



To: County Council

From: Walter Parfejewiec, Office of Budget and Management

Date: April 20, 2020

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

- Again, we are live with the new INFOR/Lawson system. We are all still learning and getting acclimated to the new system. The following bullets contain some preliminary information through March 2020.
- **General Fund Revenue:**
Sales Tax receipts totaled \$26.6 million in March 2020. Through March, sales tax receipts totaled \$72.6 million, which represents a year over year increase of 5.98%.

Revenue	2020 Budget	2020 Actual	% Budget
Property Tax	27,400,000	\$13,226,590	48.3%
Sales & Use	\$255,362,351	\$68,082,547	26.7%
Licenses & Permits	\$72,050	\$14,438	20.0%
Fines & Forfeitures	\$8,647,581	\$965,901	11.2%
Charges for Services	\$89,936,159	\$9,804,690	10.9%
Intergovernmental	\$50,118,093	\$12,026,924	24.0%
Other Revenue	\$27,911,391	\$3,177,833	11.4%
Interest Earnings	\$15,000,000	\$5,774,691	38.5%
Total	\$474,447,625	\$113,073,614	23.8%

Expenditures	2020 Budget	2020 Actual	% Budget
Personnel Services	\$277,018,506	\$61,271,853	22.1%
Other Expenses	\$135,478,697	\$16,781,939	12.4%
Total	\$412,497,203	\$78,053,792	18.9%

- **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	\$570,390	3.6%

- Attached is the new INFOR/Lawson report **YEAR-TO-DATE FUND BALANCE by FUND**, which summarizes YTD Receipts and YTD Expenditures for all of 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
- **Bond Ratings** to refinance series 2010A (Brownfield Redevelopment Fund Project), series 2010B (Commercial Redevelopment Fund Project) and series 2010C (Gateway Arena Project) bonds. As you know, last month we received a rating AA/Stable from S&P Global and a rating of Aa2 from Moody's Investor Services. On April 14, 2020, we provided both rating agencies with a statement regarding the County's Declaration of Fiscal Emergency and additional financial disclosure due to COVID-19. We anticipate refunding these bonds in the next two weeks.
- **Enterprise Resource Planning (ERP)**, an additional \$7,873,799 has been appropriated to complete Phase 1 (scheduled to be complete by August 31, 2020). This includes capitalized personnel costs estimated at \$\$1,217,960, contracts of \$6,394,839 and hardware costs of \$261,000.
- **COVID-19**, Pursuant to an emergency declaration through Executive Order EO2020-0002, an additional \$5,000,000 has been appropriated for mission-critical purchases for items needed to prevent and respond to COVID-19. County Code 501.08 Emergency Contracting authorizes an expedited procurement process for purchases.
- **Anticipated Budget Reductions due to COVID-19.** We are projecting 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.