

News

Not much room to trim Ulster County budget, consultant says

Saturday, October 22, 2011

By PATRICIA DOXSEY
Freeman staff

KINGSTON — Ulster County legislators looking to squeeze the county executive's 2012 budget will likely face a tough task.

The Legislature's budget consultant said on Friday that there isn't much wiggle room in the \$363.5 million spending plan proposed by Michael Hein.

"I believe there is probably less flexibility in this year's budget than there was in last year's (plan)," said Joseph Stefko, director of public finance with the Center for Governmental Research. "To this point, the extent of adjustments we've been able to identify is fairly modest."

Stefko met with members of the Legislature's Ways and Means Committee on Friday to provide an update on the organization's budget review to date. Not surprisingly, much of the discussion focused on the Golden Hill Health Care Center.

In his 2012 budget, Hein outlined a plan to turn the nursing home over to a local development corporation that would contract with the county to run the facility during 2012 and sell it by then end of 2013. Hein's proposed budget assumes the county will be paid \$8 million to run Golden Hill in 2012. Hein has said if the Legislature doesn't approve the plan, the county will see an \$8 million shortfall.

"To this point, our sense is that the \$8 million shortfall is reasonably accurate," Stefko said.

In response to concerns voiced by legislators that Hein is trying to drive policy through the budget, Stefko told lawmakers the practice is fairly common.

"Clearly, the budget is based on policy decisions made by the executive," Stefko said. "Bear in mind that a policy decision cannot be forced on you (the Legislature). It requires implementation by this body."

Stefko told legislators that there are ways they can generate the needed revenue to eliminate the shortfall if they decide against adopting Hein's plan. But, he said, none of the options would be painless.

The county could realize an additional \$450,000 in property taxes by increasing the amount to be raised by taxes to the state-imposed 2 percent cap. He said the county also could vote to exceed the cap, which would give legislators access to as much as \$236 million in potential property taxes.

Both moves would result in increased property taxes for county residents.

Stefko also said legislators could reduce or eliminate other county services, use additional money from the county's fund balance or defray some capital purchases, such as county vehicles, to help save money.

Short of a significant tax increase, however, none of the measures will generate the money needed to close the budget gap.

"These components by themselves don't get you to the \$8 million, but they are pieces of the puzzle," he said.

Legislature Minority Leader Jeannette Provenzano said she has found about \$1.3 million in salaries for positions at the nursing home that went unfilled in 2011. She asked the consultant to review other departments for perennially funded, but unfilled, positions and also asked him to look at what assets the county might be able to sell.

The Center for Governmental Research also will look to see if the county can reduce services or spending in the Department of Social Services.

Provenzano, D-Kingston, questioned Stefko's warning that state funding for construction or renovations might not materialize, saying state officials last spring assured the county significant money was available.

"I would strongly urge you to get the state's commitment in writing," he said.

URL: <http://www.dailyfreeman.com/articles/2011/10/22/news/doc4ea221edd3cd7978781797.prt>

© 2011 DailyFreeman.com, a **Journal Register** Property