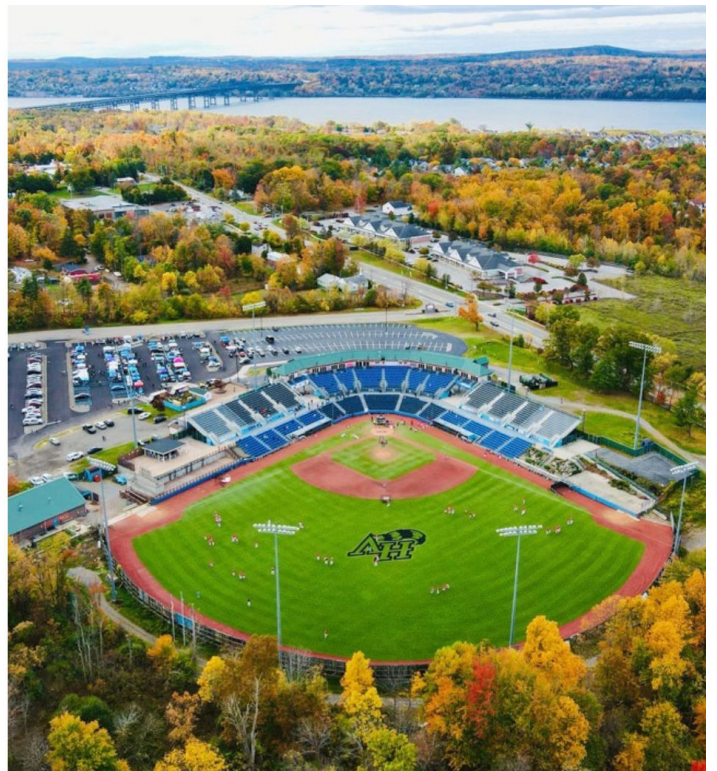

SPECIAL REPORT

CAPITAL PROJECT STATUS REVIEW, PT. 3: SERVICING DEBT



NOVEMBER 2025



OFFICE OF THE
DUTCHESS COUNTY COMPTROLLER
DAN AYMAR-BLAIR, COMPTROLLER

Dan Aymar-Blair
Comptroller

OFFICE OF THE COMPTROLLER
DUTCHESS COUNTY

22 MARKET STREET
POUGHKEEPSIE, NY 12601

(845) 486-2050

Fax: (845) 486-2055

E-mail: comptroller@dutchessny.gov

Brian D. Kelly
Deputy Comptroller

Heli Shah
Director of Audit

Dear County Officials and Taxpayers,

The Dutchess County Comptroller's Office has completed the third and final report in a three-part series dedicated to examining all open major capital projects. The first part was released [May 2022](#) and focused on major Department of Public Works Buildings and Parks projects over **\$1 million**. The second part, [released in 2024](#), assessed the effectiveness of the County's current capital project planning and implementation.

The third part of this audit series reviews the servicing of debt and capital project-related activities from January 1, 2019 through December 31, 2024. Debt service payments are funded by using taxpayer dollars and allocated during the annual budget process. In 2024, total debt service payments from the General Fund amounted to **\$25 million**, representing 4.5% of the County's adopted budget. Of this amount, nearly **\$15.8 million** was applied to principal payments, reducing the County's long-term debt obligations. **\$9.2 million** was used to cover interest expenses.

The largest capital project funded by Dutchess County is the construction of the new Justice & Transition Center (JTC) and Law Enforcement Center (LEC). The Legislature authorized the issuance of **\$192.15 million** in serial bonds to pay for the projected construction cost, but only **\$168.6 million** was issued between 2018 and 2023. As of December 31, 2024, 51% of the County's outstanding debt is related to the JTC/LEC capital project.

Dutchess County has maintained an AA+ credit rating from Standard & Poor's since 2014. According to S&P, a AA+ rating indicates that the organization's "capacity to meet its financial commitments on the obligation is very strong." To maintain our AA+ rating for years to come, the Comptroller's Office recommends formally adopting the following policies and procedures, to be included in the Dutchess County repository of Policies and Procedures:

- Debt Management Policy
- Refunding Municipal Bonds
- Investment and Management of Bond Proceeds
- Post-Issuance Policies and Procedures
- Debt Service Payment Procedures

The Comptroller's Office would like to thank the Department of Finance for their assistance in the preparation of this report.

Respectfully submitted,



Dan Aymar-Blair
Dutchess County Comptroller

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I. Background

One task of local government is the undertaking of new construction projects and the maintenance of infrastructure using taxpayer funds. These projects are typically called capital projects and are funded by issuing debt, which creates an obligation to repay both principal and interest over time. The process of issuing debt requires approval from governing bodies, the publication of official statements¹, and adherence to regulatory requirements to ensure transparency and accountability. The County's financial statements² and Annual Financial Report³ reflect both long-term liabilities and interest expenditures resulting from debt issuance.

Debt issuance allows public projects to be financed while deferring the immediate financial impact onto taxpayers. However, careful planning and management are crucial to prevent excessive debt accumulation and to ensure funds are used effectively for their intended purposes. Past debt management activities and current financial challenges faced by the County can significantly influence the County's current debt issuance strategies and long-term fiscal health.

Initial capital project requests originate from individual departments and undergo a formal Capital Plan review process. The final Capital Plan is adopted with the County's annual budget each December. Capital projects included in the adopted Capital Plan are typically funded via debt issuance, federal or state grants, contingency funds, or the County's fund balance. Each year, the County assesses new funding needs in collaboration with departments and strategically plans debt issuance. Debt issuance for authorized capital projects occurs around March/April of the following year.

The County typically issues long-term debt in the form of serial bonds and currently does not hold any short-term debt.

To reduce debt service costs and generate savings, governments may issue refunding bonds when interest rates are favorable. This allows the County to pay off previously issued bonds with higher rates. The County evaluates debt refunding opportunities in collaboration with financial advisors and bond counsel. All debt issuance and refunding of serial bonds must be authorized by a bond resolution and adopted by the County Legislature.

¹ [Municipal Securities Rulemaking Board::EMMA](#)

² [Dutchess County Financial Statements 12.31.2024](#)

³ [2024-2025 Fiscal Update \(.pdf\) | Budget | Dutchess County Government](#)

II. Scope and Objectives

This report is the third in a series about capital projects.

The first part⁴ of this series, released in 2022, reviewed major capital projects requiring **\$1 million** or more in funding, with a focus on open projects related to buildings and parks.

The second part⁵, released in 2024, assessed the effectiveness of current capital project planning and execution processes, and highlighted authorized capital projects that were not part of the capital program and planning.

The scope of this audit includes a review of debt and capital project related activities from January 1, 2019 through December 31, 2024.

The primary objectives of this report are to:

1. Report on all debt service payments related to the existing capital projects.
2. Inform public of all outstanding debt, including maturity dates.
3. Present best practices, policies and procedures related to long-term financial and capital planning.
4. Provide information on Dutchess County's credit rating history and statutory debt limits.
5. Report on debt issued for all capital projects authorized and in process between January 1, 2019, and December 31, 2023.

III. Methodology

Our review included:

- Review of official statements for debt issued between 2020 and 2024 for capital projects initiated between January 1, 2019 and December 31, 2023.
- Confirmation of the amount of authorized debt issued.
- Reconciliation of debt service payments with amortization schedules.
- Review of bond premium allocations within the County's financial system.
- Analysis of debt service payments for proper allocation and reporting accuracy within the County's financial system.
- Review of the County's audited financial statements prepared by external auditors, and annual financial report filed with the NYS Office of State Comptroller.
- Analysis of current and projected debt service payments for annual expenditures related to interest payments.

⁴ [2022-Dutchess-County-Major-Capital-Project-Status-Report.pdf](#)

⁵ [Special Report- Dutchess County Capital Plan Review, Part 2 - Dutchess County Office of the Comptroller](#)

IV. Dutchess County and Debt Limit (Debt Ceiling)

Local governments in New York State are subject to statutory debt limits established by the state constitution and the New York State Local Finance Law⁶. These limits, commonly referred to as debt ceilings, define the maximum amount a municipality may borrow and are designed to promote fiscal discipline, protect taxpayers from excessive debt burdens, and ensure long-term financial sustainability.

Under New York State Local Finance Law, Dutchess County's ability to incur debt is capped at 7% of the five-year average of full valuation of taxable real property within the County. The valuation serves as the basis for calculating the County's Constitutional Debt Limit, which was at approximately **\$2.8 billion** as of December 31, 2024.

At that time, Dutchess County had **\$306.91 million** in outstanding debt, representing 10.9% of its Constitutional Debt Limit. This percentage does not account for any principal payments scheduled for 2025, which will reduce the outstanding balance.

These statutory constraints apply to general obligation (G.O.) serial bonds, which are backed by the full faith and credit of the County. Maintaining debt within these limits is essential not only for legal compliance but also for preserving the County's credit rating, minimizing borrowing costs, and sustaining its ability to fund major infrastructure and capital projects.

V. Dutchess County Credit Rating History

Since 2014, Dutchess County has consistently maintained an AA+ credit rating from Standard & Poor's, which is one step below the highest possible rating of AAA that a municipality can receive. The AA+ rating indicates that an organization's "capacity to meet its financial commitments on the obligation is very strong⁷." Maintaining an AA+ rating is essential for several reasons, such as:

- Preserving Financial Stability
- Supporting Strategic Investment
- Enhancing Investor Confidence
- Strengthening Economic Resilience

This rating not only lowers borrowing costs but also reinforces the County's ability to execute key initiatives while safeguarding its long-term fiscal integrity.

⁶ [NYS Open Legislation | NYSenate.gov](#)

⁷ [S&P Global Ratings Definitions](#)

V. Dutchess County Credit Rating History, cont.

The chart below provides a detailed breakdown of interest rates associated with each outstanding debt obligation, showing the cost of borrowing and the County's overall debt profile. The items highlighted in yellow represent all outstanding refunding bonds scheduled to mature within the next 10 years. Refunding bonds carry the lowest interest rates among the entity's current debt obligations.

General Fund				
Issue Date	Issuance	Initial Borrowing	Balance as of 12/31/2024	Interest Rate
6/11/2015	2015 Refunding	\$14,565,423	\$1,464,460	1.95%
12/2/2015	2015 Public Improvement	27,873,760	8,065,000	2.13%
10/19/2016	2016 Refunding	10,960,000	1,915,000	1.38%
9/26/2017	2017 Public Improvement	5,000,000	2,915,000	2.44%
3/15/2018	2018 Public Improvement, Series A	14,949,536	8,160,000	2.74%
3/15/2018	2018 Public Improvement, Series B	40,000,000	35,300,000	3.43%
3/13/2019	2019 Public Improvement, Series A	14,360,000	9,242,500	2.52%
3/13/2019	2019 Public Improvement, Series B	20,000,000	18,115,000	3.19%
4/25/2019	2019 Refunding	12,633,686	3,240,370	1.71%
3/25/2020	2020 Public Improvement	37,710,000	28,054,000	1.77%
4/2/2021	2021 Public Improvement, Series A	14,698,900	12,729,736	1.89%
4/2/2021	2021 Public Improvement, Series B	40,000,000	36,905,000	2.25%
3/24/2022	2022 Public Improvement, Series A	19,400,000	16,905,000	2.64%
3/24/2022	2022 Public Improvement, Series B	50,000,000	47,550,000	3.00%
4/5/2023	2023 Public Improvement, Series A	21,821,220	20,374,000	2.98%
4/5/2023	2023 Public Improvement, Series B	18,600,000	18,495,000	3.73%
4/5/2024	2024 Public Improvement, Series A	35,157,500	35,157,500	2.98%
Total General Fund		\$397,730,025	\$304,587,566	
Airport				
3/13/2019	2019 Public Improvement, Series A	\$640,000	\$482,500	2.52%
4/25/2019	2019 Refunding	52,210	8,344	1.71%
3/25/2020	2020 Public Improvement	20,000	16,000	1.77%
4/2/2021	2021 Public Improvement, Series A	110,000	95,264	2.25%
3/24/2022	2022 Public Improvement, Series A	800,000	730,000	2.64%
4/5/2023	2023 Public Improvement, Series A	163,780	156,000	2.98%
4/5/2024	2024 Public Improvement, Series A	747,500	747,500	2.98%
Total Airport		\$2,533,490	\$2,235,608	
Transportation				
6/11/2015	2015 Refunding	\$234,577	\$60,540	1.95%
4/25/2019	2019 Refunding	119,104	26,286	1.71%
Total Transportation		\$353,681	\$86,826	
Total		\$400,617,196	\$306,910,000	

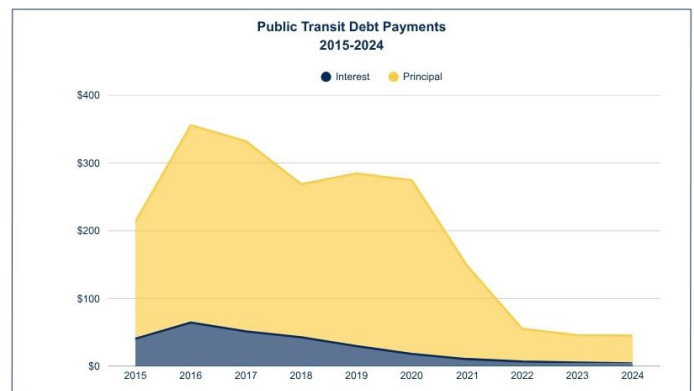
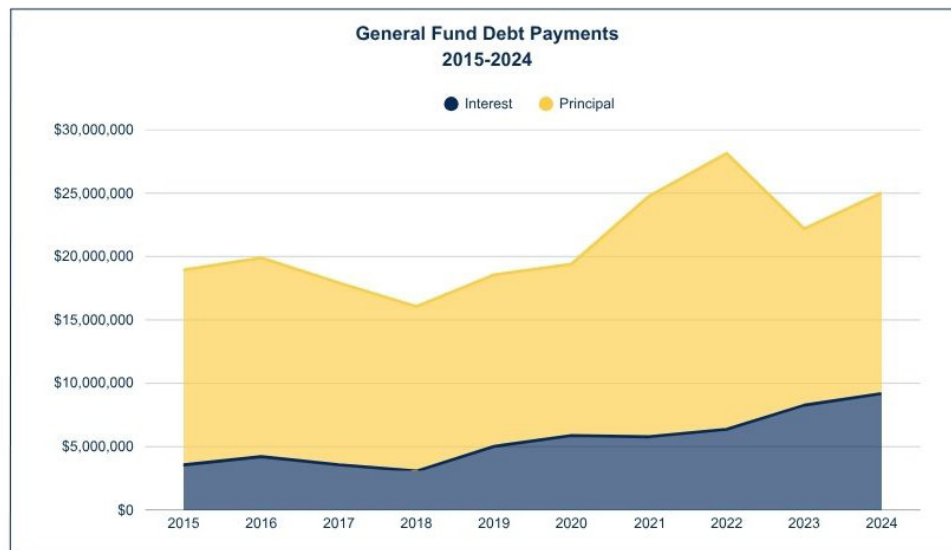
VI. Debt Service Payment Trends

Through the County Executive’s annual budget process, Dutchess County allocates taxpayer dollars to cover debt service payments, which includes both principal and interest. This process ensures the County maintains its financial commitments while balancing other operational and capital needs.

The outstanding principal from general obligation serial bonds is reported as long-term liabilities on the County’s financial statements, while interest payments are treated as annual operating expenditures, funded through the County’s adopted budget and recorded accordingly in each fiscal year.

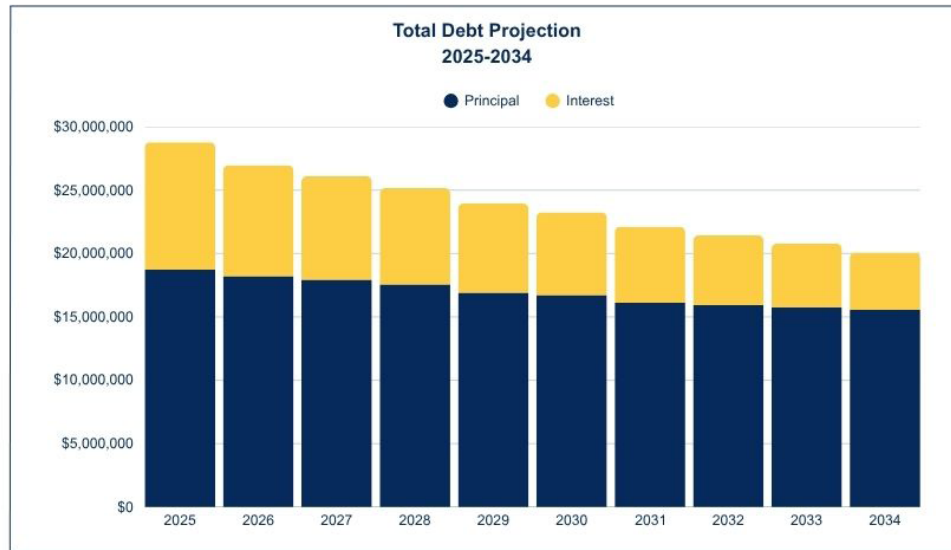
In 2024, total debt service payments from the General Fund amounted to **\$25 million**, representing 4.5% of the County’s adopted budget. Of this amount, nearly **\$15.8 million** was allocated toward principal payments, reducing the County’s long-term debt obligations. **\$9.2 million** was used to cover interest expenses.

The chart below provides a 10-year historical overview of debt service payments from the General Fund and the County’s two enterprise funds— Airport and Transit. The chart highlights trends in debt repayment, fund-level contributions, and the evolving structure of the County’s debt portfolio over the past decade.



VI. Debt Service Payment Trends, cont.

The chart below outlines the annual debt service obligations for the next 10 years. This includes scheduled principal and interest payments across all funds.



VII. Dutchess County Long-Term Liabilities: Bonds Payable

Long-term liabilities represent financial obligations that extend beyond the current fiscal year and are primarily composed of serial bonds issued to finance capital projects. These obligations are repaid over time and form a critical component of Dutchess County's financial landscape. Long-term liabilities require disciplined fiscal planning.

This section provides a detailed review of the County's long-term debt obligations, including the amortization schedules associated with each capital project funded through debt issuance. The amortization schedules outline the timing and magnitude of principal repayments, offering insight into the County's ongoing financial commitments.

The debt burden associated with long-term liabilities creates fixed costs that exist for the useful life of the capital assets. These costs can have a direct impact on the County's ability to deliver essential services and maintain budgetary flexibility. Specifically, elevated levels of borrowing can:

- Reduce the ability to support current programs with existing revenues.
- Necessitate future tax increases or additional future borrowing.
- Limit the capacity to finance future capital assets and grants.

As of December 31, 2024, Dutchess County's long-term debt obligations totaled **\$306.91 million**, with scheduled payments due in fiscal years 2025 through 2048. These fixed costs create long-term financial commitments that influence budgetary planning and resource allocations.

VII. Dutchess County Long-Term Liabilities: Bonds Payable, cont.

The chart below provides an overview of each outstanding debt obligation, including the scheduled maturity year and the principal payments made in 2024. For each debt listed, the chart illustrates the amount of principal retiring during the year, categorized by the specific fund responsible for the payment. This chart shows how each fund is contributing toward debt service and when each obligation is expected to be fully paid off. The maturity year indicates the final year in which principal payments are due.

General Fund					
Maturity Year	Issue Date	Issuance	Balance as of 01/01/2024	2024 Principal Payment	Balance as of 12/31/2024
2027	6/11/2015	2015 Refunding	\$2,299,166	\$834,706	\$1,464,460
2035	12/2/2015	2015 Public Improvement	9,250,000	1,185,000	8,065,000
2028	10/19/2016	2016 Refunding	2,375,000	460,000	1,915,000
2037	9/26/2017	2017 Public Improvement	3,170,000	255,000	2,915,000
2038	3/15/2018	2018 Public Improvement, Series A	9,050,000	890,000	8,160,000
2048	3/15/2018	2018 Public Improvement, Series B	36,255,000	955,000	35,300,000
2039	3/13/2019	2019 Public Improvement, Series A	10,006,000	763,500	9,242,500
2048	3/13/2019	2019 Public Improvement, Series B	18,590,000	475,000	18,115,000
2031	4/25/2019	2019 Refunding	4,592,402	1,352,032	3,240,370
2040	3/25/2020	2020 Public Improvement	30,468,000	2,414,000	28,054,000
2039	4/2/2021	2021 Public Improvement, Series A	13,449,351	719,615	12,729,736
2047	4/2/2021	2021 Public Improvement, Series B	38,095,000	1,190,000	36,905,000
2042	3/24/2022	2022 Public Improvement, Series A	18,195,000	1,290,000	16,905,000
2048	3/24/2022	2022 Public Improvement, Series B	49,040,000	1,490,000	47,550,000
2043	4/5/2023	2023 Public Improvement, Series A	21,821,220	1,447,220	20,374,000
2048	4/5/2023	2023 Public Improvement, Series B	18,600,000	105,000	18,495,000
2044	4/5/2024	2024 Public Improvement, Series A	-	-	35,157,500
Total General Fund			\$285,256,139	\$15,826,073	\$304,587,566
Airport					
2039	3/13/2019	2019 Public Improvement, Series A	\$514,000	\$31,500	\$482,500
2031	4/25/2019	2019 Refunding	15,665	7,321	8,344
2040	3/25/2020	2020 Public Improvement	17,000	1,000	16,000
2039	4/2/2021	2021 Public Improvement, Series A	100,649	5,385	95,264
2042	3/24/2022	2022 Public Improvement, Series A	765,000	35,000	730,000
2043	4/5/2023	2023 Public Improvement, Series A	163,780	7,780	156,000
2044	4/5/2024	2024 Public Improvement, Series A	-	-	747,500
Total Airport			\$1,576,094	\$87,986	\$2,235,608
Transportation					
2027	6/11/2015	2015 Refunding	\$85,834	\$25,294	\$60,540
2031	4/25/2019	2019 Refunding	41,933	15,647	26,286
Total Transportation			\$127,767	\$40,941	\$86,826
Total			\$286,960,000	\$15,955,000	\$306,910,000
Note: Principal payments only.					
Debt Issuance highlighted in yellow are scheduled to mature over the next 10-year period, by 2034.					

VII. Dutchess County Long-Term Liabilities: Bonds Payable, cont.

In March 2025, Serial Bond Series A was issued in the amount of **\$12 million**. However, this issuance is outside of this audit scope and is not included in the above chart. Debt service payments related to this serial bond will occur annually from 2026-2045.

JTC/LEC PORTION OF DEBT (SERIES B)

The construction of the new Justice & Transition Center (JTC, or “the jail”) including the Law Enforcement Center (LEC, or “the Sheriff’s Office”) is the largest capital project ever funded by Dutchess County. The Comptroller’s Office has issued several reports on the construction progress of this capital project, [with the 7th report released in October 2025](#).

Resolution #2016031 authorized the issuance of **\$192.15 million** in serial bonds to pay for the projected construction cost. However, only **\$168.6 million** in serial bonds was issued between 2018-2023. As of December 31, 2024, **\$156.4 million** representing 51% of the total **\$306.91 million** in outstanding debt is related to the JTC/LEC capital project.

Serial Bond	Amount
2018 Series B	\$40,000,000
2019 Series B	20,000,000
2021 Series B	40,000,000
2022 Series B	50,000,000
2023 Series B	18,600,000
Total	\$168,600,000

VII. Dutchess County Long-Term Liabilities: Bonds Payable, cont.

JTC/LEC PORTION OF DEBT (SERIES B), CONT.

The following chart outlines the annual payment schedule for the JTC/LEC project.

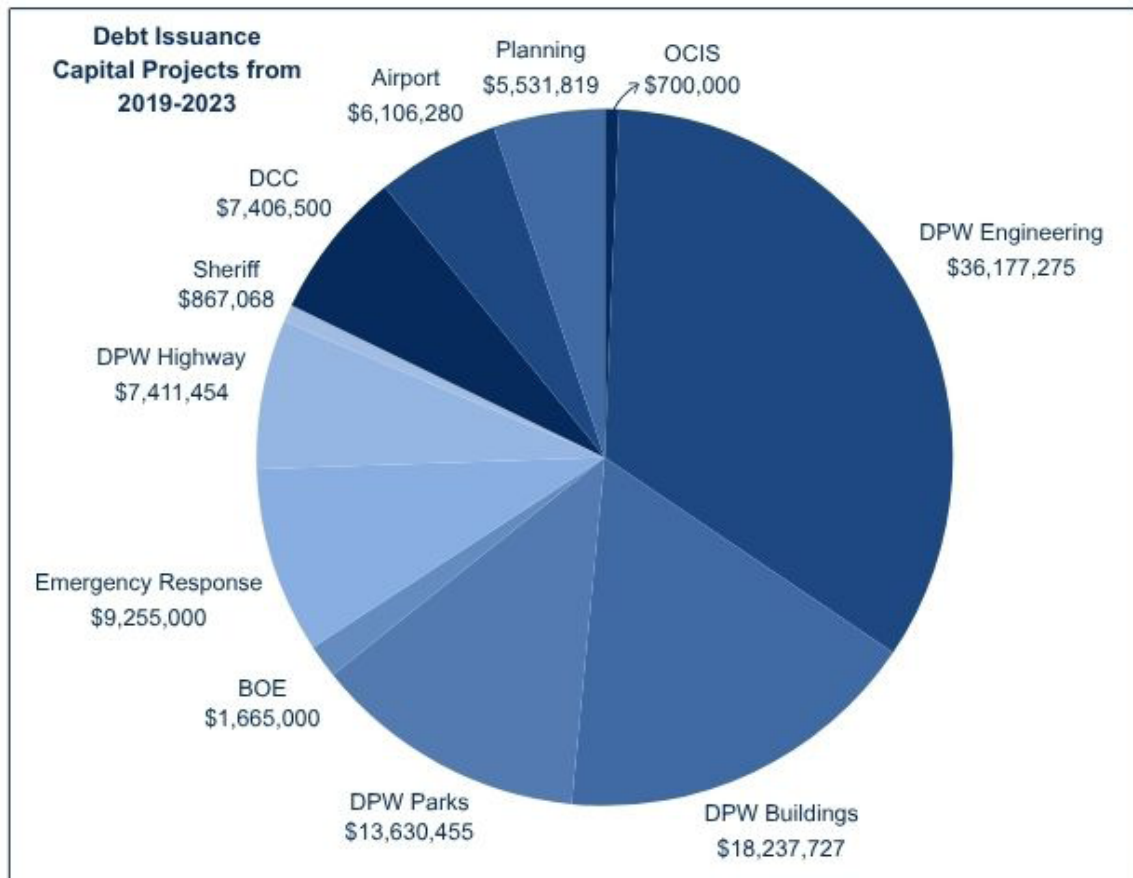
Issue Year	Total Debt Payments by Year		Total
	Principal	Interest	
2019	\$220,000	\$1,970,404	\$2,190,404
2020	930,000	2,425,288	3,355,288
2021	1,290,000	2,035,558	3,325,558
2022	2,060,000	3,288,764	5,348,764
2023	3,520,000	5,001,805	8,521,805
2024	4,215,000	5,273,335	9,488,335
2025	4,680,000	4,773,301	9,453,301
2026	4,820,000	4,625,895	9,445,895
2027	4,955,000	4,474,026	9,429,026
2028	5,095,000	4,317,695	9,412,695
2029	5,235,000	4,158,764	9,393,764
2030	5,390,000	3,997,086	9,387,086
2031	5,545,000	3,830,520	9,375,520
2032	5,700,000	3,659,039	9,359,039
2033	5,865,000	3,482,467	9,347,467
2034	6,030,000	3,304,048	9,334,048
2035	6,200,000	3,123,826	9,323,826
2036	6,380,000	2,938,295	9,318,295
2037	6,565,000	2,746,733	9,311,733
2038	6,750,000	2,549,048	9,299,048
2039	6,950,000	2,344,961	9,294,961
2040	7,155,000	2,132,838	9,287,838
2041	7,360,000	1,911,794	9,271,794
2042	7,575,000	1,682,786	9,257,786
2043	7,775,000	1,445,908	9,220,908
2044	8,005,000	1,200,841	9,205,841
2045	8,230,000	945,905	9,175,905
2046	8,480,000	677,846	9,157,846
2047	8,745,000	395,554	9,140,554
2048	6,880,000	125,413	7,005,413
Total	\$168,600,000	\$84,839,739	\$253,439,739

VIII. Follow-Up on Part 2: Capital Planning

The objective of the second part of this series, released in 2024, was to evaluate the effectiveness of Dutchess County's current capital project planning process and whether the Capital Plan adopted by the County Legislature was followed during the period from January 1, 2019 through December 31, 2023.

The audit report highlighted 21 capital projects totaling **\$61.7 million** initiated during this timeframe and authorized by Legislature but were not included in the adopted Capital Plan. In total, 49 capital projects were fully initiated, with **\$156 million** in authorized funding. However, following the County's process of borrowing only what's needed, only **\$106.9 million** in serial bonds were issued. Details for all 49 capital projects are provided in **Exhibit I**. This section of the report focuses on the 49 capital projects, providing details of the County's capital planning and funding process from start to finish.

The chart below represents debt issuance by department for the 49 capital projects approved by resolution between January 1, 2019, and December 31, 2023.



VIII. Follow-Up on Part 2: Capital Planning, cont.

The chart below provides a detailed breakdown of **\$106.9 million** borrowed through bond issuance, which is organized by the year of issuance, corresponding legislative resolutions, and capital project description. Bond issuance does not always occur in the same year a resolution is approved. Items highlighted in yellow were not part of the capital plan.

Serial Bond, Series A	Account Code	Project Description	Resolution #	Payment Term	Serial Bond Issued	Principal Payments	Interest Payments
2020	H0538	2019 Highway and Bridge Improvements	2019109	2021-2035	\$4,500,000	\$4,500,000	\$774,480
2020	EA0501	DCC Airport Educational Facility	2019222	2021-2040	4,000,000	4,000,000	902,778
2020	H0539	2019 HVAC Infrastructure 10 & 22 Market Street	2019107	2021-2040	2,000,000	2,000,000	446,389
2020	H0531	2019 County Bridge Improvement Project	2019050	2021-2040	2,000,000	2,000,000	448,889
2020	H0532	2019 Lake Walton Acquisition	2019051	2021-2040	1,620,000	1,620,000	366,000
2020	H0540	2019 Capital Equipment	2019140	2021-2035	1,500,000	1,500,000	254,867
2020	H0543	BOE Ballot Marking Devices	2019247	2021-2030	1,465,000	1,465,000	174,586
2020	H0537	2019 Auto Center Vehicle Bond	2019108	2021-2035	890,000	890,000	64,806
2020	H0546	2019 Auto Center Vehicle Bond	2019257	2021-2025	825,000	825,000	47,542
2020	H0541	2019 Partner/Manageable Growth	2019148	2021-2040	410,000	410,000	87,672
2020	H0545	2019 Disaster Recovery System	2019245	2021-2025	350,000	350,000	21,906
2020	H0544	2019 Network Infrastructure	2019246	2021-2025	350,000	350,000	21,906
2020	HC0548	DCC South Campus (FF&E)	2019285, 2019286	2021-2025	250,000	250,000	15,561
2020	HC0549	DCC Campus IT Upgrades Phase 1	2019287, 2019288	2021-2025	250,000	250,000	15,561
2020	HC0550	DCC Campus Site Upgrades Phase 1	2019283, 2019284	2021-2040	200,000	200,000	41,889
2021	H0556	2020 Highway & Bridge Improvements	2020170	2022-2039	4,500,000	4,500,000	911,638
2021	H0538	2019 Highway and Bridge Improvements	2019109	2022-2039	1,510,000	1,510,000	305,905
2021	H0539	2019 HVAC Infrastructure 10 & 22 Market Street	2019107	2022-2039	1,000,000	1,000,000	202,586
2021	H0542	DRT Extension	2020108	2022-2039	750,000	750,000	151,940
2021	H0555	2020 Park Improvements	2020169	2022-2039	600,000	600,000	121,552
2021	H0547	2020 Partner/Manageable Growth	2019303	2022-2039	500,000	500,000	101,293
2021	EA0501	DCC Airport Educational Facility	2019222	2022-2039	395,000	395,000	80,022
2021	HC0558	DCC Campus IT Upgrades Phase 2	2020153, 2020154	2022-2039	325,000	325,000	65,840
2021	H0537	2019 Auto Center Vehicle Bond	2019108	2022-2039	230,000	230,000	46,595
2021	H0543	BOE Ballot Marking Devices	2019247	2022-2039	200,000	200,000	40,517
2021	HC0548	DCC South Campus (FF&E)	2019285, 2019286	2022-2039	200,000	200,000	40,517
2021	H0541	2019 Partner/Manageable Growth	2019148	2022-2039	75,000	75,000	15,194
2021	HC0549	DCC Campus IT Upgrades Phase 1	2019287, 2019288	2022-2039	75,000	75,000	15,194
2021	HC0550	DCC Campus Site Upgrades Phase 1	2019283, 2019284	2022-2039	36,500	36,500	7,394

VIII. Follow-Up on Part 2: Capital Planning, cont.

Serial Bond, Series A	Account Code	Project Description	Resolution #	Payment Term	Serial Bond Issued	Principal Payments	Interest Payments
2022	H0560	2021 Highway and Bridge Improvements	2021043	2023-2037	\$5,000,000	\$5,000,000	\$1,285,650
2022	H0575	2021 Poughkeepsie Urban Trail	2021220	2023-2037	5,000,000	5,000,000	1,285,650
2022	H0567	Building Improvements	2021122	2023-2032	2,500,000	2,500,000	380,625
2022	H0561	2021 Capital Equipment	2021044	2023-2037	1,500,000	1,500,000	383,175
2022	H0547	2020 Partner/Manageable Growth	2019303	2023-2042	1,000,000	1,000,000	344,250
2022	H0559	Stadium Improvements	2021017	2023-2032	1,000,000	1,000,000	150,150
2022	H0563	2021 HVAC Projects	2021060	2023-2032	900,000	900,000	159,075
2022	EA0564	2021 Roof Replacements	2021061	2023-2042	800,000	800,000	270,150
2022	H0555	2020 Park Improvements	2020169	2023-2036	500,000	500,000	120,975
2023	H0575	2021 Poughkeepsie Urban Trail	2021220	2024-2037	5,780,455	5,780,455	1,859,249
2023	H0584	2022 Highway and Bridge Improvements	2022048	2024-2038	3,853,638	3,853,638	1,323,833
2023	H0560	2021 Highway and Bridge Improvements	2021043	2024-2037	3,371,932	3,371,932	1,088,979
2023	H0539	2019 HVAC Infrastructure 10 & 22 Market Street	2019107	2024-2033	2,890,227	2,890,227	652,525
2023	H0594	2022 Capital Equipment	2022180	2024-2038	1,445,113	1,445,113	489,242
2023	H0547	2020 Partner/Manageable Growth	2019303	2024-2043	963,410	963,410	413,908
2023	H0574	2021 Partner/Manageable Growth	2021189	2024-2043	963,409	963,409	425,188
2023	H0604	2022 Sheriff Vehicle Bond	2022231	2024-2028	867,068	867,068	111,897
2023	H0556	2020 Highway & Bridge Improvements	2020170	2024-2041	481,705	481,705	191,654
2023	EA0564	2021 Roof Replacements	2021061	2024-2043	163,780	163,780	70,078
2023	H0561	2021 Capital Equipment	2021044	2024-2037	96,341	96,341	30,691
2023	H0567	Building Improvements	2021122	2024-2043	1,000,000	1,000,000	317,548
2024	H0576	2022 ER Consolidated two-way radio system	2023139	2025-2034	9,255,000	9,255,000	2,074,087
2024	H0607	2023 Highway & Bridge Improvements	2023050	2025-2039	7,380,000	7,380,000	2,363,720
2024	H0539	2019 HVAC Infrastructure 10 & 22 Market Street	2019107	2025-2044	5,585,000	5,585,000	2,348,318
2024	H0498	Fallkill Dam Improvements	2023069	2025-2044	2,330,000	2,330,000	985,964
2024	H0608	2023 Roof Replacement/Rehab	2023070	2025-2044	1,400,000	1,400,000	587,378
2024	HC0624	CBI- Replacement of HVAC Rooftop units	2023208	2025-2034	1,300,000	1,300,000	285,422
2024	HC0622	Hudson Hall Interior Reconfiguration- Phase I	2023212	2025-2044	1,120,000	1,120,000	476,302
2024	H0614	2023 Security Upgrades Various	2023096	2025-2029	962,500	962,500	117,906
2024	H0584	2022 Highway and Bridge Improvements	2022048	2025-2038	925,000	925,000	280,389
2024	H0619	2023 Capital Equipment	2023185	2025-2039	925,000	925,000	298,732
2024	HC0625	Campus Repairs and Upgrades Phase 3	2023209	2025-2034	835,000	835,000	185,429

VIII. Follow-Up on Part 2: Capital Planning, cont.

Serial Bond, Series A	Account Code	Project Description	Resolution #	Payment Term	Serial Bond Issued	Principal Payments	Interest Payments
2024	HC0600	Dutchess Hall Renovations	2022212	2025-2034	\$745,000	\$745,000	\$164,469
2024	HC0621	2024 Sports Field Improvements	2023211	2025-2039	740,000	740,000	239,071
2024	HC0601	Hudson Hall Renovations	2022211	2025-2029	480,000	480,000	57,787
2024	HC0626	Campus ADA Upgrades	2023210	2025-2044	465,000	465,000	204,193
2024	HC0623	Fishkill Campus Modifications	2023207	2025-2029	385,000	385,000	46,629
2024	EA0620	2023 Capital Equipment	2023185	2025-2039	370,000	370,000	119,493
2024	H0603	Veterans Cemetery	2023083	2025-2039	325,000	325,000	108,856
2024	EA0616	2023 Security Upgrades - Airport	2023096	2025-2029	192,500	192,500	23,581
2024	EA0595	2022 Capital Equipment	2022180	2025-2038	185,000	185,000	59,918
Total					\$106,988,578	\$106,988,578	\$28,173,151

IX. Policies and Procedures

Effective policies and procedures improve decision making, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. The Government Finance Officers Association (GFOA) identifies best practices and recommends specific policies and procedures that strengthen government operations.

Maintaining and adhering to formally adopted policies and procedures signals to the rating agencies and the capital markets that a government is well-managed and likely to meet its debt obligations. To ensure creditability and transparency, policies should be formally adopted by the Legislature to provide clear tools and guidance for financial governance.

GFOA recommends the following policies and procedures as best practices pertaining to this audit⁸:

- Debt Management Policy
- Refunding Municipal Bonds
- Investment and Management of Bond Proceeds
- Post-Issuance Policies and Procedures
- Debt Service Payment Procedures

OBSERVATION

A Debt Management Policy section is included in the annual adopted budget. However, the best practices recommended by GFOA and listed above are not presented in the standard format of Dutchess County adopted policies and procedures and are also not included in the Dutchess County Intranet's repository of policies and procedures.⁹

X. Dutchess County's Debt Reserve Account

At the end of each fiscal year, completed capital project accounts are formally closed out through a resolution presented to the County Legislature. Unspent balances from the capital projects are transferred into the Debt Reserve account, along with monthly bank interest earnings accrued in the specific capital account.

During the annual budget process, the County allocates funds to cover the following year's debt service obligations. To reduce the burden on operating revenues, funds from the Debt Reserve Account are used to offset the debt service costs.

As of December 31, 2024, the Debt Reserve Account had a balance of **\$10,667,474**.

⁸ [Debt Management](#) ("Debt Management/Post Issue Compliance")

⁹ Each of the policies and procedures on the County-hosted Intranet includes verbiage referencing the "Dutchess County Manual of Policies and Procedures." This does not exist as a single document, but rather each is linked separately from the Intranet.

XI. Department Response



DUTCHESS COUNTY GOVERNMENT

November 6, 2025

Dan Aymar-Blair, Comptroller
22 Market Street, 4th Floor
Poughkeepsie, NY 12601

Dear Comptroller Aymar-Blair:

Thank you for the opportunity to respond to your draft report, *Debt Service Review Part 3*. We appreciate the report's objectives, particularly the recommendations related to best practices in long-term financial and capital planning, as well as sound governance.

As noted in the review, Dutchess County's AA+ bond rating reflects, among other factors, the County's strong fiscal management, adherence to its adopted debt management policies, and the ongoing commitment of the County Executive and County Legislature to fiscal prudence. The County continues to maintain debt levels well below its constitutional limit, and both spending and taxes per capita remain among the lowest of all counties in New York State.

The review correctly observes that, while these policies are included in the annual budget adopted by the County Legislature, they are not currently presented in the Dutchess County Intranet's repository of policies and procedures. With the conclusion of this three-part review, we will reformat and incorporate the debt management policies alongside the others, as recommended.

Thank you again for the opportunity to respond—we truly appreciate your thoughtful feedback and guidance.

Sincerely,

A handwritten signature in cursive script that reads "Sue Serino".

Sue Serino
County Executive

Exhibit I

Account Code	Project Description	Resolution #	Additional Resolutions	Resolution Amount	Serial Bond Authorized	Serial Bond Issued	Authorized and Unissued
H0531	2019 County Bridge Improvement Project	2019050		\$2,525,000	\$2,525,000	\$2,000,000	\$525,000
H0532	2019 Lake Walton Acquisition	2019051		1,652,360	1,652,360	1,620,000	32,360
H0539	2019 HVAC Infrastructure 10 & 22 Market Street	2019107		16,665,000	16,665,000	11,475,227	5,189,773
H0537	2019 Auto Center Vehicle Bond	2019108		1,216,040	1,216,040	1,120,000	96,040
H0538	2019 Highway and Bridge Improvements	2019109		10,059,600	6,019,600	6,010,000	9,600
H0540	2019 Capital Equipment	2019140		1,525,100	1,525,100	1,500,000	25,100
H0541	2019 Partner/Manageable Growth	2019148		485,810	485,810	485,000	810
EA0501	DCC Airport Educational Facility*	2019222		1,262,500	1,262,500	4,395,000	(3,132,500)
H0545	2019 Disaster Recovery System	2019245		353,500	353,500	350,000	3,500
H0544	2019 Network Infrastructure	2019246		353,500	353,500	350,000	3,500
H0543	BOE Ballot Marking Devices	2019247		1,713,970	1,713,970	1,665,000	48,970
H0546	2019 Auto Center Vehicle Bond	2019257		833,250	833,250	825,000	8,250
HC0550	DCC Campus Site Upgrades Phase 1	2019283	2019284	473,000	236,500	236,500	-
HC0548	DCC South Campus (FF&E)	2019285	2019286	900,000	450,000	450,000	-
HC0549	DCC Campus IT Upgrades Phase 1	2019287	2019288	650,000	325,000	325,000	-
H0547	2020 Partner/Manageable Growth	2019303		2,525,000	2,525,000	2,463,410	61,590
EA0536	Airport Guidance sign replacement	2020058		752,000	37,600	-	37,600
H0542	DRT Extension	2020108		757,500	757,500	750,000	7,500
HC0558	DCC Campus IT Upgrades Phase 2	2020153	2020154	650,000	325,000	325,000	-
H0555	2020 Park Improvements	2020169		1,212,000	1,212,000	1,100,000	112,000
H0556	2020 Highway & Bridge Improvements	2020170		5,433,800	5,433,800	4,981,705	452,095
H0559	Stadium Improvements	2021017		1,439,250	1,439,250	1,000,000	439,250
H0560	2021 Highway and Bridge Improvements	2021043		12,160,654	8,651,125	8,371,932	279,193
H0561	2021 Capital Equipment	2021044		1,700,000	1,700,000	1,596,341	103,659
H0563	2021 HVAC Projects	2021060		995,000	995,000	900,000	95,000
EA0564	2021 Roof Replacements	2021061		980,000	980,000	963,780	16,220
H0567	Building Improvements	2021122		3,787,500	3,787,500	3,500,000	287,500
H0574	2021 Partner/Manageable Growth	2021189		1,515,505	1,515,505	963,409	552,096
H0575	2021 Poughkeepsie Urban Trail	2021220		11,110,000	11,110,000	10,780,455	329,545
H0584	2022 Highway and Bridge Improvements	2022048		13,693,733	9,466,985	4,778,638	4,688,347
H0588	Camp Nooteeming	2022067		4,800,000	4,800,000	-	4,800,000
H0594	2022 Capital Equipment	2022180		1,671,000	1,616,000	1,445,113	170,887

Exhibit I, cont.

Account Code	Project Description	Resolution #	Additional Resolutions	Resolution Amount	Serial Bond Authorized	Serial Bond Issued	Authorized and Unissued
EA0595	2022 Capital Equipment	2022180		\$239,170	\$219,170	\$185,000	\$34,170
HC0601	Hudson Hall Renovations	2022211		1,400,000	700,000	480,000	220,000
HC0600	Dutchess Hall Renovations	2022212		2,000,000	1,000,000	745,000	255,000
H0604	2022 Sheriff Vehicle Bond	2022231		941,320	941,320	867,068	74,252
H0555	Park Improvements @ Lake Walton Preserve - Phase I	2022233		60,588	60,588	-	60,588
H0606	2023 HVAC Project - 60 Market St	2023049		479,750	479,750	-	479,750
H0607	2023 Highway & Bridge Improvements	2023050		14,643,542	9,447,724	7,380,000	2,067,724
H0498	Fallkill Dam Improvements	2023069		2,525,000	2,525,000	2,330,000	195,000
H0608	2023 Roof Replacement/Rehab	2023070		2,484,600	2,484,600	1,400,000	1,084,600
H0603	Veterans Cemetery	2023083		378,750	378,750	325,000	53,750
EA0616	2023 Security Upgrades - Airport	2023096		212,100	212,100	192,500	19,600
ET0615	2023 Security Upgrades - Public Transit	2023096		65,650	65,650	-	65,650
H0614	2023 Security Upgrades Various	2023096		1,590,750	1,590,750	962,500	628,250
H0576	2022 ER Consolidated two-way radio system	2023139	2022024	22,179,076	18,086,598	9,255,000	8,831,598
EA0620	2023 Capital Equipment	2023185		485,810	485,810	370,000	115,810
H0619	2023 Capital Equipment	2023185		2,216,950	2,216,950	925,000	1,291,950
HC0623	Fishkill Campus Modifications	2023207		973,000	486,500	385,000	101,500
HC0624	CBI- Replacement of HVAC Rooftop units	2023208		3,309,000	1,654,500	1,300,000	354,500
HC0625	Campus Repairs and Upgrades Phase 3	2023209		2,200,000	1,100,000	835,000	265,000
HC0626	Campus ADA Upgrades	2023210		1,465,000	732,500	465,000	267,500
HC0621	2024 Sports Field Improvements	2023211		2,000,000	1,000,000	740,000	260,000
HC0622	Hudson Hall Interior Reconfiguration- Phase I	2023212		3,666,000	1,833,000	1,120,000	713,000
H0539	Amending HVAC Infrastructure of 10 & 22 Market St	2023225		15,352,000	15,352,000	-	15,352,000
H0629	Bridge NY CR-49 Culvert Replacement	2023226		2,666,651	1,166,651	-	1,166,651
Total				\$189,386,279	\$156,189,306	\$106,988,578	\$49,200,728
*Resolution #2016271 and #2018285 authorized an additional \$4.34 million in funding for capital project EA0501 - DCC Airport Educational Facility in 2016 and 2018.							
Note: Capital Projects not included in the Capital Plan are highlighted in yellow.							

Appendix I: Glossary of Terms

Asset: A resource that provides future economic benefit and is owned or controlled by a government or organization. For local governments, assets include things like buildings, roads, bridges, water systems, sewers, and vehicles.

Amortization Schedule: A schedule of debt service payments separating the portions of payments attributable to principal and interest. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Bonds Authorized and Unissued: Bonds that have been authorized legally but are not issued and that can be issued without further authorization.

Bond Discount: The difference between the present value and the face amount of bonds when the former is less than the latter. In common usage, the term also includes issuance costs withheld from the bond proceeds by the underwriter.

Bond Premium: The difference between the present value and the face amount of bonds when the former is greater than the face amount.

Bonds Payable: The scheduled principal payments still owed from serial bonds issued.

Capital Plan: A multi-year plan for spending money on major projects like buildings, roads, or equipment. It lists each planned project and shows how the government expects to pay for them.

Capital Project: A long-term investment initiative involving the construction, acquisition, or improvement of fixed assets such as land, buildings, Improvements, infrastructure, or equipment. Capital projects require substantial funding and planning and are intended to enhance operational capacity or support strategic goals.

Credit Rating: In the context of bonds, normally an evaluation of creditworthiness is performed by an independent rating service.

Debt: An obligation resulting from the borrowing of money. Debts of governments include bonds and notes. Debt proceeds are the money generated by the issuance of debt.

Debt Limit: The maximum amount of outstanding gross or net debt legally permitted.

Debt Maturity: The date or year when a debt obligation, such as a serial bond, must be repaid in full. It marks the end of the borrowing period, at which point the principal and any remaining interest are due to the lender.

Debt Reserve Account: A designated account used to set aside funds for future debt payments.

Appendix I: Glossary of Terms, cont.

Debt Service: Interest and principal payments by a local government on all outstanding debt.

Enterprise Fund: Self-supporting government funds that provide goods and services to the public for a fee. They rely primarily upon user charges rather than tax revenue to cover their costs.

Expenditures: Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays and intergovernmental grants, entitlements and shared revenues.

General Fund: The principal operating fund of a local government. It includes all financial resources not accounted for and reported in another fund and is used to support the ordinary day-to-day operations financed through taxes and other general revenues.

General Obligation Serial Bond: Bonds backed by the full faith and credit of government.

Interest: An amount paid by a borrower as compensation for the use of money borrowed. This amount is calculated as an annual percentage of the principal amount, known as the interest rate.

Liabilities: Money or services a government is required to pay in the future, usually because of past agreements. These are obligations that must be met and can't easily be avoided.

Long-Term: A period that is longer than a fiscal year.

Obligations: Amounts a government is legally required to pay or set aside. This includes both current liabilities and long-term liabilities that hasn't been paid yet.

Principal: The original amount of money borrowed, excluding Interest. The face value of a serial bond that is repaid on schedule of maturity dates.

Refunding Bonds: New bonds issued to replace existing ones, often to reduce costs or take advantage of better interest rates.

Serial Bonds: A written promise to pay a specified sum of money (called the face value or principal amount), at a specified date or dates in the future, the maturity date(s), along with regular interest payments.

Short-Term Debt: Debt with a maturity of one year or less after the date of issuance. It often includes variable-rate debt, bond anticipation notes, tax anticipation notes and revenue anticipation notes.

Statute: A written law enacted by a duly organized and constituted legislative body.

Appendix I: Glossary of Terms, cont.

Official Statements: Documents released by a government when issuing bonds. They explain the purpose of the bond, how the debt will be repaid, and provide details about the issuer to help assess creditworthiness.

Valuation: The process of estimating the current market value of a property. It considers factors such as location, condition, size, comparable sales, and income potential. Real estate valuations are commonly used for sales, financing, taxation, and investment analysis.

OFFICE OF THE DUTCHESS COUNTY COMPTROLLER
DAN AYMAR-BLAIR, COMPTROLLER

22 MARKET STREET, 4TH FLOOR
POUGHKEEPSIE, NY 12601
WWW.DUTCHESSNY.GOV/COMPTROLLER
COMPTROLLER@DUTCHESSNY.GOV
(845) 486-2050

  @comptrollerdan