

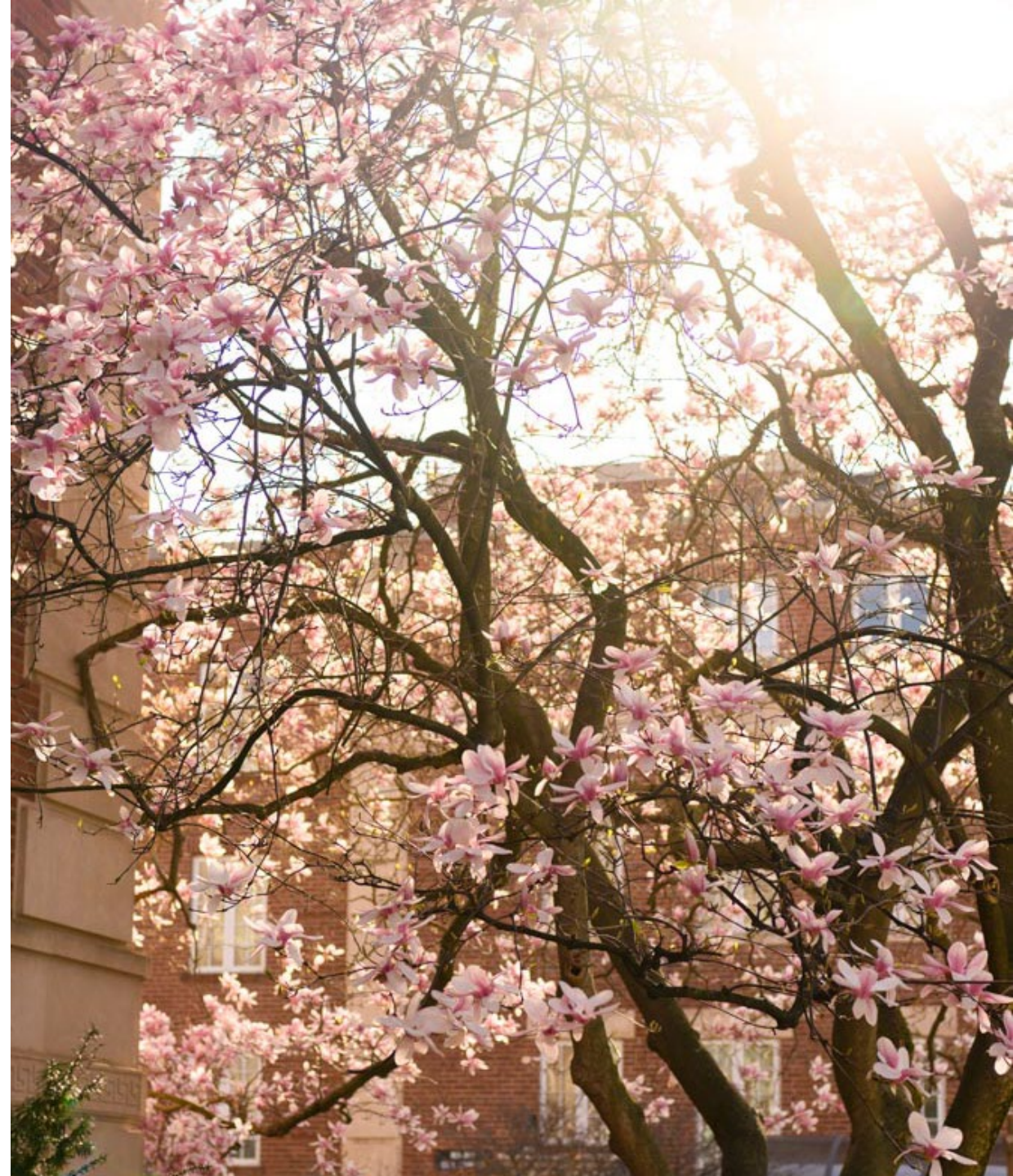
2023 Recommended Budget

September 6, 2022 Presentation to the
Tompkins County Legislature



Administration

9/6/2022



The Bottom Line

- **Recommended Operating Budget**
 - Total: **\$207,771,060**
 - Recommended Levy total: **\$53,165,033**
 - Levy increase from 2022: **1.46%**
 - Maintenance of Effort Target Increase: **1.88%**
 - Property Tax Cap for 2023: **2.59%**
 - Impact for the owner of a median-priced home: **-\$83**
 - Price of Median Home: **\$225,000**
 - Increase in solid waste fee: **\$5**
- **Recommended Capital Budget**
 - Total: **\$121,495,627**



Economic & Fiscal Indicators

Environmental Scan



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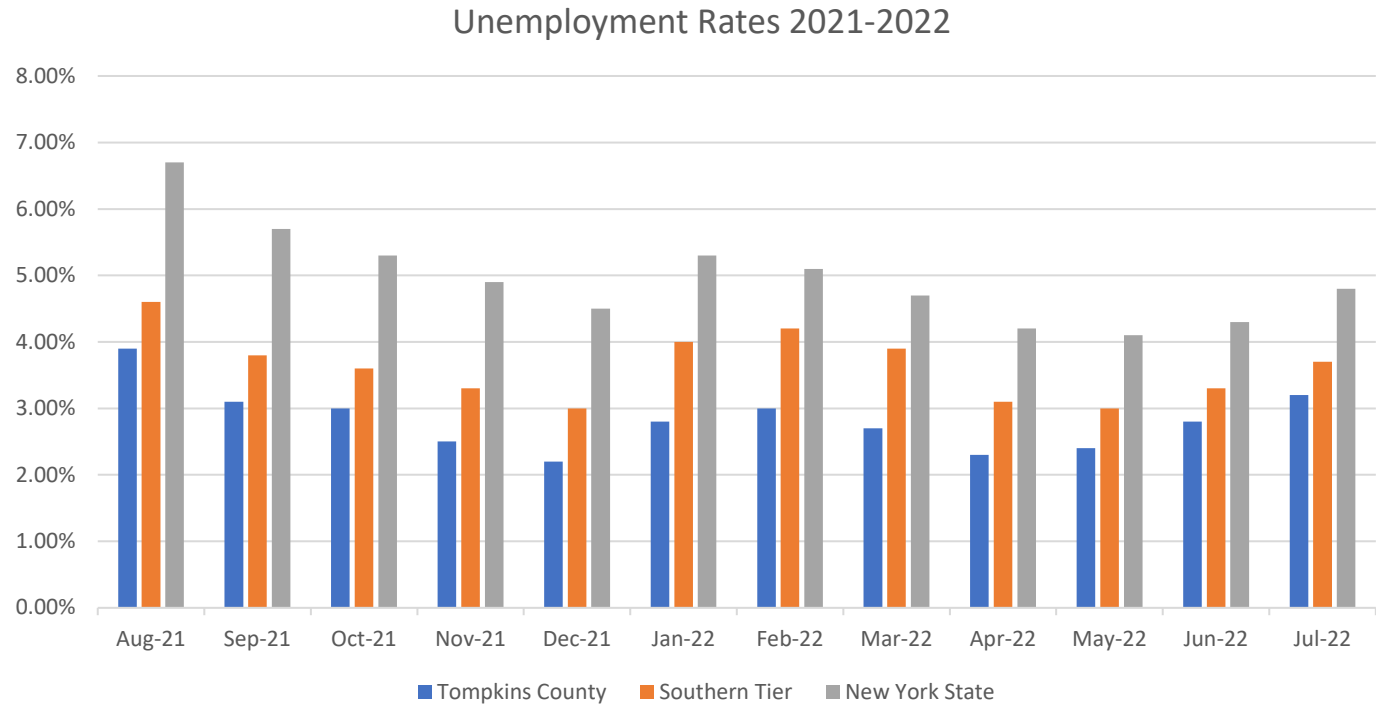
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2023 Recommended Budget

Unemployment Rates

As of July '22

Tompkins County – 3.2%
Southern Tier – 3.7%
New York State – 4.8%



NYS Dept. of Labor



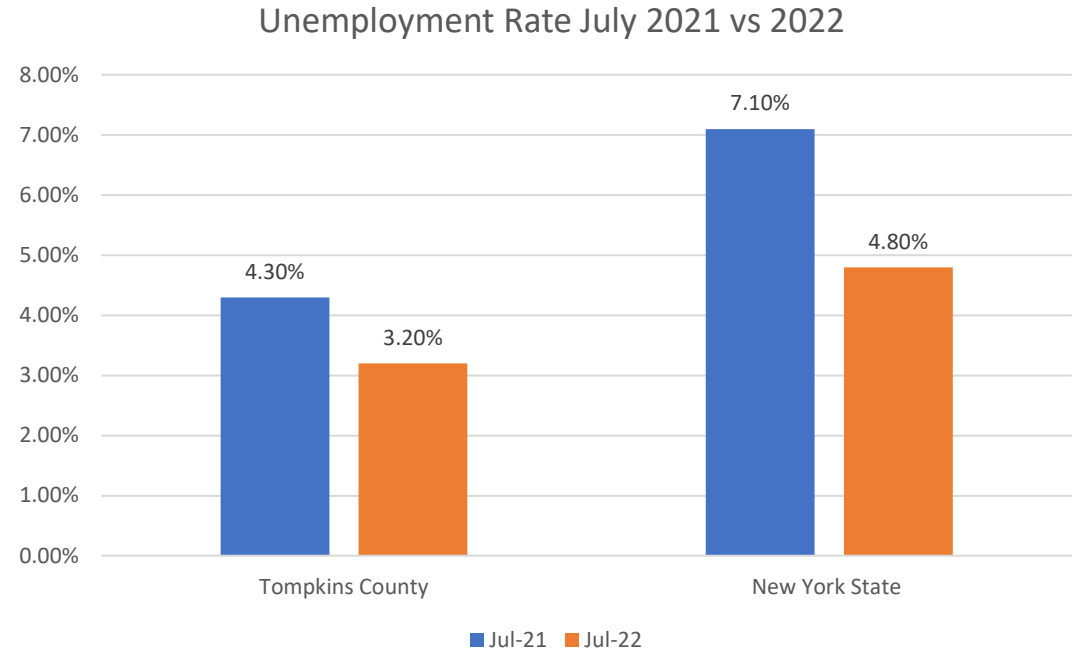
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2023 Recommended Budget

Unemployment Rates

	July 2021	July 2022
Tompkins County	4.3%	3.2%
New York State	7.1%	4.8%



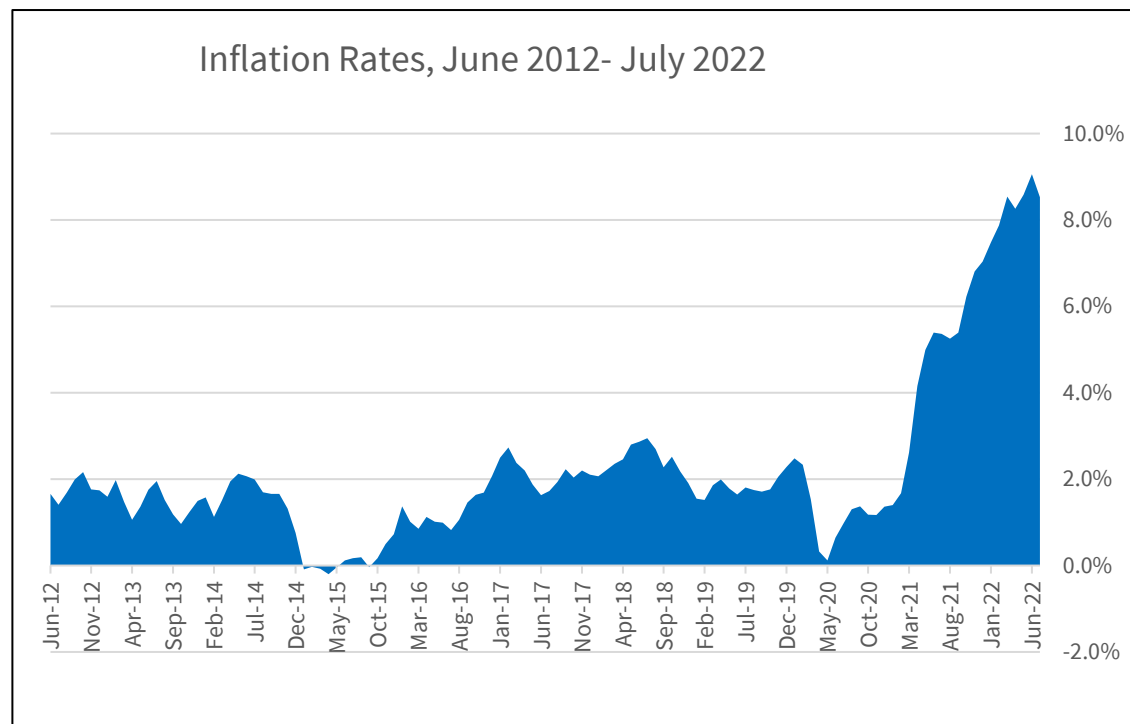
NYS Dept. of Labor



Inflation Rates

July 2022 inflation rate is 8.5%;

Down from 40-year high of 9.1% in June



U.S. Dept. of Labor, Bureau of Labor Statistics



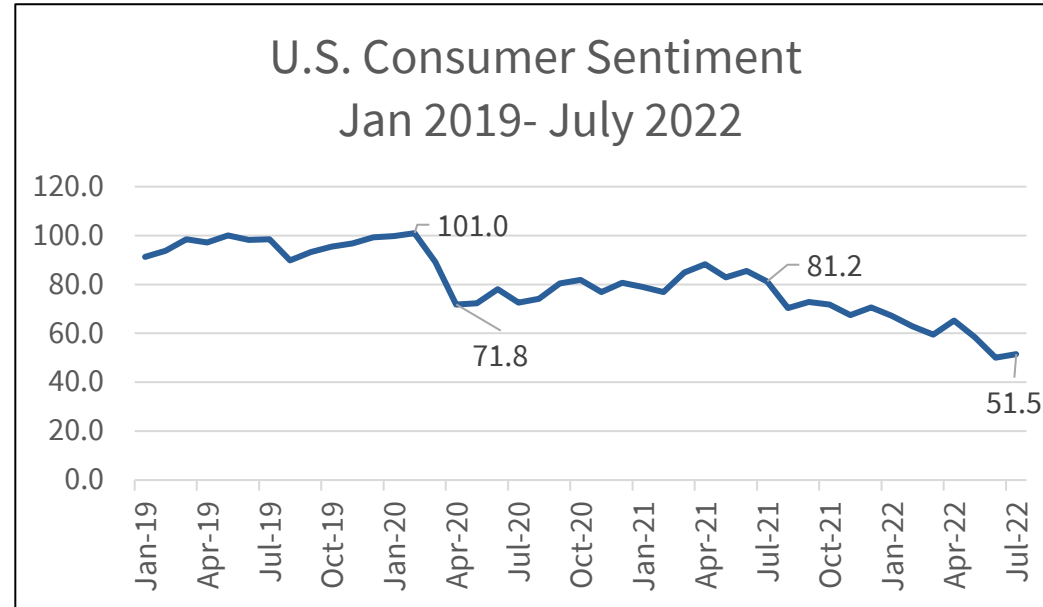
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2023 Recommended Budget

Consumer Sentiment

U.S. consumer confidence on the decline



University of Michigan: Consumer Sentiment



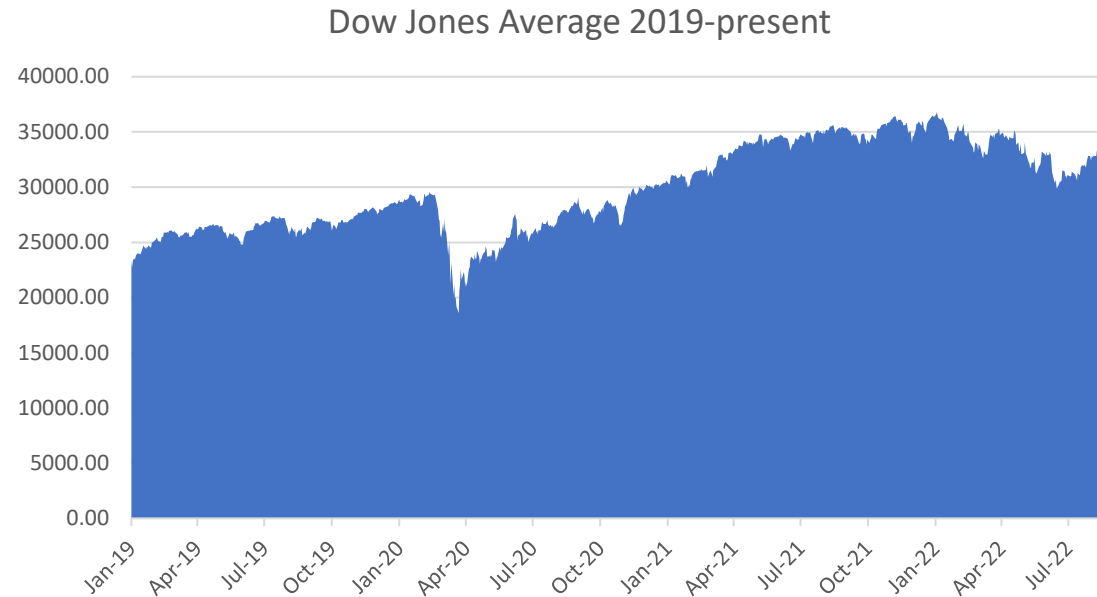
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Stock Market

Year to date loss of 11%



Dow Jones Industrial Average



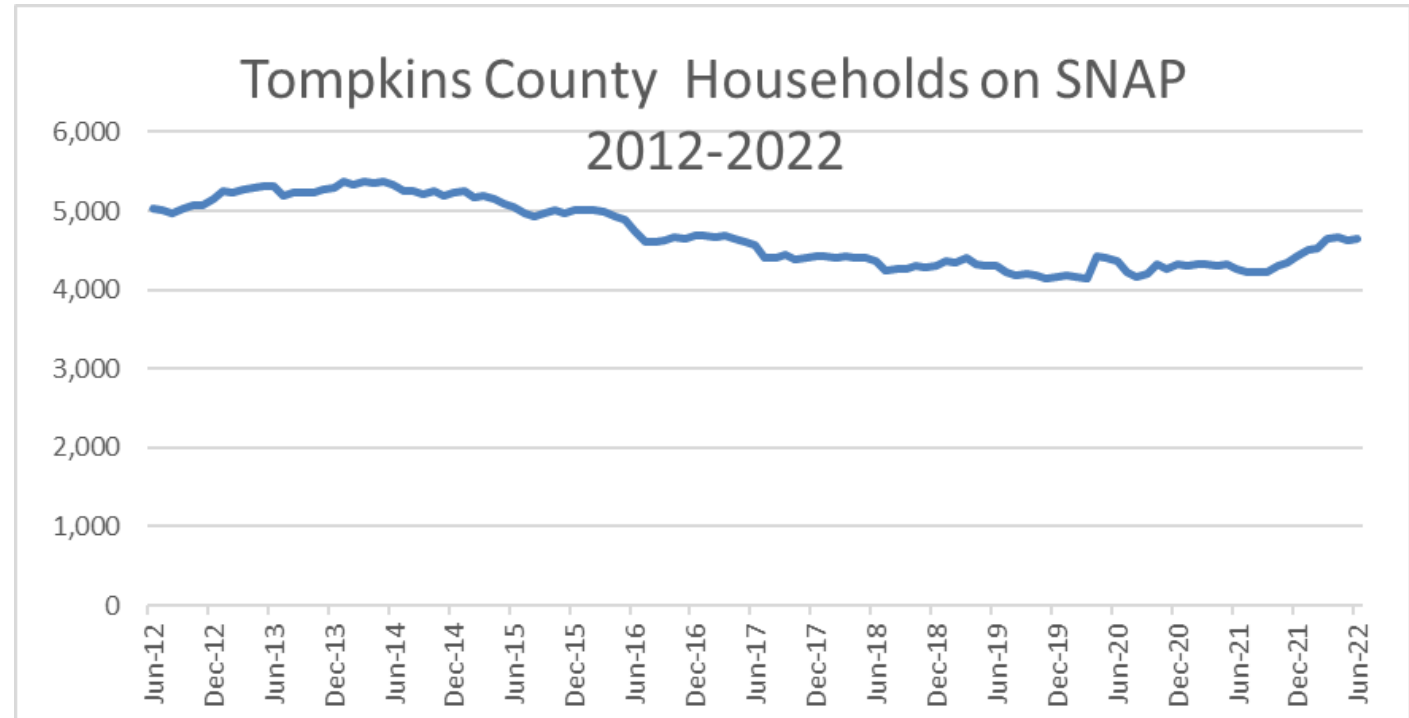
Indicators of Need

Supplemental Nutrition Assistance Program (SNAP)

Caseloads declined over long term, but up in last year

Down 7.7% from June 2012

Up 9% June 21 to June 22

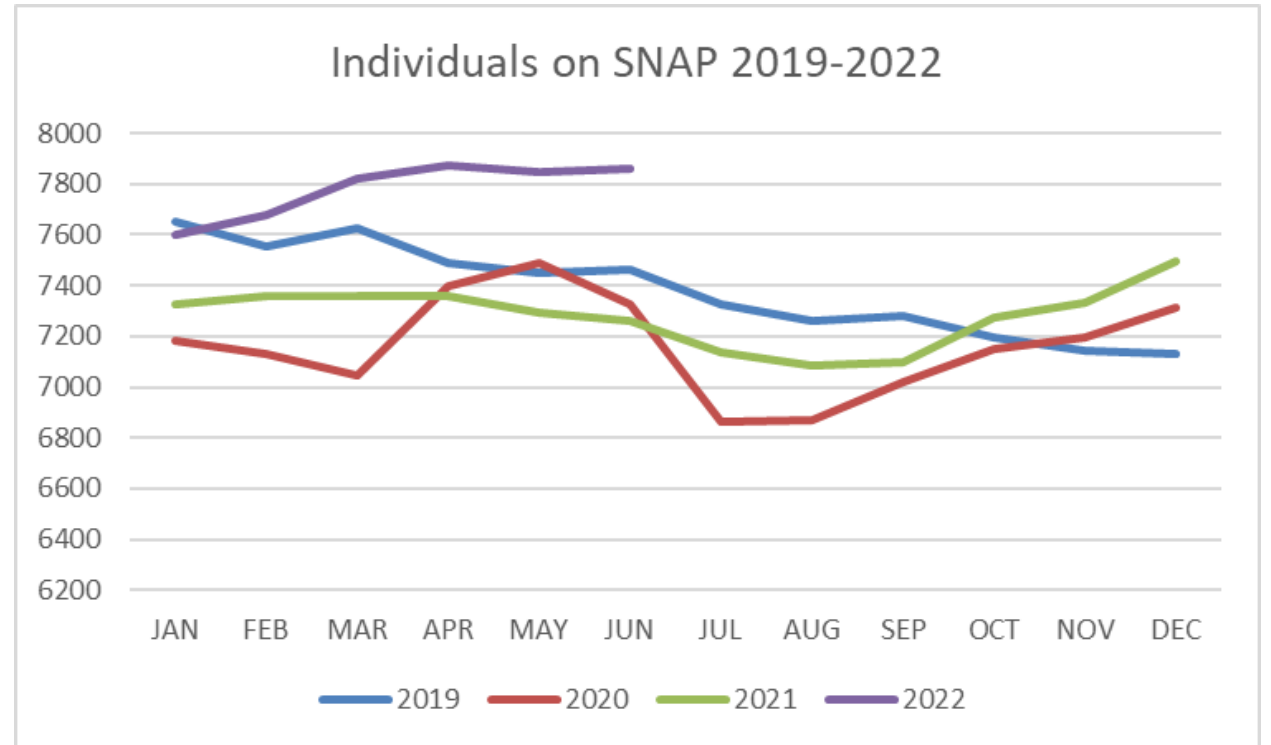


<http://otda.ny.gov/resources/caseload/>



Indicators of Need

Individuals on SNAP have increased in 2022



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Indicators of Need

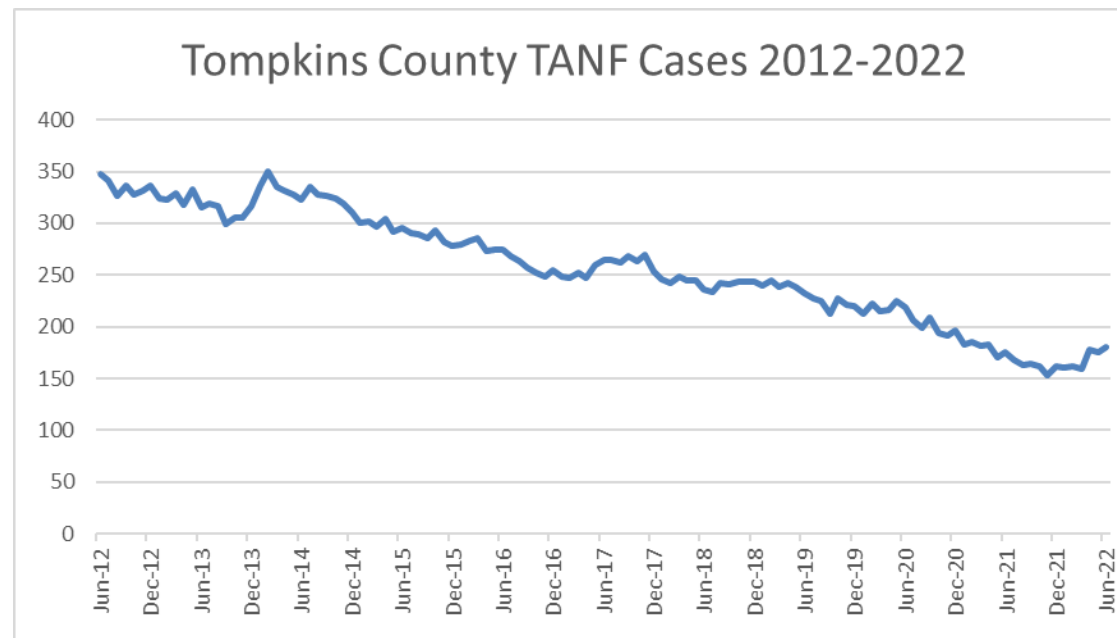
Temporary Assistance (TANF)
cases continue to decline

Down 48% from June 2012

Up 2.9% from June 2021

No local cost (or savings)

5 year life time benefit



<http://otda.ny.gov/resources/caseload/>



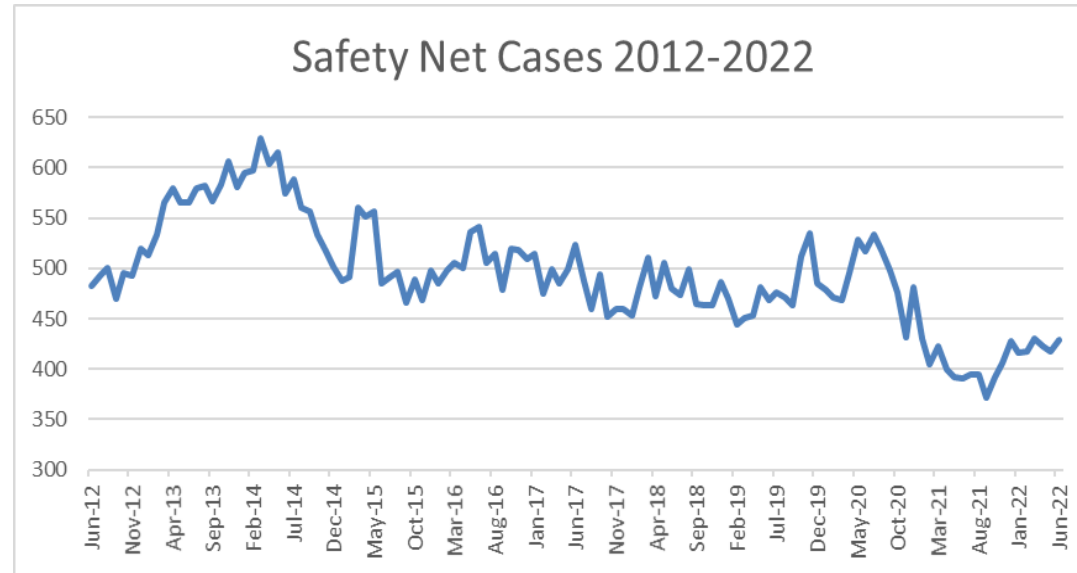
Indicators of Need

Safety Net cases declining overall

Down 11% from January 2012;

Up 9% from June 2021

71% local funding/ 29% NYS



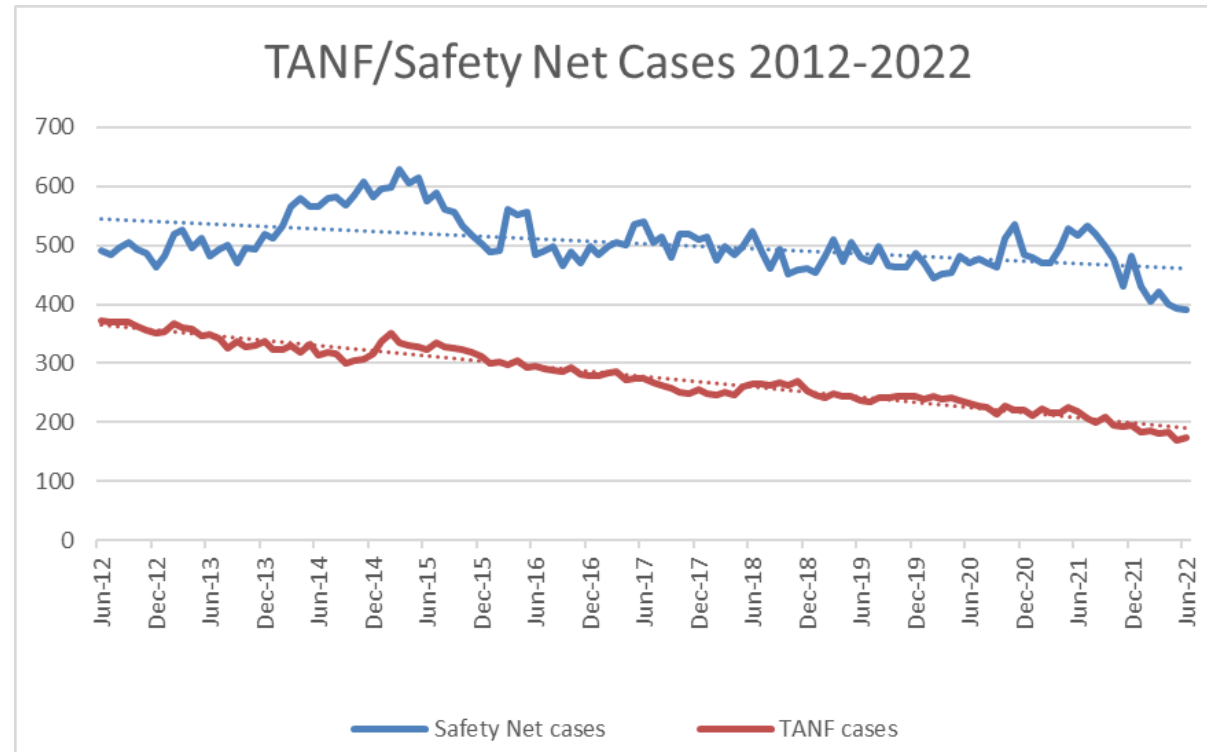
<http://otda.ny.gov/resources/caseload/>



TANF/Safety Net Comparison

TANF no local cost

Safety Net 71% local cost



<http://otda.ny.gov/resources/caseload/>



Major Budget Drivers 2023

Revenues:

- **Sales Tax**
- **Casino Revenue**

Expenditures:

- *Labor Costs*
- *Airport*
- *Capital Investment*

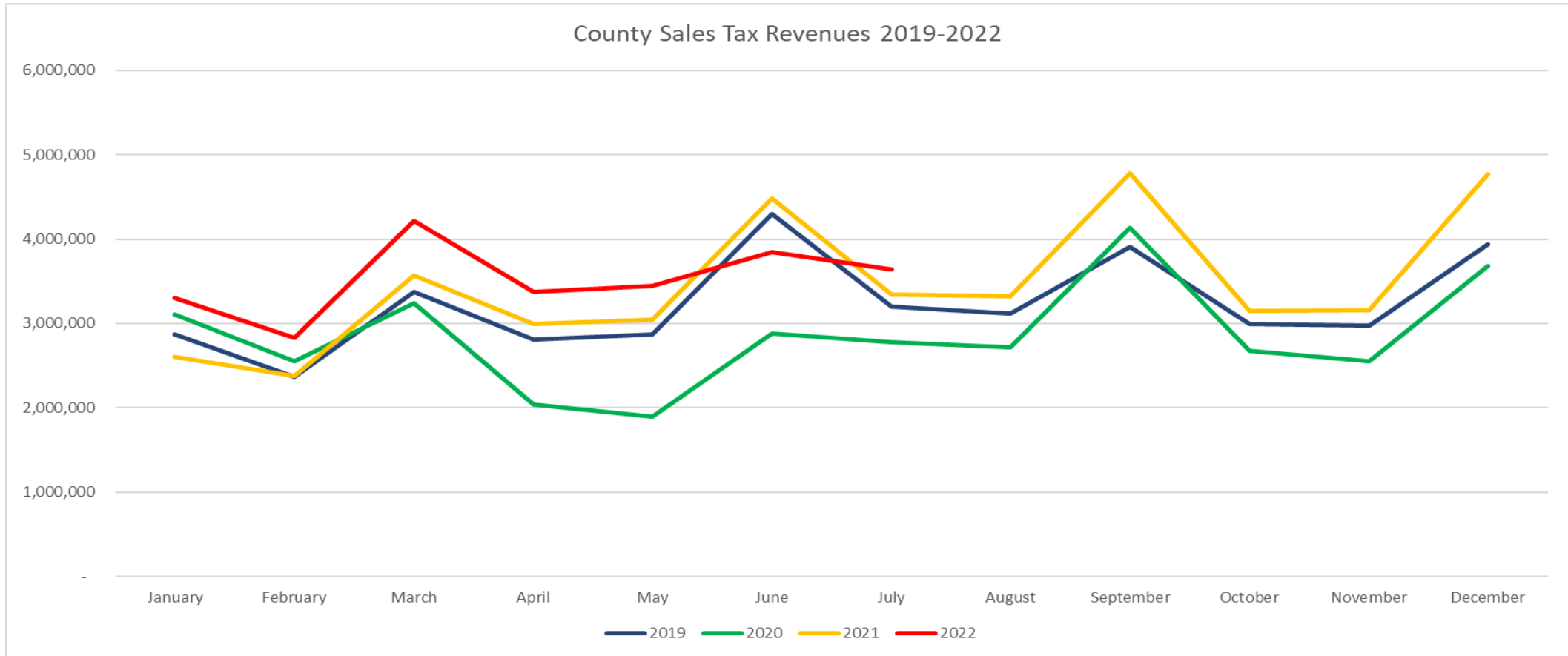


Sales Tax

- Average annual sales tax growth has been 3.4% for past decade
- Outliers:
 - -12.3% (2020)
 - 23.8% (2021)
- Excluding 2020 and 2021, ten year average annual sales tax growth was 2.9%



Sales Tax



Sales Tax

- NYS diversions from County Sales tax restored for 2023:

\$309,472 Distressed Hospital Fund

\$387,278 Aid to Municipalities (AIM)

\$696,750 Total



Sales Tax

- 2023 Sales Tax Revenue estimate: \$40.58 million
 - Uses 2021 actuals (\$39.88 million) + restored NYS diversions (\$700,000)
 - 1.7% increase over actual sales tax received in 2021



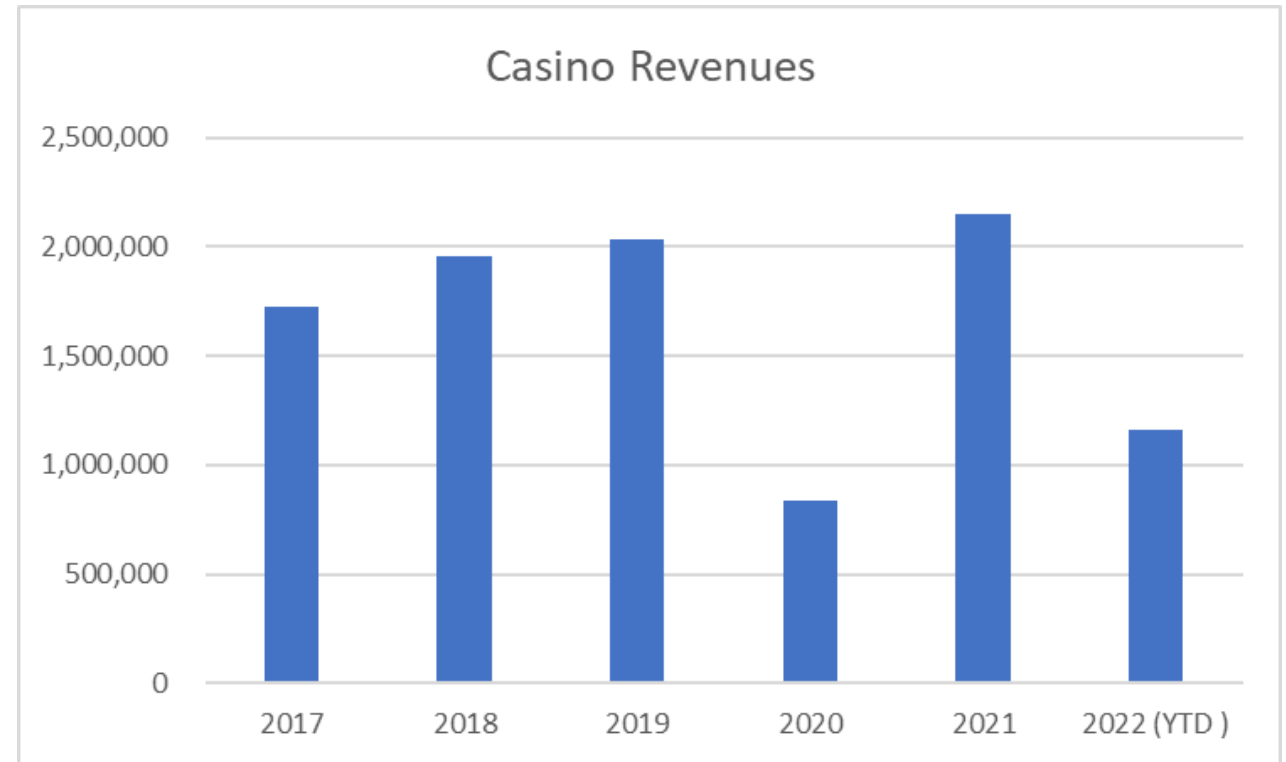
Casino Revenue

- Estimating \$2.1 million in Casino revenues for 2023
 - \$2.15 million received in 2021
 - On pace for \$2.3 million in 2022



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2023 Recommended Budget

Major Budget Drivers 2023

Revenues:

- *Sales Tax*
- *Casino Revenue*

Expenditures:

- **Labor Costs**
- **Airport**
- **Capital Investment**



Labor Costs

- Three settled agreements in place for 2023, covering 85% of employees
 - Blue Collar
 - White Collar
 - Road Patrol
- Negotiations continue with Corrections

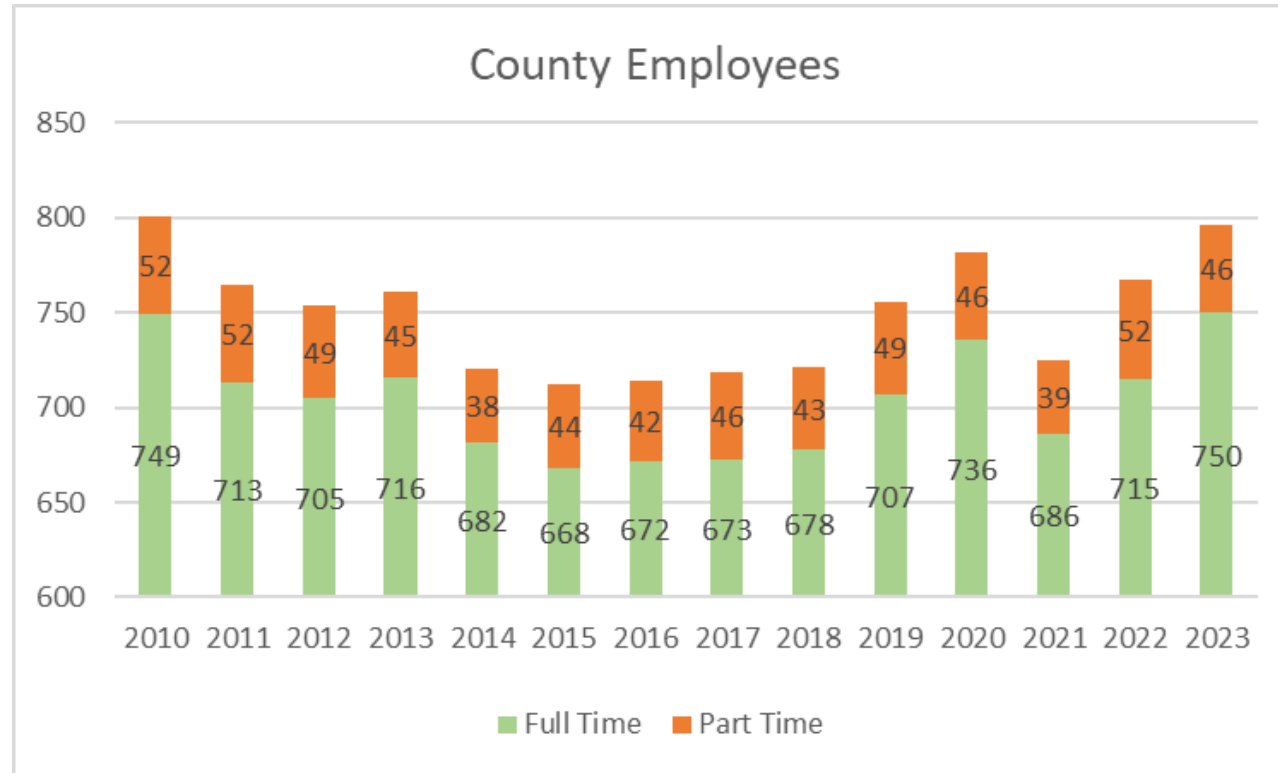


Labor Costs

- Increase of 32 positions across 14 departments
 - 11 positions fully-funded in Health Department through increase in NYS aid
 - 9 other positions fully-funded within departmental budgets without OTRs
 - 10 positions one-time multi-year requests under Reimagining Public Safety
 - 3 one-time positions related to succession planning in 2023
- Living Wage: increase salaries of 4 titles falling below \$16.61/hour
- Decrease in fringe costs in 2023 by 2.2%



County Employee Roster

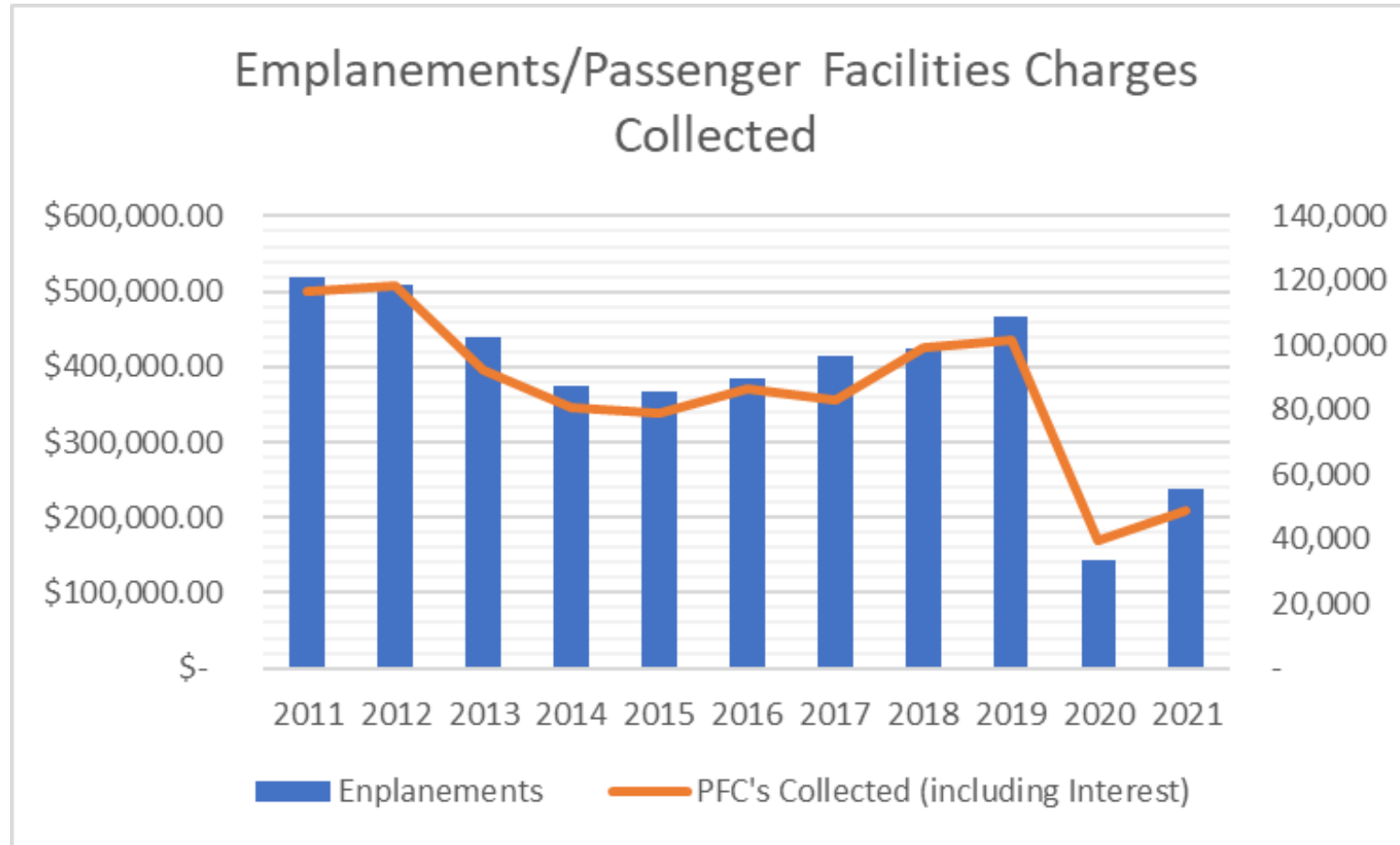


ITH Airport

- U.S. airline industry struggling to recover from COVID
 - Decline in business + international travel
- ITH enplanements down since COVID:
 - 2020 enplanements at 30% of 2019 levels
 - 2021 enplanements at 50% of 2019 levels
- Passenger Facility Charges (PFC's) directly tied to enplanements
 - PFC's expected to pay debt on terminal project
- Additional federal CARES, CRRSA, ARPA funding to support Airport ends in 2022
- Until industry recovers, ITH will require additional funding to finance debt, increase enplanements and balance its operating budget



ITH Airport



ITH Airport

- The 2023 budget includes a three-year one-time over-target request for operating expense to assist the Airport's recovery
 - \$1.3 million in 2023
 - \$800,000 in 2024
 - \$300,000 in 2025
- The budget additionally includes \$342,481 to pay half the debt service on the terminal project; expected at least through the next 3-5 years



Capital Program

- Investments to assist in meeting the County's space management, information technology, energy, fleet and other needs.
- Adjustments due to escalating costs:
 - Green Facilities Phase 1: \$7.3 million, now \$14.4 million
 - Green Facilities Phases 2 & 3 currently deferred
 - Airport ARFF/SRE Building project: \$19.3 million total with \$5.2 million local share currently deferred
- Adds 1.93% of the 2022 property tax levy to support capital investment. (\$1 M)



Mandates

- No significant increases expected for 2023
- Assigned Counsel rates awaiting statutory increase by Governor and New York State Legislature



Support for Sponsored/Partner Agencies

- 3% increase for Sponsored Agencies
- 3% Increase in underwriter share for TCAT

Sponsored Agencies:

- Cooperative Extension
- TC Public Library
- Rural Libraries
- Soil & Water
- The History Center
- Human Services Coalition & Agencies
- Tompkins Community Action
- SPCA
- Recreation Partnership
- Opportunities Alternatives Resources (OAR)



2023 Over Target Requests (million)

	One-time	Target	Total
Requested	\$4.6	\$2.6	\$7.2
Recommended	\$5.1	\$0.76	\$5.86
Difference	\$-.55	\$1.84	\$1.34



Use of ARPA for one-time OTRs

- American Rescue Plan (ARPA) Funding:
 - \$8.36M committed for capital
 - \$6.53M committed for Community Recovery Fund
 - \$3.65M committed for one-time OTRs in 2022
 - **\$1.59M recommended for one-time OTRs in 2023**
 - \$19.8M total



Major Funded OTRs (target)

- Positions:
 - Department of Emergency Response (3.5)
 - Finance (1.5)
 - Information Technology Services (1)
 - Legislature (1)
 - Planning & Sustainability (1)
 - Sheriff's Department (3)
 - Transportation Planning (2)
 - Veterans Services (1)



Major Funded OTRs (target)

- Facilities cost increases for utilities, heat, insurance (\$233K)
- Administration budget software (\$80K)
- County Clerk software upgrade (\$70K)
- 911 Tower Site Maintenance (\$65K)
- Support for Municipal Youth Services System (\$55K)



Major Funded OTRs (one-time)

- Reimagining Public Safety: Total County Costs: \$856,500
 - Community Justice Center staffing (\$155K)
 - Pilot Program for Non-Emergency Calls: 2 Sheriff Clerks (\$168K)
 - Alternative Response: 2 Licensed Clinical Therapists + 1 Deputy Sheriff (\$370K)
 - Community Healing Plan (\$15K)
 - Officer Wellness Program Development (\$37.5K)
 - Alternative Response Model evaluation & program development (\$22.5K)
 - Data Entry Standardization (\$25K)
 - Public Safety Community Dashboard (\$13.5K)
 - Inclusive and Innovative Recruitment Strategy for Law Enforcement (\$10K)
 - Culturally Responsive Training for Law Enforcement (\$40K)



Major Funded OTRs (one-time)

- Airport: Operations + Debt Service (\$1.67M)
- TC3 Capital Program + Workforce Initiative year 2 costs (\$281K)
- Alcohol & Drug Council Open Access year 2 startup costs (\$200K)
- Cooperative Extension (\$185K)



Other Considerations

- Awaiting results of Compensation Study/Market Analysis in 2022
 - \$500,000 reserved for future salary adjustments
- Contingency fund increased from \$.9M to \$1.2M
- Vacancy Rate Assumption (1%): \$378,000



Risks in 2023

- Economic downturn
 - Raising interest rates to curb current inflation may lead to recession
 - May lead to contraction in sales tax revenues while placing a greater demand on County for services
- Airport
 - Subject to larger trends in airline industry beyond local control (pilot shortage, changing trends in business travel, fuel prices)
 - Deferred ARFF/SRE building construction



Tax Cap

2023 Tax Cap Estimated at 2.59% (\$1.36M) based on:

- Inflationary factor of 2% (limited to lesser of 2% or the Consumer Price Index).
- Sales tax credit offsets to towns
- Tax base growth factor for past 6 years
- Increase in PILOT revenue
- 2022 omitted taxes

Explanations

- Tax base growth factor or “new lumber”: amount of new tax base added by new construction
- Inflation comes from State: Lesser of 2% or CPI prior
- Sales tax credit is based on actual sales tax receipts mid-year



2023 Budget: In Summary

- 1.46% levy increase
 - Under financial parameter of 1.88% set by Legislature
 - Under 2.59% tax cap
- Supports County operations, sponsored agencies and capital program



Questions?

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