



NEWS FROM THE OFFICE OF ULSTER COUNTY EXECUTIVE MIKE HEIN



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GOVERNMENT MUST CHANGE: COUNTY EXECUTIVE MIKE HEIN DELIVERS THE 2012 EXECUTIVE BUDGET

The 2012 Executive Budget proposes transformational budget.

Kingston, NY- County Executive Mike Hein delivered the Executive Budget for 2012. The County Executive's budget was created amidst the most challenging financial conditions in the County's history and in the aftermath of both Hurricane Irene and Tropical Storm Lee. The Ulster County budget process began with challenges, largely due to increases in state mandated expenses, increases in employee pension and health care costs and reductions in state and federal revenues. Despite these complicated conditions, innovative and transformational solutions were presented.

With this budget, County Executive Hein further streamlined operations and guarded taxpayers against significant tax increases. Key components include: (1) eliminating duplication and expanding shared services by having the New York State Attorney General's Office handle complaints from Ulster County; (2) ending the duplication of chemical dependency services that currently exists with the Mental Health Department and private not-for-profits; and (3) presenting a plan to save Golden Hill from closure and transition it to a private facility. This plan presents a bridge to future savings and is a compassionate alternative to closure.

"First and foremost, this budget protects taxpayers, continues the provision of essential services and better positions Ulster County to compete in an ever-changing global economy," said County Executive Mike Hein. "For Ulster County to thrive, people of courage must step forward, difficult decisions must be made, and as a community, we must rekindle that very same spirit of change that led us to restructure our entire form or government. In the face of these fiscal challenges, this budget puts forth a plan, which is the only one that will actually keep Golden Hill open. Without mandate relief from New York State, Ulster County can no longer afford the status quo. There simply are no other options. "

According to Ulster County Budget Director Arthur Smith, "In my 30 years with Ulster County, the conditions surrounding the 2012 Executive Budget were the most difficult I have ever experienced. The actions taken in this budget are necessary and fiscally sound. By adopting this plan, we will take a substantial step toward long-term financial sustainability."

"I applaud County Executive Hein for taking bold steps towards a more stable financial future for Ulster County," said Ulster County League of Women Voters President Dare Thompson. "The County operation of Golden Hill is simply unsustainable. Additionally, at this time, with a State property tax cap in place

and no mandate relief on the way, reducing non-mandated County spending is the only option available for Ulster County.

Hurricane Irene. Hurricane Irene was the worst natural disaster in the history of Ulster County. Countless Ulster County families have been negatively affected, some have lost their homes and others have suffered a tremendous amount of damage. Additionally, Ulster County has incurred substantial infrastructure damage currently estimated to be as high as \$15 million. This devastation made an already difficult financial situation much worse.

State Mandates. While County Executive Hein reduced spending in non-mandated areas to protect taxpayers for three consecutive years, the County must dramatically increase spending on mandated programs. In 2011, 70% of the County's budget was the result of state and federal mandates. In 2012, this percentage is expected to grow. For example, the heavily mandated Department of Social Services expenses are expected to increase by \$6,315,383.

Tax Cap. When drafting the 2012 Executive Budget, County Executive Hein acknowledged the reality of the State Tax Cap, in effect until at least 2016, and successfully worked within its confines. According to the formula produced by the New York State Comptroller's Office, which takes into account retirement growth exemptions, Ulster County's total levy limit for 2012 is estimated at \$79,313,704. This would equate to a 3.08% tax increase. The Executive's Budget proposes a property tax levy which is .6% lower than the property tax levy limit.

Tax Levy. The Executive Budget includes a \$78,860,389 tax levy. As the 2011 adopted tax levy was \$76,944,960, there is a 2.49% difference between this proposed 2012 tax levy and the 2011 adopted tax levy.

Sales Tax. After extensive analysis, the conservative 2012 sales tax projection is \$85,215,842 an increase of 2.0% from the 2011 adopted budget.

Fund Balance. 2012 is a year of significant need. In order to transition the County into a more sustainable organization, the Executive Budget relied heavily upon fund balance to bridge the revenue gap. To protect taxpayers from a massive tax increase, the Executive Budget allocates \$10.85 million from the general fund balance to offset expenses. The estimated general fund balance at the end of 2011 is expected to be \$22.9 million.

Public Safety. The County Executive has set public safety as a top priority in 2012. The Executive Budget does not cut a single Sheriff's Deputy and both the District Attorney and Sheriff's Departments have their total spending increased. To keep Ulster County safe, the County Executive recommends an additional prosecutor, specifically to prosecute gang and drug crimes in the City of Kingston.

Consumer Fraud. The State Attorney General's office has agreed to handle all of the consumer complaints from Ulster County utilizing the same local phone number. The gross savings associated by expanding shared services is \$162,000 in 2012 alone.

Mental Health. Because chemical dependency services are sufficiently provided in the non-profit sector, Ulster County no longer needs to offer such services. For this reason, Ulster County will no longer operate a Chemical Dependency Unit, allowing the County to reduce the workforce by 8 full time positions. In addition, Ulster County will move forward with the continued realignment of the Public Health and Mental Health Departments. As part of this process, the 2012 Executive Budget removes 11 vacant but previously funded positions from the Mental Health Department. The payroll savings associated with these actions is \$1.12 million.

Golden Hill. For nearly a decade, while the Ulster County Legislature has struggled to make a decision regarding the future of Golden Hill Health Care Center operating costs have skyrocketed and the building has aged significantly since it was built in 1967. Because County Executive Hein understands the importance of keeping Golden Hill open, this Executive Budget includes a fiscally responsible way to do that. The 2012 Executive Budget will fully fund Golden Hill while it transitions ownership of the facility to an LDC. This plan is detailed in the *Golden Hill Fact Sheet* (attached). The County operational subsidy of Golden Hill in 2012 is \$5,559,033.

The County Executive called upon the Ulster County Legislature to join him in supporting the plan to keep Golden Hill open. He said, "There is still time for this Legislature to make tough decisions, rewrite their legacy and save Golden Hill. You see, while some may talk about saving Golden Hill, the truth is, this plan is the only one that actually does."

The truth is, if Golden Hill is sold it will continue to operate. Residents will not be displaced and staff will continue to be needed to operate the facility and care for the residents. Despite the myths and false rumors being spread, Ulster County residents with Medicaid will continue to be able to use Golden Hill. It is illegal for nursing homes to discriminate based on the source of payment, as is evident by the fact that the other five nursing homes in Ulster County all have residents with Medicaid.

The 2012 Executive Budget provides for the delivery of all essential services, protects taxpayers and better positions Ulster County to compete in an ever-changing global economy. In a time when many New Yorkers are struggling with their bills, the County Executive asks the Ulster County Legislature to show bi-partisan support for a budget that sets the foundation for a sustainable financial future.

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Attachment 1: 2012 Ulster County Executive Budget

Attachment 2: 2012 Ulster County Executive Budget Summary

Attachment 3: 2012 Ulster County Executive Personnel Listing

Attachment 4: 2012 Ulster County Executive Budget Presentation

Attachment 5: 2012 Executive Budget Speech

Attachment 6: October 5, 2011 letter to New York State Department of Health

Attachment 7: Golden Hill Fact Sheet

Attachment 8: Mental Health Fact Sheet

Attachment 9: Draft Resolution scheduling a public hearing regarding the proposed sale of the Golden Hill Health Care Center to the LDC

Attachment 10: Draft Notice of Public Hearing regarding the sale of Golden Hill Health Care Center to the LDC

Attachment 11: Draft Budget Resolution