

Quarterly Indicators Report: October 2009

Tompkins County, New York

Overview and Commentary: The Quarterly Indicators Report uses the most recent data available to provide insights into the major social, economic, and fiscal trends that impact Tompkins County and its budget.

As it has throughout this year, the global recession continues to dominate the County's fiscal and social environment. The third quarter saw sustained levels of general economic distress in the form of high unemployment, low consumer confidence, and price deflation. The effects of the recession on the County's fiscal health were reflected in high human service caseloads and continued deterioration of sales tax revenue and investment income

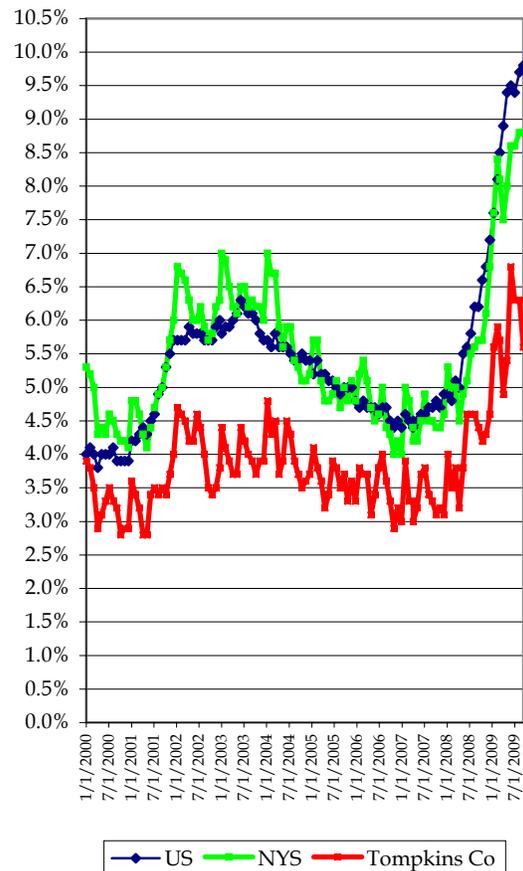
Areas of concern:

- Countywide *sales tax collections* through August remained 6% below same period last year—although the rate of decline slowed appreciably in the third quarter.
- *Welfare cases* declined by 3% over the past quarter, but remain 12% higher than last year.
- *Food stamp* caseloads in July were up by 4% over the previous quarter and were 19% higher than a year ago.
- The number of children in *Foster Care* remained stable in the third quarter, but was 6% higher than a year ago and 21% more than in August 2007.
- *Interest rates* on County deposits averaged 0.7% in August, a drop from 0.9% at the end of the second quarter.
- The County's *unemployment rate* remains well above the 2008 level, however joblessness fell to 5.6% in September even as national and state rates continued to rise.

Positive areas:

- *Overtime spending* through August was down 22% from the year before.
- *Airline activity* remains very strong, with year-to-date enplanements through August up 25% over 2008.
- *Fuel costs* declined over the 3rd quarter and remain well below the 2008 level.

Unemployment Rate, US, NYS,
Tompkins County, January 2000-
September 2009



Economic Indicators

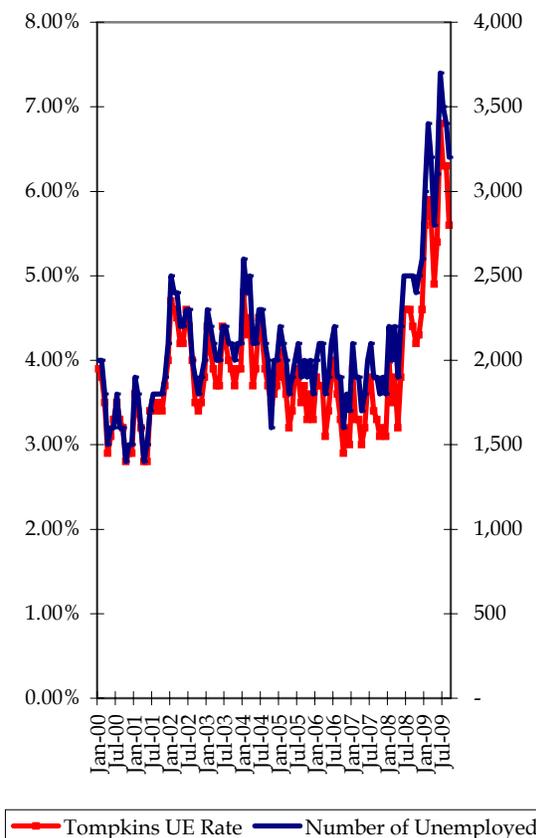
Inflation: Annual inflation, as measured by the CPI (U.S. All Items, All Urban Consumers), fell by 1.3% from September 2008 to September 2009 as the Price Index declined from 218.8 to 217.0. After a period of deflation, prices have been relatively stable over the past several months.

Unemployment: Unemployment in Tompkins County fell to 5.6% in September, a drop from 6.3% in August and a peak of 6.8% in June. The number of unemployed individuals stood at 3,200 in September, 700 more than a year ago. The 9.8% national unemployment rate in September was the highest September joblessness rate since 1983, and the second highest September reading since 1948.

Inflation (Year to Year). January 2006-September 2009



Unemployment Rate and Number Unemployed, Tompkins County, January 2000-September 2009



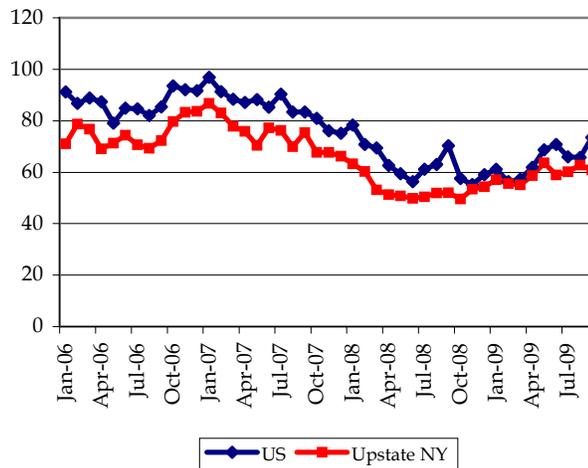
Economic Indicators

Consumer Confidence: According to polls conducted by Sienna College, consumer confidence in Upstate New York in September was 17% higher than a year ago, but still down significantly from pre-recession levels.

Based on a University of Michigan poll, consumer confidence in the Upstate area has again fallen measurably behind the rest of the country.

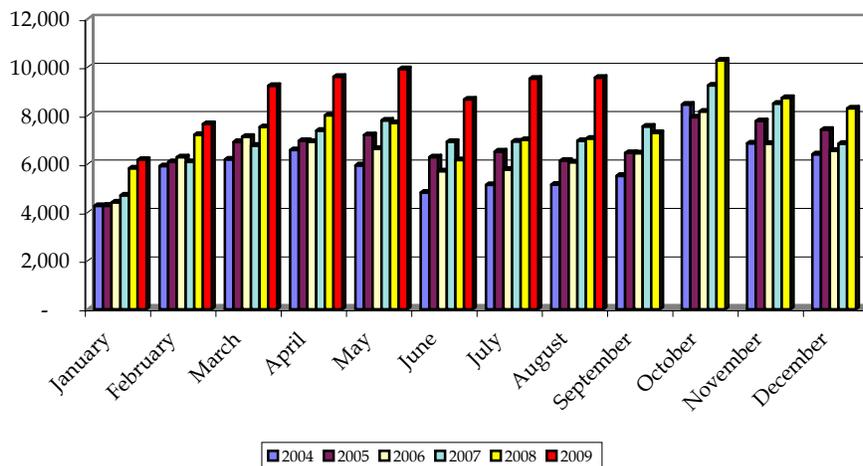
Improving consumer confidence is critical to renewed consumer spending.

Consumer Confidence, US and Upstate NY, January 2006-September 2009



Airline Enplanements: Activity levels at the Tompkins County airport continue to show strength in spite of the economic downturn. Airline enplanements through August were up by 25% of the same period last year and 31% over 2007. The addition (and, recently, retention) of Continental Airlines has had a marked impact on passenger volume at the airport. The airport is also reporting high “loading levels,” or occupancy levels of departing flights, a key financial indicator for airlines.

Airline Enplanements, January 2004-August 2009



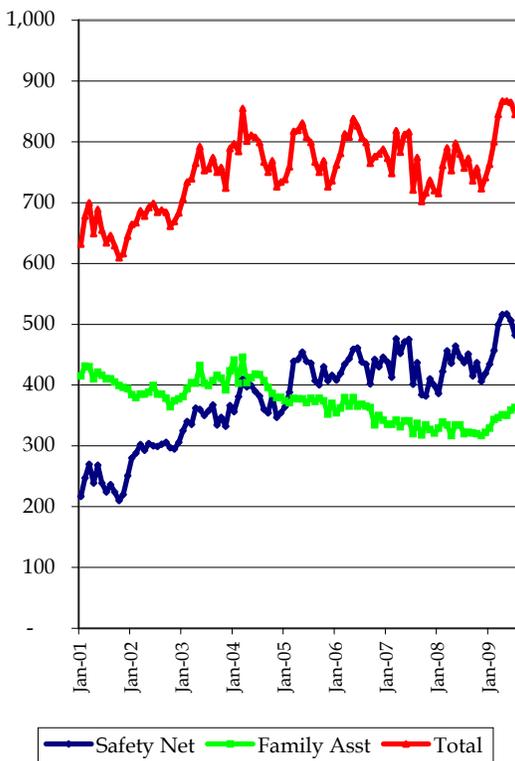
Human Service Indicators

Temporary Assistance: In July (the most recent statewide monthly data available from the State) the County managed an average of 845 temporary assistance cases, an increase of 12% over the year before. While welfare cases were down slightly from the prior quarter, caseloads normally decline in the summer months. The general pattern during the recession has been steadily increasing reliance on temporary assistance.

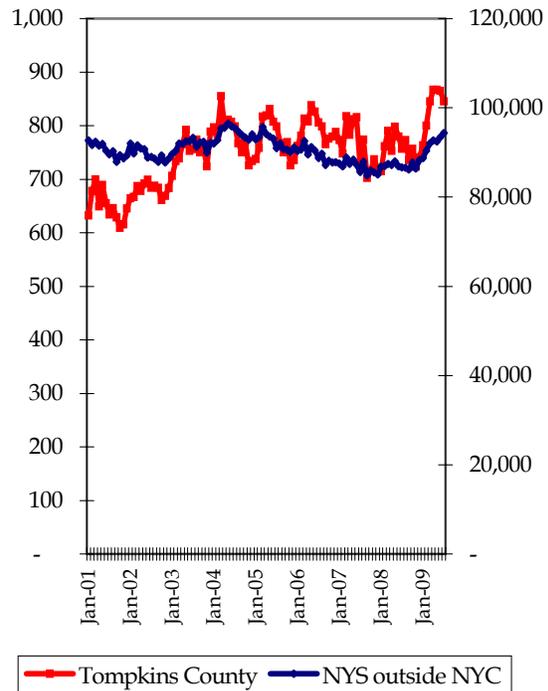
Safety Net cases—generally single individuals or families that have exceeded the five year limit on federal benefits provided through the Family Assistance program—are up by 10% over July 2008. After a long period of generally steady decline, *Family Assistance* caseloads have been on the rise since last November, and increased by fully 13% from July 2008 to July 2009.

The graph presented on the right compares welfare caseloads in Tompkins County with caseloads in all of the State outside of NYC since 2001. While the chart masks specific changes within other individual counties, it does indicate that Tompkins County did not experience the extent of caseload reductions as the rest of the state prior to the recession, and is now experiencing somewhat more rapid caseload growth than the rest of Upstate.

Temporary Assistance Caseloads,
Tompkins County, January 2001-July
2009



Temporary Assistance Caseload
Trend, Tompkins County and NYS
Outside NYC, January 2001- July
2009



Human Service Indicators

Food stamps: In July, Food Stamp caseloads remained 19% higher than in July 2008. However, local cases did stabilize in July—the first leveling-off of cases in the past two years. The one-month stabilization was not reflected in the overall caseload trend in the balance of Upstate.

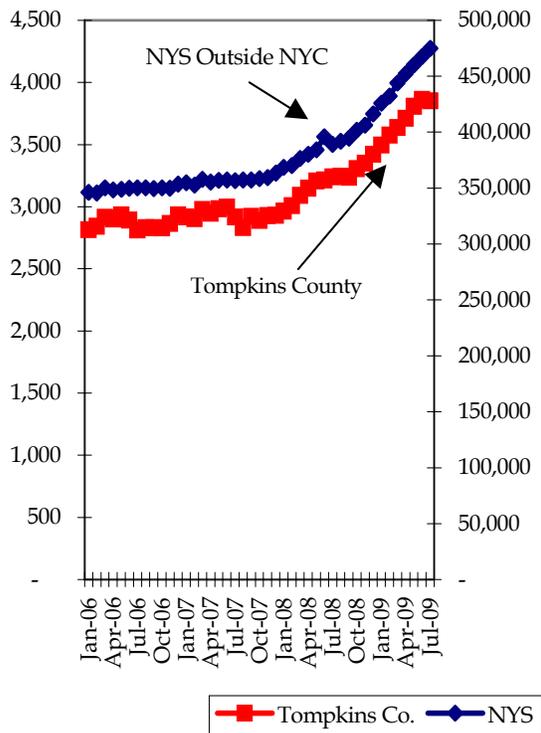
Food Stamp cases are an early indicator of both economic distress in the community and future demand for additional public services. While the County administers the food stamp program, the program relies solely on federal and state funds.

Increasing caseloads also reflects a State initiative to ensure those entitled to food stamps receive them.

Foster Care: The number of children in foster care has risen rapidly over the past two years, with the 126 children in placement in September representing a 6% increase from a year before, but a 21% more than two years ago. However, since peaking at 134 in November, placements have on a modest general downward trend.

The number of children in placement has been impacted by abuse and neglect situations in 2008 which resulted in 20 children from nine homes being placed in foster care—a higher than normal level of multi-child placements.

Foodstamp Cases (Households),
Tompkins County and NYS Outside
NYC, January 2006-July 2009



Children in Placement, January 2008-
September 2009



Budget Indicators: Energy Costs

Vehicle Fuel Costs (County Prices),
January 2006-September 2009



Fuel and Energy Costs: The price paid by the County for fuel remains on a fairly volatile path, with September prices (\$2.04/gal. Regular and \$2.17 gal. Diesel) dipping below summertime peaks and remaining well below the record prices of a year ago.

The County's average electricity rate has steadily increased over the course of 2009, with kilowatt hour prices up 8% over a year ago. Prices climbed by 7% over the 3rd quarter.

Natural gas prices are down 8% from last September, but have begun to inch up over the past three months.

Electricity Rate (\$/Kwh), January
2006-August 2009

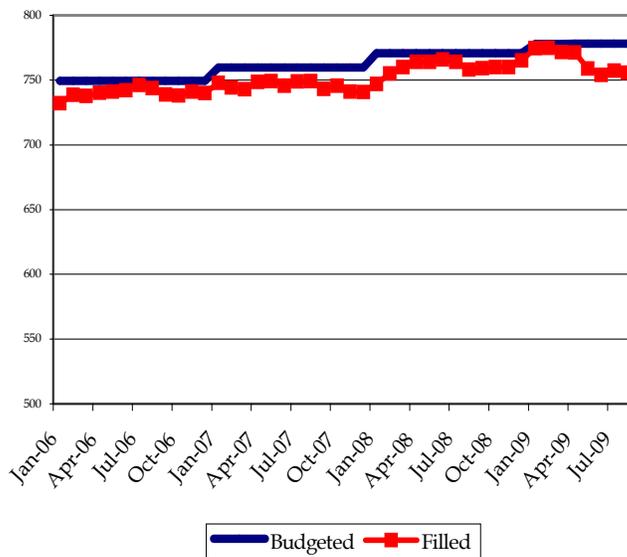


Natural Gas Rates (\$/Therm),
January 2006-August 2009



Budget Indicators: Personnel

County Workforce: Budgeted and Actual FTE, January 2006-August 2009

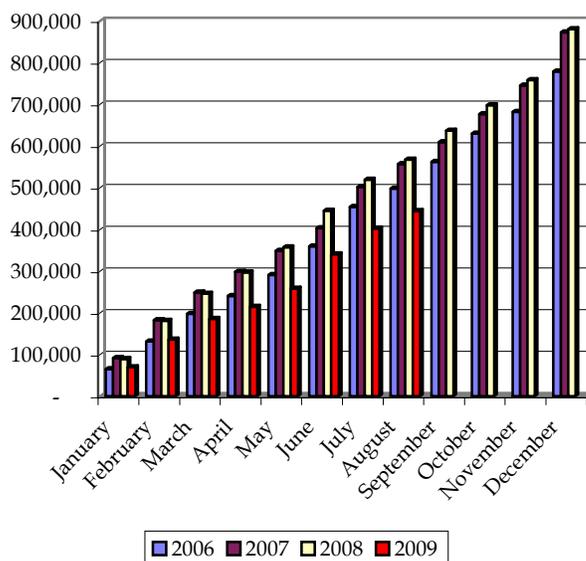


Workforce: In August, the County had 756 full-time equivalent positions on its payroll, down by 19 from January 2009. The payroll roster includes positions that are fully and partially funded by grants and reimbursements.

The August payroll was slightly higher (2 positions) than recorded in the last Quarterly report, but down 3 from the May level, and 22 fewer than the 778 FTEs authorized in the 2009 budget.

The data in this table have been adjusted from prior reports to include 18 positions (elected officials) that had been omitted in previous reports.

Year to Date Cumulative Overtime, All Departments, 2006-August 2009



Overtime: Total County overtime costs (the 1/2 time premium expense) for all departments through August totaled \$445,000. That is 22% less than cumulative overtime spending in August 2008 and 20% less than August 2007.

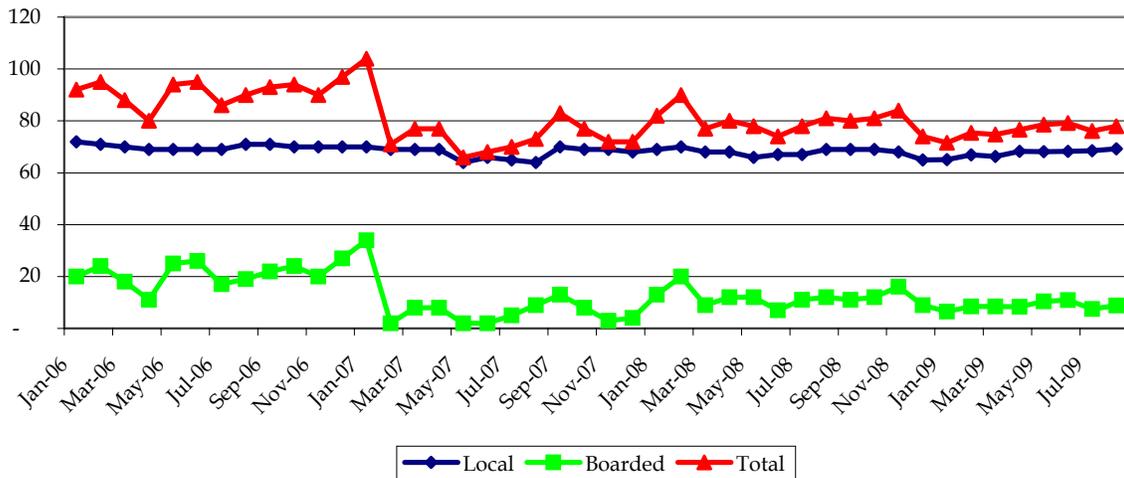
Over the past two years, total annual overtime costs have amounted to slightly less than \$900,000.

Budget Indicators: Miscellaneous

Inmate Population: Since February 2007, the County's inmate population has been relatively stable, averaging 76 total inmates (68 in the County Jail and 8 board-outs.)

In August 2009, there were an average of 78 inmates and detainees in the Sheriff's custody (69 in the Jail and 9 board-outs). Because of a recently-secured State variance allowing double-bunking at the Jail, it is expected that there will be a significant shift from board-outs to in-house populations beginning in September, resulting in a major cost savings.

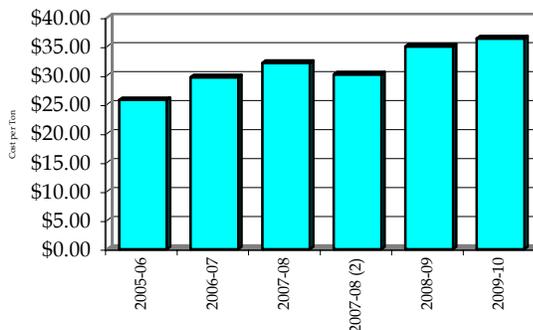
Inmate Population, Local and Boarded, January 2006-August 2009



Road Salt: The cost of road salt has a strong influence on the Highways Division budget.

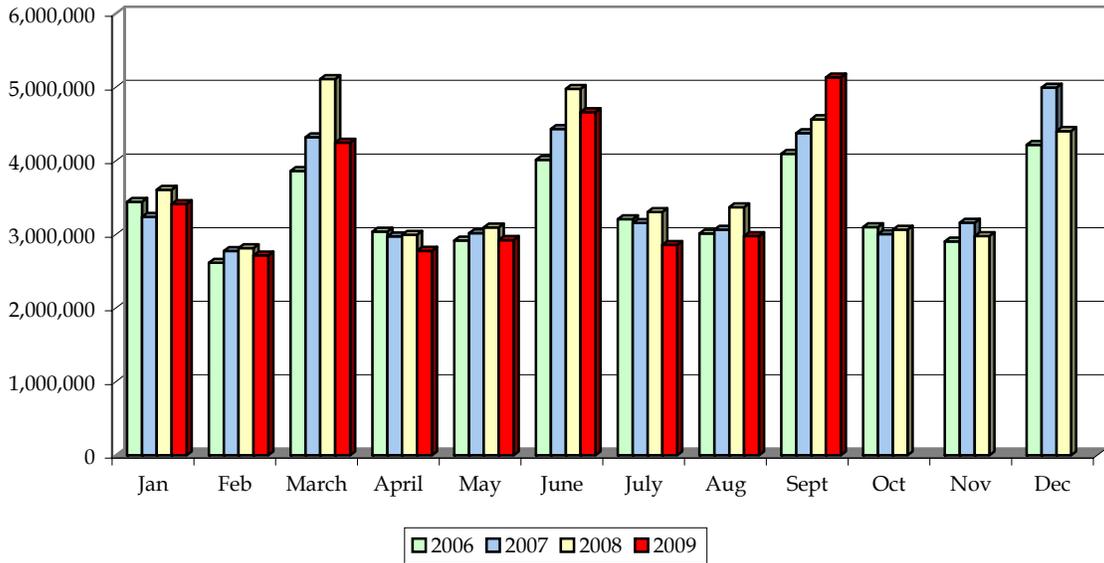
Salt prices for the 2009-10 snow season are up 4% over the 2008 level, a moderation of price hikes that have driven road salt prices up by 41% over the past five years.

Road Salt Costs, Treated and Untreated, 2005-Present

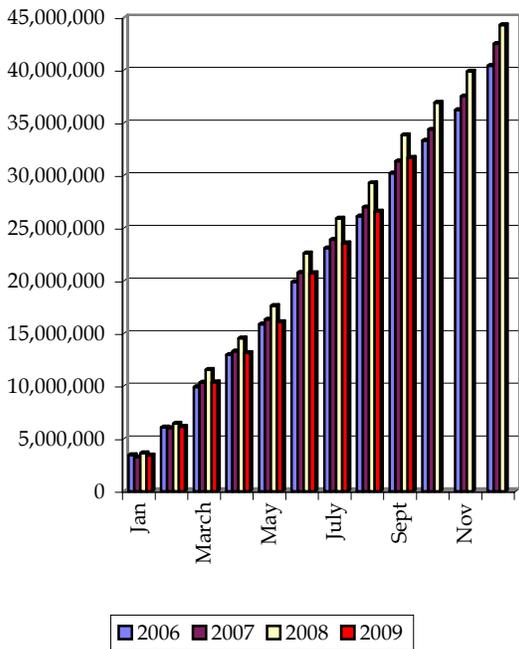


Budget Indicators: Sales Tax

Monthly Sales Tax Collections, January 2006-September 2009



Year to Date Sales Tax Receipts, January 2006-September 2009



Sales Tax: Through September, *countywide* sales tax collections were down 6.3% from September 2008. The County’s share of those collections is down by a slightly smaller percent.

Third quarter receipts were down by 2% from the third quarter of 2008, an improvement over prior quarters that lagged the prior year by an average of 9%

Strong collections in September shown in the graph above may reflect the surge in car sales from the “cash for clunkers” initiative, and also the State’s end-of-quarter reconciliation of actual and estimated receipts for the entire quarter.

The graph to the left shows total (cumulative) countywide collections of \$31.7 million through August 2009. This compares to \$33.8 million collected during the same period last year.

Because the sales tax is shared with all municipalities in the County, many of which receive their share of the tax in cash, the sales tax shortfall will have an affect on most municipal budgets.

Budget Indicators: Other Revenue

County Clerk Revenue: The County Clerk generates revenue through fees assessed by the Department of Motor Vehicles activity and by the Clerk for processing legal documents, particularly mortgage documents. Both represent important sources of income to the County and also provide an indication of economic activity in the County.

Through August, DMV income is 4% higher than last year's level. Despite the economic and fiscal crises, revenues from legal documents, primarily mortgage and property transactions, are up 11% over a year ago.

Interest Rates on County Deposits: The County deposits all balances in interest bearing accounts that are restricted, by law, to the safest investments.

Paralleling the decline in the economy, interest rates paid to the County reached a 3-year peak of 4.9% in May 2007, remained at that plateau through September 2007, and then began a period of rapid, steep decline.

Interest rates averaged 0.7% in September 2009. That compares to rates of 2.1% a year ago and 4.9% in September 2007.

Clerk Revenue: DMV and Legal Documents, January 2006-August 2009



Average Interest Rate on Investments, January 2006-September 2009

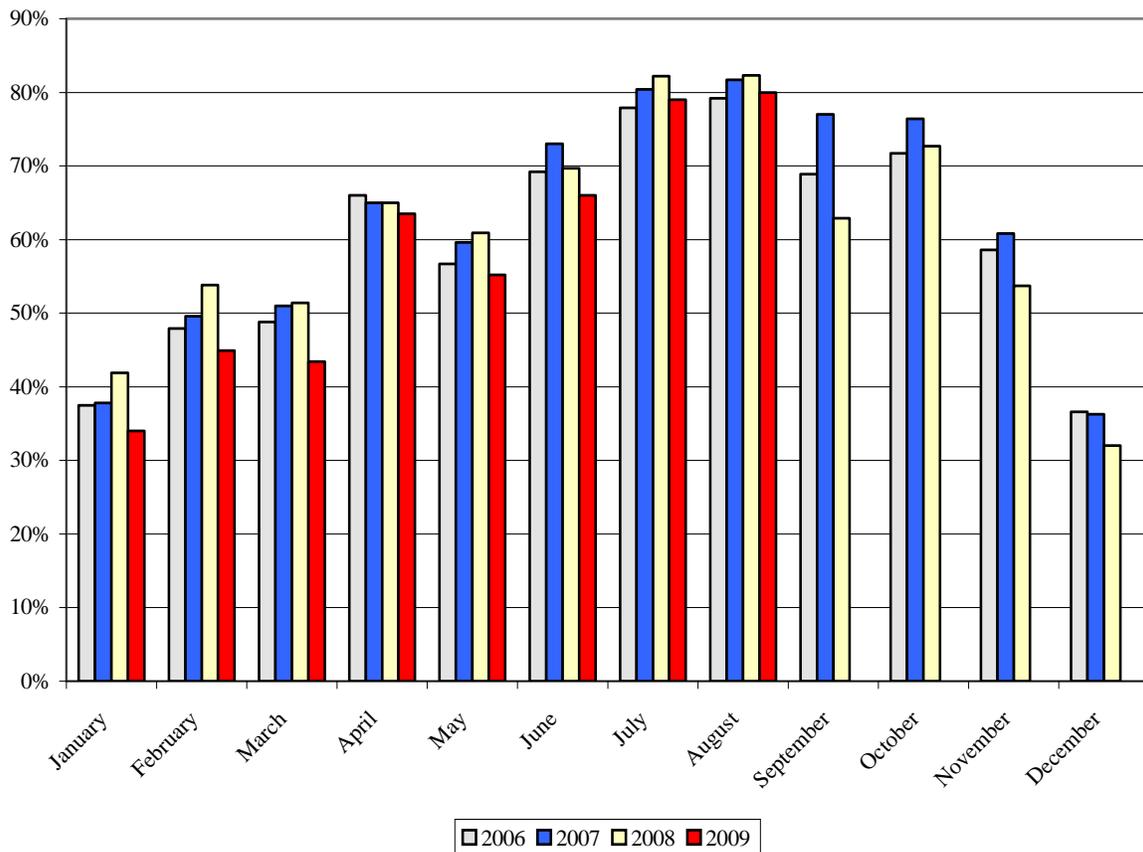


Budget Indicators: Lodging Activity

Hotel/Motel Occupancy Rates: Lodging activity is both an indicator of the underlying economic activity and the County’s fiscal condition. Personal and business travel ebbs and flows with the economy. Because the County receives both a 4% sales tax and 5% room occupancy tax on hotel/motel room sales, the strength of the hospitality industry has a direct impact on the County budget and the activities it supports.

According to Smith Travel Research, after a period of strong growth, occupancy levels began to decline in September 2008. In April 2009, the gap between 2008 and 2009 collections began to shrink. By August, occupancy was approaching the pre-recession levels recorded last year. The rise in occupancy is reflected in overall year-to-date hotel revenue which, in August, was down by 8% from the year before—a rebound from revenue declines approaching 20% in the early months of the year.

Hotel/Motel Occupancy Rates, January 2006-August 2009



Notes and Sources :

- Most trend information begins with data from January 2006, which will continue to be the anchor point for trend assessment in future Indicators Reports. Where possible, data prior to 2006 has been compiled and will continue to be a part of the on-going reporting.
- Unemployment data: U.S. Bureau of Labor Statistics and the New York Department of Labor.
- Inflation Data: U.S. Bureau of Labor Statistics, (all urban consumers, all items). The posted inflation rate is determined by dividing the CPI in the reviewed month with the same month the year before (I.e., August 2009 CPI/August 2008 CPI).
- Consumer Confidence: Sienna College Consumer Confidence Survey (web page). The Sienna report cites national poll data from the University of Michigan's consumer confidence survey.
- Airline Enplanements: Tompkins County Airport
- Temporary Assistance Caseloads, state and local: New York State Office of Temporary and Disability Assistance web page.
- Food Stamp Caseloads: New York State Office of Temporary and Disability Assistance.
- Children in Placement: Tompkins County Department of Social Services
- Vehicle Fuel Costs: NYS Office of General Services
- Electricity and Natural Gas Rates: Tompkins County Facilities Division
- Personnel: Tompkins County Personnel Data Base
- Overtime: Tompkins County Finance Department
- Inmate Population: Tompkins County Sheriff's Office
- Road Salt Costs: Tompkins County Highway Department
- Sales Tax Receipts: Tompkins County Finance Department
- Clerk's Revenue: Tompkins County Clerk's Office
- Interest Rates: Tompkins County Finance Department
- Hotel/Motel Activity: Smith Travel Research (supplied by the Tompkins County Chamber of Commerce)

*The Quarterly Indicators Report is prepared by:
Tompkins County Department of Administration
125 East Court Street
Ithaca, New York 14850*

