

Suffolk, Nassau report 2013 budget surpluses As originally reported by Newsday on 4.10.14

Suffolk County had a \$33.1 million general fund surplus last year, the first in three years and a major swing from 2012 when the county had a \$154.4 million deficit, Comptroller Joseph Sawicki said Thursday.

"Obviously, this signals a big turnaround for Suffolk County's fiscal condition," Sawicki said. "The challenge remains for the county executive and legislature to implement a budget that is structurally balanced, meaning it does not rely on one-shot revenues," and that operating revenues match operating expenses.

Nassau County Comptroller George Maragos announced this week that because the county borrowed \$115.5 million to pay for employee severance, court judgments and tax refunds, it ended 2013 with a cash surplus of \$54.7 million, up from \$41.5 million in 2012. Maragos said annual expenses exceeded recurring revenues by \$96.6 million.

Maragos said Nassau's liability for property tax refunds increased to an estimated \$325 million. In Suffolk, individual towns handle property assessments.

"Increased borrowing to pay the growing property tax refunds and the potential increases in labor costs will continue to challenge achieving fiscal balance under NIFA's accounting standard," said Maragos, referring to the county's financial control board, the Nassau Interim Finance Authority.

"The administration, the legislature and NIFA must readjust the fiscal multiyear recovery plan with new revenue sources and greater economies in order to protect the county taxpayers," Maragos said.

Sawicki said Suffolk County finances have been structurally unbalanced since 2006, with expenses outstripping revenues.

Sawicki said the imbalance in most years was more than offset by the previous year's surplus, which eroded over time.

"My argument is that there is no surplus at all," said Legis. John M. Kennedy Jr. (R-Nesconset), minority leader of the Suffolk Legislature. "In the last year, we have borrowed for things that in the past we have never borrowed for -- the \$37 million correction officers contract, \$60 million in pension costs and the sale lease back" of the county's H. Lee Dennison Building.

"It may not be false to say there's a surplus, but it screams out for explanation," Kennedy said.

Bellone administration officials said the 2013 budget had \$120 million in one shot-revenues and this year's budget has \$90 million. But County Executive Steve Bellone said, "It's important to note we're reducing the use of one-shots and intend to use the fund balance to further reduce our reliance on them."

While Suffolk's general fund had a surplus, the county police district covering Suffolk's five western towns ended 2013 with a \$384,000 deficit. When added to a \$2.1 million shortfall in 2012, the deficit totaled \$2.5 million.

Sawicki attributed the bulk of the surplus to \$13.2 million in higher than expected property tax collections; \$6.6 million in higher than expected state and federal aid for social services; \$2.1 million more than budgeted from the new traffic violations agency, and \$3.3 million more than expected in interest and penalties on property taxes.

The last time Suffolk had a general fund budget surplus was in 2010 when the county was \$2.7 million in the black.