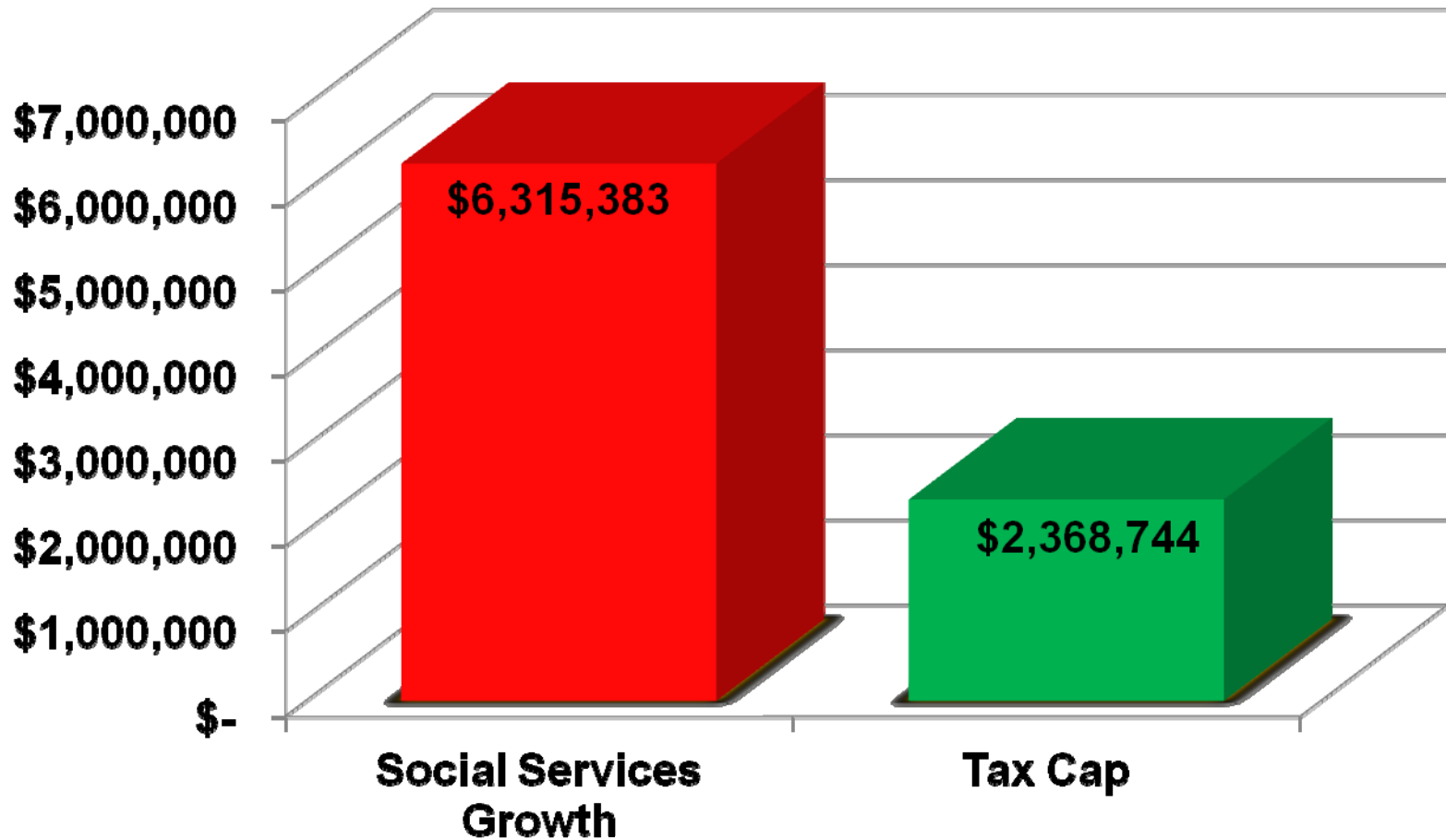
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- The tax cap is not going away. It will not expire until 2016.
- The Ulster County property tax cap for 2012 is \$79,313,704 an increase of \$2,368,744 or 3.08%.



# Tax Cap



# Tax Cap Override

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- An override of the cap requires:
  - The passage of a local law;
  - Public hearings; and
  - A 60% super-majority vote of the County Legislature.
  
- Any attempt to override the tax cap will be

**VETOED.**

# Property Tax Levy



<b>2011 Property Tax Levy</b>	<b>\$ 76,944,960</b>
<b>2012 Proposed Tax Levy Increase</b>	<b><u>+ \$ 1,915,429</u></b>
<b>2012 Proposed Tax Levy</b>	<b>\$ 78,860,389</b>

**Increase to Property Tax Levy**

**2.49%**

# Property Tax Levy



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<b>2012 Proposed Tax Levy Increase</b>	<b><u>+ \$ 1,915,429</u></b>
<b>2012 Proposed Tax Levy</b>	<b>\$ 78,860,389</b>

- How do we stay within the tax cap?
- How do we make sure essential services continue?

# Property Tax Levy



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<b>2012 Proposed Tax Levy</b>	<b>\$ 78,860,389</b>

# Government Must Change!

# Accomplishments

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## ➤ My administration has:

- Consolidated County departments;
- Expanded shared services;
- Maintained our strong bond rating;
- Reduced the size of County government;
- Lowered the payroll by millions; and
- Delivered more services today than ever before.

# 2012 Budget Gap

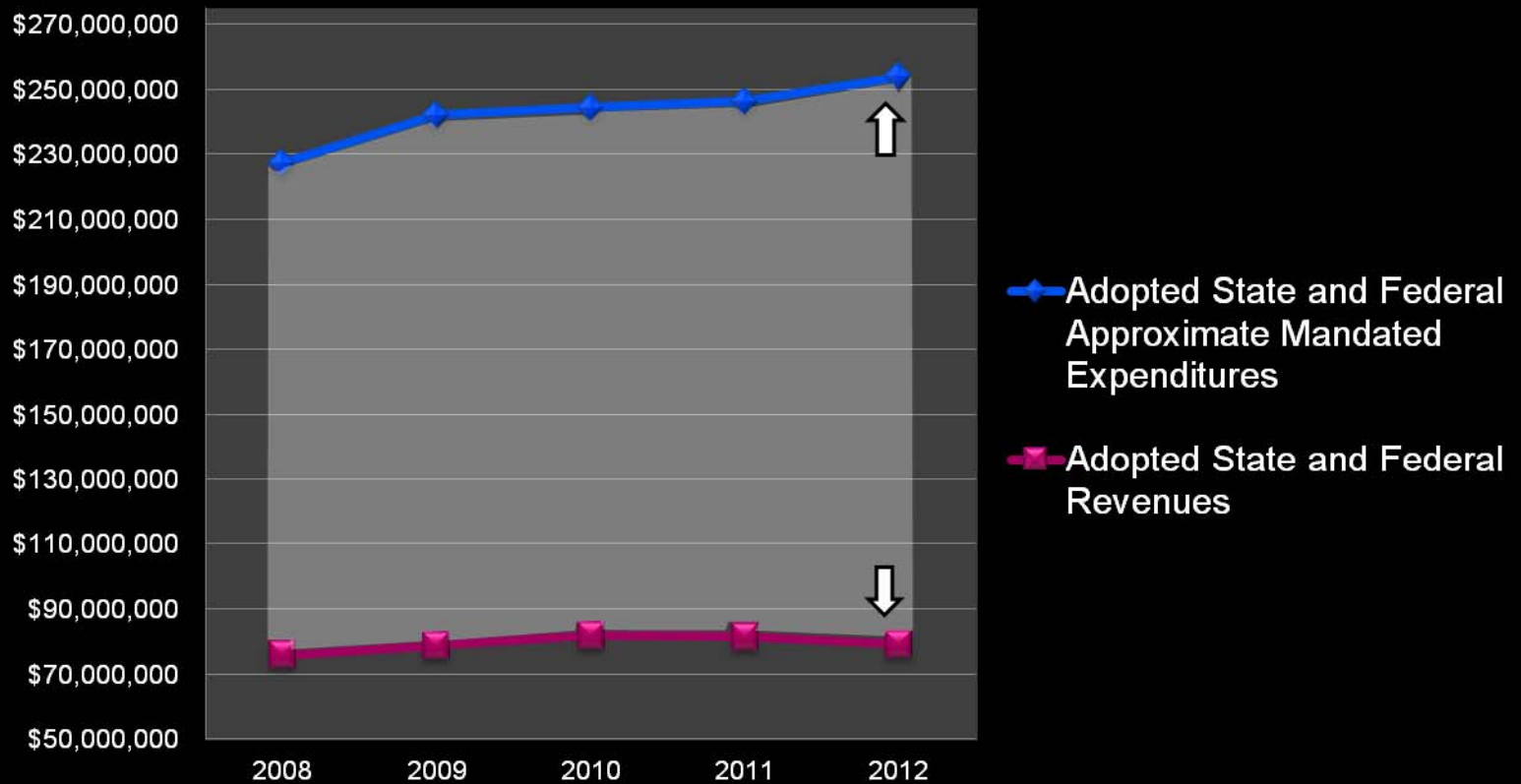


2012 Expenditure Request	\$ 363,934,492
2012 Revenue Request	<u>- \$ 264,583,476</u>
2012 Net County Share	\$ 99,351,016
2012 Net County Share	\$ 99,351,016
2011 Tax Levy	<u>- \$ 76,944,960</u>
	\$ 22,406,056
Allowance for Uncollectable Tax	<u>+ \$ 750,000</u>
2012 Budget Gap	\$ 23,156,056

# Mandates vs Aid



## State & Federal Mandates Vs. State & Federal Revenue





# Policy and Operations



- Policy and operations intersect during the budget process.
- Each and every policy must be paid for.

# Keeping Ulster County Safe

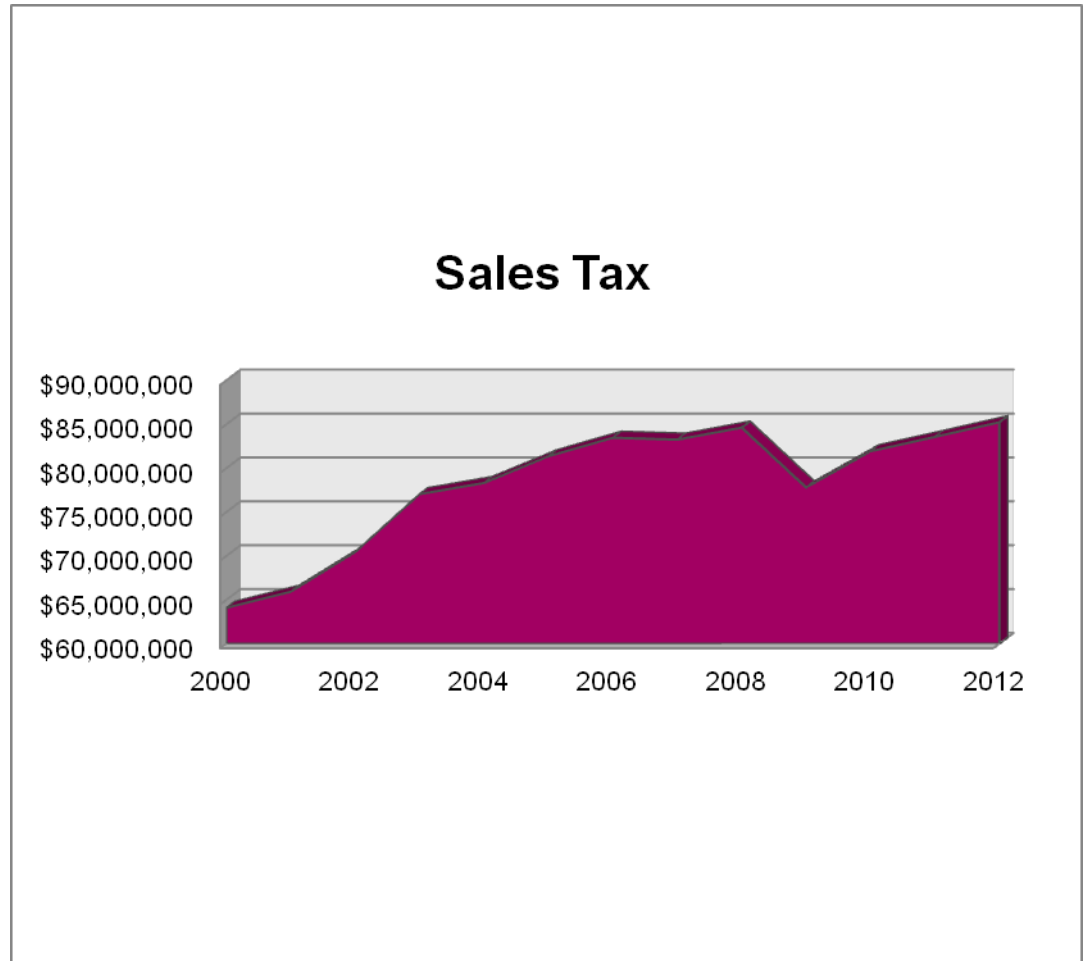


- The 2012 Executive Budget includes funding for an additional criminal prosecutor.
- The position will be specifically dedicated to battling drug and gang crimes in the City of Kingston.
- There are no Sheriff Deputy layoffs included in the 2012 Executive Budget.

# Sales Tax



- Sales tax trends are indicating marginal growth.
- 2012 sales tax is projected to be \$85.2 million, an increase of 2.0% from 2011.



# Fund Balance

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- 2012 is a unique year of significant need.
- To protect property taxpayers, \$10.85 million has been appropriated from the \$22.99 million 2011 general fund balance.

# Shared Services

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- The State Attorney General's Office will handle all consumer complaints from Ulster County.
- This model is used by other counties in New York State.
- This action will eliminate the department expenditure of \$162,000 annually.

# Mental Health

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- The 2012 Executive Budget continues to realign our Public Health and Mental Health operations.
- Finances in the field of mental health are changing.
- Medicaid rates for county-operated mental health clinics are being reduced while rates for private providers are being increased.

# Mental Health



- The current mental health model is unsustainable.
- Without mandate relief Ulster County will be forced to make deep cuts to non-mandated County services.
- The Executive Budget removes \$1.12 million in total payroll expense by:
  - Eliminating 11 vacant positions; and
  - Ending Chemical Dependency Services.

# Certified Home Health Agency (CHHA)



- The Legislature approved the sale of the County's CHHA to end direct service delivery by Ulster County in this area.
- The sale price is \$1.4 million **plus** at least \$700,000 in annual savings.
- Continued access to high quality care.





Government  
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# Golden Hill



“My administration is fighting to keep Golden Hill open.”

# The Question

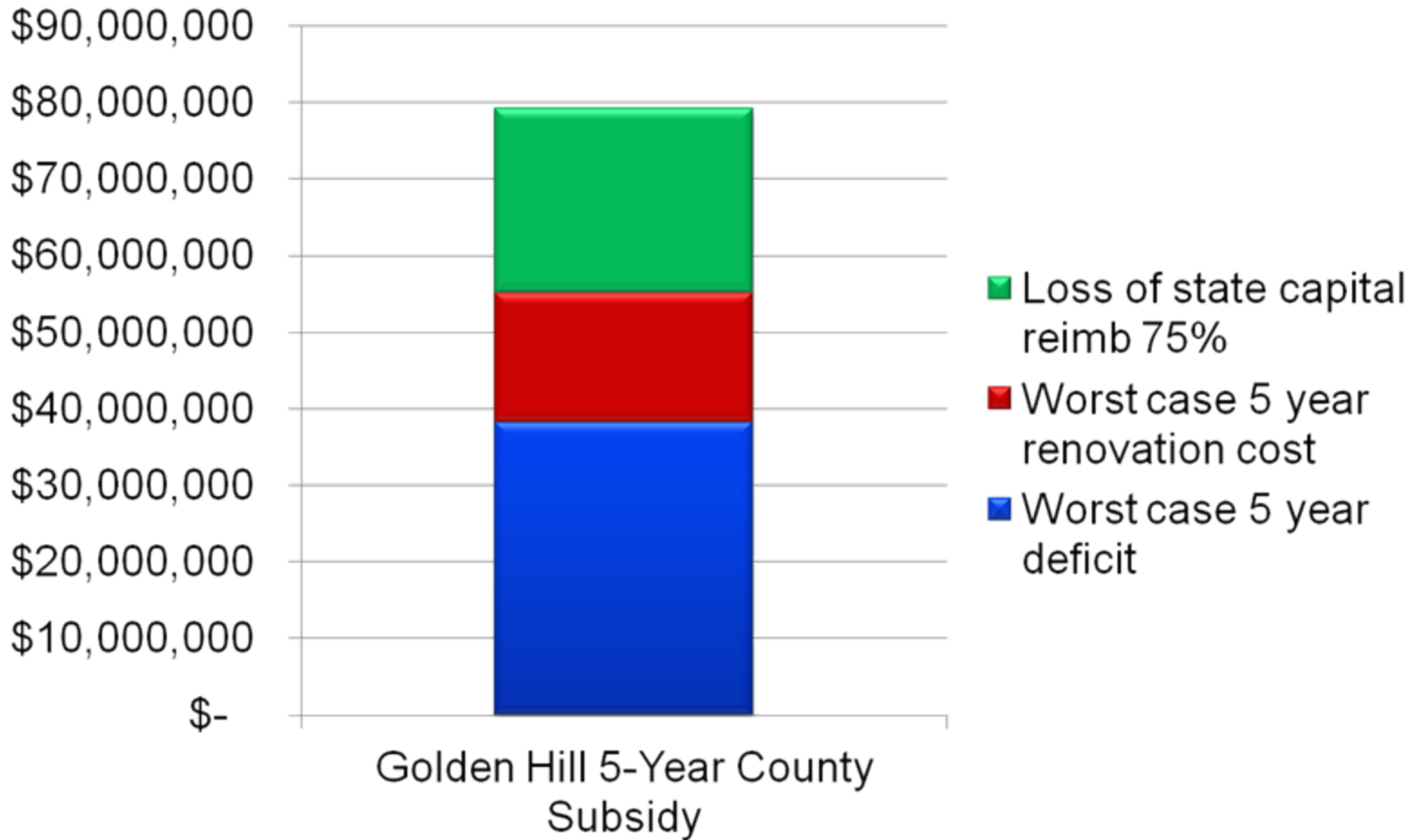
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Does County government need to own and operate a nursing home for seniors to get high quality care...

...or are there other options?

# 5 Year Projection



# Statewide Trends



## Closures and Sales

- Oswego County
- Fulton County
- Washington County
- Greene County
- Suffolk County
- Dutchess County
- Orange County
- Delaware County
- Montgomery County
- Niagara County

**\*This is only a partial list of closures and sales.**

# Suffolk County Crisis

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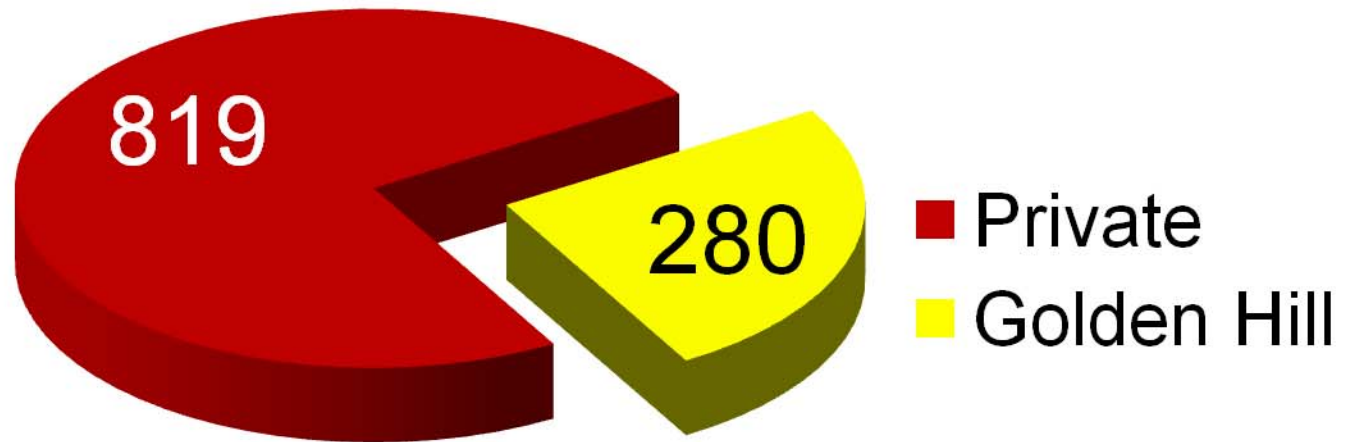


- Taxpayers did not have to lose revenue.
- Workers did not have to lose jobs.
- Residents and families did not have to be negatively impacted.

# Ulster County Beds



## Skilled Nursing Beds in Ulster County



**There are 1099 Skilled Nursing Home Beds in Ulster County.**

# Golden Hill Myth #1



- ❑ **Myth:** If the County nursing home is sold, the current residents will be displaced.
- ✓ **Fact:** No resident will be displaced as a result of the sale.



## Golden Hill Myth #2

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❑ **Myth:** Any sale would result in the employees being out of work and the local unemployment rate skyrocketing.

✓ **Fact:** The new owner will be in need of a skilled workforce.

## Golden Hill Myth #3



- ❑ **Myth:** People on Medicaid won't be able to get into a non-government run facility.
- ✓ **Fact:** There are more combined Medicaid residents at the private nursing homes in Ulster County than at Golden Hill.

# Golden Hill Myth #4

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❑ **Myth:** Residents would somehow receive lower quality care at a non-government run facility.

✓ **Fact:** Public and private nursing homes must meet the same high standards.

# State and Federal Evaluations



## WWW.MEDICARE.GOV

## WWW.NURSINGHOMES. NYHEALTH.GOV

The screenshot shows the Medicare.gov website in a Windows Internet Explorer browser. The page title is "Medicare.gov - Nursing Home Compare". The main navigation bar includes "Home", "Manage Your Health", "Medicare Basics", "Resource Locator", and "Help & Support". Below this is the "Nursing Home Compare" section, which includes a search bar and a "Search" button. The page content is divided into two columns. The left column, titled "Find and Compare Nursing Homes", provides a welcome message and four steps for finding and comparing nursing homes. The right column, titled "Learn More", lists various resources such as "File a Complaint with your State", "Your Rights as a Nursing Home Resident", and "Find the nursing home that's right for you".

The screenshot shows the New York State Nursing Home Profile website in a Windows Internet Explorer browser. The page title is "New York State Nursing Home Profile". The main navigation bar includes "New York State", "State Agencies", and "Department of Health". Below this is the "New York State Nursing Home Profile" section, which includes a search bar and a "Search" button. The page content is divided into two columns. The left column, titled "Search by Region or County:", features a map of New York State with a dropdown menu set to "Capital District" and a "go" button. The right column, titled "Name Search", includes a search bar and a "go" button. Below this is the "Alphabetical Search" section, which lists the letters A through Z. The page also includes a "About This Site" section with links to "Site Help" and "About Nursing Homes Quality".

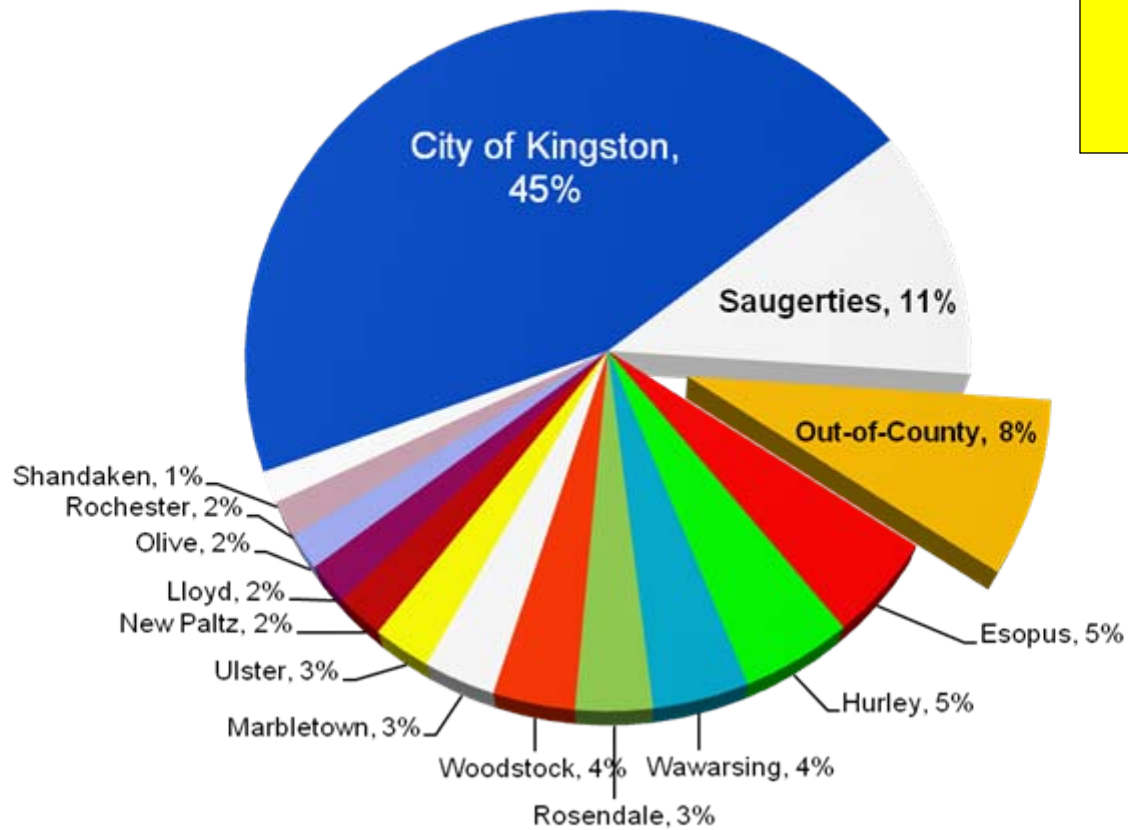
# Potential Alternatives

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- Option #1: Partnering with other municipalities and charging a per-resident user fee.

# Occupancy by Municipality



## Towns with No Bed Utilization:

- 1-Gardiner
- 2-Kingston
- 3-Denning
- 4-Hardenburgh
- 5-Marlborough
- 6-Plattekill
- 7-Shawangunk

# Potential Alternatives

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- Option #2: Request CSEA givebacks to offset taxpayer costs.

# Givebacks



Give Back Area	Amount
Salary Concessions (1 pay day per Month for all CSEA)	\$2.4 million
Increase Co-pay and Employee Contributions (All Employees)	\$1.6 million
Giveback Floating Holidays (CSEA)	\$640 thousand
Giveback Sick Time Buy Back (CSEA)	\$350 thousand
Giveback Shift Differential Pay (CSEA)	\$274 thousand
Giveback Stipend Pay (CSEA)	\$16 thousand
Giveback Uniform Pay (CSEA)	\$291 thousand
Giveback Meal Allowance (CSEA)	<u>\$33 thousand</u>
<b>Total:</b>	<b>\$5.6 Million</b>



# Potential Alternatives



➤ Option #2. Request of SEA givebacks to offset taxpayer costs.



# Potential Alternatives



- Option 1: Continue to operate the facility and approve and fund a massive capital project.



# Potential Alternatives



- ~~Option #4: significantly raise property taxes.~~

# Best Way to Save Golden Hill



- Phase 1:
  - Create a Local Development Corporation (LDC).
  - LDC bonding.
  - Lease back to the County for operations.
    - No change to operations.
    - Golden Hill will be fully funded in 2012.

**Golden Hill's future is contingent upon the LDC option.**

# Best Way to Save Golden Hill



- Phase 2:
  - Identify a New York State approved buyer.
  - Sale of the facility.
  - Upon completion of the sale, the LDC will be dissolved.

# The Solution

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- The plan will :
  - **Keep Golden Hill open;**
  - **Keep jobs in our community;**
  - **Guarantee access to quality care regardless of ability to pay;**
  - **Eliminate the need for a taxpayer funded \$60-\$90 million capital project;**
  - **Eliminate millions of dollars in annual subsidies;**
  - **Provide the City of Kingston additional property tax revenue;**
  - **Create construction jobs; and**
  - **Protect taxpayers by creating a sustainable financial future.**

# A Time for Action

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## ➤ **Legislative Action Required:**

- ✓ Vote to transfer the facility to the LDC.
- ✓ Vote to complete a lease-back agreement.

## ➤ **Consequences of Inaction:**

- Significant property tax increase.
- Continued operating losses and infrastructure failure.
- The Ulster County Legislature could force the **Closure of Golden Hill.**

# Legislative Options

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1. Vote for an enormous tax increase without solving the systemic problems at Golden Hill.
2. Do nothing---resulting in a huge loss of revenue, the closure of Golden Hill, and the devastation of funding for police protection and our community college.
3. Support the plan that saves Golden Hill, protects residents and keeps jobs in our community.



# 30% Non-Mandated Areas



- ~~➤ Sheriff Road Patrol~~
- ~~➤ SUNY Ulster~~
- Department of Public Works
- Mental Health Department
- Golden Hill



# 30% Non-Mandated Areas



- Sheriff Road Patrol
- SUNY Ulster
- Department of Public Works
- Mental Health Department
- Golden Hill



# In This Budget



- Strengthen our fight against drugs and gangs;
- Expand shared services;
- Assure chemical dependency services are available;
- Further streamline our DPW; and
- Provide a compassionate alternative that makes sure Golden Hill stays open.

# In This Budget

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- The nursing home will remain open;
- Services will be delivered;
- Taxpayers will be protected; and
- Jobs will be saved.



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Available online at

[WWW.ULSTERCOUNTYNY.GOV](http://WWW.ULSTERCOUNTYNY.GOV)