



## **2021 Proposed Budget Analysis on Risks and Opportunities**

- ▶ No proposed property tax increase; no proposed service cuts.
- ▶ Proposed budget includes significant short-term savings by refinancing debt to address the impact of COVID-19.

### **2021 Proposed Budget Risks/Opportunities**

- ▶ The 2021 Proposed Budget contains an approximate total of \$256.6 million in budget risks, however the risk would be reduced to \$32.3 million after restructuring, legislative action on a new revenue initiative, and net of labor agreement assumptions.
- ▶ The proposed refinancing provides significant savings to mitigate dramatic reductions in sales tax and other revenues.

### **2021 Proposed Budget Structural Deficit**

- ▶ The structural deficit inherent in the 2021 Proposed Budget is estimated at \$277.7 million, which is increasing due to the NIFA and County debt restructuring as a result of the pandemic and economic downturn.

### **Proposed Fiscal Year 2021 Budget; Certain Major Risks/Opportunities**

#### **Positive "Opportunity" Key Drivers ↑**

<b>Sales Tax</b>	\$40.7 million	This represents an opportunity of sales tax revenue growth against proposed budgeted revenue.
<b>Payroll, Fringes &amp; Overtime</b>	\$18.8 million	This represents savings in payroll, fringe benefits, and overtime costs.

#### **Unfavorable "Risk" Key Drivers ↓**

<b>Debt Restructuring</b>	-\$233.2 million	This represents the savings attributed to the potential restructuring of NIFA and County debt that is included in the proposed budget.
<b>Rents and Recoveries</b>	-\$24.5 million	This represents risks budgeted for the sale of County property; cash for capital project closeouts; and revenues for rentals and utilities for the Nassau Veterans Memorial Coliseum as negotiations continue over new management.
<b>Fines and Forfeitures</b>	-\$20.6 million	This represents projected over-budgeted amounts for red light camera revenues and public safety fees, and the proposed Ticket Reconciliation Program (TPR), a new initiative that requires legislative approval.