

ULSTER COUNTY EXECUTIVE

244 Fair St., P.O. Box 1800, Kingston, New York 12402

Telephone: 845-340-3800

Fax: 845-334-5724

MICHAEL P. HEIN
County Executive

ADELE B. REITER
Chief of Staff



ROBERT SUDLOW
Deputy County Executive

KENNETH CRANNELL
Deputy County Executive

JAMES J. HANSON
Budget Director

October 4, 2012

Honorable Terry Bernardo, Chairman
Honorable Members of the Ulster County Legislature
Ulster County Office Building
PO Box 1800
Kingston, New York 12402

Dear Chairman Bernardo and Legislators:

The 2013 Executive Budget protects Ulster County's residents, streamlines County operations and ensures essential services. This budget solves a series of long-standing problems with straight forward answers. It strengthens the County's financial foundation through recurring savings, reforms and consolidations and makes Ulster County more sustainable, all of which is ultimately designed to protect property taxpayers.

This budget includes a plan that delivers:

- Approximately \$11 million in budget relief to the towns and the City of Kingston during a 3 year transitioned takeover of the Safety Net program;
- A solution to the unavoidable \$23 million debt and volume problems at the Resource Recovery Agency;
- A commitment to public safety and the Sheriff's road patrol;
- A merger of STOP DWI into the Probation Department;
- A bold vision to grow our tourism economy with the development of a world class rail trail network;
- A inclusive plan to completely restructure and streamline the County's economic development efforts;
- A new revenue source dedicated to maintaining the County's infrastructure needs;
- A redesign of the way Ulster County delivers mental health services; and most importantly
- A \$3.6 million reduction in spending, resulting in the first property tax decrease in over a decade.

It is critical that governments change and this requires bold choices and hard decisions. By making these difficult decisions, my administration was able to deliver an innovative budget that protects taxpayers, streamlines County operations and continues to ensure that essential services are delivered.

In the 2013 Executive Budget, we have continued our effort to restructure County government into a more sustainable organization through consolidations, reorganizations and in some cases a complete rethinking of how essential services are delivered.

We have once again aggressively managed vacancies, offered an employee buyout program and restructured operations to reduce overall County staffing levels. To lead by example, The County Executive's office has continued to cut staffing and personnel costs at a greater percentage than almost anywhere else in County government. Since taking office in 2009, the Executive Office is down 22% and a total of \$194,000 in appropriations.

Between 2009 and 2012 the County workforce was reduced by 213 positions, mostly through aggressively managing attrition. The 2013 Executive Budget includes 90 additional reductions:

- 18 employees took the separation incentive and these positions are being abolished;
- 44 vacant positions are being removed from the budget; and
- Unfortunately, 28 layoffs in our Mental Health Department.

As always, we will do everything in our power to assist impacted workers by placing them on priority list utilized to fill future vacancies.

Sales tax revenues in Ulster County appear to be stable, and we have conservatively projected sales tax for 2013 at \$90.1 million, an increase of 2.5% from the 2012 year end estimate.

Due to the additional budgetary Safety Net relief we will providing to the towns and the City of Kingston, the 2013 property tax cap is only 1.37%, but the County's tax levy is far below this limit at -.16% decrease from 2012. The 2013 Levy is set at \$78,730,408. This marks the first tax decrease in Ulster County since 2000 and the second time my administration has delivered a budget at or below 0%. I feel strongly that limiting tax growth is the best way to protect overburdened families during this time of great need.

While we are continuously taking action to improve and strengthen the financial foundation of Ulster County, we must be frank about the challenges that still lie ahead. Pension costs continue to skyrocket, having risen 4,300% since 2002, and State aid continues to be reduced. Currently, over 70% of the County's budget is mandated by New York State and that number is expected to grow. In addition, we may well be impacted by a multi-million dollar bill from the mandatory PBA arbitration settlement.

With all of these challenges and more confronting us, the question remains, how can we deliver essential services without breaking taxpayers? The answer from my administration has always been and remains: embrace change, identify innovative solutions and implement nationwide best practices.

Respectfully,



Michael P. Hein
County Executive