

Kathleen M. Jimino
County Executive



Ned Pattison Government Center
1600 Seventh Avenue
Troy, New York 12180
Phone: (518) 270-2900
Fax: (518) 270-2961

COUNTY OF RENSSELAER

To Honorable Stan Brownell, Honorable Members of the Rensselaer County Legislature and the residents of our great County;

I am once again honored to have the opportunity to present Rensselaer County's annual budget message.

I am particularly pleased with what has been accomplished by everyone working together with an eye toward a fiscally responsible solvent future. By continuing to address the community's cry for more programs to answer their needs in a cost effective manner we have continued to put a structure in place that is geared towards exciting new happenings on the very near horizon. Among the achievements that we will all benefit from as residents in the coming years are as follows:

- A state-of-the-art Public Safety Radio System upgrade that will be fully operational in early November with project completion by early 2018;
- A growing economy as reflected by increasing sales tax and an increased tax base;
- A decrease in reliance on government programs due to the hard work of the Human Services Cabinet formed ten years ago to consolidate efforts of those departments involved;
- A growing citizen participation in addressing the heroin and opioid crisis in our communities through the County's Heroin Coalition;
- A 21st Century approach to the technology to be used within county government and shared with local municipalities;
- An energy performance improvement program that not only reduces our use of energy but also employs renewable energy through solar and hydro power generation, at a great savings to tax payers;
- A Council of Governments to ensure ongoing communication among the municipalities in Rensselaer County to maximize additional opportunities for sharing of services while minimizing costly duplication; and

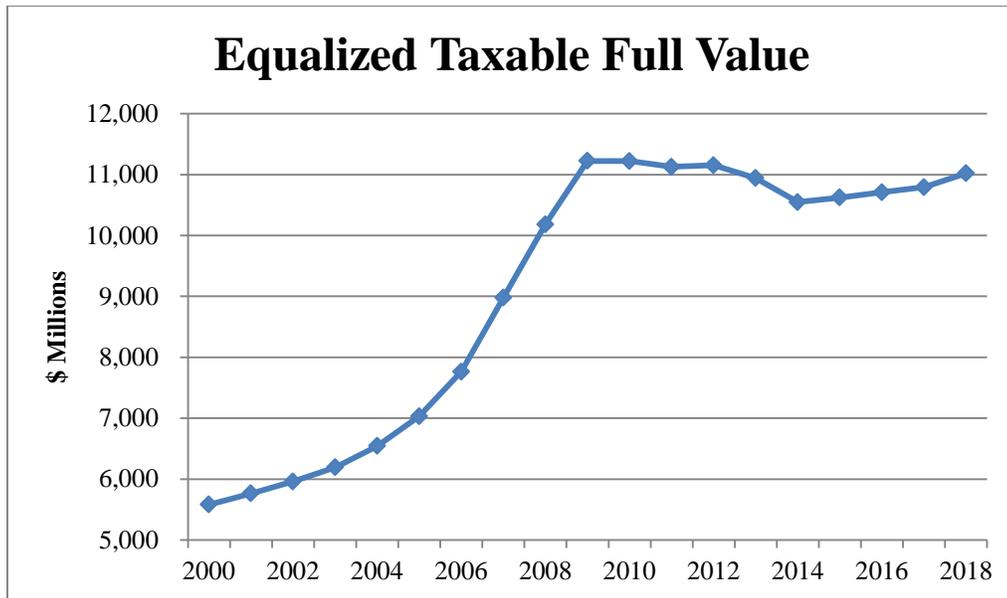
- A rebuilt fund balance, an improved credit rating to AA and a lower score for fiscal stress measurement as determined by the New York State Comptroller, paving the way for a solvent future.

BUDGET ISSUES

The following represents a comprehensive review of the issues highlighted above as well as others that impact this proposed 2018 budget.

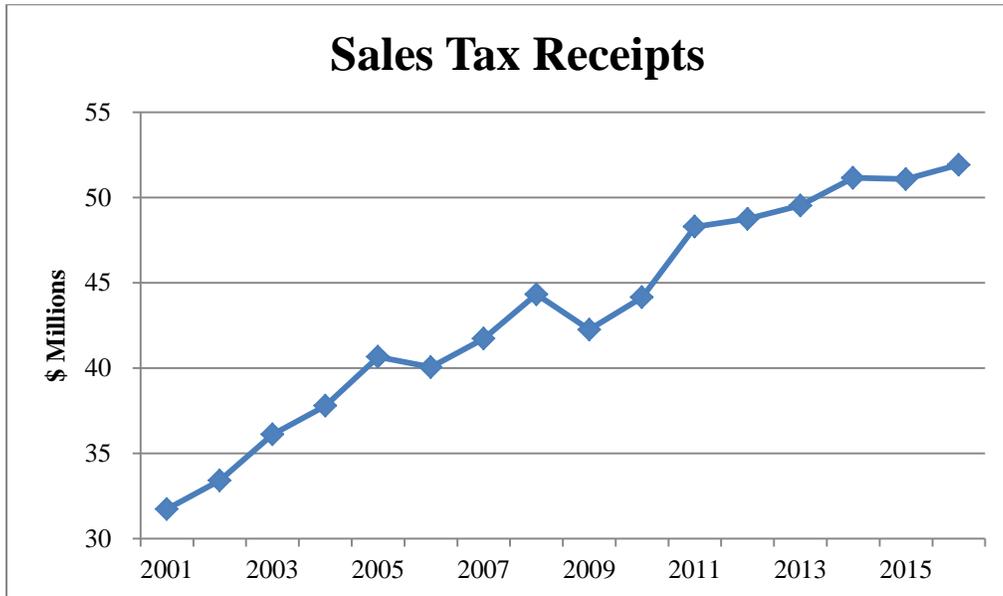
- **Public Safety Radio System Upgrade** - This project is slated to be completed by the end of 2017 or early in 2018. When completed this \$21 million project will provide digital radio service to all first responders, a new paging system, an updated communications center, and greater interoperability with neighboring counties and New York State's public safety communications center. While nearly half of this project was paid for with grant funding that the county successfully competed for, funding is included in this budget to begin payments on the bonds issued to pay for the balance of the project.
- **911 Surcharge** - This year's state legislative session finally addressed a concern of counties regarding who is paying for 911 services as compared to who can access 911 services. Based on a change in the billing method for some cellular phone service, those who pre-paid for their service were not being assessed a 911 surcharge fee even though they still had access to this life saving service. This combined with a dwindling number of landlines was diminishing the revenue collected by counties to be used to help support our 911 systems. State legislation enacted this year altered the statute to have this fee be made applicable to pre-paid cellular service thus closing a loophole and stabilizing this critical revenue stream. We remain vocal in our desire to see more of the state's share of the 911 surcharge being made available for local dispatch centers where the vast majority of cellular and landline 911 calls for service are directed.
- **Economy** - Overall, the economy continues to improve. The unemployment rate for Rensselaer County was 4.4% at the end of August and we are once again holding or participating in job fairs to help employers find employees to fill the jobs they have available. Our Project Hire program continues to work with those on assistance

programs to be successful in their participation in these job fairs as well as other job search endeavors. As a result of these efforts as well as the improving economic climate, caseloads in Social Services continue to decline from the high level experienced during the Great Recession. Another good sign can be seen in the chart below as our property tax base continues to grow as a result of more commercial and residential development.



- **Sales Tax** - Our sales tax collections this year to date are approximately 4% over the collections of 2016 and also reflect the economic growth and increased consumer confidence that comes from more people working and more people employed at higher paying jobs. This budget proposal includes an anticipated increase in 2018 of a conservative 2% as we continue to be concerned about growing internet-based sales, some of which do not require the collection of sales taxes. As well, we continue to advocate to the State and Federal governments to create sales tax policies that do not give an advantage to internet sales over purchases made in our brick and mortar stores which also provide local jobs as well as pay local taxes. The following chart demonstrates the steadily increasing sales tax collections for the

county which is mirrored in our cities, towns, and villages that share in this revenue stream.



- **Casino Revenue** - This revenue, which is based on the amount collected at the Rivers Casino in Schenectady, has to date this year been less than what was originally projected by the Governor's office when the additional gaming opportunities in upstate New York were proposed a few years back, so funding in this proposed budget reflects this lower amount. As was the case with the revenue received last year for our share of the casino license fee, we continue our pledge of using any proceeds from the casino for tax relief and to spur economic development. In this budget proposal, the funding that we anticipate receiving this year will be split between road paving equipment and road paving materials recognizing that maintaining our infrastructure will encourage new businesses to locate here as well as encouraging those that are here to stay and grow with us. The anticipated casino funding for 2018 will be used to help offset the need for additional property tax increases as will a portion of the tax stabilization fund established several years ago for this purpose.
- **Rensselaer County Heroin Coalition**- This countywide community coalition was formed a little over 18 months ago and already has 400+ people on the mailing list. Meetings are held every six weeks and are

chaired by the Public Health Director and the Sheriff. Subcommittees have been formed to discuss and formulate action plans for the following topics in more detail: Community Education, Medical, Treatment and Harm Reduction, Law Enforcement, Legislation, and Data. We continue to seek funding for these action plans from money allocated in the state budget to address the heroin / opioid crisis and from any proceeds that result from our lawsuit against pharmaceutical companies that misled doctors and the public as to the addictive nature of these drugs. Additionally this budget proposal includes funding to support the effort to establish and man with volunteers a 24 hour helpline to provide information on available services and resources for those struggling with addiction and those ready to begin the journey to recovery.

- **Fiscal Management and Technology Upgrades** - We are completing the transition to the New World financial and human resources software that provides for greater efficiencies throughout county government saving tax dollars in the process. When completed, access to information will be immediate and many previously manual processes such as vendor claims, time sheets and personnel action forms will be automated. As well, we have begun to work with other municipalities within the county that are also transitioning to the New World software platform to support their implementation and share training opportunities in the future.

In 2017, the county contracted with Three + One, a consulting firm specializing in providing municipalities with banking liquidity analysis and cash flow modeling. Their analysis resulted in negotiation of better terms for banking services and identified opportunities to shift deposits to higher yield investments. Coupled with an improved interest rate environment, these changes allow the county to budget for significantly higher revenue from interest earnings in 2018.

Additionally, the county is currently migrating to Microsoft's Office 365. Microsoft Office 365 is a hosted service that provides users with access to various Microsoft Office applications, and productivity and collaboration services enabled over the Internet (cloud services). Microsoft Office 365 includes the desktop version of the latest Microsoft applications, which can be installed across multiple

computers and devices. The fully installed applications included: Word, Excel, PowerPoint, OneNote, Outlook, Publisher, and Access. Productivity and collaboration services include, but are not limited to, Exchange Online hosted email and Skype for business web conferencing. Microsoft Office 365 ensures that the county always has the most up-to-date versions of the latest applications. Our countywide shared services plan proposes using the Microsoft Office 365 platform to provide additional support services to our municipalities in 2018 and beyond.

Finally, with many Civil Service functions having still been paper-based, the Civil Service Commission purchased a personnel / civil service software system to automate, streamline, enhance and improve the provision of its responsibilities in accordance with the New York State Law. It is expected that this software will eliminate paper processing, making operations more environmentally friendly and economically more effective, not only for the Commission but also for all the departments and agencies served as well as the public.

- **Shared Services** – The 2017-18 state budget included the requirement that every county in New York State excluding the counties in NYC form a countywide shared services panel composed of the chief elected official from the County and every city, town and village within each county. The goal of the panel was to prepare a plan that identified property tax savings that could be achieved by eliminating duplicative services and coordinating additional sharing of services. Rensselaer County has a long history of sharing services with our municipalities and school districts. This tradition has been a part of this administration's efforts to control the cost of government as evidenced by our many local government symposiums and shared services collaborations over the past 16 years.

This year's process was challenged by a very short timeframe to compile the plan but nonetheless identified six initiatives to be undertaken within the next year and more than a dozen others to be considered in 2018 and beyond. As well, the plan proposes the initiation of a Council of Governments in the county to bring together the chief elected officials two to three times per year to encourage the continued exchange of ideas for other opportunities.

This budget proposal includes \$100,000 for the development of a purchasing portal that will allow the county and all of our municipalities to access county bids, requests for proposals, and opportunities for shared purchasing, as well as access state, federal, consortium and other municipal bids. The concept is to automate in one application all of the information our municipalities may need, to make the most cost effective purchase for the goods and services they purchase rather than having to go to multiple sources to obtain this information.

Other shared services to be undertaken in 2018 include dog control, LED lighting, household hazardous waste, Highway and DPW services and regional training. As the costs for these endeavors are identified, it is anticipated that amendments to the 2018 budget may be required. Any savings generated from these shared services will purportedly be matched by the state in its 2019-20 budget however the specifics of accessing that match have thus far not been disclosed.

- **Raise the Age** - The 2017-18 New York State budget also includes language to raise the age of criminal responsibility for non-violent felons from 16 to 18 by October 1, 2019. Under the new law, the provisions will be phased in over two years. On October 1, 2018, the age of criminal responsibility will be raised from 16 to 17 years old. This means that a 16 year old that is charged with a non-violent felony or misdemeanor will be considered an adolescent offender and will be protected from adult incarceration. On October 1, 2019, the age of criminal responsibility for these same crimes will be raised from 17 to 18 years old. While the policies and regulations are still being worked out by various state agencies, implementing the new law will impact several county departments, and will require additional personnel and resources in these departments and elsewhere. The 2018 Tentative Budget has addressed the impending additional county costs due to this new law. There is to be funding included in the next state budget to compensate the county for these expenses, but there are several requirements that need to be achieved before the county can receive reimbursement.

- **Hudson Valley Community College Sponsor Contribution – 2018** represents the final year of the county’s five year commitment to increase the annual sponsor contribution to the College by \$200,000 per year. The total increase of one million dollars brings the sponsor contribution more in line on a per student basis with other counties’ contributions for their residents who attend HVCC. Without this funding devastating cuts to the college’s programs would otherwise occur. Despite continued calls for the State of New York to fund its legal obligation of one-third of all community colleges’ budgets, the state budget consistently falls short thus forcing students and counties, and thus our taxpayers, to contribute more.

PROPERTY TAX IMPACT

It is a credit to the department heads and county workforce who continue to provide services in a cost effective manner while making Rensselaer County more attractive to businesses and families that this proposed budget does not further burden the property taxpayers. Under this proposed budget the 2018 average property tax rate would remain the same as the 2017 average tax rate and we will once again be under the property tax cap.

Under this proposal, the average annual county property tax bill would be \$619.28 for each \$100,000 of property value. As a matter of clarification, the proposed county tax rate and its change from the current year’s rate will vary from one municipality to another. This variance is due to each individual municipality’s equalization rate as established by the New York State Division of Real Property Services as well as the property assessments as established by the municipal assessors.

Under this proposed budget the county portion of a property owner’s total tax burden would represent approximately 19¢ of every dollar.

All County Residents Where Does Your Total Tax Dollar Go?

58¢
School

19¢
County

17¢
Town/City

6¢
Special
Districts



For county property owners who live in either the City of Rensselaer or the City of Troy, the county portion of their overall property tax burden would amount to 14¢ of every dollar.

City Residents Where Does Your Total Tax Dollar Go?

53¢
School

33¢
City

14¢
County



CONCLUSION

Once again as we keep our county taxes as low as possible we are faced with very difficult decisions. As has been stated by many local government officials a budget is not a candidate for anyone's popularity contest. In fact, it is impossible to satisfy all the people all the time particularly when, as is common in human nature, their own personal issues take priority over other issues.

Therefore as a county we are faced with the ultimate responsibility of keeping our roads and bridges safe through our maintenance and our patrolling capabilities, as well as providing other local services our residents rely upon. No one wants to tax seniors out of their homes. Therefore, strict spending practices must be the order of the day as we maintain the human services so very important to the lives of those who call Rensselaer County home.

To further compound our problems our fiscal resources are severely limited on the county level due to the ever increasing state mandates that take far too much of our local residents' tax dollars, as too often they are used to support state driven programs that the county has no control over. In the current state budget another cost shift to counties took place when the state reduced its matching rate for foster care, resulting in our county having to absorb over \$560,000 more in state mandated spending yearly. As we look at the last 12 years, the amount of our yearly state mandated spending has increased by 76% or \$58.7 million. Putting aside the hot button issues that captivate the public, our overriding concern has always been to reverse the state's reckless mandate practices to lower taxes and/or free up our ability to address other vital issues that need attention.

With concern it should be noted that the possibility for even more state mandated spending is occurring as a result of the potential reform of health care at the national level. Because New York State spends so much on the Medicaid program, any cuts from the federal government will significantly impact the state's budget. If the state takes its usual approach to dealing with state budget gaps, they will undoubtedly pass additional costs onto counties and our taxpayers, regardless of the fact that it is not a county program!

In light of anticipated changes at the state and federal levels of government, care should be taken to continue local conservative budgeting and spending practices as evidenced in this proposed budget. As well, the lobbying of our state legislators and the Governor needs to continue in order to reverse their view that local taxes are an appropriate means to pay for state programs, allowing the state to have no accountability. It is little wonder that state mandated spending in this budget requires 89 cents of every local tax dollar we collect. The state should provide the much needed and long promised mandate relief that in turn will generate long overdue local property tax relief.

When everything is considered it is apparent that the taxpayers are very much our partners in the operation of county government. That being the case, I am confident that this budget has balanced the needs of the community with the capability of the residents and businesses who pay the taxes. Their needs and desires must be heard.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen M. Jimino".

Kathleen M. Jimino
County Executive

Acknowledgements

I extend my personal thanks and acknowledgements to Director of Budget Stacey Farrar and her staff James Breig, Marc D'Amore and Ellen Christiansen; Chief Fiscal Officer Michael Slawson, and Director of the Bureau of Research and Information Services Vincent Ruggiero for the hard work and the countless hours they devoted to this budget document.

I also extend my thanks and appreciation to all of the department heads, elected officials, and county employees who dedicate their service to the residents of Rensselaer County and make Rensselaer County the ideal place to live, work and raise a family.