



WESTCHESTER COUNTY

**SECOND QUARTER UPDATE FOR
FISCAL YEAR 2019**

GEORGE LATIMER
COUNTY EXECUTIVE

LAWRENCE C. SOULE
BUDGET DIRECTOR

AUGUST 15, 2019

Westchester
gov.com



George Latimer
County Executive

Lawrence C. Soule
Budget Director

August 15, 2019

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

Honorable Members:

The following second quarter financial report provides an annualized forecast for the twelve months ending December 31, 2019, based on actual results through June 30, 2019. On August 2nd, the County Executive submitted a budget amendment for consideration by your Honorable Board that would address most of the variances to budget included in this report.

The proposed budget amendment removes from the budget the \$23 million of revenues associated with the sale of the commuter parking lots, adds \$5 million to the County's unrestricted general fund balance, and provides sufficient spending authority for the County to make its full pension contribution without amortization and distribute over \$20 million in new non-property tax revenues to our underlying municipalities and school districts.

The Department of Budget forecasts a \$5.3 million increase in the general fund balance for the 2019 fiscal year. This projected increase in fund balance is predominately due to the one percentage point sales and use tax rate increase outside the 4 major cities that became effective August 1st.

Respectfully submitted,

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

Lawrence C. Soule
Budget Director

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**SECOND QUARTER UPDATE FOR
FISCAL YEAR 2019**

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

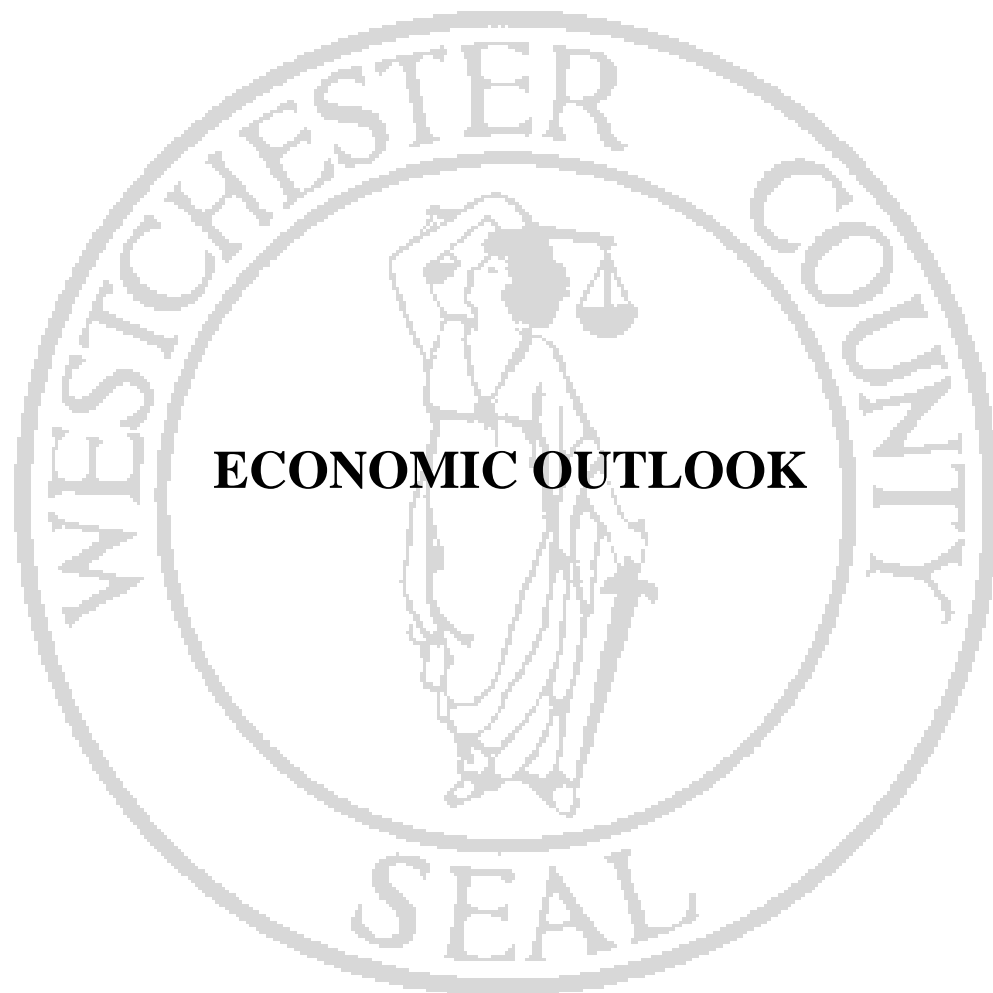
This document presents the Second Quarter (Q2) Update for Fiscal Year 2019 (FY19). The Department of Budget (DOB) will also release a Third Quarter Update in conjunction with the Executive's 2020 Proposed Budget in November. The County operates on a calendar fiscal year, and all projections are shown fully annualized based on information currently available.

The Q2 Update presents financial data in five columns:

1. The budget as originally Adopted in December of 2018 (2019 Adopted)
2. The current budget as modified by rolled encumbrances, amendments, and transfers (2019 Modified)
3. Expenditures and revenues posted to the accounting system as of June 30, 2019 (YTD Jun 30)
4. DOB's fully annualized projections (2019 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 County's accounting system through June 30, 2019. 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.

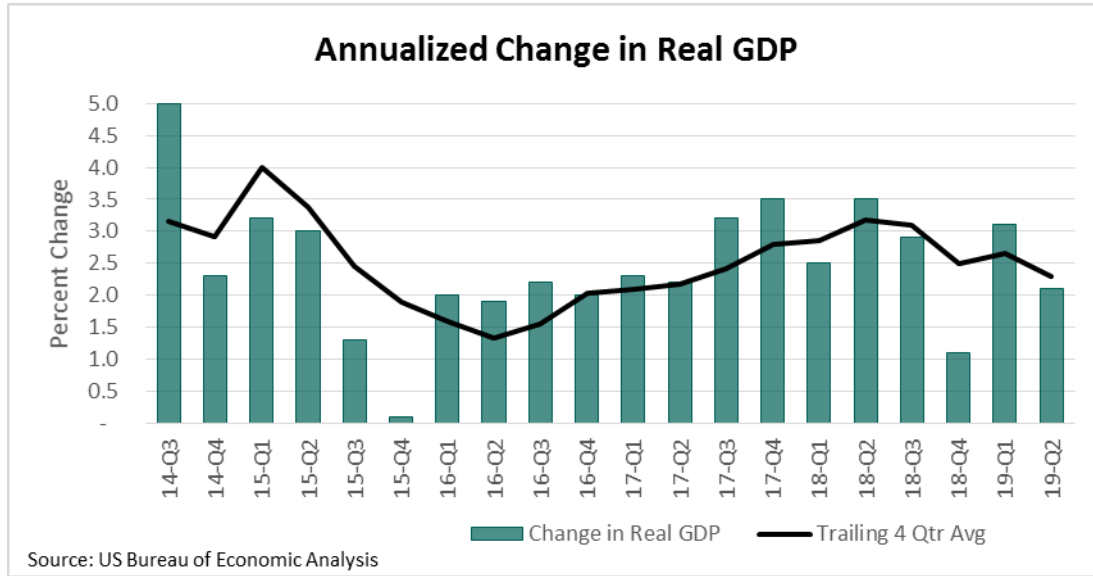
Since many factors may materially affect the fiscal and economic conditions of the County, the forecasts, projections, and estimates contained in this document should not be regarded as a representation that such forecasts, projections, and estimates will occur. Statements regarding future outcomes contained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

Over the past five years, American economic growth has been consistently positive with economic expansion occurring in each of the last 20 quarters. The trailing four quarter average has remained above 2 percent since Q4-2016, and currently stands at 2.3 percent.



During the second quarter of 2019, real GDP grew by 2.1 percent on an annualized basis. This represented an economic deceleration from the first quarter of 2019 which has been revised downward from 3.2 to 3.1 percent annualized growth. The fourth quarter of 2018 has been revised downward to 1.1 percent from the original advance estimate of 2.6 percent. In June, the median projection of the Federal Open Market Committee (FOMC) was a growth rate of real GDP of 2.1 percent for 2019. This represented no change from the median projection in March. The FOMC expects real GDP growth to at 2.0 percent for 2020 and 1.8 percent for 2021. Additionally, the FOMC’s decision to lower the target federal funds rate by 0.25% in July suggests they believe the current expansion to be slowing. Earlier this month, the NYS Division of Budget projected 2.6 percent growth for 2019 and 2.0 percent growth for 2020.

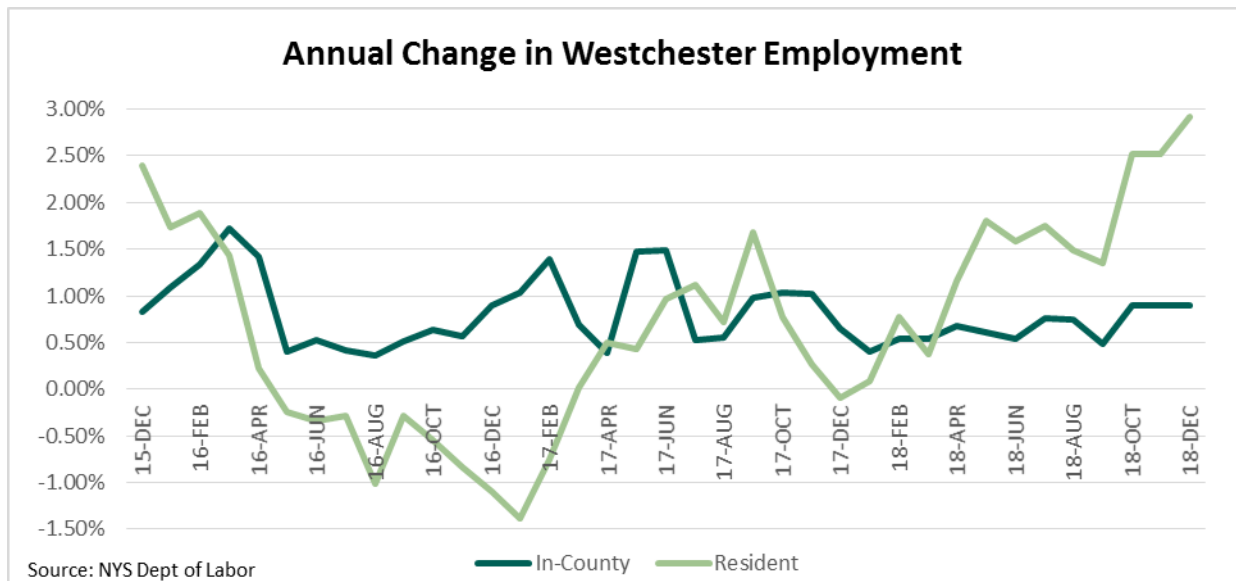
EMPLOYMENT / UNEMPLOYMENT

Unemployment rates across the State have returned to their pre-recessionary levels (see table, following page). Westchester, Long Island, and the remaining 54 non-NYC counties exhibited unemployment rates in the low to mid 3 percent range, while the unemployment rate for NYC residents remained stable as compared to one year ago at 4.2 percent. The national unemployment rate for June stood at 3.7 percent, which is in the range of the FOMC’s long run full employment target and 0.3 percentage points below the 4.0 percent posted for June 2018. 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.

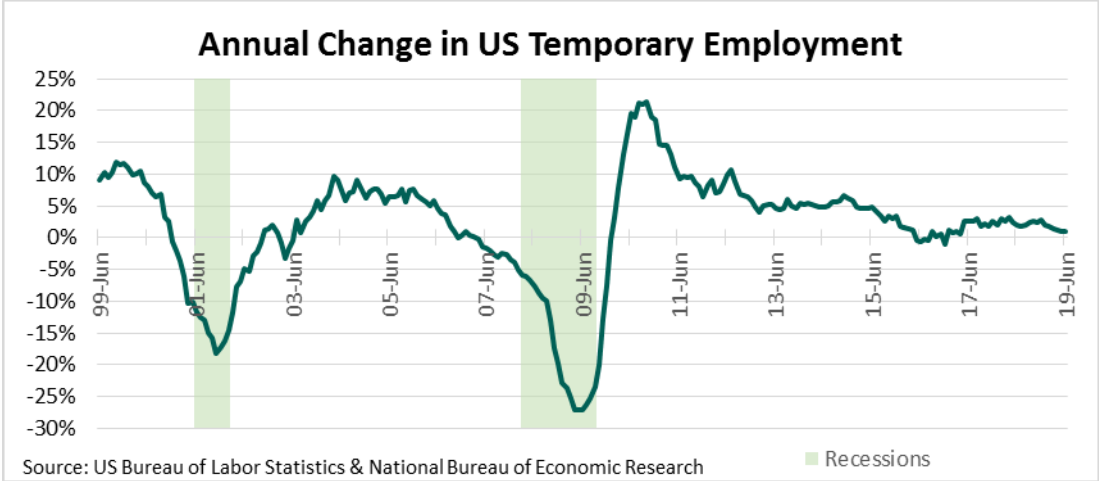
JUNE UNEMPLOYMENT WITHIN NEW YORK STATE				
YEAR	NYC	WESTCHESTER	LONG ISLAND	54 REMAINING
2010	9.4%	7.1%	7.2%	8.0%
2011	9.1%	7.0%	7.1%	7.9%
2012	9.7%	7.5%	7.6%	8.3%
2013	9.1%	6.4%	6.3%	7.3%
2014	7.2%	5.0%	4.9%	5.7%
2015	5.6%	4.6%	4.5%	5.2%
2016	5.2%	4.2%	4.0%	4.6%
2017	4.6%	4.5%	4.2%	4.8%
2018	4.2%	3.9%	3.7%	4.2%
2019	4.2%	3.4%	3.1%	3.6%

Source: NYS Department of Labor

In June, the County unemployment rate fell to 3.4% from 3.9% one year ago. This was primarily due to a contraction of 1.8% in the County resident labor force. The June resident employment of 468,900 was down from last year by 1.2%. However, through December 2018, employment for both county residents and within the County continued their growth. The County has added jobs over the prior year in every month since March 2013, a streak of 69 consecutive months through December 2018. The employment data was very strong through 2018, but the more timely resident employment data for the first half of 2019 suggests that the labor market may be tightening.



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. Growth in temporary employment bottomed out at -1.1% in December 2016, but has rebounded since. Growth in temporary employment has averaged 2.0% over the past year, and the level was 1.1% higher in June than one year ago. As seen in the overall employment data for the County, the labor market appears to be softening nationally as well.

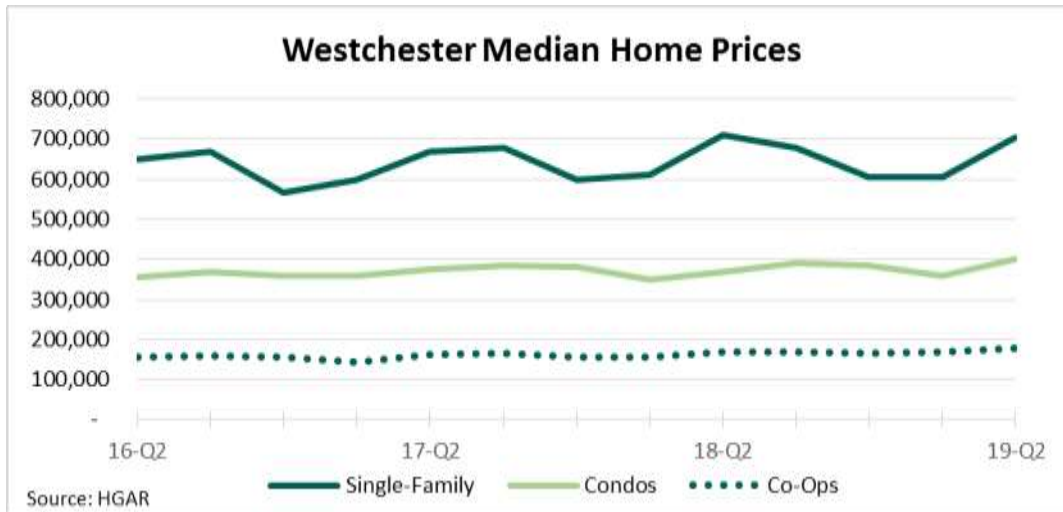
FINANCIAL SERVICES SECTOR

The financial services sector is a key economic driver within the New York City Metropolitan Area (NYC Metro), representing 7.7 percent of total employment. Within the NYC Metro 779,700 people were employed within the sector in June 2019. This was a decline of 12,000 jobs (1.5%) as compared to one year ago. Due to the heavy reliance on the financial services sector, the NYC Metro is disproportionately affected by swings in financial markets.

HOUSING

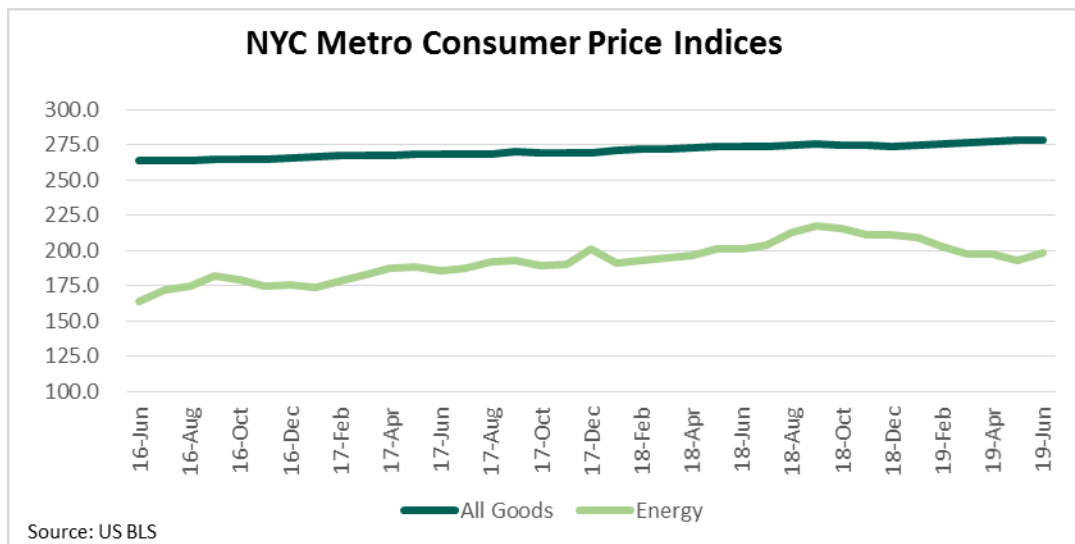
Prices within the County have remained quite stable over the past three years (see chart, following page). The median prices for each type of home has exhibited the expected seasonal variation by quarter, but have also stayed within a tight range. During the second quarter of 2019, the median single family home price fell 0.7% as compared to one year ago to \$705,000. However, condo and co-op median prices continued their growth, rising by 8.3% and 5.9%, respectively.

The Federal Reserve’s increases in the Federal Funds Target Rate from a targeted range of 0.25 – 0.5% to the current target of 2.00 – 2.25% over the past three 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 depress price growth, especially for higher-end homes.



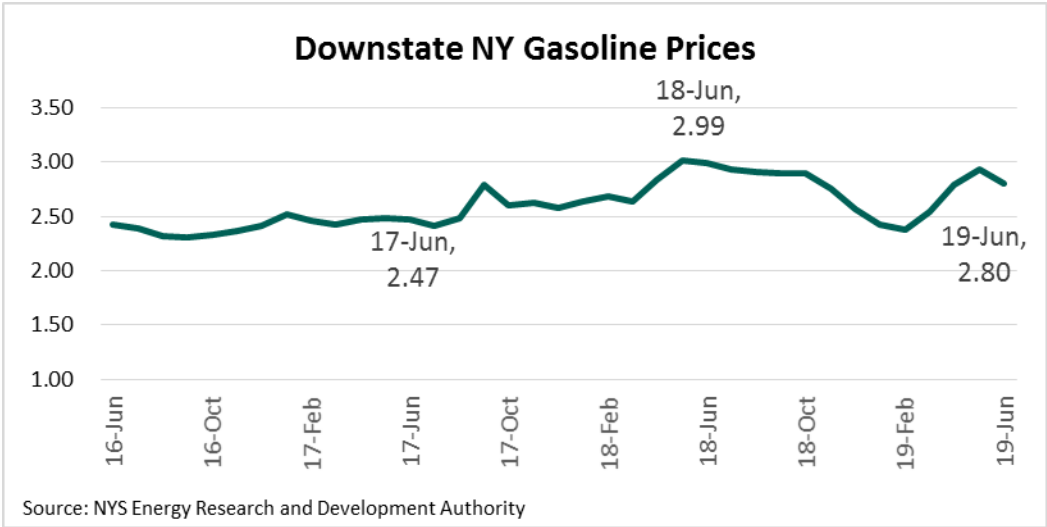
INFLATION AND PRICES

Inflation has remained fairly constant over the past three years at an average rate of just under two percent. All goods inflation was 1.8% for the 12 months ending June 2019. The NYC Metro Region is lagging slightly behind the Federal Reserve’s annualized target for the nation of two percent.



Energy price levels for June 2019 declined by 4.1% as compared to one year ago. However, the energy price level still remains higher than June 2016 and 2017. 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 three years.

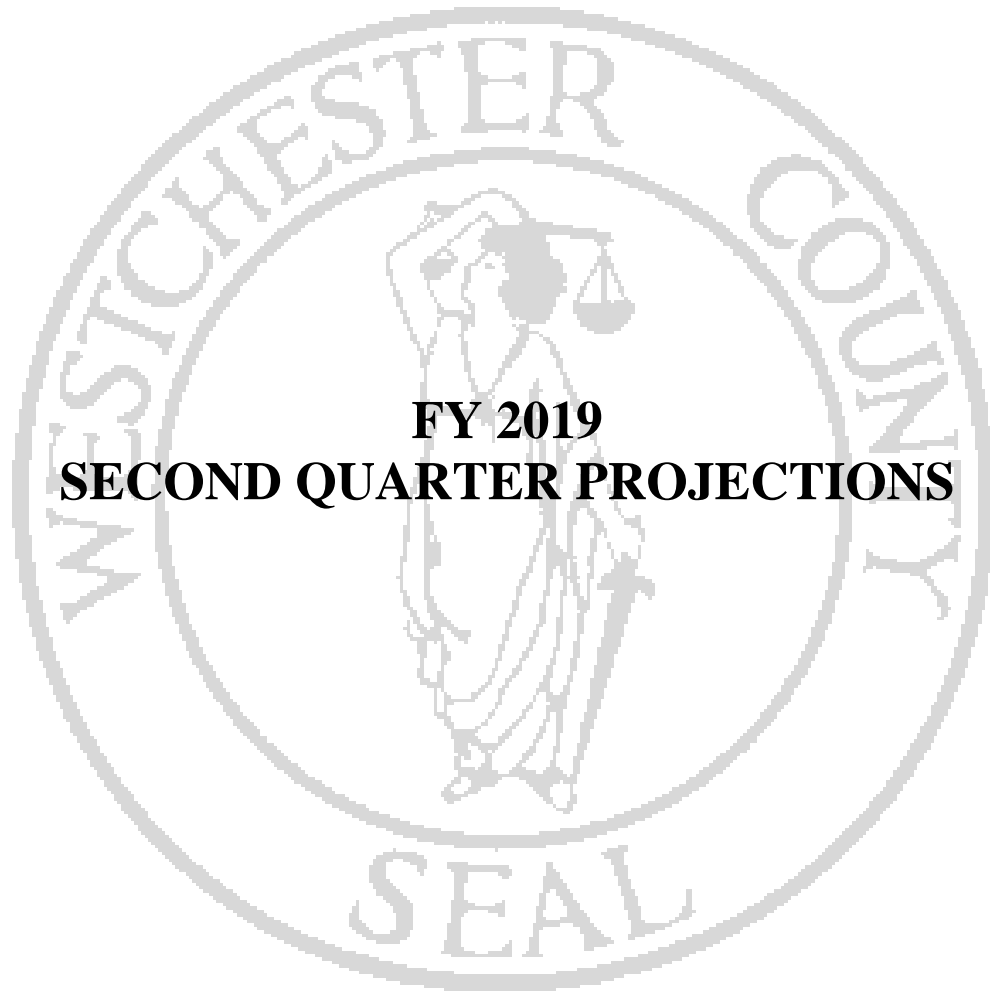
As a large component of total energy, gasoline prices have shown a substantially similar trend. Prices are down 19 cents per gallon (6.5%) from last year, but the March 2019 price per gallon remains higher than June 2017 and 2016 by 33 and 38 cents, respectively. The dip in prices experienced over the winter was short lived, with prices rebounding sharply during the spring. However, prices had a slight decline during the second quarter. With approximately 300 million gallons of gasoline sold within the County, the increases in price over the past three years have expanded 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 10 years, 1 month is now the longest in US history since recordkeeping began in 1854, surpassing March 1991 – March 2001. Economic data appears to suggest a slowing expansion, and the current expansion has surpassed historical precedent. Heightening trade tensions between the US and China and the potential of an acrimonious departure of the United Kingdom from the rest of the Eurozone could exacerbate these risks.

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2019 SECOND QUARTER PROJECTIONS

GENERAL FUND FORECAST

On December 10, 2018, the County adopted a General Fund Operating Budget in the amount of \$1.944 billion for Fiscal Year 2019 (FY19). This section will present the Department of Budget's (DOB) Second Quarter (Q2) Projections for Fiscal Year 2019.

The 2019 Budget has been modified upward by \$6.0 million to allow for the expenditure of funds in FY19 for items that were contracted for during FY18. DOB expects a similar amount of expenditures to roll from FY19 to FY20 resulting in a minimal effect to the FY19 Financial Plan as has historically occurred.

GENERAL FUND PROJECTIONS					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
REVENUES					
Tax Levy on Real Property	570,579	570,579	342,347	570,579	-
Sales and Use Tax	578,718	578,718	215,965	642,134	63,416
Federal and State Aid	467,716	467,716	29,806	466,776	(940)
Departmental Income	183,175	183,175	57,809	159,271	(23,904)
Other Revenues	144,142	144,142	100,257	137,327	(6,815)
Sub-Total	1,944,330	1,944,330	746,184	1,976,087	31,757
Use of General Fund Balance	-	5,997	-	-	(5,997)
TOTAL	1,944,330	1,950,327	746,184	1,976,087	25,759
NET EXPENDITURES					
General Government and Support	54,514	57,735	8,405	57,340	(395)
Home and Community Services	627,392	627,440	246,393	628,635	1,195
Health Services	161,829	161,973	69,481	163,341	1,368
Education	30,129	30,129	19,994	23,988	(6,141)
Public Safety, Correction, and Courts	259,769	260,658	117,409	260,194	(464)
Roads, Transportation, and Parks	237,478	239,243	108,388	243,098	3,855
Miscellaneous and Fixed	573,219	573,149	231,416	594,170	21,021
TOTAL	1,944,330	1,950,327	801,485	1,970,766	20,439
GENERAL FUND (GAP) / SURPLUS	-	-	(55,301)	5,320	5,320

As of the second quarter, DOB projects a general fund operating surplus of \$5.3 million. Available resources are increased by \$25.8 million from the modified budget as a result of revenues being projected over modified budget targets by \$31.8 million, and the \$6.0 million of appropriated fund balance for rolled encumbrances being excluded from the projection. These resource additions are offset by higher projected expenditures in the amount of \$20.4 million above modified appropriations.

2019 SECOND QUARTER PROJECTIONS

The major variance components of the \$5.3 million projected operating surplus are highlighted in the table below:

Q2 PROJECTED GENERAL FUND GAP ANALYSIS		
Thousands of Dollars		
	Variance to Modified	Reconciliation to 1st Quarter
STARTING BUDGET (GAP) / SURPLUS	-	(6,528)
UNFAVORABLE		
No Sale of Commuter Parking Lots	(23,000)	(23,000)
Pension Contribution	(4,821)	(4,268)
Sales & Use Tax Base Forecast (net)	(3,637)	(3,637)
DSS & DPS Overtime	(3,029)	(2,529)
Early Voting (net)	(2,271)	1,719
Foster Care Block Grant Allocation	(1,914)	(1,914)
Children with Special Needs (net)	(1,566)	(495)
Indigent Criminal Defense	(1,413)	(626)
Mortgage Recording Tax & Clerk Fees	(1,363)	(500)
Central Heating Plant Operations	(1,100)	(100)
Out of County Community College	(1,060)	-
Family Court RTA Aid	(890)	(890)
Seniors In-Home Services Program	(825)	(825)
Golf Fees & Parks Rents	(735)	(335)
Sub-Total	(47,624)	(37,400)
FAVORABLE		
Sales & Use Tax 1% Rate Increase (net)	47,913	47,913
Employee & Retiree Healthcare	5,792	4,998
Correction Revenues	1,027	(6)
Sub-Total	54,732	52,905
Other Adjustments (net)	(1,788)	(3,657)
PROJECTED Q2 (GAP) / SURPLUS	5,320	5,320

The largest adjustments included in the second quarter update are associated with the increase in the County's sales and use tax rate outside the 4 major cities, and the decision to not move forward with the sale of the commuter parking lots.

Other major unfavorable adjustments to the financial plan include: additional pension costs for the assumption that the County will no longer amortize any of its State Fiscal Year 2020 contribution; a reduction in the sales and use tax base growth due to one-time prior period adjustments included in the second quarter reconciliation by State Tax and Finance; increased overtime for the child protective services unit in DSS, and the County Police; the cost for early voting and other election reforms remains an unfavorable variance, but the 2019 cost has been projected \$1.7 million below the Q1 update as these expenditures are now anticipated to occur in 2020; and an unanticipated reduction in the County's foster care block grant allocation from NYS OCFS. Please see appendix 'A' for more detail on the smaller items.

2019 SECOND QUARTER PROJECTIONS

There are few major favorable adjustments outside of the sales and use tax rate increase. Higher pharmacy rebates and CMS retiree aid, and lower than anticipated claims costs drive a \$5.8 million reduction in the general fund share of healthcare costs. An increase in the County's federal inmate per diem rate is offset by lower State Criminal Alien Assistance Program (SCAAP) aid from the US Department of Justice.

GENERAL FUND REVENUES

The general fund revenue projection has been revised upward by \$25.8 million from the modified budget to \$1.976 billion. The increase in sales and use tax of \$63.4 million is primarily due to the effectuation of a 1 percentage point rate increase outside the 4 major cities as of August 1st. The reduction of \$6.2 million in other revenues is driven by a change in the accounting treatment of debt service for the community college. Federal aid is reduced on lower TANF caseloads and DSS administrative reimbursement. Departmental Income has been revised downward by \$23.9 million primarily as a result of the revenues associated with the sale of the commuter parking lots being removed from the projection as this transaction will no longer occur. Capital revenues are projected to exceed budget as a result of larger premium revenues associated with the County's tax anticipation notes.

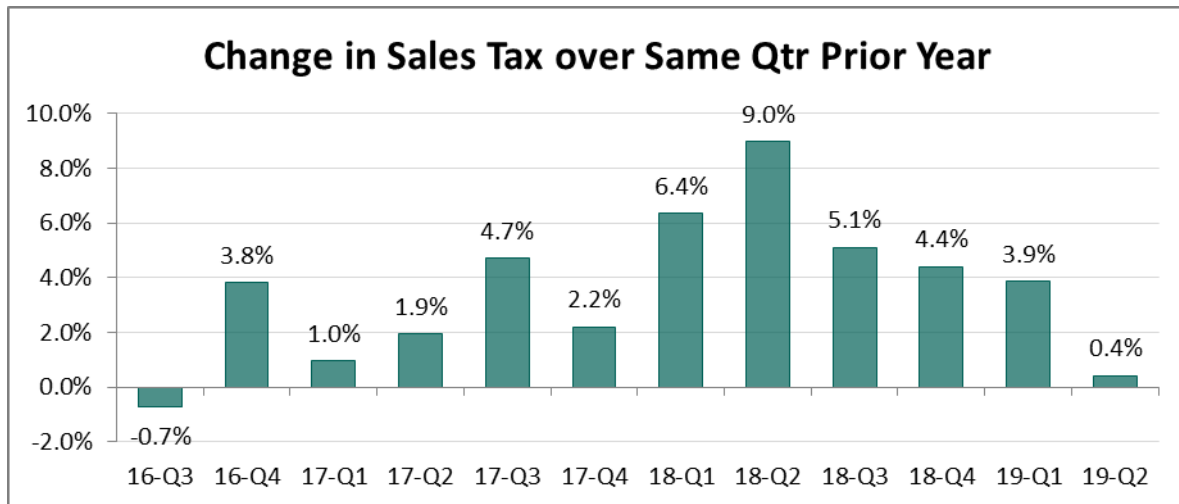
GENERAL FUND REVENUE SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Tax Levy on Real Property	570,579	570,579	342,347	570,579	-
Payments in Lieu of Taxes	10,140	10,140	6,538	10,140	-
Sales and Use Tax	578,718	578,718	215,965	642,134	63,416
Mortgage Recording Tax	19,342	19,342	7,126	18,479	(863)
Auto Use Tax (DMV Registrations)	16,661	16,661	6,994	16,661	-
Hotel Occupancy Tax	7,529	7,529	2,487	7,129	(400)
State Aid	290,136	290,136	29,796	290,143	7
Federal Aid	177,406	177,406	17,929	176,458	(948)
Departmental Income	183,175	183,175	57,809	159,271	(23,904)
Capital Revenues	8,750	8,750	-	9,349	599
Other Revenues	81,895	81,895	59,193	75,744	(6,151)
Sub-Total	1,944,330	1,944,330	746,184	1,976,087	31,757
Use / (Deposit) of General Fund Balance	-	5,997	-	-	(5,997)
TOTAL	1,944,330	1,950,327	746,184	1,976,087	25,759

NON-PROPERTY TAXES

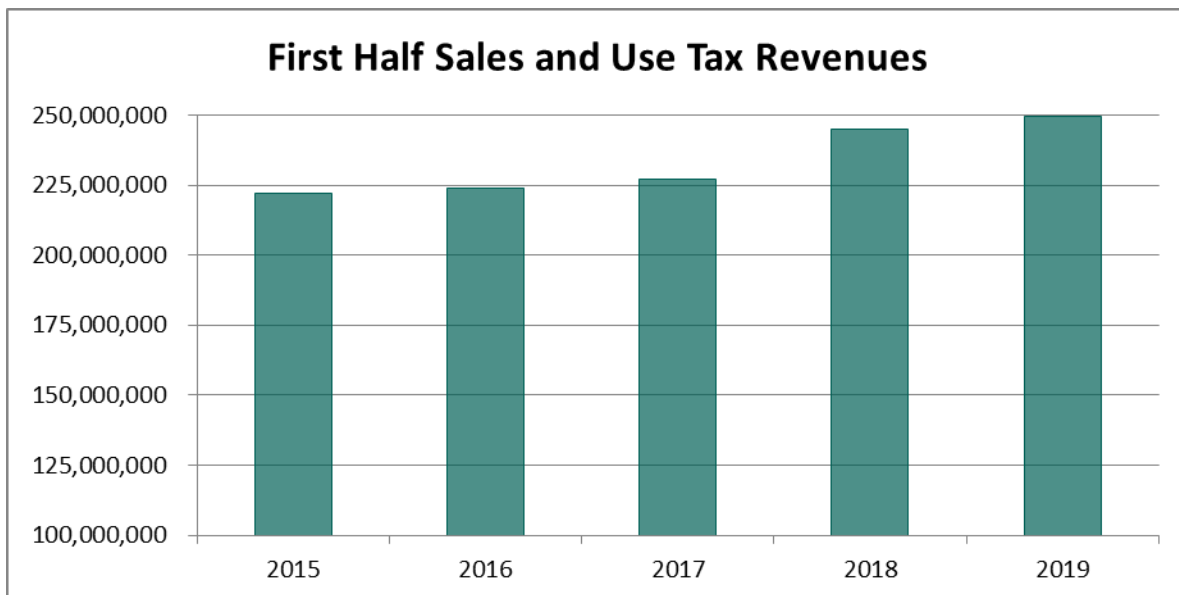
Sales and use tax is the largest general fund revenue source, and is levied on most goods and services purchased within the County. The County imposes a 1.5 percent tax within the Cities of Mount Vernon, New Rochelle, White Plains, and Yonkers; and, as of August 1, 2019, a 4.0 percent tax in the remainder 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.

2019 SECOND QUARTER PROJECTIONS

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.

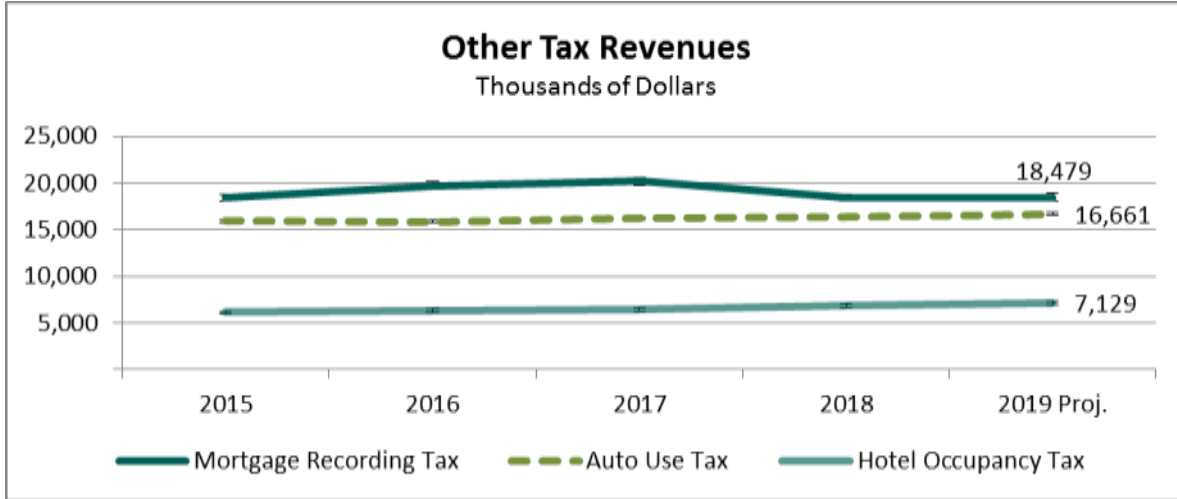


Second quarter sales and use tax revenues grew at 0.4% over the prior year. The minimal growth is primarily attributed to one-time prior period adjustments included in the second quarter reconciliation by State Tax and Finance. The County has now posted eleven consecutive quarters of sales tax growth.



Sales and Use Tax revenues were \$249.7 million for the first half of 2019. Revenues increased 1.9% against a 2019 base growth target of 3.8% for the first half of the year. Outside of the value of the rate increase, DOB has revised the base growth forecast downward by \$4.6 million due to the aforementioned one-time adjustments. Collections for the second half of the year are anticipated to accelerate as the imposition of tax on certain internet sales and the County rate increase began June and August 1st, respectively.

Mortgage Recording Tax, Auto Use Tax (DMV Fees), and Hotel Occupancy Tax have been revised downward by a combined \$1.3 million. The mortgage tax projection has been reduced \$0.9 million on lower than anticipated first quarter activity, and hotel tax \$0.4 million due to a delay in the imposition of tax on room remarketers and online marketplaces. The auto use tax projection remains unchanged.



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 approximately 90% of the County’s federal and state aid.

GENERAL FUND FEDERAL AID SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Emergency Services	357	357	(0)	357	-
Social Services	160,642	160,642	17,311	159,917	(725)
Community Mental Health	896	896	11	839	(57)
Correction	1,146	1,146	19	689	(457)
District Attorney	134	134	31	134	-
Public Safety Services	291	291	8	291	-
Transportation	13,940	13,940	548	14,232	291
TOTAL	177,406	177,406	17,929	176,458	(948)

DOB projects a shortfall in federal aid of \$0.9 million (0.5%) below modified budget targets. This is primarily due to projected reductions in temporary assistance to needy families (TANF) expenditures, lower estimation of administrative reimbursement within DSS, and reduced State Criminal Alien Assistance Program (SCAAP) revenues within Correction.

2019 SECOND QUARTER PROJECTIONS

Overall, state aid projections are right on modified budget levels. Departments with changes in their state aid projection are highlighted in the table below:

GENERAL FUND STATE AID SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
County Executive	405	405	11	237	(168)
Elections	-	-	-	1,154	1,154
Law	891	891	-	-	(891)
Social Services	114,133	114,133	6,659	111,837	(2,296)
Community Mental Health	3,321	3,321	110	1,596	(1,725)
Health	68,473	68,473	5,258	69,941	1,468
District Attorney	714	714	125	580	(134)
Public Safety Services	2,721	2,721	501	2,904	182
Probation	25,972	25,972	70	25,380	(591)
Transportation	59,842	59,842	15,369	62,849	3,008
TOTAL	290,136	290,136	29,796	290,143	7

State aid for the Board of Elections has been added for the partial assistance being provided for early voting. Reductions in the Departments of Law, Mental Health, District Attorney, and Probation are all primarily as a result of reduced reimbursements for the Raise the Age program. Health revenues exceed modified targets due to increased children with special needs program expenses. An increase of \$3.0 million in state transportation operating assistance drives the upward revision for Transportation.

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 downward revision of \$23.9 million (13.0%) in departmental income is projected in the Q2 Update. Departments with changes in their departmental revenue projection are highlighted in the table below:

2019 SECOND QUARTER PROJECTIONS

GENERAL FUND DEPARTMENTAL REVENUE					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
County Executive	1,609	1,609	5	1,598	(12)
Human Resources	562	562	274	382	(180)
Finance	2,375	2,375	777	2,275	(100)
Emergency Services	75	75	76	76	1
County Clerk	9,072	9,072	3,249	8,572	(500)
Consumer Protection	3,554	3,554	1,562	3,454	(100)
Health	7,889	7,889	3,400	8,441	552
Laboratories and Research	2,544	2,544	904	2,594	50
Correction	9,442	9,442	4,329	10,927	1,484
Public Safety Services	15,528	15,528	4,893	15,592	64
Parks, Recreation, and Conservation	59,033	59,033	11,345	35,304	(23,730)
Transportation	39,023	39,023	16,695	37,734	(1,289)
Public Works	9,789	9,789	2,877	9,644	(145)
Other	22,680	22,680	7,422	22,680	-
TOTAL	183,175	183,175	57,809	159,271	(23,904)

In Correction, the US Marshal Service granting the County an increase in the per diem rate for federal inmates earlier than anticipated drives the projection. The removal of the revenues associated with the sale of the commuter parking lots as this transaction will no longer occur reduces the projection within Parks. A delay in the MTA MetroCard fare increase and lower than anticipated ridership results in lower bus fare revenues for Transportation.

2019 SECOND QUARTER PROJECTIONS

GENERAL FUND EXPENDITURES

As of the end of the 2nd quarter, general fund net expenditures are projected at \$20.4 million above modified appropriations. The majority of this increase results from an increase of approximately \$20 million for municipal and school district sales and use tax sharing outside of the 4 major cities resulting from the increase in the County sales and use tax rate within those jurisdictions.

GENERAL FUND EXPENDITURE SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	361,367	361,342	172,476	358,631	(2,711)
Other Personal Service	306,831	306,356	151,267	310,048	3,691
Equipment	2,693	2,985	930	3,330	345
Materials and Supplies	35,380	35,967	12,814	35,996	29
Contractual Expenses	765,772	771,378	288,609	792,430	21,052
Social Services Relief	478,252	478,264	176,635	476,350	(1,914)
Inter-Departmental Expense	106,206	106,206	53,221	106,481	275
Gross Expenditures	2,056,501	2,062,498	855,952	2,083,265	20,767
Inter-Departmental Revenue	(112,171)	(112,171)	(54,467)	(112,499)	(328)
NET EXPENDITURES	1,944,330	1,950,327	801,485	1,970,766	20,439

PERSONAL SERVICE

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

LABOR CONTRACT SUMMARY					
	CONTRACT EXPIRATION	NEGOTIATED BASE SALARY INCREASES			
		2019	2020	2021	2022
Civil Service Employees Assoc.	12/31/2021	2.00%	2.25%	2.25%	TBD
New York State Nurses Assoc.	12/31/2021	2.50%	3.00%	2.50%	TBD
International Brotherhood of Teamsters	12/31/2020	2.50%	3.00%	TBD	TBD
Police Benevolent Assoc.	12/31/2019	2.75%	TBD	TBD	TBD
Superior Officers Police Benevolent Assoc.	12/31/2019	2.75%	TBD	TBD	TBD
District Attorney Criminal Investigators	12/31/2019	2.75%	TBD	TBD	TBD
Correction Officers Benevolent Assoc.	12/31/2019	2.85%	TBD	TBD	TBD
Correction Superior Officer Assoc.	12/31/2019	2.75%	TBD	TBD	TBD

2019 SECOND QUARTER PROJECTIONS

DOB now projects salary expenses \$2.7 million (0.8%) below modified appropriations. The largest driver of this reduction is lower than anticipated hiring of staff for the provision of the Raise the Age program. These expenditures were anticipated to be reimbursed in their entirety by NYS OCFS and DCJS. 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					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Human Resources	3,444	3,444	1,713	3,589	145
Budget	1,519	1,519	637	1,469	(50)
Board Of Elections	7,648	7,648	3,844	7,948	300
Finance	4,155	4,155	1,912	3,905	(250)
Information Technology	14,030	14,030	6,761	13,855	(176)
Law	9,209	9,209	4,286	8,959	(250)
Planning	2,475	2,450	1,176	2,475	25
Emergency Services	1,801	1,801	837	1,781	(20)
Consumer Protection	1,629	1,629	753	1,529	(100)
Community Mental Health	3,286	3,286	1,455	3,017	(269)
Health	15,963	15,963	7,586	15,713	(250)
Labs and Research	8,645	8,645	4,187	8,495	(150)
Correction	83,687	83,687	38,423	83,344	(343)
Tax Commission	194	194	74	150	(44)
District Attorney	25,512	25,512	11,502	25,342	(170)
Public Safety Services	35,366	35,366	17,404	35,402	36
Probation	19,668	19,668	9,472	18,877	(791)
Solid Waste Commission	717	717	284	667	(50)
Public Works	15,725	15,725	7,610	15,421	(304)
Other	106,693	106,693	52,558	106,693	-
TOTAL	361,367	361,342	172,476	358,631	(2,711)

2019 SECOND QUARTER PROJECTIONS

Other personal service (OPS) expenditures are expected come in over modified appropriations by \$3.7 million (1.2%). Increased overtime projections for the departments of social services and public safety comprise the majority of the increase for the overtime and holiday pay category. The pension projection is increased due to the assumption that the County will no longer amortize any portion of its State Fiscal Year 2020 contribution. Savings in employee and retiree healthcare expense are a result of higher than anticipated pharmaceutical manufacturer rebates and retiree drug subsidies, and lower than anticipated claims expenditures.

GENERAL FUND OTHER PERSONAL SERVICE SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Hourly Wages	10,722	10,747	4,057	11,323	576
Fees and Officers Pay	493	493	228	511	19
Overtime & Holiday	25,981	25,981	13,275	30,230	4,249
207-C Disability	2,733	2,733	1,219	2,764	31
Shift and Detective Differentials	5,521	5,521	2,586	5,458	(63)
Pension	72,880	72,880	36,177	77,701	4,821
Social Security and Medicare	28,770	28,770	14,654	28,621	(149)
Healthcare	152,937	152,437	76,809	146,645	(5,792)
MCTD Mobility Tax	1,417	1,417	597	1,417	-
Benefit Fund	4,996	4,996	1,508	4,996	-
Unemployment Insurance	381	381	158	381	-
TOTAL	306,831	306,356	151,267	310,048	3,691

MATERIALS AND SUPPLIES

The materials and supplies expenditure class consists mostly of utilities as energy (\$19 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 essentially at modified budget appropriations. On the following page is a summary of the departments with adjustments to their materials and supplies expense projection in the Q2 Update:

2019 SECOND QUARTER PROJECTIONS

GENERAL FUND MATERIALS AND SUPPLIES SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
County Executive	95	96	46	95	(1)
Human Resources	28	30	7	28	(2)
Board Of Elections	1,769	1,771	201	2,269	498
Finance	36	36	14	31	(5)
Information Technology	275	287	110	275	(12)
Law	65	68	24	65	(3)
Emergency Services	211	211	65	210	(1)
Social Services	690	697	222	690	(8)
Community Mental Health	29	29	(4)	22	(7)
Health	336	336	78	333	(3)
Labs and Research	1,137	1,229	535	1,189	(41)
Correction	1,565	1,634	522	1,545	(89)
District Attorney	295	298	92	291	(7)
Public Safety Services	1,722	1,842	753	1,727	(115)
Probation	216	224	50	216	(8)
Public Administrator	6	6	2	6	(0)
Parks, Recreation, and Conservation	8,171	8,219	3,161	8,171	(48)
Public Works	16,794	17,011	5,972	16,893	(118)
Miscellaneous Budgets	7	9	1	7	(2)
Other	1,892	1,892	952	1,892	-
TOTAL	35,380	35,967	12,814	35,996	29

Small savings across nearly every department within the materials and supplies category are offset by an upward revision within board of elections for additional costs associated with the provision of early voting.

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.

Overall, DOB projects contractual expenses \$21.1 million above modified appropriations. This is almost entirely due to the additional approximately \$20 million in municipal and school sales and use tax distribution resulting from the rate increase effective August 1st. On the following page is a summary of the departments with adjustments to their contractual expense projection in the Q2 Update:

2019 SECOND QUARTER PROJECTIONS

GENERAL FUND CONTRACTUAL EXPENSES SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Board Of Legislators	396	402	83	396	(6)
County Executive	4,556	4,724	985	4,388	(336)
Human Resources	901	914	196	771	(143)
Board Of Elections	4,069	4,293	134	5,319	1,026
Finance	124	309	22	119	(190)
Information Technology	24,286	26,031	9,401	24,016	(2,014)
Law	1,793	2,544	1,089	2,393	(151)
Emergency Services	985	999	182	985	(14)
Social Services	18,777	18,804	8,823	19,942	1,138
Senior Programs & Services	3,067	3,067	65	3,892	825
Consumer Protection	35	36	11	35	(1)
Community Mental Health	5,688	5,688	616	4,517	(1,171)
Health	115,459	115,461	47,241	118,683	3,222
Labs and Research	1,003	1,053	230	1,003	(50)
Correction	21,247	21,505	7,958	21,208	(297)
District Attorney	2,524	2,547	385	2,543	(4)
Public Safety Services	2,550	2,642	1,050	2,599	(43)
Probation	20,411	20,495	2,393	20,338	(157)
Public Administrator	59	64	19	59	(5)
Solid Waste Commission	137	176	44	137	(39)
Parks, Recreation, and Conservation	11,376	11,680	4,229	11,636	(43)
Transportation	167,297	167,631	72,333	169,905	2,274
Public Works	21,370	22,226	8,126	23,455	1,229
Debt Service	96,680	96,706	29,867	97,257	550
Miscellaneous Budgets	239,746	240,147	92,900	255,598	15,451
Other	1,235	1,235	227	1,235	-
TOTAL	765,772	771,378	288,609	792,430	21,052

Most 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 2020.

Contractual expenses in board of elections exceed modified appropriations due to the costs associated with the provision of early voting. Increases for social services and health are a result of higher than anticipated children with special needs caseloads. Transportation has an increase primarily due to lower than anticipated cash fare collections. An unanticipated service contract for the central heating plant at the Valhalla Campus drives the increase for public works. An accounting change to remove debt service from the community college sponsor contribution offsets the aforementioned sales and use tax distribution as well as increases for indigent criminal defense and out of county community college for the miscellaneous budgets. There is an associated revenue reduction in the debt service budget accompanying the WCC sponsor contribution change.

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

SOCIAL SERVICES RELIEF

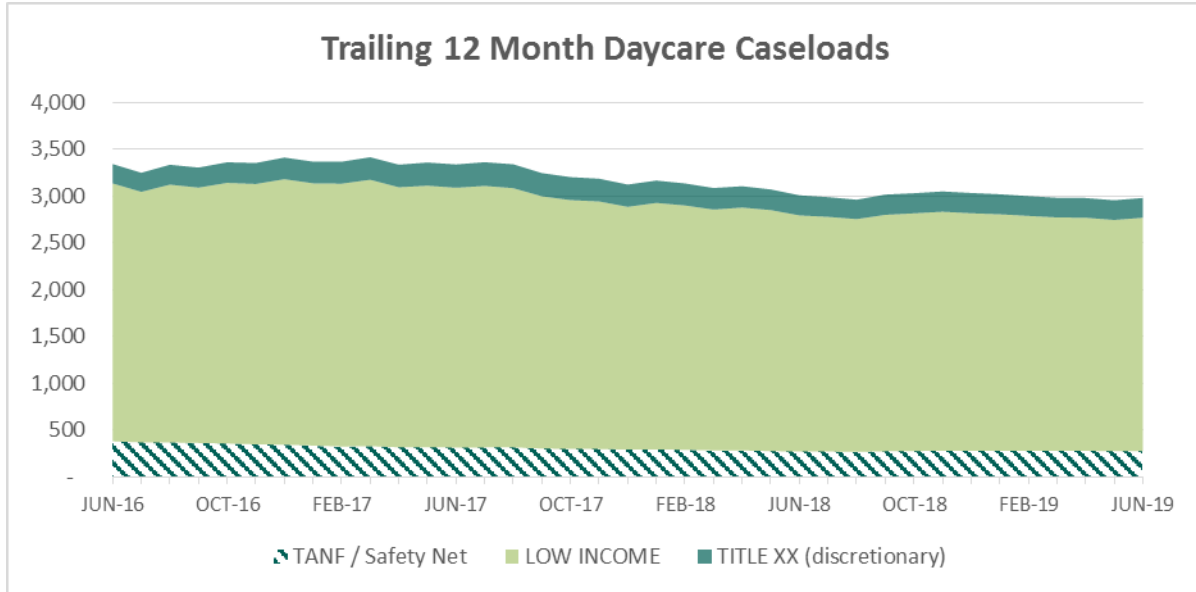
DOB projects an overall expense reduction of \$1.9 million (0.4%) from the modified budget within the social services relief appropriation. The major variances to budget are for Emergency Assistance, TANF and Safety Net, and the County’s three daycare programs.

GENERAL FUND SOCIAL SERVICES RELIEF SUMMARY					
Thousands of Dollars					
	2019	2019	YTD	2019	Proj. less
	Adopted	Modified	Jun 30	Projected	Modified
Emerg Assist To Fam & Child - Non Homeless	6,300	6,300	2,233	6,698	398
Emerg Assist to Fam & Child - Foster Care	9,804	9,804	3,734	10,946	1,142
Emerg Assist to Adults	1,307	1,307	383	1,307	-
Old Age Assist - MA	4,022	3,912	760	3,440	(473)
Aid to Disabled - MA	-	10	-	-	(10)
Family Assistance - MA	-	100	67	-	(100)
Medicaid - Regular	211,108	211,108	103,936	211,108	-
Medicaid - Disproportionate Share	60,000	60,000	8,545	60,000	-
Temp Assist to Needy Families (TANF)	32,110	32,118	10,594	30,996	(1,122)
Safety Net	50,285	50,286	17,628	50,303	17
Child Welfare - Foster Care	29,537	29,537	7,437	29,233	(304)
Child Welfare - AO Services	17,916	17,916	5,842	17,916	-
Child Welfare - Independent Living	888	888	326	888	(0)
Child Welfare - Adoption Subsidies	9,600	9,600	4,056	9,739	139
Social Svcs Spec Items	204	204	45	303	99
Indirect Social Service	42,295	42,297	10,475	41,226	(1,072)
Day Care (Title XX)	2,876	2,876	574	2,247	(629)
TOTAL	478,252	478,264	176,635	476,350	(1,914)

Across all three programs, daycare subsidy expenditures are now projected \$1.9 million below budgeted appropriations as a result of lower than anticipated caseloads. Additionally, the Federal public assistance program, TANF, is also under modified budget levels by \$1.1 million. As this program is reimbursed at 99 percent, there are essentially zero County share savings associated with this reduction. Offsetting these expenditure reductions is an increase in EAF – Foster Care of \$1.1 million due to retroactive provider rate increases authorized by NYS OCFS.

2019 SECOND QUARTER PROJECTIONS

Daycare caseloads have stabilized around 3,000 children since early 2018. During the year ending June 2019 the County provided subsidized daycare to an average of 2,981 children per month across the three programs. This is a decline in the average of 28 children as compared to the year ending June 2018. Improvement in the economy and increases in the State minimum wage are likely contributors to the reductions in caseloads.



SPECIAL DISTRICTS FUNDS FORECAST

On December 10, 2018, the County adopted a Special Districts Operating Budget in the amount of \$220.5 million for Fiscal Year 2019 (FY19). \$123.5 million was appropriated for sewer district operations, \$23.5 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 2019.

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 2019 Budget has been modified upward by \$2.7 million to allow for the expenditure of funds in FY19 for items that were contracted for in FY18. DOB expects a similar amount to roll from FY19 to FY20 resulting in a negligible effect to the FY19 Financial Plan.

CONSOLIDATED SEWER OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	19,909	19,909	8,952	18,984	(925)
Other Personal Services	19,356	19,356	9,065	19,251	(105)
Equipment	653	990	299	653	(337)
Materials & Supplies	18,812	19,289	7,451	18,997	(292)
Contractual Expenses	17,295	19,230	4,981	16,949	(2,282)
Inter-Departmental Charge	3,742	3,742	2,420	3,742	-
Gross Expenditures	79,766	82,516	33,168	78,575	(3,941)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	79,766	82,516	33,168	78,575	(3,941)
Departmental Income	3,815	3,815	750	3,815	-
Interest on Investments	27	27	2	27	-
Miscellaneous Revenue	810	810	68	810	-
Interfund Revenue	75,114	77,864	27,454	75,114	(2,750)
REVENUES	79,766	82,516	28,274	79,766	(2,750)
BUDGET (GAP) / SURPLUS	-	-	(4,894)	1,191	1,191

In addition to the projected rolls of \$2.7 million, DOB anticipates \$1.2 million in expenditure savings versus the modified budget for the consolidated sewer operations fund. This savings is primarily within the personal service categories due to vacancies and lower healthcare costs.

2019 SECOND QUARTER PROJECTIONS

SEWER DISTRICTS FUNDS

The \$1.2 million projected surplus of the operations fund flows through to the individual districts as a reduction in transfers out. Additionally, the refunding of outstanding Build America Bonds (BABs) is anticipated to reduce district debt service by \$0.4 million in 2019. DOB projects that the sewer districts will utilize approximately \$1.6 million less fund balance than was included in the budget as originally adopted.

SEWER DISTRICT FUNDS SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Contractual Expenses	49,635	49,635	26,036	49,246	(389)
Transfer to Operations Fund	73,915	73,915	27,194	72,724	(1,191)
Gross Expenditures	123,550	123,550	53,429	121,970	(1,580)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	123,550	123,550	53,429	121,970	(1,580)
Real Property Taxes	103,453	103,453	62,072	103,453	-
Payments in Lieu of Taxes	41	41	-	41	-
Departmental Income	250	250	-	250	-
Interest on Investments	7,942	7,942	2,953	7,942	-
Appropriated Fund Balance	11,792	11,792	-	-	(11,792)
Interfund Revenue	72	72	222	72	-
REVENUES	123,550	123,550	65,247	111,758	(11,792)
BUDGET (GAP) / SURPLUS	-	-	11,818	(10,212)	(10,212)

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.

2019 SECOND QUARTER PROJECTIONS

WATER DISTRICT #1

Water District #1 (WD#1) encompasses the municipalities of Mount Vernon, Scarsdale, White Plains, and Yonkers. The 2019 WD#1 Budget has been modified upward by \$178,000 to allow for the expenditure of funds in FY19 for items that were contracted for in FY18. DOB expects a similar amount to roll from FY19 to FY20 resulting in a negligible effect to the FY19 Financial Plan.

WATER DISTRICT #1 FUND SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	300	300	116	300	(0)
Other Personal Services	325	325	126	325	-
Equipment	43	53	10	43	(10)
Materials & Supplies	17,125	17,127	2,333	16,670	(457)
Contractual Expenses	2,042	2,207	536	2,042	(165)
Inter-Departmental Charge	293	293	12	293	-
Gross Expenditures	20,128	20,305	3,132	19,673	(633)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	20,128	20,305	3,132	19,673	(633)
Real Property Taxes	2,722	2,722	1,633	2,722	-
Departmental Income	16,320	16,320	-	15,865	(455)
Interest on Investments	4	4	-	4	-
Appropriated Fund Balance	946	1,124	-	-	(1,124)
Miscellaneous Revenue	135	135	92	135	-
REVENUES	20,128	20,306	1,725	18,727	(1,579)
BUDGET (GAP) / SURPLUS	-	-	(1,407)	(946)	(946)

In addition to the \$178,000 of anticipated rolls, projected water purchases from New York City have been reduced by \$0.5 million, along with an identical amount of departmental income for the loss of user fees associated with the water purchase. Overall, DOB projects Water District #1 to reduce its fund balance by the amount as included in the budget as originally adopted.

2019 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 2019 WD#3 Budget has been modified upward by \$65,000 to allow for the expenditure of funds for items in FY19 that were contracted for in FY18. DOB expects a similar amount to roll from FY19 to FY20 resulting in a negligible effect to the FY19 Financial Plan.

WATER DISTRICT #3 FUND SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	239	239	109	239	-
Other Personal Services	273	273	129	273	-
Equipment	48	58	10	48	(10)
Materials & Supplies	699	701	108	699	(2)
Contractual Expenses	1,868	1,920	331	1,868	(52)
Inter-Departmental Charge	231	231	8	231	-
Gross Expenditures	3,358	3,423	696	3,358	(65)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	3,358	3,423	696	3,358	(65)
Departmental Income	2,200	2,200	-	2,200	-
Interest on Investments	18	18	-	18	-
Appropriated Fund Balance	1,140	1,205	-	-	(1,205)
REVENUES	3,358	3,423	-	2,218	(1,205)
BUDGET (GAP) / SURPLUS	-	-	(696)	(1,140)	(1,140)

DOB projects no other changes from the modified budget for WD#3 at this time.

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 2019 Refuse District Budget has been modified upward by \$109,000 to allow for the expenditure of funds in FY19 for items that were contracted for in FY18. DOB expects a similar amount to roll from FY19 to FY20 resulting in a negligible effect to the FY19 Financial Plan.

REFUSE DISTRICT FUND SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	1,842	1,842	826	1,842	(0)
Other Personal Services	1,584	1,584	711	1,584	-
Materials & Supplies	972	973	331	972	(1)
Contractual Expenses	66,548	66,656	25,559	66,048	(608)
Inter-Departmental Charge	2,535	2,535	242	2,535	-
Gross Expenditures	73,482	73,591	27,669	72,982	(609)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	73,482	73,591	27,669	72,982	(609)
Real Property Taxes	42,921	42,921	25,752	42,921	-
Payments in Lieu of Taxes	353	353	337	353	-
Departmental Income	17,364	17,364	6,542	17,164	(200)
Interest on Investments	398	398	85	398	-
Appropriated Fund Balance	12,293	12,402	-	-	(12,402)
Miscellaneous Revenue	90	90	21	90	-
Interfund Revenue	63	63	63	63	-
REVENUES	73,482	73,591	32,799	60,988	(12,602)
BUDGET (GAP) / SURPLUS	-	-	5,130	(11,993)	(11,993)

In addition to the \$109,000 of anticipated rolls, lower than budgeted solid waste reduces the disposal expense at RESCO by \$0.5 million. Municipal user fees have also been reduced by \$0.2 million as part of this adjustment.

2019 SECOND QUARTER PROJECTIONS

AIRPORT FUND FORECAST

The 2019 Airport Budget has been modified upward by \$2.0 million to allow for the expenditure of funds in FY19 for items that were contracted for in FY18. DOB expects a similar amount to roll from FY19 to FY20 resulting in a negligible effect to the FY19 Financial Plan.

AIRPORT OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	8,497	8,497	3,880	8,497	-
Other Personal Services	4,937	4,937	2,200	5,137	200
Equipment	577	586	23	577	(9)
Materials & Supplies	2,006	2,063	883	2,026	(37)
Contractual Expenses	24,730	26,681	16,258	27,968	1,288
Inter-Departmental Charge	12,902	12,902	3,576	12,902	-
Gross Expenditures	53,649	55,665	26,820	57,107	1,442
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	53,649	55,665	26,820	57,107	1,442
Departmental Income	49,037	49,037	27,851	52,622	3,585
Interest on Investments	90	90	-	90	-
Appropriated Fund Balance	4,522	6,538	-	-	(6,538)
REVENUES	53,649	55,665	27,851	52,712	(2,953)
BUDGET (GAP) / SURPLUS	-	-	1,030	(4,395)	(4,395)

DOB projects the airport to reduce its fund balance by approximately \$0.1 million less than the amount included in the 2019 Budget as originally adopted. The largest variance is associated with the revenue recognition and transfer out to the capital fund of an additional \$2.8 million in passenger facility charges (PFCs). This transaction has zero net impact to the airport operating fund. Increases for overtime, automotive supplies, and equipment rentals are also included. Offsetting these increases is a projected \$2.0 million of non-personal service savings as these expenditures are expected to not take place until FY 2020.

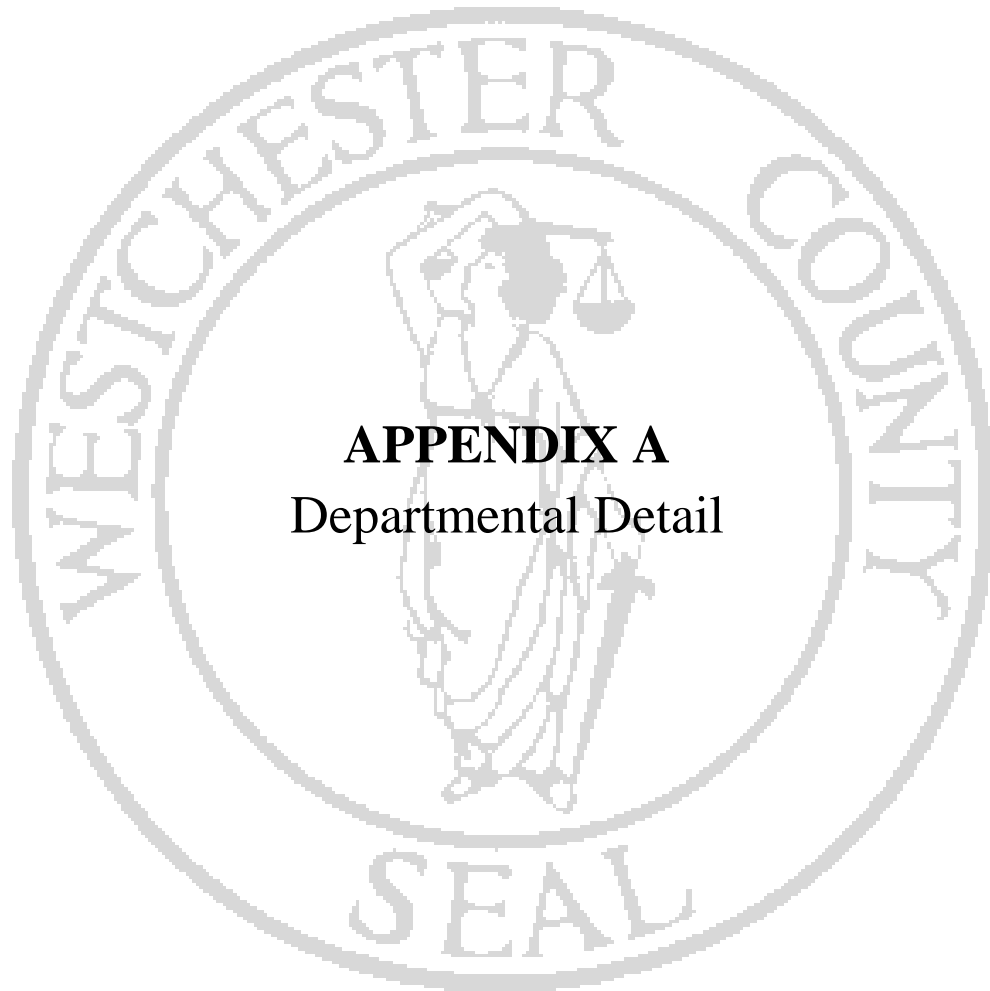
WORKERS COMPENSATION (6J) AND GENERAL LIABILITY (6N) FUNDS

The County is self-insured for both workers compensation and general liability. The net position for each reserve fund as of June 30th of the past five years is shown below.

WORKERS COMPENSATION (6J) & GENERAL LIABILITY (6N) FUNDS AS OF JUN 30		
Thousands of Dollars		
	<u>6J FUND</u>	<u>6N FUND</u>
Net Position 6/30/2015	(32,278)	34,612
Net Position 6/30/2016	(35,872)	23,499
Net Position 6/30/2017	(35,238)	21,696
Net Position 6/30/2018	(38,752)	13,988
Net Position 6/30/2019	(50,595)	12,007

The general liability reserve (6N) fund is in a positive net position of \$12.0 million, while the workers compensation reserve (6J) fund is in a negative net position of \$50.6 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 large year over year worsening of the fund’s position is due to a timing difference in the general fund’s contribution to the 6J fund. The net position of the 6N fund continues to decline due to the maturation of high yielding assets within the fund that cannot be replaced with similarly yielding assets in the current interest rate environment. Additionally, the County has not made a contribution to the 6N fund since 2009.

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APPENDIX A
Departmental Detail

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BOARD OF LEGISLATORS					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	3,813	3,813	1,777	3,813	(0)
Other Personal Services	242	242	137	242	-
Equipment	13	31	4	13	(18)
Materials & Supplies	153	153	19	153	(0)
Contractual Expenses	396	402	83	396	(6)
Inter-Departmental Charge	2	2	-	2	-
Gross Expenditures	4,620	4,644	2,020	4,620	(23)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	4,620	4,644	2,020	4,620	(23)
TAX LEVY	4,620	4,644	2,020	4,620	(23)

SECOND QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

COUNTY EXECUTIVE					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	6,014	6,014	2,754	6,014	0
Other Personal Services	93	93	28	93	-
Materials & Supplies	95	96	46	95	(1)
Contractual Expenses	4,556	4,724	985	4,388	(336)
Inter-Departmental Charge	529	529	459	529	-
Gross Expenditures	11,287	11,456	4,272	11,119	(337)
Inter-Departmental Revenue	(1,394)	(1,394)	(304)	(1,394)	-
NET EXPENDITURES	9,893	10,062	3,968	9,725	(337)
Departmental Income	(1,609)	(1,609)	(5)	(1,598)	12
State Aid	(405)	(405)	(11)	(237)	168
REVENUES	(2,014)	(2,014)	(16)	(1,835)	180
TAX LEVY	7,878	8,048	3,951	7,890	(158)

SECOND QUARTER HIGHLIGHTS

The County Executive Department is projected \$337,000 below modified appropriation levels at this time. Projections are reduced for lower Raise the Age expenditures in the Youth Bureau, and the anticipation that certain expenses will not occur until FY20.

DEPARTMENT OF HUMAN RESOURCES					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	3,444	3,444	1,713	3,589	145
Other Personal Services	258	258	40	127	(131)
Materials & Supplies	28	30	7	28	(2)
Contractual Expenses	901	914	196	771	(143)
Inter-Departmental Charge	613	613	531	613	-
Gross Expenditures	5,243	5,258	2,487	5,127	(131)
Inter-Departmental Revenue	(883)	(883)	(65)	(883)	-
NET EXPENDITURES	4,360	4,375	2,422	4,244	(131)
Departmental Income	(562)	(562)	(274)	(382)	180
REVENUES	(562)	(562)	(274)	(382)	180
TAX LEVY	3,798	3,813	2,148	3,862	49

SECOND QUARTER HIGHLIGHTS

DOB projects the Department of Human Resources (HR) to expend below its modified appropriations by \$131,000 at this time. This is primarily due to a projected reduction in civil service exam administration payments to the NYS Department of Civil Service. An offsetting reduction in exam fee revenues is also included in the projection.

DEPARTMENTAL DETAIL

DEPARTMENT OF BUDGET					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	1,519	1,519	637	1,469	(50)
Other Personal Services	13	13	1	13	-
Materials & Supplies	4	4	0	4	-
Contractual Expenses	13	13	3	13	-
Inter-Departmental Charge	266	266	245	266	-
Gross Expenditures	1,814	1,814	886	1,764	(50)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,814	1,814	886	1,764	(50)
Departmental Income	(726)	(726)	(229)	(726)	-
REVENUES	(726)	(726)	(229)	(726)	-
TAX LEVY	1,088	1,088	657	1,038	(50)

SECOND QUARTER HIGHLIGHTS

DOB projects vacancy savings of \$50,000 for the Department of Budget at this time.

BOARD OF ELECTIONS					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	7,648	7,648	3,844	7,948	300
Other Personal Services	1,100	1,100	377	1,600	500
Equipment	50	50	11	650	600
Materials & Supplies	1,769	1,771	201	2,269	498
Contractual Expenses	4,069	4,293	134	5,319	1,026
Inter-Departmental Charge	2,202	2,202	1,649	2,477	275
Gross Expenditures	16,838	17,064	6,217	20,263	3,199
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	16,838	17,064	6,217	20,263	3,199
Departmental Income	(1,583)	(1,583)	(12)	(1,583)	-
State Aid	-	-	-	(1,154)	(1,154)
REVENUES	(1,583)	(1,583)	(12)	(2,737)	(1,154)
TAX LEVY	15,255	15,481	6,204	17,526	2,045

SECOND QUARTER HIGHLIGHTS

DOB projects the Board of Elections expenditures \$3.2 million above the modified budget. These additional expenditures are necessary for the provision of early voting and other election reforms. Additional state aid in the amount of \$1.2 million funds a portion of the additional expense.

DEPARTMENTAL DETAIL

DEPARTMENT OF FINANCE					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	4,155	4,155	1,912	3,905	(250)
Other Personal Services	9	9	4	9	-
Materials & Supplies	36	36	14	31	(5)
Contractual Expenses	124	309	22	119	(190)
Inter-Departmental Charge	975	975	663	975	-
Gross Expenditures	5,298	5,483	2,615	5,038	(445)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	5,298	5,483	2,615	5,038	(445)
Departmental Income	(2,375)	(2,375)	(778)	(2,275)	100
Miscellaneous Revenue	-	-	1	-	-
REVENUES	(2,375)	(2,375)	(777)	(2,275)	100
TAX LEVY	2,923	3,108	1,838	2,763	(345)

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures for the Department of Finance at \$445,000 below the modified budget. Driving the projection are \$250,000 of projected salary savings due to vacancies and \$185,000 of contractual expense included in the modified budget is not expected to occur in FY 2020.

DEPARTMENT OF INFORMATION TECHNOLOGY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	14,030	14,030	6,761	13,855	(176)
Other Personal Services	3,690	3,690	2,091	3,825	135
Equipment	199	289	91	199	(90)
Materials & Supplies	275	287	110	275	(12)
Contractual Expenses	24,286	26,031	9,401	24,016	(2,014)
Inter-Departmental Charge	1,413	1,413	794	1,413	-
Gross Expenditures	43,892	45,739	19,248	43,581	(2,158)
Inter-Departmental Revenue	(38,067)	(38,067)	(33,664)	(38,067)	-
NET EXPENDITURES	5,825	7,672	(14,417)	5,514	(2,158)
Departmental Income	(8,955)	(8,955)	(4,273)	(8,955)	-
State Aid	(167)	(167)	-	(167)	-
REVENUES	(9,122)	(9,122)	(4,273)	(9,122)	-
TAX LEVY	(3,297)	(1,450)	(18,689)	(3,608)	(2,158)

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Information Technology \$2.2 million below the modified budget at this time. \$176,000 of projected salary savings due to vacancies is offset by \$135,000 in additional hourly wages. \$1.8 million of equipment, supply, and contractual expenditures included in the modified budget are not expected to occur until FY 2020.

DEPARTMENTAL DETAIL

BOARD OF ACQUISITION & CONTRACT					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	244	244	116	244	0
Materials & Supplies	1	1	0	1	-
Contractual Expenses	2	2	0	2	-
Inter-Departmental Charge	53	53	43	53	-
Gross Expenditures	300	300	159	300	0
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	300	300	159	300	0
Departmental Income	(3)	(3)	(1)	(3)	-
REVENUES	(3)	(3)	(1)	(3)	-
TAX LEVY	298	298	158	298	0

SECOND QUARTER HIGHLIGHTS

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

DEPARTMENT OF LAW					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	9,209	9,209	4,286	8,959	(250)
Other Personal Services	1	1	11	1	-
Equipment	40	42	14	40	(2)
Materials & Supplies	65	68	24	65	(3)
Contractual Expenses	1,793	2,544	1,089	2,393	(151)
Inter-Departmental Charge	828	828	707	828	-
Gross Expenditures	11,936	12,692	6,131	12,286	(406)
Inter-Departmental Revenue	(10,816)	(10,816)	(3,453)	(10,816)	-
NET EXPENDITURES	1,120	1,876	2,678	1,470	(406)
Departmental Income	(3,534)	(3,534)	(1,137)	(3,534)	-
State Aid	(891)	(891)	-	-	891
REVENUES	(4,425)	(4,425)	(1,137)	(3,534)	891
TAX LEVY	(3,305)	(2,549)	1,541	(2,064)	485

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Law \$0.4 million below the modified budget levels. This is primarily due to vacancy savings of \$250,000 and the expectation that \$256,000 of these expenditures will occur in FY 2020. The state aid budgeted for Raise the Age expenditures has been removed from the projection as the State has indicated additional family court expenditures will not be reimbursed.

DEPARTMENTAL DETAIL

DEPARTMENT OF PLANNING					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	2,475	2,450	1,176	2,475	25
Other Personal Services	-	25	14	-	(25)
Equipment	12	12	10	12	-
Materials & Supplies	13	13	2	13	-
Contractual Expenses	873	873	157	873	-
Inter-Departmental Charge	873	873	403	873	-
Gross Expenditures	4,245	4,245	1,763	4,245	(0)
Inter-Departmental Revenue	(27)	(27)	(7)	(27)	-
NET EXPENDITURES	4,218	4,218	1,755	4,218	(0)
Departmental Income	(569)	(569)	(3)	(569)	-
Agency & Trust Revenue	(175)	(175)	(10)	(175)	-
State Aid	(60)	(60)	(60)	(60)	-
REVENUES	(804)	(804)	(73)	(804)	-
TAX LEVY	3,414	3,414	1,683	3,414	(0)

SECOND QUARTER HIGHLIGHTS

DOB projects the Department of Planning to approximate the modified budget at this time.

DEPARTMENT OF EMERGENCY SERVICES					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	1,801	1,801	837	1,781	(20)
Other Personal Services	310	310	142	330	20
Equipment	200	200	22	200	-
Materials & Supplies	211	211	65	210	(1)
Contractual Expenses	985	999	182	985	(14)
Inter-Departmental Charge	3,138	3,138	2,402	3,138	-
Gross Expenditures	6,644	6,658	3,649	6,643	(15)
Inter-Departmental Revenue	(329)	(329)	(329)	(329)	-
NET EXPENDITURES	6,315	6,329	3,320	6,314	(15)
Departmental Income	(75)	(75)	(76)	(76)	(1)
Federal Aid	(357)	(357)	0	(357)	-
REVENUES	(433)	(433)	(76)	(434)	(1)
TAX LEVY	5,882	5,896	3,244	5,880	(16)

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Emergency Services \$15,000 below modified budget appropriations at this time. The majority of this savings results from the expectation that this amount of contractual expenditure is anticipated to roll and take place in FY 2020.

DEPARTMENTAL DETAIL

COUNTY CLERK					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	4,643	4,643	2,237	4,643	0
Other Personal Services	45	45	3	45	-
Equipment	5	5	0	5	-
Materials & Supplies	117	117	48	117	-
Contractual Expenses	344	344	66	344	(0)
Inter-Departmental Charge	1,775	1,775	1,291	1,775	-
Gross Expenditures	6,928	6,928	3,645	6,928	(0)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	6,928	6,928	3,645	6,928	(0)
Departmental Income	(9,072)	(9,072)	(3,249)	(8,572)	500
REVENUES	(9,072)	(9,072)	(3,249)	(8,572)	500
TAX LEVY	(2,144)	(2,144)	396	(1,644)	500

SECOND QUARTER HIGHLIGHTS

DOB anticipates that expenditures for the County Clerk will approximate the adopted budget at this time. Lower land records activity drives the reduction of \$500,000 of departmental revenues.

DEPARTMENT OF SOCIAL SERVICES					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	72,819	72,819	36,213	72,819	(0)
Other Personal Services	2,428	2,428	1,821	3,678	1,250
Materials & Supplies	690	697	222	690	(8)
Contractual Expenses	18,777	18,804	8,823	19,942	1,138
Social Services Relief	478,252	478,264	176,635	476,350	(1,914)
Inter-Departmental Charge	41,890	41,890	17,434	41,890	-
Gross Expenditures	614,854	614,901	241,148	615,367	466
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	614,854	614,901	241,148	615,367	466
Departmental Income	(4,600)	(4,600)	(164)	(4,600)	-
Miscellaneous Revenue	-	-	(39)	-	-
Undistributed Revenues	-	-	(7,423)	-	-
State Aid	(114,133)	(114,133)	(6,659)	(111,837)	2,296
Federal Aid	(160,642)	(160,642)	(17,311)	(159,917)	725
REVENUES	(279,375)	(279,375)	(31,595)	(276,354)	3,021
TAX LEVY	335,479	335,526	209,553	339,013	3,486

SECOND QUARTER HIGHLIGHTS

As of the second quarter, DOB is projecting an increase from DSS’s modified budget County tax levy share of \$3.5 million on expenditure increases of \$0.5 million and revenue reductions of \$3.0 million.

Additional overtime expense within the child protective services due to higher than anticipated call volume and State regulation changes drives the other personal service category overage. Higher than anticipated children with special needs caseloads result in increased contractual expenses for the education and transportation program.

DOB projects offsetting expenditure savings to occur in the relief category. Across all three programs, daycare subsidy expenditures are now projected \$1.9 million below budgeted appropriations as a result of lower than anticipated caseloads. Additionally, the Federal public assistance program, TANF, is also under modified budget levels by \$1.1 million. As this program is reimbursed at 99 percent, there are essentially zero County share savings associated with this reduction. Offsetting these expenditure reductions is an increase in EAF – Foster Care of \$1.1 million due to retroactive provider rate increases authorized by NYS OCFS.

The projected reductions in state and federal aid include a reduction of \$1.9 million in the County’s Foster Care Block Grant allocation from NYS OCFS, and the reductions associated with the aforementioned TANF savings.

DEPARTMENTAL DETAIL

DEPARTMENT OF SENIOR PROGRAMS & SERVICES					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Contractual Expenses	3,067	3,067	65	3,892	825
Inter-Departmental Charge	<u>779</u>	<u>779</u>	<u>480</u>	<u>779</u>	<u>-</u>
Gross Expenditures	3,846	3,846	545	4,671	825
Inter-Departmental Revenue	<u>(291)</u>	<u>(291)</u>	<u>-</u>	<u>(291)</u>	<u>-</u>
NET EXPENDITURES	3,555	3,555	545	4,380	825
TAX LEVY	<u>3,555</u>	<u>3,555</u>	<u>545</u>	<u>4,380</u>	<u>825</u>

SECOND QUARTER HIGHLIGHTS

DOB projects additional expenditures of \$825,000 from the modified budget for the Department of Senior Programs and Services at this time. This is primarily due to the opening of the expanded in-home services for the elderly program (EISEP) to County residents as of right.

DEPARTMENT OF CONSUMER PROTECTION					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	1,629	1,629	753	1,529	(100)
Other Personal Services	15	15	10	20	5
Equipment	12	12	1	12	-
Materials & Supplies	48	48	12	48	-
Contractual Expenses	35	36	11	35	(1)
Inter-Departmental Charge	315	315	269	315	-
Gross Expenditures	2,055	2,056	1,055	1,960	(96)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	2,055	2,056	1,055	1,960	(96)
Departmental Income	(3,554)	(3,554)	(1,562)	(3,454)	100
REVENUES	(3,554)	(3,554)	(1,563)	(3,454)	100
TAX LEVY	(1,499)	(1,498)	(507)	(1,494)	4

SECOND QUARTER HIGHLIGHTS

DOB projects expenditure savings of \$96,000 from the modified budget for the Department of Consumer Protection. The projected savings is as a result of vacancies within the department. License and fee revenues are also projected lower, resulting in little change to the department’s overall County tax levy share.

DEPARTMENTAL DETAIL

DEPARTMENT OF MENTAL HEALTH					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	3,286	3,286	1,455	3,017	(269)
Other Personal Services	21	21	29	21	-
Materials & Supplies	29	29	(4)	22	(7)
Contractual Expenses	5,688	5,688	616	4,517	(1,171)
Inter-Departmental Charge	1,506	1,506	1,227	1,506	-
Gross Expenditures	10,530	10,530	3,323	9,084	(1,446)
Inter-Departmental Revenue	(980)	(980)	(35)	(980)	-
NET EXPENDITURES	9,550	9,550	3,288	8,104	(1,446)
Departmental Income	(5)	(5)	(1)	(5)	-
State Aid	(3,321)	(3,321)	(110)	(1,596)	1,725
Federal Aid	(896)	(896)	(11)	(839)	57
REVENUES	(4,221)	(4,221)	(122)	(2,439)	1,782
TAX LEVY	5,329	5,329	3,166	5,665	336

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures \$1.4 million below modified appropriations for the Department of Mental Health at this time. Personal service expenditures are projected \$269,000 below the modified budget as a result of vacancy savings. A reduction of \$1.2 million in contractual expenses is primarily due to lower than anticipated expenditures for Raise the Age. A corresponding reduction in state aid offsets this expenditure savings.

DEPARTMENT OF HEALTH					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	15,963	15,963	7,586	15,713	(250)
Other Personal Services	402	402	201	412	10
Equipment	128	128	2	128	-
Materials & Supplies	336	336	78	333	(3)
Contractual Expenses	115,459	115,461	47,241	118,683	3,222
Inter-Departmental Charge	5,583	5,583	3,908	5,583	-
Gross Expenditures	137,870	137,872	59,015	140,851	2,979
Inter-Departmental Revenue	(159)	(159)	(32)	(159)	-
NET EXPENDITURES	137,711	137,712	58,983	140,691	2,979
Departmental Income	(7,889)	(7,889)	(3,406)	(8,441)	(552)
Miscellaneous Revenue	-	-	6	-	-
Undistributed Revenues	-	-	(41)	-	-
State Aid	(68,473)	(68,473)	(5,258)	(69,941)	(1,468)
REVENUES	(76,362)	(76,362)	(8,700)	(78,382)	(2,019)
TAX LEVY	61,348	61,350	50,283	62,310	959

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects Department of Health to exceed their modified tax levy on expenditure increases of \$3.0 million, and revenue increases of \$2.0 million. Nearly all of these increases are due to higher children with special needs caseloads and retroactive provider rate increases authorized by NYS OCFS.

DEPARTMENTAL DETAIL

DEPARTMENT OF LABORATORIES & RESEARCH					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	8,645	8,645	4,187	8,495	(150)
Other Personal Services	327	327	147	372	46
Materials & Supplies	1,137	1,229	535	1,189	(41)
Contractual Expenses	1,003	1,053	230	1,003	(50)
Inter-Departmental Charge	3,462	3,462	2,082	3,462	-
Gross Expenditures	14,573	14,716	7,211	14,551	(164)
Inter-Departmental Revenue	(5)	(5)	(1)	(5)	-
NET EXPENDITURES	14,568	14,711	7,210	14,546	(164)
Departmental Income	(2,544)	(2,544)	(904)	(2,594)	(50)
State Aid	(1,313)	(1,313)	(342)	(1,313)	-
REVENUES	(3,857)	(3,857)	(1,246)	(3,907)	(50)
TAX LEVY	10,711	10,854	5,964	10,639	(214)

SECOND QUARTER HIGHLIGHTS

DOB anticipates expenditures \$164,000 below the modified budget within the Department of Laboratories and Research at this time. A reduction in salaries due to vacancy savings drives the projection for the department.

DEPARTMENT OF CORRECTION					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	83,687	83,687	38,423	83,344	(343)
Other Personal Services	16,175	16,175	8,232	16,552	377
Equipment	260	283	71	260	(23)
Materials & Supplies	1,565	1,634	522	1,545	(89)
Contractual Expenses	21,247	21,505	7,958	21,208	(297)
Inter-Departmental Charge	11,425	11,425	5,117	11,425	-
Gross Expenditures	134,360	134,709	60,322	134,335	(374)
Inter-Departmental Revenue	(137)	(137)	(32)	(137)	-
NET EXPENDITURES	134,222	134,572	60,290	134,198	(374)
Departmental Income	(9,442)	(9,442)	(4,329)	(10,927)	(1,484)
State Aid	(66)	(66)	(20)	(66)	-
Federal Aid	(1,146)	(1,146)	(19)	(689)	457
REVENUES	(10,654)	(10,654)	(4,369)	(11,681)	(1,027)
TAX LEVY	123,568	123,918	55,921	122,517	(1,401)

SECOND QUARTER HIGHLIGHTS

DOB projects a favorable County tax levy share variance of \$1.4 million versus the modified budget within DOC. This is primarily driven by an earlier than anticipated increase in the County’s federal inmate per diem rate from the US Marshal Service.

DEPARTMENTAL DETAIL

TAX COMMISSION					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	194	194	74	150	(44)
Materials & Supplies	1	1	0	1	-
Contractual Expenses	4	4	1	4	-
Inter-Departmental Charge	29	29	27	29	-
Gross Expenditures	228	228	102	183	(44)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	228	228	102	183	(44)
Departmental Income	(0)	(0)	(0)	(0)	-
REVENUES	(0)	(0)	(1)	(0)	-
TAX LEVY	227	227	102	183	(44)

SECOND QUARTER HIGHLIGHTS

DOB projects \$44,000 in personal service expense savings due to vacancies for the Tax Commission at this time.

DISTRICT ATTORNEY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	25,512	25,512	11,502	25,342	(170)
Other Personal Services	396	396	211	395	(1)
Equipment	144	181	89	144	(38)
Materials & Supplies	295	298	92	291	(7)
Contractual Expenses	2,524	2,547	385	2,543	(4)
Inter-Departmental Charge	1,138	1,138	455	1,138	-
Gross Expenditures	30,009	30,073	12,735	29,853	(220)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	30,009	30,073	12,735	29,853	(220)
Miscellaneous Revenue	-	-	(0)	-	-
State Aid	(714)	(714)	(125)	(580)	134
Federal Aid	(134)	(134)	(31)	(134)	-
REVENUES	(847)	(847)	(157)	(714)	134
TAX LEVY	29,162	29,226	12,578	29,139	(86)

SECOND QUARTER HIGHLIGHTS

DOB projects personal service expenditure savings of \$170,000 versus the modified budget within the District Attorney’s Office primarily due to vacancies. Additional savings of \$64,000 versus the modified budget are also projected as these expenditures are not anticipated to occur until FY 2020.

DEPARTMENTAL DETAIL

DEPARTMENT OF PUBLIC SAFETY					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	35,366	35,366	17,404	35,402	36
Other Personal Services	11,164	11,164	4,433	12,917	1,753
Equipment	304	398	154	304	(95)
Materials & Supplies	1,722	1,842	753	1,727	(115)
Contractual Expenses	2,550	2,642	1,050	2,599	(43)
Inter-Departmental Charge	5,237	5,237	3,849	5,237	-
Gross Expenditures	56,341	56,648	27,643	58,185	1,537
Inter-Departmental Revenue	(13,046)	(13,046)	(2,651)	(13,321)	(275)
NET EXPENDITURES	43,294	43,601	24,993	44,864	1,262
Departmental Income	(15,528)	(15,528)	(4,894)	(15,592)	(64)
State Aid	(2,721)	(2,721)	(501)	(2,904)	(182)
Federal Aid	(291)	(291)	(8)	(291)	-
REVENUES	(18,540)	(18,540)	(5,401)	(18,786)	(247)
TAX LEVY	24,755	25,062	19,591	26,078	1,016

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Public Safety (DPS) below modified appropriations by \$1.3 million. Additional overtime expenditures of \$1.8 million drive the projection. Additionally, \$307,000 of non-personal service expenditures are expected to roll and take place in FY 2020.

DEPARTMENT OF PROBATION					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	19,668	19,668	9,472	18,877	(791)
Other Personal Services	552	552	603	552	-
Equipment	347	365	57	347	(19)
Materials & Supplies	216	224	50	216	(8)
Contractual Expenses	20,411	20,495	2,393	20,338	(157)
Inter-Departmental Charge	3,578	3,578	2,343	3,578	-
Gross Expenditures	44,772	44,882	14,918	43,908	(974)
Inter-Departmental Revenue	(1,606)	(1,606)	-	(1,655)	(49)
NET EXPENDITURES	43,166	43,276	14,918	42,253	(1,023)
Departmental Income	(345)	(345)	(193)	(345)	-
State Aid	(25,972)	(25,972)	(70)	(25,380)	591
REVENUES	(26,317)	(26,317)	(262)	(25,725)	591
TAX LEVY	16,849	16,960	14,655	16,528	(432)

SECOND QUARTER HIGHLIGHTS

DOB projects a favorable variance of \$0.4 million versus the modified budget within the Department of Probation at this time. Both the expenditure savings and revenue reductions are associated with lower than anticipated expenditures and therefore reimbursements for Raise the Age.

DEPARTMENTAL DETAIL

PUBLIC ADMINISTRATOR					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	635	635	281	635	(0)
Equipment	1	1	1	1	-
Materials & Supplies	6	6	2	6	(0)
Contractual Expenses	59	64	19	59	(5)
Inter-Departmental Charge	127	127	106	127	-
Gross Expenditures	828	833	409	828	(5)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	828	833	409	828	(5)
Departmental Income	(425)	(425)	(355)	(425)	-
REVENUES	(425)	(425)	(355)	(425)	-
TAX LEVY	403	408	54	403	(5)

SECOND QUARTER HIGHLIGHTS

DOB projects that \$5,000 of contractual expenses are expected to roll and occur in FY 2020 for the Public Administrator.

SOLID WASTE COMMISSION					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	717	717	284	667	(50)
Other Personal Services	547	547	183	547	-
Equipment	36	36	-	36	-
Materials & Supplies	37	37	9	37	-
Contractual Expenses	137	176	44	137	(39)
Inter-Departmental Charge	460	460	224	460	-
Gross Expenditures	1,934	1,974	744	1,884	(89)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,934	1,974	744	1,884	(89)
Departmental Income	(1,934)	(1,934)	(1,015)	(1,934)	-
REVENUES	(1,934)	(1,934)	(1,014)	(1,934)	-
TAX LEVY	0	39	(270)	(50)	(89)

SECOND QUARTER HIGHLIGHTS

DOB projects an expenditure reduction of \$89,000 from the modified budget for the Solid Waste Commission. Lower salary expenses due to vacancy savings and the anticipation that some expenditures will not occur until FY 2020 drive the projection.

DEPARTMENTAL DETAIL

DEPARTMENT OF PARKS					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	16,537	16,537	8,006	16,537	(0)
Other Personal Services	9,677	9,677	5,078	10,552	875
Equipment	214	216	205	214	(2)
Materials & Supplies	8,171	8,219	3,161	8,171	(48)
Contractual Expenses	11,376	11,680	4,229	11,636	(43)
Inter-Departmental Charge	5,720	5,720	2,539	5,720	-
Gross Expenditures	51,696	52,049	23,218	52,830	782
Inter-Departmental Revenue	(357)	(357)	(95)	(357)	-
NET EXPENDITURES	51,338	51,692	23,122	52,473	782
Departmental Income	(59,033)	(59,033)	(11,345)	(35,304)	23,730
Undistributed Revenues	-	-	(532)	-	-
State Aid	(50)	(50)	-	(50)	-
REVENUES	(59,083)	(59,083)	(11,877)	(35,354)	23,730
TAX LEVY	(7,745)	(7,392)	11,245	17,120	24,511

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects an increase in Parks' County tax levy share of \$24.5 million. This is primarily due to the removal of the \$23 million of proceeds associated with the sale of the commuter parking lots from the projection as this transaction will no longer occur.

DEPARTMENT OF TRANSPORTATION					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	1,364	1,364	684	1,364	(0)
Other Personal Services	24	24	12	25	1
Materials & Supplies	1,561	1,561	872	1,561	-
Contractual Expenses	167,297	167,631	72,333	169,905	2,274
Inter-Departmental Charge	1,998	1,998	1,088	1,998	-
Gross Expenditures	172,738	173,072	74,989	175,346	2,274
Inter-Departmental Revenue	(445)	(445)	-	(445)	-
NET EXPENDITURES	172,293	172,627	74,989	174,901	2,274
Departmental Income	(39,023)	(39,023)	(16,695)	(37,734)	1,289
State Aid	(59,842)	(59,842)	(15,369)	(62,849)	(3,008)
Federal Aid	(13,940)	(13,940)	(548)	(14,232)	(291)
REVENUES	(112,805)	(112,805)	(32,611)	(114,815)	(2,010)
TAX LEVY	59,489	59,822	42,378	60,087	264

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy impact \$0.3 million above the modified budget within the Department of Transportation (DOT). This is due to several factors.

Contractual expenditures are projected above the modified budget by \$2.3 million due to higher insurance premiums, liability claim payouts, and lower cash fare collections than originally anticipated. Cash fares are accounted for as reductions to the bus operating assistance expense.

Bus fare collections have been reduced on lower than projected ridership and a delay in the implementation of the MTA MetroCard fare increase. The aforementioned unfavorable adjustments are essentially offset by additional state transportation operating assistance.

DEPARTMENTAL DETAIL

DEPARTMENT OF PUBLIC WORKS					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	15,725	15,725	7,610	15,421	(304)
Other Personal Services	1,057	1,057	547	1,054	(3)
Equipment	236	241	169	242	0
Materials & Supplies	16,794	17,011	5,972	16,893	(118)
Contractual Expenses	21,370	22,226	8,126	23,455	1,229
Inter-Departmental Charge	2,290	2,290	1,649	2,290	-
Gross Expenditures	57,472	58,551	24,074	59,354	804
Inter-Departmental Revenue	(43,626)	(43,626)	(13,797)	(43,631)	(4)
NET EXPENDITURES	13,846	14,924	10,277	15,724	799
Departmental Income	(9,789)	(9,789)	(2,877)	(9,644)	145
State Aid	(3,479)	(3,479)	(246)	(3,479)	-
REVENUES	(13,268)	(13,268)	(3,123)	(13,123)	145
TAX LEVY	578	1,657	7,154	2,601	945

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects net expenditures at \$0.8 million above the modified budget within the Department of Public Works (DPW). This increase in projected expenditure is primarily due to an unanticipated contract for the operations of the County's central heating plant at the Valhalla Campus. Offsetting the contractual increase are vacancy savings within salaries, and utility savings within supplies.

DEBT SERVICE					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Contractual Expenses	96,680	96,706	29,867	97,257	550
Gross Expenditures	96,680	96,706	29,867	97,257	550
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	96,680	96,706	29,867	97,257	550
Capital Revenue	(250)	(250)	-	(849)	(599)
Interfund Revenue	(7,202)	(7,202)	(410)	(1,191)	6,012
REVENUES	(7,452)	(7,452)	(410)	(2,040)	5,413
TAX LEVY	89,227	89,254	29,458	95,217	5,963

SECOND QUARTER HIGHLIGHTS

DOB projects an increase of \$6.0 million in tax levy for the debt service budget versus the modified budget. This is primarily due to the elimination of the inter-fund revenue from the community college resulting from a change in the accounting treatment of debt service for the college. There is an associated expense reduction with this change in the Miscellaneous Budget.

DEPARTMENTAL DETAIL

MISCELLANEOUS BUDGETS					
Thousands of Dollars					
	2019 Adopted	2019 Modified	YTD Jun 30	2019 Projected	Proj. less Modified
Annual Regular Salaries	624	624	491	624	0
Other Personal Services	258,288	257,788	126,910	256,668	(1,120)
Materials & Supplies	7	9	1	7	(2)
Contractual Expenses	239,746	240,147	92,900	255,598	15,451
Inter-Departmental Charge	8,004	8,004	1,240	8,004	-
Gross Expenditures	506,669	506,572	221,542	520,901	14,330
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	506,669	506,572	221,542	520,901	14,330
Real Property Taxes	(570,579)	(570,579)	(342,347)	(570,579)	-
Payments in Lieu of Taxes	(10,140)	(10,140)	(6,538)	(10,140)	-
Non-Property Taxes	(622,319)	(622,319)	(232,588)	(684,472)	(62,153)
Departmental Income	(13,589)	(13,589)	(94)	(13,293)	296
Interest on Investments	(775)	(775)	(253)	(775)	-
Capital Revenue	(8,500)	(8,500)	-	(8,500)	-
Appropriated Fund Balance	-	(5,997)	-	-	5,997
Miscellaneous Revenue	(60,000)	(60,000)	(50,172)	(60,000)	-
Interfund Revenue	(85)	(85)	(242)	(242)	(157)
State Aid	(8,531)	(8,531)	(1,026)	(8,531)	-
REVENUES	(1,294,517)	(1,300,515)	(633,261)	(1,356,531)	(56,017)
TAX LEVY	<u>(787,848)</u>	<u>(793,943)</u>	<u>(411,719)</u>	<u>(835,630)</u>	<u>(41,687)</u>

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy decrease within the Miscellaneous Budgets of \$41.7 million. The majority of this is as a result of the additional 1 percentage point in the sales and use tax rate outside of the 4 major cities effective August 1st.

Other personal services have been reduced on lower healthcare claims costs, offset by an increased pension contribution expense in order for the County to make its full contribution without amortization for State Fiscal Year 2020. Within contractual services, aforementioned increase in the sales and use tax rate increases expenditures by approximately \$20 million. Offsetting this expenditure is a reduction in the WCC Sponsor Contribution resulting from an accounting change regarding debt service by SUNY.

On the revenue side, the major adjustment is the increase in the sales and use tax projection due to the rate increase effective August 1st. Lower projections for mortgage recording and room occupancy taxes offset this increase.

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