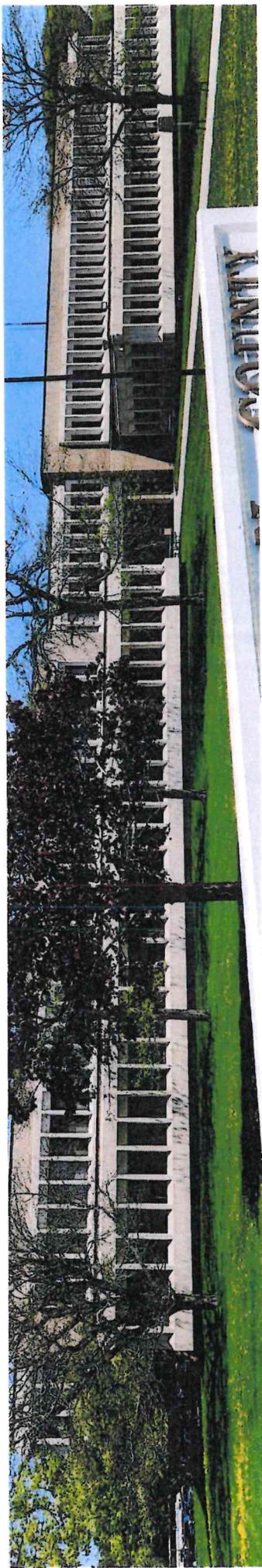


Inside the 2026 Tentative Sullivan County Budget



Building on Our Strengths



Keeping Needed Services
Focusing on the Future



Presented by Joshua A. Potosek
Sullivan County Manager
December 2025



Considerations for the 2026 Budget

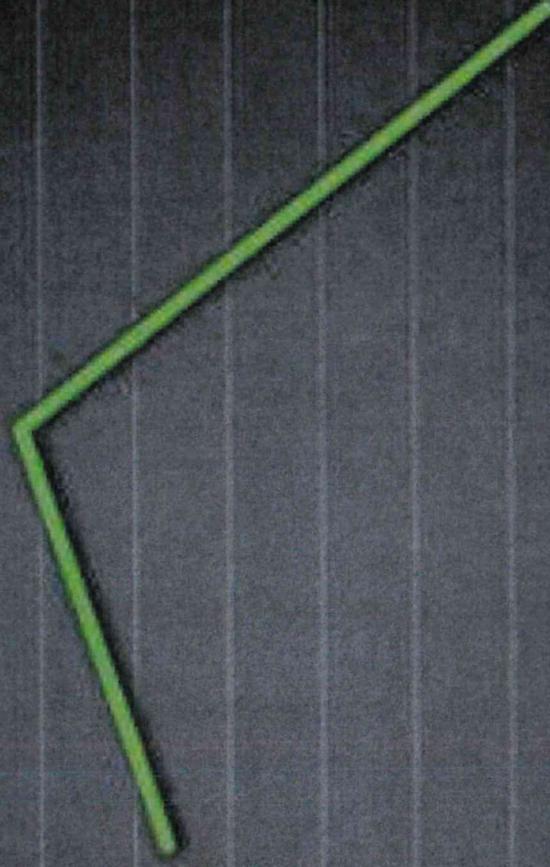
- Anticipated **\$5 million reduction** in sales tax revenue
- Inflationary **expense increases**
- Necessary **capital projects**
- **The cost of services** on which taxpayers depend
- **Wage increases**
- State-set **pension rate increase**
- **Conservative use** of fund balance

2026 TENTATIVE BUDGET OVERVIEW	
Expenses	\$305.7M
Budget Increase Over 2025	↘.9%
Anticipated Revenue	\$225.2M
Total Levy	\$81.2M
Allowable Levy (2% Tax Cap)	\$77.4M
Tax Levy Increase	9.1%
Estimated Sales Tax Loss	5%

Sales Tax 2023-2025

81,000,000.00
 80,000,000.00
 79,000,000.00
 78,000,000.00
 77,000,000.00
 76,000,000.00
 75,000,000.00
 74,000,000.00

SALES TAX

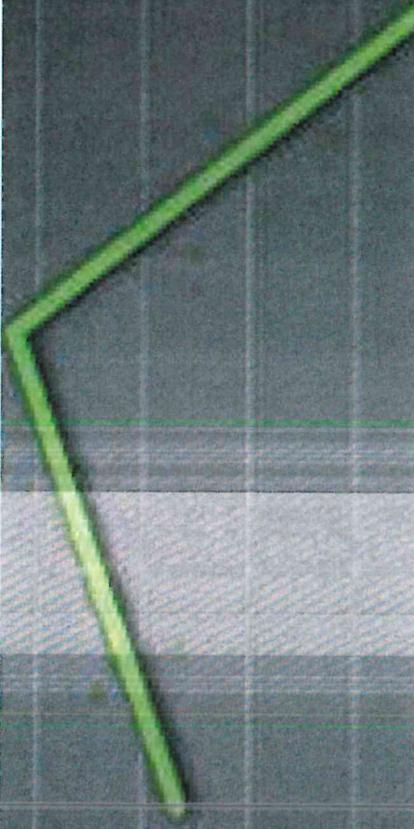


— Sales Tax

2023	2024	2025 Estimate
78,667,225.00	80,212,238.00	74,568,204.00

80,000,000.00
79,000,000.00
78,000,000.00
77,000,000.00

SALES TAX



Why Is Sales Tax Falling?

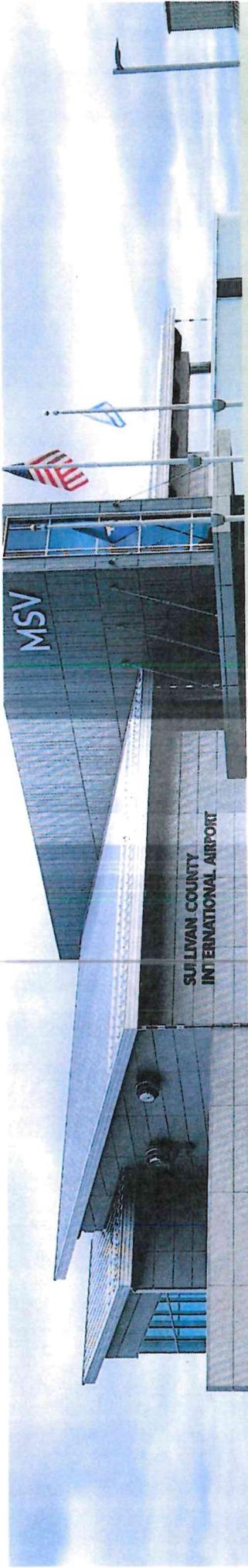
- **36.7% decrease** in Building Material purchases, which comprise the #1 sales tax revenue generator in Sullivan
- **9.6% decrease** in Gasoline Station purchases, which comprise the #4 sales tax revenue generator in Sullivan
- **61.9% decline** in Nonresidential Building Construction sales
- **75.8% decline** in Veneer/Plywood/Engineered Wood Product Manufacturing sales
- **69% decline** in Glass/Glass Product Manufacturing sales
- **80.7% decline** in Pain/Coating/Adhesive Manufacturing sales

Data supplied by the Sullivan County Treasurer's Office, via the NYS Department of Taxation and Finance



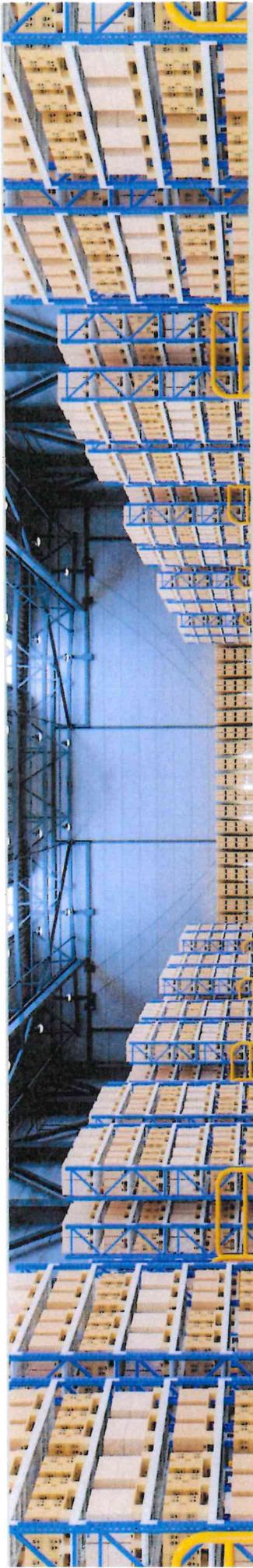
Improving What We Already Have

- **\$10M to pave 30–35 miles of roadway and chip-seal another 30–35 miles (\$7.6M County share)**
- **\$5.1M to repair bridges (\$1M County share, which will need to be bonded)**
- **\$1.3M (half of a \$2.6M project) to improve the Paul Gerry Fieldhouse at SUNY Sullivan, including elevators**
- **\$100,000 to continue the Sullivan County Land Bank**
- **\$55,000 to improve bicycle and pedestrian pathways in our population centers**
- **\$50,000 to renovate the DMV**
- **\$50,000 to rehabilitate sections of the O&W Rail Trail**



Investing in Our Future

- **Aggressively marketing the Airport**, including the just-opened Terminal, to attract investment and business, **in order to relieve taxpayers of subsidizing the facility at around \$577,000 a year**
- **\$7.5M to relocate the DPW administrative offices** to the Maplewood facility to create operational synergies while also freeing up space at the Government Center in Monticello
- **\$2M to demolish the old County Jail**, creating utilizable space
- **\$683,000 to create an interagency records management system** serving not just the Public Safety Division and District Attorney's Office but local police departments
- **\$150,000 to design a composting facility** in Monticello (a \$1M project overall)
- **\$30,000 to initiate community water testing**



Conclusions

- This budget represents our best effort to **balance the need to provide services with the need to limit taxpayers' burden**
- Costs continue to increase, but **revenues are no longer keeping pace**
- Digging deeper into fund balance is a short-term solution **with a long-term negative impact**
- Federal and State aid cuts are looming, yet **the County is under a mandate to significantly expand State court space**
- The County must **aggressively pursue economic development to attract tax rates**
- Without further economic development, **taxpayers will be required to shoulder ever-increasing costs**



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