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November 8, 2019

Edwin Day, County Executive
Members of the Rockland County Legislature
Allison-Parris County Office Building
11 New Hempstead Road
New City, NY 10956

Report Number: B19-6-9

Dear County Executive Day and Members of the Legislature:

Chapter 468 of the Laws of 2013 authorized the County of Rockland (County) to issue debt not to exceed \$96 million to liquidate the accumulated deficit in the County's general fund as of December 31, 2012. Additionally, Chapter 468 requires the County to submit to the State Comptroller each year, starting with the fiscal year during which it was authorized to issue obligations and for each subsequent fiscal year during which the deficit obligations are outstanding, its proposed budget for the next succeeding fiscal year.

The budget must be submitted no later than 30 days before the date scheduled for the County Legislature's vote on its adoption or the last date on which the budget may be finally adopted, whichever is earlier. The State Comptroller must examine the proposed budget and make recommendations on the proposed budget as deemed appropriate. Recommendations, if any, are made after the examination into the County's estimates of revenues and expenditures.

Our Office has recently completed a review of the County's budget for the 2020 fiscal year. The objective of the review was to provide an independent evaluation of the proposed budget. Our review addressed the following question related to the County's budget for the 2020 fiscal year:

- Are the significant revenue and expenditure projections in the County's proposed budget reasonable?

To accomplish our objective in this review, we requested your proposed budget, salary schedules, debt payment schedules and other pertinent information. We identified and examined significant estimated revenues and expenditures for reasonableness with emphasis on significant and/or unrealistic increases or decreases. We analyzed, verified and/or corroborated trend data and

estimates, where appropriate. We identified any significant new or unusually high revenue or expenditure estimates, made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and to assess whether the estimates were realistic and reasonable. We also evaluated the amount of fund balance appropriated in the proposed budget to be used as a financing source and determined whether the amount of fund balance was available and sufficient for that purpose.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

The proposed budget package submitted for review for the 2020 fiscal year consisted of the following:

- Budget Letter
- 2020 Proposed Budget
- Supplementary Information

The proposed budget submitted to our Office is summarized as follows:

Fund	Appropriations and Provisions for Other Uses	Estimated Revenue	Appropriated Fund Balance	Real Property Taxes
General	\$581,425,305	\$451,900,305		\$129,525,000
County Road	\$15,423,970	\$15,423,970		
Road Machinery	\$1,649,000	\$1,649,000		
Sewer	\$40,404,435	\$37,219,120 ^a	\$3,185,315	
Internal Services	\$26,869,990	\$26,869,990		
Workers' Compensation	\$4,662,000	\$4,662,000		
Debt Services	\$72,593,460	\$62,897,490	\$9,695,970	
Totals	\$743,028,160	\$600,621,875	\$12,881,285	\$129,525,000

^aThis includes \$12,661,245 of sewer property benefit tax.

Based on the results of our review, we found that the significant revenue and expenditure projections in the proposed budget are reasonable.

Tax Cap Compliance

The State Legislature and the Governor enacted Chapter 97 of the Laws of 2011 that established a tax levy limit on local governments, which was effective beginning in the 2012 fiscal year. The law generally precludes local governments from adopting a budget with a tax levy that exceeds the prior year tax levy by more than 2 percent or the rate of inflation, whichever is less, unless the governing board adopts a local law to override the tax levy limit.

The County's proposed budget includes a tax levy of \$142,186,245. The Legislature should be mindful of the legal requirement to maintain the tax levy increase to no more than the tax levy limit as permitted by law, unless it obtains proper approval to override the tax levy limit.

We request that you provide us with a copy of the adopted budget.

We hope that this information is helpful to you as you adopt the upcoming budget for the County. If you have any questions on the scope of our work, please contact Ms. Lisa Reynolds, Chief Examiner of the Newburgh Regional Office, at (845) 567-0858.

Sincerely,

Elliott Auerbach
Deputy Comptroller

cc: Stephen F. DeGroat, Commissioner of Finance
Steven J. Grogan, Deputy Budget Director
Paul Piperato, County Clerk
Members of the Rockland County Legislature
Laurence O. Toole, Clerk of the Legislature
Hon. Liz Krueger, Chair, NYS Senate Finance Committee
Hon. Helene Weinstein, Chair, NYS Assembly Ways and Means Committee
Hon. Kenneth Zebrowski, NYS Assembly
Hon. Ellen Jaffe, NYS Assembly
Hon. Colin Schmitt, NYS Assembly
Hon. Karl Brabenec, NYS Assembly
Hon. David Carlucci, NYS Senate
Hon. James Skoufis, NYS Senate
Robert Mujica Jr., Division of the Budget
Lisa Reynolds, Chief Examiner