



To: County Council

From: Walter Parfejewiec, Office of Budget and Management

Date: August 13, 2020

RE: Council Update-July 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 **July 2020**.

- **General Fund Revenue:**

Sales Tax receipts totaled \$16.7 million in July 2020. Through July, sales tax receipts totaled \$149.1 million, which represents a year over year decrease of 1.3%.

Revenue	2020 Budget	2020 Actual	% Budget
Property Tax	27,400,000	\$13,226,591	48.3%
Sales & Use	\$255,362,351	\$141,191,862	55.3%
Licenses & Permits	\$72,050	\$37,851	52.5%
Fines & Forfeitures	\$8,647,581	\$4,242,343	49.1%
Charges for Services	\$89,936,159	\$29,100,703	32.4%
Intergovernmental	\$50,118,093	\$28,963,773	57.8%
Other Revenue	\$27,911,391	\$3,680,296	13.2%
Interest Earnings	\$15,000,000	\$10,964,689	73.1%
Total	\$474,447,625	\$231,408,108	48.8%

Expenditures	2020 Budget	2020 Actual	% Budget
Personnel Services	\$295,233,151	\$157,652,971	53.4%
Other Expenses	\$183,225,240	\$59,624,230	32.5%
Total	\$478,458,391	\$217,277,201	45.4%

- **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	\$628,426	3.8%
Miscellaneous Revenue	\$5,243,132	\$7,238	0.0%
Total	\$244,158,184	\$122,069,045	50.9%

- 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
- Only July 24, 2020, the Ohio Department of Taxation estimated \$58,971,618.79 in revenues to County's Undivided **Local Government Funds** to Cuyahoga County for calendar year 2021. The County will retain **\$17,691,485.64 or 30%** of this estimate. The County Undivided Local Government Fund receives 1.66% of the revenue from all state General Revenue tax sources. House Bill 166 temporarily increased this percentage to 1.68% for 2020-2021. Cuyahoga County's share is determined pursuant to the formula containing in RC sections 5747.50 through 5747.51.
- **Sales Tax Receipts of \$22 million** have been reported **for August 2020**. This brings our 2020 year-to-date total to \$171.1 million. This is 7.21% less than this month last year and \$2.06% less year over year.
- The Ohio Department of Taxation forwarded partial and preliminary non-auto sales tax data for June, which is ODT's July accounting period and normally not reported and dispersed to counties until mid-September. **Preliminary Sales Taxes of \$16.7 million have been reported for September 2020** which is 1% less than September of 2019.
- In anticipation of **refunding Series 2010E, 2010F and 2010G bonds**, we held bond rating calls on Tuesday, August 4th with S&P Global and on Wednesday, August 5th with Moody's Investor Services. We are anticipating that our previous ratings of AA/Stable and Aa2 will remain unchanged. We should receive our final ratings by Friday, August 14th.
- As of July 31, 2020, we have approximately \$67.6 million in **Council approved CARES Act programs**. Some of the larger purchases/contracts include: \$15 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, \$3.3 million for closure pay, \$7.2 million for County Emergency Leave, \$1.4 million for federal COVID leave.

- **Anticipated Budget Reductions due to COVID-19.** We continue to project 20% loss of sales tax revenue and 10% loss in property and other tax revenue for 2020. These percentages translate to approximately \$76M in lost revenue (\$53M in sales tax, \$23M in property and other taxes). As a result, we are planning to reduce expenditures by implementing a hiring freeze, 10-day furloughs and 15% budget reductions for County Executive departments. We are also working with the Non-Executive departments to implement similar measures and budget reductions.