

WESTCHESTER COUNTY



SECOND QUARTER FORECAST FOR FISCAL YEAR 2015

ROBERT P. ASTORINO
COUNTY EXECUTIVE

LAWRENCE C. SOULE
BUDGET DIRECTOR

AUGUST 14, 2015

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Robert P. Astorino
County Executive

Lawrence C. Soule
Budget Director

August 14, 2015

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

Honorable Members:

The following second quarter financial report provides a 12-month forecast based on actual results through June 30, 2015.

As was the case with the first quarter, this report demonstrates that the County continues to face fiscal challenges and that spending adjustments will be necessary in order to ensure that Westchester will remain on budget for 2015. Sales tax collections for the first six months of 2015 are below collections for the same period in 2014 and, as a result, lag behind budget projections.

The year to date data as of June 30, 2015 is presented as required by local law 7 of 2014. However, care should be taken when interpreting these figures due to the seasonal nature of certain revenues and expenditures, as well as the timing of transactions.

Respectfully submitted,

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

Lawrence C. Soule, III
Budget Director

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**SECOND QUARTER FORECAST FOR
FISCAL YEAR 2015**

ROBERT P. ASTORINO
COUNTY EXECUTIVE

MICHAEL B. KAPLOWITZ
CHAIRMAN, BOARD OF LEGISLATORS

SHEILA MARCOTTE
CHAIRWOMAN, COMMITTEE ON BUDGET AND APPROPRIATIONS

LAWRENCE C. SOULE
BUDGET DIRECTOR

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INTRODUCTION

INTRODUCTION

This document presents the Second Quarter (Q2) Forecast for Fiscal Year 2015 (FY15). The Department of Budget (DOB) will also release a Third Quarter Forecast for Fiscal Year 2015 in conjunction with the Executive's 2016 Proposed Budget. The County operates on a calendar fiscal year, and all projections are shown fully annualized based on information currently available.

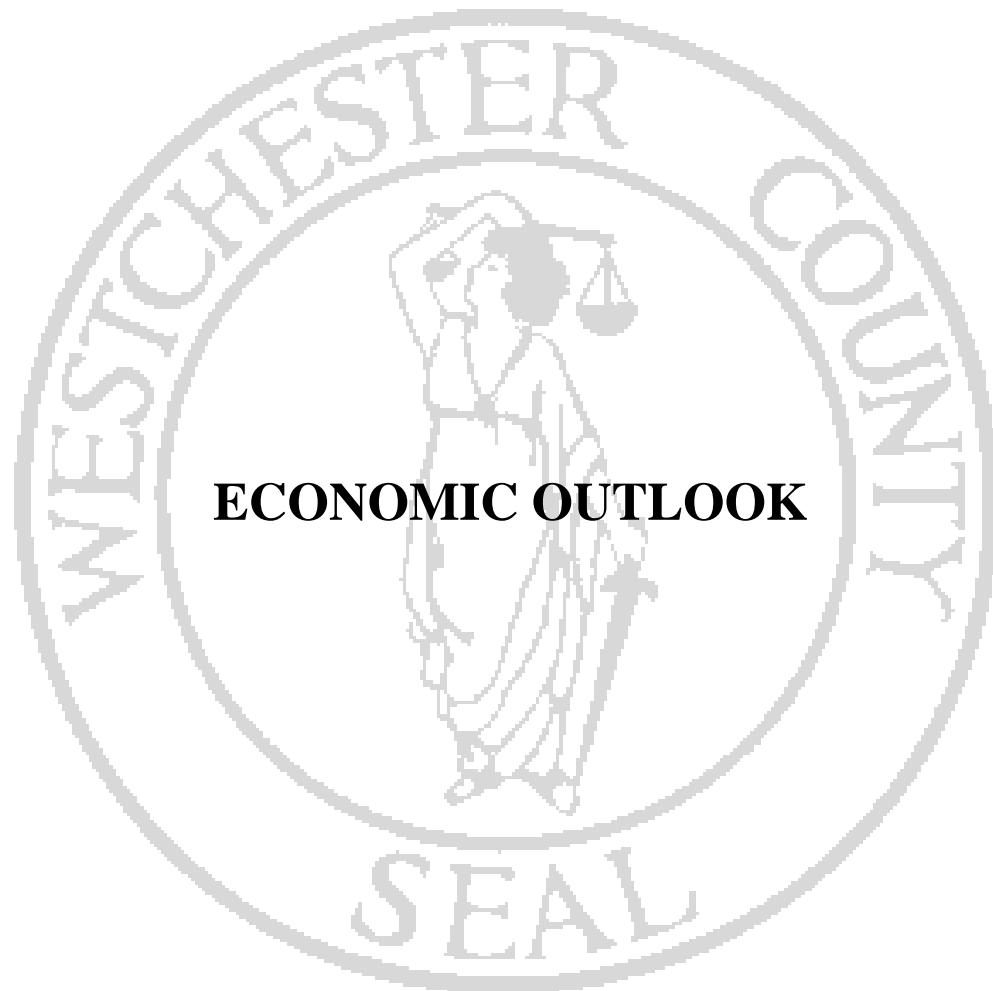
The Q2 Forecast presents five periods of data:

1. The budget as originally Adopted in December of 2014 (2015 Adopted)
2. The current budget as modified by rolled encumbrances, amendments, and transfers (2015 Modified)
3. Expenditures and revenues posted to the financial system as of June 30, 2015 (YTD Jun 30)
4. DOB's fully annualized projections (2015 Projected)
5. DOB's projections (4) less the current modified budget (2) (Proj. less Modified)

The 'YTD Jun 30' data is required to be presented by local law 7 of 2014, and is a snapshot of the transactions posted to the financial system through June 30, 2015. These figures are not audited. Readers are cautioned from drawing conclusions based on the 'YTD June 30' data due to the timing of transactions, and the seasonal nature of certain expenditures and revenues.

Authorized by Act 113 of 2015, the County offered a separation incentive to non-uniformed employees during the summer. The incentive offered \$1,000 for every completed year of County service in exchange for separating from full-time County employment on or before July 31, 2015. All personal service and associated reimbursement projections in the Second Quarter Forecast are shown net of the effects of the separation incentive.

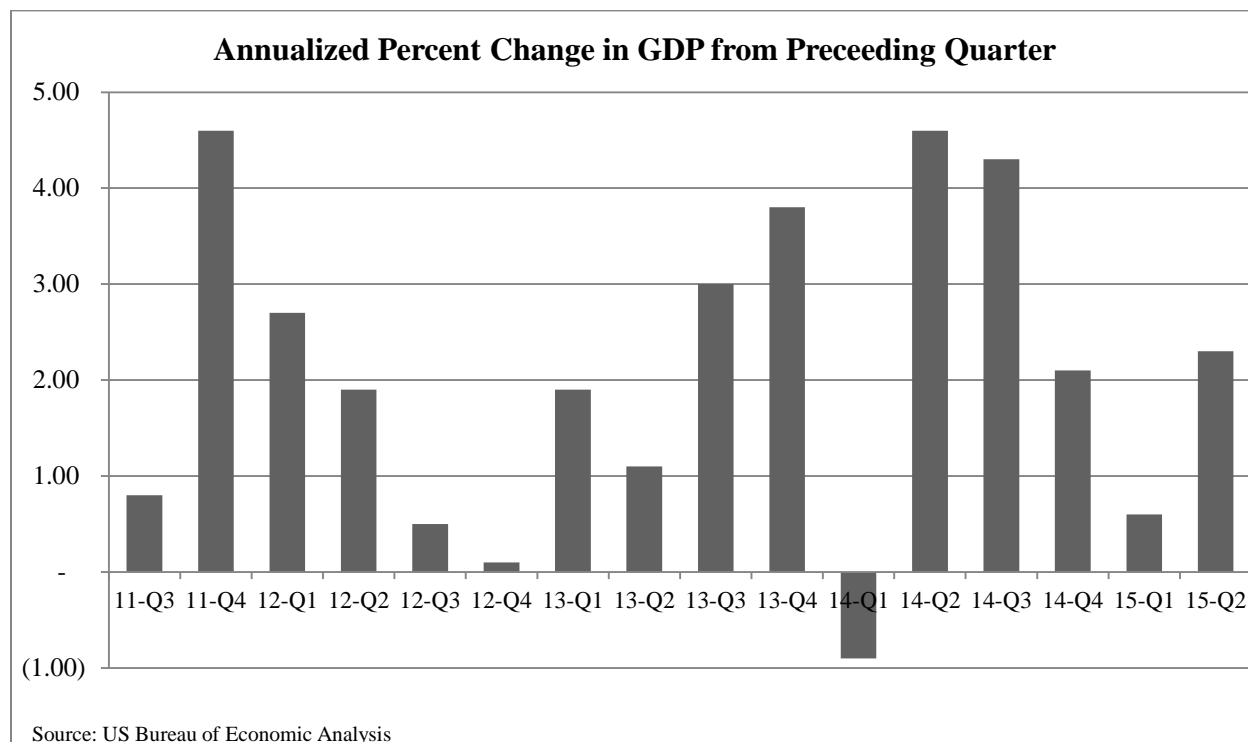
Since many factors may materially affect the fiscal and economic conditions of the County, the forecasts, projections, and estimates contained in this document should not be regarded as a representation that such forecasts, projections, and estimates will occur. Statements regarding future outcomes contained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



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GROSS DOMESTIC PRODUCT (GDP)

As the nation has recovered from the great recession, there has been a slow, but steady growth in GDP. The U.S. economy has expanded by more than two percentage points in each of the past three years after adjusting for inflation (real GDP). Only once in the past 16 quarters has the U.S. economy contracted (2014, Q1).



During the second quarter of 2015, real GDP grew by an estimated 2.3% on an annualized basis. This was a welcome sign after a sluggish first quarter in which real GDP grew at a revised 0.6%. However, enthusiasm should remain tempered. The Federal Reserve economic forecast released after the Open Market Committee (FOMC) meeting in June projected 2015 annual growth in the 1.8 to 2.0 percent range. This is the second quarter in a row the FOMC has revised their 2015 growth projection downward. The 2015 growth rate had been projected between 2.3 – 2.7 percent in March 2015, and 2.6 – 3.0 percent in December 2014.

EMPLOYMENT / UNEMPLOYMENT

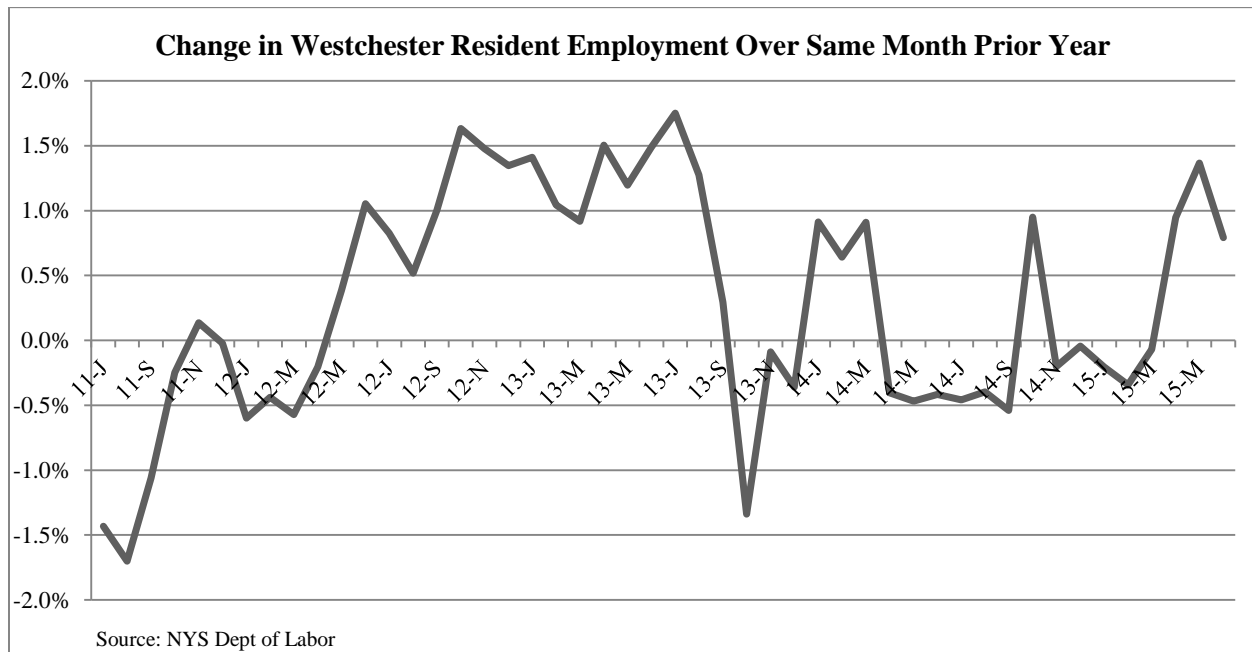
In June, the national employment rate fell to 5.3% and is approaching the Federal Reserve’s long run full employment target of approximately 5.0%. The State unemployment rate equals the national average while the Hudson Valley region and Westchester County are lower at 4.7% and 4.6%, respectively (see table, following page).

ECONOMIC OUTLOOK

JUNE UNEMPLOYMENT RATE			
YEAR	NEW YORK	HUDSON VALLEY	WESTCHESTER
2007	4.5%	3.9%	3.6%
2008	5.1%	4.9%	4.7%
2009	8.4%	7.5%	7.2%
2010	8.4%	7.4%	7.1%
2011	8.2%	7.3%	7.0%
2012	8.7%	7.8%	7.5%
2013	7.8%	6.6%	6.3%
2014	6.2%	5.2%	5.0%
2015	5.3%	4.7%	4.6%

Source: NYS Dept of Labor

A lower unemployment rate is certainly a positive economic indicator, but one metric does not capture the entire picture of the labor market. A major contributor to the reduction in the unemployment rate has been the shrinking of the labor force. In the Hudson Valley region for example, the labor force is smaller by 51,300 participants (4.4%) than at its height in 2008. While some people have just stopped looking for work, this is not entirely a negative as some of the decline in labor participation is demographic in nature as our population is becoming older. Analyzing total employment eliminates some of the distortion caused by large changes in the labor force.

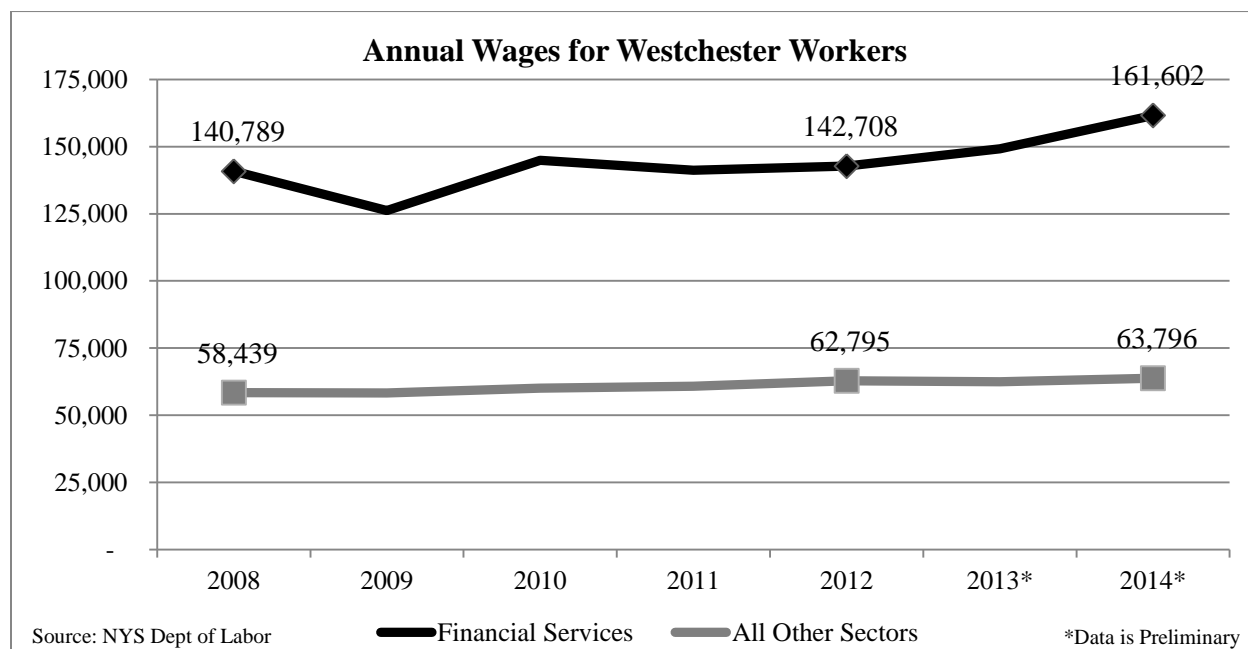


The County experienced 17 consecutive months of year over year employment growth from May 2012 through September 2013. However, since that period of sustained employment increases the record of job growth has been mixed at best. 14 of the last 21 months (67%), and 11 of the last 15 months (73%) have seen declines in employment over the previous year. Employment during April, May, and June of 2015 was up approximately 1% in each month over the prior year, so the recent trend is more promising. At

458,900 jobs, the level of employment in June 2015 is the second highest of any month since the recession (July 2013, 459,300), but it is still well below the all-time high of 484,800 jobs achieved in July of 2008.

WAGES

Much has been written about the stagnation of wage growth at the national level during the recovery from the great recession. The effect within Westchester has been largely the same. Through 2014, non-financial services sector workers, which represent 95% of the Westchester workforce, have seen their wages grow at an annualized rate of just 1.5% since 2008. This growth rate has not kept pace with the NYC Metropolitan Area’s annualized rate of inflation of 1.7% for the same period. Financial services sector workers have fared better, and slightly ahead of inflation, with an annualized growth rate of 2.3% over the same period.

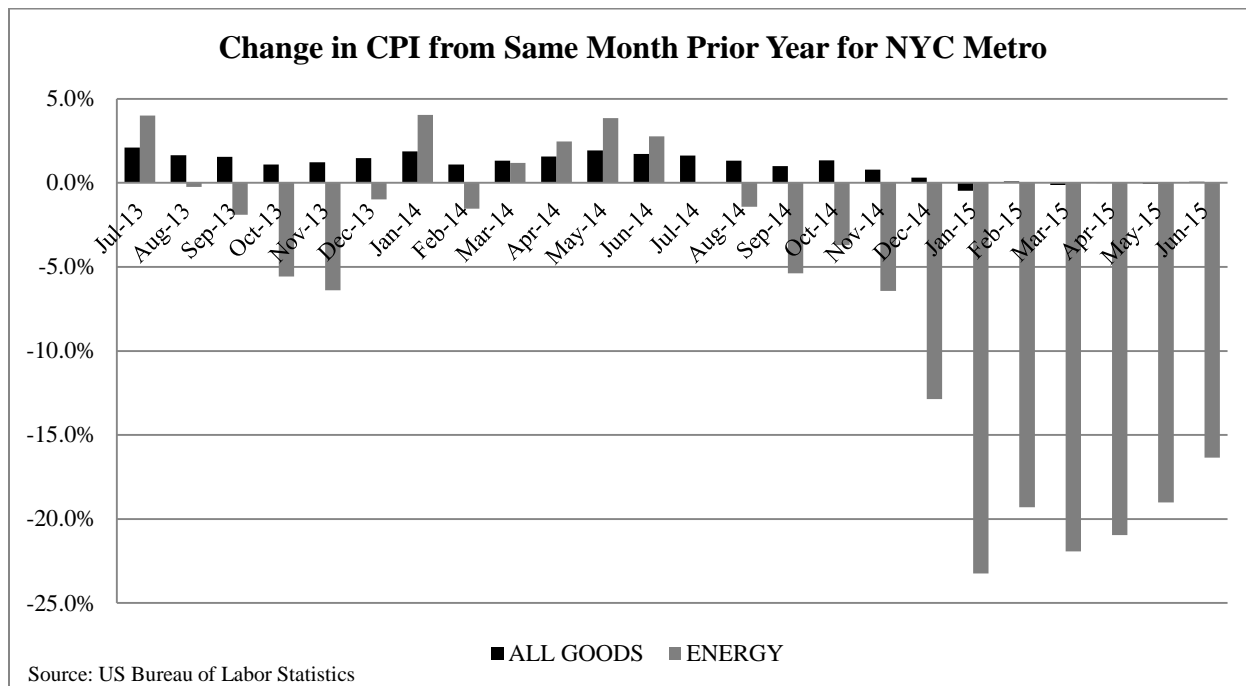


However, over the last two years the wage gap between financial services sector workers, which make up just 5% of the Westchester workforce, and all other workers has been widening. The average financial services sector wage has increased by 13.2% since 2012, while the average wage for all other sectors has increased by just 1.6% over the same period. With total inflation of 3.0% since 2012, the average worker did not see their wages keep pace with price levels during the past two calendar years.

ECONOMIC OUTLOOK

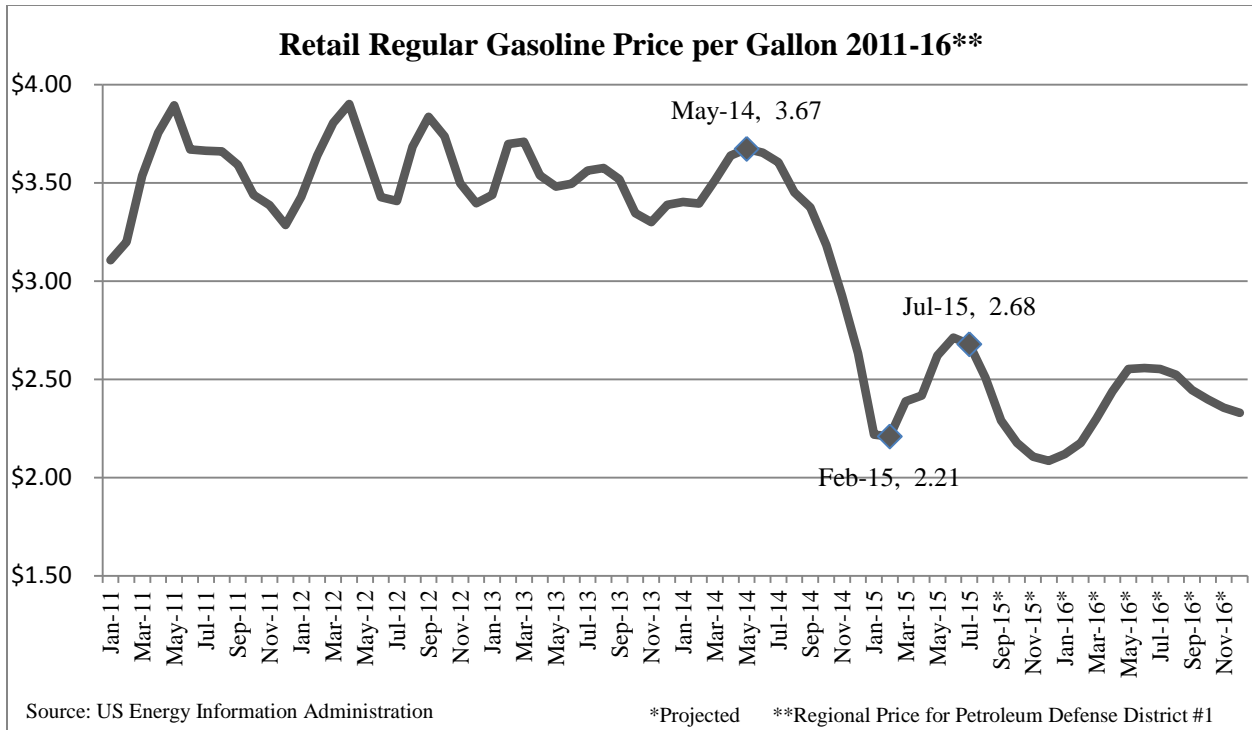
INFLATION AND PRICES

In June, the all goods Consumer Price Index (CPI) for the New York City Metropolitan Area increased by just 17 basis points (0.17%) from the prior month, and remained unchanged from one year ago. After a period of sustained price growth during 2013 and most of 2014, a sharp decline in energy prices beginning in September of 2014 has put a substantial drag on the overall price level.



Due to the very low level of inflation, the allowable tax levy growth factor for jurisdictions with calendar fiscal years is only 1.0073 for the next fiscal year. Additionally, it is likely that for villages (June 1 FYs), school districts (July 1 FYs), and cities with July 1 FYs the number will be even closer to one, resulting in little to no allowable growth under the property tax cap.

Comprising approximately 15% of all taxable sales within the county, energy is one of the largest components of the sales and use tax base. The fact that energy prices are averaging 15-20% below the first half of last year is causing considerable downward pressure on sales and use tax collections. One of the largest components of the energy category is motor fuel. Unlike the State which caps its sales and use tax on motor fuel at 8 cents per gallon, the County imposes sales and use tax on the full retail price. This makes County sales and use tax collections particularly sensitive to fluctuations in motor fuel prices.

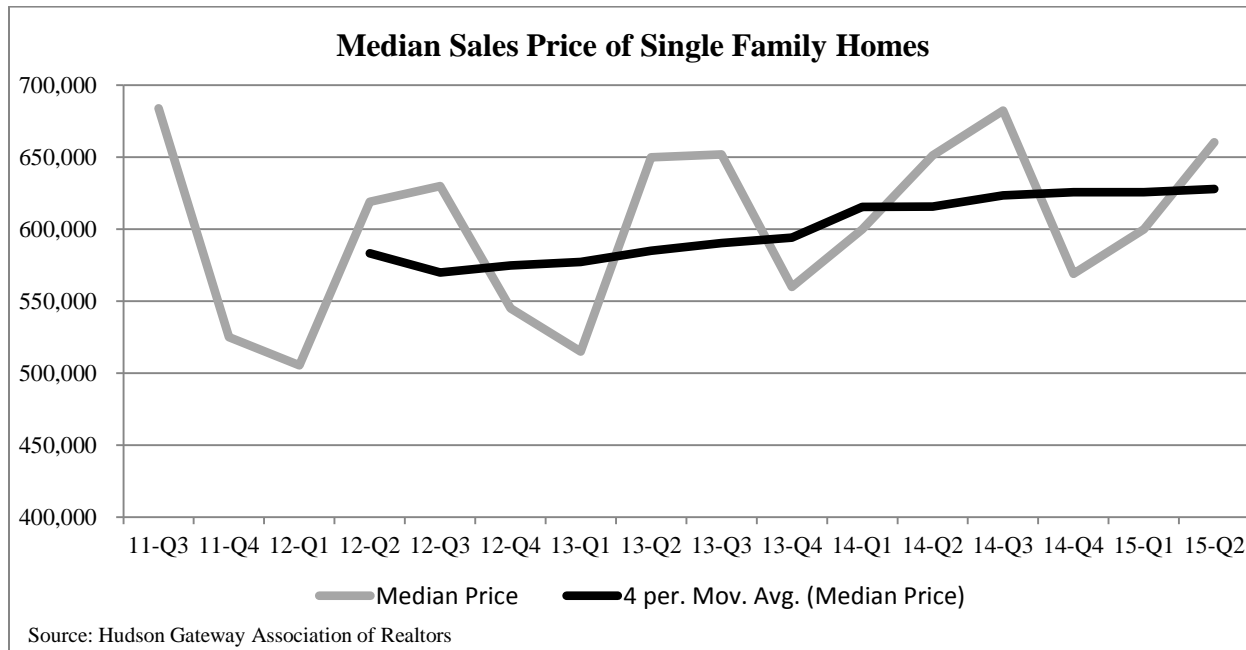


After stabilizing at a price of approximately \$3.50 per gallon for three and a half years, the regional price for regular gasoline fell 40% in just 9 months from \$3.67 in May 2014 to \$2.21 in February 2015. Prices rebounded slightly during the summer of 2015, but the US Energy Information Administration projects prices to remain in the \$2.25 to \$2.50 range for the region through the end of 2016.

Once the new base level of energy, and in particular motor fuel, prices are achieved during the fourth quarter DOB anticipates that sales and use tax collections will begin to exhibit year over year growth.

ECONOMIC OUTLOOK

REAL ESTATE



With home prices exhibiting considerable seasonal variation, the chart above presents a moving average of the trailing four quarters. The four quarter moving average of the median sales price has increased by approximately \$45,000 (7.6%) from \$583,000 in the 4 quarters ending Q2 2012, to \$628,000 in the four quarters ending Q2 2015. While this is encouraging as the real estate market is a significant driver of overall economic growth, market prices are still below their pre-recessionary height at a median price of \$685,000 for calendar year 2007.

ECONOMIC RISKS TO THE FINANCIAL PLAN

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

The seal of Westchester County is a circular emblem. It features a central figure of a woman, likely a personification of Justice or Liberty, holding a scale of justice in her left hand and a sword in her right. The figure is surrounded by a circular border containing the text "WESTCHESTER COUNTY" at the top and "SEAL" at the bottom.

FY 2015 SECOND QUARTER PROJECTIONS

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2015 SECOND QUARTER PROJECTIONS

GENERAL FUND FORECAST

On December 9, 2014, the County adopted a General Fund Operating Budget in the amount of \$1.749 billion for Fiscal Year 2015 (FY15). This section will present the Department of Budget's (DOB) Second Quarter (Q2) Forecast for Fiscal Year 2015.

The 2015 Budget has been modified upward by \$8.2 million to allow for the expenditure of funds in FY15 for items that were contracted for during FY14. DOB expects a similar amount to roll from FY15 to FY16 resulting in a minimal effect to the FY15 Financial Plan. The Q2 Projection contains sufficient expenditure reductions in the general fund to fully account for this effect.

GENERAL FUND PROJECTIONS					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
REVENUES					
Tax Levy on Real Property	548,423	548,423	329,054	548,423	-
Sales and Use Tax	528,169	528,169	189,537	503,169	(25,000)
Federal and State Aid	447,807	447,807	36,389	427,527	(20,279)
Departmental Income	147,275	147,275	55,920	149,300	2,025
Other Revenues	71,277	71,277	78,777	72,583	1,306
Sub-Total	1,742,951	1,742,951	689,677	1,701,002	(41,948)
Use of General Fund Balance	6,110	14,288	-	5,933	(8,355)
TOTAL	1,749,061	1,757,239	689,677	1,706,935	(50,304)
NET EXPENDITURES					
General Government and Support	51,549	54,220	6,800	50,637	(3,583)
Home and Community Services	555,735	556,217	239,465	543,761	(12,455)
Health Services	163,092	163,401	68,596	164,567	1,166
Education	29,305	29,305	24,421	29,305	-
Public Safety, Correction, and Courts	230,540	231,282	103,445	228,919	(2,363)
Roads, Transportation, and Parks	216,668	218,684	107,643	218,476	(208)
Miscellaneous and Fixed	502,171	504,130	195,982	499,994	(4,136)
TOTAL	1,749,061	1,757,239	746,352	1,735,659	(21,580)
GENERAL FUND BUDGET (GAP) / SURPLUS	-	-	(56,675)	(28,724)	(28,724)

As of the Second Quarter, DOB projects a General Fund Budget Gap of \$28.7 million. This deficit is the result of projected revenues falling short of modified budget targets by \$41.9 million, and the removal of \$8.2 million of appropriated fund balance for rolled encumbrances partially offset by projected expenditures at \$21.6 million below modified appropriations.

DOB has taken administrative actions available, such as limiting the filling of vacant positions, in an attempt to bring the financial plan into balance as evidenced by the projected \$21.6 million expense reduction.

2015 SECOND QUARTER PROJECTIONS

GENERAL FUND REVENUES

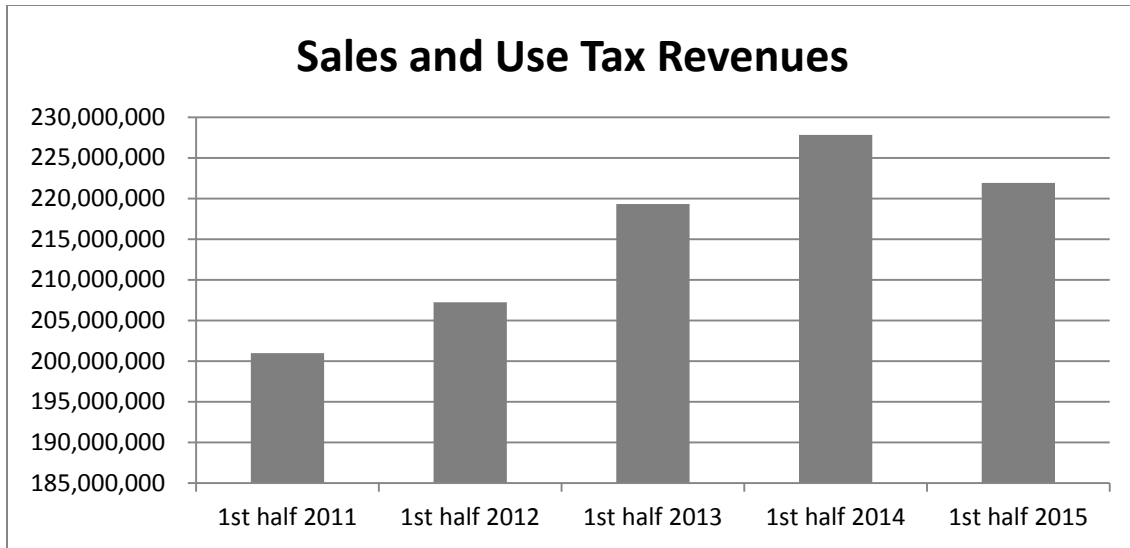
Revenues are projected to come in below budgeted targets by \$41.9 million due to significant shortfalls in federal aid, state aid, and sales and use tax.

Collectively, federal and state aid are now projected \$20.3 million below their modified budget targets. The downward revisions are due to \$6.8 million of additional transportation aid being recognized in FY14, \$4.0 million to reflect the uncertain timing associated with a Medicaid cost recovery program, and \$12.1 million in lower reimbursement for lower expenditure within the Department of Social Services. These reductions are offset by projected state aid increases totaling \$2.6 million for indigent legal services, probation, parkway patrol, and the children with special needs program.

GENERAL FUND REVENUE SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Tax Levy on Real Property	548,423	548,423	329,054	548,423	-
Payments in Lieu of Taxes	10,903	10,903	6,225	10,903	-
Sales and Use Tax	528,169	528,169	189,537	503,169	(25,000)
Mortgage Recording Tax	15,992	15,992	5,547	15,992	-
Auto Use Tax (DMV Registrations)	15,682	15,682	5,196	15,782	100
Hotel Tax	5,700	5,700	2,230	5,750	50
State Aid	248,174	248,174	36,389	241,199	(6,975)
Federal Aid	199,632	199,632	50,604	186,328	(13,304)
Departmental Income	147,275	147,275	55,920	149,300	2,025
Other Revenues	23,001	23,001	8,974	24,157	1,156
Sub-Total	1,742,951	1,742,951	689,677	1,701,002	(41,948)
Use / (Deposit) of General Fund Balance	6,110	14,288	-	5,933	(8,355)
TOTAL	1,749,061	1,757,239	689,677	1,706,935	(50,304)

DOB now projects sales and use tax collections \$25.0 million below the modified budget target. The downward revision of \$25.0 million will result in a reduction of net County share sales tax of \$19.6 million after accounting for the reduction in municipal (\$4.0 million) and school district (\$1.4 million) distribution. Second quarter sales and use tax collections were \$125.7 million. This represents a decline of \$2.2 million (1.8%) from the prior year. Second quarter collections were an improvement as compared to first quarter when collections declined 3.7% versus 2014. Through June 2015, the sharp decline in energy prices and the overall lack of inflation have contributed to a decline in sales and use tax collections of \$5.9 million (2.6%) over the same period in 2014. With energy prices beginning their decline during the fourth quarter of 2014, DOB expects some growth in collections over 2014 during the second half of 2015.

2015 SECOND QUARTER PROJECTIONS



The other three economically-driven taxes (mortgage recording, auto use, and hotel) are trending at budgeted levels through the second quarter. DOB projects small increases in the collections for auto use tax (\$100,000) and hotel tax (\$50,000), and no change to the budgeted target for mortgage recording tax at this time.

FEDERAL AND STATE AID

The projected shortfall in federal aid of \$13.3 million is primarily due to \$6.0 million of federal transportation aid no longer being available for FY15 and a reduction of \$4.0 million in Temporary Assistance for Needy Families (TANF) revenues due to lower than budgeted caseloads. Additionally, federal reimbursement for program administration within social services is projected \$3.2 million below the modified budget target due to lower than budgeted expenditures within the general fund.

GENERAL FUND FEDERAL AID SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
FEDERAL AID					
Emergency Services	363	363	135	363	-
Social Services	179,450	179,450	49,922	172,215	(7,235)
Community Mental Health	995	995	-	956	(39)
Correction	1,076	1,076	18	1,046	(30)
Public Safety Services	450	450	73	450	-
Transportation	17,299	17,299	456	11,299	(6,000)
TOTAL	199,632	199,632	50,604	186,328	(13,304)

2015 SECOND QUARTER PROJECTIONS

Overall, state aid projections have been reduced by \$7.0 million from modified budget levels. Reductions in Social Services and Transportation are offset by increases for children with special needs and criminal justice programs.

GENERAL FUND STATE AID SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
STATE AID					
Social Services	102,671	102,671	16,296	93,830	(8,841)
Community Mental Health	1,525	1,525	635	1,439	(86)
Health	71,580	71,580	3,964	72,581	1,000
Laboratories and Research	1,427	1,427	259	1,400	(27)
Public Safety Services	2,772	2,772	525	3,009	237
Probation	8,034	8,034	556	8,525	491
Transportation	54,065	54,065	13,222	53,315	(750)
Indigent Legal Services	-	-	368	1,000	1,000
Other	6,100	6,100	563	6,100	-
TOTAL	248,174	248,174	36,389	241,199	(6,975)

In Social Services, state aid projections have been lowered by \$4.0 million to reflect the uncertain timing associated with a Medicaid cost recovery program, \$0.6 million for lower than budgeted caseloads for the Safety Net program, and \$3.8 million of reimbursement for program administration due to lower than budgeted expenditures within the general fund. In Transportation, the reduction reflects the state match to the aforementioned reduction in federal transportation aid. Additionally, a small adjustment was made in the Department of Mental Health to reflect a slightly lower projected expenditure level.

DOB now projects to receive \$1.7 million in additional state funds for the provision of several criminal justice services. \$237,000 of this increase is to provide additional police patrols along the state parkways in Westchester and \$1.0 million to provide additional legal services to indigent criminal defendants. This \$1.2 million is associated with an expenditure increase in the same amount. The higher projection of \$491,000 in Probation is for additional state aid owed to the County after the reconciliation of the 2012 program year. The Department of Health is projected to receive an additional \$1.0 million in state aid as a result of higher than budgeted expenditures within the children with special needs program.

DEPARTMENTAL REVENUES

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

2015 SECOND QUARTER PROJECTIONS

Overall, an increase of \$2.0 million in departmental income is projected in the Q2 forecast. This increase is primarily due to an upward revision of \$2.4 million within the Parks Department. Parks is expected to receive one-time payments of \$2.25 million from Standard Amusements and \$2.0 million (\$333,000 to be recognized in FY15) from Algonquin Gas. These increases are offset by slightly lower projections for golf course revenues.

Departments with projected variances for departmental income are outlined in the table below (see appendix A for detail on all departments).

GENERAL FUND DEPARTMENTAL REVENUE					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Human Resources	750	750	393	550	(200)
Board of Acquisition and Contract	6	6	2	4	(3)
Planning	853	853	7	905	52
Health	7,491	7,491	2,949	7,456	(34)
Correction	6,800	6,800	2,372	6,624	(176)
Public Safety Services	13,620	13,620	4,338	13,735	114
Public Administrator	470	470	52	370	(100)
Solid Waste Commission	1,573	1,573	648	1,691	118
Parks, Recreation, and Conservation	32,878	32,878	10,919	35,322	2,444
Transportation	37,754	37,754	17,256	37,563	(191)
Other	45,080	45,080	16,984	45,080	-
TOTAL	147,275	147,275	55,920	149,300	2,025

In addition to the projected changes in Parks' departmental income, the major adjustments within the category are as follows:

In Human Resources, the fact that a police officer exam will not take place in 2015 as originally anticipated reduces their projected exam fee collections, offset by lower expenditures for exam administration.

In Correction, a downward revision of \$176,000 is due to lower reimbursement from the US Marshal Service as fewer federal inmates than budgeted have been residing in the County facility.

Both Public Safety and the Solid Waste Commission are projected to collect fine revenues in an amount approximating \$115,000 more than their modified budget targets.

Bus and para-transit collections are trending slightly below budgeted levels for the Department of Transportation.

2015 SECOND QUARTER PROJECTIONS

GENERAL FUND EXPENDITURES

As of the end of the second quarter, general fund net expenditures are projected at \$21.6 million below modified appropriations. The largest reductions are associated with personal service savings due to vacant positions, the anticipation that some contractual and technical services expenses will roll to FY16, lower Medicaid expenditures due to higher than budgeted Enhanced FMAP, and lower than budgeted caseloads within DSS for certain programs. With most DSS programs being at least partially reimbursed by the federal and/or state government, there is a significant revenue loss of \$8.7 million resulting from the lower expense projections for Social Services Relief.

GENERAL FUND EXPENDITURE SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	340,671	340,658	155,007	337,815	(2,843)
Other Personal Service	267,837	267,850	119,224	267,776	(75)
Equipment	1,702	1,940	629	1,690	(251)
Materials and Supplies	37,433	38,529	14,560	36,984	(1,545)
Expenses	699,169	705,938	275,212	700,066	(5,873)
Social Services Relief	429,223	429,296	184,237	418,220	(11,076)
Inter-Departmental Expense	88,857	88,859	48,144	88,928	70
Gross Expenditures	1,864,893	1,873,071	797,011	1,851,479	(21,592)
Inter-Departmental Revenue	(115,832)	(115,832)	(50,660)	(115,819)	13
NET EXPENDITURES	1,749,061	1,757,239	746,352	1,735,659	(21,580)

PERSONAL SERVICE

Approximating one-third of the general fund budget, personal service expenses are the largest County expense. DOB projects total personal service for fiscal year 2015 at \$605.6 million. This projection is below the modified budget appropriation of \$608.5 million by \$2.9 million. Almost all of the projected savings is within the salary category.

DOB projects salary expenditures within the general fund to approximate \$337.8 million for FY15. This projection is \$2.8 million (0.83%) below modified appropriations, and is net of the costs associated with the separation incentive offered by the County during 2015. While salaries are projected below appropriated levels, the magnitude of the variance will not be as large as in prior years due to the costs of the separation incentive incurred in FY15.

2015 SECOND QUARTER PROJECTIONS

Authorized by Act 113 of 2015, the County offered a separation incentive to non-uniformed employees during the summer of 2015. The incentive offered \$1,000 for every completed year of County service in exchange for separating from full-time County employment on or before July 31, 2015. A summary of the departmental distribution of the employees taking the incentive is shown below.

2015 SEPARATION INCENTIVE SUMMARY			
All Funds Position Count			
	2015 Authorized	2015 Incentive	Share of Authorized
Board Of Legislators	58	1	1.7%
County Executive	73	2	2.7%
Budget	14	1	7.1%
Board Of Elections	90	1	1.1%
Finance	51	1	2.0%
Information Technology	134	15	11.2%
Law	94	4	4.3%
Planning	33	3	9.1%
Emergency Services	56	1	1.8%
County Clerk	72	1	1.4%
Social Services	1,115	62	5.6%
Community Mental Health	75	3	4.0%
Health	273	12	4.4%
Labs and Research	104	3	2.9%
Correction	878	4	0.5%
District Attorney	238	4	1.7%
Probation	203	7	3.4%
Public Administrator	7	1	14.3%
Parks, Recreation, and Conservation	255	10	3.9%
Transportation	35	7	20.0%
Public Works	220	5	2.3%
Environmental Facilities	332	10	3.0%
Other	457	-	0.0%
TOTAL	4,867	158	3.2%

A total of 158 employees representing 3.2% of the total workforce authorized by the 2015 County Budget took the separation incentive offered by the County.

DOB projects the incentive to increase costs by approximately \$800,000 in FY15, and reduce costs by approximately \$3.0 million in FY16. Both of these figures are net of anticipated position refills and all state and federal reimbursement.

2015 SECOND QUARTER PROJECTIONS

DOB projects the other personal service expenditure category to finish the year very close to modified appropriations. Savings for pension and payroll taxes generated by the lower salary projection mentioned above are offset by higher than budgeted costs for 207-c police officer disability and non-salary wages. The County's self-insured healthcare plan for employees and retirees is trending on budget at the midway point of the fiscal year.

GENERAL FUND OTHER PERSONAL SERVICE SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Hourly Wages	8,301	8,315	2,964	8,470	156
Fees and Officers Pay	318	318	159	343	24
Overtime & Holiday	19,396	19,396	7,986	19,474	78
207-C	2,482	2,482	890	2,712	229
Differential and Detective Pay	5,381	5,381	2,476	5,391	10
Pension	66,277	66,277	28,716	65,903	(375)
Social Security and Medicare	26,382	26,382	12,632	26,194	(188)
Healthcare	133,102	133,102	60,981	133,102	-
MCTD Mobility Tax	1,338	1,338	606	1,329	(9)
Benefit Fund	4,133	4,133	1,549	4,133	-
Unemployment Insurance	725	725	265	725	(0)
TOTAL	267,837	267,850	119,224	267,776	(75)

2015 SECOND QUARTER PROJECTIONS

MATERIALS AND SUPPLIES

The table below highlights departments with projected changes in their materials and supplies expenditures from modified appropriations (see appendix A for detail on all departments).

GENERAL FUND MATERIALS AND SUPPLIES SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Board Of Elections	1,684	2,099	555	1,684	(416)
Information Technology	326	340	120	246	(94)
Planning	11	11	1	10	(1)
Emergency Services	242	242	52	241	(1)
Consumer Protection	43	43	13	39	(4)
Community Mental Health	39	40	6	32	(8)
Health	493	496	189	434	(63)
Labs and Research	1,122	1,290	507	1,240	(50)
Correction	1,503	1,637	478	1,560	(77)
District Attorney	324	333	108	323	(10)
Public Safety Services	2,078	2,153	788	1,933	(220)
Probation	163	177	41	175	(1)
Parks, Recreation, and Conservation	7,049	7,121	2,966	7,130	8
Transportation	1,852	1,852	887	1,724	(128)
Public Works	18,983	19,120	7,299	18,639	(482)
Other	1,522	1,576	551	1,576	-
TOTAL	37,433	38,529	14,560	36,984	(1,545)

At approximately \$21 million, energy utility costs make up more than fifty-five percent of the entire materials and supplies expenditure category. The vast majority of this amount, \$17.7 million, is within the Departments of Public Works and Transportation. DOB has lowered the utility projection within the Departments of Public Works and Transportation by \$450,000 to reflect the lower than expected energy prices to date. The other two large adjustments within this category are reductions of \$416,000 within the Board of Elections from the expectation that some supplies budgeted for in 2015 will roll and be purchased in 2016, and \$200,000 within the Department of Public Safety for lower than expected gasoline prices during 2015.

2015 SECOND QUARTER PROJECTIONS

CONTRACT EXPENSES (Class 400)

Overall, DOB projects contract expenses at \$5.9 million below modified appropriations. Below is a summary of the departments with variances to the modified budget in the second quarter forecast (see appendix A for detail on all departments).

GENERAL FUND CONTRACT EXPENSES SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
County Executive	3,616	4,024	873	3,524	(500)
Human Resources	1,003	1,049	291	961	(88)
Board Of Elections	3,847	3,999	314	3,617	(382)
Finance	119	145	28	79	(66)
Information Technology	21,049	22,333	8,852	20,694	(1,639)
Law	772	992	224	877	(115)
Planning	1,120	1,120	326	1,116	(4)
Emergency Services	602	638	184	598	(41)
Community Mental Health	4,150	4,150	878	4,600	450
Health	120,176	120,214	47,956	121,459	1,245
Labs and Research	780	879	311	819	(60)
Correction	23,269	23,363	8,551	22,160	(1,203)
District Attorney	5,615	5,632	307	5,593	(39)
Public Safety Services	2,979	3,126	1,083	3,076	(50)
Probation	6,236	6,271	1,005	6,196	(75)
Solid Waste Commission	139	139	29	114	(25)
Parks, Recreation, and Conservation	10,858	10,963	3,769	10,857	(105)
Transportation	149,657	149,745	67,874	151,074	1,330
Public Works	30,605	32,175	13,141	31,318	(856)
Miscellaneous Budgets	224,589	226,529	94,561	222,879	(3,650)
Other	87,988	88,453	24,654	88,453	-
TOTAL	699,169	705,938	275,212	700,066	(5,873)

Most of the savings projected within individual departments results from the expectation that some technical and contractual expenses budgeted in 2015 will roll and take place in 2016, as well as spending for certain contracts not equaling their full not to exceed amounts. In addition, DOB has taken administrative actions available to limit expenses for travel and other contracts where possible.

Mental Health and Health are both projected slightly above their modified contract expense appropriation. In Mental Health criminal law proceedings are trending above budgeted levels while Children with Special Needs (CSN) caseloads are higher than anticipated in Health.

The Department of Correction is projected to achieve savings from the inmate food, healthcare, and transportation contracts in the amount of \$1.2 million from the modified budget.

Higher than anticipated general liability and worker's compensation claims to date have resulted in an upward revision to the projection for bus operating assistance with the Department of Transportation.

2015 SECOND QUARTER PROJECTIONS

In the Miscellaneous Budgets, the municipal sales and use tax distribution is projected at \$5.4 million lower than modified appropriations as a result of the downward revision of sales and use tax collection, and \$1.4 million for the expectation that some contractual expenditures budgeted in 2015 will roll and take place in 2016. These reductions are offset by higher than appropriation projections for tax certioraris in the amount of \$2.2 million and indigent legal services by \$1.0 million.

SOCIAL SERVICES RELIEF

DOB projects an overall expense reduction of \$11.1 million from the modified budget within the social services relief appropriation. However, with most DSS programs being at least partially reimbursed by the federal and/or state government, there is a significant revenue loss of \$8.7 million resulting from the lower expense projections for Social Services Relief. The major variances from the modified budget projected at this time are substantial reductions in the medical and public assistance programs offset by increases in child welfare and low-income daycare expenditures.

GENERAL FUND SOCIAL SERVICES RELIEF SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Emerg Assist To Fam & Child - Non Homeless	5,892	5,892	2,685	5,779	(113)
Emerg Assist to Fam & Child - Foster Care	20,247	20,247	6,779	17,275	(2,972)
Emerg Assist to Adults	825	825	432	996	171
Old Age Assist - MA	6,282	5,935	506	3,354	(2,580)
Aid to Disabled - MA	-	125	3	127	2
Family Assistance - MA	-	223	48	302	79
Medicaid - Regular	211,779	211,779	103,532	207,813	(3,966)
Temp Assist to Needy Families (TANF)	48,016	48,022	17,255	43,974	(4,048)
Safety Net	56,654	56,654	22,239	54,654	(2,000)
Child Welfare - Foster Care	28,388	28,388	11,204	31,584	3,196
Child Welfare - Independent Living	1,701	1,701	547	1,572	(129)
Child Welfare - Adoption Subsidies	8,865	8,865	4,270	8,774	(91)
Social Svcs Spec Items	305	305	94	305	-
Indirect Social Service	38,869	38,935	14,172	40,313	1,378
Day Care (Title XX)	1,400	1,400	472	1,399	(1)
TOTAL	429,223	429,296	184,237	418,220	(11,076)

Under the medical assistance programs, reductions within the Old Age Medical Assistance program reflect the uncertain timing associated with a Medicaid cost recovery program. This expenditure reduction is coupled with a revenue loss of \$4.0 million. The County’s Medicaid share has been lowered by \$4.0 million due to a larger than anticipated increase in Enhanced FMAP allocable to the County for FY15.

Caseloads for the two public assistance programs, TANF and Safety Net, are trending below budget through the first quarter. This has resulted in downward revisions of \$4.0 million for TANF and \$2.0 million for Safety Net. A reduction in these two programs of \$6.0 million is coupled with a \$4.6 million revenue loss.

2015 SECOND QUARTER PROJECTIONS

Overall, DOB projects expenditures for the two foster care programs essentially on budget with Emergency Assistance Foster Care projected \$3.0 million under and Child Welfare Foster Care \$3.2 million over modified appropriations. Unfortunately, Child Welfare is funded through a block grant with the County having to bear the full burden of the increase, while Emergency Assistance is subject to formulaic reimbursement with approximately two-thirds coming from the state.

Low income daycare expenditures are projected to be \$1.4 million higher than modified appropriations. Both the utilization of services and the cost per case have been trending at higher than budgeted levels through the second quarter.

SPECIAL DISTRICTS FUNDS FORECAST

On December 9, 2014, the County adopted a Special Districts Operating Budget in the amount of \$225.7 million for Fiscal Year 2015 (FY15). \$124.9 million was appropriated for sewer district operations, \$22.1 million for water district operations, and \$78.7 million for refuse district operations. This section will present the Department of Budget's (DOB) Second Quarter Forecast.

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

2015 SECOND QUARTER PROJECTIONS

CONSOLIDATED SEWER OPERATIONS FUND

The 2015 Budget has been modified upward by \$1.4 million to allow for the expenditure of funds in FY15 for items that were contracted for in FY14. While no specific expense reductions have been identified at this time, DOB expects a similar amount to roll from FY15 to FY16 resulting in a negligible effect to the FY15 Financial Plan.

CONSOLIDATED SEWER OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
EXPENDITURES					
Annual Regular Salaries	18,405	18,405	8,434	18,405	-
Other Personal Service	16,984	16,984	7,787	16,984	-
Equipment	723	1,056	194	1,056	-
Materials and Supplies	20,541	20,637	7,145	20,637	-
Expenses	20,735	21,700	7,639	21,200	(500)
Inter-Departmental Expense	3,549	3,549	2,131	3,549	-
Gross Expenditures	80,936	82,331	33,331	81,831	(500)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	80,936	82,331	33,331	81,831	(500)
REVENUES					
Departmental Income	3,463	3,463	757	3,463	-
Interest on Investments	29	29	3	29	-
Miscellaneous Revenue	407	407	(7)	407	-
Interfund Revenue	77,037	78,432	27,731	77,037	(1,395)
TOTAL	80,936	82,331	28,484	80,936	(1,395)
BUDGET (GAP) / SURPLUS	-	-	(4,846)	(895)	(895)

DOB projects contractual expenditures \$500,000 below modified appropriations for lower than expected costs associated with sludge disposal at the Yonkers Joint Treatment Plant.

2015 SECOND QUARTER PROJECTIONS

SEWER DISTRICTS FUNDS

DOB projects no changes from the 2015 Sewer Districts Funds Budgets adopted on December 9, 2014 at this time.

SEWER DISTRICT FUNDS SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
EXPENDITURES					
Expenses	48,880	48,880	24,752	48,880	-
Inter-Departmental Expense	75,979	75,979	27,457	75,979	-
Gross Expenditures	124,860	124,860	52,209	124,860	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	124,860	124,860	52,209	124,860	-
REVENUES					
Real Property Taxes	98,802	98,802	59,281	98,802	-
Payments in Lieu of Taxes	80	80	-	80	-
Interest on Investments	8,370	8,370	3,905	8,370	-
Appropriated Fund Balance	17,135	17,135	-	17,135	-
Interfund Revenue	473	473	473	473	-
TOTAL	124,860	124,860	63,659	124,860	-
BUDGET (GAP) / SURPLUS	-	-	11,451	-	-

WATER DISTRICTS FORECAST

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

2015 SECOND QUARTER PROJECTIONS

WATER DISTRICT #1

Water District #1 (WD#1) encompasses the municipalities of Mount Vernon, Scarsdale, White Plains, and Yonkers. The 2015 WD#1 Budget has been modified upward by \$398,000 to allow for the expenditure of funds in FY15 for items that were contracted for in FY14. While no specific expense reductions for rolls have been identified at this time, DOB expects a similar amount to roll from FY15 to FY16 resulting in a negligible effect to the FY15 Financial Plan.

WATER DISTRICT #1 SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
EXPENDITURES					
Annual Regular Salaries	217	217	96	217	-
Other Personal Service	235	235	78	235	-
Equipment	20	20	-	53	33
Materials and Supplies	16,857	16,859	4,845	16,859	-
Expenses	1,315	1,711	770	2,918	1,207
Inter-Departmental Expense	426	426	64	426	-
Gross Expenditures	19,070	19,468	5,853	20,708	1,240
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	19,070	19,468	5,853	20,708	1,240
REVENUES					
Real Property Taxes	2,336	2,336	1,402	2,336	-
Departmental Income	16,040	16,040	46	16,040	-
Interest on Investments	9	9	-	9	-
Appropriated Fund Balance	550	948	-	1,790	842
Miscellaneous Revenue	135	135	93	135	-
TOTAL	19,070	19,468	1,541	20,310	842
BUDGET (GAP) / SURPLUS	-	-	(4,313)	(398)	(398)

The other changes from the modified budget at this time are due to the anticipated settlement between WD#1 and the United States Department of Justice and the Environmental Protection Agency. Included in the proposed settlement is a \$1.1 million civil penalty and requirements for the district to undertake supplemental environmental projects. These projects are estimated at \$131,000 for FY15. DOB anticipates these expenditures to be funded by the fund balance of the district. Audited 2014 results place the district's fund balance at an amount approximating \$6.8 million as of December 31, 2014.

2015 SECOND QUARTER PROJECTIONS

WATER DISTRICT #3

Water District #3 (WD#3) encompasses the County’s Valhalla Campus at Grasslands within the Town of Mount Pleasant. The 2015 WD#3 Budget has been modified upward by \$33,000 to allow for the expenditure of funds for items in FY15 that were contracted for in FY14. While no specific expense reductions for rolls have been identified at this time, DOB expects a similar amount to roll from FY15 to FY16 resulting in a negligible effect to the FY15 Financial Plan.

WATER DISTRICT #3 SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
EXPENDITURES					
Annual Regular Salaries	180	180	84	180	-
Other Personal Service	226	226	78	226	-
Equipment	10	10	-	10	-
Materials and Supplies	734	736	155	686	(50)
Expenses	1,555	1,585	321	1,585	-
Inter-Departmental Expense	226	226	17	226	-
Gross Expenditures	2,930	2,963	654	2,913	(50)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	2,930	2,963	654	2,913	(50)
REVENUES					
Departmental Income	1,900	1,900	-	1,900	-
Interest on Investments	9	9	-	9	-
Appropriated Fund Balance	1,022	1,055	-	1,022	(33)
TOTAL	2,930	2,963	-	2,930	(33)
BUDGET (GAP) / SURPLUS	-	-	(654)	17	17

DOB projects water purchases below modified appropriations by \$50,000 resulting in a budgetary surplus for WD#3 in the amount of \$17,000.

2015 SECOND QUARTER PROJECTIONS

REFUSE DISTRICT

Created in 1982, the County Refuse District encompasses 36 municipalities in the southern and western portions of the County representing 90 percent of the County population. The 2015 Refuse District Budget has been modified upward by \$115,000 to allow for the expenditure of funds in FY15 for items that were contracted for in FY14. While no specific expense reductions for rolls have been identified at this time, DOB expects a similar amount to roll from FY15 to FY16 resulting in a negligible effect to the FY15 Financial Plan.

REFUSE DISTRICT SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
EXPENDITURES					
Annual Regular Salaries	1,719	1,719	793	1,719	-
Other Personal Service	1,422	1,422	625	1,422	-
Equipment	295	295	-	295	-
Materials and Supplies	1,107	1,119	328	1,119	-
Expenses	71,553	71,657	24,715	68,549	(3,108)
Inter-Departmental Expense	2,649	2,649	685	2,649	-
Gross Expenditures	78,745	78,860	27,145	75,753	(3,108)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	78,745	78,860	27,145	75,753	(3,108)
REVENUES					
Real Property Taxes	45,036	45,036	27,022	45,036	-
Payments in Lieu of Taxes	289	289	6	289	-
Departmental Income	20,867	20,867	6,396	19,744	(1,123)
Interest on Investments	416	416	103	416	-
Appropriated Fund Balance	12,028	12,143	-	12,028	(115)
Miscellaneous Revenue	90	90	28	90	-
Interfund Revenue	19	19	19	19	-
TOTAL	78,745	78,860	33,575	77,622	(1,238)
BUDGET (GAP) / SURPLUS	-	-	6,429	1,870	1,870

DOB projects \$3.1 million less in expenditures due to a lower projection in the tonnage of municipal solid and organic wastes from the Department of Environmental Facilities. This expense reduction will be offset by approximately \$1.1 million of revenues. The Second Quarter Forecasts projects a budgetary surplus for the Refuse District in the amount of \$1.9 million.

2015 SECOND QUARTER PROJECTIONS

AIRPORT FUND FORECAST

The 2015 Airport Budget has been modified upward by \$1.8 million to allow for the expenditure of funds in FY15 for items that were contracted for in FY14. While no specific expense reductions for rolls have been identified at this time, DOB expects a similar amount to roll from FY15 to FY16 resulting in a negligible effect to the FY15 Financial Plan.

AIRPORT OPERATIONS FUND SUMMARY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
EXPENDITURES					
Annual Regular Salaries	8,615	8,615	3,880	8,615	-
Other Personal Services	4,018	4,018	1,812	4,018	-
Equipment	687	896	218	896	-
Materials & Supplies	2,699	2,717	1,150	2,667	(50)
Expenses	18,369	19,944	10,833	19,974	30
Inter-Departmental Charge	10,610	10,610	2,905	10,610	-
Gross Expenditures	44,998	46,799	20,799	46,779	(20)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	44,998	46,799	20,799	46,779	(20)
REVENUES					
Departmental Income	43,814	43,814	19,019	42,939	(875)
Interest on Investments	40	40	-	40	-
Appropriated Fund Balance	1,144	2,945	-	1,144	-
TOTAL	44,998	46,799	19,019	44,123	(875)
BUDGET (GAP) / SURPLUS	-	-	(1,781)	(2,656)	(855)

DOB projects expenditures slightly below modified appropriations due to lower than anticipated energy prices offset by higher general supply and contractual expense costs. DOB also anticipates lower departmental revenue in the amount of \$875,000 for lower hangar rent.

2015 SECOND QUARTER PROJECTIONS

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

The County is self-insured for both workers compensation and general liability. The balance sheet for each reserve fund as of June 30, 2015 is shown below.

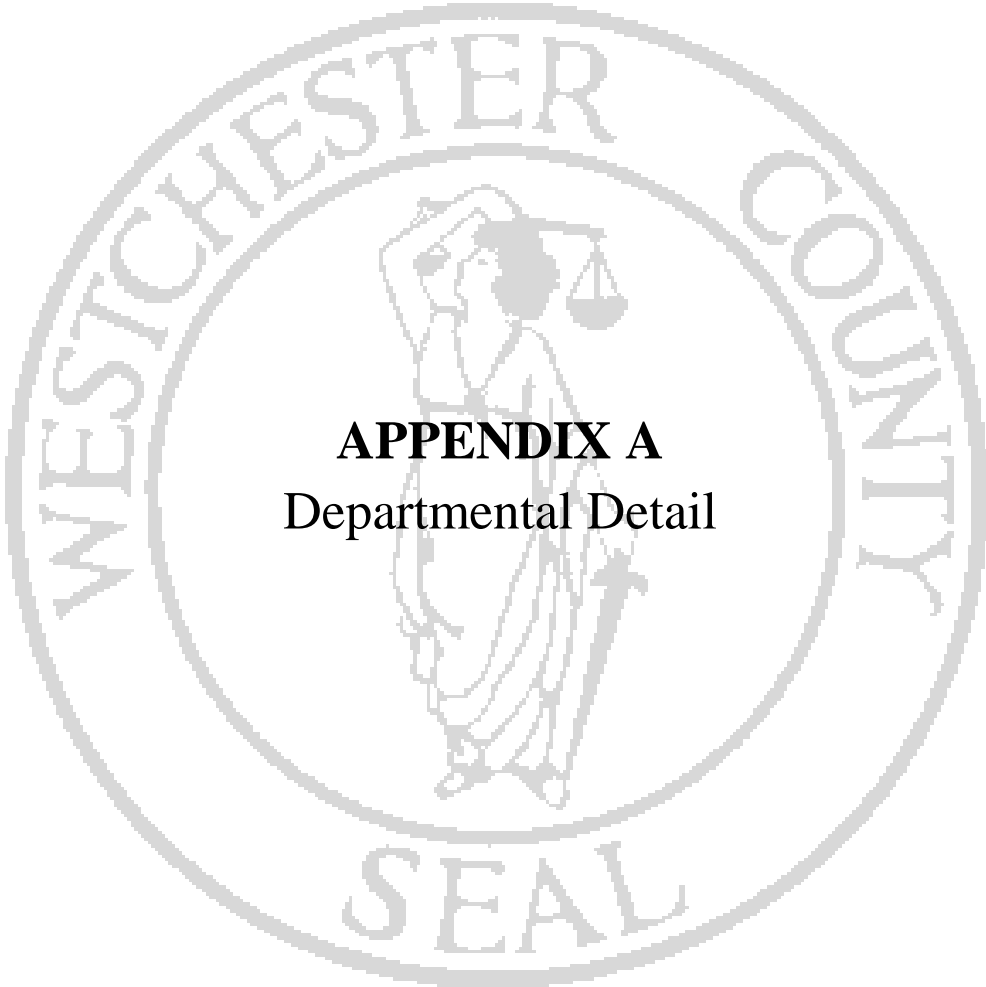
WORKERS COMPENSATION (6J) & GENERAL LIABILITY (6N) FUNDS AS OF 6/30/2015		
Thousands of Dollars		
	<u>6J FUND</u>	<u>6N FUND</u>
TOTAL ASSETS	7,348	65,727
TOTAL LIABILITIES	39,626	31,116
NET POSITION JUNE 30	<u>(32,278)</u>	<u>34,611</u>

The general liability reserve fund is in a positive net position of \$34.6 million, while the workers compensation fund is in a negative net position of \$32.3 million. These figures have been fairly consistent over the past several years. The healthy fund balance of the 6N fund has allowed the operating funds to forgo contributions to the fund since 2009, and it is anticipated that no contributions will be necessary in the near future. The nature of workers compensation claims, small payouts over long periods of time, does not necessitate a large fund balance within the 6J reserve fund. Cash, on the other hand, is needed to make the weekly distributions to recipients. Due to the amount of claims being paid exceeding the amount being contributed by the operating funds, the cash balance of the workers compensation reserve fund has been declining.

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

If the claim level does not drop below the recent trend of \$9 - 10 million, the operating funds will be required to increase their contribution above the \$7.6 million that is currently budgeted for FY15 in future years.

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APPENDIX A
Departmental Detail

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DEPARTMENTAL DETAIL

BOARD OF LEGISLATORS					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	3,683	3,683	1,688	3,683	-
Other Personal Services	271	271	106	271	-
Equipment	4	4	1	4	-
Materials & Supplies	238	238	40	238	-
Expenses	326	356	93	356	-
Inter-Departmental Charge	4	4	1	4	-
Gross Expenditures	4,525	4,555	1,929	4,555	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	4,525	4,555	1,929	4,555	-
TAX LEVY	4,525	4,555	1,929	4,555	-

SECOND QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

COUNTY EXECUTIVE					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	5,171	5,171	2,223	5,161	(10)
Other Personal Services	39	39	19	39	-
Materials & Supplies	105	140	63	140	(0)
Expenses	3,616	4,024	873	3,524	(500)
Inter-Departmental Charge	559	559	460	559	-
Gross Expenditures	9,490	9,934	3,638	9,424	(510)
Inter-Departmental Revenue	(1,193)	(1,193)	(357)	(1,193)	-
NET EXPENDITURES	8,297	8,741	3,281	8,231	(510)
Departmental Income	(1,215)	(1,215)	-	(1,215)	-
State Aid	(208)	(208)	(8)	(208)	-
REVENUES	(1,423)	(1,423)	(8)	(1,423)	-
TAX LEVY	6,874	7,318	3,273	6,808	(510)

SECOND QUARTER HIGHLIGHTS

DOB projects \$510,000 of savings from the modified budget for the County Executive at this time. This savings is composed of \$10,000 of personal service savings as a result of vacancies, and \$500,000 resulting from the anticipation that some contractual expenses budgeted in FY15 will not occur until FY16.

DEPARTMENTAL DETAIL

DEPARTMENT OF HUMAN RESOURCES					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	3,401	3,401	1,519	3,284	(117)
Other Personal Services	53	53	35	79	26
Equipment	22	22	17	22	-
Materials & Supplies	39	40	13	40	-
Expenses	1,003	1,049	291	961	(88)
Inter-Departmental Charge	706	706	628	706	-
Gross Expenditures	5,225	5,272	2,503	5,094	(179)
Inter-Departmental Revenue	(392)	(392)	(26)	(392)	-
NET EXPENDITURES	4,834	4,881	2,477	4,702	(179)
Departmental Income	(750)	(750)	(393)	(550)	200
REVENUES	(750)	(750)	(393)	(550)	200
TAX LEVY	4,084	4,131	2,085	4,152	21

SECOND QUARTER HIGHLIGHTS

DOB projects \$91,000 of personal service savings from the modified budget for the Department of Human Resources (HR) as a result of vacancies offset by additional hourly and overtime costs.

HR is projected to have a small amount of contractual expenditure savings, but will no longer collect \$200,000 of revenues as a police officer exam is not expected to occur in 2015.

DEPARTMENTAL DETAIL

DEPARTMENT OF BUDGET					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	1,360	1,360	595	1,324	(36)
Other Personal Services	7	7	1	7	-
Materials & Supplies	3	3	0	3	-
Expenses	12	12	4	12	-
Inter-Departmental Charge	263	263	244	263	-
Gross Expenditures	1,645	1,645	845	1,609	(36)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,645	1,645	845	1,609	(36)
Departmental Income	(595)	(595)	(172)	(595)	-
REVENUES	(595)	(595)	(172)	(595)	-
TAX LEVY	1,050	1,050	673	1,014	(36)

SECOND QUARTER HIGHLIGHTS

DOB is projecting \$36,000 of personal service savings from the modified budget as a result of a vacancy within the department.

DEPARTMENTAL DETAIL

BOARD OF ELECTIONS					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	6,307	6,307	2,749	5,889	(418)
Other Personal Services	1,050	1,050	252	1,050	-
Equipment	80	80	-	80	-
Materials & Supplies	1,684	2,099	555	1,684	(416)
Expenses	3,847	3,999	314	3,617	(382)
Inter-Departmental Charge	1,969	1,969	1,251	1,969	-
Gross Expenditures	14,935	15,503	5,121	14,288	(1,215)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	14,935	15,503	5,121	14,288	(1,215)
Departmental Income	(1,407)	(1,407)	(2)	(1,407)	-
REVENUES	(1,407)	(1,407)	(2)	(1,407)	-
TAX LEVY	13,528	14,096	5,119	12,881	(1,215)

SECOND QUARTER HIGHLIGHTS

DOB is projecting \$418,000 of personal service savings from the modified budget for the Board of Elections as a result of vacancies within the department.

Additional savings of \$798,000 within supplies and contractual expenses are expected due to these expenditures actually occurring in FY 2016.

DEPARTMENTAL DETAIL

DEPARTMENT OF FINANCE					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	4,150	4,150	1,900	4,162	12
Other Personal Services	8	8	3	8	-
Materials & Supplies	40	40	17	40	-
Expenses	119	145	28	79	(66)
Inter-Departmental Charge	971	971	673	971	-
Gross Expenditures	5,289	5,314	2,622	5,261	(53)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	5,289	5,314	2,622	5,261	(53)
Departmental Income	(2,181)	(2,181)	(450)	(2,181)	-
Miscellaneous Revenue	-	-	3	-	-
REVENUES	(2,181)	(2,181)	(448)	(2,181)	-
TAX LEVY	3,108	3,133	2,174	3,080	(53)

SECOND QUARTER HIGHLIGHTS

DOB is projecting a small overage of \$12,000 in personal service due to the separation incentive within the Department of Finance. This increase is fully offset by a savings of \$66,000 in contractual expenses.

DEPARTMENTAL DETAIL

DEPARTMENT OF INFORMATION TECHNOLOGY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	14,428	14,428	6,664	14,719	291
Other Personal Services	3,571	3,571	1,259	3,705	135
Equipment	322	358	5	154	(205)
Materials & Supplies	326	340	120	246	(94)
Expenses	21,049	22,333	8,852	20,694	(1,639)
Inter-Departmental Charge	1,493	1,493	817	1,493	-
Gross Expenditures	41,187	42,523	17,718	41,011	(1,512)
Inter-Departmental Revenue	(34,388)	(34,388)	(31,104)	(34,388)	-
NET EXPENDITURES	6,799	8,134	(13,385)	6,622	(1,512)
Departmental Income	(7,845)	(7,845)	(4,163)	(7,845)	-
Appropriated Fund Balance	(6,110)	(6,110)	-	(5,933)	177
REVENUES	(13,955)	(13,955)	(4,163)	(13,778)	177
TAX LEVY	(7,156)	(5,820)	(17,548)	(7,155)	(1,335)

SECOND QUARTER HIGHLIGHTS

DOB is projecting an overall expenditure reduction of \$1.5 million from the modified budget within the Department of Information Technology (DoIT).

DoIT is expected to exceed budgeted appropriations by \$426,000 for personal service due to the separation incentive offered by the County. These projected overages will be more than offset by savings in the other expenditure categories. The majority of the projected savings occurs within the contractual expense category due to not expending the full not to exceed amount on some contracts as well as the expectation that certain expenses budgeted in FY15 will occur in FY16.

Projected savings of \$177,000 within the e-911 and wireless units results in an equal reduction in the use of the restricted fund balance appropriated for those purposes.

DEPARTMENTAL DETAIL

BOARD OF ACQUISITION & CONTRACT					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	225	225	105	225	-
Materials & Supplies	1	1	0	1	-
Expenses	2	2	0	2	-
Inter-Departmental Charge	50	50	43	50	-
Gross Expenditures	278	278	148	278	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	278	278	148	278	-
Departmental Income	(6)	(6)	(2)	(4)	3
REVENUES	(6)	(6)	(2)	(4)	3
TAX LEVY	272	272	146	275	3

SECOND QUARTER HIGHLIGHTS

DOB is projecting lower revenues by \$3,000 for the Board of Acquisition and Contract due to bid plans being available on the Empire State Purchasing Group website at no cost.

DEPARTMENTAL DETAIL

DEPARTMENT OF LAW					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	9,278	9,278	4,296	9,243	(36)
Other Personal Services	1	1	-	1	-
Equipment	15	15	9	15	-
Materials & Supplies	69	71	29	71	-
Expenses	772	992	224	877	(115)
Inter-Departmental Charge	795	795	714	795	-
Gross Expenditures	10,930	11,151	5,272	11,001	(151)
Inter-Departmental Revenue	(10,341)	(10,341)	(3,432)	(10,341)	-
NET EXPENDITURES	589	810	1,840	660	(151)
Departmental Income	(3,602)	(3,602)	(1,007)	(3,602)	-
REVENUES	(3,602)	(3,602)	(1,007)	(3,602)	-
TAX LEVY	(3,013)	(2,792)	834	(2,943)	(151)

SECOND QUARTER HIGHLIGHTS

DOB is projecting expenditures \$151,000 below modified appropriations within the Department of Law. The variances with the modified budget are due to projected vacancy savings and lower than expected litigation expenses to date.

DEPARTMENTAL DETAIL

DEPARTMENT OF PLANNING					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	2,443	2,443	1,041	2,520	77
Materials & Supplies	11	11	1	10	(1)
Expenses	1,120	1,120	326	1,116	(4)
Inter-Departmental Charge	662	662	458	662	-
Gross Expenditures	4,236	4,236	1,825	4,308	72
Inter-Departmental Revenue	(65)	(65)	-	(65)	-
NET EXPENDITURES	4,171	4,171	1,825	4,243	72
Departmental Income	(853)	(853)	(7)	(905)	(52)
State Aid	(60)	(60)	(60)	(60)	-
REVENUES	(913)	(913)	(67)	(965)	(52)
TAX LEVY	3,258	3,258	1,758	3,278	21

SECOND QUARTER HIGHLIGHTS

DOB projects an increase in personal services within the Department of Planning. This is a result of transferring two employees from the trust fund to the general fund, and the separation incentive. The additional expenditures are offset by vacancy and expense savings, as well as additional revenues that will be recognized within the general fund instead of the trust fund.

DEPARTMENTAL DETAIL

DEPARTMENT OF EMERGENCY SERVICES					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	1,734	1,734	825	1,758	25
Other Personal Services	330	330	123	317	(13)
Equipment	12	12	0	6	(6)
Materials & Supplies	242	242	52	241	(1)
Expenses	602	638	184	598	(41)
Inter-Departmental Charge	3,156	3,156	2,404	3,156	0
Gross Expenditures	6,076	6,112	3,588	6,077	(35)
Inter-Departmental Revenue	(294)	(294)	-	(294)	-
NET EXPENDITURES	5,782	5,818	3,588	5,782	(35)
Departmental Income	(75)	(75)	(75)	(75)	(0)
Federal Aid	(363)	(363)	(135)	(363)	-
REVENUES	(438)	(438)	(209)	(439)	(0)
TAX LEVY	5,344	5,379	3,379	5,344	(36)

SECOND QUARTER HIGHLIGHTS

DOB projects salaries \$25,000 over appropriations due to the separation incentive. Across the board savings within the other expenditure categories result in total expenditures being projected \$35,000 below modified appropriations.

DEPARTMENTAL DETAIL

COUNTY CLERK					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	4,432	4,432	2,022	4,432	-
Other Personal Services	85	85	3	85	-
Equipment	6	6	1	6	-
Materials & Supplies	158	158	81	158	-
Expenses	517	517	146	517	-
Inter-Departmental Charge	1,890	1,890	1,633	1,890	-
Gross Expenditures	7,087	7,087	3,886	7,087	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	7,087	7,087	3,886	7,087	-
Departmental Income	(8,781)	(8,781)	(3,706)	(8,781)	-
REVENUES	(8,781)	(8,781)	(3,706)	(8,781)	-
TAX LEVY	(1,694)	(1,694)	180	(1,694)	-

SECOND QUARTER HIGHLIGHTS

DOB projects no changes from the modified budget for the County Clerk at this time.

DEPARTMENTAL DETAIL

DEPARTMENT OF SOCIAL SERVICES					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	71,653	71,653	32,163	70,376	(1,277)
Other Personal Services	1,778	1,778	756	1,778	-
Equipment	75	75	-	75	-
Materials & Supplies	837	852	299	852	0
Expenses	4,482	4,873	1,191	4,873	(0)
Social Services Relief	429,223	429,296	184,237	418,220	(11,076)
Inter-Departmental Charge	35,598	35,598	15,461	35,598	-
Gross Expenditures	543,646	544,126	234,107	531,772	(12,353)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	543,646	544,126	234,107	531,772	(12,353)
Departmental Income	(3,900)	(3,900)	(2,899)	(3,900)	-
Miscellaneous Revenue	-	-	(493)	-	-
Undistributed Revenues	-	-	(1,162)	-	-
State Aid	(102,671)	(102,671)	(16,296)	(93,830)	8,841
Federal Aid	(179,450)	(179,450)	(49,922)	(172,215)	7,235
REVENUES	(286,021)	(286,021)	(70,773)	(269,945)	16,076
TAX LEVY	257,625	258,105	163,334	261,827	3,723

SECOND QUARTER HIGHLIGHTS

DOB projects lower expenditures than the modified budget by \$12.4 million for the Department of Social Services (DSS). The majority of this projected reduction (\$11.1 million) is within Social Services Relief, with the remainder coming from projected vacancy savings (\$1.3 million). With most DSS programs being at least partially reimbursed by the federal and/or state government, there is a significant revenue loss resulting from the lower expense projections. Federal and state aid revenues are now projected to be \$16.1 million below the modified budget.

DSS is projected to have expenditure savings within Medicaid as a result of additional Enhanced FMAP, and TANF, Safety Net, Emergency Assistance, and Non-Medicaid Medical Assistance as a result of lower caseloads. Collectively, these programs are projected \$15 million below modified appropriations. Offsetting these savings are projections for foster care and low-income daycare programs exceeding appropriations by \$4 million.

Federal and state aid are now projected below the modified budget due to the caseload reductions mentioned above, and the anticipation that certain Medicaid recovery revenues will not be realized in FY15. These reductions are offset by additional state aid for Foster Care programs as a result of the increased expense.

(see page 23 for additional details on social services relief)

DEPARTMENTAL DETAIL

DEPARTMENT OF SENIOR PROGRAMS & SERVICES					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Expenses	2,605	2,605	55	2,605	-
Inter-Departmental Charge	628	628	428	628	-
Gross Expenditures	3,233	3,233	482	3,233	-
Inter-Departmental Revenue	(236)	(236)	-	(236)	-
NET EXPENDITURES	2,997	2,997	482	2,997	-
TAX LEVY	2,997	2,997	482	2,997	-

SECOND QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

DEPARTMENT OF CONSUMER PROTECTION					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	1,667	1,667	769	1,568	(98)
Other Personal Services	4	4	2	4	-
Equipment	40	42	1	42	-
Materials & Supplies	43	43	13	39	(4)
Expenses	27	27	9	27	-
Inter-Departmental Charge	224	224	196	224	-
Gross Expenditures	2,005	2,007	990	1,904	(102)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	2,005	2,007	990	1,904	(102)
Departmental Income	(3,345)	(3,345)	(1,278)	(3,345)	-
REVENUES	(3,345)	(3,345)	(1,278)	(3,345)	-
TAX LEVY	(1,340)	(1,338)	(288)	(1,440)	(102)

SECOND QUARTER HIGHLIGHTS

DOB projects savings of \$102,000 from the modified budget for the Department of Consumer Protection. This savings is almost entirely due to lower projected personal service expenditures as a result of vacancies.

DEPARTMENTAL DETAIL

DEPARTMENT OF MENTAL HEALTH					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	2,987	2,987	1,282	3,025	38
Other Personal Services	11	11	1	8	(3)
Materials & Supplies	39	40	6	32	(8)
Expenses	4,150	4,150	878	4,600	450
Inter-Departmental Charge	1,312	1,312	1,106	1,312	-
Gross Expenditures	8,499	8,500	3,273	8,976	477
Inter-Departmental Revenue	(996)	(996)	(191)	(996)	-
NET EXPENDITURES	7,503	7,504	3,082	7,981	477
Departmental Income	(35)	(35)	-	(35)	-
State Aid	(1,525)	(1,525)	(635)	(1,439)	86
Federal Aid	(995)	(995)	-	(956)	39
REVENUES	(2,555)	(2,555)	(635)	(2,430)	125
TAX LEVY	4,948	4,949	2,447	5,551	602

SECOND QUARTER HIGHLIGHTS

DOB projects additional expenditures of \$477,000 from the modified budget for the Department of Mental Health. This upward revision of projected expenditures is due to Criminal Law Procedures trending at levels \$450,000 higher than budget, and additional salary expense resulting from the separation incentive.

The appropriation level included in the 2015 Budget for Criminal Law Proceedings anticipated the transition of certain aspects of the program to Westchester Medical Center during the second half of 2015. This transition will no longer happen. The department is exploring other options and expects to implement alternatives in outer years.

State and Federal Aid are projected \$125,000 below budget due to lower than budgeted personal service not associated with the separation incentive.

DEPARTMENTAL DETAIL

DEPARTMENT OF HEALTH					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	16,074	16,068	7,113	15,716	(351)
Other Personal Services	387	393	183	402	8
Equipment	20	20	11	20	-
Materials & Supplies	493	496	189	434	(63)
Expenses	120,176	120,214	47,956	121,459	1,245
Inter-Departmental Charge	4,949	4,949	3,615	4,949	-
Gross Expenditures	142,098	142,141	59,067	142,980	839
Inter-Departmental Revenue	(141)	(141)	(29)	(141)	-
NET EXPENDITURES	141,958	142,000	59,038	142,839	839
Departmental Income	(7,491)	(7,491)	(2,956)	(7,456)	34
Miscellaneous Revenue	-	-	7	-	-
Undistributed Revenues	-	-	(5)	-	-
State Aid	(71,580)	(71,580)	(3,964)	(72,581)	(1,000)
Federal Aid	-	-	-	-	-
REVENUES	(79,071)	(79,071)	(6,918)	(80,037)	(966)
TAX LEVY	62,887	62,929	52,120	62,802	(127)

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects additional expenditures of \$839,000 from the modified budget for the Department of Health (DOH). DOH consists of two units, Public Health and Children with Special Needs (CSN). Expenditures within the Public Health unit are projected \$384,000 below the modified budget, mostly due to projected savings within the personal service categories. On the other hand, CSN programmatic expenses are projected \$1.3 million above modified appropriations. The increase in projected revenues of \$1.0 million is due to the net change in state aid for these two programs as CSN is reimbursed at a higher rate than Public Health.

DEPARTMENTAL DETAIL

DEPARTMENT OF LABORATORIES & RESEARCH					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	8,179	8,179	3,800	8,139	(40)
Other Personal Services	140	140	64	140	-
Materials & Supplies	1,122	1,290	507	1,240	(50)
Expenses	780	879	311	819	(60)
Inter-Departmental Charge	3,440	3,440	1,810	3,440	-
Gross Expenditures	13,661	13,927	6,492	13,777	(150)
Inter-Departmental Revenue	(30)	(30)	(17)	(30)	-
NET EXPENDITURES	13,631	13,897	6,476	13,747	(150)
Departmental Income	(2,618)	(2,618)	(1,206)	(2,618)	-
State Aid	(1,427)	(1,427)	(259)	(1,400)	27
REVENUES	(4,045)	(4,045)	(1,465)	(4,018)	27
TAX LEVY	9,586	9,852	5,010	9,729	(123)

SECOND QUARTER HIGHLIGHTS

DOB projects expenditures \$150,000 below modified appropriations for the Department of Laboratories and Research at this time. Personal service savings of \$40,000 are projected due to position vacancies and \$110,000 of savings are projected due to the expectation that these expenditures will not occur until FY16. The aforementioned expenditure savings are offset by a reduction in state aid in the amount of \$27,000.

DEPARTMENTAL DETAIL

DEPARTMENT OF CORRECTION					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	78,054	78,054	36,196	77,711	(343)
Other Personal Services	12,583	12,583	6,022	13,019	436
Equipment	267	330	118	330	-
Materials & Supplies	1,503	1,637	478	1,560	(77)
Expenses	23,269	23,363	8,551	22,160	(1,203)
Inter-Departmental Charge	11,701	11,701	5,107	11,701	-
Gross Expenditures	127,378	127,669	56,471	126,481	(1,188)
Inter-Departmental Revenue	(137)	(137)	(29)	(137)	-
NET EXPENDITURES	127,240	127,531	56,441	126,344	(1,188)
Departmental Income	(6,800)	(6,800)	(2,372)	(6,624)	176
State Aid	(68)	(68)	-	(68)	-
Federal Aid	(1,076)	(1,076)	(18)	(1,046)	30
REVENUES	(7,943)	(7,943)	(2,390)	(7,738)	206
TAX LEVY	119,297	119,588	54,051	118,606	(982)

SECOND QUARTER HIGHLIGHTS

DOB projects expenditure savings of \$1.2 million versus the modified budget within the Department of Correction (DOC). This is primarily due to \$1.2 million of contractual expenses savings resulting from the inmate healthcare, food services, and transportation contracts costing less than the budgeted appropriation.

The projected variances in the other expenditure categories net to essentially zero as higher than budgeted overtime is offset by savings due to vacant positions, and general supplies and 207-c disability trending below budget.

DOC is projected to fall short of its departmental income target by \$176,000 as fewer federal inmates than budgeted are incarcerated in the County facility. Federal aid is trending below budgeted levels due to lower than expected social security reimbursement.

DEPARTMENTAL DETAIL

TAX COMMISSION					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	153	153	66	153	-
Materials & Supplies	1	1	0	1	-
Expenses	2	2	1	2	-
Inter-Departmental Charge	32	32	29	32	-
Gross Expenditures	187	187	97	187	-
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	187	187	97	187	-
Departmental Income	(0)	(0)	-	(0)	-
REVENUES	(0)	(0)	-	(0)	-
TAX LEVY	187	187	97	187	-

SECOND QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

DISTRICT ATTORNEY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	21,269	21,269	9,548	20,955	(314)
Other Personal Services	362	362	147	369	7
Equipment	170	170	22	170	-
Materials & Supplies	324	333	108	323	(10)
Expenses	5,615	5,632	307	5,593	(39)
Inter-Departmental Charge	989	989	517	989	-
Gross Expenditures	28,729	28,755	10,648	28,399	(356)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	28,729	28,755	10,648	28,399	(356)
Miscellaneous Revenue	-	-	(0)	-	-
State Aid	(80)	(80)	-	(80)	-
REVENUES	(80)	(80)	(0)	(80)	-
TAX LEVY	28,649	28,675	10,648	28,319	(356)

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects expenditure savings of \$356,000 versus the modified budget within the District Attorney’s Office. This savings is almost entirely a function of lower than budgeted personal service due to vacancies.

DEPARTMENTAL DETAIL

DEPARTMENT OF PUBLIC SAFETY					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	32,568	32,568	14,850	32,368	(200)
Other Personal Services	9,153	9,153	2,791	8,848	(304)
Equipment	227	312	142	302	(10)
Materials & Supplies	2,078	2,153	788	1,933	(220)
Expenses	2,979	3,126	1,083	3,076	(50)
Inter-Departmental Charge	4,272	4,273	2,923	4,273	-
Gross Expenditures	51,277	51,585	22,577	50,800	(784)
Inter-Departmental Revenue	(10,787)	(10,787)	(2,244)	(10,857)	(69)
NET EXPENDITURES	40,490	40,798	20,333	39,944	(854)
Departmental Income	(13,620)	(13,620)	(4,338)	(13,735)	(114)
State Aid	(2,772)	(2,772)	(525)	(3,009)	(237)
Federal Aid	(450)	(450)	(73)	(450)	-
REVENUES	(16,842)	(16,842)	(4,936)	(17,193)	(351)
TAX LEVY	23,648	23,956	15,397	22,751	(1,205)

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy reduction of \$1.2 million from the modified budget within the Department of Public Safety (DPS).

On the expenditure side, DPS is projected below modified appropriations by \$854,000 as a result of lower personal service from vacancies and overtime, significant supply savings from lower than anticipated fuel prices, and the provision of additional services to the Solid Waste Commission.

DPS is also projected to collect revenues in excess of the modified budget by \$351,000. These additional revenues consist of higher fine collections from the Taxi and Limousine Commission and \$237,000 in additional state aid, which will be offset by an equal amount of additional personal service expenditure, for the parkway patrol program in FY15.

DEPARTMENTAL DETAIL

DEPARTMENT OF PROBATION					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	17,334	17,334	8,106	17,455	121
Other Personal Services	389	389	126	389	-
Equipment	26	33	9	33	-
Materials & Supplies	163	177	41	175	(1)
Expenses	6,236	6,271	1,005	6,196	(75)
Inter-Departmental Charge	3,362	3,362	2,492	3,362	-
Gross Expenditures	27,509	27,565	11,778	27,610	45
Inter-Departmental Revenue	(1,453)	(1,453)	(323)	(1,453)	-
NET EXPENDITURES	26,056	26,112	11,456	26,158	45
Departmental Income	(326)	(326)	(167)	(326)	-
State Aid	(8,034)	(8,034)	(556)	(8,525)	(491)
REVENUES	(8,360)	(8,360)	(723)	(8,851)	(491)
TAX LEVY	17,697	17,752	10,732	17,306	(446)

SECOND QUARTER HIGHLIGHTS

DOB projects the Department of Probation to exceed modified appropriations by \$45,000 at this time. Salaries are projected \$121,000 over budgeted levels due to the separation incentive, offset by contractual expense savings of \$75,000. After final reconciliation of the 2012 year with the State it was determined that the County was owed \$491,000 in additional state aid.

DEPARTMENTAL DETAIL

PUBLIC ADMINISTRATOR					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	515	508	207	488	(20)
Other Personal Services	-	8	-	8	-
Equipment	3	3	3	3	-
Materials & Supplies	7	7	1	7	-
Expenses	58	83	42	83	-
Inter-Departmental Charge	88	88	74	88	-
Gross Expenditures	670	695	327	675	(20)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	670	695	327	675	(20)
Departmental Income	(470)	(470)	(52)	(370)	100
REVENUES	(470)	(470)	(52)	(370)	100
TAX LEVY	200	225	275	305	80

SECOND QUARTER HIGHLIGHTS

DOB projects the Public Administrator to exceed their modified tax levy by \$80,000 at this time. This is due to lower than anticipated revenues offset by a modest amount of vacancy savings.

DEPARTMENTAL DETAIL

SOLID WASTE COMMISSION					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	682	682	310	682	-
Other Personal Services	446	446	174	446	-
Equipment	27	27	-	27	-
Materials & Supplies	25	25	6	25	-
Expenses	139	139	29	114	(25)
Inter-Departmental Charge	254	254	132	323	69
Gross Expenditures	1,573	1,573	652	1,618	44
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	1,573	1,573	652	1,618	44
Departmental Income	(1,573)	(1,573)	(648)	(1,691)	(118)
REVENUES	(1,573)	(1,573)	(648)	(1,691)	(118)
TAX LEVY	-	0	4	(73)	(74)

SECOND QUARTER HIGHLIGHTS

DOB projects a tax levy reduction of \$74,000 from the modified budget for the Solid Waste Commission at this time. Higher than anticipated collections of fees and fines are offset by increased expenditures due to the Department of Public Safety providing additional services to Solid Waste.

DEPARTMENTAL DETAIL

DEPARTMENT OF PARKS					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	16,170	16,170	7,405	16,165	(5)
Other Personal Services	9,201	9,201	3,954	9,318	117
Equipment	328	373	270	343	(30)
Materials & Supplies	7,049	7,121	2,966	7,130	8
Expenses	10,858	10,963	3,769	10,857	(105)
Inter-Departmental Charge	5,249	5,249	2,525	5,249	-
Gross Expenditures	48,856	49,077	20,889	49,062	(15)
Inter-Departmental Revenue	(152)	(152)	(38)	(152)	-
NET EXPENDITURES	48,704	48,925	20,851	48,910	(15)
Departmental Income	(32,878)	(32,878)	(10,919)	(35,322)	(2,444)
Undistributed Revenues	-	-	(199)	-	-
State Aid	(61)	(61)	-	(61)	-
REVENUES	(32,939)	(32,939)	(11,117)	(35,383)	(2,444)
TAX LEVY	15,765	15,986	9,734	13,527	(2,459)

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy for the Parks Department (Parks) \$2.5 million below the modified level at this time. With total expenditures projected right at modified appropriations, this is due to an increase in the projection for departmental income due to payments from Standard Amusements for Playland and Algonquin Gas for an easement through Blue Mountain Reservation.

DEPARTMENTAL DETAIL

DEPARTMENT OF TRANSPORTATION					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	1,238	1,238	569	1,467	229
Other Personal Services	27	27	20	31	4
Materials & Supplies	1,852	1,852	887	1,724	(128)
Expenses	149,657	149,745	67,874	151,074	1,330
Inter-Departmental Charge	1,937	1,937	935	1,937	-
Gross Expenditures	154,710	154,798	70,285	156,233	1,435
Inter-Departmental Revenue	(415)	(415)	-	(415)	-
NET EXPENDITURES	154,296	154,383	70,285	155,818	1,435
Departmental Income	(37,754)	(37,754)	(17,256)	(37,563)	191
Miscellaneous Revenue	-	-	0	-	-
State Aid	(54,065)	(54,065)	(13,222)	(53,315)	750
Federal Aid	(17,299)	(17,299)	(456)	(11,299)	6,000
REVENUES	(109,118)	(109,118)	(30,935)	(102,177)	6,941
TAX LEVY	45,178	45,265	39,350	53,641	8,376

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy impact \$8.4 million above the modified budget within the Department of Transportation (DOT). This is due to a downward revision of projection revenues in the amount of \$6.9 million, and an expense projection \$1.4 million above modified appropriations.

Federal and state aid are projected below the modified budget by \$6.0 million and \$0.75 million, respectively. This is due to these revenues being accelerated from 2015 into 2014. Additionally, departmental income is projected \$191,000 below budget due to lower than expected MetroCard collections.

Expenditures are projected \$1.4 million above modified appropriations. Personal service is projected \$229,000 above due to the separation incentive, and bus operating expenditures \$1.3 million above due to insurance claims trending higher than expected. These increases are offset by a reduction in utilities due to lower energy prices.

DEPARTMENTAL DETAIL

DEPARTMENT OF PUBLIC WORKS					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Annual Regular Salaries	15,517	15,517	6,995	15,146	(371)
Other Personal Services	1,011	1,011	455	1,011	(1)
Equipment	58	59	22	59	-
Materials & Supplies	18,983	19,120	7,299	18,639	(482)
Expenses	30,605	32,175	13,141	31,318	(856)
Inter-Departmental Charge	2,306	2,306	1,467	2,306	-
Gross Expenditures	68,481	70,188	29,378	68,479	(1,710)
Inter-Departmental Revenue	(54,813)	(54,813)	(12,871)	(54,731)	82
NET EXPENDITURES	13,668	15,376	16,507	13,748	(1,628)
Departmental Income	(9,154)	(9,154)	(1,368)	(9,154)	-
Miscellaneous Revenue	-	-	0	-	-
State Aid	(2,726)	(2,726)	-	(2,726)	-
REVENUES	(11,880)	(11,880)	(1,368)	(11,880)	-
TAX LEVY	1,788	3,496	15,139	1,868	(1,628)

SECOND QUARTER HIGHLIGHTS

Overall, DOB projects expenditures at \$1.6 million below the modified budget within the Department of Public Works (DPW). The savings within DPW is projected to result from personal service savings due to vacancies, utility supply savings due to lower energy prices, and contractual expense savings due to some expenses budgeted in FY15 occurring in FY16.

DEPARTMENTAL DETAIL

DEBT SERVICE					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Expenses	<u>79,957</u>	<u>79,977</u>	<u>23,114</u>	<u>79,977</u>	<u>-</u>
Gross Expenditures	79,957	79,977	23,114	79,977	-
Inter-Departmental Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET EXPENDITURES	79,957	79,977	23,114	79,977	-
Capital Revenue	-	-	(116)	-	-
Miscellaneous Revenue	(1,000)	(1,000)	-	(1,000)	-
Interfund Revenue	<u>(200)</u>	<u>(200)</u>	<u>-</u>	<u>(200)</u>	<u>-</u>
REVENUES	(1,200)	(1,200)	(116)	(1,200)	-
TAX LEVY	<u>78,757</u>	<u>78,777</u>	<u>22,997</u>	<u>78,777</u>	<u>-</u>

SECOND QUARTER HIGHLIGHTS

DOB projects no changes from the modified budget for Debt Service at this time.

DEPARTMENTAL DETAIL

MISCELLANEOUS BUDGETS					
Thousands of Dollars					
	2015 Adopted	2015 Modified	YTD Jun 30	2015 Projected	Proj. less Modified
Other Personal Services	226,930	226,930	102,728	226,444	(486)
Expenses	<u>224,589</u>	<u>226,529</u>	<u>94,561</u>	<u>222,879</u>	<u>(3,650)</u>
Gross Expenditures	451,519	453,459	197,289	449,323	(4,136)
Inter-Departmental Revenue	-	-	-	-	-
NET EXPENDITURES	451,519	453,459	197,289	449,323	(4,136)
Real Property Taxes	(548,423)	(548,423)	(329,054)	(548,423)	-
Payments in Lieu of Taxes	(10,198)	(10,198)	(5,873)	(10,198)	-
Non-Property Taxes	(565,549)	(565,549)	(202,511)	(540,699)	24,850
Departmental Income	(14,915)	(14,915)	(4,819)	(14,833)	82
Interest on Investments	(100)	(100)	(10)	(100)	-
Capital Revenue	(5,000)	(5,000)	-	(6,100)	(1,100)
Appropriated Fund Balance	-	(8,178)	-	-	8,178
Miscellaneous Revenue	(1,750)	(1,750)	(2,629)	(1,888)	(138)
Austin Ave	(705)	(705)	(352)	(705)	-
Interfund Revenue	(30)	(30)	(33)	(30)	-
State Aid	<u>(2,897)</u>	<u>(2,897)</u>	<u>(863)</u>	<u>(3,897)</u>	<u>(1,000)</u>
REVENUES	(1,149,566)	(1,157,744)	(546,145)	(1,126,872)	30,872
TAX LEVY	<u>(698,048)</u>	<u>(704,286)</u>	<u>(348,856)</u>	<u>(677,550)</u>	<u>26,736</u>

SECOND QUARTER HIGHLIGHTS

DOB projects expenditure savings within the Miscellaneous Budgets of \$4.1 million in the Q2 Update. The majority of this reduction, \$5.4 million, is due to the reduction in municipal sales tax distribution as a result of lower than budgeted sales tax revenues. Expenditure reductions are also projected due to fringe benefit savings associated with a lower wage projection, and the anticipation that certain miscellaneous budget expenditures will occur in 2016. Offsetting these expenditure reductions are projections for tax certioraris at \$2.2 million above modified appropriations.

Revenue projections have been lowered by \$30.9 million from the modified budget targets. The largest adjustment is the downward revision of sales and use tax collections by \$25.0 million. Capital revenues are now projected \$1.1 million over budget as the refunding of the 2014 bond anticipation note will generate general fund revenues in that amount. The reduction of \$8.2 million in appropriated fund balance reflects the expectation for a similar amount to roll from FY15 to FY16, resulting in a minimal effect to the FY15 Financial Plan. The Q2 Projection contains sufficient expenditure reductions in the general fund to fully account for this effect.

