

NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

March S. Gallagher, Esq.
Comptroller



Alicia DeMarco, CPA
Deputy Comptroller

Sam Sonenberg, CPA
Director of Audit & Control

Contact: Dafne DeJesus, 845 853 6730
For release: Immediately

Comptroller Finds Ulster County \$54 Million Over Fund Balance Policy Limits, Recommends Funding Reserves, Avoiding Debt and Providing Tax Relief

Kingston, NY (July 7, 2022) – Ulster County Comptroller March Gallagher released a report on Ulster County’s Fund Balance. The Comptroller’s analysis shows that the County is currently \$54 million over the fund balance threshold based on current limits established by the Ulster County Legislature last year.

“Fund Balance is a vital cushion that allows County government to prepare for an uncertain future. Ulster County could see significant revenue declines in sales tax as inflation or a recession impacts consumer spending in 2023 and beyond,” said Ulster County Comptroller March Gallagher. “It is absolutely imperative that when we exceed the necessary buffer, that we use our positive financial position to provide relief to taxpayers.”

In order to bring the Fund Balance levels into policy limits the Comptroller recommends the following:

- 1) Review and update the Fund Balance Policy to allow a greater buffer, if necessary
- 2) Place a minimum of \$20 million into reserve funds to protect taxpayers from future tax increases
- 3) Pay callable debt and forego typical annual bonding to reduce interest expense
- 4) Anticipate the \$3 million sales tax revenue reduction projected from the gas tax holiday
- 5) Consider additional tax rebates or tax reductions such as a clothing tax holiday

The updated Fund Balance Policy adopted by the Legislature last year required a Fund Balance Report by May 1 that includes a plan to address excess fund balance. The Comptroller recommends extending that deadline to allow more time to prepare the report after the Annual Update Document on county finances is due to the Office of State Comptroller, and clearly delegate the reporting responsibility to the Department of Finance.

###

Report can be found here: <https://comptroller.ulstercountyny.gov/audit-reports/2022-ulster-county-fund-balance-report>