

Date: November 19, 2008

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

From: Kathy Thorsberg  
Commissioner of Finance

Re: Summary of the Finance Department 2009 Net Tax Levy

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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, the new Financial Compliance department.

The Finance department strives 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 2009 budget versus the 2008 budget decreased by \$133,151 (2.8%). This decrease in the tax levy is after the Bureau of Purchase and Supplies department added a Senior Buyer for the "shared services" program the County Executive announced in 2008, an additional Financial Compliance Auditor to facilitate the additional work taken on by the Financial Compliance department due to the Risk Assessment Survey performed in 2008, and the reallocation of payroll dollars to accommodate various changes within the Finance Department. The 2008 overall budget for the Finance Department has a headcount of 62 versus 64 for the 2009 budget.

**Expenditures:**

Salaries	\$111,411	Addition of a senior buyer (\$68,530) for the shared services program and financial compliance auditor (\$67,545), partially offset by net savings in reallocation of payroll dollars for retirements, promotions and other salary increases.
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Technical Services	( 44,550)	Decrease of \$50,000 for accounting system work, partially offset by increase of \$8,000 on third party hotline services. The balance of decrease is due to cut back in other Technical Services expenses.
Legal Expense	104,688	Anticipated additional costs by legal department for tax certiorari and workmen's compensation and other Finance Department Work.
Various Other Expenses	( 34,700)	Cutback in expenses in various other expense accounts.
	<u>\$136,849</u>	
<b>Revenue:</b>		
Financial Services	\$185,000	Increase in service revenue to Internal Service funds and County Agencies.
Non Finance Dept. Legal Fees	186,000	In 2008, transfer of non Finance Dept. legal charges were netted against legal department expense. Current year presentation showing transfers as revenue versus netting against expense.
2% Statutory Fees	40,000	Estimated increase on 2% statutory fee on Court and Trusts activity.
Administrative Reimbursement on Deferred Comp	( 120,000)	Deferred Comp Plan changed providers. Budget for 2008 based on previous provider was too high.
Security Bail	20,000	Estimated increase.
Auction of Official Vehicles	( 55,000)	Decrease due to reduction in purchase of new vehicles in 2009. (Reduced used vehicles being sold.)
Sale of Scrap	24,500	Estimated Increase.
Other Various Accounts	( <u>10,500</u> )	
	<u>270,000</u>	
Net Decrease in Tax Levy	<u>(\$133,151)</u>	- <u>2.8%</u>

**Highlights of the Finance departments 2008 accomplishments:**

- The Bureau of Purchase and Supplies launched a shared services initiative to help Westchester County municipalities, schools and fire districts save money by purchasing items using County contracts. Also, the Bureau is working to develop cooperative contracts among the entities. The County created a dedicated web-site and hired a designated buyer to facilitate this initiative.
- Established a third party hotline for employees to report suspected cases of fraud, waste and abuse as another measure to promote the highest level of professional conduct, integrity, honesty, ethics and fiscal responsibility.
- Conducted purchasing forums which provide additional training to various County departments on the County's purchasing policies and procedures, and purchasing system operations.
- Started automatic debit program for retiree health premiums. This has cut down on the number of checks the benefits department has to process.

**Finance initiatives going forward:**

- Improvements to the County's Treasury function by implementing Controlled Disbursement Accounts with a Positive Pay feature. This gives us additional securities against fraudulent activity.
- Use of Electronic Funds Transfer to pay claims generated by the accounts payable system, thereby decreasing the expense of paper checks and postage.

KT/DCK/lh

**FINANCE DEPARTMENT SUMMARY**  
**2009 Baseline Budget Request**

dck 11/17/08

<b>Acct No.</b>	<b>Account</b>	<b>2007 Actual</b>	<b>2008 ADOPTED Budget</b>	<b>2008 Year-End Projection</b>	<b>2009 Budget Allowed</b>	<b>Variance 09 vs. 08 Budget</b>
<b><u>Personal Services</u></b>						
(Position Count)						
	Annual Reg.	62	62	64	64	2
	Annual Other	0	0	0	0	0
1010	Annual Regular	4,279,349	4,501,461	4,411,687	4,612,872	111,411
1200	Hourly	5,222	8,500	15,610	13,500	5,000
1400	Overtime	10,452	15,000	36,568	15,000	-
1500	Salary Adjustment	-	-	-	-	-
		<u>4,295,023</u>	<u>4,524,961</u>	<u>4,463,865</u>	<u>4,641,372</u>	<u>116,411</u>
<b><u>Equipment</u></b>						
2300	Replacement	4,955	2,800	1,450	1,000	(1,800)
2400	Additional	-	5,500	3,500	-	(5,500)
		<u>4,955</u>	<u>8,300</u>	<u>4,950</u>	<u>1,000</u>	<u>(7,300)</u>
<b><u>Materials &amp; Supplies</u></b>						
3010	Auto.Supplies	1,304	2,700	2,700	2,000	(700)
3070	Books & Periodicals	1,546	5,403	5,403	3,922	(1,481)
3240	General Supplies	4,059	6,940	4,940	5,050	(1,890)
3600	Print & Off. Supls	30,867	25,500	26,779	27,450	1,950
3700	Postage	49,335	50,200	50,200	47,450	(2,750)
		<u>87,111</u>	<u>90,743</u>	<u>90,022</u>	<u>85,872</u>	<u>(4,871)</u>
<b><u>Expenses</u></b>						
4070	Equip. Srv.&Rent.	17,370	22,600	19,600	17,255	(5,345)
4100	Membership Fees	1,751	5,390	5,390	6,320	930
4110	Travel & Meals	3,603	9,900	8,900	4,000	(5,900)
4250	Advertising/Legal Notices	5,082	6,600	7,600	6,600	-
4360	Educational Training	4,707	13,600	11,600	5,600	(8,000)
4380	Contractual Services	1,919	12,000	6,000	7,500	(4,500)
4420	Technical Services	174,966	258,000	257,231	213,450	(44,550)
		<u>209,398</u>	<u>328,090</u>	<u>316,321</u>	<u>260,725</u>	<u>(67,365)</u>
<b><u>Interdepartmental Charges</u></b>						
5147	Svcs by Personnel	-	210	210	268	58
5160	Fleet Mngmnt.	8,112	12,000	20,000	5,638	(6,362)
5170	Auto Services	3,474	9,000	6,000	8,387	(613)
Services by Information Technology:						
5205	Support Svcs.	28,657	22,317	27,317	36,039	13,722
5220	Buildings & Spaces	67,856	58,419	58,419	55,379	(3,040)
5250	Telecmtns.	55,721	64,224	54,224	51,617	(12,607)
5260	Info. Systems	617,952	643,878	643,878	648,006	4,128
5280	Svcs Public Works	-	-	-	-	-
5325	Svcs Law Dept.	152,987	200,000	152,000	304,688	104,688
5485	Svcs Record Center	24,491	22,502	22,502	22,502	-
		<u>959,250</u>	<u>1,032,550</u>	<u>984,550</u>	<u>1,132,524</u>	<u>99,974</u>
<b>Total Deptm. Exp.</b>		<b>5,555,737</b>	<b>5,984,644</b>	<b>5,859,708</b>	<b>6,121,493</b>	<b>136,849</b>
Less: Intradp. Rv.		-	-	-	-	-
<b>Net Deptm. Exp.</b>		<b>5,555,737</b>	<b>5,984,644</b>	<b>5,859,708</b>	<b>6,121,493</b>	<b>136,849</b>
<b><u>Revenues</u></b>						
	Dprtmntl	2,264,276	1,265,500	1,296,254	1,535,500	270,000
	Net Tax Lvy Imp.	3,291,461	4,719,144	4,563,454	4,585,993	(133,151)
	'09 Request vs '08 Bud.					-2.8%