October 1, 2019

To the Honorable Members of the Rockland County Legislature:

In accordance with Section 6.04 of the Rockland County Charter, I respectfully submit the 2020 Proposed Budget for your review and consideration.

I am pleased to report that, as we near the end of 2019, Rockland County’s finances are continuing to improve. We have been able to share positive financial news with you throughout the year.

In August, we received our 2018 Comprehensive Annual Financial Report, prepared by Marks Paneth, LLP, the independent auditors hired by the Rockland County Legislature. The report indicated that for the second year in a row Rockland County had grown its Unassigned Fund Balance in the General Fund; from reporting, just over $6,200,000 in 2017 to approximately $32,000,000 in 2018. The report credited increased revenues, decreased expenditures and continued controlling of expenses across County government for the growth of the General Fund.

Despite these successes, we are not at the end of the road. To establish a healthy budget, we must continue to build our surplus and rebuild our undesignated fund balance. The New York State Comptroller recommends that we have a fund balance of approximately $56,000,000 to be a fiscally healthy county.

This has been our strategy since taking office; conservatively estimating future revenues while we hold the line on expenses. Over the last 5 ½ years we have made some difficult choices, but they are paying dividends.

This is a significant turnaround from when I first took office in January of 2014, this county was on the verge of a financial disaster. We faced a $138,000,000 deficit fund balance and were only $42,000 away from insolvency. When we issued a deficit bond to pay down the deficit, everyone said we would need double digit tax increases every year just to make the debt service payments. We proved them wrong.

We avoided that fate with strict budgeting and conservative fiscal management. To repay the bond we must make an annual payment of approximately of $13,000,000 through
2024. However, we have made these debt service payments while remaining under the New York State property tax cap; a near miraculous achievement.

In August, Fitch Ratings upgraded the County’s General Obligation Bond Rating from A­ to A. This was the tenth consecutive bond upgrade since 2014, when Rockland’s bonds were rated just above junk status. These upgraded ratings mean that when we borrow money for critical capital infrastructure projects we can do so at a lower cost; saving taxpayer dollars.

A society is judged on how well it takes care of its citizens and those in need, including its pets. Moving forward we will have a new modern County animal shelter that provides the best available care to those animals in need. I have included an additional $5,700,000 in the proposed 2020 Capital Budget for Hi-Tor construction, bringing the total project cost to $7,750,000.

We will go out to bond for these funds next year and have also received grants of $500,000 each from Assemblyman Zebrowski and the New York State Companion Animal Capital Fund. The remainder of the funding will come from Hi-Tor itself which has been collecting donations to build a new shelter building. We ask animal lovers to continue their generosity.

Hi-Tor has already completed a needs assessment study to determine exactly what the County requires in a new facility. We are now using that data to prepare an RFP for architectural, engineering and design services for a new animal care center. We expect to issue the RFP in the coming weeks and to put shovels in the ground to build a new facility beginning next year.

This is a collaborative effort. The Towns are required by law to have facilities for stray dogs. Over the years, the County and Towns have extended this mission to the protection of all domestic animals in need of care. Historically in Rockland, the County has provided a central facility for the Towns to use for this purpose. Thanks to the Town Supervisors, in 2018 and 2019, Hi-Tor has received appropriate levels of funding and we have every expectation that will continue.

This is in addition to a County contribution and the hundreds of thousands of dollars in generous donations from those with a special place in their heart for these homeless dogs and cats, which save the taxpayers by subsidizing nearly 60% of the cost of the shelter’s operation.

The County will take the leadership role and build this new facility which means the Towns will not have the burden of building their own shelters or finding alternative plans, at a significant cost; a clear savings for residents and all the animals we care about. This was an agreed to Shared Service that could result in significant reimbursement from New York State.
In short, with everyone pulling in the same direction, we will have a new shelter. This is a win for these animals and the taxpayers of Rockland County.

This is just one of the many infrastructure investments we are continuing to make. We continue to move county departments into newly renovated and improved space in Building A. We are also upgrading the information technology infrastructure by bringing high-speed connections into the County Courthouse, the Allison Parris Building and the Robert L. Yeager Health Complex.

We will not burden future generations by delaying these, and other needed infrastructure projects. We are ensuring that our employees have modern, improved space in order to continue providing valuable services to our residents. However, with these critical investments and other necessary improvements come many challenges.

One of the major challenges in the preparation of the 2020 Budget is the increased mandated costs being thrust upon us by New York State; such as, Early Intervention, Medicaid, Pre-K, Justice Reform and the Lead Program as well as other social service programs. The local share increases on these programs alone totaled nearly $4.5 million or 4.7%. This alone would equate to a 3.5% property tax increase for 2020.

As New York State attempts to balance their own budget they are shifting many of their costs down to the counties and local taxpayers. Instead of actually reducing costs and finding efficiencies, which we have done on the local level, Albany politicians are partaking in a shell game that further burdens residents across our state in a transparent attempt to make themselves look good.

We have seen new state mandates previously, but this upcoming year is the most horrific since the start of my tenure as County Executive. As mentioned above, the local share we pay for Early Intervention and Pre-Kindergarten programs, which are crucial to making sure every child with special needs in Rockland gets the assistance they and their family require, dramatically increased by 14% or $2,100,000 for 2020.

There is no balance in the so-called “Justice Reform” passed in Albany earlier this year. The majority of this “Justice Reform” focuses on making things easier for defendants with increased funding for public defenders, no bail for many offenses and new rules and regulations for evidence discovery. However, this new legislation provided no additional state funding to support the changes in our District Attorney’s Office, Sheriff’s Office and Probation Department necessary to implement the changes.

These new changes could cost from $500,000 to upward of $1,200,000. Additionally, there has been no focus or increase in state funding for the victims of crimes. This “Justice Reform” leaves much to be desired and has raised serious concerns from those within the law enforcement community.
These increases come on top of other mandated costs such as the county taxpayer’s share of Medicaid which costs approximately $66,700,000 a year or roughly the equivalent of 52% of our property tax levy.

We are funding these increases through local efficiencies and essentially giving your hard-earned tax dollars to New York State. If not for these challenges and our deficit bond payment, you would likely be looking at a significant tax cut this year.

While Albany politicians continue to shift the tax burden to our residents, we are continuing to look for efficiencies in these services to lessen and soften the blow to you the taxpayer. Over the last several years, the County has transitioned many health and mental health programs to outside non-profits or local hospitals such as the pre-natal clinic and the mental health inpatient unit to Nyack Hospital, and the mental health methadone program to Lexington Center for Recovery.

During the past decade, there has been a continual decline of financial support from New York State for municipal mental health programs. In my 2019 Budget Message to the Legislature, we announced that to avoid further financial losses we would be exploring the transitioning of our mental health outpatient services to a non-profit. We also continually updated the County Legislature throughout the year of this reality.

Since then we have selected the Mental Health Association of Westchester as the new provider as they have the necessary support structure and expertise to provide services to our clients at a lower cost than what the County could provide.

We will continue restructuring government, redefining positions and utilizing process improvement methods with proactive operational transformation to improve services for you, our residents. I truly understand what too many of those in government fail to realize. The residents of the community are the ultimate bosses, not the elected officials, not the employees or anyone else. Government works for you, the taxpayer. And I believe that your money belongs in your pocket.

We did succeed, this year, in properly recognizing and remunerating our valued employees. Settling contracts with the CSEA, RAM, UPSEU-Highway and the Criminal Investigators Association.

We wouldn't be where we are today without the hard work of our dedicated employees. I am glad we could find a balance between the need to safeguard taxpayer dollars and the need to recognize the critical importance of these union members. We are making every penny count.

As in 2019, I am submitting a 2020 Proposed Budget in which the County’s property tax is less than New York State’s tax cap formula for Rockland, an increase of 2.879%, as detailed in the Executive Summary.
In closing, this proposed budget is fiscally sound and conservatively estimates our revenues. I look forward to continuing working together with my colleagues from the Legislature as we move to grow the County’s fund balance through continued careful budgeting and smart compromises that will help Rockland County prosper.

I want to thank the Legislative Minority for their help on previous budgets and holding the line against speculative revenue and the questionable practices that created the $138,000,000 deficit we faced when I took office.

Together we will work to build our surplus and rebuild our undesignated fund balance. We are well on our way to becoming a fiscally healthy county, and I will not rest until we reach that goal.

Thank you,

Edwin J. Day
Rockland County Executive