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November 10, 2022

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

Report Number: B22-6-9

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 all 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 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 County Legislature's (Legislature) 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 of the County's revenue and expenditure estimates.

Our Office has recently completed a review of the County's budget for the 2023 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 proposed budget for the upcoming fiscal year:

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

Based on the results of our review, except for the item mentioned below, we found that the significant revenue and expenditure projections in the 2023 proposed budget are 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 if 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 2023 fiscal year (summarized in Figures 1, 2 and 3) consisted of the following:

- Budget Letter
- 2023 Proposed Budget
- Supplementary Information

Figure 1: 2023 Proposed Budget				
Fund	Appropriations and Provisions for Other Uses	Financing Sources		
		Estimated Revenue	Appropriated Fund Balance	Real Property Taxes
General	\$630,682,875	\$499,912,775		\$130,770,100
County Road	18,214,425	18,214,425		
Road Machinery	2,175,000	2,175,000		
Sewer	45,080,110	42,724,110 ^a	\$2,356,000	
Internal Services	34,154,365	34,154,365		
Workers' Compensation	5,400,000	5,400,000		
Debt Services	\$76,706,400	\$66,582,000	10,124,400	
Totals	\$812,413,175	\$669,162,675	\$12,480,400	\$130,770,100

^a This includes \$13,370,365 of sewer property benefit tax

Figure 2: Revenue Summary - All Funds
\$812,413,175

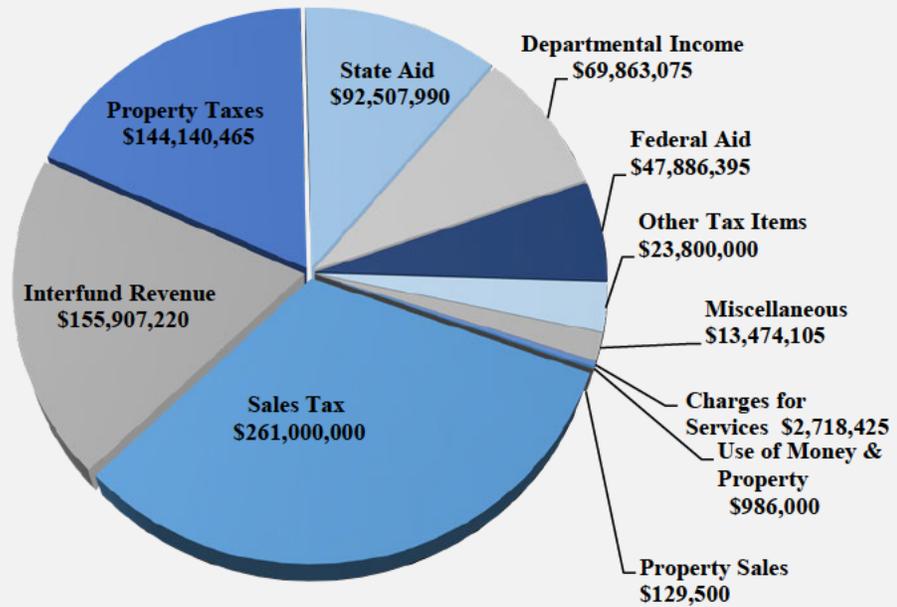
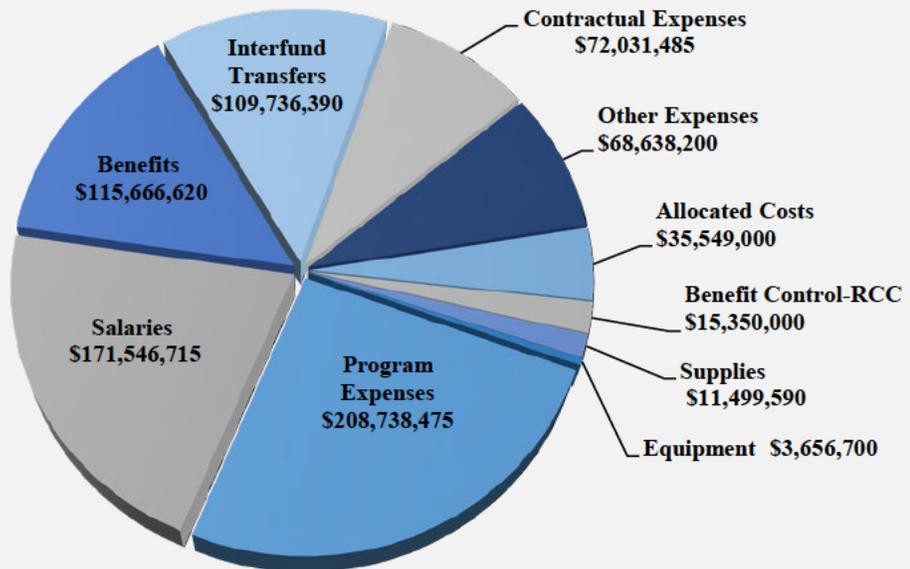


Figure 3: Appropriation Summary
All Funds \$812,413,175



Sales Tax

The 2023 proposed budget includes County sales tax revenues of \$261 million, which is a decrease of approximately \$560,000 from the actual revenue received in the 2021 fiscal year and an \$8.6 million decrease from projected 2022 revenues of \$269.6 million. We based our sales tax revenues projection for 2023 of \$273 million on actual revenues for 2022 with a projection of 1.3 percent increase based on the State Enacted Budget Financial Plan. If the increase in sales tax revenues matches our projection, the County could accumulate additional revenues of approximately \$12.1 million, contributing to significant operating surpluses and the accumulation of additional fund balance. County officials should reassess whether budgeted sales tax revenues are realistic and, if not, increase the sales tax revenues estimate.

Tax Cap Compliance

General Municipal Law Section 3-c establishes a tax levy limit on local governments. 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 first adopts a local law to override the tax levy limit.

The County's proposed budget includes a tax levy of \$144,140,465. In adopting the 2023 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.

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

We hope that 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 Dara Disko McCagg, Chief Examiner of the Newburgh Regional Office, at (845) 567-0858.

Sincerely,

Elljótt Auerbach
Deputy Comptroller

cc: Stephen F. DeGroat, Commissioner of Finance
Steven J. Grogan, Deputy Budget Director
Donna Silberman, County Clerk
Laurence O. Toole, Clerk of the Legislature
Hon. Andrea Stuart-Cousins, NYS Senate Majority Leader
Hon. Carl Heastie, NYS 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. Mike Lawler, NYS Assembly

Hon. Colin Schmitt, NYS Assembly
Hon. Karl Brabenec, NYS Assembly
Hon. Elijah Reichlin-Melnick, NYS Senate
Hon. James Skoufis, NYS Senate
Robert Mujica Jr., NYS Division of the Budget
Dara Disko-McCagg, Chief Examiner, Newburgh Regional Office