

# WESTCHESTER COUNTY



## SECOND QUARTER FORECAST FOR FISCAL YEAR 2016

**ROBERT P. ASTORINO**  
COUNTY EXECUTIVE

**LAWRENCE C. SOULE**  
BUDGET DIRECTOR

**AUGUST 12, 2016**



**Robert P. Astorino**  
County Executive

**Lawrence C. Soule**  
Budget Director

August 12, 2016

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

Honorable Members:

The following financial report provides an annualized forecast based on actual results through June 30, 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.

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 through the second quarter, and the anticipated bond proceeds for tax certioraris unlikely to materialize. These revenue shortfalls are substantially offset by the unbudgeted sale proceeds of the Austin Ave parcel. Despite this one-time windfall, my Department continues to project a budget deficit of \$12.6 million.

The year to date data as of June 30, 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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**SECOND 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

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## INTRODUCTION

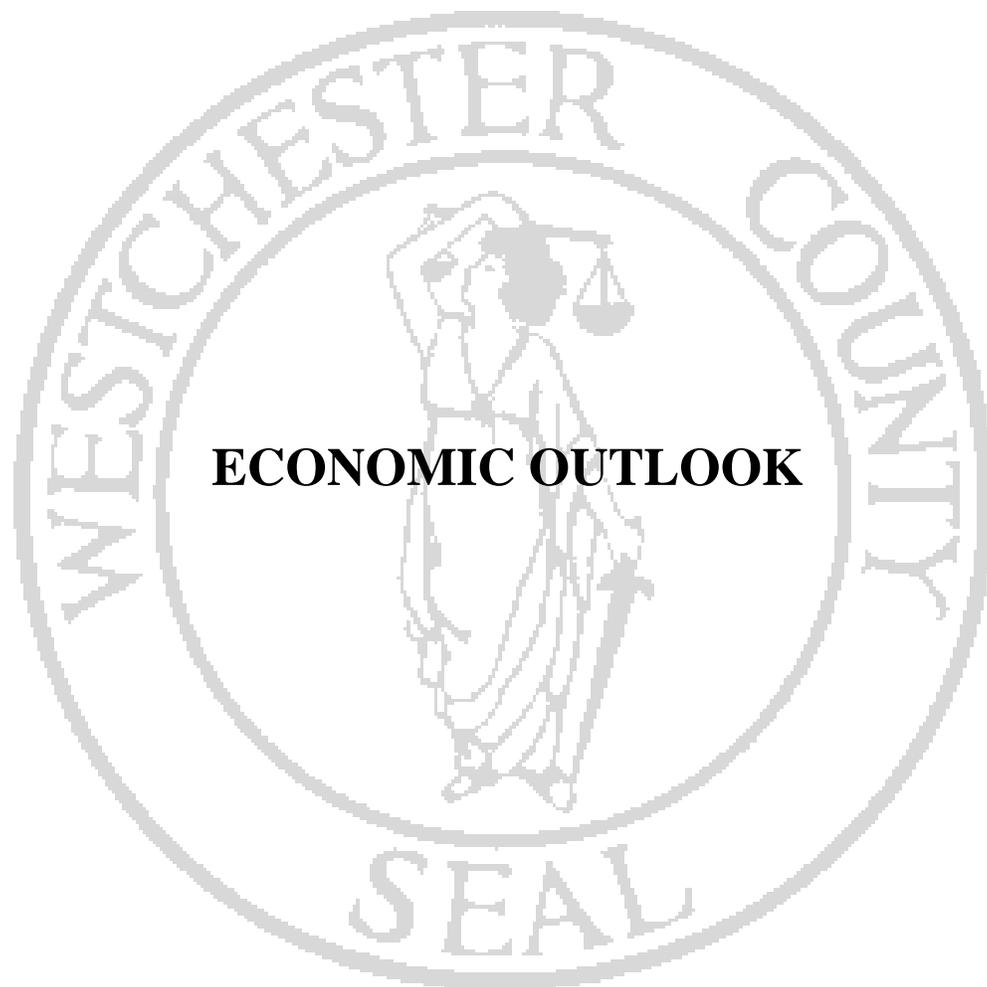
This document presents the Second Quarter (Q2) Forecast for Fiscal Year 2016 (FY16). The Department of Budget (DOB) will also release a Third Quarter Forecast for Fiscal Year 2016 in conjunction with the Executive's 2017 Proposed Budget in November. The County operates on a calendar fiscal year, and all projections are shown fully annualized based on information currently available.

The Q2 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 June 30, 2016 (YTD Jun 30)
4. DOB's fully annualized projections (2016 Projected)
5. DOB's projections (4) less the current modified budget (2) (Proj. less Modified)

The 'YTD Jun 30' 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 June 30, 2016. These figures are not audited. Readers are cautioned from drawing conclusions based on the 'YTD Jun 30' data due to the timing of transactions, and the seasonal nature of certain expenditures and revenues.

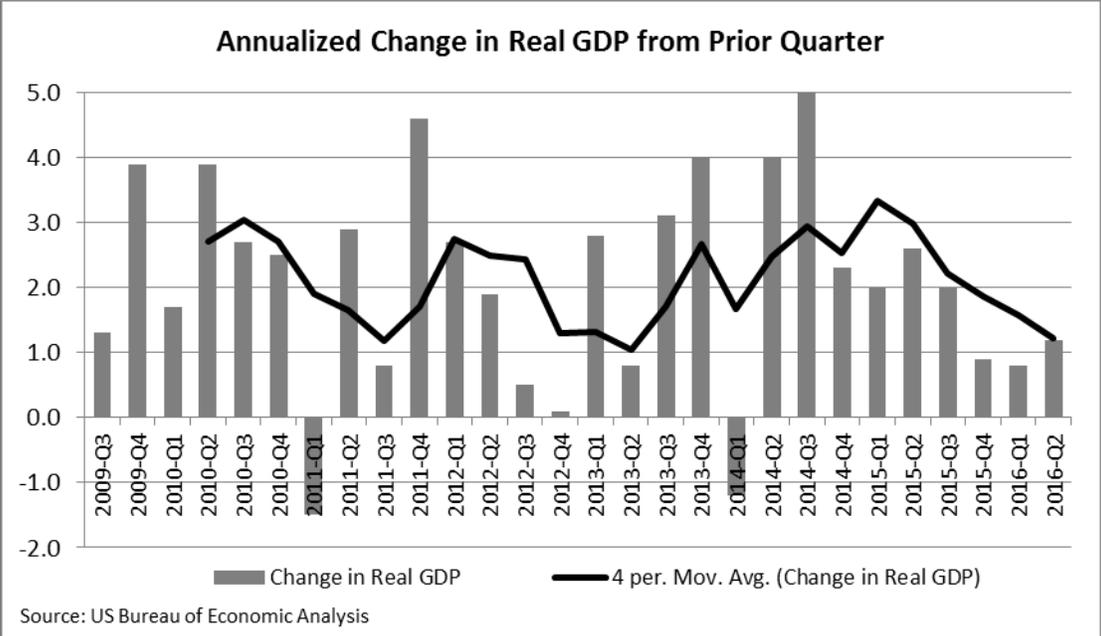
Since many factors may materially affect the fiscal and economic conditions of the County, the forecasts, projections, and estimates contained in this document should not be regarded as a representation that such forecasts, projections, and estimates will occur. Statements regarding future outcomes contained 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.



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GROSS DOMESTIC PRODUCT (GDP)

Since the ending of the Great Recession in June of 2009, the American economy has expanded in 26 of 28 quarters. Despite solid economic performance for much of the seven year period, the last three quarters have all approximated an annualized growth rate of just 1.0 percent. While there have been sustained slowdowns during the recovery in prior periods from which economic growth has rebounded, the trend of slowing growth since the beginning of 2015 may be a leading indicator that the economy is approaching a peak in the business cycle.



During the second quarter of 2016, real GDP grew by 1.2% on an annualized basis. This was an uptick from first quarter growth of 0.8%. In June, the Federal Open Market Committee (FOMC) projected a growth rate of real GDP between 1.9 and 2.0 percent for 2016 (down from the March expectation of 2.1 to 2.3 percent). The FOMC has projected real GDP growth to remain in the range of 2.0% for the current and subsequent two years through 2018.

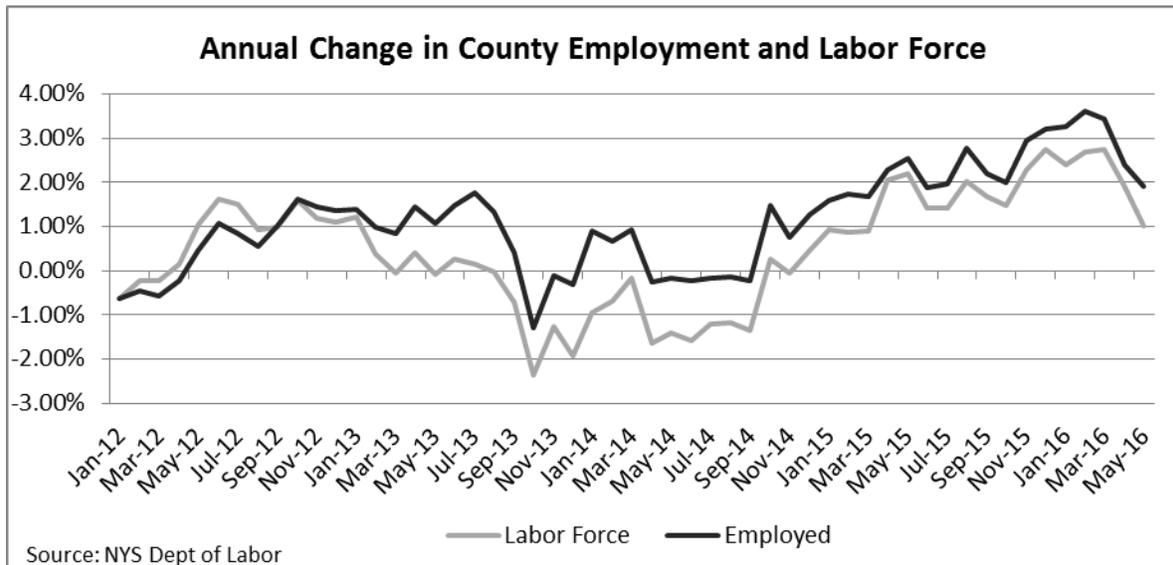
EMPLOYMENT / UNEMPLOYMENT

Unemployment rates in the state, region, and county continue to fall, and have essentially returned to their pre-recessionary levels (see table, following page). The national unemployment rate currently stands at 4.9%, 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.

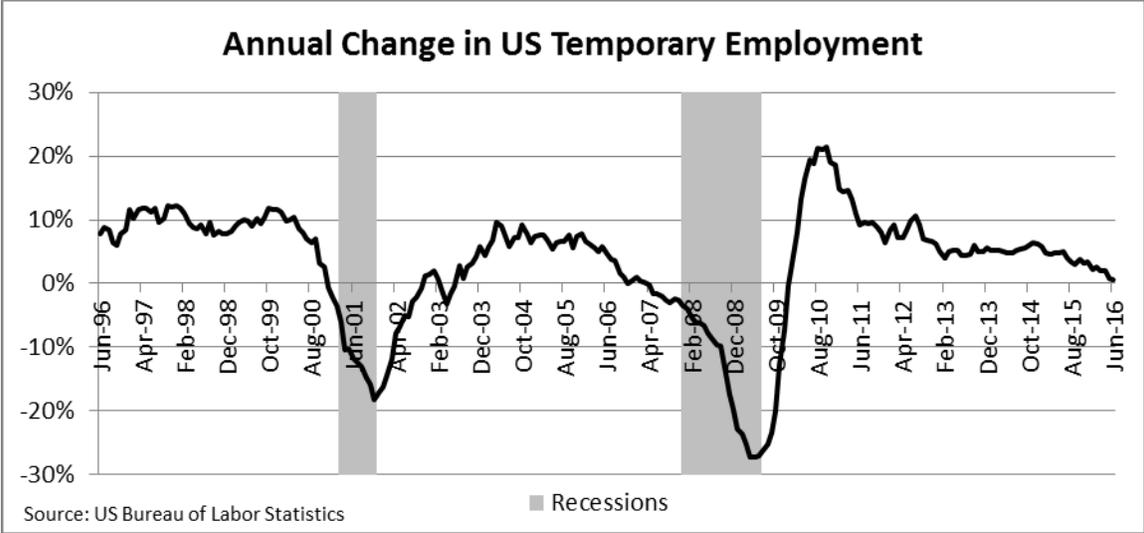
JUNE UNEMPLOYMENT RATE			
YEAR	NEW YORK	HUDSON VALLEY	WESTCHESTER
2007	4.5%	3.9%	3.6%
2008	5.1%	4.9%	4.7%
2009	8.4%	7.5%	7.2%
2010	8.4%	7.4%	7.1%
2011	8.2%	7.3%	7.0%
2012	8.7%	7.9%	7.5%
2013	7.8%	6.6%	6.4%
2014	6.2%	5.2%	5.1%
2015	5.2%	4.7%	4.7%
2016	4.5%	4.0%	3.9%

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). More impressively, the unemployment rate has continued to decline during a period of labor force participation increases. The total employment and labor force within the County have been growing since the fourth quarter of 2014. The number of County residents employed during June (471,400) is the most since August 2008 when 478,000 residents were employed. While both employment and labor force grew during the second quarter of 2016, the rate of growth weakened substantially. Employment levels within the region may be peaking.



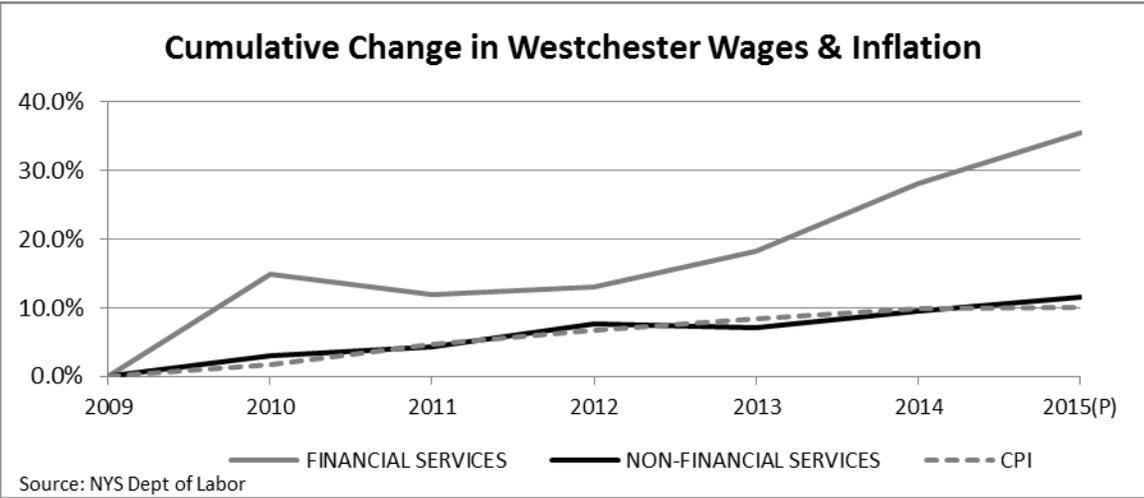
An excellent leading indicator of economic growth has been temporary employment. Temporary workers are among the first hired in expansionary periods, but they are also among the first workers to lose their jobs during economic downturns (see chart, following page).



Declines in temporary employment in 2000 and 2007 signaled the beginning of the past two recessionary periods. June of 2016 showed growth of just 0.6% over the prior year; the worst rate of change for temporary employment since January of 2010.

**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.



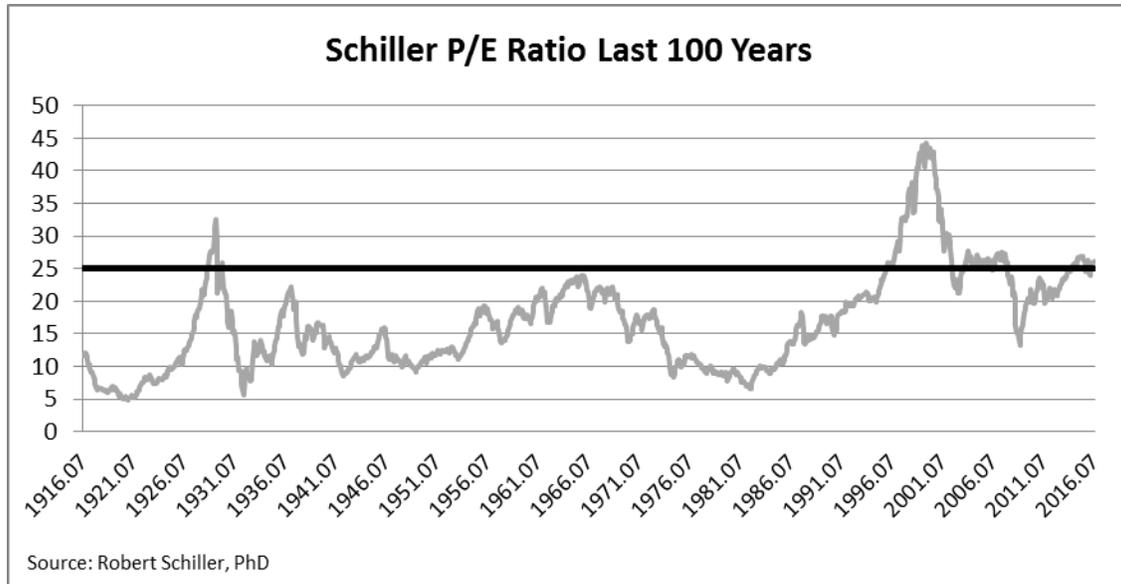
Comprising 95% of the Westchester workforce, workers outside of the financial services sector have seen limited real wage growth since the end of the recession in 2009. Average wages have grown by 11.6% against 10.0% inflation for the period. Financial services workers have fared better with average wage growth of 35% since 2009.

# ECONOMIC OUTLOOK

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## FINANCIAL SERVICES SECTOR

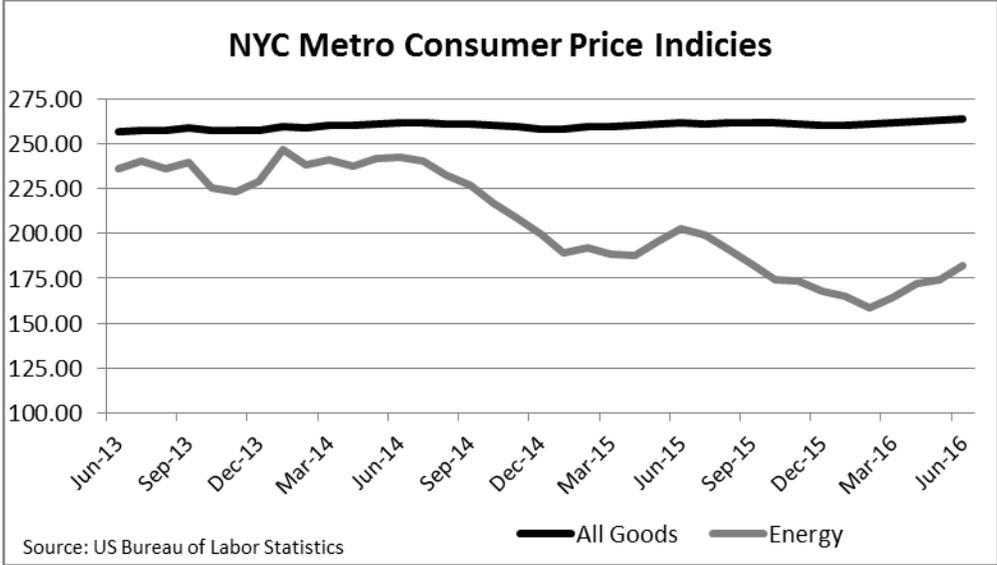
The financial services sector is a key economic driver within the New York City Metropolitan Area (NYC Metro), representing 8.2 percent of total employment. Within the NYC Metro 734,000 people were employed within the sector in 2015. Due to the heavy reliance on the financial services sector, the NYC Metro is disproportionately affected by swings in financial markets. With the Dow Jones Industrial Average and S&P 500 hovering around record highs, equity markets may be overvalued and due for correction.



Developed by Nobel Prize winning economist Robert Schiller, the Shiller P/E Ratio is an inflation adjusted measure of the trailing ten years of price and earnings data for the S&P 500. For most of the 20<sup>th</sup> century the ratio stayed between 10 and 20. Each time the Schiller P/E Ratio has exceeded 25, the largest market collapses in history have occurred. Black Tuesday and the onset of the Great Depression were foretold by a ratio of 32. The Tech Bubble of the late 1990s burst at a ratio of 44. The housing market collapse triggered the Great Recession with prices nearly 28 times earnings. Once again, the Shiller Ratio has climbed above 25 to stand at 26.2 on July 1, 2016. While there remains a considerable gap between the current value and some of the all-time highs, the current valuation of the S&P 500 relative to earnings remains an outlier from a long-run historical perspective.

## INFLATION AND PRICES

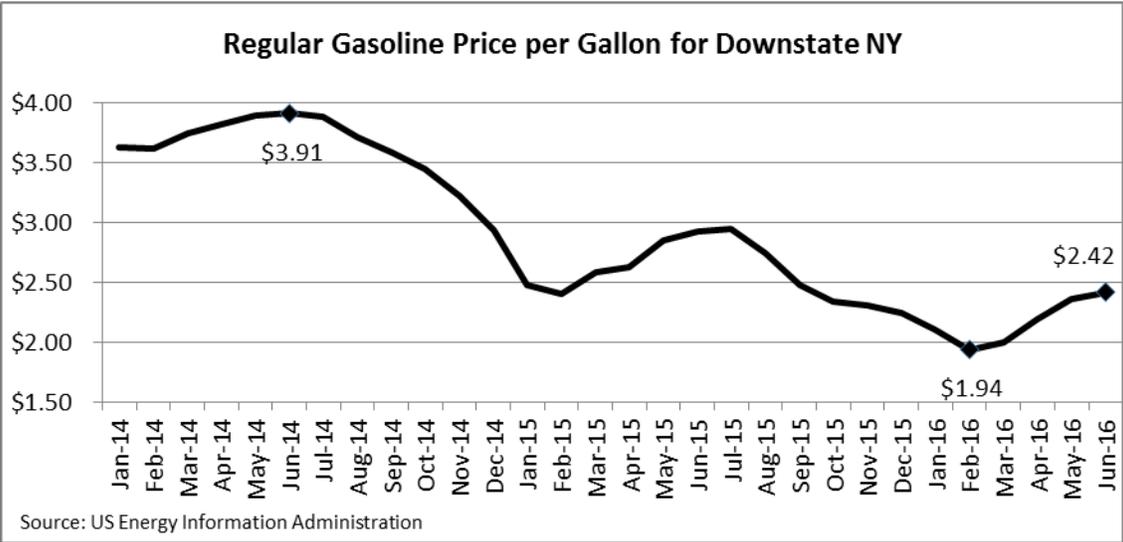
One of the key ingredients needed for a growing economy is a healthy level of inflation. The NYC Metro Consumer Price Index (CPI) has grown by an annualized rate of just 0.91% over the past three years for the period ending June 2016 (see chart, following page). This measure for the region, which traditionally has some of the highest inflation in the country, is less than half of the Federal Reserve's annual target for the nation of two percent.



Energy price levels have rebounded slightly from the lows in February of this year, but the current energy price levels remain 23% below where they were three years ago. Energy prices have even remained below 2015 levels after two years of consistent declines in prices.

While the decline in energy prices is 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 years. 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 sensitive to fluctuations in energy prices as compared to other jurisdictions.

As a large component of total energy, gasoline prices have shown a substantially similar trend. Prices are down nearly 40% and 20% from two and one years ago, respectively. With approximately 300 million gallons of gasoline sold within the County, the drop in price has eroded the County sales tax base.

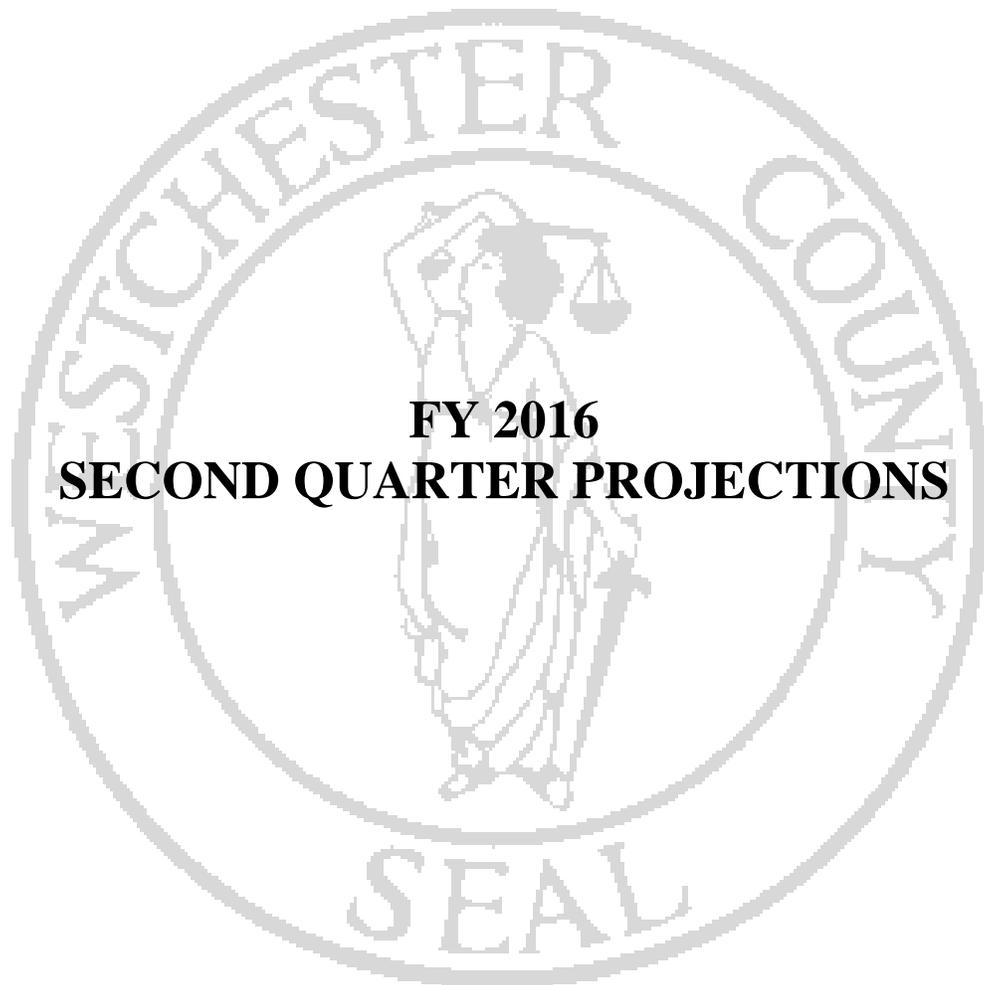


## ECONOMIC OUTLOOK

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### 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 financial services sector workers to change substantially from year to year. A potentially overvalued equity market and peaking of the business cycle could amplify these risks. 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.



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## 2016 SECOND 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) Second Quarter (Q2) 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 Q2 Projection contains sufficient expenditure reductions in the general fund to fully account for this effect.

<b>GENERAL FUND PROJECTIONS</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
<b>REVENUES</b>					
Tax Levy on Real Property	548,423	548,423	329,054	548,423	-
Sales and Use Tax	525,769	524,508	193,213	510,936	(13,572)
Federal and State Aid	423,904	423,904	45,548	420,700	(3,204)
Departmental Income	158,359	158,359	63,586	156,080	(2,279)
Other Revenues	144,859	144,859	115,082	146,891	2,032
<b>Sub-Total</b>	<b>1,801,314</b>	<b>1,800,053</b>	<b>746,483</b>	<b>1,783,030</b>	<b>(17,023)</b>
Use of General Fund Balance	1,735	11,191	-	2,996	(8,194)
<b>TOTAL</b>	<b>1,803,049</b>	<b>1,811,243</b>	<b>746,483</b>	<b>1,786,026</b>	<b>(25,217)</b>
<b>NET EXPENDITURES</b>					
General Government and Support	52,293	55,138	9,486	52,109	(3,029)
Home and Community Services	605,977	606,798	255,647	607,244	447
Health Services	162,079	162,242	68,683	162,953	711
Education	29,329	29,329	24,548	29,329	-
Public Safety, Correction, and Courts	222,575	223,687	108,662	222,722	(964)
Roads, Transportation, and Parks	216,201	218,004	104,843	213,398	(4,607)
Miscellaneous and Fixed	514,594	516,044	199,590	510,877	(5,167)
<b>TOTAL</b>	<b>1,803,049</b>	<b>1,811,243</b>	<b>771,460</b>	<b>1,798,633</b>	<b>(12,610)</b>
<b>GENERAL FUND BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>-</b>	<b>(24,976)</b>	<b>(12,607)</b>	<b>(12,607)</b>

As of the first quarter, DOB projects a general fund budget gap of \$12.6 million. This is an improvement of \$5.0 million from first quarter. Available resources are reduced by \$25.2 million from the modified budget as a result of projected revenues falling short of modified budget targets by \$17.0 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 \$12.6 million below modified appropriations.

## 2016 SECOND QUARTER PROJECTIONS

Since the first quarter, the financial plan has had unfavorable revisions of approximately \$16 million, and favorable revisions of approximately \$21 million. As a result, the projected 2016 general fund budget gap has been reduced by \$5.0 million since the first quarter forecast presented in May.

The largest change from the first quarter forecast is the inclusion of \$15 million of unbudgeted proceeds from the sale of the Austin Avenue parcel. Unfortunately, the major unfavorable changes in the second quarter total \$16.6 million, wiping out these additional revenues in their entirety. Favorable revisions to tax certioraris, energy utilities, and Corrections personal service provide \$4.6 million of gap closing value.

The major components of the \$12.6 million projected budget gap are highlighted in the table below:

<b>Q1 &gt; Q2 PROJECTED GENERAL FUND GAP ANALYSIS</b>		
Thousands of Dollars		
	<b>Variance to Modified</b>	<b>Variance to 1st Qtr</b>
<b>STARTING BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>(17,624)</b>
<b>UNFAVORABLE</b>		
Healthcare	(6,307)	(4,907)
Sales and Use Tax (net)	(10,876)	(3,171)
FMAP Reconciliation by CMS	(3,000)	(3,000)
Day Care	(4,101)	(2,818)
Bus Fares	(111)	(825)
Elections Operations	(700)	(700)
Police Personal Service	(1,764)	(594)
DPW Contractual Expenses	(368)	(554)
Tax Certiorari Bonds	(11,000)	-
Playland Contract Amendments	(750)	-
DPW Engineering Revenue	(500)	-
<b>Sub-Total</b>	<b>(39,477)</b>	<b>(16,569)</b>
<b>FAVORABLE</b>		
Sale of Austin Avenue	15,000	15,000
Tax Certioraris	2,900	2,300
Utilities (net of WMC share)	1,854	1,331
E-911 Fund Balance	-	1,261
Corrections Personal Service	(154)	998
Bus Operating Assistance	3,000	-
State Transportation Aid	3,164	-
Debt Refinancing	2,938	-
<b>Sub-Total</b>	<b>28,702</b>	<b>20,890</b>
<b>Other Adjustments (net)</b>	<b>(1,832)</b>	<b>696</b>
<b>PROJECTED Q2 BUDGET (GAP) / SURPLUS</b>	<b>(12,607)</b>	<b>(12,607)</b>

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.

## 2016 SECOND QUARTER PROJECTIONS

### GENERAL FUND REVENUES

The general fund revenue projection has been revised upward by \$9.1 million from Q1 to \$1.783 billion primarily due to the receipt of \$15.0 million in proceeds from the sale of the Austin Avenue parcel (shown in ‘other revenues’ below). Despite this, revenues are still projected below budgeted targets by \$17.0 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 \$4.7 million below modified budget targets due to a reduction of \$4.7 million in Temporary Assistance to Needy Families (TANF) revenues due to lower than budgeted caseloads. Sales and use tax collections are now projected at \$13.6 million below the modified budget target.

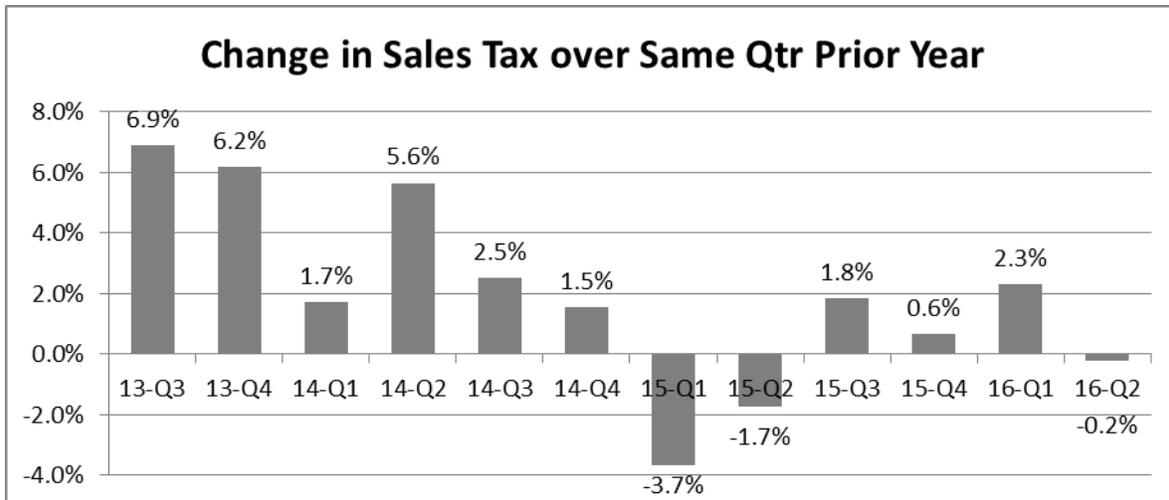
<b>GENERAL FUND REVENUE SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Tax Levy on Real Property	548,423	548,423	329,054	548,423	-
Payments in Lieu of Taxes	10,721	10,721	7,617	10,721	-
Sales and Use Tax	525,769	524,508	193,213	510,936	(13,572)
Mortgage Recording Tax	19,089	19,089	7,760	19,089	-
Auto Use Tax (DMV Registrations)	15,942	15,942	6,426	15,782	(160)
Hotel Occupancy Tax	6,280	6,280	2,373	6,280	-
State Aid	241,178	241,178	45,548	242,682	1,504
Federal Aid	182,726	182,726	50,327	178,018	(4,708)
Departmental Income	158,359	158,359	63,586	156,080	(2,279)
Capital Revenues	11,600	11,600	389	389	(11,212)
Other Revenues	81,227	81,227	40,192	94,630	13,404
<b>Sub-Total</b>	<b>1,801,314</b>	<b>1,800,053</b>	<b>746,483</b>	<b>1,783,030</b>	<b>(17,023)</b>
Use / (Deposit) of General Fund Balance	1,735	11,191	-	2,996	(8,194)
<b>TOTAL</b>	<b>1,803,049</b>	<b>1,811,243</b>	<b>746,483</b>	<b>1,786,026</b>	<b>(25,217)</b>

### NON-PROPERTY TAXES

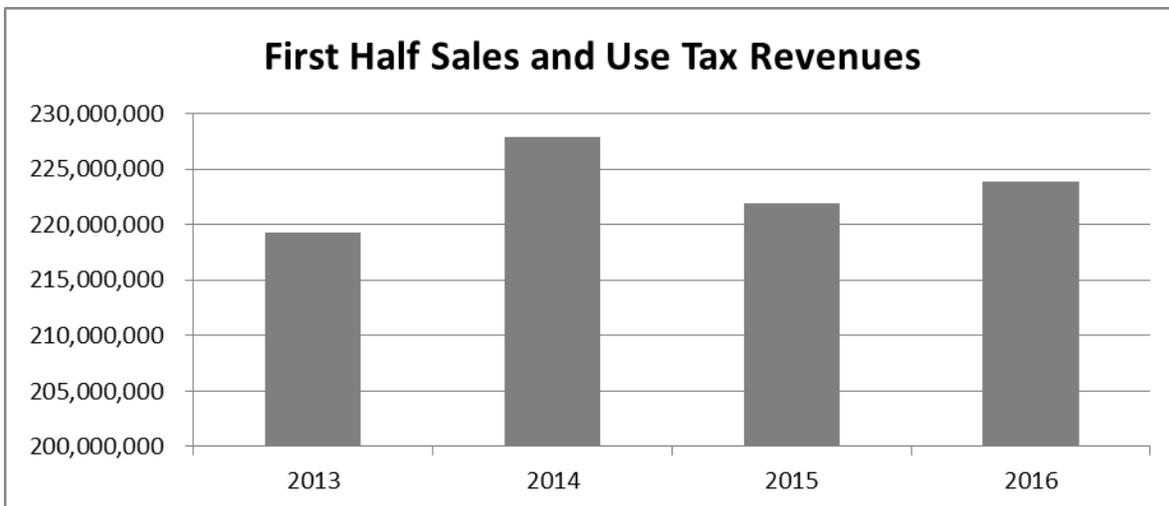
Sales and use tax is the second largest County revenue source after the real property tax, and is levied on most goods and services purchased within the County. The County imposes a 1.5 percent tax within the Cities of Mount Vernon, New Rochelle, White Plains, and Yonkers; and a 3.0 percent tax in the 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 Department of Finance.

## 2016 SECOND QUARTER PROJECTIONS



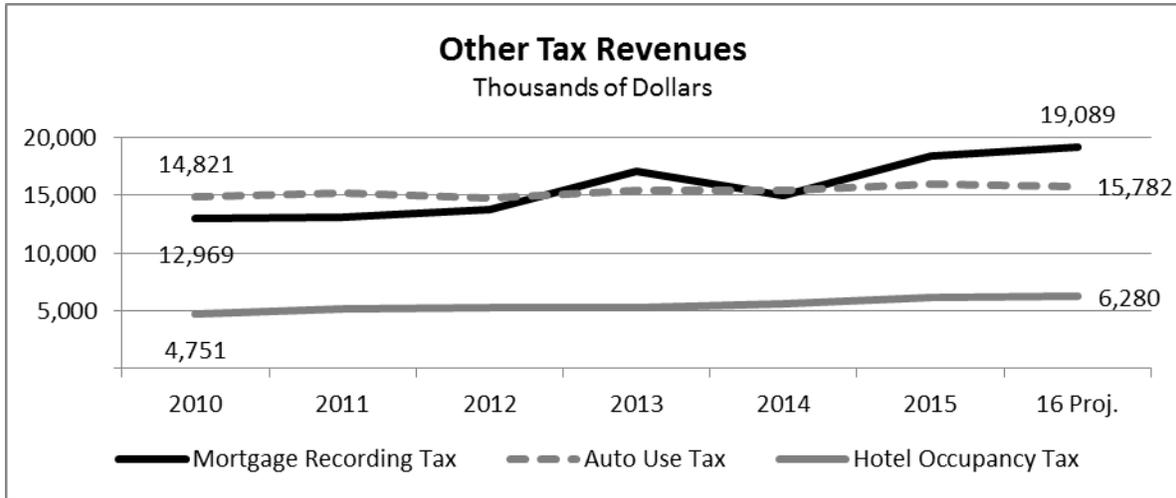
Second quarter sales and use tax collections failed to build on a positive first quarter and instead fell by 0.2% from the prior year, bringing first half revenues to just under \$224 million. Through the first half revenues are up 0.9% from \$222 million in 2015, but continue to lag behind the 2014 pace of \$228 million through June. The lack of inflation and the continued decline of energy prices in particular, are contributing to the limited growth the County has experienced over the past two years. With NYC Metro inflation excluding medical care (as it is largely non-taxable) standing at just 0.48% for the 12 month period ending June, it follows that sales and use tax collections growth has remained stagnant.



The year over year increase of just 0.9% for the first half of 2016 is somewhat disappointing as, but in line with the statewide county average of 0.8%. As a result of the meager increase, collections continue to lag behind the 2016 budget target of \$526 million. Due to the first half results and modified expectations going forward, the sales and use tax projection has been revised downward by \$13.6 million from the modified budget. This revision will result in a reduction of net County share sales tax of \$10.9 million after accounting for the decrease in municipal (\$2.0 million) and school district (\$0.7 million) distribution.

## 2016 SECOND QUARTER PROJECTIONS

The other three economically-driven taxes (mortgage recording, auto use, and hotel occupancy) are trending near budgeted levels through the second quarter. DOB projects a small downward revision in auto use tax of \$160,000.



### 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 Jun 30	2016 Projected	Proj. less Modified
Emergency Services	362	362	88	362	-
Social Services	168,985	168,985	49,392	164,304	(4,681)
Community Mental Health	936	936	-	904	(32)
Correction	1,072	1,072	33	1,077	5
Public Safety Services	329	329	121	329	-
Transportation	11,042	11,042	694	11,042	-
<b>TOTAL</b>	<b>182,726</b>	<b>182,726</b>	<b>50,327</b>	<b>178,018</b>	<b>(4,708)</b>

The projected shortfall in federal aid of \$4.7 million below modified budget targets almost entirely within DSS. This is due to a reduction of \$4.7 million in TANF revenues as a result of lower than budgeted caseloads.

## 2016 SECOND QUARTER PROJECTIONS

Overall, state aid projections have been increased by \$1.5 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 2016-17 NYS Budget. Departments with changes in their state aid projection are highlighted in the table below:

<b>GENERAL FUND STATE AID SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Social Services	92,965	92,965	21,510	91,693	(1,272)
Community Mental Health	1,613	1,613	816	1,589	(25)
Health	72,198	72,198	7,327	72,784	587
Laboratories and Research	1,268	1,268	283	1,018	(250)
Public Safety Services	2,850	2,850	730	3,087	237
Transportation	53,185	53,185	13,778	56,349	3,164
Indigent Legal Services	3,043	3,043	187	2,133	(910)
DASNY Bond Reimbursement	432	432	218	405	(27)
Other	13,624	13,624	699	13,624	-
<b>TOTAL</b>	<b>241,178</b>	<b>241,178</b>	<b>45,548</b>	<b>242,682</b>	<b>1,504</b>

In addition to the change in STOA, there are several smaller adjustments to projected state aid. DSS is expected to receive \$1.3 million 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 the children with special needs program is projected above its modified budget. 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 \$910,000 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.

## 2016 SECOND QUARTER PROJECTIONS

Overall, a decrease of \$2.3 million (1.44%) in departmental income is projected in the Q1 Update. Departments with changes in their departmental revenue projection are highlighted in the table below:

<b>GENERAL FUND DEPARTMENTAL REVENUE</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Human Resources	1,300	1,300	366	850	(450)
Information Technology	7,907	7,907	3,867	7,891	(16)
Planning	906	906	38	909	3
County Clerk	9,275	9,275	3,579	9,075	(200)
Consumer Protection	3,683	3,683	1,288	3,185	(498)
Community Mental Health	3	3	3	5	2
Health	7,523	7,523	3,152	7,529	7
Laboratories and Research	2,678	2,678	1,192	2,828	150
Correction	6,719	6,719	2,563	6,450	(269)
Public Safety Services	13,995	13,995	4,601	14,435	440
Public Administrator	480	480	60	330	(150)
Parks, Recreation, and Conservation	36,750	36,750	13,342	36,063	(687)
Transportation	37,668	37,668	17,906	37,556	(111)
Public Works	13,955	13,955	6,891	13,455	(500)
Other	15,517	15,517	4,738	15,518	-
<b>TOTAL</b>	<b>158,359</b>	<b>158,359</b>	<b>63,586</b>	<b>156,080</b>	<b>(2,279)</b>

- 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.
- County Clerk land records fees have been reduced by \$200,000 due to lower collections than anticipated to date.
- Licensing revenues within Consumer Protection have been reduced by \$498,000 to reflect the lack of legislative authorization to increase the home improvement contractor licensing fee that had been included in the adopted budget, and lower collections to date.
- 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 \$215,000 above budget within the Department of Public Safety for higher than anticipated year to date collections. Public Safety will also receive an additional \$225,000 of personal service reimbursement for construction zone road closure work.
- Within the Parks Department, income has been reduced by \$750,000 to reflect the amendments to the Playland agreement with Standard Amusements. This is offset by higher water service reimbursement from the vendor at Glen Island Harbor Club.
- In Transportation, bus fares are trending slightly below 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 SECOND QUARTER PROJECTIONS

### GENERAL FUND EXPENDITURES

As of the end of the 2<sup>nd</sup> quarter, general fund net expenditures are projected at \$12.6 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, lower than anticipated labor costs for the Bee-Line Bus contract, and significant energy utility savings. These items are offset by large unfavorable variances for healthcare, daycare, and Medicaid.

GENERAL FUND EXPENDITURE SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Jun 30	2016 Projected	Proj. less Modified
Annual Regular Salaries	331,719	331,687	161,232	325,075	(6,612)
Other Personal Service	272,032	272,064	138,065	281,329	9,265
Equipment	1,262	1,559	701	1,330	(229)
Materials and Supplies	36,164	36,630	10,988	33,652	(2,978)
Contractual Expenses	709,963	717,076	263,577	700,604	(16,472)
Social Services Relief	478,702	479,020	198,420	482,655	3,635
Inter-Departmental Expense	87,765	87,766	47,178	87,765	(1)
<b>Gross Expenditures</b>	<b>1,917,607</b>	<b>1,925,801</b>	<b>820,161</b>	<b>1,912,409</b>	<b>(13,392)</b>
Inter-Departmental Revenue	(114,558)	(114,558)	(48,701)	(113,776)	782
<b>NET EXPENDITURES</b>	<b>1,803,049</b>	<b>1,811,243</b>	<b>771,460</b>	<b>1,798,633</b>	<b>(12,610)</b>

### 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 SECOND QUARTER PROJECTIONS

DOB now projects salary expenses \$6.6 million (2.0%) below modified appropriations. While this is a favorable variance to budget, \$5.0 million of the projected reduction occurs within the Departments of Social Services, Health, Public Safety, and Public Works where there are significant unfavorable adjustments either causing or as a result of the salary savings. Social Services and Health receive federal and state reimbursement on wages; public safety's vacancy savings is primarily due to higher 207-C disability cases; and Public Works will collect less in revenue from the non-general funds. Departments with changes in their salary projection are shown in the table below:

<b>GENERAL FUND SALARY SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Human Resources	3,411	3,396	1,633	3,307	(89)
Budget	1,318	1,318	612	1,251	(67)
Information Technology	13,478	13,478	6,392	12,994	(484)
Board of Acquisition and Contract	223	223	109	218	(5)
Law	8,763	8,751	4,297	8,663	(88)
Planning	2,388	2,388	1,056	2,274	(114)
Social Services	71,820	71,820	33,518	68,420	(3,399)
Consumer Protection	1,432	1,432	723	1,441	10
Community Mental Health	2,830	2,830	1,393	2,783	(46)
Health	15,353	15,353	6,943	14,742	(611)
Labs and Research	7,987	7,987	3,981	8,059	72
Correction	75,311	75,311	37,712	75,676	365
District Attorney	20,964	20,964	9,913	19,822	(1,142)
Public Safety Services	31,751	31,751	16,066	31,192	(558)
Probation	16,835	16,835	8,621	16,938	103
Public Administrator	503	503	227	511	8
Solid Waste Commission	677	672	341	677	5
Parks, Recreation, and Conservation	15,119	15,119	7,485	14,974	(144)
Transportation	1,063	1,063	514	1,033	(30)
Public Works	15,259	15,259	7,364	14,863	(395)
Other	25,236	25,236	12,333	25,236	-
<b>TOTAL</b>	<b>331,719</b>	<b>331,687</b>	<b>161,232</b>	<b>325,075</b>	<b>(6,612)</b>

## 2016 SECOND QUARTER PROJECTIONS

In contrast to salaries, other personal service expenditures are expected to exceed budgeted levels by \$9.3 million. Police overtime and holiday pay, and employee and retiree healthcare are the major drivers of the unfavorable variance within the category.

<b>GENERAL FUND OTHER PERSONAL SERVICE SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Hourly Wages	8,655	8,687	3,305	8,586	(102)
Fees and Officers Pay	312	312	230	427	115
Overtime & Holiday	19,181	19,181	9,530	21,609	2,429
207-C Disability	2,603	2,603	965	2,908	305
Shift and Detective Differentials	5,215	5,215	2,692	5,274	59
Pension	67,269	67,269	33,730	67,269	-
Social Security and Medicare	25,593	25,593	13,430	25,745	152
Healthcare	136,774	136,774	72,003	143,081	6,307
MCTD Mobility Tax	1,306	1,306	586	1,306	-
Benefit Fund	4,466	4,466	1,392	4,466	-
Unemployment Insurance	658	658	201	658	-
<b>TOTAL</b>	<b>272,032</b>	<b>272,064</b>	<b>138,065</b>	<b>281,329</b>	<b>9,265</b>

The increases in police overtime and holiday pay of \$1.7 million are primarily as a result of the fact that the department averaged 10 full time equivalents (FTEs) on 207-c during the first half of the year while the budget assumed 5 FTEs out on disability. DOB expects this trend to continue for the remainder of the year. The healthcare projection has been increased by \$6.3 million for the general fund share of higher than anticipated employee and retiree healthcare costs. Medical claim volume and severity have exceeded anticipated levels by a large margin during the first half of 2016.

### 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 SECOND QUARTER PROJECTIONS

Overall, DOB projects materials and supply expenditures at \$3.0 million (8.1%) below modified budget appropriations. Below is a summary of the departments with adjustments to their materials and supplies expense projection in the Q2 Update:

<b>GENERAL FUND MATERIALS AND SUPPLIES SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
County Executive	99	101	27	99	(2)
Human Resources	35	42	6	33	(9)
Board Of Elections	2,014	2,026	957	2,176	150
Information Technology	266	282	65	261	(20)
Law	65	66	30	65	(1)
Social Services	826	836	276	828	(9)
Community Mental Health	36	36	9	34	(3)
Health	326	328	220	431	103
Labs and Research	1,081	1,165	475	1,081	(84)
Correction	1,532	1,631	453	1,505	(126)
District Attorney	320	320	113	305	(15)
Public Safety Services	1,900	1,948	679	1,793	(155)
Probation	162	163	41	156	(7)
Parks, Recreation, and Conservation	7,438	7,470	2,690	7,633	163
Transportation	1,653	1,653	648	1,571	(82)
Public Works	17,685	17,835	4,143	14,955	(2,881)
Other	727	728	157	728	-
<b>TOTAL</b>	<b>36,164</b>	<b>36,630</b>	<b>10,988</b>	<b>33,652</b>	<b>(2,978)</b>

The projection for energy utilities within the general fund has been revised downward by \$2.8 million as a result of the continued depression of energy prices and warmer than average temperatures during the winter of 2015-16. The overwhelming majority of this reduction occurs within Public Works (\$2.7 million). There is a loss of revenues of \$0.9 million to Public Works for the Medical Center's share of the utility savings. The remaining \$0.3 million of savings within the category is primarily due to a lower projection for motor fuel purchases of \$148,000, mostly within Public Safety (\$98,000).

### 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 SECOND QUARTER PROJECTIONS

Overall, DOB projects contractual expenses at \$16.5 million (2.3%) below modified appropriations. Below is a summary of the departments with adjustments to their contractual expense projection in the Q2 Update:

<b>GENERAL FUND CONTRACTUAL EXPENSES SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
County Executive	3,733	4,029	826	3,733	(296)
Human Resources	1,257	1,306	221	1,079	(227)
Board Of Elections	4,965	5,383	1,520	5,683	300
Finance	118	143	29	118	(25)
Information Technology	19,649	21,136	7,889	19,911	(1,225)
Law	1,235	1,650	368	1,235	(415)
Planning	1,645	1,754	272	1,145	(610)
Emergency Services	572	586	178	591	5
County Clerk	467	595	114	467	(128)
Social Services	5,051	5,371	1,191	5,368	(3)
Consumer Protection	27	30	7	27	(4)
Community Mental Health	4,316	4,318	795	4,275	(43)
Health	120,581	120,581	48,379	121,760	1,179
Labs and Research	797	871	235	797	(75)
Correction	21,525	22,082	9,870	21,315	(767)
District Attorney	5,749	5,762	376	5,717	(45)
Public Safety Services	2,398	2,475	823	2,283	(191)
Probation	6,205	6,215	820	6,130	(85)
Solid Waste Commission	143	179	29	103	(75)
Parks, Recreation, and Conservation	10,728	11,003	3,177	10,728	(276)
Transportation	151,631	151,671	68,786	149,441	(2,231)
Public Works	33,457	34,762	13,328	35,130	368
Debt Service	80,868	80,942	11,937	78,155	(2,787)
Miscellaneous Budgets	229,852	231,227	92,240	222,412	(8,815)
Other	2,995	3,003	168	3,003	-
<b>TOTAL</b>	<b>709,963</b>	<b>717,076</b>	<b>263,577</b>	<b>700,604</b>	<b>(16,472)</b>

The department with the largest projected reductions is the Miscellaneous Budgets for tax certioraris (\$2.9 million), municipal sales tax distribution (\$2.7 million), indigent criminal defense (\$0.9 million), services to the Medical Center (\$0.9 million), and the expectation that certain expenditures will roll and occur in FY 2017 (\$1.4 million). 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. The only department with a significant unfavorable variance is Health, where the contractual expenses for the children with special needs program are projected \$1.2 million over budget. Please see Appendix A for additional detail on the smaller variances.

## 2016 SECOND QUARTER PROJECTIONS

### SOCIAL SERVICES RELIEF

DOB projects an overall expense increase of \$3.6 million (0.76%) from the modified budget within the social services relief appropriation. The major variances to budget are for Medicaid, TANF / Safety Net, child welfare, and daycare.

<b>GENERAL FUND SOCIAL SERVICES RELIEF SUMMARY</b>					
Thousands of Dollars					
	<b>2016</b>	<b>2016</b>	<b>YTD</b>	<b>2016</b>	<b>Proj. less</b>
	<b>Adopted</b>	<b>Modified</b>	<b>Jun 30</b>	<b>Projected</b>	<b>Modified</b>
Emerg Assist To Fam & Child - Non Homeless	6,418	6,418	2,851	7,304	886
Emerg Assist to Fam & Child - Foster Care	16,578	16,578	6,043	16,578	-
Emerg Assist to Adults	986	986	362	1,061	75
Old Age Assist - MA	4,304	4,020	1,076	3,840	(180)
Aid to Disabled - MA	-	15	-	-	(15)
Family Assistance - MA	-	313	29	-	(313)
Medicaid - Regular	207,292	207,292	122,317	210,292	3,000
Medicaid - Disproportionate Share	65,000	65,000	-	65,000	-
Temp Assist to Needy Families (TANF)	43,916	43,947	15,052	39,176	(4,771)
Safety Net	51,091	51,091	20,572	51,857	766
Child Welfare - Foster Care	32,389	32,434	10,893	31,511	(923)
Child Welfare - Independent Living	1,277	1,277	302	1,273	(4)
Child Welfare - Adoption Subsidies	9,225	9,225	4,334	9,088	(137)
Social Svcs Spec Items	305	305	12	262	(43)
Indirect Social Service	38,519	38,715	13,829	43,328	4,613
Day Care (Title XX)	1,403	1,403	747	2,085	682
<b>TOTAL</b>	<b>478,702</b>	<b>479,020</b>	<b>198,420</b>	<b>482,655</b>	<b>3,635</b>

Upon review of claims submitted by NYS DOH, the Center for Medicaid Services (CMS) has disallowed approximately 500,000 claims statewide. Westchester's share of the prior year Federal overpayments is estimated at \$3.0 million.

Taken together, the two public assistance programs (TANF and Safety Net) are below modified appropriations by \$4.0 million due to lower than anticipated caseloads. The combined reduction actually increases the County share as there is an associated revenue loss of \$4.5 million.

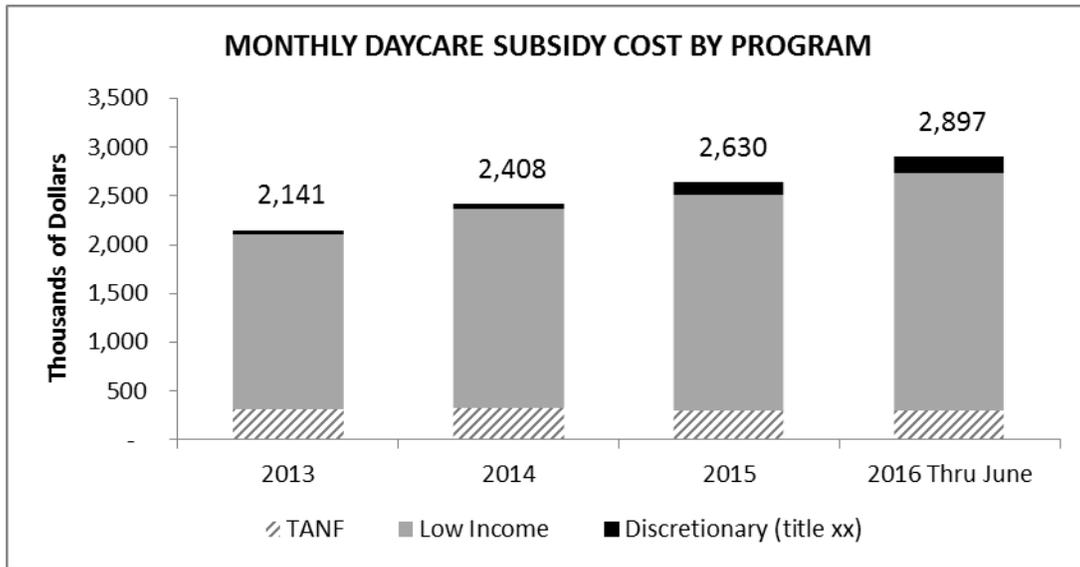
Offsetting these unfavorable adjustments is a lower projection in foster care and adoption subsidy expenses in an amount of \$1.1 million. The NYS child welfare program is block granted, resulting in 100% tax levy savings.

The County's daycare program continues to grow in both caseload and cost. The low income program is now projected \$3.4 million over budget, and County discretionary daycare (title xx) is now projected \$0.7 million above budget. As daycare is a block granted program, the \$4.1 million of additional expense has no revenue offset.

## 2016 SECOND QUARTER PROJECTIONS

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The monthly cost of daycare subsidies has risen by 35% over the past three years from \$2.1 million per month in 2013 to \$2.9 million this year. As Low Income is by far the largest program its growth of 36% over the period mirrors the overall growth rate, while the cost of TANF daycare remains essentially unchanged from three years ago. Discretionary daycare has nearly quadrupled from \$44,000 to \$169,000 per month.



With annual expense growth averaging 11% over the past three years and the child care block grant growing at just half that rate, the County share of daycare is quickly escalating. The County share has more than doubled over the period from \$4.1 million in 2013 to a projected \$8.3 million in the current year.

## 2016 SECOND QUARTER PROJECTIONS

### 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) Second 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 Jun 30	2016 Projected	Proj. less Modified
Annual Regular Salaries	18,293	18,293	8,914	18,243	(50)
Other Personal Services	17,869	17,869	8,608	18,352	483
Equipment	347	646	216	347	(299)
Materials & Supplies	20,035	20,129	5,917	19,170	(959)
Contractual Expenses	20,296	21,209	7,754	19,996	(1,212)
Inter-Departmental Charge	3,629	3,629	2,369	3,629	-
<b>Gross Expenditures</b>	<b>80,469</b>	<b>81,775</b>	<b>33,777</b>	<b>79,737</b>	<b>(2,038)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>80,469</b>	<b>81,775</b>	<b>33,777</b>	<b>79,737</b>	<b>(2,038)</b>
Departmental Income	3,378	3,378	1,203	3,378	-
Interest on Investments	29	29	14	29	-
Miscellaneous Revenue	515	515	30	515	-
Interfund Revenue	76,547	77,852	26,370	76,547	(1,306)
<b>REVENUES</b>	<b>80,469</b>	<b>81,775</b>	<b>27,618</b>	<b>80,469</b>	<b>(1,306)</b>
<b>BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>-</b>	<b>(6,160)</b>	<b>732</b>	<b>732</b>

In addition to the projected rolls of \$1.3 million, DOB anticipates \$732,000 in expenditure savings versus the modified budget for the consolidated sewer operations fund. The vast majority of this projected reduction in expense is a downward revision of energy utilities in the amount of \$950,000. This savings is offset by an increase in employee and retiree healthcare costs of \$383,000. Overall, DOB projects a budget surplus of \$732,000 for the sewer operations fund at this time.

## 2016 SECOND QUARTER PROJECTIONS

### SEWER DISTRICTS FUNDS

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

<b>SEWER DISTRICT FUNDS SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Contractual Expenses	60,598	60,598	20,410	60,598	-
Transfer to Operations Fund	75,393	75,393	26,254	75,393	-
<b>Gross Expenditures</b>	<b>135,991</b>	<b>135,991</b>	<b>46,664</b>	<b>135,991</b>	<b>-</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>135,991</b>	<b>135,991</b>	<b>46,664</b>	<b>135,991</b>	<b>-</b>
Real Property Taxes	100,199	100,199	60,119	100,199	-
Payments in Lieu of Taxes	50	50	-	50	-
Departmental Income	100	100	-	100	-
Interest on Investments	8,660	8,660	3,155	8,660	-
Appropriated Fund Balance	14,730	14,730	-	14,730	-
Interfund Revenue	12,252	12,252	3,968	12,252	-
<b>REVENUES</b>	<b>135,991</b>	<b>135,991</b>	<b>67,242</b>	<b>135,991</b>	<b>-</b>
<b>BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>-</b>	<b>20,579</b>	<b>-</b>	<b>-</b>

### 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) Second Quarter Update for Water Districts #1 and #3.

## 2016 SECOND 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.

WATER DISTRICT #1 FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Jun 30	2016 Projected	Proj. less Modified
Annual Regular Salaries	275	275	126	275	-
Other Personal Services	270	270	122	275	5
Equipment	54	54	4	54	-
Materials & Supplies	18,090	18,092	4,673	17,590	(502)
Contractual Expenses	3,074	3,174	2,103	3,074	(101)
Inter-Departmental Charge	325	325	17	325	-
<b>Gross Expenditures</b>	<b>22,089</b>	<b>22,191</b>	<b>7,045</b>	<b>21,594</b>	<b>(598)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>22,089</b>	<b>22,191</b>	<b>7,045</b>	<b>21,594</b>	<b>(598)</b>
Real Property Taxes	2,049	2,049	1,229	2,049	-
Departmental Income	17,260	17,260	0	16,760	(500)
Interest on Investments	9	9	-	9	-
Appropriated Fund Balance	2,627	2,730	-	2,627	(103)
Miscellaneous Revenue	135	135	69	135	-
Interfund Revenue	8	8	8	8	-
<b>REVENUES</b>	<b>22,089</b>	<b>22,191</b>	<b>1,307</b>	<b>21,589</b>	<b>(603)</b>
<b>BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>-</b>	<b>(5,738)</b>	<b>(5)</b>	<b>(5)</b>

Projected water purchases from New York City have been reduced by \$500,000, along with an identical amount of departmental income for the loss of user fees associated with the water purchase. A small increase in healthcare of \$5,000 results in a projected budget gap of the same amount for Water District #1.

## 2016 SECOND 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.

<b>WATER DISTRICT #3 FUND SUMMARY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	183	183	79	183	-
Other Personal Services	213	213	85	217	4
Equipment	10	10	-	10	-
Materials & Supplies	712	714	166	712	(3)
Contractual Expenses	1,581	1,684	406	1,581	(103)
Inter-Departmental Charge	225	225	10	225	-
<b>Gross Expenditures</b>	<b>2,924</b>	<b>3,030</b>	<b>747</b>	<b>2,928</b>	<b>(102)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>2,924</b>	<b>3,030</b>	<b>747</b>	<b>2,928</b>	<b>(102)</b>
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)
<b>REVENUES</b>	<b>2,924</b>	<b>3,030</b>	<b>2</b>	<b>2,924</b>	<b>(106)</b>
<b>BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>-</b>	<b>(745)</b>	<b>(4)</b>	<b>(4)</b>

Outside of the projected rolls, there is only one change to the WD#3 forecast from the modified budget. This is an upward revision to employee and retiree healthcare in the amount of \$4,000.

## 2016 SECOND QUARTER PROJECTIONS

### 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 FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan.

REFUSE DISTRICT FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Jun 30	2016 Projected	Proj. less Modified
Annual Regular Salaries	1,715	1,715	804	1,715	-
Other Personal Services	1,433	1,433	672	1,466	33
Equipment	25	25	-	25	-
Materials & Supplies	1,027	1,040	208	977	(64)
Contractual Expenses	66,902	67,114	25,345	65,488	(1,626)
Inter-Departmental Charge	2,387	2,387	328	2,387	-
<b>Gross Expenditures</b>	<b>73,487</b>	<b>73,713</b>	<b>27,357</b>	<b>72,056</b>	<b>(1,657)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>73,487</b>	<b>73,713</b>	<b>27,357</b>	<b>72,056</b>	<b>(1,657)</b>
Real Property Taxes	43,926	43,926	26,356	43,926	-
Payments in Lieu of Taxes	295	295	351	295	-
Departmental Income	19,132	19,132	6,547	18,130	(1,002)
Interest on Investments	437	437	101	437	-
Appropriated Fund Balance	9,575	9,801	-	9,575	(226)
Miscellaneous Revenue	90	90	49	90	-
Interfund Revenue	32	32	32	32	-
<b>REVENUES</b>	<b>73,487</b>	<b>73,713</b>	<b>33,437</b>	<b>72,485</b>	<b>(1,228)</b>
<b>BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>-</b>	<b>6,079</b>	<b>429</b>	<b>429</b>

In addition to the projected rolls, DOB anticipates expenditure savings of \$1.4 million within the refuse district. The projected expenditure savings is primarily due to lower than anticipated waste tonnage. There are also smaller adjustments for utilities (\$50,000 favorable) and healthcare (\$33,000 unfavorable) rounding out the expenditure changes in the second quarter.

Against the expenditure reductions are \$1.0 million in downward revisions to fee revenues associated with the reduced volume of waste, and lower commodity prices on recycling revenues.

Overall, DOB projects a budget surplus of \$429,000 for the refuse district at this time.

## 2016 SECOND 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.

AIRPORT OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2016 Adopted	2016 Modified	YTD Jun 30	2016 Projected	Proj. less Modified
Annual Regular Salaries	8,797	8,797	3,489	8,797	-
Other Personal Services	4,014	4,014	1,790	4,014	-
Equipment	634	746	162	634	(112)
Materials & Supplies	2,442	2,467	745	1,957	(510)
Contractual Expenses	20,370	21,286	11,601	20,745	(541)
Inter-Departmental Charge	10,991	10,991	2,985	10,991	-
<b>Gross Expenditures</b>	<b>47,248</b>	<b>48,302</b>	<b>20,773</b>	<b>47,138</b>	<b>(1,164)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>47,248</b>	<b>48,302</b>	<b>20,773</b>	<b>47,138</b>	<b>(1,164)</b>
Departmental Income	44,689	44,689	19,833	44,837	149
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	-
<b>REVENUES</b>	<b>47,248</b>	<b>48,302</b>	<b>21,050</b>	<b>47,397</b>	<b>(905)</b>
<b>BUDGET (GAP) / SURPLUS</b>	<b>-</b>	<b>-</b>	<b>277</b>	<b>258</b>	<b>258</b>

Overall, DOB projects the airport to run a budgetary surplus of \$258,000 as of the second quarter. The airport is projected to achieve motor fuel and energy utility savings of \$470,000 due to lower than anticipated pricing. The remaining expenditure savings comes within the contractual category for the expectation that these expenditures will not take place until FY 2017.

## 2016 SECOND QUARTER PROJECTIONS

### 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 June 30<sup>th</sup> of the past five years is shown below.

<b>WORKERS COMPENSATION (6J) &amp; GENERAL LIABILITY (6N) FUNDS AS OF JUN 30</b>		
Thousands of Dollars		
	<u>6J FUND</u>	<u>6N FUND</u>
Net Position 6/30/2012	(26,076)	32,880
Net Position 6/30/2013	(26,665)	39,375
Net Position 6/30/2014	(28,217)	32,839
Net Position 6/30/2015	(32,278)	34,612
Net Position 6/30/2016	(35,872)	23,499

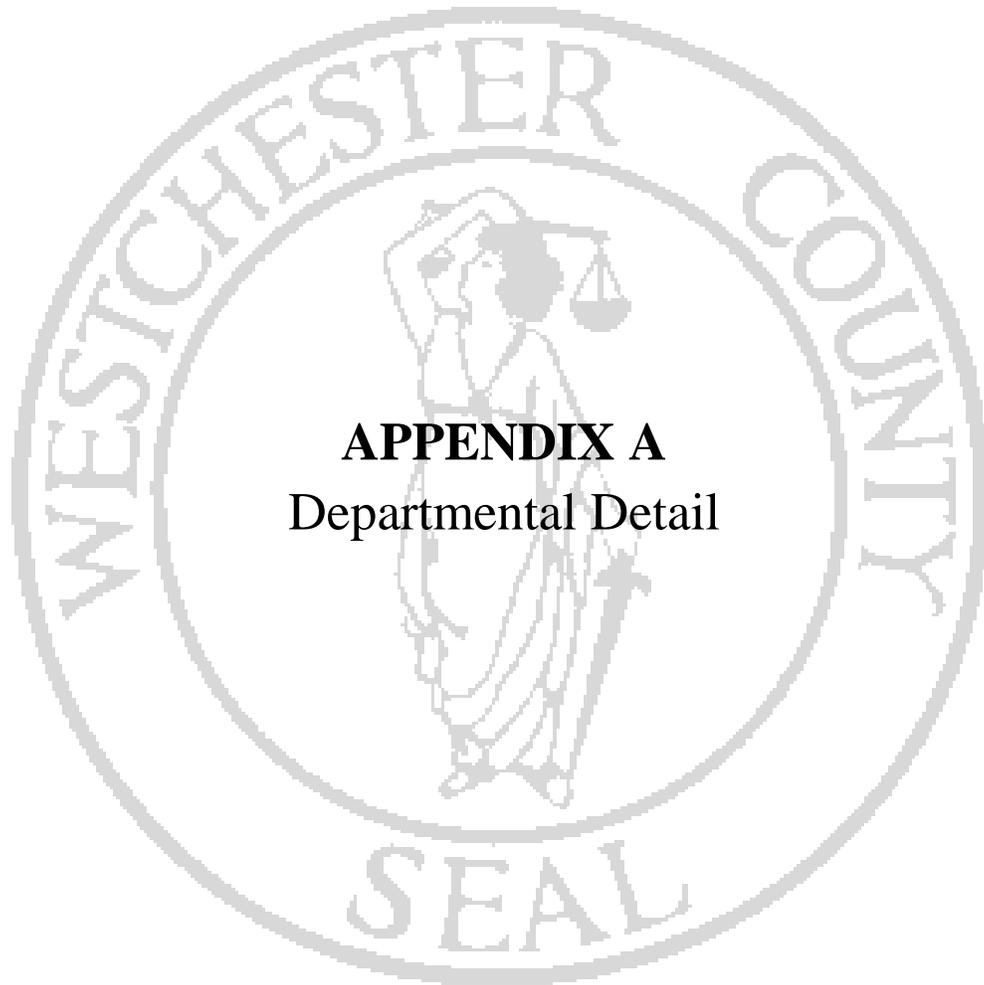
The general liability reserve (6N) fund is in a positive net position of \$23.5 million, while the workers compensation reserve (6J) fund is in a negative net position of \$35.8 million. The net position of the 6J fund has been steadily declining over the past five years due to the planned drawdown of the fund's assets.

<b>WORKERS COMPENSATION (6J) ASSETS</b>	
Thousands of Dollars	
December 31, 2012	9,277
December 31, 2013	6,345
December 31, 2014	4,862
December 31, 2015	2,033
December 31, 2016*	-
*Projected	

It is anticipated that the 6J fund will no longer have any assets at the end of 2016. As a result, the operating funds will be required to fund the entire annual expenditure outlay of the 6J fund which was \$10.4 million in 2015. The budgeted contribution from the operating funds was \$8.7 million for 2016.

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.

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**APPENDIX A**  
Departmental Detail

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<b>BOARD OF LEGISLATORS</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	3,648	3,648	1,822	3,648	-
Other Personal Services	262	262	106	262	-
Equipment	4	4	1	4	-
Materials & Supplies	209	209	18	209	-
Contractual Expenses	348	355	87	355	(0)
Inter-Departmental Charge	4	4	1	4	-
<b>Gross Expenditures</b>	<b>4,473</b>	<b>4,480</b>	<b>2,035</b>	<b>4,480</b>	<b>(0)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>4,473</b>	<b>4,480</b>	<b>2,035</b>	<b>4,480</b>	<b>(0)</b>
<b>TAX LEVY</b>	<b>4,473</b>	<b>4,480</b>	<b>2,035</b>	<b>4,480</b>	<b>(0)</b>

SECOND QUARTER HIGHLIGHTS

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

## DEPARTMENTAL DETAIL

<b>COUNTY EXECUTIVE</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	5,002	5,002	2,292	5,002	-
Other Personal Services	56	56	20	56	-
Materials & Supplies	99	101	27	99	(2)
Contractual Expenses	3,733	4,029	826	3,733	(296)
Inter-Departmental Charge	535	535	432	535	-
<b>Gross Expenditures</b>	<b>9,425</b>	<b>9,723</b>	<b>3,596</b>	<b>9,425</b>	<b>(298)</b>
Inter-Departmental Revenue	(1,196)	(1,196)	(359)	(1,196)	-
<b>NET EXPENDITURES</b>	<b>8,229</b>	<b>8,526</b>	<b>3,237</b>	<b>8,229</b>	<b>(298)</b>
Departmental Income	(1,323)	(1,323)	(15)	(1,323)	-
State Aid	(216)	(216)	(10)	(216)	-
<b>REVENUES</b>	<b>(1,539)</b>	<b>(1,539)</b>	<b>(24)</b>	<b>(1,539)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>6,690</b>	<b>6,987</b>	<b>3,213</b>	<b>6,690</b>	<b>(298)</b>

### SECOND 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 occur in FY 2017.

<b>DEPARTMENT OF HUMAN RESOURCES</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	3,411	3,396	1,633	3,307	(89)
Other Personal Services	10	25	1	25	-
Materials & Supplies	35	42	6	33	(9)
Contractual Expenses	1,257	1,306	221	1,079	(227)
Inter-Departmental Charge	590	590	522	590	-
<b>Gross Expenditures</b>	<b>5,303</b>	<b>5,359</b>	<b>2,383</b>	<b>5,034</b>	<b>(325)</b>
Inter-Departmental Revenue	(502)	(502)	(30)	(502)	-
<b>NET EXPENDITURES</b>	<b>4,802</b>	<b>4,857</b>	<b>2,353</b>	<b>4,532</b>	<b>(325)</b>
Departmental Income	(1,300)	(1,300)	(366)	(850)	450
<b>REVENUES</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(366)</b>	<b>(850)</b>	<b>450</b>
<b>TAX LEVY</b>	<b>3,502</b>	<b>3,557</b>	<b>1,987</b>	<b>3,682</b>	<b>125</b>

SECOND QUARTER HIGHLIGHTS

DOB projects \$89,000 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, 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 Jun 30	2016 Projected	Proj. less Modified
Annual Regular Salaries	1,318	1,318	612	1,251	(67)
Other Personal Services	8	8	2	8	-
Materials & Supplies	4	4	0	4	-
Contractual Expenses	14	14	4	14	-
Inter-Departmental Charge	229	229	229	229	-
<b>Gross Expenditures</b>	<b>1,573</b>	<b>1,573</b>	<b>847</b>	<b>1,506</b>	<b>(67)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>1,573</b>	<b>1,573</b>	<b>847</b>	<b>1,506</b>	<b>(67)</b>
Departmental Income	(629)	(629)	(190)	(629)	-
<b>REVENUES</b>	<b>(629)</b>	<b>(629)</b>	<b>(190)</b>	<b>(629)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>943</b>	<b>943</b>	<b>657</b>	<b>876</b>	<b>(67)</b>

### SECOND QUARTER HIGHLIGHTS

DOB projects that it will have \$67,000 of personal service savings from the modified budget due to a vacancy within the department.

<b>BOARD OF ELECTIONS</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	6,187	6,187	3,078	6,187	-
Other Personal Services	1,100	1,100	488	1,350	250
Equipment	54	54	-	54	-
Materials & Supplies	2,014	2,026	957	2,176	150
Contractual Expenses	4,965	5,383	1,520	5,683	300
Inter-Departmental Charge	2,094	2,094	1,439	2,094	-
<b>Gross Expenditures</b>	<b>16,414</b>	<b>16,844</b>	<b>7,482</b>	<b>17,544</b>	<b>700</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>16,414</b>	<b>16,844</b>	<b>7,482</b>	<b>17,544</b>	<b>700</b>
Departmental Income	(1,449)	(1,449)	(5)	(1,449)	-
<b>REVENUES</b>	<b>(1,449)</b>	<b>(1,449)</b>	<b>(5)</b>	<b>(1,449)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>14,965</b>	<b>15,395</b>	<b>7,477</b>	<b>16,095</b>	<b>700</b>

## SECOND QUARTER HIGHLIGHTS

DOB projects the Board of Elections to exceed their modified appropriation levels by \$700,000. Increases are projected across the other personal service, materials and supplies, and contractual expenses categories due to higher than anticipated costs resulting from one special and four countywide elections being conducted during 2016.

## DEPARTMENTAL DETAIL

<b>DEPARTMENT OF FINANCE</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	4,102	4,102	2,043	4,102	-
Other Personal Services	8	8	2	8	-
Materials & Supplies	37	37	16	37	-
Contractual Expenses	118	143	29	118	(25)
Inter-Departmental Charge	938	938	608	938	-
<b>Gross Expenditures</b>	<b>5,209</b>	<b>5,234</b>	<b>2,702</b>	<b>5,209</b>	<b>(25)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>5,209</b>	<b>5,234</b>	<b>2,702</b>	<b>5,209</b>	<b>(25)</b>
Departmental Income	(2,217)	(2,217)	(459)	(2,217)	-
Miscellaneous Revenue	-	-	0	-	-
<b>REVENUES</b>	<b>(2,217)</b>	<b>(2,217)</b>	<b>(459)</b>	<b>(2,217)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>2,992</b>	<b>3,017</b>	<b>2,243</b>	<b>2,992</b>	<b>(25)</b>

### SECOND 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 occur in FY 2017.

<b>DEPARTMENT OF INFORMATION TECHNOLOGY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	13,478	13,478	6,392	12,994	(484)
Other Personal Services	3,523	3,523	1,649	3,484	(39)
Equipment	147	147	2	147	-
Materials & Supplies	266	282	65	261	(20)
Contractual Expenses	19,649	21,136	7,889	19,911	(1,225)
Inter-Departmental Charge	1,197	1,197	632	1,197	-
<b>Gross Expenditures</b>	<b>38,259</b>	<b>39,762</b>	<b>16,629</b>	<b>37,993</b>	<b>(1,769)</b>
Inter-Departmental Revenue	(31,926)	(31,926)	(29,279)	(31,926)	-
<b>NET EXPENDITURES</b>	<b>6,334</b>	<b>7,837</b>	<b>(12,649)</b>	<b>6,068</b>	<b>(1,769)</b>
Departmental Income	(7,907)	(7,907)	(3,867)	(7,891)	16
Appropriated Fund Balance	(1,735)	(2,996)	-	(2,996)	-
<b>REVENUES</b>	<b>(9,642)</b>	<b>(10,904)</b>	<b>(3,867)</b>	<b>(10,888)</b>	<b>16</b>
<b>TAX LEVY</b>	<b>(3,309)</b>	<b>(3,067)</b>	<b>(16,516)</b>	<b>(4,820)</b>	<b>(1,753)</b>

SECOND QUARTER HIGHLIGHTS

DOB is projecting an overall expenditure reduction of nearly \$1.8 million from the modified budget within the Department of Information Technology (DoIT). This reduction is a result of \$523,000 of personal savings resulting from vacancies and lower than anticipated overtime for emergency communications operators, as well as the expectation that \$1.25 million of expenditures will occur in outer years.

Act 164 of 2016 amended the 2016 Budget to appropriate an additional \$1.261 million of E-911 restricted fund balance.

## DEPARTMENTAL DETAIL

<b>BOARD OF ACQUISITION &amp; CONTRACT</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	223	223	109	218	(5)
Materials & Supplies	1	1	0	1	-
Contractual Expenses	2	2	0	2	-
Inter-Departmental Charge	46	46	40	46	-
<b>Gross Expenditures</b>	<b>272</b>	<b>272</b>	<b>150</b>	<b>267</b>	<b>(5)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>272</b>	<b>272</b>	<b>150</b>	<b>267</b>	<b>(5)</b>
Departmental Income	(2)	(2)	(1)	(2)	(1)
<b>REVENUES</b>	<b>(2)</b>	<b>(2)</b>	<b>(1)</b>	<b>(2)</b>	<b>(1)</b>
<b>TAX LEVY</b>	<b>270</b>	<b>270</b>	<b>149</b>	<b>265</b>	<b>(5)</b>

### SECOND QUARTER HIGHLIGHTS

DOB is projecting a reduction from the modified budget of \$5,000 within the salary category for the Board of Acquisition and Contract at this time.

<b>DEPARTMENT OF LAW</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	8,763	8,751	4,297	8,663	(88)
Other Personal Services	1	13	-	1	(12)
Equipment	39	39	19	39	-
Materials & Supplies	65	66	30	65	(1)
Contractual Expenses	1,235	1,650	368	1,235	(415)
Inter-Departmental Charge	744	744	650	744	-
<b>Gross Expenditures</b>	<b>10,846</b>	<b>11,263</b>	<b>5,364</b>	<b>10,746</b>	<b>(517)</b>
Inter-Departmental Revenue	(10,810)	(10,810)	(4,108)	(10,810)	-
<b>NET EXPENDITURES</b>	<b>36</b>	<b>452</b>	<b>1,256</b>	<b>(64)</b>	<b>(517)</b>
Departmental Income	(3,657)	(3,657)	(1,048)	(3,657)	-
<b>REVENUES</b>	<b>(3,657)</b>	<b>(3,657)</b>	<b>(1,048)</b>	<b>(3,657)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>(3,621)</b>	<b>(3,205)</b>	<b>209</b>	<b>(3,721)</b>	<b>(517)</b>

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Law \$517,000 below the modified budget due to the expectation that \$417,000 of non-personal service expenditures will occur in FY 2017. The remaining \$100,000 is due to personal service savings resulting from vacancies within the department.

## DEPARTMENTAL DETAIL

<b>DEPARTMENT OF PLANNING</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	2,388	2,388	1,056	2,274	(114)
Materials & Supplies	10	10	3	10	-
Contractual Expenses	1,645	1,754	272	1,145	(610)
Inter-Departmental Charge	767	767	641	767	-
<b>Gross Expenditures</b>	<b>4,810</b>	<b>4,919</b>	<b>1,972</b>	<b>4,195</b>	<b>(724)</b>
Inter-Departmental Revenue	(43)	(43)	-	(43)	-
<b>NET EXPENDITURES</b>	<b>4,767</b>	<b>4,877</b>	<b>1,972</b>	<b>4,153</b>	<b>(724)</b>
Departmental Income	(906)	(906)	(38)	(909)	(3)
Capital Revenue	(500)	(500)	-	-	500
State Aid	(60)	(60)	(60)	(60)	-
<b>REVENUES</b>	<b>(1,466)</b>	<b>(1,466)</b>	<b>(98)</b>	<b>(969)</b>	<b>497</b>
<b>TAX LEVY</b>	<b>3,301</b>	<b>3,411</b>	<b>1,874</b>	<b>3,184</b>	<b>(227)</b>

### SECOND QUARTER HIGHLIGHTS

DOB projects a decrease of \$114,000 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 not occur until FY 2017.

<b>DEPARTMENT OF EMERGENCY SERVICES</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	1,717	1,717	902	1,717	-
Other Personal Services	330	330	173	330	-
Equipment	12	12	-	12	-
Materials & Supplies	234	234	39	234	-
Contractual Expenses	572	586	178	591	5
Inter-Departmental Charge	2,942	2,942	2,218	2,942	-
<b>Gross Expenditures</b>	<b>5,807</b>	<b>5,821</b>	<b>3,511</b>	<b>5,826</b>	<b>5</b>
Inter-Departmental Revenue	(298)	(298)	-	(298)	-
<b>NET EXPENDITURES</b>	<b>5,509</b>	<b>5,523</b>	<b>3,511</b>	<b>5,528</b>	<b>5</b>
Departmental Income	(76)	(76)	(0)	(76)	(0)
Federal Aid	(362)	(362)	(88)	(362)	-
<b>REVENUES</b>	<b>(438)</b>	<b>(438)</b>	<b>(88)</b>	<b>(438)</b>	<b>(0)</b>
<b>TAX LEVY</b>	<b>5,072</b>	<b>5,086</b>	<b>3,422</b>	<b>5,090</b>	<b>5</b>

SECOND 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

<b>COUNTY CLERK</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	4,428	4,428	2,126	4,428	-
Other Personal Services	85	85	2	85	-
Equipment	6	6	-	6	-
Materials & Supplies	158	158	54	158	-
Contractual Expenses	467	595	114	467	(128)
Inter-Departmental Charge	1,733	1,733	1,456	1,733	-
<b>Gross Expenditures</b>	<b>6,876</b>	<b>7,004</b>	<b>3,753</b>	<b>6,876</b>	<b>(128)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>6,876</b>	<b>7,004</b>	<b>3,753</b>	<b>6,876</b>	<b>(128)</b>
Departmental Income	(9,275)	(9,275)	(3,579)	(9,075)	200
<b>REVENUES</b>	<b>(9,275)</b>	<b>(9,275)</b>	<b>(3,579)</b>	<b>(9,075)</b>	<b>200</b>
<b>TAX LEVY</b>	<b>(2,399)</b>	<b>(2,271)</b>	<b>174</b>	<b>(2,199)</b>	<b>72</b>

### SECOND 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 occur in FY 2017.

Fee revenues are now projected below their modified budget target by \$200,000. The new target of \$9.075 million approximates the projection included in the Executive's proposed budget.

<b>DEPARTMENT OF SOCIAL SERVICES</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	71,820	71,820	33,518	68,420	(3,399)
Other Personal Services	1,703	1,703	908	2,048	345
Equipment	-	10	10	10	(0)
Materials & Supplies	826	836	276	828	(9)
Contractual Expenses	5,051	5,371	1,191	5,368	(3)
Social Services Relief	478,702	479,020	198,420	482,655	3,635
Inter-Departmental Charge	36,162	36,162	15,982	36,162	-
<b>Gross Expenditures</b>	<b>594,264</b>	<b>594,922</b>	<b>250,305</b>	<b>595,491</b>	<b>569</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>594,264</b>	<b>594,922</b>	<b>250,305</b>	<b>595,491</b>	<b>569</b>
Departmental Income	(4,100)	(4,100)	(1,843)	(4,100)	-
Miscellaneous Revenue	-	-	(206)	-	-
Undistributed Revenues	-	-	(4,833)	-	-
State Aid	(92,965)	(92,965)	(21,510)	(91,693)	1,272
Federal Aid	(168,985)	(168,985)	(49,392)	(164,304)	4,681
<b>REVENUES</b>	<b>(266,050)</b>	<b>(266,050)</b>	<b>(77,784)</b>	<b>(260,097)</b>	<b>5,953</b>
<b>TAX LEVY</b>	<b>328,214</b>	<b>328,872</b>	<b>172,521</b>	<b>335,394</b>	<b>6,521</b>

## SECOND QUARTER HIGHLIGHTS

As of the second quarter, DOB is projecting an increase in DSS's tax levy of \$6.5 million on expenditure increases of \$0.6 million and revenue reductions of \$5.9 million. Increases in Medicaid and daycare expenditures are the primary drivers of the projected increase in tax levy.

Upon review of claims submitted by NYS DOH, the Center for Medicaid Services (CMS) has disallowed approximately 500,000 claims statewide. Westchester's share of the prior year Federal overpayments is estimated at \$3.0 million.

The County's daycare program continues to grow in both caseload and cost. The low income program is now projected \$3.4 million over budget, and County discretionary daycare (title xx) is now projected \$0.7 million above budget. As daycare is a block granted program, the \$4.1 million of additional expense has no revenue offset.

Additionally, personal service savings of \$3.1 million due to vacant positions and the associated revenue loss of \$3.4 million contribute \$300,000 to the projected tax levy increase.

Offsetting these unfavorable adjustments is a lower projection in foster care expenses in an amount of \$0.9 million. The NYS child welfare program is block granted, resulting in 100% tax levy savings.

## DEPARTMENTAL DETAIL

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<b>DEPARTMENT OF SENIOR PROGRAMS &amp; SERVICES</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Contractual Expenses	2,571	2,571	57	2,571	-
Inter-Departmental Charge	730	730	541	730	-
<b>Gross Expenditures</b>	<b>3,302</b>	<b>3,302</b>	<b>599</b>	<b>3,302</b>	<b>-</b>
Inter-Departmental Revenue	(236)	(236)	-	(236)	-
<b>NET EXPENDITURES</b>	<b>3,066</b>	<b>3,066</b>	<b>599</b>	<b>3,066</b>	<b>-</b>
<b>TAX LEVY</b>	<b>3,066</b>	<b>3,066</b>	<b>599</b>	<b>3,066</b>	<b>-</b>

### SECOND QUARTER HIGHLIGHTS

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

<b>DEPARTMENT OF CONSUMER PROTECTION</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	1,432	1,432	723	1,441	10
Other Personal Services	4	4	2	4	-
Equipment	3	33	-	33	(0)
Materials & Supplies	43	43	13	43	-
Contractual Expenses	27	30	7	27	(4)
Inter-Departmental Charge	263	263	247	263	-
<b>Gross Expenditures</b>	<b>1,771</b>	<b>1,805</b>	<b>991</b>	<b>1,812</b>	<b>6</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>1,771</b>	<b>1,805</b>	<b>991</b>	<b>1,812</b>	<b>6</b>
Departmental Income	(3,683)	(3,683)	(1,288)	(3,185)	498
<b>REVENUES</b>	<b>(3,683)</b>	<b>(3,683)</b>	<b>(1,288)</b>	<b>(3,185)</b>	<b>498</b>
<b>TAX LEVY</b>	<b>(1,911)</b>	<b>(1,877)</b>	<b>(297)</b>	<b>(1,374)</b>	<b>504</b>

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures to exceed the modified budget by \$6,000 for the Department of Consumer Protection. This overage is due to an increase of \$10,000 in the salary category as a result of an overly aggressive vacancy factor being included in the adopted budget. Licensing revenues have been reduced by \$498,000. \$400,000 of the reduction is to reflect the lack of legislative authorization to increase the home improvement contractor licensing fee that had been included in the adopted budget, and \$98,000 as a result of lower collections to date.

## DEPARTMENTAL DETAIL

<b>DEPARTMENT OF MENTAL HEALTH</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	2,830	2,830	1,393	2,783	(46)
Other Personal Services	11	11	-	5	(6)
Materials & Supplies	36	36	9	34	(3)
Contractual Expenses	4,316	4,318	795	4,275	(43)
Inter-Departmental Charge	1,246	1,246	1,058	1,246	-
<b>Gross Expenditures</b>	<b>8,438</b>	<b>8,441</b>	<b>3,254</b>	<b>8,343</b>	<b>(98)</b>
Inter-Departmental Revenue	(996)	(996)	(176)	(996)	-
<b>NET EXPENDITURES</b>	<b>7,443</b>	<b>7,445</b>	<b>3,079</b>	<b>7,347</b>	<b>(98)</b>
Departmental Income	(3)	(3)	(3)	(5)	(2)
State Aid	(1,613)	(1,613)	(816)	(1,589)	25
Federal Aid	(936)	(936)	-	(904)	32
<b>REVENUES</b>	<b>(2,552)</b>	<b>(2,552)</b>	<b>(819)</b>	<b>(2,498)</b>	<b>54</b>
<b>TAX LEVY</b>	<b>4,890</b>	<b>4,893</b>	<b>2,260</b>	<b>4,849</b>	<b>(44)</b>

### SECOND QUARTER HIGHLIGHTS

DOB projects expenditures to be \$98,000 below modified appropriations for the Department of Mental Health at this time. \$85,000 of this reduction (\$46,000 in salary and \$39,000 in contractual) is due to vacancies within the department. These reductions are offset by lower federal and state reimbursement of \$57,000.

<b>DEPARTMENT OF HEALTH</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	15,353	15,353	6,943	14,742	(611)
Other Personal Services	350	350	302	565	215
Equipment	22	22	20	22	-
Materials & Supplies	326	328	220	431	103
Contractual Expenses	120,581	120,581	48,379	121,760	1,179
Inter-Departmental Charge	4,866	4,866	3,449	4,866	-
<b>Gross Expenditures</b>	<b>141,498</b>	<b>141,500</b>	<b>59,313</b>	<b>142,386</b>	<b>886</b>
Inter-Departmental Revenue	(141)	(141)	(31)	(141)	-
<b>NET EXPENDITURES</b>	<b>141,357</b>	<b>141,359</b>	<b>59,282</b>	<b>142,245</b>	<b>886</b>
Departmental Income	(7,523)	(7,523)	(3,156)	(7,529)	(7)
Miscellaneous Revenue	-	-	4	-	-
Undistributed Revenues	-	-	(12)	-	-
State Aid	(72,198)	(72,198)	(7,327)	(72,784)	(587)
<b>REVENUES</b>	<b>(79,720)</b>	<b>(79,720)</b>	<b>(10,491)</b>	<b>(80,314)</b>	<b>(594)</b>
<b>TAX LEVY</b>	<b>61,637</b>	<b>61,639</b>	<b>48,791</b>	<b>61,931</b>	<b>292</b>

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects additional expenditures of \$886,000 from the modified budget for the Department of Health (DOH). DOH consists of two units, Public Health and Children with Special Needs (CSN). Expenditures within the Public Health unit are projected \$213,000 below the modified budget, and the CSN programs are projected \$1.1 million above modified appropriations due to higher than anticipated caseloads. The increase in projected revenues of \$594,000 is primarily due to a net increase of \$587,000 in state aid for resulting from the additional expenditures.

## DEPARTMENTAL DETAIL

<b>DEPARTMENT OF LABORATORIES &amp; RESEARCH</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	7,987	7,987	3,981	8,059	72
Other Personal Services	138	138	62	148	10
Materials & Supplies	1,081	1,165	475	1,081	(84)
Contractual Expenses	797	871	235	797	(75)
Inter-Departmental Charge	3,308	3,308	1,572	3,308	-
<b>Gross Expenditures</b>	<b>13,310</b>	<b>13,468</b>	<b>6,325</b>	<b>13,392</b>	<b>(77)</b>
Inter-Departmental Revenue	(30)	(30)	(3)	(30)	-
<b>NET EXPENDITURES</b>	<b>13,280</b>	<b>13,438</b>	<b>6,322</b>	<b>13,362</b>	<b>(77)</b>
Departmental Income	(2,678)	(2,678)	(1,192)	(2,828)	(150)
State Aid	(1,268)	(1,268)	(283)	(1,018)	250
<b>REVENUES</b>	<b>(3,946)</b>	<b>(3,946)</b>	<b>(1,475)</b>	<b>(3,846)</b>	<b>100</b>
<b>TAX LEVY</b>	<b>9,333</b>	<b>9,492</b>	<b>4,847</b>	<b>9,515</b>	<b>23</b>

### SECOND QUARTER HIGHLIGHTS

DOB anticipates expenditures of \$77,000 below modified appropriations within the Department of Laboratories and Research at this time. Personal service categories are projected \$82,000 over budget due to slightly higher overtime, an aggressive vacancy factor being included in the adopted budget, and large compensated absence payouts for individuals retiring in 2016. \$159,000 of non-personal service expenditure included in the modified budget is expected to 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 lower expenditure level, higher fee revenues, and continued tightening of reimbursement regulations by the NYS Department of Health.

<b>DEPARTMENT OF CORRECTION</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	75,311	75,311	37,712	75,676	365
Other Personal Services	12,909	12,909	6,044	12,699	(211)
Equipment	167	251	87	167	(84)
Materials & Supplies	1,532	1,631	453	1,505	(126)
Contractual Expenses	21,525	22,082	9,870	21,315	(767)
Inter-Departmental Charge	11,157	11,157	4,411	11,157	-
<b>Gross Expenditures</b>	<b>122,602</b>	<b>123,342</b>	<b>58,577</b>	<b>122,518</b>	<b>(824)</b>
Inter-Departmental Revenue	(137)	(137)	(30)	(137)	-
<b>NET EXPENDITURES</b>	<b>122,464</b>	<b>123,205</b>	<b>58,547</b>	<b>122,380</b>	<b>(824)</b>
Departmental Income	(6,719)	(6,719)	(2,563)	(6,450)	269
State Aid	(68)	(68)	(15)	(68)	-
Federal Aid	(1,072)	(1,072)	(33)	(1,077)	(5)
<b>REVENUES</b>	<b>(7,859)</b>	<b>(7,859)</b>	<b>(2,611)</b>	<b>(7,594)</b>	<b>265</b>
<b>TAX LEVY</b>	<b>114,605</b>	<b>115,346</b>	<b>55,937</b>	<b>114,786</b>	<b>(560)</b>

SECOND QUARTER HIGHLIGHTS

DOB projects a favorable expenditure variance of \$824,000 versus the modified budget within the Department of Correction (DOC). Personal service is projected at \$154,000 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 \$978,000 within the other expenditure categories. \$740,000 of this savings is due to the expectation that these expenditures will not occur until FY 2017. The remaining \$238,000 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 \$269,000 resulting from fewer federal inmates than budgeted being incarcerated in the County facility.

## DEPARTMENTAL DETAIL

<b>TAX COMMISSION</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	152	152	70	152	-
Materials & Supplies	1	1	0	1	-
Contractual Expenses	2	2	3	2	-
Inter-Departmental Charge	31	31	30	31	-
<b>Gross Expenditures</b>	<b>186</b>	<b>186</b>	<b>102</b>	<b>186</b>	<b>-</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>186</b>	<b>186</b>	<b>102</b>	<b>186</b>	<b>-</b>
Departmental Income	(0)	(0)	-	(0)	-
<b>REVENUES</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>186</b>	<b>186</b>	<b>102</b>	<b>186</b>	<b>-</b>

### SECOND QUARTER HIGHLIGHTS

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

<b>DISTRICT ATTORNEY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	20,964	20,964	9,913	19,822	(1,142)
Other Personal Services	372	372	157	352	(20)
Equipment	145	186	117	145	(41)
Materials & Supplies	320	320	113	305	(15)
Contractual Expenses	5,749	5,762	376	5,717	(45)
Inter-Departmental Charge	1,013	1,013	569	1,013	-
<b>Gross Expenditures</b>	<b>28,563</b>	<b>28,618</b>	<b>11,245</b>	<b>27,355</b>	<b>(1,263)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>28,563</b>	<b>28,618</b>	<b>11,245</b>	<b>27,355</b>	<b>(1,263)</b>
State Aid	(80)	(80)	-	(80)	-
<b>REVENUES</b>	<b>(80)</b>	<b>(80)</b>	<b>(0)</b>	<b>(80)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>28,483</b>	<b>28,538</b>	<b>11,245</b>	<b>27,275</b>	<b>(1,263)</b>

SECOND QUARTER HIGHLIGHTS

DOB projects expenditure savings of nearly \$1.3 million versus the modified budget within the District Attorney’s Office. Approximately \$1.2 million of this savings is due to vacancies within the department. The remaining savings are small amounts spread across the non-personal service expenditure categories.

## DEPARTMENTAL DETAIL

<b>DEPARTMENT OF PUBLIC SAFETY</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	31,751	31,751	16,066	31,192	(558)
Other Personal Services	8,536	8,536	4,182	10,859	2,323
Equipment	211	309	103	211	(98)
Materials & Supplies	1,900	1,948	679	1,793	(155)
Contractual Expenses	2,398	2,475	823	2,283	(191)
Inter-Departmental Charge	4,431	4,432	3,197	4,431	(1)
<b>Gross Expenditures</b>	<b>49,227</b>	<b>49,451</b>	<b>25,050</b>	<b>50,769</b>	<b>1,319</b>
Inter-Departmental Revenue	(10,735)	(10,735)	(2,384)	(10,885)	(151)
<b>NET EXPENDITURES</b>	<b>38,493</b>	<b>38,716</b>	<b>22,666</b>	<b>39,884</b>	<b>1,168</b>
Departmental Income	(13,995)	(13,995)	(4,601)	(14,435)	(440)
State Aid	(2,850)	(2,850)	(730)	(3,087)	(237)
Federal Aid	(329)	(329)	(121)	(329)	-
<b>REVENUES</b>	<b>(17,173)</b>	<b>(17,173)</b>	<b>(5,452)</b>	<b>(17,850)</b>	<b>(677)</b>
<b>TAX LEVY</b>	<b>21,320</b>	<b>21,543</b>	<b>17,215</b>	<b>22,034</b>	<b>491</b>

### SECOND QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Public Safety (DPS) to exceed modified appropriations by \$1.3 million. The largest driver of this change is an increase of \$1.8 million within the personal service categories, particularly overtime and 207-c disability. These upward revisions are due to the fact that the department has averaged 10 full time equivalents (FTEs) on 207-c while the budget assumed 5 FTEs out on disability. DOB expects this trend to continue for the remainder of the year.

Offsetting the additional personal service were non-personal service expenditure savings of \$446,000 due to gasoline, aviation fuel, and contractual services savings, and additional inter-departmental revenues of \$151,000 as a result of the higher expenditure level.

On the revenue side, DPS is projected to receive an additional \$677,000 of revenues. \$215,000 in additional taxi and limousine commission fees and fines, \$225,000 in overtime reimbursement, and \$237,000 in additional state aid for the parkway patrol program that was included in the 2016-17 NYS Budget.

<b>DEPARTMENT OF PROBATION</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	16,835	16,835	8,621	16,938	103
Other Personal Services	389	389	230	389	-
Equipment	38	42	1	38	(5)
Materials & Supplies	162	163	41	156	(7)
Contractual Expenses	6,205	6,215	820	6,130	(85)
Inter-Departmental Charge	3,063	3,063	2,201	3,063	-
<b>Gross Expenditures</b>	<b>26,690</b>	<b>26,707</b>	<b>11,914</b>	<b>26,713</b>	<b>6</b>
Inter-Departmental Revenue	(1,501)	(1,501)	(322)	(1,501)	-
<b>NET EXPENDITURES</b>	<b>25,189</b>	<b>25,205</b>	<b>11,592</b>	<b>25,211</b>	<b>6</b>
Departmental Income	(350)	(350)	(186)	(350)	-
State Aid	(8,298)	(8,298)	(17)	(8,298)	-
<b>REVENUES</b>	<b>(8,648)</b>	<b>(8,648)</b>	<b>(203)</b>	<b>(8,648)</b>	<b>-</b>
<b>TAX LEVY</b>	<b>16,541</b>	<b>16,557</b>	<b>11,390</b>	<b>16,563</b>	<b>6</b>

## SECOND QUARTER HIGHLIGHTS

DOB projects an unfavorable variance of \$6,000 versus the modified budget within the Department of Probation at this time. Personal service is projected at \$103,000 over the modified budget as a result of an overly aggressive vacancy factor being included in the adopted budget. This is offset by contractual service savings arising from lower than anticipated detention caseloads.

## DEPARTMENTAL DETAIL

<b>PUBLIC ADMINISTRATOR</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	503	503	227	511	8
Equipment	2	2	0	2	-
Materials & Supplies	5	5	1	5	(0)
Contractual Expenses	58	58	16	58	(0)
Inter-Departmental Charge	83	83	69	83	-
<b>Gross Expenditures</b>	<b>650</b>	<b>651</b>	<b>313</b>	<b>659</b>	<b>8</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>650</b>	<b>651</b>	<b>313</b>	<b>659</b>	<b>8</b>
Departmental Income	(480)	(480)	(60)	(330)	150
<b>REVENUES</b>	<b>(480)</b>	<b>(480)</b>	<b>(60)</b>	<b>(330)</b>	<b>150</b>
<b>TAX LEVY</b>	<b>170</b>	<b>171</b>	<b>253</b>	<b>329</b>	<b>158</b>

### SECOND QUARTER HIGHLIGHTS

DOB projects an increase in personal service of \$8,000 from the modified budget as a result of an added starter position within the Public Administrator. The target for departmental fees has been reduced due to lower than anticipated collections to date.

<b>SOLID WASTE COMMISSION</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	677	672	341	677	5
Other Personal Services	461	466	218	474	8
Equipment	-	27	-	27	0
Materials & Supplies	27	27	12	27	(0)
Contractual Expenses	143	179	29	103	(75)
Inter-Departmental Charge	398	398	188	398	-
<b>Gross Expenditures</b>	<b>1,706</b>	<b>1,769</b>	<b>788</b>	<b>1,705</b>	<b>(63)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>1,706</b>	<b>1,769</b>	<b>788</b>	<b>1,705</b>	<b>(63)</b>
Departmental Income	(1,714)	(1,714)	(786)	(1,714)	1
<b>REVENUES</b>	<b>(1,714)</b>	<b>(1,714)</b>	<b>(786)</b>	<b>(1,714)</b>	<b>1</b>
<b>TAX LEVY</b>	<b>(8)</b>	<b>54</b>	<b>2</b>	<b>(8)</b>	<b>(63)</b>

SECOND QUARTER HIGHLIGHTS

DOB projects an expenditure reduction of \$63,000 from the modified budget for the Solid Waste Commission. Personal service expenditures are projected above modified appropriations by \$13,000 due to additional hourly and overtime expenses. This small increase is offset by \$75,000 due to lower forensic auditing utilization and the anticipation the certain expenditures will roll and take place in FY 2017.

## DEPARTMENTAL DETAIL

<b>DEPARTMENT OF PARKS</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	15,119	15,119	7,485	14,974	(144)
Other Personal Services	7,566	7,566	3,081	7,576	10
Equipment	339	339	300	339	-
Materials & Supplies	7,438	7,470	2,690	7,633	163
Contractual Expenses	10,728	11,003	3,177	10,728	(276)
Inter-Departmental Charge	5,206	5,206	2,424	5,206	-
<b>Gross Expenditures</b>	<b>46,395</b>	<b>46,703</b>	<b>19,157</b>	<b>46,456</b>	<b>(247)</b>
Inter-Departmental Revenue	(331)	(331)	(83)	(331)	-
<b>NET EXPENDITURES</b>	<b>46,065</b>	<b>46,372</b>	<b>19,075</b>	<b>46,125</b>	<b>(247)</b>
Departmental Income	(36,750)	(36,750)	(13,342)	(36,063)	687
Undistributed Revenues	-	-	(206)	-	-
State Aid	(60)	(60)	-	(60)	-
<b>REVENUES</b>	<b>(36,810)</b>	<b>(36,810)</b>	<b>(13,548)</b>	<b>(36,123)</b>	<b>687</b>
<b>TAX LEVY</b>	<b>9,255</b>	<b>9,562</b>	<b>5,527</b>	<b>10,002</b>	<b>440</b>

### SECOND QUARTER HIGHLIGHTS

Overall, DOB projects expenditures \$247,000 below the modified budget within the Parks Department (Parks). Savings within personal service and contractual expenses are offset by additional water utilization due to the lack of rainfall.

Departmental revenue has been revised downward by \$687,000 from the modified budget target. Changes to the Playland management agreement reduced projected revenues by \$750,000, while higher than anticipated water utilization at Glen Island results in additional reimbursement from the vendor.

<b>DEPARTMENT OF TRANSPORTATION</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	1,063	1,063	514	1,033	(30)
Other Personal Services	27	27	13	27	-
Materials & Supplies	1,653	1,653	648	1,571	(82)
Contractual Expenses	151,631	151,671	68,786	149,441	(2,231)
Inter-Departmental Charge	1,881	1,881	899	1,881	-
<b>Gross Expenditures</b>	<b>156,256</b>	<b>156,295</b>	<b>70,860</b>	<b>153,953</b>	<b>(2,343)</b>
Inter-Departmental Revenue	(415)	(415)	-	(415)	-
<b>NET EXPENDITURES</b>	<b>155,841</b>	<b>155,881</b>	<b>70,860</b>	<b>153,538</b>	<b>(2,343)</b>
Departmental Income	(37,668)	(37,668)	(17,906)	(37,556)	111
State Aid	(53,185)	(53,185)	(13,778)	(56,349)	(3,164)
Federal Aid	(11,042)	(11,042)	(694)	(11,042)	-
<b>REVENUES</b>	<b>(101,895)</b>	<b>(101,895)</b>	<b>(32,378)</b>	<b>(104,947)</b>	<b>(3,052)</b>
<b>TAX LEVY</b>	<b>53,946</b>	<b>53,986</b>	<b>38,482</b>	<b>48,591</b>	<b>(5,395)</b>

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy impact \$5.4 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 \$2.3 million, and a revenue projection \$3.1 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 running slightly behind budgeted levels, resulting in a projection \$111,000 under budget.

## DEPARTMENTAL DETAIL

<b>DEPARTMENT OF PUBLIC WORKS</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Annual Regular Salaries	15,259	15,259	7,364	14,863	(395)
Other Personal Services	979	979	460	937	(43)
Equipment	70	70	36	70	-
Materials & Supplies	17,685	17,835	4,143	14,955	(2,881)
Contractual Expenses	33,457	34,762	13,328	35,130	368
Inter-Departmental Charge	2,108	2,108	1,474	2,108	-
<b>Gross Expenditures</b>	<b>69,558</b>	<b>71,014</b>	<b>26,805</b>	<b>68,063</b>	<b>(2,951)</b>
Inter-Departmental Revenue	(55,262)	(55,262)	(11,897)	(54,329)	933
<b>NET EXPENDITURES</b>	<b>14,296</b>	<b>15,752</b>	<b>14,908</b>	<b>13,734</b>	<b>(2,017)</b>
Departmental Income	(13,955)	(13,955)	(6,891)	(13,455)	500
State Aid	(2,726)	(2,726)	(598)	(2,726)	-
<b>REVENUES</b>	<b>(16,682)</b>	<b>(16,682)</b>	<b>(7,489)</b>	<b>(16,182)</b>	<b>500</b>
<b>TAX LEVY</b>	<b>(2,386)</b>	<b>(930)</b>	<b>7,419</b>	<b>(2,447)</b>	<b>(1,517)</b>

### SECOND QUARTER HIGHLIGHTS

Overall, DOB projects net expenditures at \$3.0 million below the modified budget within the Department of Public Works (DPW). This reduction in projected expenditure is primarily due to the \$2.7 million 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. This downward revision also results in lower inter-departmental revenue from the Medical Center in the amount of \$933,000 for their share of the savings.

DPW is also projected to achieve personal service savings of \$438,000 as a result of vacancies and lower than expected hourly wages.

Offsetting the \$2.0 million in net expenditure savings versus the modified budget is a reduction of \$500,000 in the engineering unit's billings to the capital projects fund.

<b>DEBT SERVICE</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Contractual Expenses	80,868	80,942	11,937	78,155	(2,787)
<b>Gross Expenditures</b>	<b>80,868</b>	<b>80,942</b>	<b>11,937</b>	<b>78,155</b>	<b>(2,787)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>80,868</b>	<b>80,942</b>	<b>11,937</b>	<b>78,155</b>	<b>(2,787)</b>
Capital Revenue	(100)	(100)	(389)	(389)	(289)
Miscellaneous Revenue	(1,253)	(1,253)	-	(983)	270
<b>REVENUES</b>	<b>(1,353)</b>	<b>(1,353)</b>	<b>(389)</b>	<b>(1,372)</b>	<b>(19)</b>
<b>TAX LEVY</b>	<b>79,515</b>	<b>79,589</b>	<b>11,548</b>	<b>76,784</b>	<b>(2,805)</b>

SECOND 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

<b>MISCELLANEOUS BUDGETS</b>					
Thousands of Dollars					
	<b>2016 Adopted</b>	<b>2016 Modified</b>	<b>YTD Jun 30</b>	<b>2016 Projected</b>	<b>Proj. less Modified</b>
Other Personal Services	233,204	233,204	119,962	239,639	6,435
Contractual Expenses	229,852	231,227	92,240	222,412	(8,815)
<b>Gross Expenditures</b>	<b>463,056</b>	<b>464,432</b>	<b>212,202</b>	<b>462,051</b>	<b>(2,380)</b>
Inter-Departmental Revenue	-	-	-	-	-
<b>NET EXPENDITURES</b>	<b>463,056</b>	<b>464,432</b>	<b>212,202</b>	<b>462,051</b>	<b>(2,380)</b>
Real Property Taxes	(548,423)	(548,423)	(329,054)	(548,423)	-
Payments in Lieu of Taxes	(10,721)	(10,721)	(7,617)	(10,721)	-
Non-Property Taxes	(567,086)	(565,825)	(209,772)	(552,093)	13,732
Departmental Income	(14,131)	(14,131)	(17,555)	(28,197)	(14,067)
Interest on Investments	-	-	(38)	-	-
Capital Revenue	(11,000)	(11,000)	-	-	11,000
Appropriated Fund Balance	-	(8,194)	-	-	8,194
Miscellaneous Revenue	(65,000)	(65,000)	(17,167)	(65,000)	-
Austin Ave	(787)	(787)	(328)	(394)	393
Interfund Revenue	(50)	(50)	(52)	(50)	-
State Aid	(5,591)	(5,591)	(405)	(4,654)	937
<b>REVENUES</b>	<b>(1,222,789)</b>	<b>(1,229,722)</b>	<b>(581,988)</b>	<b>(1,209,532)</b>	<b>20,189</b>
<b>TAX LEVY</b>	<b>(759,733)</b>	<b>(765,290)</b>	<b>(369,787)</b>	<b>(747,481)</b>	<b>17,809</b>

### SECOND QUARTER HIGHLIGHTS

DOB projects expenditure savings within the Miscellaneous Budgets of \$2.4 million in the Q2 Update. Contractual expenses are projected \$8.8 million below the modified budget on lower than anticipated tax certiorari judgements (\$2.9 million), municipal sales and use tax distribution resulting from lower collections (\$2.7 million), energy utilities at the Medical Center (\$0.9 million), and indigent criminal defense utilization (\$0.9 million). The Medical Center utility and indigent defense savings are offset by an identical loss of revenues for those items. The remaining contractual expenditure reduction of \$1.4 million reflects DOB's expectation that these expenditures will not occur until FY 2017. Offsetting these reductions is an unfavorable variance of \$6.3 million for the general fund share of employee and retiree healthcare costs. Medical claim volume and severity have exceeded anticipated levels by a large margin during the first half of 2016.

Against the projected expenditure savings are lower revenue projections in the amount of \$20.2 million. Sales and use tax collections are now projected \$13.6 million below the modified budget target, and capital revenues have been reduced by \$11.0 million as legislative authorization to issue bonds for tax certiorari judgments appears to be unlikely. The reduction of \$8.2 million in appropriated fund balance reflects the expectation for a similar amount to roll from FY16 to FY17, resulting in a minimal effect to the FY16 Financial Plan. The largest adjustment from the Q1 Forecast is the inclusion of \$15.0 million in departmental income generated from the sale of the Austin Avenue parcel in Yonkers.

