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November 13, 2020

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

Report Number: B20-6-13

Dear County Executive Day and Members of the Legislature:

Chapter 468 of the Laws of 2013 authorizes 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. New York State Local Finance Law Section 10.10 requires municipalities that have been authorized to issue obligations to fund operating deficits to submit to the State Comptroller each year, starting with the fiscal year during which the municipality or school district is authorized to issue the deficit obligations, and for each subsequent fiscal year during which the deficit obligations are outstanding, their proposed budget for the next succeeding fiscal year.

The proposed budget must be submitted no later than 30 days before the date scheduled for the governing board's vote on the adoption of the final budget 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, 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 proposed budget for the 2021 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 upcoming 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 2021 fiscal year consisted of the following:

- Budget Letter
- 2021 Proposed Budget
- Supplementary Information

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

Figure 1: 2021 Proposed Budget				
Fund	Appropriations and Provisions for Other Uses	Estimated Revenue	Appropriated Fund Balance	Real Property Taxes
General	\$572,898,605	\$439,697,605		\$133,201,000
County Road	16,579,325	16,579,325		
Road Machinery	1,693,375	1,693,375		
Sewer	40,141,380	38,307,535 ^a	\$1,833,845	
Internal Services	26,340,610	26,340,610		
Workers' Compensation	4,700,425	4,700,425		
Debt Services	71,922,560	62,532,560	9,390,000	
Totals	\$734,276,280	\$589,851,435	\$11,223,845	\$133,201,000

^a This includes \$12,851,165 of sewer property benefit tax

Based on the results of our review, we found that the significant revenue and expenditure projections in the 2021 proposed budget are reasonable.

Effects of COVID-19 Pandemic

Our review considered County officials' projections in response to the potential impact of the COVID-19 pandemic (pandemic). However, due to the continuous evolving circumstances caused by the pandemic, County officials should carefully monitor revenues and expenditures and make adjustments to the budget as needed throughout the year as more information becomes available.

For example, the County's revenues for State aid and sales tax could again be impacted by the pandemic in 2021.

Tax Cap Compliance

General Municipal Law Section 3-c establishes a tax levy limit on local governments and school districts. The law generally precludes local governments and school districts 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 first adopts a local law to override the tax levy limit.

The County's proposed budget includes a tax levy of \$146,052,165. In adopting the 2021 budget, 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 properly overrides the tax levy limit prior to adopting the budget.

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

We hope this information is useful as you adopt the upcoming budget for the County. If you have any questions on the scope of our work, please feel free to 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
Donna Silberman, Acting County Clerk
Laurence O. Toole, Clerk of the Legislature
Hon. Andrea Stuart-Cousins, Senate Majority Leader
Hon. Carl Heastie, Assembly Speaker
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