

Date: November 20, 2009

To: The Honorable Members of the Westchester County Board of Legislators

From: Kathy Thorsberg
Commissioner of Finance

Re: Summary of the Finance Department 2010 Net Tax Levy

The mission of the Department of Finance is to act as the steward of Westchester County government's financial assets, and to provide financial support, management and reporting services to the public, administration, Board of Legislators, and departments of Westchester County, in order to maximize tax-payer investment and ensure accountability of public funds.

The Finance commissioner's office provides administrative direction regarding the financial affairs of the County Government, and policy and procedural direction to General Accounting, Accounts Payable, Payroll and Benefits, Treasury, Financial Systems, the Bureau of Purchase and Supply and, Financial Compliance department.

The Finance department continues to streamline its operations, reduce costs, as well as provide accurate and timely information to users of the department's services.

The Finance Department's net tax levy for 2010 budget versus the 2009 budget increased by \$ 66,730 (1.5%). The 2010 overall budget for the Finance Department has a headcount of 62 versus 64 for the 2009 budget.

Expenditures:

Personal services	\$ (11,006)	decrease due to reduced headcount (one Deputy and one accountant) amounting to \$170,351 and overtime of \$1,500, partially offset by \$160,845 for step and 4% salary increases less 5 day furlough.
Equipment	(1,000)	no equipment purchases are anticipated in 2010.
Materials & Supplies	(13,622)	primarily reduced paper supplies and postage related to electronic funds transfer initiative for claims payments.
Expenses	(76,630)	primarily reduction in consulting services.
Interdepartmental Charges	110,070	attributable to increased Information systems charge of \$144,859, partially offset by other departments reduced charges of \$34,789.
Total increase in operating expenses	<u>7,812</u>	

Revenue:

Financial Services	\$ 63,318	Increase in service revenue to Internal Service funds due to salary increases in Benefit and Payroll departments.
Non Finance Dept. Legal Fees	(57,000)	due to reduced estimated pass through legal charges in 2010.
2% Statutory Fees	(40,000)	2% statutory fee on Court and Trusts activity based on decreased 2009 activity.
Auction of Official Vehicles	(125,000)	reduced vehicle replacements in 2009 and 2010.
Bond sale	75,000	increased bond sale anticipated in 2010 (cost recovery of .01% on \$200 million versus budget of \$125 million in 2009).
Other Various Accounts (net)	24,764	administrative services for deferred compensation plan, fines, bail fees etc.
Total decrease in Revenue	<u>(58,918)</u>	
Net Increase in Tax Levy	\$ <u>66,730</u>	- <u>1.5 %</u>

Highlights of the Finance departments 2009 accomplishments:

- Obtained Fitch rating agency upgrade from AA+ to AAA. This makes Westchester the only county in New York with triple A rating from Moody’s Investors Services, Standard and Poor’s Corporation, and Fitch.
- Improved the County’s Treasury function by implementing Controlled Disbursement Accounts with a Positive Pay feature. This gives the County additional security against fraudulent activity.
- Implemented Electronic Funds Transfer to pay claims generated by the accounts payable system, thereby decreasing the expense of paper checks and postage.
- Received for the first time from the Government Finance Officers Association of the United States and Canada a certificate of achievement for excellence in financial reporting for the County’s 2007 Comprehensive Annual Report.
- Issued Refunding Bonds in the amount of \$50,880,000. This refunding will save the County approximately \$3.8 million over the life of the Bonds.
- Due to a change in IRS regulations for FICA deductions from municipal disability payments pursuant to General Municipal Law 207-c, a FICA tax refund of approximately \$1.1 million including interest was filed for and received in 2009. Approximately half this amount due to employees/ former employees was distributed and the balance due the County was used to reduce the tax levy for the County.

Finance initiatives going forward:

- Continue the shared services initiative launched by the Bureau of Purchase and Supply which helps local political subdivisions save on purchasing by forming cooperative contracts for the best prices and by piggybacking on County contracts.
- Implement the reporting requirements for the use of funds pursuant to the American Recovery and Reinvestment Act of 2009. As stated by the President’s Office of Management and Budget, the purpose of this new reporting is to provide the public

with an unprecedented level of transparency into how Federal dollars are being spent and will help drive accountability for the timely, prudent, and effective spending of recovery dollars.

- Selling surplus items on E-bay and Public Auction, netting approximately \$300,000 for the County in 2009.
- Obtained an amendment to New York State local finance law that allows Westchester County to run a three year pilot program using electronic platforms for general obligation bond sales that will increase competition and lower interest costs for the taxpayers.

KT/DCK/lh

FINANCE DEPARTMENT SUMMARY
2010 Baseline Budget Request

dck 11/17/09

Acct No.	Account	2008 Actual	2009 ADOPTED Budget	2009 Year-End Projection	2010 Budget Allowed	Variance 10 vs. 09 Budget
<u>Personal Services</u>						
(Position Count)						
	Annual Reg.	64	64	64	62	(2)
	Annual Other	0	0	0	0	0
1010	Annual Regular	4,298,044	4,583,798	4,558,607	4,574,292	(9,506)
1200	Hourly	11,504	13,500	13,866	13,500	-
1400	Overtime	26,247	15,000	13,160	13,500	(1,500)
1500	Salary Adjustment	-	-	-	-	-
		<u>4,335,795</u>	<u>4,612,298</u>	<u>4,585,633</u>	<u>4,601,292</u>	<u>(11,006)</u>
<u>Equipment</u>						
2300	Replacement	650	1,000	-	-	(1,000)
2400	Additional	2,554	-	-	-	-
		<u>3,204</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>
<u>Materials & Supplies</u>						
3010	Auto.Supplies	955	2,000	1,207	1,400	(600)
3070	Books & Periodicals	2,139	3,922	2,395	2,300	(1,622)
3240	General Supplies	4,200	5,050	4,781	3,550	(1,500)
3600	Print & Off. Supls	24,622	27,450	16,012	20,500	(6,950)
3700	Postage	48,603	47,450	42,151	44,500	(2,950)
		<u>80,519</u>	<u>85,872</u>	<u>66,546</u>	<u>72,250</u>	<u>(13,622)</u>
<u>Expenses</u>						
4070	Equip. Srv.&Rent.	17,563	17,255	14,483	15,500	(1,755)
4100	Membership Fees	4,022	6,320	4,520	4,795	(1,525)
4110	Travel & Meals	6,272	4,000	2,380	2,200	(1,800)
4250	Advertising/Legal Notices	5,999	6,600	6,037	7,000	400
4360	Educational Training	6,652	5,600	1,739	2,000	(3,600)
4380	Contractual Services	5,556	7,500	2,069	2,600	(4,900)
4420	Technical Services	86,150	213,450	185,336	150,000	(63,450)
		<u>132,214</u>	<u>260,725</u>	<u>216,564</u>	<u>184,095</u>	<u>(76,630)</u>
<u>Interdepartmental Charges</u>						
5147	Svcs by Personnel	210	268	268	206	(62)
5160	Fleet Mngmnt.	18,269	5,638	5,638	12,976	7,338
5170	Auto Services	5,115	8,387	8,387	7,527	(860)
Services by Information Technology:						
5205	Support Svcs.	30,890	36,039	36,039	31,361	(4,678)
5220	Buildings & Spaces	53,864	55,379	55,379	53,742	(1,637)
5250	Telecmtns.	53,312	51,617	51,617	51,808	191
5260	Info. Systems	630,177	648,006	644,975	792,865	144,859
5280	Svcs Public Works	-	-	-	-	-
5325	Svcs Law Dept.	185,760	304,688	304,688	268,236	(36,452)
5485	Svcs Record Center	22,768	22,502	22,502	23,873	1,371
		<u>1,000,365</u>	<u>1,132,524</u>	<u>1,129,493</u>	<u>1,242,594</u>	<u>110,070</u>
Total Deptm. Exp.		5,552,097	6,092,419	5,998,236	6,100,231	7,812
Less: Intrdp. Rv.		-	-	-	-	-
Net Deptm. Exp.		5,552,097	6,092,419	5,998,236	6,100,231	7,812
<u>Revenues</u>						
	Dprtmntl	1,223,584	1,690,500	1,392,573	1,631,582	(58,918)
	Net Tax Lvy Imp.	<u>4,328,513</u>	<u>4,401,919</u>	<u>4,605,663</u>	<u>4,468,649</u>	<u>66,730</u>
	'10 Request vs '09 Bud.					1.5%