



**NASSAU COUNTY LEGISLATURE**  
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**Inter-Departmental Memo**

To: Hon. Norma Gonsalves, Acting Presiding Officer  
Hon. Kevan Abrahams, Minority Leader  
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director  
Office of Legislative Budget Review

A handwritten signature in blue ink, appearing to be "M. Chalmers", written over a circular stamp or mark.

Date: November 19, 2012

Re: Technical Adjustments to the 2013 Proposed Budget

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The Office of Legislative Budget Review (OLBR) has reviewed Clerk Item # 609-12, which is an Ordinance to modify then adopt the 2013 Proposed Budget for the fiscal year beginning January 1, 2013 through December 31, 2013. This memo seeks to provide a detailed analysis of the changes.

The following chart details the technical adjustments by Fund:

**Chart 1: Adjustments by Fund**

Fund	Expense Adjustments	Revenue Adjustments
Debt Service Fund	(1,209,930)	(1,209,930)
Fire Commission Fund	19,429	19,429
General Fund	3,868,278	3,868,278
Police District Fund	(1,532,656)	(1,532,656)
Police Headquarters Fund	(2,510,003)	(2,510,003)
Nassau County Public Utility Agency	(1,654,000)	(1,654,000)
Sewer & Storm Water Fund	(293,400)	(293,400)
<b>Grand Total</b>	<b>(3,312,282)</b>	<b>(3,312,282)</b>

This amendment includes a net decrease of \$3.3 million in expense and revenue adjustments for all funds. The technical adjustments add \$3.9 million to the General Fund and \$19,429 to the Fire Commission which is offset by reductions of \$2.5 million in Police Headquarters, \$1.5 million in Police District, \$1.2 million in the Debt Service, and \$293,400 in the Sewer and Storm

Water Resource District. Finally, the Nassau County Public Utility Agency (NCPUA) Fund has been eliminated due to the abolishment of the program.

**Police District**

The net \$1.5 million technical adjustment in District is comprised of \$3.1 million less in salaries and wages. This reflects the removal of deferred monies which was overstated in the proposed budget. The remaining \$492,601 for retroactive pay should be sufficient to fund SOA deferrals that will come due in 2013. Also an additional \$1.6 million, which will establish a line for contingencies, will be included in OO (Other Expenses) bringing the total for that line to \$4.6 million. Rounding out the technical adjustments in District is \$1,925 less in debt service chargebacks for a net total of \$1.5 million in expense adjustments. A corresponding revenue adjustment of \$1.5 million is decreasing the District property tax levy.

**Police Headquarters**

The adjustments on the Headquarters side include \$3.1 million less in salaries and wages, also reflective of overstated deferrals in the proposed budget. The remaining \$492,601 will fund the 2013 SOA deferrals. There will also be \$37,305 less in debt service chargebacks. Favorably, \$157,387 will be added to the fringe benefits line and an additional \$500,000 will fund contingencies bringing the OO line to \$2.2 million. Total net technical adjustments in Headquarters are \$2.5 million. A corresponding revenue adjustment of \$2.5 million is decreasing the Headquarter property tax levy.

**The General Fund**

The technical adjustments add \$3.9 million to the General Fund. The expense consists of:

- An increase of \$2.9 million in salaries and \$228,665 in fringe benefits. The following chart details the salary technical adjustments by department.

<b>General Fund Salary changes by Department</b>	<b>Expense</b>			
	<b>Adjustment</b>	<b>FT Staff</b>	<b>PT Staff</b>	<b>SE Staff</b>
Assessment Review Commission	45,000	1.00	-	-
Assessment Department	219,624	5.00	-	-
Office Of Management And Budget	(1,444,101)	(51.00)	-	-
Sheriff/Correctional Center	445,462	(8.00)	-	-
Office Of Constituent Affairs	155,701	2.00	-	-
County Clerk	(152,500)	(5.00)	-	-
Comptrollers	428,663	8.00	-	-
Civil Service	2,958	2.00	-	-
Health Department	261,057	3.00	-	-
Commission On Human Rights	41,052	1.00	-	-
Office Of Labor Relations	40,000	1.00	-	-
Office Of Minority Affairs	52,000	-	2	-
Medical Examiner	141,445	3.00	-	-
Public Administrator	71,606	1.00	-	-
Probation	322,155	5.00	-	-
Human Resources	80,000	1.00	-	-
Purchasing Department	213,152	3.00	-	-
Public Works	1,159,340	13.00	-	-
Records Management	152,500	5.00	-	-
Social Services	708,488	10.00	-	-
<b>Grand Total</b>	<b>2,943,602</b>	<b>-</b>	<b>2</b>	<b>-</b>

- An increase of \$2.0 million in contractual services to restore a portion of program agencies in Human Services.
- An offset by a \$1.0 million decrease in debt service chargebacks from revised NIFA debt refunding.
- A decrease of \$240,638 in interdepartmental charges.
- A reduction of \$65,000 in other expenses.

The revenue changes consist of:

- An increase in the property tax levy of \$4.0 million.
- Inter-fund charges are increasing by \$844,561 due to the following:
  - Reclassification of \$55,868 in misallocated interdepartmental revenue in the County Attorney (BJ to BW), an additional \$45,691 in Constituent Affairs and \$743,002 in the Department of Public Works (DPW). The bulk of the latter is for the transfer of expenses to the Sewer and Storm Water Resource District for mosquito control and lawn care.
- The increase of \$138,000 in rents and recoveries in the Department of Civil Service is the corresponding revenue the department is seeking to recover for two full-time positions.
- Department revenue is increasing by \$1.4 million due to:
  - A \$3.6 million increase in farebox revenues. The farebox increase is the result of the expected increase in Metropolitan Transit Authority (MTA) ticket prices. Since Nassau Inter County Express (NICE) accepts the metro-card, the County must mirror the rates charged by the MTA.
  - Offset by a cut of \$726,516 in bus advertising,
  - Offset by a cut of \$600,158 in non-operating revenues.
  - Offset by the elimination of two revenue sources within the Planning responsibility center in DPW of \$750,000 for concessions and \$165,000 for fees. The concession revenues originate from a ten-year contract between Nassau County and Signal Outdoor Advertising LLC. The 2013 subdivision inspection fee budget is based upon closing one average major subdivision.
- A \$2.3 million reduction in federal aid for the NICE Bus System. The Federal Transportation Aid (FTA) operating grant money is a percentage of the County's capital transit funding. In 2012, the County had the right to receive a higher percentage as operating grant funds.
  - In total the revenue sources pertaining to Veolia bus contract result in a minimal \$98 increase in revenues.

### **The Debt Service Fund**

The Debt Service Fund has been reduced by \$1.2 million. The County expected to save \$30 million over the next four years as a result of completing a NIFA refunding. The savings were included in the proposed budget as a negative \$4.7 million on the NIFA refunding budget line. When the refunding was complete, Nassau actually saved \$5.9 million. The technical adjustments to the debt service budget capture \$1.2 million of the additional savings.

**Sewer & Storm Water Fund**

The FY13 proposed Sewer and Storm Water (SSW) budget is being decreased by \$293,400 via technical adjustments. In the SSW fund, salaries are decreasing by \$849,498, offset by an additional \$76,042 in fringe benefits and \$480,056 in inter-fund charges. The salary decrease of \$849,498 is due to an entry to correct the capital back-charges in the proposed budget. The inter-fund charge increase of \$480,056 is due to two factors. The first component is due to an increase of \$621,950 in overtime and fringe benefit charge backs for the mosquito control and lawn care expenses in DPW that are related to the SSW fund. The second component is a decrease of \$141,894 from revising the portion of NIFA refunding related to the Sewer and Storm Water Resource District. A corresponding revenue adjustment of \$293,400 is decreasing the fund balance usage in the Sewer and Storm Water Resource District.

**The chart below details the technical adjustments by object code:**

**Chart 2: Adjustments by Object for Major Funds (Including SSW District)**

<b>Expense/ Revenue</b>	<b>Object Description</b>	<b>Expense Adjustments</b>	<b>Revenue Adjustments</b>
<b>Expenses</b>	Salaries, Wages & Fees	(4,180,338)	0
	Fringe Benefits	483,623	0
	Contractual Services	2,028,355	0
	Debt Service Chargebacks	(1,068,036)	0
	Inter Departmental Charges	(240,638)	0
	Interfund Charges Interfund Charges	480,056	0
	Other Expenses	838,696	0
<b>Revenue</b>	Fund Balance	0	(293,400)
	Rents & Recoveries	0	138,000
	Department Revenues	0	1,373,315
	Interdepartmental Revenues	0	(240,638)
	Debt Service Chargeback Revenue	0	(1,068,036)
	Interfund Charge Revenue	0	720,694
	Federal Aid Reimbursement Of Expenses	0	(2,288,217)
<b>Grand Total</b>		<b>(1,658,282)</b>	<b>(1,658,282)</b>

**Expense Adjustments**

Salaries

Salaries are being reduced by \$4.2 million in the major funds including Sewers. The majority of the decrease is due to the combined \$6.2 million cut in the Police Department for both funds as previously mentioned.

In the Correctional Center a salary increase of \$445,462 is due the reduction of \$428,663 for eight Correction Officer titles offset by an increase of \$874,125 for the deferral of equipment and uniform allowances for Officers.

Finally, the technical adjustments are restoring the proposed targeted workforce adjustments at the department level and putting an additional \$1.4 million in projected attrition savings centrally in the Office of Management and Budget (OMB).

### Fringe Benefits

Fringe benefits are increasing by \$483,623. This is due to an increase of \$2.0 million in pension expenses offset by a decrease of \$1.5 million in unemployment costs.

### Debt Service Chargebacks

The \$1.1 million reduction in debt service chargebacks is due to revised NIFA restructuring savings.

### Contractual Expenses

The amendment includes \$2.0 million for the reinstatement of program contracts in the Office of Youth Services.

### Other Expenses

The technical adjustments are increasing other expenses by \$838,698 which results from \$1.2 million reduction in the Debt Service Fund offset by an increase of \$2.1 million in the Police Department for contingencies.

## **Revenue Adjustments**

### Fund Balance

Fund Balance is decreasing by \$293,400 to offset the corresponding expense adjustment in the Sewer and Storm Water Resource District.

### Department Revenue

The technical adjustments are increasing department revenue by \$1.4 million for the NICE bus contract.

### Federal Aid

The \$2.3 million reduction in federal aid is due to reduced reimbursement for NICE bus.

cc: David Gugerty, Minority Chief of Staff  
Dan McCloy, Director of Law, Finance & Operations  
Gregory May, Director of Legislative Affairs  
William Muller, Clerk of the Legislature  
Peter Clines, Minority Counsel  
Aline Khatchadourian, Minority Finance Director