

Westchester
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WESTCHESTER COUNTY

FIRST QUARTER UPDATE FOR

FISCAL YEAR 2018

GEORGE LATIMER
COUNTY EXECUTIVE

LAWRENCE C. SOULE
BUDGET DIRECTOR

MAY 14, 2018



George Latimer
County Executive

Lawrence C. Soule
Budget Director

May 14, 2018

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 March 31, 2018. I hope this report will be beneficial in illustrating the County's current and projected financial position as we all continue to monitor the 2018 financial condition of the County.

The \$28.7 million general fund shortfall currently projected for FY 2018 does not include a provision for the settlement of a collective bargaining agreement with the Civil Service Employees Association (CSEA). Their previous agreement expired December 31, 2011. The CSEA is the County's largest union; representing approximately two-thirds of County employees.

The year to date data as of March 31, 2018 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".

Lawrence C. Soule
Budget Director

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**FIRST QUARTER UPDATE FOR
FISCAL YEAR 2018**

GEORGE LATIMER
COUNTY EXECUTIVE

BENJAMIN BOYKIN
CHAIRMAN, BOARD OF LEGISLATORS

CATHERINE BORGIA
CHAIRWOMAN, COMMITTEE ON BUDGET AND APPROPRIATIONS

LAWRENCE C. SOULE
BUDGET DIRECTOR

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INTRODUCTION

INTRODUCTION

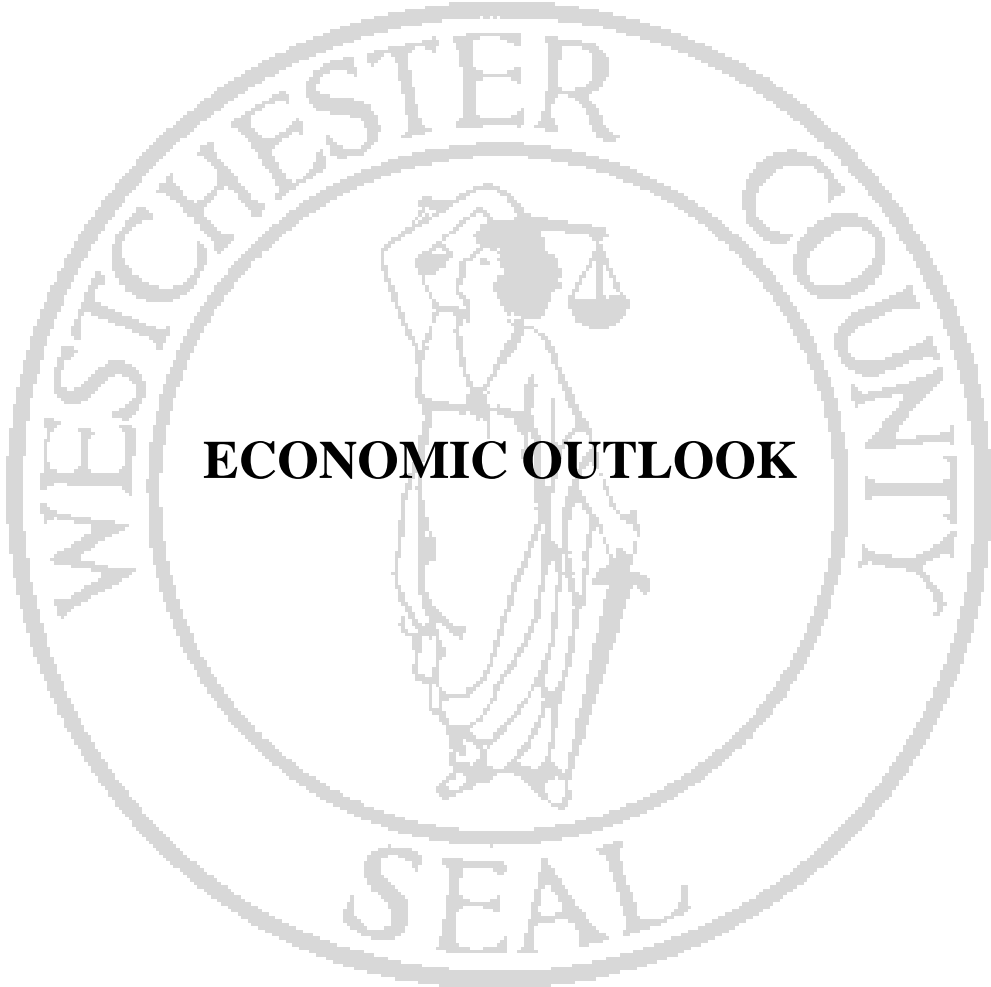
This document presents the First Quarter (Q1) Forecast for Fiscal Year 2018 (FY18). The Department of Budget (DOB) will also release a Second Quarter Forecast in August, and a Third Quarter Forecast in conjunction with the Executive's 2019 Proposed Budget in November. The County operates on a calendar fiscal year, and all projections are shown fully annualized based on information currently available.

The Q1 Forecast presents five periods of data:

1. The budget as originally Adopted in December of 2017 (2018 Adopted)
2. The current budget as modified by rolled encumbrances, amendments, and transfers (2018 Modified)
3. Expenditures and revenues posted to the accounting system as of March 31, 2018 (YTD Mar 31)
4. DOB's fully annualized projections (2018 Projected)
5. DOB's projections (4) less the current modified budget (2) (Proj. less Modified)

The 'YTD Mar 31' data is required to be presented by local law 7 of 2014, and is a snapshot of the transactions posted to the County's accounting system through March 31, 2018. These figures are not audited. Readers are cautioned from drawing conclusions based on the 'YTD Mar 31' data due to the timing of transactions, and the seasonal nature of certain expenditures and revenues.

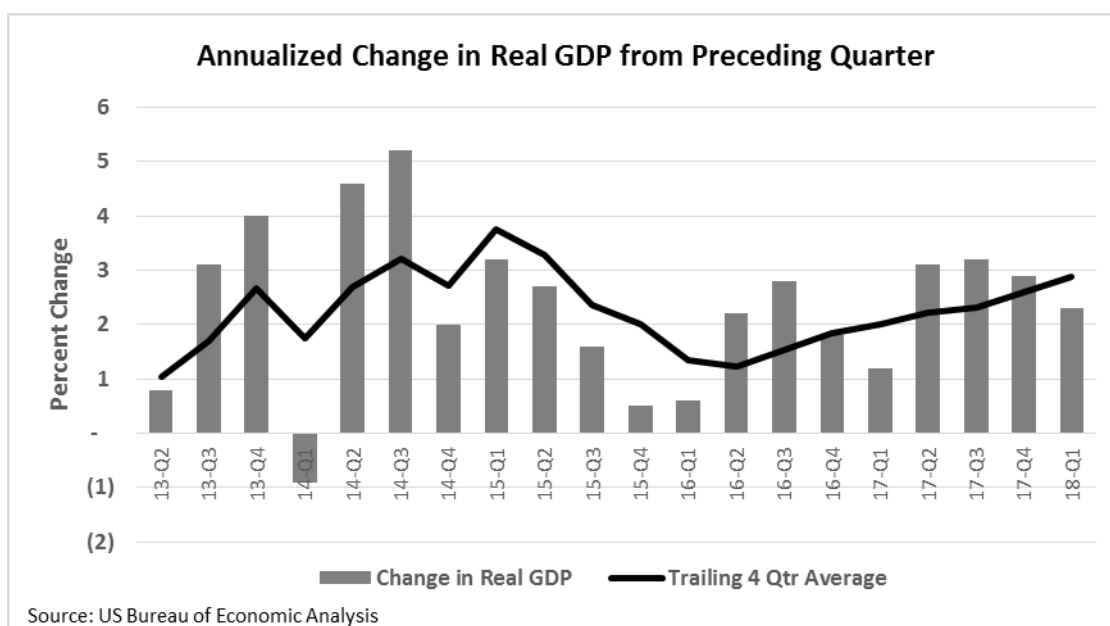
Since many factors may materially affect the fiscal and economic conditions of the County, the forecasts, projections, and estimates contained in this document should not be regarded as a representation that such forecasts, projections, and estimates will occur. Statements regarding future outcomes contained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



ECONOMIC OUTLOOK

GROSS DOMESTIC PRODUCT (GDP)

Over the past five years, American economic growth has been consistently positive with economic expansion occurring in 19 of the last 20 quarters. Annualized growth exceeded 2.0 percent in 65 percent of the quarters for the past five years. The trailing four quarter average has fluctuated around two percent for most of the five year period, currently standing at 2.9 percent growth with a range of 1.1 to 3.8 percent growth over the period.



During the first quarter of 2018, real GDP grew by 2.3 percent on an annualized basis, bringing the trailing four quarter annual average to 2.9 percent. This represented a slower economic growth than the fourth quarter of 2017 which has been revised to 2.9 percent annualized growth. In March, the Federal Open Market Committee (FOMC) projected a growth rate of real GDP between 2.5 and 3.0 percent for 2018. This was an upward revision from the range projected in December of 2017 (2.2 – 2.8%). The FOMC expects real GDP growth to slow in the medium term with consensus projections of 2.4 percent in 2019 and 2.0 percent in 2020. In January, the NYS Division of Budget projected 2.5 percent growth for 2018.

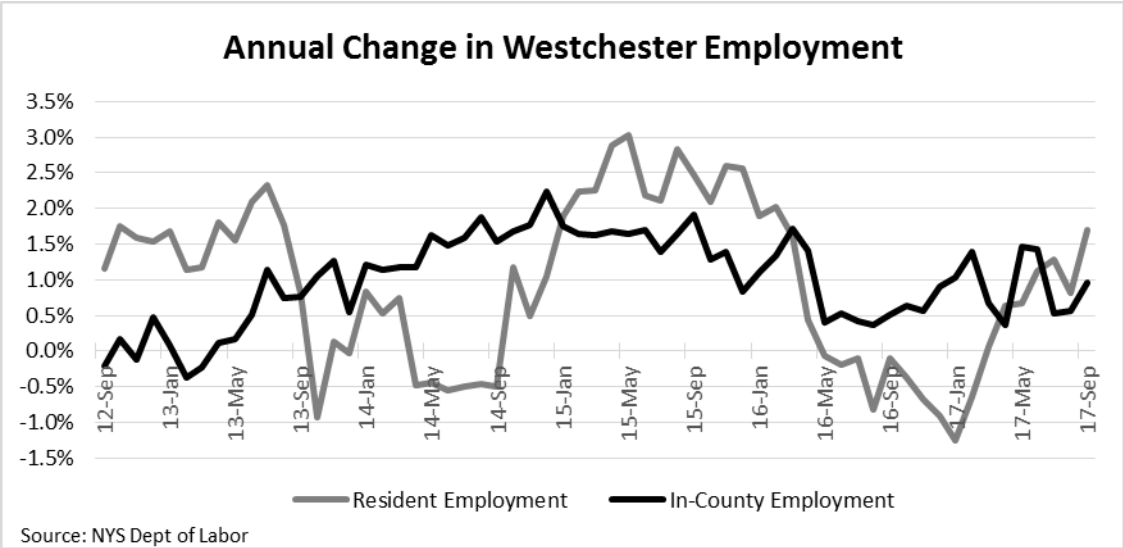
EMPLOYMENT / UNEMPLOYMENT

Unemployment rates across the State have essentially returned to their pre-recessionary levels (see table, following page). The three downstate regions of the State highlighted in the table experienced March unemployment rates of approximately 4.5 percent. While the unemployment rate in the City of New York fell from one year ago, the rate rose across the rest of the State. The national unemployment rate for March stands at 3.9 percent, which is in the range of the FOMC’s long run full employment target and 0.5 percentage points below the 4.4 percent posted for March 2017. While there will be volatility in the unemployment rate due to labor market shifts and seasonality, it is not anticipated that the unemployment rate will drop much below current levels for any sustained period of time.

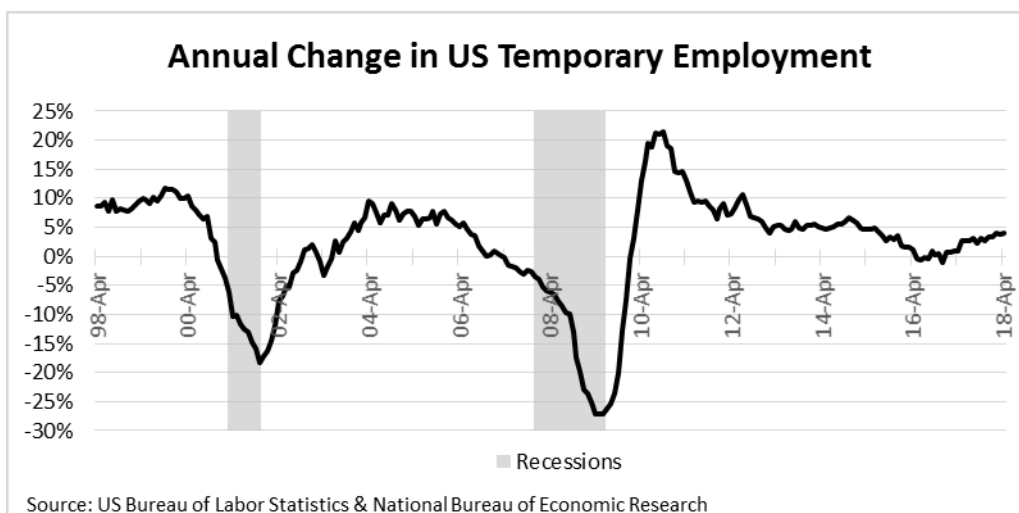
NYS REGIONAL UNEMPLOYMENT RATE FOR MARCH				
YEAR	NYC	WESTCHESTER	LONG ISLAND	54 REMAINING
2009	8.7%	7.1%	7.2%	8.3%
2010	10.0%	7.7%	7.8%	8.9%
2011	8.6%	7.1%	7.3%	8.3%
2012	9.6%	7.4%	7.6%	8.7%
2013	8.7%	6.5%	6.6%	7.9%
2014	8.0%	5.5%	5.6%	6.7%
2015	6.0%	4.7%	4.8%	5.7%
2016	5.3%	4.3%	4.2%	5.1%
2017	4.4%	4.4%	4.2%	5.2%
2018	4.2%	4.7%	4.6%	5.6%

Source: NYS Dept of Labor

In March, the County unemployment rate rose on both a decline in resident employment and a shrinking of the labor force as compared to one year ago. This trend is likely due to the fact that Westchester is an aging county with 16.2% of its residents 65 or older, and a median age of 40.7 years old. For comparison, the national averages are 15.2% and 37.9, respectively. While resident employment growth has been somewhat disappointing recently, employment within the County has continued its steady growth. The County has added jobs over the prior year in every month since March 2013, a streak of 54 consecutive months through September 2017. Total in-County employment in June 2017 of more than 437,000 jobs was the highest in County history. Given the facts that the unemployment rate has returned to pre-recessionary levels and in-County employment is achieving all-time highs, employment levels within the region may be peaking.



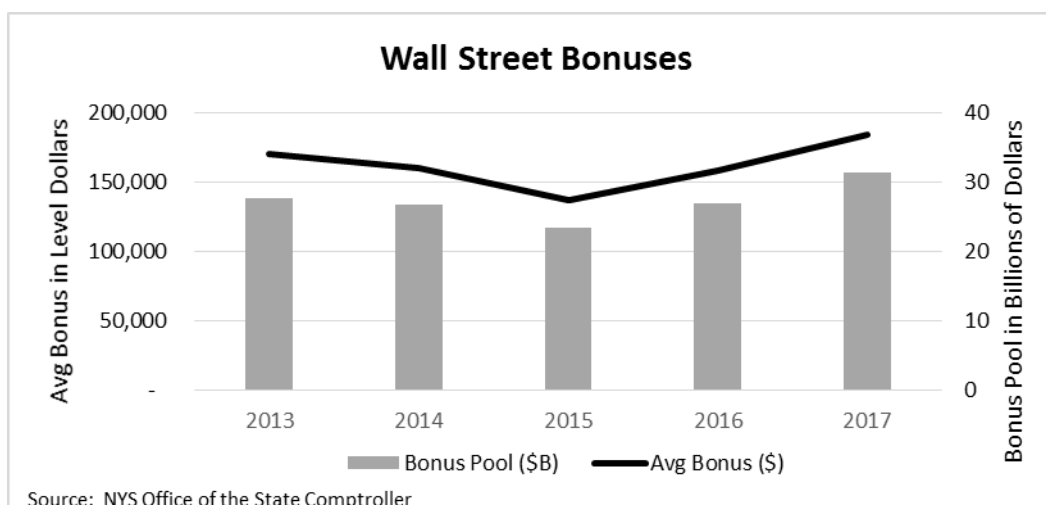
An excellent leading indicator of economic growth has been temporary employment. Temporary workers are among the first hired in expansionary periods, but they are also among the first workers to lose their jobs during economic downturns (see chart, following page).



Declines in temporary employment in 2000 and 2007 signaled the beginning of the past two recessionary periods. Temporary employment bottomed out at 2.86 million jobs in May 2016, but has rebounded during the period since. Growth in temporary employment has averaged 3.1% over the past year, and the level was 3.9% higher in April than one year ago.

FINANCIAL SERVICES SECTOR

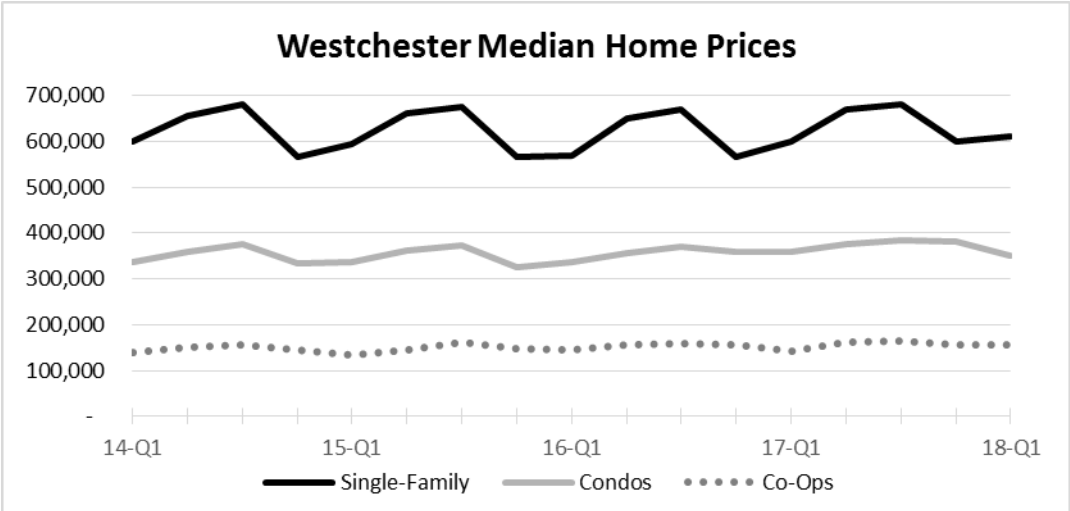
The financial services sector is a key economic driver within the New York City Metropolitan Area (NYC Metro), representing 8.0 percent of total employment. Within the NYC Metro an estimated 773,400 people were employed within the sector in February 2018. Employing approximately one-quarter of the total metro area financial services sector, the NYC securities industry is particularly sensitive to swings in financial markets due to their heavily bonus weighted compensation structure.



Bonuses rose sharply again for 2017, with both the bonus pool and average bonus increasing by 17 percent over the prior year. The 2017 average bonus of \$184,220 was the second highest year in history (\$191,360; 2006).

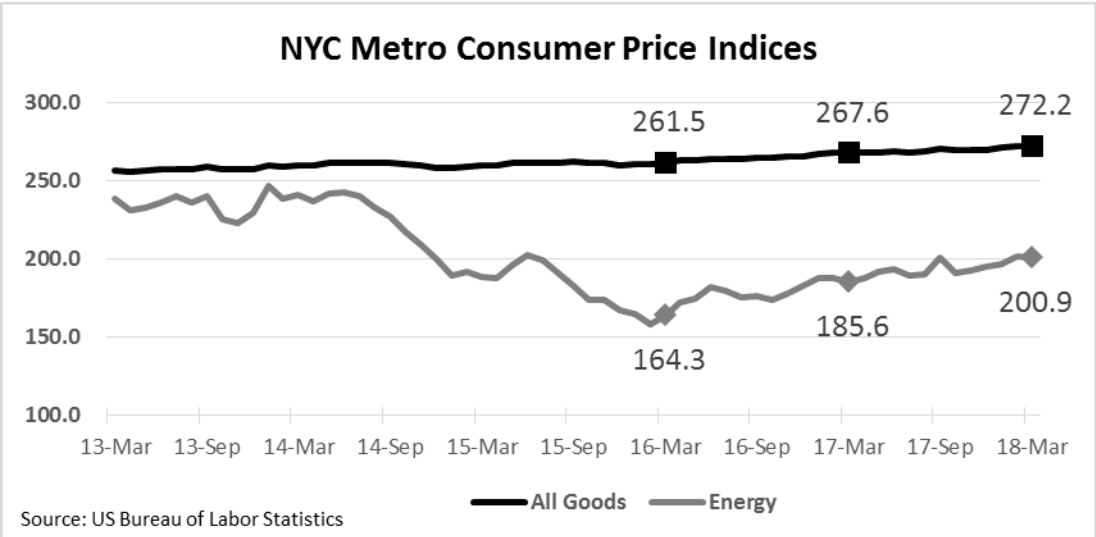
HOUSING

Prices within the County have remained quite stable over the past four years. The median prices for each type of home has exhibited the expected seasonal variation by quarter, but have also stayed within a tight range. The Federal Reserve’s increases in the Federal Funds Target Rate from a targeted range of 0 – 0.25% to the current target of 1.50 – 1.75% over the past two years may be limiting price growth as the cost to borrow has increased. Additionally, it is anticipated that the limitation of the State and Local Tax (SALT) deduction imposed by the American Jobs and Tax Cuts Act will further depress price growth.



INFLATION AND PRICES

From March 2013 to March 2016, the NYC Metro Consumer Price Index (CPI) grew by an annualized rate of just 0.6%. Starting in the middle of 2016, inflation has begun to accelerate over prior periods. All goods inflation was over 1.7% for the 12 months ending March 2018. This measure for the region is approaching the Federal Reserve’s annual target for the nation of two percent.

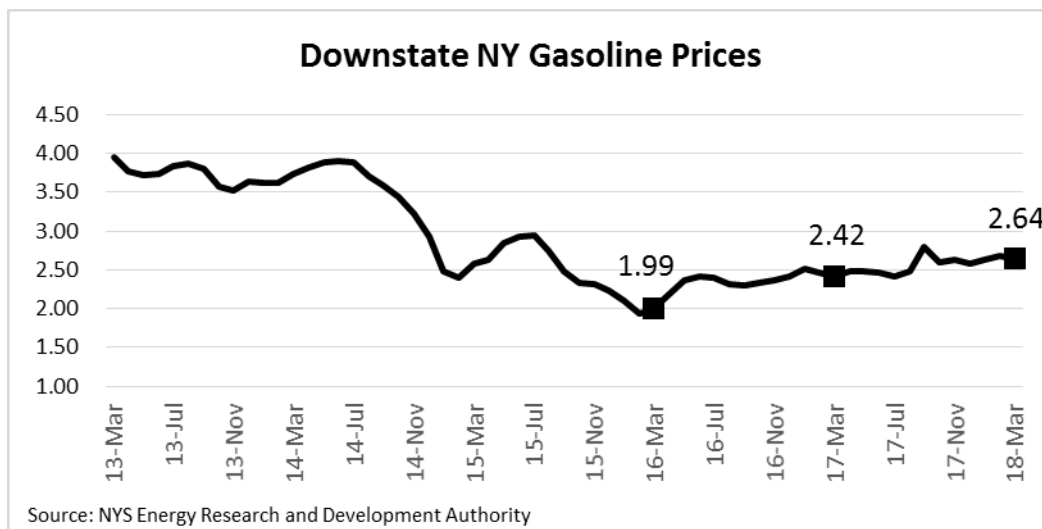


ECONOMIC OUTLOOK

Energy price levels have continued to climb from the lows in the first quarter of 2016. Prices are up 8% and 22% from one and two years ago, respectively. Despite the increases over the past two years, energy prices remain 17% below their March 2014 levels.

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 within the State. Stronger sales and use tax growth has coincided with the rise in energy prices over the past 24 months.

As a large component of total energy, gasoline prices have shown a substantially similar trend. Prices are up 22 cents per gallon (9%) from last year, but the March 2018 price per gallon is still below 2014 by 29 percent. With approximately 300 million gallons of gasoline sold within the County, the recent increases in price have bolstered the County sales tax base.



ECONOMIC RISKS TO THE FINANCIAL PLAN

Heavy dependence on the financial services sector and the potential peaking of the current business cycle expansion pose the largest downside risks 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. Based on the determination of the National Bureau of Economic Research, the current expansionary period of slightly under 10 years is now the second longest in US history since recordkeeping began in 1854 (March 1991 – March 2001). While economic fundamentals currently appear to be strong, the current expansion is approaching the limits of historical precedent.



**FY 2018
FIRST QUARTER PROJECTIONS**

2018 FIRST QUARTER PROJECTIONS

GENERAL FUND FORECAST

On December 21, 2017, the County adopted a General Fund Operating Budget in the amount of \$1.845 billion for Fiscal Year 2018 (FY18). This section will present the Department of Budget's (DOB) First Quarter (Q1) Forecast for Fiscal Year 2018.

The 2018 Budget has been modified upward by \$6.6 million to allow for the expenditure of funds in FY18 for items that were contracted for during FY17. DOB expects a similar amount of expenditures to roll from FY18 to FY19 resulting in a minimal effect to the FY18 Financial Plan as has historically occurred.

GENERAL FUND PROJECTIONS					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
REVENUES					
Tax Levy on Real Property	559,392	559,392	-	559,392	-
Sales and Use Tax	544,506	544,506	57,243	544,506	-
Federal and State Aid	422,489	422,489	47,730	419,267	(3,222)
Departmental Income	152,101	152,101	19,085	151,788	(313)
Other Revenues	146,672	146,672	84,701	147,218	546
Sub-Total	1,825,160	1,825,160	208,759	1,822,171	(2,990)
Use of General Fund Balance	19,881	26,517	-	-	(26,517)
TOTAL	1,845,041	1,851,677	208,759	1,822,171	(29,507)
NET EXPENDITURES					
General Government and Support	51,372	53,681	14,547	52,748	(933)
Home and Community Services	609,466	609,732	104,550	604,712	(5,020)
Health Services	152,729	152,898	28,334	152,843	(55)
Education	29,900	29,900	14,950	29,900	-
Public Safety, Correction, and Courts	227,258	228,352	47,286	233,154	4,801
Roads, Transportation, and Parks	224,042	225,906	46,510	226,278	372
Miscellaneous and Fixed	550,274	551,208	97,932	551,246	38
TOTAL	1,845,041	1,851,677	354,109	1,850,880	(797)
GENERAL FUND (GAP) / SURPLUS	-	-	(145,350)	(28,710)	(28,710)

As of the first quarter, DOB projects a general fund budget gap of \$28.7 million. Available resources are reduced by \$29.5 million from the modified budget as a result of projected revenues falling short of modified budget targets by \$3.0 million, and the \$26.5 million of appropriated fund balance (\$6.6 million for rolled encumbrances, and \$19.9 million included in the budget as originally adopted) being excluded from the projection. These resource reductions are offset by lower projected expenditures in the amount of \$0.8 million below modified appropriations.

The major components of the \$28.7 million projected budget gap are highlighted in the table below:

Q1 PROJECTED GENERAL FUND GAP ANALYSIS	
Thousands of Dollars	
	Variance to Modified
STARTING BUDGET (GAP) / SURPLUS	-
UNFAVORABLE	
Adopted Budget Use of Fund Balance	(19,881)
Correction Personal Service	(6,497)
Bus Operating Assistance	(1,887)
Social Services Admin Aid	(1,864)
Sub-Total	(30,129)
FAVORABLE	
eFMAP Reconciliation	1,593
Daycare	1,515
Sub-Total	3,108
Other Adjustments (net)	(1,689)
PROJECTED Q1 (GAP) / SURPLUS	(28,710)

The Q1 forecast contains few major adjustments to the County’s financial plan. The largest unfavorable item is the use of general fund balance included in the 2018 Budget as originally adopted. The County began the year with a planned general fund operating shortfall. Personal service within the Department of Correction exceeds budget by \$6.5 million as the 2018 Budget did not include appropriations for increased correction officer wages resulting from the settlement of the collective bargaining agreements with the Correction Officer and Superior Correction Officer Benevolent Associations. Bus operating assistance is projected to exceed appropriations by \$1.9 million due to higher than anticipated motor fuel and liability claim payout expenditures. Administrative aid within DSS has been reduced by \$1.9 million as a result of the re-estimation of personal service reimbursements as compared to the amounts included in the adopted budget.

Major favorable adjustments include a \$1.6 million reduction in the County’s Medicaid contribution to the State due to a larger than budgeted allocation of Enhanced FMAP due the County after reconciliation of the actual expenditures incurred by the expanded Medicaid population by NYS DOH and DOB, and a combined \$1.5 million favorable variance in daycare subsidy expenditures across all three programs as a result of lower than anticipated caseloads.

2018 FIRST QUARTER PROJECTIONS

GENERAL FUND OPERATIONS AND UNRESTRICTED BALANCE

Below is a summary of the preliminary, and unaudited, estimated general fund operations for 2017, and the projected general fund operations for 2018. The estimated \$32 million reduction in unrestricted general fund balance as a result of 2017 operations is primarily due to two factors that each make up slightly less than half of the total operating gap. The first is the fact that the planned transfer of assets from the airport fund to the general fund did not occur as had been budgeted. Secondly, the County settled collective bargaining agreements with the four unions representing the correction and police officers of the County. The liabilities associated with these settlements had neither been accrued in prior years, nor budgeted in 2017.

PROJECTED UNRESTRICTED GENERAL FUND BALANCE		
Thousands of Dollars		
	2017 Est.*	2018 Proj.
UNRESTRICTED FUND BALANCE JAN 1st	140,027	107,849
REVENUES	1,759,661	1,822,171
Gross Expenditures	1,888,605	1,953,471
Inter-Departmental Revenues	(96,765)	(102,590)
NET EXPENDITURES	1,791,839	1,850,880
OPERATING (GAP) / SURPLUS	(32,178)	(28,710)
UNRESTRICTED FUND BALANCE DEC 31st	107,849	79,140
As a % of Net Expenditures	6.02%	4.28%

*2017 estimate is preliminary and unaudited

As previously mentioned, DOB is projecting a \$29 million reduction in unrestricted general fund balance as a result of 2018 operations. Combined with the estimated 2017 reduction, the unrestricted general fund balance is anticipated to be reduced by \$61 million (43%) over two fiscal years. Additionally, the estimates and projections shown above do not make any provision for the settlement of a collective bargaining agreement with the County's Civil Service Employees Association (CSEA). The CSEA represents approximately two-thirds of County employees, and has been without a new collective bargaining agreement since December 31, 2011.

GENERAL FUND REVENUES

The general fund revenue projection has been revised downward by \$3.0 million from the modified budget to \$1.822 billion. State and federal aid are driving the projected decrease. State and Federal aid is now projected \$3.2 million below modified budget targets primarily due to the re-estimation of personal service reimbursement within the Department of Social Services (DSS). Departmental Income has been revised downward by \$0.3 million primarily as a result of the US Marshal Service placing fewer federal inmates than anticipated in the County correctional facility. Capital revenues are projected to exceed budget as a result of larger premium revenues associated with the County’s tax and bond anticipation notes.

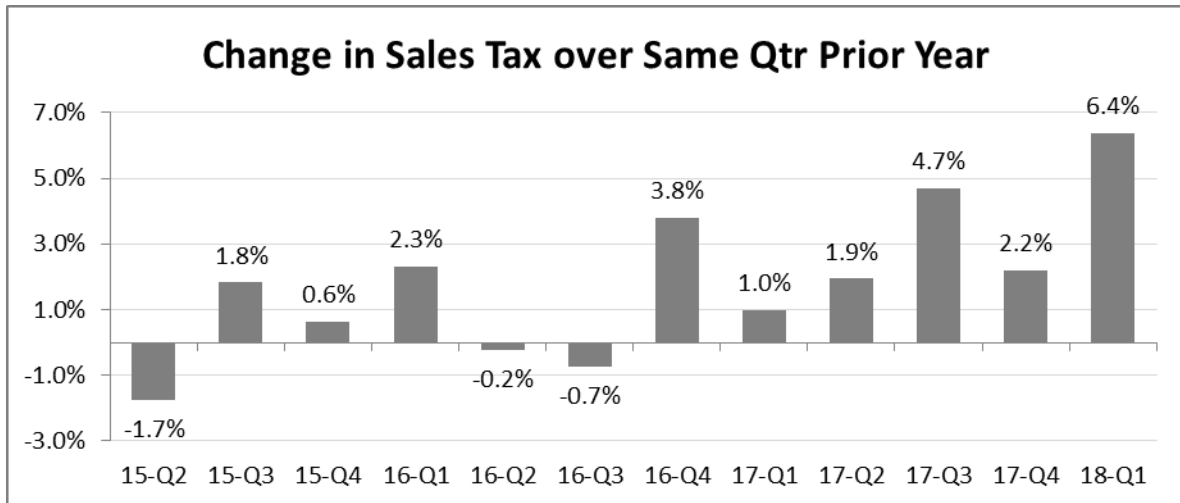
GENERAL FUND REVENUE SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Tax Levy on Real Property	559,392	559,392	-	559,392	-
Payments in Lieu of Taxes	10,255	10,255	495	10,255	-
Sales and Use Tax	544,506	544,506	57,243	544,506	-
Mortgage Recording Tax	20,711	20,711	2,878	20,711	-
Auto Use Tax (DMV Registrations)	16,427	16,427	1,309	16,427	-
Hotel Occupancy Tax	6,824	6,824	807	6,824	-
State Aid	246,625	246,625	47,730	244,687	(1,939)
Federal Aid	175,839	175,839	74,949	174,556	(1,284)
Departmental Income	152,101	152,101	19,085	151,788	(313)
Capital Revenues	9,071	9,071	389	9,617	546
Other Revenues	83,409	83,409	3,874	83,409	-
Sub-Total	1,825,160	1,825,160	208,759	1,822,171	(2,990)
Use / (Deposit) of General Fund Balance	19,881	26,517	-	-	(26,517)
TOTAL	1,845,041	1,851,677	208,759	1,822,171	(29,507)

NON-PROPERTY TAXES

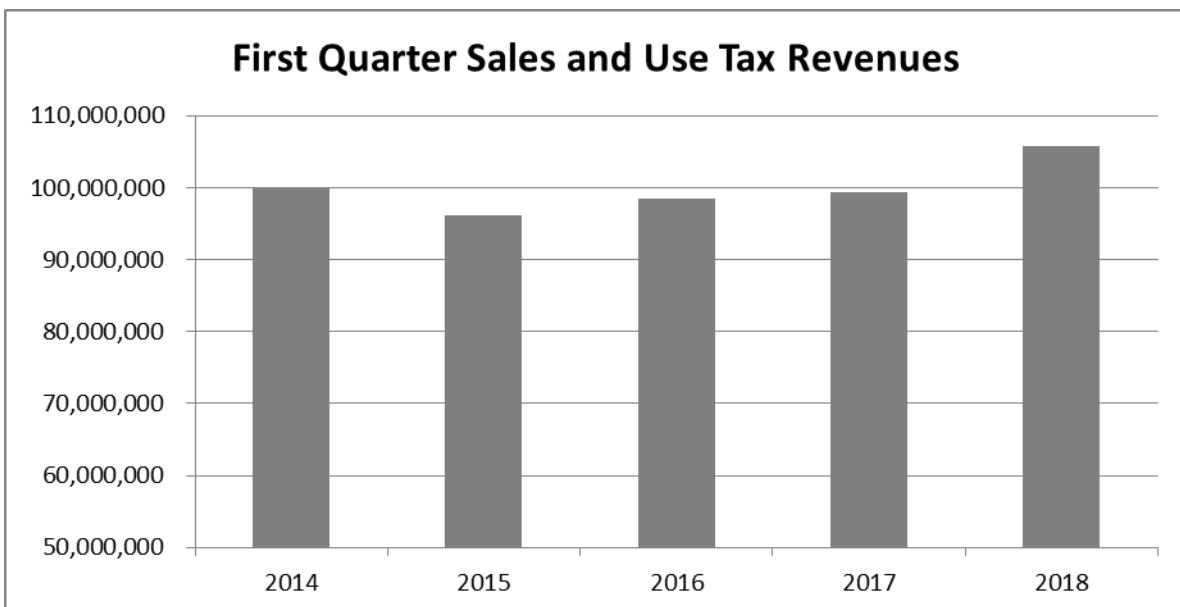
Sales and use tax is the second largest County revenue source after the real property tax, and is levied on most goods and services purchased within the County. The County imposes a 1.5 percent tax within the Cities of Mount Vernon, New Rochelle, White Plains, and Yonkers; and a 3.0 percent tax in the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

2018 FIRST QUARTER PROJECTIONS



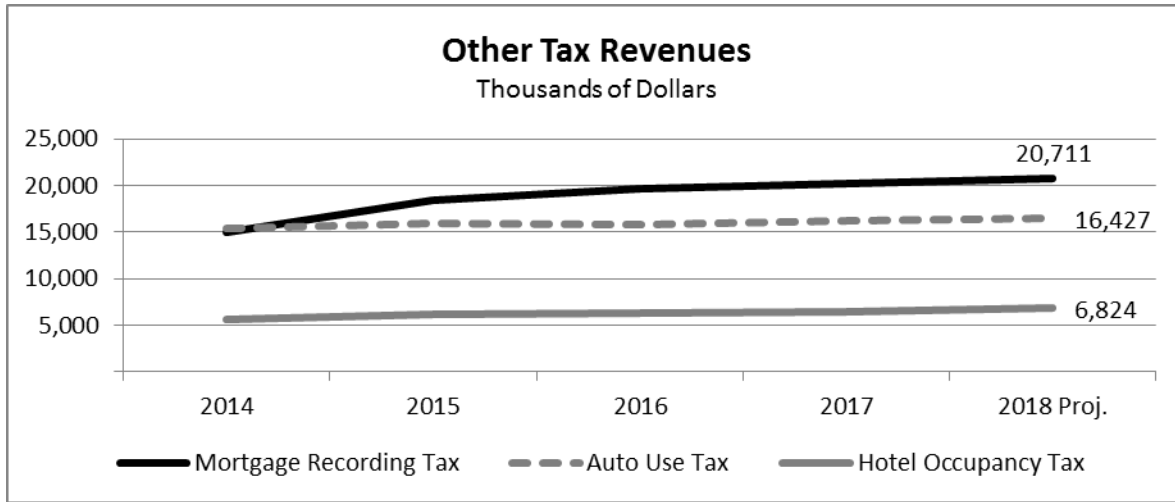
First quarter sales and use tax revenues grew at 6.4% over the prior year. The County has now posted six consecutive quarters of sales tax growth, coinciding with the rise in energy prices that has occurred over the same period. Additionally, overall inflation has also accelerated. NYC Metro inflation excluding medical care (as it is largely non-taxable) stands at 1.7% for the 12 month period ending March 2018. This is 31% higher than the inflation rate posted for the year ending March 2017.



Sales and Use Tax revenues were \$105.7 million for the first quarter of 2018. Revenues increased 6.4% against a 2018 budget target of 3.7% growth. In order to meet the budget target of \$544.5 million, the County will need the remaining three quarters of the year to grow at 3.0%. DOB projects this growth rate to be achievable, and has made no revision to the sales and use tax projection at this time.

2018 FIRST QUARTER PROJECTIONS

Mortgage Recording Tax, Auto Use Tax (DMV Fees), and Hotel Occupancy Tax are trending near budgeted levels through the first quarter. DOB projects no revision for these revenues at this time.



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					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Emergency Services	358	358	-	358	-
Social Services	161,351	161,351	74,912	159,917	(1,434)
Community Mental Health	974	974	0	925	(50)
Correction	1,166	1,166	14	1,166	-
District Attorney	134	134	-	134	-
Public Safety Services	299	299	23	299	-
Transportation	11,557	11,557	-	11,757	200
TOTAL	175,839	175,839	74,949	174,556	(1,284)

DOB projects a shortfall in federal aid of \$1.3 million below modified budget targets. This is primarily due to projected reductions in Emergency Assistance expenditures and a lower estimation of administrative reimbursement within DSS.

Overall, state aid projections have been decreased by \$1.9 million from modified budget levels. The major driver of the downward revision is a decrease in state aid of \$1.4 million within DSS for lower personal service reimbursement than had been included in the budget.

2018 FIRST QUARTER PROJECTIONS

Departments with changes in their state aid projection are highlighted in the table below:

GENERAL FUND STATE AID SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Social Services	96,206	96,206	47,487	94,390	(1,816)
Community Mental Health	1,587	1,587	77	1,585	(2)
Health	66,392	66,392	0	66,497	104
Transportation	58,671	58,671	-	58,446	(225)
Other	23,769	23,769	167	23,769	-
TOTAL	246,625	246,625	47,730	244,687	(1,939)

In addition to the change mentioned above, there are several smaller adjustments to projected state aid. The Department of Health is projected to exceed their budgeted expenditure levels. As a result, they will receive additional state reimbursement for those expenditures. The County's allocation of transportation aid included in the recently enacted 2018-19 State Budget was slightly lower than anticipated.

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. Overall, a relatively small decrease of \$0.3 million (0.21%) in departmental income is projected in the Q1 Update. Departments with changes in their departmental revenue projection are highlighted in the table below:

GENERAL FUND DEPARTMENTAL REVENUE					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Budget	557	557	-	605	48
Planning	574	574	4	549	(25)
Community Mental Health	105	105	-	5	(100)
Health	7,628	7,628	1,596	7,629	1
Correction	7,551	7,551	922	7,338	(213)
Transportation	38,438	38,438	7,925	38,413	(25)
Other	97,074	97,074	8,639	97,074	-
TOTAL	151,926	151,926	19,085	151,613	(313)

In Mental Health, revenues are reduced primarily as a result of not effectuating a program to charge an administrative fee for court ordered diversionary substance abuse treatment programs for non-indigent individuals. US Marshal Service placing fewer federal inmates than anticipated in the County correctional facility drives the lower projection for Correction.

GENERAL FUND EXPENDITURES

As of the end of the 1st quarter, general fund net expenditures are projected at \$0.8 million below modified appropriations. Increases in personal service resulting from the unbudgeted settlement of the collective bargaining agreement with the two correction officers unions are offset by the anticipation that some non-personal service expenditures will roll to FY19, lower than budgeted social services caseloads, and a reduction in Medicaid expenses due to additional Enhanced FMAP aid.

GENERAL FUND EXPENDITURE SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	334,067	334,049	76,566	337,485	3,435
Other Personal Service	304,930	304,960	66,898	307,160	2,200
Equipment	1,305	1,545	133	1,305	(239)
Materials and Supplies	33,845	34,606	5,589	34,500	(105)
Contractual Expenses	714,796	720,350	122,632	719,238	(1,112)
Social Services Relief	468,217	468,287	82,149	463,484	(4,804)
Inter-Departmental Expense	90,299	90,299	6,234	90,299	-
Gross Expenditures	1,947,459	1,954,095	360,200	1,953,471	(625)
Inter-Departmental Revenue	(102,418)	(102,418)	(6,091)	(102,590)	(172)
NET EXPENDITURES	1,845,041	1,851,677	354,109	1,850,880	(797)

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								
	CONTRACT EXPIRATION	NEGOTIATED BASE SALARY INCREASES						
		2012	2013	2014	2015	2016	2017	2018
Civil Service Employees Assoc.	12/31/2011	TBD	TBD	TBD	TBD	TBD	TBD	TBD
New York State Nurses Assoc.	12/31/2021	0%	0%	2.00%	1.50%	0%	0%	2.50%
International Brotherhood of Teamsters	12/31/2020	0%	0%	0%	2.75%	0%	0%	2.50%
Police Benevolent Assoc.	12/31/2019	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Superior Officers Police Benevolent Assoc.	12/31/2019	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
District Attorney Criminal Investigators	12/31/2015	2.50%	2.50%	2.50%	2.50%	TBD	TBD	TBD
Correction Officers Benevolent Assoc.	12/31/2019	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Correction Superior Officer Assoc.	12/31/2019	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Note: Nurses percentages for years 2016 to 2018 are based on a memorandum of agreement pending Board of Legislators approval.

CSEA, the County’s largest labor union, has been out of contract since December 31, 2011. The ever-increasing costs for labor continue to place significant pressure on the County’s financial plan.

2018 FIRST QUARTER PROJECTIONS

DOB now projects salary expenses \$3.4 million (1.0%) above modified appropriations. The major driver of the increase results from the unbudgeted settlement of the collective bargaining agreement with the two correction officers unions. The remaining changes to the salary projection are relatively small within the respective departments. Please see Appendix A for more detail on these adjustments.

Departments with changes in their salary projection are shown in the table below:

GENERAL FUND SALARY SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Human Resources	3,235	3,235	751	3,398	163
Board Of Elections	7,457	7,457	1,590	7,157	(300)
Law	8,454	8,424	1,879	8,454	30
Planning	2,047	2,047	410	1,982	(65)
Consumer Protection	1,367	1,367	279	1,346	(20)
Community Mental Health	2,789	2,789	640	2,845	56
Health	14,442	14,442	3,440	14,617	175
Labs and Research	8,044	8,057	1,762	8,044	(12)
Correction	75,997	75,997	18,804	80,264	4,267
District Attorney	23,596	23,596	5,210	23,466	(130)
Public Safety Services	34,191	34,191	7,817	33,745	(446)
Public Administrator	558	558	130	568	10
Parks, Recreation, and Conservation	15,174	15,174	3,451	15,154	(20)
Transportation	1,140	1,140	264	1,140	(0)
Public Works	14,926	14,926	3,309	14,654	(272)
Other	121,791	121,791	27,094	121,791	-
TOTAL	334,067	334,049	76,566	337,485	3,435

The projections in the table above do not make any provision for the settlement of a collective bargaining agreement with the Civil Service Employees Association (CSEA).

2018 FIRST QUARTER PROJECTIONS

As with salaries, other personal service (OPS) expenditures are expected to come in over modified appropriations as a result of the unbudgeted settlement of the collective bargaining agreement with the two correction officers unions. DOB projects OPS expenditures \$2.2 million above budgeted levels at \$307.2 million.

GENERAL FUND OTHER PERSONAL SERVICE SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Hourly Wages	9,536	9,566	891	9,447	(119)
Fees and Officers Pay	320	320	58	320	-
Overtime & Holiday	23,640	23,640	4,366	25,830	2,190
207-C Disability	2,668	2,668	418	2,732	64
Shift and Detective Differentials	5,415	5,415	1,241	5,480	65
Pension	67,625	67,625	16,500	67,625	-
Social Security and Medicare	26,486	26,486	6,427	26,486	-
Healthcare	162,854	162,854	36,164	162,854	-
MCTD Mobility Tax	1,341	1,341	253	1,341	-
Benefit Fund	4,671	4,671	579	4,671	-
Unemployment Insurance	373	373	1	373	-
TOTAL	304,930	304,960	66,898	307,160	2,200

MATERIALS AND SUPPLIES

The materials and supplies expenditure class is dominated by utilities as energy (\$18 million), and water (\$3 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.

Overall, DOB projects materials and supply expenditures at \$0.1 million (0.3%) above modified budget appropriations. The following page contains a summary of the departments with adjustments to their materials and supplies expense projection in the Q1 Update:

2018 FIRST QUARTER PROJECTIONS

GENERAL FUND MATERIALS AND SUPPLIES SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Board Of Legislators	177	178	12	177	(1)
County Executive	112	113	6	112	(1)
Human Resources	28	39	9	28	(11)
Board Of Elections	1,778	1,778	50	1,778	(1)
Information Technology	244	262	24	244	(18)
Law	65	69	11	65	(4)
Social Services	710	735	97	710	(25)
Community Mental Health	29	31	4	29	(3)
Labs and Research	1,112	1,209	204	1,112	(98)
Correction	1,520	1,587	195	1,525	(61)
District Attorney	295	308	48	291	(17)
Public Safety Services	1,715	1,828	353	1,715	(113)
Probation	178	248	21	178	(70)
Solid Waste Commission	30	31	4	30	(1)
Parks, Recreation, and Conservation	7,708	7,792	1,039	7,708	(84)
Public Works	15,896	16,147	3,057	16,550	403
Other	2,249	2,250	455	2,250	-
TOTAL	33,845	34,606	5,589	34,500	(105)

The materials and supplies category includes an upward revision of the Public Works utilities expense in the amount of \$0.7 million due to higher than anticipated energy prices. The increase is offset by reimbursement from the medical center of \$0.2 million, resulting in a net general fund impact of \$0.5 million.

This increase is being offset by projected savings of \$0.8 million, primarily due to DOB's expectation that \$761,000 of expenditures will roll and take place in FY 2019.

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.

2018 FIRST QUARTER PROJECTIONS

Overall, DOB projects contractual expenses at \$1.1 million (0.2%) below modified appropriations. Below is a summary of the departments with adjustments to their contractual expense projection in the Q1 Update:

GENERAL FUND CONTRACTUAL EXPENSES SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Board Of Legislators	325	331	49	325	(6)
County Executive	3,764	4,068	244	3,764	(304)
Human Resources	609	635	135	609	(26)
Board Of Elections	3,942	4,318	328	4,192	(126)
Finance	122	152	7	122	(30)
Law	975	1,222	99	975	(247)
Emergency Services	866	1,156	89	866	(289)
Social Services	19,144	19,315	1,711	19,144	(171)
Community Mental Health	4,356	4,356	50	4,300	(56)
Health	111,893	111,897	21,091	111,832	(65)
Labs and Research	804	857	113	804	(52)
Correction	21,587	21,769	3,496	21,551	(218)
District Attorney	2,211	2,249	95	2,211	(39)
Public Safety Services	2,435	2,511	497	2,435	(75)
Public Administrator	59	64	16	59	(5)
Solid Waste Commission	147	178	30	147	(31)
Parks, Recreation, and Conservation	10,931	11,227	1,981	10,931	(296)
Transportation	160,119	160,240	33,505	162,119	1,880
Public Works	18,927	20,040	3,285	19,047	(993)
Debt Service	83,854	84,302	13,144	84,826	524
Miscellaneous Budgets	235,331	235,817	40,304	235,331	(486)
Other	32,393	33,647	2,362	33,647	-
TOTAL	714,796	720,350	122,632	719,238	(1,112)

All but two departments within the County are expected to expend at or below their modified contractual expenses appropriation level. The main driver within most departments is the anticipation that some contractual expenses will roll and take place in FY 2019.

The two departments exceeding their modified appropriation level are Transportation and Debt Service. Transportation has an increase in Bus Operating Assistance of \$1.9 million due to higher fuel prices and liability claim payouts than originally anticipated. Debt Service is projected \$0.5 million above modified budget as a result of the interest rates on the Tax and Bond Anticipation Notes issued by the County being higher than anticipated.

Please see Appendix A for additional detail on the smaller variances.

2018 FIRST QUARTER PROJECTIONS

SOCIAL SERVICES RELIEF

DOB projects an overall expense decrease of \$4.8 million (1.0%) from the modified budget within the social services relief appropriation. The major variances to budget are for Emergency Assistance, Medicaid, and the County's three daycare programs.

GENERAL FUND SOCIAL SERVICES RELIEF SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Emerg Assist To Fam & Child - Non Homeless	5,880	5,880	1,019	5,865	(15)
Emerg Assist to Fam & Child - Foster Care	13,881	13,881	2,971	13,040	(841)
Emerg Assist to Adults	1,437	1,437	204	1,406	(31)
Old Age Assist - MA	4,022	3,762	528	4,014	251
Aid to Disabled - MA	-	10	-	-	(10)
Family Assistance - MA	-	250	18	-	(250)
Medicaid - Regular	210,167	210,167	52,670	208,574	(1,593)
Medicaid - Disproportionate Share	63,381	63,381	-	63,381	-
Temp Assist to Needy Families (TANF)	34,355	34,422	6,155	34,033	(389)
Safety Net	48,767	48,768	8,709	48,462	(306)
Child Welfare - Foster Care	30,198	30,198	3,109	29,933	(265)
Child Welfare - Independent Living	1,122	1,122	54	1,117	(5)
Child Welfare - Adoption Subsidies	9,196	9,196	2,324	9,254	58
Social Svcs Spec Items	175	175	(16)	209	34
Indirect Social Service	43,179	43,181	4,105	41,976	(1,205)
Day Care (Title XX)	2,458	2,458	298	2,221	(237)
TOTAL	468,217	468,287	82,149	463,484	(4,804)

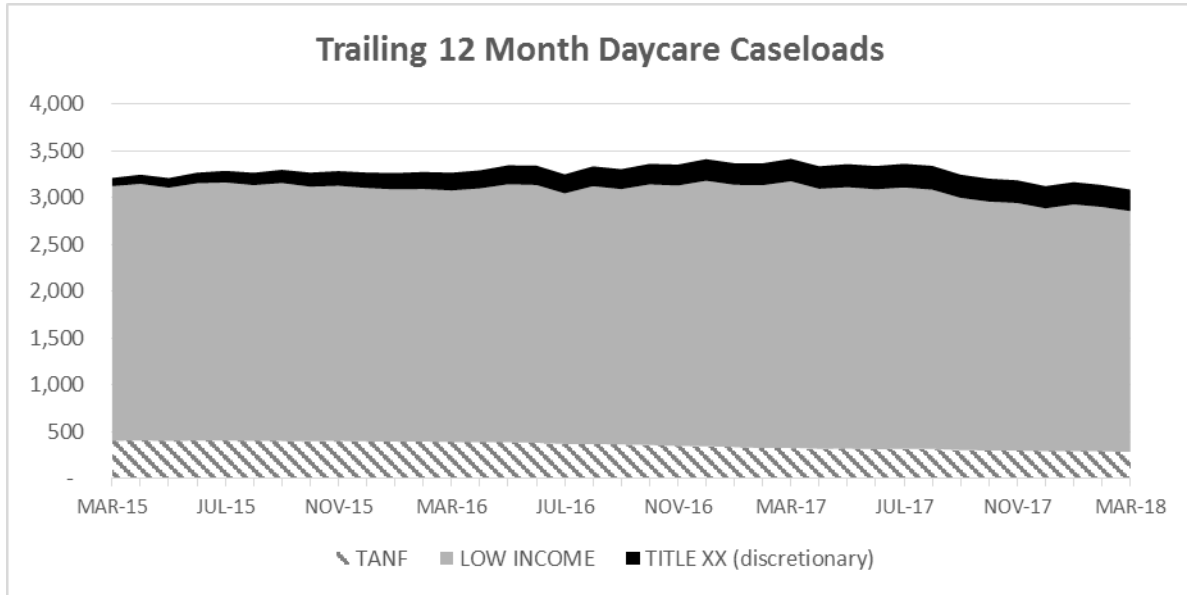
Emergency Assistance is now projected \$0.9 million below modified budget on lower than anticipated caseloads. The County retains approximately half of these savings after accounting for the associated state and federal aid shares.

Taken together, the two public assistance programs, TANF and Safety Net, are under modified budget levels by a combined \$0.7 million. These two programs are heavily subsidized by the federal and state governments; the \$0.7 million expense reduction is coupled with a \$0.5 million revenue loss.

Medicaid is projected below the modified budget by \$1.6 million due to a larger than budgeted allocation of Enhanced FMAP due the County after reconciliation of the actual expenses incurred by the expanded Medicaid population by the NYS Department of Health and Division of Budget.

The County's three daycare programs are projected expend \$1.5 million less than modified appropriations due to lower than budgeted caseloads.

Daycare caseloads have begun to decline since the high of the year ending March 2017. During the year ending March 2018 the County provided subsidized daycare to an average of 3,087 children per month across the three programs. This is a decline in the average of 329 children as compared to the year ending March 2017. 97% of the reduction is attributable to the TANF and Low Income programs. Improvement in the economy and increases in the State minimum wage are likely contributors to the reductions the caseloads.



2018 FIRST QUARTER PROJECTIONS

SPECIAL DISTRICTS FUNDS FORECAST

On December 21, 2017, the County adopted a Special Districts Operating Budget in the amount of \$219.2 million for Fiscal Year 2018 (FY18). \$122.0 million was appropriated for sewer district operations, \$23.3 million for water district operations, and \$73.8 million for refuse district operations. This section will present the Department of Budget's (DOB) First Quarter Update for FY 2018.

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 2018 Budget has been modified upward by \$2.2 million to allow for the expenditure of funds in FY18 for items that were contracted for in FY17. DOB expects a similar amount to roll from FY18 to FY19 resulting in a negligible effect to the FY18 Financial Plan.

CONSOLIDATED SEWER OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	18,258	18,258	4,087	18,258	-
Other Personal Services	19,403	19,403	4,323	19,403	-
Equipment	433	471	-	433	(38)
Materials & Supplies	18,243	18,526	2,900	18,663	137
Contractual Expenses	19,023	20,857	2,457	18,923	(1,934)
Inter-Departmental Charge	3,483	3,483	383	3,483	-
Gross Expenditures	78,843	80,998	14,150	79,163	(1,835)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	78,843	80,998	14,150	79,163	(1,835)
Departmental Income	3,621	3,621	384	3,621	-
Interest on Investments	27	27	-	27	-
Miscellaneous Revenue	745	745	3	745	-
Interfund Revenue	74,451	76,606	9,754	74,451	(2,155)
REVENUES	78,843	80,998	10,140	78,843	(2,155)
BUDGET (GAP) / SURPLUS	-	-	(4,010)	(320)	(320)

Offsetting the projected rolls of \$2.2 million are higher than budgeted projections for energy utilities in the amount of \$0.5 million. Overall, DOB projects a small shortfall of \$320,000 for the sewer operations fund at this time.

2018 FIRST QUARTER PROJECTIONS

SEWER DISTRICTS FUNDS

DOB projects no changes from the 2018 Sewer Districts Funds Budgets adopted on December 21, 2017 at this time. All projected adjustments are shown within the Consolidated Sewer Operations Fund.

SEWER DISTRICT FUNDS SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Contractual Expenses	48,850	48,850	5,636	48,850	-
Transfer to Operations Fund	73,197	73,197	9,671	73,197	-
Gross Expenditures	122,046	122,046	15,307	122,046	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	122,046	122,046	15,307	122,046	-
Real Property Taxes	100,513	100,513	-	100,513	-
Payments in Lieu of Taxes	57	57	-	57	-
Departmental Income	225	225	-	225	-
Interest on Investments	8,489	8,489	1,724	8,489	-
Appropriated Fund Balance	12,437	12,437	-	12,437	-
Interfund Revenue	325	325	325	325	-
REVENUES	122,046	122,046	2,049	122,046	-
BUDGET (GAP) / SURPLUS	-	-	(13,258)	-	-

WATER DISTRICTS FORECAST

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

2018 FIRST QUARTER PROJECTIONS

WATER DISTRICT #1

Water District #1 (WD#1) encompasses the municipalities of Mount Vernon, Scarsdale, White Plains, and Yonkers. The 2018 WD#1 Budget has been modified upward by \$163,000 to allow for the expenditure of funds in FY18 for items that were contracted for in FY17. DOB expects a similar amount to roll from FY18 to FY19 resulting in a negligible effect to the FY18 Financial Plan.

WATER DISTRICT #1 FUND SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	322	322	55	322	-
Other Personal Services	329	329	59	329	-
Equipment	43	43	-	43	-
Materials & Supplies	17,855	17,858	43	17,455	(403)
Contractual Expenses	1,591	1,751	154	1,832	81
Inter-Departmental Charge	293	293	5	293	-
Gross Expenditures	20,433	20,596	316	20,274	(322)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	20,433	20,596	316	20,274	(322)
Real Property Taxes	2,280	2,280	-	2,280	-
Departmental Income	16,960	16,960	-	16,560	(400)
Interest on Investments	7	7	-	7	-
Appropriated Fund Balance	1,051	1,214	-	-	(1,214)
Miscellaneous Revenue	135	135	56	135	-
REVENUES	20,433	20,596	56	18,982	(1,614)
BUDGET (GAP) / SURPLUS	-	-	(260)	(1,292)	(1,292)

In addition to the \$111,000 of anticipated rolls, projected water purchases from New York City have been reduced by \$0.4 million, along with an identical amount of departmental income for the loss of user fees associated with the water purchase. Contractual expenses have been revised upward due to higher than anticipated interest expenses associated with the County's bond anticipation note. The appropriation of fund balance has also been removed from the projection. Overall, DOB projects a \$1.3 million shortfall for Water District #1.

WATER DISTRICT #3

Water District #3 (WD#3) encompasses the County’s Valhalla Campus at Grasslands within the Town of Mount Pleasant. The 2018 WD#3 Budget has been modified upward by \$79,000 to allow for the expenditure of funds for items in FY18 that were contracted for in FY17. DOB expects a similar amount to roll from FY18 to FY19 resulting in a negligible effect to the FY18 Financial Plan.

WATER DISTRICT #3 FUND SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	221	221	40	221	-
Other Personal Services	253	253	41	253	-
Equipment	33	33	-	33	-
Materials & Supplies	722	723	20	722	(1)
Contractual Expenses	1,448	1,525	191	1,552	27
Inter-Departmental Charge	226	226	5	226	-
Gross Expenditures	2,902	2,981	296	3,006	25
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	2,902	2,981	296	3,006	25
Departmental Income	2,000	2,000	0	2,000	-
Interest on Investments	18	18	-	18	-
Appropriated Fund Balance	884	963	-	-	(963)
REVENUES	2,902	2,981	0	2,018	(963)
BUDGET (GAP) / SURPLUS	-	-	(296)	(988)	(988)

Offsetting the \$79,000 of anticipated rolls, contractual expenses have been revised upward due to higher than anticipated interest expenses associated with the County’s bond anticipation note. The appropriation of fund balance has also been removed from the projection. Overall, DOB projects a \$1.0 million shortfall for Water District #3.

2018 FIRST 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 2018 Refuse District Budget has been modified upward by \$143,000 to allow for the expenditure of funds in FY18 for items that were contracted for in FY17. DOB expects a similar amount to roll from FY18 to FY19 resulting in a negligible effect to the FY18 Financial Plan.

REFUSE DISTRICT FUND SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	1,715	1,715	380	1,715	-
Other Personal Services	1,555	1,555	323	1,555	-
Materials & Supplies	974	977	109	974	(4)
Contractual Expenses	67,066	67,206	13,508	67,066	(140)
Inter-Departmental Charge	2,470	2,470	103	2,470	-
Gross Expenditures	73,780	73,923	14,424	73,780	(143)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	73,780	73,923	14,424	73,780	(143)
Real Property Taxes	43,381	43,381	-	43,381	-
Payments in Lieu of Taxes	347	347	-	347	-
Departmental Income	19,096	19,096	2,556	19,096	-
Interest on Investments	374	374	16	374	-
Appropriated Fund Balance	10,453	10,597	-	-	(10,597)
Miscellaneous Revenue	90	90	12	90	-
Interfund Revenue	40	40	40	40	-
State Aid	-	-	146	-	-
REVENUES	73,780	73,923	2,769	63,326	(10,597)
BUDGET (GAP) / SURPLUS	-	-	(11,655)	(10,453)	(10,453)

Excluding the rolls, the only adjustment is to remove the appropriated fund balance from the projection. Overall, DOB projects a \$10.5 million shortfall for the refuse district at this time.

AIRPORT FUND FORECAST

The 2018 Airport Budget has been modified upward by \$2.0 million to allow for the expenditure of funds in FY18 for items that were contracted for in FY17. DOB expects a similar amount to roll from FY18 to FY19 resulting in a negligible effect to the FY18 Financial Plan.

AIRPORT OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	8,177	8,177	3,230	8,177	-
Other Personal Services	3,773	3,773	401	4,248	475
Equipment	545	668	107	545	(123)
Materials & Supplies	2,060	2,167	332	2,160	(6)
Contractual Expenses	24,108	25,836	3,454	24,108	(1,728)
Inter-Departmental Charge	12,095	12,095	11	12,095	-
Gross Expenditures	50,758	52,715	7,534	51,333	(1,382)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	50,758	52,715	7,534	51,333	(1,382)
Departmental Income	50,190	50,190	9,105	50,190	-
Interest on Investments	65	65	-	65	-
Appropriated Fund Balance	504	2,461	-	-	(2,461)
REVENUES	50,758	52,715	9,105	50,255	(2,461)
BUDGET (GAP) / SURPLUS	-	-	1,571	(1,079)	(1,079)

DOB projects the airport to achieve expenditure savings of \$1.4 million from the modified budget. \$2.0 million of non-personal service savings is projected as these expenditures are expected to not take place until FY 2019. Offsetting these projected reductions are additional motor fuel expenses in the amount of \$100,000, and additional healthcare expenditures of \$475,000. Combined with aforementioned expenditure reductions, the removal of the appropriated fund balance included in the modified budget yields a projected draw of \$1.1 million from the airport fund balance as a result of 2018 operations.

2018 FIRST 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 March 31st of the past five years is shown below.

WORKERS COMPENSATION (6J) & GENERAL LIABILITY (6N) FUNDS AS OF MAR 31		
Thousands of Dollars		
	<u>6J FUND</u>	<u>6N FUND</u>
Net Position 3/31/2014	(31,389)	34,441
Net Position 3/31/2015	(35,929)	40,725
Net Position 3/31/2016	(37,498)	25,273
Net Position 3/31/2017	(41,165)	16,288
Net Position 3/31/2018	(46,535)	15,593

The general liability reserve (6N) fund is in a positive net position of \$15.6 million, while the workers compensation reserve (6J) fund is in a negative net position of \$46.5 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.

The net position of the 6N fund experienced a material decline since 2015 due to several large liabilities being accrued during 2015 and 2016. The 2015 Metro-North Railroad crash in Valhalla is the largest of these potential liabilities. It is DOB's expectation that this liability reserve will be released in the future, and the fund's net position will improve.



APPENDIX A
Departmental Detail

DEPARTMENTAL DETAIL

BOARD OF LEGISLATORS					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	3,875	3,875	846	3,875	-
Other Personal Services	234	234	46	234	-
Equipment	4	4	1	4	-
Materials & Supplies	177	178	12	177	(1)
Contractual Expenses	325	331	49	325	(6)
Inter-Departmental Charge	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>
Gross Expenditures	4,617	4,624	954	4,617	(7)
Inter-Departmental Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET EXPENDITURES	4,617	4,624	954	4,617	(7)
TAX LEVY	<u>4,617</u>	<u>4,624</u>	<u>954</u>	<u>4,617</u>	<u>(7)</u>

FIRST QUARTER HIGHLIGHTS

The Board of Legislators is projected at appropriation levels as originally adopted at this time.

COUNTY EXECUTIVE					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	5,327	5,327	923	5,327	0
Other Personal Services	56	56	11	56	-
Materials & Supplies	112	113	6	112	(1)
Contractual Expenses	3,764	4,068	244	3,764	(304)
Inter-Departmental Charge	446	446	1	446	-
Gross Expenditures	9,705	10,010	1,185	9,705	(305)
Inter-Departmental Revenue	(1,141)	(1,141)	-	(1,141)	-
NET EXPENDITURES	8,564	8,869	1,185	8,564	(305)
Departmental Income	(1,377)	(1,377)	-	(1,377)	-
State Aid	(177)	(177)	(11)	(177)	-
REVENUES	(1,554)	(1,554)	(11)	(1,554)	-
TAX LEVY	7,010	7,315	1,174	7,010	(305)

FIRST QUARTER HIGHLIGHTS

The County Executive is projected at appropriation levels as originally adopted at this time.

DEPARTMENTAL DETAIL

DEPARTMENT OF HUMAN RESOURCES					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	3,235	3,235	751	3,398	163
Other Personal Services	25	25	7	25	-
Materials & Supplies	28	39	9	28	(11)
Contractual Expenses	609	635	135	609	(26)
Inter-Departmental Charge	<u>582</u>	<u>582</u>	<u>1</u>	<u>582</u>	<u>-</u>
Gross Expenditures	4,479	4,517	902	4,642	125
Inter-Departmental Revenue	<u>(478)</u>	<u>(478)</u>	<u>(2)</u>	<u>(478)</u>	<u>-</u>
NET EXPENDITURES	4,001	4,039	899	4,164	125
Departmental Income	<u>(252)</u>	<u>(252)</u>	<u>(118)</u>	<u>(252)</u>	<u>-</u>
REVENUES	(252)	(252)	(117)	(252)	-
TAX LEVY	<u>3,750</u>	<u>3,787</u>	<u>782</u>	<u>3,912</u>	<u>125</u>

FIRST QUARTER HIGHLIGHTS

DOB projects the Department of Human Resources (HR) to exceed its personal service appropriations by \$163,000. This is a result of the settlement of the International Brotherhood of Teamsters collective bargaining agreement that had not been included in the 2018 Budget. \$37,000 of expenditure included in the modified budget is expected to occur in FY 2019.

DEPARTMENT OF BUDGET					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	1,274	1,274	254	1,274	-
Other Personal Services	8	8	0	8	-
Materials & Supplies	4	4	1	4	-
Contractual Expenses	13	13	1	13	-
Inter-Departmental Charge	212	212	10	212	-
Gross Expenditures	1,509	1,509	266	1,509	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,509	1,509	266	1,509	-
Departmental Income	(557)	(557)	-	(605)	(48)
REVENUES	(557)	(557)	-	(605)	(48)
TAX LEVY	953	953	266	904	(48)

FIRST QUARTER HIGHLIGHTS

DOB projects no change from either the adopted or modified expenditure budgets for the Department of Budget at this time. An additional \$48,000 of revenue is projected as a result of higher than anticipated billings to the non-general funds.

DEPARTMENTAL DETAIL

BOARD OF ELECTIONS					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	7,457	7,457	1,590	7,157	(300)
Other Personal Services	990	990	45	1,065	75
Equipment	50	50	3	50	-
Materials & Supplies	1,778	1,778	50	1,778	(1)
Contractual Expenses	3,942	4,318	328	4,192	(126)
Inter-Departmental Charge	1,793	1,793	116	1,793	-
Gross Expenditures	16,009	16,386	2,132	16,034	(352)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	16,009	16,386	2,132	16,034	(352)
Departmental Income	(1,537)	(1,537)	(1)	(1,537)	-
REVENUES	(1,537)	(1,537)	(1)	(1,537)	-
TAX LEVY	14,472	14,849	2,131	14,497	(352)

FIRST QUARTER HIGHLIGHTS

DOB projects the Board of Elections \$352,000 below the modified budget. Personal service expenditures are projected \$225,000 below modified appropriations, and \$127,000 of non-personal service expenditures included in the modified budget are anticipated to not occur until FY 2019.

DEPARTMENT OF FINANCE					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	4,084	4,084	936	4,084	(0)
Other Personal Services	9	9	1	9	-
Materials & Supplies	35	35	7	35	(0)
Contractual Expenses	122	152	7	122	(30)
Inter-Departmental Charge	888	888	28	888	-
Gross Expenditures	5,137	5,168	979	5,137	(30)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	5,137	5,168	979	5,137	(30)
Departmental Income	(2,349)	(2,349)	(128)	(2,349)	-
Miscellaneous Revenue	-	-	-	-	-
REVENUES	(2,349)	(2,349)	(128)	(2,349)	-
TAX LEVY	2,788	2,818	851	2,788	(30)

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures for the Department of Finance at \$30,000 below the modified budget. \$30,000 contractual expense included in the modified budget is expected to occur in FY 2019.

DEPARTMENTAL DETAIL

DEPARTMENT OF INFORMATION TECHNOLOGY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	12,896	12,896	2,845	12,896	-
Other Personal Services	3,642	3,642	792	3,642	-
Equipment	168	196	-	168	(29)
Materials & Supplies	244	262	24	244	(18)
Contractual Expenses	21,757	23,010	2,135	23,010	0
Inter-Departmental Charge	1,349	1,349	432	1,349	-
Gross Expenditures	40,056	41,356	6,229	41,309	(47)
Inter-Departmental Revenue	(33,286)	(33,286)	(8)	(33,286)	-
NET EXPENDITURES	6,770	8,069	6,220	8,023	(47)
Departmental Income	(8,436)	(8,436)	(651)	(8,436)	-
Appropriated Fund Balance	-	-	-	-	-
REVENUES	(8,436)	(8,436)	(650)	(8,436)	-
TAX LEVY	(1,667)	(367)	5,570	(414)	(47)

FIRST QUARTER HIGHLIGHTS

DOB is projects contractual expenditures within the Department of Information Technology to approximate the modified budget at this time. \$47,000 of equipment and supply expenditures included in the modified budget are expected to occur in FY 2019.

BOARD OF ACQUISITION & CONTRACT					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	223	223	52	223	-
Materials & Supplies	1	1	0	1	-
Contractual Expenses	2	2	0	2	-
Inter-Departmental Charge	44	44	0	44	-
Gross Expenditures	270	270	52	270	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	270	270	52	270	-
Departmental Income	(3)	(3)	(0)	(3)	-
REVENUES	(3)	(3)	(0)	(3)	-
TAX LEVY	268	268	51	268	-

FIRST QUARTER HIGHLIGHTS

DOB is projecting the Board of Acquisition and Contract to approximate both the Adopted and Modified Budgets at this time.

DEPARTMENTAL DETAIL

DEPARTMENT OF LAW					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	8,454	8,424	1,879	8,454	30
Other Personal Services	1	31	2	1	(30)
Equipment	46	47	2	46	(1)
Materials & Supplies	65	69	11	65	(4)
Contractual Expenses	975	1,222	99	975	(247)
Inter-Departmental Charge	760	760	9	760	-
Gross Expenditures	10,300	10,553	2,003	10,300	(252)
Inter-Departmental Revenue	(9,857)	(9,857)	(751)	(9,857)	-
NET EXPENDITURES	443	695	1,252	443	(252)
Departmental Income	(3,269)	(3,269)	(166)	(3,269)	-
REVENUES	(3,269)	(3,269)	(166)	(3,269)	-
TAX LEVY	(2,826)	(2,574)	1,086	(2,826)	(252)

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Law \$252,000 below the modified budget levels. This is due to the expectation that these expenditures will occur in FY 2019.

DEPARTMENT OF PLANNING					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	2,047	2,047	410	1,982	(65)
Materials & Supplies	11	11	0	11	(0)
Contractual Expenses	987	987	147	987	-
Inter-Departmental Charge	839	839	16	839	-
Gross Expenditures	3,883	3,884	573	3,818	(65)
Inter-Departmental Revenue	(25)	(25)	-	(25)	-
NET EXPENDITURES	3,858	3,859	573	3,793	(65)
Departmental Income	(574)	(574)	(4)	(549)	25
Agency & Trust Revenue	(25)	(25)	-	(25)	-
State Aid	(60)	(60)	(60)	(60)	-
REVENUES	(659)	(659)	(64)	(634)	25
TAX LEVY	3,200	3,200	509	3,159	(40)

FIRST QUARTER HIGHLIGHTS

DOB projects a decrease of \$65,000 in salaries within the Department of Planning as a result of vacancies within the department. Associated with the reduction in personal service is a loss of \$25,000 of departmental revenue from non-general fund sources.

DEPARTMENTAL DETAIL

DEPARTMENT OF EMERGENCY SERVICES					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	1,692	1,692	384	1,692	-
Other Personal Services	310	310	68	310	-
Equipment	10	10	-	10	-
Materials & Supplies	202	202	9	202	-
Contractual Expenses	866	1,156	89	866	(289)
Inter-Departmental Charge	2,945	2,945	90	2,945	-
Gross Expenditures	6,026	6,315	640	6,026	(289)
Inter-Departmental Revenue	(339)	(339)	-	(339)	-
NET EXPENDITURES	5,686	5,976	640	5,686	(289)
Departmental Income	(77)	(77)	(1)	(77)	-
Federal Aid	(358)	(358)	-	(358)	-
REVENUES	(436)	(436)	(1)	(436)	-
TAX LEVY	5,251	5,540	640	5,251	(289)

FIRST QUARTER HIGHLIGHTS

DOB projects the Department of Emergency Services to approximate the adopted budget at this time. \$289,000 of contractual expenditure is anticipated to roll and take place in FY 2019.

COUNTY CLERK					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	4,355	4,355	950	4,355	-
Other Personal Services	85	85	0	85	-
Equipment	6	6	-	6	-
Materials & Supplies	137	137	34	137	-
Contractual Expenses	449	450	31	449	(0)
Inter-Departmental Charge	<u>1,605</u>	<u>1,605</u>	<u>2</u>	<u>1,605</u>	<u>-</u>
Gross Expenditures	6,637	6,637	1,018	6,637	(0)
Inter-Departmental Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET EXPENDITURES	6,637	6,637	1,018	6,637	(0)
Departmental Income	<u>(9,499)</u>	<u>(9,499)</u>	<u>(1,407)</u>	<u>(9,499)</u>	<u>-</u>
REVENUES	(9,499)	(9,499)	(1,407)	(9,499)	-
TAX LEVY	<u>(2,862)</u>	<u>(2,862)</u>	<u>(389)</u>	<u>(2,862)</u>	<u>(0)</u>

FIRST QUARTER HIGHLIGHTS

DOB anticipates that expenditures and revenues for the County Clerk will approximate the adopted budget at this time.

DEPARTMENTAL DETAIL

DEPARTMENT OF SOCIAL SERVICES					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	68,768	68,768	15,545	68,768	(0)
Other Personal Services	2,428	2,428	396	2,428	-
Equipment	-	-	-	-	-
Materials & Supplies	710	735	97	710	(25)
Contractual Expenses	19,144	19,315	1,711	19,144	(171)
Social Services Relief	468,217	468,287	82,149	463,484	(4,804)
Inter-Departmental Charge	38,797	38,797	3,303	38,797	-
Gross Expenditures	598,064	598,330	103,201	593,331	(4,999)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	598,064	598,330	103,201	593,331	(4,999)
Departmental Income	(4,600)	(4,600)	87	(4,600)	-
Miscellaneous Revenue	-	-	(14)	-	-
Undistributed Revenues	-	-	(3,050)	-	-
State Aid	(96,206)	(96,206)	(47,487)	(94,390)	1,816
Federal Aid	(161,351)	(161,351)	(74,912)	(159,917)	1,434
REVENUES	(262,157)	(262,157)	(125,375)	(258,907)	3,250
TAX LEVY	335,907	336,173	(22,174)	334,423	(1,750)

FIRST QUARTER HIGHLIGHTS

As of the first quarter, DOB is projecting a decrease in DSS's modified budget tax levy of \$1.8 million on expenditure reductions of \$5.0 million and revenue reductions of \$3.3 million.

DOB projects the majority of the expenditure savings to occur in the relief category. Medicaid is projected below the modified budget by \$1.6 million due to a larger than budgeted allocation of eFMAP due the County after reconciliation of the actual expenditures incurred by the expanded Medicaid population by NYS DOH and DOB. Across all three programs, daycare subsidy expenditures are now projected \$1.5 million below budgeted appropriations as a result of lower than anticipated caseloads. The two public assistance programs, TANF and Safety Net, are also under modified budget levels by a combined \$694,000. These two programs are heavily subsidized by the federal and state governments; the \$694,000 expense reduction is coupled with a \$474,000 revenue loss.

The projected reductions in state and federal aid include a reduction of \$1.9 million in administrative aid as a result of the re-estimation of personal service reimbursements as compared to the amounts included in the adopted budget.

DEPARTMENT OF SENIOR PROGRAMS & SERVICES					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Contractual Expenses	2,684	2,684	31	2,684	-
Inter-Departmental Charge	<u>617</u>	<u>617</u>	<u>3</u>	<u>617</u>	<u>-</u>
Gross Expenditures	3,301	3,301	34	3,301	-
Inter-Departmental Revenue	<u>(291)</u>	<u>(291)</u>	<u>-</u>	<u>(291)</u>	<u>-</u>
NET EXPENDITURES	3,010	3,010	34	3,010	-
TAX LEVY	<u>2,835</u>	<u>2,835</u>	<u>34</u>	<u>2,835</u>	<u>-</u>

FIRST QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

DEPARTMENT OF CONSUMER PROTECTION					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	1,367	1,367	279	1,346	(20)
Other Personal Services	15	15	5	15	-
Equipment	5	5	3	5	-
Materials & Supplies	48	48	3	48	-
Contractual Expenses	38	38	3	38	(0)
Inter-Departmental Charge	281	281	5	281	-
Gross Expenditures	1,754	1,754	298	1,734	(20)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,754	1,754	298	1,734	(20)
Departmental Income	(2,987)	(2,987)	(691)	(2,987)	-
REVENUES	(2,987)	(2,987)	(690)	(2,987)	-
TAX LEVY	(1,233)	(1,232)	(393)	(1,253)	(20)

FIRST QUARTER HIGHLIGHTS

DOB projects expenditure savings of \$20,000 from the modified budget for the Department of Consumer Protection. The projected savings is as a result of vacancies within the department.

DEPARTMENT OF MENTAL HEALTH					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	2,789	2,789	640	2,845	56
Other Personal Services	31	31	0	31	-
Materials & Supplies	29	31	4	29	(3)
Contractual Expenses	4,356	4,356	50	4,300	(56)
Inter-Departmental Charge	1,471	1,471	216	1,471	-
Gross Expenditures	8,675	8,678	910	8,675	(3)
Inter-Departmental Revenue	(972)	(972)	-	(972)	-
NET EXPENDITURES	7,703	7,705	910	7,703	(3)
Departmental Income	(105)	(105)	-	(5)	100
State Aid	(1,587)	(1,587)	(77)	(1,585)	2
Federal Aid	(974)	(974)	(0)	(925)	50
REVENUES	(2,666)	(2,666)	(78)	(2,515)	151
TAX LEVY	5,037	5,039	832	5,188	149

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures to essentially approximate modified appropriations for the Department of Mental Health at this time. Personal service expenditures are projected \$56,000 above the modified budget as a result of transferring a position into the general fund. This is offset by an identical contractual expense savings associated with the position transfer. Revenues are reduced primarily as a result of not effectuating a program to charge an administrative fee for court ordered diversionary substance abuse treatment programs for non-indigent individuals.

DEPARTMENTAL DETAIL

DEPARTMENT OF HEALTH					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	14,442	14,442	3,440	14,617	175
Other Personal Services	381	381	50	381	-
Equipment	21	21	-	21	-
Materials & Supplies	316	316	47	316	(0)
Contractual Expenses	111,893	111,897	21,091	111,832	(65)
Inter-Departmental Charge	4,901	4,901	645	4,901	-
Gross Expenditures	131,953	131,958	25,272	132,067	109
Inter-Departmental Revenue	(157)	(157)	-	(157)	-
NET EXPENDITURES	131,797	131,801	25,272	131,910	109
Departmental Income	(7,628)	(7,628)	(1,605)	(7,629)	(1)
Miscellaneous Revenue	-	-	9	-	-
Undistributed Revenues	-	-	(24)	-	-
State Aid	(66,392)	(66,392)	(0)	(66,497)	(104)
REVENUES	(74,021)	(74,021)	(1,619)	(74,126)	(105)
TAX LEVY	57,776	57,781	23,653	57,784	4

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects Department of Health to approximate their modified tax levy on expenditure increases of \$109,000, and revenue increases of \$105,000. Personal service is estimated \$175,000 above modified appropriations as a result of an overly aggressive vacancy factor included in the budget, and the settlement of the NYS Nurses Association and International Brotherhood of Teamsters collective bargaining agreements. Appropriations for the settlement of these contracts were not included in the adopted budget. An additional \$104,000 of state aid is now projected as a result of the additional expenditures.

DEPARTMENT OF LABORATORIES & RESEARCH					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	8,044	8,057	1,762	8,044	(12)
Other Personal Services	147	147	22	147	-
Materials & Supplies	1,112	1,209	204	1,112	(98)
Contractual Expenses	804	857	113	804	(52)
Inter-Departmental Charge	3,133	3,133	52	3,133	-
Gross Expenditures	13,240	13,402	2,153	13,240	(162)
Inter-Departmental Revenue	(10)	(10)	(1)	(10)	-
NET EXPENDITURES	13,230	13,392	2,152	13,230	(162)
Departmental Income	(2,584)	(2,584)	(411)	(2,584)	-
State Aid	(1,122)	(1,122)	-	(1,122)	-
REVENUES	(3,706)	(3,706)	(411)	(3,706)	-
TAX LEVY	9,524	9,686	1,741	9,524	(162)

FIRST QUARTER HIGHLIGHTS

DOB anticipates expenditures to approximate the adopted budget within the Department of Laboratories and Research at this time. \$162,000 of expenditure included in the modified budget is expected to occur in FY 2019.

DEPARTMENTAL DETAIL

DEPARTMENT OF CORRECTION					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	75,997	75,997	18,804	80,264	4,267
Other Personal Services	14,526	14,526	3,143	16,757	2,230
Equipment	231	343	4	231	(112)
Materials & Supplies	1,520	1,587	195	1,525	(61)
Contractual Expenses	21,587	21,769	3,496	21,551	(218)
Inter-Departmental Charge	10,755	10,755	437	10,755	-
Gross Expenditures	124,616	124,977	26,080	131,083	6,106
Inter-Departmental Revenue	(137)	(137)	-	(137)	-
NET EXPENDITURES	124,479	124,839	26,080	130,946	6,106
Departmental Income	(7,551)	(7,551)	(922)	(7,338)	213
State Aid	(68)	(68)	(14)	(68)	-
Federal Aid	(1,166)	(1,166)	(14)	(1,166)	-
REVENUES	(8,784)	(8,784)	(949)	(8,571)	213
TAX LEVY	115,695	116,055	25,131	122,375	6,319

FIRST QUARTER HIGHLIGHTS

DOB projects an unfavorable expenditure variance of \$6.1 million versus the modified budget within the Department of Correction (DOC). Personal service is projected \$6.5 above the modified budget due to the settlement of collective bargaining agreements with the Correction Officer and Superior Correction Officer Benevolent Associations. Appropriations to fund these settlements were not included in the adopted budget. Projections for the remaining expenditure categories total \$391,000 of favorable variance with the modified budget. This is primarily due to the anticipation that these expenditures included in the modified budget will roll and occur in FY 2019. On the revenue side the US Marshal Service is placing fewer federal inmates than anticipated in the County correctional facility, reducing departmental income to the County.

TAX COMMISSION					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	159	159	34	159	-
Materials & Supplies	1	1	-	1	-
Contractual Expenses	4	4	1	4	(0)
Inter-Departmental Charge	30	30	-	30	-
Gross Expenditures	193	193	35	193	(0)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	193	193	35	193	(0)
Departmental Income	(0)	(0)	-	(0)	-
REVENUES	(0)	(0)	-	(0)	-
TAX LEVY	193	193	35	193	(0)

FIRST QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

DISTRICT ATTORNEY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	23,596	23,596	5,210	23,466	(130)
Other Personal Services	361	361	87	360	(1)
Equipment	138	206	27	138	(68)
Materials & Supplies	295	308	48	291	(17)
Contractual Expenses	2,211	2,249	95	2,211	(39)
Inter-Departmental Charge	993	993	99	993	-
Gross Expenditures	27,594	27,714	5,565	27,459	(255)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	27,594	27,714	5,565	27,459	(255)
State Aid	(580)	(580)	-	(580)	-
REVENUES	(714)	(714)	(0)	(714)	-
TAX LEVY	26,880	27,000	5,564	26,745	(255)

FIRST QUARTER HIGHLIGHTS

DOB projects personal service expenditure savings of \$130,000 versus the modified budget within the District Attorney's Office primarily due to vacancies. Additional savings of \$115,000 versus the modified budget are also projected as these expenditures are not anticipated to occur until FY 2019.

DEPARTMENT OF PUBLIC SAFETY					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	34,191	34,191	7,817	33,745	(446)
Other Personal Services	10,731	10,731	1,678	10,731	-
Equipment	174	200	5	174	(26)
Materials & Supplies	1,715	1,828	353	1,715	(113)
Contractual Expenses	2,435	2,511	497	2,435	(75)
Inter-Departmental Charge	4,598	4,598	217	4,598	-
Gross Expenditures	53,845	54,059	10,568	53,400	(659)
Inter-Departmental Revenue	(12,346)	(12,346)	-	(12,346)	-
NET EXPENDITURES	41,499	41,712	10,568	41,053	(659)
Departmental Income	(14,459)	(14,459)	(849)	(14,459)	-
State Aid	(2,737)	(2,737)	-	(2,737)	-
Federal Aid	(299)	(299)	(23)	(299)	-
REVENUES	(17,495)	(17,495)	(871)	(17,495)	-
TAX LEVY	24,004	24,217	9,696	23,558	(659)

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Public Safety (DPS) below modified appropriations by \$659,000. The largest driver of this change is a reduction in salaries of \$446,000 due to vacancies within the department. Additionally, \$213,000 of non-personal service expenditures are expected to roll and take place in FY 2019.

DEPARTMENTAL DETAIL

DEPARTMENT OF PROBATION					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	16,700	16,700	3,755	16,700	-
Other Personal Services	389	389	72	389	-
Equipment	136	140	4	136	(4)
Materials & Supplies	178	248	21	178	(70)
Contractual Expenses	6,459	6,459	13	6,459	(1)
Inter-Departmental Charge	3,070	3,070	131	3,070	-
Gross Expenditures	26,931	27,005	3,996	26,931	(74)
Inter-Departmental Revenue	(1,526)	(1,526)	-	(1,526)	-
NET EXPENDITURES	25,404	25,479	3,996	25,404	(74)
Departmental Income	(350)	(350)	(74)	(350)	-
State Aid	(9,024)	(9,024)	-	(9,024)	-
REVENUES	(9,374)	(9,374)	(74)	(9,374)	-
TAX LEVY	16,030	16,105	3,922	16,030	(74)

FIRST QUARTER HIGHLIGHTS

DOB projects a favorable variance of \$74,000 versus the modified budget within the Department of Probation at this time. There are small reductions in the non-personal service expenditure categories to account for the expectation that these expenditures will occur in FY 2019.

PUBLIC ADMINISTRATOR					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	558	558	130	568	10
Equipment	1	1	-	1	-
Materials & Supplies	6	6	1	6	(0)
Contractual Expenses	59	64	16	59	(5)
Inter-Departmental Charge	83	83	2	83	-
Gross Expenditures	707	712	149	717	5
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	707	712	149	717	5
Departmental Income	(450)	(450)	(164)	(450)	-
REVENUES	(450)	(450)	(164)	(450)	-
TAX LEVY	257	262	(15)	267	5

FIRST QUARTER HIGHLIGHTS

DOB projects an increase in personal service of \$10,000 over the modified budget as a result of an overly aggressive vacancy factor being assumed in the adopted budget. Additionally, \$5,000 of contractual expenses are expected to roll and occur in FY 2019.

DEPARTMENTAL DETAIL

SOLID WASTE COMMISSION					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	690	690	138	690	-
Other Personal Services	544	544	89	544	-
Equipment	32	32	-	32	-
Materials & Supplies	30	31	4	30	(1)
Contractual Expenses	147	178	30	147	(31)
Inter-Departmental Charge	445	445	27	445	-
Gross Expenditures	1,888	1,920	288	1,888	(32)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,888	1,920	288	1,888	(32)
Departmental Income	(1,888)	(1,888)	(499)	(1,888)	-
REVENUES	(1,888)	(1,888)	(499)	(1,888)	-
TAX LEVY	0	32	(211)	0	(32)

FIRST QUARTER HIGHLIGHTS

DOB projects an expenditure reduction of \$32,000 from the modified budget for the Solid Waste Commission. It is anticipated that these expenditures will not occur until FY 2019.

DEPARTMENT OF PARKS					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	15,174	15,174	3,451	15,154	(20)
Other Personal Services	8,767	8,767	907	8,767	-
Equipment	196	196	71	196	-
Materials & Supplies	7,708	7,792	1,039	7,708	(84)
Contractual Expenses	10,931	11,227	1,981	10,931	(296)
Inter-Departmental Charge	5,368	5,368	229	5,368	-
Gross Expenditures	48,145	48,524	7,677	48,125	(399)
Inter-Departmental Revenue	(352)	(352)	-	(352)	-
NET EXPENDITURES	47,793	48,172	7,677	47,773	(399)
Departmental Income	(34,792)	(34,792)	(2,720)	(34,792)	-
Undistributed Revenues	-	-	(50)	-	-
State Aid	(60)	(60)	-	(60)	-
REVENUES	(34,852)	(34,852)	(2,770)	(34,852)	-
TAX LEVY	12,941	13,320	4,907	12,921	(399)

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects expenditures \$399,000 below the modified budget within the Parks Department (Parks). This is primarily due to the expectation that \$379,000 of non-personal service expenditures will not occur until FY 2019.

DEPARTMENTAL DETAIL

DEPARTMENT OF TRANSPORTATION					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	1,140	1,140	264	1,140	0
Other Personal Services	24	24	6	24	-
Materials & Supplies	1,484	1,484	351	1,484	(0)
Contractual Expenses	160,119	160,240	33,505	162,119	1,880
Inter-Departmental Charge	2,131	2,131	49	2,131	-
Gross Expenditures	164,899	165,019	34,175	166,899	1,880
Inter-Departmental Revenue	(445)	(445)	-	(445)	-
NET EXPENDITURES	164,454	164,574	34,175	166,454	1,880
Departmental Income	(38,438)	(38,438)	(7,925)	(38,413)	25
State Aid	(58,671)	(58,671)	-	(58,446)	225
Federal Aid	(11,557)	(11,557)	-	(11,757)	(200)
REVENUES	(108,667)	(108,667)	(7,925)	(108,616)	50
TAX LEVY	55,787	55,907	26,250	57,837	1,930

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy impact \$1.9 million above the modified budget within the Department of Transportation (DOT). This is primarily due to an upward revision in projected expenditures in the amount of \$1.9.

Bus operating expenditures are projected above the modified budget by \$1.9 million due to higher fuel prices and liability claim payouts than originally anticipated.

DEPARTMENT OF PUBLIC WORKS					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	14,926	14,926	3,309	14,654	(272)
Other Personal Services	925	925	207	852	(74)
Equipment	88	88	13	88	-
Materials & Supplies	15,896	16,147	3,057	16,550	403
Contractual Expenses	18,927	20,040	3,285	19,047	(993)
Inter-Departmental Charge	2,088	2,088	116	2,088	-
Gross Expenditures	52,850	54,214	9,987	53,278	(936)
Inter-Departmental Revenue	(41,054)	(41,054)	(5,329)	(41,227)	(172)
NET EXPENDITURES	11,795	13,160	4,658	12,051	(1,109)
Departmental Income	(8,164)	(8,164)	(834)	(8,164)	-
State Aid	(2,729)	(2,729)	(21)	(2,729)	-
REVENUES	(10,893)	(10,893)	(854)	(10,893)	-
TAX LEVY	902	2,267	3,804	1,158	(1,109)

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects net expenditures at \$1.1 million below the modified budget within the Department of Public Works (DPW). This reduction in projected expenditure is primarily due to the expectation that \$1.4 million of expenditures included in the modified budget will not occur until FY 2019. This reduction is offset by higher than anticipated utility costs, and rental and tax payments. Additionally, there is a downward revision in the personal service projection of \$346,000 primarily due to vacancies within the department.

DEPARTMENTAL DETAIL

DEBT SERVICE					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Contractual Expenses	83,854	84,302	13,144	84,826	524
Gross Expenditures	83,854	84,302	13,144	84,826	524
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	83,854	84,302	13,144	84,826	524
Capital Revenue	(331)	(331)	(389)	(877)	(546)
Miscellaneous Revenue	(514)	(514)	(514)	(514)	-
REVENUES	(6,712)	(6,712)	(903)	(7,258)	(546)
TAX LEVY	77,142	77,590	12,241	77,568	(22)

FIRST QUARTER HIGHLIGHTS

DOB projects a reduction of \$22,000 in tax levy for the debt service budget versus the modified budget. This is primarily due to the expectation that \$448,000 of counsel and other expenditures will not take place until FY 2019. These projected reductions are offset by higher than originally anticipated interest costs and premium revenues associated with the County's Bond and Tax Anticipation Notes during 2018.

MISCELLANEOUS BUDGETS					
Thousands of Dollars					
	2018 Adopted	2018 Modified	YTD Mar 31	2018 Projected	Proj. less Modified
Annual Regular Salaries	609	609	168	609	-
Other Personal Services	260,301	260,301	59,264	260,301	-
Materials & Supplies	5	5	1	5	(0)
Contractual Expenses	235,331	235,817	40,304	235,331	(486)
Inter-Departmental Charge	74	74	-	74	-
Gross Expenditures	496,320	496,806	99,737	496,320	(486)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	496,320	496,806	99,737	496,320	(486)
Real Property Taxes	(559,392)	(559,392)	-	(559,392)	-
Payments in Lieu of Taxes	(10,255)	(10,255)	(495)	(10,255)	-
Non-Property Taxes	(588,515)	(588,515)	(62,236)	(588,515)	-
Departmental Income	(13,125)	(13,125)	-	(13,125)	-
Interest on Investments	(77)	(77)	(48)	(77)	-
Capital Revenue	(8,740)	(8,740)	-	(8,740)	-
Appropriated Fund Balance	(19,881)	(26,517)	-	-	26,517
Miscellaneous Revenue	(63,669)	(63,669)	(42)	(63,669)	-
Interfund Revenue	(85)	(85)	(148)	(85)	-
State Aid	(7,212)	(7,212)	(61)	(7,212)	-
REVENUES	(1,270,950)	(1,277,587)	(63,030)	(1,251,070)	26,517
TAX LEVY	(774,630)	(780,780)	36,707	(754,750)	26,031

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy increase within the Miscellaneous Budgets of \$26.0 million. The majority of this is as a result of the removal of appropriated fund balance from the projection. \$19.9 million was included in the adopted budget, and it is expected that \$6.6 million of general fund commitments will roll from FY18 to FY19, resulting in a minimal effect to the FY18 Financial Plan.

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