

# 2017- 2018 Fiscal Update



June 7, 2018



# 2017 Annual Financial Report

2017 Adopted Budget Included the planned use or draw down of fund balance in the following funds:

All Funds	\$10,150,000
Taxpayer protection fund	<u>3,500,000</u>
Total Appropriated Fund Balance:	\$13,650,000

# 2017 Annual Financial Report

## ALL OTHER REVENUES AND EXPENSES EQUAL- ONE WOULD EXPECT:

- Actual revenue realized would be \$13.65 million lower than expenses

ACTUALLY- Revenue realized is only \$4.1 million lower than expenses:

	2017
Revenue	\$466.7M
Expense	\$470.8M
Total:	(\$4.1M)

# 2017 Annual Financial Report- Impacts

	2016	2017
Revenue	\$465.5M	\$466.7M
Expense	\$456.3M	\$470.8M
<b>Total:</b>	<b>\$9.3M</b>	<b>(\$4.1M)</b>

## Revenue:

- Sales Tax was up \$4.4M over last year
- Federal Aid up \$3.8M related to Title XX to offset mandates and a change in Medicaid refund processing

## Mostly offset by:

- Decrease of \$1.5M in State Legislative Aid
- Decrease of \$1.5M due to non-recurring casino revenue in 2016
- Reduced inter-fund revenues primarily from the capital fund \$1.5M
- Shared services reserve established in 2016 including \$2M non-recurring in 2017.

## Expense:

- Increase in Mental Health and Substance abuse programming \$2.2M
- Health Insurance Increased \$3.7M
- Dutchess Community College \$1.4M
- Pre-School Special Ed up \$1.4M
- Child Institution and foster care costs up \$3.1M

# Expenses

## Financial Statement Expenses in the General Fund

Year	Expense (\$M)	Change
2011	\$409.0	
2012	\$408.9	-.02%
2013	\$404.0	-1.2%
2014	\$409.2	1.3%
2015	\$421.1	2.9%
2016	\$423.5	0.6%
2017*	\$430.8	1.7%

\*Unaudited Per the Annual Financial Report

Average General Fund Spending Increase Per Year- Under 1%

# Dutchess vs. Statewide County Average

- Dutchess Expenditures Per Capita are 26% Lower than the Statewide County Average
- Dutchess Tax Levy Per Capita 21% Lower than the Statewide County Average
- Dutchess Outstanding Debt Per Capita 71% Lower than the Statewide County Average

# Fund Balance

GFOA Recommended: 2 Months General Fund Operating Expense- \$73M  
Fund balance management policy:

- Maintain 1-2 months of general fund operating expense- fund balance \$36-73M
- Over 2 months use for:
  - Property tax relief by offsetting current year expense
  - Pay down debt or avoid indebtedness

**2016 Fund Balance: \$59.9M**

**2017 Fund Balance: \$55.4M**



# 2018 Update

# 2018-2019 State Budget

- State Budget includes reduction for DCC \$241K
- Charitable trusts and Employer Payroll Tax- IRS to Provide Guidance
- Shared Services- Determining what's required in 2018
- Raise the Age Legislation- new costs funded as long as county is under the property tax cap
- Indigent legal services- OILS case load cap plan- \$773K allocation for Dutchess
- \$475 Million available State Wide for State & Municipal Facilities Program- Legislative Aid

# Sales Tax

2016 Actual	2017 Adopted Budget	2017 Actual	Yr to Yr	Actual vs. Budget
\$179.8M	\$183.6M	\$184.2M	\$4.4M	\$0.6M
			2.4% ←	Actual
\$2.9M	Prior Period Adjustments	\$0.5M		
\$182.8M	Actual without Prior Period	\$184.7M	1.1% ←	Adjusted

**2018 the County needs to have actual growth of 3% in order to make budget of \$190.2**

2017 YTD	2018 YTD	YTD 2017 vs 2018	As of June 5th
\$57.9	\$62.4	7.8%	

# Economy

- CPI- 2.2% - 1<sup>st</sup> Quarter Average
- Unemployment- 4.8% - 1<sup>st</sup> Quarter Average
- Lower Caseloads at DCFS - 31K compared to 35K Beginning of 2017
- Housing Market – Average Days on the Market are 30% lower than this time last year
- YTD Average housing selling price is \$323K vs. \$289K last year up 12%

# Coming Impacts

- CSEA Settlement
- Teamsters Settlement
- DCSEA outstanding contract
- DCC Asking for \$1.75M more
- State Sales Tax Payments have been inconsistent
- Casino revenue based on % of gross sales



QUESTIONS?