

COUNTY OF WESTCHESTER

**Analysis and Review
of the
Proposed 2021 Budget**



December 11, 2020

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

Dear Honorable Borgia:

The County Executive's 2021 Proposed Budget has been submitted to the Board of Legislators for its review and deliberation. As we begin the discussion of the 2021 Proposed Budget we all have to keep in mind the impact of the COVID-19 restrictions that were put in place in March 2020. The County had to deal with reduced sales tax collections, fees for services, and most recently a potential reduction in State aid, while at the same time facing increased demand for some critical services. Projections for both the balance of the 2020 fiscal year and the 2021 Proposed Budget can and will be affected until the pandemic has been contained. Both our report and the County's Executive's 2021 Proposed Budget are trying to take these unknown factors into consideration.

The 2021 Proposed Budget provides for an aggregate appropriation of \$2.09 billion with 4,880 allowed (funded) positions of which 518 positions as of the date of this report are vacant. This budget is \$15.71 million less than the 2020 budget adopted by the Board of Legislators in December 2019. Also included in this budget is \$80 million of Intergovernmental Transfers to and related revenue from the Westchester County Health Care Corporation ("WCHCC"), which remains the same as in the 2020 Adopted Budget. \$165.19 million for the Municipal Sales Tax Distribution which is a decrease of \$9.12 million as compared to the 2020 Adopted Budget.

The proposed budget for the County continues to rely upon major sources of revenue derived from sales and use taxes \$695.50 million, or 33.26% of total revenues, Federal and State aid \$438.46 million, or 20.97% of total revenues, departmental income \$141.74 million, or 6.78%, various other revenues \$158.79 million, or 7.59% and the remaining source of financing the spending plan – property taxes \$568.58 million, or 27.19% of the revenues. The property tax levy amount is \$1 million less than the tax levy adopted in the current budget. However the proposed budget uses \$88 million of general fund balance which is 4.21% of the sources of revenue.

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

Appropriations	In Thousands
Health	\$ 14.94
Transportation	8.38
Debt Service	6.45
Economic Development	4.99
Planning	4.30
Information Technology	2.97
Probation	1.25
Miscellaneous Budgets	1.23
Law	0.65
Community Health	0.51
Board of Elections	0.39
Unemployment Insurance	0.36
People with Disabilities	0.14
Westchester Community College Sponsor Contribution	0.06
District Attorney	(0.02)
Public Safety Services	(0.20)
Office for Women	(0.40)
Public Works	(0.48)
FICA/Medicare	(0.56)
Laboratories & Research	(0.75)
Retirement System	(0.86)
Correction	(1.19)
Parks	(1.88)
Workers Compensation	(6.06)
Sales Tax Distribution	(9.12)
Unrestricted Reserve	(10.00)
Social Services	(12.80)
Employee Health Insurance	(17.92)
Other	(0.09)
	(15.71)
Total Appropriations (Net Changes)	\$ (15.71)

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

The Department of Social Services budget decreased \$12.80 million. Additionally, the Department of Health budget increased \$14.94 million for services for children with special needs, while the Board of Elections budget rose to \$0.39 million mostly to cover the costs associated with the implementation of early voting and the upcoming presidential election.

The Miscellaneous 2021 Proposed Budget decreased by \$43.03 million, of which, the largest components are a decrease of \$9.12 million in municipal sales tax distribution due to the decrease in anticipated sales tax revenue, \$10 million less in budgeted contribution to unrestricted reserve, a new initiative to strengthen the County’s financial position and \$6.45 million for debt service payments.

The \$15.71 million net decrease in appropriations is offset by the use of fund balance and the following revenue sources as detailed in the Operating Budget Comparative Analysis – Revenues:

<u>Revenue</u>	<u>In Thousands</u>
Departmental Revenue:	
Correction	\$ 3.81
Consumer Protection	0.29
Public Safety	0.14
County Clerk	0.12
Information Technology	(0.09)
Labs and Research	(0.10)
Law	(0.11)
Planning	(0.13)
Solid Waste Commission	(0.18)
Human Resources	(0.20)
Health	(0.21)
Social Services	(0.30)
Public Works	(0.43)
County Executive	(0.91)
Parks, Recreation & Conservation	(6.48)
Transportation	(13.66)
Other Departments	<u>(0.01)</u>
Sub-total Departmental Revenue	(18.45)
Use / (Deposit) of General Fund Balance	87.99
Bond and Note Revenues	12.61
Federal Aid	2.20
Miscellaneous	0.43
Real Property Taxes	(1.00)
Inter-Fund Transfers	(1.61)
Interest on Investments	(1.88)
Hotel Occupancy Tax	(3.75)
State Aid	(46.26)
Sales and Use Tax	(46.28)
Other, Net	<u>0.29</u>
Total Revenue (Net Changes)	<u>\$ (15.71)</u>

Sales tax revenues in the 2021 Proposed Budget decreased \$46.28 million reflecting the new sales tax rate imposed by the County along with the new income from internet sales. Federal aid has increased by \$2.2 million approximately 1%. State aid has decreased \$46.26 million reflecting a reduction in aid for Social Service and Health program expenditures. The County is proposing a reduction in revenue in the Department of Parks and Recreation of \$6.48 million, which reflects the removal of the sale of property budgeted in 2020. The County also reduced its proposed 2021 tax levy by \$1 million as compared to 2020.

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

We have advised the Board of our recommendations for increases to the budget on December 7th. Our suggestions were presented in brevity. The detailed factors which caused us to make these recommendations and the underlying justification have been included in this report. Our complete report is detailed in the pages that follow.

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

Very truly yours,

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

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REVENUES

Payments in Lieu of Taxes

The County has entered into numerous Payments in Lieu of Taxes (“PILOT”) agreements which are economic development incentives for businesses within the County. PILOT agreements may fluctuate from year to year due to assessed property values and any appropriate adjustments for new, expired, or modified agreements. The County’s 2020 projection for PILOT revenue is \$10.91 million, a favorable variance of \$530,000 as compared to the 2020 Adopted Budget of \$10.38 million. Based on actual PILOT receipts through October 2020 and anticipated PILOT receipts for November and December 2020, we project revenues to be \$10.91 million, an amount equal to the County’s projection.

The County’s 2021 Proposed Budget for PILOT revenue is \$10.16 million, a decrease of approximately \$220,000 as compared to the County’s 2020 Adopted Budget. This decrease is due to the projected decrease in PILOT payments from Entergy Nuclear Indian Point 2 and 3. We concur with the County’s 2021 Proposed Budget of \$10.16 million.

Sales Tax

Sales tax revenues comprise the largest single component of the revenue segment of the budget other than real property taxes. The County's share of sales tax revenue is comprised of the following components: a local sales tax of 4% inclusive of sales tax of 1½% retained by the County, sales tax of 1%, of which the County retains 33⅓%, a ½% sales tax, of which the County retains 70% and 1% sales tax of which the County retains 70%.

The 2020 Adopted Budget for sales tax revenue is \$741.79 million, of which \$567.49 million represents the County’s share. The remaining balance of \$174.30 million represents the sales tax revenue collected by the County that will be remitted to the Cities, Towns, Villages and School Districts.

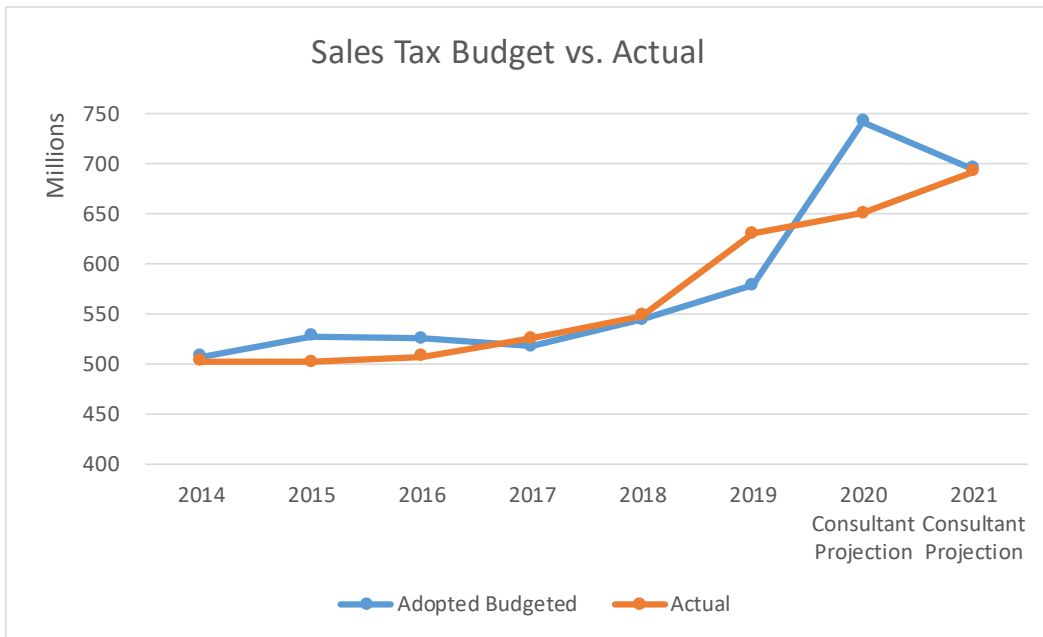
In order to compare 2019 collections to 2020 collections we restated 2019 to include the impact of the 1% rate increase that went into effect August 2019. The County’s sales tax collection as of October 2020 amounts to \$505.81 million less than the restated amount for the same period in 2019. This yielded a decrease of 8.82%. Our projection takes into consideration the impact of

COVID-19 restrictions on retail sales, restaurants and bars, movie theaters, and many other businesses. In addition, due to the cost of medical care related to COVID-19, New York State is withholding \$50 million from the distribution to Counties to provide support to financially distressed hospitals and nursing homes. Of this amount, the County's share is \$3.56 million; \$2.67 million is applicable to 2020. Therefore, we project 2020 revenues to be \$650.77 million, an \$11.08 million unfavorable variance as compared to the County's 2020 projection of \$661.85 million and a \$91.02 million unfavorable variance as compared to the 2020 Adopted Budget.

In the 2020 Adopted Budget is \$174.30 million for the sales tax distribution due to the other municipalities. The variance mentioned above also impacts the revenue sharing portion within the other municipalities. Based upon our projected sales tax revenue, this distribution will amount to \$154.56 million or \$19.74 million less than the 2020 Adopted Budget and \$2.63 million less than the County's projection.

The County anticipates \$695.50 million to be derived from sales tax revenues in the 2021 Proposed Budget. The budget also includes \$165.19 million for the portion due to the various municipalities which equates to 23.75% of the gross revenues. There are several factors that impact our projection for 2021. The first of which is the withholding of Aid and Incentives for Municipalities ("AIM") for Towns and Villages for approximately \$3.90 million. In addition, we included one quarter of the NYS sales tax withholding to aid hospitals and nursing homes in the amount of \$890,000. We did not include the adjustment for hospitals and nursing homes for the New York State's 2021-22 fiscal year, given the legislation has not be enacted. We also continue to factor in the effects of COVID-19 restrictions, whereby, we considered that businesses would return to 2019 levels gradually over the first six months of 2021 (At 90% in the first quarter, 95% in second quarter, and 100% thereafter). We project 2021 sales tax revenues to amount to \$692.42 million, an unfavorable variance of \$3.08 million as compared to the 2021 Proposed Budget.

As previously stated, any variance between our projection of sales tax and the County’s projection will also impact the distribution to municipalities. Based on our sales tax projection, the distribution will amount to be \$164.46 million, which is a favorable variance of \$730,000 as compared to the 2021 Proposed Budget of \$165.19 million.

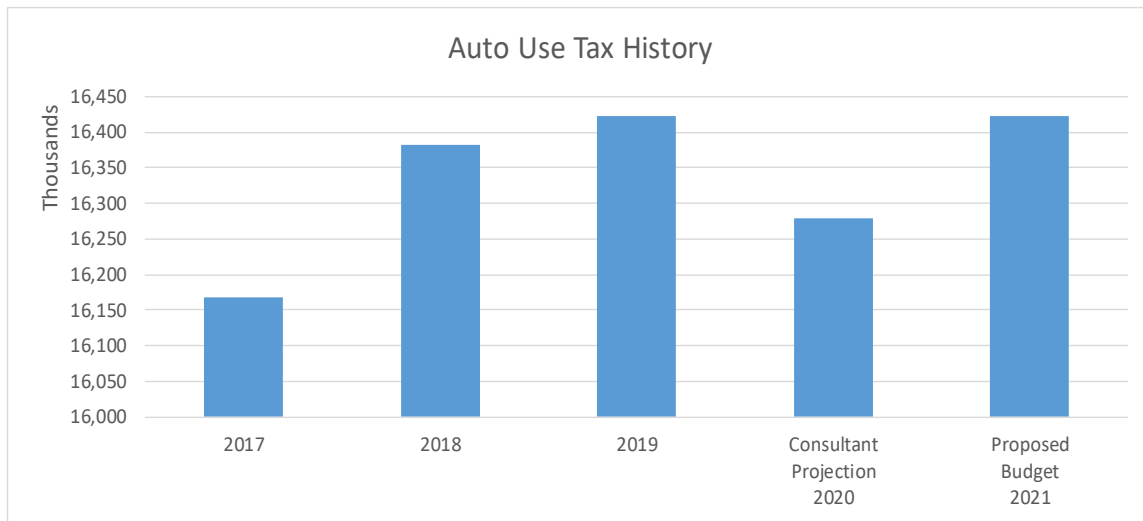


Auto Use Tax

The auto use tax imposed is \$30 for passenger vehicles below 3,500 pounds and \$60 for passenger vehicles greater than 3,501 pounds and all commercial vehicles. The motor vehicle tax is payable every two years and included on New York State motor vehicle registrations.

The County’s 2020 Adopted Budget is \$16.87 million for the revenues derived from taxes on motor vehicle use. As a result of the ongoing COVID-19 pandemic, passenger vehicle registrations that expired on or after March 1, 2020 were extended to November 3, 2020. Therefore, when comparing the revenues from March through September 2019 to the same period in 2020, there was a \$925,000 decline in revenues. Utilizing the collected revenues through September 2020 of \$11.99 million, and an estimation of revenue to be received from October through December 2020, we project revenues will amount to \$16.27 million, which is a \$600,000 unfavorable variance as compared to the 2020 Adopted Budget and a \$120,000 favorable variance as compared to the County’s 2020 Projection of \$16.15 million.

The County's 2021 Proposed Budget for auto use tax is approximately \$16.42 million, a decrease of \$450,000 as compared to the 2020 Adopted Budget. Given the impact of the restrictions imposed on businesses during the early stages of the pandemic, we did not apply a growth factor to the number of vehicles registered with the DMV due to the possibility of another shutdown. Therefore, we project 2021 revenues to be \$16.28 million, a \$140,000 unfavorable variance as compared to the 2021 Proposed Budget.



Mortgage Tax

The mortgage tax is derived from a 0.25% tax on mortgages processed. The chart below shows the amounts received and the change as compared to the prior years:

<u>Year</u>	<u>Amount</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
2017 Actuals	\$ 20.14 million	\$ 430,000	2.2 %
2018 Actuals	18.41 million	(1,730,000)	(8.6)
2019 Actual	20.14 million	1,730,000	8.6
2020 Adopted Budget	19.35 million	(790,000)	(4.1)
2021 Proposed Budget	20.06 million	710,000	3.5

The 2020 Adopted Budget is \$19.35 million for mortgage tax. Through October 2020, the County has received \$17.25 million in revenues, an increase of 1.88% as compared to the same period in 2019. Initially, when New York State instituted COVID-19 restrictions, there was a decline in

the number of real estate closings, resulting in a \$1.27 million decrease in revenues from March to June 2020 when compared to the same period in 2019. However, beginning in July, revenues began to rebound given that real estate closings were conducted remotely, coupled with the influx of buyers moving out of New York City. As a result of the County's attractiveness to new buyers due to its proximity to New York City, revenues from July to October 2020 out-paced July to October 2019 by \$1 million. Historically, the County collects 84.33% of its total revenues through October. By applying this percentage to the revenues collected through October 2020, we project revenues for 2020 to approximate \$20.46 million, a \$1.11 million favorable variance as compared to the 2020 Adopted Budget and a \$700,000 favorable variance as compared to the County's 2020 projection of \$19.76 million.

The County's 2021 Proposed Budget includes mortgage tax revenue of \$20.06 million, a \$710,000 increase as compared to the 2020 Adopted Budget. Based on the continuation of COVID-19 restrictions into 2021, increasing the number of potential buyers, and factoring in a 1% increasing trend from the previous four years, we project revenues to be approximately \$20.67 million for 2021, a favorable variance of \$610,000 as compared to the 2021 Proposed Budget.

Hotel Tax

The County imposes a 3% tax on the revenues derived from hotel occupancy. Although not impacting County collections, other municipalities in Westchester County such as the Cities of White Plains, Yonkers, New Rochelle and Rye as well as some Towns and Villages will add an additional 3% tax. There are approximately 55 hotels within Westchester County comprising over 6,000 rooms.

The County is projecting revenues of \$3.43 million for 2020 hotel tax, an unfavorable variance of \$3.78 million as compared to the 2020 Adopted Budget of \$7.21 million. This unfavorable variance is mainly due to hotels being closed for part of the year due to the COVID-19 restrictions imposed in March 2020 that closed non-essential businesses and limited travel. The County anticipated opening two new hotels in 2020; while the Springhill Suites in Tuckahoe opened in May 2020, the Ascend Hotel Collection V in New Rochelle remains under construction. The Doral Arrowwood in Rye has closed permanently and the Ritz-Carlton Westchester has closed, but is planning on reopening under new management in 2021. Due to the circumstances caused by the COVID-19

pandemic, revenues through October 2020 were \$2.40 million, a decrease of approximately \$2.75 million, or 52%, as compared to the same period in 2019. Based on year to date collections and the upwards trend of revenues beginning in September 2020, we project revenues to be \$3.30 million, an unfavorable variance of \$3.91 million as compared to the 2020 Adopted Budget and an unfavorable variance of \$130,000 as compared to the County's projection.

The County's 2021 Proposed Budget for hotel tax is \$3.46 million, a \$3.75 million decrease as compared to the 2020 Adopted Budget. Acknowledging the continuing effects that COVID-19 restrictions are having on the travel industry, we are projecting 2021 revenues to be \$3.87 million, or \$410,000 greater than the 2021 Proposed Budget. If the current COVID-19 restrictions are eased or lifted due to the success of the recently announced vaccine, hotel tax revenues could possibly return to 2019 levels or approximately \$1 million more than our projection.

County Clerk

The revenues of the County Clerk are derived from the following primary areas:

	2020 Adopted Budget	2020 County Projected	2020 Consultant Projected	2021 Proposed Budget
Land Records and other items	\$ 6,870,760	\$ 6,963,086	\$ 7,849,593	\$ 7,374,771
Legal Division	1,092,831	1,107,516	893,387	902,745
Licensing	369,994	374,966	98,971	170,878
Pistol Renewals	53,840	54,563	47,326	52,460
	<u>\$ 8,387,425</u>	<u>\$ 8,500,131</u>	<u>\$ 8,889,277</u>	<u>\$ 8,500,854</u>

The largest segment, land records, consists of fees for the processing of various documents required by the State. The Land Records Division of the Office of the Westchester County Clerk is home to the County's Map Division and records all documents pertaining to real property transactions occurring in the County, including New York State Mortgage Tax and New York State Transfer Gains Tax. The public can visit the Land Records Division to search for a current mortgage or deed, even those documents dating back to the colonial days of Westchester. The County is entitled to a portion of these fees.

The County's 2020 Adopted Budget is \$8.39 million for County Clerk fees. Currently, the County is projecting the revenue to amount to \$8.50 million. Through October 2020, \$7.42 million was collected, an increase of 3.92% as compared to the same period in 2019. This is the result of land records revenues increasing approximately \$824,000, or 19%, due to New York State allowing for real estate closings to be done remotely during the pandemic and an increase in real estate purchases from buyers looking to leave New York City. As a result, of the COVID-19 restrictions, the Legal Division was unable to generate revenue for part of the year while courts were closed, resulting in revenues decreasing by \$191,000. Additionally, due to naturalization ceremonies being cancelled from March until the end of 2020, fees from this source decreased by approximately \$200,000. Based on the net increase in overall revenues and the expectation that revenues will increase through year-end, we project revenues for November and December 2020 to be approximately \$1.47 million, we project revenues to be \$8.89 million, a \$500,000 favorable variance as compared to the 2020 Adopted Budget and a \$390,000 favorable variance as compared to the County's 2020 projection.

The 2021 Proposed Budget includes \$8.50 million for County Clerk fees. We concur with this estimate.

Department of Corrections

Revenues related to the Jail are \$10.51 million in the 2020 Adopted Budget and \$14.30 million in the 2021 Proposed Budget. The largest components are as follows:

	2020 Adopted Budget	2021 Proposed Budget
	<u> </u>	<u> </u>
Housing Federal Inmates	\$ 9,417,000	\$ 13,340,750
Pay Phone	875,000	757,000
Miscellaneous	216,410	205,700
	<u>\$ 10,508,410</u>	<u>\$ 14,303,450</u>

Housing Federal Inmates

The billing rate to the U.S. Marshall Service to house a Federal inmate is \$215 per day. This equates to \$78,475 to house one Federal inmate on an annual basis. Through the first ten months of 2020, revenues totaled \$11.04 million with the average Federal inmate population being 167, which is an increase of 30 Federal inmates from the prior year. During 2020, the Federal inmate population ranged from a low of 144 in January, to its peak of 188 in both March and October (See Table C). The number of Federal inmates had declined from March through July and began to increase in August, a result of COVID-19, the number of arrests declined, the courts closed March 17th and reopened July 7th. We project 2020 revenues to approximate \$13.23 million, by utilizing the billing rate of \$215 and estimating the number of inmates for November and December at 167 which is the average of the first ten months. This results in a \$3.82 million favorable variance as compared to the 2020 Adopted Budget of \$9.41 million and a \$400,000 favorable variance as compared to the 2020 County Projection of \$12.83 million.

The 2021 Proposed Budget of \$13.34 million is based on an average population of 170 Federal inmates with an average daily rate of \$215 for the year. Based on our review of the current Federal inmate population, which has been steadily increasing, we agree with the proposed census and therefore concur with the 2021 Proposed Budget.

Pay Phone

This revenue is the result of the County receiving a percentage of all pay telephone calls made by inmates. The County is currently operating under a contract with Globaltoll Link as its provider of Voice Over Internet Protocol (“VOIP”) service. During 2020, revenues for the first seven months of the year approximated \$287,000 as compared to the prior year of \$525,000. This decline is due to the effects of the lower census (See Table A). The County projects 2020 revenues to be approximately \$740,000. On an annualized basis, we project revenues for 2020 to be \$491,000, an unfavorable variance of \$384,000 as compared to the 2020 Adopted Budget of \$875,000.

The 2021 Proposed Budget is based on anticipated receipts of \$757,000. As total inmate population has decreased, the County anticipates the population to increase during the course of

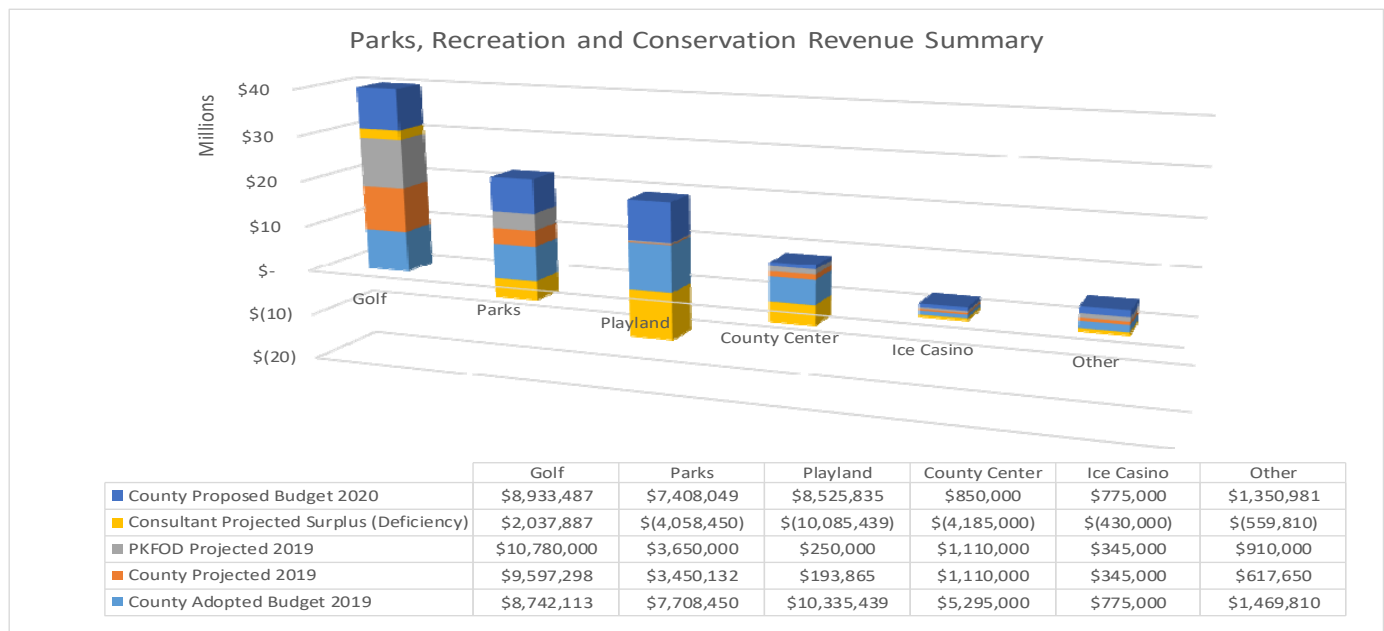
the year. Based on the average number of inmates remaining consistent we project 2021 revenue to be \$757,000. Therefore, we concur with the 2021 Proposed Budget.

Department of Parks, Recreation and Conservation

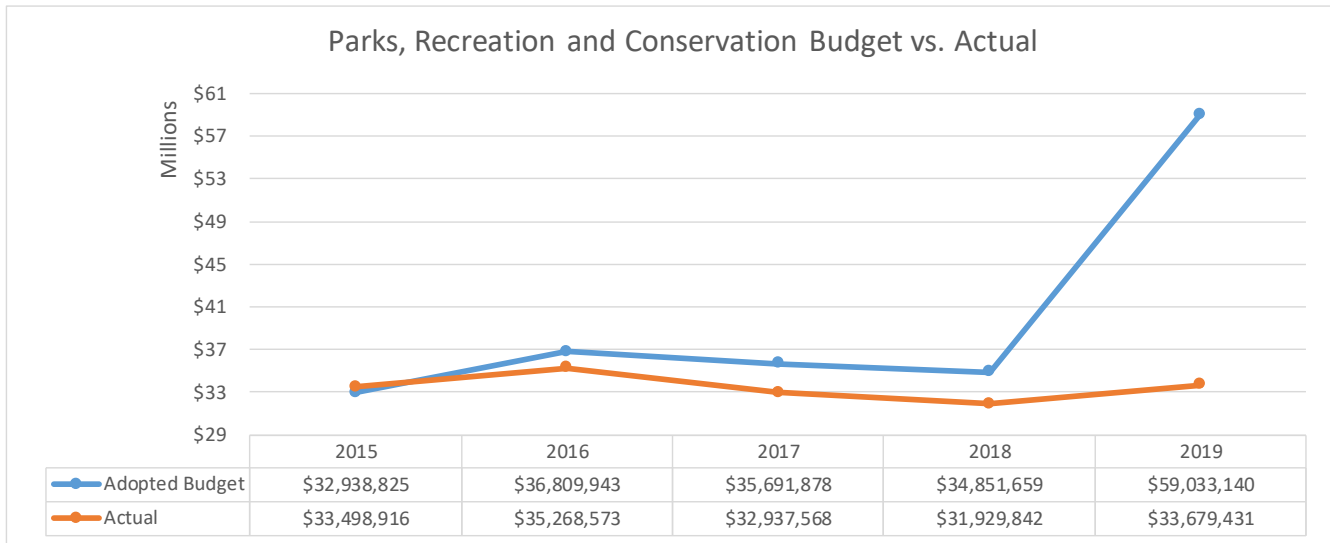
The Department of Parks, Recreation and Conservation anticipates total revenues of \$34.33 million in the 2020 Adopted Budget and the County projects approximately \$15.31 million. The County’s 2020 projection is approximately \$19.02 million less than the Adopted Budget, mainly due to COVID-19 and the related restrictions imposed on residents. These lost revenues were partially offset by a savings in expenditures of approximately \$7.29 million. Our projection for 2020 is \$17.05 million, or a \$17.28 million unfavorable variance as compared to the 2020 Adopted Budget and a \$1.74 million favorable variance as compared to the County’s projection.

The 2021 Proposed Budget anticipates \$27.84 million in revenues. This represents a decrease of \$6.49 million, anticipating the continuation of COVID-19 restrictions into early 2021.

A comparison of the 2020 Adopted Budget, County projections, our projections and the 2021 Proposed Budget revenues is as follows:



A summary of the Department’s revenue budget versus actual for the years 2015 through 2019 is as follows:



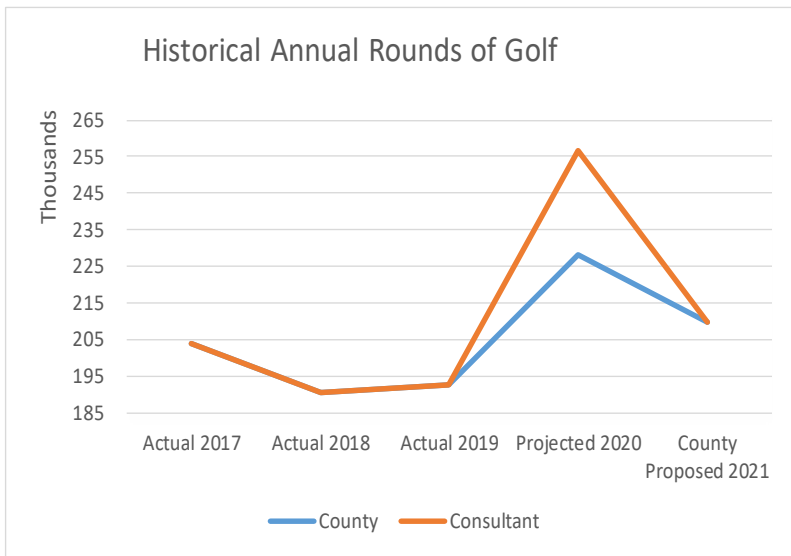
Golf Fees

The County has six operating golf courses that contribute to this revenue source; Dunwoodie, Maple Moor, Mohansic, Saxon Woods, Sprain Lake and Hudson Hills. The County’s 2020 projection for golf fee revenues is \$9.60 million, a favorable variance of \$860,000 as compared to the 2020 Adopted Budget of \$8.74 million. We project revenues to be \$10.78 million, a favorable variance of \$1.18 million as compared to the County’s 2020 projection and a favorable variance of \$2.04 million as compared to the 2020 Adopted Budget. Our projection utilizes the average of the previous three years’ rounds of golf through October representing 93% of the total rounds, the remaining 7% are the rounds played in November and December. Based on this analysis, we project approximately 256,800 rounds to be played in 2020, an amount 28,800 greater than the County’s projection. In order to calculate our projected revenues, we utilized the average revenues per round based on rounds played in 2020 and revenues earned through October 2020, an amount which is \$41.96 per round. Contributing to the upswing in revenues is the reopening of the Maple Moore golf course after their renovations were completed and the effects of COVID-19. Where other recreation revenue sources struggled due to the restrictions imposed as a result of the pandemic, the golf courses saw a large increase in weekly rounds,

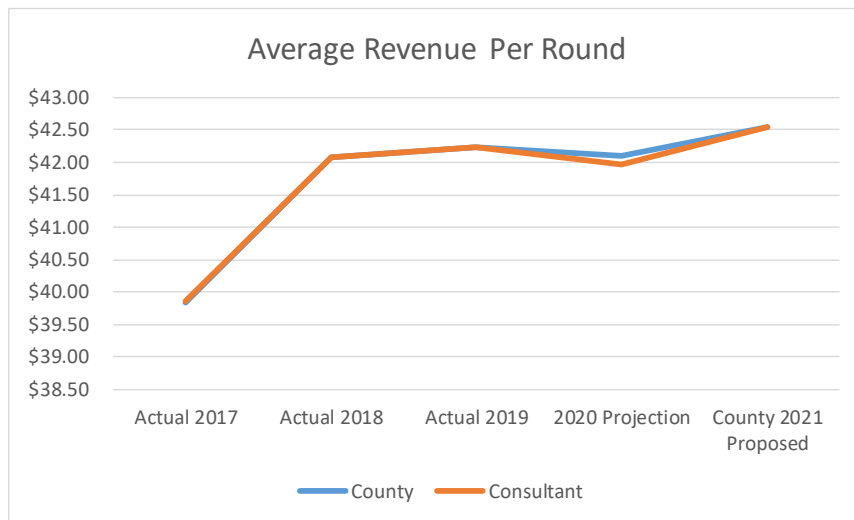
due to the activity being outdoors and adhering to the social-distancing requirements of the restrictions.

The 2021 Proposed Budget is \$8.93 million, an increase of \$190,000 as compared to the 2020 Adopted Budget. The 2021 Proposed Budget estimates 210,000 rounds to be played, an increase in rounds played due to the increased popularity during the pandemic. We concur with the 2021 Proposed Budget.

The following is a summary of the actual rounds played for the years 2017 through 2019, the County’s projection and our projection for 2020 and 2021:



The following is a summary of the average revenue per round based on actual revenues for the years 2017 through 2019 and projected and proposed revenues for 2020 and 2021:



There are no fee increases for golf fees in 2021. The following is a summary of the greens fees for weekdays, weekends, back nine and replay programs for 2020 and 2021:

Green Fees	2020 & 2021 With Park Pass	2020 & 2021 Without Park Pass
<u>Weekends and Holidays</u>		
18 Holes	\$ 40	\$ 50
Back Nine	34	36
Twilight	31	36
Super Twilight	22	27
<u>Weekdays</u>		
18 Holes	\$ 34	\$ 44
Senior Citizens	27	44
Super Twilight	20	25
<u>Back Nine</u>		
Senior Citizens	\$ 25	\$ 34
Jr. Golf	25	34
<u>Replay Program</u>		
18 Holes	\$ 23	\$ 33
Twilight	18	26
9 Holes	18	20
Carts	13	13

Parks

Each park derives revenues from fees charged to patrons for parking, camping, picnics and rentals. The County is projecting park revenues for 2020 to be approximately \$3.45 million, \$4.26 million less than the 2020 Adopted Budget of \$7.71 million. This revenue source was significantly impacted by the COVID-19 pandemic. Due to the closures and limitations on occupancy in certain parks, year to date revenues through October 2020 have declined approximately 43% as compared to the same period in 2019. In order to counteract this decline, the County is planning on hosting outdoor winter events that adhere to the COVID-19 restrictions imposed by New York State. Based on the year to date actual revenues and the anticipated winter events, we project revenues to be \$3.65 million, a favorable variance of \$200,000 as compared to the County's projection and an unfavorable variance of \$4.06 million as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget is for this revenue source \$7.41 million, an amount \$300,000 less than the to 2020 Adopted Budget. Based on current fees, an expected increase in attendance at pools and the average attendance declining slightly over the two years prior to 2020, we project revenues to be \$7.02 million, an unfavorable variance of \$390,000 as compared to the 2021 Proposed Budget.

Playland Park

Playland Park is historically the largest revenue source within the Department of Parks, Recreation and Conservation. The amusement park offers the community and tourists various rides and entertainment options. However, due to COVID-19 restrictions, the park was closed entirely for 2020. As a result of the closure, the County is projecting revenues to be \$190,000, an amount \$10.15 million less than the 2020 Adopted Budget of \$10.34 million. The County was able to generate revenue from miscellaneous sources such as film shoots and mini golf to offset the closure. Based upon year to date collections from these sources, we project revenues to be \$250,000, a favorable variance of \$60,000 as compared to the County's projection and an unfavorable variance of \$10.09 million as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget is \$8.53 million for this revenue source, an amount \$1.81 million less than the 2020 Adopted Budget. Based on an average weekly revenue over the last three years, exclusive of 2020, and a modified attendance capacity due to the possible lingering effect of COVID-19 on the first two quarters of 2021, we concur with the County's projection.

County Center

The 2020 Adopted Budget is \$5.30 million for County Center revenues, while the County is projecting \$1.11 million, an unfavorable variance of \$4.19 million. The unfavorable variance is mainly due to the COVID-19 pandemic. Since March 31, 2020, the County Center has been under a permit agreement with New York State to be utilized as a temporary emergency facility in response to the COVID-19 pandemic. Due to this agreement, the County Center has been unable to host any events since March 31, 2020. The revenue source since then has been mainly commuter parking. While one of the three parking lots is being utilized as a field hospital, the

remaining two lots are available for commuter parking. Based on year to date collections, we concur with the County's projection.

The 2021 Proposed Budget projects County Center revenues to be \$850,000, a \$4.45 million decrease as compared to the 2020 Adopted Budget. Based on the current state of the COVID-19 pandemic, the County is expecting the permit with New York State to continue into 2021. The County also anticipates that disassembling and preparing the County Center for future events could take months. Therefore, the County believes commuter parking will be the main revenue source for 2021. Based on historical parking, we concur with the County's projection.

Ice Casino

In August of 2014, the County signed a ten-year management agreement with American Skating Entertainment Centers, LLC ("Ice Casino Manager"). The County's 2020 projection is \$345,000, an amount \$430,000 less than the 2020 Adopted Budget of \$775,000. The decrease is due to the Ice Casino's closure that began in March 2020 due to the COVID-19 pandemic. We concur with the County's projection.

The County's 2021 Proposed Budget includes \$775,000 from this revenue source. Given that this revenue is based upon a contract and the re-opening date is uncertain, we concur with the amount contained in the 2021 Proposed Budget.

Other

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

- As of October 31, 2020, approximately 25% of the General Parks Administration revenues were from license fees and 41% pertaining to inter-departmental billings for services provided to other departments, while the remainder applies to various other smaller services.

- Conservation revenues are predominantly camp fees received at Marshlands Conservancy, Cranberry Lake and Lenoir Preserve.
- Community Services revenues pertain to fees charged for events held at the parks.
- Bronx River Parkway revenues are income from rental housing.

The 2020 Adopted Budget provides for \$1.47 million in other revenues. The County projects 2020 revenues to approximate \$620,000, an unfavorable variance of \$850,000. Based on 3 year average of historical collections and a decrease in administration fees, we project revenues to be \$910,000, a favorable variance of \$290,000 as compared to the County’s projection and a \$560,000 unfavorable variance with the 2020 Adopted Budget.

The 2021 Proposed Budget is \$1.35 million other revenues, a decrease of \$120,000 as compared to the 2020 Adopted Budget. Due to the possible lingering effects of COVID-19 on revenue sources such as park passes, we concur with this amount.

Department of Transportation

Departmental Revenues

<u>Ridership</u>			
<u>2019 Actual</u>	<u>2020 Adopted Budget</u>	<u>2020 County Projected</u>	<u>2021 Proposed Budget</u>
26,474,067	26,985,000	10,600,000	16,600,000

In the early months of the COVID-19 pandemic, utilization of the Bee-Line Transit and Bee-Line Paratransit services dropped precipitously. Ridership fell more than 60% from the 2020 original estimates.

The County adapted to New York State guidelines and continues to offer essential bus services, but the departmental revenues followed ridership decline and fell by approximately 54%.

The departmental income is made up primarily of Paratransit services, Metrocard reimbursements Student Metrocards and advertising agreements.

Departmental Revenues

2019 Actual	2020 Adopted Budget	2020 County Projected	2021 Proposed Budget
\$ 36,641,291	\$ 38,061,049	\$ 17,374,952	\$ 24,391,825

The County projects 2020 departmental revenues to be \$17.37 million, a decrease of \$20.69 million as compared to the 2020 Adopted Budget and a decrease of \$19.27 million as compared to 2019 actual results. We agree with this projection.

In response to the crisis created by the COVID-19 pandemic the County received \$30.17 million from the Federal Government CARES Act. This funding is to assist with operating costs for the Bee-Line Systems.

Although utilization of Bee-Line bus services has begun to recover somewhat as the County reopens, the County does not expect fare revenues to return to pre-pandemic levels until 2022 or 2023. As a result, the County projects 2021 departmental revenues will be \$24.39 million, which is 40% than the 2020 projection.

Even if the economy improves as quickly as some expect, there is a risk that ridership will not return to pre-pandemic levels if more employees make behavioral changes regarding work from home or other commuting choices. We do not anticipate that the County’s 2021 forecast will be higher than projected. The potential risks of lower ridership due to fare increases and school closings may result in lower than expected departmental revenues for 2021, therefore, we concur with the 2021 proposed budget.

State Aid

The Department of Transportation receives State aid in the form of Statewide Mass Transportation Operating Assistance (“STOA”) and a local preventative maintenance match. The match is based

on a percentage of the Federal 5307 Preventative Maintenance funding. As a specified recipient in the New York State Department of Transportation budget, the County is allocated STOA based on direct annual legislative appropriation.

State Aid

2019 Actual	2020 Adopted Budget	2020 County Projected	2021 Proposed Budget
\$ 62,849,100	\$ 63,953,582	\$ 55,922,560	\$ 53,335,688

State aid usually makes up approximately 54% of the Department’s total budget. The County’s finances depend significantly on the strength of the State government and its willingness to provide aid.

The 2020 Adopted Budget originally made the assumption that State aid would increase approximately 2% over the prior year to an estimated amount of \$63.95 million. The enacted State budget gives the Governor power to reduce spending should there be revenue shortfalls or spending in excess of planned levels. The County’s 2020 projection reflects a 20% decrease of approximately \$8 million due to the New York State cuts in the last three quarters of the budget year. It is not yet determined if this withheld aid will be paid to the County at a later date. Based on this information we concur with the County’s 2020 projection of \$55.92 million, an unfavorable variance of \$8.03 million as compared to the 2020 adopted budget.

The 2021 Proposed Budget of \$53.33 million continues to assume reductions to State aid. Based on the uncertainty of the economic recovery, we agree with the County’s 2021 Proposed Budget.

Federal Aid

The Department of Transportation receives funding under the Urbanized Area Formula Funding program (“5307”). This aid is allocated to the County annually based on a Federal formula. As

permitted, the County uses this funding for reimbursement of certain preventative maintenance and operating expenses within the Department of Transportation.

Federal Aid

2019 Actual	2020 Adopted Budget	2020 County Projected	2021 Proposed Budget
\$ 14,171,708	\$ 12,467,184	\$ 42,798,168	\$ 13,893,579

The 2020 Adopted Budget for Federal aid is \$12.47 million. However, due to the COVID-19 pandemic, the County received \$42.80 million, an amount \$30.33 million greater than the 2020 Adopted Budget. Westchester County is a government with a population greater than 500,000, therefore they were eligible to apply directly to the U.S. Treasury Department for their share of the CARES Act funding. The Department of Transportation’s share of this aid is \$30.17 million and was used for operating expenses of the Bee-Line and ParaTransit services. Based on this information, we concur with the County’s projection.

The 2021 Federal aid does not include any CARES Act funding and is projected to be \$13.89 million. The County’s 2021 Proposed Budget although less than 2019, is in line with expectations for 5307 funding. We concur with this amount.

As a result of the decline in ridership and the reduction in State aid the County has provided an additional \$30.38 million in local share to maintain the current level of service.

Tobacco Settlement

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

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

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

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

In 2019, a settlement was reached between the four largest tobacco manufacturers and the Attorneys General whereby the manufacturers received a credit against their annual payments based on sales of Native American-manufactured tobacco, starting in 2015. This inflow of four years' worth of sales resulted in more revenues being received in 2019 than anticipated.

The County's 2020 Adopted Budget for tobacco settlement residual payments is \$1.64 million. We project the 2020 WTASC tobacco settlement revenue to be \$12.39 million, inclusive of a residual payment to the County of \$1.72 million. This is an \$80,000 favorable variance for the

residual payment to the County as compared to the 2020 Adopted Budget, and a \$160,000 unfavorable variance as compared to the County’s 2020 projection of \$1.88 million.

The 2021 Proposed Budget anticipates \$1.89 million in County residual payments. After taking into account the current-year portion of the 2019 settlement, our 2021 projection anticipates WTASC tobacco settlement revenue for 2021 to be \$12.74 million, resulting in a projected residual payment to the County of \$1.76 million, a \$130,000 unfavorable variance as compared to the County’s 2021 Proposed Budget.

Proceeds from Serial Bonds – Tax Certiorari

The 2020 Adopted Budget is approximately \$130,000 for proceeds from serial bonds. In 2020, the County did not anticipate bonding for tax certioraris. However, in October 2020, the County issued \$3.76 million of bonds for this purpose, which is \$3.63 million more than the 2020 Adopted Budget and \$250,000 more than the County’s projection of \$3.51 million.

The 2021 Proposed Budget includes \$12.74 million for proceeds from serial bonds, a \$12.61 million increase as compared to the 2020 Adopted Budget. The County is anticipating issuing serial bonds to finance the cost of any tax certioraris refunded during the year. If the certiorari refunds are less than the amount included in the 2021 Proposed Budget, then it will have the corresponding effect on the amount of serial bonds issued.

Miscellaneous Revenue

The 2021 Proposed Budget for Miscellaneous Revenue of \$89.89 million is comprised of the following:

	2020 Adopted Budget	2020 County Projected	2021 Proposed Budget
Services to Westchester Medical Center	\$ 8,849,966	\$ 8,849,966	\$ 9,284,920
Intergovernmental Transfers (IGT Payments)	60,000,000	98,384,000	80,000,000
Harness Racing Admission	4,000	4,000	4,000
Rent	542,000	542,000	542,000
Medical Marijuana Excise Tax	65,000	65,000	60,000
	<u>\$ 69,460,966</u>	<u>\$ 107,844,966</u>	<u>\$ 89,890,920</u>

The County receives revenue for services provided to WCHCC for gas and electric utilities, fire insurance, and sewer tax. For 2020 the County budgeted and projected approximately \$8.85 million for services to WCHCC. Our analysis for 2020 expenditures projects \$7.23 million, a \$1.62 million unfavorable variance as compared to the 2020 Adopted Budget. This unfavorable variance is offset by a corresponding expense of the same amount in the Valhalla Campus in the Department of Public Works and Transportation budget.

The 2021 Proposed Budget is approximately \$9.28 million for services to WCHCC. This is comprised of projected cost of Sewer Tax and Gas and Electric Utilities. Based on the rate increases for utilities for 2021, we project revenues to be \$8.60 million, an unfavorable variance of \$680,000 as compared to the 2021 Proposed Budget. This unfavorable variance is offset by a corresponding expense of the same amount in the Valhalla Campus in the Department of Public Works and Transportation budget.

Intergovernmental Transfers (“IGT Payments”)

The 2021 proposed miscellaneous revenue for IGT Payments includes \$80 million due to the estimation of the IGT payments expected from the WCHCC.

New York State (“NYS”) Court Facilities

NYS Court Facilities State Aid

The NYS Court Facility receives reimbursements from NYS for certain costs associated with the Court Facilities. The County’s 2020 Adopted Budget is approximately \$2.43 million. Reimbursements consist of the use of appellate court, court cleaning and minor repairs. Due to the COVID-19 restrictions, all courts outside New York City consolidated essential operations to one location in each County. All other courts closed on March 17, 2020 and videoconference arraignments began. Due to the closures, the County received less in reimbursements from NYS. Based on our analysis of reimbursements, we concur with the County’s 2020 projection of \$2 million, an unfavorable variance of \$430,000 as compared to the 2020 Adopted Budget.

The County's 2021 Proposed Budget is \$2 million. Based on current COVID-19 restrictions continuing into the next fiscal year and historical annual revenue collections over the last several years, we project 2021 revenues to be \$2.11 million. This results in a favorable variance of \$110,000 as compared to the 2021 Proposed Budget.

Department of Public Works

Capital Chargebacks

The Department of Public Works – Engineering Division assists in the design and management of the County's capital projects for the people of Westchester County to ensure safety, health, and economy.

Based on the work performed the division is able to charge the approved capital projects for engineering services provided. The County estimated that 60% of their time is chargeable and estimates the 2020 revenues to be \$3.21 million. This is approximately \$400,000 less than the 2020 Adopted Budget of \$3.61 million. Our analysis takes into consideration actual results based on historical revenues earned, as well as our 2020 projection for engineering salaries. Based on these factors, we are projecting revenues to amount to \$2.86 million, an unfavorable variance of \$350,000 as compared to the County's projection and an unfavorable variance of \$750,000 as compared to the 2020 Adopted Budget.

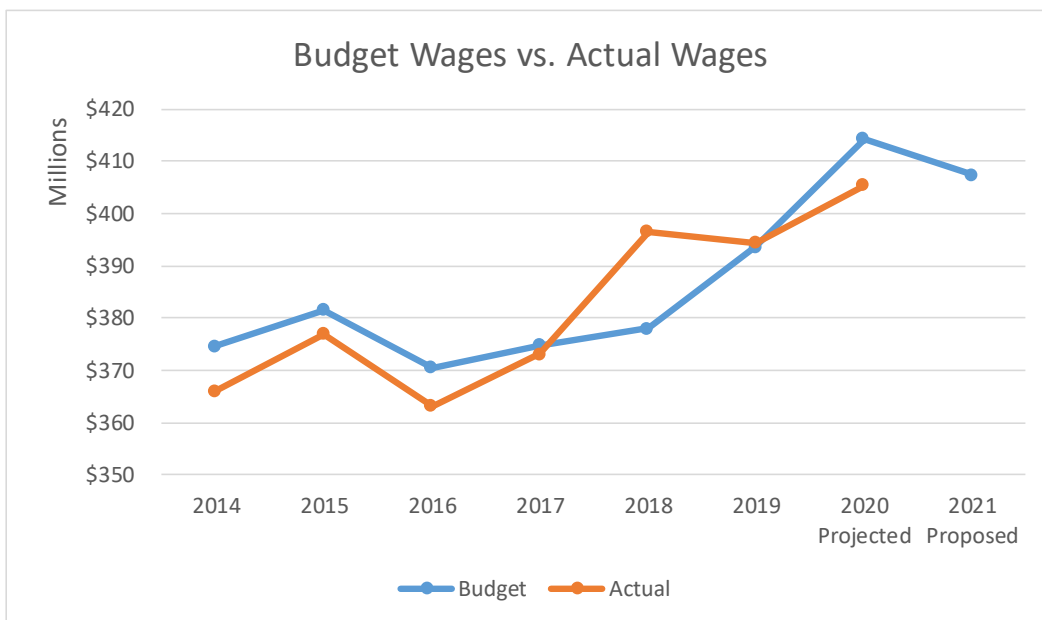
The Department's 2021 Proposed Budget is \$3.51 million, a \$100,000 decrease from the 2020 Adopted Budget. Based on the information provided and our knowledge of continuing capital projects, we concur with the 2021 Proposed Budget.

EXPENDITURES

Personal Services

The principal purpose of government is the delivery of mandated and discretionary services. Many of the services provided are furnished directly by County employees. As a result, personnel service expenditures comprise the largest single component of the County's operating budget. Personal service costs in 2020 are budgeted to be approximately \$378.44 million to fund 4,312 positions in the General Fund. In addition to salaries, overtime and other personal service costs are budgeted at \$35.91 million.

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



The personal service categories provide County administrators with the greatest opportunity for flexibility. This flexibility is the result of the timing and control of filling vacant positions. Savings created by the personal service categories generate savings in the employee benefit categories as well. Our analysis of personal services starts with determining savings, if any, that will be achieved in the 2020 budget.

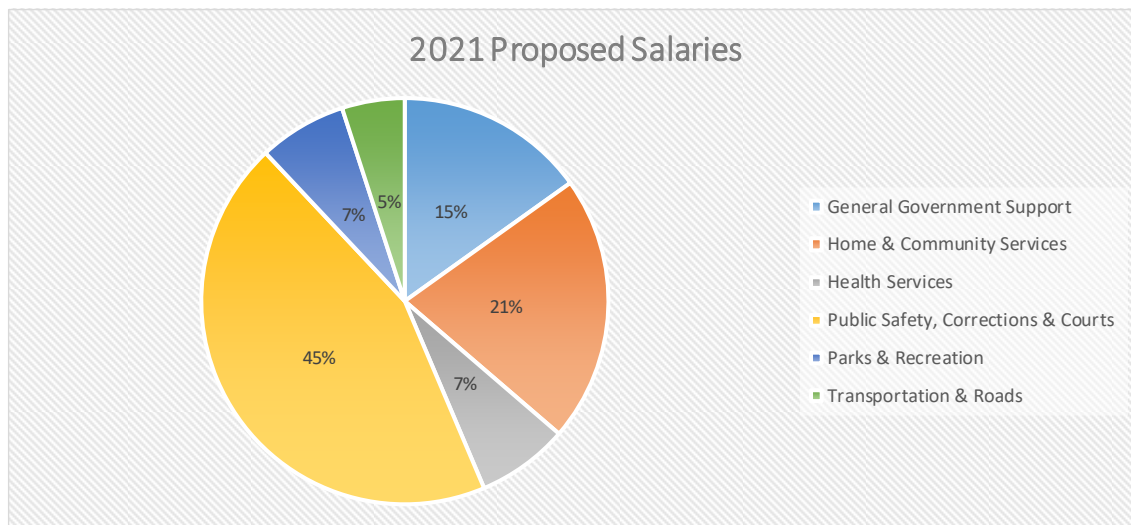
When reviewing 2020, we considered personal service costs related to salaries through November 12, 2020. For the annual salaries using the most recent three pay periods, we annualized the costs for the remainder of the year in order to project total 2020 personal service costs for the all departments. In regards to overtime, we utilized actual expenditures for November

and December 2019 (including contractual increases for those contacts that are in effect) in order to best forecast the natural fluctuations of year end overtime amounts.

During 2020, the County approved a voluntary separation program in order to create vacancies and salary savings. The program allowed Westchester County employees to voluntarily leave County service and receive a \$1,000 payment for every year of service to the County. There were 226 County employees that participated in this program and the payout was approximately \$6.17 million in September 2020.

Our analysis indicates that total salaries (inclusive of overtime and other personal service costs) for 2020 will aggregate to approximately \$405.43 million, an \$8.92 million (inclusive of overtime and other personal service costs) favorable variance as compared to the 2020 Adopted Budget of \$414.35 million and a \$1.01 million unfavorable variance as compared to the County's projection of \$404.42 million.

The following is a summary of the 2021 proposed salaries by functional category:



The 2021 Proposed Budget includes personal service costs to be approximately \$372.65 million in annual salaries to fund 4,275 positions in the General Fund as compared to 4,312 in the 2020 Adopted Budget, resulting in a net decrease of 37 positions. In addition to salaries, overtime and other personal service costs is budgeted at \$34.80 million. The decrease in positions represents

39 abolishment's and 2 positions added by resolutions during 2020 as part of the 2021 Proposed Budget, as illustrated in the below chart:

<u>Description</u>	<u>Positions</u>
2019 Adopted Positions	4,312
2019 Additions	2
2020 Abolishments	(39)
	<hr/>
Total Position Included in 2021 Proposed Budget	<u><u>4,275</u></u>

Our approach for the 2021 projected salaries utilizes 2020 projected salaries, plus or minus any adjustments for contract settlements, new positions, abolishments, and step increases to project 2021 salaries.

The following charts indicate abolishments and vacant positions as compared to proposed salary savings:

<u>Abolishments Department</u>	<u>Number of Positions</u>	<u>Total Salaries</u>
County Clerk	3	\$ 164,950
Community Mental Health	2	141,200
Department of Corrections	21	1,467,390
District Attorney	1	84,173
Department of Probation	11	784,300
DPW - Public Works Division	1	66,410
	<hr/>	<hr/>
	<u>39</u>	<u>\$ 2,708,423</u>

Vacant Positions	Current Vacancies		
	Number of Positions	Total Salaries	Proposed Salary Savings
Board of Legislators	11	\$ 423,221	\$ -
County Executive	5	321,626	-
Human Resources	3	244,835	150,000
Department of the Budget	2	137,120	30,000
Board of Elections	6	381,850	-
Department of Finance	6	504,530	250,000
Information Technology	23	1,943,760	1,500,000
Department of Law	10	932,927	850,000
Department of Planning	3	327,090	50,000
Emergency Services	5	600,674	50,000
County Clerk	8	524,172	-
Department of Social Services	160	12,483,018	7,100,000
Weights and Measures, Consumer Protection	3	161,800	100,000
Community Mental Health	14	973,493	250,000
Department of Health	29	2,318,076	1,500,000
Labs and Research	13	1,221,222	1,000,000
Department of Corrections	51	4,411,327	1,900,000
Tax Commission	1	46,480	-
District Attorney	13	1,447,454	400,000
Public Safety Services	26	2,445,751	300,000
Department of Probation	55	4,361,110	300,000
Public Administrator	1	109,395	50,000
Solid Waste Commission	3	259,526	-
Parks, Recreation and Conservation	19	1,213,126	850,000
Department of Public Works and Transportation - Transportation Division	6	454,939	250,000
Department of Public Works and Transportation - Public Works Division	42	3,191,105	1,999,999
	<u>518</u>	<u>\$ 41,439,628</u>	<u>\$ 18,879,999</u>

In addition to the vacancy chart mentioned above, there are also 49 vacancies in the Special Districts Budget as indicated in the chart below:

Vacant Positions	Current Vacancies		
	Number of Positions	Total Salaries	Proposed Salary Savings
Special Districts	<u>49</u>	<u>\$ 3,005,633</u>	<u>\$ 1,750,000</u>

The 2021 Proposed Budget is \$407.45 million for personal service costs. The budget reflects funding for those contracts that have not expired (see chart following for list of all contracts). In addition, the budget contains an estimated salary savings of \$18.88 million in various departments (see chart above). To achieve this savings, the County will have to manage the filling of vacant positions that occur during the course of the year. Currently the County has 518 vacant positions

with associated salaries of \$41.44 million. These positions would have to be filled for the majority of the year or abolished to meet the 2021 Proposed Budget.

Overtime

The 2020 Adopted Budget includes \$24.11 million in overtime funding. Based upon year to date expenditures, we project that these costs will amount to \$28.19 million, a \$4.08 million unfavorable variance as compared to the 2020 Adopted Budget, and \$1.67 million greater than the County's projection of \$26.52 million. Of our unfavorable variance, \$3.23 million is due to the increase in Public Safety overtime attributed to covering shifts due to COVID-19 related illnesses and the County covering the U.S. Open golf tournament. Additionally, \$1.32 million of the unfavorable variance is attributable to the increase in overtime in Board of Elections due to the Presidential election and early voting.

The 2021 Proposed Budget includes \$22.99 million for overtime funding, which is \$1.12 million less than the 2020 Adopted Budget. Based on our analysis, we project that these costs will amount to \$25.59 million, a \$2.60 million unfavorable variance as compared to the 2021 Proposed Budget. Of our unfavorable variance, \$1.73 million is due to Public Safety Services increasing from 16 vacant positions in 2020 to 26 vacant positions in 2021, as well as, the expectation that COVID-19 will continue to effect the need for shifts to be covered for the first six months of 2021. Additionally, \$400,000 of the unfavorable variance is due to the Department of Corrections increasing from 29 vacant positions in 2020 to 51 vacant positions in 2021.

The table below illustrates the six largest departments utilizing overtime with budgets:

Department Names	2019 Actuals	2020 Adopted Budget	2020 County Projected	2020 PKFOD Projected	Favorable (Unfavorable) variance between 2020 PKFOD Projection and 2020 Adopted Budget	2021 Proposed Budget	2021 PKFOD Projected	Favorable (Unfavorable) variance between 2021 PKFOD Projection and 2021 Proposed Budget
Board Of Elections	\$ 1,066,713	\$ 1,225,000	\$ 1,225,000	\$ 2,545,526	\$ (1,320,526)	\$ 880,000	\$ 1,070,000	\$ (190,000)
Information Technology	1,277,923	1,147,285	1,434,785	1,610,945	(463,660)	1,240,000	1,170,000	70,000
Department Of Social Services	2,935,621	2,500,000	1,754,000	1,985,122	514,878	2,500,000	2,520,000	(20,000)
Department Of Corrections	9,437,757	7,862,460	7,269,580	7,737,619	124,841	7,740,000	8,150,000	(410,000)
Public Safety Services	7,878,793	7,875,982	11,622,982	11,107,838	(3,231,856)	7,260,000	8,990,000	(1,730,000)
Parks, Recreation and Conservation	2,168,439	1,753,500	1,327,000	1,360,558	392,942	1,560,000	1,800,000	(240,000)
Departments Budgeted under \$1 million	1,889,189	1,745,375	1,887,972	1,842,672	(97,297)	1,820,000	1,880,000	(60,000)
	<u>\$ 26,654,435</u>	<u>\$ 24,109,602</u>	<u>\$ 26,521,319</u>	<u>\$ 28,190,280</u>	<u>\$ (4,080,678)</u>	<u>\$ 23,000,000</u>	<u>\$ 25,580,000</u>	<u>\$ (2,580,000)</u>

Labor Contracts

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

Labor Contracts

Bargaining Unit	Proposed Position County						Current Vacancies after Abolishment	Commencement Date	Expiration Date
	2016	2017	2018	2019	2020	2021	2021		
Union									
District Attorney Criminal Investigators ("UFPO")	30	31	31	31	31	31	3	January 1, 2016	December 31, 2019
Westchester County Police Benevolent Association ("PBA")	235	236	234	241	240	240	14	January 1, 2015	December 31, 2019
Westchester County Police Superior Officers Police Benevolent Association ("SPBA")	24	25	27	27	28	28	2	January 1, 2015	December 31, 2019
Westchester County Corrections Officers Benevolent Association ("COBA")	718	718	718	718	718	699	33	January 1, 2016	December 31, 2019
Westchester County Correction Superior Officers Unit ("SOA")	117	117	118	118	118	116	12	January 1, 2016	December 31, 2019
Teamsters – Managerial ("MGMT")	104	105	103	125	135	121	19	January 1, 2016	December 31, 2020
Civil Service Employees Association ("CSEA")	2,554	2,591	2,620	2,658	2,684	2,671	399	January 1, 2012	December 31, 2021
New York State Nurses Association ("NYSNA")	26	25	25	24	23	23	1	January 1, 2016	December 31, 2021
Subtotal	3,808	3,848	3,876	3,942	3,977	3,929	483		
Non- Represented									
Executive (EXEC)	189	190	179	172	170	183	21		
District Attorney's Dept. (DA)	93	112	113	115	122	120	4		
Board of Legislators (BOL)	41	41	41	43	44	43	10		
Subtotal	323	343	333	330	336	346	35		
Total	4,131	4,191	4,209	4,272	4,313	4,275	518		

It is important to note that as of December 31, 2020 the PBA, SPBA, UFPO, COBA, SOA, and Teamsters contracts are expired.

Department of Health

Contractual Services

The Department of Health has a mission to protect health, prevent and control communicable diseases, inform, educate, and collaborate with the community, reduce environmental risks, prevent disease, and promote access to care and healthiness for people of all ages. The contractual services 2020 Adopted Budget is approximately \$920,000, and the County projects

actual expenditures of \$474,000, a \$450,000 favorable variance as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget provides for \$3.10 million in contractual expenses, a \$2.18 million increase from the 2020 Adopted Budget. The increase is due to the re-categorizing of Department of Social Services contractual expense to the Department of Health. Of the amount included in the 2021 Proposed Budget, \$2.57 million is expected to be provided to homeless individuals, consisting of \$900,000 for shelter at the Windham Days Inn for those quarantined due to COVID-19 and \$1.67 million for nursing services. These additional expenditures will be reimbursed at 75% by FEMA, which amounts to \$1.92 million of revenue.

Services for Children with Special Needs

The Services for Children with Special Needs (“CSN”) is a program of mandated services by the State Education Department (“SED”) for children with various developmental disabilities, which is administered by the County Department of Health (“Department”). The CSN early intervention program serves children from birth to 3 years of age. The pre-school program serves children ages 3 through 5 as follows: Special Education Itinerant Teachers (“SEIT”) and Related Services. The Tuition and Transportation program serves school age children. Substantially all of the services provided by CSN are mandated services by New York State for which the County receives varying degrees of aid.

The 2020 Adopted Budget is \$125.51 million. Our analysis indicates that expenditures for 2020 will aggregate to \$109.71 million, a \$15.80 million favorable variance as compared to the 2020 Adopted Budget. Given expenditures are submitted for reimbursement, the 2020 State aid budget is \$67.49 million. We project State aid revenues to be \$48.40 million, a \$19.09 million unfavorable variance as compared to the 2020 Adopted Budget. Also included in the 2020 Adopted Budget is \$3.05 million of departmental income. We concur with this amount.

The 2021 Proposed Budget is \$139.04 million, which is \$13.53 million greater than the 2020 Adopted Budget. Our analysis indicates that these expenditures will aggregate to \$138.32 million, a \$720,000 favorable variance as compared to the 2021 Proposed Budget. The 2021 Proposed Budget for State aid reimbursement, based on expenditures, is \$61.91 million. We project State

aid for 2021 to be \$57.39 million, a \$4.52 million unfavorable variance as compared to the 2021 Proposed Budget. The 2021 Proposed Budget includes \$3.50 million for departmental income, an amount with which we concur.

The table below summarizes the various components of the CSN program that is included in the 2021 Proposed Budget along with our projection of 2020 and 2021:

	Expended 2019	Adopted 2020	County Projected 2020	Consultant		Proposed Budget 2021
				Projected 2020	Projected 2021	
Expenditures						
			<i>(in thousands)</i>			
Administrative costs, including salaries	\$ 3,269	\$ 3,578	\$ 3,480	\$ 3,480	\$ 3,631	\$ 3,631
Evaluations	2,800	2,800	2,520	2,520	2,900	2,900
CPSE Administration	4,806	2,850	3,300	3,300	3,300	3,300
Inter-Departmental Charges	100	109	109	109	116	116
	<u>10,975</u>	<u>9,337</u>	<u>9,409</u>	<u>9,409</u>	<u>9,947</u>	<u>9,947</u>
Early intervention	28,878	27,532	26,410	25,270	30,450	31,399
SEIT	9,442	9,641	8,609	5,970	9,440	9,333
Related services	15,771	16,000	14,746	13,220	15,810	15,810
Tuition	48,766	48,555	48,796	44,920	50,879	50,879
Transportation	13,448	14,450	11,000	10,920	21,790	21,675
	<u>116,305</u>	<u>116,178</u>	<u>109,561</u>	<u>100,300</u>	<u>128,369</u>	<u>129,096</u>
Gross Expenditures	127,280	125,515	118,970	109,709	138,316	139,043
Revenue	<u>72,042</u>	<u>70,540</u>	<u>55,362</u>	<u>51,450</u>	<u>60,880</u>	<u>65,406</u>
Net Cost to County	<u>\$ 55,238</u>	<u>\$ 54,975</u>	<u>\$ 63,608</u>	<u>\$ 58,259</u>	<u>\$ 77,436</u>	<u>\$ 73,637</u>
<i>Net cost as % of gross expenditures</i>	43.4%	43.8%	53.5%	53.1%	56.0%	53.0%
<i>Revenue as % of Expenditures</i>	56.6%	56.2%	46.5%	46.9%	44.0%	47.0%

Services for Children Under 3 Years of Age

Our analysis and the County's analysis assume that schools will remain open from November 2020 through 2021.

Early Intervention

The County's Early Intervention ("EI") program provides family-centered therapeutic and support services for infants and toddlers under age 3 with developmental delays. Examples of therapeutic and support services provided include: evaluation services (hearing and vision screening), home visits, speech, physical and other therapies, child development groups, and family counseling provided at no cost to recipients.

The 2020 Adopted Budget is \$27.53 million in expenditures. The County's projection for 2020 is approximately \$26.41 million, which is \$1.12 million less than the 2020 Adopted Budget. There were no municipal transportation costs for the months of May through October 2020 due to COVID-19 school closures. The Department expects to be transporting the children for the rest of 2020. Taking this into account, we project expenditures to be approximately \$25.27 million, a \$2.26 million favorable variance as compared to the 2020 Adopted Budget and a \$1.14 million favorable variance with the County's projection.

The 2021 Proposed Budget for EI is \$31.40 million, which is \$3.87 million more than the 2020 Adopted Budget. The increase is due to the almost doubling of EI transportation to comply with strict social distancing standards for COVID-19. Assuming enrollment will be in line with 2019 levels and that twice as many buses will be needed for the first half of 2021, we project 2021 expenditures to be \$30.45 million, a \$950,000 favorable variance as compared to the 2021 Proposed Budget.

Services for Preschool Aged Children

Preschool children between 3 and 5 years of age are served by three groups of providers: special education itinerant teachers, related services and center-based programs.

Special Education Itinerant Teachers ("SEIT")

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

The 2020 Adopted Budget is \$9.64 million. The County has projected expenditures for 2020 to approximate \$8.61 million, which is \$1.03 million less than the 2020 Adopted Budget. Due to COVID-19 school closures, these services were diminished, and monthly actual expenditures for 2020 are down compared to 2019. Our assumption is that services will resume now that school is back in session. Therefore, utilizing year to date expenditures and 90% of actual expenditures from November and December 2019, we project 2020 amounts to approximate \$5.97 million. This

results in a \$3.67 million favorable variance with the 2020 adopted budget and a \$2.64 million favorable variance with the County's 2020 projection.

The 2021 Proposed Budget provides for \$9.33 million in expenditures for SEIT. This is \$310,000 less than the 2020 Adopted Budget. We assume services provided and enrollment will be in line with 2019 amounts. We project expenditures for 2021 will be \$9.44 million, a \$110,000 unfavorable variance with the 2021 Proposed Budget.

Related Services

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

The 2020 Adopted Budget is \$16 million. The County's 2020 projection for this program is \$14.75 million, which is \$1.25 million less than the 2020 Adopted Budget. Due to school closures, these services were not scheduled, and therefore, actual expenditures for January through October 2020 are down approximately 20% as compared to 2019. We assume services will increase now that school is back in session. Therefore, utilizing year to date expenditures and 90% of actual expenditures for November and December 2019, we estimate 2020 actual expenditures will amount to \$13.22 million, which is \$2.78 million less than the 2020 Adopted Budget and \$1.53 million less than the County's 2020 projection.

The 2021 Proposed Budget is \$15.81 million, which is approximately \$190,000 less than the 2020 Adopted Budget. We expect amounts will be comparable to 2019, and therefore, we concur with the 2021 Proposed Budget.

Services for School Aged Children

Center Based Programs - Tuition

The 2020 Adopted Budget of \$48.55 million is \$250,000 less than the County's 2020 projection of \$48.80 million. As of October 2020, actual expenditures were down \$2.50 million as compared to 2019. Taking this into account and the assumption that services will increase since school is back in session, and utilizing year to date expenditures and 90% of actual expenditures from November and December 2019, we project tuition expenditures to amount to approximately \$44.92 million. This is a \$3.63 million favorable variance with the 2020 adopted budget and a \$3.88 million favorable variance with the County's 2020 projection.

The 2021 Proposed Budget includes \$50.88 million for tuition. For our estimate, we assume expenditures will be in line with 2019 amounts of \$48.76 million. We factored in a 3 year historical average enrollment growth rate and CPI increase of 2.2%. As a result, we concur with the 2021 Proposed Budget amount.

Transportation for Center Based Programs

The County provides specialized transportation, for children with developmental disabilities from 3 to 5 years of age, to receive developmental services.

The County's 2020 Adopted Budget is approximately \$14.45 million. The County is currently projecting expenditures to be \$11 million for the 2020 year. This is \$3.45 million less than the 2020 Adopted Budget. As with the EI transportation program, there were minimal transportation costs for the months of May through October 2020. The Department expects to transport children for the rest of the year. Based off of these assumptions, we project expenditures for 2020 to approximate \$10.92 million, or an \$80,000 favorable variance with the County's projection and a \$3.53 million favorable variance with the 2020 Adopted Budget.

The 2021 Proposed Budget is \$21.68 million, which is \$7.23 million more than the 2020 Adopted Budget. The increase is due to the doubling of EI transportation expenditures to comply with the COVID-19 strict social distancing standards. We assume enrollment will be in line with 2019 levels

and that twice as many buses will be needed for the first half of 2021. We project expenditures to amount to \$21.79 million, an unfavorable variance of \$120,000 with the 2021 Proposed Budget.

Total Revenue

The County receives revenues from New York State, Medicaid and private insurance carriers at varying rates based upon the nature of the program and expenditures made by CSN. The 2020 Adopted Budget includes revenues of \$70.54 million on expenditures of \$125.51 million. This is comprised of State aid at \$67.49 million and \$3.05 million for departmental income. Based on our 2020 expenditure analysis of \$109.71 million and factoring in a 20% State aid holdback, we project 2020 State Aid of \$48.40 million and departmental income of \$3.05 million, which is approximately a \$19.09 million unfavorable variance as compared to the 2020 Adopted Budget. The County projects State aid to amount to approximately \$52.31 million and departmental income to amount to approximately \$3.05 million. For State aid, this results in a \$3.91 million favorable variance with our projection.

The 2021 Proposed Budget includes total revenues of \$65.41 million, which is comprised of \$61.91 million of State aid, \$3.50 million of departmental income, on expenditures of \$139.04 million. Based on our 2021 expenditure analysis, and including a 20% State aid holdback, we project total revenue to be \$60.89 million, which is a \$4.52 million unfavorable variance compared to the 2021 Proposed Budget.

Department of Corrections

The Department of Corrections is comprised of three divisions:

Division	Net Expenditures				
	Budget			Adopted to Appropriated Increase (Decrease) vs. Adopted Budget	Adopted to Proposed Increase (Decrease) vs. Adopted Budget
	Adopted 2020	Appropriated 2020	Proposed 2021		
Administration	\$ 33,202,725	\$ 33,367,122	\$ 32,101,420	\$ 164,397	\$ (1,101,305)
Jail	79,042,745	79,105,877	76,847,926	63,132	(2,194,819)
Penitentiary	22,616,045	22,629,711	24,724,985	13,666	2,108,940
	<u>\$ 134,861,515</u>	<u>\$ 135,102,710</u>	<u>\$ 133,674,331</u>	<u>\$ 241,195</u>	<u>\$ (1,187,184)</u>

The Proposed Budget for 2021 is structured upon the premise that the daily inmate census will average 725 per day, 555 County inmates and 170 Federal inmates. Table A provides a comparison of the average monthly inmate census from 2016 through 2020. The department experienced an average inmate census of 567 for the first ten months of 2020, which is lower than the 2019 actual average inmate census of 923 and lower than the actual average inmate census of each of the previous five years. The decrease can be seen as a result from Raise the Age legislation being put into effect, along with the Criminal Justice/Cash Bail Reform. Decrease in inmates is also due to COVID-19, as a result those inmates that were charged with nonviolent crimes serving a term of under 1 year were released early to reduce jail population.

Positions and Overtime

The 2020 Adopted Budget estimated the need for 442 uniformed posts and a staffing compliment of 813 correction officers and superior officers. The proposed inmate population for 2021 indicates a need for 467 posts requiring a staffing compliment of 804 uniformed correction officers and superior officers. This is an increase of 25 posts from 2020 comprised of an increase of 15 posts in Jail, 1 post in Penitentiary and 9 posts in Administration.

Our 2020 projection for regular salaries is \$81.60 million which is a \$4.59 million favorable variance compared to the County's 2020 Adopted Budget of \$86.19 million. The County's 2020 projection for regular salaries is \$81.72 million, which is a \$4.47 million favorable variance comparable to ours. This variance is due to 29 vacant positions. As experienced officers retire or leave for other reasons, generally at the highest wage base, they are replaced with new officers at the lowest wage base. In the event of a retirement regarding a sergeant, captain, or warden it ultimately results in a vacant correction officer position as the department promotes correction officers into the respective positions.

Table B provides comparative data for uniformed staffing and overtime costs for the years 2020 through 2021, in which uniformed posts increased by 25 while the shift relief factor multipliers ("SRF") decreased overall. The seven day SRF has decreased from 2.02 officers to 1.89 officers, the five day SRF has decreased from 1.31 officers to 1.25 officers. The department indicated that while posts are increasing from 442 in 2020 to 467 in 2021, the number of officers needed to man

those posts are decreasing from 813 in 2020 to 804 in 2021, due to the change in SRF. The new SRF is in line with New York State comparable rates.

The County's 2020 Adopted Budget for overtime is \$7.86 million. Our analysis utilizes overtime expenditures through October 2020 of \$6.19 million, to this we added the actual overtime in November and December of 2019 of \$1.55 million. Our projection for 2020 approximates \$7.74 million, which is a \$120,000 favorable variance compared to the 2020 Adopted Budget and \$470,000 unfavorable variance compared to the 2020 County projection of \$7.27 million.

The 2021 County Proposed Budget for overtime is \$7.74 million or \$120,000 less than the 2020 Adopted Budget of \$7.86 million. Our projection is based on the increase of 25 posts from 2020 to 2021, and therefore we project 2021 overtime expenditures to be \$8.15 million, an unfavorable variance of \$410,000 when compared to the 2021 Proposed Budget.

Contractual Services

Food Costs

The County has a contract with Aramark Food Services for food preparation services for January 2019 through December 2020 with the option to renew the agreement for up to three, one year terms.

This 2-year contract provides for a total cost not to exceed \$4.59 million. The County projects food costs to approximate \$1.50 million for 2020. Based on the average number of meals, served three times per day and spoilage in 2020 of 642 (567 inmates plus 75 meals pertaining to spoilage), the cost of \$2.084 per meal per the current Aramark Pricing Schedule, and potential spoilage, we project 2020 food service costs to be approximately \$1.47 million or a \$660,000 favorable variance when compared to the 2020 Adopted Budget of \$2.13 million. The variance is due to the diminished prisoner census and comparable with the County's 2020 projection.

For the 2021 year we estimate the average number of meals served three times a day to be 820 inclusive of spoilage (745 inmates plus 75 meals pertaining to spoilage) based on the average of the past two years. The meal cost is \$1.949 as per the current Aramark Pricing Schedule and

potential spoilage. In 2021 the County has included \$400,000 for Correction Officer meal subsidy. We project total 2021 expenditures to approximate \$2.13 million, therefore we concur with the 2021 Proposed Budget of \$2.13 million.

Medical Services

The County entered into a contract with New York Correct Care Solutions Medical Services, P.C., for medical services commencing on July 26, 2019 and terminating on July 25, 2022. The contract provides for a total cost not to exceed \$44.16 million with year 1 being \$14.40 million in 2020, year 2 being \$14.76 million, and year 3 being \$15.00 million. If the average daily population at the department's facilities, determined on a quarterly basis, increases or decreases by more than ten percent of 1,100 inmates, the parties shall negotiate in good faith for an adjustment to that pricing, subject to any necessary County approvals.

The 2020 Adopted Budget includes \$14.37 million within the contractual services' budget for this contract. Due to the effects of Criminal Justice Reform and COVID-19 the inmate census decreased below the contracts ten percent threshold of 990 inmates. The County's 2020 projection is \$12.93 million, which is a \$1.44 million favorable variance as compared to the 2020 Adopted Budget. Our analysis for 2020 if based on a pre-COVID census of 1100 inmates would include the seven month final payments on the contract from year one, and five months of year two contracted payments and arrive at \$14.55 million. However due to the diminished prisoner census, we project 2020 expenditures to be \$12.93 million. Our projection includes \$11.80 million actual expenditures through November 30th and based on November's invoice an estimate of \$1.13 million for December. Therefore, we concur with the County's 2020 projection of \$12.93 million.

The County is assuming the prisoner census in 2021 will be 725 prisoners a day and has included \$13.83 million in the 2021 Proposed Budget. This amount includes \$1.04 million in savings due to the diminished census. The budget provides for seven months from the contact's year two and five months from year three. Our projection is \$13.83 million utilizing the same prisoner census of 725 a day, and therefore we concur with the County's 2021 Proposed Budget.

TABLE A

**POPULATION STATISTICS - CORRECTION FACILITIES
MONTHLY AVERAGES - 2020 THROUGH 2016***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
January	642	1003	1008	1013	1062
February	652	1023	1013	1043	1041
March	654	1029	1015	1027	1030
April	531	984	1012	1072	1014
May	508	940	1019	1064	1007
June	513	926	1005	1078	1034
July	492	904	1002	1084	1055
August	521	896	1052	1062	1052
September	564	898	1099	1064	1074
October	594	899	1109	1066	1067
November ***	567	847	1067	1018	1046
December ***	567	731	1009	996	1004
Annual Average	567	923 **	1034 **	1049 **	1041 **

2 Year Average is 745

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

** *Includes Federal inmate average population of; 2020 (167), 2019 (137), 2018 (122), 2017 (101) and 2016 (94)*

*** *For 2020 estimated based on 10 month average through October*

**TABLE B
REGULAR OVERTIME ANALYSIS**

	Variance Projected 2020 vs. Proposed 2021	County Proposed 2021	County Projected 2020	Appropriated Budget 2020
Administration				
Uniformed Posts	9	36	27	27
Uniformed Positions*	(1)	15	16	16
Other Positions	-	42	42	42
Overtime	\$ (146,102)	\$ 506,847	\$ 652,949	\$ 633,047
Penitentiary				
Uniformed Posts	1	102	101	101
Uniformed Positions*	13	200	187	187
Other Positions	-	3	3	3
Overtime	\$ 806,883	\$ 2,196,111	\$ 1,389,228	\$ 1,690,969
Jail				
Uniformed Posts	15	329	314	314
Uniformed Positions*	(33)	593	626	626
Other Positions	-	3	3	3
Overtime	\$ (186,893)	\$ 5,040,510	\$ 5,227,403	\$ 5,538,444
Uniformed Totals				
Uniformed Posts	25	467	442	442
Uniformed Positions*	(21)	808	829	829
Other Positions	-	48	48	48
Total Positions	(21)	856	877	877
Overtime	\$ 473,888	\$ 7,743,468	\$ 7,269,580	\$ 7,862,460

Shift Relief Factors

	2021	2020	Decrease
7 Day Post	1.89	2.02	(0.13)
5 Day Post	1.25	1.31	(0.06)

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

TABLE C**POPULATION STATISTICS - FEDERAL INMATES
* MONTHLY AVERAGES - 2016 THROUGH 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
January	144	156	100	100	90
February	160	150	95	102	92
March	188	158	92	96	95
April	170	160	106	96	88
May	164	153	109	94	85
June	159	136	106	108	90
July	151	116	109	107	89
August	158	124	115	99	93
September	184	125	135	104	104
October	188	115	172	104	102
November**	167	114	171	102	97
December **	<u>167</u>	<u>135</u>	<u>156</u>	<u>104</u>	<u>100</u>
Annual Average	<u>167</u>	<u>137</u>	<u>122</u>	<u>101</u>	<u>94</u>

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

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

Department of Probation

The mission of the Department of Probation, as a law enforcement agency and a partner in the criminal justice system, is to protect the citizens and visitors of the County by providing a balance of prevention, intervention, and control strategies for offenders, victims, and families, and to enforce the orders and conditions imposed by the courts. Annually, the Department handles cases involving more than 2,000 youths in the family court system and over 11,000 adults in the criminal courts system. The department prepares pre-sentencing reports for judges, monitors and enforces compliance with probation conditions, responds to the needs of victims, assists families in crisis, and helps offenders take steps to change. The Department works closely with numerous criminal justice agencies such as the District Attorney's Office, and various social services agencies. The Department of Probation includes four bureaus: Bureau of Administrative Services, Bureau of Criminal Operations, Bureau of Juvenile Justice and Bureau of Planning.

The 2021 Proposed Budget for salaries for the Department of Probation, as mentioned in the personal services section of our report, allows for \$17.33 million in expenditures, a \$2.13 million decrease as compared to the 2020 Adopted Budget of \$19.46 million and a \$910,000 decrease as compared to the County's 2020 projection of \$18.24 million. This decrease is due to 11 Probation Officer positions being vacant.

The largest expenditure aside from salaries for this department is contractual services, mainly with The Children's Village for specialized secure, secure, and non-secure detention services. The County projects 2020 actual expenditures to be \$19.99 million and for 2021 the County projects actual expenditures to be \$22.08 million. The \$2.09 million increase is due mainly to amendments to existing contracts such as Children's Village (\$412,000) and contracts with new vendors such as the Proteus on Demand (\$995,000) and Liro Architects (\$194,000).

Department of Transportation

Bus Operating Assistance ("BOA") and Fare Box Fees

The County's Bus Operating Assistance Program (BOA) subsidizes Liberty Lines Transit, Inc. and P.T.L.A. Enterprise, Inc. ("PTLA") by covering the excess of their expenditures over the revenues derived from fare box fees.

The County's 2020 BOA projection is \$130.65 million and is an increase of \$7.25 million as compared to the 2020 Adopted Budget of \$123.40 million. The collection of cash ("fare box fees") is a major factor as to whether the Bus Operating Assistance Program expenditures will increase or decrease. This is because the fare box fees reduce the monthly operating expenditures the County pays to Liberty Lines LLC. and PTLA. We concur with County's projection.

The Department's 2020 forecast for fare box fees is \$12.40 million. Due to COVID-19 restrictions, Liberty Lines did not collect fares from late March through September 2020. The 2020 fare box fee projection was revised down to \$4.90 million, a decrease of \$7.50 million. The decrease in fares created an increase to the BOA expenditures for \$130.65 million.

In 2021, the County expects fare box fees to increase to \$9.40 million and the BOA to be \$132.93 million. We concur with the County's Proposed 2021 Budget.

Paratransit

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

The County expects the 2020 number of trips to be 148,000, a decrease of 166,603 trips and a 53% drop in ridership from 2019 as a result of the COVID-19 restrictions.

The paratransit expenditures for 2020 is projected to be \$10.07 million, a decrease of \$3.50 million as compared to the 2020 Adopted Budget for \$13.57 million. We concur with the 2020 projection.

The 2021 ridership statistics have been adjusted due to COVID-19 and are expected to be 228,000 and the 2021 Proposed Budget is \$13.38 million, which is approximately \$190,000 less than the 2020 Adopted Budget. We concur with the 2021 Proposed Budget.

Department of Public Works

The Department of Public Works ("DPW") provides and maintains an extensive infrastructure system for the County. DPW is responsible for maintaining County owned and leased buildings, roads (including snow removal), engineering services for County bridges and the maintenance and management of the New York State Courts under the New York State Court Facilities Act. The 2021 Proposed Budget is \$63.45 million, an increase of \$340,000 as compared to the 2020 Adopted Budget of \$63.11 million. Our review of the Department's budget focused on three major areas: utilities, rental & taxes, and contractual services.

Utilities

The utilities budget provides resources for the payment of electric, natural gas, and fuel oil. Our review focuses on utilities within White Plains and Valhalla locations. Utility costs comprise of:

	Adopted Budget 2020	Consultant Projected 2020	Proposed Budget 2021	Consultant Projected 2021	Variance Consultant Projection Vs. County Projection
Information Technology	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Department of Planning	26,750	26,750	27,000	27,000	-
Emergency Services	96,576	78,576	86,153	86,153	-
Public Safety Services	272,027	272,027	261,580	261,580	-
Parks, Recreation, and Conservation	3,473,500	3,108,500	3,494,500	3,494,500	-
Department of Public Works - Transportation	1,511,706	1,212,500	1,455,968	1,455,968	-
Department of Public Works - Public Works	15,302,360	11,140,648	14,865,252	13,517,316	1,347,936
	<u>\$ 20,684,419</u>	<u>\$ 15,840,501</u>	<u>\$ 20,191,953</u>	<u>\$ 18,844,017</u>	<u>\$ 1,347,936</u>

White Plains Location

The of Public Works 2020 projected expenditures for the White Plains location is \$2.44 million, a favorable variance of \$420,000 as compared to the 2020 Adopted Budget of \$2.86 million. The rates charged for both electric and gas consist of 2 components, production costs and delivery charge. For electricity, the production cost declined by 9% and the delivery charge increased by 8.6%, while for gas there were no increases. Our 2020 projection utilizes year to date expenditures through September 2020 and the final three months of 2019 including the above cost increases. Our projection for 2020 is \$2.34 million, or \$100,000 less than the County's projection and a favorable variance of \$520,000 as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget is \$2.80 million. For electric rates the cost is evenly split between New York Power Authority ("NYPA") for production and Consolidated Edison ("ConEd") for the delivery charge. For gas, approximately 70% of cost are allocated to NYPA and the remaining 30% to ConEd. The NYPA 2021 preliminary production rate includes an increase of 7.49% for electricity and a 3.8% increase for the gas rate. For 2021, ConEd includes an actual 5.7% increase in electricity rates and an 11.4% increase for the gas rate. We project expenditures for 2021 to be \$2.64 million, a favorable variance of \$160,000 as compared to the 2021 Proposed Budget.

Valhalla Location

The County's 2020 projected expenditures for the Valhalla is \$7.99 million, a favorable variance of \$3.41 million as compared to the 2020 Adopted Budget of \$11.40 million. Our 2020 projection comprises the actual 2020 expenditures from January to September 2020 for electricity and gas products. We obtained the actual 2019 expenditure amounts for the remaining three months, allocated the costs to NYPA approximately 67% and ConEd which was 33%, and applied the 2020 rate increases. Our 2020 projection is \$7.84 million, which is \$150,000 less than the County's projection and a \$3.56 million favorable variance as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget is \$11 million. The costs are split between NYPA and ConEd, with 67% of costs from NYPA production of the commodity and 33% from ConEd for delivery. Based on the rate increase from NYPA and ConEd, our 2021 projection is \$9.81 million, a \$1.19 million favorable variance as compared to the 2021 Proposed Budget.

Rental & Taxes

The 2020 Adopted Budget is \$10.84 million for rental and taxes. In 2020 the County is renting 20 locations. The locations with the most square footage are: 131 Warburton Ave., Yonkers, Cedarwood Hall, Valhalla and 420 North Avenue, New Rochelle. Based on the County's 2020 rent schedule, we concur with the 2020 Adopted Budget.

The 2021 Proposed Budget is \$11.35 million, which is approximately \$510,000 more than the 2020 Adopted Budget. This increase comprises of rent for additional space, 55 Lafayette Ave., White Plains, in 2021 for approximately \$150,000, as well as, a \$172,000 increase in the base rent and electric costs for 131 Warburton Ave., Yonkers. Therefore, we concur with the 2021 Proposed Budget.

Contractual Services

The Department of Public Works projects 2020 expenditures to be \$9.02 million, which is \$700,000 less than the 2020 Adopted Budget of \$9.72 million. The variance is due to miscellaneous additional work and service contracts not being fully utilized during the course of the year. Based on the information provided and historical data we concur with the County's projection of \$9.02 million, a \$700,000 favorable variance as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget is \$10.49 million, which is approximately \$770,000 more than the 2020 Adopted Budget. This variance is due to various increases in contracts related to janitorial services, HVAC and AC services, and boiler cleaning services. Therefore, we concur with the 2021 Proposed Budget.

Debt Service

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

The 2020 Adopted Budget is \$127.54 million and the County is projecting 2020 debt service expenditures to be approximately \$126.81 million. This includes serial bonds principal and interest of \$113.30 million, DASNY payments of \$12.41 million, and TAN interest of \$1.10 million. In October 2020, the County issued \$62.25 million of general obligation bonds for General Fund projects and \$3.76 million of federally taxable general obligation bonds for tax certiorari judgements, and the County refunded \$50.92 million of general obligation bonds. These bonds will not have a payment due until 2022. Our projection for 2020 is \$126.67 million, an amount \$140,000 less than the County's projection and an \$870,000 favorable variance as compared to the 2020 Adopted Budget of \$127.54 million.

The 2021 Proposed Budget is \$136.42 million. This budget includes serial bonds principal and interest of \$122.26 million, DASNY payments of \$12.41 million, TAN interest of approximately \$1.24 million, and BAN interest of approximately \$510,000. Our analysis of the debt service budget indicated that the amount included was sufficient to pay all debt service payments, and therefore, we concur with the 2021 Proposed Budget.

Our analysis did indicate that the overall principal payments, inclusive of the special districts, was approximately \$950,000 less than what was needed to cover all principal payments. But, the combined interest payments had an excess of the same amount. Therefore, we suggest the budget department make the necessary adjustments to ensure each account has sufficient funds.

Federal Insurance Contribution Act (FICA) Taxes

Federal Insurance Contribution Act (“FICA”) taxes are comprised of two components: a Social Security rate of 6.2% and a Medicare rate of 1.45%, for a combined rate of 7.65%. These rates have remained unchanged since 1990. For 2021, the Social Security rate of 6.2% will be applied to the first \$142,800 of each employee’s wages, as compared to 2020 of \$137,700, an increase to the cap of \$5,100. The Medicare rate has no wage base limitation.

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

The 2020 Adopted Budget for FICA is approximately \$33.74 million, of which \$29.27 million relates to the General Fund. We recalculated the County’s FICA tax expenditure utilizing projected 2020 wages less wages not subject to FICA. We estimate that 95.31% of the County’s total wage base will be subject to the tax. Our estimate is based on the quarterly payroll tax filings obtained from the Department of Finance. Based on our projection and the wage base limitations in effect for 2020, we project FICA expenditures to be \$33.19 million, of which \$28.76 million relates to the General Fund, a favorable variance of \$510,000 as compared to the 2020 Adopted Budget for the General Fund.

The 2021 Proposed Budget is approximately \$33.39 million, of which \$28.72 million relates to the General Fund. We utilized the County's Proposed Budget for wages of \$470.23 million and reduced it to account for deductions under Section 125 and 207C, resulting in an adjusted wage base of \$453.18 million. We estimate that 95.59% of the adjusted wages will be subject to the tax, while 100% is subject to Medicare taxes. Our estimate is based on the quarterly payroll tax filings obtained from the Department of Finance. Based on the amounts estimated for personnel services and the wage base limitations in effect for 2021, we concur with the 2021 Proposed Budget.

Retirement Cost

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

The Government Accounting Standards Board ("GASB") states that pension expenditures should be recorded in the period incurred, not when paid. The New York State and Local Retirement System ("NYSRS") fiscal year ends on March 31st, therefore the County (fiscal year ended December 31st) must apportion the invoices of two separate fiscal years to record the proper expenditure. Specifically, the County uses the last three months of the fiscal year ending March 31, 2020 and the first nine months of the fiscal year ending March 31, 2021 in apportioning the payment of the NYSRS invoice to be applied to the County's 2020 calendar year. The full retirement invoice is due on February 1st, however the NYSRS offers a discount if the invoice is paid by December 15th. Historically, the County has submitted payment by December 15th or prior to take advantage of this discount of approximately 1%. NYSRS also offers a program (described below) to help relieve the increasing burden of retirement costs to the County.

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

New York State developed the Stabilization Program to enable expenditure relief and allow municipalities to defer fast rising pension costs. This program allows pension costs to be paid for

on an amortized basis, as opposed to the year they are incurred. This program offers the County to elect the option to pay a portion of the annual retirement contribution (for both the ERS and the PFRS) over a ten year period. The County is able to “opt in” (participate) into the program by December 15th of each year independent of the County’s previous years’ participation. The calculation of the maximum amount of payments that can be deferred is formula based and utilizes the normal annual contribution rate and a graded contribution rate.

The 2020 Adopted Budget for retirement costs aggregates to \$88.71 million for all County funds of which \$77.69 million is exclusive to the General Fund only. This amount also includes \$14.56 million for the amortization of the prior year’s deferrals. The 2020 Adopted Budget assumes the County’s participation (subject to Legislative approval) in the Stabilization Program which deferred \$5.38 million to future years. However, it is the County’s intention to not participate in the Stabilization Program for the ERS and PFRS sponsored employee pension plans for the plan year ended March 31, 2021.

The County projects 2020 expenditures to amount to \$87.57 million for all County funds. In order for us to project 2020, we utilized the invoices for both the ERS and PFRS years ended March 2020 and 2021. In addition, we needed to account for the fact that the County anticipates on taking advantage of the discount offered for prepayments and add all payments related to the previous participation in the stabilization figure listed below. Based on this calculation as well as the fact that the County has not elected to participate in the stabilization program, we anticipate 2020 pension expenditures to approximate the County’s projection of \$87.57 million and is approximately \$1.14 million less than the 2020 Adopted Budget. Had the County chosen to continue with its participation in the Stabilization Program, it could have deferred \$5.38 million in such costs to future years.

The 2021 Proposed Budget for retirement costs aggregates to \$87.34 million for all County Funds of which the General Fund portion is \$76.83 million. This is a decrease of \$230,000 over the 2020 projected amount of \$87.57 million.

Our budget projection assumptions take into consideration 25% of the State fiscal year 2021 invoice (excluding Westchester Community College’s portion) and 75% of the projected State

fiscal year 2022 invoice, to be paid in December 2021. Additionally, our assumptions also include the following:

- Certain labor contracts expired on December 31, 2019. (The Police Benevolent Association, Superior Officers Police Benevolent Association, District Attorney Criminal Investigators, Correction Officers Benevolent Association, and the Correction Superior Officer Association.) The 2021 Proposed Budget does not anticipate that settlements, if any, would result in paid retroactive wages by March 31, 2021, therefore such amounts are not included in the projected budgeted wages and ultimately 2021 retirement costs.
- Longevity increases have been applied to those employees who obtained certain steps and grades based on hire date.
- The 2021 Proposed Budget includes \$14.56 million for payments on the amortization pension costs from participation in previous stabilization programs (See chart below). These combined obligations have been included in the retirement appropriation in our projection in the General Fund as required by the State Comptroller’s Office.
- Assumes the County will participate in the Stabilization Program for the NYSRS 2022 fiscal year invoice. The County will amortize the maximum allowed (\$9,716,065 for ERS and \$1,905,834 for PFRS) for a total of \$11.62 million.

Based upon the analysis of payroll costs, applying the 25% of the prior year’s bill, 75% of the projected subsequent year’s bill and the assumptions mentioned above, our calculations project retirement costs for all County funds will be \$87.34 million, an amount consistent with the 2021 Proposed Budget.

State Fiscal Year Ending March 31st	Estimated Retirement Bill without Amortization		Maximum amount allowed to be Deferred		Net Retirement Estimated Bill with Amortization	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
	2020	\$ 81,108,813	\$ 13,875,922	\$ 5,435,108	\$ 14,627	\$ 75,673,705
2021	82,375,547	14,459,746	6,110,657	119,336	76,264,890	14,340,410
2022	** 85,253,518	16,163,320	9,716,065	1,905,834	75,537,453	14,257,486

** 2022 projection was calculated from 2020 reported salaries. Actual 2021 salaries will be the basis for the 2022 invoice, so these projected salaries and costs will change.

Weighted Rates Comparison with Amortization Rates

State Fiscal Years Ending March 31,	ERS		PFRS	
	Stabilization Rate	Blended Rate (1)	Stabilization Rate	Blended Rate (1)
2020	14.20%	14.60%	23.50%	23.70%
2021	14.60%	14.60%	23.50%	24.40%
2022	15.40%	17.90%	25.40%	29.20%

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

Annual Amortization Amounts On Deferred Amounts

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

Note – The County has elected to not participate in the Stabilization Program for the state fiscal year ending March 31, 2020 and 2021, **however has elected to participate in the Stabilization Program for the state fiscal year ending March 31, 2022.**

Health Benefits

The following table includes summarized information on the costs of health benefits in the proposed budget as well as our projections for 2020 and 2021.

In Thousands

			Projections			
			2020		2021	
	2019 Actual	2020 Budget	County	Consultant	County	Consultant
Medical costs	\$ 182,065	\$ 192,392	\$ 170,474	\$ 167,587	\$ 188,757	\$ 186,272
HMO	8,734	8,904	7,780	7,672	8,169	8,022
Dental and Vision	3,271	3,423	2,863	2,900	3,423	3,423
Part B Medicare	5,965	6,372	6,305	6,293	6,685	6,683
Gross Healthcare Costs	200,035	211,091	187,422	184,452	207,034	204,400
Subsidies, Rebates and Contributions	(33,225)	(31,807)	(36,484)	(36,004)	(37,851)	(37,805)
Other	(218)	(277)	(207)	(158)	(207)	(158)
Net Healthcare Costs	166,592	179,007	150,731	148,290	168,976	166,437
Change in / Use of Net Position	2,243	-	-	-	(11,500)	(11,500)
Less: Chargebacks	(22,998)	(24,936)	(20,173)	(20,173)	(21,322)	(21,322)
Total Health Benefits	\$ 145,837	\$ 154,071	\$ 130,558	\$ 128,117	\$ 136,154	\$ 133,615

Health Benefits Overview

The County has established an Internal Service Fund (“Fund”) to account for self-insured health benefits. Health benefits consist of medical, dental and vision benefits. The medical benefits include payments to providers, HMO premiums, prescription drugs, Medicare reimbursements and administrative fees. The Fund, at December 31, 2019, reflected net position of approximately \$12 million. The total net healthcare costs appropriation contained in the proposed 2021 operating budget is \$169 million, which is accounted for in the miscellaneous budget.

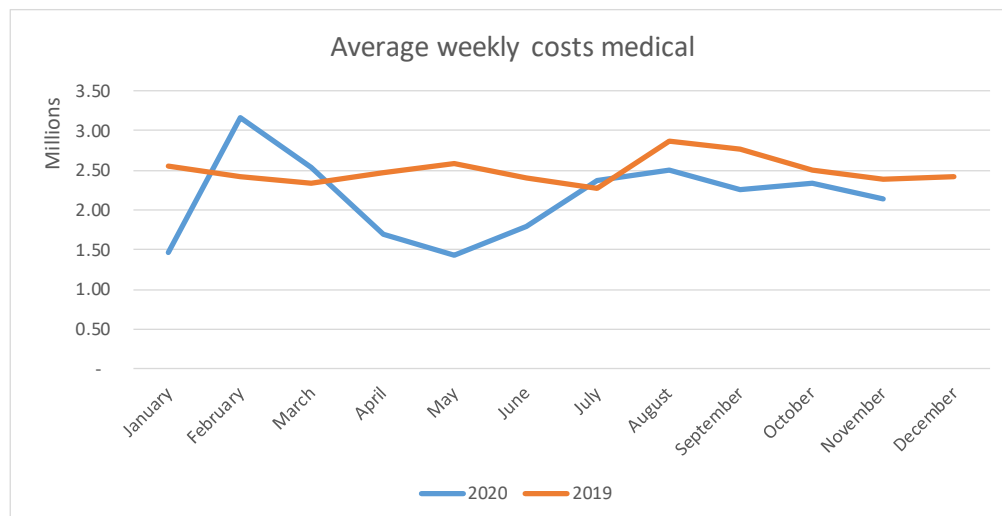
An analysis of the more significant components of the Health Benefits budget along with our findings is set forth below. Our 2020 analysis projects total Health Benefits expenditures for all funds is \$148.3 million which is \$2.4 million less than the County’s projection for 2020 of \$150.7 million.

For 2021, the County's Proposed Budget is \$169 million and anticipates \$11.5 million in appropriation of the Fund's net position. Based on our analysis, we are projecting \$166.4 million in costs, an amount which is \$2.6 million favorable variance as compared to the 2021 Proposed Budget.

Medical

The largest component of health benefit costs are payments to health providers which includes major medical, hospital, outpatient services and prescription drugs. These payments have historically represented approximately 90% of all expenditures in the health benefits category. Based on actual year to date expenditures as of the time of our study and applying an average of the last 8 weeks expenditures to the end of the year, our projection for medical cost payments to health providers is \$167.6 million, an amount that is \$2.9 million less than the County's projection of \$170.5 million and is approximately \$24.8 million less than the 2020 Adopted Budget of \$192.4 million. Since the County is self-insured with no stop loss coverage, the entire risk of any claim falls on the County.

The County's growth rate of approximately 7% for medical costs for 2021 is higher than the average growth rate over the last ten years (exclusive of 2020) of 4.7%. Costs decreased in 2020 as the Coronavirus pandemic reduced usage during the shutdown beginning in March. While costs have risen as the shutdown eased, they remain below levels seen prior to the pandemic. The below chart illustrates the reduction in net weekly payments for health costs, excluding prescription drugs.



In addition, the enrollees in the medical plan have decreased from 16,232 members in October 2019 to 16,084 members in October 2020 due to the County filling vacancies at much slower rates than in previous years.

Using the latest two months of expenditures in 2020, which is reflective of the most current usage, and the County's historical trends we are projecting 2021 costs to approximate \$186.3 million, which is \$2.5 million less than the County's 2021 Proposed Budget amount of \$188.8 million. Our projections assume that usage and enrollees will continue at levels experienced over the latest two months plus a 7% growth rate. These assumptions may not hold true in 2021 as the usage by employees and retirees has been heavily influenced by the pandemic. Actual costs could be much greater if nonessential medical procedures that were delayed during the pandemic shift into 2021. Alternatively, a further shift downward is possible if the pandemic continues to worsen and enrollees continue to delay nonessential medical procedures.

The 2021 budget for self-insured health costs reflect monthly premium equivalent rates of \$994 for individuals and \$2,623 for families. The premium equivalent rates are relevant for determining employee and retiree contribution rates but do not necessarily correlate to actual costs.

Dental and Vision

The 2021 Proposed Budget contains an estimate for dental and vision claims of \$3.4 million, an amount that is equal to the County's 2020 Adopted Budget and \$500,000 more than the County's 2020 projection. Based upon the latest available data, our projection for dental and vision claims approximates the County's 2020 projection.

Based on our analysis we recommend no change to the dental benefits Proposed Budget for 2021.

Part B Medicare

The Proposed Budget for 2021 includes an estimate of Part B Medicare expenditures of \$6.7 million, which is greater than our estimate for 2020 of \$6.3 million. Such costs represent reimbursements made by the County to retirees for their Part B Medicare costs. The County

reimburses the retirees for such costs in order to induce them to enroll in the program which, on an overall basis, reduces the County's physician and outpatient costs. Based on our analysis we believe that the 2021 Proposed Budget for Part B Medicare reimbursements is reasonable and we propose no changes.

Subsidies, Rebates and Contributions

Direct payments made by participants, retirees and drug rebates totaled \$33.2 million in 2019. Our projection for 2020 is \$36 million based on actual year to date revenues as of the time of our study annualized to the end of the year, which is greater than the 2020 Adopted Budget of \$31.8 million in the amount of \$4.2 million. This positive variance is directly related to an increase in pharmacy subsidies and rebates related to the County's prescription drug costs. The County has received significant increases in subsidies and rebates over the last two years as its new drug provider has more beneficial terms with drug companies.

The 2021 Proposed Budget includes \$37.9 million in subsidies, rebates and contributions, of which \$21.4 million represents subsidies and rebates with the remaining \$16.5 million related to employee contributions.

Our projection for 2021 in the amount of \$37.8 million is less than the 2021 Proposed Budget of \$37.9 million.

Health Benefits Fund - Net Position

The financial statements of the Health Benefits Fund reflect net position of \$12 million at December 31, 2019. Based on the County's 2020 projections, the County is not planning to utilize any of the Fund's net position to satisfy the 2020 health claims. However, the 2021 Proposed Budget utilizes \$11.5 million of the Fund's net position to satisfy the 2021 health claims. Assuming all of this net position is utilized, there will only be \$500,000 remaining in the fund as of December 31, 2021.

Health Benefits Summary

We project a gross savings to the 2020 operating budget in the amount of \$30.72 million, which will benefit the operating funds as opposed to increasing net position of the Health Benefits Fund. Our total net healthcare projected expenditures utilizing the County's estimated growth rate of 7.0% for 2021 applied to the last two months of expenditures annualized is less than the County's Proposed Budget of \$169 million by \$2.54 million. Because the County is self-insured for health benefits and given the general uncertainties surrounding the pandemic, the actual costs could deviate from this amount.

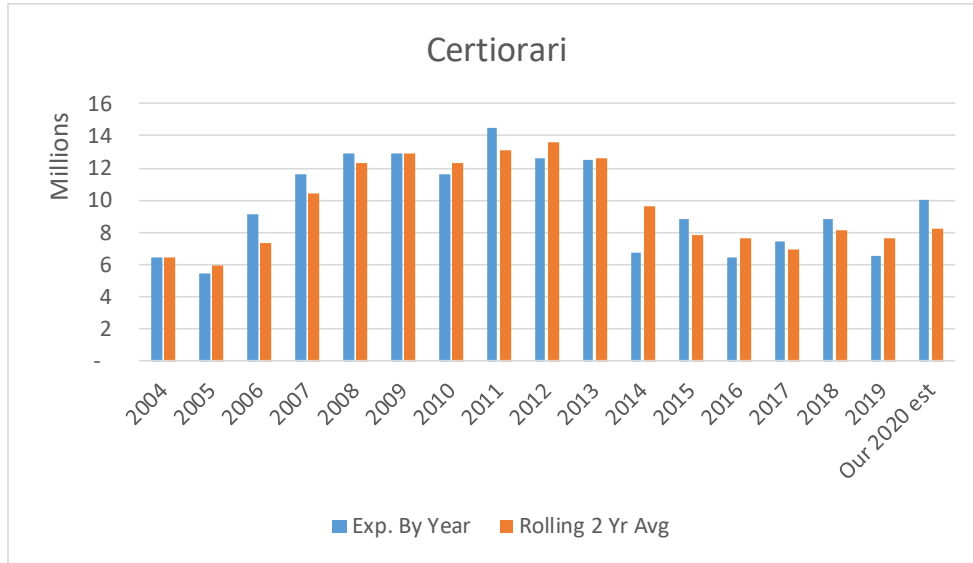
Certiorari Proceedings

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

As of October 2020, the County has paid approximately \$2.29 million and projects payments to be \$5.77 million, an amount that is \$3.23 million less than the 2020 Adopted Budget of \$9 million. The reason for this variance is that courts were closed for part of the year because of restrictions imposed due to the COVID-19 pandemic, during which time certiorari cases were not able to be heard, resulting in a backlog of cases. Based upon the most current activity, we project 2020 refunds to be \$4.40 million, a \$1.37 million favorable variance as compared to the County's 2020 projection and a \$4.60 million favorable variance as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget anticipates \$10 million for tax certiorari payments, which is \$1 million greater than the 2020 Adopted Budget. A 3 year average of tax certiorari payments indicates that approximately \$7 million is expended annually. We anticipate that there will be a larger than usual number of certiorari proceedings in 2021 due to the backlog caused by the closing of courts in 2020. Additionally, we expect that the COVID-19 pandemic will increase the number of individuals and businesses that will challenge their assessed value. We believe that these factors will result in an increase in certiorari proceedings in 2021, and therefore, we concur with the 2021 Proposed Budget.

As follows is a chart indicating actual expenditures and our 2020 projection:



Casualty Reserve Fund (6-N)

Pursuant to Section 6-N of General Municipal Law, the County has established a self-insurance fund to account for the activities of its general liability program. The County, as in prior years, has engaged the services of an actuary to compute the liability and required contribution to the Fund. The County is the primary insured and responsible for liability insurance deductible expenses to the paid from the County’s 6N fund.

As of September 30, 2020 the actuary has estimated a liability for incurred claims and incurred but not reported claims of \$31.39 million for which the County has previously funded the 6-N Fund with \$39.60 million. Consequently, the 6-N Fund is estimated to be overfunded by \$8.21 million at September 30, 2020. Based upon the trend of general liability losses, the actuary is not recommending a contribution to this fund in 2021.

The actuary has estimated general liability losses for 2020 calendar year to approximate \$6.76 million. We projected the 2020 loss trend using information from the actuarial report through September 30, 2020 and absent any catastrophic loss between September 30, 2020 and December 31, 2021, it appears as though the 6-N Fund will remain appropriately funded at year

end December 31, 2021. If the past trend of general liability expenses/losses remains consistent, the same the 6N fund, Net Position may reflect a deficit at year end of 2022.

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

Pursuant to Section 6-J of General Municipal Law, the County has established a self-insurance fund to account for the activities of its workers' compensation program. As in prior years, the County has engaged the services of an actuary to compute the liability and required contribution to the Fund. The actuary has estimated that the liability for workers' compensation claims at September 30, 2020, approximates \$53.69 million which exceeds the value of the investments available for the payment of such claims, causing a deficit status of \$38.71 million within the fund.

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

The latest County projection is \$12.38 million in overall claims inclusive of miscellaneous budget, various operational departmental and special district budgets. It appears that the budgeted contributions to the 6-J fund may end 2020 with no variance. The need for an additional contribution will be determined based upon the cash resources available to meet the current liability at year end.

The 2021 Proposed Budget includes \$5.85 million for workers' compensation claims. The budget provision is included within the miscellaneous budget for \$5.35 million with an additional \$500,000 that has been included within various operational departmental and special district budgets.

The total actuary recommended contribution for 2021 is \$11.10 million which assumes a 3% present value factor. The County is able to offset a portion of projected expenses as a result of revenue collected from the State's Special Disability Fund. In September 2020, the County entered into an agreement with the Workers Compensation Board's Waiver Agreement Management Office ("WAMO") for the settlement of the County's rights to reimbursement from the Special Fund for Second Injuries. Therefore, the County was entitled to reimbursement from

the Fund for certain workers' compensation payments paid to or on behalf of employees who had qualifying, preexisting permanent physical impairments before their workplace injury.

Based on our review of the recent claims paid and past expense trend, the County will reduce contributions to the Fund during FY2021. The County should be aware that the use of the \$5.25 million from "WAMO" will not reoccur in future years but the liability expense attributed to these claimants will continue.

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

	Actuarial			Actual	
	2021 Proposed Budget	2020 County Budget	2020 County Projected	2019	2018
Contributions:					
Expense					
Current Claims	\$ 11,100,000	\$ 9,600,000	\$ 12,381,340	\$ 11,573,652	\$ 11,886,423
Accrued Liability Adjustment	-	-	-	2,530,000	5,980,000
Deficit Funding	-	2,781,340	-	-	-
	11,100,000	12,381,340	12,381,340	14,103,652	17,866,423
County Contribution	5,851,862	12,381,340	12,381,340	11,700,122	12,340,007
Net Position Impact (1)	\$ (5,248,138)	\$ -	\$ -	\$ (2,403,530)	\$ (5,526,416)
Sources of County Contributions:					
Operating Budgets:					
Miscellaneous	\$ 5,350,000	\$ 11,408,000	\$ 11,408,000	\$ 10,858,000	\$ 11,500,000
Information Technology - E911	6,023	12,629	12,629	7,472	7,472
Information Technology - Wireless Cellphone	77,825	154,254	154,254	110,447	108,156
Solid Waste Commission	27,489	32,686	32,686	24,299	24,379
Airport	-	-	-	-	-
	5,461,337	11,607,569	11,607,569	11,000,218	11,640,007
Special District Budgets:					
Environmental Facilities	350,161	695,000	695,000	622,053	630,274
County Water District No 1	5,417	10,000	10,000	9,881	11,000
County Water District No 3	4,740	9,000	9,000	8,199	6,603
Refuse Disposal District Admin	30,207	59,771	59,771	59,771	52,123
	390,525	773,771	773,771	699,904	700,000
	\$ 5,851,862	\$ 12,381,340	\$ 12,381,340	\$ 11,700,122	\$ 12,340,007

(1) The Net Position Impact was funded by the settlement with "WAMO".

Legal Aid Society of Westchester and Indigent Legal Services

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

The 2020 Adopted Budget is \$14.22 million for the contracted services provided by the Society. Based upon the current monthly payment of \$1.19 million, we project 2020 expenditures to be \$14.22 million, an amount equal to the 2020 Adopted Budget and the County's projection.

The 2021 Proposed Budget is \$14.10 million, a decrease of \$120,000 as compared to the 2020 Adopted Budget. We project expenditures to be \$14.10 million and therefore, we concur with the 2021 Proposed Budget.

Indigent Defendants – Felony

The 2020 Adopted Budget is \$5.12 million for indigent defendant felony cases. For 2020, the County is being charged an hourly rate of \$75 for all felonies, appeals, paroles, and family court cases. Actual expenditures through October 2020 approximated \$2.62 million. The actual expenditures have decreased in 2020 as compared to the same period in 2019 due to court closures from March through October 2020 due to COVID-19 restrictions. Based on year to date expenditures of \$2.61 million and an estimate for November and December 2020, we are projecting expenditures to be \$3.96 million, a favorable variance of \$1.16 million as compared to the 2020 Adopted Budget and an unfavorable variance of \$880,000 as compared to the County's projection of \$3.08 million.

The 2021 Proposed Budget is \$4.47 million for indigent felony cases, a \$650,000 decrease from the 2020 Adopted Budget. For 2021, the County is continuing to be charged an hourly rate of \$75 for all felonies, appeals, paroles, and family court cases. Our 2021 projection is based on the average annual expenditures for the last three years, excluding 2020 given courts were closed for part of the year. Therefore, we project expenditures to be \$5.03 million, an unfavorable variance of \$560,000 as compared to the 2021 Proposed Budget.

Indigent Defendants - Misdemeanor

The 2020 Adopted Budget is \$6.98 million for indigent defendant misdemeanor cases. For 2020, the County is being charged an hourly rate of \$60 for all misdemeanor and violation cases. Actual expenditures through October 2020 approximated \$2.41 million, which is a decrease as compared to the same period in 2019. This is mainly due to the closure of courts in response to the COVID-19 pandemic. As the courts have reopened, we utilized a 3 year average of prior actual expenditures for the months of November and December, therefore, we are projecting 2020

expenditures to amount to \$4.68 million. This results in a \$2.30 million favorable variance as compared to the 2020 Adopted Budget and an unfavorable variance of \$650,000 as compared to the County’s projection of \$4.03 million.

For 2021, the County is continuing to be charged an hourly rate of \$60 for all misdemeanor and violation cases. The 2021 Proposed Budget is \$5.97 million for indigent misdemeanor cases, a \$1.01 million decrease as compared to the 2020 Adopted Budget. Based on a 3 year average of full year actual expenditures, which excludes 2020, we estimate 2021 expenditures to be to \$6.45 million, a \$480,000 unfavorable variance as compared to the 2021 Proposed Budget.

Resident Tuition-Other Colleges

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

The 2020 Adopted Budget and the County’s 2020 projection are \$8.41 million. Due to the restrictions imposed on college campuses and the shift towards remote learning in 2020, enrollment has declined by 148 certificates of residency as compared to 2019. We project 2020 expenditures to be \$7.90 million, a \$510,000 favorable variance as compared to the 2020 Adopted Budget and the County’s projection. We based our estimate of November and December 2020 expenditures on historical enrollment and the current approved chargeback rate. The following chart includes year to date payments and our projection:

Community College	County Year to Date 2020	Consultant Projected 2020	Percent
Fashion Institute of Technology	\$ 2,102,000	\$ 3,513,000	44.22%
Bronx Community College	702,000	1,375,000	14.77%
Rockland Community College	293,000	342,000	6.16%
Hostos Community College	211,000	574,000	4.44%
Broome Community College	256,000	256,000	5.39%
Other	1,189,000	1,834,000	25.02%
Total	\$ 4,753,000	\$ 7,894,000	100.00%

The 2021 Proposed Budget is \$8.57 million. We estimate 2021 expenditures to be \$8.42 million, which is based upon our 2020 projection and the average increase in individual college chargeback rates over the past 3 years. This is a \$150,000 favorable variance as compared to the 2021 Proposed Budget.

Department of Social Services

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

The following schedule summarizes total DSS appropriations and revenues for 2019 Actuals, the 2020 Adopted Budget, the 2020 County projections and the 2021 Proposed Budget:

Type	2019 Actual (000's)		2020 Adopted Budget (000's)		2020 County Projection (000's)		2021 Proposed Budget (000's)	
Salaries & Administration	\$ 137,318	21.35 %	\$ 143,926	21.95 %	\$ 151,194	23.46 %	\$ 141,150	21.95 %
EAF								
Non-Homeless	7,098	1.10	13,040	1.99	4,772	0.74	12,156	1.89
Foster Care	11,430	1.78	11,245	1.71	11,006	1.71	11,790	1.83
EAA	1,201	0.19	1,290	0.20	857	0.13	1,500	0.23
Medical Assistance:								
Old Age Assistance	3,043	0.47	4,132	0.63	4,013	0.62	4,281	0.67
Family Assistance	108	0.02	-	-	-	-	-	-
Medicaid Regular	207,872	32.32	207,997	31.73	203,302	31.54	202,654	31.52
Medicaid (MMIS) - IGT	107,912	16.78	80,000	12.20	98,384	15.26	80,000	12.44
Family Assistance	25,518	3.97	30,198	4.61	27,858	4.32 (1)	31,175	4.85
Safety Net	46,599	7.24	52,830	8.06	51,163	7.94 (1)	58,923	9.16
Child Welfare:								
Foster Care	25,884	4.02	28,308	4.32	24,295	3.77	26,650	4.15
AO Services	17,315	2.69	19,605	2.99	12,717	1.97	7,729	1.20
Independent Living	1,156	0.17	1,543	0.24	1,530	0.24	1,580	0.25
Adoption Subsidies	9,801	1.52	9,744	1.49	10,587	1.64	10,699	1.66
Social Svcs - Special Items	321	0.05	275	0.04	512	0.08	420	0.07
Indirect Social Service	12,558	1.95	15,882	2.42	15,410	2.39 (1)	19,873	3.09
Childcare Subsidies	28,066	4.84	35,717	0.49	26,990	4.86 (1)	32,350	5.03
Total Expenditures	\$ 643,199	100.00 %	\$ 655,733	100.00 %	\$ 644,590	100.00 %	\$ 642,930	100.00 %
Local Share	\$ 377,077	58.63 %	\$ 365,163	55.69 %	\$ 380,023	58.96 %	\$ 378,086	58.81 %
Departmental Income	3,838	0.60	4,600	0.70	4,600	0.71	4,300	0.67
Miscellaneous Revenue	210	0.03	-	-	-	-	-	-
Agency & Trust Revenue	-	-	-	-	3,210	0.50	1,500	0.23
State Aid	111,620	17.35	116,302	17.74	102,436	15.89	92,879	14.45
Federal Aid	150,455	23.39	169,668	25.87	154,322	23.94	166,165	25.84
Total Revenue	\$ 643,199	100.00 %	\$ 655,733	100.00 %	\$ 644,590	100.00 %	\$ 642,930	100.00 %

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

The 2021 Proposed Budget is approximately \$642.93 million, which represents a decrease of 1.95%, or \$12.80 million less than the 2020 Adopted Budget of \$655.73 million. The 2021 Proposed Budget is \$1.66 million less than the Department's 2020 projected expenditures of \$644.59 million. Regarding revenues, each service category has a distinct reimbursement rate based upon rules and regulations promulgated by both the Federal and State governments. The County projects 2020 State and Federal aid to be 39.83% (15.89% State aid and 23.94% Federal aid) and 2021 State and Federal aid are expected to be 40.29% (14.45% State aid and 25.84% Federal aid). Unique to the County and our 2020 and 2021 projections, there is a reduction of State aid due to the impact of COVID-19 on the New York State Budget. In April 2020 when the State adopted its budget plan, which allowed the Governor to make certain reductions in payments to municipalities of up to 20%. Based on discussions with management, some of the DSS programs are Federal pass through programs and therefore, they are exempt from the 20% State aid holdback. The local share, which is comprised of mainly property tax and sales tax revenues, is 55.69% in the 2020 Adopted Budget and 58.81% in the 2021 Proposed Budget.

Below is a summary of the potential variances between the 2021 Proposed Budget and our projection, potential variances between the 2020 Adopted Budget and our projection, and the overall effect on County Taxation based on our analysis:

2021 Potential Budget Impacts			
Category	Expenditure Favorable (Unfavorable)	Revenue Favorable (Unfavorable)	Net County Increase (Decrease) in Taxation
Safety Net Non-Homeless	\$ 620,000	\$ (70,000)	\$ (550,000)
Safety Net Homeless	(240,000)	200,000	40,000
Family Assistance Non-Homeless	380,000	(380,000)	-
Child Welfare	(840,000)	740,000	100,000
Emergency Assistance to Families	(630,000)	630,000	-
Emergency Assistance to Adults	270,000	(140,000)	(130,000)
Title XX Child Care	80,000	-	(80,000)
Temporary Assistance Daycare	300,000	(230,000)	(70,000)
Childcare Subsidies	580,000	(580,000)	-
Total	\$ 520,000	\$ 170,000	\$ (690,000)

2020 Findings			
Category	Expenditure Favorable (Unfavorable)	Revenue Favorable (Unfavorable)	Net County Increase (Decrease) in Taxation
Administration	\$ (8,540,000)	\$ (9,090,000)	\$ 17,630,000
MMIS	4,700,000	-	(4,700,000)
Safety Net Non-Homeless	1,960,000	(820,000)	(1,140,000)
Safety Net Homeless	(500,000)	(170,000)	670,000
Family Assistance Non-Homeless	980,000	(970,000)	(10,000)
Family Assistance Homeless	1,240,000	(1,230,000)	(10,000)
Child Welfare	2,500,000	(1,170,000)	(1,330,000)
Raise the Age Program	6,800,000	(6,800,000)	-
Emergency Assistance to Families	8,950,000	(8,950,000)	-
Emergency Assistance to Adults	570,000	(285,000)	(285,000)
Title XX Child Care	440,000	-	(440,000)
Temporary Assistance Daycare	2,060,000	(1,540,000)	(520,000)
Child Subsidies	6,430,000	(6,430,000)	-
Total	\$ 27,590,000	\$ (37,455,000)	\$ 9,865,000

Administration

The Department of Social Services provides the administrative support for the Medicaid, Family Assistance, Safety Net, Day Care and many other programs. There are 1,114 County employees in the department. Their associated fringe benefits, supplies and contractual expenses are eligible for reimbursement by the State and Federal government. Each expense is reimbursed at the rate that is applicable to the program that is being administered, for example: Family Assistance (100%), Medicaid Administration (100%) (now capped at 2014 levels) and Safety Net (29%). The State caps out fringe benefit reimbursement at 60%.

The 2020 Adopted Budget for Administrative expenditures, inclusive of fringe benefits, is \$187.53 million. The County's 2020 projection of \$194.10 million is comprised of \$78.01 million for personnel costs, supplies of \$1.35 million, contractual expenditures of \$28.53 million, \$43.30 million for interdepartmental charges and approximately \$42.91 million for fringe benefits. We project 2020 expenditures to be \$194.11 million, which is \$6.58 million more than the 2020 Adopted Budget and \$10,000 more than the 2020 County projection. This unfavorable variance is mainly due to the COVID-19 emergency supplies and contractual services totaling \$8.54 million offset by a decrease in personnel costs and employee benefits of \$1.96 million due to employees taking the voluntary separation program. The favorable variance of \$1.96 million is included in the in the Personal Services and Fringe Benefit sections of the report. We project Federal and State reimbursements for 2020 to be \$101.07 million, a \$9.09 million unfavorable variance as compared to the 2020 Adopted Budget of \$110.16 million and \$5.38 million less than the County's projection of \$106.45 million. Both calculations include the estimated 20% State withholdings for the last nine months.

The 2021 Proposed Budget for administrative expenditures is approximately \$184.13 million, inclusive of fringe benefits. This amount is comprised of \$78.14 million for personnel costs, supplies of \$570,000, contractual expenditures of \$21.22 million, \$41.22 million for interdepartmental charges and approximately \$42.98 million for fringe benefits. We concur with the 2021 Proposed Budget.

Medical Assistance - MMIS

Medical assistance is composed of two categories: Medicaid Management Information System ("MMIS") and Medical Assistance. MMIS is a mechanized claims processing and information retrieval system for Medicaid that is required by the Federal Government. All states are required to operate MMIS to support Medicaid business functions and maintain information such as enrollment, client eligibility, including third party liability, benefit package maintenance, managed care enrollment, claims processing, and prior authorization. The costs (weekly shares) are billed through New York State's Medicaid Management Information System. MMIS is a mandated program that is 100% funded with County taxation.

In January 2006, the County's share of MMIS expenditures was "capped" according to a formula prepared by New York State. The formula allowed for increases through 2014. As of 2014 expenditures were fully capped. Based on MMIS expenditures and changes in payment levels, the Department projects 2020 MMIS expenditures to be \$203.30 million. This is \$4.70 million less than the 2020 Adopted Budget of \$208 million. The savings surplus is due to a change in the Federal Medical Assistance Percentage ("FMAP") offset, beginning in June 2020. The State notified the County stating it will share 6.2% of the FMAP funding associated with Medicaid expenditures. As a result, payments were reduced by approximately \$320,000, from \$4 million to \$3.68 million, for the remainder of the State fiscal year. Therefore, we concur with the 2020 County projection of \$203.30 million, a favorable variance of \$4.70 million as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget for MMIS expenditures is \$202.65 million, which is based on 13 weeks at approximately \$3.68 million (net of FMAP) and 39 weeks at approximately \$3.97 million (net of FMAP), which is the amount the County was paying prior to the additional FMAP credit. Based on the State's weekly share amounts, we concur with the 2021 Proposed Budget for weekly shares.

Medicaid – Disproportionate Share Payments ("IGT")

In accordance with State Law (Section 6 of Part B of Chapter 1 of the Laws of 2002 as amended by Section 12 of Part B of Chapter 58 of the Laws of 2009), the Department of Health is authorized to make additional disproportionate share ("DSH") medical assistance payments to public general

hospitals such as the Westchester County Health Care Corporation (“WCHCC”) operated by the counties. These additional payments are made initially upon each eligible hospital’s remaining medical assistance and uninsured inpatient and outpatient losses after all other medical assistance payments, inclusive of DSH payments. The County is required to reimburse 50% of these payments and therefore, this amount is added to the County’s local share EFT transfer requirement for MMIS. These IGT payments are exempt from the County’s Medicaid local share cap statute and are in addition to the County’s normal capped weekly share transfer amount.

The 2020 Adopted Budget is \$80 million in IGT payments. The County is projecting 2020 expenditures to be \$98.38 million. This is an unfavorable variance of \$18.38 million. These expenditures are offset by the Intergovernmental Transfer Revenue, a part of the miscellaneous revenue budget and therefore, has no impact on the budget.

The 2021 Proposed Budget includes IGT payments of \$80 million within the Department of Social Services and revenue of \$80 million within the Miscellaneous Revenue Budget.

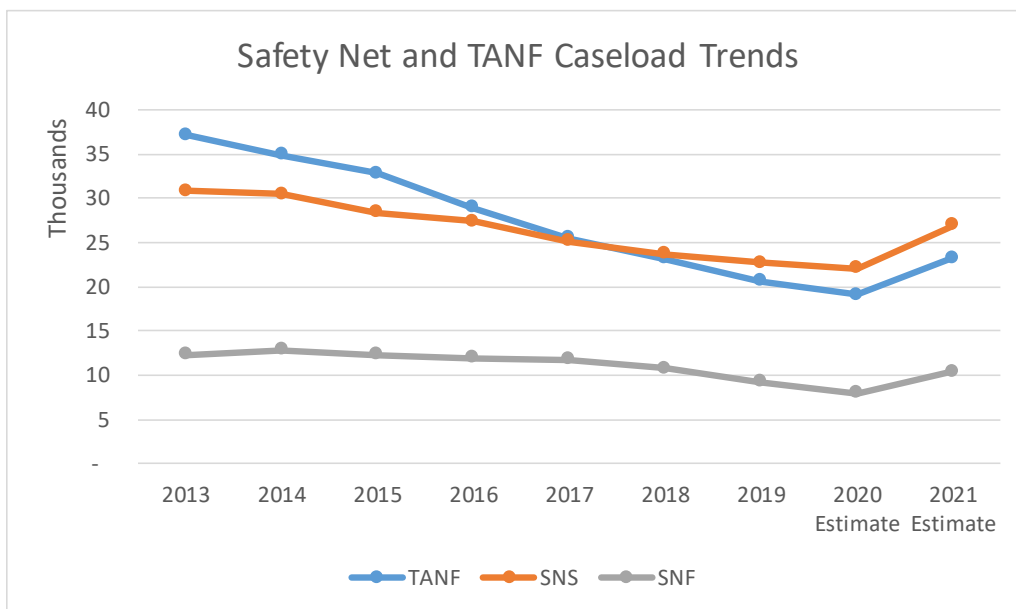
Safety Net

The current demand of Safety Net and Family Assistance (“TANF”) services provided by the County continues to decline in 2020 due to the Federal Government passing the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) on March 27, 2020. The CARES Act gave additional unemployment insurance assistance to workers impacted by COVID-19. The unemployment recipients received an additional \$600 per week, in addition to regular benefits from April 1, 2020 through July 26, 2020. Then, from August 1, 2020 through September 30, 2020 the unemployment recipients received an additional \$300 per week instead of \$600 per week. Also, the unemployment recipients received an additional 13 weeks of unemployment insurance benefits in addition to the 26 weeks that they already receive. In addition, to prevent the further spread of COVID-19, the Centers for Disease Control and Prevention (“CDC”) issued an order to temporarily halt certain residential evictions for nonpayment of rent until December 31, 2020.

In 2021, the County anticipates an end to the CARES act and expects Safety Net and TANF cases will increase by approximately 4% per month from January through June, and then increase by

approximately 6% from July through December. Our projection includes a steady increase in cases throughout the year.

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



The 2020 Adopted Budget is \$52.83 million, which is comprised of \$29.52 million for the services for the Homeless and \$23.31 million for the Non-Homeless. The department is projecting total estimated costs for both programs to be \$51.16 million, which is comprised of \$29.99 million for the services for the Homeless and \$21.17 million for the Non-Homeless, \$1.67 million less than the 2020 Adopted Budget. The 2021 Proposed Budget includes funding of \$58.92 million, which is comprised of \$31.42 million for the services for the Homeless and \$27.50 million for the Non-Homeless, \$6.09 million more than the 2020 Adopted Budget. The programs are detailed below.

Safety Net - Non-Homeless

The 2020 Adopted Budget is \$23.31 million. The Department projects the Non-Homeless 2020 expenditures to be \$21.17 million, which is comprised of \$15.04 million for singles (19,383 cases) and \$6.13 million for families (6,571 cases). This is \$2.14 million less than the 2020 Adopted Budget. Based on current year data, we project 2020 Non-Homeless expenditures to approximate \$21.35 million, which is comprised of \$15.23 million for singles (19,615 cases) and \$6.12 million for families (6,613 cases). This is a \$1.96 million favorable variance as compared to the 2020 Adopted Budget and a \$180,000 unfavorable variance as compared to the County's projection.

The 2021 Proposed Budget is \$27.50 million, which is comprised of \$19.53 million for singles (24,072 cases) and \$7.97 million for families (8,556 cases). We project 2021 expenditures to be \$26.88 million, which is comprised of \$19.19 million for singles (23,652 cases) and \$7.69 million for families (8,250 cases). This is a \$620,000 favorable variance compared to the 2021 Proposed Budget.

	<u>Year</u>	<u>Caseload</u>	<u>Non-Homeless Cost per Case</u>
County Proposed	2021	32,628	\$ 843
County Projection	2020	25,954	816
Actual	2019	27,624	782
Actual	2018	30,156	793

Safety Net - Homeless

The 2020 Adopted Budget is \$29.52 million. The Department projects the Homeless 2020 expenditures to be \$29.99 million, which is comprised of \$21.30 million for singles (2,640 cases) and \$8.69 million for families (1,428 cases). This is \$470,000 more than the 2020 Adopted Budget. Based on current year data, we project 2020 Homeless expenditures to be \$30.02 million, which is comprised of \$21.34 million for singles (2,659 cases) and \$8.68 million for families (1,424 cases). This is a \$500,000 unfavorable variance as compared to the 2020 Adopted Budget and a \$30,000 unfavorable variance as compared to the County's projection.

The 2021 Proposed Budget is \$31.42 million, which is comprised of \$21.61 million for singles (2,844 cases) and \$9.81 million for families (1,812 cases). We project 2021 expenditures to be \$31.66 million, which is comprised of \$21.75 million for singles (2,802 cases) and \$9.91 million for families (1,768 cases). This is a \$240,000 unfavorable variance as compared to the 2021 Proposed Budget.

	Year	Homeless	
		Caseload	Cost per Case
County Proposed	2021	4,656	\$ 6,748
County Projection	2020	4,068	7,372
Actual	2019	4,368	5,723
Actual	2018	4,248	5,693

Safety Net Revenues

As mentioned previously, New York State reimburses the Safety Net program 29% of the expenditures with the County providing 71%. The 2020 Adopted Budget for State aid is \$15.89 million, which is made up of \$7.01 million for Non-Homeless and \$8.88 million for Homeless. For 2020, we project State aid to be \$14.90 million, which is made up of \$6.19 million for Non-Homeless and \$8.71 million for Homeless. This is an unfavorable variance of \$820,000 for Non-Homeless and \$170,000 for Homeless as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget for State aid is \$16.84 million, which is made up of \$7.86 million for Non-Homeless and \$8.98 million for Homeless. For 2021, we project State aid to be \$16.97 million, which is made up of \$7.79 million for Non-Homeless and \$9.18 million for Homeless. This is an unfavorable variance of \$70,000 for Non-Homeless and a favorable variance of \$200,000 for Homeless.

Family Assistance (“TANF”)

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

The 2020 Adopted Budget is \$30.20 million, which is comprised of \$17.32 million for the Homeless and \$12.88 million for the Non-Homeless. The Department is projecting total estimated costs for both programs to be \$27.86 million, which is comprised of \$16.09 million for the Homeless and \$11.77 million for the Non-Homeless. This is \$2.34 million less than the 2020 Adopted Budget.

The 2021 Proposed Budget includes funding of \$31.18 million, which is comprised of \$16.27 million for the Homeless and \$14.91 million for the Non-Homeless. This is \$980,000 more than the 2020 Adopted Budget. The Programs are detailed below.

Family Assistance - Non-Homeless

The 2020 Adopted Budget for the Non-Homeless program is \$12.88 million. During 2020, the caseloads decreased from 17,628 in 2019 to 16,692 in 2020. Based upon these caseloads, the County projects 2020 expenditures to be \$11.77 million, which is \$1.11 million less than the 2020 Adopted Budget. We project caseloads to approximate 16,880 yielding an estimated annual cost of \$11.90 million. This is a favorable variance of \$980,000 as compared to the 2020 Adopted Budget and a \$130,000 unfavorable variance as compared to the 2020 County projection.

The 2021 Proposed Budget is \$14.91 million with 20,508 cases. This is \$2.03 million more than the 2020 Adopted Budget. From our analysis, we project caseloads to increase to approximately 19,980 resulting in an annual cost of \$14.53 million. This is a favorable variance of \$380,000 as compared to the 2021 Proposed Budget.

		Non-Homeless	
	Year	Monthly Caseload	Cost per Case
County Proposed	2021	20,508	\$ 727
County Projection	2020	16,692	705
Actual	2019	17,628	695
Actual	2018	19,020	639

Family Assistance – Homeless

The 2020 Adopted Budget is \$17.32 million for the Homeless program. This budget primarily covers the cost of providing shelters. During 2020, the caseloads decreased from 2,940 in 2019 to 2,352 in 2020. Based upon the reduced caseloads the County projects 2020 expenditures to be \$16.08 million, which is \$1.24 million less than the 2020 Adopted Budget. We concur with the County’s projection.

The 2021 Proposed Budget is \$16.27 million which takes into account 2,676 cases. This is \$1.05 million less than the 2020 Adopted Budget. Based on our analysis of cases, we concur with the 2021 Proposed Budget.

	Year	Homeless	
		Monthly Caseload	Cost per Case
County Proposed	2021	2,676	6,079
County Projection	2020	2,352	6,838
Actual	2019	2,940	4,513
Actual	2018	3,205	4,288

Family Assistance Revenues

As mentioned previously, the Federal government reimburses the TANF program at 99% of the expenditures with the County providing 1%. The 2020 Adopted Budget for Federal aid is \$29.90 million, which is made up of \$12.75 million for Non-Homeless and \$17.15 million for Homeless. For 2020, we project Federal aid to be \$27.70 million, which is made up of \$11.78 million for Non-Homeless and \$15.92 million for Homeless. This is an unfavorable variance of \$970,000 for Non-Homeless and \$1.23 million for Homeless as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget for Federal aid is approximately \$30.87 million, which is made up of \$14.76 million for Non-Homeless and \$16.11 million for Homeless. For 2021, we project Federal aid to be \$30.49 million, which is made up of \$14.38 million for Non-Homeless and \$16.11 million for Homeless. This is an unfavorable variance of \$380,000 for Non-Homeless and we concur with the Homeless amount included in the 2021 Proposed Budget.

Child Welfare

This is a broad category that encompasses Foster Care, Adoption Subsidies, and Independent Living Services. Reimbursements for these services range from 24% to 50% Federal aid and 31% to 34% State aid with the difference covered by local share.

The 2020 Adopted Budget is \$39.60 million for these services. The County is projecting \$36.41 million for a savings of \$3.19 million as compared to the 2020 Adopted Budget. We are projecting \$37.10 million for a favorable variance of \$2.50 million as compared to the 2020 Adopted Budget and \$690,000 more than the County's 2020 projection.

The 2021 Proposed Budget is \$38.93 million, which is \$670,000 less than the 2020 Adopted Budget. Assuming the caseloads will increase by 5% and an inflation factor of 2.2%, we are projecting these costs to be \$39.77 million, which is an unfavorable variance of \$840,000 as compared to the 2021 Proposed Budget.

Child Welfare Revenues

As mentioned above, Child Welfare is divided up into three categories: Foster Care, Adoption Subsidies, and Independent Living Services. Reimbursements for these services range from 24% to 50% Federal aid and 31% to 34% State aid with the difference covered by local share. The 2020 Adopted Budget for State aid is \$13.12 and Federal aid is \$12.44 million. From our analysis, we project State aid to be \$12.24 million and Federal aid is \$12.15 million. This is an overall unfavorable variance of \$1.17 million.

The 2021 Proposed Budget for State aid is \$12.87 million and Federal aid is \$12.54 million. From our analysis, we project State aid to be \$13.12 million and Federal aid is \$13.03 million. This is an overall favorable variance of \$740,000.

Raise The Age Program

Raise the Age ("RTA") is a program that was established by New York State that says all 16- and 17-year-olds who commit non-violent crimes will receive the intervention and evidence-based

treatment they need. Rather than adult jails and prisons, young people will be placed in specialized juvenile detention facilities certified by the State Office of Children and Family Services, in conjunction with the State Commission of Corrections. The Raise the Age legislation took effect for 16 year-olds on October 1, 2018 and 17 year-olds on October 1, 2019.

The 2020 Adopted Budget includes expenditures of \$19.61 million for the Raise the Age Program. The County is projecting \$12.72 million, which is \$6.89 million less than the 2020 Adopted Budget. In June of 2020, New York State notified the County that they will be reducing the numbers of beds from 14 beds to 6 beds for Graham Windham Services for Children & Families, 15 beds to 8 beds for Children's Village, and 20 beds to 8 beds for Lincoln Hall. This is a decrease of approximately 45% in beds. As of September 2020, the County currently has expended approximately \$8.55 million. Based on our analysis and taking into account the 45% reduction in beds for the last quarter of 2020, we project expenditures to be \$12.81 million. This is a \$6.80 million favorable variance as compared to the 2020 Adopted Budget and a \$90,000 favorable variance as compared to the County's projection.

The 2021 Proposed Budget is \$7.73 million in expenditures, which is \$11.88 million less than the 2020 Adopted Budget. Taking into account the decrease in the number of beds, we concur with the 2021 Proposed Budget.

Raise the Age Program Revenues

New York State reimburses the Raise the Age Program at 100% of the expenditures. The County projects State aid to be \$19.61 million, while we project State aid to be \$12.81 million, an unfavorable variance of \$6.80 million as compared to the County's projection.

The 2021 Proposed Budget for State aid is \$7.73 million. We concur with the 2021 Proposed Budget for State aid.

Emergency Assistance to Families and Children

Emergency Assistance to Families ("EAF") provides Non-Homeless emergency assistance such as rent assistance, security deposits, daycare and other costs. The Homeless component

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

The 2020 Adopted Budget for all categories is approximately \$24.28 million. The County's 2020 projection is \$15.78 million, which is \$8.50 million less than the 2020 Adopted Budget. We project 2020 expenditures will be \$15.33 million, a favorable variance of \$8.95 million as compared to the 2020 Adopted Budget and an amount \$450,000 less than the 2020 County projection. The main factor for this favorable variance is due to the Homeless transportation services being \$7.35 million less in expenditures due to COVID-19 restrictions causing less services from April through September 2020. Also, there were less individuals enrolled in the JD PINS program due to courts closures in 2020.

The 2021 Proposed Budget for all categories is \$23.95 million which is \$330,000 less than the 2020 Adopted Budget. We project 2021 expenditures to be \$24.58 million, a \$630,000 unfavorable variance as compared to the 2021 Proposed Budget. The increase is related to the new contract with All County Bus, LLC with a do not exceed amount totaling about \$8 million. Also, we projected more individuals will enroll in the programs and included a 2.2% inflation factor for cost.

Emergency Assistance to Families and Children Revenues

The Federal government reimburses the Emergency Assistance to Families and Children program at 100% of the expenditures. The 2020 Adopted Budget for Federal aid is \$24.28 million. For 2020, we project Federal aid to be \$15.33 million, an unfavorable variance of \$8.95 million.

The 2021 Proposed Budget for Federal aid is \$23.95 million. We project Federal aid to be \$24.58 million, a favorable variance of \$630,000 as compared to the 2021 Proposed Budget.

Emergency Assistance to Adults

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

The 2020 Adopted Budget includes \$1.29 million for these services. The County projects the 2020 expenditures for EAA to be \$860,000, which is \$430,000 less than the 2020 Adopted Budget. Based on our analysis, we project 2020 expenditures to be \$720,000, a \$570,000 favorable variance as compared to the 2020 Adopted Budget and \$140,000 favorable variance as compared to the County’s projection.

The 2021 Proposed Budget is \$1.50 million. This is \$210,000 more than the 2020 Adopted Budget. Based on our analysis, we assume program utilization will return to the 2019 levels and we included a 2.2% inflation increase. As a result, we project \$1.23 million for 2021, a favorable variance of \$270,000 as compared 2021 Proposed Budget.

Emergency Assistance to Adults Revenues

New York State reimburses the Emergency Assistance to Adults Program at 50% of the expenditures. The 2020 Adopted Budget for State aid is \$645,000. For 2020, we project State aid to be \$360,000, which is an unfavorable variance of \$285,000 as compared to the 2020 Adopted Budget.

The 2021 Proposed Budget for State aid is \$750,000. We project State aid for 2021 to be \$610,000, an unfavorable variance of \$140,000.

Indirect Social Service

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

	Actual 2018	Actual 2019	Adopted Budget 2020	County Projected 2020	Proposed Budget 2021
Homemaker/House keeper Non-Medical	\$ 1,401,253	\$ 889,528	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Housing	1,008,734	1,300,902	1,924,594	1,924,594	2,506,680
Preventative/Protective Services	8,346,418	7,628,382	8,944,937	8,703,169	10,482,048
Child Protective Services	419,989	451,118	574,690	574,690	599,690
Indirect Other	2,187,648	2,287,823	2,937,607	2,707,547	4,784,262
	<u>\$ 13,364,042</u>	<u>\$ 12,557,753</u>	<u>\$ 15,881,828</u>	<u>\$ 15,410,000</u>	<u>\$ 19,872,680</u>

The 2020 Adopted Budget is \$15.88 million for these services and contracts. We concur with the 2020 Adopted Budget.

The 2021 Proposed Budget is \$19.87 million. This is \$3.99 million more than the 2020 Adopted Budget. The main reason for the increase is due to the Family First program for prevention, congregate care reduction, and kinship care. We concur with the amount included in the 2021 Proposed Budget.

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

The current demand of Day Care services provided by the County continues to decline in 2020 due to COVID-19 restrictions. During 2020, Governor Cuomo ordered businesses to close and issued a stay at home order as a result of the COVID-19 pandemic. This caused day care services to decline, as parents were home with their children. Also, during 2020 New York State increased the income requirement for these programs and waived the parent contribution.

The largest program included in the child care subsidies category is Low Income Day Care. If an individual’s total gross household income for the service unit size is under the 200 percent of poverty level, the individual’s household is a low-income household and financially eligible for low-income subsidy. This program also serves children not eligible for Title XX services.

The 2020 Adopted Budget for Low Income Day Care is \$29.96 million. The County projects the number of slots to decrease from 29,090 in 2019 to 21,447 in 2020. Based on this decrease, the County projects expenditures to be approximately \$23.72 million. This is \$6.24 million less than the 2020 Adopted Budget. Our 2020 projection is based on 21,282 slots and is \$23.53 million. This results in a favorable variance of \$6.43 million as compared to the 2020 Adopted Budget and an amount \$190,000 less than the 2020 County Projection.

The 2021 Proposed Budget is \$27.63 million, estimating 24,146 slots to be used in 2021. This is \$2.33 million less than the 2020 Adopted Budget. Our projection, which estimates 23,635 slots to be used, projects expenditures to be \$27.05 million, a favorable variance of \$580,000 as compared to the 2021 Proposed Budget.

Child Care Subsidies - Day Care – Low Income Child Care Subsidy Revenues

New York State reimburses the Low Income Child Care Subsidy program at 100% of the expenditures. The 2020 the Adopted Budget for State aid is \$29.96 million. For 2020, we project State aid to be \$23.53 million, an unfavorable variance of \$6.43 million.

The 2021 the Proposed Budget for State aid is \$27.63 million. For 2021, we project State aid to be \$27.05 million, an unfavorable variance of \$580,000.

Title XX Child Care Subsidy

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

The 2020 Adopted Budget is \$2.79 million with average monthly day care slots of 2,655. The County's 2020 projected expenditure is \$2.34 million with monthly day care slots of 2,091. The decrease in slots results in a \$450,000 decrease as compared to the 2020 Adopted Budget. We project 2020 expenditures to be \$2.35 million with monthly slots of 2,104. This is a favorable variance of \$440,000 as compared to the 2020 Adopted Budget and a \$10,000 favorable variance as compared to the 2020 County projection.

The 2021 Proposed Budget is \$2.87 million, estimating 2,444 slots to be used in 2021. This is \$80,000 more than the 2020 Adopted Budget. Our projection takes into account 2,375 slots will be utilized and yields a result of \$2.79 million, a favorable variance of \$80,000 as compared to the 2021 Proposed Budget.

Temporary Assistance Daycare

The Temporary Assistance Daycare are individuals who qualify for TANF and Safety Net and there is no parent share.

The 2020 Adopted Budget includes \$2.96 million for TANF Day Care. During 2020, caseloads decreased from 2,911 in 2019 to approximately 1,042 in 2020. Based upon these caseloads, the County projects 2020 expenditures to be \$940,000, which is \$2.02 million less than the 2020 Adopted Budget. Our projection is based on a caseload of 1,001, yielding an estimated annual cost of \$900,000, a favorable variance of \$2.06 million as compared to the 2020 Adopted Budget and an amount \$40,000 less than the 2020 County projection.

The 2021 Proposed Budget is \$1.85 million with 1,752 cases. This is \$1.11 million less than the 2020 Adopted Budget. From our analysis, we project caseloads to be 1,472 resulting to an annual cost of \$1.55 million. This is a favorable variance of \$300,000 as compared to the 2021 Proposed Budget.

Temporary Assistance Daycare Revenues

New York State reimburses the Temporary Assistance Daycare program at 75% of the expenditures. The 2020 Adopted Budget for State aid is \$2.22 million. For 2020, we project State aid to be \$680,000, an unfavorable variance of \$1.54 million.

The 2021 Proposed Budget for State aid is \$1.39 million. For 2021, we project State aid to be \$1.16 million, an unfavorable variance of \$230,000.

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

Fund Balance

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

Projected Fund Balance as of December 11, 2020 General Fund and Special Districts

	<u>Total Projection</u>		
	<u>PKFOD</u>	<u>County</u>	
	<u>General Fund</u>	<u>General Fund</u>	<u>Special Districts</u>
Beginning Balance 1/1/2020	\$ 108,287,222	\$ 108,287,222	\$ 68,559,108
Projected budget surplus FY2020	91,283,000	88,168,357	7,816,299
2020 appropriated fund balance	-	-	(31,563,717)
Projected Ending Balance 12/31/2020	199,570,222	196,455,579	44,811,690
2021 proposed appropriated fund balance	(87,994,451)	(87,994,451)	(29,857,010)
Projected Balance 12/31/2020	<u>\$ 111,575,771</u>	<u>\$ 108,461,128</u>	<u>\$ 14,954,680</u>
	<u>Unassigned</u>		<u>Assigned</u>
	<u>PKFOD</u>	<u>County</u>	
	<u>General Fund</u>	<u>General Fund</u>	<u>Special Districts</u>
Beginning Balance 1/1/2020	\$ 27,642,805	\$ 27,642,805	\$ 67,099,910
Projected budget surplus FY2020	91,283,000	88,168,357	7,816,299
2020 appropriated fund balance	-	-	(31,563,717)
Projected Ending Balance 12/31/2020	118,925,805	115,811,162	43,352,492
2021 proposed appropriated fund balance	(87,994,451)	(87,994,451)	(29,857,010)
Projected Balance 12/31/2021	<u>\$ 30,931,354</u>	<u>\$ 27,816,711</u>	<u>\$ 13,495,482</u>

As shown in the above analysis at January 1, 2020 there was approximately \$108.29 million available fund balance in various categories of General Fund fund balance (nonspendable, restricted, assigned and unassigned). The budget department projected a General Fund positive budget variance of (\$88.16 million) for the 2020 year. This results in unassigned fund balance of \$108.46 million as compared to our projection of \$111.58 (Administration) million for use in future years.

The Special Districts are comprised of Sewer, Water and Refuse. The Sewer and Refuse Disposal districts are approximately 79% and 62%, respectively, reliant on property taxes to fund operations. The balance for the Refuse Disposal district is derived from departmental income primarily “tipping fees” charged to municipalities and carters under contract with municipalities to discard residential waste. The Water districts are the opposite relying upon departmental income to provide 84% of funds for operations.

In the aggregate, the “Districts” are utilizing approximately 90% of available 2019 fund balance (\$61.4 million) during the 2020 and 2021 years. The remaining balance in each of the district categories may be insufficient to avoid property tax increases in the Refuse districts and Sewer districts in years subsequent to FY 2021 and increases in departmental income – Water charges for the Water Districts will be required.

Tax Levy Limitation “Cap”

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

The County, like all municipalities, is subject to the New York State Tax Levy Limitation Law (“Tax Cap”). The Tax Cap limits the increase in the tax levy to the Tax Base Growth factor and the Levy Growth factor, both of which are provided by New York State. In addition, if the County doesn’t utilize the allowable increase under the law, then that unused (subject to limits) amount is carried forward to the next year’s levy. The following information is based upon the County’s 2021 Tax Cap estimated calculation:

2021 Proposed Tax Levy	
General Fund	\$ 568,579,000
Departmental of Environmental Facilities (DEF)	<u>149,095,814</u>
	<u>\$ 717,674,814</u>
Prior Year Carryover	\$11.27 million
Available 2021 Property Tax Capacity	\$27.80 million
Property Tax Levy increase without breaking cap	3.73%

As an outcome of not increasing the tax levy over the last few years, the County has a carry forward of approximately \$11.27 million. The 2021 Tax Cap calculation includes an increased tax base growth factor of \$3.8 million and an allowable growth factor of \$11.4 million. When these increases are factored into the calculation, the County has a tax levy limit of \$745.47 million which exceeds the 2020 levy by \$27.79 million which is the equivalent of a 3.73% allowable tax levy increase and does not require a Board of Legislature vote to “break” the cap.

CONCLUSION

Conclusion and Recommendation

The Administration has submitted a budget for your review for the 2021 fiscal year. The proposed budget is affected by a potential reduction in State aid, increases in social service programs due to higher unemployment and reduced revenues as a result of restrictions imposed on businesses, as County officials deal with the ongoing impact of the COVID-19 pandemic.

This year was a unique year, by any means. What began with a growing economy, low unemployment levels and a healthy sales tax revenue, all changed in mid-March when the State enacted restrictions that limited business operations in an attempt to stop the spread of the virus. As a result of these restrictions, the County's sales tax and hotel and room occupancy tax, which are two major sources of revenue, declined by almost \$95 million. In order to counteract the aforementioned revenue shortfall, the County offered a voluntary early retirement. This early retirement incentive enabled over 200 employees to retire, which allowed the County to maintain its current workforce, provide needed services, and avoid layoffs. As the number of residents affected by the coronavirus began to increase, so did the demand for County services. Fortunately, the County was able to obtain approximately \$198 million of CARES Act funding to assist with the cost of providing essential services to County residents.

The actions taken by Officials allowed the County to achieve a surplus in 2020 of approximately \$88 million. The 2021 Proposed Budget applied this surplus to help offset the potential State aid reductions and traditional levels of sales tax collections. The County has employed a conservative approach for the 2021 Proposed Budget in regards to estimated State aid. During the State's 2020-21 fiscal year, State Officials initiated a holdback of 20% from most State aid. The County is planning on this holdback continuing (approximately \$44.6 million) for its entire 2021 fiscal year. The appropriations contained in the Proposed Budget maintain all current County services and includes increases in the areas of social services and health programs. There are currently 518 vacant positions with budgeted salaries of \$41.44 million. It is assumed that almost half of these positions will remain vacant throughout the year resulting in \$18.88 million of salary savings. In regards to revenues, the County has taken a restrained approach, which assumes the economy will return to normal levels during the course of 2021.

It is prudent to note that the proposed spending plan does rely on non-reoccurring revenue sources; the appropriation of General Fund fund balance (\$88 million), the amortization of pension costs (\$11.6 million), a one-time revenue derived from the New York State Workers' Compensation fund (\$5.25 million), as well as \$11 million from the Health Insurance Fund. The use of these non-reoccurring revenue sources has enabled the County to avoid draconian reductions in services and personnel while the appropriation of fund balance in the General Fund helped to mitigate the 20% holdback in State aid.

Westchester County Proposed Budget 2021
Summary of Findings as Compared to the 2020 Adopted Budget and 2021 Proposed Budget
December 11th, 2020

	2021 Amounts		Decrease/ (Increase) in Taxation	2020 Amounts		Decrease/ (Increase) in Taxation
	Increase	Decrease		Increase	Decrease	
Revenues:						
Payment in Lieu of Taxes	\$ -	\$ -		\$ 530,000	\$ -	
Sales Tax - Gross	-	3,080,000		-	91,020,000	
Auto Use Tax	-	140,000		-	600,000	
County Mortgage Tax	610,000	-		1,110,000	-	
Hotel Tax	410,000	-		-	3,910,000	
County Clerk - Unallocated	-	-		500,000	-	
Corrections Department:						
Housing	-	-		3,820,000	-	
Payphone Income	-	-		-	384,000	
Department of Parks, Rec & Conservation:						
Golf	-	-		2,040,000	-	
Parks	-	390,000		-	4,060,000	
Playland Park	-	-		-	10,090,000	
County Center	-	-		-	4,190,000	
Ice Casino	-	-		-	430,000	
Other	-	-		-	560,000	
Department of Transportation:						
Departmental Income	-	-		-	20,690,000	
State Aid	-	-		-	8,030,000	
Federal Aid	-	-		30,330,000	-	
Tobacco Settlement	-	130,000		80,000	-	
Certiorari Proceedings - Bonds (Reclass)	-	-		3,630,000	-	
Miscellaneous Revenue -WCHCC Services	-	680,000		-	1,620,000	
New York State - Court Facilities	110,000	-		-	430,000	
Department of Public Works:						
Capital Chargebacks	-	-		-	750,000	
Revenue Findings	<u>\$ 1,130,000</u>	<u>\$ 4,420,000</u>	<u>\$ (3,290,000)</u>	<u>\$ 42,040,000</u>	<u>\$ 146,764,000</u>	<u>\$ (104,724,000)</u>

Westchester County Proposed Budget 2021
Summary of Findings as Compared to the 2020 Adopted Budget and 2021 Proposed Budget
December 11th, 2020
(Continued)

	2021 Amounts		Decrease/ (Increase) in Taxation	2020 Amounts		Decrease/ (Increase) in Taxation
	Increase	Decrease		Increase	Decrease	
Appropriations:						
Municipal Sales Tax Distribution	\$ -	\$ 730,000		\$ -	\$ 19,740,000	
Personnel Services:						
Annual Salaries	-	-		-	11,630,000	
Overtime	2,170,000	-		4,200,000	-	
Other Personal Services	-	-		-	1,370,000	
Children with Special Needs, Net	3,800,000 C	-		3,290,000 D	-	
Department of Corrections:						
Overtime	410,000	-		-	120,000	
Food	-	-		-	660,000	
Medical Services	-	-		-	1,440,000	
Department of Transportation:						
Bus Operating Assistance	-	-		7,250,000	-	
Paratransit	-	-		-	3,500,000	
Department of Public Works:						
Utilities - White Plains	-	160,000		-	520,000	
Utilities - Valhalla	-	1,190,000		-	3,560,000	
Contractual Services	-	-		-	700,000	
Debt Service	-	-		-	870,000	
Federal Insurance Contribution Act (FICA) Taxes	-	-		-	510,000	
Retirement Costs	-	-		-	1,140,000	
Health Insurance	-	2,540,000		-	30,720,000	
Certiorari Proceedings	-	-		-	4,600,000	
Indigent Defendants:						
Felony	560,000	-		-	1,160,000	
Misdemeanor	480,000	-		-	2,300,000	
Resident Tuition - Other Colleges	-	150,000		-	510,000	
Department of Social Services, Net	-	690,000 A		9,865,000 B	-	
Contribution Unrestricted Reserve	-	-		-	10,000,000	
Appropriation Findings	<u>\$ 7,420,000</u>	<u>\$ 5,460,000</u>	<u>\$ (1,960,000)</u>	<u>\$ 24,605,000</u>	<u>\$ 95,050,000</u>	<u>\$ 70,445,000</u>

Change in County Taxation - Combined (Increase)/Decrease :

\$ (5,250,000)

Fund Balance Addition (Reduction):

\$ (34,279,000)

Reconciliation of PKFOD Projection to County Projections

PKFOD Projection \$ (34,279,000)

CARE's Act Revenue 168,820,000

CARE's Expenditures (not included in our findings) (43,258,000)

\$ 91,283,000

Westchester County Proposed Budget 2021
Summary of Findings as Compared to the 2020 Adopted Budget and 2021 Proposed Budget
December 11th, 2020

	2021 Amounts		Decrease/ (Increase) in Taxation	2020 Amounts		Decrease/ (Increase) in Taxation
	Increase	Decrease		Increase	Decrease	
Department of Social Services						
Appropriations						
Administration	\$ -	\$ -		\$ 8,540,000	\$ -	
MMIS	-	-		-	4,700,000	
Safety Net	-	380,000		-	1,460,000	
Family Assistance	-	380,000		-	2,220,000	
Child Welfare	840,000	-		-	2,500,000	
Raise the Age Program	-	-		-	6,800,000	
Emergency Assistance to Families	630,000	-		-	8,950,000	
Emergency Assistance to Adults	-	270,000		-	570,000	
Day Care Subsidies	-	960,000		-	8,930,000	
	<u>\$ 1,470,000</u>	<u>\$ 1,990,000</u>	<u>\$ 520,000</u>	<u>\$ 8,540,000</u>	<u>\$ 36,130,000</u>	<u>\$ 27,590,000</u>
Revenues						
Administration	\$ -	\$ -		\$ -	\$ 9,090,000	
Safety Net	130,000	-		-	990,000	
Family Assistance	-	380,000		-	2,200,000	
Child Welfare	740,000	-		-	1,170,000	
Raise the Age Program	-	-		-	6,800,000	
Emergency Assistance to Families	630,000	-		-	8,950,000	
Emergency Assistance to Adults	-	140,000		-	285,000	
Day Care Subsidies	-	810,000		-	7,970,000	
	<u>\$ 1,500,000</u>	<u>\$ 1,330,000</u>	<u>\$ 170,000</u>	<u>\$ -</u>	<u>\$ 37,455,000</u>	<u>\$ (37,455,000)</u>
Department of Social Services Combined (Increase)/Decrease :			<u>\$ 690,000</u> A			<u>\$ (9,865,000)</u> B
Children with Special Needs						
Appropriations						
SEIT	110,000	-		-	3,670,000	
Related services	-	-		-	2,780,000	
Tuition	-	-		-	3,630,000	
Transportation	120,000	-		-	3,530,000	
Early intervention	-	950,000		-	2,260,000	
Other	-	-		70,000	-	
	<u>\$ 230,000</u>	<u>\$ 950,000</u>	<u>\$ 720,000</u>	<u>\$ 70,000</u>	<u>\$ 15,870,000</u>	<u>\$ 15,800,000</u>
Revenues						
All Programs	<u>\$ -</u>	<u>\$ 4,520,000</u>	<u>\$ (4,520,000)</u>	<u>\$ -</u>	<u>\$ 19,090,000</u>	<u>\$ (19,090,000)</u>
Children with Special Needs Combined (Increase)/Decrease :			<u>\$ (3,800,000)</u> C			<u>\$ (3,290,000)</u> D

EXHIBITS

COUNTY OF WESTCHESTER, NEW YORK

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

Dept #		2020		2021	
		Adopted Budget	Proposed Budget	Expenditures	
				Increase (Decrease) Amount	%
General Government Support					
10	Board of Legislators	\$ 5,135,388	\$ 5,135,388	\$ -	0.0%
11	County Executive				
	Office of the County Executive	3,403,824	3,382,043	(21,781)	-0.6%
	Youth Bureau	3,806,230	3,678,767	(127,463)	-3.3%
	Office for the Disabled	660,916	807,424	146,508	22.2%
	Economic Development	1,575,298	6,554,903	4,979,605	316.1%
	Tourism	1,145,942	949,265	(196,677)	-17.2%
	Office of Energy Conservation	181,550	181,550	-	0.0%
	Advocacy & Community Services	882,342	867,115	(15,227)	-1.7%
	Office for Women	2,307,744	1,889,095	(418,649)	-18.1%
	Total County Executive	13,963,846	18,310,162	4,346,316	31.1%
12	Human Resources	5,890,432	5,728,420	(162,012)	-2.8%
13	Budget	2,043,180	1,946,478	(96,702)	-4.7%
14	Board of Elections	21,604,077	21,990,150	386,073	1.8%
15	Finance	5,554,104	5,420,784	(133,320)	-2.4%
16	Information Technology	47,884,363	50,408,923	2,524,560	5.3%
17	Board of Acquisition and Contract	315,802	321,136	5,334	1.7%
18	Law	13,817,701	13,902,446	84,745	0.6%
19	Department of Planning	7,494,075	11,763,737	4,269,662	57.0%
	Human Rights Commission	1,090,529	1,070,406	(20,123)	-1.8%
36	Tax Commission	287,500	275,424	(12,076)	-4.2%
	Total General Governmental Support	125,080,997	136,273,454	11,192,457	8.9%
Home & Community Services					
21	County Clerk	6,876,000	6,649,679	(226,321)	-3.3%
22	Department of Social Services	655,732,701	642,929,538	(12,803,163)	-2.0%
24	Senior Program & Services	4,259,780	4,417,173	157,393	3.7%
25	Weights & Measures, Customer Protection	2,137,985	2,210,937	72,952	3.4%
	Total Home & Community Services	669,006,466	656,207,327	(12,799,139)	-1.9%
Health Service					
26	Community Mental Health	9,403,122	9,909,834	506,712	5.4%
27	Department of Health	147,102,817	162,039,626	14,936,809	10.2%
31	Labs & Research	15,427,214	14,678,557	(748,657)	-4.9%
	Total Health Service	171,933,153	186,628,017	14,694,864	8.5%
Public Safety, Correction and Courts					
20	Emergency Services	6,943,974	7,781,586	837,612	12.1%
35	Department of Corrections	134,998,915	133,819,331	(1,179,584)	-0.9%
37	District Attorney	31,595,769	31,579,962	(15,807)	-0.1%
38	Public Safety Services	61,429,262	60,796,905	(632,357)	-1.0%
39	Department of Probation	45,761,892	45,349,145	(412,747)	-0.9%
40	Public Administrator	823,606	787,718	(35,888)	-4.4%
41	Solid Waste Commission	2,258,221	2,080,650	(177,571)	-7.9%
	Total Public Safety, Correction and Courts	283,811,639	282,195,297	(1,616,342)	-0.6%

Exhibit 1a

2021				County Taxation				Dept #
Revenues				Increase (Decrease)				
State	Federal	Other (Departmental)	Interdepartmental Revenue	2021	2020	Amount	%	
\$ -	\$ -	\$ -	\$ -	\$ 5,135,388	\$ 5,135,388	\$ -	0.0%	10
-	-	-	110,000	3,272,043	3,293,824	(21,781)	-0.7%	11
120,295	-	-	609,958	2,948,514	2,874,487	74,027	2.6%	11
-	-	-	232,460	574,964	420,116	154,848	36.9%	11
-	-	302,630	-	6,252,273	676,438	5,575,835	0.0%	11
-	-	497,000	-	452,265	-	452,265	0.0%	11
-	-	-	-	181,550	181,550	-	0.0%	11
-	-	-	-	867,115	882,342	(15,227)	-1.7%	11
22,000	-	-	557,693	1,309,402	1,688,503	(379,101)	-22.5%	11
142,295	-	799,630	1,510,111	15,858,126	10,017,260	5,840,866	58.3%	
-	-	561,600	523,391	4,643,429	4,357,942	285,487	6.6%	12
-	-	788,490	-	1,157,988	1,225,928	(67,940)	-5.5%	13
159,882	-	1,678,734	-	20,151,534	19,724,238	427,296	2.2%	14
-	-	2,444,217	-	2,976,567	3,083,692	(107,125)	-3.5%	15
176,828	-	8,610,483	38,920,779	2,700,833	(304,894)	3,005,727	-985.8%	16
-	-	1,900	-	319,236	314,302	4,934	1.6%	17
-	-	3,859,992	11,963,336	(1,920,882)	(2,690,647)	769,765	-28.6%	18
60,000	275,000	399,808	-	11,028,929	6,588,518	4,440,411	67.4%	19
-	165,000	-	-	905,406	990,529	(85,123)	-8.6%	33
500	-	200	-	274,724	286,800	(12,076)	-4.2%	36
539,505	440,000	19,145,054	52,917,617	63,231,278	48,729,056	14,502,222	29.8%	
-	-	8,500,854	-	(1,851,175)	(1,511,425)	(339,750)	22.5%	21
92,878,829	167,665,000	4,300,000	-	378,085,709	365,162,701	12,923,008	3.5%	22
-	-	-	290,720	4,126,453	3,969,060	157,393	4.0%	24
-	-	3,709,100	-	(1,498,163)	(1,276,165)	(221,998)	17.4%	25
92,878,829	167,665,000	16,509,954	290,720	378,862,824	366,344,171	12,518,653	3.4%	
1,316,960	909,008	5,000	1,051,714	6,627,152	5,736,525	890,627	15.5%	26
66,252,832	1,924,575	8,826,800	171,900	84,863,519	65,509,420	19,354,099	29.5%	27
1,066,102	-	2,476,000	5,000	11,131,455	11,530,112	(398,657)	-3.5%	31
68,635,894	2,833,583	11,307,800	- 1,228,614	102,622,126	82,776,057	19,846,069	24.0%	
-	1,011,888	77,032	364,045	6,328,621	6,163,169	165,452	2.7%	20
-	35,000	14,268,450	145,000	119,370,881	124,353,105	(4,982,224)	-4.0%	35
580,156	133,500	-	-	30,866,306	30,882,113	(15,807)	-0.1%	37
2,813,352	275,277	15,956,213	12,824,010	28,928,053	28,928,414	(361)	0.0%	38
22,516,196	-	340,000	-	22,492,949	18,976,737	3,516,212	18.5%	39
-	-	397,000	-	390,718	428,606	(37,888)	-8.8%	40
-	-	2,080,650	-	-	-	-	0.0%	41
25,909,704	1,455,665	33,119,345	- 13,333,055	208,377,528	209,732,144	(1,354,616)	-0.6%	

(Continued)

COUNTY OF WESTCHESTER, NEW YORK

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

Dept. #		2020		2021	
		Expenditures			
		Adopted Budget	Proposed Budget	Increase (Decrease) Amount %	
42	Parks, Recreation and Conservation				
	General Services	\$ 12,028,847	\$ 11,745,465	\$ (283,382)	-2.4%
	Parks	12,696,709	12,260,201	(436,508)	-3.4%
	Golf Courses	7,952,527	8,175,380	222,853	2.8%
	Playland	13,193,660	13,780,212	586,552	4.4%
	Parkways	1,384,204	1,228,445	(155,759)	-11.3%
	Recreation	7,343,815	5,568,883	(1,774,932)	-24.2%
	Recreation and Conservation	551,017	521,202	(29,815)	-5.4%
	Total Parks, Recreation and Conservation	55,150,779	53,279,788	(1,870,991)	-3.4%
	Roads, Transportation				
44	DPW - Transportation Division	178,285,769	186,664,896	8,379,127	4.7%
46	DPW - Public Works Division	63,110,816	63,446,925	336,109	0.5%
	Total Roads, Transportation	241,396,585	250,111,821	8,715,236	3.6%
51	Debt Service	103,180,523	109,630,955	6,450,432	6.3%
	Unallocated Fringe Benefits	267,792,248	248,285,349	(19,506,899)	-7.3%
52	Unallocated Miscellaneous Budgets				
	Unemployment Insurance	388,000	750,000	362,000	93.3%
	Property/Casualty/Workers' Comp Insurance	11,408,000	5,350,000	(6,058,000)	-53.1%
	Miscellaneous Budget Expense	293,521,896	275,695,589	(17,826,307)	-6.1%
	Total Unallocated Miscellaneous Budgets	305,317,896	281,795,589	(23,522,307)	-7.7%
	Subtotal	2,222,670,286	2,204,407,597	(18,262,689)	-0.8%
	Miscellaneous Revenue	-	-	-	0.0%
	Interdepartmental Revenues	(115,890,034)	(113,333,863)	2,556,171	-2.2%
	Total General Fund	\$ 2,106,780,252	\$ 2,091,073,734	\$ (15,706,518)	-0.7%

b See Exhibit 1b for detail

c See Exhibit 1c for detail

2021				County Taxation				Dept. #
Revenues				Increase (Decrease)				
State	Federal	Other (Departmental)	Interdepartmental Revenue	2021	2020	Amount	%	
\$ -	\$ -	\$ 1,106,295	\$ 400,295	\$ 10,238,875	\$ 10,429,270	\$ (190,395)	-1.8%	42
45,000	-	7,363,049	-	4,852,152	4,988,259	(136,107)	-2.7%	
-	-	8,933,487	-	(758,107)	(789,586)	31,479	-4.0%	
-	-	8,525,835	-	5,254,377	2,858,221	2,396,156	83.8%	
-	-	18,042	-	1,210,403	1,366,517	(156,114)	-11.4%	
-	-	1,655,000	-	3,913,883	1,243,815	2,670,068	214.7%	
-	-	196,644	-	324,558	335,188	(10,630)	-3.2%	
45,000	-	27,798,352	- 400,295	25,036,141	20,431,684	4,604,457	22.5%	
53,335,688	13,893,579	24,391,825	499,463	94,544,341	63,303,464	31,240,877	49.4%	44
2,920,894	-	9,010,968	44,664,099	6,850,964	6,222,491	628,473	10.1%	46
56,256,582	13,893,579	33,402,793	- 45,163,562	101,395,305	69,525,955	31,869,350	45.8%	
-	-	-	-	109,630,955	103,180,523	6,450,432	6.3%	51
-	-	-	-	248,285,349	267,792,248	(19,506,899)	-7.3%	
-	-	-	-	750,000	388,000	362,000	93.3%	52
-	-	-	-	5,350,000	11,408,000	(6,058,000)	-53.1%	
-	-	-	-	275,695,589	293,521,896	(17,826,307)	-6.1%	
-	-	-	-	281,795,589	305,317,896	(23,522,307)	-7.7%	
244,265,514	186,287,827	141,283,298	113,333,863	1,519,237,095	1,473,829,734	45,407,361	3.1%	
7,686,651	C 225,000	C 942,746,444	-	(950,658,095)	(904,250,734)	(46,407,361)	5.1%	
-	-	-	(113,333,863)	-	-	-	0.0%	
\$ 251,952,165	\$ 186,512,827	\$ 1,084,029,742	\$ -	\$ 568,579,000	\$ 569,579,000	\$ (1,000,000)	0.0%	

MISCELLANEOUS BUDGET EXPENDITURE DETAIL

	Adopted 2020	Proposed 2021
Arts in Westchester	\$ 1,913,450	\$ 1,951,719
Hudson River Museum	707,770	721,925
Certiorari Proceedings	9,000,000	10,000,000
County Membership Fees	110,000	110,000
Court Ordered Medical Exams	1,000	1,000
Board of Ethics	10,000	10,000
Independent Audit	525,000	525,000
In Rem Proceedings	1,000	1,000
Interest Income Distribution Repayment	60,000	50,000
Legal Aid Society of Westchester	14,224,227	14,097,624
Legal Services Indigent Defendant - Felony	5,121,603	4,474,422
Legal Services Indigent Defendant - Misdemeanor	6,976,696	5,974,136
Legal Services of Hudson Valley	628,315	640,881
Legal Services of Peekskill	112,909	115,167
Public Employees Relation Board	1,000	1,000
Resident Tuition - Other College	8,410,000	8,573,000
Services to WCHCC	8,849,966	9,284,920
Statutory Charges	135,000	135,000
Taxes on County Property	1,780,000	1,750,000
Tourism	1,059,000	497,000
Tuition Reimbursement Program	500,000	500,000
NYS Court Facilities	20,178,972	22,023,322
Cornell Cooperative Extension	754,429	769,518
Westchester Historical Society	161,128	164,351
Westchester Library System	1,030,000	1,050,600
Community Based Organizations	2,934,318	2,993,004
Budgeted Contribution to Unrestricted Reserve	10,000,000	-
Sub Total	95,185,783	86,414,589
Municipal Sales Tax Distribution	174,303,000	165,188,000
WCC Sponsor Contribution	24,033,113	24,093,000
Grand Total	\$ 293,521,896	\$ 275,695,589

MISCELLANEOUS BUDGET REVENUE DETAIL

	Adopted 2020	Proposed 2021
Other Revenues:		
Payments in Lieu of Taxes	\$ 10,384,000	\$ 10,160,000
Sales Tax	741,786,582	695,504,000
Auto Use Tax	16,874,000	16,423,000
Mortgage Tax	19,347,000	20,064,000
Hotel Tax	7,212,000	3,463,000
Indirect Costs	2,511,000	2,511,000
Interfund Transfers	3,595,349	1,989,822
Interest on Investments	2,003,000	120,000
Bond and Note Proceeds	127,000	12,741,251
Tobacco Settlement Payment	1,644,000	1,885,000
	<u>\$ 805,483,931</u>	<u>\$ 764,861,073</u>
Services to WMC	8,849,966	9,284,920
Intergovernmental Transfers (IGT Payments)	80,000,000	80,000,000
Harness Racing Admission	4,000	4,000
Rent	542,000	542,000
Medical Marijuana Excise Tax	65,000	60,000
	<u>89,460,966</u>	<u>89,890,920</u> *
Appropriation / Use of Restricted General Fund Balance	-	87,994,451
Subtotal	<u>894,944,897</u>	<u>942,746,444</u>
State Aid:		
Court Facilities Aid	2,432,000	2,000,000
DASNY Bond Reimbursement	1,875,000	1,875,000
18 B Indigent Defendants Reimbursement	4,998,837	3,811,651
	<u>9,305,837</u>	<u>7,686,651</u>
Federal Aid:		
Enhanced Unemployment	-	225,000
	-	225,000
Grand Total	<u>\$ 904,250,734</u>	<u>\$ 950,658,095</u>

* Proposed 2021 Budget Book Page C-45, \$452,265 is shown as Interfund Revenue, should be included in Miscellaneous Revenue, Page B-10 is shown as \$89,438,655 should be \$89,890,920.

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

Exhibit 1d

	Appropriations			Appropriated Fund Balance			Fund Balance	Proposed Property Tax Levy	
	2020 Adopted Budget	2021 Proposed Budget	Variance Positive/ (Negative)	2020 Appropriated	2021 Appropriated	Variance Positive/ (Negative)	As Of December 31, 2019	2020	2021
Environmental Facilities (60SEWER)									
Blind Brook Sewer	\$ 10,281,332	\$ 9,604,548	\$ (676,784)	\$ 1,407,593	\$ 1,905,321	\$ 497,728	\$ 3,767,460	\$ 7,980,448	\$ 6,752,861
Bronx Valley Sewer	25,937,923	25,777,895	(160,028)	3,366,724	3,763,846	397,122	8,381,454	22,049,231	21,444,541
Central Yonkers Sewer	1,434,510	1,712,444	277,934	437,649	441,357	3,708	971,793	962,398	1,251,087
Hutchinson Valley Sewer	7,419,605	7,185,565	(234,040)	1,633,655	1,770,770	137,115	3,784,397	5,455,643	5,231,113
Mamaroneck Valley Sewer	19,766,336	19,685,246	(81,090)	1,792,088	1,752,833	(39,255)	4,288,401	16,797,409	16,797,409
New Rochelle Sewer	21,980,662	21,272,177	(708,485)	415,000	1,339,953	924,953	2,193,927	18,473,772	16,747,222
North Yonkers Sewer	5,404,113	5,039,193	(364,920)	547,007	740,002	192,995	1,559,112	4,675,898	4,184,224
Saw Mill Valley Sewer	16,203,077	15,546,364	(656,713)	2,394,916	2,835,269	440,353	5,987,384	13,333,865	12,246,305
South Yonkers Sewer	1,601,435	1,996,489	395,054	407,711	404,480	(3,231)	924,276	1,155,547	1,542,009
Upper Bronx Sewer	1,529,245	1,438,832	(90,413)	340,993	358,869	17,876	794,833	1,155,480	1,040,263
Ossining Sewer	4,861,975	4,555,331	(306,644)	579,520	1,049,935	470,415	1,820,232	3,996,271	3,214,990
Peekskill Sewer	5,124,094	5,445,811	321,717	11,776	1,066,002	1,054,226	1,324,271	4,892,716	4,123,303
Port Chester Sewer	3,690,821	3,525,521	(165,300)	190,185	393,028	202,843	717,434	3,065,905	2,703,610
Sewer District Total:	\$ 125,235,128	\$ 122,785,416	\$ (2,449,712)	\$ 13,524,817	\$ 17,821,665	\$ 4,296,848	\$ 36,514,974	\$ 103,994,583	\$ 97,278,937
Environmental Facilities (60WATER)									
County Water Dist No 1	\$ 20,104,007	\$ 22,446,208	\$ 2,342,201	921,670	\$ -	\$ (921,670)	\$ 1,202,543	\$ 2,722,285	\$ 4,098,623
County Water Dist No 2	10,000	10,000	-	-	-	-	448	-	-
County Water Dist No 3	3,720,674	3,093,221	(627,453)	1,300,674	691,932	(608,742)	3,138,952	-	-
County Water Dist No 4	1,000	1,000	-	-	-	-	326,744	-	-
Water District Total:	\$ 23,835,681	\$ 25,550,429	\$ 1,714,748	\$ 2,222,344	\$ 691,932	\$ (1,530,412)	\$ 4,668,687	\$ 2,722,285	\$ 4,098,623
Environmental Facilities (60REFUSE)									
Refuse Disposal District Admin	\$ 7,508,919	\$ 7,169,732	\$ (339,187)	15,816,556	\$ 11,343,413	\$ (4,473,143)	\$ -	\$ 42,378,946	\$ 47,718,254
So Columbus Transfer Station	2,755,870	2,798,610	42,740	-	-	-	-	-	-
Thruway Transfer Station	4,256,738	4,237,638	(19,100)	-	-	-	-	-	-
Wastesheds 4 And 5	2,869,356	2,925,806	56,450	-	-	-	-	-	-
Recovery And Disposal	42,663,472	44,642,232	1,978,760	-	-	-	-	-	-
Comprehensive Recycling Office	2,571,333	2,791,991	220,658	-	-	-	-	-	-
Material Recovery Facility	13,193,541	12,644,071	(549,470)	-	-	-	-	-	-
Refuse Disposal District Total:	\$ 75,819,229	\$ 77,210,080	\$ 1,390,851	\$ 15,816,556	\$ 11,343,413	\$ (4,473,143)	\$ 27,375,447	\$ 42,378,946	\$ 47,718,254
Total All Districts:	\$ 224,890,038	\$ 225,545,925	\$ 655,887	\$ 31,563,717	\$ 29,857,010	\$ (1,706,707)	\$ 68,559,108	\$ 149,095,814	\$ 149,095,814

COUNTY OF WESTCHESTER, NEW YORK

Exhibit 1e

ANALYSIS OF FEDERAL AND STATE AID INCREASE (DECREASE)

	2020		2021		Increase (Decrease)		2020	2021	Increase (Decrease)		2020	2021	Increase (Decrease)		
	Federal Aid	Federal Aid	Amount	Percentage	State Aid	State Aid			Amount	Percentage			Total Aid	Total Aid	Amount
Social Services:															
Medical Assistance	\$ 1,856,000	\$ 1,864,000	\$ 8,000	0.43%	\$ 1,856,000	\$ 1,864,000	\$ 8,000	0.43%	\$ 3,712,000	\$ 3,728,000	\$ 16,000	0.43%			
Family Assistance	34,396,000	34,689,000	293,000	0.84%	1,149,000	1,062,000	(87,000)	-8.19%	35,545,000	35,751,000	206,000	0.58%			
Safety Net	-	-	-	0.00%	15,885,000	16,847,000	962,000	5.71%	15,885,000	16,847,000	962,000	5.71%			
Child Care	12,155,000	12,136,000	(19,000)	-0.16%	13,706,000	13,066,000	(640,000)	-4.90%	25,861,000	25,202,000	(659,000)	-2.61%			
Adolescent Offender Services	-	-	-	0.00%	20,184,169	8,330,429	(11,853,740)	-142.29%	20,184,169	8,330,429	(11,853,740)	-142.29%			
Social Services Special Items	-	-	-	0.00%	80,000	122,000	42,000	34.43%	80,000	122,000	42,000	34.43%			
Indirect Social Services (POS)	34,618,000	33,052,000	(1,566,000)	-4.74%	5,385,000	5,673,000	288,000	5.08%	40,003,000	38,725,000	(1,278,000)	-3.30%			
Emergency Assistance to Families	24,315,000	23,946,000	(369,000)	-1.54%	-	-	-	0.00%	24,315,000	23,946,000	(369,000)	-1.54%			
Emergency Assistance to Adults	-	-	-	0.00%	645,000	750,000	105,000	14.00%	645,000	750,000	105,000	14.00%			
Committee on the Handicap	-	-	-	0.00%	-	9,948,400	9,948,400	100.00%	-	9,948,400	9,948,400	100.00%			
Total Relief	\$ 107,340,000	\$ 105,687,000	\$ (1,653,000)	-1.56%	\$ 58,890,169	\$ 57,662,829	\$ (1,227,340)	-2.13%	\$ 166,230,169	\$ 163,349,829	\$ (2,880,340)	-1.76%			
Salaries and Administrative	62,328,000	61,978,000	(350,000)	-0.56%	57,411,831	35,216,000	(22,195,831)	-63.03%	119,739,831	97,194,000	(22,545,831)	-23.20%			
Total Applicable to Dept. of Social Services	\$ 169,668,000	\$ 167,665,000	\$ (2,003,000)	-1.19%	\$ 116,302,000	\$ 92,878,829	\$ (23,423,171)	-25.22%	\$ 285,970,000	\$ 260,543,829	\$ (25,426,171)	-9.76%			
Other County Departments:															
Board of Elections	\$ -	\$ -	\$ -	0.00%	\$ 250,000	\$ 159,882	\$ (90,118)	-56.37%	\$ 250,000	\$ 159,882	\$ (90,118)	-56.37%			
Community Mental Health	1,034,260	909,008	(125,252)	-13.78%	1,576,748	1,316,960	(259,788)	-19.73%	2,611,008	2,225,968	(385,040)	-17.30%			
Correction	53,400	35,000	(18,400)	-52.57%	-	-	-	0.00%	53,400	35,000	(18,400)	-52.57%			
County Executive:															
Office of Women	-	-	-	0.00%	44,134	22,000	(22,134)	-100.61%	44,134	22,000	(22,134)	-100.61%			
Office of Economic Development	-	-	-	0.00%	350,000	-	(350,000)	0.00%	350,000	-	(350,000)	0.00%			
Youth Bureau	-	-	-	0.00%	328,568	120,295	(208,273)	-173.14%	328,568	120,295	(208,273)	-173.14%			
Information Technology	-	-	-	0.00%	127,000	176,828	49,828	28.18%	127,000	176,828	49,828	28.18%			
District Attorney	133,500	133,500	-	0.00%	580,156	580,156	-	0.00%	713,656	713,656	-	0.00%			
Emergency Services	351,584	1,011,888	660,304	65.25%	-	-	-	0.00%	351,584	1,011,888	660,304	65.25%			
Health:															
Public Health	-	1,924,575	1,924,575	100.00%	4,897,308	4,343,829	(553,479)	-12.74%	4,897,308	6,268,404	1,371,096	21.87%			
Service Children with Special Needs	-	-	-	0.00%	67,489,789	61,909,003	(5,580,786)	-9.01%	67,489,789	61,909,003	(5,580,786)	-9.01%			
Human Rights Commission	100,000	165,000	65,000	39.39%	-	-	-	0.00%	100,000	165,000	65,000	39.39%			
Laboratories and Research	-	-	-	0.00%	1,316,102	1,066,102	(250,000)	-23.45%	1,316,102	1,066,102	(250,000)	-23.45%			
Parks, Recreation and Conservation	-	-	-	0.00%	45,000	45,000	-	0.00%	45,000	45,000	-	0.00%			
Planning	215,000	275,000	60,000	21.82%	135,000	60,000	(75,000)	-125.00%	350,000	335,000	(15,000)	-4.48%			
Probation	-	-	-	0.00%	24,772,827	22,516,196	(2,256,631)	-10.02%	24,772,827	22,516,196	(2,256,631)	-10.02%			
Public Safety	292,096	275,277	(16,819)	-6.11%	3,131,974	2,813,352	(318,622)	-11.33%	3,424,070	3,088,629	(335,441)	-10.86%			
Public Works	-	-	-	0.00%	3,602,529	2,920,894	(681,635)	-23.34%	3,602,529	2,920,894	(681,635)	-23.34%			
Tax Commission	-	-	-	0.00%	500	500	-	0.00%	500	500	-	0.00%			
Transportation	12,467,184	13,893,579	1,426,395	10.27%	63,953,582	53,335,688	(10,617,894)	-19.91%	76,420,766	67,229,267	(9,191,499)	-13.67%			
Miscellaneous Budgets:															
Enhanced Unemployment	-	225,000	225,000	100.00%	-	-	-	0.00%	-	225,000	225,000	100.00%			
Court Facilities Aid	-	-	-	0.00%	2,432,000	2,000,000	(432,000)	-21.60%	2,432,000	2,000,000	(432,000)	-21.60%			
DASNY Bond Reimbursement	-	-	-	0.00%	1,875,000	1,875,000	-	0.00%	1,875,000	1,875,000	-	0.00%			
18 B Indigent Defendants Reimbursement	-	-	-	0.00%	4,998,837	3,811,651	(1,187,186)	-31.15%	4,998,837	3,811,651	(1,187,186)	-31.15%			
Total Applicable to Other County Departments	\$ 14,647,024	\$ 18,847,827	\$ 4,200,803	22.29%	\$ 181,907,054	\$ 159,073,336	\$ (22,833,718)	-14.35%	\$ 196,554,078	\$ 177,921,163	\$ (18,632,915)	-10.47%			
General Fund Total Federal and State Aid	\$ 184,315,024	\$ 186,512,827	\$ 2,197,803	1.18%	\$ 298,209,054	\$ 251,952,165	\$ (46,256,889)	-18.36%	\$ 482,524,078	\$ 438,464,992	\$ (44,059,086)	-10.05%			

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

Trend Report for County of Westchester

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

Tax Levy Limit (Cap) before Adjustments and Exclusions

	PKFOD Calculation 2021	2020	2019	2018
Tax Levy Prior Year	718,674,814	719,674,814	705,565,775	694,597,306
Prior Year Reserve Offset	-	0	0	0
Reserve Amount	-	0	0	0
Tax Base Growth Factor	1.0053	1.0086	1.0063	1.0099
PILOTS Receivable Prior Year	10,731,172	10,533,851	10,658,693	11,111,966
Tort/Judgment Exclusion Prior Year	0	0	0	0
Allowable Levy Growth Factor	1.0156	1.02	1.02	1.0184
PILOTS Receivable Current Year	10,454,250	10,731,172	10,533,851	10,658,693
Available Carryover from Prior Year	11,271,393	11,031,528	10,886,161	10,705,410
Total Levy Limit before Adjustments/Exclusions	745,470,259	751,426,182	735,435,233	725,744,081

Adjustments for Transfer of Local Government Functions

Costs Incurred from Transfer of Functions	-	0	0	0
Savings Realized from Transfer of Functions	-	0	0	0
Total Adjustments	-	0	0	0
Functions	745,470,259	751,426,182	735,435,233	725,744,081

Exclusions

orders/judgments over 5% Prior Year Tax Levy	-	0	0	0
Tax levy for pension contribution expense				
TRS	-	0	0	0
ERS	-	0	0	0
PFRS	-	0	0	0
Total Exclusions	-	0	0	0
Total Tax Levy Limit, Adjusted for Transfers Plus Exclusions	745,470,259	751,426,182	735,435,233	725,744,081
Reserve Amount Used to Reduce Current Year Levy	0	0	0	0
Proposed Levy for Current Year, Net of Reserve compared to the Prior Year Tax Levy	717,674,814 3.73%	718,674,814 4.40%	719,674,814 4.20%	694,597,306 4.50%
Year Proposed Levy	27,795,445	32,751,368	15,760,419	31,146,775
Planning to Override the Cap	No	No	No	No

Bond Anticipation Notes

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

**As of December 11, 2020
Bond Anticipation Notes**

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance as of December 31</u>
2016	\$ 79,426,000 (a)	\$ 27,200,000	\$ 125,262,800
2017	78,940,000 (b)	97,956,000	106,246,800
2018	17,350,000 (c)	69,410,000	54,186,800
2019	42,124,100 (d)	34,030,100	62,280,800
2020	43,327,033 (e)	30,034,000	75,573,833

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

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

(c) Included \$17,440,000 sold to EFC.

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

(e) The County issued two short term BANS for \$9,474,269 and \$33,852,764 on April 30, 2020

Tax Anticipation Notes

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

**As of December 11, 2020
Tax Anticipation Notes**

<u>Fiscal Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance as of December 31</u>
2016	105,000,000	105,000,000	-
2017	140,000,000	140,000,000	-
2018	150,000,000	150,000,000	-
2019	200,000,000	200,000,000	-
2020	200,000,000 (a)	200,000,000	-

(a) One note Issued January 15, 2020 and matured May 27, 2020

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

**Schedule of Recommended and Adopted Property Tax Levies
2012 Through 2021**

<u>YEAR</u>	<u>PROPOSED GENERAL FUND TAX LEVIES</u>	<u>ADOPTED GENERAL FUND TAX LEVIES</u>	<u>INCREASE (DECREASE)</u>	<u>INCREASE (DECREASE) OF ADOPTED TAX LEVIES</u>	<u>INCREASE (DECREASE) OF ADOPTED TAX LEVIES</u>
2012	548,423,468	548,423,468	-	-	0.00%
2013	548,423,468	548,423,468	-	-	0.00%
2014	548,423,468	548,423,468	-	-	0.00%
2015	548,423,468	548,423,468	-	-	0.00%
2016	548,423,468	548,423,468	-	-	0.00%
2017	548,423,468	548,423,468	-	-	0.00%
2018	548,423,468	559,391,937	10,968,469	-	0.00%
2019	570,579,000	570,579,000	-	11,187,063	2.00%
2020	569,579,000	569,579,000	-	(1,000,000)	-0.18%
2021	568,579,000	-	-	-	-

County of Westchester, New York
 Schedule of Recommended and Adopted General Fund Positions
 2012 Through 2021

<u>YEAR</u>	<u>General Fund Positions</u>	<u>Change</u>
2012	4,170	(336)
2013	4,182	12
2014	4,218	36
2015	4,221	3
2016	4,131	(90)
2017	4,191	60
2018	4,209	18
2019	4,272	63
2020	4,312	40
2021	4,275	(37)

Estimated 20% State Aid Holdback For Budget Year 2021

	<u>1st Quarter</u>	<u>2nd Quarter - 4th Quarter</u>	<u>Total</u>
County Executive - Office For Women	\$ 500	\$ 1,000	\$ 1,500
County Executive - Youth Bureau	7,000	22,000	29,000
Board of Elections	10,000	30,000	40,000
Information Technology	11,000	33,000	44,000
Department of Planning	4,000	11,000	15,000
Department of Social Services	2,200,000	6,600,000	8,800,000
Community Mental Health	80,000	240,000	320,000
Department of Health	3,400,000	10,200,000	13,600,000
Labs and Research	70,000	200,000	270,000
District Attorney	40,000	110,000	150,000
Public Safety Services	160,000	490,000	650,000
Department of Probation	1,310,000	3,920,000	5,230,000
Parks and Recs	3,000	8,000	11,000
Transportation	3,300,000	10,000,000	13,300,000
Public Works	180,000	550,000	730,000
Misc Budget - Court Facilities	130,000	375,000	505,000
Misc Budget - 18 B Indigent Defendants Reimbursement	240,000	710,000	950,000
	<u>\$ 11,145,500</u>	<u>\$ 33,500,000</u>	<u>\$ 44,645,500</u>