



**To:** County Council

**From:** Walter Parfejewiec, Office of Budget and Management

**Date:** September 15, 2020

**RE:** Council Update-August 2020

**cc:** Armond Budish, County Executive; Bill Mason, Chief of Staff; Mike Chambers, Fiscal Officer; Jeanne Schmotzer, Clerk of Council; Trevor McAleer, Legislative Budget Advisor; Mary Louise Madigan, Communications Director; Office of Budget and Management Staff

In accordance with **County Code §701.07(C)**, we are submitting this monthly update through **August 2020**.

- **General Fund Revenue:**

**Sales Tax** receipts totaled \$22 million in the month of August 2020. Year-to-date, sales tax receipts totaled \$171.1 million, which represents a year over year decrease of 2.1%.

Revenue	2020 Budget	2020 Actual	% Budget
Property Tax	27,400,000	\$13,226,591	48.3%
Sales & Use	\$255,362,351	\$159,354,055	62.4%
Licenses & Permits	\$72,050	\$48,001	66.6%
Fines & Forfeitures	\$8,647,581	\$4,312,070	49.9%
Charges for Services	\$89,936,159	\$33,617,030	37.4%
Intergovernmental	\$50,118,093	\$34,234,732	68.3%
Other Revenue	\$27,911,391	\$7,206,747	25.8%
Interest Earnings	\$15,000,000	\$12,454,214	83.0%
<b>Total</b>	<b>\$474,447,625</b>	<b>\$264,453,440</b>	<b>55.7%</b>

Expenditures	2020 Budget	2020 Actual	% Budget
Personnel Services	\$282,478,152	\$179,389,624	63.5%
Other Expenses	\$183,756,523	\$65,465,965	35.6%
<b>Total</b>	<b>\$466,234,675</b>	<b>\$244,855,789</b>	<b>52.5%</b>

- **Health & Human Services Levy** generated from the County's two **voted levies for health and human services** is budgeted to be \$244,158,184: \$223.1 million in property taxes and \$15.8 million from the State (homestead credit).

Revenue	2020 Budget	2020 Actual	% Budget
Property Tax	\$223,089,933	\$121,433,381	54.4%
Intergovernmental Rev	\$15,825,119	\$8,764,748	55.4%
Miscellaneous Revenue	\$5,243,132	\$144,734	2.8%
<b>Total</b>	<b>\$244,158,184</b>	<b>\$130,342,863</b>	<b>53.4%</b>

- Attached is the new INFOR/Lawson report **YEAR-TO-DATE FUND BALANCE by FUND**, which summarizes YTD Receipts and YTD Expenditures for all the County's funds. Please note:
  - This YEAR-TO-DATE FUND BALANCE by FUND has not been audited
  - Several funds have been consolidated (ie: Casino Fund, Auto Title, Coroner's Lab, County Planning Commission have been consolidated to General Fund)
  - Subfunds have been eliminated
- In September, all counties again received **federal COVID-19 funding earmarked for local communities**. We received approximately \$28 million to distribute to local governments. Again, each local government must have submitted an approved resolution as required by HB 481 before receiving these funds. These funds will be distributed to local governments on September 15, 2020.
- **Sales Tax Receipts of \$24.6 million** have been reported for **September 2020**. This brings our 2020 year-to-date total to \$171.1 million. This is 3.51% less than this month last year and \$2.25% less year over year.
- On August 26<sup>th</sup>, 2020, we successfully **refunded \$162,935,000 in Series 2010E, 2010F and 2010G bonds**, originally issued to partially fund the costs of the convention center and medical mart facility. The refinancing generated significant savings (net present value savings of \$26,902,768, total cash flow savings over the life of the issuance of \$27,411,243, annual cash flow savings of approximately \$4.315 million from 2021-2026 and approximately \$1.5 million in 2027. The transaction will close on September 15, 2020.
- As of August 31, 2020, we have approximately **\$89.2 million in Council approved CARES Act programs**. Some of the larger purchases/contracts include: \$2.7 million for PPE, \$30 million for Building Updates, \$16 million for Hazard Pay, \$2.3 million for Small Business Fund, \$5 million for COVID testing, \$5 million for Eviction Prevention, \$1.4 million for PPE Storage Facility, \$2.9 million for Hotels for Homeless, \$1.5 million for Digital Inclusion for Students, \$2.3 million for Unemployment Insurance, \$3.3 million for Closure Pay, \$7.1 million for County Emergency Leave, \$1 million for Federal COVID leave.
- **Anticipated Budget Reductions due to COVID-19**. As of 2<sup>nd</sup> Quarter, we revised our revenue projections to reflect stronger than expected revenue for 2020. Revenues continued to come in stronger than expected in July and August. We are currently projecting a 5% loss of sales tax revenue, 2% loss in property taxes and 11% loss in other tax revenue for 2020. These

percentages translate to approximately \$34M in lost revenue (\$13M in sales tax, \$.5 M in Property Taxes, \$20M other taxes). As a result, we have reduced expenditures by implementing a hiring freeze, 10-day furloughs and requested but not imposed budget reductions for County Executive departments. We are also working with the Non-Executive departments on similar measures.