

## **NEWS FROM THE OFFICE OF ULSTER COUNTY EXECUTIVE MIKE HEIN**

**FOR IMMEDIATE RELEASE**

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### **ULSTER COUNTY BUDGET DIRECTOR ISSUES WARNING ON FALLOUT FROM NATIONAL RECESSION**

Kingston, NY (August 12, 2009) - In a memorandum sent to all members of the Ulster County Legislature's Ways and Means Committee and copied to all members of the legislature, Ulster County Budget Director Art Smith outlined the state of the County finances. This memorandum is one of an ongoing series of updates delivered to the County's Ways and Means Committee, which describes how the effects of the national recession, combined with a State budget shortfall of billions of dollars, create a situation which has serious budget implications for Ulster County.

The Budget Director noted that Ulster County, like all New York counties, has not been immune from the fallout resulting from the deepest recession in our nation's history. He also emphasized that there are external variables currently impacting the County's finances, far beyond County control. These include a sharp projected decline (16.14% or \$8 million) in sales tax revenue, a pending mandatory increase in Ulster County's contribution to the New York State Retirement System (7.5% to 11.5% or \$4 million projected) and a growing and unprecedented State budget deficit (\$2.1 billion), which may result in further cost shifts to local governments. The Budget Director is a member of County Executive Michael P. Hein's staff.

"These are unprecedented times and I'm committed to fighting for the taxpayers of Ulster County," said County Executive Hein. "We are taking decisive action to

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confront these challenges and deliver essential services and without question, hard choices are ahead. Families everywhere are making those same hard choices everyday. Ultimately, we will emerge from this crisis and be in a better position to face the future.”

Also outlined in the Budget Director’s letter are the significant and proactive steps that the County Executive has taken to confront the crisis. These steps include, but are not limited to:

1. An aggressive attrition plan slated to save over \$3 million dollars in 2009.
2. A targeted retirement incentive program, with potential annual savings of \$1.3 million dollars.
3. \$1.4 million in mid-year contractual reductions.
4. Freezing of non-union, manager’s salaries for 2010.

A copy of the Budget Director’s memorandum to the Ways and Means Committee is attached, as well as a copy of Governor Paterson’s latest news release regarding the State budget deficit.

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