

2024 Budget Retreat

April 25, 2023

Presentation to the Tompkins County Legislature



Administration

4/27/2023



Outlook for 2024 Uncertain and Serious

- NYS budget delay
- Potential impacts of \$8.9M
- Includes 2023 target to 2024 projected:
 - \$4.4M increase in NYS mandates
 - \$3.6M increase in salary & fringe costs
 - \$.5M shortfall created from use of fund balance in 2023
 - \$.4M reduced revenues (State Aid and County Clerk)



Economic & Fiscal Indicators

Environmental Scan



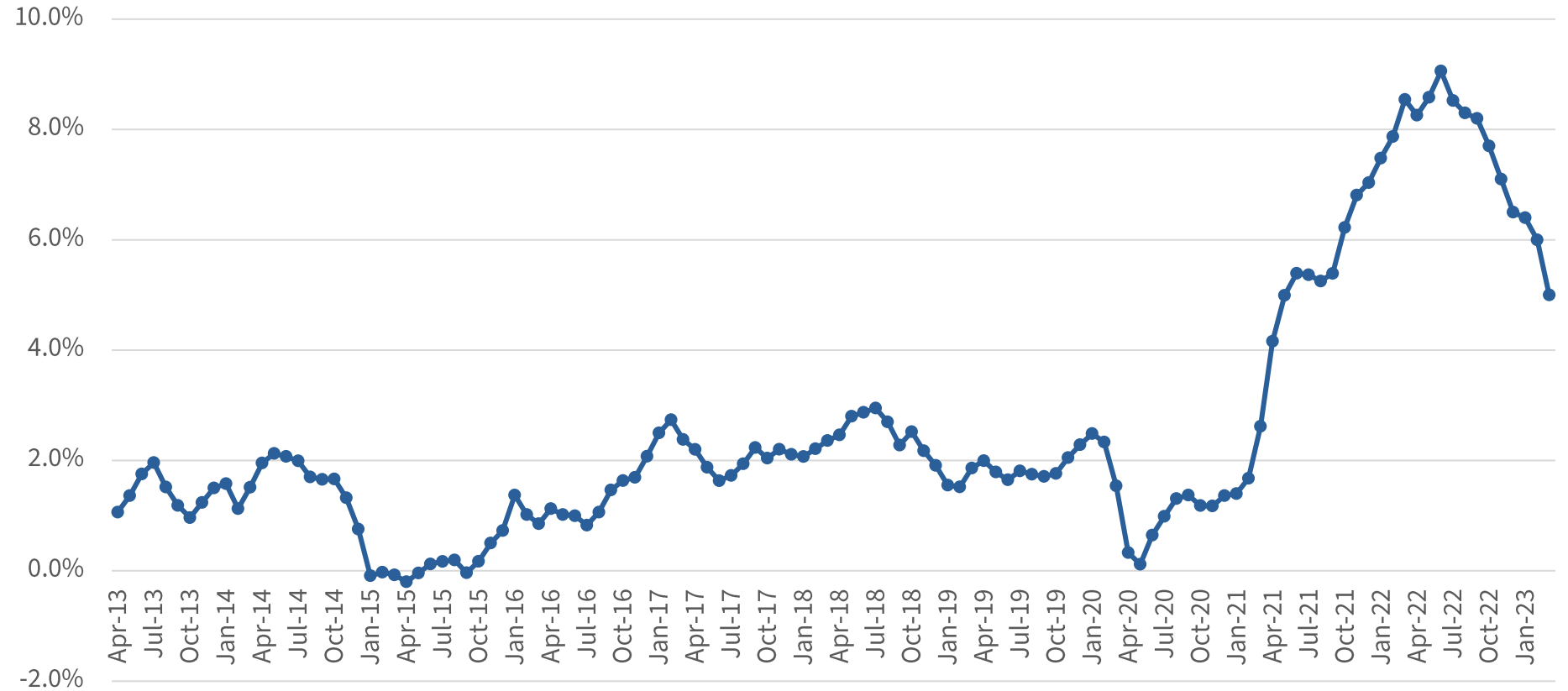
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2023 Budget Retreat

Inflation Rates April 2013-March 2023

March 2022 to
2023 inflation
is 5%



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



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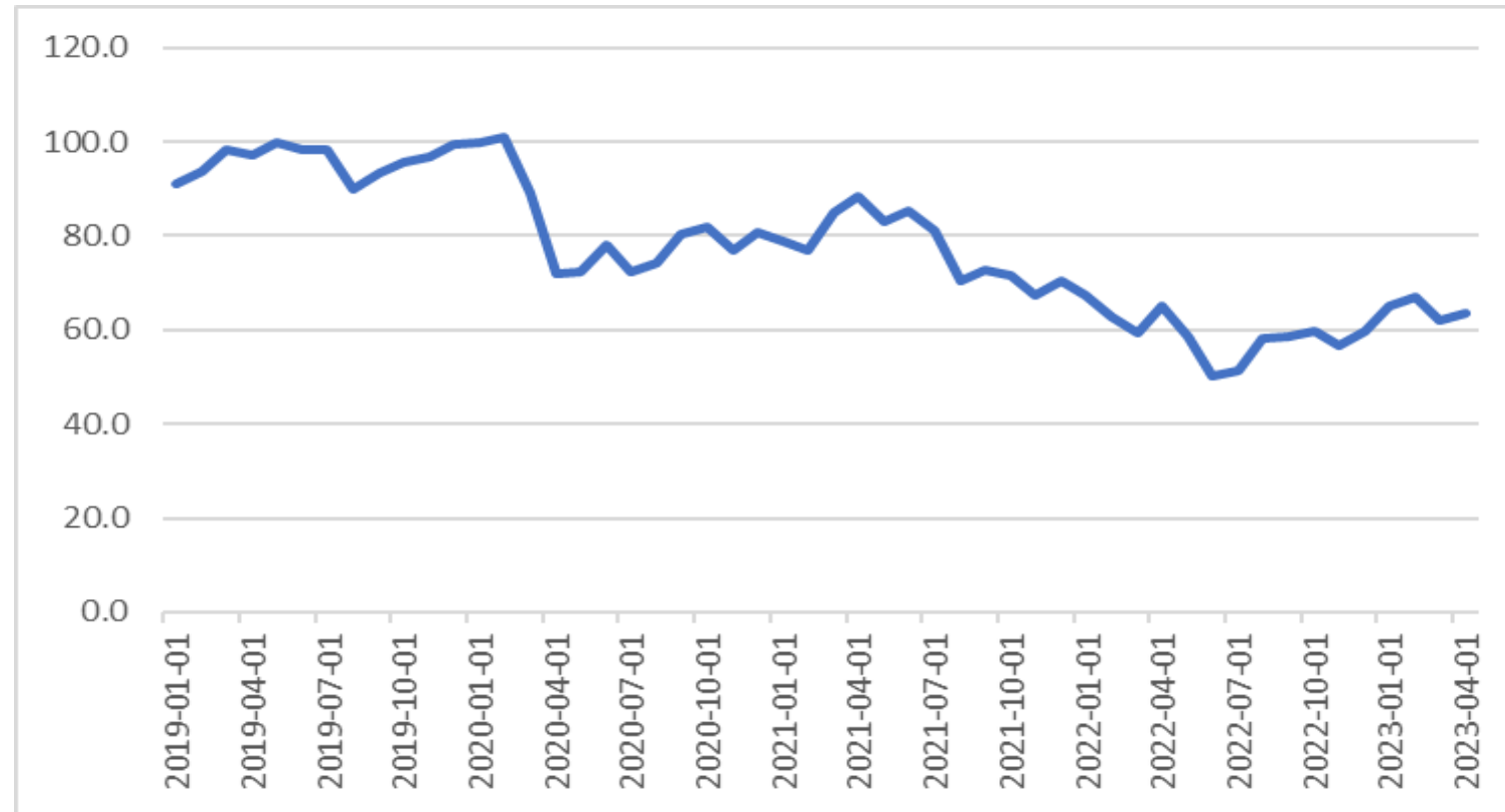
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2023 Budget Retreat

Consumer Confidence

Jan 2019- Apr 2023

U.S.
Consumer
Confidence
regaining
after
June 2022
low

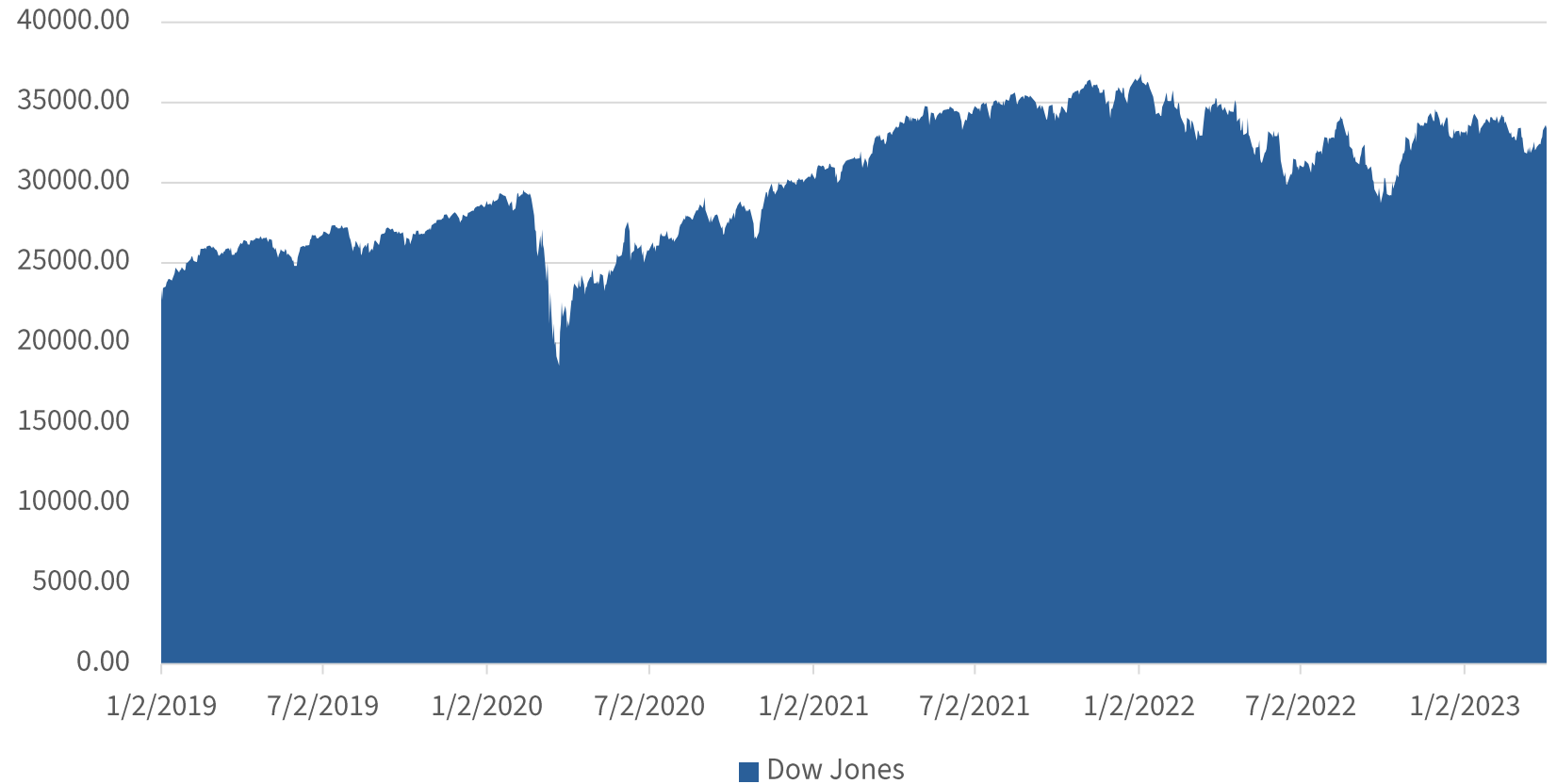


University of Michigan: Consumer Sentiment



Stock Market

Market lower
in 2023 than a
year ago



Dow Jones Industrial Average



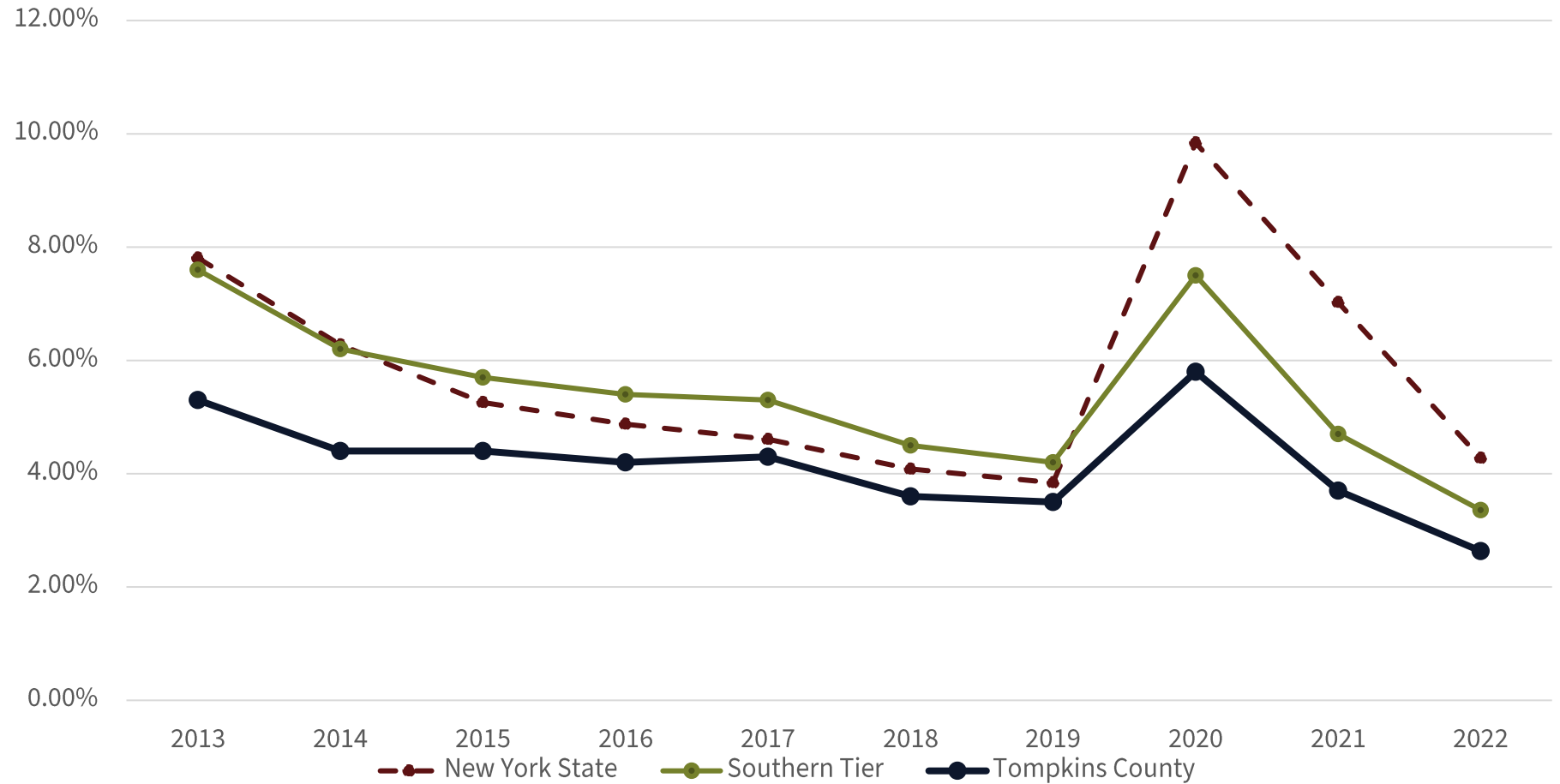
Average Annual Unemployment Rates 2013-2022

2022

New York State – 4.3%

Southern Tier – 3.4%

Tompkins County – 2.6%



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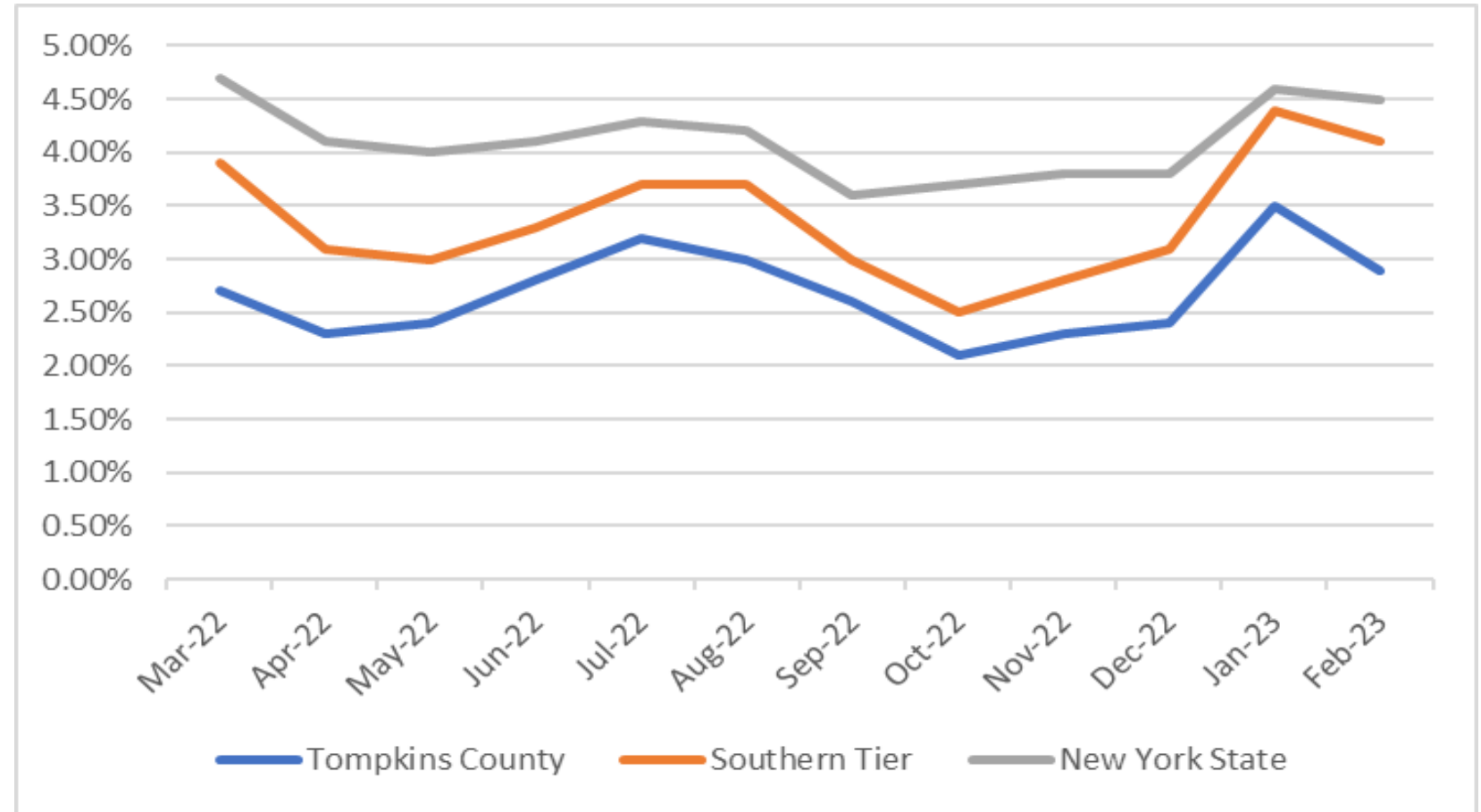
NYS Dept. of Labor

Budget Retreat

Monthly Unemployment Rates 2022-2023

As of February, '23

New York State – 4.5%
Southern Tier – 4.1%
Tompkins County – 2.9%



NYS Dept. of Labor



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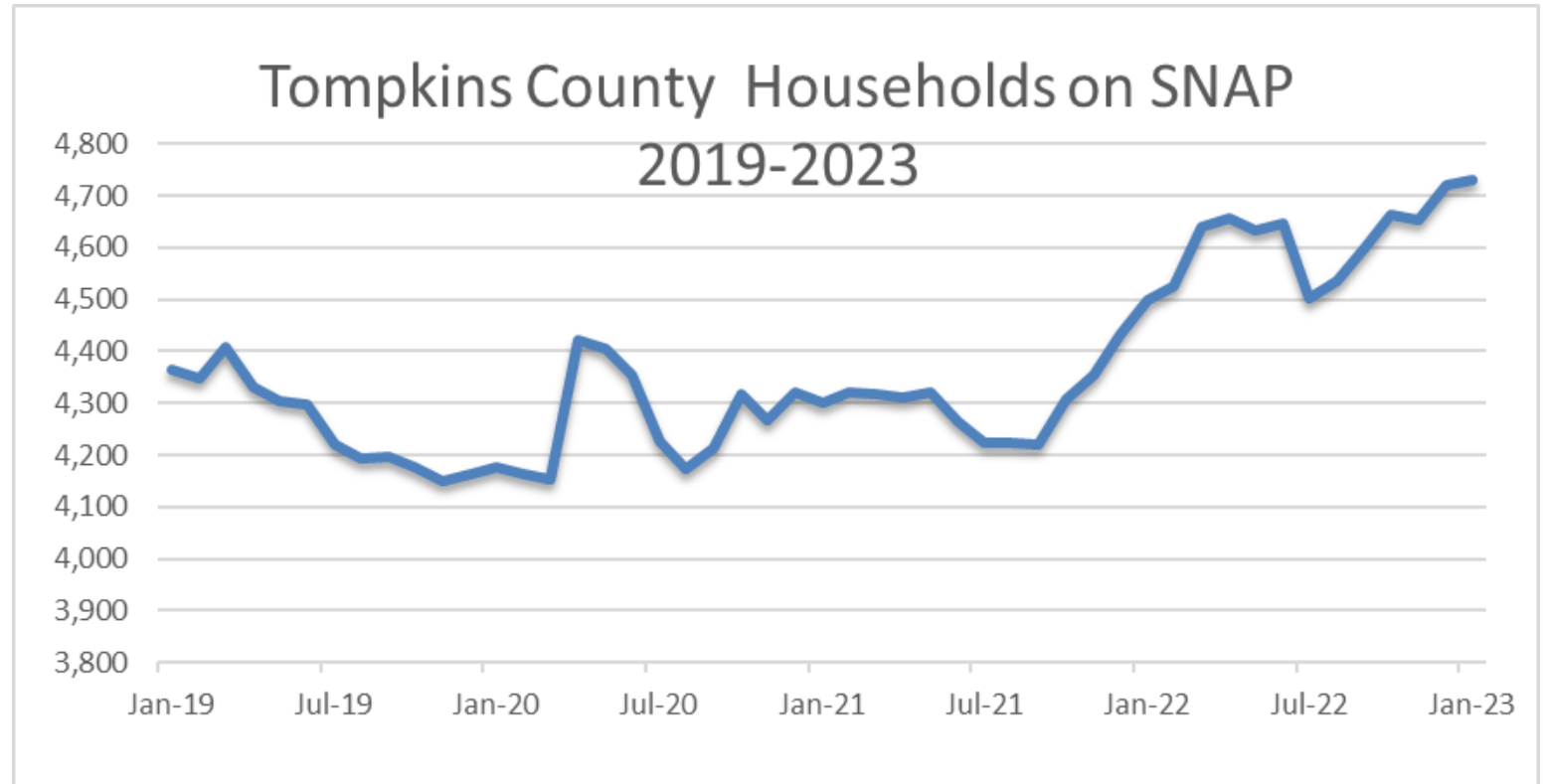
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Indicators of Need

Supplemental Nutrition Assistance Program (SNAP)

Caseloads increasing

- Up 14% since 2020
- Up 5% since 2022



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



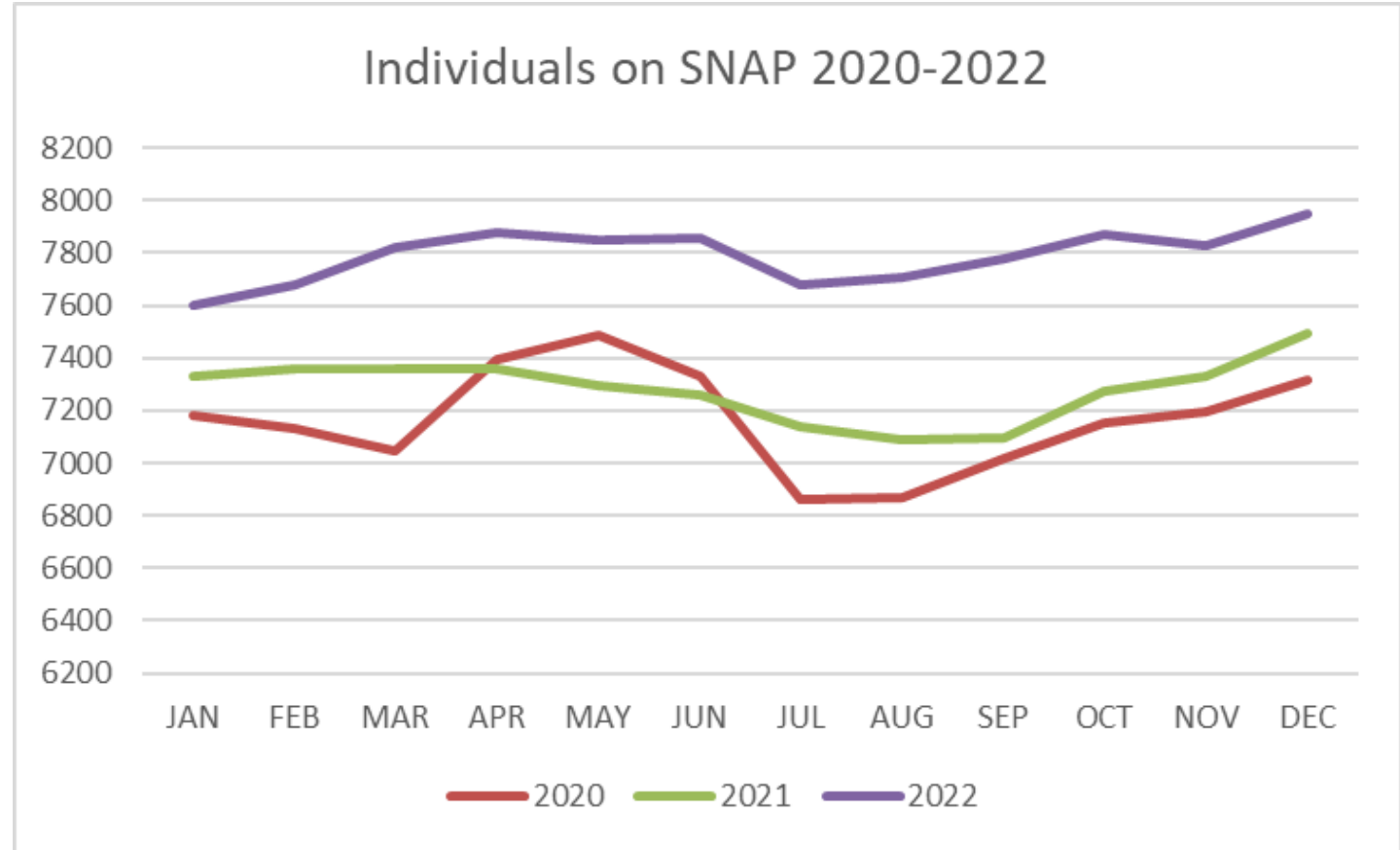
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Indicators of Need

Month by month increase in individuals on SNAP in 2020-2022



Indicators of Need

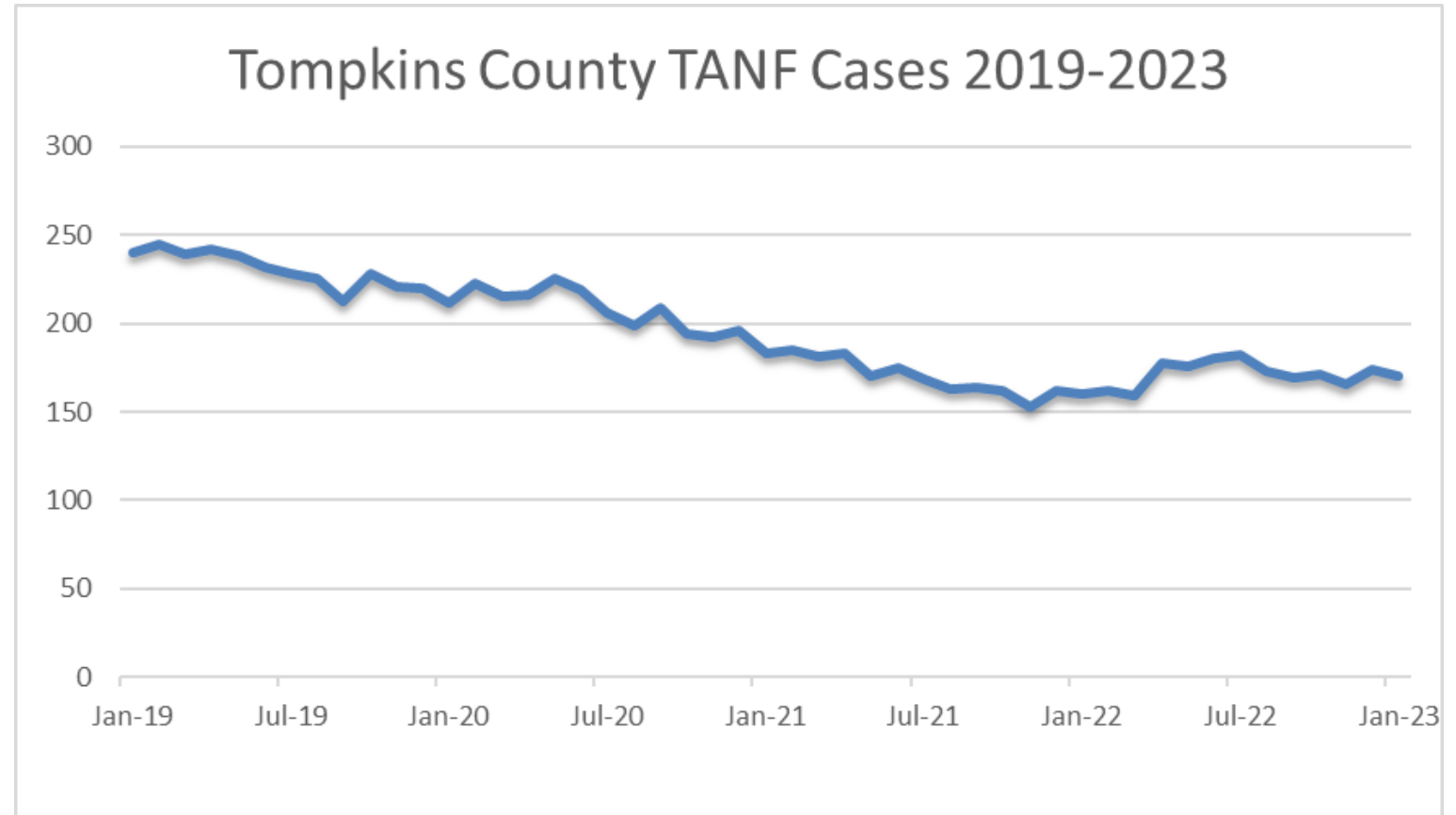
Temporary Assistance (TANF) cases have declined overall

Down 29% from January 2019

Up 6% from January 2022

No local cost (or savings)

5 year life time benefit



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



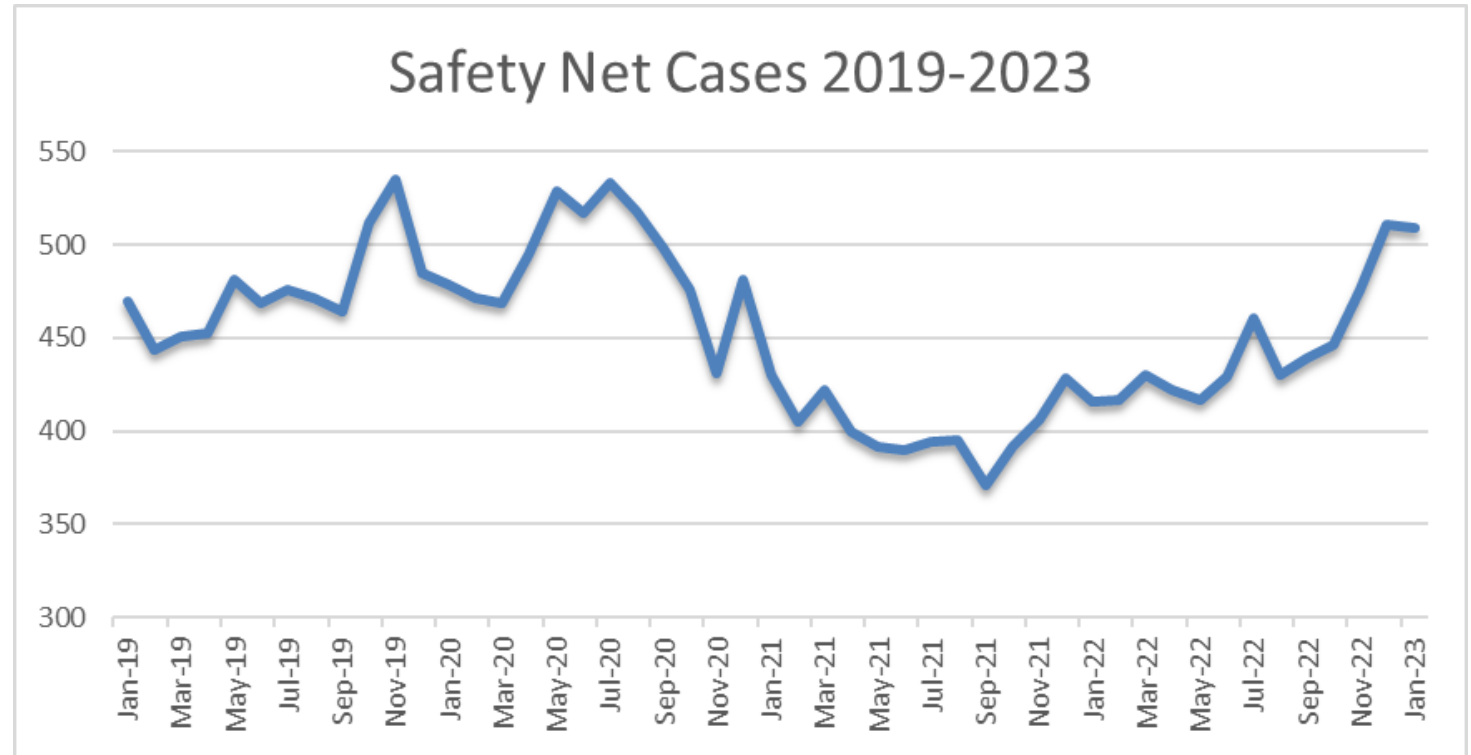
Indicators of Need

Safety Net

71% local funding/ 29% NYS

37% increase since September 2021

22% YoY increase



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

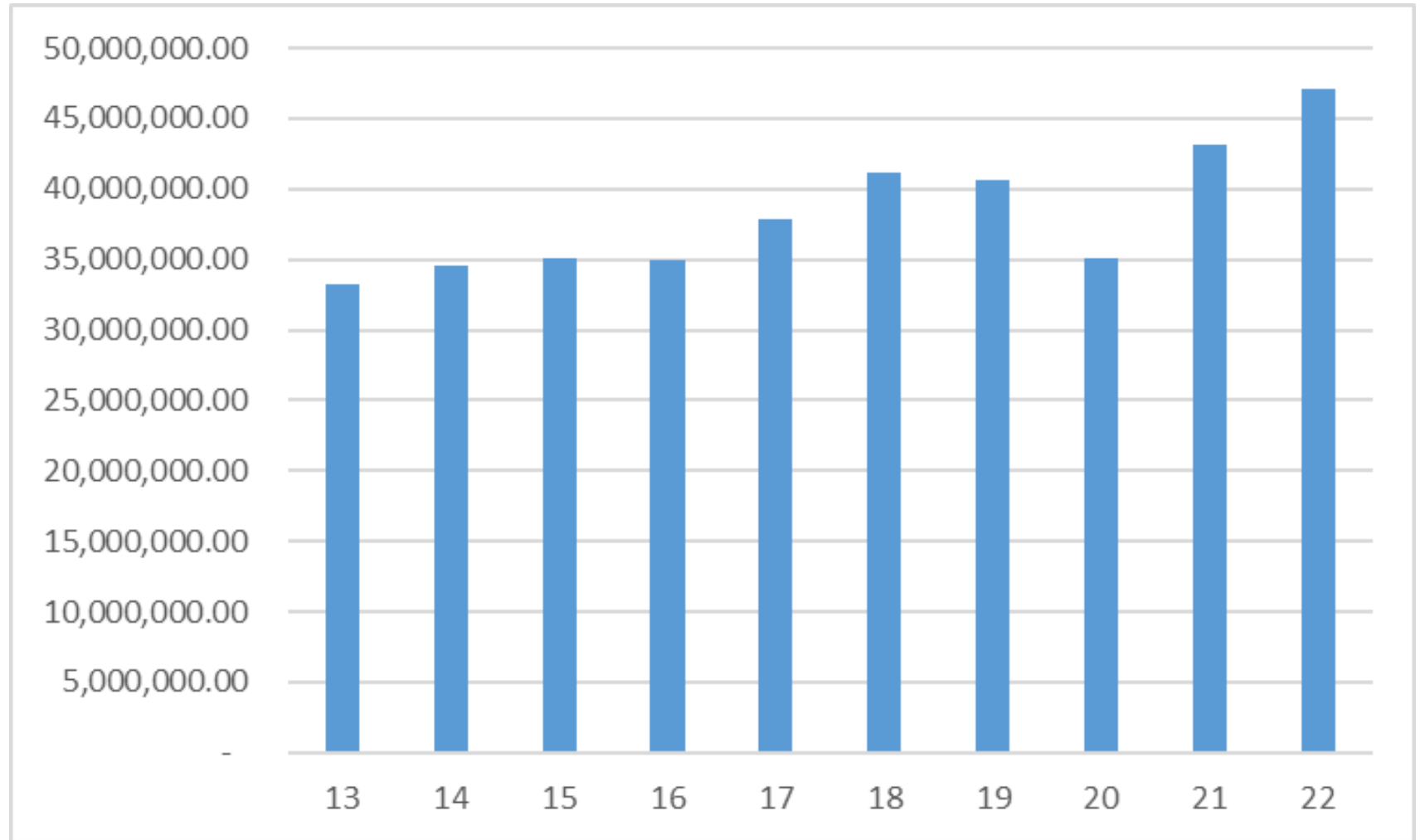


Other Fiscal Drivers

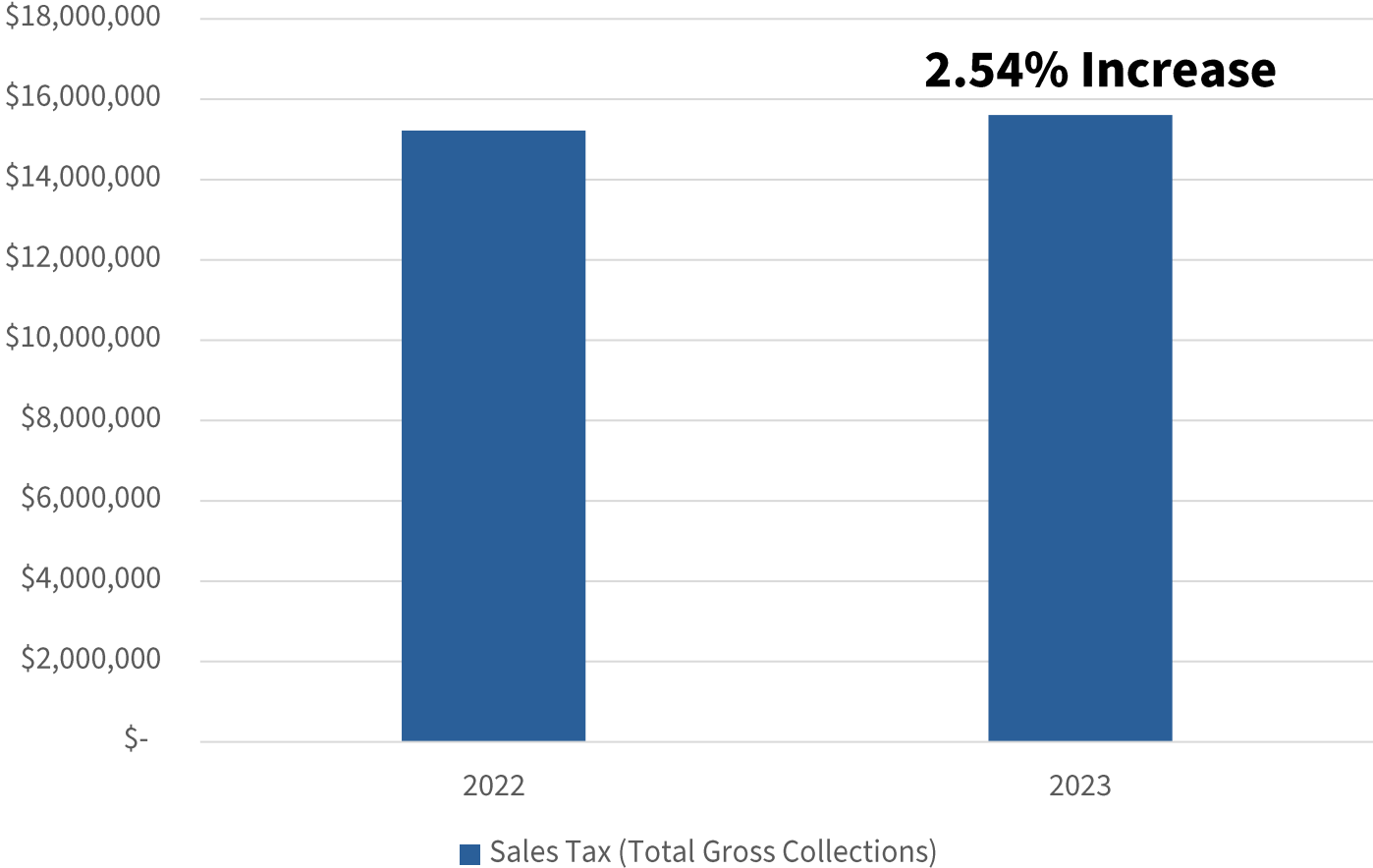


Sales Tax

- Average annual sales tax growth of 3.9% from 2013-2022
- Outliers:
 - 2020: -13.6%
 - 2021: +22.8%
 - 2022: +9.1%

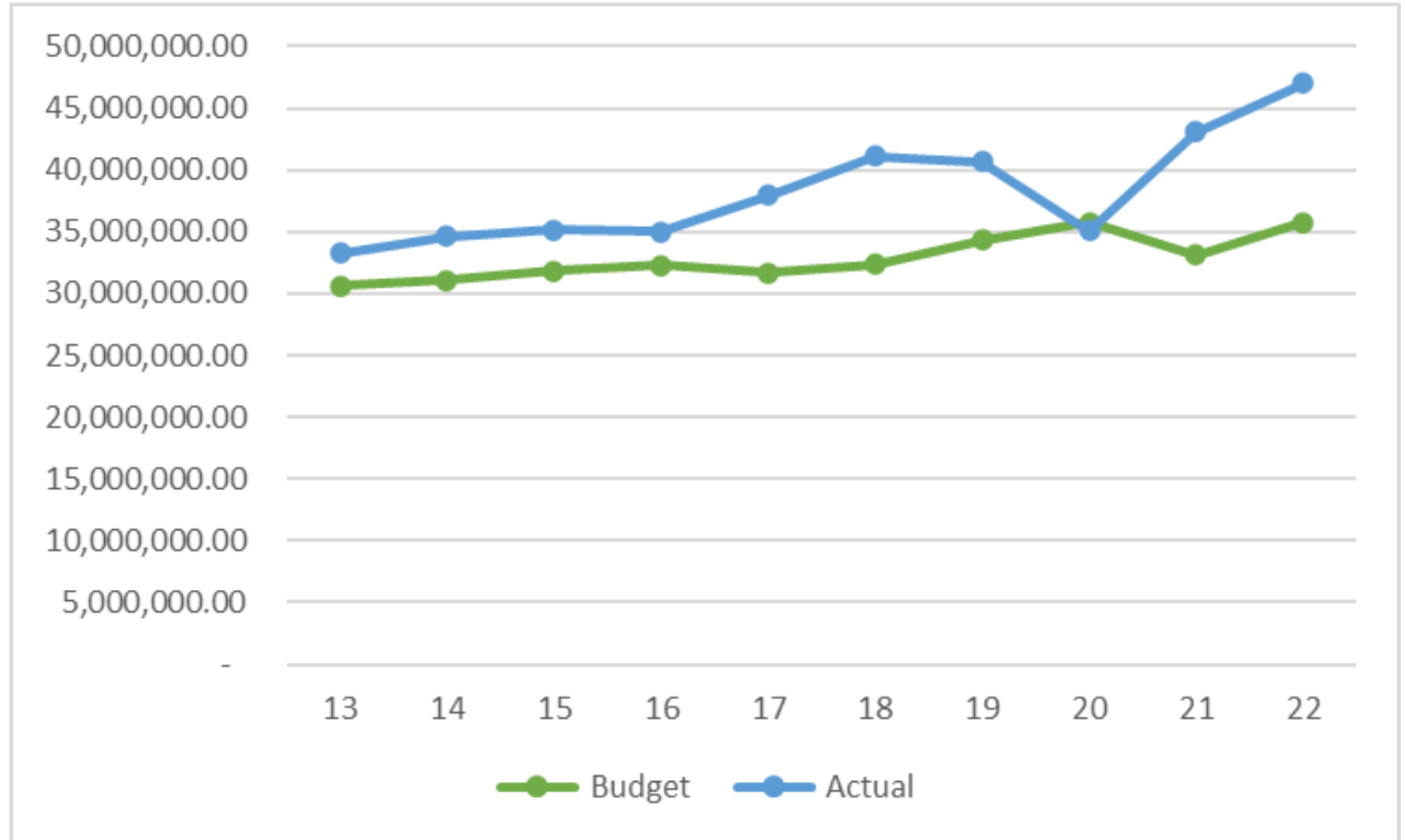


Sales Tax Gross First Quarter Receipts 2022 – 2023

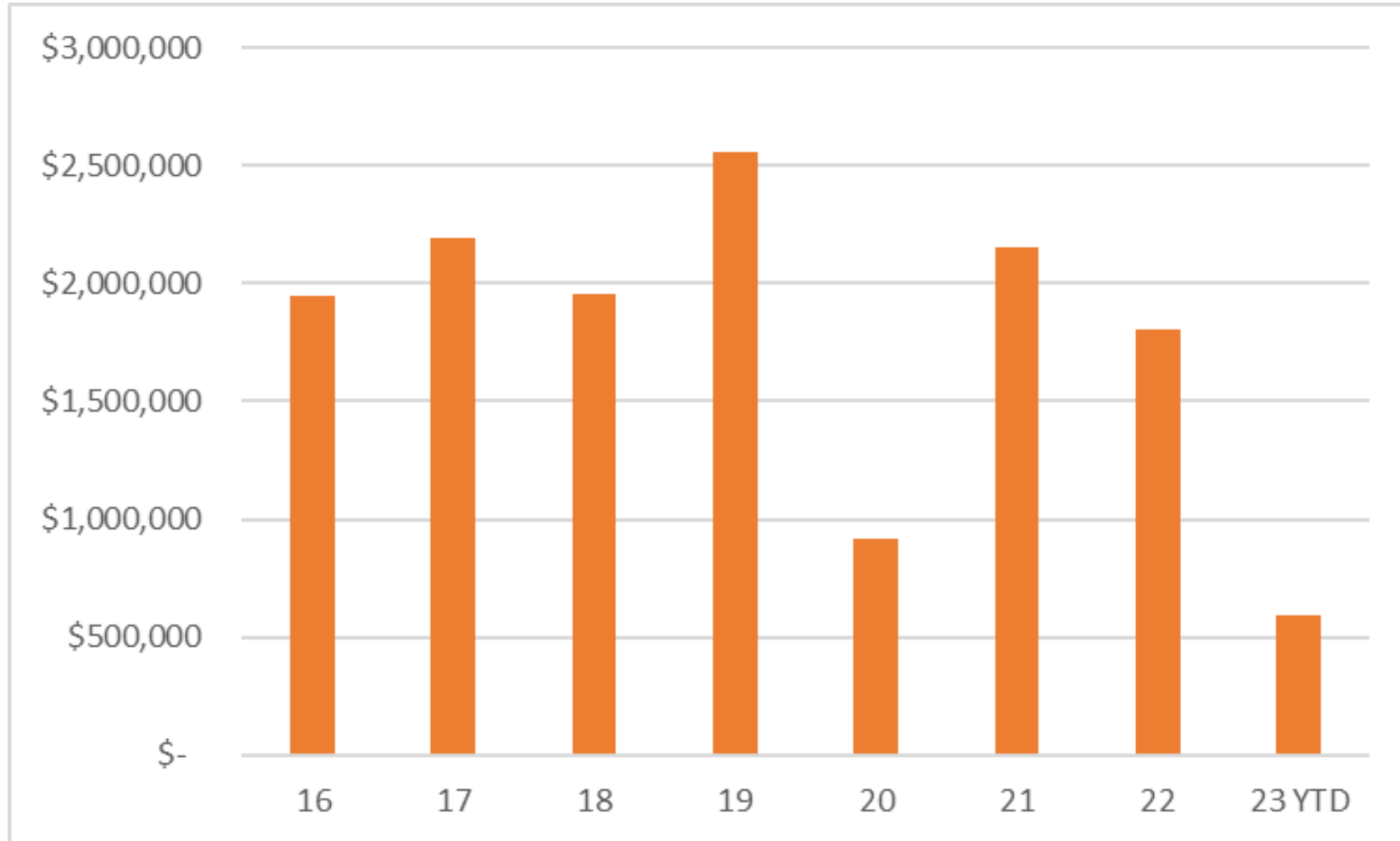


Tompkins County Sales Tax

Budget vs. Actual

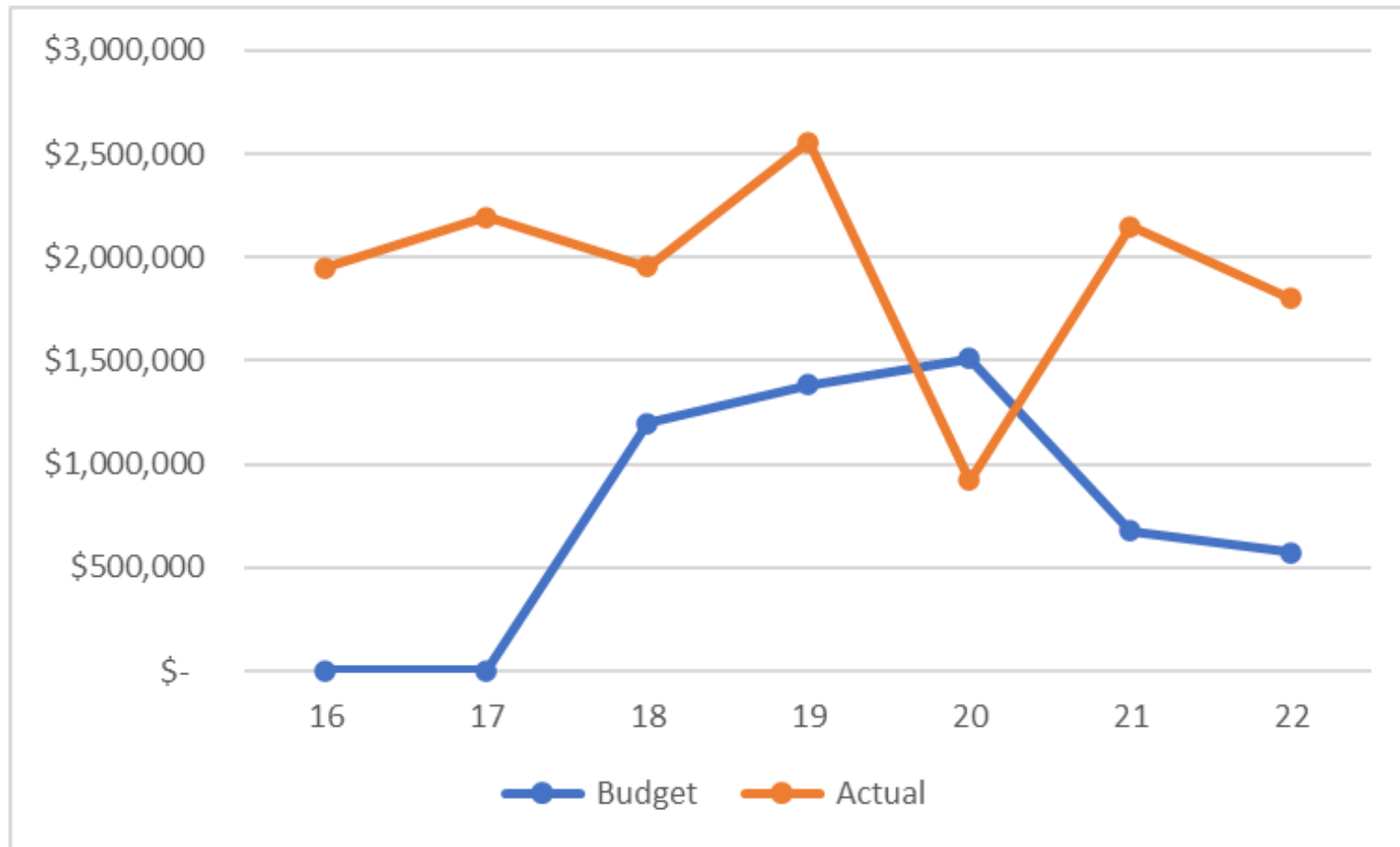


Tompkins County Casino Revenue



Casino Revenue

Budget vs. Actual



Threats / Opportunities in 2024



Mandate Unknowns

- EFMAP Enhanced Federal Medicaid Assistance Percentage
 - Estimated \$1.6M increase in County cost
- Assigned Counsel 18b funding
 - Rate increase from \$75 to \$119 or \$158/ hour
 - No NYS funding for increase in Governor's budget
 - Estimated \$1.1M increase in County cost



ITH Airport

- ITH enplanements down since COVID:
 - 2021 enplanements at 50.7% of 2019 levels
 - 2022 enplanements at 52.1% of 2019 levels

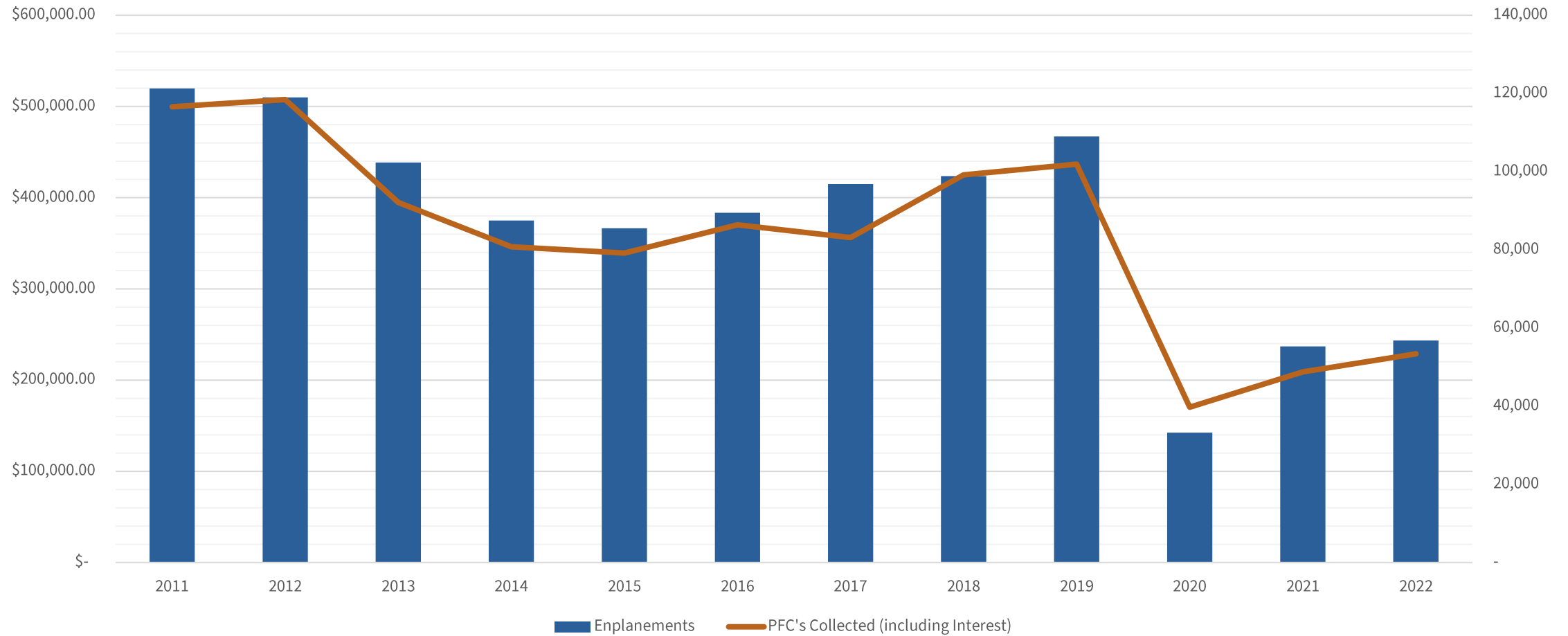
Passenger Facility Charges (PFCs) directly tied to enplanements

- PFCs expected to pay debt on terminal project
- ITH will continue to require additional funding to finance debt, increase enplanements and balance its operating budget.
 - General Fund Contribution – 2024 - \$681,959 and 2025 - \$683,425
- ITH Strategic Business/Recovery Plan RFP in development



ITH Airport

Enplanements/Passenger Facilities Charges Collected



Assumptions



Assumptions – Tax Cap

2024 Tax Cap Estimated at 3.35% (\$1.75 M) 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
- 2023 omitted taxes

Cap will change based on actual mid-year inflation and sales tax credit estimate

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



Assumptions

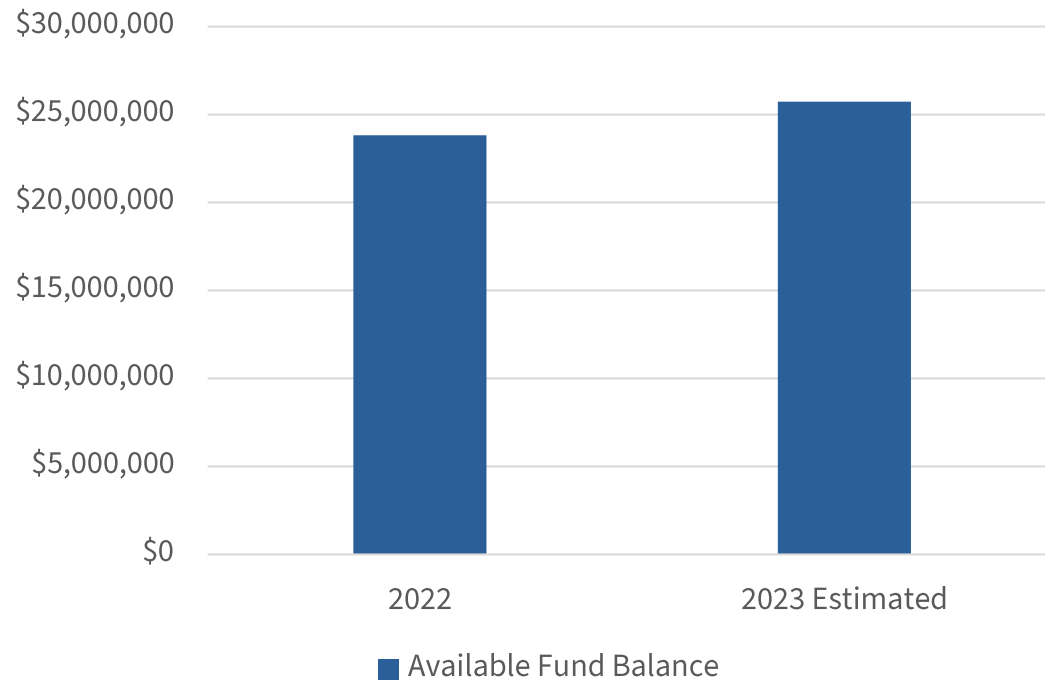
- **What is Included:**

- Potential Salary Adjustments for Compensation Study and Negotiated Salary Increases
- Recycling Materials Management: Planned Solid Waste Fee Increase of \$5 in 2024

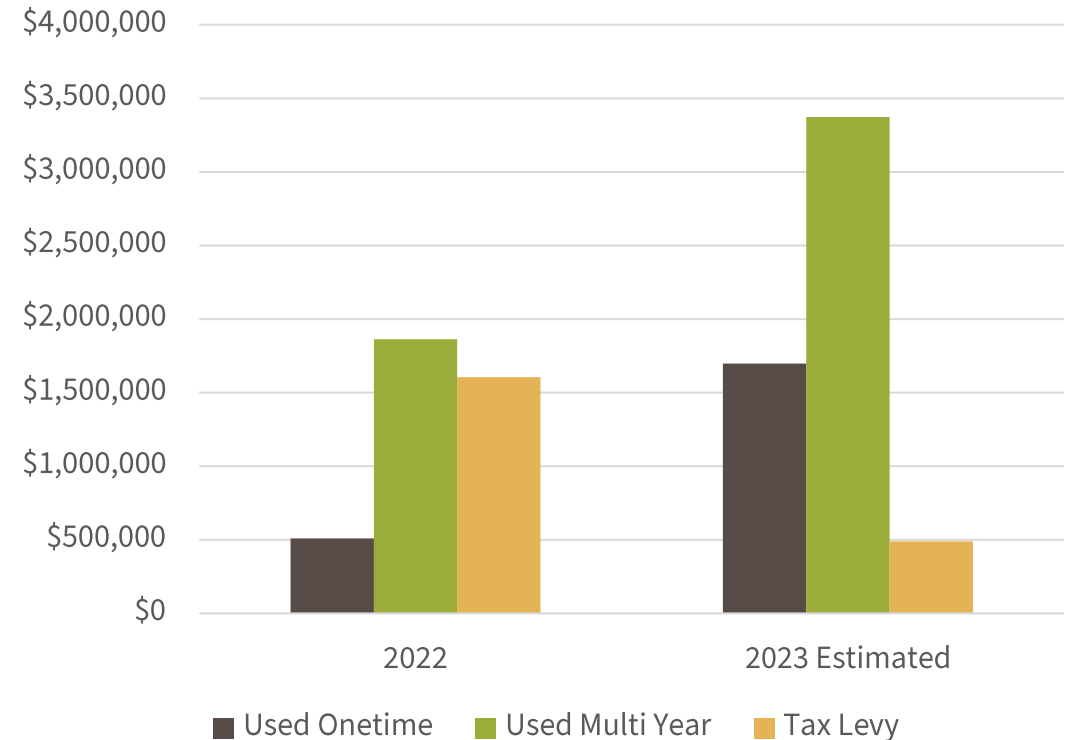


Unassigned General Fund Balance

Net Available Fund Balance
after 18% Actual Local



Use in Operating Budget



Planned Fund Balance Use

	2023	2024	2025	2026	2027
Capital Program	\$3,700,000	\$5,320,000	\$3,400,000	\$1,000,000	1,000,000
Multi- Year/Deferred Tax Levy	\$3,372,912	\$3,372,912	\$1,944,746	\$227,195	

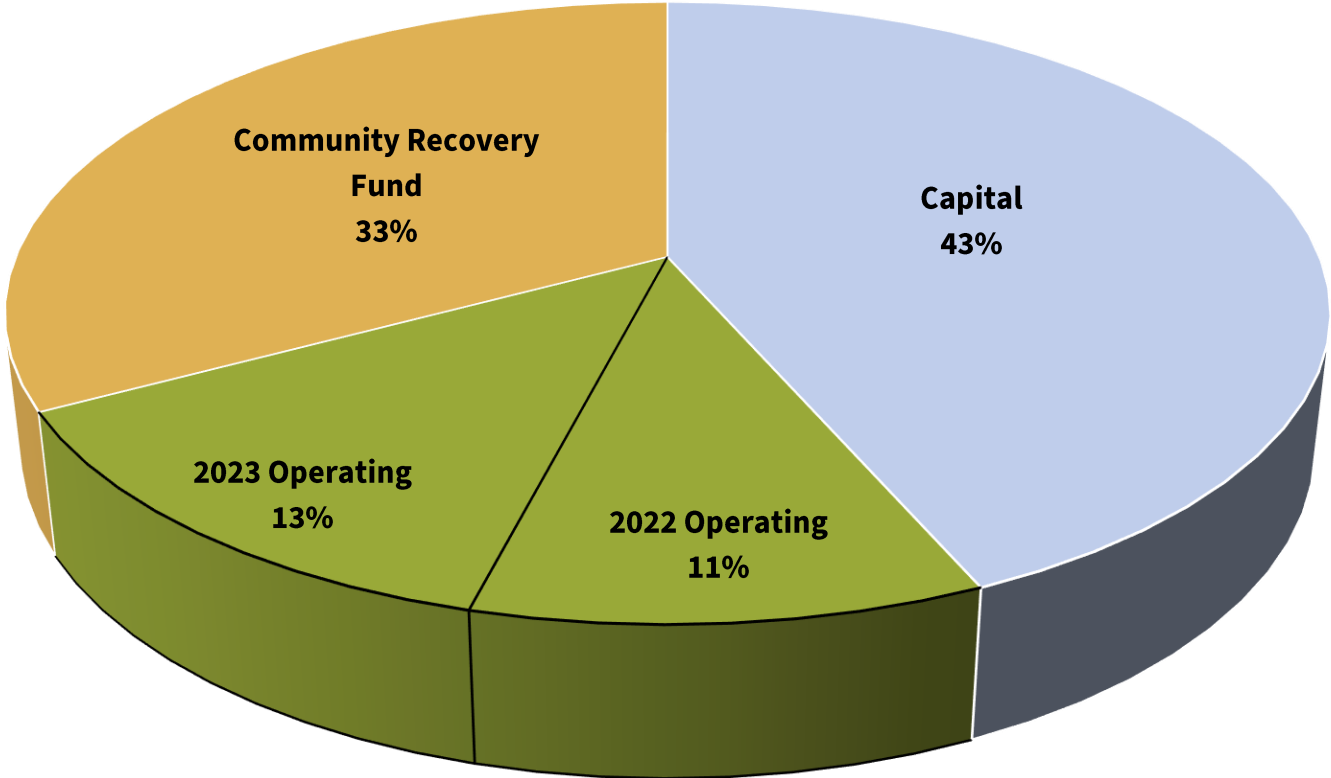
- \$3.4 Million in multi-year projects that could be considered for target or sunset in 2024



Status of ARPA

\$19.8M

- \$19.8M Total
- \$6.2M obligated toward capital projects
- \$2.4M expended toward capital projects
- \$6.5M obligated toward Community Recovery Fund projects
- \$2.1M expended in one-time OTRs in 2022
- \$2.6M obligated in one-time OTRs in 2023



Assumption: All ARPA funds have been obligated; any remaining unspent OTR funds shall be used for one-time projects in 2024 budget



Major Budget Drivers

Local Dollars



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Mandates (Local \$)

2024	\$27,386,199
2023	\$22,990,541
Local Impact	\$4,395,658

Takes into consideration:

- DSS: Medicaid, Family Assistance, Safety Net/TANF, Child Care, Day Care, JD Care
- Health: Preschool Special Education, Early Intervention, Medical Examiner;
- Assigned Counsel; Outside College chargebacks; Mental Health; Jail medical & board outs



Wages (Local)

2024	\$46.2M
2023	\$43.8M
Local Impact	\$2.4M

Takes into consideration:

- Assumes all bargaining units will have settled contracts in place for 2024
- Compensation Study



Fringes (Local \$)

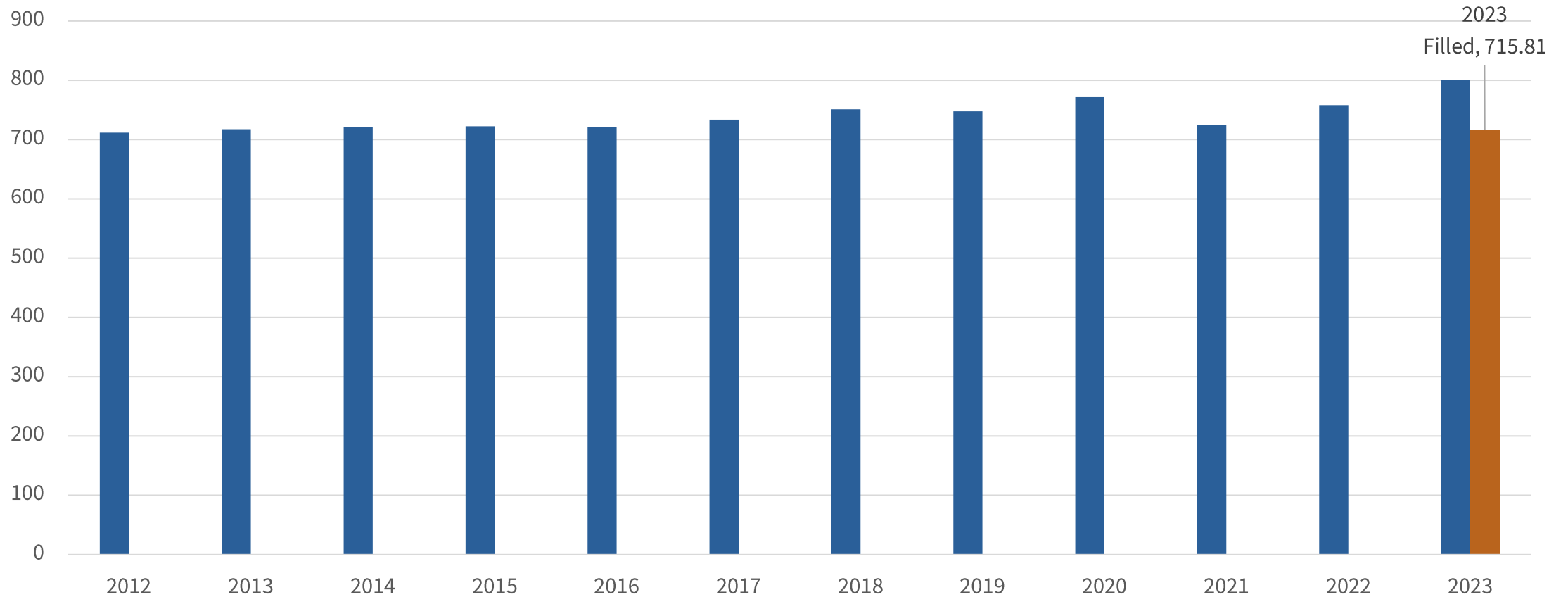
2024	\$20.2M
2023	\$19.0M
Local Impact	\$1.2M

Takes into consideration:

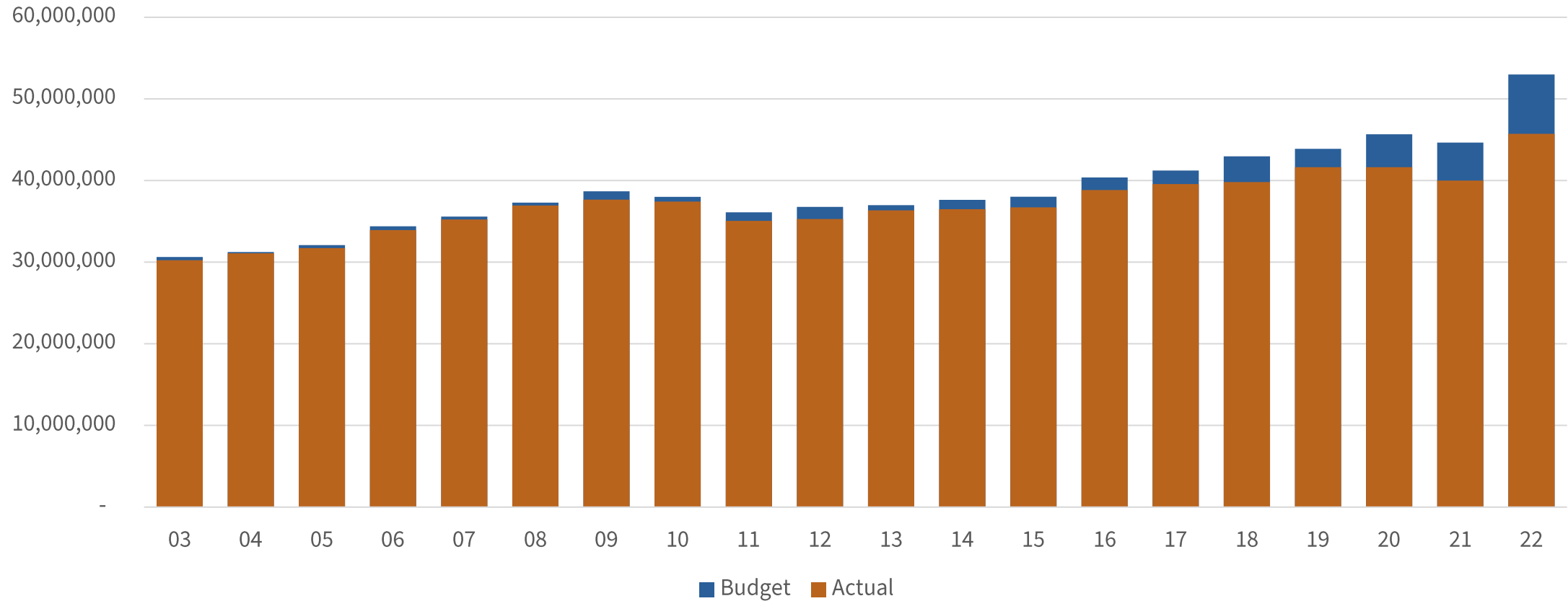
- Expected increase in health insurance rates
- Expected increase in NYS Pension costs



County Employee Budget FTE



Gross Payroll Costs



Capital Contribution (Local \$)

Takes into consideration:

2024	\$7,380,000
2023	\$7,378,381
Local Impact	\$1,619

- Planned use of general fund balance to reduce outlay for capital projects (Facilities, Highway, Downtown Office Bldg.)
- By policy, .005% increase of annual tax levy to support infrastructure investments
- Support of Airport terminal project debt



Town Plowing (Local \$)

2024	\$600,000
2023	\$762,809
Local Impact	\$-162,809

Takes into consideration:

- County contracts with towns for plowing county road
- Approx. 150 miles of road



Other Costs

Use of Fund Balance	Operating
2024	0
2023	\$490,000
Local Impact	\$490,000

IAED Agreement	
2024	\$292,465
2023	\$271,052
Local Impact	\$21,413



Sales Tax (Local \$)

2024	\$47,512,109
2023	\$40,580,970
Local Impact	\$6,931,139

Takes into consideration:

- 1% increase over 2022 actual sales tax receipts
- Conservative approach due to indicators of recession



Other Revenue Drivers (Local \$)

2024	\$8.1M
2023	\$8.1M
Local Impact	\$0M

Takes into consideration:

- Decrease in Clerk revenues
 - Mortgage Recording
 - Deed Transfer
- Increase in PILOT revenues
- Increase in Interest
- Rents
- Court facilities aid

Net +/- adjustments are 0



No projected changes:

- Contingency Fund
- Self Insurance Reserve
- Casino Revenue



Recap: Maintenance of Effort (Local)

Expense	Change	Tax Levy Change
NYS Mandates	\$4,395,658	8.4%
Salary and Fringe <ul style="list-style-type: none"> • Salary Increases • Compensation Study 	\$4,584,852	8.7%
Fund Balance	\$490,000	1%
IAED Agreement	\$21,413	.04%
Town Plowing	-162,809	.3

Revenue	Change	Tax Levy Change
Sales Tax Revenue	\$6,931,139	-13.2%
Payment in Lieu of Taxes (PILOT)	\$105,236	-.2%
Interest Earnings	\$150,000	-.3%
Federal Aid	\$397,776	-.8%
State Aid	-\$242,195	1.6%
Clerk Revenue	-\$200,000	.4%

- Maintenance of Effort = \$2,896,330 levy increase
- 5.53% levy increase



Maintenance of Effort budget

- Does not include:
 - COLA for County supported agencies
 - TCAT County Share Increase
 - Increase for TC3



Mandates vs Discretionary

Mandates	Discretionary
Health Department	Emergency Response
Weights & Measures	Sheriff Road Patrol
Social Services	Facilities Maintenance
District Attorney	Mental Health
Probation	Youth Services
Civil-Jail	Information Technology
County Clerk	Office for the Aging
Assessment	County Administration
Elections	Human Rights
Human Resources (Civil Service)	Agencies



Decision Points & Options

- MOE Budget = Estimated Tax Levy increase of 5.53%
- Estimated Tax Cap= 3.35%
- Options:
 - MOE budget will require raising the Tax Cap
 - Reaching Tax Cap will require \$1.14M cut
 - Reach 0% Tax Levy will require \$2.9m cut

Levy Increased/ Decreased by:	Impact on Levy	Impact on Homeowner
5.53% (MOE)	\$2,896,330	\$99
3.35% (Tax Cap)	\$1,144,500	\$70
0.00%	\$0	\$27

2023 median home value = \$249,000
Each 1% tax levy increase adds roughly \$525,000 cost.



If MOE budget option is supported

- Direction to Departments and Supported Agencies:
 - Submit Maintenance of Effort budget with no additional staffing
 - Prioritize requests beyond maintenance of effort budgets and submit as OTRs
- If NYS mandates are below current projections, County Administrator will construct budget at or below tax cap.
- Legislature will determine priorities for restoration
- Legislature will determine whether Multi Year one-time funded projects are priorities, and if so, cover them with ongoing target funding.



Questions?

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