

**COUNTY OF ULSTER,
NEW YORK**

**Analysis and Review
of the
Proposed 2010 Budget**



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

November 4, 2009

The Honorable David B. Donaldson,
Chairman of the Legislature
The Honorable Alan Lomita
Chairman Ways and Means Committee
Ulster County Legislature
County of Ulster
244 Fair Street
Kingston, New York 12401

Dear Chairman Donaldson and Chairman Lomita:

In accordance with the Ulster County Charter, the Executive presents his budget for next year to the Legislature for consideration. In his recommendation, the Executive has conveyed his policies, both mandated and discretionary, through the budget document. The Legislature is afforded the opportunity to embrace the Executive's policies by adopting the budget as presented, or by molding its own through budget modification.

The proposed spending plan for fiscal year 2010 is \$349.2 million, an increase of \$3.2 million (less than a 1% increase) as compared to the adopted budget for 2009. The budget as proposed contains an increase in property taxes \$2.5 million or 3.49% increase and a significant decrease in sales taxes \$5.6 million, a reduction of 6.5% as compared to the adopted budget for FY2009. Of course, since the County shares a portion of sales taxes with its Towns and Villages an adjustment reducing \$948,000 in sales tax distribution has also been incorporated as a result of projected lowered estimates in County collections.

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The 2009 budget funded 1940 benefitted and 211 non-benefitted positions while the 2010 budget funds 1,866 benefitted positions and 157 non-benefitted positions. The proposed budget eliminates 48 vacant positions, 22 positions that opted for the early retirement incentive and 30 occupied positions.

The proposed budget provides increased appropriations for the Department of Social Services \$5.5 million and \$8.2 million in Employee Benefits (State Retirement \$4.3 million and Hospital and Medical \$3.1 million).

In order to offset these increases, a variety of reductions are proposed as follows:

• Finance & Staff	\$ 829,921
• General Services	2,325,143
• Special Items (Sales tax distribution \$948,000 and contingency \$792,000)	1,792,478
• Public Safety	431,001
• Health	839,576
• Transportation	1,759,045
• Culture & Recreation and Home & Community Services	598,305
• County Road Fund	282,006
• Road Machinery Fund	223,271
• Debt Service	1,183,631

Exhibits 1(a) and 1(b) provide changes in appropriations and estimated revenues.

The proposed budget continues to rely upon the appropriation of fund balance (surplus accumulated from prior budget years) to help to provide resources to balance the proposed spending plan. A comparison of the 2010 and 2009 years is as follows:

	<u>FY2010</u>	<u>FY2009</u>
General Fund	\$ 5,806,357	\$ 1,884,252
Enterprise - Golden Hill	3,409,404	2,992,835
County Road Fund	820,000	800,000
Road Machinery Fund	369,044	400,000
Debt Service Fund	<u>1,975,000</u>	<u>900,000</u>
	<u>\$ 12,379,805</u>	<u>\$ 6,977,087</u>

As provided in the comparison of the proposed budget to the adopted budget, there is more reliance upon the use of fund balance, \$5,402,718 to help finance the proposed spending plan.

As the appropriating and policy determining body, the Legislature is obligated to review and analyze the Executive's proposed spending plan and the methods of financing. It has been our charge from the Legislature to evaluate the budget with the understanding that the County's financial stability is of paramount importance. Our focus is financial in nature and does not encompass policy issues, which are the purview of the Legislature. Revenues are identified by source and include such major categories as sales tax, departmental revenue, and Federal and State support. Departmental revenues budgeted for fiscal year 2010 are compared to fiscal year 2009 estimates and significant variances are reviewed. Most Federal and State revenues are evaluated as part of our overall departmental reviews. Those, which are categorical in nature, are reviewed for reasonableness. Expenditures of significant departments and or programs within departments are also reviewed. Since personnel costs represent a major portion of expenditures, they are evaluated on an aggregate basis. Fringe benefits are similarly reviewed on a countywide basis.

Our review is not restricted to areas which may result in tax savings. We are cognizant of the Legislature's concern to maintain financial integrity and promote stability. For this reason, we not only review areas of potential savings, but also those areas, which may prove insufficient to provide adequate resources in light of current projections.

We look forward to meeting with the Legislature to discuss our findings.

Very truly yours,

O'Connor Davies Munns & Dobbins, LLP

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TABLE OF CONTENTS

REVENUES:

	<u>Page</u>
Sales Tax Revenues	4
Earnings on Investment	5
Interest and Penalties on Real Property Taxes	5
Hotel/Motel Occupancy Tax	6
Off-Track Betting	6
Gain on Sale of Tax Acquired Property	7
Property Tax Overlay	7
County Clerk Fees	8
Public Safety Administration - Emergency "911"	9
Tobacco Revenues	10
Jail – Inmate Board - Ins	10
Golden Hill Health Care Center	11

EXPENDITURES:

Personal Services	14
Overtime	15
Labor Contracts	16
Jail -	
Food Costs	17
Certiorari	18
Retirement Costs	18
Health Insurance:	
Health Benefits	19
Medicare Reimbursements	20
Dental Benefits	20
Vision Benefits	21
Social Security Benefits	21

TABLE OF CONTENTS

EXPENDITURES (*Continued*):

Department of Social Services:	
Revenues	22
Medical Assistance:	
Medicaid Management Information System	23
Medical Assistance	25
Family Assistance	25
Childcare Division:	
Child Care Program	26
Handicapped Children Program	26
Early Intervention Program	27
Handicapped Preschool Program	28
Juvenile Delinquents	29
State Training Schools	29
Safety Net	30
Services to Recipients	30
Debt Service	31
Department of Public Works:	
Buildings and Grounds:	
Electricity/Gas	32
Real Property Leases	33
Heating Fuel	34
Highways and Bridges -	
Salt and Chloride	34
CONTINGENCY	36
CONCLUSION AND RECOMMENDATIONS	38
SUMMARY OF FINDINGS	40

TABLE OF CONTENTS

EXHIBITS

I	Budget Summary for 2009	41
Ia	Budget Increases (Decreases) With Gross Budget and County Taxation by Department	42
Ib	Budget Increases (Decreases) With Gross Budget and County Taxation by Function	48
II	Schedule of Adopted Property Tax Levies	62
III	Schedule of Taxable Assessments	63

REVENUES

REVENUES

Sales Tax Revenues

Sales tax revenues comprise the largest single component of the revenue segment of the budget. We project the County's share of sales tax revenue for 2009 to be \$77 million, which is approximately \$8.1 million less than the 2009 adopted budget of \$85.1 million and \$700,000 less than the County's projection of \$77.7 million. As of October 19, 2009, the date of the latest sales tax payment, collections from New York State were down an average of 8.84% from 2008. The first, second and third quarters of 2009 experienced a 7.83%, 12.1% and 6.59% decline in collections, respectively, from 2008 to 2009.

The County anticipates \$79.5 million from sales tax revenues in the 2010 budget. In deriving this estimate, the County projected a growth rate of 2.3% above its 2009 projection of \$77.7 million.

In deriving our estimate for next year, we used a range; the low end of the range holds our 2009 projection flat and the high end of the range increases our 2009 projection by 2%. The range of our projection for 2010 is \$77 million to \$78.5 million, which is \$2.5 million to \$1 million, respectively, less than the proposed budget. Utilizing the same methodology, every 1% increase in the growth for 2010 will result in an additional \$770,000 in additional revenue. In summary, we believe it is prudent to use an amount within the range of the projection of \$77 million to \$78.5 million for 2010, and recommend a decrease within a range of \$1 million to the proposed budget estimate.

Included in the 2009 adopted budget and 2010 proposed budget is a "gross-up" of sales tax to be shared with the local governments within the County. This revenue that is to be shared with the various municipalities is offset by an expenditure included in the budget. Based on our 2009 revenue projection of \$77 million, we have projected the expenditure for the portion due to the various municipalities to be \$13.05 million, which

is \$1,375,000 less than the adopted budget of \$14.4 million. Based on our 2010 revenue projection of \$77 million, we estimate the portion due to the local governments to be \$13 million, which is \$400,000 less than the proposed budget of \$13.4 million. However, no change to this line item is proposed since any positive variances in expenditures will be directly offset by deficits in revenues.

Earnings on Investments

The County, for the 2008 fiscal year, generated approximately \$824,000 in General Fund earnings on investments. As a result of the continuing decrease in interest rates for the 2009 fiscal year, we believe the investment program of the County should generate approximately \$330,000 in interest earnings by year-end, which is \$585,000 less than the 2009 adopted budget of \$915,000.

County management has indicated that the interest rates earned on deposits in 2009 average 3/4% on cash and certificate of deposit accounts. We applied this estimated rate of return to the projected cash balance available for investment during the 2010 budget year.

Our projections assume the average monthly balance available for investment will remain at approximately the same amount as in 2009, with an average interest rate of 3/4%. Based upon these two assumptions, we project interest earnings to be \$300,000 for next year, which approximates the amount contained in the County's 2010 proposed budget.

Interest and Penalties on Real Property Taxes

The 2010 budget includes an estimate of \$3.7 million for interest and penalties on real property taxes, as compared to \$3 million for the current year. Based on the collections through September 30, 2009, we anticipate that the County will collect \$4.2 million in

2009, which is approximately \$1.2 million more than the amount contained in the 2009 adopted budget.

In deriving our 2010 estimate, we held our 2009 projection of \$4.2 million at the same amount due to the economy and the slow tax collections. Based on this method, we believe that 2010 estimated collections of \$4.2 million will exceed the proposed estimate of \$3.7 million by \$500,000. We therefore recommend an increase of \$500,000 to the 2010 budget.

Hotel/Motel Occupancy Tax

The 2010 budget includes an estimate of \$950,000 for hotel taxes, as compared to \$1 million for the current year. The County anticipates that the 2009 collections will fall short of the 2009 budget by approximately \$50,000. We have reviewed the County's projection and agree with the methodology used.

In deriving our estimate for the 2010 year, we utilized our 2009 projection and anticipated no growth. Based on this methodology we estimate the County's collections will approximate the 2010 budget of \$950,000. Therefore we recommend no changes to the 2010 proposed budget for hotel/motel occupancy tax.

Off-Track Betting

The 2010 budget includes a \$350,000 estimate for off-track betting ("OTB") revenues, which is \$50,000 lower than the amount budgeted in 2009. Revenues realized for 2008 were \$467,000, which were \$82,000 less than 2007. As of September 30, 2009, receipts totaled approximately \$203,500, approximately \$50,000, or 20% lower than the same period in 2008. Our projection through the remainder of 2009 provides for an estimate of \$300,000, which is \$100,000 less than the 2009 adopted budget. It is difficult to project OTB revenues, as receipts are often erratic from the various OTB regions. However, trends have reflected a downward amount in visitors to OTB. This

may be attributable to video terminals and increased internet usage. Based on our 2009 projection and 2008 actual revenues, we will concur with the 2010 proposed budget.

Gain on Sale of Tax Acquired Property

The 2010 budget includes a \$500,000 estimate for Gain on Sale of Tax Acquired Properties, which is \$100,000 more than the amount budgeted in 2009. Revenues realized for 2008 were \$496,000, which were \$86,000 more than in 2007. Moreover, revenues earned in the current year through September 30th are \$500,000, or \$100,000 greater than the 2009 adopted budget. As indicated by historical figures, substantially all revenues are earned by September 30th, as most acquired properties are sold at an auction held annually in April. Therefore, we do not project any significant additional revenues related to these sales to be earned through the year-end. Based upon the amount earned in the past several years, we concur with the 2010 budget estimate.

Property Tax Overlay

Governmental accounting principles provide that real property taxes may be accounted for as revenue if they are collected within the current fiscal period or within sixty days subsequent to the end of the fiscal period. All property taxes not collected within this time frame cannot be reflected in the financial statements as revenue. The estimated tax overlay in the 2009 and 2010 budget is \$125,000. County management has indicated that this estimated overlay represents an estimate of taxes that will never be collected rather than amounts that will not be collected within the sixty day availability period used for financial statement purposes. Management has also indicated that it has been the County's policy to fund all taxes not collected within the sixty day availability period from fund balance. The 2008 shortfall was \$2 million. Based on current economic conditions being experienced throughout the region, it is feasible to assume that collections in 2009 and 2010 will be similar. We therefore project a shortfall of \$2 million for each of the years 2009 and 2010 in real property tax

collections. No provisions for this shortfall in collection is provided for in either budget year. While we project revenue surpluses from the gain on sale of tax acquired property and interest and penalties on taxes in 2009 (which can be used to partially offset the projected shortfall of the tax overlay in 2009), the 2010 recommended budget has increased the revenue estimates for these categories, which will make it less likely to have a significant surplus to offset any tax overlay shortfall. We, therefore, recommend that the County include a greater tax overlay in the 2010 budget. This is of particular importance since the current practice of relying upon fund balance accumulated from prior years will serve to deplete the amount of undesignated fund balance (surplus) rather quickly in this economic downturn. We, therefore, suggest that the County budget a tax overlay of \$500,000 and increase this amount annually until a proper level is reached.

County Clerk Fees

The County Clerk collects a variety of fees for services rendered to the general public. These fees are related to mortgage recording and processing, deeds, passport applications, business certificates, notary public commissions and motor vehicle fees. County clerk fees are divided in the budget between the recording division and the motor vehicle division.

The 2009 adopted budget for the County Clerk fees in the recording division are \$2.3 million which is \$800,000, or 43% greater than the 2008 budget. This large increase was caused by an increase in the fee structure in November 2008. Our projected 2009 revenues of \$2.15 million are based on nine months of collections which were then annualized, resulting in an amount that is \$150,000 less than the adopted budget of \$2.3 million. Our 2010 projection is based on the 2009 projection with no growth which is \$150,000 less than the 2010 proposed budget of \$2.3 million. We therefore recommend a \$150,000 decrease to the proposed County Clerk fees for the recording division.

The 2009 adopted budget for the County Clerk fees in the motor vehicle division are \$750,000. The 2010 budget of \$900,000 proposes an increase of 20% compared to the current year budget. This proposed budget increase is based on New York States estimated 2010 collections for the County which takes into account the Department of Motor Vehicles one time license plate re-issuing fee which is effective April 2010 for originals and for renewals expiring May 2010 or later. Our 2009 projections are based on the average percent collected as of nine months which approximates the 2009 adopted budget of \$750,000. Our 2010 projection is based on the 2009 projection of \$750,000 with the New York State estimated increased collections for 2010, which approximates the 2010 proposed budget of \$900,000. We therefore concur with the Counties proposed County Clerk fees in the motor vehicle division.

Public Safety Administration - Emergency "911"

The County's records reflect that surcharges of \$.35 and \$.30 per month, per phone line and cellular phone line, respectively, have been charged in 2009. These are both the legal maximum surcharges. Effective January 1, 2010, County law allows for a \$.35 surcharge for VOIP phone lines. This will not affect County revenues significantly, since the County's largest provider has already been remitting these charges.

The 2010 budget includes an estimate of \$684,000 for services provided in the "911" area, which is consistent with the 2009 budget. Based on nine months of collections, we project total revenues to be approximately \$764,000 during 2009, which approximates the adopted budget. Actual projected revenues through December 31, 2009 also approximate actual revenues collected in 2008, which were \$684,000. The 2010 budget of \$684,000 is virtually the same as the 2009 budget, which was \$690,400. This estimate is based on the fact that the County expects revenues from this source to remain relatively consistent from this point forward. Although there may be increases in cell phone lines and VOIP lines, there could be a drop in land line usage. Additionally, surcharges are not expected to increase during 2010. The only factors that could affect these revenues are increases in population or economic

growth. Based on our analysis, we believe the proposed budget is attainable, and recommend no changes.

Tobacco Revenues

In 2001 the County sold its rights to tobacco revenue that it would have received, under the terms of the Master Settlement Agreement (“MSA”), to the Ulster County Tobacco Securitization Corporation (“UTASC”). In exchange for the sale of its future rights under the MSA, the County received proceeds from the bonds issued by UTASC. In addition, the County was to receive, annually, any excess revenues received by the UTASC, after the payment of the debt on the UTASC bonds and administrative expenses (“residual payments”). In 2005, the County participated in the New York Counties Tobacco Trust V (“NYCTT V”) and received the proceeds from the bonds issued. As a result, the County sold all of its future rights, title and interest in the Tobacco Settlement Revenues (“TSR”) under the MSA. Under the terms of NYCTT V, the County is no longer entitled to receive any residual payments as it had prior to participating in the NYCTT V. Any residual amounts, after the payment of various expenses, debt service or required reserves, are to be transferred to the UTASC Residual Trust.

Jail – Inmate Board-Ins

They County receives funds from surrounding Counties and the U.S. Marshalls for housing inmates in its facility. In 2009 and 2010 Ulster has been receiving \$102 a day from the U.S. Marshalls and \$85 a day for surrounding Counties board-in revenues.

The County’s monthly average board-in population for 2009 is approximately 67 inmates; the U.S. Marshalls average 11 inmates and surrounding Counties average 56 inmates. Based on our calculation of average board-in inmates at their daily rates we project approximately \$2.1 million in revenues, or \$300,000 more than the 2009 adopted budget of \$1.8 million. The 2010 proposed budget of \$1.55 million is 15%

less than the 2009 budget based on the County's assumption of reduced board-in revenues from Dutchess County. Our 2010 projection of \$1.8 million is based on the 2009 projection of approximately \$2.1 million with a rate of decrease of 15% which is consistent with the County's assumptions. We therefore recommend an increase of \$250,000 to the proposed budget.

Golden Hill Health Care Center

The Golden Hill Health Care Center ("the facility") is an enterprise fund and is therefore operated separately from the operating funds of the County. The facility is a 280 bed nursing home providing rehabilitation and skilled nursing care services to residents. The operating revenues of the facility consist of Medicare, Medicaid and private pay reimbursements. Non-operating revenues consist of cash contributions from Ulster County, when necessary, as well as Intergovernmental transfers ("IGT").

Operating Revenues

For the 2008 fiscal year the operating revenues consisted of Medicare, Medicaid and private pay reimbursements in the amounts of \$2.7 million, \$16.1 million and \$3.9 million, respectively. The 2009 budget provides for \$2.1 million in Medicare reimbursements, \$14.2 million in Medicaid reimbursements and \$4.7 million in self pay reimbursements. We have examined year to date revenues for these three categories and projected them through the end of the year based on current census data and average rates provided by the facilities management. Based on our projections, these three categories will yield \$21.5 million for 2009, or approximately \$500,000 more than the adopted budget. Our projections assume that the current census data for 2009 will continue for the remainder of the year and rates will not change through the remainder of the year.

The 2010 proposed budget contains estimated revenues of \$3 million for Medicare, \$13.6 million for Medicaid and \$5.4 million for self pay reimbursements. These three

categories combined represent an increase of \$1.2 million, or 6% greater than the 2009 budget. The 2010 proposed budget assumes annual bed usage of approximately 97,900 (patient days), or 96% of the available beds with a client mix of 72% Medicaid, 11% Medicare and 17% self pay. Our projection of the bed usage for 2009 is 98,800 (patient days), or 97% usage of the total beds. The current mix is 69% Medicaid, 10% Medicare and 21% private pay.

The 2010 rate for Medicaid, the largest component of the operating revenues, is based on certain assumptions predicated by New York State that are outside of the control of the County. The assumptions that the County has used in estimating the Medicaid rate consisted predominately of using New York Association of Homes & Services for the Aging (“NYAHS”) Medicaid rate estimator for the period April 1, 2009 through March 31, 2010 and assuming the continuation of that rate through the end of 2010. The assumption that the rates for the period of April 1, 2009 through March 31, 2010 will continue for the remainder of 2010 is uncertain at this time. Current legislation requires that the April 1, 2010 rates to be based upon regional averages that have yet to be estimated by New York State. There is also uncertainty about this legislation passing into law for the State fiscal year starting April 1, 2010. In summary, given the uncertainty of the Medicaid rates for the 2010 year, we recommend no changes to the operating revenues in the 2010 proposed budget.

Intergovernmental Transfer (“IGT”) Revenues

The IGT program provides funding to the facility in exchange for payments from the Medicaid Management Information Systems (“MMIS”) expenditure code within the Department of Social Services (“DSS”). The facility budgets the IGT expenditure within DSS as well as a transfer in from the facility. The result is no net effect to the DSS budget. The facility in turn budgets a transfer to DSS for the amount of the expenditures and revenue for the total amount to be received from the federal government.

In 2009 the facility budgeted \$5.9 million for IGT revenues and \$2.9 million for expenditures. For 2010, the budget for expenditures is \$2.23 million and revenues are \$4.46 million. We have reviewed the County's submission to NYS Department of Health regarding the application of IGT funds and propose no changes to the amounts budgeted.

Net Assets

Based on the audited financial statements of the Facility as of December 31, 2008, total net assets of the Facility are \$6.68 million inclusive of invested in capital assets, net of related debt of \$4.5 million. The net assets include an accrual for IGT revenues in the amount of \$4.7 million. Based upon our inquiry, the Administration has advised us that the estimated unrestricted net assets at December 31, 2009 in the Golden Hill Nursing Home is overstated by \$2.24 million. This fact results in the Enterprise Fund having a deficit of \$1.2 million in Unrestricted Net Assets after \$3.4 million is appropriated for 2010.

We also noted that the Facility has not included in its financial statements a liability for Other Post Employment Benefit Obligations ("OPEB") pursuant to Generally Accepted Accounting Principles ("GAAP"). The amount that should have been accrued as of December 31, 2008 was \$3.8 million. We estimate this accrual to increase by \$2 million per year in 2009 and 2010 for a total estimated liability of \$5.8 million and \$7.8 million, respectively, as of December 31, 2009 and 2010. The proper recording of this liability would increase the current deficit in Unrestricted Net Assets in the Facility's financial statements. However, because this is a liability that the Facility is not required to fund, there is no effect on the 2009 or 2010 budgets for the estimated OPEB accrual.

EXPENDITURES

EXPENDITURES

Personal Services

The primary purpose of government is the delivery of mandated and discretionary services. Many of the services provided are furnished directly by County employees. Personal service costs, inclusive of salaries and overtime, in the year 2009, to fund 1,940 benefitted positions, are budgeted at a cost of \$96.7 million, which is inclusive of \$14.5 million for the Golden Hill Health Care Facility. The 2008 adopted budget totaled \$91.2 million to fund 1,947 benefitted positions, which is inclusive of \$13.7 million for the Golden Hill Health Care Facility. Salary costs, inclusive of overtime approximates 27.83% of the 2010 proposed budget. The inclusion of fringe benefits, which are directly related to personal service expenditures, increases this percentage to approximately 40.91%. The personal service categories provide County management with the greatest opportunity for flexibility. This flexibility results from the timing and control of filling vacant positions. Savings created from the personal service categories generate savings in the employee benefit categories, as well.

The first step in our approach to an analysis of the personal service component is directed at determining additional savings. To accomplish this objective, we analyzed total personal service costs through the latest available payroll register and annualized this amount to project total personal service costs for the year. We compared this amount to the 2009 adopted budget to estimate the gross variance between the projected actual salaries and the adopted budget for salaries for the year. The differences that are ultimately identified result from various events, such as the elimination of previously funded positions and the settlement of the Communications Workers of America ("CWA") contract in 2009. For example, included in the 2010 proposed budget is an Early Retirement Incentive, effective early in 2010. Approximately 22 eligible County employees are electing the early retirement incentive creating a savings for 2010. In addition to the early retirement incentive, the elimination of 48 vacant positions and the elimination of 30 currently occupied positions

will result in an increased savings. However, during our analysis we discovered that 10 vacant positions proposed for elimination were not vacant as of October, 2009. Our analysis indicates that total salaries for the 2009 year will aggregate approximately \$90.9 million, which is inclusive of our projection for the Golden Hill Health Care Facility of \$14.7 million. Our projection for all salaries is approximately \$3.7 million less than the 2009 adopted budget of \$94.7. Included in our projection for 2009 is a shortfall in the adopted budget for Jail regular pay of approximately \$220,000.

The second step in our approach is to compare the 2009 projected actual salaries, plus or minus any adjustments for contract settlements, step increases, positions not funded, etc., to the 2010 proposed budget. The 2010 budget for salaries of \$94.9 million, inclusive of the Golden Hill Health Care Facility of \$15.5 million is an increase of approximately \$4.0 million from the 2009 projected expense of \$90.9 million. However, when we calculate adjustments such as the expected salary savings from the Early Retirement Incentive, other eliminations of funded positions as discussed above and the amount for vacant positions included in the 2010 proposed budget, we arrive at a 2010 projection of \$78.6 million, exclusive of the Golden Hill Health Care Facility of \$15.4 million. This amount is approximately \$900,000 less than the proposed budget of \$79.5.

In addition to our projected savings of \$900,000 resulting from personal services, we anticipate a savings of approximately \$135,000 in related fringe benefit costs. In total, we anticipate a salary and fringe benefit savings of approximately \$1.035 million for 2010.

Overtime

The actual 2009 overtime of \$1.6 million through the latest pay period, annualized for the whole fiscal year results in a total of \$2.1 million. This 2009 projection has been compared with the 2009 adopted budget total of \$2.1 million resulting in no variance.

The 2010 budget provides for overtime of \$2.2 million, a net increase of approximately \$130,000 over the adopted budget for 2009. Based on the County's reduced total employees from the prior year, we anticipate overtime needs in 2010 to approximate \$2.0 million, which is approximately \$170,000 less than the 2010 proposed amount.

Overall, for personal services (salaries and overtime), our projection is \$3.7 million less than the 2009 adopted budget. The 2010 budget provides \$81.7 million for combined personal services (salaries and overtime). Our projection for 2010 for these components of personal services is \$80.5 million or \$1.2 million less than the proposed amount.

Labor Contracts

Effective January 1, 2010 the following labor contracts will be expired:

Sheriff's Association – 12/31/2009

Police Benevolent Association – 8/31/2007

*NYSUT/Ulster County Staff Association – 12/31/2006

Superior Officers' Unit – 8/31/2007

*New Union formed in 2006

It has been the past practice of the County to not budget for retroactive settlements of labor contracts and utilize fund balance to fund settled contracts.

Jail

The average prisoner census for the nine months during the current year has averaged 305 prisoners as compared to 299 for the same period last year. During the current year the monthly average has been ranging from a low of 277 prisoners to a high of 323 prisoners.

A comparison of the prisoner population by month for the current and proceeding year is presented as follows:

Average Monthly Prisoner Population		
	<u>2008</u>	<u>2009</u>
January	280	301
February	282	323
March	278	314
April	268	315
May	276	309
June	315	307
July	323	299
August	327	299
September	338	277
October	338	305 estimated
November	332	305 estimated
December	<u>298</u>	<u>305 estimated</u>
Average	<u>305</u>	<u>305</u>

Food Costs

The proposed 2010 budget includes an appropriation of approximately \$590,000 to provide food for the inmates and correction officers on each respective tour. The jail has contracted with Aramark to provide food services and has two County kitchen employees. The appropriation for food services in 2010 is based on a contracted per meal charge for inmates of \$1.33 and a per meal charge for staff of \$1.75. We based our 2009 projection on a monthly jail population of 305 inmates and a cost per meal for inmates of \$1.36 and a cost per meal for staff of \$1.50. Therefore we project 2009 food expenditures to amount to approximately \$540,000, or \$60,000 less than the 2009 adopted budget of approximately \$600,000. Our 2010 projection of \$540,000 is based on the assumption that the average inmate/officer population will remain constant as compared to the prior years with a per meal charge for inmates of \$1.33 and a per meal charge for staff of \$1.75. Based on our 2010 projected food expenditures of \$540,000 we recommend a \$60,000 decrease to the budget.

Certiorari

The County in recent years has incurred annual expenditures for assessment reductions through certiorari proceedings. During the past four years this cost has ranged from a high of approximately \$480,000 to a low of \$15,000. The current year expenditures through October 31st are approximately \$480,000. The Finance Department has stated that there are no pending certioraris that may materially affect the current 2009 expense. The County does not budget for potential certiorari expenditures, therefore we project that there will be a budgetary short-fall in 2009 of approximately \$480,000. Due to the unpredictability of requests for assessment reductions and their ultimate resolution in the courts, we can not project 2010 expenditures. However, we do suggest that the County include an amount of \$100,000 in the 2010 budget so that funds are available if needed.

Retirement Costs

The County's contribution to the New York State Employees Retirement System is dictated by the rates set by the system. For the New York State sponsored employee pension plan year ended March 31, 2011, which relates to the majority of the County's employees, the rates range from 11.3% to 18.4% of covered salaries. These rates apply to the final nine months of the 2010 year. For the plan year ending March 31, 2010, rates range from 7.0% to 11%, with 68% of salaries at the lower percentage.

Based on the analysis of estimated payroll costs for 2009 and applying a two year average rate, we project 2009 expenditures to be \$7.6 million. This is approximately \$1 million more than the 2009 modified budget of \$6.6 million.

We reviewed the 2010 projected salaries which included a reduction in the workforce by 100 positions as proposed by the County Executive. 48 of these positions are currently vacant while the remaining 52 positions would be eliminated through layoff and retirement incentives. In computing the estimated retirement costs for 2010 based on these assumptions, we project that the retirement costs would approximate \$10.825 million, which includes approximately \$430,000 to fund past service cost installments associated with 89P plan members and savings from 22 county employees accepting the retirement incentive. This amount is \$175,000 less than the proposed 2010 budget amount of \$11 million, and therefore, we recommend a reduction to the proposed budget of this amount.

Health Insurance

Our approach in analyzing appropriations for health benefits in the 2010 budget was to analyze both financial and participant information. Utilizing this information, we projected costs for the current year and 2010 and reviewed assumptions made in preparation of the 2010 budget.

Health Benefits

The County provides health benefits under an Empire Blue Cross Blue Shield POS plan (point of service) and Empire Blue Cross Blue Shield PPO plan (preferred provider organization) for employees as well as several other plans for retirees. The benefits include health insurance for employees of the County, the College and their dependents. In addition, the County provides dental and vision insurance for all employees. However, for purposes of this budget, the County does not account for the College's share of health benefits.

The 2009 budget appropriation for the health insurance plans for active employee enrollment of 1,550 and retiree enrollments of 604 is \$17,873,517. The projected expenditure for the current year is \$18,546,253 which is approximately \$672,000 more

than the budget due to an increase in the health care rates implemented in mid 2009. The 2010 proposed budget includes appropriations for the health insurance plans of \$20,587,941 which is a \$2.7 million, or 15% increase over the 2009 adopted budget. Based upon our analysis of the current year health insurance expenditures and 2010 assumptions, we project the 2010 expenditures to be approximate the amount in the proposed budget and therefore, do not recommend a change.

Medicare Reimbursements

The 2009 budget appropriation for Medicare reimbursements to retirees and their spouses for 425 retirees is \$255,000. The projected expenditure for the current year is \$218,280, which is approximately \$36,000 less than the current year modified budget. The 2010 proposed budget includes appropriations for the Medicare reimbursement to retirees of \$255,000, which is equal to the current year modified budget. We project the 2010 expenditures to approximate \$270,000, which approximates the amount proposed. Therefore, we recommend no change to this budget item.

Dental Benefits

The 2009 budget appropriation for dental benefits is \$691,024. The projected expenditure for the current year is \$858,000 an amount that is approximately \$166,000 greater than the budget appropriation. The 2010 proposed budget includes appropriations for dental benefits of \$1,068,979, an amount approximately \$378,000 more than the 2009 appropriation. Based upon our analysis of the current year dental benefits expenditures and 2010 assumptions, we project the 2010 expenditures to approximate \$1,215,000, which is approximately \$146,000 more than the 2010 proposed budget.

Vision Benefits

The 2009 budget appropriation for vision benefits is \$233,111 which approximates our projection. The 2010 proposed budget includes appropriations for vision benefits of \$238,270, which amount is consistent with the 2009 budget appropriation. Based upon our analysis of the current year vision benefits expenditures and 2010 assumptions, we project the 2010 expenditures to approximate the proposed appropriation.

Social Security Benefits

Social security benefits are comprised of two components; a social security rate of 6.2% and a Medicare rate of 1.45% for a combined rate for 2010 of 7.65%. This is the same rate as in 2009. For 2010, the social security rate of 6.2% will be applied to a maximum of \$106,800 of wages (as opposed to \$102,000 in 2009), while the Medicare rate of 1.45% has no taxable base limitation).

We anticipate that the 2009 expenses for social security and medicare will be \$7.1 million which is approximately \$300,000 more than the adopted budget of \$6.8 million.

The County's total budgeted social security benefit costs for 2010 are \$6.9 million. Based upon the amounts budgeted for personal services in 2010, along with the rates which will be in effect for 2010, we calculate the social security and medicare costs to total \$6.8 million, which is \$110,000 less than the proposed budget of \$6.9 million. Therefore, we recommend a decrease of \$110,000 in this budget line item.

Department of Social Services

The Department of Social Services ("DSS") provides mandated services to those residents who are unable to fully provide for themselves. DSS provides those services under three broad categories:

Medical Assistance
Public Assistance
Children's Services

The 2010 proposed budgeted expenditures of \$109,877,922 for DSS is 31.46% of the total proposed County budgeted expenditures. New York State mandates define the majority of the services provided. Therefore, the County must continue its efforts to screen eligibility and to encourage participants to utilize the most cost effective of the services offered in order to control costs. The State has issued block grants for certain programs, and has also converted certain costs back to the counties in order for the State to meet federal welfare reform thresholds. Currently, it is prudent for the County to conservatively estimate its State and Federal revenues as well as the amount of program expenditures.

The methodology we used to evaluate the proposed 2010 budget consisted of analyzing both financial and participant information. Utilizing this information, we identified trends, projected costs and reviewed the assumptions made in preparation of the budget.

Revenues

Each service category has a distinct reimbursement rate based upon current rules and regulations promulgated by both the Federal and State governments. In addition, the State and Federal Governments have created block grants to fund the operations of certain programs.

The following schedule summarizes total DSS revenues (000's omitted):

Dollars

<u>Type</u>	<u>2008 Actual</u>	<u>2009 Original Budget</u>	<u>2010 Proposed Budget</u>
Federal	\$ 24,762	\$ 25,685	\$ 28,758
State	25,269	23,580	25,715
Other	6,415	9,042	9,683
County Taxation	<u>44,936</u>	<u>46,035</u>	<u>45,723</u>
Total	<u>\$ 101,382</u>	<u>\$ 104,342</u>	<u>\$ 109,878</u>

Percentage

<u>Type</u>	<u>2008 Actual</u>	<u>2009 Original Budget</u>	<u>2010 Proposed Budget</u>
Federal	24.42%	24.62%	26.17%
State	24.92%	22.60%	23.40%
Other	6.33%	8.67%	8.81%
County Taxation	<u>44.32%</u>	<u>44.12%</u>	<u>41.61%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Expenditures:

Medical Assistance

Medical assistance is composed of two categories Medicaid Management Information System ("MMIS") and Medical Assistance. The proposed budgeted expenditures of \$34.5 million represent 31.43% of the total DSS budget.

Medicaid Management Information System

MMIS is the County's share of medical care and services to eligible participants. The costs are billed through New York State's Medicaid Management Information System. The County has no control over these costs and must fund 100% of this program.

Beginning with calendar year 2006, New York State inaugurated a new methodology for charging the local share of Medicaid. Counties will be charged a level weekly amount based on expenses incurred in calendar year 2005. The final calculation of the County's base expenditure for 2005 by New York State totaled \$29,791,186. This cap will be increased by 3.5% in 2006, 3.25% in 2007, and 3% each fiscal year thereafter. Should actual expenditures for any of these years total less than the capped amount, New York State will reimburse the County for the difference.

The payments to New York State for MMIS weekly shares will total approximately \$33.1 million in 2009. In addition to the expenditures included in the cap are expenditures for the County's share of intergovernmental transfers totaling \$2,299,000 for total MMIS expenditures of approximately \$35.4 million.

These costs are being offset by the additional Federal Medical Assistance Percentage ("FMAP") payments to New York State by the Federal government through December 2010, which are allocated to the counties based on their share of Medicaid expenses as of September 2008. The offset in 2009 is estimated to total \$5.5 million, with 20% of the allowable FMAP offsets being withheld by New York State pending reconciliations. These reconciliations had not been issued at the time of our study. The resulting savings to the County is \$5.5 million from the adopted budget.

The MMIS base will be increased by 3.00% in 2010, not compounded. This will result in capped expenditures of \$34.5 million. With estimated intergovernmental transfers of \$2.2 million, total expenditures for MMIS in 2010 are expected to total \$36.7 million. FMAP offsets are scheduled to total \$5.3 million if paid at 100%, or \$4.2 million if New York State continues to withhold 20% of the projected amount. Based on 100% of FMAP the net cost to the County would be \$31.4 million or \$32.5 if 20% is withheld. These projections would result in savings of \$1.3 million or \$200,000 from the proposed budget of \$32.7 million. We believe that the County should take a conservative approach and reduce the budget for MMIS by \$200,000.

It should be noted that in 2011, unless the provision for increased FMAP is extended, the MMIS costs will be at least \$5.1 million higher than our lower projection for 2010.

Medical Assistance

Medical assistance consists of expenditures for third party health insurance policies and medical transportation. We project that expenditures in 2009 will total approximately \$2 million. This is an increase of \$200,000 compared to the 2009 budget. The proposed budget for 2010 anticipates an expenditure level of \$1.8 million. We do not recommend a change in this category since expenditures will be fully funded by third party sources.

Family Assistance

This program provides financial assistance to eligible families with children deprived of parental support due to health, illness or other reasons. Although the number of cases in the non-service areas of family assistance and foster care have dropped sharply over the past ten years due to welfare-to-work efforts and five-year limits for coverage established by the Federal government, the number of cases has begun to level off in the past three years, and began to climb again in 2008. The number of cases in 2009 increased by 9% through August, and expenditures through September 2009 increased by 13% over the same periods in 2008. Included in the 2009 year to date expenditures and revenues is a one time expenditure of \$910,000, which is funded by stimulus money from New York State. This amount represents \$200/child of funds given to the County for back to school costs. Including this one-time expenditure, we have projected 2009 expenditures for this program at \$11.8 million, which is 11.8% higher than 2008, but \$850,000 lower than the adopted budget of \$12.65 million. The net savings to the County is \$440,000, excluding the matching \$910,000 reimbursement from stimulus funding. The 2010 proposed budget of \$12.47 million reflects a 2.65% increase from our projection for 2009, or a 10.96% increase from expenditures excluding the back to school costs. Based on our projection that costs will increase by

approximately 7.5% over expenditures excluding the back to school expenses, the net and gross savings to the County, inclusive of these increases, over the proposed budget would be a savings of \$760,000 and \$190,000, respectively.

Childcare Division

Childcare is a broad category that includes Foster Care, Institutionalized Youth, Adoption Subsidies and Medical maintenance. Also included in this department are: Handicapped Children program (school-age chargebacks from local schools), Pre-Kindergarten handicapped children, Early Intervention, and Medicaid adjustments to claims filed with New York State. We analyzed each division separately.

Child Care Program

Expenditures for child care had been approximately level at between \$4.8 and \$5 million for the years 2003 through 2007. Retroactive rate increases resulted in an increase of 18% in 2008 to \$5.8 million. Expenditures through September 2009, which increased by 1.5% from the same period in 2008, do not include the MSAR rates for 2009 which have not yet been set by the State, but which will have to be paid or accrued at the end of the year. Our projection of \$5.96 million includes a 3% increase retroactive to April 2009. This projection is \$610,000 higher than the amount budgeted for 2009 for a net County cost of \$120,000. The department projects that rates will also increase by 3% in 2010. Based on this assumption, we expect that expenditures for child care in 2010 will total approximately \$6.3 million, a reduction of \$200,000 from the proposed budget, for a net savings to the County of \$40,000.

Handicapped Children Program

This program includes the charges by school districts for the expenses of the committees on special education for handicapped children. Charges from 2005 through 2008 have varied from \$2.7 million to \$3.0 million. Our analysis indicates that

expenditures for 2009 will total approximately \$3.13 million, which is slightly higher than the \$3 million budgeted. Our projections for 2010 indicate that expenditures will total approximately \$3.33 million, and increase of 6% over our projected expenditures for 2009. This is a reduction of \$420,000 from the proposed budget, which produces a net savings of approximately \$170,000.

Early Intervention Program

The Early Intervention Program serves children with developmental disabilities from birth through two years of age and provides remedial services in the child's natural environment, either at home or in a daycare center.

As part of our review of this Department, we looked at the growth trend of active enrollment in this Program. In accordance with directives from New York State, the County has made substantial efforts to reach younger children through contacting physicians who treat disabled children and through local hospitals. As a result, younger and more severely handicapped children are being evaluated for treatment under this program. The average number of children actively enrolled in early intervention through 10 months of 2008 was 641 and the number enrolled to date in 2009 is 655, an increase of approximately 2.2%. Our projection for 2010 provides for no increase in active enrollment.

The major cost of this Program is itinerant services, which includes both the therapists' visits to the child and the monthly visits of the service coordinator. Also included is the cost of evaluations and of transportation for those children who require it. The department indicates that the number of children with autism and other severe handicaps, which had produced expenditure bulges in 2006 and 2008, has decreased as these children reached three years of age. Fewer children with severe handicaps are currently enrolled, and the department does not expect this to change in 2010. Based on our evaluation of enrollments, service levels and therapists' rates, we project

that expenditures for both 2009 and 2010 will total \$3.4 million. We propose no change to the 2010 budget.

Handicapped Preschool Program

The preschool program serves handicapped children ranging in age from three to five years. The State has recommended that children be treated in the least restrictive environment as appropriate, beginning with services provided in the home or in daycare centers, then in integrated programs serving both handicapped and non-handicapped children, and finally in self-contained classrooms serving only handicapped children.

When a child requires transportation to a treatment location, the County must provide the resources. Nearly half the children in the preschool program are served at treatment centers and are transported by bus. In addition to those who receive center-based therapy, approximately half of the children served are treated by itinerant therapists who go to the child's home or daycare center to provide services. An evaluation is required for each child within the program, and progress is monitored by a service coordinator throughout the year.

Through our analysis, we project a 2% increase in the number of children in non-center based programs, the same as in 2009, and no growth in the number of center-based children, unless additional classrooms are created. We are not aware of any new classrooms coming into existence in 2009 or 2010.

As part of our analysis, we examined expenditures relating to the center-based programs, as well as itinerant services, costs of evaluations and one-to-one aides, all of which are included in our projections. Tuition rates charged by center-based programs are difficult to predict because New York State has not approved the final rates on a timely basis. Expenditures year to date have been recorded on the basis of approved rates, which are from several years ago, rather than on provisional rates. We

have estimated that these rates will grow by 3% per year in both 2009 and 2010. The contracts for transportation are expected to extend, with annual renewals, until September 2011, with annual increases based on CPI changes. The CPI for August 2009 was actually negative, resulting in no increase in rates for the 2009-2010 school year. The charges are based on a route structure, which can be controlled somewhat by shifting routes to maximize the number of children per bus. We project that preschool costs, including center-based tuition, itinerant services, evaluations, and transportation, will total \$12.1 million in 2009. This projection is \$600,000 or 5.35% higher than 2008, but \$3 million higher than the \$9.1 million approved in the adopted budget for a net County cost of \$1.2 million. For 2010 we project costs of \$12.8 million, based on estimated enrollment increases of 1.5% and increases in costs of 4%. The proposed budget for 2010 is \$13.25 million. Our projection would result in lower costs of approximately \$460,000 from the proposed budget, and a net savings to the County of approximately \$185,000.

Juvenile Delinquents

This category provides foster home and institutional care for those minors determined by the courts to be juvenile delinquents or persons in need of supervision. Our expenditure projection for 2009 is approximately \$500,000, which is significantly lower than the budgeted amount of \$650,000. This results in a net County savings of \$100,000. The difference can be attributed to intensive case management which has worked to prevent minors from entering the juvenile delinquent program. These counseling activities are an administrative cost. Based on the prior year's decline in institutionalized minors, the proposed budget for 2010 is \$500,000. Our analysis indicates that this request is reasonable.

State Training Schools

Expenditures in this category cover the costs of children adjudicated by courts and remanded to facilities operated by the New York State Division for Youth. The County

has no control over the number of students or which individuals will be enrolled in state training schools. The number of children assigned to state training schools from Ulster County for the four quarters ended March 2009 was 23, 10, 4, and 2, respectively. Expenditures for 2008 and 2007 were \$899,037 and \$299,307, respectively. Current year expenditures are projected to total approximately \$216,000, which is \$134,000 less than budgeted. This cost is 100% funded by the County. Since the number of individuals enrolled each year is impossible to predict, we find the 2010 requested amount of \$350,000 reasonable.

Safety Net

This program is a mandated program whereby eligible participants receive basic living grants. Burials are also expended from this relief category. This program serves Family Assistance participants who have reached the end of their eligibility for that program while still needing aid. The current growth in this program is driven by the amount of unemployment and the increase in eligible participants. Total expenditures increased by 22% in 2008 and are projected to increase by another 22% in 2009 to \$6.3 million. If the number of participants continues to increase at 20%, expenditures in 2010 would total \$7.6 million. The proposed budget is \$7.3 million, or a 15% increase, which is reasonable. The State and Federal governments cover 50% of the basic living grants and the City of Kingston and the towns cover the remaining 50%. The cost of burials is partially paid by New York State, but the remainder is paid by the County. It is estimated that the County's share of these costs will increase from \$380,000 in 2008 to \$900,000 in 2009 and \$1.15 million in 2010. We recommend no change to the 2010 budget.

Services to Recipients

The funding of this category provides for the contracting of services for eligible individuals in the care of the Department as mandated by New York State. Some of the services include daycare, transportation and education. It is projected that

expenditures for 2009 will total approximately \$1,028,000. The Department has budgeted expenditures in 2010 at \$1,200,000, 85% of which will be funded by grants and other sources. We recommend no change to the 2010 budget.

Debt Service

The proposed 2010 operating budget reflects a budgetary provision of \$9.687 million for interest and the redemption of principal on serial bonds. Included in this amount are the principal and interest payments on outstanding serial bonds as of December 31, 2009; amounts due for principal and interest payments on the serial bond issued in 2009; and estimated principal and interest payments on serial bonds to be issued in November 2009. The serial bond issued in May 2009 consisted of an \$11.765 million issue to advance refund the outstanding balance of the 2000 bonds as well as an additional \$6.195 million for various purposes. The 2009 serial bond to be issued has been estimated by the County to be \$3.5 million.

The budget for the 2009 borrowing that has not yet occurred was estimated by the County based on similar debt issued in 2008. We agree with the County's projection and propose no changes to serial bond expenditures.

The County has, in addition to the payments on the serial bond indebtedness, included \$2.1 million in the 2010 proposed budget for principal and interest payments for bond anticipation notes (BANs) of \$13.9 million, of which \$11.645 million is currently outstanding. Our calculation of the interest payments at an expected rate of 2% yields annual interest expenditure of \$278,000, which is less than the 2010 budget by \$47,000. However, due to the uncertainty of the expected interest rate and the total amount of new debt issued, we recommend no changes to the 2010 budget.

The 2009 adopted budget provided for \$400,000 of interest expense on \$11.645 million of BANs currently outstanding. Our calculations yield interest expenditures of approximately \$292,000, or \$108,000 less than the 2009 adopted budget.

The proposed 2010 operating budget reflects a budgetary provision of \$33.7 million for interest and the redemption of principal on serial bonds. Included in this amount are the principal and interest payments on outstanding serial bonds as of December 31, 2008, amounts due for principal and interest payments on the serial bond issued in 2009 and estimated principal and interest payment on serial bonds to be issued in 2010. The serial bond issued in 2009 consisted of a \$24.0 million issue for various purposes. The 2010 serial bond to be issued has been estimated to be \$55.8 million.

The majority of the budgets for 2009 borrowings were provided by Capital Markets Advisor, LLC, the County's financial advisors, and we independently confirmed the interest payments on other issues. We propose no changes to the budget for the serial bonds.

The County has, in addition to the payments on the serial bond indebtedness, included \$2.2 million in the 2010 proposed budget for principal and interest payments for two bond anticipation notes (BANs) of \$21.571 million, currently outstanding, and \$17.2 million proposed for 2009. There was no tax anticipation notes (TANs) budgeted in 2010.

We calculated the interest payments on those notes and propose no changes to the existing budget.

Department of Public Works

Buildings and Grounds

Electricity/Gas

A substantial portion of the budget for Buildings and Grounds is for electricity/gas expenditures. The 2010 recommended budget for Buildings and Grounds includes provisions for electricity/gas in the aggregate amount of \$1,921,500, which is a

decrease of \$263,000 from the 2009 adopted budget. Our projection of 2009 expenditures through year-end is approximately \$1,670,000 which is approximately \$500,000 less than the adopted budget. It should be noted that, due to recent instability in energy markets, energy costs rose sharply during 2008 and then declined precipitously in 2009. This decline was unanticipated and, as a result, the 2009 adopted budget for electricity/gas was higher than necessary as costs ultimately stabilized.

We anticipate 2010 electricity/gas expenditures to approximate \$1.9 million. This estimate was derived based on an expected rate increase of up to 15%, as indicated by Central Hudson—the County's utilities provider. While we do not propose any changes to the 2010 budget for electricity/gas, due to the volatility of utility rates, we have identified this area as a potential for savings. Should rates stabilize in 2010 and remain substantially the same as in 2009, the County will have savings of approximately \$250,000. A rate increase of 8% (as opposed to the budgeted 15% increase), will save the County approximately \$120,000.

Real Property Leases

The 2009 adopted budgets for leases relating to the 16 Lucas Division and the Westbrook Lane Division are \$332,000 and \$101,312 respectively. We project 16 Lucas Division lease expenditures to approximate \$302,000, which is comparable to the budget. This projection is based on the actual lease agreements applicable to 2009, the actual 2009 property tax bill, and the 2008 school tax with an estimated 3% increase (average inflation). The savings previously noted is primarily the result of a reduction in the total price of the lease towards the end of 2009. Our projection for 2009 relating to the Westbrook Lane Division is approximately in agreement with the 2009 adopted budget. Furthermore, our projections relating to these leases for 2010 are in agreement with the proposed amounts.

Heating Fuel

The 2009 adopted budget for heating fuel in the Law Enforcement Division is \$336,000. Actual expenditures for heating fuel as of September 30, 2009 are \$114,368—down 36% compared to expenditures at the same time in 2008 when fuel prices were at their peak. Assuming relative stability in prices for the last quarter, we project that 2009 cumulative expenditures will also be down about 36% compared to 2008. Therefore, since total expenditures at December 31, 2008 were \$294,000, we project final 2009 expenditures to be approximately \$186,000, which is an anticipated savings of \$150,000.

The proposed 2010 budget for heating fuel in the Law Enforcement Division is \$310,000, which is a \$26,000 decrease from the 2009 adopted budget. We noted that the four year high of expenditures was \$294,000 in 2008 when prices were at their five year peak. Therefore, assuming usage remains relatively stable, the 2010 proposed budget anticipates that the County expects fuel prices to be approximately 10% higher on average than they were in 2008. Moreover, the 2010 proposed amount is 66% greater than our projection for total 2009 expenditures. We do not anticipate fuel prices in 2010 to be 66% greater than 2009 rates, nor do we anticipate 2010 prices to be 10% greater than they were in 2008. Using a more conservative estimate of 12% for the anticipated 2010 price increase produces an expenditure projection of \$209,000. This projection projects a savings of approximately \$100,000 from the 2010 proposed budget.

Highways and Bridges

Salt and Chloride

The 2010 proposed budget contains a provision of \$1 million to be used to purchase salt for the purpose of snow removal. Since it is difficult to predict the severity of weather in the upcoming winter, and the 2010 proposed budget is consistent with

historical average usages, we are proposing no adjustments. However, based on historical expenditures through September, it appears that, contingent on the timing of the onset of winter, the County may experience a shortfall relating to salt/chloride expenditures during 2009. Current year to date actual expenditures as of September 30 total \$845,000, which historically indicates that the County will have cumulative expenditures of approximately \$1.2 million—leaving the County with a potential shortfall of \$200,000. For example, an analogous year is 2005, during which \$816,000 had been spent by September 30, with expenditures culminating in \$1,061,000. On average, the County expends roughly 70% of total yearly expenditures related to salt/chloride by September 30; should this trend continue the County will not have enough in the salt/chloride budget for current year expenditures.

CONTINGENCY

CONTINGENCY

The 2009 budget was adopted with contingency funds in the amount of \$2,448,256. At the time of our analysis of the budget, approximately \$630,749 was transferred to various budget lines including contract agencies. The balance of \$1,817,507 remains unexpended.

The General Fund proposed budget for 2010 provides for a contingency appropriation of \$1,656,100. The County anticipates utilizing \$521,100 of these funds to pay for anticipated expenditures related to contract agencies. Expenditures related to contract agencies are at the discretion of the Legislature; as such the County anticipates a reduction in discretionary spending relating to contract agencies. As a result, the portion of the 2010 proposed contingency budget relating to contract agencies is 75% of the 2009 adopted amount. The majority of the balance of the proposed amount, within the General Fund proposed budget, is for a general contingency of \$950,000, which is less than 1.0% of the entire proposed budget. In addition, amounts have been allocated for miscellaneous salary adjustments and the Public Health Commissioner.

It has been the practice of the County not to set aside funds in the budget for retroactive salary adjustments for unsettled labor contracts. The County has relied upon the use of fund balance to fund any retroactive salary adjustment in the year a labor contract is settled. At this time, there are three labor contracts that are unsettled and one contract expires at the end of 2009. One of the unsettled contracts, represents a bargaining unit formed in 2006 with no contract since that time. The remaining two labor contracts expired in August of 2007. The estimated total exposure to the County of the unsettled labor contracts, based on the increase of a recently settled contract, would be approximately \$1 million. During 2009, approximately \$300,000 of fund balance was appropriated to fund the settlement of the Communications Workers of America's contract.

We believe that it is prudent for the County to have funds available for unforeseen needs that may arise throughout the year. The amount for contingency purposes in the 2010 recommended budget represents less than 1% of total appropriations. We recommend no changes to the proposed contingency budget for 2010.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION AND RECOMMENDATIONS

The Executive's proposed budget contains no revenue enhancements and a property tax increase of approximately 3%. The proposed spending plan also contains a number of cost savings initiatives which resulted in less than a 1% increase in spending. These initiatives include the elimination of 48 vacant positions and 30 occupied positions.

The Administration is projecting that the unreserved and undesignated fund balance of the General Fund will be approximately \$13 million at December 31, 2009 as compared to approximately \$23 million at December 31, 2008, a \$10 million dollar decrease.

The spending plan and financing for 2010 is balanced and reasonable, however, the reduction in fund balance together with the uncertainty of the economy which has caused an increase in uncollected taxes and an \$8 million sales tax reduction will create severe financial stress in the preparation of the 2011 budget.

The 2010 budget utilizes \$5.8 million of fund balance from the General Fund and \$3.4 million from the Nursing Home, however, the \$3.4 million from the Nursing Home has been reduced to approximately \$2.3 million thus creating a shortfall of \$1.2 million for the nursing facility for 2010. The use of the entire \$2.3 million will deplete all available prior year surplus funds in the Nursing Home and may serve to place a financial strain on the County's General Fund in 2011. The amount of projected undesignated fund balance (surplus funds) in the General Fund at the end of the 2010 year will be approximately \$13 million. This level of fund balance does not provide the flexibility to appropriate a similar amount of funds to balance future budgets, thereby creating a need for taxation or expenditure reductions.

Our analysis of revenues and expenditures provides for the absorption and coverage of the shortfall of \$1.2 million in funds for the Nursing Home, \$1 million in less sales tax

receipts, \$500,000 for the property tax overlay and other miscellaneous revenue and expenditure reductions. If not for these findings, property taxes may have had to increase further or more expenditure cuts may have resulted.

The County, as does most municipal entities in the County, is perhaps facing the most challenging fiscal environment in many decades. Our firm stands ready to assist both the Legislature and Administration in meeting these goals.

**SUMMARY OF
FINDINGS**

**Ulster County
SUMMARY OF FINDINGS**

	2010		2009	
	Unfavorable Increase in County Share	Favorable Decrease in County Share	Favorable Variance	Unfavorable Variance
Revenues				
Sales and Use Tax	A \$ 1,000,000	\$ -	\$ -	\$ 8,100,000
Interest Earnings	-	-	-	585,000
Interest and Penalties on Property Taxes	-	500,000	1,200,000	-
Hotel/Motel Occupancy Tax	-	-	-	50,000
Off-Track Betting	-	-	-	100,000
Gain on Sale of Tax Acquired Property	-	-	100,000	-
Property Tax Overlay	B 500,000	-	-	2,000,000
County Clerk Fees	150,000	-	-	150,000
Jail - Inmate Board-Ins	-	250,000	300,000	-
Golden Hill Nursing Home	1,200,000	-	500,000	-
Total Revenues	\$ 2,850,000	\$ 750,000	\$ 2,100,000	\$ 10,985,000
Expenditures				
Personal Services:				
Salaries	\$ -	\$ 1,035,000	\$ 3,700,000	\$ -
Overtime	-	170,000	-	-
Jail:				
Food Costs	-	60,000	60,000	-
Certiorari	100,000	-	-	480,000
Employee Benefits:				
Retirement Costs	-	175,000	-	1,000,000
Health Insurance	-	-	-	672,000
Medicare Reimbursements	-	-	36,000	-
Dental	146,000	-	-	166,000
Social Security	-	110,000	-	300,000
Department of Social Services:				
MMIS	-	200,000	5,500,000	-
Family Assistance	-	190,000	440,000	-
Child Care Division:				
Child Care Program	-	40,000	-	120,000
Handicapped Children Program	-	170,000	-	-
Handicapped Preschool Program	-	185,000	-	1,200,000
Juvenile Delinquents	-	-	100,000	-
State Training Schools	-	-	134,000	-
Debt Service	-	-	108,000	-
Department of Public Works:				
Electricity and Gas	-	-	500,000	-
Heating Fuel	-	100,000	150,000	-
Highways and Bridges - Salt and Chloride	-	-	-	200,000
Contingency	-	-	1,800,000	-
Total Expenditures	246,000	2,435,000	12,528,000	4,138,000
Total Revenues and Expenditures	3,096,000	3,185,000	14,628,000	15,123,000
Net Impact to County Taxation	\$ (89,000)	\$ -	\$ -	\$ 495,000

A - Amount assumes zero growth:

1% growth = \$1.7 million unfavorable

2% growth = \$1 million unfavorable

B - Property Tax Overlay - Ulster County is responsible by State Law to guarantee the property taxes for Towns, Villages and School Districts.

EXHIBITS

BUDGET SUMMARY FOR 2010

	2009 Adopted Budget	2010 Proposed Budget	Increase (Decrease)	Percentage
Total Appropriations	\$ 345,987,694	\$ 349,219,637	\$ 3,231,943	0.93%
Revenues:				
State Aid	\$ 43,687,357	\$ 45,333,232	\$ 1,645,875	3.77%
Federal Aid	34,946,104	36,479,645	1,533,541	4.39%
Property Taxes	74,350,140	76,944,960	2,594,820	3.49%
Sales Tax	85,111,235	79,521,173	(5,590,062)	-6.57%
Appropriated Surplus-General	1,884,252	5,806,357	3,922,105	208.15%
Appropriated Surplus Other:				
Worker's Compensation				
Enterprise	2,992,835	3,409,404	416,569	13.92%
Debt Service Fund	900,000	1,975,000	1,075,000	119.44%
County Road	800,000	820,000	20,000	2.50%
Road Machinery	400,000	369,044	(30,956)	-7.74%
Other	100,915,771	98,560,822	(2,354,949)	-2.33%
	<u>\$ 345,987,694</u>	<u>\$ 349,219,637</u>	<u>\$ 3,231,943</u>	<u>0.93%</u>
County Tax Rate per \$1,000 AV	\$ 1.11	\$ 1.29	\$ 0.18	16.22%

**BUDGET INCREASES (DECREASES) WITH
GROSS BUDGET AND COUNTY TAXATION BY DEPARTMENT**

	2009 Adopted Budget	2010 Proposed Budget	Increase (Decrease)	
			Amount	Percentage
COUNTY OPERATING DEPARTMENTS:				
1010 Legislature	\$ 371,223	\$ 371,723	\$ 500	0.13%
1040 Clerk of Legislature	488,014	530,874	42,860	8.78%
1110 Court Security	65,010	65,010	-	0.00%
1162 Unified Court	10,000	10,000	-	0.00%
1165 District Attorney	2,223,351	2,208,397	(14,954)	-0.67%
1170 Public Defender	1,389,793	1,283,112	(106,681)	-7.68%
1185 Medical Examiner	285,265	291,124	5,859	2.05%
1230 Executive	862,472	857,818	(4,654)	-0.54%
1310 Finance	2,726,858	2,862,498	135,640	4.97%
1315 Comptroller	599,514	732,088	132,574	22.11%
1320 Auditor	3,915	-	(3,915)	-100.00%
1325 Treasurer	11,500	-	(11,500)	-100.00%
1340 Budget	293,641	256,149	(37,492)	-12.77%
1345 Purchasing	1,519,583	1,100,881	(418,702)	-27.55%
1355 Real Property	527,572	451,782	(75,790)	-14.37%
1410 County Clerk	2,684,904	2,620,443	(64,461)	-2.40%
1420 County Attorney	721,784	712,003	(9,781)	-1.36%
1430 Personnel	1,044,238	919,069	(125,169)	-11.99%
1450 Board of Elections	1,503,276	1,160,891	(342,385)	-22.78%
1490 Public Works Admin	499,951	491,011	(8,940)	-1.79%
1620 Buildings	8,208,444	7,685,410	(523,034)	-6.37%
1680 Information Services	9,758,600	7,956,491	(1,802,109)	-18.47%
1910 Unallocated Insurance	3,578,487	3,525,221	(53,266)	-1.49%
1920 Municipal Dues	29,321	30,287	966	3.29%
1985 Distribution of Sales Tax	14,434,069	13,486,047	(948,022)	-6.57%
1990 Contingent	2,448,256	1,656,100	(792,156)	-32.36%
2490 Comm College Tuition	3,000,000	3,100,000	100,000	3.33%
2495 Contribution to UCCC	6,280,863	6,280,863	-	0.00%
2989 Other Education	5,000	10,000	5,000	100.00%
3020 Public Safety Communication Sys.	2,595,213	2,638,274	43,061	1.66%
3110 Sheriff	6,271,647	6,114,118	(157,529)	-2.51%
3140 Probation	3,727,687	3,572,812	(154,875)	-4.15%
3150 Jail	13,000,540	14,080,010	1,079,470	8.30%
3155 Rehab Svcs	254,744	162,561	(92,184)	-36.19%
3157 Prisoner Release Counseling	1,096,908	-	(1,096,908)	-100.00%

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease) Amount	Percentage
State	Federal	Other	2010	2009		
\$ -	\$ -	\$ 79,871,173	\$ (79,499,450)	\$ (85,140,012)	\$ 5,640,562	-6.63%
-	-	-	530,874	488,014	42,860	8.78%
65,010	-	-	-	-	-	0.00%
-	-	-	10,000	10,000	-	0.00%
275,651	24,218	148,784	1,759,744	1,804,181	(44,437)	-2.46%
32,970	-	1,000	1,249,142	1,343,097	(93,955)	-7.00%
100,768	-	5,000	185,356	183,800	1,556	0.85%
-	-	-	857,818	862,472	(4,654)	-0.54%
666,500	-	6,051,000	(3,855,002)	(3,744,742)	(110,260)	2.94%
-	-	-	732,088	599,514	132,574	22.11%
-	-	-	-	3,915	(3,915)	-100.00%
-	-	-	-	11,500	(11,500)	-100.00%
-	-	-	256,149	293,641	(37,492)	-12.77%
-	-	194,000	906,881	1,284,803	(377,922)	-29.41%
45,000	-	19,500	387,282	506,572	(119,290)	-23.55%
45,757	-	3,431,503	(856,817)	(599,496)	(257,321)	42.92%
-	-	-	712,003	721,784	(9,781)	-1.36%
-	-	44,500	874,569	1,006,238	(131,669)	-13.09%
-	-	626,363	534,528	710,379	(175,851)	-24.75%
-	-	-	491,011	499,951	(8,940)	-1.79%
405,403	-	799,850	6,480,157	7,032,360	(552,203)	-7.85%
-	-	1,083,570	6,872,921	8,648,100	(1,775,179)	-20.53%
-	-	1,516,130	2,009,091	2,105,144	(96,053)	-4.56%
-	-	-	30,287	29,321	966	3.29%
-	-	13,486,047	-	-	-	0.00%
-	-	-	1,656,100	2,448,256	(792,156)	-32.36%
-	-	55,000	3,045,000	2,945,000	100,000	3.40%
-	-	-	6,280,863	6,280,863	-	0.00%
-	-	10,000	-	-	-	0.00%
96,500	525,204	1,537,513	479,057	525,580	(46,523)	-8.85%
91,500	103,710	888,399	5,030,509	5,155,326	(124,817)	-2.42%
726,113	308,754	154,096	2,383,849	2,631,527	(247,678)	-9.41%
-	25,000	1,928,250	12,126,760	10,615,540	1,511,220	14.24%
46,154	-	28,247	88,160	176,997	(88,838)	-50.19%
-	-	-	-	515,108	(515,108)	-100.00%

(Continued)

**BUDGET INCREASES (DECREASES) WITH
GROSS BUDGET AND COUNTY TAXATION BY DEPARTMENT (Continued)**

	2009 Adopted Budget	2010 Proposed Budget	Increase (Decrease)	
			Amount	Percentage
3189 Drug Investigations	\$ 188,000	\$ 227,235	\$ 39,235	20.87%
3310 Traffic Control	32,155	30,595	(1,560)	-4.85%
3315 STOP DWI	510,810	543,765	32,955	6.45%
3410 Fire Fighting	78,541	69,611	(8,930)	-11.37%
3411 Arson Task Force	80,095	66,411	(13,684)	-17.08%
3620 Safety Inspections	330,750	273,758	(56,992)	-17.23%
4010 Public Health	6,255,168	5,228,091	(1,027,077)	-16.42%
4082 WIC	570,339	578,456	8,117	1.42%
4220 Mental Health-Chem Dep.	1,343,589	1,037,572	(306,017)	-22.78%
4230 Cont.Narc. Add'l Cent Serv.	1,522,466	1,464,115	(58,351)	-3.83%
4310 Mental Health Admin	2,632,263	2,425,250	(207,013)	-7.86%
4320 Mental Health Support	7,641,732	7,491,786	(149,946)	-1.96%
4322 MH Contracted Svcs-OMH & OMRDD Svcs	6,542,737	6,722,388	179,651	2.75%
4390 Psychiatric-Criminal Actions	100,000	100,000	-	0.00%
5630 Bus Operations	6,515,424	4,773,736	(1,741,688)	-26.73%
5650 Off-Street Parking	106,764	89,407	(17,357)	-16.26%
6010 Social Services	21,202,141	21,468,861	266,720	1.26%
6055 Day Care Block Grant	3,500,000	3,500,000	-	0.00%
6070 Services for Recipients	1,200,000	1,200,000	-	0.00%
6101 Medical Assistance	1,800,000	1,850,000	50,000	2.78%
6102 Medical Assistance-MMIS	36,108,831	32,687,256	(3,421,575)	-9.48%
6106 Special Needs Programs	2,500	2,500	-	0.00%
6109 Family Assistance	12,650,000	12,470,000	(180,000)	-1.42%
6119 Child Care	21,350,000	28,059,375	6,709,375	31.43%
6123 Juvenile Delinquent	650,000	500,000	(150,000)	-23.08%
6129 State Training School	350,000	350,000	-	0.00%
6140 Safety Net	5,000,000	7,310,000	2,310,000	46.20%
6141 Home Energy Assistance	453,500	300,000	(153,500)	-33.85%
6142 Emergency Aid for Adults	75,000	180,000	105,000	140.00%
6410 Tourism	627,819	770,054	142,235	22.66%
6420 Promotion of Industry-UCDC	200,000	550,000	350,000	175.00%
6510 Veterans Services	453,965	411,079	(42,886)	-9.45%
6610 Weights & Measures	124,893	118,793	(6,100)	-4.88%
6620 Consumer Affairs	204,299	160,567	(43,732)	-21.41%
6772 Office for the Aging	2,852,192	2,569,340	(282,852)	-9.92%
6989 Other Eco.Opp & Development-Community Action	15,000	-	(15,000)	-100.00%
7110 Parks	344,898	347,973	3,075	0.89%
7310 Youth Programs	578,490	471,967	(106,523)	-18.41%

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease)	Percentage
State	Federal	Other	2010	2009	Amount	
\$ 98,000	\$ -	\$ 115,100	\$ 14,135	\$ 31,000	\$ (16,865)	-54.40%
-	-	1,500	29,095	27,655	1,440	5.21%
-	-	543,765	-	-	-	0.00%
-	-	-	69,611	78,541	(8,930)	-11.37%
-	-	-	66,411	80,095	(13,684)	-17.08%
-	-	9,000	264,758	321,750	(56,992)	-17.71%
2,152,472	24,356	1,744,286	1,306,977	1,527,023	(220,046)	-14.41%
-	765,139	-	(186,683)	-	(186,683)	0.00%
724,983	-	628,870	(316,281)	(280,608)	(35,673)	12.71%
1,063,387	-	-	400,728	485,160	(84,432)	-17.40%
347,564	-	-	2,077,686	2,169,515	(91,829)	-4.23%
374,722	270,965	7,544,335	(698,236)	(1,311,221)	612,985	-46.75%
6,156,071	-	-	566,317	576,317	(10,000)	-1.74%
-	-	-	100,000	100,000	-	0.00%
1,966,955	1,711,696	547,256	547,829	483,137	64,692	13.39%
-	-	45,000	44,407	26,764	17,643	65.92%
7,475,375	16,199,503	73,900	(2,279,917)	(790,837)	(1,489,080)	188.29%
367,500	2,917,744	6,400	208,356	208,356	-	0.00%
320,034	696,227	4,000	179,739	223,785	(44,046)	-19.68%
-	-	-	1,850,000	1,800,000	50,000	2.78%
-	-	4,080,740	28,606,516	31,315,996	(2,709,480)	-8.65%
2,500	-	-	-	-	-	0.00%
1,969,738	3,115,000	1,355,108	6,030,154	5,319,747	710,407	13.35%
12,259,258	5,573,875	1,051,991	9,174,251	6,169,921	3,004,330	48.69%
110,000	4,100	25,000	360,900	489,000	(128,100)	-26.20%
-	-	-	350,000	350,000	-	0.00%
3,120,150	201,300	2,835,848	1,152,702	911,224	241,478	26.50%
-	50,000	250,000	-	-	-	0.00%
90,000	-	-	90,000	37,500	52,500	140.00%
63,998	-	-	706,056	548,532	157,524	28.72%
-	-	-	550,000	200,000	350,000	175.00%
15,000	-	-	396,079	438,965	(42,886)	-9.77%
9,810	-	91,000	17,983	32,893	(14,910)	-45.33%
-	-	-	160,567	204,299	(43,732)	-21.41%
1,012,086	832,363	146,024	578,867	863,391	(284,524)	-32.95%
-	-	-	-	15,000	(15,000)	-100.00%
-	-	115,500	232,473	230,898	1,575	0.68%
329,381	-	5,865	136,721	178,434	(41,713)	-23.38%

(Continued)

**BUDGET INCREASES (DECREASES) WITH
GROSS BUDGET AND COUNTY TAXATION BY DEPARTMENT (Continued)**

	2009 Adopted Budget	2010 Proposed Budget	Increase (Decrease)	
			Amount	Percentage
7410 Libraries	\$ 90,000	\$ -	\$ (90,000)	-100.00%
7450 Museums	2,500	-	(2,500)	-100.00%
7510 Historian	5,000	2,500	(2,500)	-50.00%
7560 Other Performing Arts	80,000	-	(80,000)	-100.00%
8020 Planning	968,692	1,019,781	51,089	5.27%
8040 Human Rights	79,718	66,006	(13,712)	-17.20%
8090 Environmental Controls	163,364	154,559	(8,805)	-5.39%
8160 Solid Waste Mgmt-RRA	1,249,383	1,398,254	148,871	11.92%
8710 Conservation	460,300	3,000	(457,300)	-99.35%
8989 Other Home & Community	40,000	-	(40,000)	-100.00%
9010 State Retirement	6,682,521	11,047,116	4,364,595	65.31%
9030 Social Security	5,601,439	5,586,832	(14,607)	-0.26%
9050 Unemployment Insurance	107,055	394,875	287,820	268.85%
9055 Disability Insurance	244,400	243,400	(1,000)	-0.41%
9060 Hospital & Medical	18,921,376	22,023,440	3,102,064	16.39%
9089 Other Employee Benefits	2,146,048	2,579,612	433,564	20.20%
9730 BANS	2,140,000	2,106,000	(34,000)	-1.59%
9785 Installment Purchase Debt	20,000	20,000	-	0.00%
9901 Transfers to Other Funds	-	-	-	-
9950 Transfers to Capital Projects	-	-	-	-
Appropriated Fund Balance				
Deferred Property Tax				
A - GENERAL FUND	275,717,799	280,268,382	4,550,583	1.65%
B - COMMUNITY DEVELOPMENT	2,647,771	2,675,491	27,720	1.05%
C - ENTERPRISE FUND	30,046,679	30,115,016	68,337	0.23%
D - COUNTY ROAD FUND	14,567,802	14,285,796	(282,006)	-1.94%
E - ROAD MACHINERY FUND	3,887,815	3,664,544	(223,271)	-5.74%
S - WORKERS COMP FUND	8,249,034	8,523,245	274,211	3.32%
V - DEBT SERVICE FUND	10,870,794	9,687,163	(1,183,631)	-10.89%
TOTAL ALL FUNDS	\$ 345,987,694	\$ 349,219,637	\$ 3,231,943	\$ 0.93%

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease)	
State	Federal	Other	2010	2009	Amount	Percentage
\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ (90,000)	-100.00%
-	-	-	-	2,500	(2,500)	-100.00%
-	-	-	2,500	5,000	(2,500)	-50.00%
-	-	-	-	80,000	(80,000)	-100.00%
149,000	447,900	50,100	372,781	493,592	(120,811)	-24.48%
-	-	-	66,006	79,718	(13,712)	-17.20%
-	24,000	-	130,559	163,364	(32,805)	-20.08%
-	-	-	1,398,254	1,249,383	148,871	11.92%
-	-	-	3,000	460,300	(457,300)	-99.35%
-	-	-	-	40,000	(40,000)	-100.00%
-	-	2,197,021	8,850,095	5,120,695	3,729,400	72.83%
-	-	18,159	5,568,673	5,391,444	177,229	3.29%
-	-	-	394,875	103,184	291,691	282.69%
-	-	138,260	105,140	97,721	7,419	7.59%
-	-	3,812,285	18,211,155	15,059,778	3,151,377	20.93%
-	-	-	2,579,612	2,146,048	433,564	20.20%
-	-	-	2,106,000	2,140,000	(34,000)	-1.59%
-	-	-	20,000	20,000	-	0.00%
-	-	-	-	-	-	0.00%
-	-	-	-	-	-	0.00%
-	-	5,806,357	(5,806,357)	(1,884,252)	(3,922,105)	208.15%
-	-	(125,000)	125,000	125,000	-	0.00%
42,775,310	33,821,054	144,997,595	58,674,423	54,000,439	4,673,984	7.97%
-	2,658,591	16,900	-	-	-	0.00%
-	-	30,115,016	-	-	-	0.00%
2,557,922	-	1,124,500	10,603,374	10,749,092	145,718	1.37%
-	-	3,664,544	-	74,815	74,815	0.00%
-	-	8,523,245	-	-	-	0.00%
-	-	2,020,000	7,667,163	9,525,794	1,858,631	24.24%
<u>\$ 45,333,232</u>	<u>\$ 36,479,645</u>	<u>\$ 190,461,800</u>	<u>\$ 76,944,960</u>	<u>\$ 74,350,140</u>	<u>\$ 2,594,820</u>	<u>3.49%</u>

COUNTY OF ULSTER, NEW YORK

**BUDGET INCREASES (DECREASES) WITH GROSS
BUDGET AND COUNTY TAXATION BY FUNCTION**

EXHIBIT IB

	2009 Adopted Budget	2010 Executive Budget	Increase (Decrease)	
			Amount	Percentage
<u>Legislature:</u>				
1010 Legislative Board	\$ 371,223	\$ 371,723	\$ 500	0.13%
1040 Clerk of Legislative Board	488,014	530,874	42,860	8.78%
	<u>859,237</u>	<u>902,597</u>	<u>43,360</u>	<u>5.05%</u>
<u>Judicial:</u>				
1110 Court Security	65,010	65,010	-	0.00%
1162 Unified Court	10,000	10,000	-	0.00%
1165 District Attorney	2,223,351	2,208,397	(14,954)	-0.67%
1170 Public Defender	1,389,793	1,283,112	(106,681)	-7.68%
1185 Medical Examiner	285,265	291,124	5,859	2.05%
	<u>3,973,419</u>	<u>3,857,643</u>	<u>(115,776)</u>	<u>-2.91%</u>
<u>County Executive:</u>				
1230 County Executive	862,472	857,818	(4,654)	-0.54%
<u>Finance:</u>				
1310 Finance	2,726,858	2,862,498	135,640	4.97%
1315 Comptroller	599,514	732,088	132,574	22.11%
1320 Department of Audit	3,915	-	(3,915)	-100.00%
1325 Treasurer	11,500	-	(11,500)	-100.00%
1340 Department of Budget	293,641	256,149	(37,492)	-12.77%
1345 Purchasing	1,519,583	1,100,881	(418,702)	-27.55%
1355 Assessment	527,572	451,782	(75,790)	-14.37%
	<u>5,682,583</u>	<u>5,403,398</u>	<u>(279,185)</u>	<u>-4.91%</u>
<u>Staff:</u>				
1410 County Clerk	2,684,904	2,620,443	(64,461)	-2.40%
1420 Department of Law	721,784	712,003	(9,781)	-1.36%
1430 Department of Personnel	1,044,238	919,069	(125,169)	-11.99%
1450 Elections	1,503,276	1,160,891	(342,385)	-22.78%
1490 Public Works Admin	499,951	491,011	(8,940)	-1.79%
	<u>6,454,153</u>	<u>5,903,417</u>	<u>(550,736)</u>	<u>-8.53%</u>

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease) Amount	Percentage
State	Federal	Other	2010	2009		
\$ -	\$ -	\$ 79,871,173	\$ (79,499,450)	\$ (85,140,012)	\$ 5,640,562	-6.63%
-	-	-	530,874	488,014	42,860	8.78%
-	-	79,871,173	(78,968,576)	(84,651,998)	5,683,422	2.16%
65,010	-	-	-	-	-	0.00%
-	-	-	10,000	10,000	-	0.00%
275,651	24,218	148,784	1,759,744	1,804,181	(44,437)	-2.46%
32,970	-	1,000	1,249,142	1,343,097	(93,955)	-7.00%
100,768	-	5,000	185,356	183,800	1,556	0.85%
474,399	24,218	154,784	3,204,242	3,341,078	(136,836)	-8.61%
-	-	-	857,818	862,472	(4,654)	-0.54%
666,500	-	6,051,000	(3,855,002)	(3,744,742)	110,260	-2.94%
-	-	-	732,088	599,514	132,574	22.11%
-	-	-	-	3,915	(3,915)	-100.00%
-	-	-	-	11,500	(11,500)	-100.00%
-	-	-	256,149	293,641	(37,492)	-12.77%
-	-	194,000	906,881	1,284,803	(377,922)	-29.41%
45,000	-	19,500	387,282	506,572	(119,290)	-23.55%
711,500	-	6,264,500	(1,572,602)	(1,044,797)	(307,285)	-246.56%
45,757	-	3,431,503	(856,817)	(599,496)	257,321	-42.92%
-	-	-	712,003	721,784	9,781	1.36%
-	-	44,500	874,569	1,006,238	131,669	13.09%
-	-	626,363	534,528	710,379	175,851	24.75%
-	-	-	491,011	499,951	8,940	1.79%
45,757	-	4,102,366	1,755,294	2,338,856	583,562	-1.94%

(Continued)

**BUDGET INCREASES (DECREASES) WITH GROSS
BUDGET AND COUNTY TAXATION BY FUNCTION (Continued)**

	2009 Adopted Budget	2010 Executive Budget	Increase (Decrease)	
			Amount	Percentage
<u>General Services:</u>				
1620 Buildings	\$ 8,208,444	\$ 7,685,410	\$ (523,034)	-6.37%
1680 Information Services	9,758,600	7,956,491	(1,802,109)	-18.47%
	<u>17,967,044</u>	<u>15,641,901</u>	<u>(2,325,143)</u>	<u>-12.94%</u>
<u>Special Items:</u>				
1910 Unallocated Insurance	3,578,487	3,525,221	(53,266)	-1.49%
1920 Municipal Association Dues	29,321	30,287	966	0.00%
1985 Distribution of Sales Tax	14,434,069	13,486,047	(948,022)	0.00%
1990 Contingent Account	2,448,256	1,656,100	(792,156)	-32.36%
	<u>20,490,133</u>	<u>18,697,655</u>	<u>(1,792,478)</u>	<u>-8.75%</u>
<u>Education:</u>				
2490 Community College - Out of Cnty	3,000,000	3,100,000	100,000	3.33%
2495 Contribution To Community Coll	6,280,863	6,280,863	-	0.00%
2989 Other Education	5,000	10,000	5,000	100.00%
	<u>9,285,863</u>	<u>9,390,863</u>	<u>105,000</u>	<u>1.13%</u>
<u>Public Safety:</u>				
3020 Public Safety Communication Sys	2,595,213	2,638,274	43,061	1.66%
3110 Sheriff	6,271,647	6,114,118	(157,529)	-2.51%
3140 Probation	3,727,687	3,572,812	(154,875)	-4.15%
3150 Jail	13,000,540	14,080,010	1,079,470	100.00%
3155 Rehabilitation Services	254,744	162,561	(92,184)	-36.19%
3157 Prisoner Release Counseling	1,096,908	-	(1,096,908)	-100.00%
3189 Drug Investigations	188,000	227,235	39,235	20.87%
3310 Traffic Control	32,155	30,595	(1,560)	-4.85%
3315 STOP DWI	510,810	543,765	32,955	6.45%
3410 Fire Fighting	78,541	69,611	(8,930)	-11.37%
3411 Arson Task Force	80,095	66,411	(13,684)	-17.08%
3620 Safety Inspections	330,750	273,758	(56,992)	-17.23%
	<u>28,167,089</u>	<u>27,779,149</u>	<u>(431,001)</u>	<u>-66.07%</u>

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease) Amount	Percentage
State	Federal	Other	2010	2009		
\$ 405,403	\$ -	\$ 799,850	\$ 6,480,157	\$ 7,032,360	\$ (552,203)	-7.85%
-	-	1,083,570	6,872,921	8,648,100	(1,775,179)	-20.53%
405,403	-	1,883,420	13,353,078	15,680,460	(2,327,382)	-28.38%
-	-	1,516,130	2,009,091	2,105,144	(96,053)	-4.56%
-	-	-	30,287	29,321	966	3.29%
-	-	13,486,047	-	-	-	0.00%
-	-	-	1,656,100	2,448,256	(792,156)	-32.36%
-	-	15,002,177	3,695,478	4,582,721	(887,243)	-33.62%
-	-	55,000	3,045,000	2,945,000	100,000	3.40%
-	-	-	6,280,863	6,280,863	-	0.00%
-	-	10,000	-	-	-	0.00%
-	-	65,000	9,325,863	9,225,863	100,000	3.40%
96,500	525,204	1,537,513	479,057	525,580	(46,523)	-8.85%
91,500	103,710	888,399	5,030,509	5,155,326	(124,817)	-2.42%
726,113	308,754	154,096	2,383,849	2,631,527	(247,678)	-9.41%
-	25,000	1,928,250	12,126,760	10,615,540	1,511,220	14.24%
46,154	-	28,247	88,160	176,997	(88,838)	-50.19%
-	-	-	-	515,108	(515,108)	-100.00%
98,000	-	115,100	14,135	31,000	(16,865)	-54.40%
-	-	1,500	29,095	27,655	1,440	5.21%
-	-	543,765	-	-	-	0.00%
-	-	-	69,611	78,541	(8,930)	-11.37%
-	-	-	66,411	80,095	(13,684)	-17.08%
-	-	9,000	264,758	321,750	56,992	17.71%
1,058,267	962,668	5,205,870	20,552,344	20,159,118	507,210	-216.58%

(Continued)

COUNTY OF ULSTER, NEW YORK

BUDGET INCREASES (DECREASES) WITH GROSS
BUDGET AND COUNTY TAXATION BY FUNCTION (Continued)

EXHIBIT IB

	2009 Adopted Budget	2010 Executive Budget	Increase (Decrease)	
			Amount	Percentage
Health				
4010 Public Health	\$ 6,255,168	\$ 5,228,091	\$ 8,117	1.42%
4082 WIC	570,339	578,456	(306,017)	-22.78%
4220 Narcotics Addiction Control	1,343,589	1,037,572	(306,017)	-22.78%
4230 Cont.Narc. Add'l Cent Serv.	1,522,466	1,464,115	(58,351)	-3.83%
4310 Mental Health Admin	2,632,263	2,425,250	(207,013)	-7.86%
4320 Mental Health Support	7,641,732	7,491,786	(149,946)	-1.96%
4322 MH Contracted Svcs-OMH & OMRDD Svcs	6,542,737	6,722,388	179,651	2.75%
4390 Psychiatric-Criminal Actions	100,000	100,000	-	0.00%
	<u>\$ 26,608,294</u>	<u>\$ 25,047,658</u>	<u>\$ (839,576)</u>	<u>-3.16%</u>

<u>Revenues - 2010 Proposed Budget</u>			<u>County Taxation</u>		<u>Increase (Decrease) Amount</u>	<u>Percentage</u>
<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>2010</u>	<u>2009</u>		
\$ 2,152,472	\$ 24,356	\$ 1,744,286	\$ 1,306,977	\$ 1,527,023	\$ (220,046)	-14.41%
-	765,139	-	(186,683)	-	(186,683)	0.00%
724,983	-	628,870	(316,281)	(280,608)	(35,673)	12.71%
1,063,387	-	-	400,728	485,160	(84,432)	-17.40%
347,564	-	-	2,077,686	2,169,515	(91,829)	-4.23%
374,722	270,965	7,544,335	(698,236)	(1,311,221)	612,985	-46.75%
6,156,071	-	-	566,317	576,317	(10,000)	-1.74%
-	-	-	100,000	100,000	-	0.00%
<u>\$ 10,819,199</u>	<u>\$ 1,060,460</u>	<u>\$ 9,917,491</u>	<u>\$ 3,250,508</u>	<u>\$ 3,266,186</u>	<u>\$ (15,678)</u>	<u>-71.82%</u>

(Continued)

COUNTY OF ULSTER, NEW YORK

**BUDGET INCREASES (DECREASES) WITH GROSS
BUDGET AND COUNTY TAXATION BY FUNCTION (Continued)**

EXHIBIT IB

	2009 Adopted Budget	2010 Executive Budget	Increase (Decrease)	
			Amount	Percentage
<u>Transportation:</u>				
5630 Bus Operations	\$ 6,515,424	\$ 4,773,736	\$ (1,741,688)	-26.73%
5650 Offstreet Parking	106,764	89,407	(17,357)	-16.26%
	<u>6,622,188</u>	<u>4,863,143</u>	<u>(1,759,045)</u>	<u>-26.56%</u>
<u>Department of Social Services:</u>				
6010 Social Services Administration	21,202,141	21,468,861	266,720	1.26%
6055 Day Care Block Grant	3,500,000	3,500,000	-	0.00%
6070 Services For Recipients	1,200,000	1,200,000	-	0.00%
6101 Medical Assistance	1,800,000	1,850,000	50,000	2.78%
6102 Medical Assistance - MMIS	36,108,831	32,687,256	(3,421,575)	-9.48%
6106 Special Needs Assistance	2,500	2,500	-	0.00%
6109 Family Assistance	12,650,000	12,470,000	(180,000)	-1.42%
6119 Children's Services	21,350,000	28,059,375	6,709,375	31.43%
6123 Juvenile Delinquent Care	650,000	500,000	(150,000)	-23.08%
6129 State Training School	350,000	350,000	-	-
6140 Home Relief -Safety Net	5,000,000	7,310,000	2,310,000	46.20%
6141 Home Energy Assistance	453,500	300,000	(153,500)	-33.85%
6142 Emergency Aid for Adults	75,000	180,000	105,000	140.00%
	<u>104,341,972</u>	<u>109,877,992</u>	<u>5,536,020</u>	<u>5.31%</u>
<u>Economic Assistance and Opportunity:</u>				
6410 Tourism	627,819	770,054	142,235	22.66%
6420 Promotion of Industry	200,000	550,000	350,000	175.00%
6510 Veterans Service	453,965	411,079	(42,886)	-9.45%
6610 Weights and Measures	124,893	118,793	(6,100)	-4.88%
6620 Consumer Affairs	204,299	160,567	(43,732)	-21.41%
6772 Office for the Aging	2,852,192	2,569,340	(282,852)	-9.92%
6989 Other Economic Opportunities 7 Develop.	15,000	-	(15,000)	-100.00%
	<u>4,478,168</u>	<u>4,579,833</u>	<u>101,665</u>	<u>2.27%</u>
<u>Culture and Recreation</u>				
7110 Parks	344,898	347,973	3,075	0.89%
7310 Youth Programs	578,490	471,967	(106,523)	-18.41%
7410 Libraries	90,000	-	(90,000)	-100.00%
7450 Museums	2,500	-	(2,500)	-100.00%
7510 County Historian	5,000	2,500	(2,500)	-50.00%
7560 Other Performing Arts	80,000	-	(80,000)	-100.00%
	<u>1,100,888</u>	<u>822,440</u>	<u>(278,448)</u>	<u>-25.29%</u>

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease) Amount	Percentage
State	Federal	Other	2010	2009		
\$ 1,966,955	\$ 1,711,696	\$ 547,256	\$ 547,829	\$ 483,137	\$ 64,692	13.39%
-	-	45,000	44,407	26,764	17,643	65.92%
<u>1,966,955</u>	<u>1,711,696</u>	<u>592,256</u>	<u>592,236</u>	<u>509,901</u>	<u>82,335</u>	<u>79.31%</u>
7,475,375	16,199,503	73,900	(2,279,917)	(790,837)	(1,489,080)	188.29%
367,500	2,917,744	6,400	208,356	208,356	-	0.00%
320,034	696,227	4,000	179,739	223,785	(44,046)	-19.68%
-	-	-	1,850,000	1,800,000	50,000	2.78%
-	-	4,080,740	28,606,516	31,315,996	(2,709,480)	-8.65%
2,500	-	-	-	-	-	0.00%
1,969,738	3,115,000	1,355,108	6,030,154	5,319,747	710,407	13.35%
12,259,258	5,573,875	1,051,991	9,174,251	6,169,921	3,004,330	48.69%
110,000	4,100	25,000	360,900	489,000	(128,100)	-26.20%
-	-	-	350,000	350,000	-	0.00%
3,120,150	201,300	2,835,848	1,152,702	911,224	241,478	26.50%
-	50,000	250,000	-	-	-	0.00%
<u>90,000</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>37,500</u>	<u>52,500</u>	<u>140.00%</u>
<u>25,714,555</u>	<u>28,757,749</u>	<u>9,682,987</u>	<u>45,722,701</u>	<u>46,034,692</u>	<u>(311,991)</u>	<u>365.09%</u>
63,998	-	-	706,056	548,532	157,524	28.72%
-	-	-	550,000	200,000	350,000	175.00%
15,000	-	-	396,079	438,965	(42,886)	-9.77%
9,810	-	91,000	17,983	32,893	(14,910)	-45.33%
-	-	-	160,567	204,299	(43,732)	-21.41%
1,012,086	832,363	146,024	578,867	863,391	(284,524)	-32.95%
-	-	-	-	15,000	(15,000)	-100.00%
<u>1,100,894</u>	<u>832,363</u>	<u>237,024</u>	<u>2,409,552</u>	<u>2,303,080</u>	<u>106,472</u>	<u>-5.74%</u>
-	-	115,500	232,473	230,898	1,575	0.68%
329,381	-	5,865	136,721	178,434	(41,713)	-23.38%
-	-	-	-	90,000	(90,000)	-100.00%
-	-	-	-	2,500	(2,500)	-100.00%
-	-	-	2,500	5,000	(2,500)	-50.00%
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>(80,000)</u>	<u>-100.00%</u>
<u>329,381</u>	<u>-</u>	<u>121,365</u>	<u>371,694</u>	<u>586,832</u>	<u>(215,138)</u>	<u>-372.70%</u>

(Continued)

**BUDGET INCREASES (DECREASES) WITH GROSS
BUDGET AND COUNTY TAXATION BY FUNCTION (Continued)**

EXHIBIT IB

	2009 Adopted Budget	2010 Executive Budget	Increase (Decrease)	
			Amount	Percentage
Home & Community Services:				
8020 Department of Planning	\$ 968,692	\$ 1,019,781	\$ 51,089	5.27%
8040 Human Rights Commission	79,718	66,006	(13,712)	-17.20%
8090 Environmental Control	163,364	154,559	(8,805)	-5.39%
8160 Solid Waste Management	1,249,383	1,398,254	148,871	11.92%
8710 Conservation	460,300	3,000	(457,300)	-99.35%
8989 Other Home and Community	40,000	-	(40,000)	-100.00%
	<u>2,961,457</u>	<u>2,641,600</u>	<u>(319,857)</u>	<u>-10.80%</u>
Employee Benefits:				
9010 State Retirement	6,682,521	11,047,116	4,364,595	65.31%
9030 Social Security	5,601,439	5,586,832	(14,607)	-0.26%
9050 Unemployment Insurance	107,055	394,875	287,820	268.85%
9055 Disability Insurance	244,400	243,400	(1,000)	-0.41%
9060 Hospital & Medical	18,921,376	22,023,440	3,102,064	16.39%
9089 Other Employee Benefits	2,146,048	2,579,612	433,564	20.20%
	<u>33,702,839</u>	<u>41,875,275</u>	<u>8,172,436</u>	<u>24.25%</u>
Interfund Transfers & Debt Service:				
9730 Bond Anticipation Notes - Interest	2,140,000	2,106,000	(34,000)	-1.59%
9785 Installment Purchase Debt	20,000	20,000	-	0.00%
9901 Transfers to Other Funds	-	-	-	0.00%
9950 Transfers to Capital Projects	-	-	-	0.00%
	<u>2,160,000</u>	<u>2,126,000</u>	<u>(34,000)</u>	<u>-1.57%</u>
Total General Fund - Unadjusted	<u>275,717,799</u>	<u>280,268,382</u>	<u>4,550,583</u>	<u>1.65%</u>
Adjustments:				
Appropriated Fund Balance	-	-	-	0.00%
Deferred Property Tax	-	-	-	0.00%
Total General Fund - Adjusted	<u>\$ 275,717,799</u>	<u>\$ 280,268,382</u>	<u>\$ 4,550,583</u>	<u>1.65%</u>

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease) Amount	Percentage
State	Federal	Other	2010	2009		
\$ 149,000	\$ 447,900	\$ 50,100	\$ 372,781	\$ 493,592	\$ (120,811)	-24.48%
-	-	-	66,006	79,718	(13,712)	-17.20%
-	24,000	-	130,559	163,364	(32,805)	-20.08%
-	-	-	1,398,254	1,249,383	148,871	11.92%
-	-	-	3,000	460,300	(457,300)	-99.35%
-	-	-	-	40,000	(40,000)	-100.00%
<u>149,000</u>	<u>471,900</u>	<u>50,100</u>	<u>1,970,600</u>	<u>2,486,357</u>	<u>(515,757)</u>	<u>-249.19%</u>
-	-	2,197,021	8,850,095	5,120,695	3,729,400	72.83%
-	-	18,159	5,568,673	5,391,444	177,229	3.29%
-	-	-	394,875	103,184	291,691	282.69%
-	-	138,260	105,140	97,721	7,419	7.59%
-	-	3,812,285	18,211,155	15,059,778	3,151,377	20.93%
-	-	-	<u>2,579,612</u>	<u>2,146,048</u>	<u>433,564</u>	<u>20.20%</u>
-	-	<u>6,165,725</u>	<u>35,709,550</u>	<u>27,918,870</u>	<u>7,790,680</u>	<u>407.53%</u>
-	-	-	2,106,000	2,140,000	(34,000)	-1.59%
-	-	-	20,000	20,000	-	0.00%
-	-	-	-	-	-	0.00%
-	-	-	-	-	-	0.00%
-	-	-	<u>2,126,000</u>	<u>2,160,000</u>	<u>(34,000)</u>	<u>-1.59%</u>
<u>42,775,310</u>	<u>33,821,054</u>	<u>139,316,238</u>	<u>64,355,780</u>	<u>55,759,691</u>	<u>8,596,089</u>	<u>15.42%</u>
-	-	5,806,357	(5,806,357)	(1,884,252)	(3,922,105)	-208.15%
-	-	(125,000)	125,000	125,000	-	0.00%
<u>\$ 42,775,310</u>	<u>\$ 33,821,054</u>	<u>\$ 144,997,595</u>	<u>\$ 58,674,423</u>	<u>\$ 54,000,439</u>	<u>\$ 4,673,984</u>	<u>8.66%</u>

(Continued)

**BUDGET INCREASES (DECREASES) WITH GROSS
BUDGET AND COUNTY TAXATION BY FUNCTION (Continued)**

	2009 Adopted Budget	2010 Executive Budget	Increase (Decrease)	
			Amount	Percentage
<u>Community Development:</u>				
6290 Office Of Employment & Training	\$ 770,733	\$ 864,463	\$ 93,730	12.16%
6291 Participant Support	6,500	21,000	14,500	223.08%
6292 Job Training and Services	765,714	1,023,128	257,414	33.62%
8668 Rehabilitation Loans & Grants	1,069,824	751,900	(317,924)	-29.72%
9789 Other Long Term Debt, HUD Loans	35,000	15,000	(20,000)	-57.14%
	<u>2,647,771</u>	<u>2,675,491</u>	<u>27,720</u>	<u>1.05%</u>
<u>Enterprise Fund:</u>				
6020 Golden Hill Health Care Center	30,046,679	30,115,016	68,337	0.23%
Appropriated Fund Balance	-	-	-	0.00%
	<u>30,046,679</u>	<u>30,115,016</u>	<u>68,337</u>	<u>0.23%</u>
<u>County Road Fund:</u>				
D5010 Highway Administration	690,996	639,291	(51,705)	-7.48%
D5020 Engineering	733,115	619,185	(113,930)	-15.54%
D5110 Maintenance of Roads- Bridges	6,516,505	6,441,446	(75,059)	-1.15%
D5112 Permanent Improvements	2,601,110	2,557,922	(43,188)	-1.66%
D5142 Snow Removal	4,026,076	4,027,952	1,876	0.05%
Appropriated Fund Balance	-	-	-	0.00%
	<u>14,567,802</u>	<u>14,285,796</u>	<u>(282,006)</u>	<u>-1.94%</u>
<u>Road Machinery Fund:</u>				
E5130 Road Machinery	3,037,815	2,889,544	(148,271)	-4.88%
E5190 Stockpile	850,000	775,000	(75,000)	-8.82%
Appropriated Fund Balance	-	-	-	0.00%
	<u>3,887,815</u>	<u>3,664,544</u>	<u>(223,271)</u>	<u>-5.74%</u>

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease) Amount	Percentage
State	Federal	Other	2010	2009		
\$ -	\$ 846,782	\$ -	\$ 17,681	\$ -	\$ 17,681	0.00%
-	21,000	-	-	-	-	0.00%
-	1,040,809	-	(17,681)	-	(17,681)	0.00%
-	750,000	16,900	(15,000)	(35,000)	20,000	-57.14%
-	-	-	15,000	35,000	(20,000)	-57.14%
-	2,658,591	16,900	-	-	-	-114.29%
-	-	26,705,612	3,409,404	2,992,835	416,569	13.92%
-	-	3,409,404	(3,409,404)	(2,992,835)	(416,569)	0.00%
-	-	30,115,016	-	-	-	13.92%
-	-	-	639,291	690,996	(51,705)	-7.48%
-	-	-	619,185	733,115	(113,930)	-15.54%
-	-	44,500	6,396,946	6,323,505	73,441	1.16%
2,557,922	-	-	-	-	-	0.00%
-	-	260,000	3,767,952	3,801,476	(33,524)	-0.88%
-	-	820,000	(820,000)	(800,000)	(20,000)	0.00%
2,557,922	-	1,124,500	10,603,374	10,749,092	(145,718)	0.00%
-	-	2,520,500	369,044	474,815	(105,771)	-22.28%
-	-	775,000	-	-	-	0.00%
-	-	369,044	(369,044)	(400,000)	30,956	0.00%
-	-	3,664,544	-	74,815	(74,815)	-22.28%

**BUDGET INCREASES (DECREASES) WITH GROSS
BUDGET AND COUNTY TAXATION BY FUNCTION (Continued)**

	2009 Adopted Budget	2010 Executive Budget	Increase (Decrease)	
			Amount	Percentage
<u>Workers Compensation Fund:</u>				
S1710 Workers' Compensation	\$ 2,968,034	\$ 3,057,245	\$ 89,211	3.01%
S1720 Benefits and Awards	5,281,000	5,466,000	185,000	3.50%
	<u>8,249,034</u>	<u>8,523,245</u>	<u>274,211</u>	<u>3.32%</u>
<u>Debt Service:</u>				
V9710 Serial Bonds	10,870,794	9,687,163	(1,183,631)	-10.89%
Appropriated Fund Balance	-	-	-	0.00%
	<u>10,870,794</u>	<u>9,687,163</u>	<u>(1,183,631)</u>	<u>-10.89%</u>
Total - All Funds	<u>\$ 345,987,694</u>	<u>\$ 349,219,637</u>	<u>\$ 3,231,943</u>	<u>-12.32%</u>

Revenues - 2010 Proposed Budget			County Taxation		Increase (Decrease) Amount	Percentage
State	Federal	Other	2010	2009		
\$ -	\$ -	\$ 1,000	\$ 3,056,245	\$ 2,967,734	\$ 88,511	2.98%
-	-	8,522,245	(3,056,245)	(2,967,734)	(88,511)	2.98%
-	-	8,523,245	-	-	-	5.96%
-	-	45,000	9,642,163	10,425,794	(783,631)	-7.52%
-	-	1,975,000	(1,975,000)	(900,000)	(1,075,000)	119.44%
-	-	2,020,000	7,667,163	9,525,794	(1,858,631)	111.93%
<u>\$ 45,333,232</u>	<u>\$ 36,479,645</u>	<u>\$ 190,461,800</u>	<u>\$ 76,944,960</u>	<u>74,350,140</u>	<u>2,594,820</u>	<u>3.49%</u>

**SCHEDULE OF ADOPTED PROPERTY TAX LEVIES
2000 THROUGH 2010**

<u>Year</u>	<u>Adopted Tax Levies</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
2000	\$ 30,819,472		
2001	31,306,420	\$ 486,948	1.58%
2002	32,524,240	1,217,820	3.89%
2003	38,929,103	6,404,863	19.69%
2004	42,117,397	3,188,294	8.19%
2005	46,759,959	4,642,562	11.02%
2006	64,973,736	18,213,777	38.95%
2007	69,858,781	4,885,045	7.52%
2008	72,410,702	2,551,921	3.65%
2009	74,350,140	1,939,438	2.68%
2010	* 76,944,960	2,594,820	3.49%

* Proposed

**SCHEDULE OF TAXABLE ASSESSMENTS
2000 THROUGH 2010**

<u>Year</u>	<u>Full Value of Taxable Assessments</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
2000	\$ 5,997,778,094	\$ 775,220,517	12.93%
2001	6,772,998,611	381,428,195	5.63%
2002	7,154,426,806	1,975,653,094	27.61%
2003	9,130,079,900	(24,834,115)	-0.27%
2004	9,105,245,785	2,086,919,751	22.92%
2005	11,192,165,536	2,407,687,430	21.51%
2006	13,599,852,966	443,093,154	3.26%
2007	14,042,946,120	2,298,294,846	16.37%
2008	16,341,240,966	-	0.00%
2009	16,341,240,966	(87,383,389)	-0.53%
2010	16,253,857,577		