

2015 Dutchess County Budget in Brief

Budget Highlights

- ✓ Property Tax Cut
- ✓ Property Tax Rebate
- ✓ No New Taxes
- ✓ Decrease in Spending
- ✓ Moving Dutchess Forward
 - Business Attraction*
 - Tourism Promotion*
 - Infrastructure Investment*

Marcus J. Molinaro
County Executive

Valerie J. Sommerville
Budget Director

Transforming County Government:

SMALLER. SMARTER. MORE EFFECTIVE.



Smaller. Smarter. More Effective.

That has been our objective for Dutchess County Government since I took office in 2012. Over the last three years, working in partnership with the County Legislature, our focus has been to reduce costs, maximize efficiency, address long-standing issues and better deliver services to our residents. Our transformation of county government continues as we seek to improve our shared quality of life.

With the proposed 2015 budget, we see the outcomes of our ongoing transformation:

- No new taxes, no sales tax on energy
- Largest property tax cut in over a decade
- Decrease in spending / continued cost reduction
- Smallest workforce in 32 years—no increase in the number of positions
- Fund balance reserves stabilized
- ... and all this results in STAR tax rebate checks for taxpayers!

Our dedicated workforce continues to rise to the occasion and we are grateful. Our county employees are innovative, motivated and dedicated to making Dutchess County a better place to live, work and play.

There are still many challenges ahead and more work to be done. State and federal mandates consume 70 cents of every tax dollar and continue to be a huge impact on county government. Our push for NO NEW MANDATES is as important as ever. We are committed to rebuilding and strengthening our local economy through strategic investment. We continue our leadership in finding new ways to share services and consolidate at every level in order to reduce the total cost of government.

We've learned from our successes and our mistakes. The conversation has been productive and we hope to bring many more residents into the dialogue. So, we will continue seeking your feedback at frequent town hall forums, through phone conversations, email, social media and our recently launched Dutchess Dialogue. Together with the County Legislature, we welcome your thoughts and comments on this 2015 proposed budget as we continue "Moving Dutchess Forward."

2015 Operating Budget Summary			
\$Millions			
Budget Area	2014 Modified Budget	2015 Tentative Budget	\$ Change
EXPENSES			
Personnel	\$ 170.0	\$ 169.3	\$ -0.7
Contracted Services	87.7	84.2	-3.5
Mandated Payments	130.3	132.7	2.4
Operations Cost	35.7	36.3	0.6
Debt Service	18.2	19.2	1.0
Operating Expenses	\$ 441.9	\$ 441.7	\$ -0.2
Less Mandated Payments Increase:			\$ -2.4
Spending Cut Excluding Mandated Payments			\$ -2.6
REVENUES			
Property Tax (Net)	\$ 107.0	\$ 106.6	\$ -0.4
Sales Tax & Other Economically Sensitive Revenue	184.8	176.8	-8.0
State Aid	66.8	71.8	5.0
Federal Aid	33.2	35.0	1.8
Use of Fund Balance	2.4	4.9	2.5
Other Revenue	47.7	46.6	-1.1
Operating Revenue	\$ 441.9	\$ 441.7	\$ -0.2

Marcus J. Molinaro
Dutchess County Executive

2015 Budget Cuts Property Taxes and Strengthens Fiscal Stability

Property Taxes Cut, Receive Rebate Checks

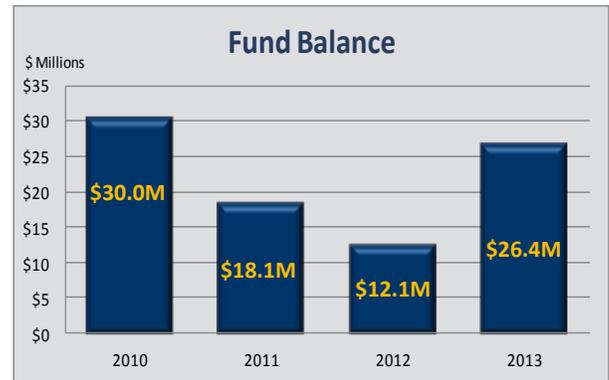
The 2015 Tentative Budget enables Dutchess County taxpayers to get a property tax rebate check. To qualify, homeowners must be eligible for STAR and live in a county that stays under the property tax cap and implements a Government Efficiency Plan (GEP). The 2015 Tentative Budget does more than stay under the tax cap – it **reduces the property tax levy, cutting taxes!** Coupled with the rebate check this equates to a 2% cut in property taxes in 2015. Further, since 2012, Dutchess County has embarked on an aggressive campaign to not only shrink the size of County Government, but to also collaborate and consolidate services and programs with its municipal partners.

The County offers a number of shared service opportunities for local governments as well as the successful Municipal Consolidation and Shared Services Grant Program (MCSSGP) that allows municipalities to compete for dollars to evaluate and implement larger collaboration and consolidation projects. The 2015-16 MCSSG program adds a new priority – the outright dissolution of a division, layer or jurisdiction of government. Earlier this month, the County brought together over 100 local and state officials at its first Shared Services Summit as part of this ongoing effort.

Fiscal Stability

Over the past three years, our efforts to control spending and rebuild fund balance have proven successful. County spending is down \$200K and over \$2.4 million when mandated payments are excluded. Full time equivalent

positions were held flat with 2014 at 1,713, the lowest in 32 years. With only a \$4.2 million modest application of general fund balance in the budget, we are committed to maintaining fiscal stability and the recommended goal of 5% to 10% for fund balance as a percentage of budget. This was accomplished in the context of our local economic climate and continuing fiscal challenges.



The county’s tax base continues to decline by \$400 million, for a total decline of \$9.2 billion over 7 years. However, the decline this year is significantly less than the annual average tax base decline of \$1.5 billion experienced over the past 6 years, an indication that our local economy is showing improvement. We are working to reverse this declining trend through our aggressive economic development initiatives.

Positive Indicators but Challenges Remain

INDICATOR	DESCRIPTION
Unemployment:	5.1% in September 2014, down from 6.3% in 2013 and below New York State’s 5.6%.
DCFS Caseloads:	Client count stabilizing at 48,000 this year down from 49,000 last year.
Mental Hygiene Helpline Calls:	Slightly down, at 17,300 through September compared to 18,300 this time last year.
Housing Market:	The Year-To-Date average median home selling price is slightly up at \$248,500 compared to \$243,000 at this time last year.
Assessed Value:	Starting to level out at \$29.2 billion, down from \$29.6 billion.

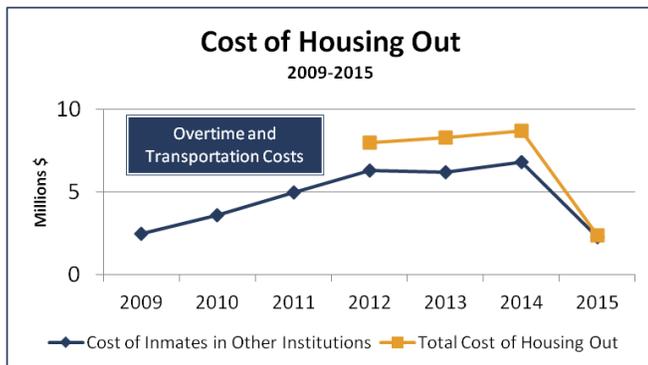
2015 Budget Results in a **PROPERTY TAX CUT & REBATE CHECK** Totaling **2%**

2015 Budget Continues to Address Challenges Head On

Dutchess County Justice & Transition Center

The long standing inmate housing out problem continues to burden Dutchess County. Every day more inmates are housed in other county's jails than in our own, costing taxpayers over \$8 million a year. We have begun the design of the Dutchess County Justice and Transition Center to solve this problem.

In 2014, the County Legislature approved a capital project to install temporary housing keeping an additional 200 inmates in Dutchess County. Modular units will be installed later this year with occupation expected early 2015, saving approximately \$1 million per year. Bringing inmates back to Dutchess County will speed up the criminal justice process and provide greater access to programs for inmates. The 2015 Tentative Budget includes an additional \$150,000 for vital programming to reduce recidivism.

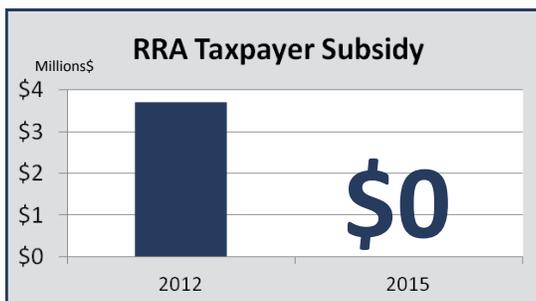


The County Jail is a state mandate. As with all such requirements, we diligently focus on finding ways to decrease the financial impact while increasing the effectiveness of our efforts.

Resource Recovery Agency

The Resource Recovery Agency (RRA) is a vital county asset, effectively managing solid waste county-wide, eliminating the need for landfills since the 1980s. However, the cost to taxpayers has been great, with multi-million dollar subsidies. The County has been working to reduce and eliminate that cost. The new Solid Waste Management Division and our Local Solid Waste Management Plan puts an aggressive focus on recycling. In 2015, striving to achieve our 60% recycling goal, we expand our efforts through new awareness and educational programs.

Additionally, working with the RRA, we have positively impacted their business model, through a new plant operator agreement and public-private partnership. We have successfully **eliminated taxpayer subsidy** of the RRA in the 2015 Tentative Budget.



Departments of Health (DOH) and Mental Hygiene (DMH) to Merge

Separate service delivery models for health and behavioral health are being challenged with the emerging need to adopt a more comprehensive care and treatment approach. To explore integration of these disciplines, the County engaged the Center for Governmental Research, Inc. (CGR) to perform a comprehensive study. The study recommends merging DOH and DMH to best serve the interests of the County in view of the changing landscape of healthcare, nationally and in New York State.

The merger offers several benefits, including:

- Improved coordination of services;
- Integration of education and training;
- Expanded public outreach;
- Diagnosis and referral on behalf of the other;
- Better performance monitoring; and
- Improved administrative efficiencies.

Initial measures have been taken to consolidate administrative functions such as IT services and billing. Efforts to integrate programming between the departments are underway to prevent suicide and prescription drug and opiate abuse. We have begun a comprehensive nationwide search for a commissioner, with appointment planned for late 2015.



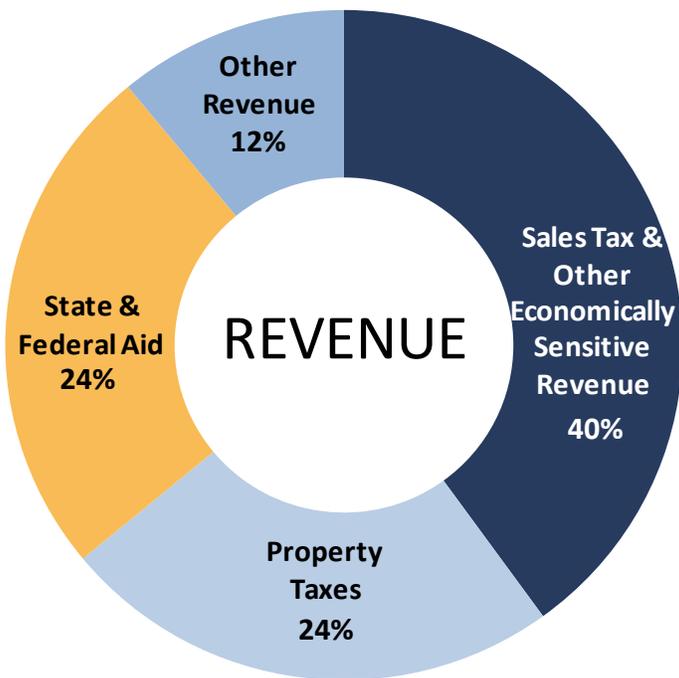
The transition to a combined department under one commissioner, to take place over the next 15 months, will require thoughtful planning. We are committed to a smooth transition that provides quality public health and behavioral health services to our community in the most efficient and effective manner.

2015 Budget
TRANSFORMS
&
RESTRUCTURES

WHERE DOES THE MONEY COME FROM?

2015 Operating Revenue

Funding Source	2014 Adopted Budget	2014 Modified Budget	2015 Tentative Budget
Property Tax Levy Gross	\$ 107,974,160	\$ 107,974,160	\$ 107,646,818
Provision for Refunds	(200,000)	(200,000)	(200,000)
Provision for Uncollected Taxes	(800,000)	(800,000)	(800,000)
County Property Tax Levy (Net)	\$ 106,974,160	\$ 106,974,160	\$ 106,646,818
Sales Tax & Other Economically Sensitive Revenue	184,816,556	184,816,556	176,761,850
Appropriated Fund Balance	2,000,000	2,423,205	4,875,000
State Revenue	65,751,778	66,827,813	71,756,395
Federal Revenue	33,044,978	33,162,026	34,986,586
All Other	46,749,689	47,720,444	46,722,186
Total Other Funding Sources	\$ 332,363,001	\$ 334,950,044	\$ 335,102,017
Total Operating Revenue	\$439,337,161	\$441,924,204	\$441,748,835



REVENUE HIGHLIGHTS

- ◆ Largest **Property Tax Cut** in 14 yrs
- ◆ Maintains Fund Balance at 5%
- ◆ Sales Tax- 1.5% Economic Growth
- ◆ State Aid for Mental Health
(Offset State Psych Center Closure)
- ◆ No New Taxes / No Energy Sales Tax

WHERE DOES THE MONEY GO?

70% of Costs are Mandated



Mandated



MANDATED SERVICES:

- ✓ Early Intervention Children 0-3
- ✓ Pre-School Special Education 3-5
- ✓ Medicaid Health Care
- ✓ Child Protective Services
- ✓ Adult Protective Services
- ✓ Child Placement & Foster Care
- ✓ Court Mental Health Placements
- ✓ Financial Assistance
- ✓ County Jail
- ✓ Child Support Collection
- ✓ Juvenile Detention
- ✓ Non-Secure Detention
- ✓ Probation Supervision
- ✓ Prosecution & Defense
- ✓ State Pension
- ✓ Elections Costs

“OPTIONAL” SERVICES:

- ✓ Sheriff Services & Patrols
- ✓ Public Safety- E-911
- ✓ Health & Mental Hygiene
- ✓ Economic Development
- ✓ Tourism Promotion
- ✓ Agency Partner Grant Program
- ✓ Municipal Shared Services
- ✓ Senior Meals Programs
- ✓ Public Transportation
- ✓ Alternatives to Incarceration
- ✓ Parcel Access / GIS
- ✓ Snow Removal, Road Repair & Maintenance on County Roads
- ✓ County Parks- Wilcox, Bowdoin, Harlem Valley & Dutchess Rail Trails, Quiet Cove

Moving Dutchess Forward



If Dutchess County is to continue to be smaller, smarter and more effective, it must keep moving forward. We accomplish this with an aggressive economic development strategy that brings businesses, jobs, and people to our region as well as initiatives to enhance our quality of life. This budget prepares for the future and is...

MOVING DUTCHESS FORWARD.

Our strategy includes:

- ➔ Restructuring the Department of Planning & Development to better assist municipalities getting sites ready for business development.
- ➔ Investing \$1 million in our *Partnership for Manageable Growth* with a focus on infrastructure and agriculture development.
- ➔ Improving our roads, bridges and water systems leveraging the county's nearly \$10 million capital investment to secure state and federal aid for a total of \$33 million.
- ➔ Privatizing Airport operations; making it more attractive for business investment.
- ➔ Greater investment in Tourism and Agribusiness development- \$360,000.
- ➔ Demanding the State end job-killing taxes like the MTA payroll tax and 18-A; demanding the Federal Government reverse the decision by FERC that created a down-state capacity zone that forces our residents to pay more for energy.



We want people to move into Dutchess County, not out. Investing in our assets, promoting our natural resources, history, and beauty, all while making government more business friendly will go a long way in **MOVING DUTCHESS FORWARD.**

Economic Benefit Strategy for the Dutchess County Airport

The Dutchess County Airport (DCA) is a key asset and transportation resource for Dutchess County and the entire Hudson Valley Region, producing nearly \$44 million in economic benefit.

Historically, the airport has required significant taxpayer subsidy. **We have reduced this subsidy by \$350K, a 44% decrease since 2011.** We will continue to strive to eliminate the entire operating deficit at the airport by establishing a public-private partnership with airport industry experts to maximize the use of our valuable aviation asset.

Dutchess County is conducting a search for a Fixed Based Operator (FBO), which will be a key component in achieving the County goals to:

- ➔ Drive down the county cost in an effort for the airport to become financially self-sustaining;
- ➔ Promote the DCA as an effective transportation resource for the region;
- ➔ Expand opportunities for economic development; and
- ➔ Position the DCA as a community event venue, expanding offerings, such as capitalizing on the recent success of the Wings of Freedom tour.



Identified in the recent operational and financial assessment, the major barrier to development is access to water. The Dutchess County Water and Wastewater Agency has proposed a project to link the DCA to the Central Dutchess Water Pipeline and has secured a State grant for part of the funding for the project. The 2015 proposed budget includes a bond authorization request to commit to the remaining funding needed for this critical investment.



Moving Dutchess Forward — Tourism

Tourism in Dutchess County is a half a billion dollar industry and the 2015 budget invests an additional \$360,000 totaling over \$1 million in tourism promotion and agri-business development. Drawing more people to Dutchess County as a destination, provides a positive return on our investment with greater demand for goods and services, continued economic growth for our local businesses, and increased sales tax.

4RFUTURE

REFORM

In 2015, the Department of Planning and Development will be restructured to include a greater focus on collaborating with local communities to identify and prepare properties for economic development. There are several opportunities for assistance including:

- ◆ Review of municipal Comprehensive Plans to ensure they clearly identify sites and what type of economic development should occur there.
- ◆ Review of zoning laws/regulations to ensure the Comprehensive Plans can be implemented.
- ◆ Collaboration on the development of environmental reviews and Generic Environmental Impact Statements (GEIS) to make property more desirable and reduce approval time.
- ◆ Guidance and technical assistance with Business Improvement District implementation.

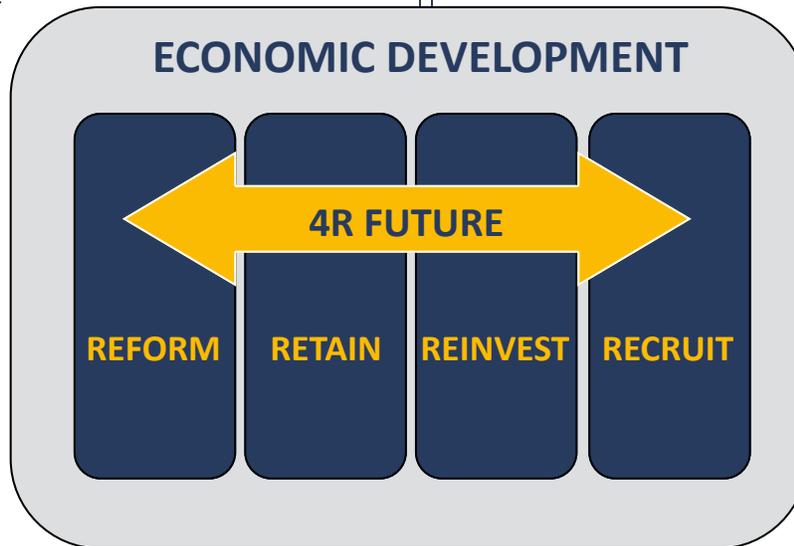
Our Economic Development Strategy (EDS) includes the formation of an Alliance among the primary economic and business development organizations in the County. As part of the EDS, the Department completed, in cooperation with Marist College, an Economy Assessment and analysis, and formulated new programs to advance economic development in the County.

REINVEST

Reinvesting in our downtowns and infrastructure is key to the county's EDS, and is critical to the economic success of the County. In an effort to revitalize the City of Poughkeepsie, the Waterfront Redevelopment Strategy, was led by the County, in partnership with Scenic Hudson, the Walkway Over the Hudson, Metro-North and the City of Poughkeepsie. This project focuses on three goals:

- ◆ build a continuous Greenway Trail along the riverfront;
- ◆ knit together surrounding City plans and projects;
- ◆ create a high-quality waterfront park; and regional destination center between Main Street, the Railroad Station, and the Walkway Elevator.

The County's EDS also identified lack of site-specific infrastructure as a chief impediment to private investment and job creation in the County. Therefore, the proposed 2015 budget includes a \$1 million capital commitment for the *Partnership for Manageable Growth* program with a new focus on infrastructure and agriculture development. These funds will allow Dutchess County to assist municipalities to develop necessary infrastructure in their commercial corridors or to connect sites to municipal systems critical to business development.



RETAIN

The Business Retention and Expansion Program was developed and incorporated into the Dutchess County Economic Development Corporation (DCEDC). DCEDC will establish a taskforce consisting of members of the economic and business development organization in the County, to perform a risk analysis on a new comprehensive geocoded database of businesses in the County. The risk analysis will be used to triage businesses, assisting those most in need.

RECRUIT

Dutchess County has contracted with DCEDC to focus on repurposing the existing inventory of un-used commercial and industrial space. As part of this effort, the 2015 budget provides \$250,000 for targeted business attraction and investment. The Planning and Development restructure, Central Hudson's \$1 million Main Street Revitalization program, and our \$1 million commitment to partner with communities on infrastructure development will all play a key role in recruiting new businesses — **MOVING DUTCHESS FORWARD.**

Dutchess Dialogue webcasts feature short videos on a wide variety of topics such as unfunded mandates, shared services and consolidation, the criminal justice system, and much more. Join the conversation by sharing feedback through brief surveys, action items or comment submissions.

Visit dutchessny.gov to join the conversation

Upcoming Budget Forums

Be part of the conversation at one of our upcoming events.

- 

Wednesday, November 5th 6pm
Red Hook Firehouse
 42 MM Ham Memorial Fire House Lane
 Red Hook, NY 12571
- 

Saturday, November 8th 12pm
Vassar College Bookstore at the Juliet
 60 Raymond Avenue
 Poughkeepsie, NY 12603
- 

Tuesday, November 18th 7pm
Cornell Cooperative Extension
 2715 Route 44
 Millbrook, NY 12545
- 

Monday, November 24th 6pm
American Legion Post 178
 155 Route 44
 Millerton, NY 12546
- 

Monday, December 8th 6pm
East Fishkill Town Hall
 330 Route 376
 Hopewell Junction, NY 12533

We Want to Hear From You!

This is your county government and these are your tax dollars – we are responsible and accountable to you. Over the next few weeks we will hold community meetings, online forums and a telephone town hall. Please join us in the conversation. We work for you and need to hear from you. Together, we will continue making our county government smaller, smarter and more effective.

Join us for a Telephone Town Hall Meeting:



County Legislature's Public Hearings on the 2015 Budget:

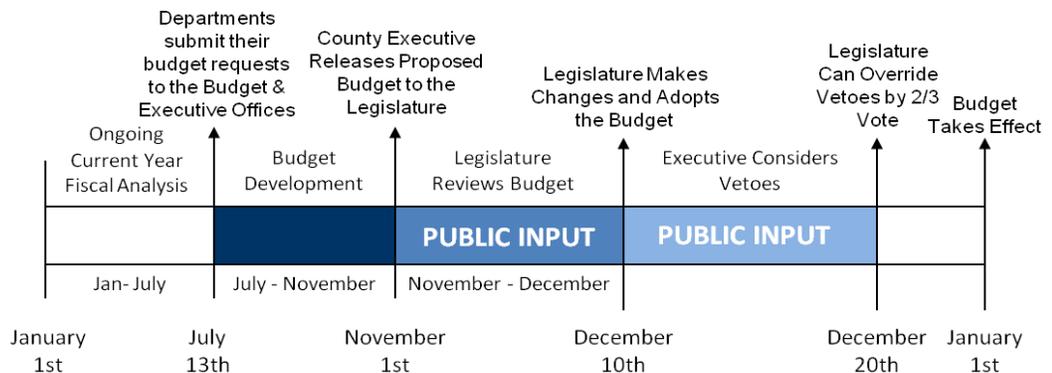
Public Hearing on the 2015 Tentative Budget:

Thursday November 6th at 7pm
 6th Floor Legislative Chambers
 22 Market Street, Poughkeepsie

Public Hearing on 2015 Amended Budget:

Tuesday December 2nd at 7pm
 6th Floor Legislative Chambers
 22 Market Street, Poughkeepsie

Budget Timeline



For more information about county government programs and services, visit us at:



dutchessny.gov

