

WESTCHESTER COUNTY



FIRST QUARTER FORECAST FOR FISCAL YEAR 2016

ROBERT P. ASTORINO
COUNTY EXECUTIVE

LAWRENCE C. SOULE
BUDGET DIRECTOR

MAY 13, 2016

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Robert P. Astorino
County Executive

Lawrence C. Soule
Budget Director

May 13, 2016

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

Honorable Members:

The following first quarter financial report provides an annualized forecast based on actual results through March 31, 2016. I hope this report will be beneficial in illustrating the County's current and projected financial position as we all continue to monitor the 2016 financial condition of the County.

As this report will demonstrate, fiscal challenges remain and mid-course adjustments will be necessary in order to ensure that we will remain on budget for 2016. While we are projected to be under budget on the expense side, much of the challenge is on the revenue side with sales tax collections significantly lagging budgeted estimates for the first quarter, and \$11 million of bond proceeds for tax certioraris unlikely to materialize.

The year to date data as of March 31, 2016 is presented as required by local law 7 of 2014. However, care should be taken when interpreting these figures due to the seasonal nature of certain revenues and expenditures as well as the timing of transactions.

Respectfully submitted,

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

Lawrence C. Soule, III
Budget Director

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**FIRST QUARTER FORECAST FOR
FISCAL YEAR 2016**

ROBERT P. ASTORINO
COUNTY EXECUTIVE

MICHAEL B. KAPLOWITZ
CHAIRMAN, BOARD OF LEGISLATORS

SHEILA MARCOTTE
CHAIRWOMAN, COMMITTEE ON BUDGET AND APPROPRIATIONS

LAWRENCE C. SOULE
BUDGET DIRECTOR

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INTRODUCTION

INTRODUCTION

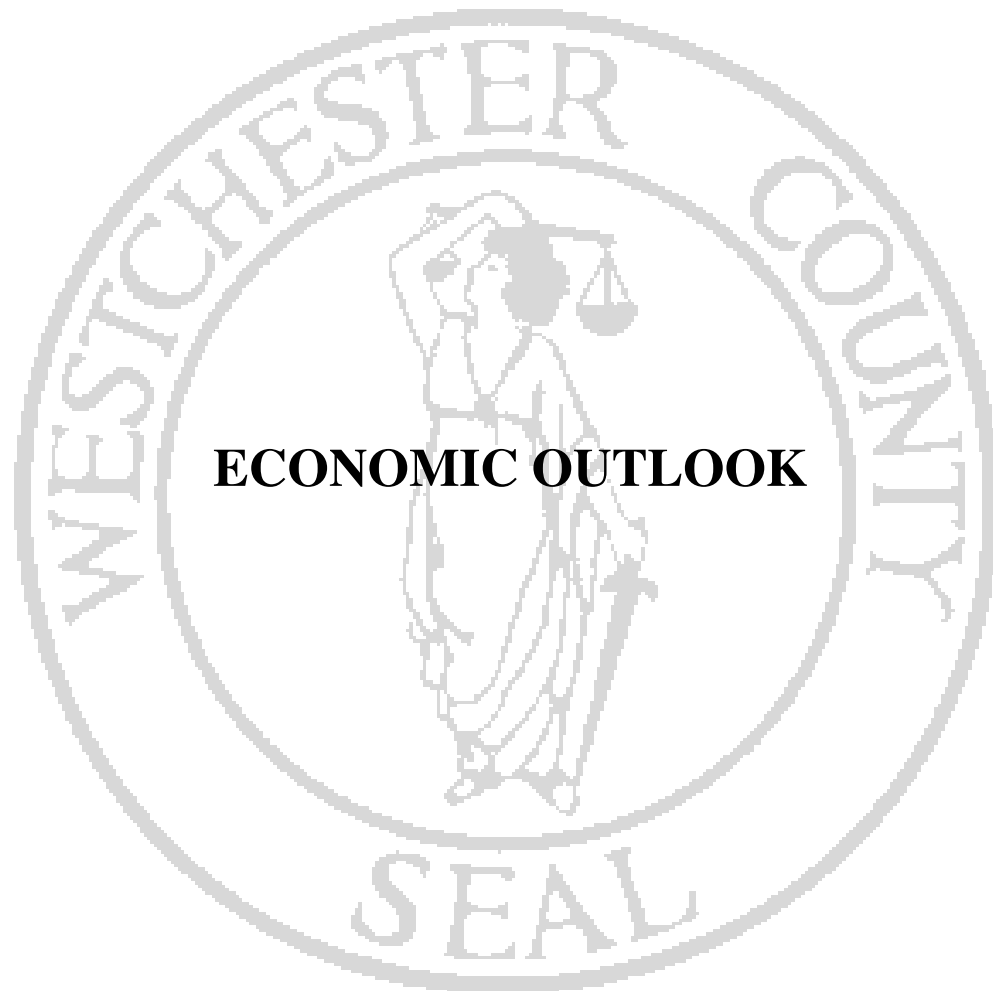
This document presents the First Quarter (Q1) Forecast for Fiscal Year 2016 (FY16). The Department of Budget (DOB) will also release a Second Quarter Forecast for Fiscal Year 2016 in August. The County operates on a calendar fiscal year, and all projections are shown fully annualized based on information currently available.

The Q1 Forecast presents five periods of data:

1. The budget as originally Adopted in December of 2015 (2016 Adopted)
2. The current budget as modified by rolled encumbrances, amendments, and transfers (2016 Modified)
3. Expenditures and revenues posted to the financial system as of March 31, 2016 (YTD Mar 31)
4. DOB's fully annualized projections (2016 Projected)
5. DOB's projections (4) less the current modified budget (2) (Proj. less Modified)

The 'YTD Mar 31' data is required to be presented by local law 7 of 2014, and is a snapshot of the transactions posted to the financial system through March 31, 2016. These figures are not audited. Readers are cautioned from drawing conclusions based on the 'YTD Mar 31' data due to the timing of transactions, and the seasonal nature of certain expenditures and revenues.

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

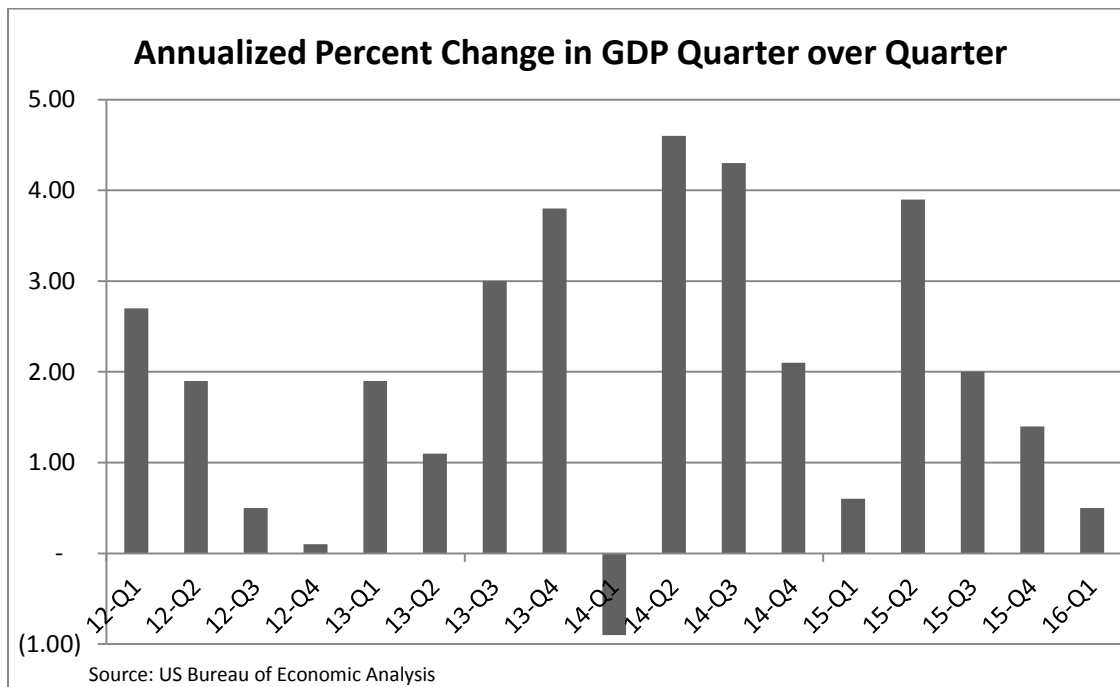


ECONOMIC OUTLOOK

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GROSS DOMESTIC PRODUCT (GDP)

Despite facing economic and financial challenges following the great recession, national GDP has illustrated a pattern of gradual, incremental growth. The US economy has been in expansionary phases in all but one quarter (2014, Q1) over the past four years ending March, and has exceeded two percent growth in each of the past two calendar years.



During the first quarter of 2016, real GDP grew by 0.5% on an annualized basis. This was below market expectations of a 0.7% expansion for the first quarter. In March, the Federal Open Market Committee (FOMC) projected a growth rate of real GDP between 2.2 and 2.3 percent for 2016 (down from a December 2015 expectation of 2.3 to 2.5 percent). First quarter GDP growth was also sluggish during 2014 and 2015 at -0.9% and 0.6%, respectively. Despite the poor starts, the nation achieved real GDP growth of 2.4% in both years. While past performance is no guarantee of future results, it is premature to doubt the FOMC projection of greater than 2%.

EMPLOYMENT / UNEMPLOYMENT

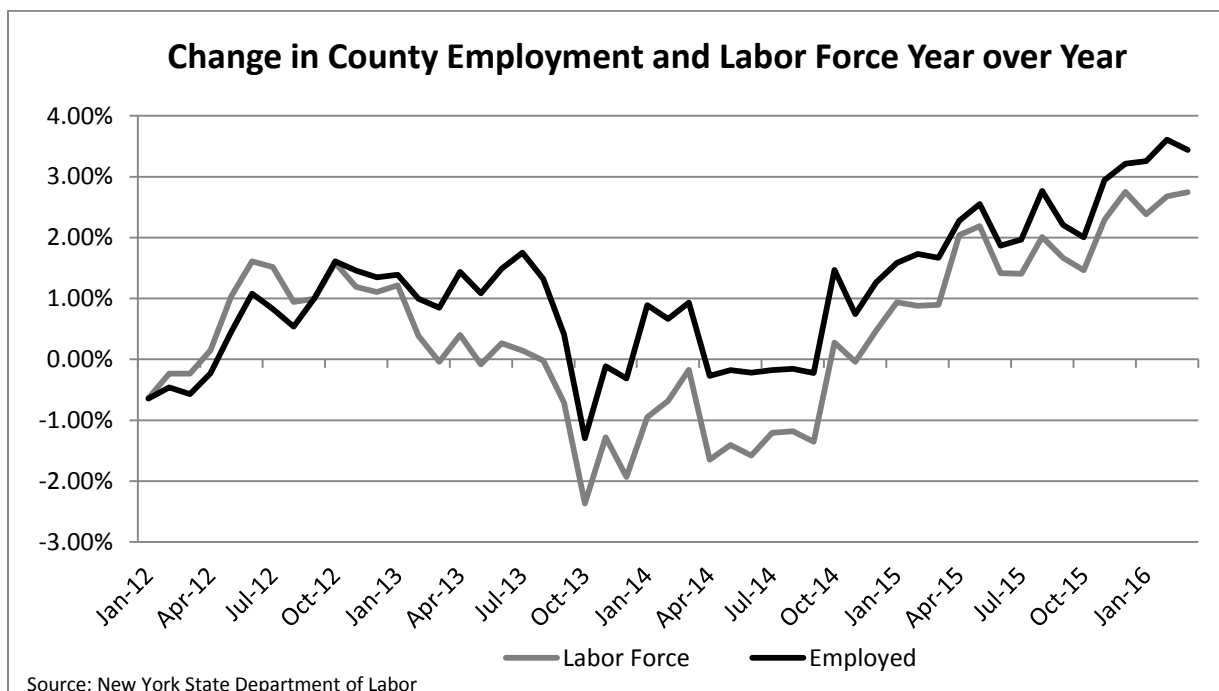
Average annual unemployment rates in the state, region, and county have all fallen approximately 40 percent since their height in 2010, and are beginning to approach pre-recessionary levels (see table, following page). The national unemployment rate currently stands at 5.0%, which is in the range of the FOMC’s long run full employment target. While there will be volatility in the rate due to labor market shifts and seasonality, it not anticipated that the unemployment rate will drop much below current levels for any sustained period of time.

ECONOMIC OUTLOOK

| AVERAGE ANNUAL UNEMPLOYMENT RATE | | | |
|----------------------------------|----------|---------------|-------------|
| YEAR | NEW YORK | HUDSON VALLEY | WESTCHESTER |
| 2007 | 4.60% | 3.90% | 3.70% |
| 2008 | 5.40% | 5.00% | 4.80% |
| 2009 | 8.30% | 7.30% | 7.10% |
| 2010 | 8.60% | 7.60% | 7.40% |
| 2011 | 8.30% | 7.40% | 7.10% |
| 2012 | 8.50% | 7.60% | 7.30% |
| 2013 | 7.70% | 6.50% | 6.30% |
| 2014 | 6.30% | 5.30% | 5.10% |
| 2015 | 5.30% | 4.70% | 4.60% |

Source: NYS Dept of Labor

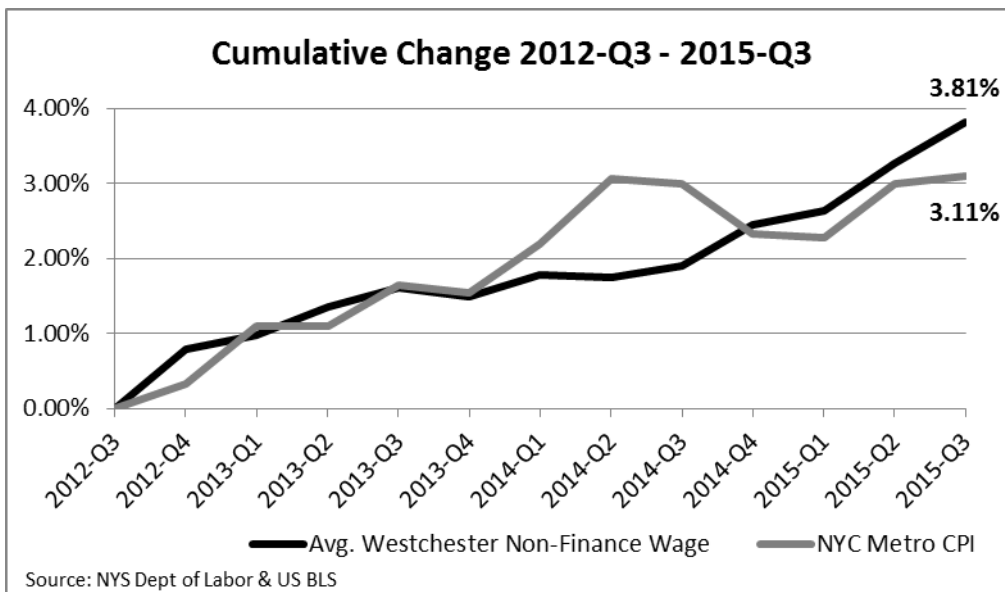
Driving the unemployment rate down has been the growth in employment steadily outpacing the growth in the labor force since September 2012 (see chart below). In addition to the dropping rate of unemployment, the total employment and labor force within the County have been growing, and at a steadily increasing rate, since the fourth quarter of 2014. With 466,200 County residents employed during March of 2016, the current month falls just short of the all-time March high of 468,600 in 2008.



WAGES

While the positive employment data demonstrates that there are more jobs and people employed than in the recent past, wage growth has remained stagnant outside of the financial services sector and has barely exceeded inflation.

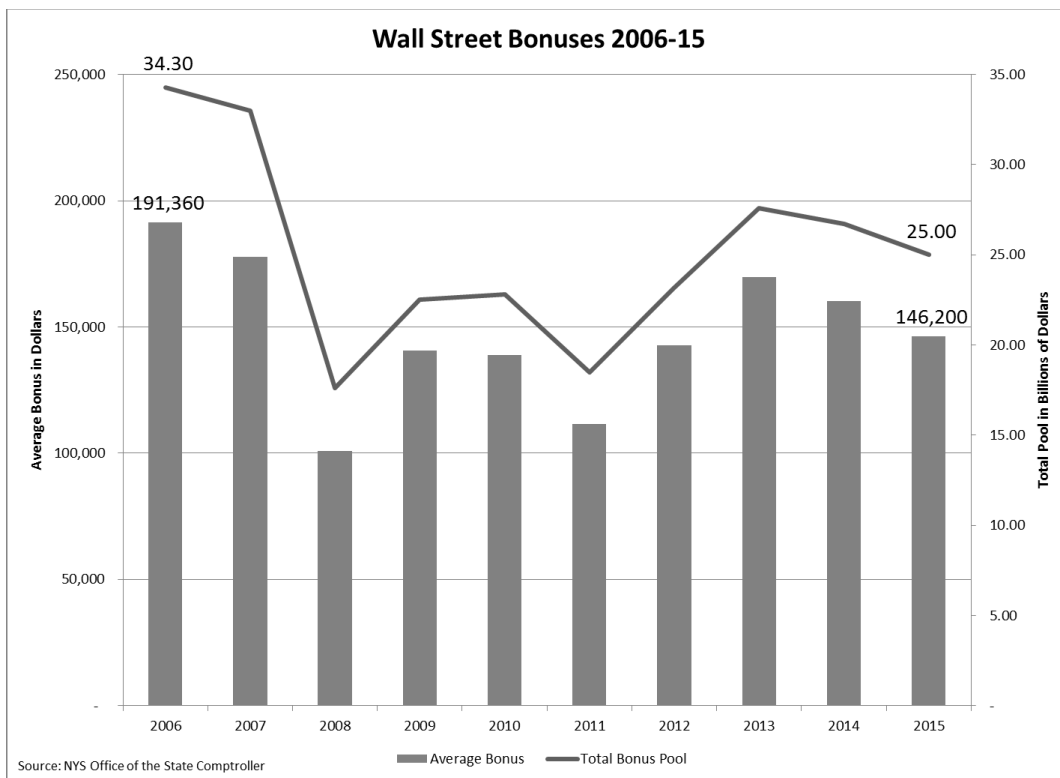
Comprising 95% of the Westchester workforce, workers outside of the financial services sector have seen their wages rise by 3.81% over the past three years to \$63,959, while inflation has been 3.11% over the same period. The average Westchester worker has seen an inflation adjusted (real) raise of just 0.71% over three years, an annualized rate of 0.24%. Additionally, the primary cause of the real wage growth has been the lack of inflation since the second quarter of 2014. Had the rate of inflation remained on the trend established from mid-2012 thru mid-2014, real wages would have declined for the three year period.



FINANCIAL SERVICES SECTOR

The financial services sector is a key economic driver within the New York City Metropolitan Area, representing 8.3 percent of total employment. Within the New York City Metropolitan Area, 722,404 persons were employed within the sector in 2014. One sub-set of the sector, the securities industry, has traditionally had their compensation heavily weighted toward performance-based bonuses.

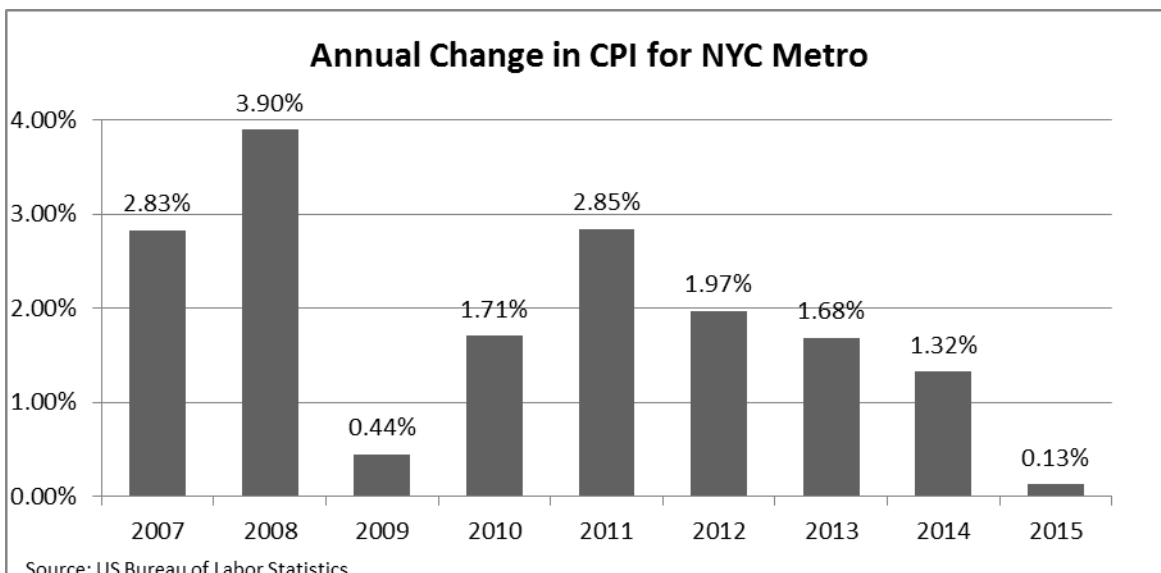
ECONOMIC OUTLOOK



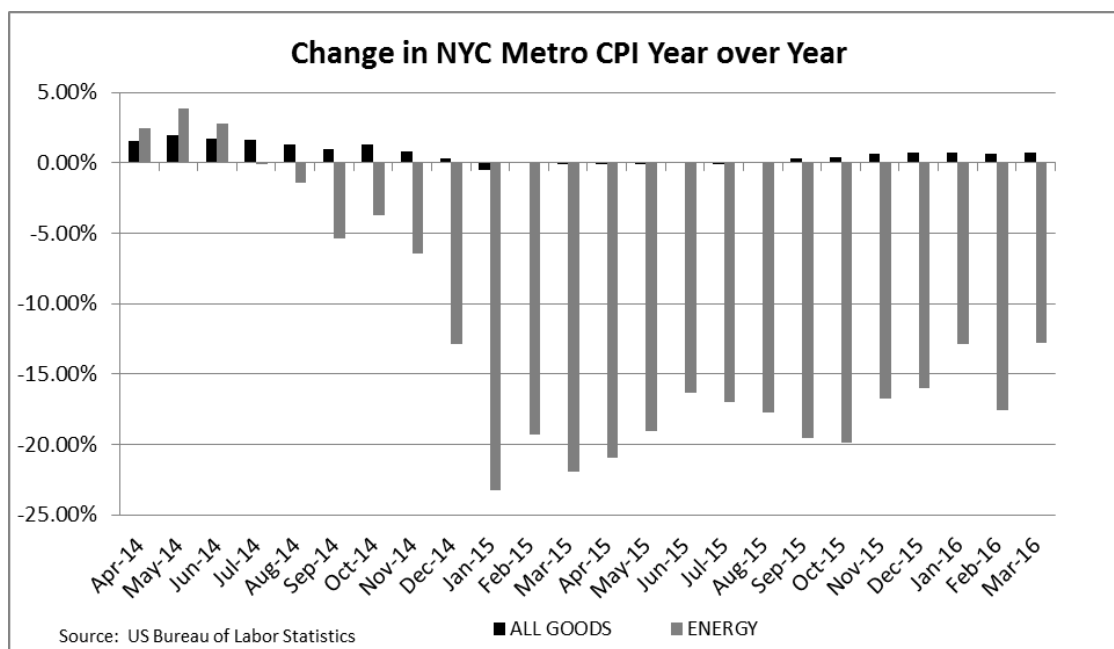
The average bonus and total bonus pool for New York City securities industry workers fell for the second straight year after revision of the 2014 data by the Office of the State Comptroller. The average bonus fell by 9% from one year ago to \$146,200, while the total bus pool fell 6% to 25 billion. The average bonus and total pool now stand approximately 25% below their pre-recessionary high. Bonuses do not just affect the 172,400 New York City securities industry workers. The State Comptroller estimates a significant multiplier effect, as 11% of all jobs in New York City are directly or indirectly associated with the securities industry.

INFLATION AND PRICES

One of the key ingredients needed for a growing economy is a healthy level of inflation. In 2015, inflation as measured by the NYC Metro Consumer Price Index (CPI) grew by just 0.13% (see chart, following page). This measure for the region falls significantly short of the Federal Reserve’s annual target for the nation of two percent.



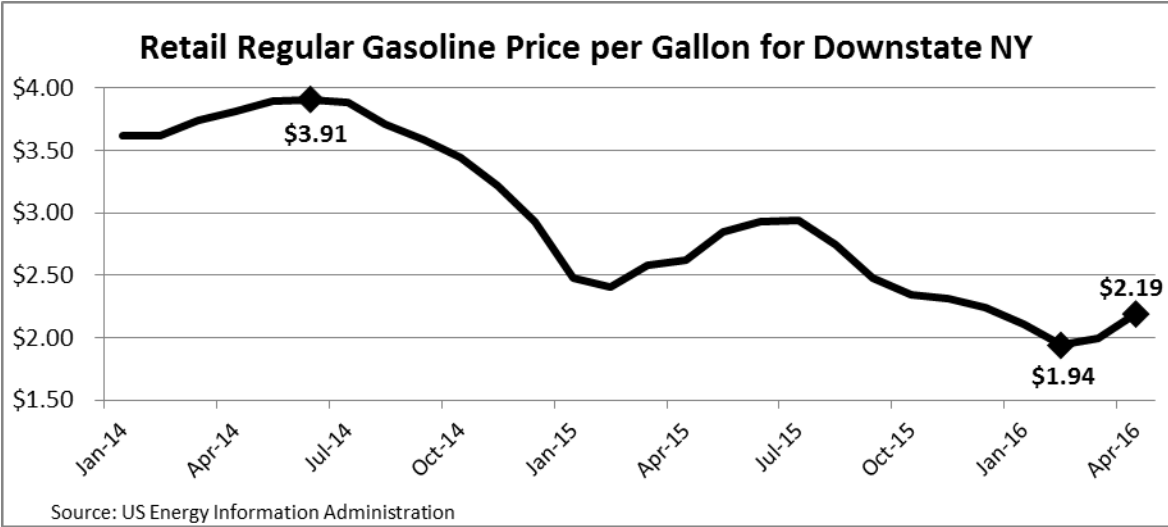
The NYC Metro CPI rose 0.2% in March, up 0.7% from the previous year’s level. A breakdown of the index illustrates how energy prices have played a considerable role in dragging down the overall index. The energy price index has now declined for 21 consecutive months over the prior year.



While the decline in energy prices helping consumers with the costs of heating and cooling their homes, and filling up their cars, it has been a contributor to the weak County sales and use tax collections for the past two quarters. Since the County does not opt in to the motor fuel tax cap or the residential energy exemption, the County’s sales and use tax collections are particularly vulnerable to fluctuations in energy prices as compared to other jurisdictions.

ECONOMIC OUTLOOK

As a large component of total energy, gasoline prices have shown a substantially similar trend. Prices are down nearly 50% from two years ago. With approximately 300 million gallons of gasoline sold within the County, the drop in price has eroded the County sales tax base.



ECONOMIC RISKS TO THE FINANCIAL PLAN

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



**FY 2016
FIRST QUARTER PROJECTIONS**

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2016 FIRST QUARTER PROJECTIONS

GENERAL FUND FORECAST

On December 18, 2015, the County adopted a General Fund Operating Budget in the amount of \$1.803 billion for Fiscal Year 2016 (FY16). This section will present the Department of Budget's (DOB) First Quarter (Q1) Forecast for Fiscal Year 2016.

The 2016 Budget has been modified upward by \$8.2 million to allow for the expenditure of funds in FY16 for items that were contracted for during FY15. DOB expects a similar amount of expenditures to roll from FY16 to FY17 resulting in a minimal effect to the FY16 Financial Plan as has historically occurred. The Q1 Projection contains sufficient expenditure reductions in the general fund to fully account for this effect.

| GENERAL FUND PROJECTIONS | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| REVENUES | | | | | |
| Tax Levy on Real Property | 548,423 | 548,423 | - | 548,423 | - |
| Sales and Use Tax | 525,769 | 525,769 | 53,082 | 514,986 | (10,783) |
| Federal and State Aid | 423,904 | 423,904 | 815 | 421,222 | (2,682) |
| Departmental Income | 158,359 | 158,359 | 23,685 | 157,182 | (1,177) |
| Other Revenues | 144,859 | 144,859 | 16,133 | 133,377 | (11,482) |
| Sub-Total | 1,801,314 | 1,801,314 | 93,715 | 1,775,191 | (26,123) |
| Use of General Fund Balance | 1,735 | 9,929 | - | 1,735 | (8,194) |
| TOTAL | 1,803,049 | 1,811,243 | 93,715 | 1,776,926 | (34,317) |
| NET EXPENDITURES | | | | | |
| General Government and Support | 52,293 | 55,138 | (8,745) | 51,446 | (3,692) |
| Home and Community Services | 605,977 | 606,798 | 97,081 | 602,609 | (4,188) |
| Health Services | 162,079 | 162,242 | 35,366 | 162,522 | 280 |
| Education | 29,329 | 29,329 | 14,665 | 29,329 | - |
| Public Safety, Correction, and Courts | 222,575 | 223,687 | 55,347 | 224,222 | 535 |
| Roads, Transportation, and Parks | 216,201 | 218,004 | 52,782 | 213,517 | (4,488) |
| Miscellaneous and Fixed | 514,594 | 516,044 | 91,154 | 510,904 | (5,140) |
| TOTAL | 1,803,049 | 1,811,243 | 337,651 | 1,794,550 | (16,693) |
| GENERAL FUND BUDGET (GAP) / SURPLUS | - | - | (243,936) | (17,624) | (17,624) |

As of the first quarter, DOB projects a general fund budget gap of \$17.6 million. Available resources are reduced by \$34.3 million from the modified budget as a result of projected revenues falling short of modified budget targets by \$26.1 million and the removal of \$8.2 million of appropriated fund balance for rolled encumbrances. These revenue reductions are offset by lower projected expenditures in the amount of \$16.7 million below modified appropriations.

2016 FIRST QUARTER PROJECTIONS

As was the case with 2015, shortfalls on the revenue side of the ledger are the primary cause of the 2016 budget gap. The downward revision of sales and use tax, and the lack of legislative authorization to issue bonds for tax certioraris contribute \$19.4 million to the projected budget gap. The story is mostly positive on the expenditure side as projections for bus operating assistance and debt service generate a favorable impact of \$5.9 million.

The major components of the \$17.6 million projected budget gap are highlighted in the table below:

| MAJOR COMPONENTS OF 2016 PROJECTED BUDGET GAP | |
|--|-----------------|
| Thousands of Dollars | |
| UNFAVORABLE | |
| Tax Certiorari Bonding (net) | (10,400) |
| Sales and Use Tax (net) | (8,966) |
| Health & 6J Fund Contributions | (1,900) |
| Day Care | (1,283) |
| Correction Personal Service | (1,152) |
| Police Personal Service (net of state aid) | (933) |
| Playland Contract Amendments | (750) |
| DPW Engineering Revenue | (500) |
| Sub-Total | (25,884) |
| FAVORABLE | |
| State Transportation Aid | 3,164 |
| Bus Operating Assistance | 3,000 |
| Debt Refinancing | 2,938 |
| Sub-Total | 9,102 |
| Other Adjustments (net) | (842) |
| GENERAL FUND BUDGET (GAP) / SURPLUS | (17,624) |

The Department of Budget will continue to monitor the County’s financial position and take administrative actions where available in an attempt to bring the financial plan back into balance.

2016 FIRST QUARTER PROJECTIONS

GENERAL FUND REVENUES

Revenues are projected to come in below budgeted targets by \$26.1 million due to significant shortfalls in capital revenues, federal aid, and sales and use tax. The projected shortfall in capital revenues of \$11.2 million is primarily due to the lack of legislative authorization to issue \$11.0 million of bonds for the payment of tax certioraris despite this revenue being included in the adopted budget. Federal aid is now projected \$4.6 million below modified budget targets due to a reduction of \$3.4 million in Temporary Assistance to Needy Families (TANF) revenues due to lower than budgeted caseloads, and a \$1.2 million reduction for lower than budgeted administrative expenditures within the Department of Social Services (DSS). Sales and use tax collections are now projected at \$10.8 million below the budgeted level.

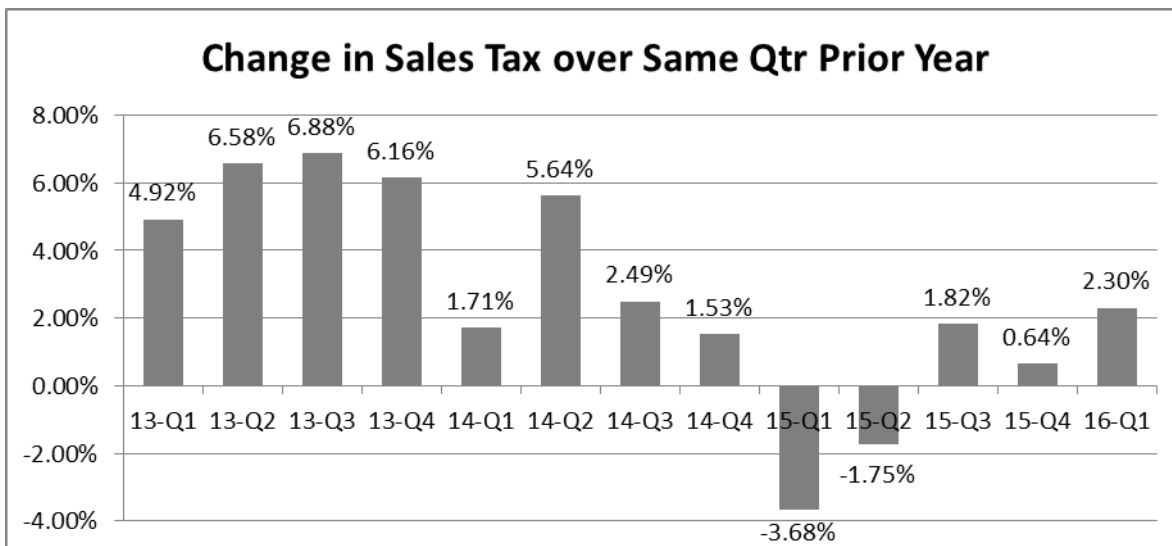
| GENERAL FUND REVENUE SUMMARY | | | | | |
|---|------------------|------------------|---------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Tax Levy on Real Property | 548,423 | 548,423 | - | 548,423 | - |
| Payments in Lieu of Taxes | 10,721 | 10,721 | 304 | 10,721 | - |
| Sales and Use Tax | 525,769 | 525,769 | 53,082 | 514,986 | (10,783) |
| Mortgage Recording Tax | 19,089 | 19,089 | 2,568 | 19,089 | - |
| Auto Use Tax (DMV Registrations) | 15,942 | 15,942 | 2,328 | 15,942 | - |
| Hotel Occupancy Tax | 6,280 | 6,280 | 1,091 | 6,280 | - |
| State Aid | 241,178 | 241,178 | 815 | 243,119 | 1,941 |
| Federal Aid | 182,726 | 182,726 | 20 | 178,104 | (4,622) |
| Departmental Income | 158,359 | 158,359 | 23,685 | 157,182 | (1,177) |
| Capital Revenues | 11,600 | 11,600 | 389 | 389 | (11,212) |
| Other Revenues | 81,227 | 81,227 | 9,435 | 80,957 | (270) |
| Sub-Total | 1,801,314 | 1,801,314 | 93,715 | 1,775,191 | (26,123) |
| Use / (Deposit) of General Fund Balance | 1,735 | 9,929 | - | 1,735 | (8,194) |
| TOTAL | 1,803,049 | 1,811,243 | 93,715 | 1,776,926 | (34,317) |

NON-PROPERTY TAXES

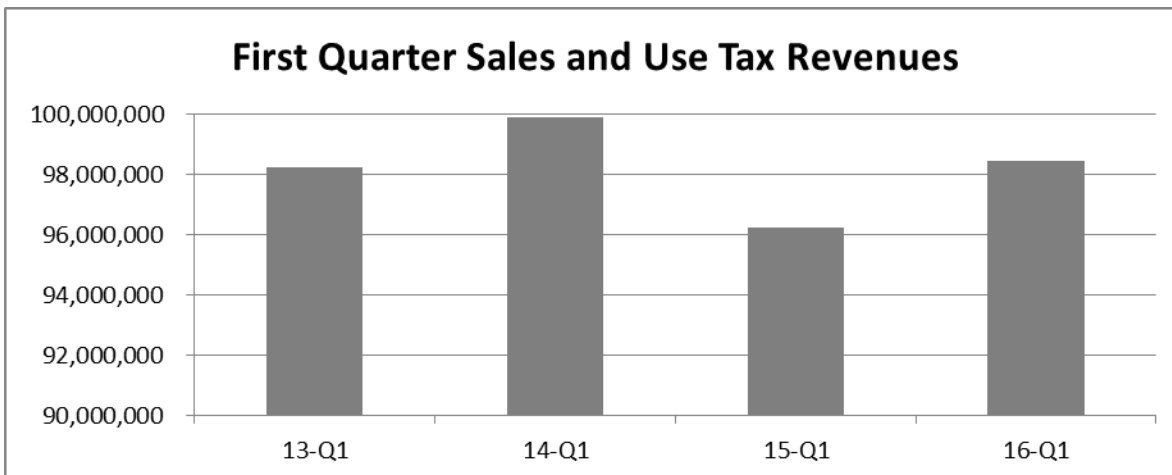
Sales and use tax is the second largest County revenue source after the real property tax, and is levied on most goods and services purchased within the County. The County imposes a 1.5 percent tax within the Cities of Mount Vernon, New Rochelle, White Plains, and Yonkers; and a 3.0 percent tax in the remainder of the County which is shared with the other municipalities and school districts. The NYS Department of Taxation and Finance collects the tax on behalf of the County and remits the collections to the County each month.

The County also imposes a mortgage recording tax administered by the County Clerk, an auto use tax administered by the NYS Department of Motor Vehicles, and a hotel occupancy tax remitted directly to the County by hotels within the County.

2016 FIRST QUARTER PROJECTIONS



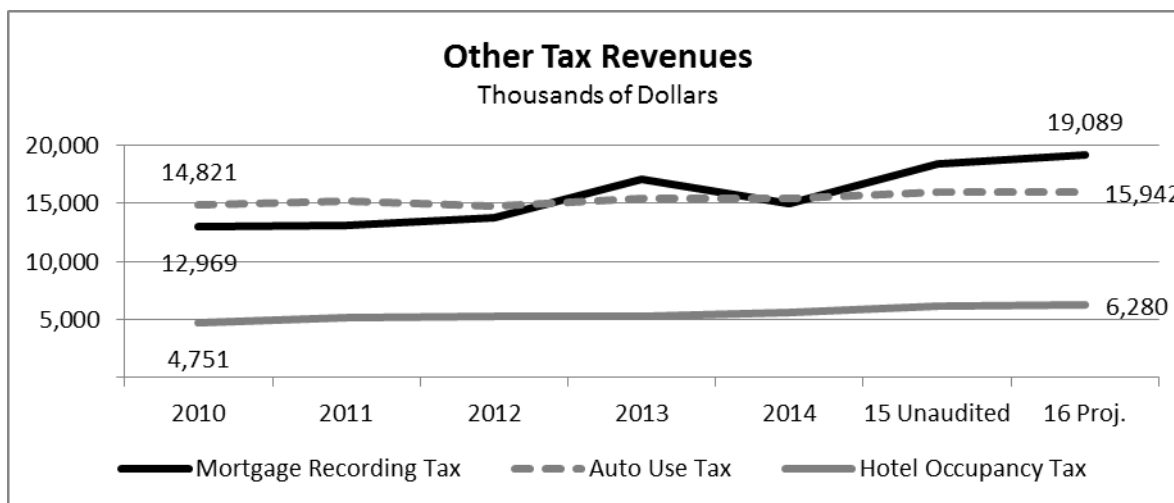
The County saw significant growth in sales tax collections during 2013 of over 6% as a result of the rebuilding effort after hurricane Sandy, strong financial services sector wage growth, and overall inflation of nearly 2%. During 2014, growth in collections slowed to a more sustainable 2.8% resulting in total collections of \$503 million. Collections for 2015 dipped slightly to \$501 million as energy prices tumbled by more than 20% during the first half of 2015. Collections have increased each of the last three quarters, but the rate of growth remains modest due to the continuation of depressed energy prices and warmer than average temperatures during the winter of 2015-16.



The year over year increase of 2.3% for the first quarter of 2016 is encouraging as it is the largest increase the County has experienced in a year and a half. Despite this increase, collections continue to lag behind the 2016 budget target of \$526 million, and are essentially level to three years ago. Due to the first quarter results and modified expectations going forward, the sales and use tax projection has been revised downward by \$10.8 million. This revision will result in a reduction of net County share sales tax of \$9.0 million after accounting for the decrease in municipal (\$1.3 million) and school district (\$0.5 million) distribution.

2016 FIRST QUARTER PROJECTIONS

The other three economically-driven taxes (mortgage recording, auto use, and hotel occupancy) are trending near budgeted levels through the first quarter. DOB projects no changes from the original budget targets at this early stage in the year.



FEDERAL AND STATE AID

Comprising approximately one-quarter of general fund revenues, federal and state aid are the County’s third largest revenue source after real property and sales and use taxes. The Departments of Social Services (DSS), Health (DOH), and Transportation (DOT) receive over 90% of the County’s federal and state aid.

| GENERAL FUND FEDERAL AID SUMMARY | | | | | |
|----------------------------------|-----------------|------------------|---------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Emergency Services | 362 | 362 | - | 362 | - |
| Social Services | 168,985 | 168,985 | - | 164,363 | (4,622) |
| Community Mental Health | 936 | 936 | - | 936 | - |
| Correction | 1,072 | 1,072 | 8 | 1,072 | - |
| Public Safety Services | 329 | 329 | 11 | 329 | - |
| Transportation | 11,042 | 11,042 | - | 11,042 | - |
| TOTAL | 182,726 | 182,726 | 20 | 178,104 | (4,622) |

The projected shortfall in federal aid of \$4.6 million below modified budget targets occurs entirely within DSS. This is due to a reduction of \$3.4 million in TANF revenues as a result of lower than budgeted caseloads, and a \$1.2 million decrease for lower than budgeted administrative expenditures within DSS. The lower administrative expenses are a consequence of the reduction in DSS’ wage projection of \$2.7 million as a result of the large number of vacancies within the department.

2016 FIRST QUARTER PROJECTIONS

Overall, state aid projections have been increased by \$1.9 million from modified budget levels. The major driver of the upward revision is an increase in state transportation operating aid (STOA) of \$3.2 million as a result of the additional transportation aid to localities included in the recently enacted 2016-17 NYS Budget. Departments with changes in their state aid projection are highlighted in the table below:

| GENERAL FUND STATE AID SUMMARY | | | | | |
|---------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| STATE AID | | | | | |
| Social Services | 92,965 | 92,965 | - | 92,061 | (904) |
| Health | 72,198 | 72,198 | - | 72,351 | 154 |
| Laboratories and Research | 1,268 | 1,268 | - | 1,018 | (250) |
| Public Safety Services | 2,850 | 2,850 | - | 3,087 | 237 |
| Transportation | 53,185 | 53,185 | - | 56,349 | 3,164 |
| Indigent Legal Services | 3,043 | 3,043 | - | 2,582 | (460) |
| Other | 15,670 | 15,670 | 815 | 15,670 | - |
| TOTAL | 241,178 | 241,178 | 815 | 243,119 | 1,941 |

In addition to the change in STOA, there are several smaller adjustments to projected state aid. DSS is expected to receive \$904,000 less as a result of lower administrative expenditures due to the reduction in DSS' wage projection as a result of the large number of vacancies within the department. The Department of Health's aid is projected to rise as both the public health and children with special needs programs are now projected above their modified budgets. The state aid projection for Labs and Research has been lowered by \$250,000 as a result of continued tightening of reimbursement regulations by the NYS Department of Health and higher than anticipated lab fee revenues. The upward revision for Public Safety of \$237,000 represents additional state funding appropriated in the 2016-17 State Budget for the parkway patrol. Finally, indigent legal services reimbursement is expected to be lower by \$460,000 as a result of an identical reduction in expenditures due to lower utilization.

DEPARTMENTAL REVENUES

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

Due to the fact that the Parks Department generates 20 – 25 percent of all departmental income, and almost all of that income is generated during the 2nd and 3rd quarters, changes to the projection of departmental income are somewhat limited at the 1st Quarter mark.

2016 FIRST QUARTER PROJECTIONS

Overall, a decrease of \$1.2 million (0.74%) in departmental income is projected in the Q1 Update. Departments with changes in their departmental revenue projection are highlighted in the table below:

| GENERAL FUND DEPARTMENTAL REVENUE | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Human Resources | 1,300 | 1,300 | 213 | 850 | (450) |
| Consumer Protection | 3,683 | 3,683 | 652 | 3,283 | (400) |
| Health | 7,523 | 7,523 | 1,713 | 7,627 | 104 |
| Laboratories and Research | 2,678 | 2,678 | 454 | 2,828 | 150 |
| Correction | 6,719 | 6,719 | 900 | 6,574 | (145) |
| Public Safety Services | 13,995 | 13,995 | 1,045 | 14,095 | 100 |
| Parks, Recreation, and Conservation | 36,750 | 36,750 | 4,186 | 36,000 | (750) |
| Transportation | 37,668 | 37,668 | 8,337 | 38,381 | 714 |
| Public Works | 13,955 | 13,955 | 715 | 13,455 | (500) |
| Other | 34,089 | 34,089 | 5,471 | 34,089 | - |
| TOTAL | 158,359 | 158,359 | 23,685 | 157,182 | (1,177) |

- Human Resources’ revenue has been reduced by \$450,000 due to the fact that police and correction officer exams have been limited to County residents.
- Licensing revenues within Consumer Protection have been reduced by \$400,000 to reflect the lack of legislative authorization to increase the home improvement contractor licensing fee that had been included in the adopted budget.
- The Department of Health is expected to receive additional revenues from the NYC Department of Environmental Protection to provided watershed protection measures.
- Lab fees are now projected \$150,000 above budget due to higher than anticipated utilization.
- The Department of Correction is now expected to receive less reimbursement from the US Marshal Service due to fewer federal prisoners being housed in the County correctional facility.
- Taxi and limousine fines are projected \$100,000 above budget within the Department of Public Safety for higher year to date collections.
- Within the Parks Department, income has been reduced by \$750,000 to reflect the amendments to the Playland agreement with Standard Amusements recently adopted by the County.
- In Transportation, bus fares are trending slightly above budgeted levels.
- Lower than budgeted billings to the capital projects fund for the engineering unit result in reduced revenues of \$500,000 for the Department of Public Works.

2016 FIRST QUARTER PROJECTIONS

GENERAL FUND EXPENDITURES

As of the end of the 1st quarter, general fund net expenditures are projected at \$16.7 million below modified appropriations. The largest reductions are associated with salary savings due to vacant positions within DSS, the anticipation that some contractual and technical services expenditure will roll to FY17, savings associated with a debt refinancing undertaken by the County during the first quarter, and lower than anticipated labor costs for the Bee-Line Bus contract.

| GENERAL FUND EXPENDITURE SUMMARY | | | | | |
|----------------------------------|------------------|------------------|----------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 331,719 | 331,719 | 75,329 | 328,643 | (3,076) |
| Other Personal Service | 272,032 | 272,032 | 64,091 | 274,988 | 2,957 |
| Equipment | 1,262 | 1,559 | 252 | 1,293 | (266) |
| Materials and Supplies | 36,164 | 36,630 | 4,529 | 35,499 | (1,131) |
| Contractual Expenses | 709,963 | 717,076 | 125,558 | 703,034 | (14,042) |
| Social Services Relief | 478,702 | 479,020 | 68,145 | 478,037 | (982) |
| Inter-Departmental Expense | 87,765 | 87,766 | 34,533 | 87,765 | (1) |
| Gross Expenditures | 1,917,607 | 1,925,801 | 372,437 | 1,909,259 | (16,542) |
| Inter-Departmental Revenue | (114,558) | (114,558) | (34,786) | (114,709) | (151) |
| NET EXPENDITURES | 1,803,049 | 1,811,243 | 337,651 | 1,794,550 | (16,693) |

PERSONAL SERVICE

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

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

CSEA, the County's largest labor union, has been out of contract since January 2012, and all eight unions are currently out of contract. The ever-increasing costs for labor continue to place significant pressure on the County's financial plan.

2016 FIRST QUARTER PROJECTIONS

Offsetting the \$3.1 million in salary savings is a nearly identical increase in the projection for other personal service. This increase is due to an upward revision in the projection for police overtime and 207-c disability pay of \$1.6 million, and \$1.4 million for employee and retiree healthcare.

| GENERAL FUND OTHER PERSONAL SERVICE SUMMARY | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Hourly Wages | 8,655 | 8,676 | 833 | 8,599 | (77) |
| Fees and Officers Pay | 312 | 312 | 105 | 387 | 75 |
| Overtime & Holiday | 19,181 | 19,161 | 3,654 | 20,276 | 1,116 |
| 207-C | 2,603 | 2,603 | 516 | 3,082 | 479 |
| Differential and Detective Pay | 5,215 | 5,215 | 1,376 | 5,211 | (4) |
| Pension | 67,269 | 67,269 | 16,128 | 67,200 | (69) |
| Social Security and Medicare | 25,593 | 25,593 | 6,362 | 25,584 | (10) |
| Healthcare | 136,774 | 136,774 | 34,028 | 138,219 | 1,446 |
| MCTD Mobility Tax | 1,306 | 1,306 | 293 | 1,306 | - |
| Benefit Fund | 4,466 | 4,466 | 795 | 4,466 | - |
| Unemployment Insurance | 658 | 658 | 1 | 658 | - |
| TOTAL | 272,032 | 272,032 | 64,091 | 274,988 | 2,957 |

The increase in police overtime and 207-c is primarily as a result of the fact that the department averaged 10 full time equivalents (FTEs) on 207-c during the first quarter while the budget assumed 5 FTEs out on disability. DOB expects this trend to continue for the remainder of the year. The increase in the general fund’s transfer to the healthcare fund is caused by the fact that assets expected to be available for FY 2016 within the healthcare fund at the time the budget was adopted are no longer available.

MATERIALS AND SUPPLIES

The materials and supplies expenditure class is dominated by utilities as energy (\$20 million), and water (\$2 million) comprise 60% of the category. The remainder of the expenditure class consists of items such as postage, motor fuel, and office, laboratory, and facility repair supplies.

2016 FIRST QUARTER PROJECTIONS

Overall, DOB projects materials and supply expenditures at \$1.1 million below modified budget appropriations. Below is a summary of the departments with adjustments to their materials and supplies expense projection in the Q1 Update:

| GENERAL FUND MATERIALS AND SUPPLIES SUMMARY | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| County Executive | 99 | 101 | 7 | 99 | (2) |
| Human Resources | 35 | 42 | 4 | 35 | (7) |
| Information Technology | 266 | 282 | 53 | 263 | (19) |
| Law | 65 | 66 | 13 | 65 | (1) |
| Social Services | 826 | 836 | 120 | 826 | (11) |
| Health | 326 | 328 | 43 | 326 | (2) |
| Labs and Research | 1,081 | 1,165 | 179 | 1,081 | (84) |
| Correction | 1,532 | 1,631 | 219 | 1,505 | (126) |
| Public Safety Services | 1,900 | 1,948 | 370 | 1,793 | (155) |
| Probation | 162 | 163 | 14 | 162 | (2) |
| Parks, Recreation, and Conservation | 7,438 | 7,470 | 954 | 7,438 | (32) |
| Public Works | 17,685 | 17,835 | 1,751 | 17,145 | (691) |
| Other | 4,750 | 4,763 | 802 | 4,763 | - |
| TOTAL | 36,164 | 36,630 | 4,529 | 35,499 | (1,131) |

The projection for energy utilities within Public Works (DPW) has been revised downward by \$559,000 as a result of the continued depression of energy prices and warmer than average temperatures during the winter of 2015-16. Projected motor fuel purchases have been reduced by \$148,000, mostly within the Department of Public Safety. The remaining \$424,000 of savings versus the modified budget reflects DOBs expectation that certain expenditures will roll and take place in FY 2017.

CONTRACTUAL EXPENSES

The County utilizes outside vendors to provide a variety of services for both County operations and public services across nearly every department. In addition to service contracts, the County is contractually obligated to pay bond holders for the debt the County has issued in prior years, and statutorily mandated to distribute a share of the sales and use tax to the non-city municipalities and school districts.

2016 FIRST QUARTER PROJECTIONS

Overall, DOB projects contractual expenses at \$14.0 million below modified appropriations. Below is a summary of the departments with adjustments to their contractual expense projection in the Q1 Update:

| GENERAL FUND CONTRACTUAL EXPENSES SUMMARY | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| County Executive | 3,733 | 4,029 | 153 | 3,733 | (296) |
| Human Resources | 1,257 | 1,306 | 285 | 1,079 | (227) |
| Finance | 118 | 143 | 7 | 118 | (25) |
| Information Technology | 19,649 | 21,136 | 3,817 | 19,710 | (1,427) |
| Law | 1,235 | 1,650 | 80 | 1,235 | (415) |
| Planning | 1,645 | 1,754 | 113 | 1,145 | (610) |
| Emergency Services | 572 | 586 | 46 | 591 | 5 |
| County Clerk | 467 | 595 | 35 | 467 | (128) |
| Social Services | 5,051 | 5,371 | 413 | 5,051 | (320) |
| Consumer Protection | 27 | 30 | 3 | 27 | (4) |
| Community Mental Health | 4,316 | 4,318 | 133 | 4,316 | (2) |
| Health | 120,581 | 120,581 | 23,726 | 121,022 | 441 |
| Labs and Research | 797 | 871 | 111 | 797 | (75) |
| Correction | 21,525 | 22,082 | 4,423 | 21,334 | (748) |
| District Attorney | 5,749 | 5,762 | 125 | 5,749 | (14) |
| Public Safety Services | 2,398 | 2,475 | 405 | 2,378 | (96) |
| Probation | 6,205 | 6,215 | 165 | 6,205 | (10) |
| Solid Waste Commission | 143 | 179 | 24 | 128 | (50) |
| Parks, Recreation, and Conservation | 10,728 | 11,003 | 1,434 | 10,728 | (276) |
| Transportation | 151,631 | 151,671 | 35,914 | 148,631 | (3,040) |
| Public Works | 33,457 | 34,762 | 5,144 | 34,576 | (186) |
| Debt Service | 80,868 | 80,942 | 10,042 | 78,155 | (2,787) |
| Miscellaneous Budgets | 229,852 | 231,227 | 38,805 | 227,474 | (3,753) |
| Other | 7,960 | 8,386 | 156 | 8,386 | - |
| TOTAL | 709,963 | 717,076 | 125,558 | 703,034 | (14,042) |

For Information Technology and Correction, the projected savings of \$2.2 million results from the expectation that these expenditures will roll, and not occur until FY 2017. Within Transportation, bus operating expenditures are projected under the modified budget due to a lower than expected labor costs associated with the renewal of Liberty Lines’ collective bargaining agreement with the Transport Workers Union of America. The \$2.8 million reduction in debt service is due to the impact of a debt refinancing undertaken by the County that resulted in current year savings of \$2.9 million. In the Miscellaneous Budgets, a reduction of \$3.8 million is included in the Q1 Update primarily due to two items. Nearly half of this downward revision, \$1.8 million, is due to the reduction in municipal sales tax distribution as a result of lower than budgeted sales tax revenues. Another \$1.4 million of the reduction reflects DOB’s expectation that certain expenditures will roll and occur in FY 2017. Please see Appendix A for additional detail on the smaller variances.

2016 FIRST QUARTER PROJECTIONS

SOCIAL SERVICES RELIEF

DOB projects an overall expense reduction of just \$1.0 million from the modified budget within the social services relief appropriation. This represents a variance of 0.21% from the modified budget.

Unfortunately, the particular mix of adjustments within individual programs results in a loss of state and federal aid of \$2.5 million.

| GENERAL FUND SOCIAL SERVICES RELIEF SUMMARY | | | | | |
|--|----------------|-----------------|---------------|------------------|-------------------|
| Thousands of Dollars | | | | | |
| | 2016 | 2016 | YTD | 2016 | Proj. less |
| | Adopted | Modified | Mar 31 | Projected | Modified |
| Emerg Assist To Fam & Child - Non Homeless | 6,418 | 6,418 | 1,063 | 6,418 | (0) |
| Emerg Assist to Fam & Child - Foster Care | 16,578 | 16,578 | 1,271 | 16,578 | - |
| Emerg Assist to Adults | 986 | 986 | 130 | 986 | - |
| Old Age Assist - MA | 4,304 | 4,020 | 118 | 5,284 | 1,265 |
| Aid to Disabled - MA | - | 15 | - | - | (15) |
| Family Assistance - MA | - | 313 | 9 | - | (313) |
| Medicaid - Regular | 207,292 | 207,292 | 44,119 | 207,292 | - |
| Medicaid - Disproportionate Share | 65,000 | 65,000 | - | 65,000 | - |
| Temp Assist to Needy Families (TANF) | 43,916 | 43,947 | 6,518 | 40,552 | (3,395) |
| Safety Net | 51,091 | 51,091 | 8,393 | 51,324 | 233 |
| Child Welfare - Foster Care | 32,389 | 32,434 | 1,669 | 32,561 | 127 |
| Child Welfare - Independent Living | 1,277 | 1,277 | 116 | 1,277 | (0) |
| Child Welfare - Adoption Subsidies | 9,225 | 9,225 | 2,160 | 9,225 | - |
| Social Svcs Spec Items | 305 | 305 | 10 | 336 | 31 |
| Indirect Social Service | 38,519 | 38,715 | 2,416 | 39,408 | 693 |
| Day Care (Title XX) | 1,403 | 1,403 | 153 | 1,796 | 393 |
| TOTAL | 478,702 | 479,020 | 68,145 | 478,037 | (982) |

Under the medical assistance programs, the increase of \$937,000 reflects the effectuation of a contract to assist people with enrollment in the expanded Medicaid program authorized by the Affordable Care Act. This contract is funded by direct state and federal aid of \$601,000 in the current year, and the expectation that the services will boost the County's Enhanced FMAP revenues in future years.

Taken together the two public assistance programs, TANF and Safety Net, are trending below budget through the first quarter. This has resulted in a combined downward revision of \$3.2 million. These two programs are heavily subsidized by the federal and state governments; the \$3.2 million expense reduction is coupled with a \$3.3 million revenue loss.

Daycare programs are projected \$1.3 million over budget as both the utilization of services and the cost per case have been trending at higher than budgeted levels through the first quarter. Low income daycare expenditures are projected \$890,000 over budget at \$25.7 million, and discretionary (title xx) daycare is projected \$393,000 over budget at \$1.8 million. Due to the fact that the County exceeds its child care block grant, these increases have zero additional revenue associated with them.

2016 FIRST QUARTER PROJECTIONS

SPECIAL DISTRICTS FUNDS FORECAST

On December 18, 2015, the County adopted a Special Districts Operating Budget in the amount of \$223.2 million for Fiscal Year 2016 (FY16). \$124.6 million was appropriated for sewer district operations, \$25.1 million for water district operations, and \$73.5 million for refuse district operations. This section will present the Department of Budget's (DOB) First Quarter Update for FY 2016.

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

CONSOLIDATED SEWER OPERATIONS FUND

The 2016 Budget has been modified upward by \$1.3 million to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan.

| CONSOLIDATED SEWER OPERATIONS FUND SUMMARY | | | | | |
|--|-----------------|------------------|----------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 18,293 | 18,293 | 4,147 | 18,293 | - |
| Other Personal Services | 17,869 | 17,869 | 3,948 | 17,969 | 100 |
| Equipment | 347 | 646 | 164 | 347 | (299) |
| Materials & Supplies | 20,035 | 20,129 | 2,114 | 19,585 | (544) |
| Contractual Expenses | 20,296 | 21,209 | 3,588 | 20,296 | (912) |
| Inter-Departmental Charge | 3,629 | 3,629 | 1,695 | 3,629 | - |
| Gross Expenditures | 80,469 | 81,775 | 15,655 | 80,119 | (1,656) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 80,469 | 81,775 | 15,655 | 80,119 | (1,656) |
| Departmental Income | 3,378 | 3,378 | 225 | 3,378 | - |
| Interest on Investments | 29 | 29 | - | 29 | - |
| Miscellaneous Revenue | 515 | 515 | 27 | 515 | - |
| Interfund Revenue | 76,547 | 77,852 | 10,635 | 76,547 | (1,306) |
| REVENUES | 80,469 | 81,775 | 10,887 | 80,469 | (1,306) |
| BUDGET (GAP) / SURPLUS | - | - | (4,768) | 350 | 350 |

In addition to the projected rolls, DOB anticipates energy utility savings in an amount of \$450,000, and \$100,000 of additional overtime versus the modified budget. Overall, DOB projects a budget surplus of \$350,000 for the sewer operations fund at this time.

2016 FIRST QUARTER PROJECTIONS

SEWER DISTRICTS FUNDS

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

| SEWER DISTRICT FUNDS SUMMARY | | | | | |
|-------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Contractual Expenses | 60,598 | 60,598 | 5,586 | 60,598 | - |
| Transfer to Operations Fund | 75,393 | 75,393 | 10,543 | 75,393 | - |
| Gross Expenditures | 135,991 | 135,991 | 16,128 | 135,991 | - |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 135,991 | 135,991 | 16,128 | 135,991 | - |
| Real Property Taxes | 100,199 | 100,199 | - | 100,199 | - |
| Payments in Lieu of Taxes | 50 | 50 | - | 50 | - |
| Departmental Income | 100 | 100 | - | 100 | - |
| Interest on Investments | 8,660 | 8,660 | 690 | 8,660 | - |
| Appropriated Fund Balance | 14,730 | 14,730 | - | 14,730 | - |
| Interfund Revenue | 12,252 | 12,252 | 3,100 | 12,252 | - |
| REVENUES | 135,991 | 135,991 | 3,790 | 135,991 | - |
| BUDGET (GAP) / SURPLUS | - | - | (12,338) | - | - |

WATER DISTRICTS FORECAST

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

2016 FIRST QUARTER PROJECTIONS

WATER DISTRICT #1

Water District #1 (WD#1) encompasses the municipalities of Mount Vernon, Scarsdale, White Plains, and Yonkers. The 2016 WD#1 Budget has been modified upward by \$103,000 to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan. DOB projects no other changes from the modified budget for Water District #1 at this time.

| WATER DISTRICT #1 FUND SUMMARY | | | | | |
|---------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 275 | 275 | 64 | 275 | - |
| Other Personal Services | 270 | 270 | 57 | 270 | - |
| Equipment | 54 | 54 | - | 54 | - |
| Materials & Supplies | 18,090 | 18,092 | 177 | 18,090 | (2) |
| Contractual Expenses | 3,074 | 3,174 | 281 | 3,074 | (101) |
| Inter-Departmental Charge | 325 | 325 | 7 | 325 | - |
| Gross Expenditures | 22,089 | 22,191 | 586 | 22,089 | (103) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 22,089 | 22,191 | 586 | 22,089 | (103) |
| Real Property Taxes | 2,049 | 2,049 | - | 2,049 | - |
| Departmental Income | 17,260 | 17,260 | - | 17,260 | - |
| Interest on Investments | 9 | 9 | - | 9 | - |
| Appropriated Fund Balance | 2,627 | 2,730 | - | 2,627 | (103) |
| Miscellaneous Revenue | 135 | 135 | 14 | 135 | - |
| Interfund Revenue | 8 | 8 | 8 | 8 | - |
| REVENUES | 22,089 | 22,191 | 22 | 22,089 | (103) |
| BUDGET (GAP) / SURPLUS | - | - | (564) | - | - |

2016 FIRST QUARTER PROJECTIONS

WATER DISTRICT #3

Water District #3 (WD#3) encompasses the County’s Valhalla Campus at Grasslands within the Town of Mount Pleasant. The 2016 WD#3 Budget has been modified upward by \$106,000 to allow for the expenditure of funds for items in FY16 that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan. DOB projects no other changes from the modified budget for Water District #3 at this time.

| WATER DISTRICT #3 FUND SUMMARY | | | | | |
|---------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 183 | 183 | 36 | 183 | - |
| Other Personal Services | 213 | 213 | 34 | 213 | - |
| Equipment | 10 | 10 | - | 10 | - |
| Materials & Supplies | 712 | 714 | 8 | 712 | (3) |
| Contractual Expenses | 1,581 | 1,684 | 333 | 1,581 | (103) |
| Inter-Departmental Charge | 225 | 225 | 2 | 225 | - |
| Gross Expenditures | 2,924 | 3,030 | 413 | 2,924 | (106) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 2,924 | 3,030 | 413 | 2,924 | (106) |
| Departmental Income | 1,900 | 1,900 | 2 | 1,900 | - |
| Interest on Investments | 9 | 9 | - | 9 | - |
| Appropriated Fund Balance | 1,015 | 1,121 | - | 1,015 | (106) |
| REVENUES | 2,924 | 3,030 | 2 | 2,924 | (106) |
| BUDGET (GAP) / SURPLUS | - | - | (411) | - | - |

2016 FIRST QUARTER PROJECTIONS

REFUSE DISTRICT

Created in 1982, the County Refuse District encompasses 36 municipalities in the southern and western portions of the County representing 90 percent of the County population. The 2016 Refuse District Budget has been modified upward by \$226,000 to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY15 to FY16 resulting in a negligible effect to the FY15 Financial Plan. DOB projects no other changes versus the modified budget within the Refuse District at this time.

| REFUSE DISTRICT FUND SUMMARY | | | | | |
|-------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 1,715 | 1,715 | 374 | 1,715 | 0 |
| Other Personal Services | 1,433 | 1,433 | 305 | 1,433 | - |
| Equipment | 25 | 25 | - | 25 | - |
| Materials & Supplies | 1,027 | 1,040 | 67 | 1,027 | (14) |
| Contractual Expenses | 66,902 | 67,114 | 13,148 | 66,902 | (212) |
| Inter-Departmental Charge | 2,387 | 2,387 | 124 | 2,387 | - |
| Gross Expenditures | 73,487 | 73,713 | 14,017 | 73,487 | (226) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 73,487 | 73,713 | 14,017 | 73,487 | (226) |
| Real Property Taxes | 43,926 | 43,926 | - | 43,926 | - |
| Payments in Lieu of Taxes | 295 | 295 | - | 295 | - |
| Departmental Income | 19,132 | 19,132 | 2,282 | 19,132 | - |
| Interest on Investments | 437 | 437 | 7 | 437 | - |
| Appropriated Fund Balance | 9,575 | 9,801 | - | 9,575 | (226) |
| Miscellaneous Revenue | 90 | 90 | 14 | 90 | - |
| Interfund Revenue | 32 | 32 | 32 | 32 | - |
| REVENUES | 73,487 | 73,713 | 2,334 | 73,487 | (226) |
| BUDGET (GAP) / SURPLUS | - | - | (11,683) | - | - |

2016 FIRST QUARTER PROJECTIONS

AIRPORT FUND FORECAST

The 2016 Airport Budget has been modified upward by \$1.1 million to allow for the expenditure of funds in FY16 for items that were contracted for in FY15. DOB expects a similar amount to roll from FY16 to FY17 resulting in a negligible effect to the FY16 Financial Plan. No other changes from the modified budget are projected at this time.

| AIRPORT OPERATIONS FUND SUMMARY | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 8,797 | 8,797 | 1,320 | 8,797 | - |
| Other Personal Services | 4,014 | 4,014 | 706 | 4,014 | - |
| Equipment | 634 | 746 | 59 | 634 | (112) |
| Materials & Supplies | 2,442 | 2,467 | 340 | 2,442 | (26) |
| Contractual Expenses | 20,370 | 21,286 | 5,120 | 20,370 | (916) |
| Inter-Departmental Charge | 10,991 | 10,991 | 436 | 10,991 | - |
| Gross Expenditures | 47,248 | 48,302 | 7,981 | 47,248 | (1,054) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 47,248 | 48,302 | 7,981 | 47,248 | (1,054) |
| Departmental Income | 44,689 | 44,689 | 7,593 | 44,689 | - |
| Interest on Investments | 40 | 40 | - | 40 | - |
| Appropriated Fund Balance | 1,302 | 2,356 | - | 1,302 | (1,054) |
| Interfund Revenue | 1,217 | 1,217 | 1,217 | 1,217 | - |
| REVENUES | 47,248 | 48,302 | 8,810 | 47,248 | (1,054) |
| BUDGET (GAP) / SURPLUS | - | - | 829 | - | - |

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

The County is self-insured for both workers compensation and general liability. The net position for each reserve fund as of March 31 of the past five years is shown below.

| WORKERS COMPENSATION (6J) & GENERAL LIABILITY (6N) FUNDS AS OF MAR 31 | | |
|--|----------------|----------------|
| Thousands of Dollars | | |
| | 6J FUND | 6N FUND |
| Net Position 3/31/2012 | (32,576) | 32,962 |
| Net Position 3/31/2013 | (32,578) | 36,434 |
| Net Position 3/31/2014 | (31,389) | 34,441 |
| Net Position 3/31/2015 | (35,929) | 40,725 |
| Net Position 3/31/2016 | (35,239) | 25,273 |

2016 FIRST QUARTER PROJECTIONS

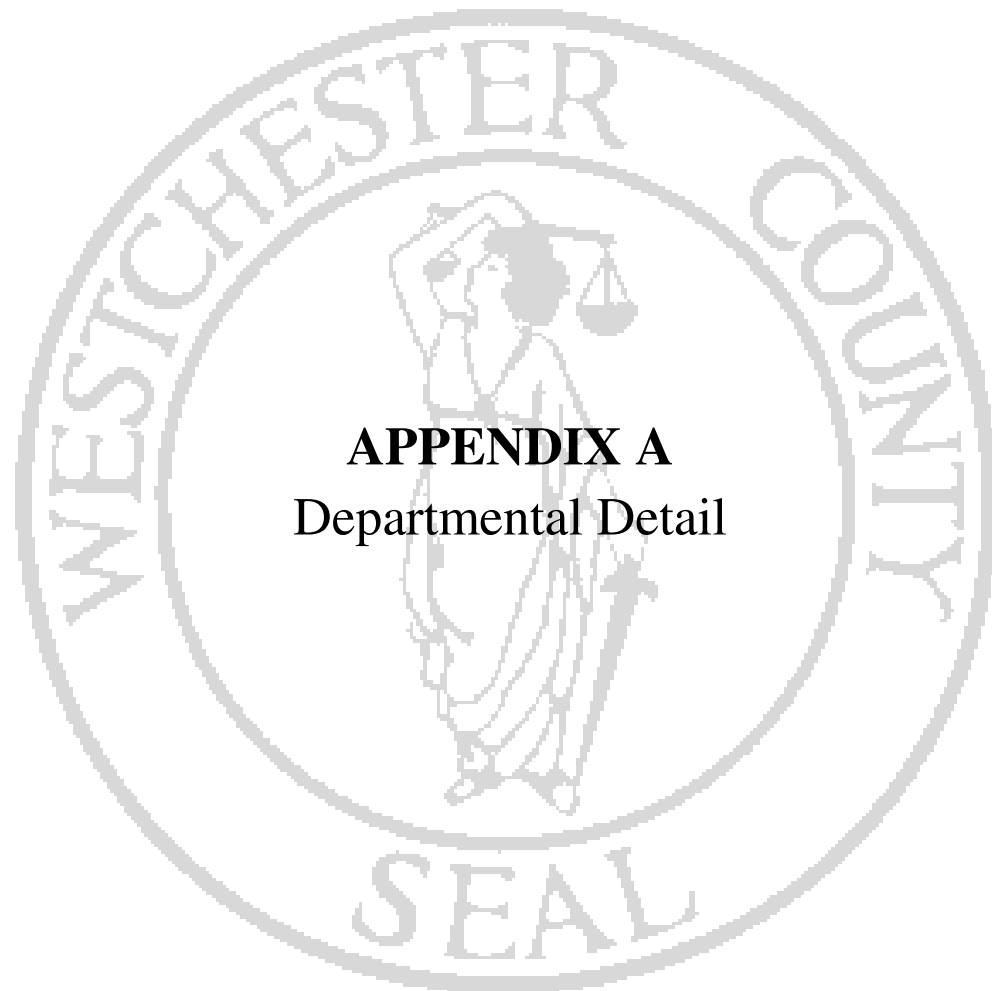
The general liability reserve (6N) fund is in a positive net position of \$25.3 million, while the workers compensation reserve (6J) fund is in a negative net position of \$35.2 million. The net position of the 6J fund has remained relatively constant over the past five years at the first quarter mark. The net position of the 6N fund experienced a material decline since one year ago due to a large accrued liability being retained on the balance sheet for the Metro-North Railroad crash in Valhalla last year. It is DOB’s expectation that this liability reserve will be released in the near term, and the fund’s net position will return to the \$30 - \$40 million range the fund has consistently held over the past 5 years.

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 |
| December 31, 2015* | 720 |
| *Unaudited | |

As a result of the cash flow shortfall each of the past three years, DOB now projects that the budgeted operating funds contribution of \$8.7 million will no longer be sufficient to cover the 6J fund’s cash outlay during FY 2016. As such, the projected general fund contribution to the 6J fund has been increased by \$500,000 in the Q1 forecast.

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APPENDIX A
Departmental Detail

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DEPARTMENTAL DETAIL

| BOARD OF LEGISLATORS | | | | | |
|-----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 3,648 | 3,648 | 847 | 3,648 | - |
| Other Personal Services | 262 | 262 | 48 | 262 | - |
| Equipment | 4 | 4 | 0 | 4 | - |
| Materials & Supplies | 209 | 209 | 9 | 209 | - |
| Contractual Expenses | 348 | 355 | 53 | 355 | (0) |
| Inter-Departmental Charge | 4 | 4 | 7 | 4 | - |
| Gross Expenditures | 4,473 | 4,480 | 964 | 4,480 | (0) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 4,473 | 4,480 | 964 | 4,480 | (0) |
| TAX LEVY | 4,473 | 4,480 | 964 | 4,480 | (0) |

FIRST 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 | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 5,002 | 5,002 | 1,103 | 5,002 | 0 |
| Other Personal Services | 56 | 56 | 9 | 56 | - |
| Materials & Supplies | 99 | 101 | 7 | 99 | (2) |
| Contractual Expenses | 3,733 | 4,029 | 153 | 3,733 | (296) |
| Inter-Departmental Charge | 535 | 535 | 401 | 535 | - |
| Gross Expenditures | 9,425 | 9,723 | 1,672 | 9,425 | (298) |
| Inter-Departmental Revenue | (1,196) | (1,196) | - | (1,196) | - |
| NET EXPENDITURES | 8,229 | 8,526 | 1,672 | 8,229 | (298) |
| Departmental Income | (1,323) | (1,323) | (1) | (1,323) | - |
| State Aid | (216) | (216) | - | (216) | - |
| REVENUES | (1,539) | (1,539) | (1) | (1,539) | - |
| TAX LEVY | 6,690 | 6,987 | 1,671 | 6,690 | (298) |

FIRST QUARTER HIGHLIGHTS

DOB anticipates that expenditures for County Executive’s Office will approximate adopted appropriation levels. \$298,000 of expenditure included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF HUMAN RESOURCES | | | | | |
|--------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 3,411 | 3,411 | 758 | 3,292 | (119) |
| Other Personal Services | 10 | 10 | - | 10 | - |
| Materials & Supplies | 35 | 42 | 4 | 35 | (7) |
| Contractual Expenses | 1,257 | 1,306 | 285 | 1,079 | (227) |
| Inter-Departmental Charge | 590 | 590 | 505 | 590 | - |
| Gross Expenditures | 5,303 | 5,359 | 1,552 | 5,006 | (352) |
| Inter-Departmental Revenue | (502) | (502) | (2) | (502) | - |
| NET EXPENDITURES | 4,802 | 4,857 | 1,550 | 4,505 | (352) |
| Departmental Income | (1,300) | (1,300) | (213) | (850) | 450 |
| REVENUES | (1,300) | (1,300) | (213) | (850) | 450 |
| TAX LEVY | 3,502 | 3,557 | 1,337 | 3,655 | 98 |

FIRST QUARTER HIGHLIGHTS

DOB projects \$119,000 of personal service savings from the modified budget for the Department of Human Resources (HR) as a result of vacancies.

HR is projected to have \$227,000 contractual expense savings as a result of lower than anticipated exam participation due to the fact that police and correction officer exams have been limited to County residents, but will no longer collect \$450,000 of revenues due to the same effect.

DEPARTMENTAL DETAIL

| DEPARTMENT OF BUDGET | | | | | |
|----------------------------|-----------------|------------------|---------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 1,318 | 1,318 | 283 | 1,318 | - |
| Other Personal Services | 8 | 8 | 0 | 8 | - |
| Materials & Supplies | 4 | 4 | 0 | 4 | - |
| Contractual Expenses | 14 | 14 | 2 | 14 | - |
| Inter-Departmental Charge | 229 | 229 | 246 | 229 | - |
| Gross Expenditures | 1,573 | 1,573 | 532 | 1,573 | - |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 1,573 | 1,573 | 532 | 1,573 | - |
| Departmental Income | (629) | (629) | - | (629) | - |
| REVENUES | (629) | (629) | - | (629) | - |
| TAX LEVY | 943 | 943 | 532 | 943 | - |

FIRST QUARTER HIGHLIGHTS

DOB projects no change from the modified budget for the Department of Budget at this time.

DEPARTMENTAL DETAIL

| BOARD OF ELECTIONS | | | | | |
|----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 6,187 | 6,187 | 1,421 | 6,187 | - |
| Other Personal Services | 1,100 | 1,100 | 62 | 1,100 | - |
| Equipment | 54 | 54 | - | 54 | - |
| Materials & Supplies | 2,014 | 2,026 | 293 | 2,026 | 0 |
| Contractual Expenses | 4,965 | 5,383 | 69 | 5,383 | 0 |
| Inter-Departmental Charge | 2,094 | 2,094 | 1,222 | 2,094 | - |
| Gross Expenditures | 16,414 | 16,844 | 3,066 | 16,844 | 0 |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 16,414 | 16,844 | 3,066 | 16,844 | 0 |
| Departmental Income | (1,449) | (1,449) | (0) | (1,449) | - |
| REVENUES | (1,449) | (1,449) | (0) | (1,449) | - |
| TAX LEVY | 14,965 | 15,395 | 3,066 | 15,395 | 0 |

FIRST QUARTER HIGHLIGHTS

DOB projects no change from the modified budget for the Board of Elections at this time.

DEPARTMENTAL DETAIL

| DEPARTMENT OF FINANCE | | | | | |
|------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 4,102 | 4,102 | 946 | 4,102 | - |
| Other Personal Services | 8 | 8 | - | 8 | - |
| Materials & Supplies | 37 | 37 | 11 | 37 | - |
| Contractual Expenses | 118 | 143 | 7 | 118 | (25) |
| Inter-Departmental Charge | 938 | 938 | 514 | 938 | - |
| Gross Expenditures | 5,209 | 5,234 | 1,482 | 5,209 | (25) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 5,209 | 5,234 | 1,482 | 5,209 | (25) |
| Departmental Income | (2,217) | (2,217) | (142) | (2,217) | - |
| Miscellaneous Revenue | - | - | - | - | - |
| REVENUES | (2,217) | (2,217) | (142) | (2,217) | - |
| TAX LEVY | 2,992 | 3,017 | 1,340 | 2,992 | (25) |

FIRST QUARTER HIGHLIGHTS

DOB anticipated that expenditures for the Department of Finance will approximate the adopted budget at this time. \$25,000 of contractual expense included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF INFORMATION TECHNOLOGY | | | | | |
|--------------------------------------|-----------------|------------------|-----------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 13,478 | 13,478 | 2,974 | 13,134 | (344) |
| Other Personal Services | 3,523 | 3,523 | 713 | 3,350 | (173) |
| Equipment | 147 | 147 | - | 147 | - |
| Materials & Supplies | 266 | 282 | 53 | 263 | (19) |
| Contractual Expenses | 19,649 | 21,136 | 3,817 | 19,710 | (1,427) |
| Inter-Departmental Charge | 1,197 | 1,197 | 421 | 1,197 | - |
| Gross Expenditures | 38,259 | 39,762 | 7,979 | 37,800 | (1,962) |
| Inter-Departmental Revenue | (31,926) | (31,926) | (28,346) | (31,926) | - |
| NET EXPENDITURES | 6,334 | 7,837 | (20,366) | 5,874 | (1,962) |
| Departmental Income | (7,907) | (7,907) | (3,078) | (7,907) | - |
| Appropriated Fund Balance | (1,735) | (1,735) | - | (1,735) | - |
| REVENUES | (9,642) | (9,642) | (3,078) | (9,642) | - |
| TAX LEVY | (3,309) | (1,806) | (23,445) | (3,768) | (1,962) |

FIRST QUARTER HIGHLIGHTS

DOB is projecting an overall expenditure reduction of nearly \$2 million from the modified budget within the Department of Information Technology (DoIT). This reduction is a result of \$517,000 of personal savings resulting from vacancies and lower than anticipated overtime for emergency communications operators, as well as the expectation that \$1.446 million of expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| BOARD OF ACQUISITION & CONTRACT | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 223 | 223 | 50 | 223 | - |
| Materials & Supplies | 1 | 1 | 0 | 1 | - |
| Contractual Expenses | 2 | 2 | 0 | 2 | - |
| Inter-Departmental Charge | 46 | 46 | 38 | 46 | - |
| Gross Expenditures | 272 | 272 | 88 | 272 | - |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 272 | 272 | 88 | 272 | - |
| Departmental Income | (2) | (2) | (0) | (2) | - |
| REVENUES | (2) | (2) | (0) | (2) | - |
| TAX LEVY | 270 | 270 | 88 | 270 | - |

FIRST QUARTER HIGHLIGHTS

DOB is projecting no change from the modified budget for the Board of Acquisition and Contract at this time.

DEPARTMENTAL DETAIL

| DEPARTMENT OF LAW | | | | | |
|----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 8,763 | 8,763 | 2,053 | 8,763 | - |
| Other Personal Services | 1 | 1 | - | 1 | - |
| Equipment | 39 | 39 | 15 | 39 | - |
| Materials & Supplies | 65 | 66 | 13 | 65 | (1) |
| Contractual Expenses | 1,235 | 1,650 | 80 | 1,235 | (415) |
| Inter-Departmental Charge | 744 | 744 | 616 | 744 | - |
| Gross Expenditures | 10,846 | 11,263 | 2,777 | 10,846 | (417) |
| Inter-Departmental Revenue | (10,810) | (10,810) | (1,552) | (10,810) | - |
| NET EXPENDITURES | 36 | 452 | 1,224 | 36 | (417) |
| Departmental Income | (3,657) | (3,657) | (346) | (3,657) | - |
| REVENUES | (3,657) | (3,657) | (346) | (3,657) | - |
| TAX LEVY | (3,621) | (3,205) | 878 | (3,621) | (417) |

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Law \$417,000 below the modified budget due to the expectation that these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF PLANNING | | | | | |
|-------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 2,388 | 2,388 | 497 | 2,360 | (28) |
| Materials & Supplies | 10 | 10 | 1 | 10 | - |
| Contractual Expenses | 1,645 | 1,754 | 113 | 1,145 | (610) |
| Inter-Departmental Charge | 767 | 767 | 367 | 767 | - |
| Gross Expenditures | 4,810 | 4,919 | 978 | 4,281 | (638) |
| Inter-Departmental Revenue | (43) | (43) | - | (43) | - |
| NET EXPENDITURES | 4,767 | 4,877 | 978 | 4,239 | (638) |
| Departmental Income | (906) | (906) | (7) | (906) | (0) |
| Capital Revenue | (500) | (500) | - | - | 500 |
| State Aid | (60) | (60) | - | (60) | - |
| REVENUES | (1,466) | (1,466) | (7) | (966) | 500 |
| TAX LEVY | 3,301 | 3,411 | 971 | 3,273 | (138) |

FIRST QUARTER HIGHLIGHTS

DOB projects a small decrease in personal services within the Department of Planning as a result of a vacancy within the department. Contractual expenses are projected \$610,000 below modified budget levels as a result of \$500,000 of expenditures pertaining to the affordable housing settlement no longer being accounted for in the general fund. There is an identical reduction to the anticipated capital revenue for the department. The remaining reduction reflects DOB’s expectation that \$110,000 of expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF EMERGENCY SERVICES | | | | | |
|---|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 1,717 | 1,717 | 417 | 1,717 | - |
| Other Personal Services | 330 | 330 | 62 | 330 | - |
| Equipment | 12 | 12 | - | 12 | - |
| Materials & Supplies | 234 | 234 | 18 | 234 | - |
| Contractual Expenses | 572 | 586 | 46 | 591 | 5 |
| Inter-Departmental Charge | 2,942 | 2,942 | 2,057 | 2,942 | - |
| Gross Expenditures | 5,807 | 5,821 | 2,600 | 5,826 | 5 |
| Inter-Departmental Revenue | (298) | (298) | - | (298) | - |
| NET EXPENDITURES | 5,509 | 5,523 | 2,600 | 5,528 | 5 |
| Departmental Income | (76) | (76) | (0) | (76) | (0) |
| Federal Aid | (362) | (362) | - | (362) | - |
| REVENUES | (438) | (438) | (0) | (438) | (0) |
| TAX LEVY | 5,072 | 5,086 | 2,599 | 5,090 | 5 |

FIRST QUARTER HIGHLIGHTS

DOB projects a small expenditure increase from the modified budget within the Department of Emergency Services as a result of an additional service contract for building services.

DEPARTMENTAL DETAIL

| COUNTY CLERK | | | | | |
|----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 4,428 | 4,428 | 1,001 | 4,428 | - |
| Other Personal Services | 85 | 85 | 0 | 85 | - |
| Equipment | 6 | 6 | - | 6 | - |
| Materials & Supplies | 158 | 158 | 40 | 158 | - |
| Contractual Expenses | 467 | 595 | 35 | 467 | (128) |
| Inter-Departmental Charge | 1,733 | 1,733 | 1,348 | 1,733 | - |
| Gross Expenditures | 6,876 | 7,004 | 2,424 | 6,876 | (128) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 6,876 | 7,004 | 2,424 | 6,876 | (128) |
| Departmental Income | (9,275) | (9,275) | (1,439) | (9,275) | - |
| REVENUES | (9,275) | (9,275) | (1,439) | (9,275) | - |
| TAX LEVY | (2,399) | (2,271) | 985 | (2,399) | (128) |

FIRST QUARTER HIGHLIGHTS

DOB anticipates that expenditures for the County Clerk will approximate the adopted budget at this time. \$128,000 of contractual expense included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF SOCIAL SERVICES | | | | | |
|--------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 71,820 | 71,820 | 15,507 | 69,087 | (2,733) |
| Other Personal Services | 1,703 | 1,703 | 373 | 1,703 | - |
| Equipment | - | 10 | 10 | - | (10) |
| Materials & Supplies | 826 | 836 | 120 | 826 | (11) |
| Contractual Expenses | 5,051 | 5,371 | 413 | 5,051 | (320) |
| Social Services Relief | 478,702 | 479,020 | 68,145 | 478,037 | (982) |
| Inter-Departmental Charge | 36,162 | 36,162 | 9,013 | 36,162 | - |
| Gross Expenditures | 594,264 | 594,922 | 93,580 | 590,865 | (4,057) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 594,264 | 594,922 | 93,580 | 590,865 | (4,057) |
| Departmental Income | (4,100) | (4,100) | 59 | (4,100) | - |
| Miscellaneous Revenue | - | - | (135) | - | - |
| Undistributed Revenues | - | - | (3,348) | - | - |
| State Aid | (92,965) | (92,965) | - | (92,061) | 904 |
| Federal Aid | (168,985) | (168,985) | - | (164,363) | 4,622 |
| REVENUES | (266,050) | (266,050) | (3,424) | (260,524) | 5,526 |
| TAX LEVY | 328,214 | 328,872 | 90,156 | 330,341 | 1,469 |

FIRST QUARTER HIGHLIGHTS

As of the first quarter, DOB is projecting an increase in DSS’s tax levy of \$1.5 million on expenditure reductions of \$4.0 million and revenue reductions of \$5.5 million. Salary savings of \$2.7 million due to vacant positions and the associated revenue loss of \$3.0 million comprise the largest drivers of change from the modified budget. In addition to the personal service savings, \$658,000 of expenditures included in the modified budget across the equipment, materials and supplies, contractual expenses, and relief categories are expected to roll and take place in FY 2017.

Within the relief category programs, medical assistance is projected to exceed the modified budget due to a program to assist people with enrollment in the expended Medicaid program authorized by the Affordable Care Act. This contract is funded by direct state and federal aid in the current year, and the expectation that the services will boost the County’s Enhanced FMAP revenues in future years. The two public assistance programs, TANF and Safety Net, are also under modified budget levels by a combined \$3.2 million. These two programs are heavily subsidized by the federal and state governments; the \$3.2 million expense reduction is coupled with a \$3.3 million revenue loss.

Offsetting these reductions is a combined increase of \$1.3 million over modified budget for the low income and discretionary (title xx) daycare programs. Due to the fact that the County exceeds its child care block grant, these increases have zero additional revenue associated with them. Please see page 21 for additional details on social services relief.

DEPARTMENTAL DETAIL

| DEPARTMENT OF SENIOR PROGRAMS & SERVICES | | | | | |
|---|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Contractual Expenses | 2,571 | 2,571 | 29 | 2,571 | - |
| Inter-Departmental Charge | 730 | 730 | 473 | 730 | - |
| Gross Expenditures | 3,302 | 3,302 | 502 | 3,302 | - |
| Inter-Departmental Revenue | (236) | (236) | - | (236) | - |
| NET EXPENDITURES | 3,066 | 3,066 | 502 | 3,066 | - |
| TAX LEVY | 3,066 | 3,066 | 502 | 3,066 | - |

FIRST QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

| DEPARTMENT OF CONSUMER PROTECTION | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 1,432 | 1,432 | 337 | 1,432 | - |
| Other Personal Services | 4 | 4 | 0 | 4 | - |
| Equipment | 3 | 33 | - | 33 | (0) |
| Materials & Supplies | 43 | 43 | 6 | 43 | - |
| Contractual Expenses | 27 | 30 | 3 | 27 | (4) |
| Inter-Departmental Charge | 263 | 263 | 229 | 263 | - |
| Gross Expenditures | 1,771 | 1,805 | 575 | 1,802 | (4) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 1,771 | 1,805 | 575 | 1,802 | (4) |
| Departmental Income | (3,683) | (3,683) | (652) | (3,283) | 400 |
| REVENUES | (3,683) | (3,683) | (652) | (3,283) | 400 |
| TAX LEVY | (1,911) | (1,877) | (77) | (1,481) | 396 |

FIRST QUARTER HIGHLIGHTS

DOB projects expenditure savings of \$4,000 from the modified budget for the Department of Consumer Protection. This savings is due to the anticipation that these expenditures will roll and occur in FY 2017. Licensing revenues have been reduced by \$400,000 to reflect the lack of legislative authorization to increase the home improvement contractor licensing fee that had been included in the adopted budget.

DEPARTMENTAL DETAIL

| DEPARTMENT OF MENTAL HEALTH | | | | | |
|------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 2,830 | 2,830 | 660 | 2,830 | - |
| Other Personal Services | 11 | 11 | - | 11 | - |
| Materials & Supplies | 36 | 36 | 3 | 36 | - |
| Contractual Expenses | 4,316 | 4,318 | 133 | 4,316 | (2) |
| Inter-Departmental Charge | 1,246 | 1,246 | 991 | 1,246 | - |
| Gross Expenditures | 8,438 | 8,441 | 1,787 | 8,438 | (2) |
| Inter-Departmental Revenue | (996) | (996) | - | (996) | - |
| NET EXPENDITURES | 7,443 | 7,445 | 1,787 | 7,443 | (2) |
| Departmental Income | (3) | (3) | (2) | (3) | - |
| State Aid | (1,613) | (1,613) | (393) | (1,613) | - |
| Federal Aid | (936) | (936) | - | (936) | - |
| REVENUES | (2,552) | (2,552) | (395) | (2,552) | - |
| TAX LEVY | 4,890 | 4,893 | 1,391 | 4,890 | (2) |

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures to approximate the adopted budget levels for the Department of Mental Health. \$2,000 of contractual expense included in the modified budget is expected to roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF HEALTH | | | | | |
|----------------------------|-----------------|------------------|----------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 15,353 | 15,353 | 3,381 | 15,205 | (148) |
| Other Personal Services | 350 | 350 | 120 | 500 | 150 |
| Equipment | 22 | 22 | 13 | 22 | - |
| Materials & Supplies | 326 | 328 | 43 | 326 | (2) |
| Contractual Expenses | 120,581 | 120,581 | 23,726 | 121,022 | 441 |
| Inter-Departmental Charge | 4,866 | 4,866 | 2,890 | 4,866 | - |
| Gross Expenditures | 141,498 | 141,500 | 30,173 | 141,941 | 441 |
| Inter-Departmental Revenue | (141) | (141) | - | (141) | - |
| NET EXPENDITURES | 141,357 | 141,359 | 30,173 | 141,800 | 441 |
| Departmental Income | (7,523) | (7,523) | (1,716) | (7,627) | (104) |
| Miscellaneous Revenue | - | - | 3 | - | - |
| Undistributed Revenues | - | - | (9) | - | - |
| State Aid | (72,198) | (72,198) | - | (72,351) | (154) |
| REVENUES | (79,720) | (79,720) | (1,722) | (79,978) | (258) |
| TAX LEVY | 61,637 | 61,639 | 28,451 | 61,822 | 183 |

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects additional expenditures of \$441,000 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 just \$23,000 over the modified budget, and the CSN programs are projected \$418,000 above modified appropriations. The increase in projected revenues of \$258,000 is due to an increase of \$154,000 in state aid for resulting from the additional expenditures, and additional revenues in the amount of \$100,000 for watershed protection measures from the NYC Department of Environmental Protection.

DEPARTMENTAL DETAIL

| DEPARTMENT OF LABORATORIES & RESEARCH | | | | | |
|--|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 7,987 | 7,987 | 1,860 | 7,987 | - |
| Other Personal Services | 138 | 138 | 21 | 138 | - |
| Materials & Supplies | 1,081 | 1,165 | 179 | 1,081 | (84) |
| Contractual Expenses | 797 | 871 | 111 | 797 | (75) |
| Inter-Departmental Charge | 3,308 | 3,308 | 1,237 | 3,308 | - |
| Gross Expenditures | 13,310 | 13,468 | 3,408 | 13,310 | (159) |
| Inter-Departmental Revenue | (30) | (30) | (1) | (30) | - |
| NET EXPENDITURES | 13,280 | 13,438 | 3,407 | 13,280 | (159) |
| Departmental Income | (2,678) | (2,678) | (454) | (2,828) | (150) |
| State Aid | (1,268) | (1,268) | - | (1,018) | 250 |
| REVENUES | (3,946) | (3,946) | (454) | (3,846) | 100 |
| TAX LEVY | 9,333 | 9,492 | 2,952 | 9,433 | (59) |

FIRST QUARTER HIGHLIGHTS

DOB anticipates expenditures to approximate the adopted budget within the Department of Laboratories and Research at this time. \$159,000 of expenditure included in the modified budget is expected to roll and occur in FY 2017.

Revenues are projected to fall short of budgeted targets by \$100,000. Lab fees are now projected \$150,000 above budget due to increased utilization, and state aid is projected \$250,000 below budget as a result of the additional revenues, and continued tightening of reimbursement regulations by the NYS Department of Health.

DEPARTMENTAL DETAIL

| DEPARTMENT OF CORRECTION | | | | | |
|----------------------------|-----------------|------------------|---------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 75,311 | 75,311 | 17,575 | 76,538 | 1,227 |
| Other Personal Services | 12,909 | 12,909 | 2,935 | 12,834 | (75) |
| Equipment | 167 | 251 | 10 | 167 | (84) |
| Materials & Supplies | 1,532 | 1,631 | 219 | 1,505 | (126) |
| Contractual Expenses | 21,525 | 22,082 | 4,423 | 21,334 | (748) |
| Inter-Departmental Charge | 11,157 | 11,157 | 2,815 | 11,157 | - |
| Gross Expenditures | 122,602 | 123,342 | 27,976 | 123,536 | 194 |
| Inter-Departmental Revenue | (137) | (137) | - | (137) | - |
| NET EXPENDITURES | 122,464 | 123,205 | 27,976 | 123,398 | 194 |
| Departmental Income | (6,719) | (6,719) | (900) | (6,574) | 145 |
| State Aid | (68) | (68) | (5) | (68) | - |
| Federal Aid | (1,072) | (1,072) | (8) | (1,072) | - |
| REVENUES | (7,859) | (7,859) | (913) | (7,713) | 145 |
| TAX LEVY | 114,605 | 115,346 | 27,063 | 115,685 | 339 |

FIRST QUARTER HIGHLIGHTS

DOB projects an unfavorable expenditure variance of \$194,000 versus the modified budget within the Department of Correction (DOC). Personal service is projected at \$1.152 million over the modified budget as a result of an overly aggressive vacancy factor being included in the adopted budget. Offsetting this increase are projected savings of \$958,000 within the other expenditure categories. \$740,000 of this savings is due to the expectation that these expenditures will roll and occur in FY 2017. The remaining \$218,000 is primarily caused by lower than budgeted gasoline prices and inmate food service utilization.

DOC is projected to fall short of its departmental income target by \$145,000 resulting from fewer federal inmates than budgeted being incarcerated in the County facility, and fewer phone calls due to a lower inmate census overall.

DEPARTMENTAL DETAIL

| TAX COMMISSION | | | | | |
|----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 152 | 152 | 33 | 152 | - |
| Materials & Supplies | 1 | 1 | 0 | 1 | - |
| Contractual Expenses | 2 | 2 | 2 | 2 | - |
| Inter-Departmental Charge | 31 | 31 | 30 | 31 | - |
| Gross Expenditures | 186 | 186 | 65 | 186 | - |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 186 | 186 | 65 | 186 | - |
| Departmental Income | (0) | (0) | - | (0) | - |
| REVENUES | (0) | (0) | - | (0) | - |
| TAX LEVY | 186 | 186 | 65 | 186 | - |

FIRST QUARTER HIGHLIGHTS

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

DEPARTMENTAL DETAIL

| DISTRICT ATTORNEY | | | | | |
|----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 20,964 | 20,964 | 4,615 | 20,617 | (347) |
| Other Personal Services | 372 | 372 | 64 | 352 | (21) |
| Equipment | 145 | 186 | 10 | 145 | (41) |
| Materials & Supplies | 320 | 320 | 73 | 320 | - |
| Contractual Expenses | 5,749 | 5,762 | 125 | 5,749 | (14) |
| Inter-Departmental Charge | 1,013 | 1,013 | 371 | 1,013 | - |
| Gross Expenditures | 28,563 | 28,618 | 5,257 | 28,195 | (423) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 28,563 | 28,618 | 5,257 | 28,195 | (423) |
| Miscellaneous Revenue | - | - | (0) | - | - |
| State Aid | (80) | (80) | - | (80) | - |
| REVENUES | (80) | (80) | (0) | (80) | - |
| TAX LEVY | 28,483 | 28,538 | 5,257 | 28,115 | (423) |

FIRST QUARTER HIGHLIGHTS

DOB projects personal service expenditure savings of \$368,000 versus the modified budget within the District Attorney’s Office primarily due to vacancies. Additional savings of \$55,000 versus the modified budget are also projected as these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF PUBLIC SAFETY | | | | | |
|------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 31,751 | 31,751 | 7,569 | 31,201 | (550) |
| Other Personal Services | 8,536 | 8,536 | 1,508 | 10,256 | 1,720 |
| Equipment | 211 | 309 | 34 | 211 | (98) |
| Materials & Supplies | 1,900 | 1,948 | 370 | 1,793 | (155) |
| Contractual Expenses | 2,398 | 2,475 | 405 | 2,378 | (96) |
| Inter-Departmental Charge | 4,431 | 4,432 | 2,804 | 4,431 | (1) |
| Gross Expenditures | 49,227 | 49,451 | 12,690 | 50,270 | 819 |
| Inter-Departmental Revenue | (10,735) | (10,735) | - | (10,885) | (151) |
| NET EXPENDITURES | 38,493 | 38,716 | 12,690 | 39,384 | 668 |
| Departmental Income | (13,995) | (13,995) | (1,044) | (14,095) | (100) |
| State Aid | (2,850) | (2,850) | - | (3,087) | (237) |
| Federal Aid | (329) | (329) | (11) | (329) | - |
| REVENUES | (17,173) | (17,173) | (1,056) | (17,510) | (337) |
| TAX LEVY | 21,320 | 21,543 | 11,634 | 21,874 | 331 |

FIRST QUARTER HIGHLIGHTS

DOB projects expenditures within the Department of Public Safety (DPS) to exceed modified appropriations by \$668,000. The largest driver of this change is an increase of \$1.2 million within the personal service categories, particularly overtime and 207-c disability. These upward revisions are due to the fact that the department averaged 10 full time equivalents (FTEs) on 207-c during the first quarter while the budget assumed 5 FTEs out on disability. DOB assumes this trend will continue for the remainder of the year.

Offsetting these additional expenditures were motor fuel purchase savings of \$98,000, additional inter-departmental revenues as a result of the higher expenditure projection, and the expectation that \$223,000 of expenditures will roll and take place in FY 2017.

On the revenue side, DPS is projected to receive an additional \$337,000 of revenues. \$100,000 in additional taxi and limousine commission fines, as well \$237,000 in additional state aid for increased parkway patrols that was included in the 2016-17 NYS Budget.

DEPARTMENTAL DETAIL

| DEPARTMENT OF PROBATION | | | | | |
|----------------------------|-----------------|------------------|---------------|-------------------|------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 16,835 | 16,835 | 3,976 | 17,016 | 182 |
| Other Personal Services | 389 | 389 | 112 | 389 | - |
| Equipment | 38 | 42 | - | 38 | (5) |
| Materials & Supplies | 162 | 163 | 14 | 162 | (2) |
| Contractual Expenses | 6,205 | 6,215 | 165 | 6,205 | (10) |
| Inter-Departmental Charge | 3,063 | 3,063 | 1,982 | 3,063 | - |
| Gross Expenditures | 26,690 | 26,707 | 6,249 | 26,872 | 165 |
| Inter-Departmental Revenue | (1,501) | (1,501) | - | (1,501) | - |
| NET EXPENDITURES | 25,189 | 25,205 | 6,249 | 25,370 | 165 |
| Departmental Income | (350) | (350) | (57) | (350) | - |
| State Aid | (8,298) | (8,298) | - | (8,298) | - |
| REVENUES | (8,648) | (8,648) | (57) | (8,648) | - |
| TAX LEVY | 16,541 | 16,557 | 6,192 | 16,722 | 165 |

FIRST QUARTER HIGHLIGHTS

DOB projects an unfavorable variance of \$165,000 versus the modified budget within the Department of Probation at this time. Personal service is projected at \$182,000 over the modified budget as a result of an overly aggressive vacancy factor being included in the adopted budget. This is offset by small reductions in the non-personal service expenditure categories to account for the expectation that these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| PUBLIC ADMINISTRATOR | | | | | |
|-----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 503 | 503 | 101 | 491 | (11) |
| Equipment | 2 | 2 | 0 | 2 | - |
| Materials & Supplies | 5 | 5 | 1 | 5 | (0) |
| Contractual Expenses | 58 | 58 | 1 | 58 | (0) |
| Inter-Departmental Charge | 83 | 83 | 62 | 83 | - |
| Gross Expenditures | 650 | 651 | 166 | 639 | (12) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 650 | 651 | 166 | 639 | (12) |
| Departmental Income | (480) | (480) | (30) | (480) | - |
| REVENUES | (480) | (480) | (30) | (480) | - |
| TAX LEVY | 170 | 171 | 136 | 159 | (12) |

FIRST QUARTER HIGHLIGHTS

DOB projects a reduction for personal service of \$11,000 from the modified budget as a result of a vacancy within the Public Administrator.

DEPARTMENTAL DETAIL

| SOLID WASTE COMMISSION | | | | | |
|-------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 677 | 677 | 158 | 677 | - |
| Other Personal Services | 461 | 461 | 102 | 476 | 15 |
| Equipment | - | 27 | - | - | (27) |
| Materials & Supplies | 27 | 27 | 5 | 27 | (0) |
| Contractual Expenses | 143 | 179 | 24 | 128 | (50) |
| Inter-Departmental Charge | 398 | 398 | 120 | 398 | - |
| Gross Expenditures | 1,706 | 1,769 | 409 | 1,706 | (62) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 1,706 | 1,769 | 409 | 1,706 | (62) |
| Departmental Income | (1,714) | (1,714) | (291) | (1,714) | - |
| REVENUES | (1,714) | (1,714) | (291) | (1,714) | - |
| TAX LEVY | (8) | 54 | 118 | (8) | (62) |

FIRST QUARTER HIGHLIGHTS

DOB projects an expenditure reduction of \$62,000 from the modified budget for the Solid Waste Commission. It is anticipated that these expenditures will roll and occur in FY 2017.

DEPARTMENTAL DETAIL

| DEPARTMENT OF PARKS | | | | | |
|----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 15,119 | 15,119 | 3,530 | 15,067 | (51) |
| Other Personal Services | 7,566 | 7,566 | 771 | 7,566 | - |
| Equipment | 339 | 339 | 151 | 339 | - |
| Materials & Supplies | 7,438 | 7,470 | 954 | 7,438 | (32) |
| Contractual Expenses | 10,728 | 11,003 | 1,434 | 10,728 | (276) |
| Inter-Departmental Charge | 5,206 | 5,206 | 1,836 | 5,206 | - |
| Gross Expenditures | 46,395 | 46,703 | 8,676 | 46,344 | (359) |
| Inter-Departmental Revenue | (331) | (331) | - | (331) | - |
| NET EXPENDITURES | 46,065 | 46,372 | 8,676 | 46,013 | (359) |
| Departmental Income | (36,750) | (36,750) | (4,186) | (36,000) | 750 |
| Undistributed Revenues | - | - | (209) | - | - |
| State Aid | (60) | (60) | - | (60) | - |
| REVENUES | (36,810) | (36,810) | (4,395) | (36,060) | 750 |
| TAX LEVY | 9,255 | 9,562 | 4,281 | 9,953 | 391 |

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects expenditures \$359,000 below the modified budget within the Parks Department (Parks). This is primarily due to the expectation that \$308,000 of non-personal service expenditures will roll and occur in FY 2017. Additionally, DOB projects \$51,000 in salary savings due to vacancies at this time.

Departmental revenue has been revised downward by \$750,000 from the modified budget target to reflect the amendments to the Playland management agreement recently adopted.

DEPARTMENTAL DETAIL

| DEPARTMENT OF TRANSPORTATION | | | | | |
|-------------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 1,063 | 1,063 | 240 | 1,063 | - |
| Other Personal Services | 27 | 27 | 4 | 27 | - |
| Materials & Supplies | 1,653 | 1,653 | 341 | 1,653 | - |
| Contractual Expenses | 151,631 | 151,671 | 35,914 | 148,631 | (3,040) |
| Inter-Departmental Charge | 1,881 | 1,881 | 738 | 1,881 | - |
| Gross Expenditures | 156,256 | 156,295 | 37,238 | 153,256 | (3,040) |
| Inter-Departmental Revenue | (415) | (415) | - | (415) | - |
| NET EXPENDITURES | 155,841 | 155,881 | 37,238 | 152,841 | (3,040) |
| Departmental Income | (37,668) | (37,668) | (8,337) | (38,381) | (714) |
| State Aid | (53,185) | (53,185) | - | (56,349) | (3,164) |
| Federal Aid | (11,042) | (11,042) | - | (11,042) | - |
| REVENUES | (101,895) | (101,895) | (8,337) | (105,772) | (3,877) |
| TAX LEVY | 53,946 | 53,986 | 28,901 | 47,069 | (6,917) |

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects a tax levy impact \$6.9 million below the modified budget within the Department of Transportation (DOT). This is due to a downward revision in projected expenditures in the amount of \$3.0 million, and a revenue projection \$3.9 million above modified budget targets.

Bus operating expenditures are projected under the modified budget due to a lower than expected labor costs associated with the renewal of Liberty Lines' collective bargaining agreement with the Transport Workers Union of America.

State aid is revised upward to \$3.2 million above the modified budget as a result of the increase in transportation aid to localities included in the recently enacted 2016-17 NYS Budget. Additionally, bus and para-transit fares are now projected \$714,000 above budgeted levels.

DEPARTMENTAL DETAIL

| DEPARTMENT OF PUBLIC WORKS | | | | | |
|-----------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Annual Regular Salaries | 15,259 | 15,259 | 3,440 | 15,106 | (152) |
| Other Personal Services | 979 | 979 | 215 | 920 | (60) |
| Equipment | 70 | 70 | 5 | 70 | - |
| Materials & Supplies | 17,685 | 17,835 | 1,751 | 17,145 | (691) |
| Contractual Expenses | 33,457 | 34,762 | 5,144 | 34,576 | (186) |
| Inter-Departmental Charge | 2,108 | 2,108 | 1,198 | 2,108 | - |
| Gross Expenditures | 69,558 | 71,014 | 11,753 | 69,925 | (1,089) |
| Inter-Departmental Revenue | (55,262) | (55,262) | (4,884) | (55,262) | - |
| NET EXPENDITURES | 14,296 | 15,752 | 6,868 | 14,663 | (1,089) |
| Departmental Income | (13,955) | (13,955) | (715) | (13,455) | 500 |
| State Aid | (2,726) | (2,726) | (292) | (2,726) | - |
| REVENUES | (16,682) | (16,682) | (1,007) | (16,182) | 500 |
| TAX LEVY | (2,386) | (930) | 5,861 | (1,519) | (589) |

FIRST QUARTER HIGHLIGHTS

Overall, DOB projects net expenditures at \$1.1 million below the modified budget within the Department of Public Works (DPW). This reduction in projected expenditure is primarily due to the \$559,000 downward revision of energy utility expense within the materials and supplies category. Energy prices have remained lower than anticipated, and the mild winter resulted in a reduction in the consumption of natural gas. DPW is also projected to achieve personal service savings of \$212,000 as a result of vacancies and lower than expected hourly wages. In addition, it is anticipated that \$318,000 of expenditures included in the modified budget will roll and occur in FY 2017.

Offsetting the \$1.1 million in expenditure savings versus the modified budget is a reduction of \$500,000 in the engineering unit's billings to the capital projects fund.

DEPARTMENTAL DETAIL

| DEBT SERVICE | | | | | |
|----------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Contractual Expenses | 80,868 | 80,942 | 10,042 | 78,155 | (2,787) |
| Gross Expenditures | 80,868 | 80,942 | 10,042 | 78,155 | (2,787) |
| Inter-Departmental Revenue | - | - | - | - | - |
| NET EXPENDITURES | 80,868 | 80,942 | 10,042 | 78,155 | (2,787) |
| Capital Revenue | (100) | (100) | (389) | (389) | (289) |
| Miscellaneous Revenue | (1,253) | (1,253) | - | (983) | 270 |
| REVENUES | (1,353) | (1,353) | (389) | (1,372) | (19) |
| TAX LEVY | 79,515 | 79,589 | 9,653 | 76,784 | (2,805) |

FIRST QUARTER HIGHLIGHTS

DOB projects a reduction of \$2.8 million in tax levy for the debt service budget versus the modified budget. This was primarily due to the impact of a debt refinancing undertaken by the County that resulted in current year savings of \$2.9 million.

For its \$105 million tax anticipation note, the County will be paying interest of \$438,000, offset by a premium of \$389,000 for a net interest cost of \$49,000 as compared to the \$50,000 net interest cost contained in the adopted budget. The expenditure projection was increased by \$288,000 and revenue by \$289,000 to account for the effect of the note selling at a larger premium than originally anticipated.

Miscellaneous revenues were revised downward by \$270,000 to reflect an asset transfer from the capital projects fund to the general fund that was budgeted in FY 2016 but occurred in FY 2015.

DEPARTMENTAL DETAIL

| MISCELLANEOUS BUDGETS | | | | | |
|------------------------------|-------------------------|--------------------------|-----------------------|---------------------------|--------------------------------|
| Thousands of Dollars | | | | | |
| | 2016 Adopted | 2016 Modified | YTD Mar 31 | 2016 Projected | Proj. less Modified |
| Other Personal Services | 233,204 | 233,204 | 56,973 | 234,604 | 1,400 |
| Contractual Expenses | <u>229,852</u> | <u>231,227</u> | <u>38,805</u> | <u>227,474</u> | <u>(3,753)</u> |
| Gross Expenditures | 463,056 | 464,432 | 95,777 | 462,078 | (2,353) |
| Inter-Departmental Revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET EXPENDITURES | 463,056 | 464,432 | 95,777 | 462,078 | (2,353) |
| Real Property Taxes | (548,423) | (548,423) | - | (548,423) | - |
| Payments in Lieu of Taxes | (10,721) | (10,721) | (304) | (10,721) | - |
| Non-Property Taxes | (567,086) | (567,086) | (59,069) | (556,303) | 10,783 |
| Departmental Income | (14,131) | (14,131) | (2,440) | (14,131) | - |
| Interest on Investments | - | - | (14) | - | - |
| Capital Revenue | (11,000) | (11,000) | - | - | 11,000 |
| Appropriated Fund Balance | - | (8,194) | - | - | 8,194 |
| Miscellaneous Revenue | (65,000) | (65,000) | (3,166) | (65,000) | - |
| Austin Ave | (787) | (787) | (197) | (787) | - |
| Interfund Revenue | (50) | (50) | (52) | (50) | - |
| State Aid | <u>(5,591)</u> | <u>(5,591)</u> | <u>(124)</u> | <u>(5,130)</u> | <u>460</u> |
| REVENUES | (1,222,789) | (1,230,983) | (65,366) | (1,200,546) | 30,438 |
| TAX LEVY | <u>(759,733)</u> | <u>(766,552)</u> | <u>30,411</u> | <u>(738,467)</u> | <u>28,084</u> |

FIRST QUARTER HIGHLIGHTS

DOB projects expenditure savings within the Miscellaneous Budgets of \$2.4 million in the Q1 Update. Most of this reduction, \$1.8 million, is due to the reduction in municipal sales tax distribution as a result of lower than budgeted sales tax revenues. Another large portion of the reduction, \$1.4 million, reflects DOB’s expectation that certain expenditures will not occur until FY 2017. Three additional adjustments account for the remaining variance: (1) projected tax certiorari expenses were revised downward by \$600,000 as a result of lower than anticipated judgments during the first quarter; (2) the general fund’s projected contributions to the workers compensation (6J) and healthcare funds were increased by \$1.9 million due to the fact that assets expected to be available for FY 2016 within these funds at the time the budget was adopted are no longer available; and (3) the cost of indigent criminal defense is now expected to be \$460,000 less than the modified budget due to lower utilization. This is entirely offset by a \$460,000 reduction in state aid. Against the projected expenditure savings are lower revenue projections in the amount of \$30.4 million. Sales and use tax collections have been revised downward by \$10.8 million due to recent results. Capital revenues are now projected \$11 million below budget as legislative authorization to issue bonds for tax certiorari judgments appears to be unlikely. The reduction in the draw of \$8.2 million in appropriated fund balance reflects the expectation for a similar amount of expenditures to roll from FY16 to FY17, resulting in a minimal effect to the FY16 Financial Plan. The Q1 Update contains sufficient expenditure reductions in the general fund to fully account for this effect.

