



ULSTER COUNTY POPULAR ANNUAL FINANCIAL REPORT

**FOR FISCAL YEAR ENDED
DECEMBER 31, 2019**

**Office of the
Ulster County Comptroller
March S. Gallagher**





Message from the Comptroller

It is with great pleasure I present to you the first ever Ulster County Popular Annual Financial Report (PAFR). The PAFR provides the public and elected officials with an informative overview of [The Ulster County 2019 Consolidated Annual Financial Report \(CAFR\)](#). The PAFR makes it easy to understand the financial position of Ulster County. In addition, the PAFR provides demographic, economic, and statistical information about Ulster County to put in context the financial information.

I thank the citizens of Ulster County for bringing me to this position to serve as the Ulster County Comptroller. As your Comptroller it is my responsibility to ensure taxpayer dollars are spent efficiently and effectively. I am particularly honored to be doing this work for the people of Ulster County during the most challenging time in our history. The COVID-19 pandemic, racial injustice, economic inequity, and climate change mean the residents and lawmakers alike need to understand how we manage our collective resources.

To provide more of a window into our county's finances I have made transparency a cornerstone of my work as your Comptroller. My office has released a taxpayer checkbook, summaries of all contracts approved, and a look at specific revenue streams such as sales tax, occupancy tax, and real property transfer taxes. On the expense side, our office monitors every dollar spent from payroll to other materials and equipment. We provide the county residents an independent examination of the way we conduct our business in Ulster County whether it be collecting taxes from short-term rentals or evaluating whether we have the right level of investment in county functions like the Ulster County jail.

It is my honor to work alongside the many Ulster County employees who carry out the County's business. I'd like to thank the Comptroller's Office staff who have brought professionalism, integrity, and transparency to Ulster County finances especially since this work, including the PAFR before you, was done under very challenging work conditions, such as reduced staffing, as a result of the pandemic.

I hope you, the people of Ulster County, will find this report accessible and informative so that we can work together to move our county forward.

Sincerely,

March S. Gallagher

March S. Gallagher

Ulster County Comptroller

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ULSTER COUNTY, NY

Founded November 1, 1683

MISCELLANEOUS STATISTICS



Geography

Ulster County encompasses an area of 1,161 square miles, with 425 miles of County roads. 1,124 square miles are land and 37 square miles are water. There are 84,911 taxable parcels of property.



Town and Village Governance

Number of Cities: 1
Number of Villages: 3
Number of Towns: 20

Form of Government: Charter



Ulster County Top Private Industry Sectors

Trade, Transportation and Utilities: 12,400 [25%]
Education and Health Services: 10,900 [22%]
Leisure and Hospitality: 9,000 [18%]
Professional and Business Services: 4,700 [9%]
Manufacturing: 3,300 (7%)
Financial Activities: 2,500 [5%]
Natural Resources, Mining, & Construction: 3,200 (6%)
Other Services: 3,100 [6%]
Information: 800 [2%]



Population and Services

Number of School Districts: 15
Number of Hospitals: 2
Number of Fire Districts: 56
Number of Farms: 421
Population (2018 ACS Census): 179,303



Business & Economy

Ulster County’s diverse economy consists of tourism, retail, service, manufacturing with a strong arts and gig economy. Much of the labor force is employed in education and health services.

Overall, 2019 was a good year for Ulster County. We hosted HBO’s *The Undoing* with more than 250 crew. HBO made a charitable contribution to all three towns involved. The County saw a robust real estate market with six percent (\$1.16 billion) of Ulster County’s total market value of property (\$19.4 billion) transferred during the calendar year.



In October 2019, Ulster County opened 11.5 miles of the newly constructed Ashokan Rail Trail that runs in the historic right of way of the Ulster & Delaware Railroad. The trail saw 25,000 visitors in the last three months of the year. Nuvance Health opened the new \$17 million Kingston Health Center at the former Macy’s department store at the Hudson Valley Mall. The new facility will employ up to 40 health professionals, 125 other workers and will see up to 5,000 patients each year.

Ulster County Resident Civilian Labor Force as of December 2019

Education and Health Services	10,700
Retail Trade	9,000
Leisure and Hospitality	8,200
Local Government Education	5,600
State Government	5,000
Professional and Business Services	4,400
Local Government Non-Education	3,600
Manufacturing	3,400
Natural Resources, Mining & Construction	3,100
Other Services	3,000
Financial Activities	2,400
Transportation, Warehousing and Utilities	1,800
Wholesale Trade	1,600
Information	900
Federal Government	400

Source: New York State Department of Labor. (2020, January). Kingston MSA Labor Market Profile. Nonfarm Employment.

At the end of 2019, our unemployment rate was 3.8%. The county was leading the region in private sector job growth with annual 2019 growth in private sector nonfarm employment increasing 1.2% for the year.

In addition to low unemployment, median hourly wages had increased over the five year period from \$20.95 per hour to \$29.36. While the cost of living here was high, wages were improving.

Source: New York State Department of Labor. (2020, January). Kingston MSA Labor Market Profile. Nonfarm Employment.

An Economy for All

While pre-pandemic the economy of Ulster County appeared strong, the economy was not working for all residents. Our median income of households was \$63,348, but an estimated 5% of households had income below \$10,000 a year. In Ulster County 13.9% of people live in poverty and 17.1% of children under 18 live in poverty. Men in Ulster County had annual median earnings in the 2014-2018 period of \$54,182 while women’s annual median earnings were only \$44,973 or \$9,209 less.

TOP TEN EMPLOYERS	
EMPLOYER	EMPLOYEES
SUNY New Paltz	1500
Kingston City School District	1300
Ulster County Government	1200
HealthAlliance a Member of WMC Health	1100
Mohonk Mountain House	700
Astor Services for Children & Families	600
Ulster-Greene ARC/The ARC Mid-Hudson	500
A & T Healthcare LLC	400
Adirondack Trailways/Pine Hill Trailways/ New York Trailways	400
Health Quest - Nuvance Health	400

Source: Ulster County Chamber of Commerce

TOP TEN ULSTER COUNTY TAXPAYERS	
For the 2019 Assessment Roll	
1 - NYC BUREAU OF WATER	\$1,239,388,185
2 - CENTRAL HUDSON GAS & ELECTRIC	\$409,009,859
3 - NEW YORK STATE	\$363,439,335
4 - HUDSON VALLEY 2011, LLC (Wal-Mart, Lowe's, Sam's Club, etc.)	\$58,041,836
5 - TECH CITY (incl. Ag Prop of Ulster County Business Complex)	\$49,032,263
6 - VERIZON NEW YORK, INC.	\$35,780,316
7 - SMILEY BROTHERS, INC. (Mohonk Resort Complex)	\$31,269,474
8 - CSX TRANSPORTATION, INC. (Railroad)	\$22,488,631
9 - KINGSTON MALL, LLC	\$18,724,795
10 - STONY RUN CO., LLC	\$17,970,000

Based on total equalized taxable value of combined properties under same ownership

The largest foundational taxpayers and employers in Ulster County are the public sector, utilities, health and education, and Mohonk Mountain House.

Not everyone in Ulster County has a cell phone or access to broadband. Only 51.1% of households having a cellular data plan and 23.6% of households being without broadband access.

Our natural landscape and our proximity to New York City continue to be the pillars of our local economy. While these assets counter-balance each other, decision-makers must work to ensure that economic recovery benefits all.

23.6%

Households have no broadband access

51.1%

Households have a cell phone data plan

17.1%

Children under the age of 18 live in poverty

Ulster County Housing Crunch

Prior to the COVID-19 pandemic, the Ulster County economy was ticking along with low stable unemployment, good private sector job creation, significant property development and investment and a wave of NYC investment. Although 2019 unemployment was a low 3.8%, the cost of housing has increased dramatically.

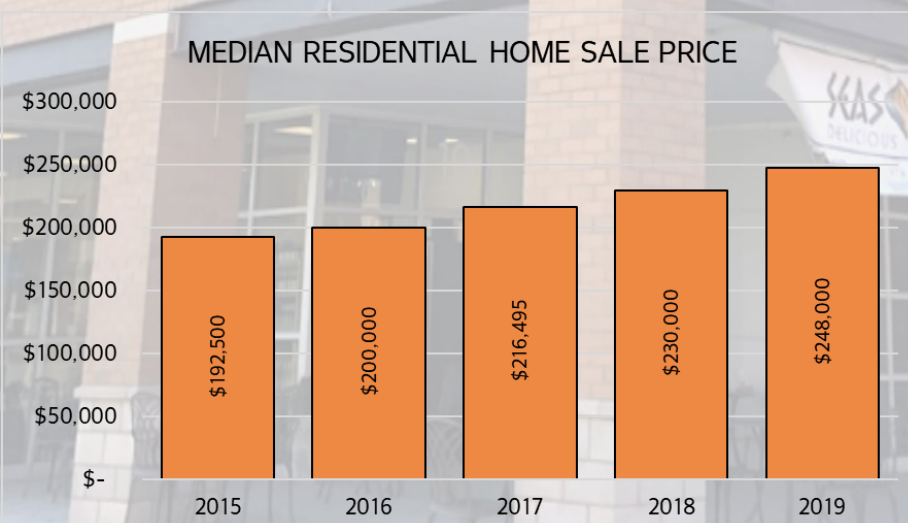
Over thirty-five percent (35.9%) of home owners with a mortgage spend more than 30% of their income on housing. For renters the numbers are even more stark with 59.7% of renters spending greater than 30% of their income on housing.¹³ There is no apparent relief in sight.

*Nearly six out of ten
Ulster County renters spend more than
30% of their income on housing.*

The 2019 Ulster County Annual Rental Survey showed that countywide the rent increases for one, two and three-bedroom apartments increased faster than the rate of inflation with one bedroom apartments increasing more than 10% from 2018 to 2019. Two and three-bedroom units also saw price increases while only the cost of studio apartments declined. As a result, many Ulster County residents were feeling a financial pinch even before the pandemic with four out of ten families living month to month. These highlights and numbers are a look back to 2019 and do not reflect the current economic conditions.

According to data from the New York Association of Realtors, median residential home sale prices have risen 29% between 2015 and 2019.

Although the pandemic hit Ulster County hard in 2020, the robust economy coming out of 2019 will enable us to better weather the downturn economic uncertainty.



Source: New York State Association of Realtors. (2020, January). *Annual Report on the New York State Market: For Residential Real Estate Market in*

Arts & Culture

Ulster County has a rich history. The oldest record on file at the Ulster County Clerk's Office is the 1658 Order to Build the Stockade. Kingston, NY served as the first seat of the state capitol. We now boast over 160 sites and 27 historical districts on the National Register of Historic Places.

Our unique and rich history extends to the arts where the Woodstock artists colony gave rise to the Woodstock Music Festival and we now have many live music and performance venues, recording studios, and festivals throughout the County. Ulster County's visual arts community extends from the Hudson River School of painting to current arts education centers, arts and crafts manufacturing.

Education

Ulster County is served by 15 separate school district and the Boards of Cooperative Educational Services. In addition, we have two colleges.

State University of New York at New Paltz

Undergraduate Students 6,807

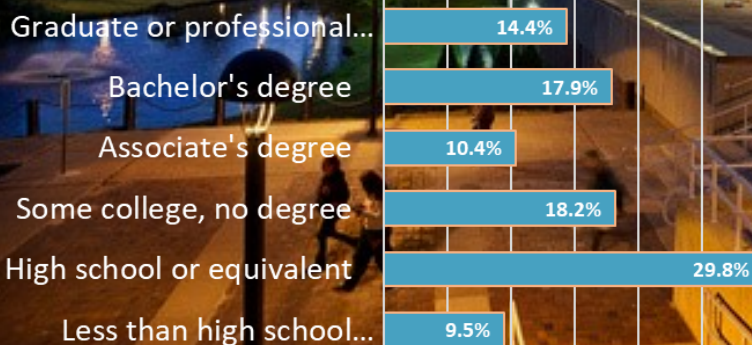
Graduate Students 950

Ulster County Community College

Full-Time Students 1,240

Part-Time Students 2,134

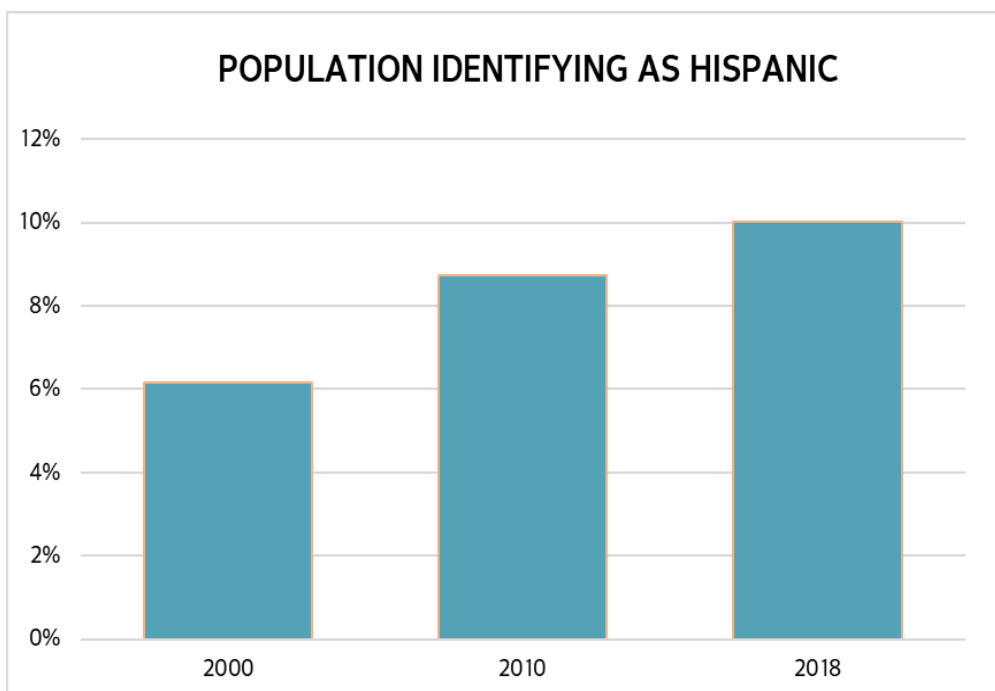
ULSTER RESIDENTS' EDUCATIONAL ATTAINMENT



Robin Weinstein, Photographer/Videographer,
SUNY New Paltz

Demographics

Ulster County is a predominantly white county that has seen population number buoyed by increasing Hispanic population. The 2000 Census identified 177,739 residents, in 2010 that increased by 4,754 residents. The change was largely attributable to the increase of 4,968 people identifying as Hispanic. The most recent American Communities Survey population data for Ulster County has us at 179,303 with declines in white and native population.



Approximately 7.8% of Ulster County residents were foreign born with the majority of those, or 42.9%, from Latin America according to the US Census 2014-2018 American Community Survey. Among people at least five years old living in Ulster County, 11.4% spoke a language other than English at home (6.1% of Ulster County residents speak Spanish).

Source: United States Census Bureau 2000, 2010 Census data compared to 2018 American Community Survey Data. The Comptroller's Office acknowledges these data sources are not usually comparable.

Without increasing Hispanic population Ulster County population would have decreased by over 5,000 residents between 2000 and 2018.

Among the civilian noninstitutionalized population, 13.8% reported a disability heavily weighted towards seniors with 33.2% of those over 65 reporting a disability.

Ulster County's population is aging with over 18.6% of the population over age 65 but only 18.1% of the population under age 18.

COUNTY GOVERNMENT

County Executive (845) 340-3800
Patrick K. Ryan

County Comptroller (845) 340-3529
March S. Gallagher, Esq.

County Clerk (845) 340-3288
Nina Postupack

County Sheriff (845) 340-3590
Juan Figueroa

County Judge (845) 481-9393
Bryan E. Rounds

County District Attorney (845) 340-3280
David J. Clegg

County Legislature (845) 340-3900
David B. Donaldson, Chairman

ulstercountyny.gov

2019 Department Service Highlights

79,191

Meals delivered to seniors by the Office of the Aging

6,342

Job Referrals made by the Office of Employment and Training

1,872

Food safety inspections conducted by the Department of Health

65,917

911 calls handled by Emergency Services

- Probation department managed \$315,000 in restitution payments
- DPW maintains 423 highway miles, 158 bridges, 54 miles of recreational trails, 44 buildings with a total of 884,000 sq. ft., a park, and a pool complex
- DSS investigated 2,585 reports of child abuse and/or neglect
- UCAT completed the merger with the City of Kingston bus service
- Veteran Affairs provided 3,107 medical transports for veterans
- Clerk's Office recorded 4,450 mortgages and 6,106 real estate transfers

County Finances

REVENUES & EXPENDITURES

From 2018 to 2019 General Fund revenues increased by \$1.9 million, while General Fund expenditures increased by \$10.6 million. Under current operations, revenues are not likely to keep pace with expenditures in the long-term. The County must address this discrepancy in order to provide a structurally balanced budget and to avoid completely depleting its reserves. For a more detailed county financial data please see [the 2019 Consolidated Annual Financial Report](#). We will attempt to highlight the most influential factors in summary below.

General Fund (in Millions)	2019	2018
Beginning General Fund Balance	58.0	55.8
Revenues	276.8	274.9
Expenditures	(283.7)	(273.1)
Transfers	(0.6)	0.4
Net Change in Fund Balance	(7.4)	2.2
Ending General Fund Balance	50.6	58.0

To understand the County's flow of financial resources, we looked at where the money comes from and goes. When looking at the County's financial condition we focus on the net position: assets minus liabilities. By looking at this in an accrual basis of accounting, we consider all assets and liabilities at a certain date. This is different than the previous general fund analysis that was presented in a modified accrual basis of accounting.

REVENUES			EXPENDITURES		
Revenue Source (In Millions)	2019	2018	Expenditure Type (In Millions)	2019	2018
Real Property Tax	\$ 52.6	56.7	Government Support	\$ 64.6	62.7
Intergovernmental	76.1	78.2	Education	10.2	10.1
Non-Property Tax	131.2	124.0	Public Safety	46.8	44.3
Department Charges	10.2	10.5	Health	18.4	18.2
Use of Money and Property	1.5	1.4	Transportation	5.8	5.3
Sale of Property and Compensation for Loss	2.0	1.8	Economic Assistance and Opportunity	125.6	120.5
Interfund Revenue	1.8	1.5	Culture and Recreation	1.0	1.1
Miscellaneous	1.4	0.7	Home and Community	2.7	2.7
TOTAL	276.8	274.8	Employee Benefits	7.6	7.8
			Miscellaneous	1.0	0.4
			TOTAL	283.7	273.1

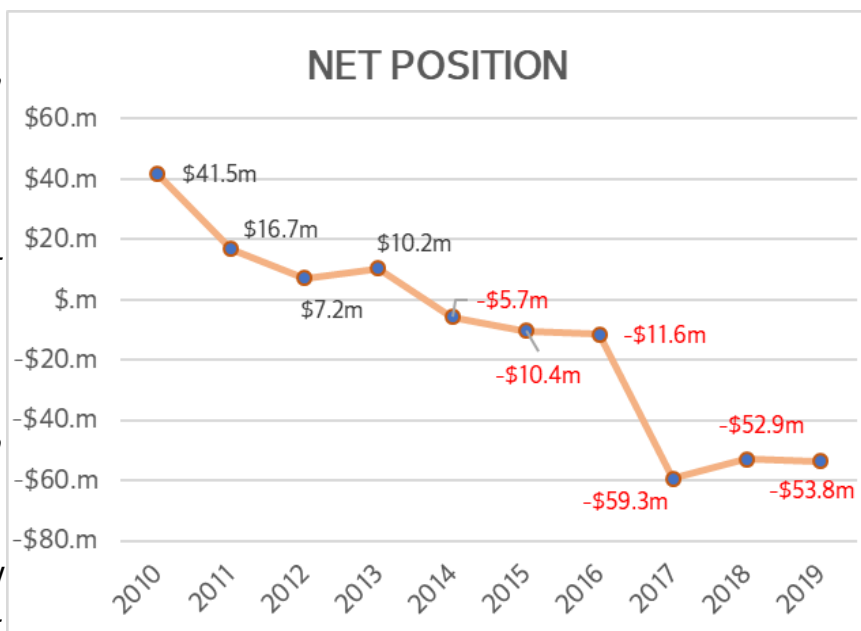
County Finances

ASSETS & LIABILITIES

Over time, increases or decreases in net position serve as an indication of whether the financial condition is improving or deteriorating. Our Primary Government consists of governmental activities as well as the activities of our Special Revenue, Debt Service, Capital Projects, UTASC, and Proprietary Fund Types.

NET POSITION

The *statement of net position* presents information on all County assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. In 2017, the County implemented GASB 75, *Accounting and Financial Reporting for Postemployment*



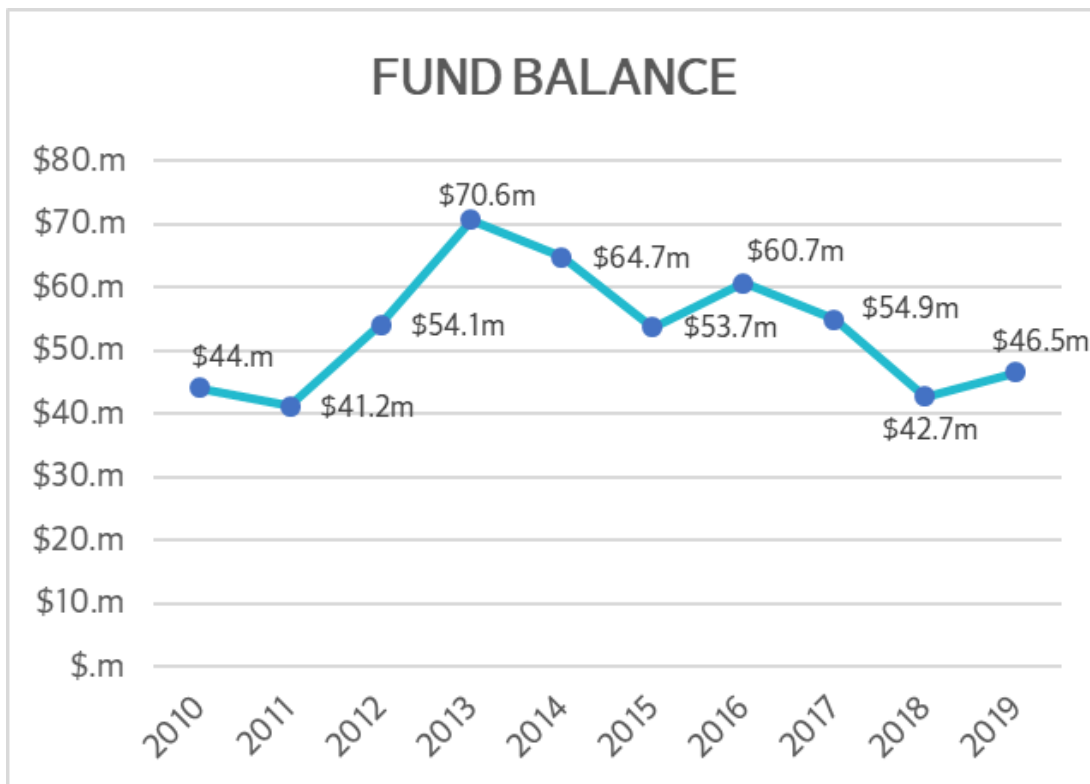
Benefits Other Than Pensions. As a result, net position has been restated at December 31, 2017. Ulster County's declining and now negative net position, where a large portion of the net position is in capital assets such as buildings that cannot be used for future expenditures, means that the County has fewer resources to meet future obligations.

Statement of Net Position (Primary Government)	
Our Assets and Outflows (what we have)	
	(in millions)
Unrestricted current assets mainly cash and amounts owed to the County	\$ 152.20
Restricted cash and cash equivalents	\$ 21.2
Net capital assets consisting primarily of buildings, equipment, and vehicles	\$ 222.4
Deferred outflows of resources	\$ 31.3
Total assets and deferred outflows of the County	\$ 427.1
Our Liabilities and and Inflows (what we owe)	
Current liabilities (all amounts the County owes & expects to pay in 2019, except bonds)	\$ 49
Other amounts the County owes and expects to pay after 2019, except for bonds, other post-employment benefits, and net pension liability	\$ 30.8
Other post-employment benefits and net pension liability	\$ 156.7
Amount of bonds payable	\$ 191.4
Deferred inflows of resources	\$ 52.9
Total liabilities and deferred inflows of the County	\$ 480.9
Net Position	\$ (53.8)

County Finances

FUND BALANCE

At the close of 2019, the General Unassigned Fund balance was \$24.1 million, while the total General Fund balance was \$50.6 million. As a measure of the General Fund's liquidity, we compare both unassigned fund balance and total fund balance to total fund expenditures and operating transfers out. Unassigned fund balance represents 8.46% of total fund expenditures and operating transfers out, while total fund balance represents 17.79% of that same amount. Total fund balance for all government funds was \$46.5 million.



CONCLUSION

Net position and Fund balance have been on a downward trend since 2013. When unassigned fund balance is needed to balance the budget, it is clear we have a structural imbalance in the budget. With 2021 budgeted revenues being less than the prior year due to the pandemic, we must closely monitor unassigned fund balance and remedy the structural budget imbalance going forward.

Ulster County's economic fundamentals in private sector job creation, wages, and population demographics will better enable the County to face the current pandemic-related downturn. We must continue to make prudent financial positions while investing in our collective future.

Presented by the Office of the Ulster County Comptroller

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**Nancy Derella Steven Ross
Auditors**

**Dafne DeJesus
Confidential Secretary**

