

GOP SAVINGS PLAN

FY2002 Budget Modifications



A Commonsense Plan to Protect Our Future



**A Report by the
Republican Caucus of the
Nassau County Legislature**

October 2001

INTRODUCTION

The members of the Republican delegation of the Nassau County Legislature since the beginning of this legislative term have consistently called for a smaller, more responsive County government. The plan submitted by the delegation in October 2000, “Nassau County at a Crossroad: FY2001 and Beyond” presented a roadmap to achieve fiscal stability and structural reform through tough spending cuts and responsible/fair wage contracts.

Our focus and concerns remain the same.

A County government that spends 45% of its budget on personnel must take tough, but necessary steps to reign in labor costs if structural reform and budgetary stability is to be achieved and the need to turn to the taxpayer for more of their hard earned dollars is limited. Unfortunately, a great opportunity was lost when despite the warning from NIFA that the contract was “unaffordable”, the Legislative Majority passed the labor contract for Correction Officers. That action resulted in the County losing \$50 million in labor savings.

Labor must be an active partner in the fiscal stability of our County and we refer residents to the report issued by the Republican caucus in March of 2001 entitled: “Labor: The Need for Fiscally Responsible and Fair Contracts” that outlined the measures necessary to be implemented to provide taxpayers considerable savings.

This report presents a savings plan for fiscal stability by making the spending cuts and modifications necessary to correct the flawed budget submitted by the County Executive.

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In his letter¹ of approval of the FY2001-2004 Plan, Frank Zarb, Chairman of NIFA wrote, “The County must continue to move forward aggressively with the revenue and expenditure initiatives contained in the out-years of the multi-year plan.”

We wholeheartedly agree and with that in mind we have made recommendations for the 2002 budget that are solid substitutions to the items identified as “at risk” by NIFA.

The principal components of the budget modifications are:

- Reduced spending by more \$35 million
- Elimination of 25 patronage positions thereby saving nearly \$2 million
- Use of surplus funds to pre-pay debt service
- Increased non-tax revenues through reform and operational improvement at the Traffic and Parking Violations Agency
- Elimination from the budget of items identified as “risky” by NIFA
- The phasing-out of the General Fund subsidy to the Police Headquarters Fund

¹ Letter dated December 8, 2000 from Chairman Frank G. Zarb to Minority Leader Peter J. Schmitt

PAYING DOWN DEBT

The County Comptroller and the Independent Legislative Budget Review Office both have correctly identified that the County has an opening fund balance of \$27.8 million from the 2000 budget that can be utilized. It is our recommendation, consistent with previous actions, to utilize these funds to pre-pay debt service in the 2002 budget.

PATRONAGE POSITION ELIMINATION

The proposal eliminates 25 patronage positions from the County government with an annual savings of nearly \$2 million. The positions are as follows:

Department	Position		Salary
Accounts	Fiscal Analyst	\$	43,662.00
Accounts	Staff Assistant	\$	47,382.00
Accounts	Staff Assistant	\$	42,817.00
Accounts	Staff Examiner	\$	36,317.00
Accounts	Commissioner	\$	93,500.00
Accounts	Special Assistant	\$	55,000.00
Attorney	Community Services Representative	\$	38,096.00
Budget	Research Aide	\$	31,130.00
County Executive	Special Assistant	\$	107,982.00
County Executive	Special Assistant	\$	68,500.00
County Executive	Research Aide	\$	47,500.00
County Executive	Research Aide	\$	33,000.00
County Executive	Research Aide	\$	45,000.00
County Executive	Assistant Project Director	\$	62,000.00
County Executive	Staff Assistant	\$	42,000.00
Drug & Alcohol Health	Deputy Commissioner Community Services Representative	\$	71,250.00
		\$	35,567.00
Labor Relations	Secretary Support Services	\$	49,281.00
Parks	Deputy Commissioner	\$	80,000.00
Planning	Assistant to Commissioner	\$	55,567.00
Public Administrator	Deputy Public Administrator	\$	67,621.00
Public Works	Deputy Commissioner	\$	87,500.00
Public Works	Deputy Commissioner	\$	86,000.00
Senior Citizens	Deputy Commissioner	\$	71,745.00

Treasurer	Deputy Treasurer	\$	80,750.00
Total Salary		\$	1,479,167.00
Fringe		\$	517,708.45
Total Savings		\$	1,966,875.45

MTA TAKEOVER OF LI BUS

Nassau County, by contract, provides a subsidy to MTA Long Island Bus. In addition, Nassau County provides capital funding for the agency.

MTA Long Island Bus is a subsidiary corporation of the Metropolitan Transportation Authority (MTA). The MTA controls the entire operation of LI Bus from procurement policy, route structure, hiring, labor contracts to fare structure, yet the MTA provides a limited subsidy to the operation. In addition, the MTA keeps all of the revenues generated by Long Island Bus, including fare revenue and advertising revenue.

Nassau County's subsidy in 1999 to Long Island Bus represented 25.9% of their operating budget. In comparison, New York City's operating subsidy to the Transit Authority was 3.6% of their operating budget. We reiterate our concern that the MTA must be more than just the logo on the side of the buses operated in Nassau County, but a full partner in the operation of LI Bus.

It is, therefore, recommended that the Administration immediately enter into negotiations with the MTA to renegotiate its contract for the operations of Long Island Bus. The MTA budget runs on a similar calendar cycle as the County's so now is the time to act. The MTA

should take complete responsibility for the operating subsidy of Long Island Bus. Nassau County in the interim could continue to provide a local match to the agencies capital program to ensure continuance of its progressive policy to purchase clean air buses and provide funding for ABLE Ride.

Annual Savings

2002	2003	2004	2005
\$5,853,000	\$5,853,000	\$5,853,000	\$5,853,000

ELIMINATE COMMISSIONER OF ACCOUNTS

The Commissioner of Accounts investigates, with supoen power, and reports to the County Executive in matters relating to the County, Towns and Special Districts. In addition, the following programs fall under the auspices of the Commissioner’s Office:

- Hardship Review Board
- Defense Council Screening Bureau
- Criminal Justice Coordinating Council
- Financial Disclosure

It is proposed for FY2003 the Commissioner of Accounts be eliminated. As this is a Charter change this can only be done by ballot at public referendum. The functions of the office would be assigned to the County Attorney’s office.

Annual Savings

2002	2003	2004	2005
\$0	\$198,000	\$215,000	\$245,000

MERGE MINORITY AFFAIRS, WOMEN’S SERVICES AND CASA AGENCIES

Each of the offices provides similar services to the residents of the County. Each office assists to coordinate services, programs and referrals for members of the constituencies they serve. The merger of the three offices into a single Office of Minority Affairs would provide the public with one place to turn to for assistance, while saving tax dollars.

Savings

2002	2003	2004	2005
\$170,000	\$170,000	\$170,000	\$170,000

TRAFFIC & PARKING VIOLATIONS AGENCY (TPVA) REFORM AND IMPROVEMENTS

On January 2, 2001 the Republican delegation issued a report containing 12 recommendations on reforming and improving the operations at TPVA. Working with the Independent Legislative Budget Review Office it was determined that \$2 million in new non-tax source revenue could be obtained by implementing the recommendations contained in the report.

The recommendations were:

1. Hire additional employees. The number of employees to be determined after the Office undertakes a field audit of TPVA to ensure that work processes are in place so that the additional employees are utilized in a fashion to generate the projected revenues.
2. Move forward with establishment of third courtroom.

3. Begin steps to secure a vendor to provide the appropriate guidance, hardware and software to upgrade the County's web site to permit for the payment of parking tickets via the County's web site.
4. Begin steps to secure a vendor to provide the appropriate guidance, hardware and software to upgrade TPVA's phone system to allow for the payment of parking tickets over the telephone.
5. Explore the establishment of Neighborhood Payment Centers to allow residents convenience in paying for their tickets.
6. Change the address on the back of County issued parking tickets so that the monies are mailed directly to the lock box insuring the quick deposit of checks sent to pay for parking tickets. Many checks for parking tickets are still sent to TPVA directly causing a backlog of tickets and uncashed checks.
7. Issue an RFP for the installation of an ATM machine in the TPVA offices so as to generate additional income for the County while at the same time offering residents the convenience of obtaining funds to pay their fines without having to leave the TPVA premises.
8. Issue an RFP for the solicitation of bids from the banking and financial service industries for the acceptance of credit and debit cards as a means to make payments to TPVA.

9. Seek state legislation permitting TPVA to be able to receive payment by credit card and debit card for moving violations.

10. Explore privatization opportunities at TPVA.

11. Undertake legal research with respect to converting violations of State law into County ordinances, thereby increasing the number of fines that the revenue received remains with the County and not forwarded to the State.

12. Examine the establishment of a program to permit those persons with no or limited ability to pay for parking tickets to undertake volunteer duties on County property e.g. litter removal for a set period of time.

Annual Projected Revenue

2002	2003	2004	2005
\$2,000,000	\$2,200,000	\$2,420,000	\$2,662,000

PUBLIC SAFETY FUNDING

The Gulotta Administration in its 2002 budget submission has proposed to further confuse the Croatian Road Map of funding for public safety services by increasing the General Fund subsidy to the Police Headquarters (PH) Fund by \$10.7 million to \$98.3 million in 2002. This must end.

To this end it is proposed that the entire NIFA mandated 5% tax increase be placed in the Police Headquarters Fund. This action will cut the General Fund subsidy by more than 30% and tax bills will reflect the true cost of public safety services.

As stated earlier, as the result of the Administration/Democrat Majority's action on the ShOA contract \$50 million in labor savings was eliminated by NIFA from the four-year plan. The ShOA contract alone for the back years and 2002 will cost taxpayers \$14,386,712. And, as the State Legislature failed to amend the state statute on binding arbitration, these action are necessary to truly reflect the cost of public safety and provide the resources necessary in the budget.

RAINY DAY FUND

The budget modification as proposed by the Republican delegation would provide for the County to end the fiscal year with a surplus. It is proposed that all savings from spending cuts be placed in the County's "Rainy Day Fund" to be used as necessary.

"AT RISK" ITEMS ELIMINATED AND OTHERS ADDED

NIFA correctly pointed out that the 2002 budget submission presented by the County Executive was flawed and contained a shortfall of \$55 million. As part of our budget modifications the GOP caucus accepts the NIFA recommendations and adds two measures to the at risk items as follows:

- Increase Overtime by \$2 million
- Adjust Salary Savings by \$6 million

FUND REDUCTIONS

The budget modification as presented by the GOP Caucus calls for across-the-board spending cuts in the major funds. The cuts in the funds are proposed as follows:

FUND	DOLLAR CUT
General Fund – Non-Reimbursable	\$21,161,821
General Fund – Reimbursable	\$1,145,807
Police Headquarters	\$2,565,965
Parks	\$1,579,650

CONCLUSION

Nassau County has much more work to do to bring structural stability to the County's finances. We must remain steadfast in our commitment to undertake the difficult, but necessary spending cuts to ensure the long-term fiscal health of the County government. We must demand that management manage which is something that has been sorely lacking in the current Administration. Management accountability must be made part of the process for if we are to succeed now and in the future.

We must speak as one voice to ensure the County achieves the mandate relief necessary from the State and Federal levels of government. An aggressive grant management and lobbying effort must be undertaken to ensure a constant County presence in the halls of power in Albany and Washington.

By making the necessary sacrifices now, we can assure our residents, the business community and our employees of a financially stronger, more efficient and leaner County government that serves all of their needs.

We must also remain cognizant of the issues surrounding the operations of the Nassau University Medical Center and the impact its financial success or failure will have upon the County in 2003 – the final chapter on the state of the County finances has yet to be written.