

2015-2016 Fiscal Update

May 5, 2016

2015 Annual Financial Report

- ▶ Non-Operating Entries
 - ▶ Capital outlays
 - ▶ Depreciation
 - ▶ Accounting adjustments

Year to Year Changes

	2014	2015	Change
Revenue	\$458.8M	\$473.7M	\$14.9M
Expense	\$437.4M	\$447.1M	\$9.7M
Total:	\$21.4M	\$26.6M	\$5.2M

Revenue:

- ▶ DCFS aggressive revenue management \$7M
- ▶ Bozella wrongful conviction settlement \$7.6M

Expense:

- ▶ Salaries increased as a result of union contracts brought current partially offset by lower pension rates and vacancy savings, prior year amounts were pushed back to 2014
- ▶ Bozella wrongful conviction settlement \$7.6M

2015 Revenues vs. Expenditures by Fund

Fund	Revenue	Expense	Difference
A-General	\$439,182,000	\$416,412,000	\$22,770,000
D-Road	11,582,000	11,141,000	441,000
E-Machinery	2,497,000	2,342,000	155,000
S-Workers Comp	5,128,000	5,121,000	7,000
EA-Airport	3,651,000	3,507,000	144,000
ET-Public Transportation	11,701,000	8,593,000	3,108,000
Total:	\$473,741,000	\$447,116,000	\$26,625,000

Surplus Drivers

Revenue

- ▶ DCFS aggressive revenue management and lower expense \$13M
 - 2 year process- corrected with 2016 Budget
 - State-wide impact of Brian Napoleon's work
- ▶ State legislative aid \$1M
- ▶ Sales tax \$2.4M
- ▶ Debt premium \$2.1M

Expense

- ▶ DCFS mandated programs under budget \$7M
- ▶ Temporary housing unit savings of \$1.1M on top of the \$1M savings included in the budget
- ▶ Utilities including gasoline \$1.3M

Fund Balance

General Fund Balance 2015: \$57M or 13% of Revenue

Fund balance management policy:

- ▶ Maintain 5-10% fund balance
- ▶ Over 10%- use for:
 - ▶ Property tax relief
 - ▶ Pay down debt or avoid indebtedness

2015 Fund Balance	2015 Revenue	% of Revenue
\$57M	\$439M	13%
\$44M	\$439M	10%

\$13M



\$10M Taxpayer
Protection Fund

\$3M Capital
County &
Municipal

Taxpayer Protection Fund

- ▶ \$10M to be used in the next several budget cycles to minimize property tax impact
- ▶ This would be in addition to normal use of fund balance to offset the budget

Supplement to the Municipal Consolidation and Shared Services Grant Program

- ▶ Incentivize cost savings and multi-year efficiency
- ▶ Priority funding to projects that minimize property taxes at the local level and can be implemented within one year
- ▶ The new criteria has been shared with municipalities and we will bring before the legislature a resolution to appropriate the necessary funds

Sales Tax

2015

2015 vs. 2014

	2014	2015	Increase
Actual	\$175.8M	\$176.8M	.6%
Adjusted*	\$173.0M	\$177.1M	2.4% Economic growth

*Adjusted for 1 quarter of energy tax in 2014 (repealed) and prior period adjustments

2015 Actual vs. Budget

2015 Budget	2015 Actual	Surplus
\$174.4	\$176.8M	\$2.4M

Sales Tax

2016

2016 1st Quarter vs. 2015 1st Quarter

	2015	2016	Increase
Actual	\$33.6M	\$34.5M	2.7%
Adjusted*	\$33.5M	\$34.7M	3.6% Economic growth

*Adjusted for prior period adjustments

2015 Actual vs. 2016 Budget

2015 Actual	2016 Budget	
\$176.8M	\$176.9M	Flat

2016-2017 State Budget

- ▶ State legislative aid- \$2M vs. \$3.5M budgeted difference of (\$1.5M)
- ▶ Montreign casino licensing fee- \$1.5M not budgeted
- ▶ District Attorney Salary- \$183K vs. \$160K Budgeted
- ▶ Indigent legal defense: change in criteria- increase in caseload
- ▶ PAVE-NY- \$700K in additional paving funds
- ▶ Other state budget items with no county budget impact:
 - ▶ Lower personal income tax rate
 - ▶ Minimum wage increase
 - ▶ STAR program revisions
 - ▶ Paid family leave

Economic Indicators

- ▶ CPI: 1.1% 1st quarter average
- ▶ Unemployment: 4.4% 1st quarter average
- ▶ Stable caseloads at DCFS: 42K comparable to 2010 caseloads
- ▶ Housing Market: 32% higher closed sales than this time last year
- ▶ Average housing selling price steady with last year at \$270K

Outstanding Issues

- ▶ PBA contract expired in 2015
- ▶ Dutchess Staff Association (DSA) no contract established yet
- ▶ CSEA and DCSEA expire at the end of 2016
- ▶ Health insurance market is unpredictable
- ▶ Child institution and foster care is a concern

QUESTIONS?