

WESTCHESTER COUNTY



FIRST QUARTER FORECAST FOR FISCAL YEAR 2016

ROBERT P. ASTORINO
COUNTY EXECUTIVE

LAWRENCE C. SOULE
BUDGET DIRECTOR

MAY 13, 2016

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Robert P. Astorino
County Executive

Lawrence C. Soule
Budget Director

May 13, 2016

Westchester County Board of Legislators
800 Michaelian Office Building
148 Martine Avenue
White Plains, NY 10601

Honorable Members:

The following first quarter financial report provides an annualized forecast based on actual results through March 31, 2016. I hope this report will be beneficial in illustrating the County's current and projected financial position as we all continue to monitor the 2016 financial condition of the County.

As this report will demonstrate, fiscal challenges remain and mid-course adjustments will be necessary in order to ensure that we will remain on budget for 2016. While we are projected to be under budget on the expense side, much of the challenge is on the revenue side with sales tax collections significantly lagging budgeted estimates for the first quarter, and \$11 million of bond proceeds for tax certioraris unlikely to materialize.

The year to date data as of March 31, 2016 is presented as required by local law 7 of 2014. However, care should be taken when interpreting these figures due to the seasonal nature of certain revenues and expenditures as well as the timing of transactions.

Respectfully submitted,

A handwritten signature in blue ink that reads "Lawrence C. Soule, III".

Lawrence C. Soule, III
Budget Director

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**FIRST QUARTER FORECAST FOR
FISCAL YEAR 2016**

ROBERT P. ASTORINO
COUNTY EXECUTIVE

MICHAEL B. KAPLOWITZ
CHAIRMAN, BOARD OF LEGISLATORS

SHEILA MARCOTTE
CHAIRWOMAN, COMMITTEE ON BUDGET AND APPROPRIATIONS

LAWRENCE C. SOULE
BUDGET DIRECTOR

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INTRODUCTION

INTRODUCTION

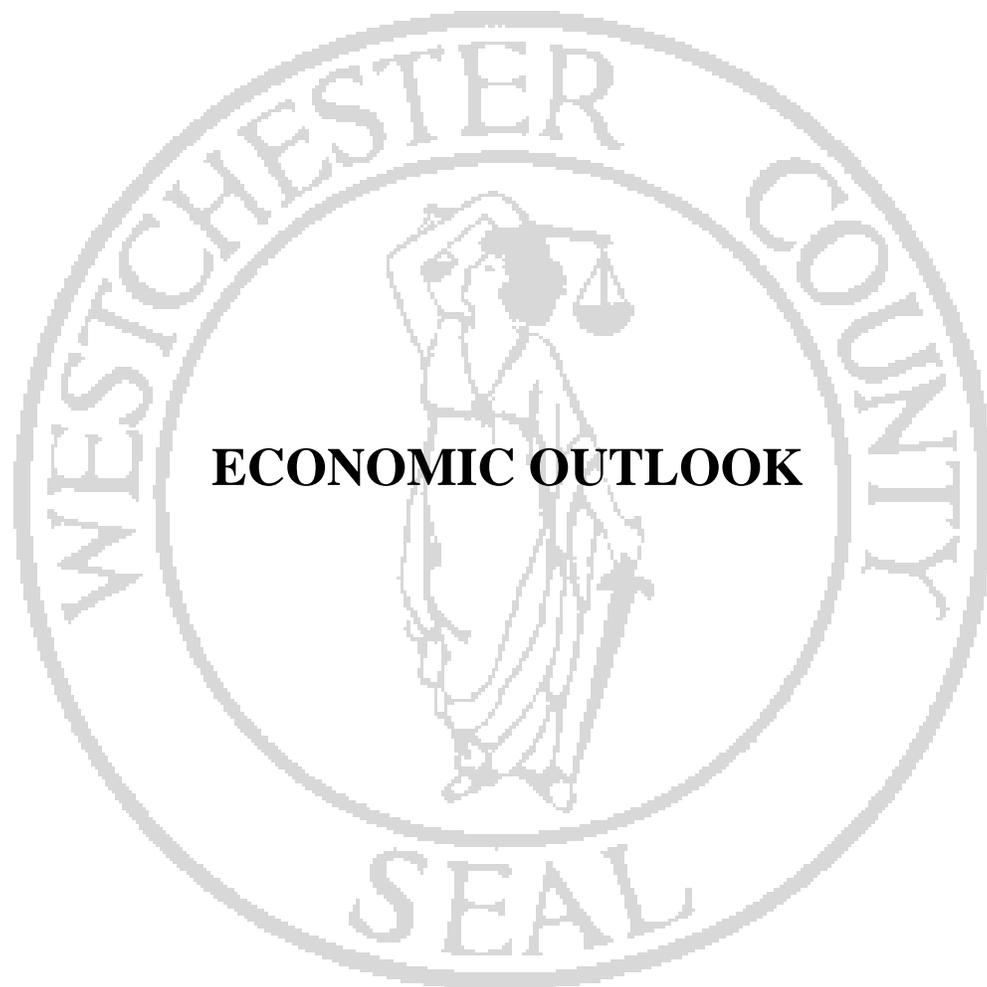
This document presents the First Quarter (Q1) Forecast for Fiscal Year 2016 (FY16). The Department of Budget (DOB) will also release a Second Quarter Forecast for Fiscal Year 2016 in August. The County operates on a calendar fiscal year, and all projections are shown fully annualized based on information currently available.

The Q1 Forecast presents five periods of data:

1. The budget as originally Adopted in December of 2015 (2016 Adopted)
2. The current budget as modified by rolled encumbrances, amendments, and transfers (2016 Modified)
3. Expenditures and revenues posted to the financial system as of March 31, 2016 (YTD Mar 31)
4. DOB's fully annualized projections (2016 Projected)
5. DOB's projections (4) less the current modified budget (2) (Proj. less Modified)

The 'YTD Mar 31' data is required to be presented by local law 7 of 2014, and is a snapshot of the transactions posted to the financial system through March 31, 2016. These figures are not audited. Readers are cautioned from drawing conclusions based on the 'YTD Mar 31' data due to the timing of transactions, and the seasonal nature of certain expenditures and revenues.

Since many factors may materially affect the fiscal and economic conditions of the County, the forecasts, projections, and estimates contained in this document should not be regarded as a representation that such forecasts, projections, and estimates will occur. Statements regarding future outcomes contained herein are based on the County's expectations and are necessarily dependent upon assumptions, estimates, and data that it believes are reasonable as of the date made but that may be incorrect, incomplete or imprecise, or not reflective of actual results. Forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

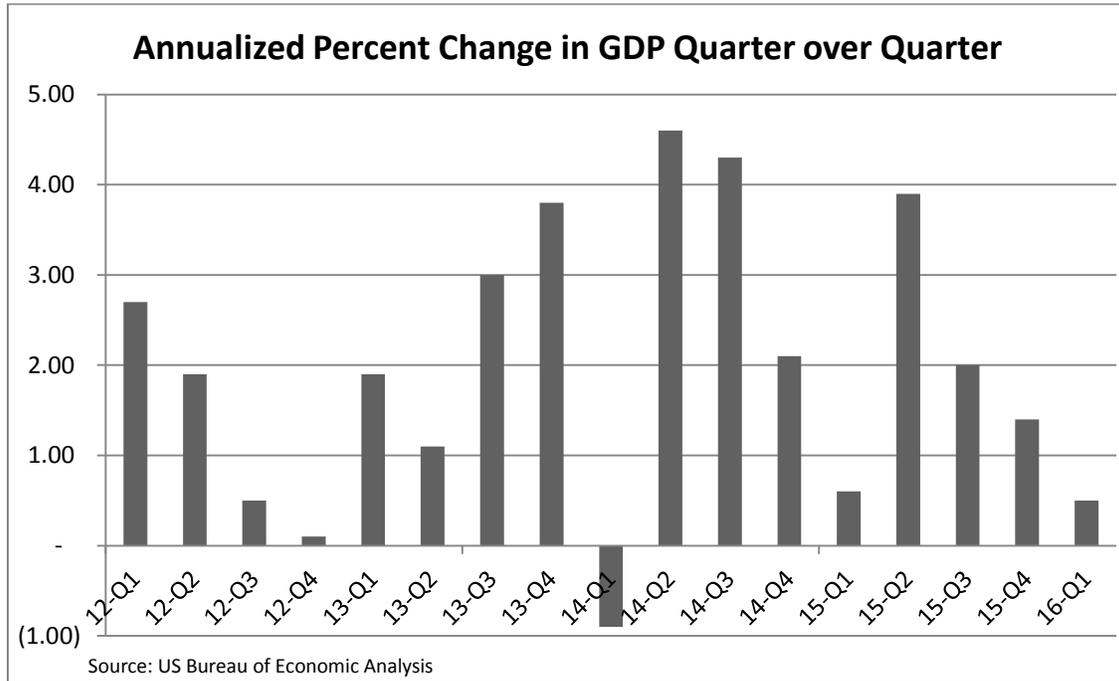


ECONOMIC OUTLOOK

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GROSS DOMESTIC PRODUCT (GDP)

Despite facing economic and financial challenges following the great recession, national GDP has illustrated a pattern of gradual, incremental growth. The US economy has been in expansionary phases in all but one quarter (2014, Q1) over the past four years ending March, and has exceeded two percent growth in each of the past two calendar years.



During the first quarter of 2016, real GDP grew by 0.5% on an annualized basis. This was below market expectations of a 0.7% expansion for the first quarter. In March, the Federal Open Market Committee (FOMC) projected a growth rate of real GDP between 2.2 and 2.3 percent for 2016 (down from a December 2015 expectation of 2.3 to 2.5 percent). First quarter GDP growth was also sluggish during 2014 and 2015 at -0.9% and 0.6%, respectively. Despite the poor starts, the nation achieved real GDP growth of 2.4% in both years. While past performance is no guarantee of future results, it is premature to doubt the FOMC projection of greater than 2%.

EMPLOYMENT / UNEMPLOYMENT

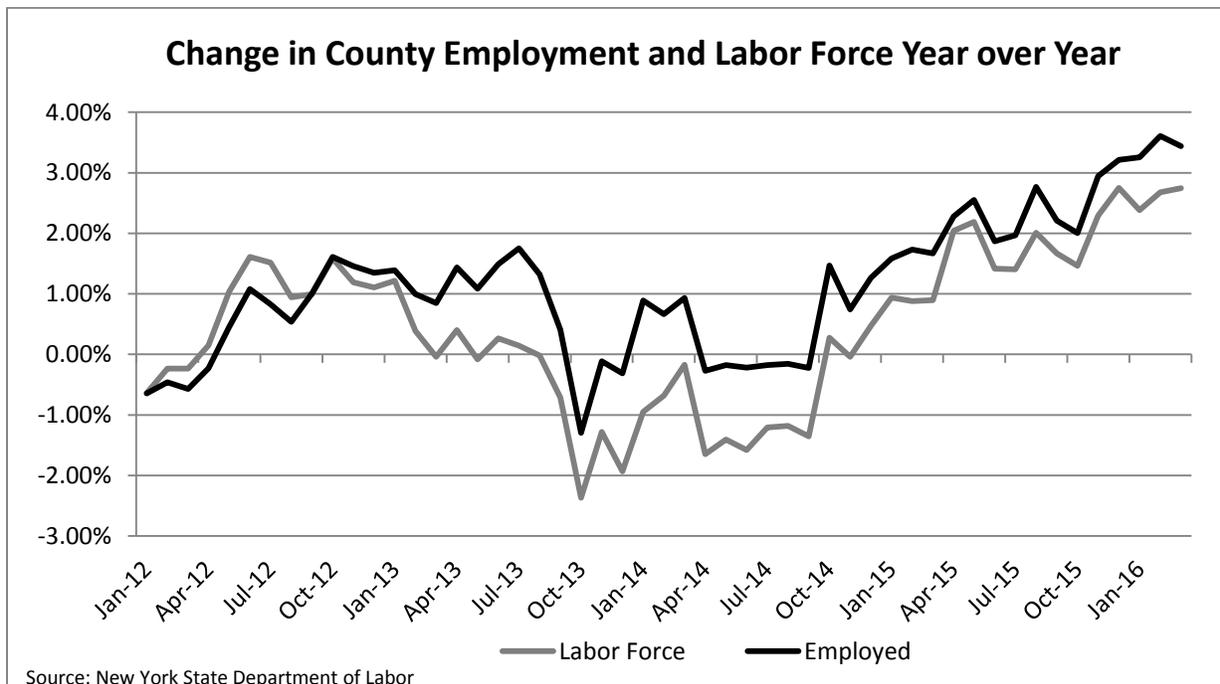
Average annual unemployment rates in the state, region, and county have all fallen approximately 40 percent since their height in 2010, and are beginning to approach pre-recessionary levels (see table, following page). The national unemployment rate currently stands at 5.0%, which is in the range of the FOMC’s long run full employment target. While there will be volatility in the rate due to labor market shifts and seasonality, it not anticipated that the unemployment rate will drop much below current levels for any sustained period of time.

ECONOMIC OUTLOOK

AVERAGE ANNUAL UNEMPLOYMENT RATE			
YEAR	NEW YORK	HUDSON VALLEY	WESTCHESTER
2007	4.60%	3.90%	3.70%
2008	5.40%	5.00%	4.80%
2009	8.30%	7.30%	7.10%
2010	8.60%	7.60%	7.40%
2011	8.30%	7.40%	7.10%
2012	8.50%	7.60%	7.30%
2013	7.70%	6.50%	6.30%
2014	6.30%	5.30%	5.10%
2015	5.30%	4.70%	4.60%

Source: NYS Dept of Labor

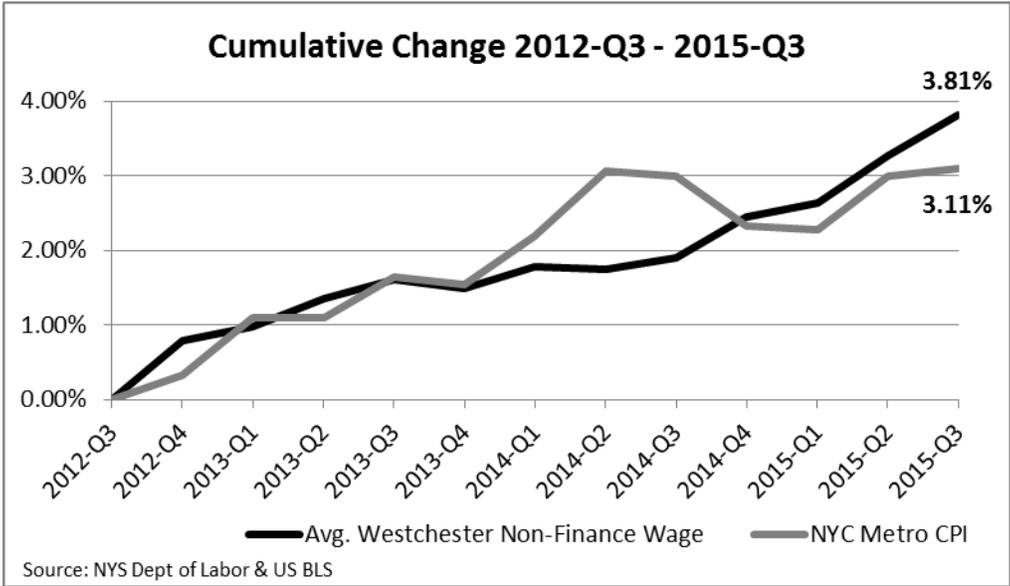
Driving the unemployment rate down has been the growth in employment steadily outpacing the growth in the labor force since September 2012 (see chart below). In addition to the dropping rate of unemployment, the total employment and labor force within the County have been growing, and at a steadily increasing rate, since the fourth quarter of 2014. With 466,200 County residents employed during March of 2016, the current month falls just short of the all-time March high of 468,600 in 2008.



WAGES

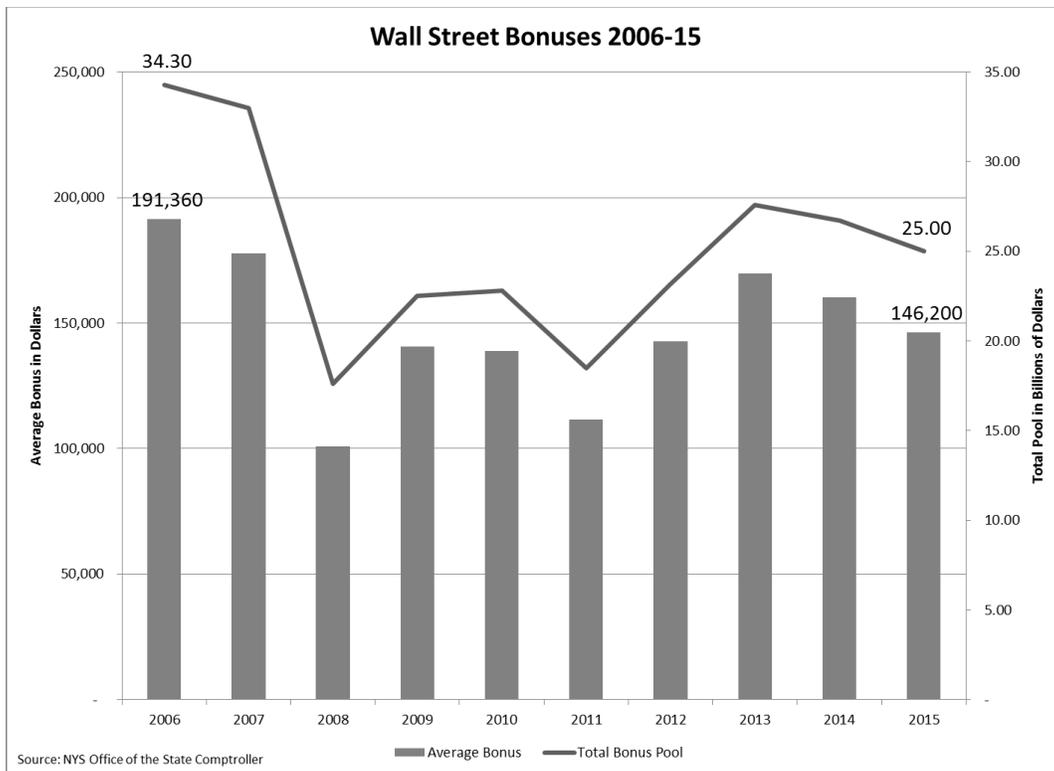
While the positive employment data demonstrates that there are more jobs and people employed than in the recent past, wage growth has remained stagnant outside of the financial services sector and has barely exceeded inflation.

Comprising 95% of the Westchester workforce, workers outside of the financial services sector have seen their wages rise by 3.81% over the past three years to \$63,959, while inflation has been 3.11% over the same period. The average Westchester worker has seen an inflation adjusted (real) raise of just 0.71% over three years, an annualized rate of 0.24%. Additionally, the primary cause of the real wage growth has been the lack of inflation since the second quarter of 2014. Had the rate of inflation remained on the trend established from mid-2012 thru mid-2014, real wages would have declined for the three year period.



FINANCIAL SERVICES SECTOR

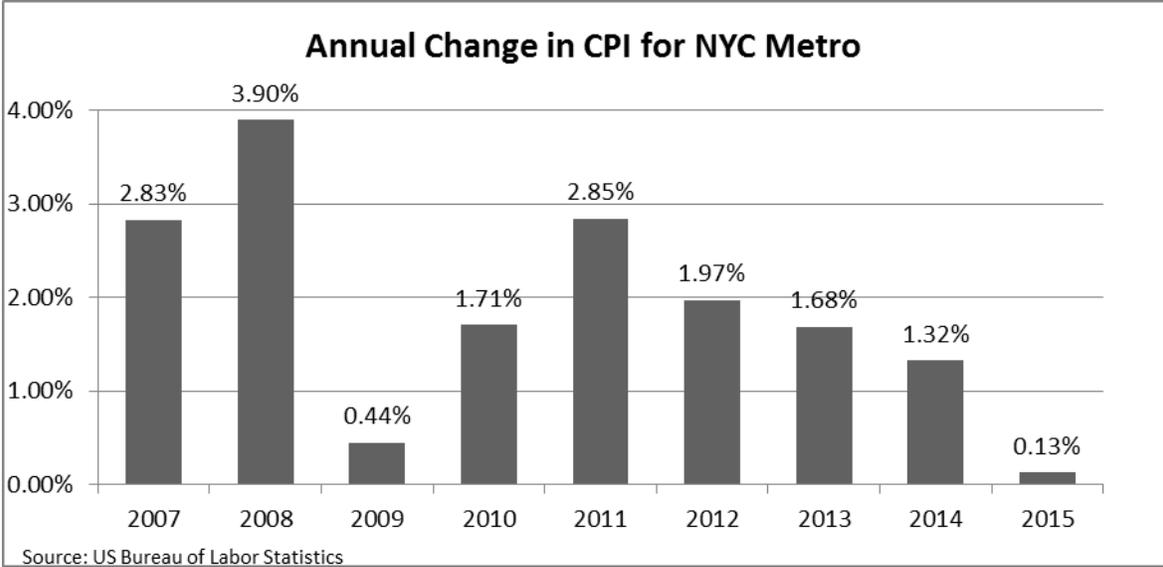
The financial services sector is a key economic driver within the New York City Metropolitan Area, representing 8.3 percent of total employment. Within the New York City Metropolitan Area, 722,404 persons were employed within the sector in 2014. One sub-set of the sector, the securities industry, has traditionally had their compensation heavily weighted toward performance-based bonuses.



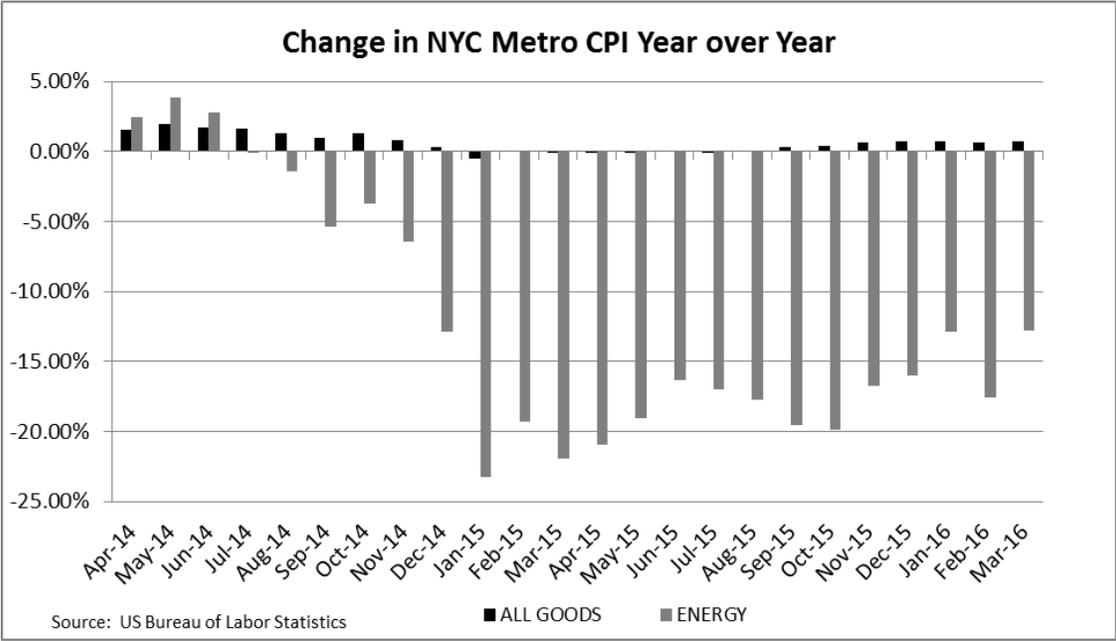
The average bonus and total bonus pool for New York City securities industry workers fell for the second straight year after revision of the 2014 data by the Office of the State Comptroller. The average bonus fell by 9% from one year ago to \$146,200, while the total bus pool fell 6% to 25 billion. The average bonus and total pool now stand approximately 25% below their pre-recessionary high. Bonuses do not just affect the 172,400 New York City securities industry workers. The State Comptroller estimates a significant multiplier effect, as 11% of all jobs in New York City are directly or indirectly associated with the securities industry.

INFLATION AND PRICES

One of the key ingredients needed for a growing economy is a healthy level of inflation. In 2015, inflation as measured by the NYC Metro Consumer Price Index (CPI) grew by just 0.13% (see chart, following page). This measure for the region falls significantly short of the Federal Reserve’s annual target for the nation of two percent.



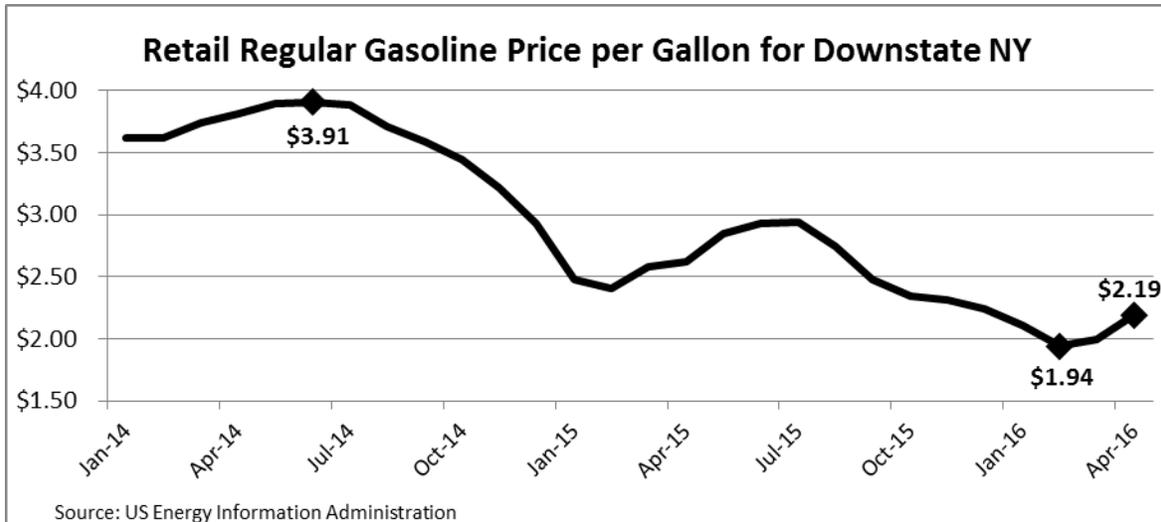
The NYC Metro CPI rose 0.2% in March, up 0.7% from the previous year’s level. A breakdown of the index illustrates how energy prices have played a considerable role in dragging down the overall index. The energy price index has now declined for 21 consecutive months over the prior year.



While the decline in energy prices helping consumers with the costs of heating and cooling their homes, and filling up their cars, it has been a contributor to the weak County sales and use tax collections for the past two quarters. Since the County does not opt in to the motor fuel tax cap or the residential energy exemption, the County’s sales and use tax collections are particularly vulnerable to fluctuations in energy prices as compared to other jurisdictions.

ECONOMIC OUTLOOK

As a large component of total energy, gasoline prices have shown a substantially similar trend. Prices are down nearly 50% from two years ago. With approximately 300 million gallons of gasoline sold within the County, the drop in price has eroded the County sales tax base.



ECONOMIC RISKS TO THE FINANCIAL PLAN

Heavy dependence on the financial services sector and the recent trend of very low inflation pose significant downside risk to the financial plan. The volatile nature of interest rates, commodity prices, and equity markets can cause the incomes of securities industry workers to change substantially from year to year. If the trend of low inflation continues for an extended period and consumers decide to use the additional discretionary income afforded to them by the lower price levels to save or pay down debt rather than increasing consumption, sales and use tax collections will be negatively impacted.



**FY 2016
FIRST QUARTER PROJECTIONS**

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2016 FIRST QUARTER PROJECTIONS

GENERAL FUND FORECAST

On December 18, 2015, the County adopted a General Fund Operating Budget in the amount of \$1.803 billion for Fiscal Year 2016 (FY16). This section will present the Department of Budget's (DOB) First Quarter (Q1) Forecast for Fiscal Year 2016.

The 2016 Budget has been modified upward by \$8.2 million to allow for the expenditure of funds in FY16 for items that were contracted for during FY15. DOB expects a similar amount of expenditures to roll from FY16 to FY17 resulting in a minimal effect to the FY16 Financial Plan as has historically occurred. The Q1 Projection contains sufficient expenditure reductions in the general fund to fully account for this effect.

GENERAL FUND PROJECTIONS					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
REVENUES					
Tax Levy on Real Property	548,423	548,423	-	548,423	-
Sales and Use Tax	525,769	525,769	53,082	514,986	(10,783)
Federal and State Aid	423,904	423,904	815	421,222	(2,682)
Departmental Income	158,359	158,359	23,685	157,182	(1,177)
Other Revenues	144,859	144,859	16,133	133,377	(11,482)
Sub-Total	1,801,314	1,801,314	93,715	1,775,191	(26,123)
Use of General Fund Balance	1,735	9,929	-	1,735	(8,194)
TOTAL	1,803,049	1,811,243	93,715	1,776,926	(34,317)
NET EXPENDITURES					
General Government and Support	52,293	55,138	(8,745)	51,446	(3,692)
Home and Community Services	605,977	606,798	97,081	602,609	(4,188)
Health Services	162,079	162,242	35,366	162,522	280
Education	29,329	29,329	14,665	29,329	-
Public Safety, Correction, and Courts	222,575	223,687	55,347	224,222	535
Roads, Transportation, and Parks	216,201	218,004	52,782	213,517	(4,488)
Miscellaneous and Fixed	514,594	516,044	91,154	510,904	(5,140)
TOTAL	1,803,049	1,811,243	337,651	1,794,550	(16,693)
GENERAL FUND BUDGET (GAP) / SURPLUS	-	-	(243,936)	(17,624)	(17,624)

As of the first quarter, DOB projects a general fund budget gap of \$17.6 million. Available resources are reduced by \$34.3 million from the modified budget as a result of projected revenues falling short of modified budget targets by \$26.1 million and the removal of \$8.2 million of appropriated fund balance for rolled encumbrances. These revenue reductions are offset by lower projected expenditures in the amount of \$16.7 million below modified appropriations.

2016 FIRST QUARTER PROJECTIONS

As was the case with 2015, shortfalls on the revenue side of the ledger are the primary cause of the 2016 budget gap. The downward revision of sales and use tax, and the lack of legislative authorization to issue bonds for tax certioraris contribute \$19.4 million to the projected budget gap. The story is mostly positive on the expenditure side as projections for bus operating assistance and debt service generate a favorable impact of \$5.9 million.

The major components of the \$17.6 million projected budget gap are highlighted in the table below:

MAJOR COMPONENTS OF 2016 PROJECTED BUDGET GAP	
Thousands of Dollars	
UNFAVORABLE	
Tax Certiorari Bonding (net)	(10,400)
Sales and Use Tax (net)	(8,966)
Health & 6J Fund Contributions	(1,900)
Day Care	(1,283)
Correction Personal Service	(1,152)
Police Personal Service (net of state aid)	(933)
Playland Contract Amendments	(750)
DPW Engineering Revenue	(500)
Sub-Total	(25,884)
FAVORABLE	
State Transportation Aid	3,164
Bus Operating Assistance	3,000
Debt Refinancing	2,938
Sub-Total	9,102
Other Adjustments (net)	(842)
GENERAL FUND BUDGET (GAP) / SURPLUS	(17,624)

The Department of Budget will continue to monitor the County's financial position and take administrative actions where available in an attempt to bring the financial plan back into balance.

GENERAL FUND REVENUES

Revenues are projected to come in below budgeted targets by \$26.1 million due to significant shortfalls in capital revenues, federal aid, and sales and use tax. The projected shortfall in capital revenues of \$11.2 million is primarily due to the lack of legislative authorization to issue \$11.0 million of bonds for the payment of tax certioraris despite this revenue being included in the adopted budget. Federal aid is now projected \$4.6 million below modified budget targets due to a reduction of \$3.4 million in Temporary Assistance to Needy Families (TANF) revenues due to lower than budgeted caseloads, and a \$1.2 million reduction for lower than budgeted administrative expenditures within the Department of Social Services (DSS). Sales and use tax collections are now projected at \$10.8 million below the budgeted level.

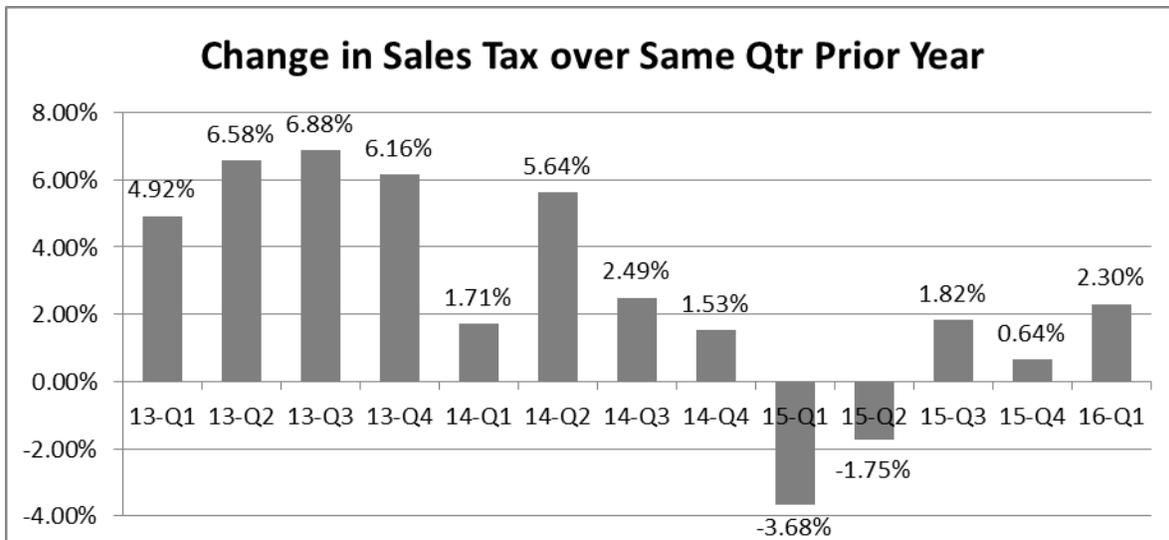
GENERAL FUND REVENUE SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Tax Levy on Real Property	548,423	548,423	-	548,423	-
Payments in Lieu of Taxes	10,721	10,721	304	10,721	-
Sales and Use Tax	525,769	525,769	53,082	514,986	(10,783)
Mortgage Recording Tax	19,089	19,089	2,568	19,089	-
Auto Use Tax (DMV Registrations)	15,942	15,942	2,328	15,942	-
Hotel Occupancy Tax	6,280	6,280	1,091	6,280	-
State Aid	241,178	241,178	815	243,119	1,941
Federal Aid	182,726	182,726	20	178,104	(4,622)
Departmental Income	158,359	158,359	23,685	157,182	(1,177)
Capital Revenues	11,600	11,600	389	389	(11,212)
Other Revenues	81,227	81,227	9,435	80,957	(270)
Sub-Total	1,801,314	1,801,314	93,715	1,775,191	(26,123)
Use / (Deposit) of General Fund Balance	1,735	9,929	-	1,735	(8,194)
TOTAL	1,803,049	1,811,243	93,715	1,776,926	(34,317)

NON-PROPERTY TAXES

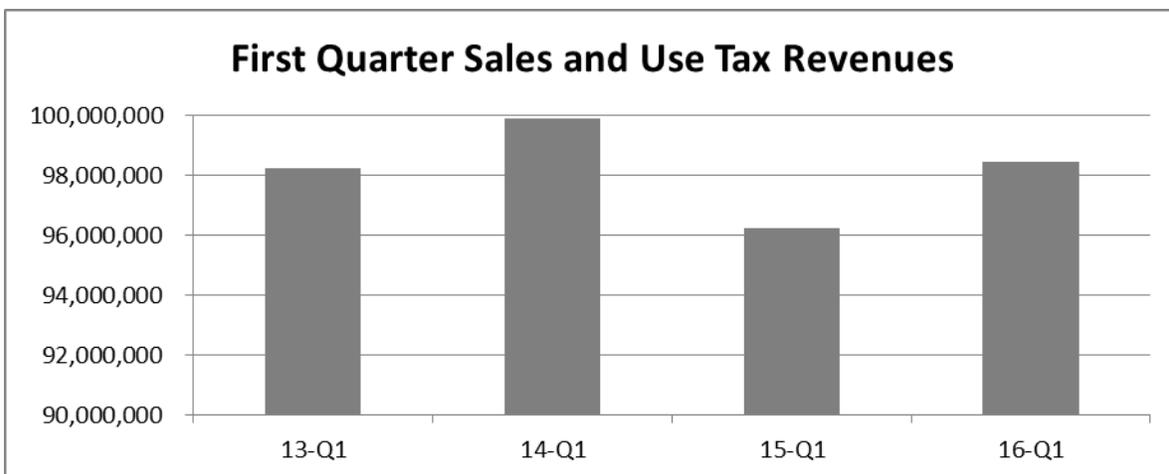
Sales and use tax is the second largest County revenue source after the real property tax, and is levied on most goods and services purchased within the County. The County imposes a 1.5 percent tax within the Cities of Mount Vernon, New Rochelle, White Plains, and Yonkers; and a 3.0 percent tax in the remainder of the County which is shared with the other municipalities and school districts. The NYS Department of Taxation and Finance collects the tax on behalf of the County and remits the collections to the County each month.

The County also imposes a mortgage recording tax administered by the County Clerk, an auto use tax administered by the NYS Department of Motor Vehicles, and a hotel occupancy tax remitted directly to the County by hotels within the County.

2016 FIRST QUARTER PROJECTIONS

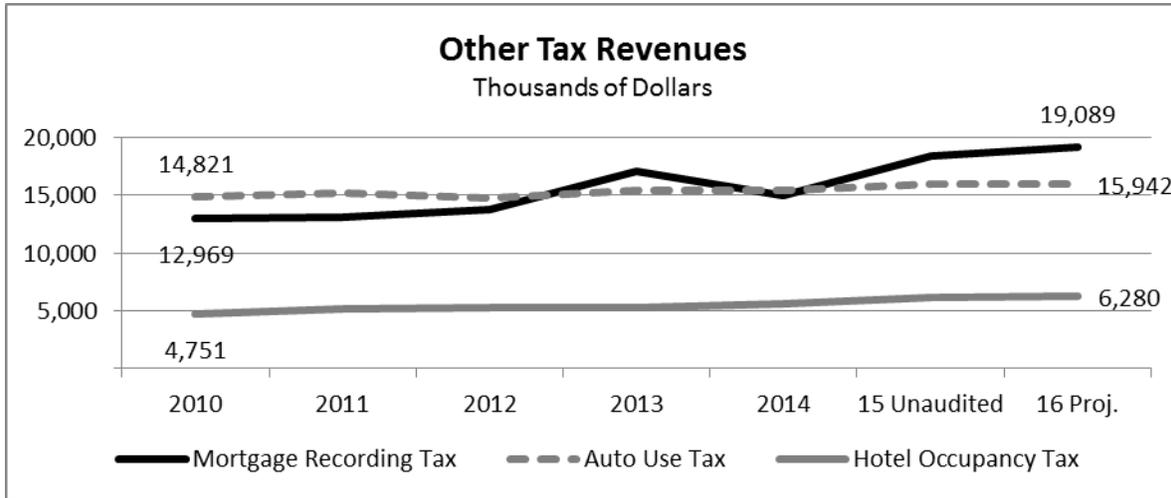


The County saw significant growth in sales tax collections during 2013 of over 6% as a result of the rebuilding effort after hurricane Sandy, strong financial services sector wage growth, and overall inflation of nearly 2%. During 2014, growth in collections slowed to a more sustainable 2.8% resulting in total collections of \$503 million. Collections for 2015 dipped slightly to \$501 million as energy prices tumbled by more than 20% during the first half of 2015. Collections have increased each of the last three quarters, but the rate of growth remains modest due to the continuation of depressed energy prices and warmer than average temperatures during the winter of 2015-16.



The year over year increase of 2.3% for the first quarter of 2016 is encouraging as it is the largest increase the County has experienced in a year and a half. Despite this increase, collections continue to lag behind the 2016 budget target of \$526 million, and are essentially level to three years ago. Due to the first quarter results and modified expectations going forward, the sales and use tax projection has been revised downward by \$10.8 million. This revision will result in a reduction of net County share sales tax of \$9.0 million after accounting for the decrease in municipal (\$1.3 million) and school district (\$0.5 million) distribution.

The other three economically-driven taxes (mortgage recording, auto use, and hotel occupancy) are trending near budgeted levels through the first quarter. DOB projects no changes from the original budget targets at this early stage in the year.



FEDERAL AND STATE AID

Comprising approximately one-quarter of general fund revenues, federal and state aid are the County’s third largest revenue source after real property and sales and use taxes. The Departments of Social Services (DSS), Health (DOH), and Transportation (DOT) receive over 90% of the County’s federal and state aid.

GENERAL FUND FEDERAL AID SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Emergency Services	362	362	-	362	-
Social Services	168,985	168,985	-	164,363	(4,622)
Community Mental Health	936	936	-	936	-
Correction	1,072	1,072	8	1,072	-
Public Safety Services	329	329	11	329	-
Transportation	11,042	11,042	-	11,042	-
TOTAL	182,726	182,726	20	178,104	(4,622)

The projected shortfall in federal aid of \$4.6 million below modified budget targets occurs entirely within DSS. This is due to a reduction of \$3.4 million in TANF revenues as a result of lower than budgeted caseloads, and a \$1.2 million decrease for lower than budgeted administrative expenditures within DSS. The lower administrative expenses are a consequence of the reduction in DSS’ wage projection of \$2.7 million as a result of the large number of vacancies within the department.

2016 FIRST QUARTER PROJECTIONS

Overall, state aid projections have been increased by \$1.9 million from modified budget levels. The major driver of the upward revision is an increase in state transportation operating aid (STOA) of \$3.2 million as a result of the additional transportation aid to localities included in the recently enacted 2016-17 NYS Budget. Departments with changes in their state aid projection are highlighted in the table below:

GENERAL FUND STATE AID SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
STATE AID					
Social Services	92,965	92,965	-	92,061	(904)
Health	72,198	72,198	-	72,351	154
Laboratories and Research	1,268	1,268	-	1,018	(250)
Public Safety Services	2,850	2,850	-	3,087	237
Transportation	53,185	53,185	-	56,349	3,164
Indigent Legal Services	3,043	3,043	-	2,582	(460)
Other	15,670	15,670	815	15,670	-
TOTAL	241,178	241,178	815	243,119	1,941

In addition to the change in STOA, there are several smaller adjustments to projected state aid. DSS is expected to receive \$904,000 less as a result of lower administrative expenditures due to the reduction in DSS' wage projection as a result of the large number of vacancies within the department. The Department of Health's aid is projected to rise as both the public health and children with special needs programs are now projected above their modified budgets. The state aid projection for Labs and Research has been lowered by \$250,000 as a result of continued tightening of reimbursement regulations by the NYS Department of Health and higher than anticipated lab fee revenues. The upward revision for Public Safety of \$237,000 represents additional state funding appropriated in the 2016-17 State Budget for the parkway patrol. Finally, indigent legal services reimbursement is expected to be lower by \$460,000 as a result of an identical reduction in expenditures due to lower utilization.

DEPARTMENTAL REVENUES

Most county departments collect departmental income. This income is generally derived in one of two ways: (1) the department charges for services provided to other governmental entities not within the general fund, or (2) the department charges for services provided to the public in the form of rent or user fees.

Due to the fact that the Parks Department generates 20 – 25 percent of all departmental income, and almost all of that income is generated during the 2nd and 3rd quarters, changes to the projection of departmental income are somewhat limited at the 1st Quarter mark.

2016 FIRST QUARTER PROJECTIONS

Overall, a decrease of \$1.2 million (0.74%) in departmental income is projected in the Q1 Update. Departments with changes in their departmental revenue projection are highlighted in the table below:

GENERAL FUND DEPARTMENTAL REVENUE					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Human Resources	1,300	1,300	213	850	(450)
Consumer Protection	3,683	3,683	652	3,283	(400)
Health	7,523	7,523	1,713	7,627	104
Laboratories and Research	2,678	2,678	454	2,828	150
Correction	6,719	6,719	900	6,574	(145)
Public Safety Services	13,995	13,995	1,045	14,095	100
Parks, Recreation, and Conservation	36,750	36,750	4,186	36,000	(750)
Transportation	37,668	37,668	8,337	38,381	714
Public Works	13,955	13,955	715	13,455	(500)
Other	34,089	34,089	5,471	34,089	-
TOTAL	158,359	158,359	23,685	157,182	(1,177)

- Human Resources' revenue has been reduced by \$450,000 due to the fact that police and correction officer exams have been limited to County residents.
- Licensing revenues within Consumer Protection have been reduced by \$400,000 to reflect the lack of legislative authorization to increase the home improvement contractor licensing fee that had been included in the adopted budget.
- The Department of Health is expected to receive additional revenues from the NYC Department of Environmental Protection to provided watershed protection measures.
- Lab fees are now projected \$150,000 above budget due to higher than anticipated utilization.
- The Department of Correction is now expected to receive less reimbursement from the US Marshal Service due to fewer federal prisoners being housed in the County correctional facility.
- Taxi and limousine fines are projected \$100,000 above budget within the Department of Public Safety for higher year to date collections.
- Within the Parks Department, income has been reduced by \$750,000 to reflect the amendments to the Playland agreement with Standard Amusements recently adopted by the County.
- In Transportation, bus fares are trending slightly above budgeted levels.
- Lower than budgeted billings to the capital projects fund for the engineering unit result in reduced revenues of \$500,000 for the Department of Public Works.

2016 FIRST QUARTER PROJECTIONS

GENERAL FUND EXPENDITURES

As of the end of the 1st quarter, general fund net expenditures are projected at \$16.7 million below modified appropriations. The largest reductions are associated with salary savings due to vacant positions within DSS, the anticipation that some contractual and technical services expenditure will roll to FY17, savings associated with a debt refinancing undertaken by the County during the first quarter, and lower than anticipated labor costs for the Bee-Line Bus contract.

GENERAL FUND EXPENDITURE SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	331,719	331,719	75,329	328,643	(3,076)
Other Personal Service	272,032	272,032	64,091	274,988	2,957
Equipment	1,262	1,559	252	1,293	(266)
Materials and Supplies	36,164	36,630	4,529	35,499	(1,131)
Contractual Expenses	709,963	717,076	125,558	703,034	(14,042)
Social Services Relief	478,702	479,020	68,145	478,037	(982)
Inter-Departmental Expense	87,765	87,766	34,533	87,765	(1)
Gross Expenditures	1,917,607	1,925,801	372,437	1,909,259	(16,542)
Inter-Departmental Revenue	(114,558)	(114,558)	(34,786)	(114,709)	(151)
NET EXPENDITURES	1,803,049	1,811,243	337,651	1,794,550	(16,693)

PERSONAL SERVICE

Approximating one-third of the general fund budget, personal service expenses are the largest single County expense. Below is a table summarizing the contracts of the County's eight unionized bargaining units.

LABOR CONTRACT SUMMARY						
	CURRENT CONTRACT EXPIRATION	NEGOTIATED BASE SALARY INCREASES				
		2012	2013	2014	2015	2016
Civil Service Employees Assoc.	12/31/2011	TBD	TBD	TBD	TBD	TBD
New York State Nurses Assoc.	12/31/2015	0%	0%	2.00%	1.50%	TBD
International Brotherhood of Teamsters	12/31/2015	0%	0%	0%	2.75%	TBD
Police Benevolent Assoc.	12/31/2014	2.50%	2.50%	2.50%	TBD	TBD
Superior Officers Police Benevolent Assoc.	12/31/2014	2.50%	2.50%	2.50%	TBD	TBD
District Attorney Criminal Investigators	12/31/2015	2.50%	2.50%	2.50%	2.50%	TBD
Correction Officers Benevolent Assoc.	12/31/2015	2.50%	2.50%	2.50%	2.50%	TBD
Correction Superior Officer Assoc.	12/31/2015	2.50%	2.50%	2.50%	2.50%	TBD

CSEA, the County's largest labor union, has been out of contract since January 2012, and all eight unions are currently out of contract. The ever-increasing costs for labor continue to place significant pressure on the County's financial plan.

2016 FIRST QUARTER PROJECTIONS

Offsetting the \$3.1 million in salary savings is a nearly identical increase in the projection for other personal service. This increase is due to an upward revision in the projection for police overtime and 207-c disability pay of \$1.6 million, and \$1.4 million for employee and retiree healthcare.

GENERAL FUND OTHER PERSONAL SERVICE SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Hourly Wages	8,655	8,676	833	8,599	(77)
Fees and Officers Pay	312	312	105	387	75
Overtime & Holiday	19,181	19,161	3,654	20,276	1,116
207-C	2,603	2,603	516	3,082	479
Differential and Detective Pay	5,215	5,215	1,376	5,211	(4)
Pension	67,269	67,269	16,128	67,200	(69)
Social Security and Medicare	25,593	25,593	6,362	25,584	(10)
Healthcare	136,774	136,774	34,028	138,219	1,446
MCTD Mobility Tax	1,306	1,306	293	1,306	-
Benefit Fund	4,466	4,466	795	4,466	-
Unemployment Insurance	658	658	1	658	-
TOTAL	272,032	272,032	64,091	274,988	2,957

The increase in police overtime and 207-c is primarily as a result of the fact that the department averaged 10 full time equivalents (FTEs) on 207-c during the first quarter while the budget assumed 5 FTEs out on disability. DOB expects this trend to continue for the remainder of the year. The increase in the general fund's transfer to the healthcare fund is caused by the fact that assets expected to be available for FY 2016 within the healthcare fund at the time the budget was adopted are no longer available.

MATERIALS AND SUPPLIES

The materials and supplies expenditure class is dominated by utilities as energy (\$20 million), and water (\$2 million) comprise 60% of the category. The remainder of the expenditure class consists of items such as postage, motor fuel, and office, laboratory, and facility repair supplies.

2016 FIRST QUARTER PROJECTIONS

Overall, DOB projects materials and supply expenditures at \$1.1 million below modified budget appropriations. Below is a summary of the departments with adjustments to their materials and supplies expense projection in the Q1 Update:

GENERAL FUND MATERIALS AND SUPPLIES SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
County Executive	99	101	7	99	(2)
Human Resources	35	42	4	35	(7)
Information Technology	266	282	53	263	(19)
Law	65	66	13	65	(1)
Social Services	826	836	120	826	(11)
Health	326	328	43	326	(2)
Labs and Research	1,081	1,165	179	1,081	(84)
Correction	1,532	1,631	219	1,505	(126)
Public Safety Services	1,900	1,948	370	1,793	(155)
Probation	162	163	14	162	(2)
Parks, Recreation, and Conservation	7,438	7,470	954	7,438	(32)
Public Works	17,685	17,835	1,751	17,145	(691)
Other	4,750	4,763	802	4,763	-
TOTAL	36,164	36,630	4,529	35,499	(1,131)

The projection for energy utilities within Public Works (DPW) has been revised downward by \$559,000 as a result of the continued depression of energy prices and warmer than average temperatures during the winter of 2015-16. Projected motor fuel purchases have been reduced by \$148,000, mostly within the Department of Public Safety. The remaining \$424,000 of savings versus the modified budget reflects DOBs expectation that certain expenditures will roll and take place in FY 2017.

CONTRACTUAL EXPENSES

The County utilizes outside vendors to provide a variety of services for both County operations and public services across nearly every department. In addition to service contracts, the County is contractually obligated to pay bond holders for the debt the County has issued in prior years, and statutorily mandated to distribute a share of the sales and use tax to the non-city municipalities and school districts.

2016 FIRST QUARTER PROJECTIONS

Overall, DOB projects contractual expenses at \$14.0 million below modified appropriations. Below is a summary of the departments with adjustments to their contractual expense projection in the Q1 Update:

GENERAL FUND CONTRACTUAL EXPENSES SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
County Executive	3,733	4,029	153	3,733	(296)
Human Resources	1,257	1,306	285	1,079	(227)
Finance	118	143	7	118	(25)
Information Technology	19,649	21,136	3,817	19,710	(1,427)
Law	1,235	1,650	80	1,235	(415)
Planning	1,645	1,754	113	1,145	(610)
Emergency Services	572	586	46	591	5
County Clerk	467	595	35	467	(128)
Social Services	5,051	5,371	413	5,051	(320)
Consumer Protection	27	30	3	27	(4)
Community Mental Health	4,316	4,318	133	4,316	(2)
Health	120,581	120,581	23,726	121,022	441
Labs and Research	797	871	111	797	(75)
Correction	21,525	22,082	4,423	21,334	(748)
District Attorney	5,749	5,762	125	5,749	(14)
Public Safety Services	2,398	2,475	405	2,378	(96)
Probation	6,205	6,215	165	6,205	(10)
Solid Waste Commission	143	179	24	128	(50)
Parks, Recreation, and Conservation	10,728	11,003	1,434	10,728	(276)
Transportation	151,631	151,671	35,914	148,631	(3,040)
Public Works	33,457	34,762	5,144	34,576	(186)
Debt Service	80,868	80,942	10,042	78,155	(2,787)
Miscellaneous Budgets	229,852	231,227	38,805	227,474	(3,753)
Other	7,960	8,386	156	8,386	-
TOTAL	709,963	717,076	125,558	703,034	(14,042)

For Information Technology and Correction, the projected savings of \$2.2 million results from the expectation that these expenditures will roll, and not occur until FY 2017. Within Transportation, bus operating expenditures are projected under the modified budget due to a lower than expected labor costs associated with the renewal of Liberty Lines' collective bargaining agreement with the Transport Workers Union of America. The \$2.8 million reduction in debt service is due to the impact of a debt refinancing undertaken by the County that resulted in current year savings of \$2.9 million. In the Miscellaneous Budgets, a reduction of \$3.8 million is included in the Q1 Update primarily due to two items. Nearly half of this downward revision, \$1.8 million, is due to the reduction in municipal sales tax distribution as a result of lower than budgeted sales tax revenues. Another \$1.4 million of the reduction reflects DOB's expectation that certain expenditures will roll and occur in FY 2017. Please see Appendix A for additional detail on the smaller variances.

2016 FIRST QUARTER PROJECTIONS

SOCIAL SERVICES RELIEF

DOB projects an overall expense reduction of just \$1.0 million from the modified budget within the social services relief appropriation. This represents a variance of 0.21% from the modified budget.

Unfortunately, the particular mix of adjustments within individual programs results in a loss of state and federal aid of \$2.5 million.

GENERAL FUND SOCIAL SERVICES RELIEF SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Emerg Assist To Fam & Child - Non Homeless	6,418	6,418	1,063	6,418	(0)
Emerg Assist to Fam & Child - Foster Care	16,578	16,578	1,271	16,578	-
Emerg Assist to Adults	986	986	130	986	-
Old Age Assist - MA	4,304	4,020	118	5,284	1,265
Aid to Disabled - MA	-	15	-	-	(15)
Family Assistance - MA	-	313	9	-	(313)
Medicaid - Regular	207,292	207,292	44,119	207,292	-
Medicaid - Disproportionate Share	65,000	65,000	-	65,000	-
Temp Assist to Needy Families (TANF)	43,916	43,947	6,518	40,552	(3,395)
Safety Net	51,091	51,091	8,393	51,324	233
Child Welfare - Foster Care	32,389	32,434	1,669	32,561	127
Child Welfare - Independent Living	1,277	1,277	116	1,277	(0)
Child Welfare - Adoption Subsidies	9,225	9,225	2,160	9,225	-
Social Svcs Spec Items	305	305	10	336	31
Indirect Social Service	38,519	38,715	2,416	39,408	693
Day Care (Title XX)	1,403	1,403	153	1,796	393
TOTAL	478,702	479,020	68,145	478,037	(982)

Under the medical assistance programs, the increase of \$937,000 reflects the effectuation of a contract to assist people with enrollment in the expanded Medicaid program authorized by the Affordable Care Act. This contract is funded by direct state and federal aid of \$601,000 in the current year, and the expectation that the services will boost the County's Enhanced FMAP revenues in future years.

Taken together the two public assistance programs, TANF and Safety Net, are trending below budget through the first quarter. This has resulted in a combined downward revision of \$3.2 million. These two programs are heavily subsidized by the federal and state governments; the \$3.2 million expense reduction is coupled with a \$3.3 million revenue loss.

Daycare programs are projected \$1.3 million over budget as both the utilization of services and the cost per case have been trending at higher than budgeted levels through the first quarter. Low income daycare expenditures are projected \$890,000 over budget at \$25.7 million, and discretionary (title xx) daycare is projected \$393,000 over budget at \$1.8 million. Due to the fact that the County exceeds its child care block grant, these increases have zero additional revenue associated with them.

SPECIAL DISTRICTS FUNDS FORECAST

On December 18, 2015, the County adopted a Special Districts Operating Budget in the amount of \$223.2 million for Fiscal Year 2016 (FY16). \$124.6 million was appropriated for sewer district operations, \$25.1 million for water district operations, and \$73.5 million for refuse district operations. This section will present the Department of Budget’s (DOB) First Quarter Update for FY 2016.

Beginning with Fiscal Year 2007, the County consolidated sewer district operations into a single fund. This fund contains all of the operations and maintenance expenses of the districts while the district funds themselves retained district specific costs such as debt service, tax certioraris, and the district’s share of the consolidated fund’s expenditures.

CONSOLIDATED SEWER OPERATIONS FUND

The 2016 Budget has been modified upward by \$1.3 million to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan.

CONSOLIDATED SEWER OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	18,293	18,293	4,147	18,293	-
Other Personal Services	17,869	17,869	3,948	17,969	100
Equipment	347	646	164	347	(299)
Materials & Supplies	20,035	20,129	2,114	19,585	(544)
Contractual Expenses	20,296	21,209	3,588	20,296	(912)
Inter-Departmental Charge	3,629	3,629	1,695	3,629	-
Gross Expenditures	80,469	81,775	15,655	80,119	(1,656)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	80,469	81,775	15,655	80,119	(1,656)
Departmental Income	3,378	3,378	225	3,378	-
Interest on Investments	29	29	-	29	-
Miscellaneous Revenue	515	515	27	515	-
Interfund Revenue	76,547	77,852	10,635	76,547	(1,306)
REVENUES	80,469	81,775	10,887	80,469	(1,306)
BUDGET (GAP) / SURPLUS	-	-	(4,768)	350	350

In addition to the projected rolls, DOB anticipates energy utility savings in an amount of \$450,000, and \$100,000 of additional overtime versus the modified budget. Overall, DOB projects a budget surplus of \$350,000 for the sewer operations fund at this time.

2016 FIRST QUARTER PROJECTIONS

SEWER DISTRICTS FUNDS

DOB projects no changes from the 2016 Sewer Districts Funds Budgets adopted on December 18, 2015 at this time.

SEWER DISTRICT FUNDS SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Contractual Expenses	60,598	60,598	5,586	60,598	-
Transfer to Operations Fund	75,393	75,393	10,543	75,393	-
Gross Expenditures	135,991	135,991	16,128	135,991	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	135,991	135,991	16,128	135,991	-
Real Property Taxes	100,199	100,199	-	100,199	-
Payments in Lieu of Taxes	50	50	-	50	-
Departmental Income	100	100	-	100	-
Interest on Investments	8,660	8,660	690	8,660	-
Appropriated Fund Balance	14,730	14,730	-	14,730	-
Interfund Revenue	12,252	12,252	3,100	12,252	-
REVENUES	135,991	135,991	3,790	135,991	-
BUDGET (GAP) / SURPLUS	-	-	(12,338)	-	-

WATER DISTRICTS FORECAST

Four water districts are under the jurisdiction of the County. Districts #1 and #3 are directly operated by the County while districts #2 and #4 are operated by Northern Westchester Joint Waterworks and United Water of Westchester, respectively. This section will present the Department of Budget's (DOB) First Quarter Update for Water Districts #1 and #3.

2016 FIRST QUARTER PROJECTIONS

WATER DISTRICT #1

Water District #1 (WD#1) encompasses the municipalities of Mount Vernon, Scarsdale, White Plains, and Yonkers. The 2016 WD#1 Budget has been modified upward by \$103,000 to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan. DOB projects no other changes from the modified budget for Water District #1 at this time.

WATER DISTRICT #1 FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	275	275	64	275	-
Other Personal Services	270	270	57	270	-
Equipment	54	54	-	54	-
Materials & Supplies	18,090	18,092	177	18,090	(2)
Contractual Expenses	3,074	3,174	281	3,074	(101)
Inter-Departmental Charge	325	325	7	325	-
Gross Expenditures	22,089	22,191	586	22,089	(103)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	22,089	22,191	586	22,089	(103)
Real Property Taxes	2,049	2,049	-	2,049	-
Departmental Income	17,260	17,260	-	17,260	-
Interest on Investments	9	9	-	9	-
Appropriated Fund Balance	2,627	2,730	-	2,627	(103)
Miscellaneous Revenue	135	135	14	135	-
Interfund Revenue	8	8	8	8	-
REVENUES	22,089	22,191	22	22,089	(103)
BUDGET (GAP) / SURPLUS	-	-	(564)	-	-

2016 FIRST QUARTER PROJECTIONS

WATER DISTRICT #3

Water District #3 (WD#3) encompasses the County's Valhalla Campus at Grasslands within the Town of Mount Pleasant. The 2016 WD#3 Budget has been modified upward by \$106,000 to allow for the expenditure of funds for items in FY16 that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan. DOB projects no other changes from the modified budget for Water District #3 at this time.

WATER DISTRICT #3 FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	183	183	36	183	-
Other Personal Services	213	213	34	213	-
Equipment	10	10	-	10	-
Materials & Supplies	712	714	8	712	(3)
Contractual Expenses	1,581	1,684	333	1,581	(103)
Inter-Departmental Charge	225	225	2	225	-
Gross Expenditures	2,924	3,030	413	2,924	(106)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	2,924	3,030	413	2,924	(106)
Departmental Income	1,900	1,900	2	1,900	-
Interest on Investments	9	9	-	9	-
Appropriated Fund Balance	1,015	1,121	-	1,015	(106)
REVENUES	2,924	3,030	2	2,924	(106)
BUDGET (GAP) / SURPLUS	-	-	(411)	-	-

REFUSE DISTRICT

Created in 1982, the County Refuse District encompasses 36 municipalities in the southern and western portions of the County representing 90 percent of the County population. The 2016 Refuse District Budget has been modified upward by \$226,000 to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY15 to FY16 resulting in a negligible effect to the FY15 Financial Plan. DOB projects no other changes versus the modified budget within the Refuse District at this time.

REFUSE DISTRICT FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	1,715	1,715	374	1,715	0
Other Personal Services	1,433	1,433	305	1,433	-
Equipment	25	25	-	25	-
Materials & Supplies	1,027	1,040	67	1,027	(14)
Contractual Expenses	66,902	67,114	13,148	66,902	(212)
Inter-Departmental Charge	2,387	2,387	124	2,387	-
Gross Expenditures	73,487	73,713	14,017	73,487	(226)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	73,487	73,713	14,017	73,487	(226)
Real Property Taxes	43,926	43,926	-	43,926	-
Payments in Lieu of Taxes	295	295	-	295	-
Departmental Income	19,132	19,132	2,282	19,132	-
Interest on Investments	437	437	7	437	-
Appropriated Fund Balance	9,575	9,801	-	9,575	(226)
Miscellaneous Revenue	90	90	14	90	-
Interfund Revenue	32	32	32	32	-
REVENUES	73,487	73,713	2,334	73,487	(226)
BUDGET (GAP) / SURPLUS	-	-	(11,683)	-	-

2016 FIRST QUARTER PROJECTIONS

AIRPORT FUND FORECAST

The 2016 Airport Budget has been modified upward by \$1.1 million to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan. No other changes from the modified budget are projected at this time.

AIRPORT OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	8,797	8,797	1,320	8,797	-
Other Personal Services	4,014	4,014	706	4,014	-
Equipment	634	746	59	634	(112)
Materials & Supplies	2,442	2,467	340	2,442	(26)
Contractual Expenses	20,370	21,286	5,120	20,370	(916)
Inter-Departmental Charge	10,991	10,991	436	10,991	-
Gross Expenditures	47,248	48,302	7,981	47,248	(1,054)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	47,248	48,302	7,981	47,248	(1,054)
Departmental Income	44,689	44,689	7,593	44,689	-
Interest on Investments	40	40	-	40	-
Appropriated Fund Balance	1,302	2,356	-	1,302	(1,054)
Interfund Revenue	1,217	1,217	1,217	1,217	-
REVENUES	47,248	48,302	8,810	47,248	(1,054)
BUDGET (GAP) / SURPLUS	-	-	829	-	-

WORKERS COMPENSATION (6J) AND GENERAL LIABILITY (6N) FUNDS

The County is self-insured for both workers compensation and general liability. The net position for each reserve fund as of March 31 of the past five years is shown below.

WORKERS COMPENSATION (6J) & GENERAL LIABILITY (6N) FUNDS AS OF MAR 31		
Thousands of Dollars		
	6J FUND	6N FUND
Net Position 3/31/2012	(32,576)	32,962
Net Position 3/31/2013	(32,578)	36,434
Net Position 3/31/2014	(31,389)	34,441
Net Position 3/31/2015	(35,929)	40,725
Net Position 3/31/2016	(35,239)	25,273

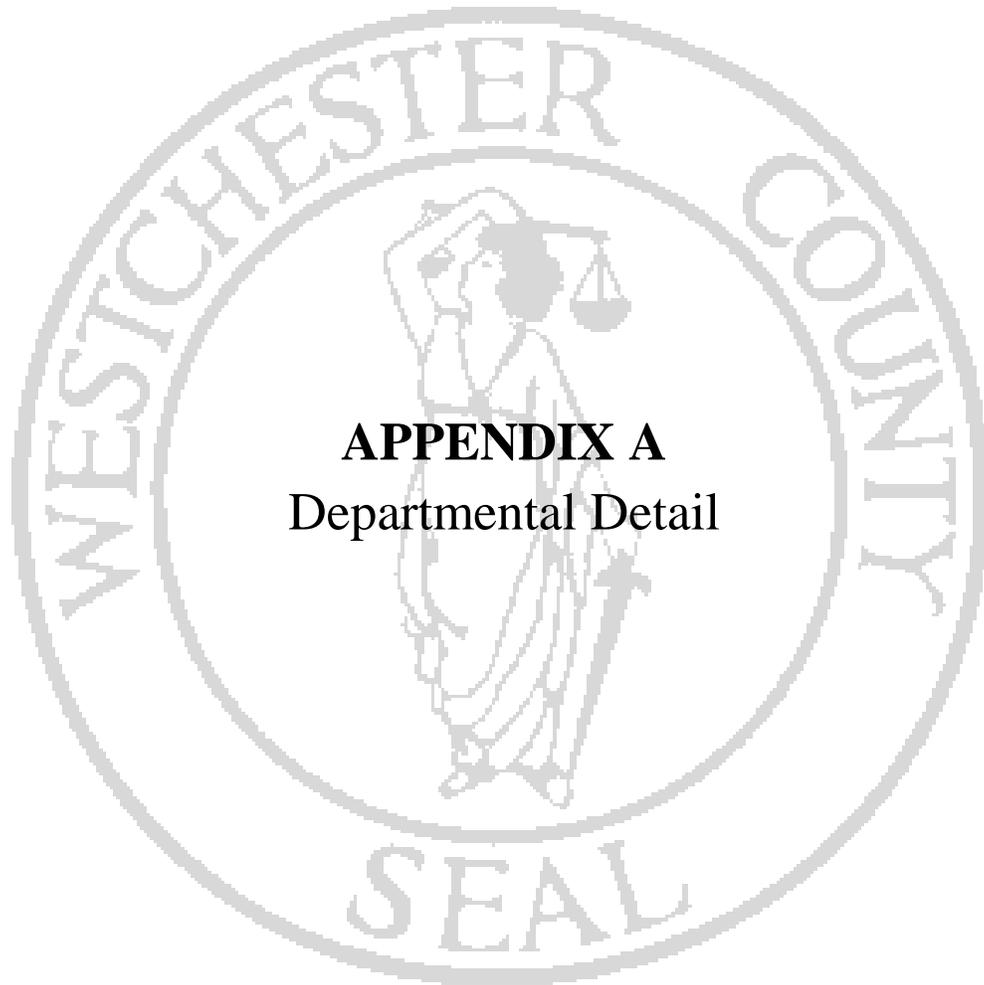
The general liability reserve (6N) fund is in a positive net position of \$25.3 million, while the workers compensation reserve (6J) fund is in a negative net position of \$35.2 million. The net position of the 6J fund has remained relatively constant over the past five years at the first quarter mark. The net position of the 6N fund experienced a material decline since one year ago due to a large accrued liability being retained on the balance sheet for the Metro-North Railroad crash in Valhalla last year. It is DOB’s expectation that this liability reserve will be released in the near term, and the fund’s net position will return to the \$30 - \$40 million range the fund has consistently held over the past 5 years.

The healthy fund balance of the 6N fund has allowed the operating funds to forgo contributions to the fund since 2009, and it is anticipated that no contributions will be necessary in the near future. The nature of workers compensation claims, small payouts over long periods of time, does not necessitate a large fund balance within the 6J reserve fund. Cash, on the other hand, is needed to make the weekly distributions to recipients. Due to the amount of claims being paid exceeding the amount being contributed by the operating funds, the cash balance of the workers compensation reserve fund has been declining.

WORKERS COMPENSATION (6J) CASH BALANCE	
Thousands of Dollars	
December 31, 2012	7,886
December 31, 2013	5,138
December 31, 2014	3,513
December 31, 2015*	720
*Unaudited	

As a result of the cash flow shortfall each of the past three years, DOB now projects that the budgeted operating funds contribution of \$8.7 million will no longer be sufficient to cover the 6J fund’s cash outlay during FY 2016. As such, the projected general fund contribution to the 6J fund has been increased by \$500,000 in the Q1 forecast.

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APPENDIX A
Departmental Detail

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BOARD OF LEGISLATORS					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	3,648	3,648	847	3,648	-
Other Personal Services	262	262	48	262	-
Equipment	4	4	0	4	-
Materials & Supplies	209	209	9	209	-
Contractual Expenses	348	355	53	355	(0)
Inter-Departmental Charge	4	4	7	4	-
Gross Expenditures	4,473	4,480	964	4,480	(0)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	4,473	4,480	964	4,480	(0)
TAX LEVY	4,473	4,480	964	4,480	(0)

FIRST QUARTER HIGHLIGHTS

No changes from the modified budget are projected for the Board of Legislators at this time.

DEPARTMENTAL DETAIL

COUNTY EXECUTIVE					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	5,002	5,002	1,103	5,002	0
Other Personal Services	56	56	9	56	-
Materials & Supplies	99	101	7	99	(2)
Contractual Expenses	3,733	4,029	153	3,733	(296)
Inter-Departmental Charge	535	535	401	535	-
Gross Expenditures	9,425	9,723	1,672	9,425	(298)
Inter-Departmental Revenue	(1,196)	(1,196)	-	(1,196)	-
NET EXPENDITURES	8,229	8,526	1,672	8,229	(298)
Departmental Income	(1,323)	(1,323)	(1)	(1,323)	-
State Aid	(216)	(216)	-	(216)	-
REVENUES	(1,539)	(1,539)	(1)	(1,539)	-
TAX LEVY	6,690	6,987	1,671	6,690	(298)

FIRST QUARTER HIGHLIGHTS

DOB anticipates that expenditures for County Executive's Office will approximate adopted appropriation levels. \$298,000 of expenditure included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENT OF HUMAN RESOURCES					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	3,411	3,411	758	3,292	(119)
Other Personal Services	10	10	-	10	-
Materials & Supplies	35	42	4	35	(7)
Contractual Expenses	1,257	1,306	285	1,079	(227)
Inter-Departmental Charge	590	590	505	590	-
Gross Expenditures	5,303	5,359	1,552	5,006	(352)
Inter-Departmental Revenue	(502)	(502)	(2)	(502)	-
NET EXPENDITURES	4,802	4,857	1,550	4,505	(352)
Departmental Income	(1,300)	(1,300)	(213)	(850)	450
REVENUES	(1,300)	(1,300)	(213)	(850)	450
TAX LEVY	3,502	3,557	1,337	3,655	98

FIRST QUARTER HIGHLIGHTS

DOB projects \$119,000 of personal service savings from the modified budget for the Department of Human Resources (HR) as a result of vacancies.

HR is projected to have \$227,000 contractual expense savings as a result of lower than anticipated exam participation due to the fact that police and correction officer exams have been limited to County residents, but will no longer collect \$450,000 of revenues due to the same effect.

DEPARTMENTAL DETAIL

DEPARTMENT OF BUDGET					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	1,318	1,318	283	1,318	-
Other Personal Services	8	8	0	8	-
Materials & Supplies	4	4	0	4	-
Contractual Expenses	14	14	2	14	-
Inter-Departmental Charge	229	229	246	229	-
Gross Expenditures	1,573	1,573	532	1,573	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,573	1,573	532	1,573	-
Departmental Income	(629)	(629)	-	(629)	-
REVENUES	(629)	(629)	-	(629)	-
TAX LEVY	943	943	532	943	-

FIRST QUARTER HIGHLIGHTS

DOB projects no change from the modified budget for the Department of Budget at this time.

BOARD OF ELECTIONS					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	6,187	6,187	1,421	6,187	-
Other Personal Services	1,100	1,100	62	1,100	-
Equipment	54	54	-	54	-
Materials & Supplies	2,014	2,026	293	2,026	0
Contractual Expenses	4,965	5,383	69	5,383	0
Inter-Departmental Charge	2,094	2,094	1,222	2,094	-
Gross Expenditures	16,414	16,844	3,066	16,844	0
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	16,414	16,844	3,066	16,844	0
Departmental Income	(1,449)	(1,449)	(0)	(1,449)	-
REVENUES	(1,449)	(1,449)	(0)	(1,449)	-
TAX LEVY	14,965	15,395	3,066	15,395	0

FIRST QUARTER HIGHLIGHTS

DOB projects no change from the modified budget for the Board of Elections at this time.

DEPARTMENTAL DETAIL

DEPARTMENT OF FINANCE					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	4,102	4,102	946	4,102	-
Other Personal Services	8	8	-	8	-
Materials & Supplies	37	37	11	37	-
Contractual Expenses	118	143	7	118	(25)
Inter-Departmental Charge	938	938	514	938	-
Gross Expenditures	5,209	5,234	1,482	5,209	(25)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	5,209	5,234	1,482	5,209	(25)
Departmental Income	(2,217)	(2,217)	(142)	(2,217)	-
Miscellaneous Revenue	-	-	-	-	-
REVENUES	(2,217)	(2,217)	(142)	(2,217)	-
TAX LEVY	2,992	3,017	1,340	2,992	(25)

FIRST QUARTER HIGHLIGHTS

DOB anticipated that expenditures for the Department of Finance will approximate the adopted budget at this time. \$25,000 of contractual expense included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENT OF INFORMATION TECHNOLOGY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	13,478	13,478	2,974	13,134	(344)
Other Personal Services	3,523	3,523	713	3,350	(173)
Equipment	147	147	-	147	-
Materials & Supplies	266	282	53	263	(19)
Contractual Expenses	19,649	21,136	3,817	19,710	(1,427)
Inter-Departmental Charge	1,197	1,197	421	1,197	-
Gross Expenditures	38,259	39,762	7,979	37,800	(1,962)
Inter-Departmental Revenue	(31,926)	(31,926)	(28,346)	(31,926)	-
NET EXPENDITURES	6,334	7,837	(20,366)	5,874	(1,962)
Departmental Income	(7,907)	(7,907)	(3,078)	(7,907)	-
Appropriated Fund Balance	(1,735)	(1,735)	-	(1,735)	-
REVENUES	(9,642)	(9,642)	(3,078)	(9,642)	-
TAX LEVY	(3,309)	(1,806)	(23,445)	(3,768)	(1,962)

FIRST QUARTER HIGHLIGHTS

DOB is projecting an overall expenditure reduction of nearly \$2 million from the modified budget within the Department of Information Technology (DoIT). This reduction is a result of \$517,000 of personal savings resulting from vacancies and lower than anticipated overtime for emergency communications operators, as well as the expectation that \$1.446 million of expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

BOARD OF ACQUISITION & CONTRACT					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	223	223	50	223	-
Materials & Supplies	1	1	0	1	-
Contractual Expenses	2	2	0	2	-
Inter-Departmental Charge	46	46	38	46	-
Gross Expenditures	272	272	88	272	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	272	272	88	272	-
Departmental Income	(2)	(2)	(0)	(2)	-
REVENUES	(2)	(2)	(0)	(2)	-
TAX LEVY	270	270	88	270	-

FIRST QUARTER HIGHLIGHTS

DOB is projecting no change from the modified budget for the Board of Acquisition and Contract at this time.

DEPARTMENT OF LAW					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	8,763	8,763	2,053	8,763	-
Other Personal Services	1	1	-	1	-
Equipment	39	39	15	39	-
Materials & Supplies	65	66	13	65	(1)
Contractual Expenses	1,235	1,650	80	1,235	(415)
Inter-Departmental Charge	744	744	616	744	-
Gross Expenditures	10,846	11,263	2,777	10,846	(417)
Inter-Departmental Revenue	(10,810)	(10,810)	(1,552)	(10,810)	-
NET EXPENDITURES	36	452	1,224	36	(417)
Departmental Income	(3,657)	(3,657)	(346)	(3,657)	-
REVENUES	(3,657)	(3,657)	(346)	(3,657)	-
TAX LEVY	(3,621)	(3,205)	878	(3,621)	(417)

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Law \$417,000 below the modified budget due to the expectation that these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

DEPARTMENT OF PLANNING					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	2,388	2,388	497	2,360	(28)
Materials & Supplies	10	10	1	10	-
Contractual Expenses	1,645	1,754	113	1,145	(610)
Inter-Departmental Charge	767	767	367	767	-
Gross Expenditures	4,810	4,919	978	4,281	(638)
Inter-Departmental Revenue	(43)	(43)	-	(43)	-
NET EXPENDITURES	4,767	4,877	978	4,239	(638)
Departmental Income	(906)	(906)	(7)	(906)	(0)
Capital Revenue	(500)	(500)	-	-	500
State Aid	(60)	(60)	-	(60)	-
REVENUES	(1,466)	(1,466)	(7)	(966)	500
TAX LEVY	3,301	3,411	971	3,273	(138)

FIRST QUARTER HIGHLIGHTS

DOB projects a small decrease in personal services within the Department of Planning as a result of a vacancy within the department. Contractual expenses are projected \$610,000 below modified budget levels as a result of \$500,000 of expenditures pertaining to the affordable housing settlement no longer being accounted for in the general fund. There is an identical reduction to the anticipated capital revenue for the department. The remaining reduction reflects DOB's expectation that \$110,000 of expenditures will roll and occur in FY 2017.

DEPARTMENT OF EMERGENCY SERVICES					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	1,717	1,717	417	1,717	-
Other Personal Services	330	330	62	330	-
Equipment	12	12	-	12	-
Materials & Supplies	234	234	18	234	-
Contractual Expenses	572	586	46	591	5
Inter-Departmental Charge	2,942	2,942	2,057	2,942	-
Gross Expenditures	5,807	5,821	2,600	5,826	5
Inter-Departmental Revenue	(298)	(298)	-	(298)	-
NET EXPENDITURES	5,509	5,523	2,600	5,528	5
Departmental Income	(76)	(76)	(0)	(76)	(0)
Federal Aid	(362)	(362)	-	(362)	-
REVENUES	(438)	(438)	(0)	(438)	(0)
TAX LEVY	5,072	5,086	2,599	5,090	5

FIRST QUARTER HIGHLIGHTS

DOB projects a small expenditure increase from the modified budget within the Department of Emergency Services as a result of an additional service contract for building services.

DEPARTMENTAL DETAIL

COUNTY CLERK					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	4,428	4,428	1,001	4,428	-
Other Personal Services	85	85	0	85	-
Equipment	6	6	-	6	-
Materials & Supplies	158	158	40	158	-
Contractual Expenses	467	595	35	467	(128)
Inter-Departmental Charge	1,733	1,733	1,348	1,733	-
Gross Expenditures	6,876	7,004	2,424	6,876	(128)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	6,876	7,004	2,424	6,876	(128)
Departmental Income	(9,275)	(9,275)	(1,439)	(9,275)	-
REVENUES	(9,275)	(9,275)	(1,439)	(9,275)	-
TAX LEVY	(2,399)	(2,271)	985	(2,399)	(128)

FIRST QUARTER HIGHLIGHTS

DOB anticipates that expenditures for the County Clerk will approximate the adopted budget at this time. \$128,000 of contractual expense included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENT OF SOCIAL SERVICES					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	71,820	71,820	15,507	69,087	(2,733)
Other Personal Services	1,703	1,703	373	1,703	-
Equipment	-	10	10	-	(10)
Materials & Supplies	826	836	120	826	(11)
Contractual Expenses	5,051	5,371	413	5,051	(320)
Social Services Relief	478,702	479,020	68,145	478,037	(982)
Inter-Departmental Charge	36,162	36,162	9,013	36,162	-
Gross Expenditures	594,264	594,922	93,580	590,865	(4,057)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	594,264	594,922	93,580	590,865	(4,057)
Departmental Income	(4,100)	(4,100)	59	(4,100)	-
Miscellaneous Revenue	-	-	(135)	-	-
Undistributed Revenues	-	-	(3,348)	-	-
State Aid	(92,965)	(92,965)	-	(92,061)	904
Federal Aid	(168,985)	(168,985)	-	(164,363)	4,622
REVENUES	(266,050)	(266,050)	(3,424)	(260,524)	5,526
TAX LEVY	328,214	328,872	90,156	330,341	1,469

FIRST QUARTER HIGHLIGHTS

As of the first quarter, DOB is projecting an increase in DSS's tax levy of \$1.5 million on expenditure reductions of \$4.0 million and revenue reductions of \$5.5 million. Salary savings of \$2.7 million due to vacant positions and the associated revenue loss of \$3.0 million comprise the largest drivers of change from the modified budget. In addition to the personal service savings, \$658,000 of expenditures included in the modified budget across the equipment, materials and supplies, contractual expenses, and relief categories are expected to roll and take place in FY 2017.

Within the relief category programs, medical assistance is projected to exceed the modified budget due to a program to assist people with enrollment in the expended Medicaid program authorized by the Affordable Care Act. This contract is funded by direct state and federal aid in the current year, and the expectation that the services will boost the County's Enhanced FMAP revenues in future years. The two public assistance programs, TANF and Safety Net, are also under modified budget levels by a combined \$3.2 million. These two programs are heavily subsidized by the federal and state governments; the \$3.2 million expense reduction is coupled with a \$3.3 million revenue loss.

Offsetting these reductions is a combined increase of \$1.3 million over modified budget for the low income and discretionary (title xx) daycare programs. Due to the fact that the County exceeds its child care block grant, these increases have zero additional revenue associated with them. Please see page 21 for additional details on social services relief.

DEPARTMENTAL DETAIL

DEPARTMENT OF SENIOR PROGRAMS & SERVICES					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Contractual Expenses	2,571	2,571	29	2,571	-
Inter-Departmental Charge	730	730	473	730	-
Gross Expenditures	3,302	3,302	502	3,302	-
Inter-Departmental Revenue	(236)	(236)	-	(236)	-
NET EXPENDITURES	3,066	3,066	502	3,066	-
TAX LEVY	3,066	3,066	502	3,066	-

FIRST QUARTER HIGHLIGHTS

DOB projects no changes from the modified budget for the Department of Senior Programs and Services at this time.

DEPARTMENT OF CONSUMER PROTECTION					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	1,432	1,432	337	1,432	-
Other Personal Services	4	4	0	4	-
Equipment	3	33	-	33	(0)
Materials & Supplies	43	43	6	43	-
Contractual Expenses	27	30	3	27	(4)
Inter-Departmental Charge	263	263	229	263	-
Gross Expenditures	1,771	1,805	575	1,802	(4)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,771	1,805	575	1,802	(4)
Departmental Income	(3,683)	(3,683)	(652)	(3,283)	400
REVENUES	(3,683)	(3,683)	(652)	(3,283)	400
TAX LEVY	(1,911)	(1,877)	(77)	(1,481)	396

FIRST QUARTER HIGHLIGHTS

DOB projects expenditure savings of \$4,000 from the modified budget for the Department of Consumer Protection. This savings is due to the anticipation that these expenditures will roll and occur in FY 2017. Licensing revenues have been reduced by \$400,000 to reflect the lack of legislative authorization to increase the home improvement contractor licensing fee that had been included in the adopted budget.

DEPARTMENTAL DETAIL

DEPARTMENT OF MENTAL HEALTH					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	2,830	2,830	660	2,830	-
Other Personal Services	11	11	-	11	-
Materials & Supplies	36	36	3	36	-
Contractual Expenses	4,316	4,318	133	4,316	(2)
Inter-Departmental Charge	1,246	1,246	991	1,246	-
Gross Expenditures	8,438	8,441	1,787	8,438	(2)
Inter-Departmental Revenue	(996)	(996)	-	(996)	-
NET EXPENDITURES	7,443	7,445	1,787	7,443	(2)
Departmental Income	(3)	(3)	(2)	(3)	-
State Aid	(1,613)	(1,613)	(393)	(1,613)	-
Federal Aid	(936)	(936)	-	(936)	-
REVENUES	(2,552)	(2,552)	(395)	(2,552)	-
TAX LEVY	4,890	4,893	1,391	4,890	(2)

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures to approximate the adopted budget levels for the Department of Mental Health. \$2,000 of contractual expense included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENT OF HEALTH					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	15,353	15,353	3,381	15,205	(148)
Other Personal Services	350	350	120	500	150
Equipment	22	22	13	22	-
Materials & Supplies	326	328	43	326	(2)
Contractual Expenses	120,581	120,581	23,726	121,022	441
Inter-Departmental Charge	4,866	4,866	2,890	4,866	-
Gross Expenditures	141,498	141,500	30,173	141,941	441
Inter-Departmental Revenue	(141)	(141)	-	(141)	-
NET EXPENDITURES	141,357	141,359	30,173	141,800	441
Departmental Income	(7,523)	(7,523)	(1,716)	(7,627)	(104)
Miscellaneous Revenue	-	-	3	-	-
Undistributed Revenues	-	-	(9)	-	-
State Aid	(72,198)	(72,198)	-	(72,351)	(154)
REVENUES	(79,720)	(79,720)	(1,722)	(79,978)	(258)
TAX LEVY	61,637	61,639	28,451	61,822	183

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects additional expenditures of \$441,000 from the modified budget for the Department of Health (DOH). DOH is consists of two units, Public Health and Children with Special Needs (CSN). Expenditures within the Public Health unit are projected just \$23,000 over the modified budget, and the CSN programs are projected \$418,000 above modified appropriations. The increase in projected revenues of \$258,000 is due to an increase of \$154,000 in state aid for resulting from the additional expenditures, and additional revenues in the amount of \$100,000 for watershed protection measures from the NYC Department of Environmental Protection.

DEPARTMENTAL DETAIL

DEPARTMENT OF LABORATORIES & RESEARCH					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	7,987	7,987	1,860	7,987	-
Other Personal Services	138	138	21	138	-
Materials & Supplies	1,081	1,165	179	1,081	(84)
Contractual Expenses	797	871	111	797	(75)
Inter-Departmental Charge	3,308	3,308	1,237	3,308	-
Gross Expenditures	13,310	13,468	3,408	13,310	(159)
Inter-Departmental Revenue	(30)	(30)	(1)	(30)	-
NET EXPENDITURES	13,280	13,438	3,407	13,280	(159)
Departmental Income	(2,678)	(2,678)	(454)	(2,828)	(150)
State Aid	(1,268)	(1,268)	-	(1,018)	250
REVENUES	(3,946)	(3,946)	(454)	(3,846)	100
TAX LEVY	9,333	9,492	2,952	9,433	(59)

FIRST QUARTER HIGHLIGHTS

DOB anticipates expenditures to approximate the adopted budget within the Department of Laboratories and Research at this time. \$159,000 of expenditure included in the modified budget is expected to roll and occur in FY 2017.

Revenues are projected to fall short of budgeted targets by \$100,000. Lab fees are now projected \$150,000 above budget due to increased utilization, and state aid is projected \$250,000 below budget as a result of the additional revenues, and continued tightening of reimbursement regulations by the NYS Department of Health.

DEPARTMENT OF CORRECTION					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	75,311	75,311	17,575	76,538	1,227
Other Personal Services	12,909	12,909	2,935	12,834	(75)
Equipment	167	251	10	167	(84)
Materials & Supplies	1,532	1,631	219	1,505	(126)
Contractual Expenses	21,525	22,082	4,423	21,334	(748)
Inter-Departmental Charge	11,157	11,157	2,815	11,157	-
Gross Expenditures	122,602	123,342	27,976	123,536	194
Inter-Departmental Revenue	(137)	(137)	-	(137)	-
NET EXPENDITURES	122,464	123,205	27,976	123,398	194
Departmental Income	(6,719)	(6,719)	(900)	(6,574)	145
State Aid	(68)	(68)	(5)	(68)	-
Federal Aid	(1,072)	(1,072)	(8)	(1,072)	-
REVENUES	(7,859)	(7,859)	(913)	(7,713)	145
TAX LEVY	114,605	115,346	27,063	115,685	339

FIRST QUARTER HIGHLIGHTS

DOB projects an unfavorable expenditure variance of \$194,000 versus the modified budget within the Department of Correction (DOC). Personal service is projected at \$1.152 million over the modified budget as a result of an overly aggressive vacancy factor being included in the adopted budget. Offsetting this increase are projected savings of \$958,000 within the other expenditure categories. \$740,000 of this savings is due to the expectation that these expenditures will roll and occur in FY 2017. The remaining \$218,000 is primarily caused by lower than budgeted gasoline prices and inmate food service utilization.

DOC is projected to fall short of its departmental income target by \$145,000 resulting from fewer federal inmates than budgeted being incarcerated in the County facility, and fewer phone calls due to a lower inmate census overall.

DEPARTMENTAL DETAIL

TAX COMMISSION					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	152	152	33	152	-
Materials & Supplies	1	1	0	1	-
Contractual Expenses	2	2	2	2	-
Inter-Departmental Charge	31	31	30	31	-
Gross Expenditures	186	186	65	186	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	186	186	65	186	-
Departmental Income	(0)	(0)	-	(0)	-
REVENUES	(0)	(0)	-	(0)	-
TAX LEVY	186	186	65	186	-

FIRST QUARTER HIGHLIGHTS

DOB projects no changes from the modified budget for the Tax Commission at this time.

DISTRICT ATTORNEY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	20,964	20,964	4,615	20,617	(347)
Other Personal Services	372	372	64	352	(21)
Equipment	145	186	10	145	(41)
Materials & Supplies	320	320	73	320	-
Contractual Expenses	5,749	5,762	125	5,749	(14)
Inter-Departmental Charge	1,013	1,013	371	1,013	-
Gross Expenditures	28,563	28,618	5,257	28,195	(423)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	28,563	28,618	5,257	28,195	(423)
Miscellaneous Revenue	-	-	(0)	-	-
State Aid	(80)	(80)	-	(80)	-
REVENUES	(80)	(80)	(0)	(80)	-
TAX LEVY	28,483	28,538	5,257	28,115	(423)

FIRST QUARTER HIGHLIGHTS

DOB projects personal service expenditure savings of \$368,000 versus the modified budget within the District Attorney’s Office primarily due to vacancies. Additional savings of \$55,000 versus the modified budget are also projected as these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

DEPARTMENT OF PUBLIC SAFETY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	31,751	31,751	7,569	31,201	(550)
Other Personal Services	8,536	8,536	1,508	10,256	1,720
Equipment	211	309	34	211	(98)
Materials & Supplies	1,900	1,948	370	1,793	(155)
Contractual Expenses	2,398	2,475	405	2,378	(96)
Inter-Departmental Charge	4,431	4,432	2,804	4,431	(1)
Gross Expenditures	49,227	49,451	12,690	50,270	819
Inter-Departmental Revenue	(10,735)	(10,735)	-	(10,885)	(151)
NET EXPENDITURES	38,493	38,716	12,690	39,384	668
Departmental Income	(13,995)	(13,995)	(1,044)	(14,095)	(100)
State Aid	(2,850)	(2,850)	-	(3,087)	(237)
Federal Aid	(329)	(329)	(11)	(329)	-
REVENUES	(17,173)	(17,173)	(1,056)	(17,510)	(337)
TAX LEVY	21,320	21,543	11,634	21,874	331

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Public Safety (DPS) to exceed modified appropriations by \$668,000. The largest driver of this change is an increase of \$1.2 million within the personal service categories, particularly overtime and 207-c disability. These upward revisions are due to the fact that the department averaged 10 full time equivalents (FTEs) on 207-c during the first quarter while the budget assumed 5 FTEs out on disability. DOB assumes this trend will continue for the remainder of the year.

Offsetting these additional expenditures were motor fuel purchase savings of \$98,000, additional inter-departmental revenues as a result of the higher expenditure projection, and the expectation that \$223,000 of expenditures will roll and take place in FY 2017.

On the revenue side, DPS is projected to receive an additional \$337,000 of revenues. \$100,000 in additional taxi and limousine commission fines, as well \$237,000 in additional state aid for increased parkway patrols that was included in the 2016-17 NYS Budget.

DEPARTMENT OF PROBATION					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	16,835	16,835	3,976	17,016	182
Other Personal Services	389	389	112	389	-
Equipment	38	42	-	38	(5)
Materials & Supplies	162	163	14	162	(2)
Contractual Expenses	6,205	6,215	165	6,205	(10)
Inter-Departmental Charge	3,063	3,063	1,982	3,063	-
Gross Expenditures	26,690	26,707	6,249	26,872	165
Inter-Departmental Revenue	(1,501)	(1,501)	-	(1,501)	-
NET EXPENDITURES	25,189	25,205	6,249	25,370	165
Departmental Income	(350)	(350)	(57)	(350)	-
State Aid	(8,298)	(8,298)	-	(8,298)	-
REVENUES	(8,648)	(8,648)	(57)	(8,648)	-
TAX LEVY	16,541	16,557	6,192	16,722	165

FIRST QUARTER HIGHLIGHTS

DOB projects an unfavorable variance of \$165,000 versus the modified budget within the Department of Probation at this time. Personal service is projected at \$182,000 over the modified budget as a result of an overly aggressive vacancy factor being included in the adopted budget. This is offset by small reductions in the non-personal service expenditure categories to account for the expectation that these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

PUBLIC ADMINISTRATOR					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	503	503	101	491	(11)
Equipment	2	2	0	2	-
Materials & Supplies	5	5	1	5	(0)
Contractual Expenses	58	58	1	58	(0)
Inter-Departmental Charge	83	83	62	83	-
Gross Expenditures	650	651	166	639	(12)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	650	651	166	639	(12)
Departmental Income	(480)	(480)	(30)	(480)	-
REVENUES	(480)	(480)	(30)	(480)	-
TAX LEVY	170	171	136	159	(12)

FIRST QUARTER HIGHLIGHTS

DOB projects a reduction for personal service of \$11,000 from the modified budget as a result of a vacancy within the Public Administrator.

SOLID WASTE COMMISSION					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	677	677	158	677	-
Other Personal Services	461	461	102	476	15
Equipment	-	27	-	-	(27)
Materials & Supplies	27	27	5	27	(0)
Contractual Expenses	143	179	24	128	(50)
Inter-Departmental Charge	398	398	120	398	-
Gross Expenditures	1,706	1,769	409	1,706	(62)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,706	1,769	409	1,706	(62)
Departmental Income	(1,714)	(1,714)	(291)	(1,714)	-
REVENUES	(1,714)	(1,714)	(291)	(1,714)	-
TAX LEVY	(8)	54	118	(8)	(62)

FIRST QUARTER HIGHLIGHTS

DOB projects an expenditure reduction of \$62,000 from the modified budget for the Solid Waste Commission. It is anticipated that these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

DEPARTMENT OF PARKS					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	15,119	15,119	3,530	15,067	(51)
Other Personal Services	7,566	7,566	771	7,566	-
Equipment	339	339	151	339	-
Materials & Supplies	7,438	7,470	954	7,438	(32)
Contractual Expenses	10,728	11,003	1,434	10,728	(276)
Inter-Departmental Charge	5,206	5,206	1,836	5,206	-
Gross Expenditures	46,395	46,703	8,676	46,344	(359)
Inter-Departmental Revenue	(331)	(331)	-	(331)	-
NET EXPENDITURES	46,065	46,372	8,676	46,013	(359)
Departmental Income	(36,750)	(36,750)	(4,186)	(36,000)	750
Undistributed Revenues	-	-	(209)	-	-
State Aid	(60)	(60)	-	(60)	-
REVENUES	(36,810)	(36,810)	(4,395)	(36,060)	750
TAX LEVY	9,255	9,562	4,281	9,953	391

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects expenditures \$359,000 below the modified budget within the Parks Department (Parks). This is primarily due to the expectation that \$308,000 of non-personal service expenditures will roll and occur in FY 2017. Additionally, DOB projects \$51,000 in salary savings due to vacancies at this time.

Departmental revenue has been revised downward by \$750,000 from the modified budget target to reflect the amendments to the Playland management agreement recently adopted.

DEPARTMENT OF TRANSPORTATION					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	1,063	1,063	240	1,063	-
Other Personal Services	27	27	4	27	-
Materials & Supplies	1,653	1,653	341	1,653	-
Contractual Expenses	151,631	151,671	35,914	148,631	(3,040)
Inter-Departmental Charge	1,881	1,881	738	1,881	-
Gross Expenditures	156,256	156,295	37,238	153,256	(3,040)
Inter-Departmental Revenue	(415)	(415)	-	(415)	-
NET EXPENDITURES	155,841	155,881	37,238	152,841	(3,040)
Departmental Income	(37,668)	(37,668)	(8,337)	(38,381)	(714)
State Aid	(53,185)	(53,185)	-	(56,349)	(3,164)
Federal Aid	(11,042)	(11,042)	-	(11,042)	-
REVENUES	(101,895)	(101,895)	(8,337)	(105,772)	(3,877)
TAX LEVY	53,946	53,986	28,901	47,069	(6,917)

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy impact \$6.9 million below the modified budget within the Department of Transportation (DOT). This is due to a downward revision in projected expenditures in the amount of \$3.0 million, and a revenue projection \$3.9 million above modified budget targets.

Bus operating expenditures are projected under the modified budget due to a lower than expected labor costs associated with the renewal of Liberty Lines’ collective bargaining agreement with the Transport Workers Union of America.

State aid is revised upward to \$3.2 million above the modified budget as a result of the increase in transportation aid to localities included in the recently enacted 2016-17 NYS Budget. Additionally, bus and para-transit fares are now projected \$714,000 above budgeted levels.

DEPARTMENTAL DETAIL

DEPARTMENT OF PUBLIC WORKS					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Annual Regular Salaries	15,259	15,259	3,440	15,106	(152)
Other Personal Services	979	979	215	920	(60)
Equipment	70	70	5	70	-
Materials & Supplies	17,685	17,835	1,751	17,145	(691)
Contractual Expenses	33,457	34,762	5,144	34,576	(186)
Inter-Departmental Charge	2,108	2,108	1,198	2,108	-
Gross Expenditures	69,558	71,014	11,753	69,925	(1,089)
Inter-Departmental Revenue	(55,262)	(55,262)	(4,884)	(55,262)	-
NET EXPENDITURES	14,296	15,752	6,868	14,663	(1,089)
Departmental Income	(13,955)	(13,955)	(715)	(13,455)	500
State Aid	(2,726)	(2,726)	(292)	(2,726)	-
REVENUES	(16,682)	(16,682)	(1,007)	(16,182)	500
TAX LEVY	(2,386)	(930)	5,861	(1,519)	(589)

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects net expenditures at \$1.1 million below the modified budget within the Department of Public Works (DPW). This reduction in projected expenditure is primarily due to the \$559,000 downward revision of energy utility expense within the materials and supplies category. Energy prices have remained lower than anticipated, and the mild winter resulted in a reduction in the consumption of natural gas. DPW is also projected to achieve personal service savings of \$212,000 as a result of vacancies and lower than expected hourly wages. In addition, it is anticipated that \$318,000 of expenditures included in the modified budget will roll and occur in FY 2017.

Offsetting the \$1.1 million in expenditure savings versus the modified budget is a reduction of \$500,000 in the engineering unit's billings to the capital projects fund.

DEBT SERVICE					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Contractual Expenses	80,868	80,942	10,042	78,155	(2,787)
Gross Expenditures	80,868	80,942	10,042	78,155	(2,787)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	80,868	80,942	10,042	78,155	(2,787)
Capital Revenue	(100)	(100)	(389)	(389)	(289)
Miscellaneous Revenue	(1,253)	(1,253)	-	(983)	270
REVENUES	(1,353)	(1,353)	(389)	(1,372)	(19)
TAX LEVY	79,515	79,589	9,653	76,784	(2,805)

FIRST QUARTER HIGHLIGHTS

DOB projects a reduction of \$2.8 million in tax levy for the debt service budget versus the modified budget. This was primarily due to the impact of a debt refinancing undertaken by the County that resulted in current year savings of \$2.9 million.

For its \$105 million tax anticipation note, the County will be paying interest of \$438,000, offset by a premium of \$389,000 for a net interest cost of \$49,000 as compared to the \$50,000 net interest cost contained in the adopted budget. The expenditure projection was increased by \$288,000 and revenue by \$289,000 to account for the effect of the note selling at a larger premium than originally anticipated.

Miscellaneous revenues were revised downward by \$270,000 to reflect an asset transfer from the capital projects fund to the general fund that was budgeted in FY 2016 but occurred in FY 2015.

DEPARTMENTAL DETAIL

MISCELLANEOUS BUDGETS					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Mar 31	2016 Projected	Proj. less Modified
Other Personal Services	233,204	233,204	56,973	234,604	1,400
Contractual Expenses	229,852	231,227	38,805	227,474	(3,753)
Gross Expenditures	463,056	464,432	95,777	462,078	(2,353)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	463,056	464,432	95,777	462,078	(2,353)
Real Property Taxes	(548,423)	(548,423)	-	(548,423)	-
Payments in Lieu of Taxes	(10,721)	(10,721)	(304)	(10,721)	-
Non-Property Taxes	(567,086)	(567,086)	(59,069)	(556,303)	10,783
Departmental Income	(14,131)	(14,131)	(2,440)	(14,131)	-
Interest on Investments	-	-	(14)	-	-
Capital Revenue	(11,000)	(11,000)	-	-	11,000
Appropriated Fund Balance	-	(8,194)	-	-	8,194
Miscellaneous Revenue	(65,000)	(65,000)	(3,166)	(65,000)	-
Austin Ave	(787)	(787)	(197)	(787)	-
Interfund Revenue	(50)	(50)	(52)	(50)	-
State Aid	(5,591)	(5,591)	(124)	(5,130)	460
REVENUES	(1,222,789)	(1,230,983)	(65,366)	(1,200,546)	30,438
TAX LEVY	(759,733)	(766,552)	30,411	(738,467)	28,084

FIRST QUARTER HIGHLIGHTS

DOB projects expenditure savings within the Miscellaneous Budgets of \$2.4 million in the Q1 Update. Most of this reduction, \$1.8 million, is due to the reduction in municipal sales tax distribution as a result of lower than budgeted sales tax revenues. Another large portion of the reduction, \$1.4 million, reflects DOB's expectation that certain expenditures will not occur until FY 2017. Three additional adjustments account for the remaining variance: (1) projected tax certiorari expenses were revised downward by \$600,000 as a result of lower than anticipated judgments during the first quarter; (2) the general fund's projected contributions to the workers compensation (6J) and healthcare funds were increased by \$1.9 million due to the fact that assets expected to be available for FY 2016 within these funds at the time the budget was adopted are no longer available; and (3) the cost of indigent criminal defense is now expected to be \$460,000 less than the modified budget due to lower utilization. This is entirely offset by a \$460,000 reduction in state aid. Against the projected expenditure savings are lower revenue projections in the amount of \$30.4 million. Sales and use tax collections have been revised downward by \$10.8 million due to recent results. Capital revenues are now projected \$11 million below budget as legislative authorization to issue bonds for tax certiorari judgments appears to be unlikely. The reduction in the draw of \$8.2 million in appropriated fund balance reflects the expectation for a similar amount of expenditures to roll from FY16 to FY17, resulting in a minimal effect to the FY16 Financial Plan. The Q1 Update contains sufficient expenditure reductions in the general fund to fully account for this effect.

