

November 9, 2008

GOVERNMENT | WHITE PLAINS

As Economy Darkens, County Sees Budget Pain

By NICOLE NEROULIAS

WHITE PLAINS

BRACING for huge financial potholes on Wall Street and Main Street, Westchester lawmakers have asked their staffs to explore creative ways to trim next year's budget, ranging from adjusting office thermostats to selling old laptops on eBay.

"Nothing is too small," said Susan Tolchin, the chief adviser to County Executive [Andrew J. Spano](#), who will send his budget proposal to the Board of Legislators on Friday. "We're looking at every single thing that we can do to save tax dollars."

Some savings come at a high price: a \$5.9 million addition to the county's fire training center and \$10 million in park repairs have been pushed back in Mr. Spano's 2009 capital budget proposal, which was recently submitted to the legislators for approval. The items that remain in the \$93.8 million capital plan, which reflects a 19 percent reduction from last year, either enhance public health or safety, increase affordable housing or open space or would generate revenue, Ms. Tolchin said.

A more complex approach is required to fashion the operating budget, however. Westchester residents, who already face the nation's highest median property taxes, cannot afford tax increases, yet many would balk at major cuts to education, social services and public safety, county and local officials agree.

Part of the strategy involves continuing to work with municipal governments and school districts to share services, like the county's mobile shredder, Ms. Tolchin said, while pursuing outside revenue, like

the \$440,000 the county raised by auctioning off surplus cars and office equipment this year.

This year's overall budget is \$1.77 billion, and Mr. Spano's office has declined comment on his 2009 plan other than to say that it avoids unnecessary increases. Most of Westchester's revenue comes from property and sales taxes and federal and state aid, said Anne N. Reasoner, the county budget director. Tax revenue has held steady — the county expects to meet its projection of \$368 million this year — but the rest, along with smaller sums from investment income and mortgage recording fees, has begun to plummet, she said.

In response to a \$6.6 million reduction in state aid and about \$10 million less in mortgage fees this year, departments have cut \$13 million from the current budget since June, partly through hiring freezes. About 70 percent of the county budget consists of mandated expenses, so cuts must come from the other 30 percent.

Roughly 18 percent of an average Westchester resident's property tax bill goes to the county; the lion's share goes to the schools. County Legislator Michael B. Kaplowitz said he expected Mr. Spano's budget proposal to fall below this year's 3.9 percent tax levy increase, given that many residents have been directly affected by Manhattan's job losses, disappearing bonuses and stock market meltdown.

"Wall Street sneezes, and we get the cold up here," he said. "The key is, can we do things that are cost effective, that are efficient, that save the towns and cities from duplicating services?"

Local governments and school districts have already begun tightening their belts. In Yonkers, where 41 percent of city and school financing comes from the state, Mayor Philip A. Amicone has asked departments for plans to cut spending by up to 10 percent for the fiscal year that begins in July, said David Simpson, a spokesman for the city.

In Greenburgh, Supervisor Paul J. Feiner said department heads had been asked to submit two proposed budgets for 2009: one with no

spending increase, the other with a 5 percent decrease. The town has already cut its DARE youth drug-prevention program, raised recreation and planning fees and scaled back neighborhood garbage service, and it is soliciting outside funds for Meals on Wheels and children's camps.

If the economy worsens, there is not much left to cut in some places, however, officials say. The Mount Vernon school district, which could not get its budget passed this year and is operating on a contingency plan, eliminated high school sports and has relied on donations to reinstate each team at the last minute.

"We're pretty much bare bones as it is right now," said Desiree Grand, a district spokeswoman.

The county can help relieve some town and school shortfalls by consolidating services, but faced with its own reductions, it will not be able to provide contingency funds for any large gaps, Ms. Tolchin said. And, she said, "we fully expect that we're going to be cut even further."

The county legislators have until the end of the year to amend and pass Mr. Spano's budget proposal. But the state's fiscal year does not end until April, so county lawmakers can only guess how much state aid the financial crisis will cost them; Gov. [David A. Paterson](#) could call on lawmakers this month to make more cuts.

Westchester has joined other counties in asking state lawmakers to turn local aid into block grants so they can spend the money as they see fit next year, rather than having it earmarked for specific purposes.

The Westchester County Association, a business advocacy group, has proposed a plan for state and county lawmakers to control spending without raising taxes through a 5 percent across-the-board cut in government expenses. William M. Mooney Jr., the association's president, said he had been assured that Mr. Spano would work with business leaders to limit tax increases by pooling resources with the towns and schools and restructuring some health and pension benefits.

“We all know it’s going to be bleak,” Mr. Mooney said. “The question is, how bleak is it going to be?”

In the meantime, Westchester officials will keep looking for savings. In some cases, cost-cutting measures go hand in hand with efforts to make county operations more eco-friendly, like the \$1 million it anticipates saving annually by replacing the lighting in county buildings with high-efficiency bulbs and using automatic light sensors, Ms. Tolchin said.

Furnaces will be turned on later in the day and shut off earlier in the evening, county buildings will be kept two degrees cooler, and the hot water temperature will be lowered, she said.

“It’s going to be a sweater winter for county employees,” Ms. Tolchin said