

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

## **PRELIMINARY OFFICIAL STATEMENT DATED MARCH 27, 2019**

### **NEW ISSUE REFUNDING SERIAL BONDS**

**RATING: See “RATING” herein**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “Tax Matters” herein.*

*The Bonds **will not be** designated as “qualified tax-exempt obligations” pursuant to Section 265 (b)(3) of the Internal Revenue Code of 1986.*

### **COUNTY OF DUTCHESS, NEW YORK**

**\$12,825,000\***

### **PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2019 (the “Bonds”)**

**Date of Issue: Date of Delivery**

**Maturity Dates: December 1, 2019 - 2031**

The Bonds are general obligations of the County of Dutchess, New York (the “County”), and will contain a pledge its faith and credit for the payment of the principal of and interest on the Bonds. All the taxable real property within the County will be subject to the levy of ad valorem taxes, subject to applicable statutory limitations. See “**Nature of Obligation**” and “**Tax Levy Limitation Law**” herein.

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as the securities depository for the Bonds. Individual purchases may be made only in book-entry form only in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See “Book-Entry-Only System,” herein.

The Bonds will be dated their Date of Delivery, will bear interest from such date payable December 1, 2019 and semiannually thereafter on June 1 and December 1 until maturity and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See “Optional Redemption” herein).

The Bonds are offered subject to the respective final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds in book-entry form through the facilities of DTC in Jersey City, New Jersey or as otherwise agreed upon with the purchaser will be made on or about April 25, 2019.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE “RULE”) EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS. FOR A DESCRIPTION OF THE COUNTY’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING,” HEREIN.

Dated: April \_\_\_, 2019

\*Preliminary, subject to change.

The Bonds mature on December 1 in each year as set forth below:

| <u>Year</u> | <u>Amount*</u> | <u>Interest<br/>Rate</u> | <u>Yield<br/>Or Price</u> | <u>CUSIP<br/>Number</u> |
|-------------|----------------|--------------------------|---------------------------|-------------------------|
| 2019        | \$2,105,000    |                          |                           | 267040                  |
| 2020        | 1,855,000      |                          |                           | 267040                  |
| 2021        | 1,435,000      |                          |                           | 267040                  |
| 2022        | 1,375,000      |                          |                           | 267040                  |
| 2023        | 1,395,000      |                          |                           | 267040                  |
| 2024        | 1,370,000      |                          |                           | 267040                  |
| 2025        | 1,390,000      |                          |                           | 267040                  |
| 2026        | 635,000        |                          |                           | 267040                  |
| 2027        | 255,000        |                          |                           | 267040                  |
| 2028        | 255,000        |                          |                           | 267040                  |
| 2029        | 255,000        |                          |                           | 267040                  |
| 2030        | 250,000        |                          |                           | 267040                  |
| 2031        | 250,000        |                          |                           | 267040                  |

\*The principal maturities of the Bonds are subject to adjustment following their sale pursuant to the terms of the accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law and/the refunding objectives of the transaction.

No person has been authorized by the County of Dutchess, New York to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County of Dutchess since the date hereof.

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**OFFICIAL STATEMENT**

**COUNTY OF DUTCHESS  
NEW YORK**

**relating to**

**\$12,825,000\***

**PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2019  
(the “Bonds”)**

The material set forth herein, including the cover and inside cover pages and the appendices hereto, presents certain information relating to the County of Dutchess, New York (the “County” and “State,” respectively) in connection with the sale of the County’s \$12,825,000\* Public Improvement Refunding (Serial) Bonds, 2019 (the “Bonds”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

**THE BONDS**

***Description***

The Bonds will be dated their Date of Delivery, will bear interest from such date payable December 1, 2019 and semiannually thereafter on June 1 and December 1 until maturity and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See “Optional Redemption” herein).

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

THE RECORD DATE (THE “RECORD DATE”) FOR THE BONDS IS THE FIFTEENTH DAY OF THE CALENDAR MONTH IMMEDIATELY PRECEDING EACH INTEREST PAYMENT DATE.

***Authorization and the Refunding Plan for the Refunding Bonds***

The Refunding Bonds are issued pursuant to the Constitution and Laws of the State of New York, including among others, the County Law and the Local Finance Law and the refunding bond resolution duly adopted by the County Board on March 11, 2019 (the “Refunding Bond Resolution”), authorizing the refunding of all or a part of certain outstanding bonds of the County issued on December 1, 2010 and December 22, 2011. A refunding financial plan has been prepared and is described below (the “Refunding Plan”).

\* Preliminary, subject to change.

The Refunding Bonds are being issued to refund up to \$6,775,000 of the outstanding principal of the County's \$21,021,000 Public Improvement (Serial) Bonds, 2010, which mature in the years 2019 to 2025, inclusive, and up to \$7,345,000 of the outstanding principal of the County's \$13,444,067 Public Improvement (Serial) Bonds, 2011, which mature in the years 2019 to 2031, inclusive, (the "Refunded Bonds"). Under the Refunding Plan, the Refunded Bonds are to be called and redeemed as detailed in the chart below. The net proceeds of the Refunding Bonds (after payment of the underwriting fee and other costs of issuance relating to the Refunding Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Refunding Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by U.S. Bank Global Corporate Trust Services (the "Escrow Holder") a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the County and the Escrow Holder, dated as of the delivery date of the Refunding Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium, if any, of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the refunding bond resolution of the County and the Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agent for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest and any redemption premium payable with respect thereto.

The Refunding Plan will permit the County to realize, as a result of the issuance of the Refunding Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligations of the County. However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal, interest and redemption premium requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

The amount of Refunded Bonds set forth below may be changed by the County in its sole discretion due to market or other factors considered relevant by the County at the time of pricing of the Bonds and no assurance can be given that any particular maturity thereof, or the issue itself, will be refunded.

**\$21,021,000 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2010**  
**DATED: DECEMBER 1, 2010**

| <u>Maturity Date:</u> | <u>Principal</u>          | <u>Interest Rate</u> | <u>CUSIP</u> | <u>Redemption Date/Price</u> |
|-----------------------|---------------------------|----------------------|--------------|------------------------------|
| December 1, 2019      | \$1,350,000               | 3.000%               | 688579 S48   | May 27, 2019 @ 100%          |
| December 1, 2020      | 1,300,000                 | 3.000%               | 688579 S55   | May 27, 2019 @ 100%          |
| December 1, 2021      | 825,000                   | 3.000%               | 688579 S63   | May 27, 2019 @ 100%          |
| December 1, 2022      | 825,000                   | 3.250%               | 688579 S71   | May 27, 2019 @ 100%          |
| December 1, 2023      | 825,000                   | 3.375%               | 688579 S89   | May 27, 2019 @ 100%          |
| December 1, 2024      | 825,000                   | 3.500%               | 688579 S97   | May 27, 2019 @ 100%          |
| December 1, 2025      | 825,000                   | 3.500%               | 688579 T21   | May 27, 2019 @ 100%          |
| <b>Total:</b>         | <b><u>\$6,775,000</u></b> |                      |              |                              |

**\$13,444,067 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2011  
DATED: DECEMBER 22, 2011**

| <u>Maturity Date:</u> | <u>Principal</u>   | <u>Interest Rate</u> | <u>CUSIP</u> | <u>Redemption Date/Price</u> |
|-----------------------|--------------------|----------------------|--------------|------------------------------|
| December 1, 2019      | \$795,000          | 2.000%               | 688579 V51   | May 27, 2019 @ 100%          |
| December 1, 2020      | 795,000            | 2.000%               | 688579 V69   | May 27, 2019 @ 100%          |
| December 1, 2021      | 805,000            | 2.250%               | 688579 V77   | May 27, 2019 @ 100%          |
| December 1, 2022      | 720,000            | 2.500%               | 688579 V85   | May 27, 2019 @ 100%          |
| December 1, 2023      | 720,000            | 3.000%               | 688579 V93   | May 27, 2019 @ 100%          |
| December 1, 2024      | 675,000            | 3.000%               | 688579 W27   | May 27, 2019 @ 100%          |
| December 1, 2025      | 675,000            | 3.000%               | 688579 W35   | May 27, 2019 @ 100%          |
| December 1, 2026      | 685,000            | 3.000%               | 688579 W43   | May 27, 2019 @ 100%          |
| December 1, 2027      | 295,000            | 3.250%               | 688579 W50   | May 27, 2019 @ 100%          |
| December 1, 2028      | 295,000            | 3.250%               | 688579 W68   | May 27, 2019 @ 100%          |
| December 1, 2029      | 295,000            | 3.375%               | 688579 W76   | May 27, 2019 @ 100%          |
| December 1, 2030      | 295,000            | 3.500%               | 688579 W84   | May 27, 2019 @ 100%          |
| December 1, 2031      | 295,000            | 3.500%               | 688579 W92   | May 27, 2019 @ 100%          |
| Total:                | <u>\$7,345,000</u> |                      |              |                              |

All the proceeds of the Refunded Bonds have been expended as of the date hereof.

***Sources and Uses of Proceeds***

The proceeds of the Refunding Bonds will be applied as follows:

Sources:

Par Amount of the Refunding Bonds  
Cash Contribution  
Reoffering Premium

\_\_\_\_\_  
=====

Application:

Deposit to Escrow Deposit Fund  
Underwriter's Discount  
Cost of Issuance and Contingency

\_\_\_\_\_  
=====

Total

***Verification of Mathematical Accuracy***

PKF O'Connor Davies, LLP (the "Verification Agent") will verify, from the information provided to them, the mathematical accuracy as of the date of the closing for the Bonds of the computations contained in the schedules provided to them in order to determine that the anticipated receipts from the U.S. Government Obligations investment securities, if any, and cash deposits, if any, to be held in the Escrow Deposit Fund, will be sufficient to pay, when due, the principal of and interest requirements of the Refunded Bond. The Verification Agent will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Refunding Bonds.

***Optional Redemption***

**Call Provisions.** The Bonds maturing on or before December 1, 2025 will not be subject to redemption prior to maturity. The Bonds maturing on December 1, 2026, and thereafter, will be subject to redemption prior to maturity, at the option of the County, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after December 1, 2025 at par plus accrued interest to the redemption date.

**Notification Procedures.** If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the Commissioner of Finance of the County. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See “Book-Entry-Only System” for additional information concerning redemptions).

### ***Book-Entry-Only System***

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instruments (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered as applicable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDOWNER.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR

INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

## **NATURE OF OBLIGATION**

Each of the Bonds when duly issued and paid for will constitute a contract between the County and the holder thereof.

Holders of any series of notes or bonds of the County may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the County has power and statutory authorization to levy ad valorem taxes on all real property within the County subject to such taxation by the County, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Levy Limitation Law,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the city’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

### ***Tax Levy Limitation Law***

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter of which are affected indirectly by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. As amended, the Tax Levy Limit Law expires on June 15, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy

Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such a statutory tax levy limitation is not clear.

### **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

**General Municipal Law Contract Creditors' Provision.** Each Bond when duly issued and paid for will constitute a contract between the County and the holder thereof. Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

**Authority to File For Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt, including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the County be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the County could be adversely affected by the restructuring of the County's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the County (including the Bonds) to payment from monies

retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the County under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the County.

**Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law.** The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims against the municipality, including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims, including debt service due or overdue, must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

**Fiscal Stress and State Emergency Financial Control Boards.** Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution, which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities, and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene, such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The County has not applied to the FRB and does not reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

**No Past Due Debt.** No principal of or interest on County indebtedness is past due. The County has never defaulted in the payment of the principal of and interest on any indebtedness.

## **MARKET FACTORS**

The financial and economic condition of the County as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the County’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the County can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the County can be paid only if the State has such monies available therefor. (See “State Aid” herein).

Should the County fail to receive monies expected from the State in the amounts and at the times expected, the County is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to the U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the County. Any such future legislation could have an adverse effect on the market value of the Bonds (See “Tax Matters” herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, including the County, school districts, and fire districts in the State could have an impact upon operations of the County and as a result, the market price for the Bonds. (See “Tax Levy Limitation Law,” herein.)

### ***Cybersecurity***

The County, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the County invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage County digital networks and systems and the costs of remedying any such damage could be substantial.

## **THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS**

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller (“OSC”) has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress”, in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report, for 2017 data, of the State Comptroller designates the County as “No Designation,” with a fiscal score of 3.3% and an environmental score of 36.7%.

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

The financial affairs of the County are subject to periodic compliance reviews by OSC to ascertain whether the County has complied with the requirements of various State and federal statutes. Complete reports released by OSC can be obtained by visiting their official website.

See also “Independent Audits - State Audits” herein regarding certain audits of County by the Office of the State Comptroller.

## LITIGATION

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the County, threatened against or affecting the County to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the County taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the County.

The County receives numerous notices of claims generally based on allegations relating to false arrest and imprisonment, malicious prosecution, personal injury or breach of civil rights. The filing of the notice of claim begins the statutory period for instituting judicial action. Most claims filed against the County assert money damages, however, in certain instances that plaintiff is seeking injunctive relief as the remedy. In the opinion of the County Attorney, the settlement of claims presently pending against the County will not have a material adverse effect on the County's financial position, cash flow or results of operations.

**Claims and Insurance.** The County protects itself against most forms of risk such as general liability or property and casualty risk by purchasing insurance. Generally, the County's policy provides \$1 million of coverage for each insured occurrence and \$2 million aggregate, however, the County has elected to self-insure for the first \$250,000 paid to claimants. In addition to the basic coverage, the County has a municipal excess catastrophe liability policy which pays up to an additional \$10 million per occurrence and \$20 million aggregate.

There are pending approximately 57 open insurance claims with a potential aggregate liability to the County estimated to be approximately \$500,000. The open claims total includes claims counsel deems abandoned and claims counsel is actively trying to get dismissed.

The County has reserved a portion of its General Fund balance to pay for claims not covered by insurance. In addition, the County also includes an appropriation in the operating budget to pay claims not covered by insurance. For 2017 and 2018, the County paid \$256,220 and \$25,675 to satisfy these claims, respectively. As of December 31, 2018, the balance in the County's insurance reserve was \$1,625,780.

**Tax Certiorari Claims.** There are numerous tax certiorari claims currently pending against the County. Several of the County's other large taxpayers also have unsettled claims affecting one or more years. The plaintiffs in these matters have asserted that their properties are over assessed and are seeking assessment reductions. A refund of excess taxes previously paid is also generally requested. Tax certiorari claims are administered by the cities and towns in the County which assess property in the County. The County, however, is responsible for the County portion of any tax.

It is not possible to provide an estimate of the County's potential liability for all open tax certiorari claims. Many cases are settled by prospectively reducing the property assessment but do not provide for the refund of taxes. The amount of taxes refunded by the County in recent years has not been material. For the fiscal years ended December 31, 2017 and 2018 the County paid \$104,526 and \$167,158 in tax refunds, respectively. Pursuant to the Local Finance Law, the County may issue debt to finance judgments and settled claims including those based on tax certiorari claims

## TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The County has covenanted to comply with

certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, certain legislative proposals in recent years have been made that would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Tax reform legislation presently under consideration in Congress.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the applicable approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix E.

## **DISCLOSURE UNDERTAKING**

This Official Statement is in a form "deemed final" by the County for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds, the County will provide an executed copy of its undertaking to provide continuing disclosure certificate" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the Bonds. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the County has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated March 13, 2019 of the County relating to the Bonds under the headings “Litigation” and in Appendix A under the headings “The County”, “Financial Factors”, “Real Property Taxes”, “County Indebtedness” and “Economic and Demographic Data” and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ended December 31, 2019, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ended December 31, 2019; such audit (prepared in accordance with the accounting principles the County may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the County of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the County of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the County; (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a "financial obligation" (as defined in the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the County, any of which affect bondholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the County, if any such event reflects financial difficulties.

Event (iii) is included pursuant to a letter for the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) the County does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the County does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

The County's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12") which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with the Undertaking will not constitute a default with respect to the Bonds.

The County reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in consultation with nationally recognized bond counsel in a manner consistent with Rule 15c2-12, as amended.

### ***Continuing Disclosure Compliance History***

Since 2007, there have been in excess of 50 rating actions reported by Moody's Investors Service, S&P Global Ratings and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the County. Due to widespread knowledge of these rating actions, material event notices were not filed by the County in each instance.

The 2016 audited financial statements were inadvertently filed late. Due to an administrative oversight by DTC, and at no fault of the County, an interest payment due on March 1, 2018 was made 7 days late to holders of the County's \$5,000,000 Public Improvement (Serial) Bonds, 2017. Notices for such events have been posted by the County.

### **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC, Hopewell Junction, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the County in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the County to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the County. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

## RATING

The County has applied to S&P Global Ratings (“S&P”) for a rating of the Bonds. Such application is pending at this time.

The County’s underlying rating by S&P is currently “Aa2” with a stable outlook.

The County did not apply to Moody’s Investors Service, Inc. (“Moody’s”) for a rating of the Bonds. The County’s underlying rating with Moody’s is currently “Aa2” with a stable outlook.

Such ratings reflect only the respective views of S&P and Moody’s and any desired explanation of the significance of such rating should be obtained from S&P, 55 Water Street, New York, New York 10041 and Moody’s, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such ratings continue for any specified period of time or that such ratings will not be revised or withdrawn, if in the judgment of S&P or Moody’s, circumstances so warrant. Any such change or withdrawal of such ratings may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Bonds.

## ADDITIONAL INFORMATION

Additional information may be obtained from Heidi Seelbach, Commissioner of Finance, 22 Market Street, Poughkeepsie, New York 12601-3294, (845) 486-2033, e-mail: [hseelbach@dutchessny.gov](mailto:hseelbach@dutchessny.gov) or from the County’s Municipal Advisor, Capital Markets Advisors, LLC, 822 Route 82 – Suite 310, Hopewell Junction, New York, 12533, (845) 227-8678.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the County and the original purchasers or holders of any of the Bonds.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the County management’s beliefs as well as assumptions made by, and information currently available to the County’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the County’s files with the MSRB. When used in County documents or oral presentations, the words “anticipate,” “believe,” “intend,” “plan,” “foresee,” “likely,” “estimate,” “expect,” “objective,” “projection,” “forecast,” “goal,” “will,” or “should,” or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the County, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the County for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the County will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the County, as to which no representation can be made.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://www.capmark.org). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement is submitted only in connection with the sale of the Bonds by the County and may not be reproduced or used in whole or in part for any other purpose.

COUNTY OF DUTCHESS, NEW YORK

By: \_\_\_\_\_  
Heide Seelbach  
Commissioner of Finance and Chief Fiscal Officer

DATED: March 27, 2019

**APPENDIX A**

**THE COUNTY**

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## THE COUNTY

### *General Information*

The County was established by an act of the Colonial Assembly of New York on November 1, 1683 as one of the ten original counties of New York. The County encompasses approximately 795.6 square miles and, according to the 2010 Census data, has a population density of approximately 374 residents for each square mile (297,488 individuals). The County is bounded by the Hudson River to the west, the State of Connecticut to the east and the counties of Columbia and Putnam to the north and south, respectively.

Population of the County has generally increased steadily since 1940 when IBM opened its first plant in the County. According to U.S. Census Bureau, the County's population grew from 120,542 in 1940 to 297,488 in 2010, a percentage increase of approximately 146.8%. However, according to interim data obtained from the US Census Bureau, the County's estimated population for 2017 showed a slight decline to 295,685 persons, which represents a decrease of 0.1% persons when compared to the 2010 US Census. In general, the population growth rates recorded at the State level has historically been less than the rate of growth for the County. See "Economic and Demographic Data," herein.

Wealth levels for County residents are above State and national averages. According to the U.S. Census Bureau (American Community Survey – 5 Year Estimate), the per capita income of County residents in 2017 was estimated at \$36,704, which was higher than both the State and National averages by 2.6% and 17.7%, respectively. State and U.S. income averages reported on this basis were \$35,757 and \$31,177 respectively. Median family income for 2017 in the County, State, and Nation were estimated to be \$94,533, \$77,141 and \$70,850. See "Economic and Demographic Data," herein.

A majority of the County's labor force is employed in the service-related sector or in government jobs. According to preliminary information released by the New York State Labor Department (the Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics.), for 2017, service-related positions accounted for approximately 52.1% of the County's workforce. Other major industries of the County workforce for this same time frame included retail trade, construction and manufacturing, which, combined, were estimated to employ approximately 21.8% of the area workforce. Government related positions for 2017 were estimated to account for approximately 17.5% of the County's workforce. According to the New York State Labor Department (the Quarterly Census of Employment and Wages), for 2017, farm related positions (agriculture, forestry, fishing and hunting) accounted for approximately 0.6% of the County's workforce. See "Economic and Demographic Data," herein.

Demographically, the County may be characterized as an urban, suburban and rural mix. Communities situated in the southwest quadrant of the County are well developed and account for approximately 70% of the County's total population. Much of the County's commercial and industrial base is located in this area including International Business Machine Corporation ("IBM"), GlobalFoundries, and GAP Inc. Other sections of the County (predominantly in the northeastern portion of the County) are rural with large tracts of land devoted to agriculture. Dairy farms are located primarily in the northern part of the County while produce farms may be found throughout the County. Thoroughbred horse farms and several farms specializing in premium breeds of cattle are situated in the central areas of the County. See "Economic and Demographic Data," herein.

Previously the County's largest private employer, IBM Corporation transferred ownership of its East Fishkill site to GlobalFoundries during 2015. Several jobs at the site were reclassified due to recent enhancements in technology and a rise in automation. The County estimates IBM presently employs approximately 4,100 within its limits, which is down from 11,410 in 2008. Employment at GlobalFoundries is currently estimated at 2,500. On November 1, 2011 a PILOT agreement between IBM and the County's Industrial Development Agency ("the County IDA") was signed. The agreement provides certain tax incentives to IBM for five parcels located within the Town of Poughkeepsie. Payments commenced during the 2013 fiscal year and the agreement will remain in effect until expiration on December 31, 2026. See "Matters Affecting Real Property Assessments and Taxes" herein.

GAP Inc., a national retailing company and major County employer, operates a 2.3 million square foot warehouse and distribution facility in the Town of Fishkill adjacent to Interstate 84. The facility serves as the GAP's Old Navy

distribution center for the Northeast United States. Employment at the warehouse is currently estimated by County officials to be approximately 1,300 individuals. During the summer of 2014 GAP announced a \$96 million expansion of the Fishkill distribution center. It is anticipated that the expansion will result in the creation of approximately 1,200 new jobs by June of 2019. See also, "Matters Affecting Real Property Assessments and Taxes" herein.

### ***Form of Government***

Pursuant to the provisions of Local Law 1 - 1967, the County adopted a charter form of government in accordance with the provisions of the Municipal Home Rule Law of the State. The effect of the charter was to provide for separate and independent executive and legislative functions. A County executive was first elected in November, 1967 and took office on January 1, 1968 at which time the provisions of Local Law 1 - 1967 became effective.

**Elected Officials.** The County Executive is elected from the County at large for a term of four years with the right of unlimited self-succession. Such County Executive must be a qualified voter of the County at the time of his nomination, election and for his term of office. The County Executive is the Chief Executive Officer responsible for the administration of all County affairs and also acts as the County's Budget Officer which function is delegated to the County's Budget Director. The County Executive is required to approve, in writing, all acts of the County Legislature (except acts affecting the conduct of legislative affairs). If the County Executive fails to return such legislation to the Clerk of the Legislature (with a written explanation) within 10 days (30 days for local laws) after its submission to the County Executive, such legislation is deemed to be approved and duly enacted. A veto of the County Executive may be overridden by a 2/3 vote of the County Legislature if such vote takes place within 30 days of the return of such legislation by the County Executive.

The current County Executive, Marcus J. Molinaro, was elected to be Dutchess County's 5th County Executive in November of 2011 and began his first term on January 1, 2012. In November of 2015, the Executive was reelected and his second term, which commenced on January 1, 2016. County Executive Molinaro was first elected to public office at the age of 18 in 1994, serving as a member of the Village of Tivoli Board of Trustees. In 1995 he was elected Mayor, making him the youngest Mayor in the United States. He was re-elected by Village of Tivoli as Mayor five times. Executive Molinaro has also been elected four times to the Dutchess County Legislature, where he served as Chairman of the Budget, Finance and Personnel Committee and Co-Chairman of the Commission on Child Protection. In addition, Executive Molinaro has served in the New York State Assembly as the representative of the 103rd District.

The County Legislature is the legislative, appropriating and policy determining body of the County and consists of 25 members representing the various legislative districts within the County. Members are elected to serve an unlimited number of 2-year terms. The County Legislature is assisted in its duties by a part-time counsel.

Duties of the Legislature include: review and adoption of the County's annual budget, approval of budgetary modifications during the year and authorization by resolution the issuance of debt by the County. Legislative committees have been organized to oversee various functions of County government. These committees are advisory in nature and formal actions must be approved by a vote of the Legislature as a whole. The leadership of the County Legislature presently (for 2019) is as follows: Chairman of the Board of Legislators (A. Gregg Pulver); Majority Leader (Don Sagliano); and Minority Leader (Hannah Black).

The County has an elected Comptroller (Robin L. Lois) who serves a 4-year term with the right of unlimited self-succession. Duties of the Comptroller include auditing the bills and claims presented to the County for payment and conducting audits of the various departments of the County.

Other elected officials include: County Clerk (Bradford Kendall), District Attorney (William V. Grady), and Sheriff (Adrian H. Anderson), who are also elected from the County at large for 4-year terms.

**Appointed Officials.** The Chief Fiscal Officer of the County is the Commissioner of Finance who is appointed by the County Executive and confirmed by the County Legislature. The Commissioner of Finance is responsible for the administration of the financial affairs of the County. Duties of this position include: collecting and disbursing County funds, investing such funds for temporary periods, issuing debt approved by the County Legislature, maintaining accounting records and preparing financial statements therefrom. Heidi Seelbach is the Commissioner of Finance for the County.

The County Attorney advises the County Executive and department heads on various legal matters and prepares contracts and legal papers for the County. In addition, the County Attorney represents the County before the courts. James M. Fedorchak is the present County Attorney.

Subject to confirmation by the County Legislature, the County Executive appoints all department heads and appointive executive officers of the County. The following departments or offices are appointed by and report to the County Executive: Aging, Human Rights, Attorney, Finance, Health, Mental Hygiene, Personnel, Planning, Probation, Public Defender, Public Works, Risk Management, Social Services, Solid Waste Management, Veterans Affairs, Youth Bureau, Consumer Affairs, Emergency Response, Computer Information System and Real Property Tax Service Agency.

See the official website of the County for a further description of the responsibilities of key County officials.

### ***Services***

Residents of the County receive a full range of services from County government including: higher education (Dutchess Community College); social and health services; highway maintenance and improvements; police protection and law enforcement; parks and recreation; transportation including the County Airport and bus system; planning and development; emergency preparedness; consumer protection; corrections (County Jail); solid waste management (see below); and tax collection and enforcement. The County guarantees 100% of the taxes raised by the towns, villages and school districts in the County.

### ***Dutchess County Resource Recovery Agency***

THE INFORMATION FOR THIS SECTION HAS BEEN PROVIDED BY THE DUTCHESS COUNTY RESOURCE RECOVERY AGENCY. SUCH DATA HAS BEEN EXTRAPOLATED FROM THE ELECTRONIC MUNICIPAL MARKET ACCESS WEBSITE AND IS BASED ON DATA FROM THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS DECEMBER 31, 2017 AND 2017 OPERATING DATA FILED IN CONNECTION WITH THE AGENCY'S CONTINUING DISCLOSURE PLEDGE. THE INFORMATION PROVIDED IN THIS SECTION SHOULD BE CONSIDERED UPDATED AS OF THE DATES INDICATED IN THESE FILINGS. ADDITIONAL INFORMATION RELATING TO THE DUTCHESS COUNTY RESOURCE RECOVERY AGENCY CAN BE PROVIDED BY REQUEST OF THE AGENCY, THE COUNTY OR THE COUNTY'S MUNICIPAL ADVISOR.

Dutchess County Resource Recovery Agency (the "Agency") is a body corporate and politic constituting a public benefit corporation, duly created and existing pursuant to Title 13-D of Article 8 of the New York Public Authorities Law and Chapter 43-A of the Consolidated Laws of the State of New York (as amended or supplemented from time to time, the "Act"). The Act authorizes the Agency to collect, receive, transport, process and dispose of solid waste; to design, construct and operate, or to have designed, constructed and operated solid waste management - resource recovery facilities; to sell, directly or indirectly, energy produced by the Facility and materials recovered from the System; to contract with the United States of America and the State with regard to grants and loans and with other municipalities, public corporations, or persons with regard to the collection, processing, or disposal of solid waste and the sale of energy products; to acquire property with the consent of the County Legislature and County Executive by eminent domain; to employ persons and contract with consultants; and to borrow funds to finance the design, construction and operation of solid waste management - resource recovery facilities.

The Agency was created by the New York State Legislature on July 22, 1982 by Chapter 675 of the Laws of 1982.

Since 2012 the County has been established as the local planning unit for solid waste management in the County under State law. As the local planning unit, the County has prepared, approved and published the Dutchess County Local Solid Waste Management Plan (dated December 2012 and covering the planning period 2012 - 2022), which (i) quantifies the solid waste stream in the County; (ii) describes the institutional framework for Solid Waste management; (iii) defines the County's Solid Waste Management System; and (iv) establishes goals for reduction, reuse, recycling and disposal of solid waste. The Solid Waste Management Plan has been approved by the State Department of Environmental Conservation ("NYSDEC"), and is in full force and effect. The Plan is being substantially implemented by the County, although the Agency continues to have a role in the implementation of some portions of the Plan, including the oversight of the Facility.

The Agency owns and through an independent contractor operates a municipal waste-to-energy type resource recovery facility (the “RRF” or the “Facility”); and has contractual arrangements and/or rights for the disposal of ash residue from incineration and materials that cannot be processed at the Facility.

**Agency Board.** Pursuant to the Act, the Agency’s decision making power is vested in its Board of Directors. The Board is composed of seven members, three are appointed by the Dutchess County Executive, three are appointed by the County Legislature and there is one joint appointment. The members of the Board are listed below:

| <u>Name</u>      | <u>Title</u>  | <u>Term Expires</u>   |
|------------------|---------------|-----------------------|
| Wayne Nussbickel | Chairman      | December 31, 2018     |
| David Petrovits  | Vice Chairman | December 31, 2019     |
| Steven Tinkelman | Treasurer     | December 31, 2018     |
| Dan Denisoff     | Secretary     | December 31, 2018     |
| Jeffrey Senft    | Member        | December 31, 2019     |
| Joseph A. Small  | Chairman      | December 31, 2016 (1) |
| [Vacant]         | Member        |                       |

(1) Will continue to serve until a successor is appointed pursuant to the Public Authorities Law.

**Agency Staff.** The Agency’s overall operations are managed by the Executive Director of the Agency who is appointed by the Agency Board. The position of Interim Executive Director is currently held by Lindsay Carille, who has held that position since May 2016 and has been affiliated with the Agency since 2009. Ms. Carille holds a degree in Economics. Ms. Carille previously worked as an Economist for the U.S. Department of Labor and between 1999 and 2012, worked as a Planner for Dutchess County. In 2009, she worked with the Agency on a Flow Control Study and starting in 2012, has headed the Dutchess County Division of Solid Waste Management. Ms. Carille was the principal author of the Dutchess County Local Solid Waste Management Plan adopted in 2012. The Agency employs one full-time individual and two part-time individuals who are responsible for various administrative and operational duties. The Agency’s finances are supervised by a contracted Certified Public Accountant who is assisted by the Deputy Executive Director.

### **Management Discussion of Financial Operations**

Highlighted below is a summary of key statistics, operational results and financial results for the years ending December 31, 2013 through December 31, 2017.

*FY 2013.* For the year ended December 31, 2013, the Agency’s total revenues (excluding Net Service Fees from the County) decreased by \$1,392,148 to \$14,702,872. The decrease in total revenues can be primarily attributed to: i) a decrease in tipping fees due to a decrease in the scrap metal market price; and ii) a decrease in energy sales revenues of \$844,569 due to a temporary shut-down of the turbines producing electricity.

Operating expenses for 2013 decreased by \$1,230,089 compared to the prior year. The reduction in operating expenses are primarily attributed to a decrease in service fees and revenue share due to Covanta (the previous Contractor) and a decrease in MRF processing fees following the plant closure in 2012.

The net service fees received from the County decreased from \$4,138,682 in 2012 to \$712,100 in 2013 as a result of the factors summarized above and the release of certain Trustee held funds associated with certain Agency bonds being retired.

The Agency’s net assets were \$12,037,935 at December 31, 2013 versus \$14,289,834 at December 31, 2012, a decrease of \$2,251,899.

*FY 2014.* For the year ended December 31, 2014, the Agency’s total revenues (excluding Net Service Fees from the County) increased by \$951,707 to \$15,654,579. The increase in total revenues is primarily due to a net increase in electrical revenue of \$1,111,517 due to a rebate from Central Hudson for avoided costs of higher priced fuels, per the Power Sales Agreement. The portion of the increase in revenues attributed to energy sales were offset by a loss in interest income of \$222,085 due to the payoff of the Series 1999A Bonds.

The net service fees received from the County increased by \$287,339 to \$999,439. The increase is primarily due to the use of trustee held funds in 2013 which were not available thereafter.

The Agency's net assets at December 31, 2014 were \$10,691,649, down \$1,346,286 from \$12,037,935 on December 31, 2013.

*FY 2015.* For the year ended December 31, 2015, the Agency's total revenues (excluding Net Service Fees from the County) decreased by \$1,000,877 to \$14,653,702. The decrease in total revenues can be primarily attributed to: i) a decrease in gross electrical revenues received by Central Hudson of \$496,881; and ii) a decrease in recycled metals sales of \$719,179 due to lower prices (offsetting an increase in tipping fee revenues of \$334,826).

Operating expenses for 2015 decreased by \$1,616,295 compared to 2014. The decrease in operating expenses is due to a reduction in service fees of \$1,165,828 due to Wheelabrator (the current Contractor) under the Agency's new July 2014 Service Agreement.

Although the net service fees accrued from the County decreased by \$308,787 to \$690,652, the Agency applied unrestricted funds on hand and did not need to use any net service fee funds. The decrease in net service fees is primarily due to a reduction in operating expenses generated under the Agency's new Service Agreement.

The Agency's net assets at December 31, 2015 were \$ 9,670,494, down \$1,021,155 from \$10,691,649 on December 31, 2014.

*FY 2016.* For the year ended December 31, 2016, the Agency's total revenues (excluding Net Service Fees from the County) decreased by \$201,733 to \$14,451,969. The decrease in total revenues is primarily due to decreases of \$426,484 in gross electrical revenue from Central Hudson, \$370,570 in tipping fees and \$95,316 in metal recycling revenue, but was mitigated by receipt of non-performance damages, grants and other income of \$695,672. Decreases can be attributed to a 59-day major turbine overhaul which resulted in no electrical generation and the need to divert 4,432 tons of waste during the extraction and installation of the turbine.

Operating Expenses for 2016 decreased by \$784,673 primarily due to a decrease of \$416,925 in Professional Services expenses, a decrease of \$48,750 in debt service interest and a decrease of \$56,246 in Personnel Expenses.

Although the net service fees due from the County decreased by \$398,955 to \$291,697, the Agency applied unrestricted funds on hand and did not need to use any net service fee funds.

The Agency's net assets at December 31, 2016 were \$8,814,822, down \$855,672 from \$9,670,494 on December 31, 2015.

*FY 2017.* For the year ended December 31, 2017, the Agency's total decreased by \$271,415 to \$14,180,554. The decrease in total revenues is primarily due to decreases of \$274,089 in Energy Sales and \$114,623 in Other Revenue, but was mitigated by an increase in Recycled Material Sales of \$133,841.

Operating Expenses for 2017 decreased by \$977,077 primarily due to decreases of \$472,853 in Operator Service Fees and \$384,821 in Administrative Expenses.

Although the net service fees due from the County decreased by \$398,955 to \$291,697, the Agency applied unrestricted funds on hand and did not need to use any net service fee funds.

The Agency's net assets at December 31, 2017 were \$8,000,331, down \$814,491 from 8,814,822 on December 31, 2016.

For the year ended December 31, 2017, the Agency's had a net loss of (\$814,491). Total operating revenues increased by \$105,589 due to increases in tipping fees of \$34,659 and recycled materials sales of \$133,841 and a decrease in energy sales of \$274,089. Operating Expenses for 2017 decreased by \$977,007 due to a decrease of 5,499 in residue disposal fees, \$472,853 in operator service fees, \$384,821 in administrative expense, \$94,983 in interest expense and \$18,851 in depreciation.

The Agency had Other Income of \$157,130, a decrease of \$830,239 when compared to 2016. The differences in Other Income versus 2016 included no County Net Service Fee or State Grants received for 2017 and decreases of \$31,497 in non-performance guarantee payments, and \$114,623 in other income but an offsetting increase of \$11,898 in interest income. The Agency also recognized \$1,883,551 in Settlement of Host Community Benefit Accrual with offsetting expenses of \$922,793 in Non Performance Expense and \$1,333,474 in Net Service Fee Accrual.

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**Dutchess County Resource Recovery Agency  
Summary of Historical Operational and  
Financial Results and Debt Service Coverage**

|                                               | <u>2013</u>               | <u>2014</u>               | <u>2015</u>               | <u>2016</u>               | <u>2017</u>              |
|-----------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| <b>OPERATIONAL RESULTS</b>                    |                           |                           |                           |                           |                          |
| RRF Average MSW Tip Fee (\$/Ton)              | \$71.20                   | \$72.15                   | \$73.55                   | \$73.51                   | \$74.28                  |
| Tonnage Received at RRF (1)                   | 154,068                   | 154,542                   | 155,033                   | 150,515                   | 152,199                  |
| <b>FINANCIAL RESULTS</b>                      |                           |                           |                           |                           |                          |
| <b>REVENUE:</b>                               |                           |                           |                           |                           |                          |
| Tipping Fees (1)                              | 11,055,681                | 11,092,208                | 11,427,034                | 11,056,120                | 11,090,779               |
| Energy Sales (1)                              | 2,062,248                 | 3,173,765                 | 2,676,884                 | 2,250,400                 | 1,976,311                |
| Recycled Materials Sales                      | <u>1,215,121</u>          | <u>1,263,926</u>          | <u>544,747</u>            | <u>449,777</u>            | <u>583,618</u>           |
| <b>TOTAL REVENUE</b>                          | <b><u>14,333,050</u></b>  | <b><u>15,529,899</u></b>  | <b><u>14,648,665</u></b>  | <b><u>13,756,297</u></b>  | <b><u>13,650,708</u></b> |
| <b>EXPENSES:</b>                              |                           |                           |                           |                           |                          |
| Residue Disposal Fees                         | 2,022,181                 | 2,173,728                 | 2,131,108                 | 2,138,643                 | 2,133,144                |
| Operator Service Fees                         | 11,049,980                | 10,923,869                | 9,758,041                 | 9,808,598                 | 9,335,745                |
| Administrative Expenses                       | 1,693,794                 | 1,970,130                 | 1,858,652                 | 1,154,678                 | 769,857                  |
| Interest Expense                              | 938,566                   | 742,637                   | 696,388                   | 647,638                   | 552,655                  |
| Depreciation                                  | <u>1,962,350</u>          | <u>2,189,940</u>          | <u>1,939,820</u>          | <u>1,849,779</u>          | <u>1,830,928</u>         |
| <b>TOTAL EXPENSES</b>                         | <b><u>17,666,871</u></b>  | <b><u>18,000,304</u></b>  | <b><u>16,384,009</u></b>  | <b><u>15,599,336</u></b>  | <b><u>14,622,329</u></b> |
| <b>OPERATING INCOME (LOSS)</b>                | <b><u>(3,333,821)</u></b> | <b><u>(2,470,405)</u></b> | <b><u>(1,735,344)</u></b> | <b><u>(1,843,039)</u></b> | <b><u>(971,621)</u></b>  |
|                                               |                           |                           |                           |                           | 977,007                  |
| <b>OTHER INCOME (LOSS)</b>                    |                           |                           |                           |                           |                          |
| County Net Service Fees                       | 712,100                   | 999,439                   | 690,652                   | 291,697                   | -                        |
| Non-Performance Guarantee Payments            | -                         | -                         | -                         | 473,925                   | 442,428                  |
| State Grants                                  | -                         | -                         | -                         | 56,654                    | -                        |
| Interest Income                               | 227,415                   | 5,330                     | 5,037                     | 3,914                     | 15,812                   |
| Other Income (Loss)                           | 142,407                   | 119,350                   | -                         | 161,179                   | 46,556                   |
| Sale of Fixed Asset                           | -                         | -                         | -                         | -                         | 25,050                   |
| Settlement of Host Community Benefit Accrual  | -                         | -                         | -                         | -                         | 1,883,551                |
| Non Performance Expense                       | -                         | -                         | -                         | -                         | (922,793)                |
| Net Service Fee Accrual (Over-accrual)        | -                         | -                         | -                         | -                         | (1,333,474)              |
| <b>TOTAL OTHER INCOME (LOSS)</b>              | <b><u>1,081,922</u></b>   | <b><u>1,124,119</u></b>   | <b><u>695,689</u></b>     | <b><u>987,369</u></b>     | <b><u>157,130</u></b>    |
| <b>NET INCOME (LOSS)</b>                      | <b><u>(2,251,899)</u></b> | <b><u>(1,346,286)</u></b> | <b><u>(1,039,655)</u></b> | <b><u>(855,670)</u></b>   | <b><u>(814,491)</u></b>  |
| <b>Reserve and Contingency Funds (2)</b>      | <b>4,337,906</b>          | <b>248,110</b>            | <b>241,974</b>            | <b>192,655</b>            | <b>398,560</b>           |
| Reserve and Contingency Proceeds              |                           |                           |                           |                           | 172,540                  |
| Debt Service Reserve in Excess of Requirement |                           |                           |                           |                           | 226,020                  |
| Proceeds available in Debt Service Fund       |                           |                           |                           |                           |                          |
| <b>Revenue Available For Debt Service (3)</b> | <b>4,986,923</b>          | <b>1,834,401</b>          | <b>1,838,527</b>          | <b>1,834,402</b>          | <b>1,897,940</b>         |
| Principal                                     | 3,595,000                 | 925,000                   | 975,000                   | 1,020,000                 | 1,170,000                |
| Interest                                      | 938,566                   | 742,637                   | 696,388                   | 647,638                   | 555,400                  |
| Bond Debt Service                             | 4,533,566                 | 1,667,637                 | 1,671,388                 | 1,667,638                 | 1,725,400                |
| <b>Debt Service Coverage</b>                  | <b>1.10</b>               | <b>1.10</b>               | <b>1.10</b>               | <b>1.10</b>               | <b>1.10</b>              |

Source: 2017 Audit and auditor. The table itself has not been audited.

- (1) In fiscal year 2016 the Agency undertook a maintenance and repair project on the System's turbine to improve the turbine's ability to generate electricity. The project lasted 59 days. During this period there was no electrical generation and the Agency had to divert approximately 4,430 tons of waste.
- (2) Includes: i) Reserve and Contingency Fund proceeds; ii) Debt Service Reserve Fund Proceeds in excess of the Debt Service Reserve Fund Requirement; and iii) proceeds available in the Debt Service Fund.
- (3) Revenue Available for Debt Service is calculated as follows: total operating revenues plus total other income, Reserve and Contingency Funds and amounts in excess of the Debt Service Reserve Fund Requirement less disposal fees, service fees and administrative expenses

Source: The Municipal Securities Rulemaking Board (Dutchess County Resource Recovery Agency- Continuing Disclosure filing for the fiscal year ended December 31, 2017).

**Management Discussion of 2018 Budget.**

The Agency anticipates that it will end the 2018 fiscal year in a balanced budget position. The budget is predicated on receiving 154,000 tons of Municipal Solid Waste into the Facility, producing tip fee revenues of \$11,704,000 and electric energy sales of \$2,836,680. The 2018 operating budget does not include a Net Service Fee from Dutchess County. The 2018 Budget excludes depreciation and amortization of \$1,939,820, as this is a non-cash item.

The table below sets forth a summary of the Agency’s 2018 Budget:

**Dutchess County Resource Recovery Agency**  
**Summary Of 2018 Budget**

Revenue:

|                         |              |
|-------------------------|--------------|
| Tipping Fees            | \$11,704,000 |
| Electric Energy Sales   | 2,836,680    |
| Metal Recycling Revenue | 684,500      |
| Interest Earnings       | 20,000       |
| Special Income          | 26,000       |
| Net Service Fee         | 0            |
|                         | <hr/>        |
| Total Revenue           | \$15,271,180 |

Expenses:

|                                       |            |
|---------------------------------------|------------|
| Personal Services                     | \$ 305,800 |
| Administration                        | 52,040     |
| Equipment                             | 26,800     |
| Vehicle Expense                       | 0          |
| Buildings/Grounds                     | 0          |
| Utilities                             | 113,650    |
| Travel/Conference                     | 500        |
| Insurance                             | 30,500     |
| Service Fees & Other Charges          | 10,957,040 |
| Pass Throughs                         | 0          |
| Residue Disposal                      | 2,010,000  |
| Professional Services                 | 222,000    |
| Debt Service                          | 1,552,850  |
| Reserves                              | 0          |
|                                       | <hr/>      |
|                                       | 15,271,180 |
|                                       | 0          |
| Depreciation:                         | 1,939,820  |
|                                       | 0          |
| Total Expenses,excluding Depreciation | 15,271,180 |
|                                       | <hr/>      |
| Budget Profit/(Loss)                  | \$ -0-     |

Source: The Municipal Securities Rulemaking Board (Dutchess County Resource Recovery Agency- Continuing Disclosure filing for the fiscal year ended December 31, 2017).

**Litigation And Claims.** In the opinion of Mackey Butts & Wise, LLP, counsel to the Agency, to the best of our knowledge there is no pending litigation or threatened claims which (i) questions the corporate existence of the Agency or the titles of the officers of the Agency to their respective offices, (ii) seeks to restrain or enjoin the issuance or delivery of the Series 2017 Bonds or the collection of the revenues pledged to the payment of the Series 2017 Bonds, (iii) contests or affects the validity of the Series 2017 Bonds or the Resolution, (iv) in any way contests or affects the

collection or the pledge of the revenues pledged to the payment of the Series 2017 Bonds or contests the powers of the Agency or any agency for the issuance of the Series 2017 Bonds, the adoption of the Resolution or the application of the proceeds of the Series 2017 Bonds for the purposes and in the manner described herein, or (v) may result in any material adverse change to the Solid Waste System or the financial condition of the Agency.

*Lawsuit by former Operator.* The lawsuit which was commenced by Covanta Hudson Valley Renewable Energy, LLC (“Covanta”) against the Agency by the filing of a Summons & Complaint on June 25, 2014 in New York State Supreme Court, County of Dutchess has been settled. Both parties have executed mutual releases in connection with the matter. There is no other pending , or threatened litigation or claims of any kind by Covanta against the Agency.

*Community Host Fee.* The issue of Community Host Fee and the Town of Poughkeepsie has been resolved. There is no pending or threatened litigation or claims of any kind by the Town of Poughkeepsie against the Agency.

*Lawsuit Against Henningson, Durham & Richardson, P.C.* The Agency commenced a lawsuit against Henningson, Durham & Richardson, P.C. (“HDR”) in June of 2017 in the Supreme Court of New York, County of Dutchess. In its complaint, the Agency alleged breach of contract, among other things, resulting in damage to the Agency. HDR filed answer in August of 2017. No counter claims were alleged by HDR and, therefore, there is no anticipated liability for the Agency in relation to this matter. The action is currently in a discovery phase where the parties are exchanging information and documentation relevant to the case. Additionally, the parties are engaging in settlement discussions. Anticipated recovery is between fifty and one hundred thousand dollars.

*Possible Malpractice Claim Against Prior Counsel.* The Agency’s prior counsel has to settle a possible malpractice claim by the Agency. Suit for this claim has not been filed. Settlement of the claim is expected to be finalized in a matter of days. No counterclaims against the Agency have been alleged and are not contemplated.

This response is limited by, and in accordance with, the ABA Statement of Policy Regarding Lawyers' responses to Auditors' Requests for Information (December 1975). Without limiting the generality of the foregoing, the limitations set forth in such Statement on the scope of use of this response (Paragraphs 2 and 7) are specifically incorporated herein by reference: and this response also is qualified in its entirety by Paragraph 5 of the Statement and the accompanying Commentary (which is an integral part of the Statement).

Source: The Municipal Securities Rulemaking Board (Dutchess County Resource Recovery Agency- Continuing Disclosure filing for the fiscal year ended December 31, 2017).

### ***Dutchess County Water and Wastewater Authority***

THE INFORMATION FOR THIS SECTION HAS BEEN PROVIDED BY TH THE DUTCHESS COUNTY WATER AND WASTEWATER AUTHORITY. SUCH DATA HAS BEEN EXTRAPOLATED FROM THE ELECTRONIC MUNICIPAL MARKET ACCESS WEBSITE AND IS BASED ON DATA FROM THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEARS DECEMBER 31, 2017 AND 2017 OPERATING DATA FILED IN CONNECTION WITH THE AGENCY'S CONTINUING DISCLOSURE PLEDGE. THE INFORMATION PROVIDED IN THIS SECTION SHOULD BE CONSIDERED UPDATED AS OF THE DATES INDICATED IN THESE FILINGS. ADDITIONAL INFORMATION RELATING TO THE DUTCHESS COUNTY RESOURCE RECOVERY AGENCY CAN BE PROVIDED BY REQUEST OF THE AUTHORITY, THE COUNTY OR THE COUNTY’S MUNICIPAL ADVISOR.

The Dutchess County Water and Wastewater Authority (the “Authority”) was established in 1991 under the Dutchess County Water and Wastewater Authority Act, now codified as Title 6-C of Article V of the Public Authorities Law of the State (the “Act”), as a body corporate and politic constituting a public benefit corporation. The Act authorizes the Authority, among other things, to provide for the supply and sale of water for domestic, commercial and public purposes at retail to individual consumers within the County or wholesale to municipalities, water districts or district corporations within the County and for the collection, treatment and disposal of sewage within the County. The Authority has no taxing power.

**Trust Indenture.**

As of June 1, 1995 the Authority executed a trust indenture authorizing the issuance of debt for the purpose of acquiring a sewage facility. This trust indenture was amended on March, 1, 2007. A second supplemental trust indenture was issued on June 1, 2007 to authorize debt for Part County Sewer District #1.

As of March 1, 2007, a general trust indenture was executed, and as of June 1, 2007, a first supplemental indenture was executed, to authorize debt for Part County Sewer District #2.

**Special Bond Resolutions.** As of September 30, 1997 the Authority adopted a special bond resolution authorizing debt to be sold at private sale for the purpose of acquiring a privately held water system.

**General Bond Resolutions.** As of June 1, 1998 the Authority adopted a General Water Bond Resolution which enabled the Authority to issue additional debt pursuant to supplemental resolutions without having to modify the form or general terms of the debt, referred to as additional parity debt. The Authority has issued eighteen supplemental resolutions pursuant to this general bond resolution, authorizing debt issues in the years 1998, 1999, 2000, 2001, two issues in 2002, one issue in 2004, two issues in 2008 and 2009, one issue in 2010, 2011, 2013, 2014, and 2015, and two issues in 2016.

As of August 1, 2004 the Authority adopted a general bond resolution pertaining to the Part County Sewer District No. 3, which enabled it to issue bonds to finance the purchase of Dalton Farms Sewer System.

Subsequently, on March 21, 2007, the Authority adopted general bond resolutions pertaining to Part County Sewer Districts No.1 and No. 2, enabling it to issue bonds for upgrades to the Chelsea Cove and Valley Dale Sewer Systems. Prior to this, in 2005 the Authority refinanced bonds previously issued through the New York State Environmental Facilities Corporation for the Chelsea Cove Sewer System.

In September 2013, the Authority authorized financing of \$2,757,441 with New York State Environmental Facilities Corporation maturing in September 2016. The purpose of the notes is to provide the Authority with funds to pay for improvements to the Shore Haven water system. In 2016, a resolution was approved to extend the maturity date to September 2018. As of December 31, 2017 and 2016, there were drawdowns of \$2,732,940 and \$1,132,921 on this authorization.

In February 2017, the Authority authorized financing of \$3,752,144 with New York State Environmental Facilities Corporation maturing in February 2022. The purpose of the notes is to provide the Authority with funds to pay for improvements to the Pinebrook Sewer District wastewater treatment plant process. As of December 31, 2017, there were drawdowns of \$147,682 on this debt.

Source: The Municipal Securities Rulemaking Board (Dutchess County Water And Wastewater Authority- Continuing Disclosure filings for the fiscal year ended December 31, 2017).

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The below table provides a breakdown of the Authority's outstanding bonds at December 31, 2017:

| Bonds Outstanding                                                                                                                                       | Amount Outstanding<br>At December 31, 2016 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1. 1998 Revenue Bonds (Zero Coupon) Series One                                                                                                          | \$3,817,818                                |
| 2. 2000 Service Agreement Revenue Bond Series 2000                                                                                                      | 190,000                                    |
| 3. 2001 Service Agreement Revenue (Refunding) Bond Series 2001                                                                                          | 1,123,410                                  |
| 4. 2004 Water Service Agreement Revenue Bond Series 2004                                                                                                | 925,000                                    |
| 5. 2004 Sewer Service Agreement Revenue Bond Series 2004                                                                                                | 980,000                                    |
| 6. 2009 Water Service Agreement Revenue Bond Series 2009<br>(Partially refunded in 2016)                                                                | 1,535,000                                  |
| 7. 2009 Water Service Agreement Revenue Bond Series 2009                                                                                                | 1,347,524                                  |
| 8. New York State Environmental Facilities Corporation State Clean<br>Water and Drinking Water Revolving Fund Revenue (Refunding)<br>Bond Series 2010 C | 2,440,000                                  |
| 9. New York State Environmental Facilities Corporation State Drinking<br>Water Revolving Fund Revenue (Refunding) Bonds Series 2011 C                   | 985,000                                    |
| 10. 2011 Service Agreement Revenue Bond Series 2011                                                                                                     | 1,730,000                                  |
| 11. New York State Environmental Facilities Corporation<br>Revenue Refunding Bonds Series 2014B                                                         | 265,000                                    |
| 12. New York State Environmental Facilities Corporation<br>Revenue Refunding Bonds Series 2014B                                                         | 1,765,000                                  |
| 13. New York State Environmental Facilities Corporation Bonds, 2016                                                                                     | 1,055,000                                  |
| 14. New York State Environmental Facilities Corporation Bonds, 2016B                                                                                    | 3,934,399                                  |
| 15. Service Agreement Revenue Bonds, Series 2016                                                                                                        | 1,545,000                                  |
| 16. Service Agreement Revenue Refunding Bonds, Series 2016                                                                                              | 3,865,000                                  |
|                                                                                                                                                         | <hr/>                                      |
| Total Bonds Payable                                                                                                                                     | \$27,503,151                               |
|                                                                                                                                                         | <hr/>                                      |
| Accreted Interest recorded on Zero Coupon Bonds                                                                                                         | 8,524,082                                  |
|                                                                                                                                                         | <hr/>                                      |
| Portion Due Within One Year                                                                                                                             | (2,541,638)                                |
|                                                                                                                                                         | <hr/>                                      |
| Total Net Long Term Debt Payable                                                                                                                        | \$33,485,595                               |
|                                                                                                                                                         | <hr/> <hr/>                                |

Source: The audited financial statements of the Authority for the fiscal years ended December 31, 2017 and 2016. The table itself is not audited.

**Bond Covenants.** The Authority has agreed to maintain dedicated sources of revenues with respect to the projects financed in accordance with the State Act and in amounts such that the revenues of the Authority with respect to the financial projects shall be sufficient, together with all other funds available to the Authority for such purposes, to pay all costs of operating and maintaining the projects and to pay principal and interest requirements. The bonds payable are special obligations of the Authority, secured by the assets of the Authority and to be amortized solely from the revenues of the Authority.

The Authority has pledged its revenues, subject to the right to pay operating expenses, its interest in its Service Agreement with Dutchess County, its interest in cash and investments held by the Bond Trustee and any other property subsequently pledged.

In addition to pledging its revenues and other rights as described above, the Authority made certain covenants including that it will fix, charge and collect water and sewer rates together with other Authority revenues in amounts sufficient to provide for operating expenses as included in the Authority's budget. The Authority also pledges to maintain, in full force and effect, the service agreement with Dutchess County.

The Authority has entered into service agreements with Dutchess County for the Water District and Part County Sewer Districts to provide water and/or sewer services and receive a service fee from Dutchess County based on a contractual formula, generally when revenues are insufficient to cover certain operating expenses and debt service requirements. The Authority also receives payments from Dutchess County for the completion of certain consulting projects. Although these payments are subject to budgetary resolutions by the Dutchess County Legislature for approval, no approvals have been withheld by the Legislature. For the years ended 2017 and 2016, the Authority recorded net revenues of \$3,227,303 and \$3,109,584. There was \$0 was due to or due from the County at each respective yearend. Since the Authority is a component unit of Dutchess County, these transactions are also considered related party transactions.

Source: Authority officials and the audited financial statements of the Authority for the fiscal years ended December 31, 2017 and 2016.

### **Bond Refunding.**

In June 2007, the Authority issued \$2,290,000 in serial bonds with interest rates of 4.00-5.00%. The proceeds were used to fund improvements to the Valley Dale system of \$400,000, and improvements to the Chelsea Cove system of \$1,890,000. In 2014, the Authority refunded the 2007 sewer service agreement revenue bonds for Chelsea Cove and Valley Dale Sewer System with series 20148 bonds through NYS EFC. The net proceeds of the refunding, \$2,243,625, after payment of underwriting and other issuance costs, were used to purchase state and local government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. The cash flow required to service the old debt was \$3,174,344, and the cash flow required to service the new debt is \$3,064,850, resulting in a reduction of \$109,494. The economic gain (net present value of the savings resulting from the refunding) amounted to \$251,438. Escrow funds were used to pay down refunded debt, resulting in outstanding balances of \$1,825,000 and \$1,890,000, as of December 31, 2016 and 2015, respectively. The refunded bonds were called in 2017.

In April 2016, the Authority issued \$3,895,000 in service agreement revenue refunding bonds with interest rates of 1.75-4.00%. The proceeds were used to refund a portion of the Authority's 2009 bonds for Birch Hill and Hyde Park system improvements and pay the costs of issuance of the 2016 refunding bonds. The net proceeds of the refunding, \$4,178,704, after payment of underwriting and other issuance costs, were used to purchase state and local government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. The cash flow required to service the old debt was \$5,368,563, and the cash flow required to service the new debt is \$4,977,859, resulting in a reduction of \$390,703. The economic gain (net present value of the savings resulting from the refunding) amounted to \$350,743. Escrow funds were used to pay down refunded debt, resulting in an available balance of \$3,941,589 as of December 31, 2017. The refunded bonds will be called in 2019.

Source: Authority officials and the audited financial statements of the Authority for the fiscal years ended December 31, 2017 and 2016.

**Bond Anticipation Notes.** In September 2013, the Authority authorized financing of \$2,757,441 with New York State Environmental Facilities Corporation maturing in September 2016. The purpose of the notes is to provide the Authority with funds to pay for improvements to the Shore Haven water system. In 2016, a resolution was approved to extend the maturity date to September 2018. As of December 31, 2017 and 2016, there were drawdowns of \$2,732,940 and \$1,132,921 on this authorization.

In February 2017, the Authority authorized financing of \$3,752,144 with New York State Environmental Facilities Corporation maturing in February 2022. The purpose of the notes is to provide the Authority with funds to pay for improvements to the Pinebrook Sewer District wastewater treatment plant process. As of December 31, 2017, there were drawdowns of \$147,682 on this debt.

Source: The audited financial statements of the Authority for the fiscal years ended December 31, 2017 and 2016.

The below table provides a breakdown of the Authority's outstanding bond anticipation notes at December 31, 2017:

| Purpose                              | Original Issue Date | Maturity Date | Amount Outstanding at December 31, 2016: |
|--------------------------------------|---------------------|---------------|------------------------------------------|
| Shorehaven Water System Improvements | 09/26/13            | 09/26/18      | \$ 2,732,941                             |
| Pinebrook Sewer District Upgrades    | 02/02/17            | 02/02/22      | 147,682                                  |
| <b>Total</b>                         |                     |               | <b>\$ 2,880,623</b>                      |

Source: Authority officials and the audited financial statements of the Authority for the fiscal years ended December 31, 2017 and 2016. The table itself is not audited.

The audited financial statements and annual updates on operating results for the Dutchess County Water and Wastewater Authority are on file with the Municipal Securities Rulemaking Board and can be accessed by visiting the Electronic Municipal Market Access website.

### ***Other Entities***

Some of the services provided by the cities (2), towns (20) and villages (8) in the County include: highway maintenance, parks and recreation, planning and zoning and subdivision control, police protection, tax assessment and local courts. There are thirteen public school districts located wholly or partially within the County which provide primary and secondary education. The cities, towns, villages, fire districts and school districts have independent debt issuance and taxing powers.

### ***Employees***

The County provides services through approximately 1,800 full-time and part-time employees. County employees are represented by three collective bargaining units which were recognized by the County or certified by the State. The unions for County employees are the Dutchess County Local #814 of the Civil Service Employees Association, Inc., Dutchess County Sheriff's Employees Association, Dutchess County Deputy Sheriff's Police Benevolent Association, Inc. and Dutchess County Staff Association currently representing 1,551 employees.

The following chart provides information on union membership and contract expiration dates for the various represented County employees:

| Union                                                          | Number of Employees Represented | Date of Expiration Current Contract |
|----------------------------------------------------------------|---------------------------------|-------------------------------------|
| County Employees:                                              |                                 |                                     |
| CSEA, Inc., Local #1000 (A.F.S.C.M.E.)                         |                                 |                                     |
| AFL-CIO, Dutchess County Chapter 814                           | 1,153                           | 12-31-20                            |
| Dutchess County Sheriff's Employees Association                |                                 |                                     |
| -Affiliated with Communication-Workers of America, Local #1105 | 261                             | 12-31-16 <sup>(1)</sup>             |
| Dutchess County Deputy Sheriffs - PBA                          | 104                             | 12-31-19                            |
| Dutchess County Staff Association                              |                                 |                                     |
| NYSUT, AFT, AFL-CIO                                            | 33                              | 12-31-19                            |
| <b>Total</b>                                                   | <b>1,551</b>                    |                                     |

(1) In negotiation.

Source: County officials.

## ***Employee Benefits***

Substantially all employees of the City are members of the New York State and Local Employees Retirement System (“ERS” or the “Retirement System”). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired on or after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. Members hired after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee pension contributions throughout employment.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The County generally opts to make its pension payments in December in order to take advantage of the discount. The most recent payment was made in December 2017.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The County does not amortize pension payments and does not anticipate amortizing such payments in the foreseeable future.

On September 1, 2017, the State Comptroller announced for Fiscal Year 2018-19, the average contribution rates for ERS will decrease from 15.5% to 14.9%, and the average contribution rate for PFRS will decrease from 24.4% to 23.5%. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers.

In Spring 2013, the State and ERS approved a Stable Contribution Option (“SCO”), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contribution rates (“ARCs”). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The County pays its ERS contributions on a pay as you go basis and does not expect to participate in the SCO in the foreseeable future.

**ERS Contributions.** The County makes a payment to the New York State Retirement System each December (to take advantage of the discount) for the plan year ending March 31<sup>st</sup> of the subsequent year. The actual amount that

the County is invoiced for and pays each December includes amounts for employees of Dutchess Community College that are participants in the Retirement System. Dutchess Community College will reimburse the County for the payment made to the Retirement system on their behalf by the County. Contributions made by the County to the Retirement System over the last five years are as follows:

| <u>Calendar Year<br/>Payment Made:</u> | <u>NYS Fiscal<br/>Year Ending:</u> | <u>Total Payment<br/>(Invoice Amount)</u> | <u>College<br/>Portion</u> | <u>County<br/>Portion</u> |
|----------------------------------------|------------------------------------|-------------------------------------------|----------------------------|---------------------------|
| 2018                                   | 3/31/2019                          | \$19,174,100                              | \$1,636,470                | \$17,537,630              |
| 2017                                   | 3/31/2018                          | 19,547,828                                | 1,635,664                  | 17,912,164                |
| 2016                                   | 3/31/2017                          | 19,172,554                                | 1,521,558                  | 17,650,996                |
| 2015                                   | 3/31/2016                          | 19,796,768                                | 1,711,698                  | 18,085,070                |
| 2014                                   | 3/31/2015                          | 22,241,748                                | 1,882,029                  | 20,359,719                |

Source: County Officials.

### ***Other Postemployment Benefits***

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) is determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liabilities actually be funded, only that the County account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation is required every two years for the County. The County’s funding policy is to contribute the current annual premium (net of employee contributions) for retired participants (i.e. pay-as-you-go). Current New York State law does not permit municipalities to pre-fund medical benefit obligations.

**Fiscal Year Ended December 31, 2017 (Audited Information).** The County is in compliance with the requirements of GASB 45. The County has determined that its unfunded actuarial accrued liability (“UAAL”) for OPEB as of December 31, 2017 was \$380,372,020 (primary government). For the year ended December 31, 2017, the County's ARC for Governmental and Business Activities was \$29,859,653. After interest of \$6,573,399 and adjustments of negative \$6,709,878, the annual OPEB cost for Governmental and Business-Type Activities at December 31, 2017 was \$29,723,174. The County’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the County’s finances and could force the County to reduce services, raise taxes or both.

Legislation has previously been proposed to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities,

establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State’s OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there are no limits on how much a local government can deposit into the trust. Such legislation was not enacted in the last two legislative sessions. The County cannot predict at this time whether such proposed legislation will be reintroduced and enacted into law.

See “Note 8 – Other Post Employment Benefits (OPEB) Obligations” on page 62 and “Schedule of Funding Progress – Other Post Employment Benefits Plans” on page 90 of the Audited Financial Statements for the year ended December 31, 2017.

The funded status of the County’s Retiree Benefit Program at December 31, 2017 was as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) - Unit Credit (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|---------------------------------------------|---------------------------|--------------------|---------------------|----------------------------------------------|
| 12/31/17                 | \$ -0-                        | \$380.4 M                                   | \$380.4 M                 | 0.0%               | \$119.7             | 317.8%                                       |

Source: The audited financial statements of the County and County Officials. The table itself has not been audited

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

See, “Schedule of Funding Progress – Other Post Employment Benefits Plans” on page 90 of the Audited Financial Statements for the year ended December 31, 2017.

## FINANCIAL FACTORS

### ***Budgetary Procedure***

**General Information.** The County budgets, maintains accounting records, and prepares financial statements on a calendar year basis. Dutchess Community College observes a fiscal year ending on August 31.

The County Executive appoints a full-time Budget Director who prepares and files the annual budget in accordance with the provisions of Charter and County Law. During the month of July, budget request forms are sent to the administrative heads of all County departments, and/or authorized agencies. Written estimates of expenses and revenues for the following year must be returned to the Budget Director by September 1. Requests are reviewed with each department head and revisions are made where necessary.

On or before November 1, the County Executive submits a proposed operating and capital budget for the ensuing year and a proposed capital program for the next five fiscal years together with his budget message to the Clerk of the Legislature. Upon their submission, the operating and capital budgets, hereinafter called the County budget, together with a budget message, become public records in the Clerk’s office and are available for inspection and distribution.

The proposed County operating budget presents actual expenditures and revenues for the last two completed fiscal years, the adopted and amended budgeted expenditures and revenues of the current fiscal year and appropriations and

estimated revenues for the ensuing fiscal year. The capital budget lists all existing projects, their source of funding, funds expended to date, project status and any changes requested. The capital budget also indicates cost estimates and the funding requirements for new projects.

The County Legislature, or various legislative committees designated by it, reviews and holds hearings on the proposed County budget. The attendance by the heads of units or their representatives at such hearings may be required as deemed appropriate by the Legislature.

Not later than December 5 of each year, the County Legislature holds public hearings on the proposed County budget to permit public expression and suggestion. After the conclusion of the public hearings, the Legislature may delete or reduce items of appropriation or anticipated revenue from the proposed County budget, except appropriations required by law for debt service. The Legislature may add items to or increase items in the County budget provided that such additions or increases are separately and distinctly stated.

The County budget with such modifications, if any, must be adopted by resolution of the Legislature not later than December 10 of each year. The budget as submitted by the County Executive is deemed to be the adopted budget if the Legislature takes no action by December 10 of each year.

If the County budget, as submitted by the County Executive, is adopted by resolution of the Legislature with no changes, it is deemed to have been adopted without any further action by the County Executive. If the County budget adopted by the County Legislature, contains modifications it must be returned to the County Executive for examination and reconsideration. The County Executive may approve all modifications made by the County Legislature, in which event the budget and the County Executive's approval are transmitted to the Clerk of the Legislature.

If the County budget, as modified, is not returned by the County Executive to the Clerk to the Legislature with his objections within five working days after presentation by the Clerk of the Legislature, then such budget, as modified, shall be deemed adopted. If the County Executive objects to any modification to the budget, he must return the budget and a statement setting forth his objections and reason therefore to the Clerk of the Legislature within five days after receiving the budget from the Legislature. The Legislature must reconsider and approve the budget no later than December 21 of each year. A two-thirds (66.6%) vote of the Legislature is needed to override the objections of the County Executive.

Budgetary control is the joint responsibility of the Budget Director and the County Comptroller who monitor appropriations. The County Legislature must approve any amendments to the budget as well as transfers between functional categories of expenditure. Appropriation transfers within a department or functional category may be made by the County Executive. The County operates on an encumbrance accounting system based on allocations wherein all purchase orders are encumbered. No expenditures may be made unless they are included as part of an allocation. The Commissioner of Finance may not disburse money unless there is an appropriation and sufficient allocation for the purpose of the disbursement. Appropriations in governmental funds lapse at the end of the fiscal year, however, outstanding encumbrances are re-appropriated in the succeeding year.

Summaries of the County's operating budgets adopted for the 2018 and 2019 fiscal years is presented in Appendix B of this Official Statement. Full copies of County's budgets may be obtained by request of the County, or the County's Municipal Advisor.

**Overview of the 2018 Adopted General Fund Budget.** The 2018 County budget was adopted on Thursday, December 7, 2017 by the Dutchess County Legislature. The budget provided for total General Fund spending of \$448,077,596 which is approximately 2.5% higher than the County's 2017 adopted (original) General Fund budget. Under this budget, the real property tax levy was decreased by \$92,272, or approximately 0.1% compared to 2017. The tax rate was decreased by \$0.04 to \$3.54, or by approximately 1.1% compared to 2017. The General Fund budget for 2018 was balanced with an appropriation of approximately \$12.5 million in fund balance and operates within the parameters of the State imposed tax cap. See "The Tax Levy Law," herein.

Highlights of the County's 2018 budget included the following points:

- ◆ The 2018 budget included a reduction in the property tax levy of \$92,272 (or approximately 0.1%) compared to the 2017 adopted budget.
- ◆ Overall, personnel related costs in the 2018 budget, inclusive of salaries and fringe benefits, increased approximately 2.3% (as modified) compared to the 2017 budget (as modified). For 2018, the adopted budget includes an increase of approximately 14 full-time equivalent positions when compared to 2017. Nevertheless, the County's workforce remains below its historic levels. Using technology and consolidation of certain services has enabled the County to eliminate duplicative positions where possible.
- ◆ Approximately 70% of the County's annual costs are mandated for certain programs and services. For 2018, some of the mandated costs include \$41.3 million for Medicaid, \$12.8 million for foster care, \$3.6 million for safety net, \$11.0 million for the preschool special Education and early Intervention Programs, and over \$38.7 million relating to the operations of the County jail. The County continues to focus on increasing efficiency levels in order to control these costs. The remaining 30% is "optional spending," and includes several government functions that are critical, such as health and mental health services, sheriff road patrols, road repair, snow removal, public transportation, 911 dispatch, and senior services
- ◆ For 2018, sales tax was projected to grow at a rate of 3.6% compared to the amount budgeted for 2017.
- ◆ The State's property tax cap of 2% or the rate of inflation, whichever is lower, was established by Chapter 97 of the Laws of 2011, and applies to all local governments in New York State. For 2018, the State has set the cap at 1.84% based on inflation. Exceeding this cap would require approval from two-thirds of the County Legislature. For 2018, real property taxes in the County's budget were reduced in comparison to 2017. As a result, the 2018 budget is well below the State imposed cap. See "tax Levy Limitation Law," herein.
- ◆ The 2018 adopted budget was balanced with an appropriation of fund balance in the County's General Fund, Road Fund and Machinery Fund. The General Fund appropriation for 2018 is \$12.5 million.

**Overview of the 2019 Adopted General Fund Budget.** The 2019 County budget was adopted on December 6, 2018 by the Dutchess County Legislature. The budget provided for total General Fund spending of \$469,124,405 which is approximately 4.7% higher than the County's 2018 adopted (original) General Fund budget. Under this budget, the real property tax levy was decreased by \$27,894 compared to 2018. The tax rate was decreased by \$0.09 to \$3.45 compared to the 2018 tax rate of \$3.54. The General Fund budget for 2019 was balanced with an appropriation of approximately \$18.5 million in fund balance and reserves. In addition, the 2019 budget operates within the parameters of the State imposed tax cap. See "The Tax Levy Law," herein.

Highlights of the County's 2019 budget included the following points:

- ◆ The 2019 budget included a reduction in the property tax levy of \$27,894, which marks the fifth consecutive reduction. In addition, the tax rate for 2019 was reduced by \$0.09 to \$3.45.
- ◆ The State's property tax cap of 2% or the rate of inflation, whichever is lower, was established by Chapter 97 of the Laws of 2011, and applies to all local governments in New York State. Exceeding this cap would require approval from two-thirds of the County Legislature. For 2019, the County's tax levy was below the cap. See "tax Levy Limitation Law," herein.
- ◆ For 2019, sales tax is projected to increase by \$9.3 million, or by 4.9%, compared to the 2018 adopted budget.
- ◆ Workforce costs for 2019, including salaries and fringe benefits for all county employees, are 3.3% higher compared to the 2018 modified budget.
- ◆ Approximately 70% of the County's annual costs are mandated for certain programs and services. For 2019, some of the mandated costs included \$41.3 million for Medicaid, \$13.3 million for children's services, \$4.3 million for Safety Net, \$11.4 million for the Preschool Special Education and Early Intervention Programs,

and over \$38.5 million relating to the County jail. The remaining 30% of costs are considered discretionary, and includes several government functions that are critical, such as health and mental health services, sheriff road patrols, road repair, snow removal, public transportation, 911 dispatch, and senior services

- ◆ The 2019 adopted budget was balanced with a total appropriation of \$19.5 million in fund balance and reserves. Of this amount, approximately \$14.5 correlated to the General Fund, \$0.8 million correlated to the Road Fund, \$0.2 million correlated to the Machinery Fund, and \$4.0 million through the use of debt reserves.

### ***Results of Operations - 2017***

**General Fund Results - 2017.** The following discussion is based on information from the County’s 2017 audit. For the year ended December 31, 2017, audited results for the General Fund of the County reported a deficit of \$4,183,298 and ended with a total fund balance of \$94,189,819.

Total fund balance for the General Fund on December 31, 2017 included non-spendable funds of \$4,495,941, restricted funds of \$17,934,893, assigned funds of \$16,371,446 and unassigned funds of \$55,387,539.

Audited results showed that total General Fund revenue for 2017 were \$437,530,872, excluding other operating sources totaling \$588,221. Other financing sources includes \$545,082 in transfers and \$43,139 in premium on serial bonds issued. Sales tax revenue for the year was \$184,155,859 or 42.1% of General Fund revenue, excluding other financing sources. Real property tax revenue of \$105,596,222 accounted for 24.1% of General Fund revenue, excluding other financing sources. Other significant revenue sources were: grants and aid of \$115,269,357 and departmental income of \$23,086,093.

Audited results showed that General Fund expenditures for 2017 were \$436,379,244; which excludes other financing uses of \$5,923,147 for transfers out. Economic Assistance and Opportunity was the largest expenditure source for the year, accounting for approximately \$141,443,220 or 32.4% of all expenditures, excluding other financing sources. Other large expenditure sources included, general government support of \$67,724,418, employee benefits of \$60,670,306, public safety of \$60,522,521 and health related services of \$56,779,391.

The following chart presents information derived from the County’s audit for the fiscal year ended December 31, 2017.

| <b><u>Fiscal 2017 Revenues and Expenses</u></b> |                                                      |                                                        |                   |
|-------------------------------------------------|------------------------------------------------------|--------------------------------------------------------|-------------------|
| <u>Fund</u>                                     | <u>Revenue &amp;<br/>Other Financing<br/>Sources</u> | <u>Expenditures &amp;<br/>Other Financing<br/>Uses</u> | <u>Difference</u> |
| General                                         | \$438,119,093                                        | \$442,302,391                                          | (\$4,183,298)     |

Source: The County’s audit financial statements for the fiscal year ended December 31, 2017.

See “Budgetary Procedure - General Information,” herein.

### ***Independent Audits***

**Audited Financial Statements.** The County retained the firm of Drescher & Malecki LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended December 31, 2017.

The County’s audited general purpose financial statements, the notes thereto and the auditors' report thereon for the year ended December 31, 2017 are included as a part of this Official Statement (see “Appendix C,” herein). Additional County audits are on file with the Municipal Securities Rulemaking Board (<http://emma.msrb.org>), or may be obtained by request from the County or from the County’s Financial Advisor. The audited financial statements for the fiscal year ending December 31, 2018 were not available as of the date of this official statement. The County anticipates unaudited results of operations for 2018 will be available in the late spring of 2019, with audited results are expected to be available in the fall of 2019. Such documents will be posted in accordance to the County pledge to provide continuing disclosure.

**State Audits.** In addition, the County is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

A State audit report reviewing the Dutchess Court and Trust accounts was made available by the State on December 12, 2014. The State auditors' report cited that certain records were not up to date and that the condition of all court and trust funds were not reported to the State Comptroller. Results of the audit and corresponding recommendations have been discussed with County officials and comments from the County have been included as a part of the audit report. Full copies of the State audit may be obtained by visiting the official website of the State Comptroller. Reference to this website implies no warranty of accuracy of information therein.

A State audit report reviewing the Child Protective Services ("CPS") Program in several State counties, including the County, was made available by the State on October 14, 2014. In New York State, counties administer the State's child welfare service programs, including the CPS Program. Each county has its own CPS unit and must adhere to the State's CPS Program Manual (Manual), which incorporates current laws and regulations as well as relevant guidelines and procedures. The State auditors' report cited various weaknesses in the investigated counties. Results of the audit and corresponding recommendations have been discussed with each of the counties and comments from various officials have been included as a part of the audit report.

The Division of Local Government and School Accountability of the Office of the State Comptroller conducted an evaluation on the County's financial condition, and a report covering the period January 1, 2012 through November 30, 2013 was made available on March 14, 2014. The audit report and subsequent recommendations reflect only the viewpoint of the State and are intended to be resources of the County. Full copies of the State audits may be obtained by request of the County or of the County's Municipal Advisor. Reference to this website implies no warranty of accuracy of information therein.

See also, "The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews" herein.

## ***Financial Reporting***

*See "Notes to the Financial Statements – Note 1 (Summary of Significant Accounting Policies)" in the Audited Financial Statements for the year ended December 31, 2017 for a discussion of current accounting policies. Also, see "Notes to the Financial Statements – Note 1 (Summary of Significant Accounting Policies)" in the Audited Financial Statements for the year ended December 31, 2016.*

During the year ended December 31, 2017, the County implemented GASB Statements No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans; No. 80, Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14; No. 81, Irrevocable Split-Interest Agreements; and No. 82, Pension Issues; an amendment of GASB Statements No. 67, No. 68, and No. 73, effective for the year ended December 31, 2017. GASB Statement No. 74 improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. GASB Statement No. 80 improves financial reporting by clarifying the financial statement presentation requirements for certain component units. GASB Statement No. 81 improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 80 resulted in a material impact on the County's financial position as discussed in Note 2. GASB Statements No. 74, 81, and 82 did not have a material impact on the County's financial position or results from operations.

Future Impacts of Accounting Pronouncements - The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions; No. 85, Omnibus 2017; and No. 86, Certain Debt Extinguishment Issues, effective for the year ending December 31, 2018, No. 83, Certain Asset Retirement Obligations; No. 84, Fiducially Activities;

No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements; and No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61, effective for the year ending December 31, 2019, and No. 87, Leases; and No. 89, Accounting for Interest Costs Incurred before the End of a Construction Period, effective for the year ending December 31, 2020. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 75, 83, 84, 85, 86, 87, 88, 89 and 90 will have on its financial position and results of operations.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2015, the County implemented GASB Statements No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27; and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. GASB Statements No. 68 and No. 71 improve accounting and financial reporting by governments for pensions. See page 40 of the Audited Financial Statements for the year ended December 31, 2015.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2016, the County implemented GASB Statements No. 72, Fair Value Measurement and Application, No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments; No. 77, Tax Abatement Disclosures, No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans, and No. 79, Certain External Investment Pools and Pool Participants. The purpose of GASB Statement No. 72 is to enhance comparability of financial statements among governments by requiring measurements of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. GASB Statement No. 73 establishes a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and non-employer contributing entities. GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. GASB Statement No. 77 improves financial reporting by state and local governments that enter into tax abatement agreements by requiring the disclosure of information about the nature and magnitude of tax abatements and will make these transactions more transparent to financial statement users. GASB Statement No. 78 addresses a practice issue regarding the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. GASB Statements No. 72, 73, 76, 77, 78 and 79 did not have a material impact on the County’s financial position or results from operations. See page 40 of the Audited Financial Statements for the year ended December 31, 2016.

**Net Position.** The County’s Statement of Net Position from Governmental Activities shows a total net position of \$(71,161,376) at December 31, 2017. Net position from Governmental Activities are comprised of: capital assets net of related debt, \$71,721,676, restricted assets, \$24,556,841 and unrestricted assets, \$(167,439,893). Total net position as restated, on December 31, 2016 was \$(47,024,129).

See “Statement of Net Position” on page 16 of the Audited Financial Statements for the year ended December 31, 2017.

### ***Certain Information Obtained From Financial Statements***

A five-year history of certain financial statements is presented, in summary form, in Appendix B hereto. The data presented in these summaries are derived from the audited financial statements of the County for years 2013 through 2017. Such financial statements have been prepared using the modified accrual basis of accounting. The summaries of the County’s financial statements are not complete presentations. Accordingly, such summary statements are not considered as audited under accounting principles generally accepted in the United States of America. Copies of the County’s audited financial statements will be made available upon request to the County or its Municipal Advisor. Audited statements of the County as of and for the years ended December 31, 1996 through 2017 are on file with The Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”).

## ***Investment Policy***

The County's policy applicable to the investment of all moneys and financial resources is based upon various provisions of the County Charter and the Administrative Code of the County as well as the requirements set forth in the General Municipal Law. Pursuant to the County Charter, the County Executive by special order annually designates the authorized depositories of the County. The Commissioner of Finance is responsible for the County's investment program and has established operating procedures consistent with guidelines contained in the laws of the County and State. All investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return. The County reviews its investment policy annually.

**Authorized Investments.** The County Executive has designated seven banks or trust companies, which are located and authorized to conduct business in the State, and one investment cooperative to receive deposits of money, including special time deposits and certificates of deposit. A maximum deposit limits has been specified for each bank or trust company. For 2019 the specified limits ranged from \$5 million up to \$150 million.

In addition to bank deposits, the County is permitted to invest moneys in any investment or obligation authorized by Section 11 of the General Municipal Law. The County's Commissioner of Finance, however restricts County investments to: bank time deposits and certificate of deposit, direct obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America or repurchase agreements. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to authorized depository banks and one primary reporting dealer as designated by the Federal Reserve Bank of New York, securities may not be substituted; and the custodian for a repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the County, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse repurchase agreements are not allowed under State law.

**Collateral Requirements.** All County deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 4.06 of the County Charter. Such collateral must consist only of "eligible securities" (as defined in the General Municipal Law) which the County limits to the following classes of obligations:

- 1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- 2) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market Value of the obligation that represents the amount of the insurance or guaranty.
- 3) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligation of any public benefit corporation which, under a specific State statute may be accepted as security for deposit of public moneys.
- 4) In lieu of or in addition to the deposit of eligible securities, the officers making a deposit may, in the case of an irrevocable letter of credit issued in favor of the local government by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, accept such letter of credit payable to such local government as security for the payment of one hundred percent of the aggregate amount of public deposits from such officers and the agreed upon interest, if any.

Eligible securities pledged to secure deposits must be held by the depository or third-party bank or trust company pursuant to written security and custodial agreements. The County's security agreements provide that the aggregate market value of pledged securities must equal at least 102% the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the County must be delivered, in a form suitable for transfer or with an assignment in blank, to the County or its designated custodial bank. The custodial agreements used by the County provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not,

under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

## Revenues

The County derives its revenues primarily from sales and use taxes, real property taxes, State aid, Federal aid and departmental fees and charges. A summary of such revenues for the years 2013 through 2017 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the County’s audited financial reports, however, such presentation has not been audited.

**Property Taxes.** The following table sets forth the percentage of General Fund revenue of the County comprised of real property taxes and real property tax items for each of the years 2013 through 2017 and the amounts included in the 2018 and 2019 adopted budgets. See “Real Property Taxes,” herein.

| Year<br>Ended<br>December 31:  | General Fund<br>Revenues <sup>(1)</sup> | Real Property<br>Taxes And<br>Tax Items | Percentage<br>Of General<br>Fund Revenue |
|--------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|
| 2013                           | \$411,926,213                           | \$106,135,068                           | 25.8%                                    |
| 2014                           | 430,266,839                             | 107,102,979                             | 24.9                                     |
| 2015                           | 437,900,669                             | 107,242,325                             | 24.5                                     |
| 2016                           | 433,425,639                             | 107,312,291                             | 24.8                                     |
| 2017                           | 437,530,872                             | 105,596,222                             | 24.1                                     |
| 2018 (Budgeted) <sup>(2)</sup> | 435,577,596                             | 105,378,663                             | 24.2                                     |
| 2019 (Budgeted) <sup>(2)</sup> | 450,620,801                             | 105,350,769                             | 23.4                                     |

(1) Excludes other financing sources.

(2) Excludes the appropriation of fund balance and reserves (\$12.5 million for 2018 and \$18.5 million for 2019).

Source: The audited financial statements and adopted budgets of the County. The table itself is not audited.

**Tobacco Revenue.** Pursuant to the Master Settlement Agreement entered into by various states, including the State, and participating tobacco companies and the Consent Decree and Final Judgment in the matter of New York State et al. v. Philip Morris et al., the County is entitled to receive annual payments from said tobacco companies.

The County elected to securitize its tobacco revenue by selling its right, title and interest in such revenue to the Dutchess Tobacco Asset Securitization Corporation (the “Corporation”), a not-for-profit corporation formed under the laws of the State to effect this transaction. In connection with the securitization of the County’s tobacco revenue, the New York Counties Tobacco Trust (“NYCTT”) III and V were formed to facilitate the securitization process. Pursuant to the New York Counties Tobacco Trust Indentures III and V, the Corporation sold its Tobacco Settlement Asset-Backed Bonds, in the approximate amount of \$74.0 million. The Corporation pledged and assigned its right to the tobacco revenue acquired from the County as security for its bonds.

On October 20, 2015, the New York State Attorney General announced a settlement with various participating and non-participating tobacco companies regarding disputed payments. The terms of the agreement resulted in a cash payment to the State, New York City and Counties totaling approximately \$550 million, which was paid earlier this year. Since this payment was pledged to the Corporation’s bond holders the estimated payout to the Corporation (not the County) was approximately \$2.75 million which benefited holders of certain Corporation bonds. Additional information regarding the details of the settlement may be obtained by contacting the Corporation or the County’s Financial Advisor.

NYCTT VI was formed in 2016 to facilitate the exchange and refunding of certain outstanding bonds including the bonds issued by the Corporation as part of NYCTT III and V. NYCTT VI bonds issued by the Corporation replace the NYCTT III bonds and remove the call feature. In addition, a portion of the Corporation’s NYCTT V bonds have been defeased as part of NYCIT VI. A portion of the NYCTT V bonds remain outstanding and are subordinate to the NYCTT VI bonds.

The County received \$1 million as part of NYCIT VI which was used to pay for capital improvements.

See “Notes to the Financial Statements – Note 11 (DTASC Debt)” starting on page 71 of the Audited Financial Statements for the year ended December 31, 2017.

At December 31, 2017, the audited ending fund balance of the Corporation was \$3,380,662. See “Statement of Revenues, Expenditures, and Changes in Fund Balances” on page 20 of the audited financial statements for the year ended December 31, 2017.

**Grants, State and Federal Aid.** The County receives revenue from various grants in addition to the State and Federal governments for general and various other purposes. A significant portion of this revenue relates to reimbursements for social service and mental health expenditures.

The State is not constitutionally obliged to maintain or continue State aid to the County. No assurance can be given that present State aid levels will be maintained in the future. In view of the State’s continuing budget problems, future State aid reductions may occur. In addition, historic changes in Federal entitlement programs could eventually lead to increased local contributions from the County. State or Federal budgetary restrictions which eliminate or substantially reduce aid payments could have a material adverse effect upon the County requiring either a counterbalancing increase in revenues from other sources to the extent available (primarily property taxes); or a curtailment of expenditures to extent permissible.

The following table presents the unaudited amount of Federal and State aid received by the County in the five most recent completed fiscal years and the amounts included in the County’s adopted budgets for 2018 and 2019.

| Years Ended<br>December 31:     | Federal Aid  | State Aid    | Total Federal<br>and State Aid | % Of General<br>Fund Revenue |
|---------------------------------|--------------|--------------|--------------------------------|------------------------------|
| 2013 (Unaudited) <sup>(1)</sup> | \$34,190,816 | \$64,284,097 | \$ 98,474,913                  | 23.9%                        |
| 2014 (Unaudited) <sup>(1)</sup> | 34,170,440   | 71,527,832   | 105,698,272                    | 24.6                         |
| 2015 (Unaudited) <sup>(1)</sup> | 37,494,130   | 75,988,399   | 113,482,529                    | 25.9                         |
| 2016 (Unaudited) <sup>(1)</sup> | 33,927,036   | 73,620,080   | 107,547,116                    | 25.1                         |
| 2017 (Unaudited) <sup>(1)</sup> | 37,698,946   | 74,561,647   | 112,260,593                    | 25.7                         |
| 2018 (Budgeted) <sup>(2)</sup>  | 40,733,954   | 77,323,265   | 118,057,219                    | 27.1                         |
| 2019 (Budgeted) <sup>(2)</sup>  | 42,170,487   | 81,777,498   | 123,947,985                    | 27.5                         |

(1) The information has been provided by governmental officials of the County and submitted, as required, to the Office of the State Comptroller. Such data will be subject to adjustment during the independent audit of the County’s financial statements and should be considered preliminary. Furthermore, such data is subject to adjustment during the independent audit process and may vary from what it noted above.

(2) Budgeted General Fund revenues exclude the appropriation of fund balance (\$12.5 million for 2018 and \$18.5 million for 2019).

Source: County Officials, the 2013 through 2017 (unaudited) annual update documents, and the adopted budgets of the County. The table itself is not audited.

**Sales Tax.** Section 1210 of the New York Tax Law authorizes the County to impose a sales tax of up to 3.75%, in addition to the 4.25% tax imposed by the State. Such taxes are collected and administered by the State Tax Commission and the proceeds are paid monthly to the County.

The current 3.75% sales tax is a result of a 0.75% tax rate increase which became effective on June 1, 2003. Pursuant to Chapter 528 of the Laws of 2007, the State Legislature authorized a two-year extension of the 0.75% increase in the County’s sales tax rate. The County Legislature amended the 1975 resolution enacting the County’s sales tax by resolution 207259 which was signed by the County Executive on September 20, 2007. The additional 0.75% sales tax rate continues and has been extended through November 2019.

The County’s 2013 budget capped the amount of sales tax that distributed to municipalities in the County to \$25 million for the 2013 and future fiscal years. This cap resulted in municipalities receiving approximately 85% of the sales tax previously received. To offset the impact to local municipalities, Dutchess County Government absorbed half of the 2011 and 2012 election costs due to be paid to the County and assumed full cost of elections starting in 2013. In connection with the distribution cap, the County implemented various grants to locally spur shared services. The distribution cap remains in effect for the 2019 fiscal year.

The following table sets forth the percentage of General Fund revenue of the County comprised of sales and use tax for each of the years 2013 through 2017 and the amounts of such revenue included in the 2018 and 2019 adopted budgets:

| <u>Years<br/>Ended<br/>December 31:</u> | <u>General Fund<br/>Revenue <sup>(2)</sup></u> | <u>Gross Sales,<br/>And Use Tax<br/>Revenue <sup>(1)</sup></u> | <u>Percentage<br/>Of General<br/>Fund Revenue</u> |
|-----------------------------------------|------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------|
| 2013                                    | \$411,926,213                                  | \$166,428,125                                                  | 40.4%                                             |
| 2014                                    | 430,266,839                                    | 175,811,195                                                    | 40.9                                              |
| 2015                                    | 437,900,669                                    | 176,781,835                                                    | 40.4                                              |
| 2016                                    | 433,425,639                                    | 179,795,180                                                    | 41.5                                              |
| 2017                                    | 437,530,872                                    | 184,155,859                                                    | 42.1                                              |
| 2018 (Budgeted) <sup>(3)</sup>          | 435,577,596                                    | 190,210,428                                                    | 43.7                                              |
| 2019 (Budgeted) <sup>(3)</sup>          | 450,620,801                                    | 199,511,000                                                    | 44.3                                              |

(1) The County Legislature amended the 1975 resolution enacting the County's tax by resolution 207259 which was signed by the County Executive on September 20, 2007. An agreement among the County and the cities within the County provides that the County retains 81.55% of all sales tax revenue and distributes the balance pursuant to a formula contained in the County's agreements with the cities and the areas outside of the cities. Total revenue for 2013 and 2014, as shown above, are inclusive of distributions. During the 2013 fiscal year the County has implemented a sales tax cap of \$25.0 million, which resulted in modifications to the agreement between the County and local municipalities.

(2) Excludes other financing sources.

(3) Excludes the appropriation of fund balance (\$12.5 million for 2018 and \$18.5 million for 2019).

Source: The audited financial statements and adopted budgets of the County. The table itself is not audited.

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## REAL PROPERTY TAXES

### *Real Property Taxes, Assessments and Rates*

Attached is a schedule which computes the amount of tax levies collected. During 2014, the County implemented a new methodology for recording property tax collections. The primary difference under this methodology is the inclusion of other levies and charges which are billed to the taxpayers. Previously, the collection of these amounts were included as taxes collected. The table below sets forth the trend during the last five completed years for real property taxes, real property tax rates per \$1,000 assessed valuation, and tax collections. All years have been modified to include the effects of the updated 2014 methodology.

|                           | <u>2014</u>                 | <u>2015</u>                 | <u>2016</u>                    | <u>2017</u>                    | <u>2018</u>                 |
|---------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|-----------------------------|
| <b>Tax Levy:</b>          |                             |                             |                                |                                |                             |
| County (1)                | \$107,939,388               | \$107,577,694               | \$106,070,429                  | \$106,383,899                  | \$106,254,847               |
| Town                      | 146,332,462                 | 149,889,790                 | 154,288,859                    | 155,404,895                    | 163,572,082                 |
| School (2)                | 24,728,970                  | 24,332,462                  | 25,782,474                     | 23,675,953                     | 23,058,180                  |
| Other Relevies & Charges  | <u>6,310,390</u>            | <u>5,885,352</u>            | <u>6,345,214</u>               | <u>5,446,455</u>               | <u>5,943,484</u>            |
| <b>Total</b>              | <u><u>\$285,311,210</u></u> | <u><u>\$287,685,297</u></u> | <u><u>\$292,486,975</u></u>    | <u><u>\$290,911,202</u></u>    | <u><u>\$298,828,593</u></u> |
| <b>Tax Rate (3)</b>       |                             |                             |                                |                                |                             |
|                           | \$3.65                      | \$3.68                      | \$3.60                         | \$3.54                         | \$3.45                      |
| <b>Taxes Collected:</b>   |                             |                             |                                |                                |                             |
| Current Year              | \$271,602,807               | \$275,382,304               | \$281,166,837                  | \$281,827,103                  | \$290,246,397               |
| Prior Years               | <u>13,895,074</u>           | <u>14,785,652</u>           | <u>14,292,016</u>              | <u>12,800,043</u>              | <u>10,410,724</u>           |
| <b>Total</b>              | <u><u>\$285,497,881</u></u> | <u><u>\$290,167,955</u></u> | <u><u>\$295,458,853</u></u>    | <u><u>\$294,627,145</u></u>    | <u><u>\$300,657,121</u></u> |
| <b>Percent Collected:</b> |                             |                             |                                |                                |                             |
| Current Levy              | 95.20%                      | 95.72%                      | 96.13%                         | 96.88%                         | 97.13%                      |
| Total Taxes To Levy       | 100.07%                     | 100.86%                     | 101.02%                        | 101.28%                        | 100.61%                     |
| <b>Taxes Uncollected</b>  |                             |                             |                                |                                |                             |
| End Of Year: (4)          | <u><u>\$49,525,950</u></u>  | <u><u>\$49,487,427</u></u>  | <u><u>\$44,594,427</u></u> (5) | <u><u>\$40,838,380</u></u> (5) | <u><u>\$40,997,324</u></u>  |

(1) Includes Adjustments.

(2) Relevied school taxes and penalties.

(3) Average County purpose tax rate per \$1,000 of assessed value.

(4) Includes interest, penalties and liens. Balance net of allowance for uncollected taxes.

(5) The amount of uncollected taxes for 2017 and 2018 fiscal years is net of reserves for uncollected taxes. The County annually conducts a reserve analysis prior to adjusting the amount. The 2018 analysis was still in process as of the date of this Official Statement.

Source: County Officials.

### ***Tax Collection Procedures***

**General Information.** The procedures and methods for levying, collecting and enforcing real property taxes are governed by the Real Property Tax Law. Accordingly, real property taxes for county, town or city purposes are levied and become a lien on January 1. The County real property tax is billed and initially collected by the respective towns and cities in the County. The towns satisfy the full amount of their tax levies from the first moneys collected and remit all amounts received thereafter to the County. At the end of the collection period, the towns transmit a listing of unpaid taxes to the County for collection and enforcement. Cities, on the other hand, must pay the County the full amount of the County taxes levied in the city by the end of their collection period. County taxes remaining unpaid on this date are enforced by the cities in the same manner as unpaid city taxes.

**Tax Collection Procedures.** Except as thereafter noted, the following procedures apply to the collection of real property taxes in the towns of the County. Real property taxes are due in a single payment which may be made during the months of January and February without penalty. A penalty of 1% for each month or fraction thereof, computed

from February 1, is added to all tax payments received on or after March 1. The collection period for real property taxes ends May 31. A listing of unpaid taxes is transmitted to the County for collection and enforcement. The County adds a 5% penalty to the amount of unpaid taxes. Interest accrues at a minimum rate of 12% per annum.

The Towns of Hyde Park, Poughkeepsie and Wappinger have authorized the installment method of paying real property taxes. As a result, different penalty rules and collection periods apply in these towns. A 2% penalty is assessed on late payments made between March 1 and May 31 and 4% penalty applies from June 1 until August 31 the last day that tax payments are accepted by the three aforementioned towns. The listing of unpaid taxes is transmitted to the County on or about September 1. A 5% penalty is added to unpaid taxes. Interest accrues at a minimum rate of 12% per annum.

Real property taxes in the City of Poughkeepsie may be paid in quarterly installments subject to a 2% collection fee commencing on February 15. A 5% penalty is added to any quarterly payment made more than 30 days after its scheduled due date.

The City of Beacon collects real property taxes in a single payment due on February 1. Payments may be made between February 1 and March 2 without penalty. A 1% penalty applies to payments received from March 3 until March 31. The penalty increases by 1/2% for each month or fraction thereof through December 31.

**Tax Enforcement Procedures.** In accordance with the provisions of the Real Property Tax Law, the County enforces the collection of taxes for all taxing jurisdictions with the exception of the cities of Beacon and Poughkeepsie. The County also guarantees the payment of all taxes it enforces. According to statute, the County must enforce and guarantee town taxes and non-city school taxes. The County has extended these services to the villages in the County for village taxes levied in 1997 and thereafter.

The City of Beacon and the City of Poughkeepsie enforce all taxes levied within their borders and must also guarantee the payment of County taxes. Accordingly, the County receives 100% of the County taxes levied in such cities by December 31 of each year.

Unpaid school taxes for non-city school districts are transmitted to County on or about November 15, or each year. Such taxes are relieved by County on January 1 of the next calendar year. Amounts so relieved are collected and enforced as County taxes. The County must pay the school districts the full amount of their unpaid taxes returned to the County for collection and enforcement by April 1. The villages send a listing of their unpaid taxes to the County on or about November 15. The County re-levies these items the following January 1, and remits the full amount of the unpaid taxes to villages by April 1. For the fiscal year ended December 31, 2017, the County collected approximately \$294,627,145 in property taxes (including \$12,800,043 from prior years). A balance of approximately \$41,662,832 in real property taxes remained uncollected (including interest, penalties and liens). For 2017 the County paid \$36,222,442, including installments to various school districts, villages and fire districts in settlement of unpaid taxes. Although the County also guarantees the payment of town taxes, no payment to these jurisdictions is required because the towns retain the first moneys collected from a joint County and town tax bill. Amounts collected by the towns in excess of their levies are paid to County through the date on which the tax warrant expires.

A "List of Delinquent Taxes" must be filed in the office of the County Clerk 10 months after the lien date (January 1) and accordingly, such a list is filed on or about November 1. The filing of the list creates a Notice of Pendency against the parcels included on the list and serves as public notice of a tax lien on the applicable properties. Property owner may redeem the tax lien by paying the County the amount of taxes with interest at 12% per annum to the redemption date. In addition, the property owner generally must reimburse the County for expenses, including statutory interest thereon, incurred in connection with the enforcement proceedings. Such payments may be made prior to the expiration of the statutory redemption period.

The County forecloses tax liens pursuant to the in-rem procedures set forth in Article II, Title 3 of the Real Property Tax Law. Changes to foregoing section of law in 1995 eliminated tax sale proceedings and reduced the period for redeeming tax liens to two years from the lien date. The County elected to implement the new procedures on a phased-in basis, and began to fully apply these procedures in 1998.

The County commences foreclosure proceeding by filing a "Petition of Foreclosure" in the State Supreme Court three months prior to the expiration of the redemption period. The petition must also be filed with the County Clerk after

which a “Notice of Foreclosure” is published in the newspaper over a two-month period. At the end of the redemption period, the court will award title on the various properties to the County. Property acquired through foreclosure is auctioned to highest bidder and title transferred by quit claim deed.

***Constitutional Tax Limit***

The amount that may be raised by the County-wide tax levy on real estate in any year for purposes other than for debt service on County indebtedness, is limited to one and one-half per centum (subject to increase up to two per centum by the State Legislature) of the average full valuation of taxable real estate in the County.

See also “Tax Levy Limitation Law” for applicable statutory limitation on the County tax levy.

The following table sets forth such real estate taxing limit of the County for the years December 31, 2015 through 2019:

|                                                 | <b>Computation of Constitutional Tax Limit<br/>For the Years Ended December 31:</b> |                           |                           |                           |                           |
|-------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                 | <u>2015</u>                                                                         | <u>2016</u>               | <u>2017</u>               | <u>2018</u>               | <u>2019</u>               |
| Five-Year Average Full Valuation <sup>(1)</sup> | \$30,831,838,264                                                                    | \$30,156,360,330          | \$29,727,697,915          | \$29,605,131,972          | \$29,854,496,258          |
| Tax Limit (1.5% of avg. full value)             | <u>462,477,574</u>                                                                  | <u>452,345,405</u>        | <u>445,915,469</u>        | <u>444,076,980</u>        | <u>447,817,444</u>        |
| Tax Levy <sup>(3)</sup>                         | 108,318,538                                                                         | 106,995,103               | 106,790,185               | 106,594,333               | 106,522,372               |
| Less Exclusions:                                | <u>19,145,587</u>                                                                   | <u>19,932,980</u>         | <u>18,477,793</u>         | <u>16,471,975</u>         | <u>19,207,415</u>         |
| Tax Levy Subject To Tax Limit                   | <u>89,172,951</u>                                                                   | <u>87,062,123</u>         | <u>88,312,392</u>         | <u>90,122,358</u>         | <u>87,314,957</u>         |
| Constitutional Tax Margin                       | <u><u>\$373,304,623</u></u>                                                         | <u><u>365,283,282</u></u> | <u><u>357,603,077</u></u> | <u><u>353,954,622</u></u> | <u><u>360,502,487</u></u> |
| Percent Taxing Power Exhausted                  | <u><u>19.28%</u></u>                                                                | <u><u>19.25%</u></u>      | <u><u>19.80%</u></u>      | <u><u>20.29%</u></u>      | <u><u>19.50%</u></u>      |

- (1) The full valuations presented in this Table will not necessarily agree to values presented elsewhere in the official statement due to timing differences in the computation of such values.
- (2) Net exclusions for debt service and certain budgetary appropriations.
- (3) Tax levy for County purposes only.

Source: The Constitutional Tax Limit Forms of the County which are filed with New York State.

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## ***Underlying Tax Rates***

The following table presents the real property tax rates per \$1,000 of assessed value and the final State equalization rates for the collection of 2019 taxes (2018 tax roll) for each of the municipalities and school districts situated in the County.

### **Underlying Tax and State Equalization Rates 2018 Tax Roll (For the Collection of 2019 Taxes)**

| <u>Name of Municipality</u> | <u>County</u> | <u>Town</u> | <u>City Or Village</u> | <u>School District Range <sup>(1)</sup></u> | <u>Total Overall Range</u> | <u>Equalization Rate</u> |
|-----------------------------|---------------|-------------|------------------------|---------------------------------------------|----------------------------|--------------------------|
| Beacon C                    | \$3.45        |             | \$8.25 *               | \$15.78*                                    | \$27.48                    | 100.00%                  |
| Poughkeepsie C              | 3.45          |             | 13.30 *                | 15.93*                                      | 32.68                      | 100.00                   |
| Amenia T                    | 3.45          | 2.47        |                        | 12.43-21.39                                 | 18.35-27.31                | 100.00                   |
| Beekman T                   | 3.45          | 1.93        |                        | 24.37-24.96*                                | 29.95-30.54                | 100.00                   |
| Clinton T                   | 3.45          | 2.17        |                        | 13.14-23.10                                 | 18.76-28.72                | 100.00                   |
| Dover T                     | 6.50          | 4.94        |                        | 23.45-46.55                                 | 34.89-57.99                | 53.00                    |
| East Fishkill T             | 3.45          | 3.27        |                        | 16.64-30.86*                                | 23.36-37.58                | 100.00                   |
| Fishkill T                  | 3.45          | 2.76*       |                        | 15.65-17.09*                                | 21.86-23.30                | 100.00                   |
| Fishkill V                  | 3.45          | 3.40*       |                        | 16.64*                                      | 23.49                      | 100.00                   |
| Hyde Park T                 | 6.05          | 6.94        |                        | 27.45-49.92*                                | 40.44-62.91                | 57.00                    |
| LaGrange T                  | 3.45          | 3.23        |                        | 15.17-24.38*                                | 21.85-31.06                | 100.00                   |
| Milan T                     | 3.45          | 2.38        |                        | 13.14-21.59                                 | 18.97-27.42                | 100.00                   |
| Northeast T                 | 3.45          | 3.79        |                        | 10.93-13.14                                 | 18.17-20.38                | 100.00                   |
| Millerton V                 | 3.45          | 1.57        | 4.50                   | 12.46                                       | 21.98                      | 100.00                   |
| Pawling T                   | 7.04          | 8.09        |                        | 48.03-50.35*                                | 63.16-65.48                | 49.00                    |
| Pawling V                   | 5.13          | 8.09        | 15.20                  | 62.98                                       | 93.31                      | 49.40                    |
| Pine Plains T               | 3.45          | 3.56        |                        | 13.14                                       | 20.15                      | 100.00                   |
| Pleasant Valley T           | 3.45          | 2.57        |                        | 15.17-24.16*                                | 21.19-30.18                | 100.00                   |
| Poughkeepsie T              | 3.45          | 5.01*       |                        | 16.65-24.13*                                | 25.11-32.59                | 100.00                   |
| Wappingers Falls V          | 3.45          | 0.77*       | 7.26*                  | 16.67*                                      | 28.15                      | 100.00                   |
| Red Hook T                  | 3.45          | 2.30        |                        | 16.65-24.13                                 | 22.40-29.88                | 100.00                   |
| Red Hook V                  | 3.45          | 1.06        | 6.13                   | 21.59                                       | 32.23                      | 100.00                   |
| Tivoli V                    | 3.45          | 1.06        | 3.76                   | 21.59                                       | 29.86                      | 100.00                   |
| Rhinebeck T                 | 3.75          | 1.79        |                        | 17.01-25.11                                 | 22.55-30.65                | 92.00                    |
| Rhinebeck V                 | 3.75          | 0.92        | 4.17                   | 25.11                                       | 33.95                      | 100.00                   |
| Stanford T                  | 3.45          | 1.37        |                        | 12.43-15.64                                 | 17.25-20.46                | 100.00                   |
| Union Vale T                | 3.45          | 3.22        |                        | 15.17-24.87*                                | 21.84-31.54                | 100.00                   |
| Wappinger T                 | 3.45          | 1.93*       |                        | 15.94-24.32*                                | 21.32-29.70                | 100.00                   |
| Wappingers Falls V          | 3.45          | 0.77*       | 7.26*                  | 16.67*                                      | 28.15                      | 100.00                   |
| Washington T                | 3.45          | 1.81        |                        | 12.43-21.39                                 | 17.69-26.65                | 100.00                   |
| Millbrook V                 | 3.45          | 0.61        | 4.33                   | 14.76                                       | 23.15                      | 100.00                   |

(1) Tax rates for 2017-18 school year.

\* Homestead tax system used. Rates provided are applicable residential properties.

Source: The Dutchess County Real Property Tax Service Agency.

## ***Matters Affecting Real Property Assessments and Taxes***

**Empire State Development Corporation PILOT.** In July of 2015 IBM transferred its semiconductor manufacturing business to GlobalFoundries. The property located in East Fishkill was included as a part of this transfer and GlobalFoundries will not be assuming the lease/PILOT agreement with the County. As such, the property was placed go back on the tax rolls during 2016.

On November 1, 2011, a PILOT agreement between IBM and the IDA was signed for property located in the Town of Poughkeepsie. Under the agreement IBM will make certain PILOT payments for the benefit of the Town of Poughkeepsie, the County, the Spackenkill Union Free School District, and certain special taxing districts (including the Arlington Fire District and the Greater Poughkeepsie Library District). As long as the agreement is in effect, IBM has agreed to make payments in lieu of all real estate taxes and assessments (in addition to paying the full amount of all special ad valorem levies, special assessments and service charges against real property located in the Town of Poughkeepsie which are or may be imposed for special improvements or special district improvements) which would be levied upon the facilities if the facilities were not a part of this agreement. The agreement will expire on December 31, 2026. For 2017 and 2018 the County received \$357,098 in connection with the agreement. For 2019, the County again expects to receive \$357,098 in connection with the agreement.

**County IDA PILOT.** The County Industrial Development Agency (the “County IDA”) and GPSDC (New York), Inc. (the “Company”) entered into a sale-leaseback agreement on December 1, 1999. Pursuant to the agreement, the County IDA acquired 200 acres of land owned by the Company in the Town of Fishkill (the “Premises”). The County IDA also acquired title to a 2.571 million square foot warehouse and distribution facility (the “Facility”) constructed on the Premises by the Company for its Old Navy Division. The County IDA agreed to lease the Facility to the Company for a period of 20 years. Title to the Facility will remain with the County IDA throughout the lease term.

The facility was built in three phases each one consisting of a separate building. This project is complete and there is approximately 2.3 million square feet of predominantly warehouse space. The Facility is exempt from taxation (except for certain special assessments and charges) as of March 1, 2000, the first taxable status date following the transfer of the Facility to the County IDA.

Pursuant to an agreement dated December 1, 1999, the Company has agreed to make PILOTS as long as the lease agreement remains in effect. The PILOTS will be paid to the County IDA for the benefit of various taxing jurisdictions including the County. Payments will be apportioned among the beneficiaries based on the ratio that individual tax rates bear to the aggregate tax rate of all such beneficiaries for the year immediately preceding the year of payment. The amount of the annual PILOT will be determined by multiplying the PILOT rate applicable to each phase of the Facility for the year by the total square footage completed on the relevant taxable status date. The PILOT rate for each phase of the Facility will be \$0.35 per square foot for the first three years following completion. Periodic adjustments will increase the PILOT rate to \$0.75 for years eleven through twenty. The County received \$213,263, \$206,054, \$201,469, \$195,449 and \$191,331 from the GAP PILOT in for the fiscal years December 31, 2014 through 2018, respectively. For 2019, the County expects to receive \$188,553 in connection with the GAP PILOT.

**Cricket Valley Energy Center LLC.** The County IDA and Cricket Valley Energy Center LLC entered into a PILOT agreement on January 1, 2017. As result, in 2017 County received approximately \$88,000 and anticipates receiving approximately \$117,000 during 2018. Construction is expected to be completed in 2020, at which point the PILOT payment to the County will be in the range of \$300,000 to \$350,000.

## Ten of the Largest Taxpayers

The following table presents the full value of taxable assessments and real property taxes of certain larger taxpayers for the 2018 fiscal year.

### Larger Taxable Properties in the County 2017 Tax Roll (for the Collection of 2018 Taxes)

| Taxpayer                                 | Type of Business    | Full Taxable Value <sup>(1)</sup> | 2018 Taxes <sup>(2)</sup> | % 2018 Taxes <sup>(2)</sup> |
|------------------------------------------|---------------------|-----------------------------------|---------------------------|-----------------------------|
| Central Hudson Gas & Elec.               | Utility             | \$ 523,805,453                    | \$ 1,853,569              | 1.74%                       |
| GlobalFoundries US 2 LLC                 | Industrial          | 276,882,500                       | 979,779                   | 0.92                        |
| Galleria                                 | Shopping Mall       | 139,108,500                       | 492,253                   | 0.46                        |
| Con Edison                               | Utility             | 106,643,805                       | 377,371                   | 0.35                        |
| IBM <sup>(3)</sup>                       | Industrial          | 1,948,000                         | 363,995                   | 0.34                        |
| Iroquois Gas                             | Utility             | 82,687,592                        | 292,601                   | 0.28                        |
| Verizon                                  | Utility             | 67,415,553                        | 239,917                   | 0.23                        |
| Chelsea Ridge NY LLC                     | Apartments          | 60,000,000                        | 212,317                   | 0.20                        |
| GAP <sup>(3)</sup>                       | Distribution Center | N/A (Exempt) <sup>(3)</sup>       | 195,460                   | 0.18                        |
| Merritt Park Holdings LLC <sup>(3)</sup> | Apartments          | 49,400,000                        | 174,807                   | 0.16                        |
| <b>TOTAL:</b>                            |                     | <b>\$ 1,307,891,403</b>           | <b>\$ 5,182,069</b>       | <b>4.87%</b>                |

(1) Total taxable full values for 2018 are \$30,040,912,405.

(2) Total 2017 tax levy, including adjustments, is \$106,378,663 (for County purposes).

(3) Taxes paid as payment in lieu of taxes

Source: County Officials

## COUNTY INDEBTEDNESS

### *Constitutional Requirements*

The State Constitution limits the power of the County (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the County and its obligations.

**Purpose and Pledge.** Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation or give or loan its credits to or in aid of any of the foregoing or any public corporation.

The County may contract indebtedness only for a County purpose and shall pledge its full faith and credit for the payment of principal of and interest thereon.

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment of principal may be more than fifty percent in excess of the smallest prior installment unless the County Legislature provides for substantially level or declining annual debt service in the manner prescribed by the State Legislature. The County is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

**Debt Limit.** Pursuant to the Local Finance Law, the County has the power to contract indebtedness for any County purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not exceed seven per centum of the average five-year full valuation of the taxable real estate located in the County and subject to certain enumerated exclusions and deductions such as debt contracted to provide water, self-liquidating facilities, and certain sewer facilities and cash or appropriations to pay the principal amount of outstanding debt. The constitutional method for determining full valuation consists of dividing the total assessed valuation of taxable real estate for a particular assessment roll by the final equalization rate established for such assessment roll by the State Office of Real Property Tax Services (the “ORPTS”). The State Legislature also is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of the last five completed assessment rolls and dividing such sum by five.

### ***Statutory Procedure***

In general, the State Legislature, by enactment of the Local Finance Law, authorized the powers and procedures for the County to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the County Law.

Pursuant to the Local Finance Law, the County authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the County Legislature, the finance board of the County. Customarily, the County has delegated to the Commissioner of Finance, as chief fiscal officer of the County, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- 1) Such obligations are authorized for a purpose for which the County is not authorized to expend money, or
- 2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations

and an action contesting such validity is commenced within twenty days after the date of such publication, or

- 3) Such obligations are authorized in violation of the provisions of the constitution.

Except on rare occasions, the County complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel but it is not an absolute legal requirement. The County has followed the estoppel procedures for the refunding bond resolution which authorized the Bonds.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the Bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The County has authorized bonds for a variety of County objects or purposes.

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes, and provided that such renewals do not extend five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein).

In general, the Local Finance Law contains provisions providing the County with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes.

### ***Constitutional Debt Contracting Limitation***

The Local Finance Law contains the statutory limitations on the power to contract indebtedness. Section 104.00 thereof limits, in accordance with Article VIII, Section 4, of the State Constitution, the ability to contract indebtedness by the County to 7% of the five-year average full valuation of taxable real estate. The statutory provisions implementing constitutional provisions authorizing deductions and excluding indebtedness from the debt limits are found in Title 9 and Title 10 of the Local Finance Law. In addition to the constitutionally enumerated exclusions and deductions, deductions are allowed for cash or appropriations for debt service pursuant to a decision of the State Court of Appeals.

The following table sets forth the debt limit of the County:

#### **Computation of Debt Contracting Limitation As Of March 16, 2019**

| <u>Year</u>                               | <u>Assessed<br/>Valuation <sup>(1)</sup></u> | <u>Equalization<br/>Rate <sup>(2)</sup></u> | <u>Full<br/>Valuation</u>      |
|-------------------------------------------|----------------------------------------------|---------------------------------------------|--------------------------------|
| 2015                                      | \$27,552,886,185                             | 94.28%                                      | \$29,224,529,259               |
| 2016                                      | 27,840,172,374                               | 94.59                                       | 29,432,468,944                 |
| 2017                                      | 27,994,077,537                               | 94.09                                       | 29,752,447,165                 |
| 2018                                      | 28,598,948,610                               | 95.20                                       | 30,040,912,405                 |
| 2019                                      | 29,160,811,061                               | 94.61                                       | <u>30,822,123,519</u>          |
| Total Five-Year Full Valuation            |                                              |                                             | <u>149,272,481,292</u>         |
| Average Five-Year Full Valuation          |                                              |                                             | <u>29,854,496,258</u>          |
| Debt Limit - 7% of Average Full Valuation |                                              |                                             | <u><u>\$ 2,089,814,738</u></u> |

(1) Assessed valuations are based on the final assessment rolls of the cities and town governments comprising the County filed on or about August 1 of each year and are as of September 30th.

(2) State equalization rates presented represent the weighted average of the State equalization rates established for each city and town in the County.

Source: County Officials and the Office of Real Property Tax Services.

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**Statutory Debt Limit and Net Indebtedness**

The following table, based on information furnished by the County, presents the debt-incurring power of the County and shows that the County is within its constitutional debt limit.

**Statement of Debt Limit and Net Indebtedness  
As Of March 16, 2019**

|                                                                                                    | <u>Amount</u>                 | <u>Percentage<br/>Of Debt Limit</u> |
|----------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------------|
| Debt Contracting Limitation:<br>Seven Percentum of Five-Year Average<br>Full Valuation (See Above) | \$2,089,814,738               | 100.00%                             |
| Gross Direct Debt:<br>Serial Bonds                                                                 | <u>166,290,000</u>            | <u>7.95</u>                         |
| Total Gross Debt                                                                                   | <u>166,290,000</u>            | <u>7.95</u>                         |
| Exclusions and Deductions:<br>Current Budget Appropriations To<br>Pay Non-Exempt Debt              | <u>11,990,000</u>             | <u>0.57</u>                         |
| Total Exclusions and Deductions                                                                    | <u>11,990,000</u>             | <u>0.57</u>                         |
| Total Net Direct Debt                                                                              | <u>154,300,000</u>            | <u>7.38</u>                         |
| Debt-Contracting Margin <sup>(1)</sup>                                                             | <u><u>\$1,935,514,738</u></u> | <u><u>92.62%</u></u>                |

(1) Excluding the Bonds, the County's authorized but unissued debt as of March 16, 2019 is approximately \$146.6 million. See "Debt Financing and Authorizations," "Authority for and Purpose of the Series A Bonds" and "Authority for and Purpose of the Series B Bonds," herein).

**Trend of Capital Debt**

**Capital Debt 2014-2018 <sup>(1)</sup>**

|                         | Years Ended December 31:    |                             |                             |                            |                             |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|
|                         | <u>2014</u>                 | <u>2015</u>                 | <u>2016</u>                 | <u>2017</u>                | <u>2018</u>                 |
| Bonds <sup>(1)</sup>    | \$107,168,842               | \$118,868,760               | \$101,785,000               | \$91,900,000               | \$133,374,536               |
| Bond Anticipation Notes | <u>-0-</u>                  | <u>-0-</u>                  | <u>-0-</u>                  | <u>-0-</u>                 | <u>-0-</u>                  |
| Total                   | <u><u>\$107,168,842</u></u> | <u><u>\$118,868,760</u></u> | <u><u>\$101,785,000</u></u> | <u><u>\$91,900,000</u></u> | <u><u>\$133,374,536</u></u> |

(1) Excludes refunded bonds.

### ***Short-Term Indebtedness***

Pursuant to the Local Finance Law, the County is authorized to issue short-term indebtedness, in the form of notes, to finance both capital and operating purposes.

**Capital Purposes.** Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in the anticipation of the sale of notes at some future date and may be renewed from time-to-time but, in general, may not be renewed beyond the fifth anniversary of their original issuance. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of the notes. Bond anticipation notes may not be renewed after the sale of bonds in anticipation of which the notes were originally issued. A history of bond anticipation notes outstanding at the end of the last five years is presented above (see “Trend of Capital Debt,” herein).

**Operating Purposes.** The County is authorized by Local Finance Law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and Treasury Regulations promulgated pursuant to the Internal Revenue Code of 1986, as amended. Such notes may be renewed from time to time, but generally not beyond three years in the case of revenue anticipation notes, and five years for tax anticipation notes. All previous issues of tax anticipation notes were outstanding less than one year. Neither tax nor revenue anticipation notes have been issued during the past 10 years. Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year. Budget notes have not been issued since 1975. The Local Finance Law also authorizes the issuance of deficiency notes. The County has never issued deficiency notes.

County officials have indicated that the County does not anticipate the need to issue tax, revenue, deficiency, or budget notes in the foreseeable future.

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## Overlapping Debt

In addition to the County, various other political units have the power to incur indebtedness payable from property taxes levied on property in the County. The table below sets forth both the total outstanding principal amount of debt issued by the County and the approximate magnitude of the burden on taxable property in the County of the debt issued and outstanding by such other political units.

### Statement of Direct and Overlapping Indebtedness

|                                                           |                       |
|-----------------------------------------------------------|-----------------------|
| Gross Direct Indebtedness (County – as of March 16, 2019) | \$ 166,290,000        |
| Exclusions and Deductions                                 | <u>11,990,000</u>     |
| Net Direct Indebtedness (County – as of March 16, 2019)   | <u>\$ 154,300,000</u> |

| <u>Municipality or District</u> | <u>Debt<br/>As Of:</u> | <u>Gross<br/>Underlying Debt</u> | <u>Exclusions<br/>Applied <sup>(1)</sup></u> | <u>Net<br/>Underlying Debt</u> |
|---------------------------------|------------------------|----------------------------------|----------------------------------------------|--------------------------------|
| Cities:                         |                        |                                  |                                              |                                |
| Beacon                          | 05-02-18               | \$46,088,700                     | \$ (7,385,670)                               | \$ 38,703,030                  |
| Poughkeepsie                    | 04-16-18               | 70,587,862                       | (28,633,698)                                 | 41,954,164                     |
| Towns (Twenty):                 | 12-31-17               | 170,399,213                      | (-0-)                                        | 170,399,213                    |
| Villages (Eight):               | 05-31-17               | 41,949,894                       | (-0-)                                        | 41,949,894                     |
| Schools Districts (Thirteen):   | 06-30-17               | 347,331,088                      | (-0-)                                        | 347,331,088                    |
| Fire Districts (Twenty-Four):   | 12-31-17               | 5,376,442                        | (-0-)                                        | <u>5,376,442</u>               |
| Total Underlying Debt           |                        |                                  |                                              | 645,713,831                    |
| Net Direct Debt (See Above)     |                        |                                  |                                              | <u>154,300,000</u>             |
| Net Direct & Underlying Debt    |                        |                                  |                                              | <u><u>\$ 800,013,831</u></u>   |

(1) Net of certain excludable debts.

Source: The Office of the State Comptroller and Official Statements obtained from the MSRB's EMMA website.

## Debt Ratios

The following table presents certain debt ratios relative to the County's capital indebtedness as of March 16, 2019.

|                                 | <u>Amount</u>  | <u>Debt Per<br/>Capita <sup>(1)</sup></u> | <u>Debt To<br/>Full<br/>Value <sup>(2)</sup></u> | <u>Debt<br/>Per Capita/<br/>Per Capita<br/>Income <sup>(3)</sup></u> |
|---------------------------------|----------------|-------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------|
| Net Direct Debt                 | \$ 154,300,000 | \$ 521                                    | <u>0.50%</u>                                     | 1.42%                                                                |
| Net Direct and Overlapping Debt | 800,013,831    | 2,706                                     | 2.60                                             | 7.37                                                                 |

(1) Based on a 2017 population of 295,685 (interim data from the US Census Bureau).

(2) The full valuation of the County for 2019 is \$30,822,123,519.

(3) According to the 2016 American Community Survey – 5 Year Estimates (US Bureau of the Census) the per capita personal income for County residents is \$36,704.

## ***Debt Financing and Authorizations***

**Financings.** The County's last public sale of bonds was in March of 2019 when they issued \$15,000,000 Public Improvement (Serial) Bonds, 2019 Series A and \$20,000,000 Public Improvement (Serial) Bonds, 2019 Series B. The 2019 Series A Bonds sold at a true interest rate of 2.51% and mature serially on March 1, 2020 through 2039. The 2019 Series B Bonds sold at a true interest rate of 3.18% and mature serially on March 1, 2020 through 2048.

**Authorized But Unissued Debt.** Excluding the Bonds, the County's authorized but unissued debt as of March 16, 2019 is approximately \$146.6 million including a remaining balance of \$132.2 million for the new County justice and transition facility. Debt authorizations also include funding for highways, bridges, vehicles and equipment and various other County projects.

In an effort to combat overcrowding of the local jail system the County is proceeding with the construction of a new detention facility. It is believed that a more modern facility may, in addition to addressing overcrowding, improve staffing ratios and provide the capability of addressing special needs of the population. In March of 2016 the County authorized a bond resolution in the amount of \$192.2 million for this purpose. In 2018 and 2019 the County issued \$40.0 and \$20.0 million in serial bonds in connection with this project, respectively. The County anticipates future issuances of debt in accordance to the cash flow needs of the project. However, an exact amount and timeframe for the future debt issuances has not yet been determined.

## ***Capital Budgeting***

The County's Charter provides that a 5-year capital budget be prepared each year and submitted to the County Legislature concurrently with the annual operating budget. The capital budget is a flexible plan to meet the County's physical improvement needs based on current priorities and available resources. Such budgets are revised annually at which time existing projects are modified or eliminated while new projects are added. A copy of the capital budget covering the fiscal years 2019 through 2023 is attached as a part of this Official Statement. In addition, copies of the may be obtained from the County's official website or by request to the County's Financial Advisor.

The Budget Director is responsible for preparing the capital budget and is assisted in this duty by a capital program committee created by the County Charter. In addition to the County Executive who serves as the Chairman of the committee, members of this committee include the Chairman of the Legislature, the Chairman of the planning and capital projects committee of the Legislature as well as various department heads. The County Planning Department, whose head is a member of the capital program committee, coordinates the capital planning process for the County. Each department head submits a list of capital projects which they propose for the following 5 years. Each individual project must be assigned a priority rating by the department head. The capital program committee reviews and evaluates the departmental requests by interviewing department heads and examining various analyses and reports. After making such necessary changes the capital program committee adopts the capital budget for the ensuing 5-year period. The capital budget document is then forwarded to the County Legislature for consideration and approval. (Bond resolutions for the capital program are subsequently sent to the Legislature.) The capital program for the College is approved by the College's Board of Trustees and also subject to the approval of the County Legislature. Capital improvements for the College are funded through combination of State money (50%) and revenue derived from assessments on non-resident students attending the College.

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## ***Debt Service Schedule***

The following table presents the debt service requirements to maturity on the County's outstanding general obligation bonded indebtedness, exclusive of the Bonds.

| Years<br>Ending<br>Dec. 31: | Outstanding Bonds: <sup>(1)</sup> |                     |                          | Cumulative<br>% Principal<br>Paid |
|-----------------------------|-----------------------------------|---------------------|--------------------------|-----------------------------------|
|                             | Principal<br>Payment              | Interest<br>Payment | Total<br>Debt<br>Service |                                   |
| 2019 <sup>(1)</sup>         | \$ 14,074,536                     | \$ 4,314,780        | \$ 18,389,316            | 8.36%                             |
| 2020                        | 14,195,000                        | 5,200,777           | 19,395,777               | 16.79                             |
| 2021                        | 12,330,000                        | 4,721,663           | 17,051,663               | 24.11                             |
| 2022                        | 10,765,000                        | 4,236,144           | 15,001,144               | 30.51                             |
| 2023                        | 9,375,000                         | 3,831,357           | 13,206,357               | 36.07                             |
| 2024                        | 8,945,000                         | 3,524,263           | 12,469,263               | 41.39                             |
| 2025                        | 8,555,000                         | 3,244,588           | 11,799,588               | 46.47                             |
| 2026                        | 7,695,000                         | 2,974,303           | 10,669,303               | 51.04                             |
| 2027                        | 7,030,000                         | 2,727,338           | 9,757,338                | 55.21                             |
| 2028                        | 6,285,000                         | 2,494,188           | 8,779,188                | 58.95                             |
| 2029                        | 5,465,000                         | 2,278,091           | 7,743,091                |                                   |
| 2030                        | 5,445,000                         | 2,102,341           | 7,547,341                |                                   |
| 2031                        | 4,710,000                         | 1,934,556           | 6,644,556                |                                   |
| 2032                        | 4,350,000                         | 1,774,638           | 6,124,638                |                                   |
| 2033                        | 4,365,000                         | 1,626,672           | 5,991,672                |                                   |
| 2034                        | 4,190,000                         | 1,487,438           | 5,677,438                |                                   |
| 2035                        | 3,345,000                         | 1,365,725           | 4,710,725                |                                   |
| 2036                        | 3,135,000                         | 1,265,694           | 4,400,694                |                                   |
| 2037                        | 3,190,000                         | 1,167,032           | 4,357,032                |                                   |
| 2038                        | 3,060,000                         | 1,068,250           | 4,128,250                |                                   |
| 2039                        | 2,725,000                         | 970,133             | 3,695,133                |                                   |
| 2040                        | 2,435,000                         | 881,571             | 3,316,571                |                                   |
| 2041                        | 2,520,000                         | 802,018             | 3,322,018                |                                   |
| 2042                        | 2,605,000                         | 717,183             | 3,322,183                |                                   |
| 2043                        | 2,690,000                         | 629,264             | 3,319,264                |                                   |
| 2044                        | 2,785,000                         | 536,264             | 3,321,264                |                                   |
| 2045                        | 2,875,000                         | 439,744             | 3,314,744                |                                   |
| 2046                        | 2,975,000                         | 340,104             | 3,315,104                |                                   |
| 2047                        | 3,080,000                         | 234,045             | 3,314,045                |                                   |
| 2048                        | 3,180,000                         | 121,725             | 3,301,725                |                                   |
|                             | <u>\$ 168,374,536</u>             | <u>\$59,011,889</u> | <u>\$227,386,425</u>     |                                   |

(1) As of March 16, 2019, the County has paid \$2,086,536 principal and \$1,831,861 interest for bonded debt service in fiscal 2019.

## **ECONOMIC AND DEMOGRAPHIC DATA**

### ***Population***

Population in the County grew markedly during the 1950's and 1960's. Strong population growth continued through the last official Census taken in 2010 when population grew by approximately 6.2% to 297,488 persons during the prior ten years. Accordingly, population at the State and national levels from 2000 to 2010 grew by 2.1% and 9.7%, respectively. For 2017, the County's estimated population declined 0.1% compared to 2010 Census data.

**Population Trend**

| <u>Year</u> | <u>County</u> | <u>State</u> | <u>United States</u> |
|-------------|---------------|--------------|----------------------|
| 1980        | 245,055       | 17,558,072   | 226,545,805          |
| 1990        | 259,462       | 17,990,455   | 248,709,873          |
| 2000        | 280,150       | 18,976,457   | 281,421,906          |
| 2010        | 297,488       | 19,378,102   | 308,745,538          |
| 2017        | 295,685       | 19,798,228   | 321,004,407          |

Source: U.S. Department of Commerce, Bureau of the Census.

**Percent Change in Population**

| <u>Census</u>       | <u>County</u> | <u>State</u> | <u>United States</u> |
|---------------------|---------------|--------------|----------------------|
| 1990                | 5.9%          | 2.5%         | 9.8%                 |
| 2000                | 8.0           | 5.5          | 13.2                 |
| 2010                | 6.2           | 2.1          | 9.7                  |
| 2017 <sup>(1)</sup> | (0.1)         | 2.2          | 3.9                  |

Source: U.S. Department of Commerce, Bureau of the Census.

***Income***

As shown in the table below, the per capita income for the County increased by approximately 16.0% between 2010 and 2017. The State and the US increased by approximately 15.5% and 14.1%, respectively.

**Per Capita Money Income**

|               | <u>2010</u> | <u>2017</u> | <u>% Change</u> |
|---------------|-------------|-------------|-----------------|
| County        | \$31,642    | \$36,704    | 16.0%           |
| State         | 30,948      | 35,757      | 15.5            |
| United States | 27,334      | 31,177      | 14.1            |

Source: U.S. Department of Commerce, Bureau of the Census.

**Median Income of Families - 2017**

|        | <u>Median Family Income</u> | <u>Income Groups - % of Families</u> |                         |                         |                         |                          |
|--------|-----------------------------|--------------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
|        |                             | <u>Under \$25,000</u>                | <u>\$25,000 -49,999</u> | <u>\$50,000 -74,999</u> | <u>\$75,000 -99,999</u> | <u>\$100,000 Or More</u> |
| County | \$94,533                    | 7.9%                                 | 14.5%                   | 15.8%                   | 15.1%                   | 46.7%                    |
| State  | 77,141                      | 14.6                                 | 18.1                    | 16.1                    | 13.1                    | 38.1                     |

Source: U.S. Department of Commerce, Bureau of the Census.

## Employment

### Average Employed Civilian Labor Force

|        | 2000      | 2010      | 2017      | % Change  |           |
|--------|-----------|-----------|-----------|-----------|-----------|
|        |           |           |           | 2000-2010 | 2010-2017 |
| County | 134,000   | 137,700   | 144,700   | 2.8%      | 5.1%      |
| State  | 8,718,700 | 8,769,700 | 9,249,200 | 0.6       | 5.5       |

Source: The New York State Department of Labor.

### Average Unemployment Rates

| Year                 | County | State | United States |
|----------------------|--------|-------|---------------|
| 2013                 | 6.7%   | 7.7%  | 7.4%          |
| 2014                 | 5.3    | 6.3   | 6.2           |
| 2015                 | 4.5    | 5.3   | 5.3           |
| 2016                 | 4.2    | 4.8   | 4.9           |
| 2017                 | 4.3    | 4.7   | 4.4           |
| 2018: <sup>(1)</sup> |        |       |               |
| Jan                  | 4.8    | 5.1   | 4.5           |
| Feb                  | 5.0    | 5.1   | 4.4           |
| Mar                  | 4.5    | 4.8   | 4.1           |
| Apr                  | 4.1    | 4.3   | 3.7           |
| May                  | 3.6    | 3.7   | 3.6           |
| Jun                  | 3.9    | 4.2   | 4.2           |
| Jul                  | 3.8    | 4.2   | 4.1           |
| Aug                  | 3.6    | 4.1   | 3.9           |
| Sep                  | 3.4    | 3.8   | 3.6           |
| Oct                  | 3.1    | 3.6   | 3.5           |
| Nov                  | 2.9    | 3.5   | 3.5           |
| Dec                  | 3.1    | 3.8   | 3.7           |

(1) Monthly Rates.

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

**Major Non-Government Employers in the County  
(1,000 or More Employees) <sup>(1)</sup>**

| <u>Name</u>                          | <u>Industry or Business</u> | <u>Estimated<br/>Number<br/>of Employees</u> |
|--------------------------------------|-----------------------------|----------------------------------------------|
| HealthQuest                          | Hospital                    | 5,600                                        |
| International Business Machine Corp. | Technology                  | 4,100                                        |
| GlobalFoundries                      | Manufacturing               | 2,500                                        |
| Bard College                         | College                     | 1,800                                        |
| Mid-Hudson Regional Hospital         | Hospital                    | 1,800                                        |
| Culinary Institute of America        | College                     | 1,500                                        |
| Gap Inc.                             | Warehousing/Distribution    | 1,300                                        |
| Marist College                       | College                     | 1,300                                        |
| Vassar College                       | College                     | 1,100                                        |
| Central Hudson Gas & Electric Corp.  | Electric Services           | 1,000                                        |

(1) As of February 10, 2017.

Source: County Officials.

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**Non-Agricultural Employment by Industry**  
**2017 (Annual – Preliminary Data, Subject to Adjustment)**  
**(Average Employment) <sup>(1)</sup>**

| INDUSTRY / SECTOR:                        | Dutchess-Putnam       |                        |
|-------------------------------------------|-----------------------|------------------------|
|                                           | Average<br>Employment | Percent <sup>(1)</sup> |
| <b>PRIVATE SECTOR:</b>                    |                       |                        |
| Agriculture, Forestry, Fishing & Hunting  | 781                   | 0.56%                  |
| Mining                                    | 276                   | 0.20                   |
| Construction                              | 7,675                 | 5.53                   |
| Manufacturing                             | 9,513                 | 6.86                   |
| Wholesale Trade                           | 2,752                 | 1.98                   |
| Retail Trade                              | 17,235                | 12.43                  |
| Transportation and Warehousing            | 2,830                 | 2.04                   |
| Information                               | 1,894                 | 1.37                   |
| Finance and Insurance                     | 3,066                 | 2.21                   |
| Real Estate and Rental and Leasing        | 1,531                 | 1.10                   |
| Professional and Technical Services       | 4,902                 | 3.53                   |
| Management of Companies and Enterprises   | 1,376                 | 0.99                   |
| Administrative and Waste Services         | 5,676                 | 4.09                   |
| Educational Services                      | 8,740                 | 6.30                   |
| Health Care and Social Assistance         | 24,344                | 17.55                  |
| Arts, Entertainment, and Recreation       | 2,967                 | 2.14                   |
| Accommodation and Food Services           | 12,164                | 8.77                   |
| Other Services (Private)                  | 5,607                 | 4.04                   |
| Unclassified / Misc. <sup>(2)</sup>       | 1,093                 | 0.79                   |
| <b>TOTAL - PRIVATE SECTOR</b>             | <b>114,422</b>        | <b>82.51%</b>          |
| <b>GOVERNMENT (ALL SECTORS OF GOV.)</b>   | <b>24,255</b>         | <b>17.49%</b>          |
| <b>TOTAL - (PRIVATE &amp; GOVERNMENT)</b> | <b>138,677</b>        | <b>100.00%</b>         |

(1) Numbers may ad exactly due to rounding.

(2) For confidentiality reasons certain information correlating to the County is not able be classified by the State. Such info has been included and listed as miscellaneous.

Source: The New York State Department of Labor, Quarterly Census of Employment and Wages (Preliminary, 2017 Annual).

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**Average Wage by Sector<sup>(1)</sup>**  
**2017 (Preliminary Data - Annual)**

| Industrial Sector:                        | Dutchess-Putnam<br>Average Wage |
|-------------------------------------------|---------------------------------|
| Agriculture, Forestry, Fishing & Hunting  | \$ 30,419                       |
| Mining                                    | 74,795                          |
| Construction                              | 61,130                          |
| Manufacturing                             | 95,149                          |
| Wholesale Trade                           | 69,027                          |
| Retail Trade                              | 30,948                          |
| Transportation and Warehousing            | 40,539                          |
| Information                               | 58,500                          |
| Finance and Insurance                     | 67,677                          |
| Real Estate and Rental and Leasing        | 46,276                          |
| Professional and Technical Services       | 64,386                          |
| Management of Companies and Enterprises   | 78,075                          |
| Administrative and Waste Services         | 48,005                          |
| Educational Services                      | 45,073                          |
| Health Care and Social Assistance         | 53,765                          |
| Arts, Entertainment, and Recreation       | 21,664                          |
| Accommodation and Food Services           | 21,563                          |
| Other Services, Ex. Public Administration | 38,982                          |
| Unclassified                              | 35,186                          |
| AVERAGE WAGE - PRIVATE:                   | 49,759                          |
| AVERAGE WAGE - GOVERNMENT:                | 64,597                          |
| TOTAL AVG. (PRIVATE & GOVERNMENT):        | \$ 52,355                       |

Source: The New York State Department of Labor, Quarterly Census of Employment and Wages (Preliminary, 2017 Annual).

***Education and Medical Institutions***

**Education.** There are three four-year colleges and one two-year college located in the County. The four-year institutions are Bard College, Marist College and Vassar College. Dutchess Community College is a two-year institution offering associate degrees in various areas of study. In addition, the Culinary Institute of America, a world renowned school for the culinary arts, offers associate and bachelor degrees in the culinary arts and is the only domestic or international residential college devoted exclusively to culinary education. Located just outside the County is the State University at New Paltz, about 15 miles west of Poughkeepsie. In addition, Adelphi University operates an extension center in the County. The County is home to the Institute of Ecosystem Studies an internationally recognized center for ecological research and education with a staff of 22 scientists with doctorate degrees.

Dutchess Community College (the “College”), a unit of the State University of New York, first offered classes in 1958. This two-year institution offers four main programs of study leading to associate degrees in arts, science, applied science and a one-year certificate. Capital costs for the College are shared by the County and the State of New York; operating costs are financed by student tuition and fees, State aid and contributions from the County.

The contributions of the County to the General Fund (“operating”) of the College for the past five years, and as budgeted for the current year, are as follows:

| Fiscal Year<br>December | County’s<br>Contribution<br>Amount |
|-------------------------|------------------------------------|
| 2013                    | \$10,837,898                       |
| 2014                    | 10,837,898                         |
| 2015                    | 10,837,898                         |
| 2016                    | 12,187,898                         |
| 2017                    | 13,537,898                         |
| 2018 (Budgeted)         | 14,537,898                         |
| 2019 (Budgeted)         | 16,287,898                         |

The College's enrollment has grown from 250 full-time and 400 part-time students in 1958 when the College opened to an enrollment exceeding 10,000 full-time and part-time students.

**Medical.** Hospital services are provided primarily by Mid-Hudson Regional, Vassar Brothers, and Northern Dutchess hospitals which offer residents of the County a wide range of both inpatient and outpatient services. In addition, the County administers a variety of programs to help those in need of health services including patient services, ambulatory clinic services, home health services, health education, environmental health and social work. Mid-Hudson and Vassar Brothers are currently undertaking major expansion programs for their respective facilities.

***Financial Institutions***

Thirteen commercial banks have 64 branch offices and five savings institutions have 22 branch offices located within the County. Among the larger banks are Bank of America, First Niagara Bank, JPMorgan Chase, Key Bank, Manufacturers and Traders Trust Company(M&T), RBS Citizens Bank, Rhinebeck Savings Bank, TD Bank, Trustco Bank and Ulster County Savings Bank. According to the Federal Deposit Insurance Corporation, commercial and saving banks in the County had total deposits of approximately \$6.4 billion as of June 30, 2018.

***Transportation***

The major forms of transportation within the County are as follows:

**Rail.** Metro North Railroad (MNR), a division of the Metropolitan Transportation Authority, is the nation's second largest commuter railroad. MNR currently provides daily passenger service (including several express trips) between the County and New York City at eight stations on two lines, the Harlem Line in the eastern part of County, and the Hudson Line along the River. The Harlem Line was extended to Wassaic in the eastern part of the County. In addition, MNR purchased the Beacon Line that connects the County to Danbury, Connecticut. This new line provides MNR with the potential to link its three major service lines.

Amtrak service is available along the Hudson Line with stops at both Poughkeepsie and Rhinecliff. Improvements to the New York to Albany corridor are planned as part of the State's efforts to establish high-speed passenger rail service. CSX provides freight service to the County.

**Bus.** Public bus transportation within the County is provided by the County (LOOP Bus System). Centered in the urbanized core around Poughkeepsie, these systems provide service to many of the County's communities.

Poughkeepsie Transit operates seven vehicles on six routes in the City of Poughkeepsie and surrounding areas. The LOOP System has 52 vehicles and operates a variety of services from commuter express to specialized paratransit for elderly and disabled citizens. Services include coordinated connections to the major MNR train stations, establishment of a rural paratransit service to serve communities in eastern and northern Dutchess, an intermodal center along I-84 to facilitate local, regional and long-distance travel, and full access for the disabled to all Loop vehicles.

Regional bus service is available from a number of private operators who provide links throughout the region and beyond. NYSDOT recently established express commuter service from the County to regional employment centers in Westchester County and Danbury, Connecticut.

**Trucking.** The State Thruway, which is situated west of the Hudson River is readily available to County residents by utilizing State Bridge Authority crossings at Beacon, Poughkeepsie or Rhinebeck. Major regional marketing centers can be reached in two hours or less via the Thruway and its connecting links. Interstate 84 runs through the southern portion of the County and links New England and Eastern Pennsylvania. In addition, Interstate 84 intersects with Interstate 684 to the south of the County providing access to the metropolitan New York area including the City of New York.

**Water.** The Hudson River forms the entire western boundary of the County and has a deep water channel suitable for oceangoing vessels as far north as Albany. Deep draft vessels can be berthed at Poughkeepsie, Newburgh (across the River from Beacon) and Kingston (across the River from Rhinebeck). Barges can use docks at several points along the County's shoreline. The Hudson River water route also affords direct access to the Champlain Barge Canal and the Great Lakes - St. Lawrence Seaway Route.

**Air.** Commercial air transport is available at the County airport, which has a Federal Aviation Administration control tower. The airport has an area of 560 acres, including two runways of 5,000 and 3,000 feet, respectively. The airport has instrument landing system facilities. The airport serves as flight operations headquarters for the AAG Group which offers fractional ownership shares in helicopters. In addition, aircraft rescue, charter service, flight schools, maintenance and avionics services are available at the airport.

Stewart International Airport, located in nearby Orange County, can be reached by the majority of County residents within a half-hour. The Airport is operated by the Port Authority of New York and New Jersey. Five airlines and commuter lines provide direct service to eastern, southern and mid-western cities with connections to other destinations.

### ***Communications***

The County is served by the New York City newspapers, radio and television stations. In addition, the County has various local newspapers, including the Poughkeepsie Journal and several local radio stations and television stations.

### ***Utilities***

Verizon, which is the largest provider of telephone service in the County, invested in a major fiber-optic corridor and other upgrades in the Hudson Valley and offers certain advanced telecommunications services, including internet and television to many areas of the County. Several cable companies, the largest of which is Cablevision (Optimum), provide cable television, internet and telephone services to residents of the County.

### ***Culture and Recreation***

There are numerous State, County and local year-round recreational areas, bicycle/pedestrian trails and parks in the County providing facilities for a variety of popular activities for residents and visitors. Among the larger areas are Mills Norrie Park, James Baird State Park, Taconic State Park, Wilcox Park, Bowdoin Park and the Harlem Valley Rail Trail. A four-percent hotel tax (increased in-2004 from 3%) generated approximately \$1,936,218 of revenue for the County in 2011 and \$2,025,448 in 2012, a portion of which is utilized to promote tourism. The County has a rich historical background and also boasts a diversity of tourism opportunities.

Tourism is a major component of the Dutchess County economy. This segment of the County's economy for 2006 had a payroll of about \$149 million. In 2006, 4.0 million people visited the County and spent an estimated \$466 million. In a study of tourism in the Mid-Hudson region, the County was reported to have more visitor attractions than any other county in the region. The Roosevelt, Vanderbilt and Val-Kill estates together attract approximately 800,000 visitors annually making them among of the largest attractions in the Hudson Valley.

A minor league baseball team, the Hudson Valley Renegades of the New York-Penn League plays in a stadium in the County.

***Housing Data***

**Housing Stock  
2000-2017**

|        | Number of Units |           |           | % Change |         |
|--------|-----------------|-----------|-----------|----------|---------|
|        | 2000            | 2010      | 2017      | 2000-10  | 2010-17 |
| County | 106,103         | 118,638   | 120,136   | 11.8%    | 1.3%    |
| State  | 7,679,307       | 8,108,103 | 8,255,911 | 5.6      | 1.8     |

Source: U.S. Department of Commerce, Bureau of the Census.

**Median Housing Values and Rents  
2017**

|        | % Constructed<br>2010-2017 | Median Value            | Median Rents             | Occupancy Status  |                    |        |
|--------|----------------------------|-------------------------|--------------------------|-------------------|--------------------|--------|
|        |                            | Owner<br>Occupied Units | Renter<br>Occupied Units | Owner<br>Occupied | Renter<br>Occupied | Vacant |
| County | 1.5%                       | \$275,200               | \$1,174                  | 61.8%             | 27.6%              | 10.6%  |
| State  | 1.7                        | 293,000                 | 1,194                    | 47.8              | 40.1               | 11.5   |

Source: U.S. Department of Commerce, Bureau of the Census.

**END OF APPENDIX A**

**APPENDIX B**

**UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS**

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COUNTY OF DUTCHESS  
GENERAL FUND  
BALANCE SHEET  
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

|                                                                          | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  |
|--------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>ASSETS</b>                                                            |                       |                       |                       |                       |                       |
| Cash And Cash Equivalents                                                | \$ 33,889,166         | \$ 52,426,157         | \$ 58,258,830         | \$ 54,355,289         | \$ 22,701,215         |
| Restricted Cash and Cash Equivalents                                     | 6,818,283             | 10,749,133            | 15,414,931            | 29,155,011            | 25,971,384            |
| Investments                                                              | 0                     | 0                     | 5,000,000             | 15,025,025            | 34,916,889            |
| Taxes Receivables (Net)                                                  | 47,129,322            | 49,261,379            | 49,318,753            | 44,594,430            | 41,662,854            |
| Accounts Receivables (Net)                                               | 3,811,763             | 5,954,671             | 2,768,450             | 4,271,864             | 4,939,884             |
| State and Federal Aid Receivables                                        | 0                     | 0                     | 0                     | 0                     | 0                     |
| Inventories                                                              | 86,089                | 117,342               | 109,440               | 110,380               | 100,081               |
| Due From Other Funds                                                     | 4,990,428             | 4,430,948             | 4,919,613             | 9,644,374             | 14,932,838            |
| Intergovernmental Receivables                                            | 52,010,776            | 54,376,788            | 59,421,175            | 52,024,794            | 38,522,679            |
| Prepaid Expenses and Other Assets                                        | 5,172,038             | 4,854,079             | 4,645,391             | 4,317,212             | 4,395,860             |
| <b>Total Assets</b>                                                      | <b>\$ 153,907,865</b> | <b>\$ 182,170,497</b> | <b>\$ 199,856,583</b> | <b>\$ 213,498,379</b> | <b>\$ 188,143,684</b> |
| <b>LIABILITIES</b>                                                       |                       |                       |                       |                       |                       |
| Liabilities:                                                             |                       |                       |                       |                       |                       |
| Accounts Payable                                                         | \$ 24,773,645         | \$ 37,519,006         | \$ 32,911,867         | \$ 40,861,687         | \$ 40,176,992         |
| Accrued Liabilities                                                      | 5,818,764             | 8,934,936             | 2,183,123             | 2,381,905             | 2,566,335             |
| Due to Other Funds                                                       | 0                     | 98                    | 0                     | 0                     | 0                     |
| Intergovernmental Payables                                               | 39,505,241            | 33,263,114            | 35,564,466            | 33,946,337            | 31,826,369            |
| Other Liabilities                                                        | 1,673,283             | 1,003,317             | 1,009,385             | 0                     | 0                     |
| Unearned Revenues                                                        | 2,212,636             | 3,130,720             | 3,262,739             | 4,903,268             | 4,035,679             |
| <b>Total Liabilities</b>                                                 | <b>73,983,569</b>     | <b>83,851,191</b>     | <b>74,931,580</b>     | <b>82,093,197</b>     | <b>78,605,375</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                       |                       |                       |                       |                       |
| Unavailable revenues- grants and aid                                     | 8,316,056             | 8,188,911             | 14,559,630            | 16,593,282            | 0                     |
| Unavailable revenues- property taxes                                     | 18,124,448            | 18,927,422            | 18,471,567            | 16,438,783            | 15,348,490            |
| <b>Total deferred inflows of resources</b>                               | <b>26,440,504</b>     | <b>27,116,333</b>     | <b>33,031,197</b>     | <b>33,032,065</b>     | <b>15,348,490</b>     |
| <b>FUND BALANCE:</b>                                                     |                       |                       |                       |                       |                       |
| Nonspendable                                                             | 5,258,127             | 4,971,421             | 4,754,831             | 4,427,592             | 4,495,941             |
| Restricted                                                               | 6,956,066             | 7,618,413             | 12,152,192            | 17,925,025            | 17,934,893            |
| Assigned                                                                 | 14,913,059            | 19,101,092            | 18,139,500            | 16,069,777            | 16,371,446            |
| Unassigned                                                               | 26,356,540            | 39,512,047            | 56,847,283            | 59,950,723            | 55,387,539            |
| <b>Total Fund Balance</b>                                                | <b>53,483,792</b>     | <b>71,202,973</b>     | <b>91,893,806</b>     | <b>98,373,117</b>     | <b>94,189,819</b>     |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b> | <b>\$ 153,907,865</b> | <b>\$ 182,170,497</b> | <b>\$ 199,856,583</b> | <b>\$ 213,498,379</b> | <b>\$ 188,143,684</b> |

The financial data presented on this page has been excerpted from the audited financial statements of the County. Such presentation however has not been audited.

COUNTY OF DUTCHESS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
UNAUDITED PRESENTATION

FOR THE YEARS ENDED DECEMBER 31:

|                                               | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
|-----------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>REVENUES:</b>                              |                      |                      |                      |                      |                      |
| Real Property Taxes                           | \$ 106,135,068       | \$ 107,102,979       | \$ 107,242,325       | \$ 107,312,291       | \$ 105,596,222       |
| Other Taxes                                   | 3,541,416            | 3,686,606            | 3,895,381            | 3,950,971            | 4,163,782            |
| Sales And Use Taxes (1)                       | 166,428,125          | 175,811,195          | 176,781,835          | 179,795,180          | 184,155,859          |
| Departmental Income                           | 22,147,828           | 21,723,919           | 25,473,941           | 26,069,275           | 23,086,093           |
| Use of Money and Property                     | 1,854,963            | 2,414,289            | 4,509,749            | 1,249,694            | 1,783,022            |
| Intergovernmental Charges                     | 0                    | 0                    | 0                    |                      |                      |
| Licenses and Permits                          | 0                    | 0                    | 0                    |                      |                      |
| Fines and Forfeitures                         | 0                    | 0                    | 0                    |                      |                      |
| Sale Of Property And<br>Compensation For Loss | 0                    | 0                    | 0                    | 0                    | 0                    |
| Grants And Aid                                | 103,218,680          | 110,238,946          | 113,441,366          | 111,104,686          | 115,269,357          |
| Miscellaneous                                 | 8,600,133            | 9,288,905            | 6,556,072            | 3,943,542            | 3,476,537            |
| <b>Total Revenues</b>                         | <b>411,926,213</b>   | <b>430,266,839</b>   | <b>437,900,669</b>   | <b>433,425,639</b>   | <b>437,530,872</b>   |
| <b>EXPENDITURES:</b>                          |                      |                      |                      |                      |                      |
| General Government Support                    | 58,776,243           | 62,050,720           | 71,734,291           | 65,671,921           | 67,724,418           |
| Education                                     | 13,420,767           | 13,261,525           | 13,322,914           | 14,895,858           | 16,447,819           |
| Public Safety                                 | 56,794,885           | 58,887,229           | 58,498,589           | 59,292,683           | 60,522,521           |
| Health                                        | 49,715,268           | 50,053,510           | 53,366,230           | 52,726,139           | 56,779,391           |
| Transportation                                | 2,756,061            | 2,784,221            | 2,775,767            | 2,791,854            | 2,807,813            |
| Economic Assistance And Opportunity           | 140,306,867          | 138,460,119          | 136,855,100          | 137,622,703          | 141,443,220          |
| Culture And Recreation                        | 1,757,274            | 1,871,937            | 1,971,815            | 1,915,471            | 1,979,961            |
| Home And Community Services                   | 7,753,948            | 8,477,032            | 8,735,855            | 11,627,394           | 10,082,525           |
| Employee Benefits                             | 55,078,360           | 55,791,200           | 54,884,212           | 57,041,309           | 60,670,306           |
| Debt Service                                  | 17,600,526           | 17,584,033           | 18,929,673           | 19,901,682           | 17,921,270           |
| <b>Total Expenditures</b>                     | <b>403,960,199</b>   | <b>409,221,526</b>   | <b>421,074,446</b>   | <b>423,487,014</b>   | <b>436,379,244</b>   |
| Excess of Revenues<br>Over Expenditures       | 7,966,014            | 21,045,313           | 16,826,223           | 9,938,625            | 1,151,628            |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                      |                      |                      |                      |                      |
| Operating Transfers - In                      | 2,239,577            | 95,070               | 1,117,639            | 2,792,498            | 545,082              |
| Proceeds of Serial Bonds                      | 0                    | 0                    | 7,575,000            | 1,529,259            | 43,139               |
| Proceeds of Advanced Refunding Bonds          | 0                    | 0                    | 13,856,683           | 10,960,000           | 0                    |
| Payment to Escrow Agent                       | 0                    | 0                    | (15,108,658)         | (12,387,743)         | 0                    |
| Operating Transfers - Out                     | (4,205,633)          | (3,421,202)          | (3,576,054)          | (6,353,328)          | (5,923,147)          |
| <b>Total Other Financing Sources (Uses)</b>   | <b>(1,966,056)</b>   | <b>(3,326,132)</b>   | <b>3,864,610</b>     | <b>(3,459,314)</b>   | <b>(5,334,926)</b>   |
| <b>Net Change in Fund Balance</b>             | <b>5,999,958</b>     | <b>17,719,181</b>    | <b>20,690,833</b>    | <b>6,479,311</b>     | <b>(4,183,298)</b>   |
| Fund Balance - Beginning of Year              | 47,483,834           | 53,483,792           | 71,202,973           | 91,893,806           | 98,373,117           |
| Restatement                                   | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Fund Balance - End of Year</b>             | <b>\$ 53,483,792</b> | <b>\$ 71,202,973</b> | <b>\$ 91,893,806</b> | <b>\$ 98,373,117</b> | <b>\$ 94,189,819</b> |

(1) (a) Includes Sales Tax distributed to political subdivisions of the County for 2012 through 2016.

The financial data presented on this page has been excerpted from the audited financial statements of the County. Such presentation, however, has not been audited.

COUNTY OF DUTCHESS  
OTHER GOVERNMENTAL FUNDS (1)  
BALANCE SHEET  
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

|                                           | 2013                | 2014                | 2015                | 2016                | 2017                |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                             |                     |                     |                     |                     |                     |
| Cash And Cash Equivalents                 | \$ 3,361,257        | \$ 5,259,478        | \$ 4,358,711        | \$ 5,283,886        | \$ 5,072,196        |
| Accounts Receivables (Net)                | 5,587               | 54,331              | 5,582               | 10,614              | 8,857               |
| Intergovernmental Receivables             | 1,547,099           | 1,152,106           | 1,333,716           | 1,712,416           | 1,940,915           |
| Prepaid Expenses                          | 313,386             | 288,874             | 257,394             | 218,439             | 223,593             |
| <b>Total Assets</b>                       | <b>\$ 5,227,329</b> | <b>\$ 6,754,789</b> | <b>\$ 5,955,403</b> | <b>\$ 7,225,355</b> | <b>\$ 7,245,561</b> |
| <b>LIABILITIES</b>                        |                     |                     |                     |                     |                     |
| Liabilities:                              |                     |                     |                     |                     |                     |
| Accounts Payable                          | \$ 1,791,443        | \$ 2,110,994        | \$ 1,582,247        | \$ 3,069,058        | \$ 2,177,615        |
| Accrued Liabilities                       | 397,811             | 411,983             | 98,842              | 137,877             | 173,268             |
| Due to Other Funds                        | 35,722              | 868,333             | 25,962              | 46,054              | 34,628              |
| Other Liabilities                         | 15,662              | 3,321               | 0                   | 0                   | 0                   |
| <b>Total Liabilities</b>                  | <b>2,240,638</b>    | <b>3,394,631</b>    | <b>1,707,051</b>    | <b>3,252,989</b>    | <b>2,385,511</b>    |
| <b>FUND BALANCE:</b>                      |                     |                     |                     |                     |                     |
| Nonspendable                              | 313,386             | 288,874             | 257,394             | 218,439             | 223,593             |
| Restricted                                | 0                   | 0                   | 0                   | 0                   | 0                   |
| Assigned                                  | 2,673,305           | 3,071,284           | 3,990,958           | 3,753,927           | 4,636,457           |
| Unassigned                                | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Total Fund Balance</b>                 | <b>2,986,691</b>    | <b>3,360,158</b>    | <b>4,248,352</b>    | <b>3,972,366</b>    | <b>4,860,050</b>    |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 5,227,329</b> | <b>\$ 6,754,789</b> | <b>\$ 5,955,403</b> | <b>\$ 7,225,355</b> | <b>\$ 7,245,561</b> |

(1) Includes County Road, Road Machinery Fund and Special Grants Fund.

The financial data presented on this page has been excerpted from the audited financial statements of the County. Such presentation however has not been audited.

COUNTY OF DUTCHESS  
OTHER GOVERNMENTAL FUNDS (1)  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
UNAUDITED PRESENTATION

FOR THE YEARS ENDED DECEMBER 31:

|                                                      | 2013                | 2014                | 2015                | 2016                | 2017                |
|------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES:</b>                                     |                     |                     |                     |                     |                     |
| Real Property Taxes                                  | \$ 10,181,535       | \$ 10,468,520       | \$ 11,213,743       | \$ 10,861,265       | \$ 11,967,895       |
| Departmental Income                                  | 1,944,110           | 1,940,881           | 2,197,380           | 1,934,931           | 1,990,716           |
| Use of Money and Property                            | 5,764               | 5,597               | 4,951               | 2,407               | 6,330               |
| Interest and Rentals                                 | 0                   | 0                   | 0                   | 0                   | 0                   |
| Sale Of Property And<br>Compensation For Loss        | 2,925               | 375                 | 1,280               | 0                   | 0                   |
| Grants and Aid                                       | 5,296,142           | 4,528,409           | 4,316,387           | 4,404,283           | 4,117,369           |
| Miscellaneous                                        | 303,165             | 305,521             | 192,688             | 157,026             | 108,767             |
| <b>Total Revenues</b>                                | <b>17,733,641</b>   | <b>17,249,303</b>   | <b>17,926,429</b>   | <b>17,359,912</b>   | <b>18,191,077</b>   |
| <b>EXPENDITURES:</b>                                 |                     |                     |                     |                     |                     |
| Current:                                             |                     |                     |                     |                     |                     |
| Public Safety                                        | 355,278             | 242,378             | 188,833             | 310,252             | 264,827             |
| Transportation                                       | 8,011,211           | 8,560,479           | 9,310,558           | 9,073,041           | 9,160,682           |
| Economic Assistance and Opportunity                  | 1,785,857           | 1,983,386           | 1,773,822           | 1,692,175           | 1,587,139           |
| Home and Community Service                           | 3,373,872           | 2,602,967           | 2,580,870           | 2,759,721           | 2,298,488           |
| Employee Benefits                                    | 4,195,184           | 4,027,362           | 3,983,378           | 3,800,709           | 4,005,857           |
| <b>Total Expenditures</b>                            | <b>17,721,402</b>   | <b>17,416,572</b>   | <b>17,837,461</b>   | <b>17,635,898</b>   | <b>17,316,993</b>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 12,239              | (167,269)           | 88,968              | (275,986)           | 874,084             |
| <b>OTHER FINANCING SOURCES (USES):</b>               |                     |                     |                     |                     |                     |
| Operating Transfers - In                             | 0                   | 540,736             | 799,226             | 0                   | 13,600              |
| <b>Total Other Financing Sources (Uses)</b>          | <b>0</b>            | <b>540,736</b>      | <b>799,226</b>      | <b>0</b>            | <b>13,600</b>       |
| <b>Net Change in Fund Balance</b>                    | <b>12,239</b>       | <b>373,467</b>      | <b>888,194</b>      | <b>(275,986)</b>    | <b>887,684</b>      |
| Fund Balance - Beginning of Year                     | 2,974,452           | 2,986,691           | 3,360,158           | 4,248,352           | 3,972,366           |
| <b>Fund Balance - End of Year</b>                    | <b>\$ 2,986,691</b> | <b>\$ 3,360,158</b> | <b>\$ 4,248,352</b> | <b>\$ 3,972,366</b> | <b>\$ 4,860,050</b> |

(1) Includes County Road, Road Machinery Fund and Special Grants Fund.

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COUNTY OF DUTCHESS  
ENTERPRISE FUNDS (1)  
BALANCE SHEET  
UNAUDITED PRESENTATION

AS OF DECEMBER 31:

|                                                        | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
|--------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                                          |                      |                      |                      |                      |                      |
| Current Assets                                         |                      |                      |                      |                      |                      |
| Cash And Cash Equivalents                              | \$ 4,581,726         | \$ 4,041,363         | \$ 4,996,793         | \$ 5,956,367         | \$ 6,132,272         |
| Accounts Receivable, Net of<br>Uncollectible Amounts   | 154,985              | 159,593              | 238,968              | 320,951              | 421,620              |
| Inventories                                            | 99,278               | 80,899               | 3,335                | 3,335                | 3,335                |
| Intergovernmental Receivables:<br>Due From Other Funds | 888,848              | 1,717,976            | 3,472,384            | 1,273,307            | 3,013,921            |
| Prepaid Expenses                                       | 58                   | 22,014               | 296                  | 335                  | 318                  |
|                                                        | <u>32,983</u>        | <u>31,659</u>        | <u>27,739</u>        | <u>21,709</u>        | <u>43,344</u>        |
| Total Current Assets                                   | <u>5,757,878</u>     | <u>6,053,504</u>     | <u>8,739,515</u>     | <u>7,576,004</u>     | <u>9,614,810</u>     |
| Noncurrent Assets                                      |                      |                      |                      |                      |                      |
| Capital Assets not being depreciated                   |                      |                      |                      |                      |                      |
| Land                                                   | 3,385,364            | 3,385,364            | 3,385,364            | 3,385,364            | 3,385,364            |
| Construction In Progress                               | 164,755              | 594,684              | 152,402              | 120,611              | 745,117              |
| Capital Assets net of accumulated depreciation         |                      |                      |                      |                      |                      |
| Buildings and Improvements                             | 3,477,366            | 3,302,272            | 3,324,594            | 3,808,767            | 3,397,005            |
| Infrastructure                                         | 11,783,585           | 10,477,370           | 13,366,802           | 12,701,357           | 11,056,148           |
| Machinery And Equipment                                | <u>3,787,694</u>     | <u>5,702,369</u>     | <u>6,137,263</u>     | <u>7,915,349</u>     | <u>9,676,200</u>     |
| Total Noncurrent Assets                                | <u>22,598,764</u>    | <u>23,462,059</u>    | <u>26,366,425</u>    | <u>27,931,448</u>    | <u>28,259,834</u>    |
| Total Assets                                           | <u>\$ 28,356,642</u> | <u>\$ 29,515,563</u> | <u>\$ 35,105,940</u> | <u>\$ 35,507,452</u> | <u>\$ 37,874,644</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                      |                      |                      |                      |                      |
| Deferred Outflows - Relating to Pensions               | \$ 0                 | \$ 0                 | \$ 100,457           | \$ 353,519           | \$ 181,338           |
| Total Deferred Outflows of Resources                   | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 100,457</u>    | <u>\$ 353,519</u>    | <u>\$ 181,338</u>    |
| <b>LIABILITIES</b>                                     |                      |                      |                      |                      |                      |
| Current Liabilities                                    |                      |                      |                      |                      |                      |
| Accounts Payable                                       | \$ 649,529           | \$ 1,180,996         | \$ 2,820,679         | \$ 757,825           | \$ 691,460           |
| Accrued Liabilities                                    | 71,385               | 77,623               | 27,531               | 37,011               | 28,495               |
| Unearned Revenues                                      | 4,693                | 35,817               | 8,061                | 4,225                | 45,485               |
| Due within One Year                                    | 513,262              | 454,787              | 0                    | 0                    | 0                    |
| Due to Other Funds                                     | <u>22,515</u>        | <u>158,748</u>       | <u>570,071</u>       | <u>426,902</u>       | <u>962,245</u>       |
| Total Current Liabilities                              | <u>1,261,384</u>     | <u>1,907,971</u>     | <u>3,426,342</u>     | <u>1,225,963</u>     | <u>1,727,685</u>     |
| Noncurrent:                                            |                      |                      |                      |                      |                      |
| Due within One Year                                    | 0                    | 0                    | 572,550              | 538,620              | 493,618              |
| Compensated Absences                                   | 37,897               | 49,558               | 46,240               | 39,025               | 37,302               |
| Net Pension Liability                                  | 0                    | 0                    | 83,823               | 333,416              | 196,573              |
| Long-Term Debt                                         | 4,736,458            | 2,640,462            | 2,655,754            | 2,128,446            | 1,736,792            |
| Other Postemployment Benefits                          | <u>1,039,060</u>     | <u>1,161,053</u>     | <u>1,294,749</u>     | <u>1,393,715</u>     | <u>1,512,552</u>     |
| Total Noncurrent Liabilities                           | <u>5,813,415</u>     | <u>3,851,073</u>     | <u>4,653,116</u>     | <u>4,433,222</u>     | <u>3,976,837</u>     |
| Total Liabilities                                      | <u>7,074,799</u>     | <u>5,759,044</u>     | <u>8,079,458</u>     | <u>5,659,185</u>     | <u>5,704,522</u>     |
| <b>DEFERRED INTFLOWS OF RESOURCES</b>                  |                      |                      |                      |                      |                      |
| Deferred Inflows - Relating to Pensions                | \$ 0                 | \$ 0                 | \$ 4,077             | \$ 44,808            | \$ 36,043            |
| Total Deferred Inflows of Resources                    | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 4,077</u>      | <u>\$ 44,808</u>     | <u>\$ 36,043</u>     |
| <b>NET POSITION</b>                                    |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets<br>Unrestricted       | 17,349,044           | 20,364,202           | 23,140,555           | 25,264,382           | 26,031,387           |
|                                                        | <u>3,932,799</u>     | <u>3,392,317</u>     | <u>3,982,011</u>     | <u>4,892,596</u>     | <u>6,284,030</u>     |
| Total Net Position                                     | <u>\$ 21,281,843</u> | <u>\$ 23,756,519</u> | <u>\$ 27,122,566</u> | <u>\$ 30,156,978</u> | <u>\$ 32,315,417</u> |

(1) Includes Airport and Transportation Funds.

The financial data presented on this page has been excerpted from the audited financial statements of the County.  
Such presentation, however, has not been audited.

COUNTY OF DUTCHESS  
ENTERPRISE FUNDS (1)  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
UNAUDITED PRESENTATION

|                                                | YEARS ENDED DECEMBER 31: |                      |                      |                      |                      |
|------------------------------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                | 2013                     | 2014                 | 2015                 | 2016                 | 2017                 |
| <b>OPERATING REVENUES:</b>                     |                          |                      |                      |                      |                      |
| Charges For Services                           | \$ 2,971,016             | \$ 4,819,567         | \$ 2,590,918         | \$ 2,263,821         | \$ 3,304,745         |
| Operating Grants and Revenues                  | 4,169,632                | 4,031,153            | 4,084,892            | 4,303,406            | 5,220,946            |
| Other                                          | 133,199                  | 61,279               | 68,812               | 59,796               | 231,047              |
| <b>Total Operating Revenues</b>                | <b>7,273,847</b>         | <b>8,911,999</b>     | <b>6,744,622</b>     | <b>6,627,023</b>     | <b>8,756,738</b>     |
| <b>OPERATING EXPENSES:</b>                     |                          |                      |                      |                      |                      |
| Personal Services                              | 648,397                  | 654,319              | 606,836              | 557,428              | 887,370              |
| Employee Benefits                              | 533,712                  | 501,287              | 462,569              | 419,568              | 491,562              |
| Depreciation                                   | 3,215,179                | 3,174,121            | 3,270,632            | 3,851,281            | 4,500,246            |
| Contracted Services                            | 8,019,239                | 9,641,197            | 7,491,665            | 7,530,921            | 9,177,421            |
| <b>Total Operating Expenses</b>                | <b>12,416,527</b>        | <b>13,970,924</b>    | <b>11,831,702</b>    | <b>12,359,198</b>    | <b>15,056,599</b>    |
| <b>Loss From Operations</b>                    | <b>(5,142,680)</b>       | <b>(5,058,925)</b>   | <b>(5,087,080)</b>   | <b>(5,732,175)</b>   | <b>(6,299,861)</b>   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>       |                          |                      |                      |                      |                      |
| Interest Income                                | 128,913                  | 129,685              | 148,451              | 161,134              | 178,108              |
| Interest Expense                               | (121,135)                | (130,717)            | (94,655)             | (124,707)            | (94,238)             |
| Other                                          | 0                        | 0                    | 17,397               | 0                    | 2,494                |
| <b>Total Non-Operating Revenues (Expenses)</b> | <b>7,778</b>             | <b>(1,032)</b>       | <b>71,193</b>        | <b>36,427</b>        | <b>86,364</b>        |
| <b>Loss before Contributions and Transfers</b> | <b>(5,134,902)</b>       | <b>(5,059,957)</b>   | <b>(5,015,887)</b>   | <b>(5,695,748)</b>   | <b>(6,213,497)</b>   |
| Capital Contributions                          | 736,778                  | 4,704,167            | 5,672,254            | 4,856,832            | 4,257,299            |
| Operating Transfers - In                       | 3,037,908                | 2,880,466            | 2,776,828            | 3,923,328            | 1,465,647            |
| Operating Transfers - Out                      | (117,610)                | (50,000)             | (50,000)             | (50,000)             | (50,000)             |
| <b>Change in Net Position</b>                  | <b>(1,477,826)</b>       | <b>2,474,676</b>     | <b>3,383,195</b>     | <b>3,034,412</b>     | <b>(540,551)</b>     |
| <b>Net Position- Beginning of Year</b>         | <b>22,759,669</b>        | <b>21,281,843</b>    | <b>23,739,371</b>    | <b>27,122,566</b>    | <b>32,855,968</b>    |
| <b>Net Position - End of Year</b>              | <b>\$ 21,281,843</b>     | <b>\$ 23,756,519</b> | <b>\$ 27,122,566</b> | <b>\$ 30,156,978</b> | <b>\$ 32,315,417</b> |

(1) Includes Airport and Transportation Fund.

The financial data presented on this page has been excerpted from the audited financial statements of the County. Such presentation, however, has not been audited.

COUNTY OF DUTCHESS  
SUMMARY OF ADOPTED BUDGET - BY FUND  
FISCAL YEAR ENDING DECEMBER 31, 2018

|                                | <u>Total</u><br><u>Appropriations</u> | <u>Non-Property</u><br><u>Tax Revenue <sup>(1) (2)</sup></u> | <u>Appropriation</u><br><u>Of Fund Balance</u> | <u>Levied By</u><br><u>Property Taxes</u> |
|--------------------------------|---------------------------------------|--------------------------------------------------------------|------------------------------------------------|-------------------------------------------|
| FUND:                          |                                       |                                                              |                                                |                                           |
| General                        | \$ 448,077,596                        | \$ 340,066,706                                               | \$ 12,500,000                                  | \$ 95,510,890                             |
| Road                           | 11,799,698                            | 1,952,350                                                    | 2,000,000                                      | 7,847,348                                 |
| Machinery                      | 2,544,725                             | 24,300                                                       | 500,000                                        | 2,020,425                                 |
| Airport                        | 1,363,061                             | 1,363,061                                                    | 0                                              | 0                                         |
| Public Transportation          | 10,583,680                            | 10,583,680                                                   | 0                                              | 0                                         |
| Self-Insurance                 | <u>5,836,097</u>                      | <u>5,836,097</u>                                             | <u>0</u>                                       | <u>0</u>                                  |
| TOTALS                         | \$ <u>480,204,857</u>                 | \$ <u>359,826,194</u>                                        | \$ <u>15,000,000</u>                           | \$ <u>105,378,663</u>                     |
| Provison for Uncollected Taxes |                                       |                                                              | \$ 800,000                                     |                                           |
| Provison for Tax Refunds       |                                       |                                                              |                                                | <u>200,000</u>                            |
| TOTAL PROPERTY TAX LEVY:       |                                       |                                                              | \$ <u>106,378,663</u>                          |                                           |

(1) Includes General Fund Contributions to Airport & Public Transportation Fund.

(2) Sales tax for the fiscal year ending December 31, 2018 has been budgeted at \$190,210,428.

Source: The Adopted budget for the fiscal year ending December 31, 2018. Full copies of the adopted budget may be obtained from the County's official website.

COUNTY OF DUTCHESS  
SUMMARY OF ADOPTED BUDGET - BY FUND  
FISCAL YEAR ENDING DECEMBER 31, 2019

|                                | <u>Total</u><br><u>Appropriations</u> | <u>Non-Property</u><br><u>Tax Revenue</u> <sup>(1) (2)</sup> | <u>Appropriation</u><br><u>Of Fund Balance</u> <sup>(3)</sup> | <u>Levied By</u><br><u>Property Taxes</u> |
|--------------------------------|---------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|
| FUND:                          |                                       |                                                              |                                                               |                                           |
| General                        | \$ 469,124,405                        | \$ 357,337,446                                               | \$ 18,503,604                                                 | \$ 93,283,355                             |
| Road                           | 12,318,098                            | 2,015,140                                                    | 800,000                                                       | 9,502,958                                 |
| Machinery                      | 2,787,256                             | 22,800                                                       | 200,000                                                       | 2,564,456                                 |
| Airport                        | 1,390,752                             | 1,390,752                                                    | 0                                                             | 0                                         |
| Public Transportation          | 11,560,818                            | 11,560,818                                                   | 0                                                             | 0                                         |
| Self-Insurance                 | <u>6,000,000</u>                      | <u>6,000,000</u>                                             | <u>0</u>                                                      | <u>0</u>                                  |
| TOTALS                         | \$ <u>503,181,329</u>                 | \$ <u>378,326,956</u>                                        | \$ <u>19,503,604</u>                                          | \$ <u>105,350,769</u>                     |
| <br>                           |                                       |                                                              |                                                               |                                           |
| Provison for Uncollected Taxes |                                       |                                                              | \$ 800,000                                                    |                                           |
| Provison for Tax Refunds       |                                       |                                                              | <u>200,000</u>                                                |                                           |
| <br>                           |                                       |                                                              |                                                               |                                           |
| TOTAL PROPERTY TAX LEVY:       |                                       |                                                              | \$ <u>106,350,769</u>                                         |                                           |

(1) Includes General Fund Contributions to Airport & Public Transportation Fund.

(2) Sales tax for the fiscal year ending December 31, 2019 has been budgeted at \$199,511,000.

(3) Includes \$4,500,000 appropriation from the Taxpayer Protection Fund, \$4,000,000 from restricted fund balance reserved for debt and \$10,003,604 from A fund balance.

Source: The Adopted budget for the fiscal year ending December 31, 2018. Full copies of the adopted budget may be obtained from the County's official website.

**APPENDIX C**

**LINK TO  
INDEPENDENT AUDITORS' REPORTS  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2017**

**Can be accessed on the Electronic Municipal Market Access ("EMMA") website  
of the Municipal Securities Rulemaking Board ("MSRB")  
at the following link:**

**<https://emma.msrb.org/ER1155206-ER903422-ER1303907.pdf>**

**\* Such Financial Statements and opinion are intended to be representative only as of the date thereof. Drescher & Malecki LLP has not been requested by the County to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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**APPENDIX D**

**CAPITAL PROGRAM 2019-2023**

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# 2019

## DUTCHESS COUNTY CAPITAL PLAN

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MARCUS J. MOLINARO  
DUTCHESS COUNTY EXECUTIVE

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# Capital Improvement Program

## Table of Contents

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### Capital Program Committee

**Marcus J. Molinaro**, County Executive, Chair  
**William O'Neil**, Deputy County Executive  
**A. Gregg Pulver**, Chair of County Legislature  
**John Metzger**, Chair of Public Works and Capital Projects  
**Jessica White**, Budget Director  
**Heidi Seelbach**, Commissioner of Finance  
**Eoin Wrafter**, Commissioner of Planning and Development  
**Robert H. Balkind, P.E.**, Commissioner of Public Works  
**David C. Whalen**, Deputy Commissioner of Public Works

Program prepared by:  
The Dutchess County Department of Planning & Development  
Capital Program Coordinator: **Heather LaVarnway**, Senior Planner



## Letter to Legislators

Enclosed herein is the Capital Program 2019-2023, as adopted by the Capital Program Committee on August 14, 2018. The Capital Program is a recommendation to the County Legislature from the Capital Program Committee, comprised of members of the Administration and Legislature. It identifies the projects that are recommended to be undertaken, including their estimated cost when available. Projects listed for 2019 are recommended for submission to the County Legislature for approval in the next year. The projects included for 2020-2023 are identified as being necessary; these projects, however, will be reviewed annually to reconcile changing needs, priorities, current costs, and funding availability.

Financing Dutchess County Government requires careful consideration of long-term financial goals as well as consideration of the immediate needs faced in the preparation of annual operating budgets. The capital program establishes project priorities over the next five-year period; it is a forecast based on the needs of our County within the context of long-term fiscal restraint and stability.

The overall program cites five-year expenditures for public safety, recreation, transportation, physical and technical infrastructure and general service functions. In addition to county expenditures and bonding, sources of financing include Federal and State aid, and additional revenues that may be generated by a project. This capital program includes projects for Dutchess Community College and Dutchess County Water and Wastewater Authority, which would also require substantial funding by the County.

While we must be prudent, maintaining the county's facilities, infrastructure, road network and other capital assets must remain a high priority. I wish to thank the members of the Capital Program Committee for participating in establishing this plan for the Legislature's consideration.

Sincerely,



Marcus J. Molinaro  
COUNTY EXECUTIVE

## Resolution

Robert Balkind, Commissioner of Public Works, offers the following resolution and moves its adoption:

WHEREAS, there is a requirement in the Dutchess County Charter and Administrative Code to provide the County Legislature with a listing of projects and estimated costs of capital construction and improvement projects for a five-year period; and

WHEREAS, the Capital Program Committee has met with department heads to review the status of existing Capital Projects; and

WHEREAS, the Capital Program Committee has met with department heads to review proposed departmental projects; and

WHEREAS, the Capital Program Committee has reviewed departmental plans within the context of County government priorities; and

WHEREAS, the Capital Program Committee has evaluated proposed capital spending for the impact on annual operating budgets; now, therefore; be it RESOLVED, that the construction and improvement projects as shown on the attached be approved as the 2019-2023 Dutchess County Capital Program, and be it further

RESOLVED, that the projects as shown for 2019 be recommended for approval of funding by the County Legislature in fiscal year 2019.

**Seconded by:** Eoin Wrafter, Commissioner of Planning and Development

**Resolution adopted by acclamation, August 14, 2018**

# Introduction

A capital program is a statement of major projects that are intended to be undertaken over a specified period of time. This program of capital expenditures includes spending for the acquisition, improvement or addition to capital assets, which are fixed assets with a useful life of more than a year. Dutchess County's capital program covers a five-year period and is revised annually to reflect the County's changing needs and priorities.

Capital expenditures for County departments, the Dutchess County Water and Wastewater Authority (DCWWA) and Dutchess Community College (DCC) are summarized in the pages that follow. Projects are grouped and prioritized by the requests of DCC, County departments and DCWWA. The highlights of the County's capital program are noted below; descriptions for all projects are included in the Section: 2019 – 2023 Capital Program Requests for Dutchess County.

## Highlights

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Dutchess County's Capital Program 2019-2023 provides for improvements to assets and infrastructure in multiple areas of County government. Projects are spread over the five-year period to equalize the impact on annual debt service obligations.

- Recommended 2019 capital projects involving existing County buildings include planning, design and renovations to various County buildings.
- The Highway Construction and Maintenance Division of the DPW has scheduled the replacement of various vehicles and equipment during 2019.
- The maintenance of County roads and bridges is an ongoing priority in Dutchess County. 2019 funding is provided for the Engineering Division of DPW to continue our commitment to maintaining roads and bridges, preventing deterioration, and repairing hazardous conditions.
- DPW Parks plans to focus 2019 investments on the design and implementation of the Parks Master Plan, as well as, improvements to Dutchess Stadium.
- DPW Airport has scheduled for new and replacement of airport equipment, design for the replacement of guidance signs at runways and taxiways, as well as, update the existing Airport Master Plan.

- Dutchess Community College projects for 2019 are improvement projects at Falcon, Taconic and Washington Halls, Orcutt Student Services Building, Greenspan Daycare Center, as well as, continuation of their phased infrastructure project and the purchase of a property on Creek Road.
- In 2019, the Department of Planning & Development will request funds for the Partnership for Manageable Growth. This grant fund matches available Federal, State, municipal and/or other funds in order to protect Dutchess County open space and farmland.
- The Water & Wastewater Authority plans to conduct a Feasibility Study for a Water Storage Facility to serve the Central Dutchess Water Transmission Line (CDWTL).

## The Annual Process

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The annual capital programming process, which is coordinated by the Dutchess County Department of Planning and Development, begins with County departments submitting capital budget requests for a five-year period. For each capital project submitted by a department, its commissioner assigns a departmental priority ranking. This rating assists the Capital Program Committee in comparing projects in different departments.

The Capital Program Committee comprised of the County Executive, County Legislators, and selected department heads, then evaluates the requests on the basis of overall county government priorities and needs. This evaluation process includes discussions with department heads, an analysis of existing assets and infrastructure, and a review of the short- and long-term fiscal impacts of proposed projects.

After the Capital Program Committee adopts the capital program, bonding resolutions for the ensuing years' projects will be forwarded to the County Legislature for approval when appropriate.

## Fiscal Impact

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The projected fiscal implications of the 2019-2023 Capital Program are included in this report to provide a true picture of the financial impacts of the proposed projects on the County's future budgets. Historical trends of debt service and capital outlay expenditures in Dutchess County are also provided, as is a listing of capital improvement projects that have been approved and are in the process of being implemented.

# Capital Projects & Debt Service

## Overview

---

Like most governments, Dutchess County utilizes borrowing to finance capital expenditures such as road and bridge projects, equipment acquisition, building construction and renovations, and other authorized activities. Capital projects are typically multi-year projects financed by the issuance of debt which is repaid with interest over the useful life of the project or capital asset. The County's operating budget includes annual re-payment of principal and payment of interest through "debt service."

There are many advantages to this method of financing capital expenditures. Borrowing, typically through issuance of bonds, helps to create a more stable expenditure pattern that does not fluctuate severely as projects are undertaken. Borrowing also enables the County to complete capital projects that would be unattainable through a strictly pay-as-you-go financing basis. Furthermore, this policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

The uses and terms of debt are largely regulated by New York State and Local Finance Law. According to the County charter, the authorization to issue bonds requires adoption of a bond resolution approved by at least two-thirds of the County Legislative body. These resolutions delegate the power to the Chief Fiscal Officer, the Commissioner of Finance, to authorize and sell bond anticipation notes in anticipation of the issuance and sale of bonds authorized, including renewals of such notes. The decision to issue bonds is evaluated annually based on cash needs of each project and projected county cash flow. The County is assisted by bond counsel and financial advisors, who play a key role in the issuance, regarding the structure, timing, official statement and legal requirements, as well as with the application to the rating agency. For more information regarding debt service policy, refer to the Budget Overview – Financial Policies section of the budget document.

## Debt Service

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As of December 31, 2018, Dutchess County is projected to have total outstanding debt of \$133,374,536 and approved appropriations to pay down \$14,074,536 in 2019. Thus, the net indebtedness for the County as of December 31, 2018 is projected to be \$119,300,000. The net indebtedness is subject to the constitutional tax limit of \$2.090 billion, and the amount as of December 31, 2018 represents 5.71% of this limit. As of August 31, 2018, the County had authorized but unissued debt totaling \$177,400,617. The following table represents a summary of the County's debt service obligation as of December 31, 2018.

| <b>YEAR</b> | <b>PRINCIPAL</b>     | <b>INTEREST</b>     | <b>TOTAL</b>         |
|-------------|----------------------|---------------------|----------------------|
| 2019        | 14,074,536           | 5,192,265           | \$19,266,801         |
| 2020        | 12,825,000           | 3,812,544           | \$16,637,544         |
| 2021        | 10,625,000           | 3,354,763           | \$13,979,763         |
| 2022        | 9,200,000            | 2,961,581           | \$12,161,581         |
| 2023        | 8,125,000            | 2,634,481           | \$10,759,841         |
| 2024-2028   | 32,010,000           | 9,928,028           | \$41,938,028         |
| 2029-2033   | 17,335,000           | 6,225,947           | \$23,560,947         |
| 2034-2038   | 11,095,000           | 4,026,484           | \$15,121,484         |
| 2039-2043   | 8,305,000            | 2,526,028           | \$10,831,028         |
| 2044-2048   | 9,780,000            | 948,847             | \$10,728,847         |
|             | <u>\$133,374,536</u> | <u>\$41,610,968</u> | <u>\$174,985,504</u> |

Dutchess County utilizes comprehensive debt management strategies to minimize annual debt service and maximize benefit to the County’s fiscal condition while protecting taxpayer resources. Debt management planning includes continual administrative review, adherence to local finance law, emphasis on pay-as-you-go financing when possible and responsible, and use of bond counsel and financial advisors.

The County has been vigilant in refunding bonds to issue new ones at lower interest rates. This process is undertaken periodically depending on interest rates and potential savings. Recent refundings include the following:

- In February 2009, Dutchess County issued \$15,095,000 in Public Improvement Refunding (Serial) Bonds, 2009 Series dated February 18, 2009. The bond principal decreased \$390,000; interest decreased \$679,585. The total overall savings was \$1,069,585 to the County.
- In December 2011, the County issued \$5,395,000 in Serial Bonds which were used to advance refund \$5,750,000 of the 2003 public improvement serial bonds. The County recorded a gain on bond refunding in the amount of \$544,473 related to this transaction.
- In June 2015, the County issued \$14,800,000 in Serial Bonds which were used to advance refund \$15,150,000 of public improvement bonds issued in 2004 and 2006. The total overall saving to the County was \$956,326.
- In October 2016, the County issued \$10,960,000 in Serial Bonds which were used to advance refund \$11,800,000 of public improvement bonds issued in 2007 and 2008. The overall savings to the County was \$1,413,527.

County fiscal staff continue to seek out other responsible debt management practices to effectively reduce costs. This includes the deferral of borrowings based upon the County's liquidity position.

## Ongoing Projects

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Dutchess County utilizes the annual Capital Improvement Program as a means to maintain and improve county infrastructure. The following represent ongoing projects that are necessary on a routine basis to maintain county infrastructure, many of which have been proposed as part of the Capital Improvement Program for 2019.

- Building Planning, Design and Renovations at Various County Facilities
- Roof Replacement Program
- HVAC Piping & Infrastructure Replacement Program
- Highway & Bridge Improvement & Reconstruction
- Highway Construction Vehicles and Equipment Replacement
- Dutchess Community College Infrastructure Improvements
- Partnership for Manageable Growth
- County Vehicle Replacement Program

These programs and projects are undertaken to respond to mandates or opportunities to promote greater efficiency and protect county assets.

## Planned Capital Projects in 2019

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Along with the routine ongoing capital projects listed above which occur on an annual basis, there are a number of necessary non-recurring capital projects included in the plan. The following projects have been proposed as part of the Capital Improvement Program for 2019.

| Non-Recurring Capital Projects for 2019 |                                             |                       |
|-----------------------------------------|---------------------------------------------|-----------------------|
| Department                              | Project                                     | Estimated County Cost |
| Dutchess Community College              | Purchase Creek Road Property                | \$87,500              |
| DPW – Airport                           | Airport Master Plan Update                  | \$21,800              |
| DPW – Airport                           | New and Replacement Airport Equipment       | \$90,300              |
| DPW – Airport                           | Airport Guidance Sign Replacement (Design)  | \$3,300               |
| DPW – Buildings                         | Youth Services Center (Planning & Design)   | \$350,000             |
| DPW – Parks                             | Dutchess Stadium Capital Improvements       | \$3,600,000           |
| DPW – Parks                             | Parks Master Plan Design and Implementation | \$2,000,000           |
| Water & Wastewater Authority            | Feasibility Study – Water Storage Facility  | \$150,000             |
| <b>Total</b>                            |                                             | <b>\$6,302,900</b>    |

For detailed information regarding these projects, including project descriptions and total project costs, please refer to the *2019 – 2023 Capital Program Requests for Dutchess County* section.

## Impacts on Operating Costs

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Capital projects and the capital improvement program impact the budget in a number of ways. When debt is issued for a particular project, those costs increase the total debt service cost included in the ensuing year’s operating budget.

Dutchess County strives to minimize frequency of borrowing and to utilize a pay-as-you-go project financing method when possible. The fiscal impact of each project is carefully reviewed to determine if and when borrowing becomes necessary to finance the project.

Many of the on-going capital projects, such as roof replacements and energy efficiency improvements at County facilities, minimize departmental operating expenses by reducing utility and maintenance costs. These adjustments are included in the calculation of the annual operating budget during the budget process and are included in the analysis and decision-making process for individual capital projects.

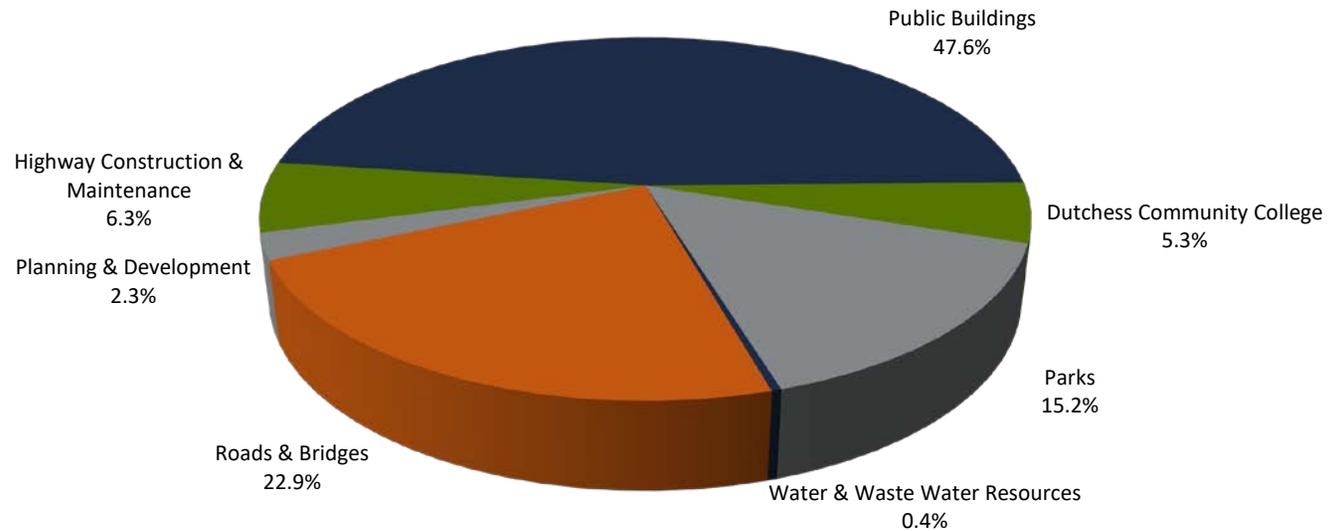
The 2019 Debt Service Obligation by Fund is detailed in the table below.

| <b>2019 Debt Service Summary by Fund</b> |                              |                             |                            |
|------------------------------------------|------------------------------|-----------------------------|----------------------------|
| <b>Fund</b>                              | <b>Serial Bond Principal</b> | <b>Serial Bond Interest</b> | <b>Debt Service Totals</b> |
| General Fund                             | 13,015,699                   | 4,924,874                   | 17,940,573                 |
| Community College                        | 520,786                      | 140,520                     | 661,306                    |
| Airport                                  | 235,365                      | 77,690                      | 313,055                    |
| Public Transportation                    | 302,688                      | 42,661                      | 345,349                    |
| <b>Total</b>                             | <b>\$14,074,538</b>          | <b>\$5,185,745</b>          | <b>\$19,260,283</b>        |

The below table indicates the projected 2019 debt service by department.

| <b>2019 Debt Service Summary by Department</b> |                              |                             |                            |
|------------------------------------------------|------------------------------|-----------------------------|----------------------------|
| <b>Department</b>                              | <b>Serial Bond Principal</b> | <b>Serial Bond Interest</b> | <b>Debt Service Totals</b> |
| Dutchess Community College                     | 520,786                      | 140,520                     | 661,306                    |
| Public Works - Airport                         | 235,365                      | 77,690                      | 313,055                    |
| Public Works - Buildings                       | 4,077,809                    | 2,866,114                   | 6,943,923                  |
| Public Works - Highway & Engineering           | 4,757,075                    | 1,372,367                   | 6,129,442                  |
| Public Works - Parks                           | 970,462                      | 196,665                     | 1,167,127                  |
| Emergency Response                             | 565,371                      | 139,411                     | 704,782                    |
| Finance                                        | 1,515,000                    | 113,625                     | 1,628,625                  |
| Public Works - Public Transit                  | 302,688                      | 42,661                      | 345,349                    |
| Office of Central and Information Systems      | 461,000                      | 24,545                      | 485,545                    |
| Planning & Development                         | 368,428                      | 189,987                     | 558,415                    |
| Probation & Community Corrections              | 44,554                       | 11,228                      | 55,782                     |
| Sheriff                                        | 256,000                      | 10,932                      | 266,932                    |
| <b>Total</b>                                   | <b>\$14,074,538</b>          | <b>\$5,185,745</b>          | <b>\$19,260,283</b>        |

## 2019 Summary of 2019 - 2023 Capital Program



| Department:                         | 2019                | 2020              | 2021              | 2022                | 2023                |
|-------------------------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| Dutchess Community College          | \$2,272,000         | \$1,411,000       | \$0               | \$0                 | \$0                 |
| Planning & Development              | 1,000,000           | 1,000,000         | 1,000,000         | 1,000,000           | 1,000,000           |
| Public Works - Airport              | 994,000             | 1,377,000         | 3,593,000         | 1,983,800           | 1,198,000           |
| Public Works - Buildings Division   | 20,350,000          | 19,150,000        | 4,000,000         | 4,000,000           | 4,000,000           |
| Public Works - Engineering Division | 9,800,000           | 8,500,000         | 9,000,000         | 9,250,000           | 9,000,000           |
| Public Works - Highway Division     | 2,678,000           | 2,780,000         | 2,742,000         | 2,695,000           | 2,915,000           |
| Public Works - Parks                | 6,500,000           | 2,000,000         | 2,000,000         | 1,000,000           | 1,000,000           |
| Public Works - Public Transit       | -                   | 1,620,000         | -                 | 6,495,000           | -                   |
| Water & Wastewater Authority        | 150,000             | -                 | -                 | -                   | -                   |
| <b>Total Gross Costs</b>            | <b>43,744,000</b>   | <b>37,838,000</b> | <b>22,335,000</b> | <b>26,423,800</b>   | <b>19,113,000</b>   |
| <b>Total Other Funding</b>          | <b>6,914,600</b>    | <b>7,471,600</b>  | <b>7,413,300</b>  | <b>11,730,100</b>   | <b>5,138,000</b>    |
| <b>Total Net County Costs*</b>      | <b>\$36,829,400</b> | <b>30,366,400</b> | <b>14,921,700</b> | <b>\$14,693,700</b> | <b>\$13,975,000</b> |

\*Values are rounded

Note - Projects with costs to be determined are not included in the totals.

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Dutchess Community College

Dutchess Community College (DCC) offers educational opportunities that prepare individuals to realize their full potential and contribute to a diverse and global society. DCC is in the process of developing a 2018 Comprehensive Academic and Facilities Master Plan to include all campus and satellite locations, which will inform the capital program. Projects in 2019-2020 will be reviewed for relevance, requirements, timing and costs and may change accordingly. Projects beyond 2020 are listed as TBD pending its completion. Fifty percent of capital construction costs are provided through New York State funds; thus, the proposed projects are subject to review and approval at the state level. The County portion of the capital construction costs is financed first through capital charge-back revenues, when available. Capital charge-back revenues are monies for out-of-county students attending DCC paid by the county in which those students reside. Any projects for which the required County portion of the funding would exceed the available charge-back monies would require the approval of a County bonding resolution to provide the additional funds needed

| Project                                                                                                                                                                                                                                      | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|-----------------------------------|
|                                                                                                                                                                                                                                              | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source                            |
| <b>Campus Infrastructure - Phase 3 - Construction*</b><br><i>This phase updates the electrical service (switch gear, transformers and main cabling) in Taconic Hall, Orcutt Student Services Building, and the Greenspan Daycare Center.</i> | 676.0                   | 338.0                  | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 50% / 338.0               | SUNY Office of Capital Facilities |
| <b>Design and Construct Falcon Hall Boiler Replacement*</b><br><i>The project will replace the boilers with new dual-fuel fired units and replace all pumps and accessories.</i>                                                             | 518.0                   | 259.0                  | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 50% / 259.0               | SUNY Office of Capital Facilities |
| <b>Falcon Hall Masonry Repairs*</b><br><i>The project will consist of repairing the building's damaged brick façade, replacing hollow metal doors and frames, and painting/replacing sealants where necessary.</i>                           | 207.0                   | 103.5                  | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 50% / 103.5               | SUNY Office of Capital Facilities |

\*As part of the 2018 Comprehensive Academic and Facilities Master Plan, the projects in 2019-2020 will be reviewed for relevance, requirements, timing and costs, and may change accordingly.

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Dutchess Community College

| Project                                                                                                                                                                                                                                                                                                              | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|-----------------------------------|
|                                                                                                                                                                                                                                                                                                                      | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source                            |
| <b>Purchase Creek Road Property*</b><br><i>This project includes the purchase and remediation of residential property located at 176 Creek Road. The remediation will include tear down and removal of the existing dilapidated structures. The property will then be excavated and developed for future growth.</i> | 175.0                   | 87.5                   | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 50% / 87.5                | SUNY Office of Capital Facilities |
| <b>Washington Hall Lab Exhaust Improvements*</b><br><i>To relocate and replace the lab exhaust intake louvers to correct indoor air quality concerns. The project includes ductwork modifications, relocation of three to four exhaust fans within the mechanical room, and the addition of an exhaust louver.</i>   | 577.0                   | 288.5                  | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 50% / 288.5               | SUNY Office of Capital Facilities |
| <b>Washington Hall Masonry Repairs*</b><br><i>This project will include resetting the stone sills, scraping and painting the lintels, remediating the source of the water infiltration, and repointing and cleaning the brick.</i>                                                                                   | 119.0                   | 59.5                   | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 50% / 59.5                | SUNY Office of Capital Facilities |
| <b>Design New Academic Building*</b><br><i>Design of a new 50,000 gross square foot academic building to create new instructional and student space. This project also includes the complete renovation of Hudson Hall (Phase 1 and Phase 2) and Taconic Hall.</i>                                                   | 0.0                     | 0.0                    | 857.0                   | 0.0                     | 0.0                     | 0.0                     | 50% / 428.5               | SUNY Office of Capital Facilities |

\*As part of the 2018 Comprehensive Academic and Facilities Master Plan, the projects in 2019-2020 will be reviewed for relevance, requirements, timing and costs, and may change accordingly.

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Dutchess Community College

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|-----------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source                            |
| <b>Upgrade Campus IT Infrastructure Phase 1*</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.0                     | 0.0                    | 554.0                   | 0.0                     | 0.0                     | 0.0                     | 50% / 277.0               | SUNY Office of Capital Facilities |
| <i>This project will permit the college to provide and maintain efficient, effective, and state-of-the-art information technology components, network backbone, speed, and capacity to support the educational and administrative mission of the institution.</i>                                                                                                                                                                                                                                          |                         |                        |                         |                         |                         |                         |                           |                                   |
| <b>Construct New Academic Building</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.0                     | 0.0                    | 0.0                     | TBD                     | TBD                     | 0.0                     | 50%                       | SUNY Office of Capital Facilities |
| <i>Construction phase of new academic building.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                        |                         |                         |                         |                         |                           |                                   |
| <b>Upgrade Campus IT Infrastructure Phase 2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0.0                     | 0.0                    | 0.0                     | TBD                     | 0.0                     | 0.0                     | 50%                       | SUNY Office of Capital Facilities |
| <i>This project will permit the college to provide and maintain efficient, effective, and state-of-the-art information technology components, network backbone, speed, and capacity to support the educational and administrative mission of the institution.</i>                                                                                                                                                                                                                                          |                         |                        |                         |                         |                         |                         |                           |                                   |
| <b>Planning, Design and Renovations - Various Buildings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0.0                     | 0.0                    | 0.0                     | TBD                     | TBD                     | TBD                     | 50%                       | SUNY Office of Capital Facilities |
| <i>This project will fund planning, design and construction costs for renovations and alterations at various buildings identified through the College's 2018 Comprehensive Academic and Facilities Master Plan. Costs will include professional services (planning, studies, design, construction management &amp; inspection, testing, etc.) and construction services, including hazardous materials abatement, if necessary. Costs will also include purchase of materials and equipment as needed.</i> |                         |                        |                         |                         |                         |                         |                           |                                   |
| <b>TOTAL - Dutchess Community College</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>2,272.0</b>          | <b>1,136.0</b>         | <b>1,411.0</b>          | <b>0.0</b>              | <b>0.0</b>              | <b>0.0</b>              |                           |                                   |

\*As part of the 2018 Comprehensive Academic and Facilities Master Plan, the projects in 2019-2020 will be reviewed for relevance, requirements, timing and costs, and may change accordingly.

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Planning & Development

The Department of Planning and Development is responsible for comprehensive county-wide planning, Greenway program implementation, farmland and open space preservation, review of municipal planning and zoning development projects, planning assistance to local governments, community development, housing and prevention of homelessness, comprehensive transportation planning and capital programming, County-wide shared services plan, implementation of the Agency Partner Grant (APG) and Municipal Innovation Grant (MIG) programs, public information, citizen participation, and comprehensive mapping and geographic information systems (GIS) data.

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|--------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source |
| <b>Partnership for Manageable Growth (PMG)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1,000.0                 | 1,000.0                | 1,000.0                 | 1,000.0                 | 1,000.0                 | 1,000.0                 |                           |        |
| <i>Protecting important agricultural and open space resources is essential to Dutchess County's agriculture and tourism industries; protects environmental quality, supports biodiversity and mitigates the impacts of development. County Matching grants allow us to leverage funding from federal, state, local and private sources. Inclusion of PMG funding in the Capital Budget fulfills NYS requirements for documentation of the County's long-term commitment to funding partnerships.</i> |                         |                        |                         |                         |                         |                         |                           |        |
| <b>TOTAL -Planning &amp; Development</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1,000.0</b>          | <b>1,000.0</b>         | <b>1,000.0</b>          | <b>1,000.0</b>          | <b>1,000.0</b>          | <b>1,000.0</b>          |                           |        |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Airport

Hudson Valley Regional Airport serves a broad base of aviation-related activities. The continued maintenance of facilities for general aviation is important for economic development.

| Project                                                                                                                                                                                                            | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|----------------------------------|
|                                                                                                                                                                                                                    | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source                           |
| <b>Airport Master Plan Update</b>                                                                                                                                                                                  | 435.0                   | 21.8                   | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 5% / 21.7                 | NYSDOT                           |
| <i>Update existing Airport Master Plan, which is necessary for maintaining eligibility for FAA capital funds.</i>                                                                                                  |                         |                        |                         |                         |                         |                         | 90% / 391.5               | FAA                              |
| <b>Groundwater Mitigation at Hudson Valley Regional Airport</b>                                                                                                                                                    | TBD                     | TBD                    | 0.0                     | 0.0                     | 0.0                     | 0.0                     |                           |                                  |
| <i>Mitigation of groundwater contamination pursuant to NYS DEC Order on Consent.</i>                                                                                                                               |                         |                        |                         |                         |                         |                         |                           |                                  |
| <b>New and Replacement Airport Equipment</b>                                                                                                                                                                       | 493.0                   | 90.3                   | 0.0                     | 350.0                   | 0.0                     | 0.0                     | 4% / 35.0                 | NYSDOT                           |
| <i>Replace existing 2000 Oshkosh plow/spreader trucks with two new trucks, one in 2019 and one in 2021. Replace existing 1-ton dump truck with plow. Replace pavement paint sprayer. Purchase new aerial lift.</i> |                         |                        |                         |                         |                         |                         | 83% / 700.2               | FAA<br>(*includes 2019 and 2021) |
| <b>Airport Guidance Sign Replacements (Design)</b>                                                                                                                                                                 | 66.0                    | 3.3                    | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 5% / 3.3                  | NYSDOT                           |
| <i>Replacement of airfield guidance signs and devices at runways and taxiways. This project is design services and environmental assessment services only.</i>                                                     |                         |                        |                         |                         |                         |                         | 90% / 59.4                | FAA                              |
| <b>Appraisals &amp; Pre-Negotiation for Easement Acquisition (Runway 6/24)</b>                                                                                                                                     | 0.0                     | 0.0                    | 84.0                    | 0.0                     | 0.0                     | 0.0                     | 5% / 4.2                  | NYSDOT                           |
| <i>Appraisals and pre-negotiation for easement acquisitions for runway 6/24 associated with off-airport obstruction removal project.</i>                                                                           |                         |                        |                         |                         |                         |                         | 90% / 75.6                | FAA                              |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Airport

| Project                                                                                                                                                                                                                                                                                                                                                   | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|---------------|
|                                                                                                                                                                                                                                                                                                                                                           | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source        |
| <b>On-Airport Obstruction Removal (Design &amp; Permitting)</b><br><i>Removal of objects that have been identified by FAA as possible hazards to aircraft within the airport property.</i>                                                                                                                                                                | 0.0                     | 0.0                    | 98.0                    | 0.0                     | 0.0                     | 0.0                     | 5% / 4.9<br>90% / 88.2    | NYSDOT<br>FAA |
| <b>Terminal Apron and Taxiways E &amp; F Rehabilitation (Design and Permitting)</b><br><i>Rehabilitate pavement surface at the airport terminal apron and taxiways E &amp; F. Project may include pavement and drainage repairs, and may also include full depth pavement reconstruction as needed. New pavement striping will be included as needed.</i> | 0.0                     | 0.0                    | 140.0                   | 0.0                     | 0.0                     | 0.0                     | 5% / 7.0<br>90% / 126.0   | NYSDOT<br>FAA |
| <b>Runway 6/24 Safety Area Improvements (Final Design)</b><br><i>Project involves creating a runway safety area at both ends of runway 6/24. Project will include relocation of navigation aids and runway guidance signs as needed, and new pavement striping as needed.</i>                                                                             | 0.0                     | 0.0                    | 300.0                   | 0.0                     | 0.0                     | 0.0                     | 5% / 15.0<br>90% / 270.0  | NYSDOT<br>FAA |
| <b>Airport Guide Sign Replacements (Construction)</b><br><i>Replacement of airfield guidance signs and devices at runways and taxiways. This project is design services and environmental assessment services only.</i>                                                                                                                                   | 0.0                     | 0.0                    | 755.0                   | 0.0                     | 0.0                     | 0.0                     | 5% / 37.7<br>90% / 679.5  | NYSDOT<br>FAA |
| <b>On-Airport Obstruction Removal (Construction)</b><br><i>Removal of on-airport obstructions.</i>                                                                                                                                                                                                                                                        | 0.0                     | 0.0                    | 0.0                     | 1,102.0                 | 0.0                     | 0.0                     | 5% / 55.1<br>90% / 991.8  | NYSDOT<br>FAA |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Airport

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources   |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|---------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                           | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount        | Source        |
| <b>Replace Runway Lighting (Design)</b><br><i>This project is for the design of in-pavement runway light replacements for runway 6/24. Included are existing edge light removals, replacement with new in-pavement elevated edge lights, associated cable and transformer replacements, and the installation of drainage conduit where possible to direct water infiltrating the lighting system to established drainage conveyances.</i> | 0.0                     | 0.0                    | 0.0                     | 58.0                    | 0.0                     | 0.0                     | 5% / 2.9<br>90% / 52.2      | NYSDOT<br>FAA |
| <b>Runway 6/24 Safety Area Improvements (Construction)</b><br><i>Project involves creating a runway safety area at both ends of runway 6/24. Project will include relocation of navigation aids and runway guidance signs as needed, and new pavement striping as needed.</i>                                                                                                                                                             | 0.0                     | 0.0                    | 0.0                     | 2,083.0                 | 0.0                     | 0.0                     | 5% / 104.1<br>90% / 1,874.7 | NYSDOT<br>FAA |
| <b>Appraisals &amp; Pre-Negotiation for Easement Acquisition at the "33" End of Runway 15/33</b><br><i>Appraisals and pre-negotiation for acquiring property and/or property rights needed for the removal of obstructions off-airport at the "33" end of runway 15/33.</i>                                                                                                                                                               | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 72.0                    | 0.0                     | 5% / 3.6<br>90% / 64.8      | NYSDOT<br>FAA |
| <b>Terminal Apron and Taxiways E &amp; F Rehabilitation (Construction)</b><br><i>Rehabilitate pavement surface at the airport terminal apron and taxiways E &amp; F. Project may include pavement and drainage repairs, and may also include full depth pavement reconstruction as needed. New pavement striping will be included as needed.</i>                                                                                          | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 1,497.0                 | 0.0                     | 5% / 74.8<br>90% / 1,347.3  | NYSDOT<br>FAA |
| <b>Obstruction Removal, Off-Airport, Runway 6/24 (Design &amp; Permitting)</b><br><i>Design and permitting for off-airport obstruction removal at runway 6/24.</i>                                                                                                                                                                                                                                                                        | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 414.8                   | 0.0                     | 5% / 20.7<br>90% / 373.4    | NYSDOT<br>FAA |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Airport

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|---------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source        |
| <b>Appraisal &amp; Pre-Negotiation for Easement Acquisition at the "15" End of Runway 15/33</b><br><br><i>Appraisal and pre-negotiation activities for acquiring property and rights to remove off-airport obstructions at the "15" end of runway 15/33.</i>                                                                                                                                                                                              | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 0.0                     | 140.0                   | 5% / 7.0<br>90% / 126.0   | NYSDOT<br>FAA |
| <b>Obstruction Removal, Off-Airport, Runway 6/24 (Construction)</b><br><br><i>Removal of obstructions off-airport at runway 6/24.</i>                                                                                                                                                                                                                                                                                                                     | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 0.0                     | 651.0                   | 5% / 32.5<br>90% / 585.9  | NYSDOT<br>FAA |
| <b>Replace Runway Lighting (Construction)</b><br><br><i>This project is for the construction of in-pavement runway light replacements for runway 6/24. Included are existing edge light removals, replacement with new in-pavement elevated edge lights, associated cable and transformer replacements, and the installation of drainage conduit where possible to direct water infiltrating the lighting system to established drainage conveyances.</i> | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 0.0                     | 407.0                   | 5% / 20.3<br>90% / 366.3  | NYSDOT<br>FAA |
| <b>TOTAL - Public Works - Airport</b>                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>994.0</b>            | <b>115.4</b>           | <b>1,377.0</b>          | <b>3,593.0</b>          | <b>1,983.8</b>          | <b>1,198.0</b>          |                           |               |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Buildings Division

The Buildings Division of the Dutchess County Department of Public Works has the responsibility for the rehabilitation and maintenance of County-owned buildings, parking lots, and other facilities.

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|--------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source |
| <b>HVAC Infrastructure Repairs at 10 &amp; 22 Market Street</b>                                                                                                                                                                                                                                                                                                                                                                                                                                              | 16,000.0                | 16,000.0               | 0.0                     | 0.0                     | 0.0                     | 0.0                     |                           |        |
| <i>Replacement of HVAC piping and related systems and equipment including asbestos abatement for 10 and 22 Market Street. This project will be a multi-phased, multi-year build-out.</i>                                                                                                                                                                                                                                                                                                                     |                         |                        |                         |                         |                         |                         |                           |        |
| <b>HVAC Piping &amp; Infrastructure Replacement Program - Various Buildings</b>                                                                                                                                                                                                                                                                                                                                                                                                                              | 1,000.0                 | 1,000.0                | 1,000.0                 | 1,000.0                 | 1,000.0                 | 1,000.0                 |                           |        |
| <i>This project will fund replacement and upgrades of HVAC systems at various County buildings.</i>                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                        |                         |                         |                         |                         |                           |        |
| <b>Planning, Design and Renovation - Various Buildings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2,500.0                 | 2,500.0                | 2,500.0                 | 2,500.0                 | 2,500.0                 | 2,500.0                 |                           |        |
| <i>This project will fund planning, design and construction costs for renovations and alterations at various County buildings, including renovation of the 4th floor of 22 Market Street in 2019. Costs will include professional services (planning, studies, design, construction management &amp; inspection, testing, etc.) and construction services, including hazardous materials abatement. Costs will also include purchase of moving services, furnishings, fixtures, and equipment as needed.</i> |                         |                        |                         |                         |                         |                         |                           |        |
| <b>Roof Replacements at Various Buildings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 500.0                   | 500.0                  | 500.0                   | 500.0                   | 500.0                   | 500.0                   |                           |        |
| <i>This project will fund replacement or major repairs of roofs at various County buildings.</i>                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                        |                         |                         |                         |                         |                           |        |
| <b>Youth Services Center</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 350.0                   | 350.0                  | 1,150.0                 | 0.0                     | 0.0                     | 0.0                     |                           |        |
| <i>Planning and design in 2019, with renovations for new Youth Services Center in 2020.</i>                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                        |                         |                         |                         |                         |                           |        |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Buildings Division

| Project                                                                                                                                                                         | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|--------|
|                                                                                                                                                                                 | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source |
| <b>230 North Road Campus and Building Renovations - Phase 2 &amp; 3</b>                                                                                                         | 0.0                     | 0.0                    | 14,000.0                | 0.0                     | 0.0                     | 0.0                     |                           |        |
| <i>Renovation of buildings, parking lots, and HVAC systems at 230 North Road. The construction will be completed in two separate phases over a multi-year build-out period.</i> |                         |                        |                         |                         |                         |                         |                           |        |
| <b>TOTAL - Public Works - Buildings Division</b>                                                                                                                                | <b>20,350.0</b>         | <b>20,350.0</b>        | <b>19,150.0</b>         | <b>4,000.0</b>          | <b>4,000.0</b>          | <b>4,000.0</b>          |                           |        |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Engineering Division

The Engineering Division of the Dutchess County Department of Public Works is responsible for the engineering-related maintenance of County roadways. The Department maintains a total of 328 bridges and drainage structures with spans over five feet. The Dutchess County Highway System consists of 395 miles of roads with storm drainage and traffic control devices.

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|-------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source                                          |
| <b>Highway &amp; Bridge Improvements and Reconstruction</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 9,800.0                 | 5,800.0                | 8,500.0                 | 9,000.0                 | 9,250.0                 | 9,000.0                 | 44% / 20,000.0            | NYS DOT, CHIPs* (2019 CHIPs funding = \$4,000.) |
| <p><i>This project funds highway improvements, bridge replacement or reconstruction, traffic safety projects, drainage system replacements and repairs, pavement management programs, parking lot improvements, and traffic signal and signage improvements. Costs include professional services for design and inspection, acquisition of right-of-way, construction services, and purchase of materials.</i></p> <p><i>*The projected \$20 million in CHIPs funding will partially offset County costs over the 5-year project period.</i></p> |                         |                        |                         |                         |                         |                         |                           |                                                 |
| <b>TOTAL - Public Works - Engineering Division</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>9,800.0</b>          | <b>5,800.0</b>         | <b>8,500.0</b>          | <b>9,000.0</b>          | <b>9,250.0</b>          | <b>9,000.0</b>          |                           |                                                 |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Highway Division

The Highway Division is responsible for overseeing numerous programs to maintain the County's 395 centerline miles of roads, 140 bridges and 178 drainage structures.

| Project                                                                                                                                                      | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|--------|
|                                                                                                                                                              | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source |
| <b>Department of Public Works Capital Equipment</b><br><i>Purchase replacement trucks and machinery for the Department of Public Works.</i>                  | 1,503.0                 | 1,503.0                | 1,565.0                 | 1,487.0                 | 1,400.0                 | 1,580.0                 |                           |        |
| <b>Law Enforcement Replacement Vehicles</b><br><i>Replacement law enforcement vehicles and equipment for the Sheriff's Office.</i>                           | 650.0                   | 650.0                  | 675.0                   | 700.0                   | 725.0                   | 750.0                   |                           |        |
| <b>Replacement Vehicles for Various Departments</b><br><i>Replacement vehicles for various County departments and agencies, except the Sheriff's Office.</i> | 525.0                   | 525.0                  | 540.0                   | 555.0                   | 570.0                   | 585.0                   |                           |        |
| <b>TOTAL - Public Works - Highway Division</b>                                                                                                               | <b>2,678.0</b>          | <b>2,678.0</b>         | <b>2,780.0</b>          | <b>2,742.0</b>          | <b>2,695.0</b>          | <b>2,915.0</b>          |                           |        |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Parks

The Department of Public Works Parks Division is responsible for the development and maintenance of County parks (Wilcox, Bowdoin and Quiet Cove Riverfront Park), as well as the Dutchess County portion of the Harlem Valley Rail Trail and the Dutchess Rail Trail. Wilcox Park, located in the Town of Milan, covers 615 acres of mostly wooded terrain. Bowdoin Park, purchased by the County in 1975, includes 301 acres along the Hudson River in the Town of Poughkeepsie. Quiet Cove Riverfront Park is 27 acres along the Hudson River and is a partnership between the State and the County.

| Project                                                                                                                                                                                                                                                                                           | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|-----------|
|                                                                                                                                                                                                                                                                                                   | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source    |
| <b>Dutchess Stadium Capital Improvements</b><br><i>Renovations to existing stadium buildings and systems. Construction of new stadium enhancements to improve fan experience, offer additional vending areas, enlarge suites, and construct a year-round event space. Required for CFA match.</i> | 4,500.0                 | 3,600.0                | 0.0                     | 0.0                     | 0.0                     | 0.0                     | 20% / 900.0               | CFA Grant |
| <b>Parks Master Plan Design and Implementation</b><br><i>Design and implementation of recommendations that will be developed through the Parks Master Plan process. Each year's funding will include implementation of current projects and design of next year's phase.</i>                      | 2,000.0                 | 2,000.0                | 2,000.0                 | 2,000.0                 | 1,000.0                 | 1,000.0                 |                           |           |
| <b>TOTAL - Public Works - Parks</b>                                                                                                                                                                                                                                                               | <b>6,500.0</b>          | <b>5,600.0</b>         | <b>2,000.0</b>          | <b>2,000.0</b>          | <b>1,000.0</b>          | <b>1,000.0</b>          |                           |           |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Public Works - Public Transit

The primary mission of the Division of Public Transit is to provide Dutchess County with a safe, efficient, accessible and reliable public transportation system.

| Project                                                                                                                                                    | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources    |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------|---------------|
|                                                                                                                                                            | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount         | Source        |
| <b>Replace Four (4) 30' Medium Duty Diesel (International) Buses</b><br><i>Project will replace four (4) 30' medium duty diesel buses (International).</i> | 0.0                     | 0.0                    | 1,620.0                 | 0.0                     | 0.0                     | 0.0                     | 10% / 162.0<br>80% / 1,296.0 | NYSDOT<br>FTA |
| <b>Replace Six (6) 40' Heavy Duty Diesel (Orion) Buses</b><br><i>Project will replace six (6) 40' heavy duty diesel buses (Orion).</i>                     | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 2,850.0                 | 0.0                     | 10% / 285.0<br>80% / 2,280.0 | NYSDOT<br>FTA |
| <b>Replace Nine (9) 30' Medium Duty Diesel (International) Buses</b><br><i>Project will replace nine (9) 30' medium duty diesel buses (International).</i> | 0.0                     | 0.0                    | 0.0                     | 0.0                     | 3,645.0                 | 0.0                     | 10% / 364.5<br>80% / 2,916.0 | NYSDOT<br>FTA |
| <b>TOTAL - Public Works - Public Transit</b>                                                                                                               | <b>0.0</b>              | <b>0.0</b>             | <b>1,620.0</b>          | <b>0.0</b>              | <b>6,495.0</b>          | <b>0.0</b>              |                              |               |

## 2019 - 2023 Capital Program Requests for Dutchess County (\$000)

### Water & Wastewater Authority

The Dutchess County Water and Wastewater Authority was created to identify and seek solutions to water and wastewater problems in the County. The provision of adequate central water and sewer service is crucial. The most common problems that municipalities face in implementing water and sewer projects are lack of funding and the inability to build future capacity into systems.

| Project                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2019                    | 2019                   | 2020                    | 2021                    | 2022                    | 2023                    | Other than County Sources |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|--------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total Est. Project Cost | Projected County Share | Total Est. Project Cost | % / Projected Amount      | Source |
| <b>Feasibility Study - Water Storage Facility</b>                                                                                                                                                                                                                                                                                                                                                                                                 | 150.0                   | 150.0                  | 0.0                     | 0.0                     | 0.0                     | 0.0                     |                           |        |
| <i>Feasibility Study for a Water Storage Facility to serve the Central Dutchess Water Transmission Line (CDWTL), Dutchess County Airport Water Line, and Hudson Valley Regional Airport. Involves an update to the 2006 Engineering Feasibility Study to assess the storage volume needed, siting considerations, evaluation of potential sites, and estimates of probable cost for selected options.</i>                                         |                         |                        |                         |                         |                         |                         |                           |        |
| <b>Water Storage Facility</b>                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.0                     | 0.0                    | TBD                     | TBD                     | TBD                     | TBD                     |                           |        |
| <i>Water Storage Facility for the Central Dutchess Water Transmission Line (CDWTL), Dutchess County Airport Water Line, and Hudson Valley Regional Airport. The final size and location of the storage facility will be determined as part of the project design process and will depend on the project participants and needs identified. Project costs will be determined once other participants and their potential needs are identified.</i> |                         |                        |                         |                         |                         |                         |                           |        |
| <b>TOTAL - Water &amp; Wastewater Authority</b>                                                                                                                                                                                                                                                                                                                                                                                                   | <b>150.0</b>            | <b>150.0</b>           | <b>0.0</b>              | <b>0.0</b>              | <b>0.0</b>              | <b>0.0</b>              |                           |        |
| <b>TOTAL - ALL DEPARTMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>43,744.0</b>         | <b>36,829.4</b>        | <b>37,838.0</b>         | <b>22,335.0</b>         | <b>26,423.8</b>         | <b>19,113.0</b>         |                           |        |

## Current Capital Projects

| <b>Project</b>                             | <b>Code (a)</b> | <b>Appropriation as of<br/>8/31/2018 (b)</b> | <b>Encumbered and<br/>Expended as of<br/>8/31/2018 (c)</b> | <b>Unencumbered<br/>Balance as of<br/>8/31/2018 (d)</b> |
|--------------------------------------------|-----------------|----------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|
| <b>Dutchess Community College</b>          |                 |                                              |                                                            |                                                         |
| DCC Bowne Hall Roof Replacement            | HC0437          | \$691,445                                    | \$450,000                                                  | \$241,445                                               |
| DCC Campus Infrastructure Phase II         | HC0489          | 1,980,000                                    | 11,125                                                     | 1,968,875                                               |
| DCC Infrastructure Phase III Roof          | HC0503          | 626,250                                      | 183,696                                                    | 442,554                                                 |
| DCC 2017 Safety/Fire alarm Update          | HC0509          | 823,000                                      | -                                                          | 823,000                                                 |
| DCC 2017 Master Plan Update                | HC0510          | 500,000                                      | -                                                          | 500,000                                                 |
| DCC 2017 Roof Replacement                  | HC0511          | 1,801,200                                    | 825,176                                                    | 976,024                                                 |
| <b>Economic Assistance and Opportunity</b> |                 |                                              |                                                            |                                                         |
| 2017 Auto Center Vehicle Bond              | H0504           | 170,000                                      | 161,236                                                    | 8,764                                                   |
| 2018 Capital Equipment                     | H0516           | 145,400                                      | 15,952                                                     | 129,448                                                 |
| 2018 Auto Center Vehicle Bond              | H0520           | 69,000                                       | -                                                          | 69,000                                                  |
| 2018 Auto Center Vehicle Bond              | H0520           | 24,000                                       | -                                                          | 24,000                                                  |
| 2018 Auto Center Vehicle Bond              | H0520           | 24,000                                       | -                                                          | 24,000                                                  |
| 2018 OFA Building Equipment                | H0521           | 1,000,000                                    | 182,796                                                    | 817,204                                                 |
| <b>General Service</b>                     |                 |                                              |                                                            |                                                         |
| 2010 Building Reconstruction               | H0420           | 1,439,250                                    | 929,777                                                    | 509,473                                                 |
| Enterprise Content Management System       | H0449           | 960,000                                      | 463,170                                                    | 496,830                                                 |
| 2014 DPW Building Reconstruction           | H0459           | 2,171,500                                    | 2,129,965                                                  | 41,535                                                  |
| HazMat Survey - Phase I                    | H0465           | 439,500                                      | 194,871                                                    | 244,629                                                 |
| 2014 Jail PODS Project                     | H0466           | 8,393,303                                    | 6,612,468                                                  | 1,780,835                                               |
| 2014 DPW Building Demolition               | H0467           | 808,000                                      | 31,319                                                     | 776,681                                                 |
| Acquisition - 503 Haight Avenue            | H0473           | 1,426,625                                    | 1,345,859                                                  | 80,766                                                  |
| Water Transmission Line                    | H0477           | 3,700,000                                    | 3,002,040                                                  | 697,960                                                 |
| Building Repairs                           | H0484           | 1,333,200                                    | 1,200,081                                                  | 133,119                                                 |
| 230 North Rd. Renov/Crisis Stabil          | H0486           | 4,848,000                                    | 4,332,349                                                  | 515,651                                                 |
| DC Justice & Transition Center             | H0487           | 192,150,000                                  | 39,452,750                                                 | 152,697,250                                             |
| 2016 Auto Center Vehicle Bond              | H0494           | 872,640                                      | 857,630                                                    | 15,010                                                  |
| 2016 Building Repairs/Renovation           | H0496           | 3,333,000                                    | 2,050,048                                                  | 1,282,952                                               |
| 2016 Acq/Renov 45 Market Street            | H0499           | 6,988,000                                    | 5,624,433                                                  | 1,363,567                                               |
| 2017 Auto Center Vehicle Bond              | H0504           | 32,545                                       | 24,147                                                     | 8,398                                                   |

## Current Capital Projects

| <b>Project</b>                    | <b>Code (a)</b> | <b>Appropriation as of<br/>8/31/2018 (b)</b> | <b>Encumbered and<br/>Expended as of<br/>8/31/2018 (c)</b> | <b>Unencumbered<br/>Balance as of<br/>8/31/2018 (d)</b> |
|-----------------------------------|-----------------|----------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|
| 2017 Emergency Generators         | H0508           | 2,614,811                                    | 86,725                                                     | 2,528,086                                               |
| 100-102 Parker Avenue             | H0513           | 488,000                                      | 487,537                                                    | 463                                                     |
| 2018 Capital Equipment            | H0516           | 60,000                                       | -                                                          | 60,000                                                  |
| 2018 Auto Center Vehicle Bond     | H0520           | 30,000                                       | 23,123                                                     | 6,877                                                   |
| 2018 Auto Center Vehicle Bond     | H0520           | 24,000                                       | -                                                          | 24,000                                                  |
| 2018 Auto Center Vehicle Bond     | H0520           | 93,000                                       | -                                                          | 93,000                                                  |
| 2018 Auto Center Vehicle Bond     | H0520           | 79,210                                       | -                                                          | 79,210                                                  |
| 2018 Auto Center Vehicle Bond     | H0520           | 24,000                                       | -                                                          | 24,000                                                  |
| <b>Home and Community Service</b> |                 |                                              |                                                            |                                                         |
| 2014 Partner/Manageable Growth    | H0476           | 1,000,000                                    | 590,452                                                    | 409,548                                                 |
| 2016 - Partner/Manageable Growth  | H0500           | 1,000,000                                    | -                                                          | 1,000,000                                               |
| 2017 Auto Center Vehicle Bond     | H0504           | 24,500                                       | 22,967                                                     | 1,533                                                   |
| Partnership/Manageable Growth     | H0512           | 1,000,000                                    | -                                                          | 1,000,000                                               |
| 2018 Auto Center Vehicle Bond     | H0520           | 47,000                                       | -                                                          | 47,000                                                  |
| 2018 Auto Center Vehicle Bond     | H0520           | 22,000                                       | -                                                          | 22,000                                                  |
| <b>Recreation</b>                 |                 |                                              |                                                            |                                                         |
| 2006 Parks Plan                   | H0372           | 12,778,000                                   | 10,570,686                                                 | 2,207,314                                               |
| Stadium Capital Improvement       | H0373           | 431,050                                      | 411,834                                                    | 19,216                                                  |
| Parks Capital Projects            | H0434           | 2,872,450                                    | 2,614,107                                                  | 258,343                                                 |
| 2014 Highway Equipment            | H0464           | 44,000                                       | 43,883                                                     | 117                                                     |
| 2014 Parks Improvements           | H0471           | 166,650                                      | 85,836                                                     | 80,814                                                  |
| 2016 Park Improvements            | H0493           | 375,000                                      | 123,117                                                    | 251,883                                                 |
| 2017 Capital Equipment            | H0505           | 60,000                                       | 50,677                                                     | 9,323                                                   |
| 2018 Capital Equipment            | H0516           | 113,000                                      | 27,618                                                     | 85,382                                                  |
| 2018 Auto Center Vehicle Bond     | H0520           | 45,000                                       | -                                                          | 45,000                                                  |
| <b>Safety</b>                     |                 |                                              |                                                            |                                                         |
| Criminal Justice System           | H0348           | 2,650,000                                    | 2,615,065                                                  | 34,935                                                  |
| Emergency Response Training Room  | H0358           | 6,825,000                                    | 6,824,998                                                  | 2                                                       |
| DC Jail Security & Comm. System   | H0422           | 3,456,600                                    | 2,616,093                                                  | 840,507                                                 |
| Jail Project - Design Phase       | H0456           | 1,212,000                                    | 1,150,231                                                  | 61,769                                                  |

## Current Capital Projects

| <b>Project</b>                              | <b>Code (a)</b> | <b>Appropriation as of<br/>8/31/2018 (b)</b> | <b>Encumbered and<br/>Expended as of<br/>8/31/2018 (c)</b> | <b>Unencumbered<br/>Balance as of<br/>8/31/2018 (d)</b> |
|---------------------------------------------|-----------------|----------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|
| 2016 911 Communication Systems              | H0497           | 2,048,758                                    | 2,010,174                                                  | 38,584                                                  |
| 2017 Auto Center Vehicle Bond               | H0504           | 505,000                                      | 484,430                                                    | 20,570                                                  |
| 2018 Emergency Response Train Cr.           | H0514           | 3,030,000                                    | -                                                          | 3,030,000                                               |
| 2018 ER 911 Phone System                    | H0519           | 630,120                                      | -                                                          | 630,120                                                 |
| 2018 Auto Center Vehicle Bond               | H0520           | 616,000                                      | -                                                          | 616,000                                                 |
| <b>Transportation (Roads &amp; Bridges)</b> |                 |                                              |                                                            |                                                         |
| 2000 Bridges- ISTE/TEA 21                   | H0289           | 15,000,000                                   | 11,281,126                                                 | 3,718,874                                               |
| 2000 Roads (ISTEA/TEA 21)                   | H0290           | 10,238,000                                   | 9,730,609                                                  | 507,391                                                 |
| 2007 Bridges - ISTE/TEA                     | H0383           | 6,066,909                                    | 3,340,228                                                  | 2,726,681                                               |
| 2007 Roads - ISTE/TEA                       | H0384           | 27,909,699                                   | 3,927,940                                                  | 23,981,759                                              |
| Highway & Bridge Capital Projects           | H0431           | 4,921,178                                    | 4,916,243                                                  | 4,935                                                   |
| 2013 Highway & Bridge Improv.               | H0451           | 6,541,940                                    | 6,504,163                                                  | 37,777                                                  |
| 2014 Highway & Bridge Improvements          | H0460           | 8,630,679                                    | 7,953,436                                                  | 677,243                                                 |
| 2014 Highway Equipment                      | H0464           | 1,048,030                                    | 883,464                                                    | 164,566                                                 |
| CR92 Project - DEP                          | H0468           | 800,000                                      | -                                                          | 800,000                                                 |
| 2014 Economic Dev. Bridge Projects          | H0469           | 6,738,000                                    | 3,624,409                                                  | 3,113,591                                               |
| 2015 Highway and Bridge Improvements        | H0479           | 8,765,666                                    | 7,570,014                                                  | 1,195,652                                               |
| 2016 Highway & Bridge Improvements          | H0491           | 7,735,040                                    | 6,014,081                                                  | 1,720,959                                               |
| 2016 Capital Equipment                      | H0495           | 339,360                                      | 326,248                                                    | 13,112                                                  |
| 2016 Fallkill Dam Improvements              | H0498           | 425,000                                      | 27,660                                                     | 397,340                                                 |
| 2017 Auto Center Vehicle Bond               | H0504           | 80,500                                       | 78,503                                                     | 1,997                                                   |
| 2017 Capital Equipment                      | H0505           | 838,900                                      | 676,725                                                    | 162,175                                                 |
| 2017 Hwy & Bridge Improvements              | H0506           | 6,928,500                                    | 4,724,819                                                  | 2,203,681                                               |
| 2018 Highway & Bridge Improvements          | H0515           | 6,948,695                                    | 1,156,185                                                  | 5,792,510                                               |
| 2018 Capital Equipment                      | H0516           | 1,065,704                                    | 217,723                                                    | 847,981                                                 |
| 2018 Auto Center Vehicle Bond               | H0520           | 35,000                                       | -                                                          | 35,000                                                  |
| <b>Transportation - Aviation</b>            |                 |                                              |                                                            |                                                         |
| 2012 DPW Airport Fuel Tanks                 | EA0445          | 76,000                                       | 26,005                                                     | 49,995                                                  |
| 2015 Airport Obstruction Removal            | EA0485          | 290,000                                      | 284,198                                                    | 5,802                                                   |
| 2016 Capital Improvements                   | EA0488          | 35,000                                       | 35,000                                                     | -                                                       |

## Current Capital Projects

| <b>Project</b>                         | <b>Code (a)</b> | <b>Appropriation as of<br/>8/31/2018 (b)</b> | <b>Encumbered and<br/>Expended as of<br/>8/31/2018 (c)</b> | <b>Unencumbered<br/>Balance as of<br/>8/31/2018 (d)</b> |
|----------------------------------------|-----------------|----------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|
| Airport ARFF/SRE Bldg. & Wtr. Dist.    | EA0492          | 8,816,900                                    | 346,268                                                    | 8,470,632                                               |
| DCC Airport Educational Facility       | EA0501          | 8,106,945                                    | 1,065,478                                                  | 7,041,467                                               |
| 2016 Airport Property Renovation       | EA0502          | 988,500                                      | 105,108                                                    | 883,392                                                 |
| 2017 Auto Center Vehicle Bond          | EA0504          | 45,955                                       | 40,312                                                     | 5,643                                                   |
| 2017 EMAS Replacement                  | EA0507          | 145,000                                      | 73,158                                                     | 71,842                                                  |
| 2018 Capital Equipment                 | EA0516          | 78,078                                       | -                                                          | 78,078                                                  |
| On-Airport Water Line                  | EA0518          | 808,000                                      | 578,838                                                    | 229,162                                                 |
| 2018 Auto Center Vehicle Bond          | EA0520          | 73,730                                       | -                                                          | 73,730                                                  |
| <b>Transportation - Public Transit</b> |                 |                                              |                                                            |                                                         |
| Fuel Tank & Site Rehab.                | ET0435          | 3,449,082                                    | 3,341,760                                                  | 107,322                                                 |
| Bus Replacement                        | ET0440          | 3,737,091                                    | 3,735,713                                                  | 1,378                                                   |
| 2012 DPW Buildings Bond                | ET0442          | 100,100                                      | 58                                                         | 100,042                                                 |
| Bus Replacement                        | ET0483          | 7,578,052                                    | 6,046,686                                                  | 1,531,366                                               |
| 2016 Bus Replacement                   | ET0490          | 3,791,768                                    | 3,310,546                                                  | 481,222                                                 |
| <b>Grand Total</b>                     |                 | <b>\$440,292,008</b>                         | <b>\$192,863,144</b>                                       | <b>\$247,428,864</b>                                    |

(a) Refers to the project number assigned to each individual capital project in the County's accounting records. The letter refers to the fund as follows: ET - Enterprise Transportation (Bus), EA - Enterprise Airport and H - Capital Projects (all other).

(b) The total amount the Legislature has authorized the County to spend in connection with the specific capital project.

(c) The total amount the County has spent (expended) and committed to spend in the future (encumbered) in connection with the specific capital project.

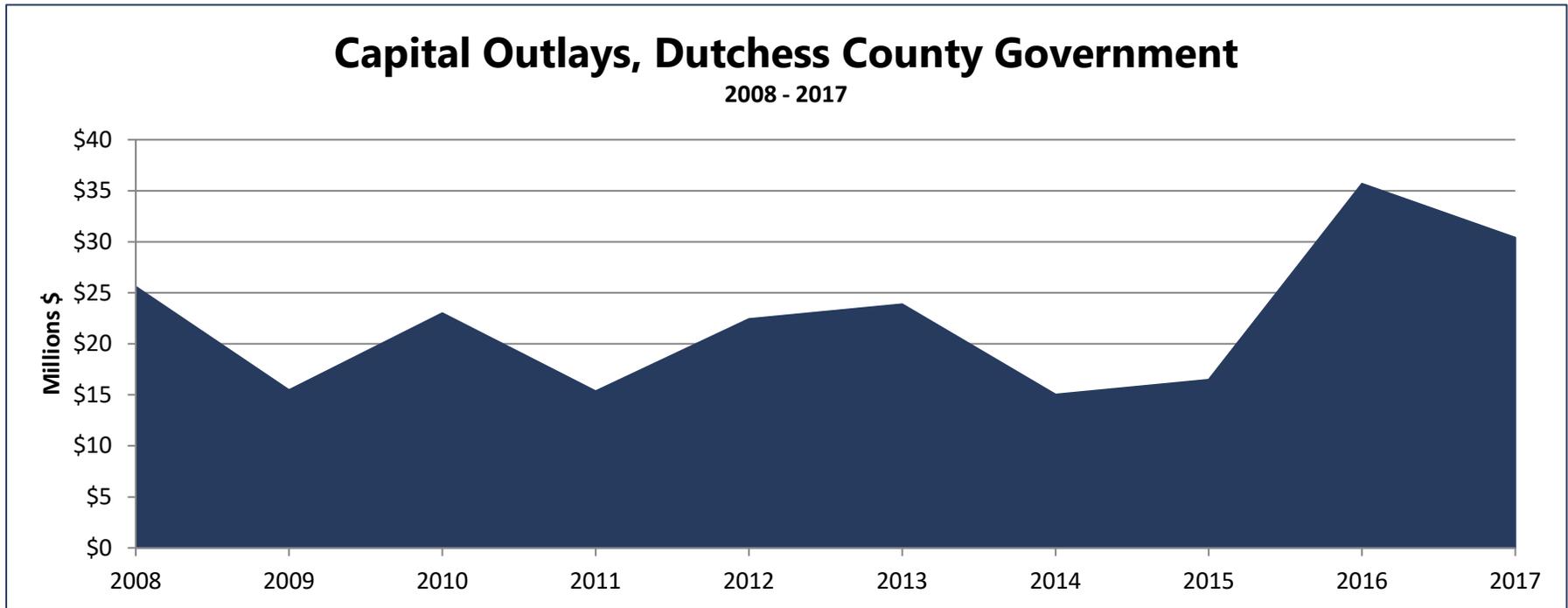
(d) The remaining amount the County is authorized to spend in connection with the specific capital project.

# Finances

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## Capital Expenditure Trends

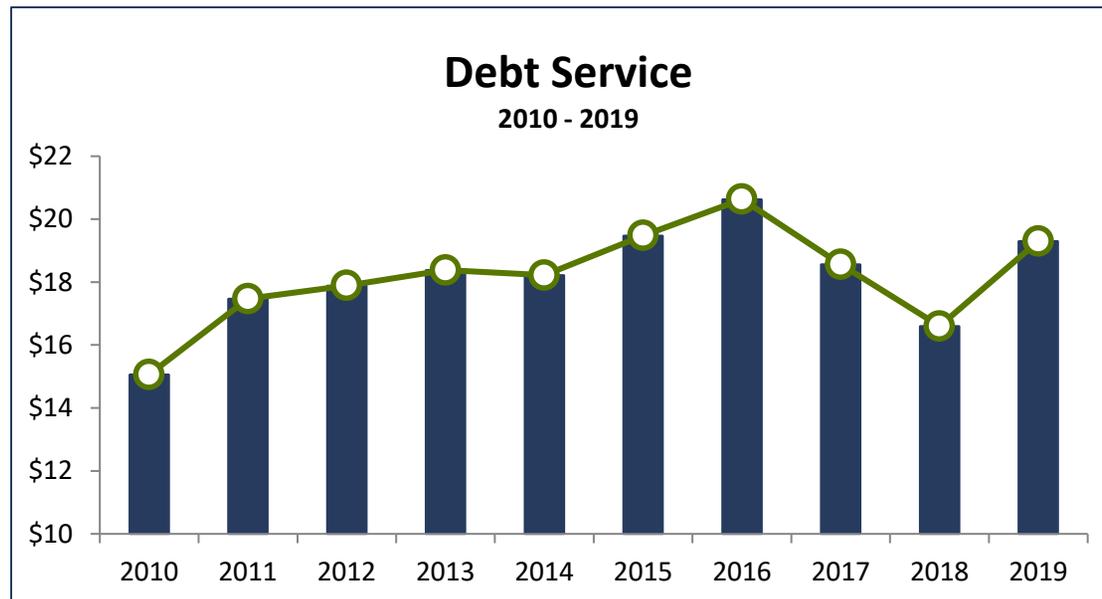
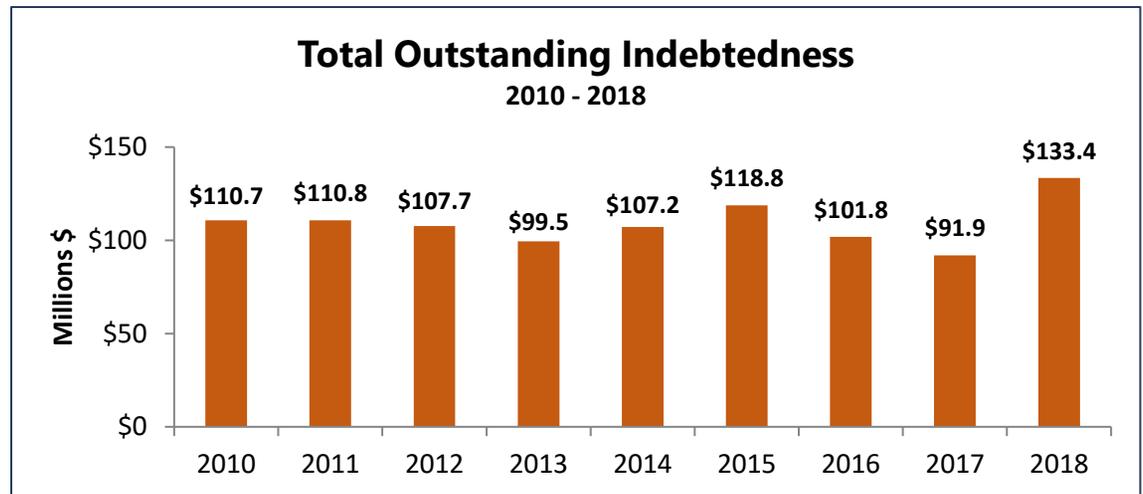
Capital outlays include expenditures for capital equipment and for construction, improvement and acquisition of fixed assets such as public buildings, roads, bridges and real property. A ten-year summary of capital outlays is provided below. In 2017, a total of \$30.4 million was expended for capital outlays.



*\*Source: State Comptroller's Annual Report Municipal Affairs, Dutchess County Department of Finance*

## Indebtedness

The outstanding indebtedness table provides a five-year summary of outstanding County indebtedness. Total outstanding indebtedness is projected to be \$133,374,536 on December 31, 2018.



## Debt Service

Debt Service includes payment of principal and interest on bonds and notes. The Debt Service table provides a summary of debt service payments from 2010 through 2018 and the budgeted amount for 2019.

The 2019 projected debt service expenditure for projects already approved by the County Legislature is \$19,260,283.

\*Source: State Comptroller's Annual Report on Municipal Affairs, Dutchess County Department of Finance

## Debt Authorized and Unissued 2018

| Project                              | Code (a) | August 31, 2018      |                     |                      |
|--------------------------------------|----------|----------------------|---------------------|----------------------|
|                                      |          | Authorized (b)       | Issued (c)          | Unissued (d)         |
| DCC Airport Educational Facility     | EA0501   | \$1,812,445          | \$1,200,000         | \$612,445            |
| 2017 Auto Center Vehicle Bond        | EA0504   | 45,955               | -                   | 45,955               |
| 2018 Capital Equipment               | EA0516   | 7,878                | -                   | 7,878                |
| On-Airport Water Line                | EA0518   | 808,000              | -                   | 808,000              |
| 2018 Auto Center Vehicle Bond        | EA0520   | 73,730               | -                   | 73,730               |
| 2016 Bus Replacement                 | ET0490   | 332,136              | 332,136             | -                    |
| 2014 Parks Improvements              | H0471    | 166,650              | 165,000             | 1,650                |
| 2014 Partner/Manageable Growth       | H0476    | 1,000,000            | 750,000             | 250,000              |
| Water Transmission Line              | H0477    | 2,900,000            | 2,900,000           | -                    |
| 230 North Rd. Renov/Crisis Stabil    | H0486    | 4,848,000            | 4,300,000           | 548,000              |
| DC Justice & Transition Center       | H0487    | 192,150,000          | 40,000,000          | 152,150,000          |
| 2016 Highway & Bridge Improvements   | H0491    | 4,044,040            | 2,500,000           | 1,544,040            |
| 2016 Auto Center Vehicle Bond        | H0494    | 872,640              | 775,000             | 97,640               |
| 2016 Capital Equipment               | H0495    | 339,360              | 330,000             | 9,360                |
| 2016 Building Repairs/Renovation     | H0496    | 3,333,000            | 2,100,000           | 1,233,000            |
| 2016 Acq/Renov 45 Market St.         | H0499    | 4,595,000            | -                   | 4,595,000            |
| 2016 - Partner/Manageable Growth     | H0500    | 1,000,000            | -                   | 1,000,000            |
| 2017 Auto Center Vehicle Bond        | H0504    | 812,545              | 400,000             | 412,545              |
| 2017 Capital Equipment               | H0505    | 898,900              | 100,000             | 798,900              |
| 2017 Highway & Bridge Improvements   | H0506    | 2,878,500            | 1,700,000           | 1,178,500            |
| 2017 Emergency Generators            | H0508    | 2,614,811            | 1,000,000           | 1,614,811            |
| Partner/Manageable Growth            | H0512    | 1,000,000            | -                   | 1,000,000            |
| 2018 Emergency Response Training Cr. | H0514    | 3,030,000            | -                   | 3,030,000            |
| 2018 Highway & Bridge Improvements   | H0515    | 2,898,224            | -                   | 2,898,224            |
| 2018 Capital Equipment               | H0516    | 1,384,104            | -                   | 1,384,104            |
| 2018 Auto Center Vehicle Bond        | H0520    | 1,132,210            | -                   | 1,132,210            |
| DCC Campus Infrastructure Phase II   | HC0489   | 990,000              | 990,000             | -                    |
| DCC Infrastructure Phase III Roof    | HC0503   | 313,125              | -                   | 313,125              |
| DCC 2017 Safety/Fire Alarm Updt.     | HC0509   | 411,500              | -                   | 411,500              |
| DCC 2017 Master Plan Update          | HC0510   | 250,000              | -                   | 250,000              |
| DCC 2017 Roof Replacement            | HC0511   | 900,600              | 900,600             | -                    |
| <b>Grand Total</b>                   |          | <b>\$237,843,353</b> | <b>\$60,442,736</b> | <b>\$177,400,617</b> |

(a) Refers to the project number assigned to each individual capital project in the County's accounting records. The letter refers to the fund as follows: EA - Enterprise Airport, ET - Enterprise Transportation (Bus) and H - Capital Projects (all other).

(b) The total amount of debt the Legislature has authorized the County to borrow in connection with the specific capital project.

(c) The total amount the County has borrowed in connection with the specific capital project.

(d) The remaining amount of debt the County is authorized to borrow in connection with the specific capital project.

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**APPENDIX E**

**FORM OF BOND COUNSEL'S OPINION**

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FORM OF BOND COUNSEL'S OPINION

April 25, 2019

County of Dutchess,  
State of New York

County of Dutchess, New York  
\$12,825,000 Public Improvement Refunding (Serial) Bonds, 2019

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$12,825,000 Public Improvement Refunding (Serial) Bonds, 2019 (the "Obligations"), of the County of Dutchess, New York (the "Obligor"), dated April 25, 2019, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_ and \_\_\_\_ hundredths per centum (\_\_\_\_%) per annum, payable on December 1, 2019 and semi-annually thereafter on June 1 and December 1, and maturing in the amount of \$ \_\_\_\_\_ on December 1, 2019, \$ \_\_\_\_\_ on December 1, 2020, \$ \_\_\_\_\_ on December 1, 2021, \$ \_\_\_\_\_ on December 1, 2022, \$ \_\_\_\_\_ on December 1, 2023, \$ \_\_\_\_\_ on December 1, 2024, \$ \_\_\_\_\_ on December 1, 2025, \$ \_\_\_\_\_ on December 1, 2026, \$ \_\_\_\_\_ on December 1, 2027, \$ \_\_\_\_\_ on December 1, 2028, \$ \_\_\_\_\_ on December 1, 2029, \$ \_\_\_\_\_ on December 1, 2030 and \$ \_\_\_\_\_ on December 1, 2031.

The Obligations maturing on or before December 1, 2025 will not be subject to redemption prior to maturity. The Obligations maturing on December 1, 2026, and thereafter, will be subject to redemption prior to maturity, at the option of the Obligor, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after December 1, 2025 at par plus accrued interest to the redemption date.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 and 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor. All the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ Orrick, Herrington & Sutcliffe LLP