

Overview of the Fiscal 2019

Executive Budget



Nassau County Office of Legislative Budget Review

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October 12, 2018

Agencies Scheduled to Testify:

Police Department

Correctional Center

Fire Commission

Nassau County Legislature

Hon. Richard Nicoletto,
Presiding Officer

Hon. Kevan Abrahams,
Minority Leader

Maurice Chalmers
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BUDGET REVIEW



NASSAU COUNTY LEGISLATURE

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Inter-Departmental Memo

To: Hon. Richard Nicoletto, 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", is written over the name and title in the "From:" field.

Date: October 11, 2018

Re: FY 19 Budget Hearing – October 12, 2018

Enclosed please find our preliminary review of the FY 19 Executive Budget for the specific agencies scheduled to appear at the Full Legislative Budget Hearing on October 12, 2018. The attached analysis includes two years of historical expenditures and revenue, as well as the Office of Legislative Budget Review's (OLBR) projections for FY 18. OLBR's final review of the FY 19 Proposed Budget will be updated with information that is discussed and gathered from this hearing.

Police Department

Expenses in the proposed FY 19 Police Department budget are increasing by \$32.8 million to \$911.2 million when compared to the FY 18 NIFA Conformed Budget of \$878.3 million. The budget to budget increase is mainly driven by growth of \$20.9 million in salaries and \$10.7 million in fringe benefits. Higher costs of \$1.3 million in workers compensation and \$1.2 million in debt service chargebacks are contributing to the rise.

Salaries are increasing by \$20.9 million, or 4.5%, to \$488.5 million, budget to budget. The Administration has provided funding for contractual step increases of \$14.0 million, termination pay of \$6.3 million, hiring of civilian positions of \$6.0 million, two new police classes of \$2.0 million as well as promotions of \$2.0 million. Some of the increases are offset by longevity decreases of \$4.6 million and crossing guard expenses of \$2.4 million.

Revenues in the proposed FY 19 Police Department budget are rising by \$32.8 million, or 3.7%, when compared to the FY 18 budget. The revenue budget will grow to \$911.2 million in FY 19 to offset the expenses. The largest components of the increase in the Police Department revenue are in property tax, interfund charges revenue, and fines & forfeits. Property tax is rising by \$20.3 million, or 2.7% which is due to a shift in the total Major Funds tax line. Interfund charges revenue growth is primarily due to use of \$6.0 million of asset forfeiture funding. The public safety fee within fines & forfeits increases by \$4.6 million to \$34.7 million in FY 19 due to an anticipated uptick in tickets.

Correctional Center

The Correctional Center's FY 19 expense budget of \$155.9 million is declining by \$1.1 million or 0.7% from the FY 18 NIFA Conformed Budget of \$157.0 million, and by \$4.0 million compared to OLBR's current projection. The salaries for FY 19 are \$117.1 million, a nominal increase \$70,572 budget to budget but a drop of \$2.2 million or 1.8%, in comparison to OLBR's FY 18 projection. The overtime spike has been attributed to lower staffing levels. The proposed overtime budget for FY 19 is \$20.1 million, a reduction of \$2.6 million compared to OLBR's projection. The proposal also includes steps for union employees but decreases the full-time headcount by 63. In addition, the budget for workers' compensation in FY 19 is \$8.6 million, a decrease of \$1.2 million or 12.1% compared to the prior year budget and a \$392,290 decline compared to projections. The variance is due to reduced indemnity and disability payments partially offset by a rise in medical payments.

Furthermore, the FY 19 contractual expense budget of \$25.1 million is increasing minimally by \$9,101 compared to FY 18, however, compared to projections, the FY 19 proposal is decreasing by \$1.5 million, or 5.6%. This budget line absorbed a reduction of \$1.5 million resulting from a FY 18 NIFA Conformed Budget amendment and the reduced amount carries over into the proposal. Finally, the FY 19 equipment expense budget of \$197,207 remains flat compared to FY 18 but increases by \$53,244 in comparison to OLBR's projection.

The FY 19 proposed revenue budget is growing by \$2.1 million, or 30.9%, budget to budget and \$2.4 million or 36.6% compared to OLBR's projection. The driver of the variance is mostly due to an increase in state aid, partially offset by a reduction in federal aid. The FY 19 state aid budget is increasing by \$3.0 million. This surge is attributed to a new initiative that will allow Nassau University Medical Center (NUMC) to bill Medicaid for eligible inmates housed at the jail that receive healthcare services. The Proposed FY 19 Budget contains \$3.2 million for federal aid, a reduction of \$903,375 or, 22.3% budget to budget, which is attributed to the reduction of federal inmates housed at the jail.

Fire Commission

The FY 19 proposed expense budget for the Fire Commission is \$24.9 million, which is about \$129,316 or 0.5% greater than the FY 18 NIFA Conformed Budget. The FY 19 Proposed Budget has eight less full-time positions and one additional part-time position. Terminal leave, longevity, and overtime have decreased a combined \$308,457 from FY 18. Fringe benefits are increasing by \$93,049, or 1.5%, to \$6.3 million. There is a \$50,965 decrease in equipment for communications and in miscellaneous equipment costs. General expenses are increasing by \$8,994 to \$197,800 budget to budget. Contractual services are declining \$23,377 in FY 19 to \$4.5 million. The largest contract expense is \$4.1 million for the Vocational Education and Extension Board (VEEB) contract.

The Proposed FY 19 Revenue Budget is increasing by \$129,316 to \$24.9 million due to an increase of property tax almost completely offset by a reduction in department revenue. Property tax is increasing by \$829,316 budget to budget. State aid and payment in lieu of taxes are level with that in FY 18.

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Expense	Historical		2018		2019	Exec. vs. Conformed		Exec. vs. Projected	
	2016	2017	NIFA Conf. Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	3,225	3,244	3,259	3,145	3,296	37	1.1%	151	4.8%
Part-Time and Seasonal	433	460	485	439	397	(88)	-18.1%	(42)	-9.6%
Salaries	\$461,923,950	\$498,723,730	\$467,600,964	\$463,953,019	\$488,467,882	\$20,866,918	4.5%	24,514,863	5.3%
Fringe Benefits	256,048,130	278,530,762	298,107,419	294,462,131	308,815,538	10,708,119	3.6%	14,353,407	4.9%
Workers Compensation	12,459,623	12,365,547	13,885,685	13,885,685	15,150,000	1,264,315	9.1%	1,264,315	9.1%
Equipment	346,748	660,293	925,866	824,770	785,284	(140,582)	-15.2%	(39,486)	-4.8%
General Expenses	6,847,085	6,759,901	7,384,945	7,384,945	7,395,324	10,379	0.1%	10,379	0.1%
Contractual Services	12,780,476	11,648,672	14,812,955	14,582,091	13,527,971	(1,284,984)	-8.7%	(1,054,120)	-7.2%
Utility Costs	3,572,062	4,003,589	3,936,676	3,936,676	4,118,335	181,659	4.6%	181,659	4.6%
Debt Svc. Chargebacks	20,136,451	22,907,939	24,593,625	24,593,625	25,826,103	1,232,478	5.0%	1,232,478	5.0%
Inter-Dept. Charges	44,777,646	50,936,963	47,092,676	47,092,676	47,092,676	0	0.0%	0	0.0%
Interfund Charges	24	0	0	0	0	0	*****	0	*****
Trans To Litigation Fund	6,000,000	0	0	0	0	0	*****	0	*****
Transfer To EBF Fund	13,083,804	0	0	0	0	0	*****	0	*****
Total	\$837,976,001	\$886,537,396	\$878,340,811	\$870,715,617	\$911,179,113	\$32,838,302	3.7%	\$40,463,496	4.6%

Expenses

- Total FY 19 Police Department expenses of \$911.2 million are increasing by \$32.8 million when compared to the FY 18 budget of \$878.3 million and are also increasing by \$40.5 million from OLBR’s FY 18 projection.
 - The budget to budget increase in expenses is mainly driven by growth of \$20.9 million in salaries and \$10.7 million in fringe benefits. Higher costs of \$1.3 million in workers compensation and \$1.2 million in debt service chargebacks are also occurring.
- Full-time headcount is increasing by 37, or 1.1%, compared to the FY 18 budget and increasing by 151 when compared to OLBR’s projection of 3,145.
 - The FY 18 budget included a negative headcount adjustment of 49, and \$2.5 million from VSIP initiative.
 - The proposed headcount, as compared to the FY 18 budget, anticipates a shift from police service aides to more police service aide trainees as well as 10 additional police automotive mechanics.
- Part-time headcount is declining by 88, or 18.1%, when compared to the FY 18 budget which pertain to school crossing guards.

Expenses, Cont.

- Salaries are increasing by \$20.9 million, or 4.5%, to \$488.5 million, budget to budget, and \$24.5 million, or 5.3%, compared to OLBR's FY 18 projection of \$464.0 million. The Administration, as part of the budget submittal, noted the factors for the growth as contractual step increases of \$14 million, termination pay of \$6.3 million, hiring of civilian positions of \$6 million, two new police classes of \$2 million as well as promotions of \$2 million. Some of the increases are offset by longevity decreases of \$4.6 million and crossing guard expenses of \$2.4 million.
 - Overtime is increasing by \$2.5 million which is all centralized within The Police District Fund.
 - The salary adjustment credit decreased by nearly \$0.7 million from a \$5.0 million credit to \$4.3 million credit.
 - Termination expense in the proposed budget is \$36.0 million, a \$6.3 million increase from the FY 18 budget of \$29.8 million. The funding should sustain the anticipated 120 separations.
 - The Administration plans for two new police class in FY 19 which is valued at \$2 million. The additional police officers will offset the impact of those sworn personnel separating from service.
 - The department had 211 sworn personnel who separated from service in FY 17 and estimates that 145 will separate in FY 18.
- Fringe benefits in the Police Department are growing by \$10.7 million, or 3.6%, from the FY 18 NIFA Conformed Budget to \$308.8 million in the FY 19 Proposed Budget. The increase is mostly due to rises in pension and health insurance costs for retirees.
 - The FY 19 Proposed Budget includes \$108.4 million for pension expense obligations. This is an increase of \$4.7 million compared to the FY 18 NIFA Conformed. Although the pension contribution rate declined, the cost is still increasing due to a reduction in the maximum amortization that is allowed by the State. Furthermore, the additional installment payments from the previous year's deferrals continues to inflate the pension expense.
 - Health insurance expenses for active employees are decreasing by \$0.5 million compared to the FY 18 budget, however the budget for retirees are increasing by \$6.5 million for a total overall health insurance increase of roughly \$6.0 million.
 - According to OMB, the FY 19 Executive Budget is based on a health insurance growth rate of 8.0%, which is reasonable based on NYSHIP's Quarterly Experience Report, which includes a best estimate increase of 6.9%.
 - The budget for active employees is decreasing due to an overstated FY 18 budget. Based on FY 18 projection and adjusting for new hires, the FY 19 Proposed Budget appears adequately funded.

Expenses, Cont.

- Although OMB’s assumed health insurance rate of 8.0% is more conservative than NYSHIP’s best estimate of 6.9%, the retiree still could be underfunded by roughly \$3.0 million. Since the FY 18 Conformed is currently underfunded.
- Approximately \$0.9 million in savings are anticipated in the Social Security Contribution. Since social security costs are a percentage of salary costs, and salaries in the Police Department are rising, it is not clear why this expense is declining.
- Workers’ comp is increasing 9.1%, or \$1.3 million, compared to the FY 18 budget. Medical is increasing by \$1.6 million from FY 18 which is eroding savings that are a result of lower indemnity and dpay costs. The Administration has stated that the increase is associated with new higher rate claims as well as an anticipated increase in certain medical fee schedules.
- Debt service chargebacks are increasing by \$1.2 million, or 5.0%, from both the FY 18 budget and projections.
 - The growth is in line with the amortization schedule of bonds and is itemized by fund in the MYP.
- Offsetting the increases in the FY 18 expense budget are reductions in contractual services and equipment costs.
 - Lower miscellaneous costs are driving the contractual services line decrease, while declining safety & security and miscellaneous materials are impacting the equipment line.

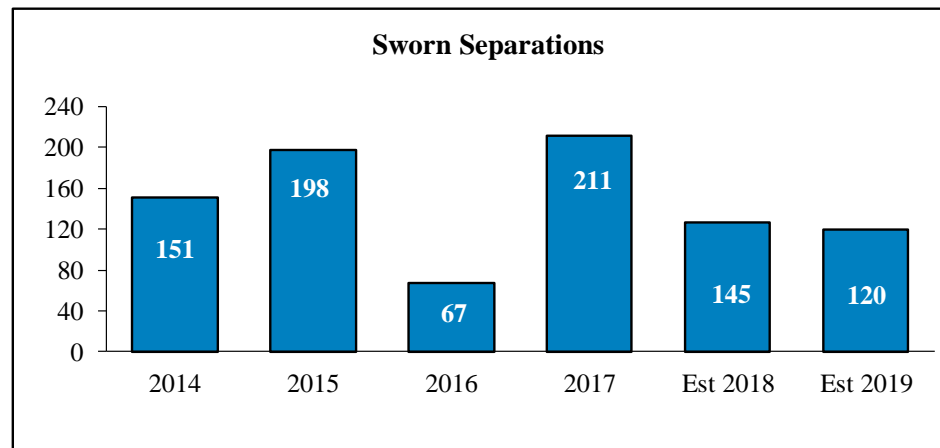


Expenses, Cont.

- Included in the FY 19 budget is funding for 2,493 sworn officers, same as in FY 18, but an increase 78 more than September actuals.
- There are 803 civilian positions in the proposed budget which is an increase of 37 from the prior budget and 73 from current staffing. However, it is important to note that the FY 18 budget had a negative adjustment of 49 positions in the savings from VSIP initiative line

Full-time Police Department Headcount by Union						
<u>Sworn</u>	<u>2018 Conformed</u>	<u>Sept. Actuals</u>	<u>2019 Executive</u>	<u>2019 vs 2018</u>	<u>2019 vs Actuals</u>	
PBA	1,775	1,760	1,775	0	15	
DAI	360	316	360	0	44	
SOA	358	339	358	0	19	
Subtotal	<u>2,493</u>	<u>2,415</u>	<u>2,493</u>	<u>0</u>	<u>78</u>	
<u>Civilian</u>						
CSEA	753	721	788	35	67	
ORD	13	9	15	2	6	
Subtotal	<u>766</u>	<u>730</u>	<u>803</u>	<u>37</u>	<u>73</u>	
Grand Total	<u>3,259</u>	<u>3,145</u>	<u>3,296</u>	<u>37</u>	<u>151</u>	

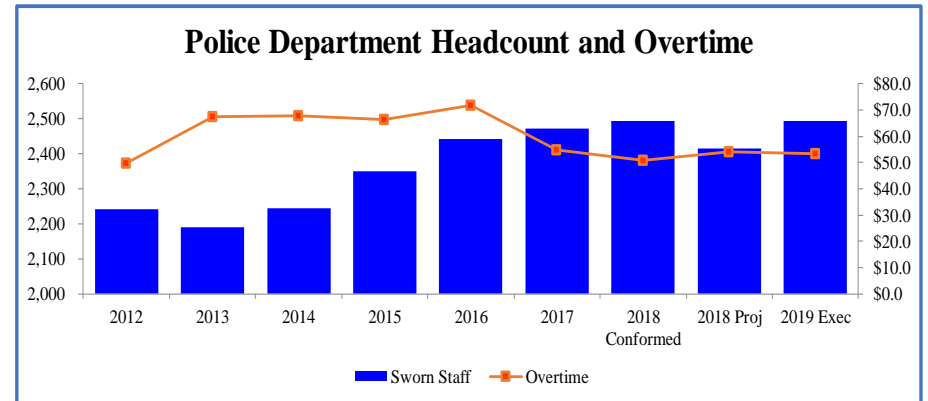
- The uptick from on board members of the Police Benevolent Association (PBA) and Superior Officers Association (SOA) relates directly to the Administration’s funding for two new police classes to offset separations and promotions.
- The FY 19 budget continues to fund all 360 Detectives Association Inc (DAI) positions.
- There are 67 Civil Service Employee Association (CSEA) positions that will need to be filled in FY 19. Some of the positions consist of Police Automotive Mechanic, Information Technology Specialist I and Police Communication Operators.

Expenses, Cont.

- FY 15 and FY 16 retirements were 198 and 67, respectively and FY 17 was 211. The department's most current estimate for FY 18 is 145 officers.
- The above chart illustrates that sworn retirements have fluctuated over the years. The department has budgeted funding for 120 members to leave service in FY 19. The Administration has allocated \$36.0 million for termination expense in the Proposed Budget.
- The budget assumes steps for eligible union members in the Proposed Budget. The Administration has indicated that it included \$14 million specifically to fund this expense. When a new contract is negotiated, the cost of the COLA will have to be taken into consideration.
- According to the Administration, the department added 60 officers in April and expect an additional 60 more in November 2018.
- The department is planning for two academy classes in FY 19; 60 recruits are estimated in each class. The timing of the classes will be dictated by the attrition experienced in the department.

Expenses, Cont.

- The following chart shows annual overtime costs in relation to headcount. It should be noted that the FY 12 overtime actuals reflect the \$14.8 million credit in FEMA funds that the County received as a result of Hurricane Sandy.
- The current uniform strength is 2,415. The Administration anticipates that an estimated 120 officers will leave in FY 19.
- Due to the six to seven-month training period, the impact on overtime of the future classes may be delayed.
- The FY 19 Proposed Budget has funding for 2,493 uniform personnel. After all recruits are fully deployed, it is hoped their presence will continue to drive down overtime costs.



Headcount and Overtime

To reduce overtime, the County began hiring new recruits

In FY 18, the County hired 60 new police officers in April 2018 and another 60 are anticipated to be hired in November. The Police Department estimates 145 sworn officers will leave in FY 18.

The proposed FY 19 budget funds another two classes.

Police Headquarters Expenses

Police Headquarters Expenses						
(\$'s in millions)						
	Historical		2018	2019	Exec. vs. Conformed	
	2016	2017	NIFA Conf. Budget	Executive Budget	Var.	%
Full-Time Headcount	1,581	1,507	1,614	1,558	(56)	-3.5%
Part-Time and Seasonal	49	48	51	51	0	0.0%
Salaries	\$240.0	\$266.3	\$243.9	\$247.7	\$3.8	1.6%
Fringe Benefits	135.7	147.4	154.4	163.8	9.4	6.1%
Workers Compensation	4.3	4.0	4.4	4.5	0.0	1.0%
Equipment	0.2	0.5	0.6	0.5	(0.1)	-9.2%
General Expenses	3.2	3.2	3.6	3.6	0.0	1.1%
Contractual Services	11.6	10.7	12.9	12.1	(0.8)	-6.1%
Utility Costs	2.6	2.9	2.8	2.9	0.1	3.5%
Debt Svc. Chargebacks	17.9	20.7	22.3	23.5	1.2	5.3%
Inter-Dept. Charges	23.2	25.8	26.3	26.3	0.0	0.0%
Interfund Charges	0.0	0.0	0.0	0.0	0.0	*****
Total	\$438.6	\$481.4	\$471.1	\$484.9	\$13.8	2.9%

- Headquarters expenses are increasing by \$13.8 million, or 2.9%, compared to the FY 18 budget. The largest growth comes in fringe benefits, salaries and debt service chargebacks.

- Fringe benefits are increasing by \$9.4 million which is mostly due to rises in health insurance for active and retired employees and pension contributions.
- The \$3.8 million growth in salaries is associated with higher costs of \$5.0 million for terminal leave and \$0.7 million in lag payout while longevity is decreasing by \$2.3 million.
- The Administration has included funding for step increases in the FY 19 salary line.
 - Additionally, the FY 18 budget included credits for legislative attrition and savings from VSIP initiative of \$3.5 million and \$2.1 million respectively, which has been eliminated in FY 19.
 - The overtime allocation for Headquarters is flat with that of the FY 18 budget.
- Debt service chargebacks are increasing by \$1.2 million in FY 19.
- The contractual services decrease is a blend of miscellaneous savings being offset by greater radio & communications costs.

Police District Expenses

Police District Expenses						
(\$'s in millions)						
Control Center	Historical		2018	2019	Exec. Vs. Conformed	
	2016	2017	NIFA Conf. Budget	Executive Budget	Var.	%
Full-Time Headcount	1,644	1,737	1,645	1,738	93	5.7%
Part-Time and Seasonal	384	412	434	346	(88)	-20.3%
Salaries	\$221.9	\$232.4	\$223.7	\$240.8	\$17.0	7.6%
Fringe Benefits	120.3	131.1	143.7	145.0	1.3	0.9%
Workers Compensation	8.2	8.4	9.5	10.7	1.2	12.9%
Equipment	0.1	0.2	0.3	0.3	(0.1)	-25.6%
General Expenses	3.7	3.6	3.8	3.8	(0.0)	-0.8%
Contractual Services	1.1	0.9	1.9	1.4	(0.5)	-26.0%
Utility Costs	1.0	1.2	1.1	1.2	0.1	7.4%
Debt Svc. Chargebacks	2.2	2.2	2.2	2.3	0.1	2.4%
Inter-Dept. Charges	21.6	25.1	20.8	20.8	0.0	0.0%
Trans To Litigation Fund	6.0	0.0	0.0	0.0	0.0	*****
Transfer To EBF Fund	13.1	0.0	0.0	0.0	0.0	*****
Total	\$399.4	\$405.1	\$407.2	\$426.3	\$19.1	4.7%

- District expenses are increasing by \$19.1 million, or 4.7%, when comparing budget to budget which is largely driven by the salary line.

- Salaries are increasing by \$17.0 million, or 7.6%, over the FY 18 budget which funds 93 more heads.
- The Administration has included funding for step increases within the FY 19 salary line.
- Terminal leave is growing by \$1.3 million to \$13.8 million in FY 19 compared to the \$12.5 million that was allocated in FY 18.
- Overtime is increasing by \$2.5 million to \$24.9 million in FY 19 compared to the \$22.3 million in FY 18.
- The FY 19 proposed budget does not include credits of \$2.3 million in legislative attrition nor \$0.4 million in savings from VSIP initiative. The salary adjustment credit is falling by \$0.6 million to \$4.3 million from \$4.9 million in FY 18.
- The fringe benefit line is increasing by \$1.3 million due to higher retiree health costs of \$3.7 million and \$0.9 million in pension costs being mitigated by lower active member health insurance expenditures of \$3.4 million.
- Overall workers' compensation costs will increase by approximately \$1.2 million or 12.9%, over those in FY 18. Indemnity, dpay and medical expenses are all rising.
- The contractual services decrease is a blend of miscellaneous savings being offset by greater legal costs.

Revenue	Historical		2018		2019	Exec. vs. Conformed		Exec. vs. Projected	
	2016	2017	NIFA Conf. Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	*****	\$0	*****
Permits & Licenses	5,534,676	5,759,230	5,508,818	5,508,818	5,761,582	252,764	4.6%	252,764	4.6%
Fines & Forfeits	1,410,400	21,600,594	31,377,574	31,377,574	36,028,665	4,651,091	14.8%	4,651,091	14.8%
Invest Income	12,754	49,271	24,235	51,012	225,000	200,765	828.4%	173,988	341.1%
Rents & Recoveries	1,108,394	366,807	66,140	127,115	66,140	0	0.0%	(60,975)	-48.0%
Dept Revenues	24,906,069	26,449,818	27,446,378	25,839,548	28,774,437	1,328,059	4.8%	2,934,889	11.4%
Interdept Revenues	13,542,604	14,792,833	13,816,869	13,816,869	13,816,869	0	0.0%	0	0.0%
Pymnt In Lieu of Taxes	25,695,946	25,695,945	25,695,945	25,695,945	25,695,945	0	0.0%	0	0.0%
Interfund Charges Rev	612,524	381,242	350,000	350,000	6,385,000	6,035,000	1724.3%	6,035,000	1724.3%
Fed Aid-Reimb Of Exp	956,213	(2,562,367)	903,878	903,878	725,000	(178,878)	-19.8%	(178,878)	-19.8%
Interfund Transfers	9,529,137	27,023,884	0	0	0	0	*****	0	*****
State Aid-Reimb Of Exp	684,201	931,606	700,000	700,000	930,000	230,000	32.9%	230,000	32.9%
Property Tax	731,891,023	743,249,523	747,765,692	747,765,692	768,085,193	20,319,501	2.7%	20,319,501	2.7%
Special Taxes	23,587,979	24,504,949	24,685,282	24,685,282	24,685,282	0	0.0%	0	0.0%
Total	\$839,471,919	\$888,243,335	\$878,340,811	\$876,821,733	\$911,179,113	\$32,838,302	3.7%	\$34,357,380	3.9%

Revenues

- The proposed revenues are rising by \$32.8 million, or 3.7%, when compared to FY 18 budget. The revenue budget will grow to \$911.2 million in FY 19 to offset the expenses.
- The largest components of the increase in the Police Department revenue are in property tax, interfund charges revenue, fines & forfeits and departmental revenues.
- Property tax is rising by \$20.3 million, or 2.7% which is due to a shift in the total Major Funds tax line.
- Interfund charges revenue growth is primarily due to use of \$6.0 million of asset forfeiture funding.
- The public safety fee within fines & forfeits increases by \$4.6 million to \$34.7 million in FY 19 due to an anticipated uptick in tickets.
- Departmental revenues are increasing. The \$1.3 million increase is the primarily the result of higher for ambulance fees and tow truck franchise fees being offset by the elimination of the previously budgeted tow truck impound & DWI fees of \$0.9 in FY 18.

Police Headquarters Revenues

Police Headquarters Revenues						
(\$'s in millions)						
	Historical		2018	2019	Exec. vs. Conformed	
	2016	2017	NIFA Conf. Budget	Executive Budget	Var.	%
Fund Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	*****
Permits & Licenses	1.1	1.1	0.9	1.1	0.3	28.7%
Fines & Forfeits	0.0	20.4	30.0	34.7	4.7	15.5%
Invest Income	0.0	0.0	0.0	0.1	0.1	525.0%
Rents & Recoveries	0.7	0.2	0.1	0.1	0.0	0.0%
Dept Revenues	22.2	23.7	24.0	26.0	2.0	8.5%
Interdept Revenues	13.3	14.5	13.4	13.4	0.0	0.0%
Pymnt In Lieu of Taxes	8.9	8.9	8.9	8.9	0.0	0.0%
Interfund Charges Rev	0.4	0.2	0.2	6.2	6.0	3017.5%
Fed Aid-Reimb of Exp	1.0	0.7	0.9	0.7	(0.2)	-19.8%
Interfund Transfers	9.5	27.0	0.0	0.0	0.0	*****
State Aid-Reimb of Exp	0.7	0.9	0.7	0.9	0.2	32.9%
Property Tax	357.2	359.1	367.3	368.0	0.7	0.2%
Special Taxes	23.6	24.5	24.7	24.7	0.0	0.0%
Total	\$438.6	\$481.4	\$471.1	\$484.9	\$13.8	2.9%

- The Headquarters revenue budget is increasing in FY 19 by \$13.8 million, or 2.9% from the FY 18 budget. The three driving factors for the increase are happening in interfund revenue, fines & forfeitures and departmental revenues.
- Interfund revenue contains \$6.0 million for asset forfeiture funding.

- The public safety fee within fines & forfeitures, is increasing by \$4.7 million, or 15.5%, to \$34.7 million from \$30.0 million in FY 18. Currently, the \$55 fee is assessed on traffic violations. The Administration anticipates achieving more revenues from an increase in ticket writing.
 - The Public Safety Fee became effective January 2, 2017 which assessed a \$55 fee on traffic and camera violations.
- Departmental revenue anticipates a growth of \$2.0 million attributed to ambulance fees.

Police Headquarters Departmental Revenues				
(\$'s in thousands)				
Revenue Source	FY 17	FY 18	FY 18	FY 19
	Actual	Conformed	Projected	Proposed
Misc Receipts	\$77.3	\$74.5	\$95.3	\$74.5
Fees	27.1	50.0	20.4	50.0
Parking Meter-Fees	155.3	140.0	165.4	140.0
Ambulance Fees	23,381.8	23,500.0	22,767.1	25,547.1
Ambulance Fee Collections	13.5	150.0	15.8	150.0
Detective Div Fees	3.7	16.2	6.4	16.2
Games of Chance	1.4	2.0	1.4	2.0
Voluntary Fingerprint Card Fees	58.7	63.7	61.1	63.7
Total	\$23,718.6	\$23,996.4	\$23,133.0	\$26,043.4

Police District Revenues

Police District Revenues						
(\$'s in millions)						
	Historical		2018	2019	Exec. vs. Conformed	
	2016	2017	NIFA Conf. Budget	Executive Budget	Var.	%
Fund Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	*****
Permits & Licenses	4.4	4.6	4.6	4.6	0.0	0.0%
Fines & Forfeits	1.4	1.2	1.4	1.4	0.0	0.0%
Invest Income	0.0	0.0	0.0	0.2	0.1	1126.0%
Rents & Recoveries	0.4	0.2	0.0	0.0	0.0	*****
Dept Revenues	2.7	2.7	3.5	2.7	(0.7)	-20.8%
Interdept Revenues	0.3	0.3	0.4	0.4	0.0	0.0%
Pymnt In Lieu of Taxes	16.8	16.8	16.8	16.8	0.0	0.0%
Interfund Charges Rev	0.2	0.1	0.2	0.2	0.0	0.0%
Fed Aid-Reimb of Exp	0.0	(3.3)	0.0	0.0	0.0	*****
Interfund Transfers	0.0	0.0	0.0	0.0	0.0	*****
State Aid-Reimb of Exp	0.0	0.0	0.0	0.0	0.0	*****
Property Tax	374.7	384.1	380.4	400.1	19.6	5.2%
Special Taxes	0.0	0.0	0.0	0.0	0.0	*****
Total	\$400.9	\$406.8	\$407.2	\$426.3	\$19.1	4.7%

- District revenues are growing by \$19.1 million, or 4.7%, from the FY 18 Budget.
- The increased revenue is mainly attributable to the shift in property tax revenue.
- Departmental revenues are declining by \$0.7 million, or 20.8%, budget to budget.
- The FY 19 budget does not include any monies from tow truck impound & DWI fees.
- Increases for tow truck franchise and village fees of \$100,000 and \$37,304, respectively are included in the FY 19 budget.

➤ Below is a breakdown of the departmental revenues:

Police District Departmental Revenues				
(\$'s in thousands)				
Revenue Source	FY 17	FY18	FY 18	FY 19
	Actual	Conformed	Projected	Proposed
Fees	\$318.4	\$362.0	\$355.2	\$362.0
Tow Truck Frnchse Fee	618.6	519.9	671.1	619.9
Tow Truck Impound & DWI Fees	0.0	856.3	75.0	0.0
Village Fees	1,794.2	1,711.8	1,605.3	1,749.1
Total	\$2,731.3	\$3,450.0	\$2,706.6	\$2,731.0

- The tow truck impound & DWI fees was budgeted at \$1.1 million in FY 17 and \$0.9 million FY 18 however, no monies have been gathered.

Multi-Year Plan

- The charts show salaries increasing through FY 22. The allocations reflect the anticipated step adjustments.
- The combined fringe benefits line for the Police Department is increasing by \$41.6 million, or 13.5%, to \$350.4 million from FY 19 to FY 22 due mostly to anticipated increases in health insurance, pension, social security and Medicare reimbursement costs.
 - Health insurance is increasing by \$31.5 million by FY 22. The MYP baseline inflator used to project out-year health insurance costs for active employees is 8.5% in FY 20, and 6.13% in both FY 21 and FY 22. The MYP growth rates appear reasonable based on the historic five-year average 6.3% for active employees. The MYP baseline inflator used to project out-years costs for retirees is 8.5% in FY 20, 4.21% in both FY 21 and FY 22. This is close to the historic five-year average of 4.5% for Medicare eligible retirees.
- Social security costs are increasing by \$3.3 million or 11.5%. With an increase in budgeted salaries, social security is also expected to rise.
- OTPS expenditures are expected to remain essentially flat keeping with the policy of purchasing none but essential items.
- The charts indicate a steady climb in the gap between expenses and revenues in both funds into the out-years mainly due to increases in salaries and fringe benefits.
- Revenue remains level indicating no increase in property taxes.

POLICE HEADQUARTERS FUND					
(\$'s in Millions)					
		<u>2019 Proposed</u>	<u>2020 Plan</u>	<u>2021 Plan</u>	<u>2022 Plan</u>
EXPENSE					
AA	Salaries	\$247.7	\$249.1	\$250.3	\$251.2
AB	Fringe Benefits	163.8	161.8	168.2	178.1
	Other Expense	73.4	71.7	71.3	71.4
Expense Total		\$484.9	\$482.6	\$489.8	\$500.7
Revenue					
TL	Property Tax	\$368.0	\$368.0	\$368.0	\$368.0
	Other Revenue	116.9	116.2	116.2	116.2
Revenue Total		\$484.9	\$484.2	\$484.2	\$484.2
Gap		\$0.0	\$1.6	(\$5.5)	(\$16.5)

POLICE DISTRICT FUND					
(\$'s in Millions)					
		<u>2019 Proposed</u>	<u>2020 Plan</u>	<u>2021 Plan</u>	<u>2022 Plan</u>
EXPENSE					
AA	Salaries	\$240.8	\$247.2	\$254.2	\$259.6
AB	Fringe Benefits	145.0	159.9	165.9	172.3
	Other Expense	40.5	39.3	39.5	39.6
Expense Total		\$426.3	\$446.4	\$459.6	\$471.5
Revenue					
TL	Property Tax	\$400.1	\$400.1	\$400.1	\$400.1
	Other Revenue	26.2	26.2	26.2	26.2
Revenue Total		\$426.3	\$426.3	\$426.3	\$426.3
Gap		\$0.0	(\$20.2)	(\$33.3)	(\$45.3)

Expense	Historical		2018		2019	Exec. vs. Conformed		Exec. vs. Projected	
	2016	2017	NIFA Conf. Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	992	969	1,039	951	976	(63)	-6.1%	25	2.6%
Part-Time and Seasonal	5	3	4	3	4	0	0.0%	1	33.3%
Salaries	\$111,917,210	\$118,784,276	\$117,031,019	\$119,296,013	\$117,101,591	\$70,572	0.1%	(\$2,194,422)	-1.8%
Workers Compensation	8,551,183	7,639,651	9,822,290	9,022,290	8,630,000	(1,192,290)	-12.1%	(392,290)	-4.3%
Equipment	420,747	225,779	197,207	143,963	197,207	0	0.0%	53,244	37.0%
General Expenses	3,201,228	3,004,409	3,196,446	3,196,446	3,196,446	0	0.0%	0	0.0%
Contractual Services	18,229,780	29,971,355	25,082,758	26,569,892	25,091,859	9,101	0.0%	(1,478,033)	-5.6%
Utility Costs	1,733,998	1,679,625	1,690,673	1,690,673	1,690,673	0	0.0%	0	0.0%
Total	\$144,054,147	\$161,305,095	\$157,020,393	\$159,919,277	\$155,907,776	(\$1,112,617)	-0.7%	(\$4,011,501)	-2.5%

Expenses

- The Correctional Center's FY 19 expense budget of \$155.9 million is declining by \$1.1 million or 0.7% from the NIFA Conformed Budget of \$157.0 million, and by \$4.0 million compared to OLBR's current projection.
- The salaries for FY 19 are \$117.1 million, a nominal increase \$70,572 budget to budget but a drop of \$2.2 million or 1.8%, in comparison to OLBR's FY 18 projection. The decrease compared to the projection is mostly related to overtime.
 - The proposed overtime budget for FY 19 is \$20.1 million, an increase of \$200,000 budget to budget but a reduction of \$2.6 million compared to OLBR's projection. The overtime spike has been attributed to lower staffing levels discussed in the staffing analysis section of the report.
 - The proposed budget includes steps for union employees but decreases the full-time headcount by 63, which can be problematic when trying to address a growing overtime expense. The departmental review includes a staffing analysis on the following pages.
- The budget for workers' compensation in FY 19 is \$8.6 million, a decrease of \$1.2 million or 12.1% compared to the prior year budget and a \$392,290 decline compared to projections. The variance is due to reduced indemnity and disability payments partially offset by a rise in medical payments.
- The FY 19 equipment expense budget of \$197,207 remains flat compared to FY 18 but increases by \$53,244 in comparison to OLBR projections.
- General expenses in FY 19 remains flat with the prior year's budget of \$3.2 million and projections.
- The FY 19 contractual expense budget of \$25.1 million is increasing minimally by \$9,101 budget to budget due to additional chaplaincy expenses. However, compared to projections, the FY 19 proposal is decreasing by \$1.5 million, or 5.6%.

Expenses Cont.

- The contract between Nassau Health Care Corporation (NHCC) and Nassau County Correctional Center (NCCC) remains unchanged, funded at \$21.0 million in FY 19, which is due to terminate August 31, 2019.
 - Contractual expenses also include \$2.7 million for NHCC utility expenses (a pass through for GDF SUEZ Energy for the Correctional Center’s use of chilled water, air conditioning and steam for heat) and in-patient and out-patient inmate healthcare services. This budget line absorbed a reduction of \$1.5 million resulting from a FY 18 NIFA Conformed Budget amendment and the reduced amount which carries over in the proposal is being flagged as a risk.
 - The Rehabilitation Medicine Services (RMS) is \$50,470. These allocated funds provide medical consulting services to facilitate in the resolution of 207-C disputes between the County of Nassau and the Correction Officers Benevolent Association.
- According to the Correctional Center, in contrast with the prior medical care provider, the healthcare contract with NHCC does not require performance indicators/measurements related to services rendered to inmates.
- The utility expenses remain flat at \$1.7 million for the FY 19 proposal.

Expenses by Control Center							
(\$'s in millions)							
Control Center	Historical		2018	2019	Exec. vs. Conformed		
	2016	2017	NIFA Conf. Budget	Exec. Budget	Var.	%	
Correctional Center	\$138.2	\$154.5	\$150.2	\$148.6	-\$1.5	-1.0%	
Office of the Sheriff	5.9	6.8	6.9	7.3	0.4	6.2%	
Total	144.1	161.3	157.0	155.9	-1.1	-0.7%	

- The FY 19 budget for the Correctional Center and Office of the Sheriff’s (Enforcement Division) control centers are \$148.6 million and \$7.3 million with a decline of \$1.5 million and a growth of \$0.4 million respectively.

Expenses, Cont.

Staffing Analysis						
	FY 18	Sept-18	FY 19	FY 19	Exec. vs	Exec. vs
	NIFA Conf.	Actual	Request	Executive	NIFA Conf.	Actual 18
CC Full-time Staffing						
10 Correctional Center						
Uniform	875	798	893	819	(56)	21
Civilian	91	83	100	83	(8)	0
Sub-total Full-Time	966	881	993	902	(64)	21
20 Sheriff						
Uniform	59	58	70	58	(1)	0
Civilian	14	12	16	16	2	4
Sub-total Full-time	73	70	86	74	1	4
Total Full-time	1,039	951	1,079	976	(63)	25
CC Part-time and Seasonal						
10 Correctional Center	2	2	2	2	0	0
20 Sheriff	2	1	2	2	0	1
Total Part-time and Seasonal	4	3	4	4	0	1

- Full-time staffing for the Correctional Center’s uniform officers is budgeted to increase from the September 2018 actual by 21 positions. However, compared to the FY18 NIFA Conformed Budget the headcount is decreasing by 56 positions. Based on the data in the schedule above, it should be noted that the Correctional Center’s request included 74 more full-time headcount compared to the Proposed FY 19 Budget. The Civilian headcount will decrease by eight positions budget to budget but remains equal to the September actual of 83.
- A class of 13 and 12 for a total of 25 Correctional Officers were hired June and July and were deployed on October 1, 2018. However, the headcount levels remain low for uniformed Officers and this may prove counter-productive in reducing overtime in the facility. The department stated that they have actively been seeking qualified candidates and anticipate hiring another class of 25-30 Officers by year-end 2018.
 - In addition, the average attrition rates for FY16, FY 17 and FY 18 projected are 52, 63 and 50 officers respectively. These totals are unusually high, given that the average separation levels have historically been 25-30 officers annually. With the current hiring plan, the department seems to barely be keeping up with current separations and will need to formulate an action plan to optimally staff the uniform ranks.
 - The Administration plans to hire additional Correction Officers in the Spring and the Fall of FY 19. The timing of the hires is reliant on how many candidates respond to canvas letters and pending final approval from Civil Service. If target dates for new classes are delayed and attrition levels continue to rise the department’s overtime budget for the FY 19 proposal will be in jeopardy.

Expenses, Cont.

- The Administration anticipates a decline in the inmate population by approximately 175-200 inmates due to a new State mandated program “Raise the Age (detailed on below).”
- The Proposed FY 19 part-time and seasonal headcount for the Correctional Center remains flat at two positions.
- Additionally, the Office of the Sheriff’s full-time and part-time headcounts are increasing by four positions and one position from the September 1, 2018 on board. Again, the proposed headcount levels are short of the requested staffing.

Revenue	Historical		2018		2019	Exec. vs. Conformed		Exec. vs. Projected	
	2016	2017	NIFA Conf. Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fines & Forfeits	\$12,303	\$29,715	\$13,000	\$13,000	\$13,000	\$0	0.0%	\$0	0.0%
Rents & Recoveries	13,092	6,451,910	0	73,192	0	0	*****	(73,192)	-100.0%
Rev Offset To Expense	300,000	200,000	300,000	300,000	300,000	0	0.0%	0	0.0%
Dept Revenues	2,228,103	2,483,697	2,300,000	2,300,000	2,300,000	0	0.0%	0	0.0%
Interdept Revenues	47,071	67,279	150,000	150,000	150,000	0	0.0%	0	0.0%
Fed Aid-Reimb of Exp	4,216,157	2,652,858	4,056,750	3,695,400	3,153,375	(903,375)	-22.3%	(542,025)	-14.7%
State Aid-Reimb of Exp	88,449	81,555	80,000	80,000	3,113,994	3,033,994	3792.5%	3,033,994	3792.5%
Total	\$6,905,175	\$11,967,014	\$6,899,750	\$6,611,592	\$9,030,369	\$2,130,619	30.9%	\$2,418,777	36.6%

Revenues

- The FY 19 proposed revenue budget is growing by \$2.1 million, or 30.9%, budget to budget and \$2.4 million or 36.6% compared to OLBR’s projection. The driver of the variance is mostly due to an increase in state aid offset by a reduction in federal aid.
- The FY 19 fines and forfeits budget are unchanged at \$13,000.
- The rents and recoveries budget for the Proposed FY 19 is flat budget to budget, however OLBR’s projection reflects a prior year recovery from disencumbered funds of \$73,192.
- The revenue to offset expense also remains fixed at \$300,000 for FY 19. This revenue is for commissary profits submitted to the Correctional Center, that offsets the salary expense for personnel who oversee the commissary.
- The Proposed FY 19 Budget for departmental revenue is constant at \$2.3 million compared to the prior year budget.
- The FY 19 for interdepartmental revenue budget is flat at \$150,000. This revenue is for food services and transportation provided to the Juvenile Detention Center.

Revenues, Cont.

- The Proposed FY 19 Budget contains \$3.2 million for federal aid, a reduction of \$903,375 or, 22.3% budget to budget. This decrease in revenue is attributed to the reduction of federal inmates housed at the jail. The proposed FY 19 budget is reflective of housing 15 inmates versus the FY 18 budget of 30. The current projection for OLBR and the Department indicates an inmate population based on the current trend of 25.
- The FY 19 state aid budget is increasing by \$3.0 million. This substantial surge is attributed to a new initiative that will allow Nassau University Medical Center (NUMC) to bill Medicaid for eligible inmates housed at the jail that receive healthcare services.
 - This budget also funds \$80,000 received from New York State for transporting state ready inmates and parole violators between State facilities and the Nassau County Correctional Center.

<u>Annual Average Inmate Population Activity Indicators</u>				
<u>Indicators</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Projected 2018</u>	<u>Proposed 2019</u>
Total Admissions	8,970	8,863	8,082	8,472
Federal Inmates	31	29	25	15
Parole Violators	46	37	31	34
State Ready Inmates	11	15	11	13
Nassau County Inmates	1,104	1,152	1,053	1,103
Average Daily Inmate Population	1,192	1,233	1,120	1,165
<i>Source: Nassau County Correctional Center</i>				

- The Proposed FY 19 Budget for total admissions and average daily inmate population is estimated to increase by 4.8% and 4.0% respectively compared to the current projections.
- According to the Correctional Center the Raise the Age program is not expected to significantly impact the inmate population until it is fully implemented in October FY 19.

Expense	Historical		2018		2019	Exec. vs. Conformed		Exec. vs. Projected	
	2016	2017	NIFA Conf. Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Full-Time Headcount	92	90	96	84	88	(8)	-8.3%	4	4.8%
Part-Time and Seasonal	34	33	35	32	36	1	2.9%	4	12.5%
Salaries	\$10,147,209	\$10,954,321	\$10,424,596	\$9,973,258	\$10,514,692	\$90,096	0.9%	\$541,434	5.4%
Fringe Benefits	5,386,603	5,689,625	6,159,843	6,031,391	6,252,892	93,049	1.5%	221,501	3.7%
Equipment	38,800	62,798	84,021	84,021	33,056	(50,965)	-60.7%	(50,965)	-60.7%
General Expenses	140,699	152,278	188,806	188,806	197,800	8,994	4.8%	8,994	4.8%
Contractual Services	4,747,318	4,668,088	4,540,863	4,540,863	4,517,486	(23,377)	-0.5%	(23,377)	-0.5%
Debt Svc. Chargebacks	782,899	806,306	820,758	820,758	832,277	11,519	1.4%	11,519	1.4%
Inter-Dept. Charges	2,347,766	2,457,794	2,524,924	2,524,924	2,524,924	0	0.0%	0	0.0%
Interfund Charges	9,737	0	0	0	0	0	*****	0	*****
Trans To General Fund	2,171,269	0	0	0	0	0	*****	0	*****
Total	\$25,772,299	\$24,791,210	\$24,743,811	\$24,164,021	\$24,873,127	\$129,316	0.5%	\$709,106	2.9%

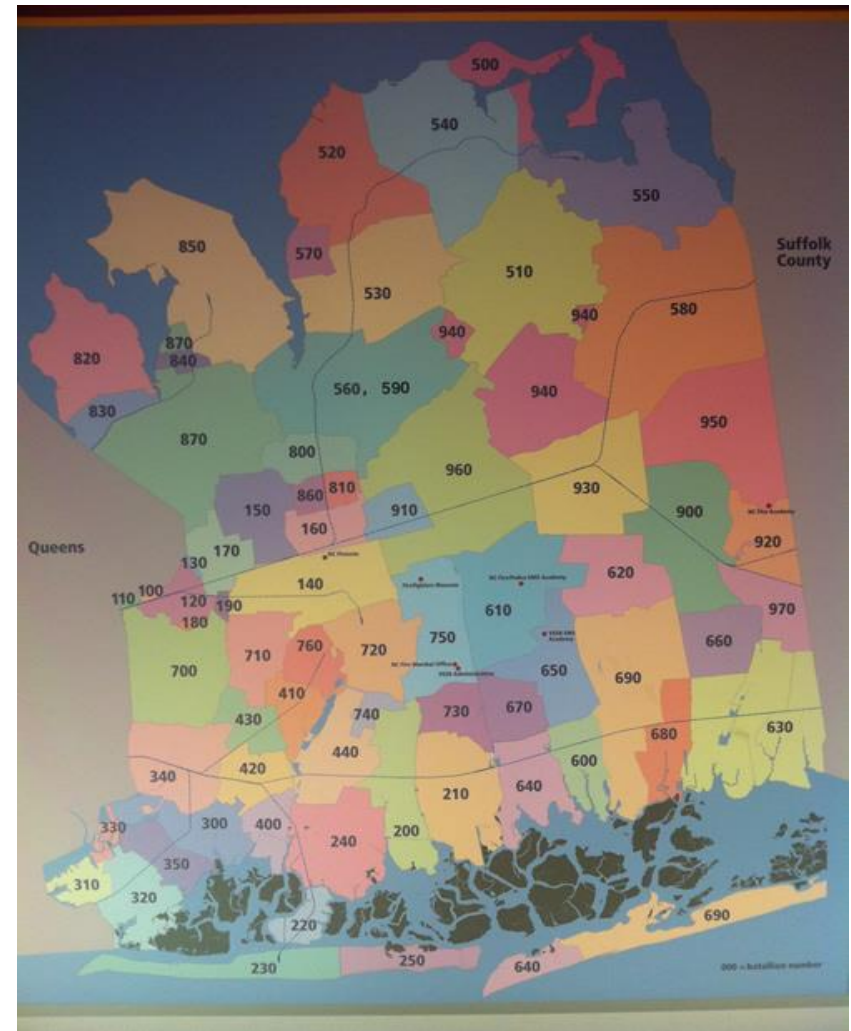
Expenses

- The FY 19 Proposed Expense Budget is growing from the 2018 NIFA Conformed Budget by \$129,316 or 0.5%, to \$24.9 million.
- The 2019 Proposed Budget eliminates savings of \$1.1 million that were included in FY 18 from the Voluntary Separation Incentive Payments and Legislative attrition. If these savings were not included, salaries would be decreasing.
 - The FY 19 proposed salary line accommodates the contractual steps for eligible CSEA employees.
 - Terminal leave, longevity, and overtime have decreased a combined \$308,457 from FY 18.
- The 2019 Proposed Budget has eight less full-time positions budget to budget and one additional part time position.
- Fringe benefits are increasing by \$93,049, or 1.5%, to \$6.3 million for the FY 19 Proposed Budget. Compared to the FY 18 projection, fringe expenses have a growth of \$221,501, or 3.7%. The increase mostly results from health insurance for retirees and pension costs.
- There is a \$50,965 decrease in equipment for communications and in miscellaneous equipment costs.

Expenses, Cont.

- General expenses are increasing \$8,994 to \$197,800 budget to budget.
 - The main driver for this increase is a \$5,679 rise in clothing and uniform supplies, along with smaller rises in miscellaneous supplies and membership fees.
 - Every Fire Marshal, by job requirement, is a New York State Code Enforcement Official (NYSCEO). All CEO’s must complete 24 hours a year of in-service training and the department must pay a membership fee.
- Contractual services are declining \$23,377 in FY 19 to \$4.5 million. The largest contract expense is \$4.1 million for the Vocational Education and Extension Board (VEEB) contract.
 - In addition to the VEEB contract, the training contract for volunteer firemen, contractual services also includes the following contracts:
 - Veterinarian care for the department’s ATF canines.
 - A contract with Nassau University Medical Center to provide OSHA medical examinations for Fire Marshal personnel who respond to fire or hazardous emergencies.
 - Radio & communications contract for service and maintenance of radio systems and transmitters. The cost is decreasing by \$28,987 to \$290,000 in FY 19.
- Inter-departmental charges are flat at \$2.5 million, when compared to the 2018 NIFA conformed budget.

Nassau County Fire Service Map consisting of 71 districts in 9 battalions.



Revenue	Historical		2018		2019	Exec. vs. Conformed		Exec. vs. Projected	
	2016	2017	NIFA Conf. Budget	OLBR Projected	Executive Budget	Variance	Percent	Variance	Percent
Fund Balance	\$180,614	\$0	\$0	\$0	\$0	\$0	*****	\$0	*****
Invest Income	1,314	3,555	0	1,600	0	0	*****	(1,600)	-100.0%
Rents & Recoveries	3,836	13,212	0	0	0	0	*****	0	*****
Dept Revenues	8,930,155	7,845,966	8,900,600	8,900,600	8,200,600	(700,000)	-7.9%	(700,000)	-7.9%
Pymnt In Lieu of Taxes	404,691	404,691	404,691	404,691	404,691	0	0.0%	0	0.0%
Interfund Transfers	0	257,510	0	0	0	0	*****	0	*****
State Aid-Reimb of Exp	186,720	150,840	180,000	180,000	180,000	0	0.0%	0	0.0%
Property Tax	16,064,969	16,115,436	15,258,520	15,258,520	16,087,836	829,316	5.4%	829,316	5.4%
Total	\$25,772,299	\$24,791,210	\$24,743,811	\$24,745,411	\$24,873,127	\$129,316	0.5%	\$127,716	0.5%

Revenues

- The Proposed FY 19 Revenue Budget is increasing by \$129,316 to \$24.9 million due to an increase of property tax almost completely offset by a reduction in fee revenue.
 - The Fire Commission collects fees generated from mandatory compliance testing under a variety of State and local public safety laws. Examples of fees collected include fire alarms, smoke alarms, sprinkler system, bulk storage, and emergency light testing fees.
 - Fee collection is budgeted to decrease \$700,000 in FY 19 due to the time it takes to fully train and qualify staff to implement the fees. The department’s current on-board full-time headcount is under budgeted amounts.
- State aid and payment in lieu of taxes are level with that in FY 18.
 - State aid is made up of tuition reimbursements from New York State for teaching emergency medical courses to

emergency service providers who serve communities within Nassau County.