

2006

Significant Revenue & Expense Budget Variances **

(\$ millions)

	Adopted Budget	Actual	Variance
Revenues:			
Sales Tax	\$995.8	\$989.2	(\$6.6)
Property Tax	738.6	739.9	1.3
State and Federal Aid	286.3	303.0	16.7
Tobacco Proceeds	23.0	33.3	10.3
Investment Income	14.0	24.9	10.9
Other Revenues	734.3	682.9	(51.4) *
Total Revenues	<u>2,792.0</u>	<u>2,773.2</u>	<u>(18.8)</u>
Obligations:			
Payroll and Fringe Benefits	1,202.0	1,164.7	37.3
Debt Service	291.6	290.6	1.0
Medicaid	214.6	212.6	2.0
Other Social Services	150.8	143.3	7.5
Preschool Special Education	144.1	154.9	(10.8)
Utilities	33.2	39.1	(5.9)
Health Care Efficiency & Affordability Grant		10.3	(10.3)
Other Obligations	755.7	712.3	43.4 *
Total Obligations	<u>2,792.0</u>	<u>2,727.8</u>	<u>64.2</u>
SURPLUS	<u><u>\$0.0</u></u>	<u><u>\$45.4</u></u>	<u><u>\$45.4</u></u>
DISCRETIONARY ACTIONS			
Reserve for Property Tax Refunds		(25.0)	
Pension Reserve		(16.0)	
Management Contract		(0.5)	
Total Contingencies & Opportunities		<u>(41.5)</u>	
ENDING SURPLUS		<u><u>\$3.9</u></u>	

* Includes one time variance of \$39M from budgeting change for Intergovernmental Transfer

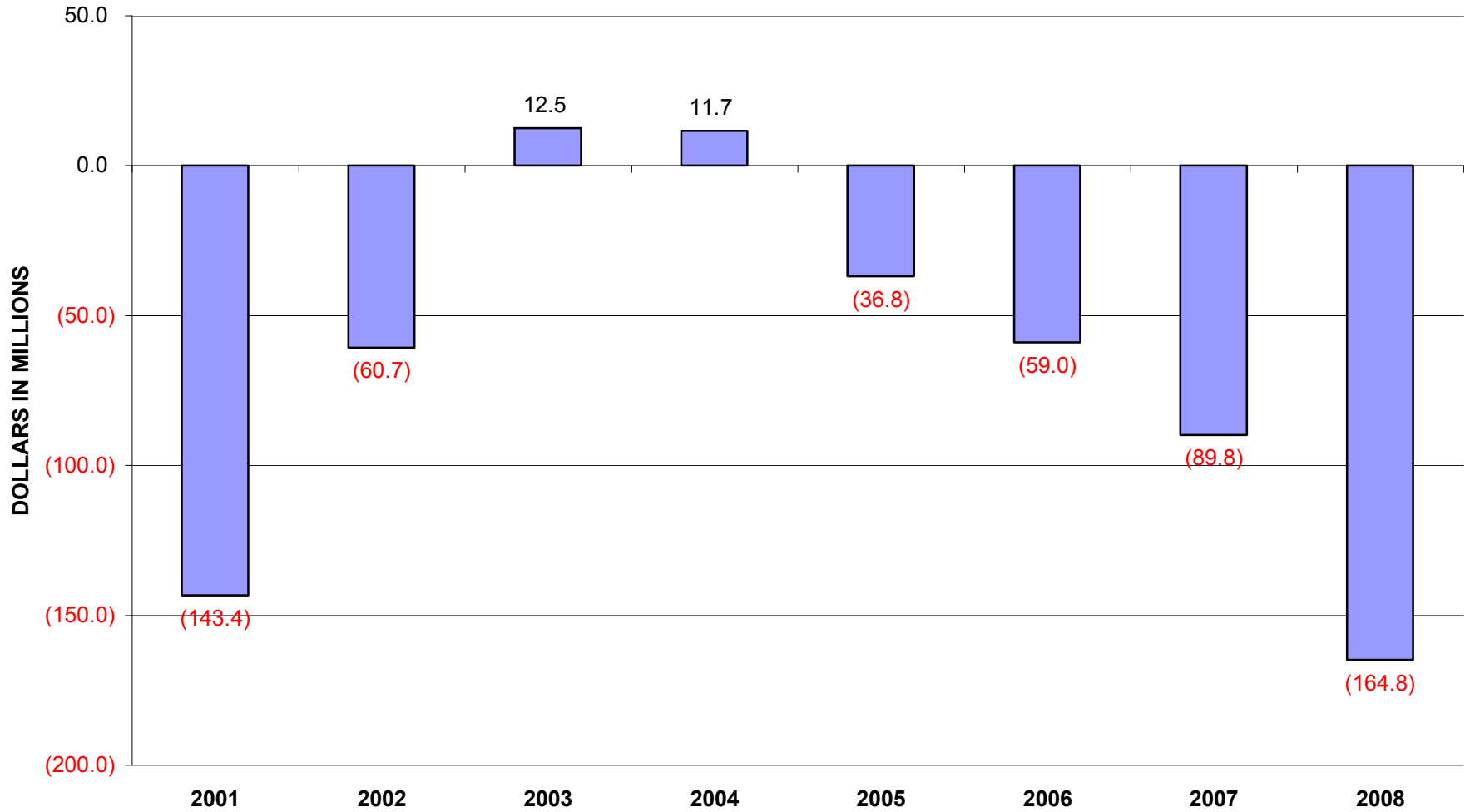
** Includes:

General Fund
 Police Headquarters Fund
 Police District Fund
 County Parks & Recreation Fund
 Fire Prevention, Safety, Communication & Education Fund
 Debt Service Fund (not including sewer debt)

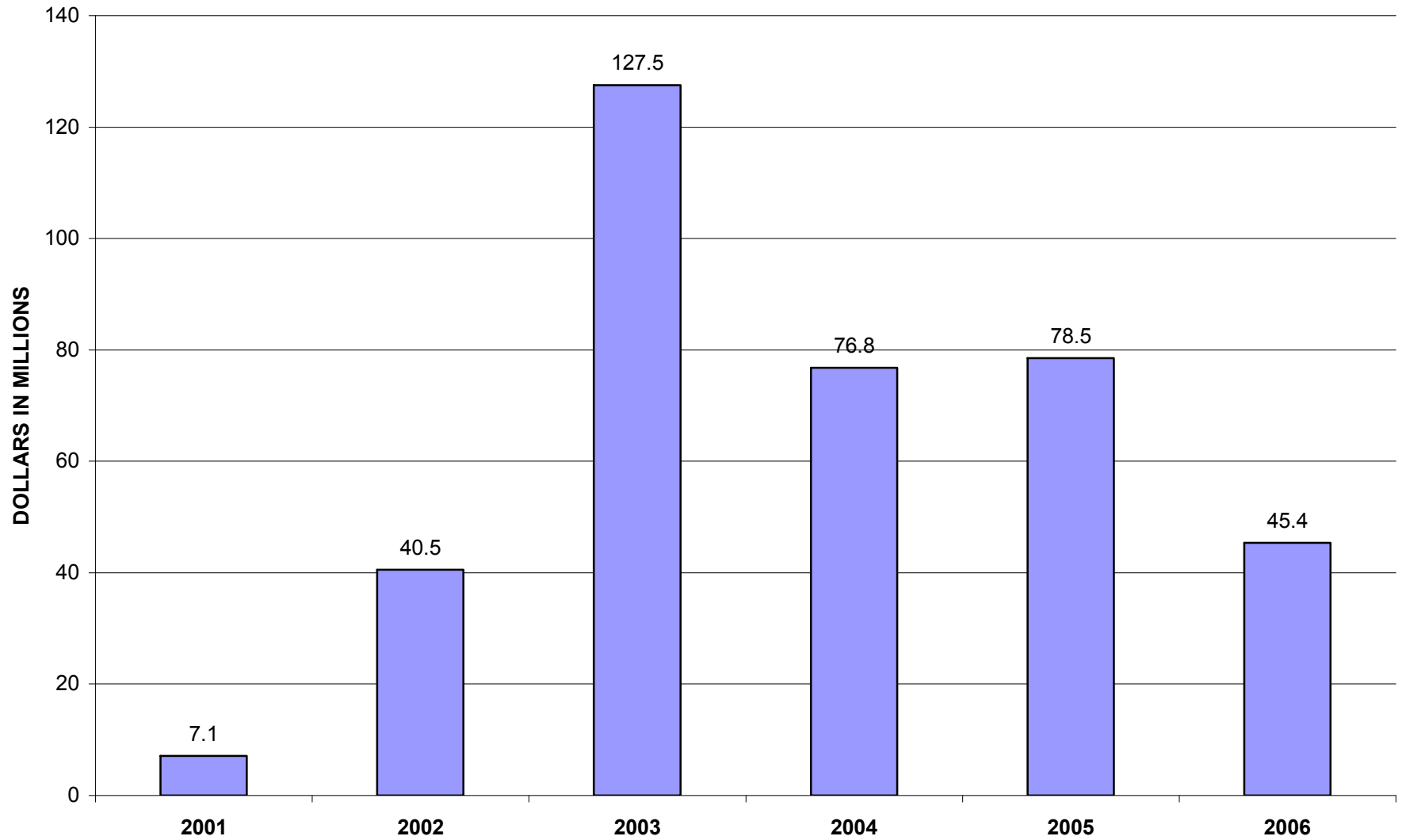


HOWARD S. WEITZMAN
 NASSAU COUNTY COMPTROLLER
 MARCH 2007

NASSAU COUNTY STRUCTURAL SURPLUS (GAP), 2001-2008
(Excess of Recurring Expenses over Recurring Revenues)



NASSAU COUNTY SURPLUS 2001-2006





Howard S. Weitzman
Comptroller

Elizabeth Botwin
Chief Deputy Comptroller

Susan D. Wagner
Chief of Staff/Deputy Comptroller
for Operations

Randolph Ghisone
Deputy Comptroller
for Accounting

Aline Khatchadourian
Deputy Comptroller
for Audits & Special Projects

OFFICE OF THE COMPTROLLER

240 Old Country Road
Mineola, New York 11501
Tel: (516) 571-2386
Fax: (516) 571-5900

March 1, 2007

The Honorable Thomas R. Suozzi, County Executive
The Honorable Judy Jacobs, Presiding Officer
The Honorable Peter Schmitt, Minority Leader
One West Street
Mineola, NY 11501

Re: Nassau County's 2008 Budget

Dear County Executive Suozzi, Presiding Officer Jacobs, and Minority Leader Schmitt:

I write to you today, after the close of the books on the 2006 fiscal year, to raise concerns regarding the County's fiscal choices in the near future. Since 2002, the Suozzi administration has successfully managed County operations within balanced budgets enacted by the Legislature. The County's economic recovery and the Suozzi administration's management skills have received well deserved national recognition. The County's fiscal health requires continued vigilance, however, and the 2008 budget will present difficult choices.

The County has prudently established reserves with prior year surpluses, but those reserves will have been substantially exhausted by the end of the 2007 budget year. The 2007 budget was balanced with the help of \$103 million from reserves and other non-recurring revenue sources that will not be available to us in 2008. We do not project that the 2007 budget will result in a material surplus that could relieve the pressure on the 2008 budget. Expenses will continue to rise in 2008, but with little new real property development and relatively flat sales tax revenues, there is no reason to anticipate that existing revenues will keep pace with expenses. The administration's 2007 – 2010 Multi-Year Plan anticipated a \$164 million base line gap in 2008. We will have to work together to make some difficult decisions in order to achieve a balanced 2008 budget.

I believe that it is unrealistic to simply wait for the normal 2008 budget development process to confront the steps that must be taken to achieve a balanced budget. Many necessary initiatives will take time to implement. Some difficult choices that must be made can best be addressed now, before the heat of a legislative election campaign makes bi-partisan decision making more difficult. The administration has been working on labor saving initiatives and the Presiding Officer and the administration have worked together on a multi-county initiative to increase the local cigarette tax, which would require state legislative approval. These initiatives are important but may not be sufficient to close the projected gap for 2008.

I urge the administration and Legislature to work together, across party lines, to begin to outline a balanced 2008 budget now. I am willing to devote my office resources to work with you, in any way that might be useful, to make this happen. My professional staff will be available to consult with the administration and the Office of Legislative Budget Review to update the administration's projections of income and expense in 2008, which could give the conversations a mutually acceptable starting point. We will need to make hard choices in 2008 in order to keep the County's finances on the path of continued fiscal recovery. Now is the time to start.

Sincerely,

A handwritten signature in black ink, appearing to read "Howard S. Weitzman". The signature is fluid and cursive, with a prominent initial "H" and a long, sweeping tail.

Howard S. Weitzman
Nassau County Comptroller

HSW:GMcG

cc: Members of the Nassau County Legislature