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NEW YORK STATE  
ASSOCIATION OF COUNTIES

# Finding Savings in 2021 Budgets

Webinar: July 16



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Director of Finance &  
Intergovernmental  
Affairs  
NYSAC



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Dutchess County  
Budget Director



# Dutchess County Separation Incentive

# Three Options

## Option 1- Available for those eligible to retire with 10 years of service

- 10% increase in County Contribution on Retiree Health Insurance
- + 100% County covered Vision and Dental for 10 Years from date of retirement

County Service Credit Years	Current County Share of Coverage		Incentive County Share of Coverage	
	Individual	Dependent	Individual	Dependent
10-14 Years	50%	35%	60%	45%
15-19 Years	60%	45%	70%	55%
20-24 Years	70%	55%	80%	65%
25+ Years	80%	65%	90%	75%

# Three Options

## Option 2- Available for those eligible to retire with 10 years of service

- 10% increase in County Contribution on Retiree Health Insurance
- + \$10,000 Lump Sum Cash Payment

County Service Credit Years	Current County Share of Coverage		Incentive County Share of Coverage	
	Individual	Dependent	Individual	Dependent
10-14 Years	50%	35%	60%	45%
15-19 Years	60%	45%	70%	55%
20-24 Years	70%	55%	80%	65%
25+ Years	80%	65%	90%	75%

# Three Options

Option 3- Available for those eligible to retire or to those just separating

- \$20,000 lump sum separation payment
- Paid in the employees last pay check
- Can be applied to deferred compensation program, but that is the responsibility of the employee
- PT employees would have a prorated benefit based on actual work schedule

# Timeline

- Application deadline- July 31, 2020
- Approval by the Legislature- August 10, 2020
- Notification of approval or denial- August 31, 2020
- Retirement effective by October 31, 2020
- Discretion for dates after Legislative approval but no later than 12/31/20

## Approval / Denial

- Applications will be approved / denied at the sole discretion of the County Executive
- Will only approve positions that can be held vacant for the year or eliminated and can achieve savings



# Savings

Employees Counts				
Years of Service	Age			Total:
	55 - 59	60 - 64	65 +	
Up to 10	83	49	16	148
10 - 14	44	37	13	94
15 - 19	46	27	14	87
20 - 24	23	23	7	53
25 +	74	51	22	147
<b>Total:</b>	<b>270</b>	<b>187</b>	<b>72</b>	<b>529</b>

- Option 10% + Vision and Dental- Average Savings 1<sup>st</sup> year- \$96,000/person
- Option 10% + \$10K lump sum- Average Savings 1<sup>st</sup> year- \$86,000/person
- Option \$20,000 lump sum- Average Savings 1<sup>st</sup> year- \$80,000/person



# Budgeting in TEAMS

# TEAMS as a Budget Platform

The screenshot shows the Microsoft Teams interface for a team named '2021 Budget'. The 'General' channel is selected in the left-hand navigation pane. The 'Files' tab is active in the top navigation bar, and a list of files is displayed in the main content area. The files list includes:

Type	Name	Modified
PDF	TEAMS Tips and Tricks.pdf	6/29/20
PDF	Vehicle Request.pdf	6/3/20
PDF	Budget Adjustment Request.pdf	6/3/20
XLS	Program and Service Area Detail.xls	6/3/20
XLSX	Cost Reduction Form.xlsx	6/3/20
PDF	2021 Budget Instruction Packet Final.pdf	6/3/20
PDF	2021 Logos.net Budget Training Manual.pdf	6/3/20

General used for posts and files all can see

Each Department has a private channel only those assigned can see

# TEAMS as a Budget Platform

The screenshot shows the Microsoft Teams interface. On the left is a navigation pane with icons for Activity, Chat, Teams, Calendar, Calls, and Files. The main area is divided into a left sidebar for channel navigation and a right pane for the selected channel's content. The channel is 'Dept Comm and Family Srvc' and the 'Files' tab is active. The file list shows four folders: 'Contracted Services- Requests' (modified 7/1/20), 'Narrative' (modified 6/2/20), 'Budget' (modified 6/2/20), and 'Positions' (modified 6/2/20). A red bracket groups the last three folders, and a red arrow points from a text box on the right to this bracket.

Type	Name	Modified
Folder	Contracted Services- Requests	7/1/20
Folder	Narrative	6/2/20
Folder	Budget	6/2/20
Folder	Positions	6/2/20

Files organized by folder

# TEAMS as a Budget Platform

- Provided Instructions and Tips and Tricks
- Questions and answers within the PDF
- Narrative and Work load measures corrected on the channel
- Use @mentions to notify everyone of the chat conversation
- All in one place



# Program and Service Area Detail



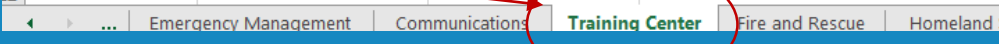
# Discretionary & Mandated Programs and Services

Program & Service Area Summary								
Department Name	Ref	Program	Appropriation	Revenue	Net County Cost	Reimb. %	# FTE	Optional / Mandated
DCER	1	HazMat Team	20,000	-	20,000	0.0%	0.23	Optional
DCER	2	FID	52,943	-	52,943	0.0%	0.50	Optional
DCER	3	CIRT	-	-	-	0.0%	0.05	Optional
DCER	4	Fire Police	500	-	500	0.0%	0.05	Optional
DCER	5	DCART	-	-	-	0.0%	0.05	Optional
DCER	6	Emergency Management	429,282	113,633	315,649	41.0%	3.00	Mandated
DCER	7	Communications	5,353,253	1,418,353	3,934,900	25.7%	44.17	Optional
DCER	8	Training Center	254,792	-	254,792	0.0%	1.92	Optional
DCER	9	Fire and Rescue	379,236	-	379,236	0.0%	1.50	Mandated
DCER	10	Homeland Security Grants	499,860	499,860	-	100.0%	0.50	Optional
DCER	11	LEPC	5,941	5,172	769	87.1%	0.05	Mandated
Total for Department			6,995,807	2,037,018	4,958,789		50.52	

Ref ties back to detail

Program & Service Area Detail			
Department:	Emergency Response	Program:	Training Center
Dept Code:	3410	# People Served:	298,000
Ref:	8		
Appropriations Mandated:		# FTE:	
Revenue:	\$ -	% reimb? Or Grant? :	
Net County Cost:	\$ -	Type of Mandate:	
Appropriations Discretionary:	\$ 254,792	# FTE:	1.92
Revenue:		% reimb? Or Grant? :	
Net County Cost:	\$ 254,792	Total Program NTC Cost:	\$ 254,792
Program Description and metrics:	Fire Training Center		
Level of Service Mandated:			
Level of Service Discretionary:	100%		
Implications of reduction or elimination of service:	This training center is the primary training site for all Fire Departments in Dutchess County except East Fishkill who has their own. To duplicate at the local level would be extremely costly. Without County commitment to this it is likely that there would be no training facility. County Law Enforcement also uses our training facility. Our fire trainers work approximately 12 hours per week to provide quality training to the firefighters of Dutchess County and neighboring communities. This helps ensure the safety of our county residents.		

Each Program or Service has it's own tab







# Dutchess County Budget Office- 845-486-2010

Budget Director- Jessica White

Senior Research Analyst- Rachel Kashimer

Research Analyst- Tiffanie Massey



Phil Church  
Oswego County  
Administrator

# BUDGETING STRATEGIES DURING COVID '20-'21

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OSWEGO COUNTY'S APPROACH



Oswego County Administrator's Office: Philip R Church [phil.church@oswegocounty.com](mailto:phil.church@oswegocounty.com)

# NOT YOUR TYPICAL BUDGET CRISIS

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- Not caused by factors we have seen in the past, such as recession, costly changes in State or Federal policy, bad budgeting practices, or short-term emergencies (storms, fires, etc).
- This budget crisis is tied to a long-term pandemic public emergency with several unknowns:
  - Virus is new, so unlike HIV, hepatitis, influenza, etc we don't have decades of experience to tell us how COVID-19 will behave in the future.
  - Duration unknown
  - Reoccurrence unknown
  - Extent and duration of reoccurring emergency expenditures unknown
  - Extent and duration of revenues losses unknown: sales taxes, State (20% to 50%?), bed taxes, etc
  - Approval and timing of federal assistance unknown.



# THIS IS A LONG DURATION EMERGENCY, SO ADDRESS YOUR BUDGET AS PART OF IT

RESPONSE RECOVERY MITIGATION PREPAREDNESS

## RESPONSE

- Short Term: Address immediate needs. Examples...
  - Establish COVID account to pay for expenditures to protect the public health and safety and maintain critical services
  - Identify potential funding sources early and assign staff to pursue.
  - Purchasing and hiring freeze, furlough consideration, labor union MOU, amend personnel policies.
- Long Term: Don't set a dollar number or percentage to save – Set goals instead. The savings number will flow from reaching your goals:
  - Maintain health services, public safety, critical infrastructure, and other essential services.
  - Maintain cash flow. Certain revenues will decrease, but on a lag, so maximize other revenues.
  - Minimize tax impact in 2021 while ensuring continuity of operations and services and ability to respond to pandemic.
  - Create flexibility in the budget to adjust to unknown changes in the emergency.
  - Learn and adjust: what changes did we make out of necessity that can make county government better permanently?



# HOW YOU ADJUST THE 2020 BUDGET, INFORMS YOUR DECISIONS FOR 2021

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## Recovery Options

- **Slash & Burn Across the Board**
  - Pros: Allows you to initially reach a monetary or percentage reduction goal. Treats all departments “fairly.” Quick.
  - Cons: Creates unintended collateral damage, such as loss of revenues, or reduction in ability to respond to the pandemic and its potential resurgence.
- **Surgical Modifications & Reductions**
  - Pros: Allows you to meet short and long terms goals. Minimizes unintended collateral damage. Maintains capacity to respond to the pandemic. Preparedness: sets the stage for a 2021 budget.
  - Cons: Harder and time consuming. Not considered “fair.”



# RECOVERY - WE CHOSE SURGERY

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- Adopted a hiring freeze for the remainder of the year, giving the Chairman authority to allow the filling of essential vacancies on a case by case basis only. Priority given to vacancies related to Incident Command such as health, public safety, public information, and those that generate revenue.
- Adopted a purchasing freeze, giving the County Administrator and Chairman authority to approve or deny any and all purchases based on operational necessity. Planned discretionary operational improvements and efficiencies have been cancelled or postponed, such as E-911 Center repairs, OCA-mandated courthouse expansion, certain capital projects etc.
- Purchased work from home and remote meeting technology, to maximize employee productivity during mandatory workplace reductions. We are continuing to use this technology for the foreseeable future.
- Reviewing all contracts and stopping payment to service providers who did not provide service during PAUSE. Careful: maintain service capacity in small community.
- Funding our annual paving program in increments in anticipation of CHIPs, Pave and EWR reductions.



# RECOVERY – MORE SURGERY

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- Developed 2020 contingency plan by placing spending caps on departmental account lines, essentially rewriting the 2020 budget under authority of the Chairman’s emergency orders.
  - Repeated last autumn’s departmental budget development process, this time armed with 2019 actuals and a 2020 year-to-date record of expenditure rates.
  - Using this data and discussions with each department head, examined department budgets line by line to determine how much will likely be needed in each line for the remainder of the year. Prioritized expenditure lines not tied to revenue.
  - Established caps on appropriate expenditure lines, effectively “freezing” a few million dollars.
  - Departments cannot access the frozen funds without the permission of the County Administrator, and must demonstrate pressing need.
  - This approach maintains cash position and generates more fund balance at year end than would otherwise.





# MITIGATION & PREPAREDNESS – USE 2020 ACTIONS TO GUIDE DECISIONS ON THE 2021 BUDGET

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- Our Legislature does not want raise taxes to make up shortfalls in State-aid-funded mandated or non-mandated services. To the extent possible such programs will be reduced in service and/or staff in proportion to State cuts. Potential federal funding may ease this dynamic, but can't be counted on.
- Revenue projections will be lower, so expenses must be lowered proportionately to prevent property tax increase. The 2020 account line caps will inform this process.
- Our economic development strategies are being examined to find ways to revitalize and re-imagine them. Funding for marketing our County to businesses and tourism was left untouched in order to spur revenue-generating economic growth. Tourism advertising funds targeted for the spring-summer market are redirected toward fall and winter markets. Results and indicators we track will inform the 2021 marketing budget.



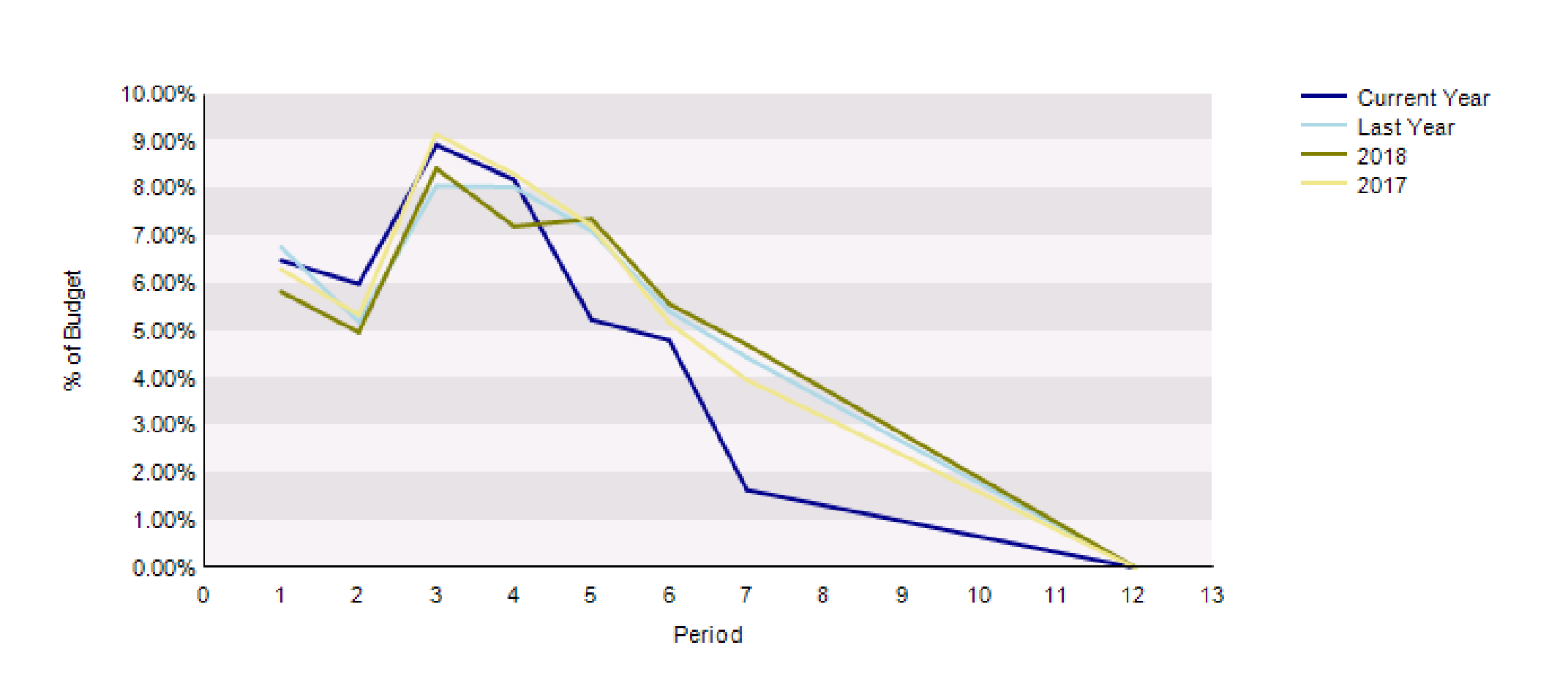
# MORE MITIGATION & PREPAREDNESS – USE 2020 ACTIONS TO GUIDE DECISIONS ON THE 2021 BUDGET

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- Personnel decisions: The overall intent is to make strategic staffing reductions that maintain good government service, rather than rely only on the randomness of eliminating positions that happen to become vacant.
  - Legislature opted for strict hiring freeze and enabling productivity from home, rather than furloughs. The impact of unfilled vacancies on operations and public services will be assessed to determine whether positions are essential or to be deleted.
  - Lay-offs are still possible, based on projected State aid, federal stimulus aid, sales tax revenues, and operational/pandemic needs.
  - Early retirement options and impacts are being examined and will be made more likely if the State enacts a plan.



# RESULTS SO FAR...



*“The County has a strong cash position as it enters into uncertain times.”* – three+one June financial report.



**Eric Lintala, CHC**  
Executive Benefit Consultant  
Alera Group

Finding Savings in County Budgets • July 16, 2020

# Finding Savings In County Budgets

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Savings for Today and Future Years



540 Broadway

Albany, 12207

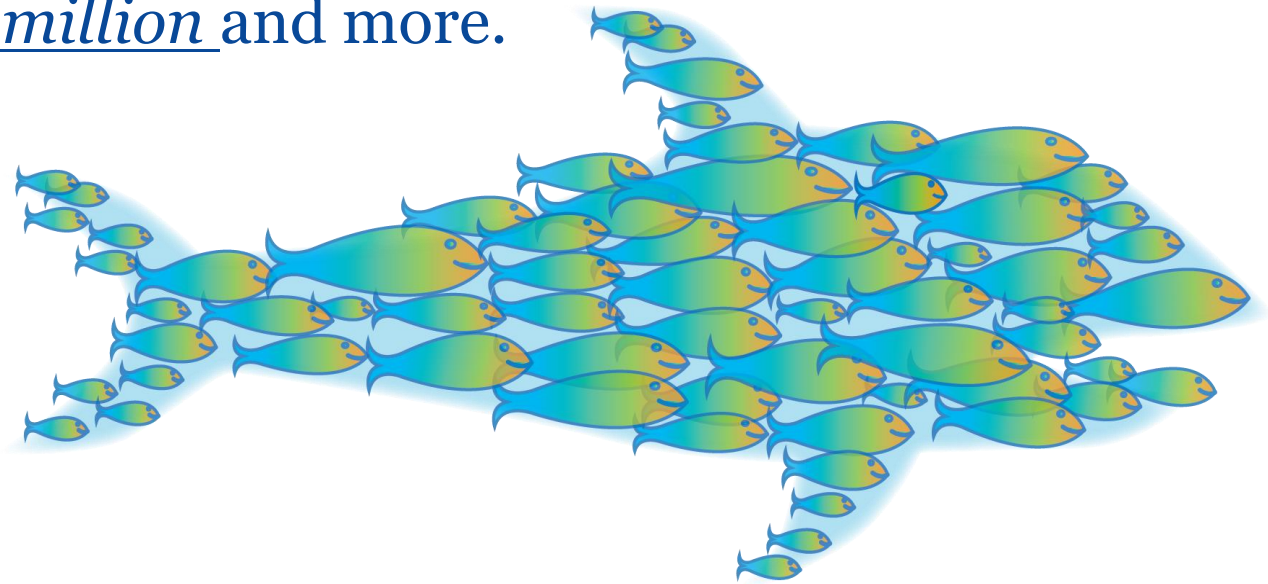
[www.nysac.org](http://www.nysac.org)

518-465-1473

# Cost-Saving Healthcare Solutions

Collaboration will help us to save a million and more.

1. Municipal Healthcare Financing Collective (MHFC)
2. Data Analysis
3. Pharmacy
4. Administration
5. Group/Individual Medicare



*The MHFC enables Counties to work together for affordable stop-loss coverage; reducing monthly premiums, providing the opportunity to get premium dollars back, reducing year-to-year volatility, and reducing the need for excess claim reserves*

To get started contact: Mark Lavigne – 518-465-1473, x206, or Eric Lintala – 800-836-0026, x320

# MHFC Savings Opportunity for Fully Insured Counties

## The transition from Fully Insured to Self-Funded Health Insurance Saves Money Four Ways:

1. Lower administrative expenses (roughly \$1,000 per contract)
2. Lower Prescription Costs (20% savings is realistic)  
(Larger discounts from AWP and increased rebate share)
3. Transfer of plan retention from carrier to County reserves
4. Elimination of carrier profits

*All because MHFC makes stop-loss affordable  
through collective purchasing power!*

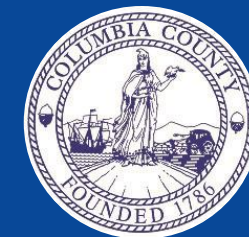
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**“We actually saved over a million dollars** in our first year by going to the ASO (self-funded) program.

**We’ve been able to minimize the cost that we pass along to our employees.**

**The rate of increase has been less than 5% per year** to the average increase in health insurance which has been much greater than that, and our savings have been able to put into a reserve that we could use possibly for future needs.”



- PJ Keeler  
Treasurer  
Columbia County

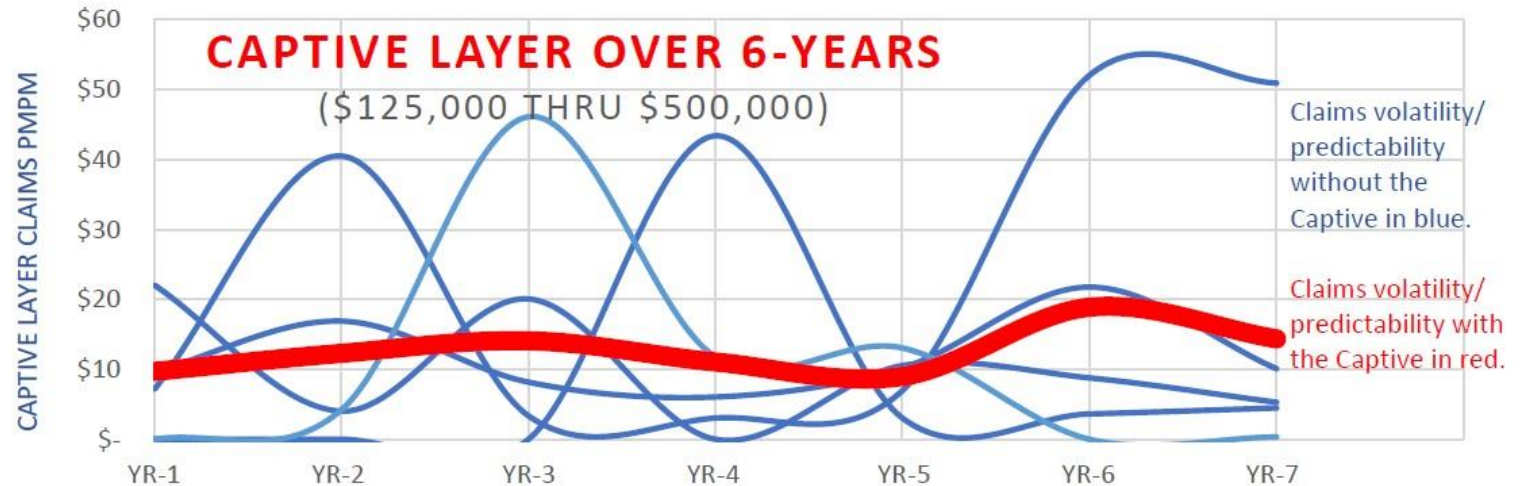
“The ability to get a return of our stop-loss premiums and reduce future costs is how we win together.

The MHFC makes this possible.”

- Ron Caponera,  
 Controller, Auditor,  
 Corporate Compliance Officer  
 Columbia County



## MHFC Savings Opportunity for Self-Funded Counties



<b>Self-Funded with Stop Loss</b>	<ul style="list-style-type: none"> <li>• Market rate S/L premiums, return of premium share, and potential group purchasing leverage</li> </ul>
<b>Self-Funded – No Stop Loss</b>	<ul style="list-style-type: none"> <li>• Lowest Cost S/L strategy to mitigate HCC risk</li> <li>• Free up excess reserves for other needs</li> </ul>

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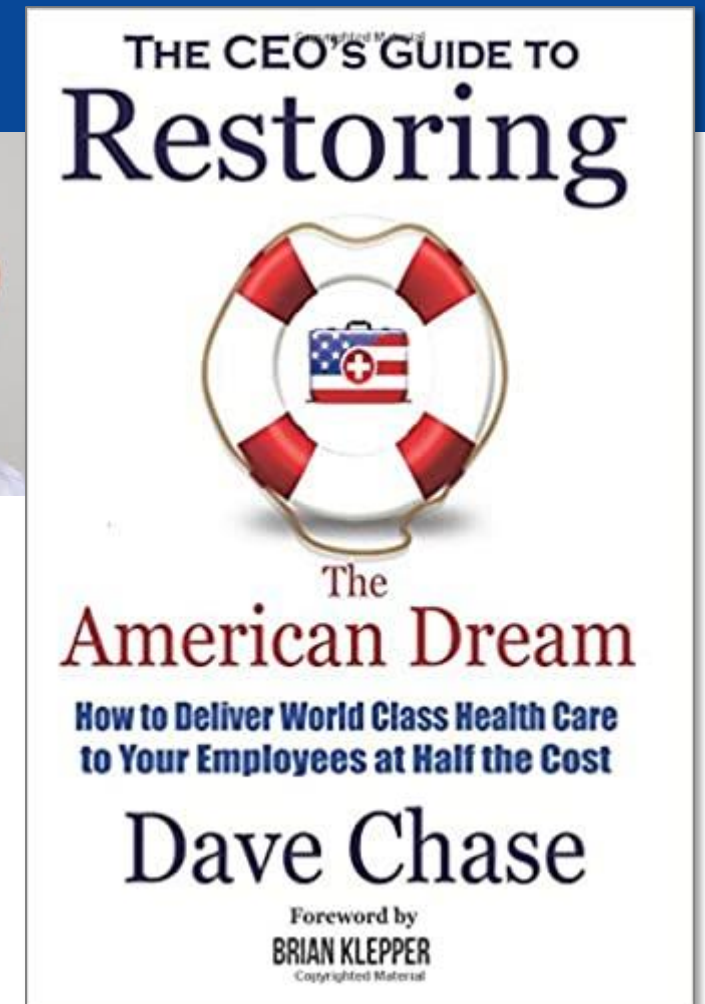
# Challenge

*In his book, “The CEO's Guide To Restoring The American Dream,” Dave Chase lays out how to deliver world class health care to your employees at half the cost, and asks four key questions:*



1. You are managing a multi-million-dollar healthcare company. How are you doing?
2. Nobody is happy with their health insurance. What are you doing about it?
3. What is in your power to change?
4. Is a Win-Win scenario even possible?

The answer lies in your ability to micro-manage every aspect of your healthcare plan. The MHFC is here to help you answer these questions.



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Mark LaVigne PhD  
Deputy Director  
NYSAC

Q & A



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