

**COUNTY OF WESTCHESTER**

**Analysis and Review  
of the  
Proposed 2020 Budget**



December 6, 2019

The Honorable Catherine Borgia, Chairperson  
Committee on Budget and Appropriations  
County of Westchester  
County Office Building  
148 Martine Avenue  
White Plains, New York 10601

Dear Honorable Borgia:

The County Executive's proposed 2020 budget has been submitted to the Board of Legislators for its review and deliberation. The proposed budget provides for an aggregate appropriation of \$2.10 billion with 4,916 allowed (funded) positions of which 295 positions as of the date of this report are vacant. This budget is \$160.36 million greater than the 2019 budget adopted by the Board of Legislators in December 2018. Also included in this budget is \$80 million of Intergovernmental Transfers to and related revenue from the Westchester County Health Care Corporation ("WCHCC"), which represents a \$20 million increase over the 2019 Adopted Budget and \$174.30 million for the Municipal Sales Tax Distribution which is an increase of \$48.71 million as compared to the 2019 Adopted Budget.

The proposed budget for the County continues to rely upon major sources of revenue derived from sales and use taxes \$740.40 million or 35.18% of total revenues, Federal and State aid \$482.52 million or 22.93% of total revenues, departmental income \$159.52 million or 7.58%, various other revenues \$152.67 million or 7.25% and the remaining source of financing the spending plan – property taxes \$569.58 million or 27.06% of the revenues. The property tax levy amount is 0.18% less than the tax levy adopted in the current budget.

The major components of this net increase in appropriations detailed in the Operating Budget Comparative Analysis – Expenditures Summary Exhibit 1a are as follows:

Appropriations	In Thousands
Sales Tax Distribution	\$ 48.71
Social Services	39.74
Unrestricted Reserve	10.00
Health	9.22
Debt Service	6.50
Retirement System	5.80
Transportation	5.50
Public Works	5.22
Public Safety Services	4.88
Board of Elections	4.77
Employee Health Insurance	4.29
Parks	3.32
Planning	3.24
Miscellaneous Budgets	2.78
Information Technology	2.69
District Attorney	1.82
Economic Development	1.03
People with Disabilities	(0.46)
Community Health	(1.20)
Westchester Community College Sponsor Contribution	(6.10)
Other	8.61
	8.61
Total Appropriations	\$ 160.36

The key factors causing the departmental changes are discussed, briefly, below.

The Miscellaneous 2020 Proposed Budget increased by \$66.30 million, of which, the largest components are an increase of \$48.71 million in municipal sales tax distribution due to the increase in anticipated sales tax revenue, \$10 million in budgeted contribution to unrestricted reserve, a new initiative to strengthen the County’s financial position and \$6.50 million for debt service payments. The Department of Social Services budget increased \$39.74 million, which includes an additional \$20 million for IGT payments. Additionally, the Department of Health budget increased \$9.22 million for services for children with special needs, while the Board of Elections budget rose to \$4.77 million

mostly to cover the costs associated with the implementation of early voting and the upcoming presidential election.

The \$160.36 million net increase in appropriations is offset by the following revenue sources as detailed in the Operating Budget Comparative Analysis – Revenues:

Revenue	In Thousands
<b>Departmental Revenue:</b>	
Health	\$ 1.15
Correction	1.01
Law	0.44
Solid Waste Commission	0.32
Public Safety	0.29
Human Resources	0.20
Consumer Protection	(0.14)
Information Technology	(0.26)
Public Works	(0.35)
County Clerk	(0.82)
Transportation	(0.96)
Parks, Recreation & Conservation	(24.82)
Other Departments	0.29
<b>Sub-total Departmental Revenue</b>	<b>(23.65)</b>
<b>Sales and Use Tax</b>	<b>161.68</b>
Intergovernmental Transfers	20.00
Other	0.63
State Aid	8.07
Federal Aid	6.91
Interest on Investments	1.23
Real Property Taxes	(1.00)
Inter-Fund Transfers	(3.69)
Other, Net	(9.82)
<b>Total Revenue</b>	<b>\$ 160.36</b>

Sales tax revenues in the 2020 Proposed Budget increased \$161.68 million reflecting the new sales tax rate imposed by the County along with the new income from internet sales. Miscellaneous revenues relating to IGT have increased by \$20 million which matches the anticipated increase in the required IGT payments. Federal and State aid has increased \$14.98 million reflecting additional aid for Social Service and Health program

expenditures. The County is also indicating a reduction in revenue in the Department of Parks and Recreation of \$24.82 million, which reflects the removal of the sale of property budgeted in 2019. In addition, the County reduced its proposed 2020 tax levy by \$1 million.

Our charge from the Board of Legislators is to gain an understanding of the budget structure, the assumptions employed and the new or modified policy decisions incorporated. The evaluation of policy initiatives is not within our capabilities inasmuch as that is a legislative prerogative. Our goal is to inform and quantify the amounts provided. We are aware that the limited timeframe to perform an in-depth review of the budget document places additional pressures on the Board. Consequently, a comprehensive analysis is not an option. We must call upon our expertise garnered from our many years of service to the County and to the knowledge gained from our recently completed reviews of budgets of neighboring counties. We have directed our efforts to those areas that, upon preliminary review represent modification from previous budgets, have exhibited opportunity for savings in the past or would be influenced by the economic conditions.

We have advised the Board of our recommendations for increases to the budget on December 2<sup>nd</sup>. Our suggestions were presented in brevity. The detailed factors which caused us to make these recommendations and the underlying justification have been included in this report. Our complete report is detailed in the pages that follow.

We look forward to meeting with the Board of Legislators to discuss our findings and to review any other aspect of the proposed budget review.

Very truly yours,

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**

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# REVENUES



## **Payments in Lieu of Taxes**

The County has entered into numerous Payments in Lieu of Taxes (“PILOT”) agreements which are economic development incentives for businesses within the County. The County’s 2019 Adopted Budget for PILOT revenue is \$10.14 million which is approximately \$220,000 less than the County’s 2019 projection of \$10.36 million. Our analysis was based on actual PILOT receipts through October 2019 and anticipated PILOT receipts in November and December 2019. We project the 2019 PILOT revenues will approximate \$10.36 million, an amount equal to the County’s projection resulting in a favorable variance of approximately \$220,000 when compared to the 2019 Adopted Budget.

The County’s 2020 Proposed Budget projects PILOT revenue to be \$10.38 million, an increase of approximately \$240,000 compared to the County’s 2019 Adopted Budget. PILOT agreements may fluctuate from year to year due to assessed property values and any appropriate adjustments for new, expired, or modified agreements. Based on our analysis, we project the County’s 2020 revenue to approximate the County’s 2020 Proposed Budget of \$10.38 million and therefore we concur.

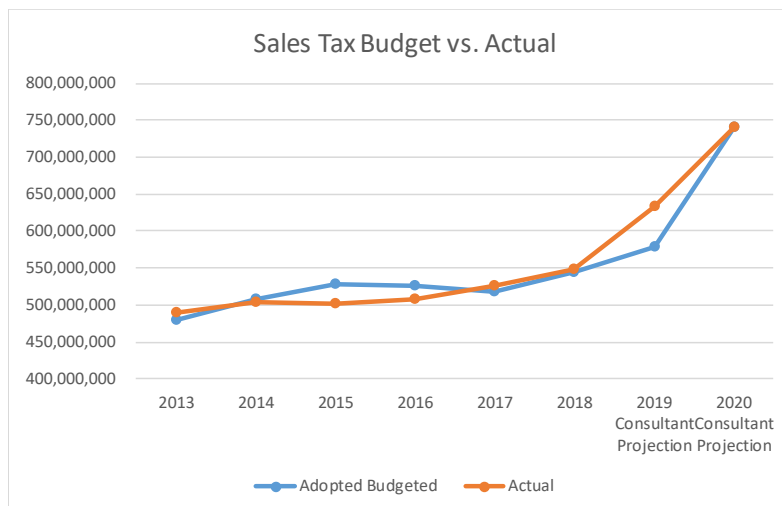
## **Sales Tax**

Sales tax revenues comprise the largest single component of the revenue segment of the budget other than real property taxes. The 2019 Adopted Budget for sales tax revenue was \$578.72 million, of which \$453.13 million represents the County share. The remaining \$125.59 million in 2019 represents the sales tax revenue collected by the County that will be remitted to the cities, towns, villages and school districts. Effective August 1, 2019 the County increased the sales tax rate by 1% for a new share of 4%. The County’s share of sales tax revenue is comprised of the following components: a local sales tax of 4% inclusive of sales tax of 1½% retained by the County, sales tax of 1%, of which the County retains 33⅓%, a ½% sales tax, of which the County retains 70% and effective August 1, 2019 1% sales tax of which the County retains 70%. The legislation authorizing sales tax collection expires November 30, 2020.

As stated above the County included \$578.72 million in the 2019 Adopted Budget. Due to the increase in the rate as discussed above, our projection utilizes collections for January through

August as its base. Through August the County has collected \$338.09 million, 2.69% greater than the same period in 2018. In order to remain conservative, we applied a 2.69% growth rate, which represents the current year growth, to revenues collected in September through December 2018. We added the newly established 1% increase in rate. Therefore, we project total 2019 revenues to be \$632.92 million. This is a \$3.48 million unfavorable variance compared to the County’s 2019 projection of \$636.40 million and \$54.20 million favorable variance compared to the amount included in the 2019 Adopted Budget. In addition to the tax rate increase, our projection includes an estimate of the revenue from internet sales and the reduction for the Aid and Incentives for Municipalities (“AIM”) intercept of \$2.24 million. Taking into account the revenue sharing, this means the County will share an additional \$16.30 million with municipalities, leaving a net positive variance of \$37.90 million.

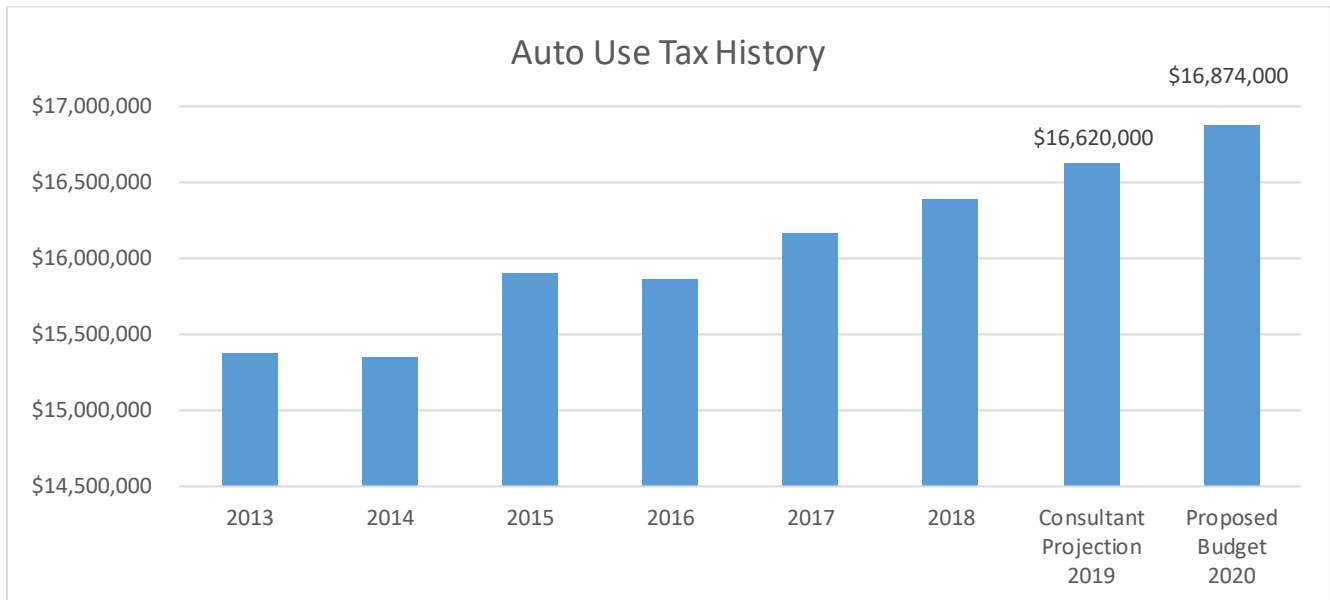
The County anticipates \$740.40 million to be derived from sales tax revenues in the 2020 Proposed Budget. The budget also includes \$174.30 million for the portion due to the various municipalities which equates to 23.54% of the gross revenues. The County applied a 2.0% growth rate to its 2019 projection in calculating the amount in the 2019 Proposed Budget. In addition, the County included approximately \$12 million for sales tax generated from internet sales along with a full year of the tax rate increase. We are projecting 2020 sales tax revenue to amount to \$739.55 million which represents a difference of \$850,000 less when compared to the amount contained in the 2020 Proposed Budget. Our projection utilizes a 2% growth rate, and takes into account the 2020 anticipated AIM intercept of \$3.91 million. Taking into account the impact of revenue sharing, the net negative impact to the County is approximately \$650,000. However, our finding is relatively immaterial to a total of \$740.40 million, therefore, we concur with the 2020 Proposed Budget.



## Auto Use Tax

The auto use tax imposed is \$30 for passenger vehicles below 3,500 pounds and \$60 for passenger vehicles greater than 3,501 pounds and all commercial vehicles. This tax is payable every two years and included on New York State motor vehicle registrations. The 2019 Adopted Budget is \$16.66 million. Utilizing the revenues collected through September 2019 we project revenues will approximate \$16.62 million, a \$40,000 unfavorable variance when compared to the 2019 Adopted Budget.

The County's 2020 Proposed Budget is \$16.87 million, an increase of \$210,000 as compared to the 2019 Adopted Budget. Historical data indicates an upward trend from 2013 to the present. We applied the average growth rate over the last 5 years, 1.62%, to our 2019 projection. This projects 2020 revenue to be \$16.87 million, which approximates the amount included in the 2020 Proposed Budget.



## Mortgage Tax

The mortgage tax is derived from a 0.25% tax on mortgages processed. The following chart indicates the amounts collected and the change as compared to the prior years.

<u>Year</u>	<u>Amount</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
2016 Actuals	\$ 19.71 million	\$ 1,310,000	7.0 %
2017 Actuals	20.14 million	430,000	2.2
2018 Actuals	18.41 million	(1,730,000)	(8.6)
2019 Adopted Budget	19.34 million	930,000	5.1
2020 Proposed Budget	18.85 million	(490,000)	(2.5)

The 2019 Adopted Budget contained revenue in the amount of \$19.34 million for mortgage tax. Through October the County has received \$16.94 million in revenues, an increase of 8.14% when compared to the same period in 2018. Historically the County collects 84.33% of its total revenues through October. By applying this percentage to the revenues collected thus far, we project revenues for 2019 to amount to \$20.09 million. Our projection is a \$750,000 favorable variance compared to the 2019 Adopted Budget and an \$820,000 favorable variance compared to the County's 2019 projection of \$19.27 million.

The County's 2020 Proposed Budget includes mortgage tax revenue of \$18.85 million, or \$490,000 less than the 2019 Adopted Budget. Although the current housing market indicates rising home prices for Westchester County, due to the uncertainty in the housing market, we decided to keep the projection flat. We project revenue to approximate \$20.09 million for 2020, which is a \$1.24 million favorable variance compared to the 2020 Proposed Budget.

## Hotel Tax

The County imposes a 3% tax on the revenues derived from hotel occupancy. Although not impacting County collections, other municipalities in Westchester County such as the Cities of White Plains, Yonkers, New Rochelle and Rye as well as some Towns and Villages will add an

additional 3% tax. There are approximately 55 hotels within Westchester County comprising over 6,000 rooms.

The County’s 2019 Adopted Budget contains \$7.53 million for hotel tax. However, the County is projecting \$6.93 million for 2019, an unfavorable variance of \$600,000. This unfavorable variance is mainly due to the delayed implementation of the Airbnb tax, whereby the County did not begin receiving revenues until July 2019. Additionally, two hotels, Ascend Hotel Collection V in New Rochelle and Springhill Suites in Tuckahoe, were expected to open in the third and second quarters of 2019, respectively. As of November 2019, these establishments have not yet opened. Based on the average collections for the first and second quarters for the last five years plus an estimate for Airbnb tax for the third and fourth quarters, we project the revenues to approximate \$6.83 million for 2019, an unfavorable variance of \$700,000 as compared to the 2019 Adopted Budget and an unfavorable variance of \$100,000 as compared to the County’s 2019 projection.

The County’s 2020 Proposed Budget for hotel tax is \$7.21 million, a \$320,000 decrease as compared to the 2019 Adopted Budget. Based on the average growth rate over the last five years and actual revenues derived from the additional Airbnb tax, which in prior year was uncertain, we project \$7.21 million for hotel tax, therefore, we concur with the 2020 Proposed Budget.

**County Clerk**

The revenues of the County Clerk are derived from several primary areas. They are as follows:

	2019 Adopted Budget	2019 County Projected	2020 Proposed Budget	Increase/(Decrease) Projected vs. Proposed
Land Records and other items	\$ 7,465,994	\$ 6,722,200	\$ 6,730,760	\$ 8,560
Legal Division	1,156,545	1,116,069	1,092,831	(23,238)
Licensing	351,159	338,869	369,994	31,125
Pistol Renewals	98,283	94,843	53,840	(41,003)
	<u>\$ 9,071,981</u>	<u>\$ 8,271,981</u>	<u>\$ 8,247,425</u>	<u>\$ (24,556)</u>

The largest segment, land records, consists of fees for the processing of various documents required by the State. The Land Records Division of the Office of the Westchester County Clerk is home to the County’s Map Division and records all documents pertaining to real property

transactions occurring in the County, including New York State Mortgage Tax and New York State Transfer Gains Tax. The public can visit the Land Records Division to search for a current mortgage or deed, even those documents dating back to the colonial days of Westchester. The County is entitled to a portion of these fees. We have analyzed the various segments of revenues separately and in the aggregate.

The County budgeted \$9.07 million for County Clerk fees in 2019. Currently the County is projecting the revenue to amount to \$8.27 million for 2019. Through October 2019, \$7.14 million was collected, up only 0.04% when compared to the same period in 2018. Based on the current increase as well as historical collection trends we expect revenues for November and December to be approximately \$1.25 million, bringing our total projection to approximately \$8.39 million, or a \$680,000 unfavorable variance compared to the 2019 Adopted Budget and approximately a \$120,000 more than the 2019 County projection.

The 2020 Proposed Budget is \$8.25 million for County Clerk fees. Utilizing our 2019 projection as a base and assuming no growth, we project revenues to approximate \$8.39 million, which results in a \$140,000 favorable variance as compared to the 2020 Proposed Budget.

### Department of Corrections

Revenues related to the Jail are \$10.65 million in the 2019 Adopted Budget and \$10.51 million in the 2020 Proposed Budget. The largest components are as follows:

	<b>2019 Adopted</b>	<b>2020 Proposed</b>
Housing Federal Inmates	\$ 8,381,000	\$ 9,417,000
State Criminal Alien Assistance Program	1,102,693	-
Pay Phone	875,000	875,000
Miscellaneous	295,000	216,410
	<u>\$ 10,653,693</u>	<u>\$ 10,508,410</u>

### *Housing Federal Inmates*

The billing rate to the U.S. Marshall Service to house a Federal inmates changed in March, 2019 from \$160 to \$215 per day. This equates to \$78,475 to house one Federal inmate on an annual basis. Through the first ten months of 2019, revenues totaled \$8.62 million with the average Federal inmate population being 139. During 2019, the Federal inmate population ranged from a low of 115 in October, to its peak of 160 in April. The number of Federal inmates has been declining since May and it could be related to the increase in the daily inmate rate. We projected 2019 revenues to approximate \$10.13 million, by utilizing the new billing rate and estimating the number of inmates for November and December at 115, which is the lowest census during the year. This resulted in a \$1.75 million favorable variance compared to the 2019 Adopted Budget of \$8.38 million and a \$140,000 favorable variance compared to the 2019 County Projection of \$9.99 million.

The 2020 Proposed Budget of \$9.42 million is based on an average population of 120 Federal inmates with an average daily rate of \$215 for the year. Based on our review of the current inmate population, which has been steadily declining, we agree with the proposed census and therefore concur with the 2020 Proposed Budget.

### *Pay Phone*

This revenue is the result of the County receiving a percentage of all pay telephone calls made by inmates. The County is currently operating under a contract with Globaltell Link as its provider of Voice Over Internet Protocol (“VOIP”) service. For 2019, revenues for the first seven months of the year totaled approximately \$525,000. On an annualized basis, we project that 2019 revenues will be \$900,000, or approximately \$25,000 more than the 2019 Adopted Budget of \$875,000.

The 2020 Proposed Budget is based on anticipated payments, again totaling \$875,000. Based on the average number of inmates remaining fairly consistent we project 2020 revenue to be \$875,000. Therefore, we concur with the 2020 Proposed Budget.

### *Federal Governments - State Criminal Alien Assistance Program*

The Jail, under the Federal Government's State Criminal Alien Assistance Program ("SCAAP"), receives reimbursement for housing inmates that are not U.S. citizens. The Jail is required to submit data on inmates and once the data for all municipalities is submitted, allocations are made based upon the funds set aside. For the 2017 and 2018 fiscal years, the County received reimbursements of \$1.09 million and \$1.10 million respectively. As of January 2019, the County has received \$630,000, an amount \$470,000 less than the 2019 Adopted Budget of \$1.10 million.

The County did not budget any reimbursement for the Federal Government's State Criminal Alien Assistance Program ("SCAAP") in 2020. We agree with not including any revenue from this source until this classification can be resolved.

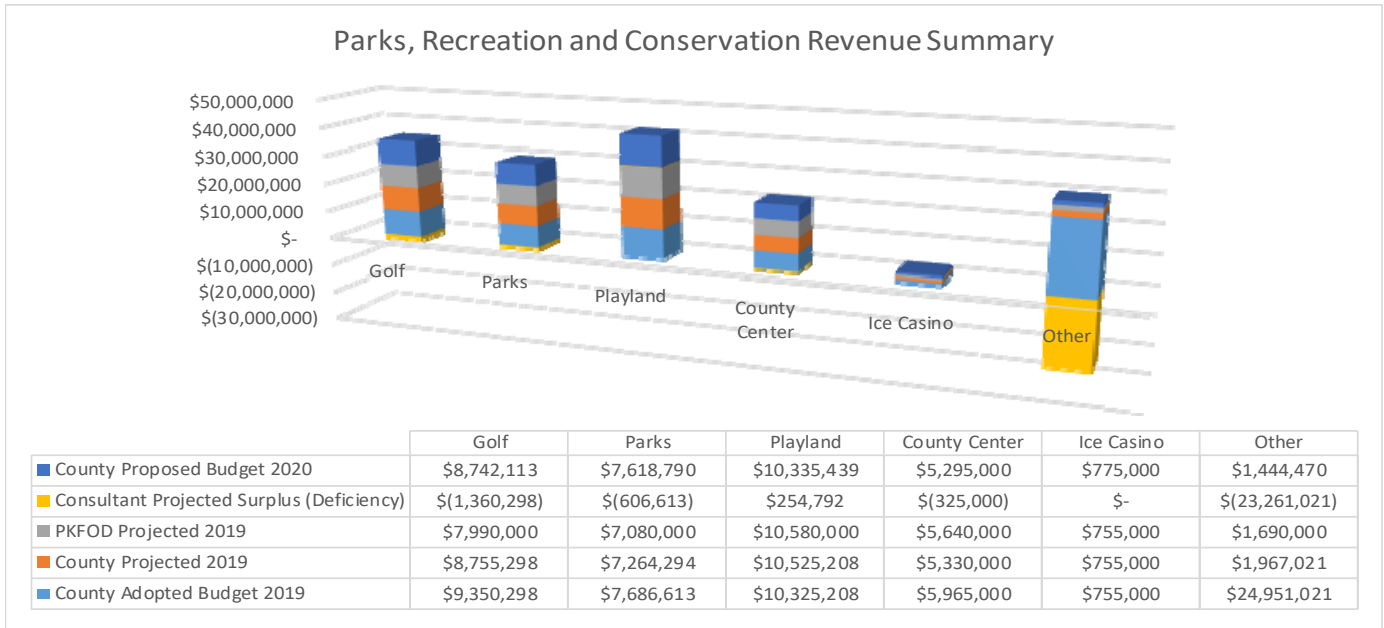
### **Department of Parks, Recreation and Conservation**

The Department of Parks, Recreation and Conservation anticipates total revenues of \$59.03 million in the 2019 Adopted Budget and the County projects recognition of approximately \$34.60 million in revenues in 2019. The County's 2019 projection is approximately \$24.43 million less than the Adopted Budget due to the planned sale of the County Center parking lot, which did not occur. Our projection for 2019 is approximately \$33.74 million, or a \$25.29 million unfavorable variance when compared to the 2019 Adopted Budget and an \$860,000 unfavorable variance compared to the County's projection.

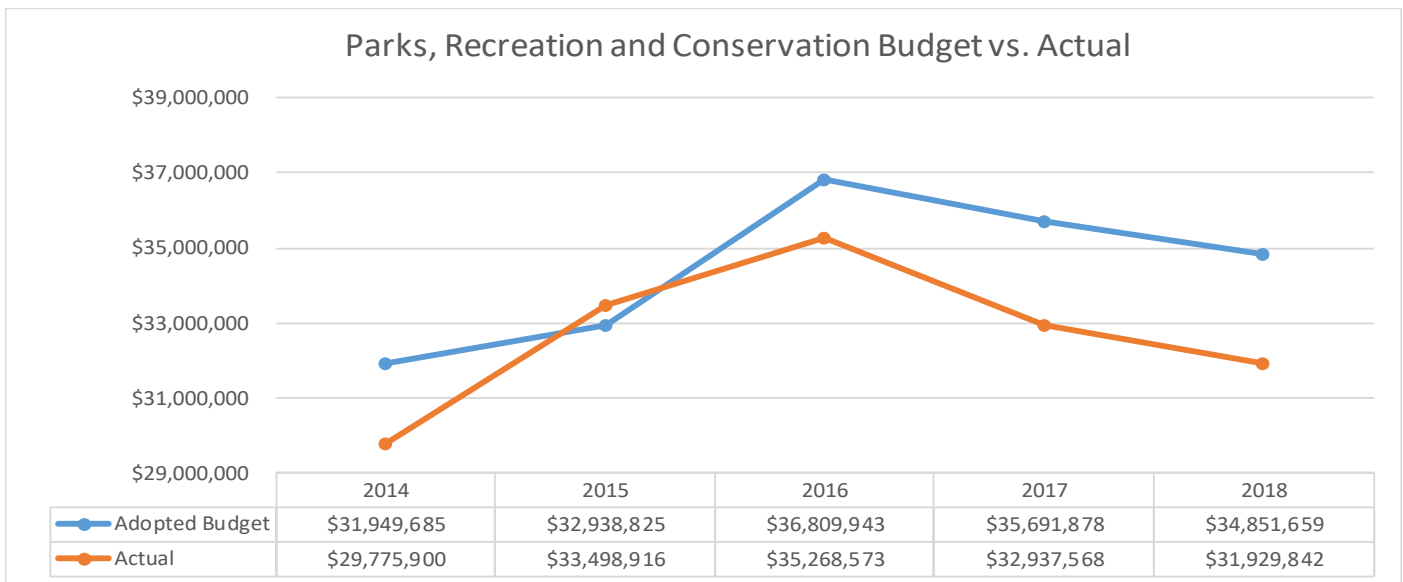
The 2020 Proposed Budget anticipates \$34.21 million in revenues. This represents a decrease of \$24.82 million, mainly due to the parking lot sale discussed above.



A summary of the 2020 Adopted Budget, and 2019 County projections, compared to the 2019 Adopted Budget and 2020 Proposed Budget is as follows:



A summary of the Department’s revenue budget versus actual for the years 2014 through 2018 is as follows:

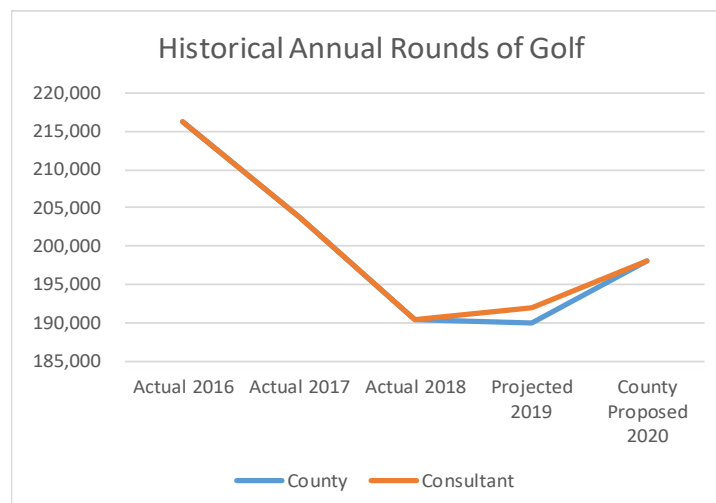


## Golf Fees

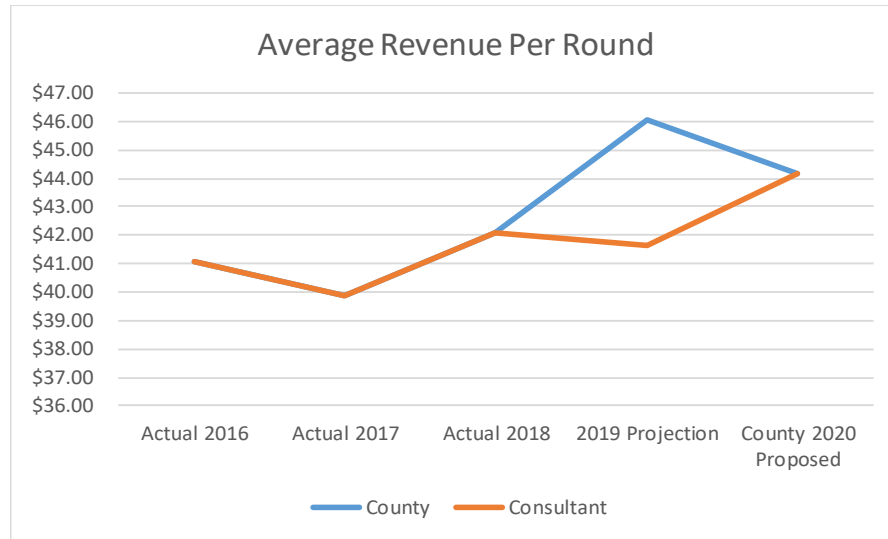
The County has six operating golf courses that contribute to this revenue source; Dunwoodie, Maple Moor, Mohansic, Saxton Woods, Sprain Lake and Hudson Hills. The County's 2019 projection for golf fee revenues is \$8.76 million, an unfavorable variance of \$590,000 as compared to the 2019 Adopted Budget of \$9.35 million. For 2019, we project revenues to be \$7.99 million, an unfavorable variance of \$770,000 as compared to the County's 2019 projection and an unfavorable variance of \$1.36 million as compared to the 2019 Adopted Budget. Our projection takes into account the average of the previous three years' rounds of golf through October representing 93% of the total rounds, the remaining 7% are the rounds played from November and December. Based on this analysis, we project approximately 191,900 rounds to be played in 2019, an amount 1,900 greater than the County's projection. In order to calculate our projected revenues, we used the average revenues per round based on rounds played in 2019 and revenues earned through October 2019, an amount which approximates \$41.63 per round.

The 2020 Proposed Budget contains \$8.74 million, a decrease of \$610,000 as compared to the 2019 Adopted Budget. The 2020 Proposed Budget estimated 198,000 rounds to be played. The County is anticipating the increase in rounds played since the Maple Moore golf course will be open for a full season. In addition, the County is anticipating a slight increase in the revenue per round. Based on the information provided, we concur with the 2020 Proposed Budget.

The following is a summary of the actual rounds played for 2016-2018, the County's projection and our projection for 2019 and 2020:



The following is a summary of the average revenue per round based on actuals for 2016-2018 and projected and proposed revenues for 2019 and 2020:



As noted above, there were no fee increases for golf fees in 2020. The following is a summary of the greens (golf) fees for weekdays, weekends, back nine and replay programs for 2019 and 2020:

<u>Green Fees</u>	<u>2019 &amp; 2020</u>	
	<u>With Park Pass</u>	<u>Without Park Pass</u>
<u>Weekends and Holidays</u>		
18 Holes	\$ 40	\$ 50
Back Nine	34	36
Twilight	31	36
Super Twilight	22	27
<u>Weekdays</u>		
18 Holes	\$ 34	\$ 44
Senior Citizens	27	44
Super Twilight	20	25
<u>Back Nine</u>		
Senior Citizens	\$ 25	\$ 34
Jr. Golf	25	34
<u>Replay Program</u>		
18 Holes	\$ 23	\$ 33
Twilight	18	26
9 Holes	18	20
Carts	13	13

## *Parks*

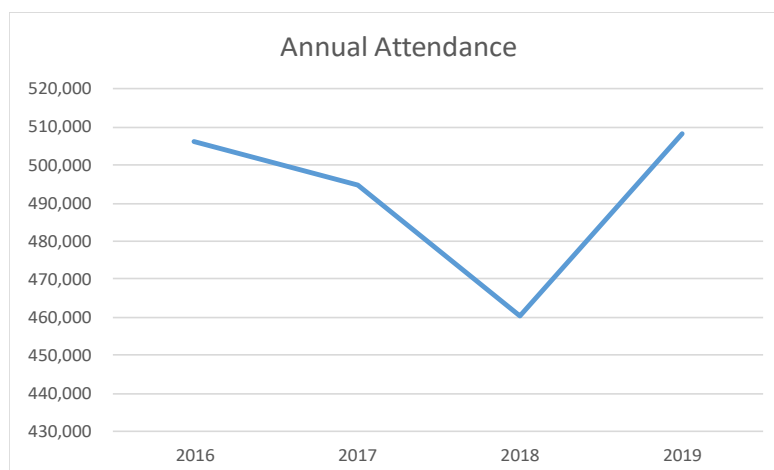
Each park derives revenues from fees charged to patrons for parking, camping, picnics and rentals. The County has projected park revenues for 2019 to be approximately \$7.26 million which is \$430,000 less than the 2019 Adopted Budget of \$7.69 million. Based on the seasonal nature of this revenue and year to date actuals, we project revenues to be \$7.08 million, an unfavorable variance of \$180,000 as compared to the County's projection and a \$610,000 unfavorable variance as compared to the 2019 Adopted Budget.

The 2020 Proposed Budget contains \$7.62 million, an amount \$70,000 less than the 2019 Adopted Budget. Based on minimal fee increases for 2020 and the average growth rate over the last three years, we concur with the 2020 Proposed Budget.

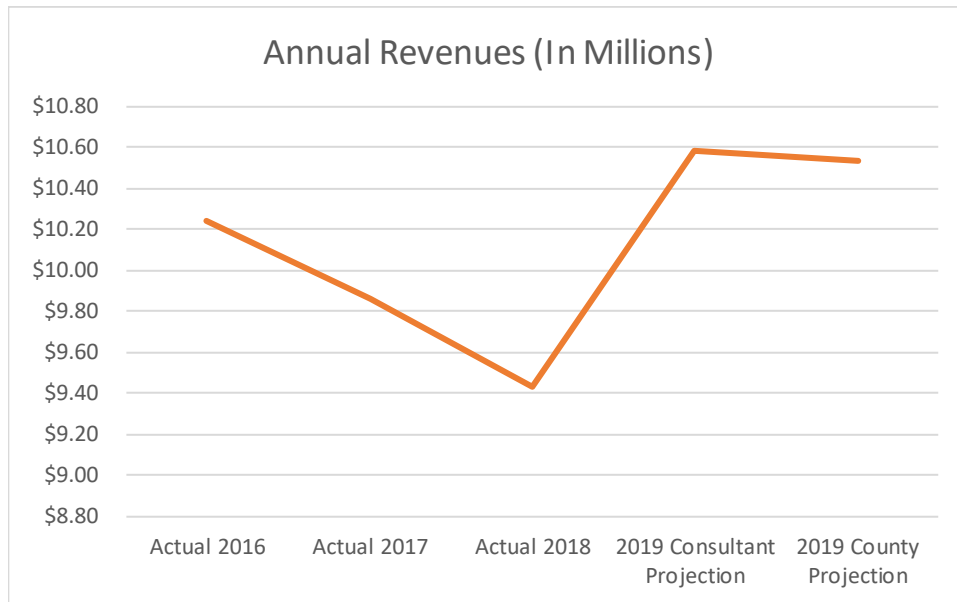
### *Playland Park*

Playland Park is the largest revenue source within the Department of Parks, Recreation and Conservation . The amusement park offers the community and tourists various rides and entertainment options. The County is projecting revenues to be \$10.53 million, an amount \$200,000 greater than the 2019 Adopted Budget of \$10.33 million. The number of weeks the park operates has varied from 19-21 over the last 4 years, with 2019 being 21 weeks. Based upon being open 21 weeks and year to date collections, we project revenues to be \$10.58 million, a favorable variance of \$50,000 as compared to the County's projection and a favorable variance of \$250,000 as compared to the 2019 Adopted Budget.

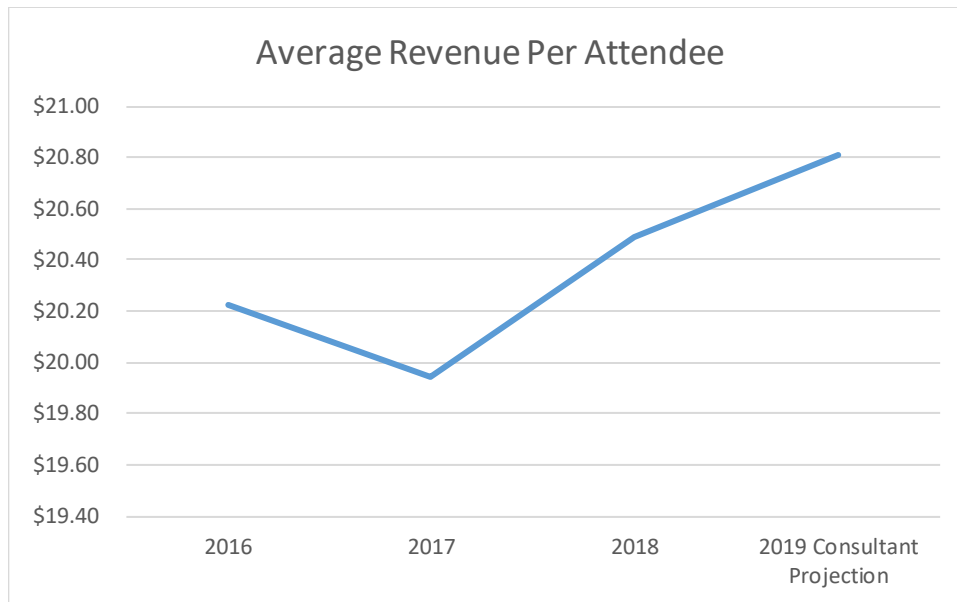
The following chart displays the actual attendance levels for 2016-2019 for Playland Park:



The following chart displays the actual revenues for 2016-2018 and projections for 2019:



The following chart displays the average revenues per attendee for 2016-2019 based on actuals and our projection for 2019:



The 2020 Proposed Budget contains \$10.34 million, an amount \$10,000 greater than the 2019 Adopted Budget. Based on 21 weeks of operations and a similar attendance level, we project revenues for 2020 to approximate \$10.34 million, an amount equal to the 2020 Proposed Budget.

### *County Center*

The 2019 Adopted Budget contains \$5.97 million, while the County is projecting \$5.33 million, an unfavorable variance of \$640,000. The unfavorable variance is mainly due to a decrease in rent the County is charging to Westchester Community College for use of the County Center's basement for art programs. In the previous academic years, the County was charging \$450,000, which they reduced to \$50,000 for the 2019-20 academic year. The rent will further diminish to only \$1 in future academic years. For our projection, we used a three-year historical average of actual collections through October in relation to the full year collections. Based on this analysis and factoring in the decrease in rental income, we project revenues to be \$5.64 million, an unfavorable variance of \$330,000 as compared to the 2019 Adopted Budget and a favorable variance of \$310,000 as compared to the County's projection.

The 2020 Proposed Budget projects County Center revenues to be \$5.30 million. In addition to renegotiating the rental agreement with Westchester Community College, the New York Liberty played their last game under the current contract at the County Center in September 2019. Management indicated that they have already begun booking events to replace the Liberty and they expect no loss of revenue. Based on the fee increases and loss of rent discussed above, we concur with the County's 2020 Proposed Budget.

### *Ice Casino*

In August of 2014, the County signed a ten-year management agreement with American Skating Entertainment Centers, LLC ("Ice Casino Manager"), which includes payments for 2019 as follows:

	<u>2019</u>	<u>2020</u>
Management fee (Base Fee \$250,000 with 2% increases annually)	\$ 270,608	\$ 276,020
Utility charges	400,000	400,000
Common Area Maintenance (CAM) charges	25,000	25,000
Revenue sharing (25% of Gross Revenue exceeding \$1.6 Million)	<u>59,392</u>	<u>73,980</u>
	<u>\$ 755,000</u>	<u>\$ 775,000</u>

The 2019 Adopted Budget and County's revenue projection is \$755,000 relating to the Ice Casino. Our 2019 projected revenues approximate the 2019 Adopted Budget of \$755,000.

The County's 2020 Proposed Budget includes \$775,000 from this revenue. Our projection approximates this amount, therefore we concur.

#### *Other*

This category is comprised of General Parks Administration, Conservation, Community Services, and Bronx River Parkway revenues ("Admin"):

- As of October 31, 2019, approximately 52% of the general parks administration revenues were from park pass fees and 22% pertaining to inter-departmental billings for services provided to other departments, while the remainder applies to various other smaller services.
- Conservation revenues are predominantly camp fees received at Marshlands Conservancy, Cranberry Lake and Lenoir Preserve.
- Community Services revenues pertain to fees charged for events held at the parks.
- Bronx River Parkway revenues are income from rental housing.

The 2019 Adopted Budget provides for \$24.95 million in revenues. The County projects 2019 revenues to approximate \$1.97 million, an unfavorable variance of \$22.98 million. This unfavorable variance is mainly attributable to the \$22 million proposed sale of the County Center Parking Lot, which was included in the 2019 Adopted Budget. The County is no longer going through with the sale of the parking lot to the Westchester County Local Development Corporation. Utilizing a three-year average ratio of year to date collections through October plus the dismissal of the parking lot sale, we project revenues to be \$1.69 million. This is an unfavorable variance of \$23.26 million as compared to the 2019 Adopted Budget and an unfavorable variance of \$280,000 as compared to the County's projection.

The 2020 Proposed Budget consists of \$1.44 million pertaining to other revenues, a decrease of \$23.51 million as compared to the 2019 Adopted Budget. Since there were no proposed fee increases for park passes, the main revenue source in other revenues, we have decided to keep our projection flat. We project revenues to be \$1.69 million for 2020, a favorable variance of \$250,000, to the overall Admin revenue category, as compared to the 2020 Proposed Budget.

Based on additional information, it was determined that three positions were transferred from the Department of Parks, Recreation and Conservation to the Department of Public Works which approximates \$250,000 and therefore, we concur.

## Department of Transportation

### *State Aid*

The Department of Transportation receives state aid in the form of Statewide Mass Transportation Operating Assistance (“STOA”) and a local preventative maintenance match. The match is based on a percentage of the Federal 5307 Preventative Maintenance funding. As a specified recipient in the New York State Department of Transportation budget, the County is allocated STOA based on direct annual legislative appropriation. The 2019 Adopted Budget includes \$59.84 million in funding from these sources.

On April 1, 2019 the New York State 2019-20 Executive Budget increased STOA funding by 7.2%. Due to this change the County’s 2019 anticipated STOA was effectively increased by \$3 million to \$61.47 million. The County 2019 projection for the match remained unchanged for \$1.37 million for total STOA aid for \$62.84 million.

Our projection of \$62.84 million for 2019 equates to the amount the County projects, a favorable variance of \$3 million as compared to the 2019 Adopted Budget. This projection is based upon the 3 equal quarterly installments for STOA that have been received which total \$46.10 million as of November 2019 inclusive of the State increase. Funding for the preventative maintenance match for \$1.37 million has not yet been received.

The 2020 Proposed Budget contains \$63.95 million in State aid which is \$1.10 million greater than the 2019 projection. This increase is based on an anticipated 2% increase in STOA Aid, and a projected \$250,000 increase in 5307 preventative maintenance match. Based upon the information provided, we concur with the amount included in the 2020 Proposed Budget.



## *Federal Aid*

The chart below indicates the various sources of Federal aid included in the 2020 Proposed Budget:

5307 Commuter Services (Route 77)	\$	1,464,000
5310 ParaTransit Grant		587,184
5307 FTA Grant Administration		416,000
5307 Preventative Maintenance		<u>10,000,000</u>
Total	\$	<u>12,467,184</u>

The Department of Transportation receives funding under the Urbanized Area Formula Funding program (49 U.S.C. 5307). This aid is allocated to the County annually based on a Federal formula. If the County does not drawdown all of its allocation in a given grant year, the County may accumulate and carry forward those funds which have not been drawn down to future years. As permitted, the County uses this funding for reimbursement of certain preventative maintenance and operating expenses within the Department of Transportation. Other 5307 program funding consists of Commuter Services (Route 77) and Federal Transit Administration (“FTA”) Grant Administration Revenue. The County receives Bus and Bus Facilities (Section 5339) funding, Paratransit Grants (Section 5310) and aid for the Job Access and Reverse Commute Program (“JARC”).

The 2019 Adopted Budget includes \$13.94 million in aggregate funding from the sources mentioned above. We are projecting \$14.23 million which is \$290,000 greater than the 2019 Adopted Budget, which is concurrent with the County’s 2019 projection. The department expects in 2019 to receive an increase in JARC revenues. As anticipated, the JARC Federal program expires at the end of 2019.

The Department of Transportation’s 2020 Proposed Budget includes \$12.46 million for Federal aid. A material component to balance the Department’s 2020 budget is \$10 million anticipated for 5307 Preventive Maintenance funding. The County expects to receive Federal aid for Commuter Service (Route 77) in the amount of \$1.46 million in 2020. The County also expects to receive approximately \$587,000 from the Federal Transit Administration for ParaTransit. A new source of

Federal aid is \$416,000 for capital project administration and Departmental studies. Based upon the information provided to us, we concur with the amount included in the 2020 Proposed Budget.

### *Fare Box Revenues and MetroCard Revenues*

MetroCard offers Westchester residents the convenience and same discounts that are being enjoyed by millions of people in the New York metropolitan area. With a MetroCard, transit riders are able to buy a card with a fixed number of rides or buy one with unlimited rides for a specific time period, both at discounted fares. Riders also have the ability to pay with coins, known as fare box revenues. Fare box revenue is utilized to offset the bus operation expense to arrive at a net expense for bus subsidies, known as Bus Operating Assistance (“BOA”). Our projections for BOA are included in the expenditure section of this report.

The MetroCard revenue is accounted for as departmental income within the budget. The County receives these revenues directly from the New York City Transportation Authority. Even with the 2019 4% fare increase the County projects that the 2019 actual for all Departmental revenue will decrease from the 2019 Adopted Budget of \$39.02 million to \$37.03 million for a short fall of \$1.99 million. The 2019 projected shortfall is primarily attributed to a decrease in MetroCard revenue for \$1.54 million. The 2019 Adopted Budget declined from \$33.06 million to the 2019 projection for \$31.52 million. The County projected a decline in MetroCard ridership for approximately 3%. Based on the decline in ridership we concur with the County’s 2019 projection.

The 2020 Proposed Budget for MetroCard revenue is \$32.36 million which is approximately \$833,000 less than the County’s 2019 projection. The 2020 Proposed Budget factors in the prior year’s 4% rate increase for the full 12 months. MetroCard revenue for 2020 is 85% of the total departmental income requested of \$38.06 million. The County does not foresee an increase in ridership and is holding all categories of ridership flat at 2019 totals for 26.89 million passengers. Based on the County’s 5 year data indicating declining ridership we concur with the 2020 Proposed Budget.

## *Student Metrocards*

Student MetroCard rates remained at \$58 per month for the 2019 and 2020 years inclusive of 2019 rate increase of 4%. Consistent with New York City, Student MetroCard fares will be offered at 50% of the full fare.

The 2019 Adopted Budget is for \$2.35 million in Student MetroCard Revenues. The County projects that 2019 student MetroCard revenue will be \$2.30 million, a \$50,000 unfavorable variance. We project that Student MetroCard revenue will be \$2.35 million and concur with the County's 2019 Adopted Budget,

The 2020 Proposed Budget is for \$2.27 million in Student MetroCard revenues. Based on the County's 3 years of actual revenues we project 2020 revenues to approximate \$2.27 million, and therefore we concur with the County's Proposed Budget

## **Tobacco Settlement**

The Tobacco Master Settlement Agreement ("MSA") was agreed to in November 1998 between the Attorneys General of 46 states and the four largest tobacco manufacturers in the United States. The lawsuit was brought against the industry for recovery of Medicaid costs attributed to the increased health care costs from cigarette smokers. Under the MSA, a percentage of all tobacco revenues derived from the United States would be distributed to all 50 states on a prorate basis to offset medical costs.

On December 1, 1999, the County entered into an agreement with the Westchester Tobacco Asset Securitization Corporation, ("WTASC") to purchase all of the rights, title and interest of the tobacco settlement revenues under the MSA. The WTASC issued approximately \$103 million in Tobacco Settlement Asset-Backed Bonds in which all of the payments under the MSA flow to a trustee.

In 2005, the WTASC issued \$216.6 million in Tobacco Settlement Asset-Backed Bonds to refund 100% of the 1999 bonds issued prior. In addition, as a result of this 2005 bond issuance, the "trapping account" that was established by the bond indenture and held by The Bank of New York as Trustee was satisfied and released.

During 2016, WTASC issued \$181 million of Tobacco Settlement Asset-Backed Bonds Series 2016 ("Series 2016") composed of Senior Bonds (federally taxable) of \$7,165,000, Senior Bonds of \$91.3 million and Subordinate Bonds of \$82.5 million, the proceeds of which were used to 1) refund the outstanding series 2005 bonds, 2) pay certain costs of issuance related to the Series 2016 bonds and 3) distribute to the Residual Certificate Holder the remaining proceeds. The Series 2016 bonds are payable from and secured solely from the pledged Tobacco Settlement Revenues ("TSR's"), which consists of the annual total TSR payments, less the portion thereof that constitutes unencumbered revenues and operating cash requirements, plus investment earnings. Unencumbered revenues consist of 13.85% of each payment of TSR's. The County, as owner of the beneficial interest in the Residual Trust which holds the Residual Certificate, will be entitled to receive these unencumbered revenues free and clear of the lien of the indenture. Bond holders will have no claim on the unencumbered revenues if pledged revenues are insufficient to pay principal and/or interest on the Series 2016 bonds. The debt issued by WTASC to securitize these revenues is not considered debt of the County or the Westchester County Health Care Corporation ("WCHCC").

In 2019, the County is expecting to recognize \$2 million in residual payments. Utilizing more recent information, our 2019 projection anticipates the WTASC tobacco settlement revenue to be \$11.87 million projecting a residual payment to the County of \$1.64 million. This produces a \$360,000 unfavorable variance for the residual payment to the County when compared to the 2019 Adopted Budget.

The 2020 Proposed Budget anticipates \$1.64 million in County payments. Our 2020 projection yields a similar residual payment, therefore, we concur with the 2020 Proposed Budget.

## Proceeds from Serial Bonds – Tax Certiorari

The 2019 Adopted Budget is \$8.75 million for proceeds from serial bonds. A preliminary official statement was prepared on November 21, 2019 in the amount of \$6.71 million to fund tax certiorari payments, which is \$2.04 million less than the 2019 Adopted Budget. In 2020 the county anticipates no bonding for tax certiorari throughout the year.

## Miscellaneous Revenue

The 2020 Proposed Budget for Miscellaneous Revenue of \$89.46 million is comprised of the following:

	2019 Adopted	2020 Proposed
Services to Westchester Medical Center	\$ 8,588,680	\$ 8,849,966
Westchester Medical Center Sewer Tax	-	542,000
Intergovernmental Transfers (IGT Payments) Agency & Trust (Planning)	60,000,000 175,000	80,000,000 -
Medical Marijuana Excise Tax	65,000	65,000
Harness Racing Admission	4,000	4,000
	<u>\$ 68,832,680</u>	<u>\$ 89,460,966</u>

### *Services to Westchester County Health Care Corporation (“WCHCC”)*

The County receives revenue for services provided to WCHCC for gas and electric utilities, fire insurance, and sewer tax. In 2019 the County budgeted \$8.59 million for services to WCHCC. Our analysis for 2019 expenditures projects \$7.03 million in 2019, which is a \$1.56 million unfavorable variance when compared to the 2019 Adopted Budget. This variance is due to reduced charges for utilities at the Valhalla facility which is also reflected in the Department of Public Works Utilities.

For 2020 the County Proposed Budget provides for \$8.85 million for services to WCHCC. Comprised of the projected cost of Fire Insurance (\$230,000), Sewer Tax (\$560,000) and Gas &

Electric Utilities (\$8.06 million). Based on our analysis, we project revenues to be \$7.59 million which is an unfavorable variance of \$1.26 million compared to the 2020 Proposed Budget.

*Intergovernmental Transfers (“IGT Payments”)*

The 2020 proposed miscellaneous revenue for IGT Payments includes \$80 million due to the estimation of the IGT payments expected from the WCHCC. These payments are detailed further in the section IGT Payments.

**Legal Aid Society of Westchester and Indigent Legal Services**

New York State requires Westchester County to be responsible for funding legal representation for indigent criminal defendants. Westchester County manages the 18-B Program and negotiates contracts with legal service providers that will represent indigent criminal defendants. Once the attorney performs the service Westchester County must submit the vouchers and reimbursement request to New York State for reimbursement.

In 2019 the County’s Adopted Budget is \$4.60 million for indigent defendants’ reimbursement. Our analysis for 2019 projects \$4.60 million, based on the anticipated New York State contract agreements.

For 2020 the County’s Proposed Budget is \$5 million and we concur. The County anticipates that New York State will continue funding this program based on historical payments. However, the County needs to be aware of the prior budgeted amounts, vouchers submitted to the State for reimbursement, collections, and balances outstanding, and actual revenues as depicted in the following chart:

<u>Year</u>	<u>County Budget</u>	<u>Collected as of November 20, 2019</u>	<u>Balance Outstanding</u>	<u>Outstanding % of Budgeted Amount</u>
2017	\$ 3,632,604	\$ 3,352,137	\$ 280,467	7.72%
2018	4,616,741	3,293,104	1,323,637	28.67%
2019	4,595,773	2,420,585	2,175,188	47.33%
2020	4,998,837	-	4,998,837	100.00%

## **New York State (“NYS”) Court Facilities**

### *NYS Court Facilities State Aid*

The NYS Court Facility receives NYS reimbursements from NYS for certain costs associated with the Court Facilities. The County’s 2019 Adopted Budget contains \$2.40 million. Based on our analysis of the reimbursement which consists of the use of appellate court, court cleaning and minor repairs we concur with the 2019 Adopted Budget of \$2.40 million.

The County’s Proposed Budget for 2020 is approximately \$2.43 million. Based on the revenue received and the cost of providing the service being similar to 2019, we concur with the 2020 Proposed Budget of \$2.43 million.

## **Department of Public Works**

### *Capital Chargebacks*

The Department of Public Works – Engineering Division assists in the design and management of the County’s capital projects for the people of Westchester County to ensure safety, health, and economy. Based on the work performed the division is able to charge the approved capital projects for engineering services provided.

The Department’s 2019 projected revenue is \$3.12 million. This is approximately \$200,000 less than the 2019 Adopted Budget of \$3.32 million. The Department has not recorded any revenue as of the date of this report due to a software issue. Therefore, our projection is based solely on historical revenues earned. We are projecting revenues for 2019 to amount to \$2.74 million or \$380,000 less than the County’s projection and an unfavorable variance of \$580,000 when compared to the 2019 Adopted Budget.

The Department’s 2020 Proposed Budget is \$3.61 million, an amount approximately \$290,000 greater than the 2019 Adopted Budget. Based on the information provided, we concur with the County’s 2020 Proposed Budget.

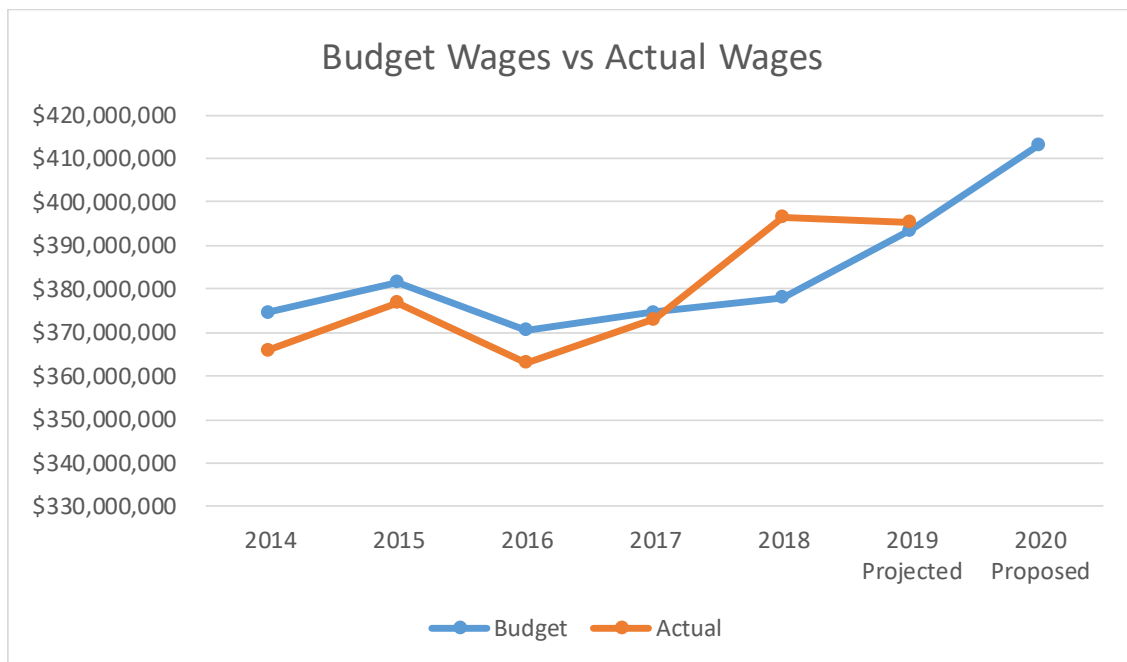
# **EXPENDITURES**



## Personal Services

The principal purpose of government is the delivery of mandated and discretionary services. Many of the services provided are furnished directly by County employees. As a result, personnel service expenditures comprise the largest single component of the County's operating budget. Personal service costs in the year 2019 are budgeted to be approximately \$360.74 million to fund 4,272 positions in the General Fund. In addition to salaries, overtime and other personal service costs was budgeted at \$32.92 million.

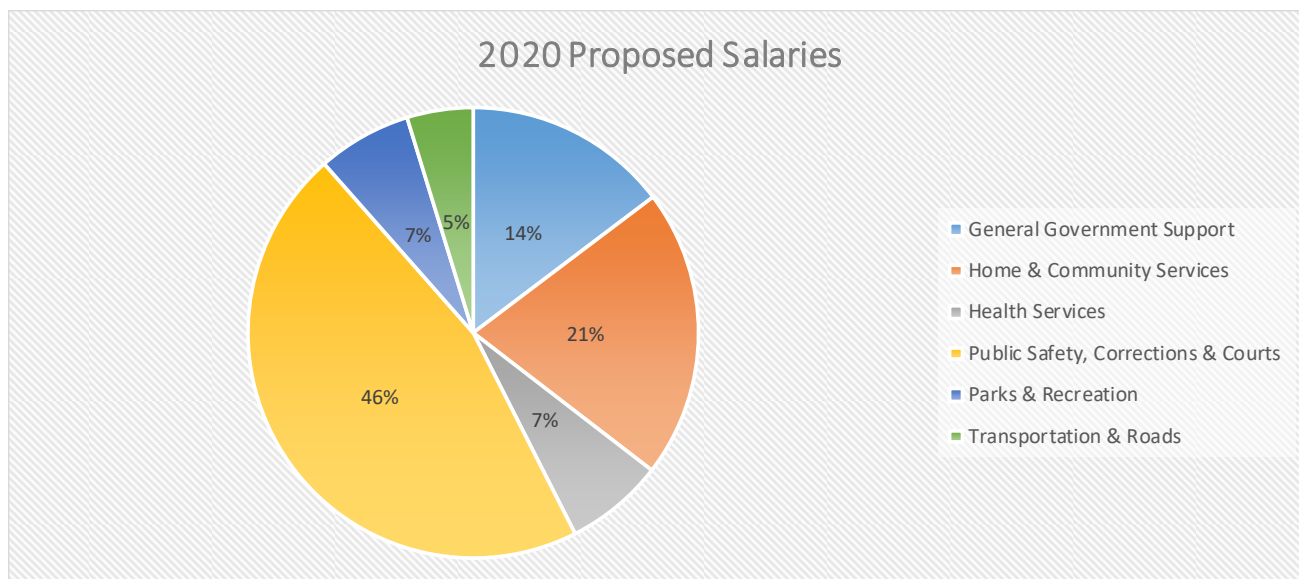
As demonstrated in the following graph, historical personal costs are the following:



The personal service categories provide County administrators with the greatest opportunity for flexibility. This flexibility results from the timing and control of filling vacant positions. Savings created from the personal service categories generate savings in the employee benefit categories as well. Our analysis of personal services starts with determining savings if any that will be achieved in the 2019 budget.

When reviewing 2019, we considered personal service costs related to salaries through September 22, 2019. For the annual salaries using the first three pay periods in the fourth quarter, we annualized the costs for the remainder of the year in order to project total 2019 personal service costs for the all departments. In regards to overtime, we utilized the actuals for November and December of 2018 (including contractual increases) in order to best forecast the natural fluctuations of year end overtime amounts. Consultant noted that there is a proposal to increase the salaries of the non-represented employees. However, due to the proposal not having final board approval, we did not include the settlement in our projections. Our analysis indicates that total salaries (inclusive of overtime) for 2019 will aggregate approximately \$394.96 million, which is approximately a \$1.30 million (inclusive of overtime) unfavorable variance compared to the County's 2019 Adopted Budget of \$393.66, and \$1.46 million greater than the County's projection of \$392.50 million.

The following is a summary of the 2020 proposed salaries by functional category:



The County's 2020 Proposed Budget includes personal service costs to be approximately \$378.46 in annual salaries to fund 4,313 positions in the General Fund compared to 4,272 in the 2019 Adopted Budget resulting in a net increase of 41 positions. In addition to salaries, overtime and other personal service costs was budgeted at \$35.63. The increase in positions represents 11

positions added by resolutions during 2019 and 8 abolishments, 6 transfers from other funds, and 30 new positions as part of the 2020 Proposed Budget, as illustrated in the below chart.

<b>Description</b>	<b>Positions</b>
2018 Adopted Positions	4,274
2018 Additions	11
2019 Abolishments (vacant in PP#22)	(8)
2019 Net Transfers to Other Funds	6
2019 New Positions	30
 Total Position Included in 2019 Proposed Budget	 4,313

Our approach to analyzing the 2020 projected salaries is to use 2019 projected salaries, plus or minus any adjustments for contract settlements, layoffs, abolishments, and step increases to project 2020 salaries.

The following charts indicate abolishments, new positions, and vacant positions as compared to current vacancies.

<b>Abolishments Department</b>	<b>Number of Positions</b>	<b>Total Salaries</b>
County Executive	1	\$ -
Department Of Finance	1	45,460
Department Of Planning	1	-
County Clerk	1	39,685
DPW - Public Works Division	4	230,650
	8	\$ 315,795

<b>New Positions</b>	<b>Number of Positions</b>	<b>Total Salaries</b>
10 Board Of Legislators	1	\$ 40,000
12 Human Resources	1	65,860
14 Board Of Elections	2	190,000
16 Information Technology	1	107,455
19 Department Of Planning	1	53,760
24 Senior Programs & Services	2	118,040
25 Weights and Measures, Consumer Protection	1	53,760
31 Labs and Research	2	107,520
33 Human Rights Commission	1	53,760
37 District Attorney	5	380,830
38 Public Safety Services	2	130,420
41 Solid Waste Commission	1	116,005
42 Parks, Recreation and Conservation	3	177,060
46 DPW - Public Works Division	7	518,270
	30	\$ 2,112,740

Vacant Positions	Current Vacancies			% of Proposed Budgeted Salaries
	Number of Positions	Total Salaries	Proposed Salary Savings	
Board of Legislators	11	\$ 689,068	\$ -	0.00%
County Executive	4	308,785	-	0.00%
Human Resources	3	184,255	125,000	3.48%
Department of the Budget	2	125,935	-	0.00%
Board of Elections	6	327,515	200,000	2.52%
Department of Finance	5	293,005	325,000	8.34%
Information Technology	14	1,153,525	475,000	3.42%
Board of Acquisition and Contract	-	-	-	0.00%
Department of Law	8	657,901	650,000	7.38%
Department of Planning	2	183,950	-	0.00%
Emergency Services	3	253,050	-	0.00%
County Clerk	1	58,590	-	0.00%
Department of Social Services	73	4,810,776	4,200,000	5.77%
Senior Programs & Services	-	-	-	0.00%
Weights and Measures, Consumer Protection	3	196,622	65,000	4.25%
Community Mental Health	5	322,141	70,000	2.33%
Department of Health	20	1,628,275	565,000	3.61%
Labs and Research	11	964,041	300,000	3.56%
Department of Corrections	29	2,507,355	2,000,000	2.41%
Tax Commission	1	45,460	-	0.00%
District Attorney	10	806,484	-	0.00%
Public Safety Services	16	1,265,183	600,000	1.69%
Department of Probation	34	2,592,681	700,000	3.74%
Public Administrator	0	-	-	0.00%
Solid Waste Commission	1	84,305	65,000	10.16%
Parks, Recreation and Conservation	17	989,047	100,000	0.61%
Department of Public Works and Transportation - Transportation Division	-	-	-	0.00%
Department of Public Works and Transportation - Public Works Division	16	1,173,832	700,000	4.56%
	<u>295</u>	<u>\$ 21,621,782</u>	<u>\$ 11,140,000</u>	<u>3.13%</u>

The 2020 Proposed Budget contains \$414.09 million for personal service costs. The budget reflects funding for those contracts that have not expired (see chart following for list of all contracts). In addition, the budget contains an estimated salary savings of \$11.14 million in various departments (see chart above). To achieve this savings the County will have to manage the filling of vacant positions that occur during the course of the year. Currently the County has 295 vacant positions with associated salaries of \$21.62 million. These positions would have to remain unfilled for the majority of the year to meet the 2020 Proposed Budget. The 2019 Adopted Budget had included \$14.39 million for salary savings.

## Labor Contracts

The County's workforce is represented by various bargaining units. The following chart details the segregation of the County's employees and the projected amount of vacancies within each bargaining unit:

Bargaining Unit	Proposed Position Count					Current Vacancies after abolishment and layoffs 2020	Commencement Date	Expiration Date
	2016	2017	2018	2019	2020			
<b>Union</b>								
District Attorney Criminal Investigators ("UFPO")	30	31	31	31	31	-	January 1, 2009	December 31, 2019
Westchester County Police Benevolent Association ("PBA")	235	236	234	241	240	7	January 1, 2015	December 31, 2019
Westchester County Police Superior Officers Police Benevolent Association ("SPBA")	24	25	27	27	28	-	January 1, 2015	December 31, 2019
Westchester County Corrections Officers Benevolent Association ("COBA")	718	718	718	718	718	21	January 1, 2016	December 31, 2019
Westchester County Correction Superior Officers Unit ("SOA")	117	117	118	118	118	6	January 1, 2016	December 31, 2019
Teamsters – Managerial ("MGMT")	104	105	103	125	135	4	January 1, 2009	December 31, 2020
Civil Service Employees Association ("CSEA")	2,554	2,591	2,620	2,658	2,684	213	January 1, 2012	December 31, 2021
New York State Nurses Association ("NYSNA")	26	25	25	24	23	2	January 1, 2012	December 31, 2021
<b>Subtotal</b>	<b>3,808</b>	<b>3,848</b>	<b>3,876</b>	<b>3,942</b>	<b>3,977</b>	<b>253</b>		
<b>Non- Represented</b>								
Executive (EXEC)	189	190	179	172	170	25		
District Attorney's Dept. (DA)	93	112	113	115	122	6		
Board of Legislators (BOL)	41	41	41	43	44	11		
<b>Subtotal</b>	<b>323</b>	<b>343</b>	<b>333</b>	<b>330</b>	<b>336</b>	<b>42</b>		
<b>Total</b>	<b>4,131</b>	<b>4,191</b>	<b>4,209</b>	<b>4,272</b>	<b>4,313</b>	<b>295</b>		

It is important to note the as of December 31<sup>st</sup>, 2019 the PBA, SPBA, UFPO, COBA, and SOA are expired.

## Services for Children with Special Needs

The Services for Children with Special Needs ("CSN") is a program of mandated services by the State Education Department ("SED") for children with various developmental disabilities, which is administered by the County Department of Health ("Department"). The CSN early intervention program services children from birth to three years of age. The Pre-school program services children ages three through five as follows: Special Education Itinerant Teachers ("SEIT") and Related Services. The Tuition and Transportation program services school age children.

Substantially all of the services provided by CSN are mandated services by New York State for which the County receives varying degrees of aid.

The 2019 Adopted Budget is \$137.71 million, a \$4.03 million decrease from \$141.74 million expended in 2018. Our analysis indicates that expenditures for 2019 will aggregate \$142.84 million, which is a \$5.13 million unfavorable variance compared to the 2019 Adopted Budget.

The 2020 Proposed Budget contains \$146.93 million, which is \$9.22 million greater than the 2019 Adopted Budget. Our analysis indicates that these expenditures will aggregate \$148.53 million, or a \$1.60 million unfavorable variance compared to the 2020 Proposed Budget.

The table below summarizes the various components of the CSN program that was included in the 2020 Proposed Budget along with our projection of 2019 and 2020. The programs marked with an asterisk are the programs we analyzed:

	Expended 2018	Adopted 2019	Consultant		Proposed Budget 2020
			Projected 2019	Projected 2020	
Expenditures			<i>(in thousands)</i>		
Administrative costs, including salaries	\$ 17,828	\$ 17,724	\$17,753	\$19,346	\$ 19,346
Early intervention	28,622	24,164	27,360	27,910	27,532
SEIT	9,819	9,765	9,030	9,520	9,641
Related services	15,864	16,149	15,760	16,180	16,000
Evaluations	2,815	2,750	2,750	2,800	2,800
Tuition	46,291	45,466	48,420	49,441	48,555
Transportation	13,170	13,410	13,330	14,720	14,450
CPSE Administration	2,850	2,700	2,850	2,850	2,850
Inter-Departmental Charges	4,479	5,583	5,583	5,758	5,758
Gross Expenditures	141,738	137,711	142,836	148,525	146,932
Revenue	78,556	76,362	79,362	82,222	81,422
Net Cost to County	<u>\$ 63,182</u>	<u>\$ 61,349</u>	<u>\$ 63,474</u>	<u>\$ 66,303</u>	<u>\$ 65,510</u>
<i>Net cost as % of gross expenditures</i>	44.6%	44.5%	44.4%	44.6%	44.6%
<i>Revenue as % of Expenditures</i>	55.4%	55.5%	55.6%	55.4%	55.4%

## Services for Children Under 3 Years of Age

### *Early Intervention*

The County's Early Intervention ("EI") program provides family-centered therapeutic and support services for infants and toddlers under age three with developmental delays. Examples of therapeutic and support services provided include: evaluation services (hearing and vision screening), home visits, speech, physical and other therapies, child development groups, and family counseling provided at no cost to recipients.

The 2019 Adopted Budget is \$24.16 million in expenditures. The County's projection for 2019 is approximately \$27.52 million, which is \$3.36 million more than the 2019 Adopted Budget. For 2019 the County entered into an agreement with the White Plains Bus Company from October 21, 2019 thru August 31, 2020 to provide transportation for children. The contract with White Plains Bus Company has a do not exceed amount of \$2.15 million. Also, there was an increase in rates for services by New York State of 2% for the 2019 year. Taking this into account we project expenditures to be approximately \$27.36 million, which is a \$3.20 million unfavorable variance compared to the 2019 Adopted Budget.

The 2020 Proposed Budget for EI is \$27.53 million, which is \$3.37 million more than the 2019 Adopted Budget. We project 2020 expenditures to be \$27.91 million, which is a \$380,000 unfavorable variance compared to the 2020 Proposed Budget. However given the uncertainty regarding enrollment and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

### *Services for Preschool Aged Children*

Preschool children between three and five years of age are served by three groups of providers: special education itinerant teachers, related services and center-based programs.

### *Special Education Itinerant Teachers (“SEIT”)*

SEIT is an approved program provided by a certified special education teacher on an itinerant basis for the purpose of providing specialized individual or group instruction and/or indirect services to preschool students with disabilities. Actual expenditures are recorded based on a fee for service payment structure opposed to a tuition based payment structure.

The 2019 Adopted Budget is \$9.77 million. The County has projected expenditures for 2019 to approximate \$9.70 million, which is \$70,000 less than the 2019 Adopted Budget. In 2018 New York State changed the payment amount from individual schools to per region. As a result, the utilization rate decreased by approximately 3% from 72.00% to 69.00%. Using the 2018 utilization rate and a 4.00% decrease in the number of children, we project 2019 expenditures to be \$9.03 million which results in a \$740,000 favorable variance when compared with the 2019 Adopted Budget.

The 2020 Proposed Budget provides for \$9.64 million in expenditures for SEIT. This is \$130,000 less than the 2019 Adopted Budget. Based on our analysis of enrollment which yields an increase of 4%, and a cost per child increase of 2%, we project 2020 expenditures to be \$9.52 million which results in a \$120,000 favorable variance when compare with the 2020 proposed budget. However given the uncertainty regarding enrollment and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

### *Related Services*

Related services are provided by therapists rather than by teachers. These services are provided in the classroom, the child’s daycare center or in their home. Examples of services provided are: 1:1 aides, counseling, psychological services, physical therapy, social work, and speech therapy. New York State Department of Education sets maximum rates for each County for every school year.

The 2019 Adopted Budget is \$16.15 million. The County’s 2019 projection for this program is \$16.04 million or \$110,000 less than the 2019 Adopted Budget. Based upon expenditures to date



and then applying historical expenditures, we project expenditures to approximate \$15.76 million. This results in a favorable variance of \$390,000 when compared to the 2019 Adopted Budget.

The 2020 Proposed Budget is \$16 million, which is approximately \$150,000 less than the 2019 Adopted Budget. Based off of our 2019 projection and a three year average growth rate in authorizations of 2.7%, we project 2020 expenditures to amount to \$16.18 million. This results in a \$180,000 unfavorable variance with the 2020 Proposed Budget. However given the uncertainty regarding enrollment and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

### **Services for School Aged Children**

#### *Center Based Programs - Tuition*

The 2019 Adopted Budget of \$45.47 million is \$2.30 million less than the County's 2019 projection of \$47.77 million. Taking into account the 2019/20 New York State Department of Education school tuition rate increase of 2% and a 3% increase in children based off of historical trends, we project 2019 expenditures to approximate \$48.42 million which is a \$2.95 million unfavorable variance compared to the 2019 Adopted Budget.

The 2020 Proposed Budget includes \$48.55 million for tuition. Based off of historical trends we estimate 2020 expenditures to be \$49.44 million, which take into account an increase in the number of children and the 2% increase in the tuition rate. This would result in an \$890,000 unfavorable variance compared to the 2020 Proposed Budget. However given the uncertainty regarding enrollment and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

### *Transportation for Center Based Programs*

The County provides specialized transportation, for children with developmental disabilities from three to five years of age, to receive developmental services.

The County's 2019 Adopted Budget is approximately \$13.41 million. The County is currently projecting expenditures to be \$13.65 million for the 2019 year. This is approximately \$240,000 less than the 2019 Adopted Budget. Previously mentioned in 2019 the County entered into an agreement with White Plains Bus Company from October 21, 2019 thru August 31, 2020 to provide transportation for children to educational programs. When analyzing the information, we noted a 27.74% rate increase when transporting children in northern Westchester County and a 22.95% increase for transporting children to Westchester County Chapter NYSARC facility. When taking this into account, we project that 2019 expenditures to be a \$13.33 million, which is a favorable variance of \$80,000 compared to the 2019 Adopted Budget.

The 2020 Proposed Budget is \$14.45 million, which is \$1.04 million more than the 2019 Adopted Budget. The increase is related to the transportation contract mentioned above. We project 2020 expenditures to be \$14.72 which is a \$270,000 unfavorable variance compared to the 2020 Proposed Budget. However given the uncertainty regarding enrollment and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

### *Total Revenue*

The County receives revenues from New York State, Medicaid and private insurance carriers at varying rates based upon the nature of the program and expenditures made by CSN. The 2019 Adopted Budget includes revenues of \$76.36 million on expenditures of \$137.71 million. This is comprised of State Aid at \$68.47 million and \$7.89 million for departmental income. Based on our 2019 expenditure analysis, we project 2019 State Aid of \$71.47 million and departmental income of \$8.36 million, which are approximately a \$3 million and \$470,000 favorable variance, respectively, when compared to the 2019 Adopted Budget.

The 2020 Proposed Budget includes total revenues of \$81.42 million, which is comprised of \$72.39 million of State Aid and \$9.03 million of departmental income on expenditures of \$146.93 million. Based on our 2020 expenditure analysis, we project total revenue to be \$82.22 million, which is an \$800,000 favorable variance compared to the 2020 Proposed Budget. However given the uncertainty regarding enrollment and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

## Department of Corrections

The Department of Corrections is comprised of three divisions:

Division	Budget			Adopted to Appropriated Increase (Decrease) vs. Adopted Budget	Adopted to Proposed Increase (Decrease) vs. Adopted Budget
	Adopted 2019	Appropriated 2019	Proposed 2020		
Administration	\$ 32,623,890	\$ 32,898,272	\$ 33,302,725	\$ 274,382	\$ 678,835
Jail	76,840,364	76,889,946	79,042,745	49,582	2,202,381
Penitentiary	24,758,027	24,783,811	22,616,045	25,784	(2,141,982)
	<u>\$ 134,222,281</u>	<u>\$ 134,572,029</u>	<u>\$ 134,961,515</u>	<u>\$ 349,748</u>	<u>\$ 739,234</u>

The Proposed Budget for 2019 is structured upon the premise that the daily inmate census will average 1,000 per day, 865 County inmates and 135 Federal inmates. Table A provides a comparison of the average monthly inmate census from 2015 through 2019. The department experienced an average inmate census of 950 for the first ten months of 2019, which is lower than the 2018 actual average inmate census of 1,034 and lower than the actual average inmate census of each of the previous five years.

### *Positions and Overtime*

The 2019 Adopted Budget estimated the need for 456 uniformed posts and a staffing compliment of 921 correction officers and superior officers. The projected inmate population for 2019 indicates a need for 442 posts requiring 893 uniformed correction officers and superior officers.

This is 14 post less than 2019, a reduction of 20 posts in the Jail and an increase of 6 posts in the penitentiary.

Our 2019 projection for regular salaries is \$83.13 million which is a \$560,000 favorable variance compared to the 2019 Adopted Budget of \$83.69 million. This variance is due to vacant positions of which there are currently 29 vacant positions. As experienced officers retire or leave for other reasons, generally at the highest wage base, they are replaced with new officers at the lowest wage base. In the event of a retirement regarding a sergeant, captain, or warden it ultimately results in a vacant correction officer position as the department promotes correction officers into the respective positions.

Table B provides comparative data for uniformed staffing and overtime costs for the years 2015 through 2020. The shift relief factor (“SRF”) for 2020 has remained constant with multipliers of 2.02 officers for a 7-day post and 1.31 officers for a 5-day post.

The 2019 Adopted Budget for overtime is \$10.01 million. In order to project overtime for 2019 we had to factor in the contractual increase of 2.75%. Our analysis utilizes year to date overtime expenditures through October 2019 of \$7.89 million, to this we added the actual overtime in November and December of 2018 inclusive of the contractual increase. Our projection for 2019 appropriates \$10.77 million, which is a \$760,000 unfavorable variance compared to the 2019 Adopted Budget and \$1.78 million unfavorable variance compared to the 2019 County projection of \$8.99 million.

The 2020 Proposed Budget for overtime is \$7.86 million or \$2.15 million less than the 2019 Adopted Budget. Based on historical overtime trends from the past six years we project our 2020 overtime expenditures to be \$10.34 million, an unfavorable variance of \$2.48 million when compared to the 2020 Proposed Budget. Given the number of current vacant positions and the annual turnover of personnel, we feel that there should be enough flexibility in the salaries account to address this projected shortfall.

## *Contractual Services*

### Food Costs

The current contract with Aramark Food Services expired December 19, 2018, the County entered into a new contract in January 2019 with the same vendor for food preparation services for January 2019 through December 2020.

The 2 year contract provides for a total cost not to exceed \$4.59 million. Based on the average number of inmates in 2019 of 931 and an estimated cost of \$1.815 per meal we project 2019 food service costs to approximately \$1.85 million or a \$440,000 favorable variance when compared to the 2019 Adopted Budget of \$2.29 million.

For the 2019 fiscal year we estimated the average inmate population to be 1,000 inmates based on an average of the past three years. We estimated the average meal cost to be \$1.846 based on the current CPI increase of 1.7%. Taking into account the estimated price increases and inmate population, we project the total 2020 expenditures to approximate the amount in the 2020 Proposed Budget of \$2.13 million, therefore we concur.

### Medical Services

The County entered into a contract with New York Correct Care Solutions Medical Services, P.C. ("NYCC"), for medical services commencing on July 26, 2019 and terminating on July 25, 2022. The contract provides for a total cost not to exceed \$44.16 million with year 1 being \$14.40 million in 2020, year 2 being \$14.76 million, and year 3 being \$15 million. If the average daily population at the department's facilities, determined on a quarterly basis, increases by more than ten percent above 1,100 inmates, the parties shall negotiate in good faith for an adjustment to that pricing, subject to any necessary County approvals.

The 2019 Adopted Budget includes \$14.29 million within the contractual services' budget for this contract. The contract with NYCC expired in June 2018 and was extended through July 25, 2019 and was succeeded by the contract described above. Our analysis includes the final payments on the contract and 5 months of the new contract. Therefore, our projection for 2019 expenditures is \$14.38 million, which is an unfavorable variance of \$90,000 as compared to the 2019 Adopted Budget.

The County has included \$14.45 million in the 2020 Proposed Budget. Our projection is \$14.55 million or an unfavorable variance of \$100,000 as compared to the 2020 Proposed Budget.

**TABLE A**

**POPULATION STATISTICS - CORRECTION FACILITIES  
MONTHLY AVERAGES - 2019 THROUGH 2015\***

	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
January	1003	1008	1013	1062	1105
February	1023	1013	1043	1041	1125
March	1029	1015	1027	1030	1115
April	984	1012	1072	1014	1118
May	940	1019	1064	1007	1117
June	926	1005	1078	1034	1085
July	904	1002	1084	1055	1090
August	896	1052	1062	1052	1125
September	898	1099	1064	1074	1150
October	899	1109	1066	1067	1116
November ***	850	1033	1018	1046	1109
December ***	825	1033	996	1004	1075
Annual Average	931	1033 **	1049 **	1041 **	1111

\* *Average census calculation provided by the Budget Department.*

\*\* *Includes Federal inmate average population of;  
2019 (135), 2018 (114), 2017 (101), 2016 (93) and 2015 (96)*

\*\*\* *For 2019 estimated based on 10 month average through October*

**TABLE B  
REGULAR OVERTIME ANALYSIS**

	Variance Projected 2019 vs. Proposed 2020	County Proposed 2020	County Projected 2019	Appropriated Budget 2019	Actual			
					2018	2017	2016	2015
<b>Administration</b>								
Uniformed Positions*	-	27	27	27		15	16	14
Overtime	\$ (25,907)	\$ 633,047	\$ 658,954	\$ 483,047	\$ 630,240	\$ 474,614	\$ 426,294	\$ 388,415
<b>Penitentiary</b>								
Uniformed Positions*	6	101	95	95		204	180	189
Overtime	\$ (138,446)	\$ 1,690,969	\$ 1,829,415	\$ 2,909,453	\$ 2,019,059	\$ 2,366,559	\$ 1,428,142	\$ 1,609,731
<b>Jail</b>								
Uniformed Positions*	(20)	314	334	334		610	633	625
Overtime	\$ (965,836)	\$ 5,538,444	\$ 6,504,280	\$ 6,617,250	\$ 11,623,974	\$ 9,084,760	\$ 7,070,817	\$ 7,882,540
<b>Security Ward</b>								
Uniformed Positions*	-	-	-	-	-	-	-	-
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Uniformed Totals</b>								
Uniformed Positions*	(14)	442	456	456		829	829	828
Overtime	\$ (1,130,189)	\$ 7,862,460	\$ 8,992,649	\$ 10,009,750	\$ 14,273,273	\$ 11,925,933	\$ 8,925,253	\$ 9,880,686

Average approximates \$11.3 million

\* Uniformed Positions include Captains, Sergeants and Correction Officers and does not include Wardens, Assistant Wardens or Associate Wardens



**TABLE C****POPULATION STATISTICS - FEDERAL INMATES  
\* MONTHLY AVERAGES - 2015 THROUGH 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
January	156	100	100	90	94
February	150	95	102	92	97
March	158	92	96	95	94
April	160	106	96	88	98
May	153	109	94	85	99
June	136	106	108	90	93
July	116	109	107	89	93
August	124	115	99	93	99
September	125	135	104	104	98
October	115	172	104	102	93
November**	115	114	102	97	94
December **	<u>115</u>	<u>114</u>	<u>104</u>	<u>100</u>	<u>95</u>
Annual Average	<u>135</u>	<u>114</u>	<u>101</u>	<u>94</u>	<u>96</u>

\* *Average census calculation provided by the Budget Department.*

\*\* *Based on 10 month average through October.*

**Department of Probation**

The Department of Probation, as a law enforcement agency and a partner in the criminal justice system, is to protect the citizens and visitors of the County by providing a balance of prevention, intervention, and control strategies for offenders, victims, and families, and to enforce the orders and conditions imposed by the courts. The Department of Probation includes four bureaus; Bureau of Administrative Services, Bureau of Criminal Operations, Bureau of Juvenile Justice and Bureau of Planning.

The 2020 Proposed Budget is \$45.76 million, which is an approximate increase of \$990,000 when compared to the 2019 Adopted Budget of \$44.77 million. The increase is related to the New York Bail Reform Legislation. The County budgeted approximately \$822,000 which will cover the cost associated with identifying which defendants are good risks for release without bail, ensures defendants reappear in court, and notifying them of court dates. Based on the information provided, we concur with the County's 2020 Proposed Budget.

## **Department of Transportation**

The Department of Transportation ("DOT") provides transportation services for travelers in the County through its management of the Bee Line Bus System and specialized transportation services for the Departments of Health and Social Services. The three major components of the DOT budget are the Bus Operating Assistance ("BOA"), Metropolitan Transportation Authority ("MTA") Operating Assistance and Station Maintenance, and ParaTransit services. These components represent \$160.15 million or 92.96% of the total 2019 Adopted Budget of \$172.29 million. What follows is a further understanding of our projections for these components as well as other components that make up the total DOT expenditure budget.

### *Bus Operating Assistance ("BOA")*

Bus Operating Assistance expenditures for the 2019 Adopted Budget represent approximately 68.41% of total DOT budgeted expenditures. The County contracts with Liberty Lines Transit, Inc. and P.T.L.A. Enterprise, Inc. ("PTLA") to provide services throughout Westchester County. The County's bus operating assistance program subsidizes these companies by covering the excess of their expenditures over the revenues derived from fare box fees.

In August 2018 the County exercised its option to renew the contract with Liberty Lines for which the "Option Term" now runs from January 1, 2019 through December 31, 2023. The contract still sets fixed fees over the term of the contract, however the County and Liberty Lines agreed upon certain modifications to the contract regarding the elimination of a fuel contract savings, the addition of a cost credit, the purchase of fuel, the purchase of insurance, route planning and route scheduling and other modifications. The County expects that the modifications will provide future

savings and cost-certainty. Liberty Lines' annual fixed fees for 2019 through 2023, which excludes the cost of diesel fuel and fare box fees are as follows:

**Liberty Lines Fee Schedule  
Exclusive of Ultra Low Sulfur Diesel Fuel (ULSDF)**

	Fixed Fee	Change	Change
2019	\$ 118,560,995	\$ 5,031,186	4%
2020	122,710,629	4,149,634	3%
2021	128,305,906	5,595,277	5%
2022	132,475,848	4,169,942	3%
2023	136,781,313	4,305,465	3%

Due to the above mentioned modifications to the renewed contract we have focused on specific changes and will address the variances in the chart below:

	2019 County Adopted	2019 County Projection	Variance Increase (Decrease)	2020 County Proposed	2020 Proposed vs 2019 Adopted Variance Increase (Decrease)
<u>Liberty Lines</u>					
Annual fixed fee	\$ 118,560,995	\$ 118,560,995	\$ -	\$ 122,710,629	\$ 4,149,634
Injury, loss & damage claims	(900,000)	(900,000)	-	(900,000)	-
Fuel costs	7,750,000	6,445,564	(1,304,436)	5,300,000	(2,450,000)
Workers compensation insurance	1,270,000	1,881,307	611,307	2,328,000	1,058,000
Prior years bus liability claims	1,242,000	2,726,422	1,484,422	2,014,000	772,000
Service changes	54,576	144,834	90,258	182,400	127,824
Other insurance costs	-	769,194	769,194	535,528	535,528
Miscellaneous additional work	100,000	364,892	264,892	250,000	150,000
Budget adjustment	60,000	-	(60,000)	-	(60,000)
	128,137,571	129,993,208	1,855,637	132,420,557	4,282,986
Less: Estimated fare box fees	13,040,000	11,857,827	(1,182,173)	12,000,000	(1,040,000)
Net Bus Operating Assistance	115,097,571	118,135,381	3,037,810	120,420,557	5,322,986
<u>PTLA - Net</u>					
Annual fixed fee	2,993,258	2,911,128	(82,130)	3,215,126	221,868
Less: Estimated fare box fees	220,000	126,509	93,491	240,000	20,000
	2,773,258	2,784,619	11,361	2,975,126	201,868
<b>Total</b>	<b>\$ 117,870,829</b>	<b>\$ 120,920,000</b>	<b>\$ 3,049,171</b>	<b>\$ 123,395,683</b>	<b>\$ 5,524,854</b>

*Annual Fixed Fee Contract*

The 2019 Adopted Budget for BOA for both companies is \$117.87 million net of a credit for self-insured retention for \$900,000 injury, loss, damage claims and fare box fees totaling \$13.26 million. The \$900,000 annual credit is included through the term of the contract. The County

projects that the 2019 BOA will be \$120.92 million for net increase of \$3.05 million. We concur with the variance between the 2019 Adopted Budget and the County's 2019 projection.

The 2020 Proposed Budget for BOA for both companies is \$123.39 million net of the \$900,000 credit and fare box fees totaling \$12.24 million. The net increase from the 2019 Adopted Budget to the 2020 Proposed Budget is \$5.52 million primarily due to the contractual increase in the fixed fee for \$4.14 million. We concur with the County's 2020 Proposed Budget.

### *Fuel Costs*

The County has declared that it is dedicated to fleet electrification. Fuel costs are no longer included in the fixed fee and the fuel contract savings line has been eliminated. The fuel cost is presented as a separate line. The 2019 Adopted Budget for fuel costs is \$7.75 million. The 2019 Projection for fuel costs is \$6.44 million. The favorable variance for \$1.30 million is attributed to the replacement of old buses with fuel efficient hybrid diesel-electric and fully electric buses. We concur with the County's projection.

The 2020 Proposed Budget for \$5.20 million is a \$2.45 million favorable variance from the 2019 Adopted Budget. We concur with the County's 2020 proposed budget. Specific fuel costs are discussed later in this section.

### *Workers Compensation*

The 2019 Adopted Budget for workers compensation insurance is \$1.27 million. The County's 2019 projection is \$1.88 million for an increase of \$611,307. The actual 2019 monthly premium cost is \$154,638 which is substantially higher than originally budgeted. There was also an additional surcharge in July 2019 for \$25,652. Based on the monthly premium costs we concur with the County's 2019 projection.

Most insurance premiums increase year over year and the County is no exception. The workers compensation premiums for 2020 have increased to \$194,000 a month for a total 2020 Proposed Budget for \$2.32 million for an increase of \$1.05 million over the 2019 Adopted Budget. We concur with the County's 2020 Proposed Budget.

### *Prior Year Bus Liability Claims*

We reported last year that as of July 2018, the County approved a resolution to purchase a bus liability insurance policy. The liability claim settlements within the \$100,000 deductible will be covered by the County's Casualty Reserve Fund (6-N). The policy is enforce through July 2020. Any claims prior to June 2018 are included in the BOA. The 2019 Adopted Budget for prior year claims is \$1.24 million. Based on the 2019 actual claims through October 2019 the County's 2019 projection is \$ 2.72 million for an unfavorable increase of \$1.48 million. We agree with the County's 2019 projection.

The County's 2020 Proposed Budget is \$2.01 million for an increase of \$772,000 compared with the County's Adopted Budget. One can only assume that as time passes these prior year claims will decrease and eventually all claims will be included under the County's insurance policy and 6-N Fund.

### *Other Insurance*

Another change to the contract in 2019 was the inclusion of additional insurance policies in the BOA. The original 2019 Adopted Budget did not provide any funding because this cost was covered by Liberty Lines. Provisions in the re-negotiated contract specified that the County reimburse Liberty Lines for commercial, terminal, assault, pollution and employee practices liability policies which the County projected will be \$769,194, therefore, we concur with the County's 2019 projection.

The 2020 Proposed Budget, due to the new contract, is \$535,528 for these policies. We agree with the County's 2020 Proposed Budget.

### *Fare Box Revenue*

The collection of cash (fare box fees) is a major determining factor as to whether the cost of BOA will increase or decrease. The County estimated that fare box revenues in the 2019 Adopted Budget would amount to \$13.26 million, which is \$1.28 million less than the County's 2019 projection for \$11.98 million. The MTA fare increase effective April 2019 for 4% has been factored

into the projection. We reviewed the actual monthly receipts through October 2019 and we concur with the County's 2019 projection.

Based on 5 years of passenger information the County expects ridership to be flat for their 2019 projection and the 2020 proposed amount. The 2020 Proposed Budget is \$12.24 million for fare box revenues. This is up approximately 2% and also includes the fare increase. We concur with the County's 2020 proposed fare box revenues.

### *Fuel Price/Usage*

The County is required to use ultra-low sulfur diesel fuel ("ULSD"). ULSD is subject to higher production and distribution costs and availability as demand increases. Fuel costs are included in the BOA contract. Liberty Lines has a petroleum sales agreement that locks in the price per gallon. The 2019 rate is \$2.4184 per gallon. The average gallons reported for 2019 is 2.66 million multiplied by the rate is \$6.43 million which agrees to the County's projection for 2019. Our projection approximates the County.

The County's 2020 Proposed Budget for fuel is \$5.30 million. The County expects fuel consumption to decrease from 2.66 million gallons to approximately 2.50 million gallons. Using locked rates averaged over 2019 and 2020 for \$2.209 per gallon we multiplied the projected consumption for the year for a cost of \$5.52 million which approximates the County's 2020 Proposed Budget. Since routes, the route schedule and service hours have remained relatively similar over the past few years, we do not anticipate any significant changes in fuel price and usage for 2020.

### *Changes in Routes, Route Schedules and Service Hours*

No significant changes in routes, route schedules and service hours are expected to take place in 2020, therefore we concur with the 2020 County Proposed Budget.

### *Insurance Cost/Future Insurance Claims*

As discussed previously the County purchased a bus liability insurance policy for Liberty Lines in July 2018 which increased the cost of insurance for \$3.32 million and impacted the 2019 Adopted Budget of \$4.29 million. At the same time the County also purchased a business auto insurance policy for the Small Bus and ParaTransit fleets for \$488,000. These policies along with other existing insurance policies brings the DOT insurance costs for the County in 2019 to a projected cost of \$4.10 million.

The County proposes \$4.21 million for 2020. We concur with both the County's 2019 projection and the County's 2020 Proposed Budget.

### *MTA Station Maintenance and Operating Assistance*

The County is mandated to pay the MTA for a share of the cost of maintenance and operations of the railroad stations within the County. The County's payment for station maintenance, derived from a base amount of \$12.2 million established in 1995, is calculated utilizing the prior year payment plus an adjustment for the consumer price index ("CPI"). The MTA uses a CPI index based on wage earners and clerical workers for New York State. The County's 2019 payment is \$21.05 million based on a CPI increase of 1.515% over the 2018 payment of \$20.73 million. We concur with the County's 2019 projection of \$21.15 million which agrees to 2019 Adopted Budget of \$21.15 million. This figure was based off of the annual bill for station maintenance obtained from the MTA.

Our 2020 projection is based on our projected payment of \$21.39 million to be paid in 2020 inclusive of a 1.016% C.P.I. increase. Based off of Bureau of Labor Statistics current CPI rates, we concur with the 2020 County Proposed Budget of \$21.39 million.

### *ParaTransit*

ParaTransit services provide transportation to people with disabilities who are unable to use the regular, and fixed route transit services provided throughout Westchester County. Paratransit usually provides door-to-door services for people who call to reserve a ride at a rate of \$5 per

passenger. The County expects 263,900 ParaTransit trips at an approximate cost of \$45.87 per trip exclusive of fuel cost. The costs associated with the ParaTransit include average cost per trip for van, taxi services and fuel costs.

The County projects that in 2019 ParaTransit expenditures will be \$13.20 million which is \$59,000 less than the 2019 Adopted Budget of \$13.79 million. We project that 2019 ParaTransit expenditures to approximate \$13.50 million, based off of average monthly data and statistics for January through September 2019 used to project the remainder of the year. This results in a \$290,000 favorable variance with the 2019 Adopted Budget.

The County's 2020 Proposed Budget is \$13.58 million for ParaTransit expenditures. We concur with this projection. However, since the County has issued a Request for Proposal ("RFP") for these services, the Budget Department has indicated a potential unfavorable budgetary impact of \$1 million. The new contract terms will determine the percentage of traditional service versus car for hire service as well as the final rate.

## **Department of Public Works**

The Department of Public Works ("DPW") provides and maintains an extensive infrastructure system for the County. DPW is responsible for maintaining county owned and leased buildings, roads (including snow removal), engineering services for county bridges and the maintenance and management of the New York State Courts under the New York State Court Facilities Act. The 2020 Proposed Budget is \$62.91 million, an increase of \$5.44 million from the 2019 Adopted Budget of \$57.47 million. Our review of the Department's budget focused on two major areas; utilities and contractual services.

### *Utilities*

The utilities appropriation provides resources for the payment of electric, natural gas, and fuel oil. Our review of the expenditures focuses on the largest areas, electric and natural gas charges for the Department's White Plains and Valhalla locations.



The following chart illustrates the County's Departments where utility costs are charged. DPW comprises approximately 74% of the costs:

	<u>County Adopted 2019</u>	<u>Consultant Projected 2019</u>	<u>2020 Proposed Budget</u>	<u>Consultant Projected 2020</u>	<u>Variance Consultant Projection Vs. County Projection</u>
Information Technology	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Department of Planning	-	-	26,750	26,750	-
Emergency Services	78,530	78,530	96,576	96,576	-
Public Safety Services	283,976	283,976	272,027	272,027	-
Parks, Recreation, and Conservation	3,155,500	3,155,500	3,473,500	3,473,500	-
Department of Public Works - Transportation	1,343,727	1,443,727	1,511,706	1,511,706	-
Department of Public Works - Public Works	<u>14,025,987</u>	<u>11,903,452</u>	<u>15,302,360</u>	<u>14,278,274</u>	<u>1,024,086</u>
	<u>\$ 18,889,220</u>	<u>\$ 16,866,685</u>	<u>\$ 20,684,419</u>	<u>\$ 19,660,333</u>	<u>\$ 1,024,086</u>

### *White Plains Location*

The Department of Public Works 2019 projected expenditures for the White Plains location is \$2.85 million which is a favorable variance of \$170,000 compared to the 2019 Adopted Budget of \$3.02 million. The rates charged for both electric and gas consist of 2 components, production costs and delivery charge. For electricity the production cost declined by 10% and the delivery charge increased by 3.6%, while for gas there were no increases. Our 2019 projection utilizes year to date expenditures through September 2019 and the final three months of 2018 including the above cost increases. Our projection for 2019 is \$2.76 million or \$90,000 less than the County's projection and a favorable variance of \$260,000 as compared to the 2019 Adopted Budget.

The Department's 2020 Proposed Budget is \$2.86 million. For electric rates the cost is evenly split between New York Power Authority ("NYPA") for production and Consolidated Edison ("ConEd") for the delivery charge. For gas approximately 70% of cost are allocated to NYPA and the remaining 30% to ConEd. Based upon a 9% decrease in NYPA rates for 2020 and an 8.6% increase in ConEd rates and a 14.5% increase for the gas rate. Our projection approximates the County's therefore we concur with the County's 2020 Proposed Budget.

### *Valhalla Location*

The County's 2019 projected expenditures for the Valhalla is \$9.37 million, which is a favorable variance of \$560,000 compared to the 2019 Adopted Budget of \$9.93 million. Our 2019 projection took the actual 2019 expenditures from January to September for electricity and gas products. We utilized the actual 2018 amounts for the remaining three months, separated the amounts by the costs to NYPA which was approximately 65% and ConEd which was 35%, and applied the 2019 rate changes. Furthermore, an anticipated NYPA loan of \$400,000 for construction of a new steam line was not paid in 2019 due to the project not being complete. Our 2019 Projection is \$8.10 million, approximately \$1.28 million less than the County's projection and a \$1.83 million favorable variance as compared to the 2019 Adopted Budget.

The Department's 2020 Proposed Budget is \$11.40 million. The costs are split between NYPA and ConEd, with 67% of costs from NYPA production of the commodity and 33% from ConEd for delivery. Like White Plains, the rate change from NYPA for 2020 is a 9% decrease for electricity, for ConEd it is an 8.6% increase for electricity and a 14.5% increase for gas. We also took into account an approximate \$1.11 million loan payment for debt related to the new steam line now due to be completed in spring 2020. Our 2020 projection is \$10.34 million, approximately \$1.06 million favorable variance from the County's 2020 Proposed Budget.

### *Rental & Taxes*

The 2019 Adopted Budget contains \$10.31 million for rental. Presently the County is renting 20 locations. The largest of which are 131 Warburton Ave., Yonkers, Cedarwood Hall, Valhalla and 375 Executive Blvd, Elmsford. Based on the County's current rent schedule, we concur with the amount in the 2019 Adopted Budget.

The 2020 Proposed Budget is \$10.84 million which is approximately \$530,000 more than the 2019 Adopted Budget. The increase is mainly due to additional square footage at 420 North Avenue, New Rochelle for the Family Court, based on this information we concur with the County's 2020 Proposed Budget.

## *Contractual Services*

The Department of Public Works projected 2019 expenditures to be \$9.10 million which is \$1.10 million more than the 2019 Adopted Budget of \$8 million. This variance is due to an emergency contract entered into for the Westchester County Central Heating Plant. Based on the information provided and historical data we concur with the County's projection.

The County's Department of Public Works 2020 Proposed Budget is \$9.52 million, which is approximately \$1.52 million more than the 2019 Adopted Budget. This variance is due to various increases in contracts related to janitorial services, fire alarm systems, and energy plant services. Therefore, we concur with the County's 2020 Proposed Budget.

## **Debt Service**

The debt service budget includes principal and interest payments pertaining to serial bonds, Dormitory Authority of the State of New York ("DASNY"), and tax anticipation notes ("TAN"). This provision is inclusive of the General Fund, Westchester County Health Care Corporation, Westchester County Community College and certain bonds of the Airport Fund.

The 2019 Adopted Budget is \$119.60 million, and the County's projecting 2019 debt service expenditures to be approximately \$120.17 million. This includes serial bonds principal and interest of \$105.39 million, DASNY payments of \$12.41 million, and TAN interest of \$2.37 million. The variance is due to interest on the TANs which was greater than originally budgeted which was partially offset by the savings when the County issued refunding bonds in the amount of \$32.33 million and \$14.45 million. In December 2019 the County is expecting to issue \$133.36 million of general obligation bonds for General Fund projects, \$23.59 million of general obligation bonds for sewer and water district projects, and \$6.71 million of federally taxable general obligation bonds for tax certiorari judgements, based off of a preliminary official statement prepared. These bonds will not have a payment due until 2021. Our projection for 2019 is \$120.03 million, an amount \$140,000 less than the County's projection and \$430,000 unfavorable when compared to the 2019 Adopted Budget of \$119.60 million.

The 2020 Proposed Budget is \$127.54 million. This budget includes serial bonds principal and interest of \$113.85 million, DASNY payments of \$12.41 million, TAN interest of approximately \$1.28 million. Based on the current debt service requirements and the estimate for TAN interest, we concur with the County's 2020 Proposed Budget.

### **Federal Insurance Contribution Act (FICA) Taxes**

Federal Insurance Contribution Act ("FICA") taxes are comprised of two components: a Social Security rate of 6.2% and a Medicare rate of 1.45%, for a combined rate of 7.65%. These rates have remained unchanged. For 2020, the Social Security rate of 6.2% will be applied to the first \$137,700 of each employee's wages. Compared to 2019 of \$132,900 there is an increase to the cap of \$4,800, while the Medicare rate has no wage base limitation.

Our calculations as well as the County's included the reduction in the Social Security provision for the exemptions granted by Sections 125 and 207C of the Internal Revenue Code. These Code exemptions exclude from the Social Security and the Medicare wages the payroll withholdings for dependent care, certain health care expenses, transportation reimbursements and Police in the line of duty insurance pay.

The County's 2019 Adopted Budget for FICA is approximately \$32.85 million, of which \$28.4 million relates to the General Fund. We recalculated the County's FICA tax expenditure utilizing projected 2019 wages less wages not subject to FICA. We estimate that 95.45% of the County's total wage base will be subject to the tax. Our estimate is based on the quarterly payroll tax filings obtained from the Department of Finance. Based on our projection and the wage base limitations in effect for 2019, we project FICA expenditures to be approximately \$32.45 million, of which \$28.0 million relates to the General Fund.

The County's 2020 Proposed Budget is approximately \$33.9 million, of which \$29.4 million relates to the General Fund. We utilized the County's proposed budget for wages of \$476.4 million and reduced it to account for deductions under Section 125 and 207C, resulting in an adjusted wage base of \$461.8 million. We estimate that 95.57% of the adjusted wages will be subject to the tax, while 100% is subject to Medicare taxes. Our estimate is based on the quarterly payroll tax filings obtained from the Department of Finance. Based on the amounts estimated for personnel

services and the wage base limitations in effect for 2020, we estimate a variance of \$150,000 from the proposed budget.

## **Retirement Cost**

The County is required by law to participate and contribute to the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement ("PFRS"). The annual contribution amounts are determined by the actuary of the Systems and are a percentage of the employee's annual salary and tier level.

The Government Accounting Standards Board ("GASB") states that pension expenditures should be recorded in the period incurred, not when paid. The New York State and Local Retirement System ("NYSRS") fiscal year ends on March 31st, therefore the County (fiscal year ended December 31st) must apportion the invoices of two separate fiscal years to record the proper expenditure. Specifically, the County uses the last three months of the fiscal year ending March 31, 2019 and the first nine months of the fiscal year ending March 31, 2020 in apportioning the payment of the NYSRS invoice to be applied to the County's 2019 calendar year. The full retirement invoice is due on February 1<sup>st</sup>, however the NYSRS offers a discount if the invoice is paid by December 15<sup>th</sup>. Historically, the County has submitted payment by December 15th or prior to take advantage of this discount of approximately 1%. NYSRS also offers a program (described below) to help relieve the increasing burden of retirement costs to the County.

### *New York State Employer Contribution Stabilization Program ("Stabilization Program")*

New York State developed the Stabilization Program to enable expenditure relief and allow municipalities to defer fast rising pension costs. This program allows pension costs to be paid for on an amortized basis, as opposed to the year they are incurred. This program offers the County to elect the option to pay a portion of the annual retirement contribution (for both the ERS and the PFRS) over a ten year period. The County is able to "opt in" (participate) into the program by December 15th of each year independent of the County's previous years' participation. The calculation of the maximum amount of payments that can be deferred is formula based and utilizes the normal annual contribution rate and a graded contribution rate.

The 2019 Adopted Budget for retirement costs aggregates to \$82.77 million for all County funds of which \$71.90 million is exclusive to the General Fund only. This amount also includes \$14.57 million for the amortization of the prior year's deferrals. The 2019 Adopted Budget assumed the County's participation (subject to Legislative approval) in the Stabilization Program which deferred \$5.45 million to future years. However, it is the County's intention to not participate in the Stabilization Program for the ERS and PFRS sponsored employee pension plans for the plan year ended March 31, 2020.

The County projects 2019 expenditures to amount to \$87.37 million for all County funds. In order for us to project 2019, we utilized the invoices for both the ERS and PFRS years ended March 2019 and 2020. In addition, we needed to account for the fact that the County anticipates on taking advantage of the discount offered for prepayments and add all payments related to the previous participation in the stabilization figure listed below. Based on this calculation as well as the fact that the County has not elected to participate in the stabilization program, we anticipate 2019 pension expenditures will approximate the County's projection of \$87.37 million but is approximately \$4.60 million more than the 2019 Adopted Budget. Had the County chosen to continue with its participation in the Stabilization Program, it could have deferred \$5.45 million in such costs to future years.

The County's 2020 Proposed Budget for retirement costs aggregates to \$88.73 million for all County Funds of which the General Fund portion is \$77.71 million. This is an increase of \$1.36 million over the 2019 projected amount of \$87.37 million.

Our budget projection assumptions take into consideration 25% of the State fiscal year 2020 invoice (excluding Westchester Community College's portion) and 75% of the projected State fiscal year 2021 invoice, to be paid in December 2020. Additionally our assumptions also include the following:

- Certain labor contracts will expire December 31, 2019. (The Police Benevolent Association, Superior Officers Police Benevolent Association, District Attorney Criminal Investigators, Correction Officers Benevolent Association, Correction Superior Officer Association and the United Federation of Police Officers). The 2020 Proposed Budget does not anticipate that settlements, if any, would result in paid retroactive wages by March

31, 2020, therefore such amounts are not included in the projected budgeted wages and ultimately 2020 retirement costs.

- Longevity increases have been applied to those employees who obtained certain steps and grades based on hire date.
- The 2020 Proposed Budget also includes estimated retroactive wages for the Executive Department employees which include Directors and Commissioners as well as members of the County Board of Legislators.
- The 2020 Proposed Budget includes \$14.57 million for payments on the amortization pension costs from participation in previous stabilization programs (See chart below). These combined obligations have been included in the retirement appropriation in our projection in the General Fund as required by the State Comptroller’s Office.
- Assumes the County will not participate in the Stabilization Program for the NYSRS 2020 fiscal year invoice.

Based upon the analysis of payroll costs and applying the 25% of the prior year’s bill and 75% of the projected subsequent year’s bill and the assumptions mentioned above, our calculations project retirement costs for all County funds will be approximately \$88.72 million, an amount consistent with the County’s 2020 Proposed Budget.

State Fiscal Year Ending March 31st	Estimated Retirement Bill without Amortization		Maximum amount allowed to be Deferred		Net Retirement Estimated Bill with Amortization	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
	2019	\$ 71,954,839	\$ 11,627,054	\$ 4,304,030	\$ 16,974	\$ 67,650,809
2020	81,108,813	13,875,922	5,435,108	14,627	75,673,705	13,861,295
2021	** 82,375,547	14,459,746	6,110,657	119,336	76,264,890	14,340,410

\*\* 2021 projection was calculated from 2019 reported salaries. Actual 2020 salaries will be the basis for the 2021 invoice, so these projected salaries and costs will change.

**Weighted Rates Comparison with Amortization Rates**

State Fiscal Years Ending March 31,	ERS		(1)	PFRS		(1)
	Stabilization Rate	Blended Rate		Stabilization Rate	Blended Rate	
2019	14.40%	14.90%		23.50%	23.70%	
2020	14.20%	14.60%		23.50%	23.70%	
2021	14.60%	14.60%		23.50%	24.40%	

(1) Blended rates are calculated by using the weighted average of the various retirement Tiers and plans assuming the County does not elect the option to defer amounts.

**Annual Amortization Amounts  
On Deferred Amounts**

State Fiscal Year Ending March 31st	ERS	PFRS	Total
2012-2013	\$ 2,753,926	\$ 218,889	\$ 2,972,815
2013-2014	4,957,415	332,519	5,289,934
2014-2015	2,259,965	890,591	3,150,556
2015-2016	1,669,236	12,935	1,682,171
2016-2017	486,477	20,299	506,776
2017-2018	461,509	-	461,509
2018-2019	505,086	-	505,086
Annual Payments	<u>\$ 13,093,614</u>	<u>\$ 1,475,233</u>	<u>14,568,847</u>

Note – The County has elected to not participate in the Stabilization Program for the state fiscal year ending March 31, 2020 and 2021.



## Health Benefits

The following table includes summarized information on the costs of health benefits in the proposed budget as well as our projections for 2019 and 2020.

*In Thousands*

	2018 Actual	2019 Budget	Projections			
			2019		2020	
			County	Consultant	County	Consultant
Medical costs	\$ 175,460	\$ 194,519	\$ 184,227	\$ 182,314	\$ 193,432	\$ 192,351
HMO	8,205	8,581	8,151	8,151	8,904	8,905
Dental and Vision	3,303	3,923	3,422	3,422	3,423	3,423
Part B Medicare	5,734	5,702	5,929	5,934	6,372	6,365
Gross Healthcare Costs	192,702	212,725	201,729	199,821	212,131	211,044
Subsidies, Rebates and Contributions	(25,639)	(29,002)	(31,248)	(30,934)	(31,807)	(31,834)
Other	(278)	(270)	(277)	(238)	(277)	(241)
Net Healthcare Costs	166,785	183,453	170,204	168,649	180,047	178,969
Change in / Use of Net Position	(3,339)	(8,000)	-	-	-	-
Less: Chargebacks	(22,489)	(24,631)	(23,777)	(23,777)	(24,936)	(24,936)
Total Health Benefits	<u>\$ 140,957</u>	<u>\$ 150,822</u>	<u>\$ 146,427</u>	<u>\$ 144,872</u>	<u>\$ 155,111</u>	<u>\$ 154,033</u>

### *Health Benefits Overview*

The County has established an Internal Service Fund (“Fund”) to account for self-insured health benefits. Health benefits consist of medical, dental and vision benefits. The medical benefits include payments to providers, HMO premiums, prescription drugs, Medicare reimbursements and administrative fees. The Fund, at December 31, 2018, reflected net position of approximately \$9.7 million. The total net healthcare costs appropriation contained in the proposed 2020 operating budget is \$180 million, which is accounted for in the miscellaneous budget.

An analysis of the more significant components of the Health Benefits budget along with our findings is set forth below. Our 2019 analysis projects total Health Benefits expenditures for all funds is \$169.5 million which is \$700,000 less than the County’s projection for 2019 of \$170.2 million.

For 2020, the County's Proposed Budget is \$180.05 million and anticipates no appropriation of the Fund's net position. Based on our analysis, we are projecting \$178.96 million in costs, an amount which is \$1.09 million favorable variance as compared to the 2020 Proposed Budget.

### *Medical*

The largest component of health benefit costs are payments to health providers which includes major medical, hospital, outpatient services and prescription drugs. These payments have historically represented approximately 90% of all expenditures in the health benefits category. Based on actual year to date expenditures through October 2019, our projection for medical cost payments to health providers is \$182.3 million, an amount that is \$1.9 million less than the County's projection of \$184.2 million and is approximately \$12.2 million less than the 2019 Adopted Budget of \$194.5 million. Since the County is self-insured with no stop loss coverage, the entire risk of any claim falls on the County.

The County's growth rate of approximately 6% for medical costs for 2020 is higher than the average growth rate over the last ten years of 5%. Costs have varied widely the past few years, with the County experiencing increases ranging from (3)% to 11% and are therefore difficult to predict. Using our 2019 projections and the County's historical trends we are projecting 2020 costs to approximate \$192.3 million, which is \$1.1 million less than the County's 2020 Proposed Budget amount of \$193.4 million.

### *Dental and Vision*

The 2020 Proposed Budget contains an estimate for dental and vision claims of \$3.4 million, an amount that is equal to the County's 2019 Adopted Budget and 2019 projection. Based upon the latest available data, our projection for dental and vision claims approximates the County's 2019 projection.

Based on our analysis we recommend no change to the dental benefits Proposed Budget for 2020.

### *Part B Medicare*

The Proposed Budget for 2020 includes an estimate of Part B Medicare expenditures of \$6.3 million, which is greater than our estimate for 2019 of \$5.9 million. Such costs represent reimbursements made by the County to retirees for their Part B Medicare costs. The County reimburses the retirees for such costs in order to induce them to enroll in the program which, on an overall basis, reduces the County's physician and outpatient costs. Based on our analysis we believe that the 2020 Proposed Budget for Part B Medicare reimbursements is reasonable and we propose no changes.

### *Subsidies, Rebates and Contributions*

Direct payments made by participants, retirees and drug rebates totaled \$25.6 million in 2018. Our projection for 2019 is \$30.9 million based on current year figures, which is greater than the 2019 Adopted Budget of \$29 million in the amount of \$1.9 million. This positive variance is directly related to an increase in pharmacy subsidies and rebates related to the County's prescription drug costs. Another notable change in 2019 is the increase in employee health insurance contributions, which is the result of the new CSEA contract effective January 1, 2019 whereby all CSEA employees are required to contribute to health care.

The 2020 Proposed Budget includes \$31.8 million in subsidies, rebates and contributions, of which \$15 million represents subsidies and rebates with the remaining \$16.8 million related to employee contributions.

Our projection for 2020 approximates the 2020 Proposed Budget of \$31.8 million.

### *Health Benefits Fund - Net Position*

The financial statements of the Health Benefits Fund reflect net position of \$9.7 million at December 31, 2018. Based on the County's 2019 projections, the County is not planning to utilize any of the Fund's net position to satisfy the 2019 health claims. In addition, the 2020 Proposed Budget eliminates the utilization of the Fund's net position to satisfy the 2020 health claims.

## *Health Benefits Summary*

We project a gross savings to the 2019 operating budget in the amount of \$13.9 million. However, due to the fact that the County will not be utilizing the planned \$8 million in internal service fund net position, the net savings to the operating budget will be reduced to \$5.9 million.

Our total net healthcare projected expenditures utilizing the County's estimated growth rate of 6.0% for 2020 over 2019 projected amounts is less than the County's Proposed Budget of \$180 million by \$1.1 million. Because the County is self-insured for health benefits, the actual costs could deviate from this amount.

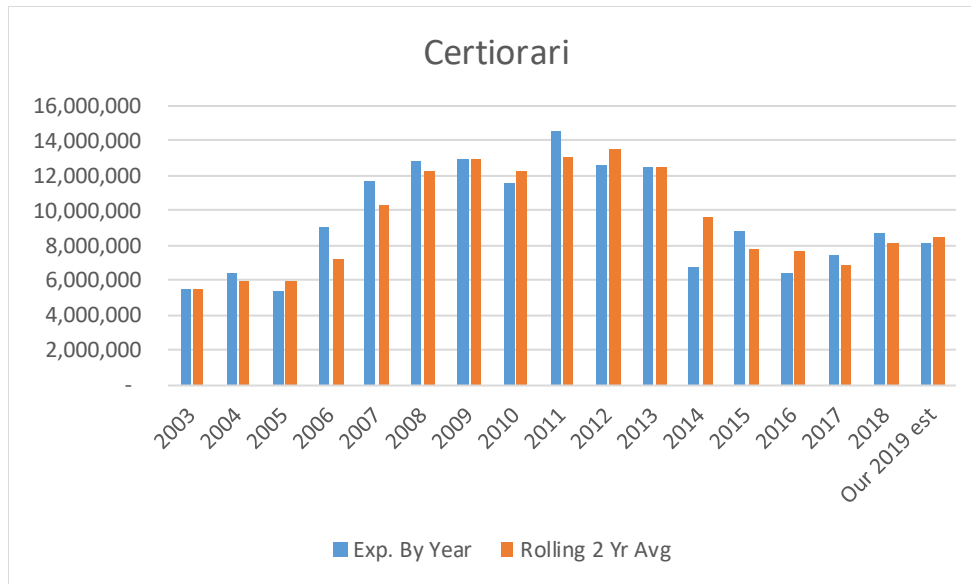
## **Certiorari Proceedings**

The request for assessment reductions through certiorari proceedings has become a common element of government operations as property owners continue to seek relief in cases of property assessments of their homes and businesses.

Refunds to property owners totaled \$8.78 million for 2018. As of October 2019, the County has paid approximately \$5.53 million and expects payments to reach \$8.50 million for the year, an amount equal to the 2019 Adopted Budget. Utilizing an annualized monthly average of 2018 and 2019 actuals, we project the 2019 projected refunds will approximate \$8.17 million which is a \$330,000 favorable variance compared to the County's 2019 projection and to the 2019 Adopted Budget.

The 2020 Proposed Budget anticipates \$9 million for tax certiorari payments, which is \$500,000 more than the 2019 Adopted Budget. A three-year average of Tax Certiorari payments indicates that approximately \$8.17 million is expended annually. Given the uncertainty of the number and size of future proceedings, we will concur with the 2019 Adopted Budget. If the tax certiorari is higher than expected in 2020, the County has the ability to bond with long term serial bonds.

As follows is a chart indicating actual expenditures and our 2019 projection:



### Casualty Reserve Fund (6-N)

Pursuant to Section 6-N of General Municipal Law, the County has established a self-insurance fund to account for the activities of its general liability program. The County, as in prior years, has engaged the services of an actuary to compute the liability and required contribution to the Fund. Commencing July 1, 2018 the County entered into a new Liberty Lines Bee-Line 5-year contract. Included in an overall \$20 Million Savings was the elimination of Liberty Lines as the primary insured and related liability insurance costs. As a result of this new insurance structure, The County is the primary insured and responsible for liability insurance deductible expenses to be paid from the County’s 6N fund.

As of September 30, 2019 the actuary has estimated, a liability for incurred claims and incurred but not reported claims of \$28.94 million for which the County has previously funded the 6-N Fund with \$40.12 million. Consequently, the 6-N Fund is estimated to be overfunded by \$11.18 million at September 30, 2019. Based upon the trend of general liability losses, the actuary is not recommending a contribution to this fund in 2020. The actuary has estimated general liability losses for 2018 calendar year to approximate \$7.93 million. We projected the 2019 loss trend using information from the actuarial report through September 30, 2019 and absent any catastrophic loss between September 30, 2019 and December 31, 2020, it appears as though the

6-N Fund will remain overfunded as of December 31, 2020. Consequently, we do not recommend that the 2020 budget include any funding for the 6-N Casualty Reserve Fund.

### **Workers' Compensation Reserve Fund (6-J) Internal Service Fund**

Pursuant to Section 6-J of General Municipal Law, the County has established a self-insurance fund to account for the activities of its workers' compensation program. As in prior years, the County has engaged the services of an actuary to compute the liability and required contribution to the Fund. The actuary has estimated that the liability for workers' compensation claims at September 30, 2019, approximates \$51.75 million which exceeds the value of the investments available for the payment of such claims, causing a deficit status of \$42.24 million within the fund.

Due to the fact that the deficit is less than the amount of the long-term liability, an advance to the Workers' Compensation Reserve Fund from the General Fund is not required to be recorded. However, if this is not funded appropriately, an advance may need to be recorded in the future.

The latest County projection is \$12.13 million in overall claims inclusive of miscellaneous budget, various operational departmental and special district budgets. It appears that the budgeted contributions to the 6-J fund may end 2019 with a positive variance of approximately \$0.77 million (\$12.90 million - \$12.13 million), the need for an additional contribution will be determined based upon the cash resources available to meet the current liability at year end.

The 2020 Proposed Budget includes \$12.38 million for workers' compensation claims. The budget provision is included within the miscellaneous budget for \$11.41 million with an additional \$970,000 that has been included within various operational departmental and special district budgets.

The total actuary recommended contribution for 2019 is \$9.60 million which assumes a 3% present value factor. In light of the continued fund balance deficit and the recent trend of actual claims paid, the County raised this suggested funding amount by \$2.80 million. Based on our review of the recent claims paid and the historical trend, this amount appears reasonable and therefore we concur with the budget estimate of \$12.40 million.

The following table presents contributions into the Internal Service Fund and Claims Paid:

	Actuarial			Actual	
	2020 Proposed Budget	2019 County Budget	2019 County Projected	2018	2017
<b>Contributions:</b>					
Expense					
Current Claims	\$ 9,600,000	\$ 9,003,000	\$ 12,128,122	\$ 11,886,423	\$ 11,881,111
Accrued Liability Adjustment	-	-	-	5,980,000	2,212,000
Deficit Funding	2,781,340	3,897,122	-	-	-
	<b>12,381,340</b>	<b>12,900,122</b>	<b>12,128,122</b>	<b>17,866,423</b>	<b>14,093,111</b>
County Contribution	<b>12,381,340</b>	<b>12,900,122</b>	<b>12,128,122</b>	<b>12,340,007</b>	<b>12,130,042</b>
County Over/(Under)	\$ -	\$ -	\$ -	\$ (5,526,416)	\$ (1,963,069)
<b>Sources of County Contributions:</b>					
Operating Budgets:					
Miscellaneous	\$ 11,408,000	\$ 11,986,000	\$ 11,214,000	\$ 11,500,000	\$ 11,300,000
Information Technology - E911	12,629	7,472	7,472	7,472	7,472
Information Technology - Wireless Cellphone	154,254	110,447	110,447	108,156	108,156
Solid Waste Commission	32,686	24,299	24,299	24,379	22,460
Airport	-	-	-	-	6,507
	<b>11,607,569</b>	<b>12,128,218</b>	<b>11,356,218</b>	<b>11,640,007</b>	<b>11,444,595</b>
Special District Budgets:					
Environmental Facilities	695,000	694,053	694,053	630,274	619,776
County Water District No 1	10,000	9,881	9,881	11,000	8,209
County Water District No 3	9,000	8,199	8,199	6,603	6,156
Refuse Disposal District Admin	59,771	59,771	59,771	52,123	51,306
	<b>773,771</b>	<b>771,904</b>	<b>771,904</b>	<b>700,000</b>	<b>685,447</b>
	<b>\$ 12,381,340</b>	<b>\$ 12,900,122</b>	<b>\$ 12,128,122</b>	<b>\$ 12,340,007</b>	<b>\$ 12,130,042</b>

### Legal Aid Society of Westchester and Indigent Legal Services

The County is required by State Law to provide legal representation for those charged with a crime who cannot afford to retain counsel. The County has historically fulfilled its legal obligation through its administrative contract with the Legal Aid Society of Westchester (“Society”), a not-for-profit organization.

In 2019 the County’s Adopted Budget is \$13.71 million for the contracted services provided by the Society. The current monthly payments, our analysis for 2019 expenditures, and the County’s 2019 projection all approximate the amount in the 2019 Adopted Budget.

For 2020 the County Proposed Budget is \$14.22 million, an increase of \$510,000 from the 2019 Adopted Budget. The increase from 2019 of approximately 3.75% is due to two new staff positions

and a 3% increase in existing employee salaries. We project expenditures will approximate \$14.22 million and therefore concur.

#### *Indigent Defendants – Felony*

For 2019 the County is being charged an hourly rate of \$75 for all felonies, appeals, paroles, and family court cases. In 2019 the County implemented a new claiming procedure and time limitation for indigent defendant claims, which is expected to reduce costs. The 2019 Adopted Budget is \$4.58 million for indigent defendant felony cases. Actual expenditures through October 2019 approximated \$4.20 million. Based on historical trends of 77% of total expenditures realized by October 31<sup>st</sup>, we are projecting 2019 expenditures to approximate \$5.45 million, resulting in an unfavorable variance of \$870,000 with the 2019 Adopted Budget and an unfavorable variance of \$330,000 compared to the County's projection of \$5.12 million.

For the 2020 year the County is continuing to be charged an hourly rate of \$75 for all felonies, appeals, paroles, and family court cases. The 2020 Proposed Budget is \$5.12 million for indigent felony cases, a \$540,000 increase from the 2019 Adopted Budget. Based on our 2019 projection and factoring in a historical growth rate of 1.50%, we are projecting 2020 expenditures to be \$5.53 million, resulting in an unfavorable variance of \$410,000 with the 2020 Proposed Budget.

#### *Indigent Defendants - Misdemeanor*

For the 2019 year the County is being charged an hourly rate of \$60 for all misdemeanor and violations. The 2019 Adopted Budget is \$6.11 million for indigent defendant misdemeanor cases. Actual expenditures through October 2019 approximated \$4.63 million. Based on historical trends of 66% of total expenditures realized by October 31<sup>st</sup>, we are projecting 2019 expenditures to be \$6.98 million. This results in an \$870,000 unfavorable variance when compared to the 2019 Adopted Budget.

For the 2020 year the County is continuing to be charged an hourly rate of \$60 for all misdemeanor and violations. The 2020 Proposed Budget is \$6.98 million for indigent misdemeanor cases, an \$870,000 increase from the 2019 Adopted Budget. Based on our 2019 projection and factoring in



a historical growth rate of 2.70%, we are projecting 2020 expenditures to be \$7.17 million, resulting in an unfavorable variance of \$190,000 with the 2020 Proposed Budget.

### Resident Tuition-Other Colleges

The County is charged a fee for each Westchester County resident student attending a community college outside of the County. Each community college (“provider”) calculates this charge for each semester and invoices Westchester County. The rate set by the State is based on the comparison of the provider’s tuition rate with the rates of Westchester Community College.

The 2019 Adopted Budget is \$7.35 million. We project expenditures in 2019 to approximate \$8.67 million, an amount \$260,000 greater than the County’s projection and a \$1.32 million unfavorable variance as compared to the 2019 Adopted Budget. We estimated the remainder of the year’s expenditures based on historical enrollment and the current approved chargeback rate. The following chart includes year to date payments and our projection:

Community College	County Year to Date 2019	Consultant Projected 2019	Percent
Fashion Institute of Technology	\$ 3,938,000	\$ 3,988,000	45.96%
Bronx Community College	1,375,000	1,375,000	15.85%
Rockland Community College	427,000	427,000	4.92%
Hostos Community College	281,000	416,000	4.79%
Dutchess Community College	273,000	273,000	3.15%
Other	1,607,000	2,198,000	25.33%
<b>Total</b>	<b>\$ 7,901,000</b>	<b>\$ 8,677,000</b>	<b>100.00%</b>

The 2020 Proposed Budget and 2019 Adopted Budget is \$8.41 million. We estimate 2020 expenditures to approximate \$8.95 million. By taking our 2019 projection and utilizing the average rate increase over the past 3 years for all colleges except FIT as the growth rate, 7.30%. FIT we calculated separately, using the average rate increase over the past 3 years for just FIT, 5.01%. This is a \$540,000 unfavorable variance compared to the 2020 Proposed Budget.

## Department of Social Services

The Department of Social Services (“DSS”) provides an array of services to Westchester residents. New York State mandates the majority of these services, the County’s sole control over many of these programs is to continue to screen eligibility and to encourage participants to utilize the most cost effective of the services offered. These services are under three broad categories: Medical Assistance; Public Assistance and Children’s Services. Services provided are child support, food, housing, medical services, home energy costs and providing protective and preventive services for vulnerable children and adults.

The following schedule summarizes total DSS appropriations and revenue in the 2020 Proposed Budget:

Type	2018 Actual		2019 Adopted Budget		2019 County Projection		2020 Proposed Budget	
Salaries & Administration	\$ 138,064	21.62 %	\$ 136,603	22.22 %	\$ 138,521	21.98 %	\$ 143,926	21.99 %
EAF								
Non-Homeless	6,312	0.99	6,300	1.02	8,209	1.30	13,040	1.99
Foster Care	9,914	1.55	9,804	1.59	11,071	1.76	11,245	1.72
EAA	1,242	0.19	1,307	0.21	1,269	0.20	1,290	0.20
Medical Assistance:								
Old Age Assistance	3,220	0.50	4,022	0.65	3,365	0.53	4,132	0.63
Family Assistance	111	0.02	-	-	-	-	-	-
Medicaid Regular	208,574	32.66	211,108	34.34	207,129	32.87	207,997	31.78
Medicaid (MMIS) - IGT	111,532	17.47	60,000	9.76	80,000	12.70	80,000	12.22
Family Assistance	26,465	4.14	32,110	5.22	28,970	4.60 (1)	30,198	4.61
Safety Net	48,092	7.53	50,285	8.18	49,560	7.87 (1)	52,830	8.07
Child Welfare:								
Foster Care	26,974	4.22	29,537	4.80	27,557	4.37	28,308	4.32
AO Services	3,099	0.49	17,916	2.91	17,916	2.84	19,605	2.99
Independent Living	1,049	0.15	888	0.14	1,347	0.21	1,543	0.24
Adoption Subsidies	9,594	1.50	9,600	1.56	9,741	1.55	9,744	1.49
Social Svcs - Special Items	256	0.04	204	0.03	339	0.05	275	0.04
Indirect Social Service	13,364	2.09	42,295	6.88	14,571	2.31 (1)	15,642	2.39
Childcare Subsidies	30,681	4.84	2,875	0.49	30,546	4.86 (1)	34,818	5.32
<b>Total Expenditures</b>	<b>\$ 638,543</b>	<b>100.00 %</b>	<b>\$ 614,854</b>	<b>100.00 %</b>	<b>\$ 630,111</b>	<b>100.00 %</b>	<b>\$ 654,593</b>	<b>100.00 %</b>
Local Share	\$ 391,041	61.24 %	\$ 335,479	54.56 %	\$ 356,538	56.58 %	\$ 364,023	55.61 %
Departmental Income	4,103	0.64	4,600	0.75	4,600	0.73	4,600	0.70
Miscellaneous Revenue	284	0.04	-	-	-	-	-	-
State Aid	88,535	13.87	114,133	18.56	112,152	17.80	116,302	17.77
Federal Aid	154,580	24.21	160,642	26.13	156,821	24.89	169,668	25.92
<b>Total Revenue</b>	<b>\$ 638,543</b>	<b>100.00 %</b>	<b>\$ 614,854</b>	<b>100.00 %</b>	<b>\$ 630,111</b>	<b>100.00 %</b>	<b>\$ 654,593</b>	<b>100.00 %</b>

(1) Total Childcare Subsidy expenses have been re-classified from Indirect Social Service to Childcare Subsidies

The 2020 Proposed Budget totals approximately \$654.59 million, which represents an increase of approximately 6.46% or \$39.74 million more from the 2019 Adopted Budget of \$614.85 million. The 2020 Proposed Budget is \$24.48 million or 3.89% more than the Department’s 2019 projected expenditures of \$630.11 million. Regarding, revenue each service category has a distinct

reimbursement rate based upon rules and regulations promulgated by both the Federal and State governments. The State aid and Federal aid comprises 38.08% of DSS revenue in 2018, 2019 and expectation of 44.69% and 43.69% in 2019 and 2020, respectively. The main reason for the increase in reimbursement for State Aid and Federal Aid from 2018 to 2019 is due to the Raise the Age program. The local share is comprised of mainly property tax and sales tax revenues of 61.24% in 2018, 54.56% and 55.61% in 2019 and 2020, respectively.

As follows is a summary of the potential variances between the Proposed Budget and our projection along with the overall effect on County Taxation which is based on our analysis as follows:

Category	2020 Potential Budget Impacts		
	Expenditure Favorable (Unfavorable)	Revenue Favorable (Unfavorable)	Net County Increase (Decrease) in Taxation
MMIS	\$ (850,000)	\$ -	\$ 850,000
Safety Net Non-Homeless	520,000	(150,000)	(370,000)
Family Assistance Non-Homeless	560,000	(550,000)	(10,000)
Family Assistance Homeless	90,000	(90,000)	-
Child Welfare	370,000	(340,000)	(30,000)
Emergency Assistance to Families	(400,000)	360,000	40,000
Title XX Child Care	190,000	-	(190,000)
Temporary Assistance Daycare	90,000	(70,000)	(20,000)
<b>Total</b>	<b>\$ 570,000</b>	<b>\$ (840,000)</b>	<b>\$ 270,000</b>
Category	2019 Findings		
	Expenditure Favorable (Unfavorable)	Revenue Favorable (Unfavorable)	Net County Increase (Decrease) in Taxation
Administration	\$ -	\$ 1,190,000	\$ (1,190,000)
	-	1,940,000	(1,940,000)
MMIS	3,240,000	-	(3,240,000)
Safety Net Non-Homeless	2,410,000	(700,000)	(1,710,000)
Safety Net Homeless	(1,240,000)	360,000	880,000
Family Assistance Non-Homeless	4,510,000	(4,460,000)	(50,000)
Family Assistance Homeless	190,000	(190,000)	-
Child Welfare	1,650,000	(1,270,000)	(380,000)
Emergency Assistance to Families	(3,620,000)	3,270,000	350,000
Title XX Child Care	880,000	-	(880,000)
Temporary Assistance Daycare	90,000	(70,000)	(20,000)
Daycare Low Income	2,070,000	(2,070,000)	-
<b>Total (with low range for DSS)</b>	<b>\$ 10,180,000</b>	<b>\$ (3,940,000)</b>	<b>\$ (6,240,000)</b>
<b>Total (with high range for DSS)</b>	<b>\$ 10,180,000</b>	<b>\$ (3,190,000)</b>	<b>\$ (6,990,000)</b>

## Administration

The Department of Social Services provides the administrative support for the Medicaid, Family Assistance, Safety Net, Day Care and many other programs. There are approximately 1,039 County employees in the department, their associated fringe benefits, supplies and contractual expenses are eligible for reimbursement by the State and Federal government. Each expense is reimbursed at the rate that is applicable to the program that is being administered, for example: Family Assistance 100%, Medicaid Administration 100% (now capped at 2014 levels) and Safety Net 29%. The State caps out fringe benefit reimbursement at 60%.

The 2019 Adopted Budget for Administrative expenditures inclusive of fringe benefits was \$162.63 million. The County's 2019 projection of \$163.95 million is comprised of \$76.28 million for personnel costs, supplies for \$660,000, and contractual expenditures for \$3.17 million (net of the Education and Transportation program), \$41.89 million for interdepartmental charges and approximately \$41.95 million for fringe benefits. We project 2019 expenditures to be approximately \$164.62 million, which is \$1.99 million unfavorable variance compared to the 2019 Adopted Budget. This unfavorable variance is mentioned in the Personal Services section of the report. In 2020, the County adopted \$99.96 million in reimbursement. We project reimbursement of \$98.77, for an approximately \$1.19 million favorable variance.

The 2020 Proposed Budget for Administrative expenditures is approximately \$170.68 million inclusive of fringe benefits. This amount is comprised of \$79.28 million for personnel costs, supplies for \$720,000, and contractual expenditures for \$3.78 million (net of the Education and Transportation program), \$43.30 million for interdepartmental charges and approximately \$43.60 million for fringe benefits. We concur with the 2020 Proposed Budget.

### *Medical Assistance - MMIS*

Medical assistance is composed of two categories: Medicaid Management Information System ("MMIS") and Medical Assistance. MMIS is a mechanized claims processing and information retrieval system for Medicaid that is required by the Federal government for all states. MMIS supports Medicaid business functions and maintains information such as enrollment, client eligibility including third party liability, benefit package maintenance, managed care enrollment,

claims processing, and prior authorization. The costs (weekly shares) are billed through New York State's Medicaid Management Information System. MMIS is a mandated program that is 100% funded with County taxation.

Based on MMIS expenditures the department projects 2019 weekly share expenditures to be \$207.13 million, which is \$3.98 million less than the 2019 Adopted Budget of \$211.11 million. Management informed us that New York State has not provided an updated reconciliation of the weekly shares amount for the 2019/20 fiscal year. We are projecting MMIS expenditures to be \$207.87 million by utilizing the current weekly shares amount of \$3,997,547 that yields approximately \$740,000 greater than the County's projection, a \$3.24 million favorable variance when compared to the 2019 Adopted Budget.

The 2020 Proposed Budget is based on 53 weekly share payments. The State has not reconciled MMIS in over 2 years, therefore, we utilized the 2018/19 weekly shares amount. Based on our calculation we are anticipating MMIS expenditures to approximate \$208.85 million, a \$850,000 unfavorable variance compared to the 2020 Proposed Budget of \$208 million. Upon the completion of the State's reconciliation of the open years the County may see an adjustment to the Federal Medical Assistance Payments credit which would then effect the future weekly shares payments. However, due to the uncertainty regarding the weekly shares and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

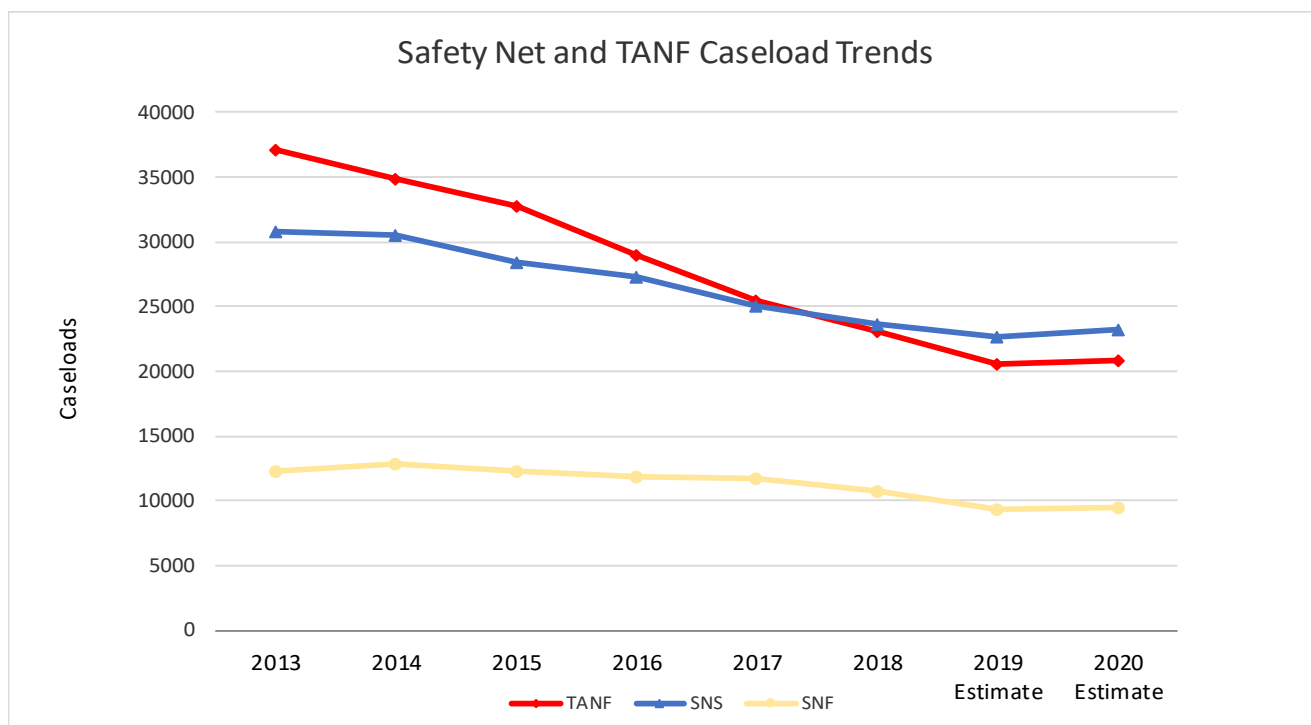
#### *Medicaid - Disproportionate ("IGT Payments")*

In accordance with State Law (Section 6 of Part B of Chapter 1 of the Laws of 2002 as amended by Section 12 of Part B of Chapter 58 of the Laws of 2009) the Department of Health is authorized to make additional disproportionate share ("DSH") medical assistance payments to public general hospitals such as the Westchester County Health Care Corporation ("WCHCC") operated by the counties. These additional payments are made initially upon each eligible hospital's remaining medical assistance and uninsured inpatient and outpatient losses after all other medical assistance payments, inclusive of DSH payments. The County is required to reimburse 50% of these payments and therefore this amount is added to the County's local share EFT transfer requirement for MMIS. These IGT payments are exempt from the County's Medicaid local share cap statute and are in addition to the County's normal capped weekly share transfer amount.

The 2020 Proposed Budget includes IGT payments of \$80 million within the Department of Social Services and revenue of \$80 million within the miscellaneous revenue budget.

### Safety Net

Safety Net is a New York State mandated program to provide services to single adults as well as continuing services to family assistance recipients (“TANF”) who have reached the end of their eligibility for that program (the Federal time limit of five years) while still needing aid. New York State reimburses the County for 29% of the expenditures with the County providing 71%. Any reduction in expenditures would have a corresponding reduction in State aid and a reduction to local share. The following chart depicts the caseload trend for Safety Net and TANF:



The 2019 Adopted Budget contains \$50.28 million which is comprised of \$25.02 million for the services for the Homeless and \$25.26 million for the non-homeless. The department is projecting total estimated costs for both programs to be \$49.56 million which is comprised of \$26.18 million for the services for the Homeless and \$23.38 million for the non-homeless which is \$720,000 less than the 2019 Adopted Budget. The 2020 Proposed Budget includes funding of \$52.83 million which is comprised of \$ 29.52 million for the services for the Homeless and \$23.31 million for the

non-homeless for these programs are \$2.55 million more than the 2019 Adopted Budget. The programs are detailed below.

*Safety Net - Non-Homeless*

The 2019 Adopted Budget is \$25.26 million. The department projects the Non-Homeless 2019 expenditures to be \$23.38 million which is comprised of \$15.61 million for singles (19,860 cases) and \$7.77 million for families (7,848 cases). This is \$1.88 million less than the 2019 Adopted Budget. Based on current year data and historical trends we project 2019 Non-Homeless expenditures to approximate \$22.85 million which is comprised of \$15.17 million for singles (19,812 cases) and \$7.68 million for families (7,806 cases). This is a \$2.41 million favorable variance compared to the 2019 Adopted Budget.

The 2020 Proposed Budget is \$23.31 million which is comprised of \$15.79 million for singles (20,316 cases) and \$7.52 million for families (7,680 cases). We project 2020 expenditures to be \$22.79 million which is comprised of \$15.36 million for singles (19,768 cases) and \$7.43 million for families (7,588 cases). This is a \$520,000 favorable variance compared to the 2020 Proposed Budget. However given the uncertainty regarding the caseloads and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

	<u>Year</u>	<u>Caseload</u>	<u>Non-Homeless Cost per Case</u>
County Proposed	2020	27,996	\$ 833
County Projection	2019	27,708	844
Actual	2018	30,156	793
Actual	2017	32,688	768
Actual	2016	35,388	821
Actual	2015	37,032	824
Actual	2014	38,448	837

*Safety Net - Homeless*

The 2019 Adopted Budget is \$25.02 million. The department projects the Homeless 2019 expenditures to be \$26.19 million which is comprised of \$18.89 million for singles (2,844 cases) and \$7.30 million for families (1,524 cases). This is \$1.17 million more than the 2019 Adopted Budget. Based on current year data and historical trends we project 2019 Homeless expenditures to be \$26.26 million which is comprised of \$19.01 million for singles (2,843 cases) and \$7.25 million for families (1,503 cases). This is a \$1.24 million unfavorable variance compared to the 2019 Adopted Budget.

The 2020 Proposed Budget is \$29.52 million which is comprised of \$20.96 million for singles (2,916 cases) and \$8.56 million for families (1,764 cases). However given the uncertainty regarding the caseloads and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

		Homeless	
	Year	Caseload	Cost per Case
County Proposed	2020	4,680	\$ 6,308
County Projection	2019	4,368	5,994
Actual	2018	4,248	5,693
Actual	2017	4,212	5,267
Actual	2016	3,864	5,675
Actual	2015	3,624	5,946
Actual	2014	4,884	4,775

*Family Assistance (“TANF”)*

Family Assistance (“FA”) provides financial assistance to eligible families with children deprived of parental support due to health, illness or other reasons. FA is divided into two types; Non-Homeless and Homeless. The Federal government provides approximately 99% reimbursement. Any reduction in expenditures would have a corresponding reduction in Federal aid.

The 2019 Adopted Budget is \$32.11 million which is comprised of \$16.11 million for the Homeless and \$16 million for the non-homeless. The department is projecting total estimated costs for both



programs to be \$28.97 million which is comprised of \$16.06 million for the Homeless and \$12.91 million for the non-homeless. This is \$3.14 million less than the 2019 Adopted Budget. The 2020 Proposed Budget includes funding of \$30.20 million which is comprised of \$17.32 million for the Homeless and \$12.88 million for the non-homeless. This is \$2.55 million less than the 2019 Adopted Budget. The Programs are detailed below.

*Family Assistance - Non-Homeless*

The 2019 Adopted Budget for the non-homeless program is \$16 million. During 2019 the caseloads decreased from 19,020 in 2018 to approximately 17,628 in 2019. Based upon these caseloads the County projects 2019 expenditures to be \$12.91 million, which is \$3.09 million less than the 2019 Adopted Budget. We project caseloads to approximate 17,575 yielding an estimated annual cost of \$11.49 million. Since, we weren't provided enough information on how the County came up with the cost per case of \$732 for 2019. We will use a cost per case of \$653 which is based on a historical trend of approximately 2.3% from 2017 cost per case of \$624 and 2018 cost per case of \$639. This is a favorable variance of \$4.51 million compared to the 2019 Adopted Budget.

The 2020 Proposed Budget is \$12.88 million or \$3.12 million less than the 2019 Adopted Budget. From our analysis we project caseloads to up to approximate at 17,430 resulting an annual cost of \$12.32 million. This is a favorable variance of \$560,000 compared to the 2020 Proposed Budget. However given the uncertainty regarding the caseloads and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

	Year	Non-Homeless	
		Monthly Caseload	Cost per Case
County Proposed	2020	17,730	\$ 727
County Projection	2019	17,628	732
Actual	2018	19,020	639
Actual	2017	22,560	624
Actual	2016	25,692	776
Actual	2015	29,520	780
Actual	2014	31,236	792

*Family Assistance – Homeless*

The 2019 Adopted Budget is \$16.11 million for the Homeless program. This budget primarily covers the cost of providing shelters. During 2019 the caseloads decreased from 3,205 in 2018 to approximately 2,991 in 2019. Based upon these caseloads the County projects 2019 expenditures to be \$16.06 million which is \$50,000 less than the 2019 Adopted Budget. Our projection is based on a caseload of 2,973 yielding an estimated annual cost of \$15.92 million which is a favorable variance of \$190,000 compared to the 2019 Adopted Budget.

The 2020 Proposed Budget contains \$17.32 million or \$1.21 million more than the 2019 Adopted Budget. The increase is due to the costs associated with the homeless shelters. Our projection takes into account a decline in caseloads and the increase in shelter costs yields \$17.23 million, which is a favorable variance of \$90,000 when compared to the 2020 Proposed Budget. However given the uncertainty regarding the caseloads and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

	Year	Homeless	
		Monthly Caseload	Cost per Case
County Proposed	2020	3,168	5,476
County Projection	2019	2,991	5,370
Actual	2018	3,205	4,288
Actual	2017	2,892	4,438
Actual	2016	3,252	4,333
Actual	2015	3,312	4,600
Actual	2014	3,612	4,082

*Child Welfare*

This is a broad category that encompasses Foster Care, Adoption Subsidies, and Independent Living Services. Reimbursements for these services range from 26% to 56% Federal aid and 27% to 50% State aid with the difference covered by local aid. The reimbursements for the Foster Care Block Grant portion of this program is capped at \$18.06 million for 2019 and \$16.64 million for 2020.

The County's 2019 Adopted Budget is \$40.03 million for these services. The County is projecting \$38.65 million for a savings of \$1.38 million compared to the 2019 Adopted Budget. We are projecting \$38.38 million for a favorable variance of \$1.65 million compared to the 2019 Adopted Budget.

The 2020 Proposed Budget contains \$39.60 million, which is \$430,000 less than the 2019 Adopted Budget. Assuming the caseloads remain consistent with the current year, we are projecting these costs to be approximately \$39.23 million which is favorable variance of \$370,000 compared to the 2020 Proposed Budget. However given the uncertainty regarding the caseloads and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

### *Raise the Age Program*

Raise the Age ("RTA") is a program that was established by New York State that says All 16- and 17-year-olds who commit non-violent crimes will receive the intervention and evidence-based treatment they need. Rather than adult jails and prisons, young people will be placed in specialized juvenile detention facilities certified by the State Office of Children and Family Services, in conjunction with the State Commission of Correction of criminal responsibility to 18 years of age. The Raise the Age legislation took effect for 16 year-olds on October 1, 2018 17 year-olds on October 1, 2019. New York State was previously one of only two states that automatically prosecuted 16 - and 17-year-olds as adults.

The County's 2019 Adopted Budget includes \$17.92 million for the Raise the Age Program within the child welfare program. As of September, 2019 the County currently has expended \$11.83 million. The administration has indicated that the County has extended into contract with 3 facilities and expects to expend full amount of the budget.

The 2020 Proposed Budget contains \$19.61 million, which is \$1.69 million more than the 2019 Adopted Budget. Based upon the existing 3 contracts and the inclusion of 17 year olds for a full year we concur with the 2020 Proposed Budget.

## *Emergency Assistance to Families and Children*

Emergency Assistance to Families (“EAF”) provides non-homeless emergency assistance such as rent assistance, security deposits, daycare and other costs. The homeless component includes transportation and housing costs for those families that do not qualify under Family Assistance. The Child Care component provides for room and board, tuition and other costs for those children meeting the eligibility criteria defined by New York State. The EAF Homeless has a mandated transportation component as if every eligible child is to be provided transportation to the home school district. This area also includes the Juvenile Delinquent Persons in Need of Supervision Program (“JD PINS”). EAF Non-Homeless and EAF Homeless is funded 100% with Federal aid. EAF Foster Care and JD PINS is also funded 100% to the extent those costs are within the Flexible Funds for Family Services (“FFFS”).

The 2019 Adopted Budget for all categories is approximately \$16.10 million. The County’s 2019 projection is \$19.28 million, which is \$3.18 million greater than the 2019 Adopted Budget. We project that 2019 expenditures will be \$19.72 million, which is an unfavorable variance of \$3.62 million compared to the 2019 Adopted Budget. The main factor for this unfavorable variance is the emergency contract Westchester County entered into with All County Busing and White Plains Bus. The agreements with All County Busing has a not to exceed amount of \$3,910,200 and White Plains Bus has a not to exceed amount of \$437,500 for five months of October 2019 thru February 2020.

The 2020 Proposed Budget for all categories is \$24.28 million which is \$8.18 million more than the 2019 Adopted Budget. The increase is mainly related to the emergency transportation contract mentioned above. The department estimate is prior to the issuance of an RFP. Given that transportation is 100% Federally funded and any adjustment will impact the Revenue equally. We project expenditures to be \$24.68 million, an unfavorable variance of \$400,000 as compared to the 2020 Proposed Budget. However given the uncertainty of the new bus agreement and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

## Emergency Assistance to Adults

Emergency Assistance to Adults (“EAA”) provides aid to the aged, blind, or disabled individuals who need emergency assistance pending the receipt of their Social Security payments, and to those whose monthly benefits are already allotted. Examples of emergency expenses for those who are eligible are clothing, food, furniture, fuel, household equipment, utilities, and more.

The 2019 Adopted Budget includes \$1.31 million for these services. The County projects the 2019 expenditures for EAA to be \$1.27 million, which is \$40,000 less than the 2019 Adopted Budget. Based on our analysis and trends throughout the year we concur with the County’s 2019 Adopted Budget.

The 2020 Proposed Budget is approximately \$1.29 million. Based on our analysis of the 2019 expenditures we noticed a slight increase in security deposits and emergency eviction expenditures of approximately 1%. When we factor this increase to our 2019 projection it comes to a similar amount that is included in the 2020 Proposed Budget, therefore we concur.

## Indirect Social Service

Indirect Social Service includes the various contracts which the department maintains to provide the following services:

	County						
	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Adopted 2019	Projected 2019	Proposed 2020
Homemaker/House keeper Non-Medical	\$ 1,184,739	\$ 1,298,118	\$ 1,250,000	\$ 1,401,253	\$ 1,300,000	\$ 1,300,000	\$ 1,500,000
Housing	1,135,141	784,278	625,440	1,008,734	1,576,305	1,484,594	1,684,594
Preventative/Protective Services	8,619,003	8,463,595	9,611,185	8,346,418	9,209,366	8,743,422	8,944,937
Child Protective Services	485,220	460,690	485,608	419,989	461,535	464,800	574,690
Indirect Other	644,234	2,029,306	2,140,106	2,187,648	2,248,283	2,578,463	2,937,607
Day Care non Title XX Low Income	26,426,254	29,037,221	27,319,238	-	27,500,000	-	-
	<u>\$ 38,494,591</u>	<u>\$ 42,073,208</u>	<u>\$ 41,431,577</u>	<u>\$ 13,364,042</u>	<u>\$ 42,295,489</u>	<u>\$ 14,571,279</u>	<u>\$ 15,641,828</u>

The 2019 Adopted Budget contained \$42.30 million for these services and contracts. The County is currently projecting 2019 expenditures to be \$14.57 million, which is \$27.73 million less than the 2019 Adopted Budget. During 2019 the County combined all of the day care budgets in one

line called child care subsidies. \$27.50 million was transferred from indirect social services to this account. We concur with the 2019 Adopted Budget.

The 2020 Proposed Budget is \$15.64 million. The increase of \$107,000 consists of \$50,000 for education trainings funding and additional funds for eviction prevention services. We concur with the amount included in the 2020 Proposed Budget.

#### *Child Care Subsidies - Day Care – Low Income Child Care Subsidy*

The largest program included in the child care subsidies category is Low Income Day Care. If your total gross household income for the service unit size is under the 200 percent of Poverty Level, your household is a low-income household and financially eligible for low-income subsidy. This program also serves children not eligible for Title XX services. The mandatory parents' share of day care costs was reduced to 25% from 27%, which is based on a formula with regard to their earnings.

The County's 2019 Adopted Budget for Low Income Day Care is \$27.50 million. During the year the County projects the number of slots to decrease from 30,423 in 2018 to 30,260 in 2019. Based on this decrease the County projects expenditures to be approximately \$25.80 million. This is \$1.70 million less than the County's 2019 Adopted Budget. Our 2019 projection is based on 29,764 slots is \$25.43 million. This results in a favorable variance of \$2.07 million when compared to the 2019 Adopted Budget.

The County's 2020 Proposed Budget is \$29.20 million estimating 31,911 slots to be used in 2020. This is \$1.70 million more than the 2019 Adopted Budget. Our analysis which estimates 30,000 slots to be used and takes into account a new payment structure which eliminates hourly charges and replaces it with either a half day or full day payment and takes into account the parental contribution being reduced by 2% yields a projection of \$28.20 million, which is a favorable variance of \$1 million compared to the 2020 Proposed Budget. However, since this is a Child Care Block Grant (CCBG) and all expenses are 100% reimbursable from the Federal Government. We will concur with the 2020 Proposed Budget.

### *Title XX Child Care Subsidy*

The temporary assistance recipient does not contribute to the cost of the day care. This program is 100% funded by local share.

The 2019 Adopted Budget is \$2.88 million with average monthly day care slots of 3,120. The County's 2019 projected expenditure is \$2.09 million with monthly day care slots of 2,522. The decrease in slots results to a \$790,000 decrease compared to the 2019 Adopted Budget. We project 2019 expenditures to be \$2 million with monthly slots of 2,401. This is a favourable variance of \$880,000 compared to the 2019 Adopted Budget.

The County's 2020 Proposed Budget is \$2.73 million estimating 2,655 slots to be used in 2020. This is \$120,000 less than the 2019 Adopted Budget. Our projection takes into account the above program change and estimates 2,475 slots will be utilized and yields a result of \$2.54 million, which is a favorable variance of \$190,000 compared to the 2020 Proposed Budget. However given the uncertainty regarding the caseloads and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

### *Temporary Assistance Daycare*

The temporary assistance daycare is provided to individuals who qualify for TANF and Safety Net and there is no parent share.

The 2019 Adopted Budget includes \$2.76 million for TANF Day Care. During 2019 the caseloads decreased from 29,167 in 2018 to approximately 25,473 in 2019. Based upon these caseloads the County projects 2019 expenditures to approximate \$2.64 million which is \$120 less than the 2019 Adopted Budget. Our projection is based on a caseload of 25,436 yielding an estimated annual cost of \$2.67 million which is a favorable variance of \$90,000 compared to the 2019 Adopted Budget.

The 2020 Proposed Budget is \$2.89 million or \$130,000 more than the 2019 Adopted Budget. We project caseloads to stay consistent at 25,436 with an increase in cost per case arriving at an annual cost of \$2.80 million, which is a favorable variance of \$90,000 compared to the 2020 Proposed Budget. However given the uncertainty regarding the caseloads and the overall variance in all the programs we analyzed being minimal, we will concur with the 2020 Proposed Budget.

**FUND BALANCE AND TAX  
LEVY LIMITATION "CAP"**



## Fund Balance

A schedule of projected available amounts of fund balance in the General Fund and Special Districts follows. The purpose of the schedule is to help provide an understanding of projected availability and utilization.

### Projected Fund Balance as of December 6, 2019 General Fund and Special Districts

	Total Projection		
	PKFOD	County	
	General Fund	General Fund	Special Districts
<b>Beginning Balance 1/1/2019</b>	\$ 94,450,097	\$ 94,450,097	\$ 85,993,149
Projected budget surplus FY2019 (1)	12,045,000	14,885,000	-
2019 appropriated fund balance	-	-	(26,170,978)
<b>Projected Ending Balance 12/31/2019</b>	106,495,097	109,335,097	59,822,171
2020 proposed appropriated fund balance	-	-	(31,563,718)
<b>Projected Balance 12/31/2020</b>	<u>\$ 106,495,097</u>	<u>\$ 109,335,097</u>	<u>\$ 28,258,453</u>
	Unassigned		Assigned
	PKFOD	County	
	General Fund	General Fund	Special Districts
<b>Beginning Balance 1/1/2019</b>	\$ 17,921,922	\$ 17,921,922	\$ 85,143,149
Projected budget surplus FY2019 (1)	12,045,000	14,885,000	-
2019 appropriated fund balance	-	-	(26,170,978)
<b>Projected Ending Balance 12/31/2019</b>	29,966,922	32,806,922	58,972,171
2020 proposed appropriated fund balance	-	-	(31,563,718)
2020 proposed contribution	10,000,000	10,000,000	-
<b>Projected Balance 12/31/2020</b>	<u>\$ 39,966,922</u>	<u>\$ 42,806,922</u>	<u>\$ 27,408,453</u>

(1) Our Summary of Findings indicates a low and high range for our projection. The high range has been included for illustrative purposes.

As shown in the above analysis at December 31, 2018 there was approximately \$94.45 million available fund balance in various categories of General Fund balance (nonspendable, restricted, assigned and unassigned). The budget department using the 3<sup>rd</sup> quarter periodic report resulting in a General Fund positive budget variance of (\$14.885 million) for the 2019 year. This results in Unassigned fund balance in a range of \$29.9 (PKFOD) million to \$32.8 (Administration) million for future years.

The Special Districts are comprised of Sewer, Water and Refuse. The Sewer and Refuse Disposal districts are approximately 90% and 70%, respectively, reliant on property taxes to fund operations. The balance for the Refuse Disposal district is derived from departmental income primarily “tipping fees” charged to municipalities and carters under contract with municipalities to discard residential waste. The Water districts are the opposite relying upon departmental income to provide 87% of funds for operations.

In the aggregate, the “Districts” are utilizing approximately 67% of available fund balance (\$57.8 million) during the 2019 and 2020 years. The remaining balance in each of the district categories will be insufficient to avoid property tax increases in the Refuse districts and Sewer districts in years subsequent to FY 2021 and increases in departmental income – Water charges for the Water Districts will be required.

**Tax Levy Limitation “Cap”**

***This is not a tax levy modification recommendation but a quantification of what is the County’s tax levy limit availability.***

The County, like all municipalities, is subject to the New York State Tax Levy Limitation Law (“Tax Cap”). The Tax Cap limits the increase in the tax levy to the Tax Base Growth factor and the Levy Growth factor, both of which are provided by New York State. In addition, if the County doesn’t utilize the allowable increase under the law, then that unused (subject to limits) amount is carried forward to the next year’s levy. The following information is based upon the County’s 2020 Tax Cap calculation:

<b>2020 Proposed Tax Levy</b>	
General Fund	\$ 569,579,000
Departmental of Environmental Facilities (DEF)	<u>149,095,814</u>
	<u>\$ 718,674,814</u>
Prior Year Carryover	\$11.0 million
Available 2020 Property Tax Capacity	\$32.9 million
Property Tax Levy increase without breaking cap	4.4%

As an outcome of not increasing the tax levy over the last few years, the County has a carry forward of \$11 million. The 2020 Tax Cap calculation includes an increase tax base growth factor of 1.0086% and an allowable growth factor of 2.0%. When these increases are factored into the calculation, the County has a tax levy limit of \$751.6 million which exceeds the 2019 levy by \$31.9 million which is the equivalent of a 4.4% allowable tax levy increase and does not require a Board of Legislature vote to “break” the cap.

# CONCLUSION

## **Conclusion and Recommendation**

The County Administration has put forth a proposed spending plan for FY 2020 that is balanced, i.e., revenue resources equal expected expenditures without the use of any appropriated General Fund fund balance. The plan provides budget flexibility as well, a fiscal aspect that has been lacking in recent budgets.

Our analysis of selected proposed revenues and expenditures for current year operations results in an overall net availability of between \$1.18 and \$1.43 million in resources that may be applied to enhance municipal services, create a defined contingency account or increase the planned contribution to the General Fund fund balance in excess of the \$10 million proposed by the Administration. We believe that if the budget is executed as planned and presented, management will be able to contribute more to the "bottom line". In addition, our analysis of the current year 2019 budget, which is consistent with the Administration's projection, results in a projected budget surplus of approximately \$12 million.

The County's budget proposal restores the best practice of incorporating paying off the entire annual pension liabilities to the State of New York without taking advantage of the permitted \$6 million deferral, not borrowing for property tax refunds known as certiorari expenditures \$9 million, providing resources in the operating budget for capital acquisitions approximately \$3 million, and not relying on "one shot revenues" to balance General Fund operations, including not appropriating fund balance from the General Fund.

The proposed operating budget relies upon the property tax and net sales tax receipts, 27% and 26% of the total revenue budget respectively, as the foundation providing resources to fund municipal operations. Property taxes, although subject to a State Statute imposing a limitation "the 2% Cap", are 100% guaranteed by collecting municipalities within the County. Sales and use taxes are a good substitute for controlling property taxation increases, but growth in future years is dependent upon the stability of the local and regional economies. US policies affecting oil and gas prices also play a significant role, especially since the Administration estimates as much as 10% of sales tax collection is related to commodity pricing and the volatility in the marketplace.

That leaves control of expenditure growth as the main tool available to management. A significant amount of the County's cost of operations is determined by state mandated programmatic programs. For example, two of the largest mandates are social services and children related services which combined total approximately 30% of the proposed budget without payroll costs. Debt service payments to bondholders, is an additional 4% of the annual budget. Salaries and affiliated benefits which combined equal 33% of the operating budget, comprise the largest area of expenditure control which can be exercised by management. A 1% increase in labor and fringe costs results in approximately a \$7 million increase to these cost categories. Labor contracts for approximately 1/3 of employees will expire at the end of the current year. The contract representing its' largest employee group expires in two years and contains annual increases of approximately 2¼%.

The proposed budget establishes a "baseline" for providing resources for municipal services developing a "structural balance" with sufficient recurring revenues approximating 52% of its' resources foundation. The challenge for municipal "budgeteers" is to match future incremental revenue growth of resources with expenditure "creep" for state mandates, salaries and fringe benefits and contractual costs associated with operations.

Our final comment is that we reiterate the need for the County to prepare a multi-year plan which takes into consideration available resources and their ability to fund future capital needs, labor costs and the demand for increased municipal services.

**Westchester County Proposed Budget 2020**  
**Summary of Findings as Compared to the 2019 Adopted Budget and 2020 Proposed Budget**  
**December 6th, 2019**

	2020 Amounts		Decrease/ (Increase) in Taxation	2019 Amounts		Decrease/ (Increase) in Taxation
	Increase	Decrease		Increase	Decrease	
<b>Revenues:</b>						
Payment in Lieu of Taxes	\$ -	\$ -		\$ 220,000	\$ -	
Sales Tax - Gross	-	-		54,200,000 *	-	
Auto Use Tax	-	-		-	40,000	
County Mortgage Tax	1,240,000	-		750,000 *	-	
Hotel Tax	-	-		-	700,000 *	
County Clerk - Unallocated	140,000	-		-	680,000	
Corrections Department:						
Housing	-	-		1,750,000	-	
Payphone Income	-	-		25,000	-	
SCAAP	-	-		-	470,000	
Department of Parks, Rec & Conservation:						
Golf	-	-		-	1,360,000 *	
Parks	-	-		-	610,000	
Playland Park	-	-		250,000	-	
County Center	-	-		-	330,000	
Other	250,000 (A)	-		-	23,260,000 *	
Department of Transportation:						
State Aid	-	-		3,000,000 *	-	
Federal Aid	-	-		290,000	-	
Departmental Income (Metro cards only)	-	-		-	1,540,000 *	
Tobacco Settlement	-	-		-	360,000	
Certiorari Proceedings - Bonds (Reclass)	-	-		-	2,040,000	
Miscellaneous Revenue -WCHCC Services	-	1,260,000		-	1,560,000	
Department of Public Works:						
Capital Chargebacks	-	-		-	580,000	
Revenue Findings	<u>\$ 1,630,000</u>	<u>\$ 1,260,000</u>	<u>\$ 370,000</u>	<u>\$ 60,485,000</u>	<u>\$ 33,530,000</u>	<u>\$ 26,955,000</u>

**Westchester County Proposed Budget 2020**  
**Summary of Findings as Compared to the 2019 Adopted Budget and 2020 Proposed Budget**  
**December 6th, 2019**  
**(Continued)**

	2020 Amounts		Decrease/ (Increase) in Taxation	2019 Amounts		Decrease/ (Increase) in Taxation
	Increase	Decrease		Increase	Decrease	
<b>Appropriations:</b>						
Municipal Sales Tax Distribution	\$ -	\$ -		\$ 16,300,000 *	\$ -	
Personnel Services:						
Annual Salaries	-	-		-	5,420,000	
Other Personal Services	-	-		5,960,000	-	
Children with Special Needs, Net	-	-		1,470,000	-	
Department of Corrections:						
Overtime	-	-		760,000 *	-	
Food	-	-		-	440,000	
Medical Services	100,000	-		90,000	-	
Department of Transportation:						
Bus Operating Assistance	-	-		3,050,000 *	-	
ParaTransit	-	-		-	290,000	
Department of Public Works:						
Utilities - White Plains	-	-		-	260,000	
Utilities - Valhalla	-	1,060,000		-	1,830,000	
Contractual Services	-	-		1,100,000 *	-	
Debt Service	-	-		430,000	-	
Federal Insurance Contribution Act (FICA) Taxes	-	150,000		-	400,000	
Retirement Costs	-	-		4,600,000 *	-	
Health Insurance	-	1,090,000		-	5,950,000	
Certiorari Proceedings	-	-		-	330,000	
Indigent Defendants:						
Felony	410,000	-		870,000	-	
Misdemeanor	190,000	-		870,000	-	
Resident Tuition - Other Colleges	540,000	-		1,320,000	-	
Department of Social Services, Net	-	-		-	6,240,000	Low
	-	-		-	6,990,000	High
Appropriation Findings (with low range for DSS)	<u>\$ 1,240,000</u>	<u>\$ 2,300,000</u>	<u>\$ 1,060,000</u>	<u>\$ 36,820,000</u>	<u>\$ 21,160,000</u>	<u>\$ (15,660,000)</u>
Appropriation Findings (with high range for DSS)	<u>\$ 1,240,000</u>	<u>\$ 2,300,000</u>	<u>\$ 1,060,000</u>	<u>\$ 36,820,000</u>	<u>\$ 21,910,000</u>	<u>\$ (14,910,000)</u>
Change in County Taxation - Combined (Increase)/Decrease :			\$ 1,430,000			
(A) Subsequent information indicated 3 positions in Parks were transferred to Public Works which reduced Other Revenues Parks.			<u>(250,000)</u>			
			<u>\$ 1,180,000</u>			
Fund Balance Addition (Reduction) (with low range for DSS):					<u>\$ 11,295,000</u>	
Fund Balance Addition (Reduction) (with high range for DSS):					<u>\$ 12,045,000</u>	



**Westchester County Proposed Budget 2020**  
**Summary of Findings as Compared to the 2019 Adopted Budget and 2020 Proposed Budget**  
**December 6th, 2019**  
**(Continued)**

**I Budgetary Items With Potential Impact to 2020:**

Department of Health; Children with Special Needs Program, Net Costs	\$ 800,000
Department of Public Safety; Corrections-Overtime	2,480,000
Department of Transportation; Paratransit	1,000,000
Department of Social Services; Program, Net Costs	270,000

**II Policy Items Impacting the 2020 Proposed Budget**

Proceeds of Serial Bonds; Tax Certiorari	\$ 1,460,000
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**III Budgetary Amendment**

\*Act -173-2019 enacted September 16, 2019 modified the Adopted Budget for various budgeted estimated revenues and appropriations. Our variance is relative to the Adopted Budget not the Appropriated Budget. Modifications to areas in the Summary of Findings are as follows:

**Revenues:**

Sales Tax	\$ 68,061,000
County Mortgage Tax	(890,000)
Hotel Tax	(400,000)
Department of Parks	
Golf	(600,000)
Sale of Property	(23,000,000)
Department of Transportation	
State Aid	3,000,000
Departmental Income	(1,000,000)

**Appropriations:**

Municipal Sales Tax Distribution	\$ 20,148,000
Department of Health	
Early Intervention	2,200,000
Tuition	950,000
Department of Public Safety	
Overtime	1,779,000
Department of Transportation	
Bus Operating Subsidiaries	2,000,000
Department of Public Works	1,100,000
NYS Pension	4,821,000

# **EXHIBITS**

COUNTY OF WESTCHESTER, NEW YORK

ANALYSIS OF BUDGET INCREASES (DECREASES)  
GROSS BUDGET AND COUNTY TAXATION

Dept #		2019	2020		
		Adopted Budget	Proposed Budget	Expenditures	
				Amount	Increase (Decrease) %
<b>General Government Support</b>					
10	Board of Legislators	\$ 4,620,476	\$ 4,920,463	\$ 299,987	6.5%
11	County Executive				
	Office of the County Executive	2,714,585	3,403,824	689,239	25.4%
	Youth Bureau	3,198,842	3,546,230	347,388	10.9%
	Office of the Disabled	1,116,845	660,916	(455,929)	-40.8%
	Economic Development	544,233	1,575,298	1,031,065	189.5%
	Tourism	1,107,000	1,145,942	38,942	3.5%
	Office of Energy Conservation	126,460	181,550	55,090	43.6%
	Advocacy & Community Services	692,119	882,342	190,223	27.5%
	Office for Women	1,786,793	1,981,633	194,840	10.9%
	<b>Total County Executive</b>	<b>11,286,877</b>	<b>13,377,735</b>	<b>2,090,858</b>	<b>18.5%</b>
12	Human Resources	5,243,161	5,890,432	647,271	12.3%
13	Budget	1,814,483	2,043,180	228,697	12.6%
14	Board of Elections	16,837,567	21,604,077	4,766,510	28.3%
15	Finance	5,298,147	5,554,104	255,957	4.8%
16	Information Technology	43,891,933	47,884,363	3,992,430	9.1%
17	Board of Acquisition and Contract	300,458	315,802	15,344	5.1%
18	Law	11,936,043	13,817,701	1,881,658	15.8%
19	Department of Planning	4,245,269	7,489,075	3,243,806	76.4%
36	Tax Commission	227,686	287,500	59,814	26.3%
	<b>Total General Governmental Support</b>	<b>105,702,100</b>	<b>123,184,432</b>	<b>17,482,332</b>	<b>16.5%</b>
<b>Home &amp; Community Services</b>					
21	County Clerk	6,928,254	6,876,000	(52,254)	-0.8%
22	Department of Social Services	614,854,106	654,592,701	39,738,595	6.5%
24	Senior Program & Services	3,845,703	4,259,780	414,077	10.8%
25	Weights & Measures, Customer Protection	2,054,979	2,132,985	78,006	3.8%
	<b>Total Home &amp; Community Services</b>	<b>627,683,042</b>	<b>667,861,466</b>	<b>40,178,424</b>	<b>6.4%</b>
<b>Health Service</b>					
26	Community Mental Health	10,530,278	9,403,122	(1,127,156)	-10.7%
27	Department of Health	137,869,796	147,102,817	9,233,021	6.7%
31	Labs & Research	14,572,948	15,427,214	854,266	5.9%
	<b>Total Health Service</b>	<b>162,973,022</b>	<b>171,933,153</b>	<b>8,960,131</b>	<b>5.5%</b>
<b>Public Safety, Correction and Courts</b>					
20	Emergency Services	6,644,484	6,903,654	259,170	3.9%
35	Department of Corrections	134,359,681	135,098,915	739,234	0.6%
37	District Attorney	30,008,961	31,831,596	1,822,635	6.1%
38	Public Safety Services	56,340,861	61,429,262	5,088,401	9.0%
39	Department of Probation	44,771,910	45,761,892	989,982	2.2%
40	Public Administrator	827,787	823,606	(4,181)	-0.5%
41	Solid Waste Commission	1,934,332	2,258,221	323,889	16.7%
	<b>Total Public Safety, Correction and Courts</b>	<b>274,888,016</b>	<b>284,107,146</b>	<b>9,219,130</b>	<b>3.4%</b>
<b>Parks, Recreation and Conservation</b>					
42	Parks	22,792,837	24,625,556	1,832,719	8.0%
	Golf Courses	8,509,186	7,952,527	(556,659)	-6.5%
	Playland	12,114,162	13,193,660	1,079,498	8.9%
	Parkways	1,332,596	1,384,204	51,608	3.9%
	Recreation	6,467,877	7,343,815	875,938	13.5%
	Recreation and Conservation	478,984	551,017	72,033	15.0%
	<b>Total Parks, Recreation and Conservation</b>	<b>51,695,642</b>	<b>55,050,779</b>	<b>3,355,137</b>	<b>6.5%</b>

2020				County Taxation				Dept #
Revenues				Increase (Decrease)				
State	Federal	Other (Departmental)	Interdepartmental Revenue	2020	2019	Amount		
\$ -	\$ -	\$ -	\$ -	\$ 4,920,463	\$ 4,620,476	\$ 299,987	6.5%	10
-	-	-	110,000	3,293,824	2,604,585	689,239	26.5%	11
328,568	-	-	603,175	2,614,487	2,255,811	358,676	15.9%	11
-	-	12,500	228,300	420,116	876,044	(455,928)	-52.0%	11
350,000	-	548,860	-	676,438	54,423	622,015	0.0%	11
-	-	1,145,942	-	-	-	-	0.0%	11
-	-	-	-	181,550	126,460	55,090	43.6%	11
-	-	-	-	882,342	692,119	190,223	27.5%	11
44,134	-	-	575,107	1,362,392	1,269,018	93,374	7.4%	11
722,702	-	1,707,302	1,516,582	9,431,149	7,878,460	1,552,689	19.7%	
-	-	761,600	770,890	4,357,942	3,798,207	559,735	14.7%	12
-	-	817,252	-	1,225,928	1,088,208	137,720	12.7%	13
250,000	-	1,629,839	-	19,724,238	15,254,607	4,469,631	29.3%	14
-	-	2,470,412	-	3,083,692	2,923,064	160,628	5.5%	15
127,000	-	8,696,774	39,365,483	(304,894)	(3,296,720)	2,991,826	90.8%	16
-	-	1,500	-	314,302	297,958	16,344	5.5%	17
-	-	3,976,234	12,532,114	(2,690,647)	(3,305,266)	614,619	18.6%	18
135,000	215,000	526,557	29,000	6,583,518	3,588,759	2,994,759	83.4%	19
500	-	200	-	286,800	227,486	59,314	26.1%	36
1,235,202	215,000	20,587,670	54,214,069	46,932,491	33,075,239	13,857,252	41.9%	
-	-	8,247,425	-	(1,371,425)	(2,143,727)	772,302	36.0%	21
116,302,000	169,668,000	4,600,000	-	364,022,701	335,479,106	28,543,595	8.5%	22
-	-	-	290,720	3,969,060	3,554,953	414,107	11.6%	24
-	-	3,414,150	-	(1,281,165)	(1,499,171)	218,006	14.5%	25
116,302,000	169,668,000	16,261,575	290,720	365,339,171	335,391,161	29,948,010	8.9%	
1,576,748	1,034,260	5,000	1,050,589	5,736,525	5,328,834	407,691	7.7%	26
72,387,097	-	9,035,400	170,900	65,509,420	61,348,489	4,160,931	6.8%	27
1,316,102	-	2,576,000	5,000	11,530,112	10,711,189	818,923	7.6%	31
75,279,947	1,034,260	11,616,400	1,226,489	82,776,057	77,388,512	5,387,545	7.0%	
-	351,584	74,962	354,259	6,122,849	5,882,499	240,350	4.1%	20
-	53,400	10,455,010	137,400	124,453,105	123,568,190	884,915	0.7%	35
580,156	133,500	-	-	31,117,940	29,161,512	1,956,428	6.7%	37
3,131,974	292,096	15,817,949	13,258,829	28,928,414	24,754,847	4,173,567	16.9%	38
24,772,827	-	345,000	1,667,328	18,976,737	16,849,488	2,127,249	12.6%	39
-	-	395,000	-	428,606	402,787	25,819	6.4%	40
-	-	2,258,221	-	-	-	-	0.0%	41
28,484,957	830,580	29,346,142	15,417,816	210,027,651	200,619,323	9,408,328	4.7%	
45,000	-	8,825,085	393,282	15,362,189	(10,050,937)	25,413,126	252.8%	42
-	-	8,742,113	-	(789,586)	(841,112)	51,526	6.1%	
-	-	10,335,439	-	2,858,221	1,788,954	1,069,267	59.8%	
-	-	17,687	-	1,366,517	1,315,257	51,260	3.9%	
-	-	6,100,000	-	1,243,815	(267,123)	1,510,938	565.6%	
-	-	190,488	-	360,529	310,302	50,227	16.2%	
45,000	-	34,210,812	393,282	20,401,685	(7,744,659)	28,146,344	363.4%	

(Continued)

COUNTY OF WESTCHESTER, NEW YORK

ANALYSIS OF BUDGET INCREASES (DECREASES)  
GROSS BUDGET AND COUNTY TAXATION

Dept. #		2019		2020	
		Adopted Budget	Proposed Budget	Expenditures	
				Amount	Increase (Decrease) %
<b>Roads, Transportation</b>					
44	DPW - Transportation Division	\$ 172,738,301	\$ 178,285,769	\$ 5,547,468	3.2%
46	DPW - Public Works Division	57,472,135	62,910,816	5,438,681	9.5%
	<b>Total Roads, Transportation</b>	230,210,436	241,196,585	10,986,149	4.8%
51	<b>Debt Service</b>	96,679,587	103,180,523	6,500,936	6.7%
	<b>Unallocated Fringe Benefits</b>	257,518,766	268,996,411	11,477,645	4.5%
52	<b>Unallocated Miscellaneous Budgets</b>				
	Unemployment Insurance	375,000	388,000	13,000	3.5%
	Property/Casualty/Workers' Comp Insurance	11,986,000	11,408,000	(578,000)	-4.8%
	Miscellaneous Budget Expense	236,789,015	<b>b</b> 293,268,792	<b>b</b> 56,479,777	23.9%
	<b>Total Unallocated Miscellaneous Budgets</b>	249,150,015	305,064,792	55,914,777	22.4%
	<b>Subtotal</b>	2,056,500,626	2,220,575,287	164,074,661	8.0%
	<b>Miscellaneous Revenue</b>	-	-	-	0.0%
	<b>Interdepartmental Revenues</b>	(112,170,681)	(115,890,033)	(3,719,352)	3.3%
	<b>Total General Fund</b>	\$ 1,944,329,945	\$ 2,104,685,252	\$ 160,355,307	8.2%

**b** See Exhibit 1b for detail  
**c** See Exhibit 1c for detail

2020				County Taxation				Dept. #
Revenues				Increase (Decrease)				
State	Federal	Other (Departmental)	Interdepart- mental Revenue	2020	2019	Amount	%	
\$ 63,953,582	\$ 12,467,184	\$ 38,061,049	\$ 500,490	\$ 63,303,464	\$ 59,488,542	\$ 3,814,922	6.4%	44
3,602,529	-	9,438,629	43,847,167	6,022,491	578,114	5,444,377	941.7%	46
67,556,111	12,467,184	47,499,678	44,347,657	69,325,955	60,066,656	9,259,299	15.4%	
-	-	-	-	103,180,525	96,679,586	6,500,939	6.7%	51
-	-	-	-	268,996,411	257,518,766	11,477,645	4.5%	
-	-	-	-	388,000	375,000	13,000	3.5%	52
-	-	-	-	11,408,000	11,986,000	(578,000)	-4.8%	
-	100,000	-	-	293,168,792	236,789,015	56,379,777	23.8%	
-	100,000	-	-	304,964,792	249,150,015	55,814,777	22.4%	
288,903,217	184,315,024	159,522,277	115,890,033	1,471,944,738	1,302,144,599	169,800,139	13.0%	
9,305,837	C -	893,059,897	C -	(902,365,734)	(731,565,599)	(170,800,135)	-23.3%	
-	-	-	(115,890,033)	-	-	-	0.0%	
\$ 298,209,054	\$ 184,315,024	\$ 1,052,582,174	\$ -	\$ 569,579,000	\$ 570,579,000	\$ (1,000,000)	0.0%	

**MISCELLANEOUS BUDGET EXPENDITURE DETAIL**

	<b>Adopted 2019</b>	<b>Proposed 2020</b>
Arts in Westchester	\$ 1,615,000	\$ 1,663,450
Hudson River Museum	687,155	707,770
Certiorari Proceedings	8,500,000	9,000,000
County Membership Fees	100,000	110,000
Court Ordered Medical Exams	1,000	1,000
Board of Ethics	7,000	10,000
Independent Audit	525,000	525,000
Human Rights Commission*	1,186,197	1,090,529
In Rem Proceedings	1,000	1,000
Interest Income Distribution Repayment	60,000	60,000
Legal Aid Society of Westchester	13,709,722	14,224,227
Legal Services Indigent Defendant - Felony	4,580,037	5,121,603
Legal Services Indigent Defendant - Misdemeanor	6,105,724	6,976,696
Legal Services of Hudson Valley	610,015	628,315
Legal Services of Peekskill	109,620	112,909
Public Employees Relation Board	1,000	1,000
Resident Tuition - Other College	7,350,000	8,410,000
Services to WCHCC	8,588,680	8,849,966
Statutory Charges	135,000	135,000
Taxes on County Property	1,700,000	1,780,000
Tourism	1,077,000	1,059,000
Tuition Reimbursement Program	500,000	500,000
NYS Court Facilities	20,303,727	20,178,972
Cornell Cooperative Extension	659,640	679,429
Westchester Historical Society	130,935	161,128
Westchester Library System	965,000	1,030,000
Community Based Organizations	1,859,500	1,915,685
Budgeted Contribution to Unrestricted Reserve	-	10,000,000
<b>Sub Total</b>	<b>81,067,952</b>	<b>94,932,679</b>
Municipal Sales Tax Distribution	125,591,638	174,303,000
WCC Sponsor Contribution	30,129,425	24,033,113
<b>Grand Total</b>	<b>\$ 236,789,015</b>	<b>\$ 293,268,792</b>

\* In the 2020 Proposed Budget (pg. C-338) Human Rights Commission is shown as a separate department.

**MISCELLANEOUS BUDGET REVENUE DETAIL**

	<b>Adopted 2019</b>	<b>Proposed 2020</b>
<b>Other Revenues:</b>		
Payments in Lieu of Taxes	\$ 10,140,000	\$ 10,384,000
Sales Tax	578,717,737	740,401,582
Auto Use Tax	16,661,000	16,874,000
Mortgage Tax	19,342,000	18,847,000
Hotel Tax	7,529,000	7,212,000
Indirect Costs	3,000,000	2,511,000
Interfund Transfers	7,287,409	3,595,349
Interest on Investments	775,000	2,003,000
Bond and Note Proceeds	8,750,000	127,000
Tobacco Settlement Payment	2,000,000	1,644,000
	<u>654,202,146</u>	<u>803,598,931</u>
Services to WMC	8,588,680	8,849,966
Intergovernmental Transfers (IGT Payments)	60,000,000	80,000,000
Harness Racing Admission	4,000	4,000
Agency & Trust (Dept of Planning)	175,000	-
WMC Sewer Tax	-	542,000
Medical Marijuana Excise Tax	65,000	65,000
	<u>68,832,680</u>	<u>89,460,966</u>
<b>Subtotal</b>	<b>723,034,826</b>	<b>893,059,897</b>
<b>State Aid:</b>		
Court Facilities Aid	2,400,000	2,432,000
DASNY Bond Reimbursement	1,535,000	1,875,000
18 B Indigent Defendants Reimbursement	4,595,773	4,998,837
	<u>8,530,773</u>	<u>9,305,837</u>
<b>Grand Total</b>	<b><u>\$ 731,565,599</u></b>	<b><u>\$ 902,365,734</u></b>



County of Westchester, New York  
 Analysis of Special Districts  
 Gross Budget and County Taxation

Exhibit Id

	Appropriations			Appropriated Fund Balance			Fund Balance	Proposed Property Tax Levy	
	2019	2020	Variance	2019	2020	Variance	As of	2019	2020
	Adopted Budget	Proposed Budget	Positive/ (Negative)	2019 Appropriated	2020 Appropriated	Positive/ (Negative)	December 31, 2018		
<b>Environmental Facilities (60SEWER)</b>									
Blind Brook Sewer	\$ 10,284,085	\$ 10,281,332	\$ (2,753)	\$ 906,979	\$ 1,407,593	\$ 500,614	\$ 3,795,772	\$ 8,458,499	\$ 7,980,448
Bronx Valley Sewer	25,011,572	25,937,923	926,351	2,822,424	3,366,725	544,301	9,786,432	21,564,624	22,049,231
Central Yonkers Sewer	1,571,129	1,434,510	(136,619)	364,730	437,649	72,919	1,272,244	1,154,170	962,398
Hutchinson Valley Sewer	6,973,345	7,419,605	446,260	1,270,992	1,633,655	362,663	4,590,461	5,455,643	5,455,643
Mamaroneck Valley Sewer	19,188,450	19,766,336	577,886	1,820,873	1,792,088	(28,785)	5,841,291	16,089,472	16,797,409
New Rochelle Sewer	21,324,344	21,980,662	656,318	475,136	415,000	(60,136)	2,404,385	17,528,886	18,473,772
North Yonkers Sewer	5,338,786	5,404,113	65,327	489,272	547,007	57,735	1,706,462	4,675,898	4,675,898
Saw Mill Valley Sewer	16,167,451	16,203,077	35,626	2,231,261	2,394,916	163,655	7,225,897	13,333,865	13,333,865
South Yonkers Sewer	1,780,139	1,601,435	(178,704)	258,098	407,711	149,613	1,088,540	1,481,284	1,155,547
Upper Bronx Sewer	1,522,202	1,529,245	7,043	158,502	340,993	182,491	853,948	1,329,583	1,155,480
Ossining Sewer	5,131,619	4,861,975	(269,644)	451,505	579,520	128,015	1,636,975	4,352,695	3,996,271
Peekskill Sewer	5,614,091	5,124,094	(489,997)	344,348	11,776	(332,572)	1,006,872	4,992,567	4,892,716
Port Chester Sewer	3,642,683	3,690,821	48,138	197,894	190,185	(7,709)	774,109	3,035,550	3,065,905
<b>Sewer District Total:</b>	<b>123,549,896</b>	<b>125,235,128</b>	<b>1,685,232</b>	<b>11,792,014</b>	<b>13,524,818</b>	<b>1,732,804</b>	<b>41,983,388</b>	<b>103,452,736</b>	<b>103,994,583</b>
<b>Environmental Facilities (60WATER)</b>									
County Water Dist No 1	20,127,538	20,104,007	(23,531)	945,895	921,670	(24,225)	2,652,420	2,722,285	2,722,285
County Water Dist No 2	10,000	10,000	-	-	-	-	484	-	-
County Water Dist No 3	3,358,208	3,720,674	362,466	1,139,946	1,300,674	160,728	3,778,783	-	-
County Water Dist No 4	1,000	1,000	-	-	-	-	324,106	-	-
<b>Water District Total:</b>	<b>23,496,746</b>	<b>23,835,681</b>	<b>338,935</b>	<b>2,085,841</b>	<b>2,222,344</b>	<b>136,503</b>	<b>6,755,793</b>	<b>2,722,285</b>	<b>2,722,285</b>
<b>Environmental Facilities (60REFUSE)</b>									
Refuse Disposal District Admin	6,977,734	7,508,919	531,185	12,293,123	15,816,556	3,523,433	-	42,920,793	42,378,946
So Columbus Transfer Station	2,635,308	2,755,870	120,562	-	-	-	-	-	-
Thruway Transfer Station	3,807,996	4,256,738	448,742	-	-	-	-	-	-
Wastesheds 4 And 5	2,763,324	2,869,356	106,032	-	-	-	-	-	-
Recovery And Disposal	41,979,975	42,663,472	683,497	-	-	-	-	-	-
Comprehensive Recycling Office	2,327,650	2,571,333	243,683	-	-	-	-	-	-
Material Recovery Facility	12,989,589	13,193,541	203,952	-	-	-	-	-	-
<b>Refuse Disposal District Total:</b>	<b>73,481,576</b>	<b>75,819,229</b>	<b>2,337,653</b>	<b>12,293,123</b>	<b>15,816,556</b>	<b>3,523,433</b>	<b>37,253,968</b>	<b>42,920,793</b>	<b>42,378,946</b>
<b>Total All Districts:</b>	<b>\$ 220,528,218</b>	<b>\$ 224,890,038</b>	<b>\$ 4,361,820</b>	<b>\$ 26,170,978</b>	<b>\$ 31,563,718</b>	<b>\$ 5,392,740</b>	<b>\$ 85,993,149</b>	<b>\$ 149,095,814</b>	<b>\$ 149,095,814</b>

**Open Book New York  
Office of the State Comptroller  
Thomas P. DiNapoli, State Comptroller**

**Trend Report for County of Westchester**

**Property Tax Cap (Data elements presented below are “as submitted” by the local government, and have not been modified or certified by OSC)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	No Data			
<b>Tax Levy Limit (Cap) before Adjustments and Exclusions</b>				
Tax Levy Prior Year	- 705,565,775	694,597,306	694,597,306	
Prior Year Reserve Offset	- 0	0	0	
Reserve Amount	- 0	0	0	
Tax Base Growth Factor	- 1.0063	1.0099	1.0052	
PILOTS Receivable Prior Year	- 10,658,693	11,111,966	11,066,294	
Tort/Judgment Exclusion Prior Year	- 0	0	0	
Allowable Levy Growth Factor	- 1.0200	1.0184	1.0068	
PILOTS Receivable Current Year	- 10,533,851	10,658,693	11,111,966	
Available Carryover from Prior Year	- 10,886,161	10,705,410	10,707,366	
Total Levy Limit before Adjustments/Exclusions	- 735,435,233	725,744,081	713,693,979	
<b>Adjustments for Transfer of Local Government Functions</b>				
Costs Incurred from Transfer of Functions	- 0	0	0	
Savings Realized from Transfer of Functions	- 0	0	0	
Total Adjustments	- 0	0	0	
Total Levy Limit, Adjusted for Transfer of Local Government Functions	- 735,435,233	725,744,081	713,693,979	
<b>Exclusions</b>				
Tax levy necessary for expenditures resulting from tort orders/judgments over 5% Prior Year Tax Levy	- 0	0	0	
Tax levy for pension contribution expense				
TRS	- 0	0	0	
ERS	- 0	0	0	
PFRS	- 0	0	0	
Total Exclusions	- 0	0	0	
Total Tax Levy Limit, Adjusted for Transfers Plus Exclusions	- 735,435,233	725,744,081	713,693,979	
Reserve Amount Used to Reduce Current Year Levy	- 0	0	0	
Proposed Levy for Current Year, Net of Reserve	- 719,674,814	694,597,306	694,597,306	
Total Tax Levy Limit Adjusted for Transfers Plus Exclusions compared to the Prior Year Tax Levy	- 4.2%	4.5%	2.7%	
Difference between Tax Levy Limit Plus Exclusions and Current Year Proposed Levy Planning to Override the Cap	- 15,760,419	31,146,775	19,096,673	
	- No	No	No	

*Bond Anticipation Notes*

The following table lists the five year history of bond anticipation notes:

**Bond Anticipation Notes**

Fiscal Year	Issued		Retired	Ending Balance as of December 31
2015	\$ 39,136,800	(a)	\$ 54,827,800	\$ 73,036,800
2016	79,426,000	(b)	27,200,000	125,262,800
2017	78,940,000	(c)	97,956,000	106,246,800
2018	17,350,000	(d)	69,410,000	54,186,800
2019	42,124,100	(e)	33,704,100	62,606,800

(a) Sold to the New York State Environment Facilities Corporation (EFC).

(b) \$64,660,000 of Tax Exempt and \$7,750,000 of Taxable Bond Anticipation Notes were issued on December 15, 2016 and mature on December 15, 2017. \$7,016,000 of notes were sold to EFC.

(c) Includes \$9,530,000 sold to EFC on March 23, 2017. Also includes \$60,500,000 of Tax Exempt and \$8,910,000 of Taxable Bond Anticipation Notes issued on December 14, 2017, maturing on December 14, 2018.

(d) Included \$17,350,000 sold to EFC.

(e) Included \$42,124,100 sold to EFC

*Tax Anticipation Notes*

The following table shows the five year history of tax anticipation notes:

**As of December 6, 2019  
Tax Anticipation Notes**

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance as of December 31</u>
2015	\$ 105,000,000	\$ 105,000,000	\$ -
2016	105,000,000	105,000,000	-
2017	140,000,000	140,000,000	-
2018	150,000,000	150,000,000	-
2019	200,000,000 (a)	200,000,000	-

(a) Two notes Issued January 15, 2019 and matured May 28 and October 16, 2019.

Except for tax anticipation notes noted above, the County has not issued revenue anticipation notes or any other form of short-term obligations to finance operating cash-flow needs. The timing of the receipt of taxes and other revenues (including Federal and State aid) and its need for such monies, together with its control of the timing of expenditures, has in the past enabled the County to minimize the need for short-term financing.

**Schedule of Proposed and Adopted Property Tax Levies  
2011 Through 2020**

<u>YEAR</u>	<u>PROPOSED GENERAL FUND TAX LEVIES</u>	<u>ADOPTED GENERAL FUND TAX LEVIES</u>	<u>INCREASE (DECREASE)</u>	<u>INCREASE (DECREASE) OF ADOPTED TAX LEVIES</u>	<u>INCREASE (DECREASE) OF ADOPTED TAX LEVIES</u>
2011	\$ 555,053,491	\$ 548,423,468	\$ (6,630,023)	\$ -	\$ 0.00%
2012	548,423,468	548,423,468	-	-	0.00%
2013	548,423,468	548,423,468	-	-	0.00%
2014	548,423,468	548,423,468	-	-	0.00%
2015	548,423,468	548,423,468	-	-	0.00%
2016	548,423,468	548,423,468	-	-	0.00%
2017	548,423,468	548,423,468	-	-	0.00%
2018	548,423,468	559,391,937	10,968,469	-	0.00%
2019	570,579,000	570,579,000	-	11,187,063	2.00%
2020	-	-	-	-	-

County of Westchester, New York  
 Schedule of Proposed and Adopted General Fund Positions  
 2011 Through 2020

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<u>YEAR</u>	<u>General Fund Positions</u>	<u>Change</u>
2011	4,506 *	(364)
2012	4,170	(336)
2013	4,182	12
2014	4,218	36
2015	4,221	3
2016	4,131	(90)
2017	4,191	60
2018	4,209	18
2019	4,272	63
2020	4,313	41

\* Amount from the Adopted Budget.