

The City of New York
Executive Budget
Fiscal Year 2014

Michael R. Bloomberg, Mayor

Office of Management and Budget
Mark Page, Director

Budget Summary

Financial Plan Summary

Fiscal Years 2013 - 2017

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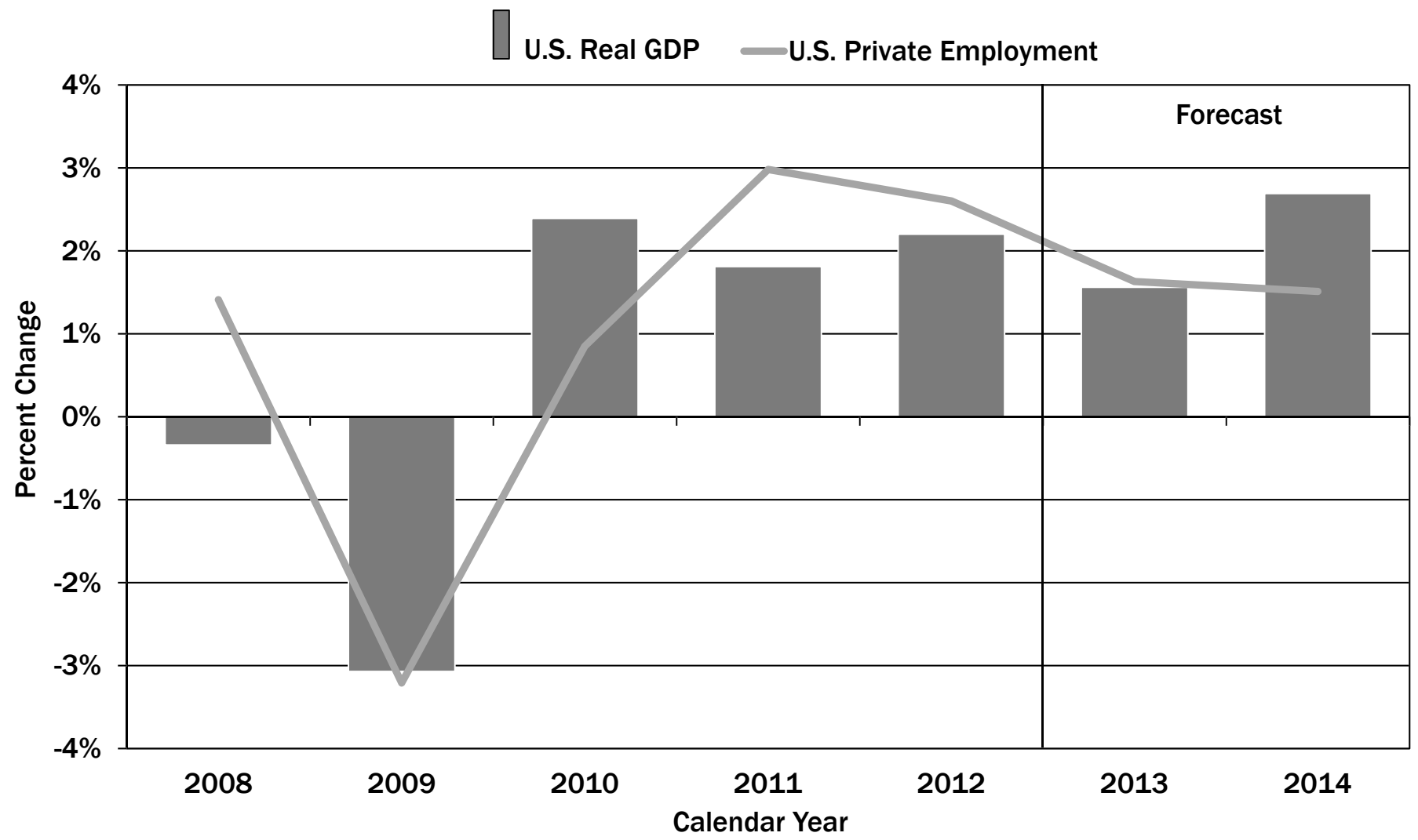
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Overview

- ❖ The budget for the current year, Fiscal Year 2013, remains balanced, and we have a plan for balance in the next year, Fiscal Year 2014.
- ❖ The local economy continues to recover from the deep recession, and our tax revenue collections this year are higher than forecast.
- ❖ We are reducing our forecast for revenue from the sale of Taxi Medallions from \$600 million to \$300 million in FY 2014.
- ❖ We are funding additional necessary expenses at City agencies and increased costs for pensions for City employees.
- ❖ We have savings from lower than expected energy costs.
- ❖ These actions, combined with reducing reserves set aside for FY 2013 but no longer necessary, result in balanced budgets for FY 2013 and FY 2014.
- ❖ Our City funded controllable expenses are essentially flat between FY 2013 and FY 2014.
- ❖ Our City funded non-controllable expenses and debt service are growing by 7.5% between FY 2013 and FY 2014.

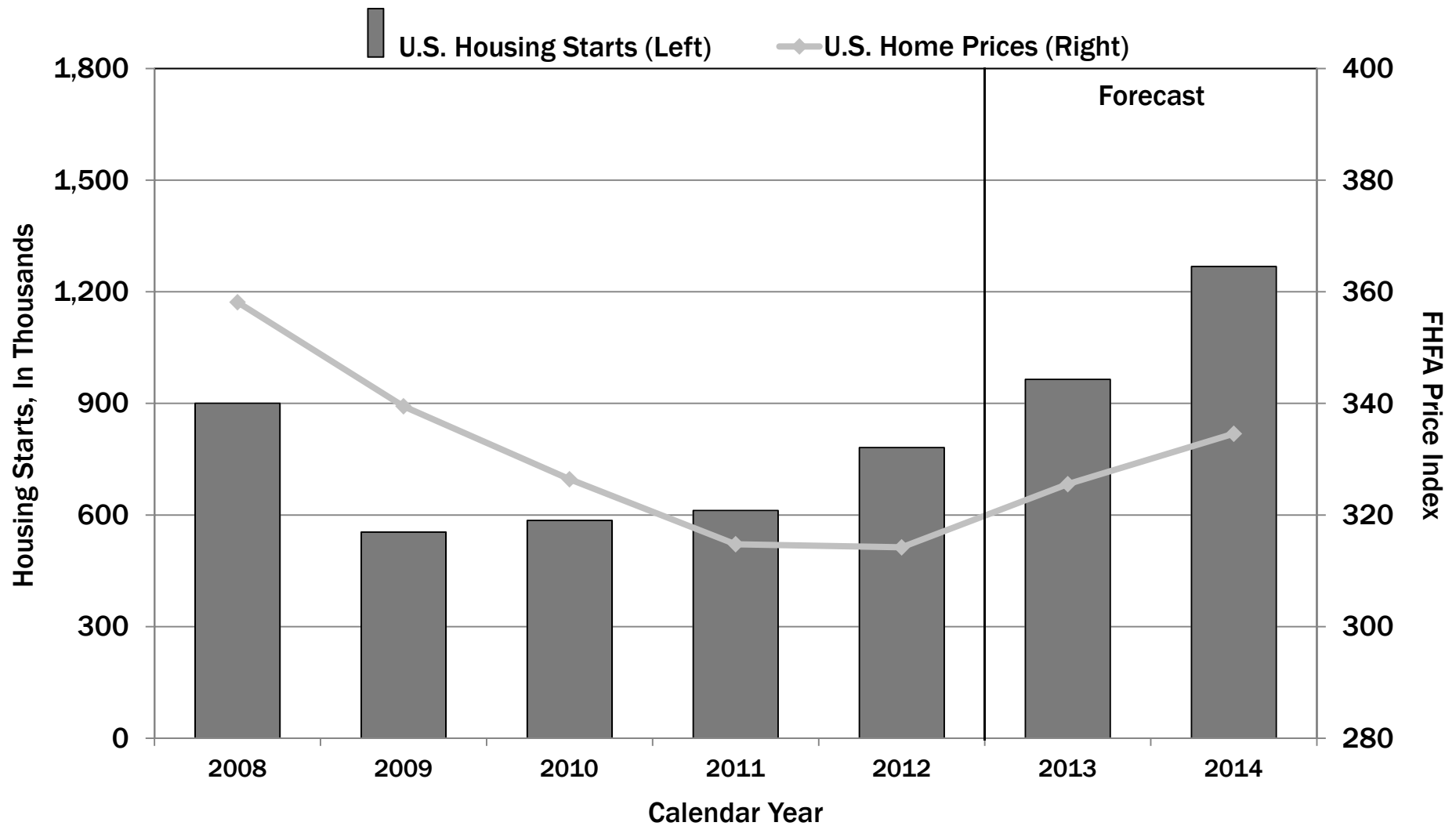
I. Economic Update

U.S. GDP Growth Will Slow in 2013 Due to Fiscal Tightening, and U.S. Job Growth Remains Modest



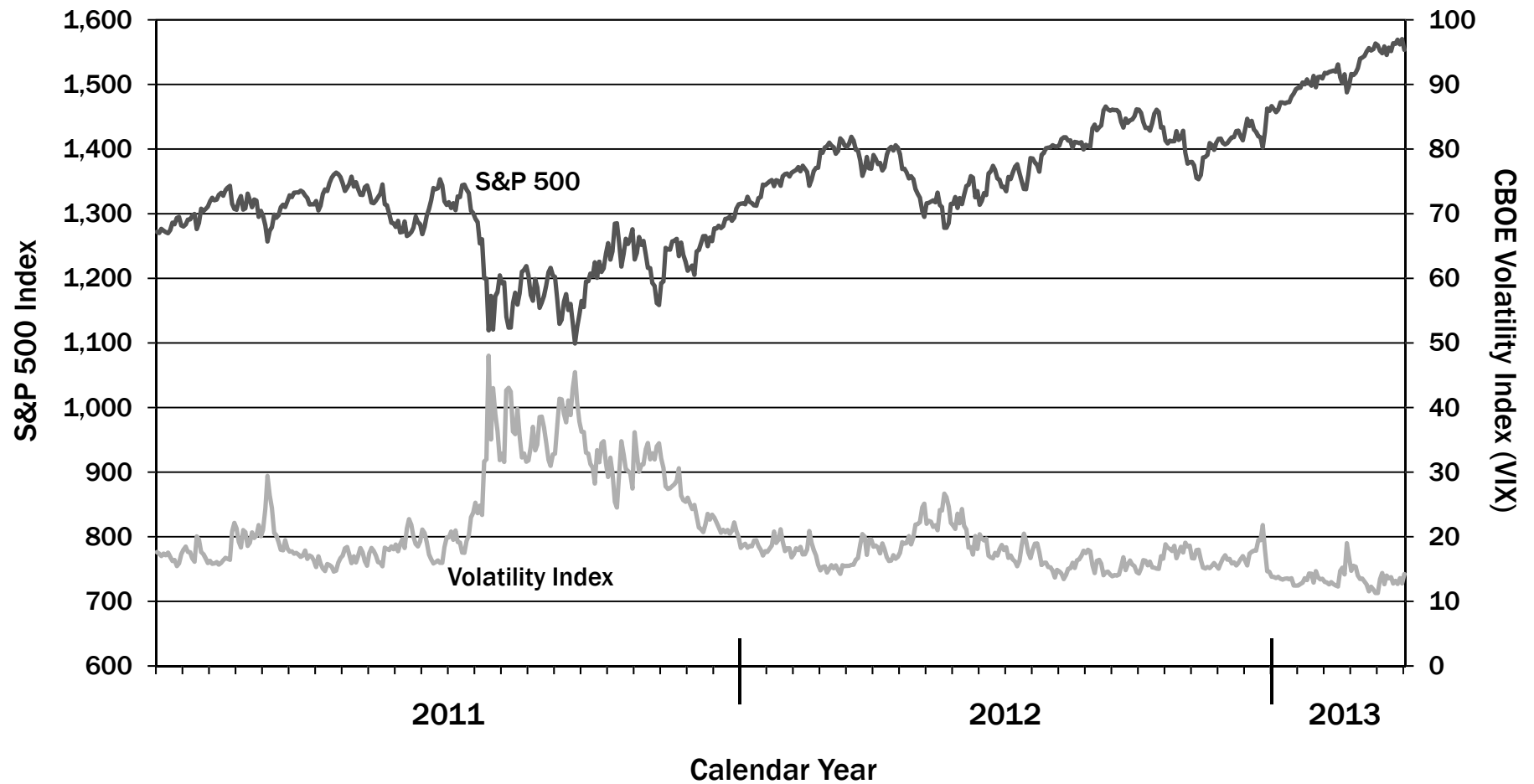
Source: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics, NYC OMB

Housing is Finally Contributing to the National Recovery, with New Home Construction Expected to Pick Up as Prices Rise



Source: Census Bureau, Federal Housing Financing Agency (FHFA), NYC OMB. FHFA Price Index 1980Q1=100.

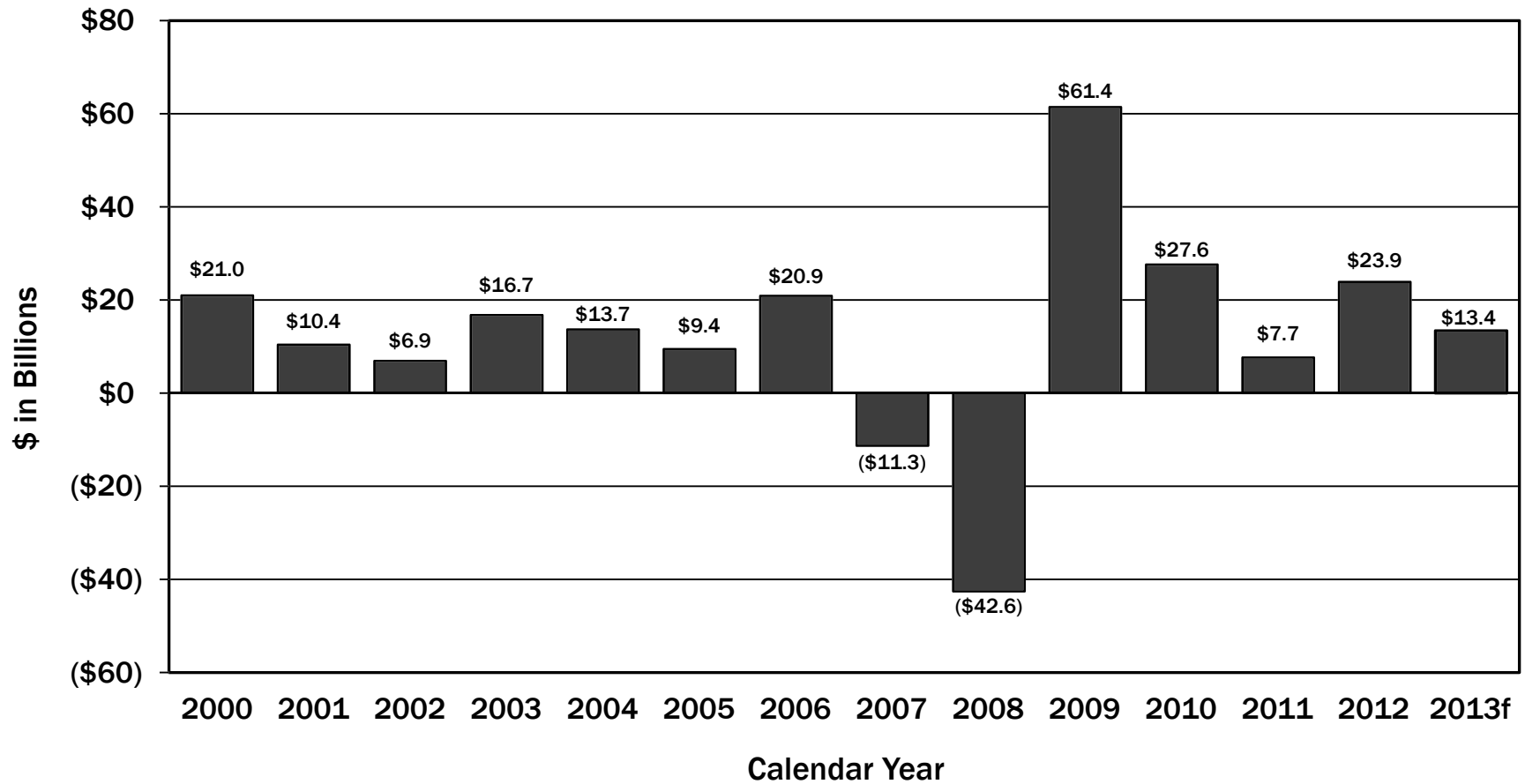
In the First Quarter of 2013, the S&P 500 Index Continued To Rise, Jumping Over 10 Percent. Volatility Measures Remained Low



Source: Standard & Poor's, Chicago Board Options Exchange

In 2012, Wall Street Profits Rose to \$23.9 Billion, the Third Best Showing Ever. Regulatory and Other Challenges Will Restrain Profit Growth in 2013

NYSE Member Firm Profits

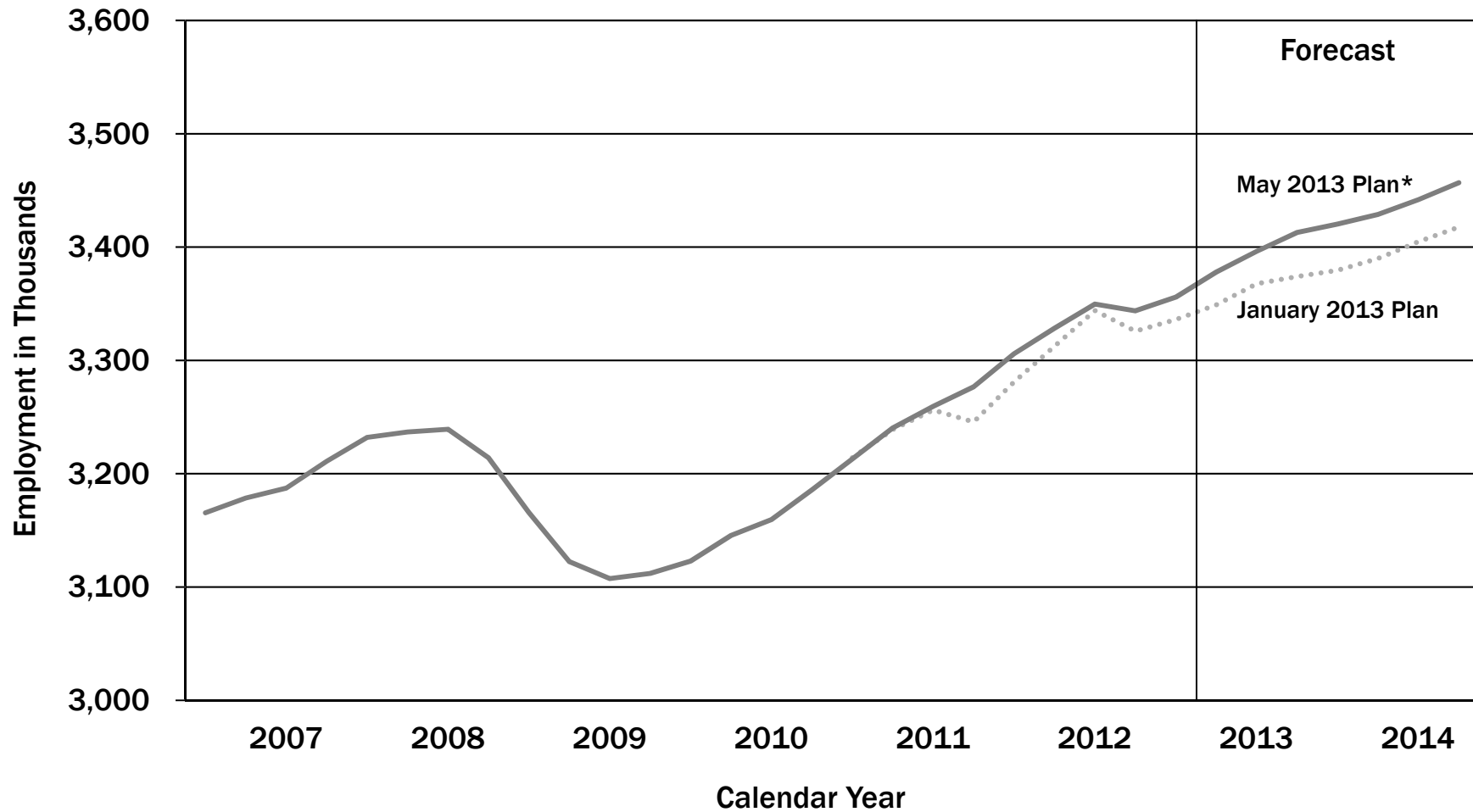


f = forecast

Source: New York Stock Exchange; NYC OMB

The City's Employment Forecast Has Improved Since January

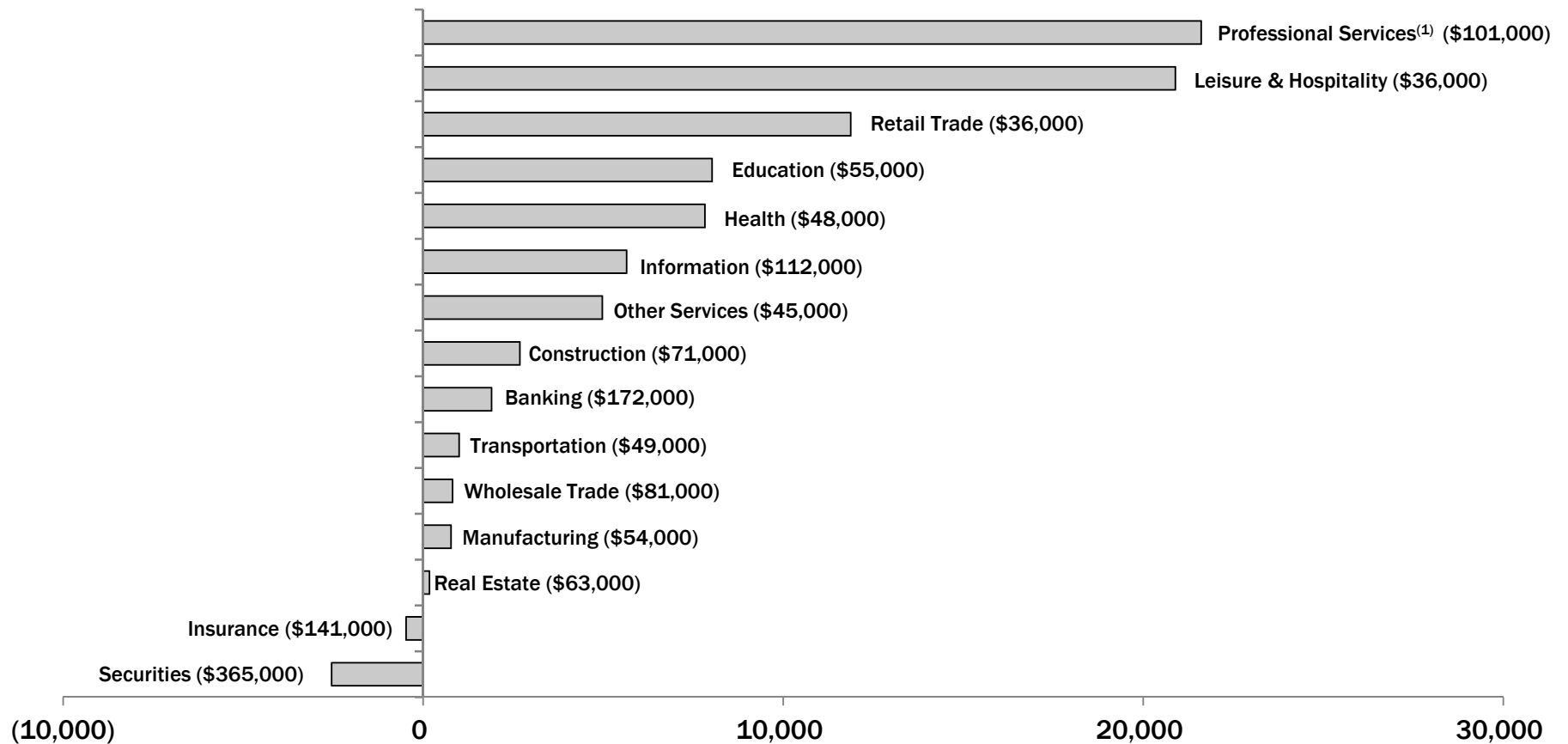
NYC Private Employment



*December benchmark revision from 2011 forward.
Source: New York State Department of Labor, NYC OMB

The City's Job Recovery Includes a Wide Variety of Industries

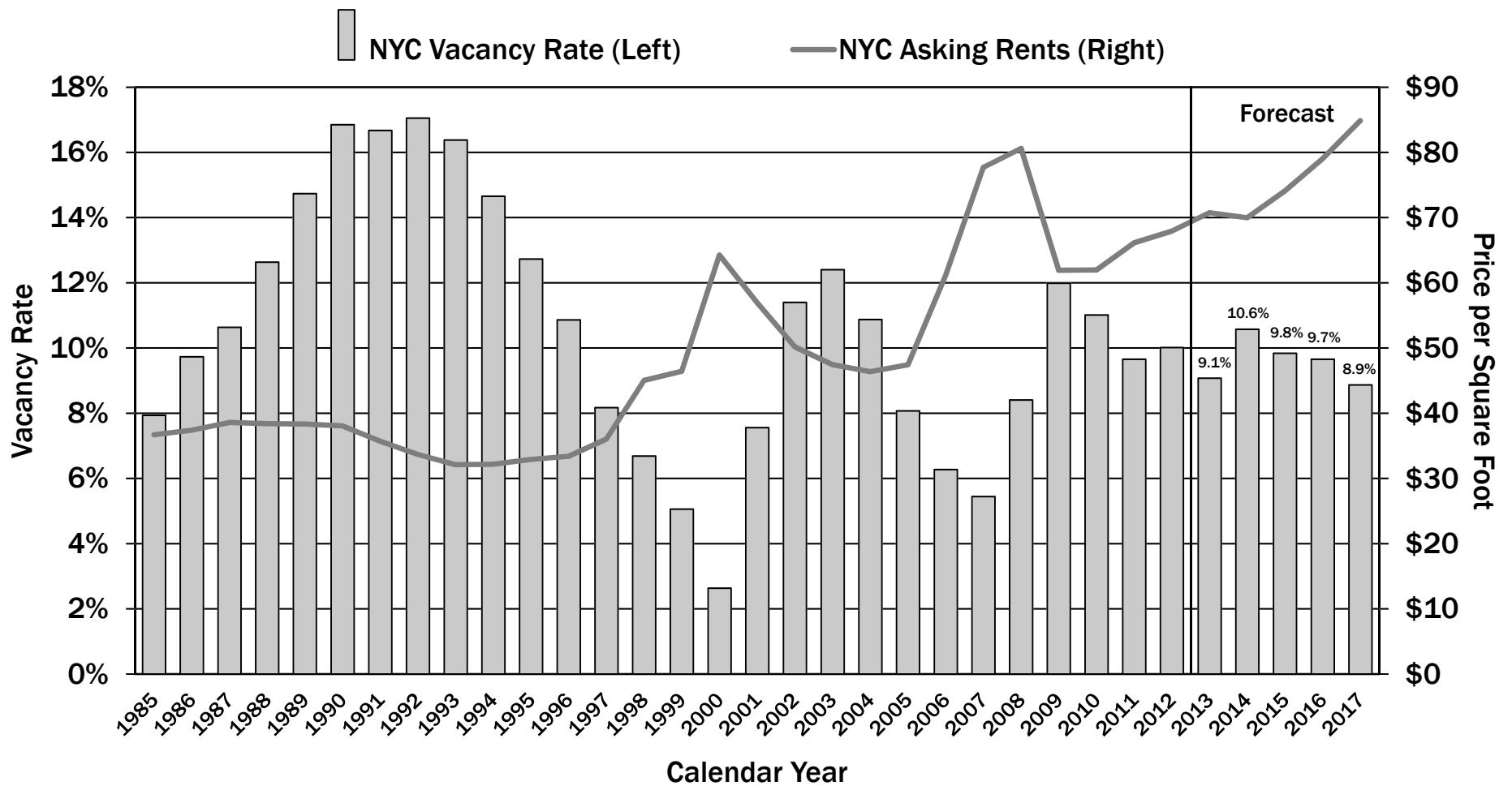
Change in Employment Level December 2012 vs. December 2011
(2011 Average Wage)



Source: New York State Department of Labor

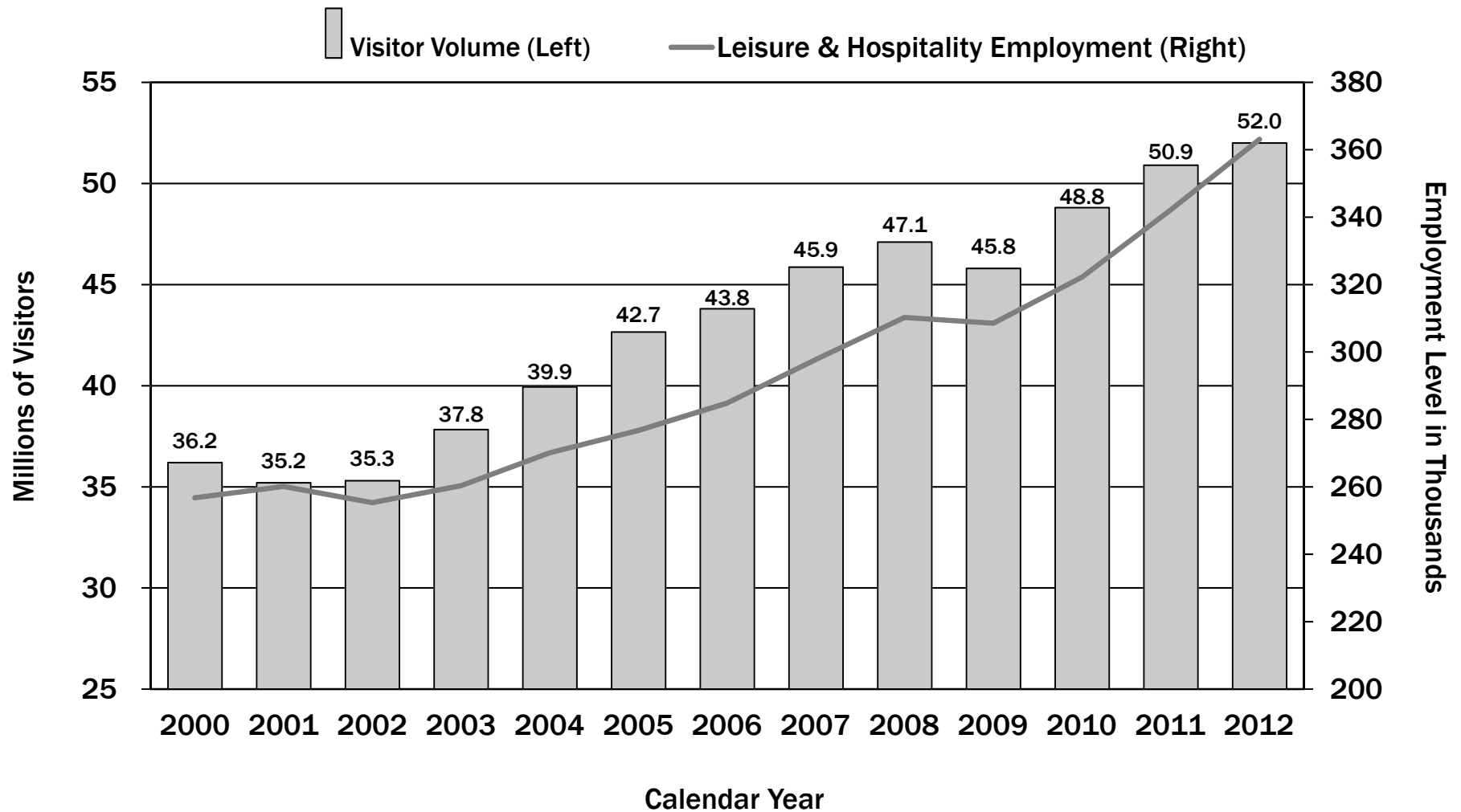
⁽⁴⁾ Includes Legal Services, Accounting and Bookkeeping, Computer Systems Design, Management Consulting, Advertising, Administrative Services and Business Support Services.

The Office Vacancy Rate in the City Remains Stable While Asking Rents Are Forecast to Surpass \$80 Per Square Foot by 2017



Source: Cushman & Wakefield, NYC OMB

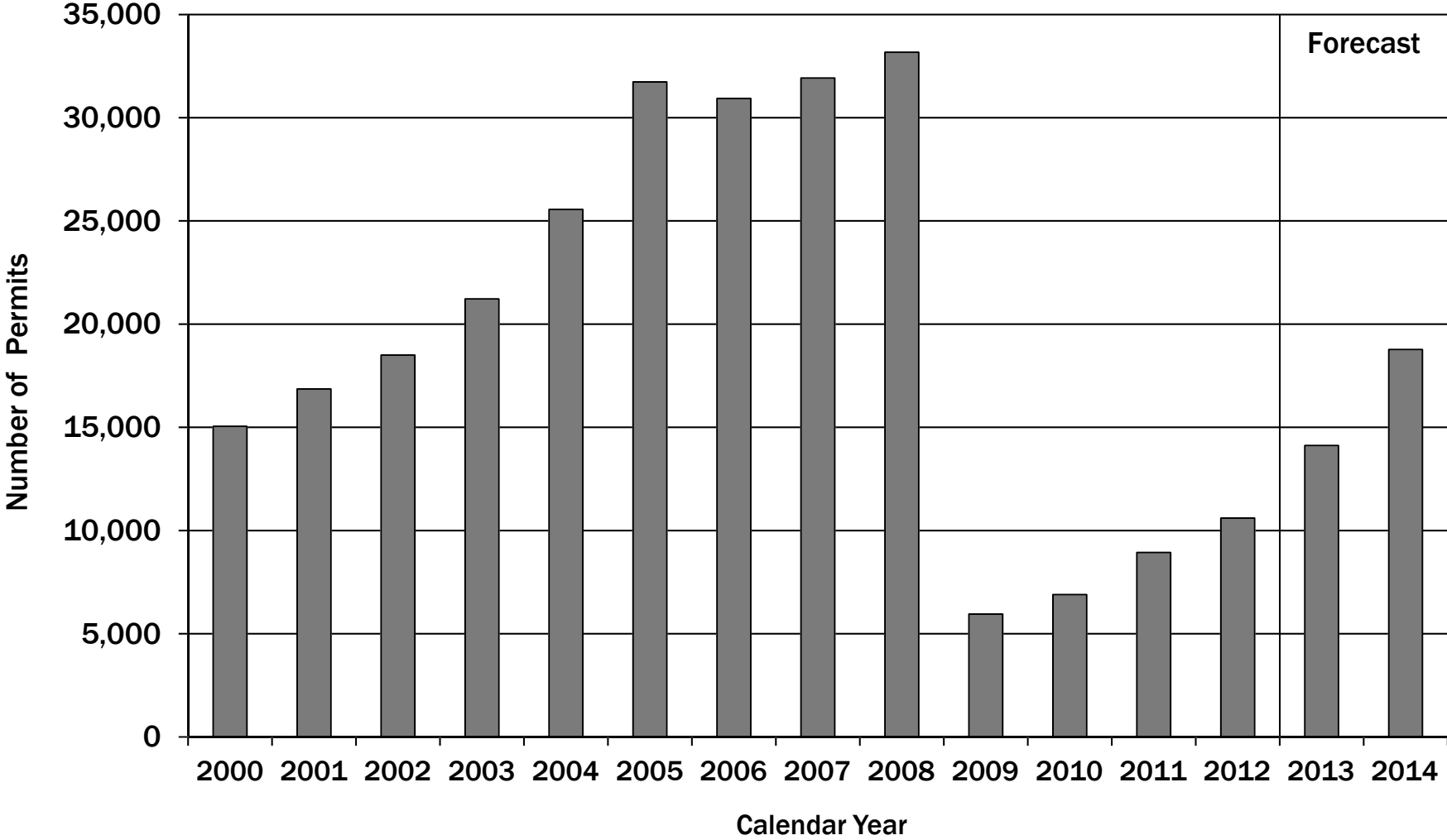
New York City Welcomed a Record 52 Million Visitors Last Year, Boosting Leisure and Hospitality Job Growth



Source: NYC & Company, New York State Department of Labor

Construction Activity in the City Continues to Recover from the Housing Slump

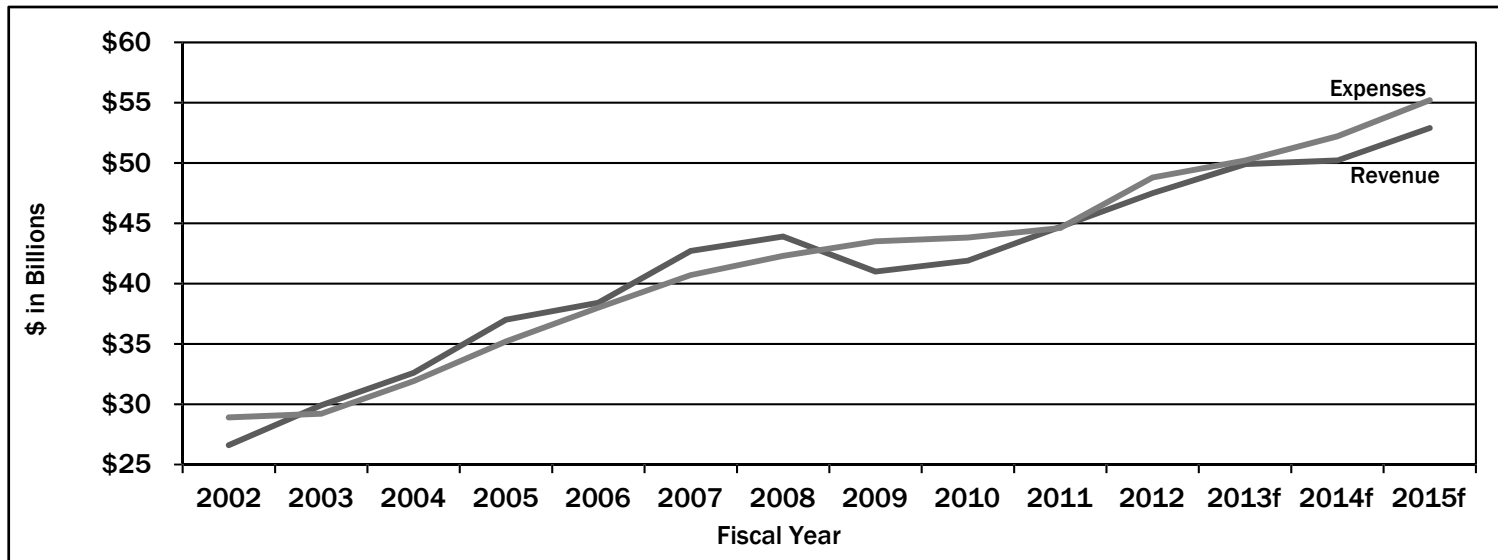
NYC Residential Building Permits



Source: U.S. Census Bureau, NYC OMB

II. Budget Update

The City is Forecasting a Gap in FY 2015 of \$2.2 Billion and the Next Mayor Will Have to Implement a PEG Program that We Will Propose This November as Has Been the City's Practice



	City Funds (\$ in Billions)													
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013f</u>	<u>2014f</u>	<u>2015f</u>
Revenue	\$26.6	\$29.9	\$32.6	\$37.0	\$38.4	\$42.7	\$43.9	\$41.0	\$41.9	\$44.7	\$47.5	\$49.9	\$50.2	\$52.9
<i>Year-to-Year Change:</i>	(4.5%)	12.7%	8.8%	13.4%	3.8%	11.3%	2.9%	(6.8%)	2.2%	6.7%	6.5%	5.0%	0.6%	5.3%
Expenses	\$28.9	\$29.2	\$31.9	\$35.2	\$38.0	\$40.7	\$42.3	\$43.5	\$43.8	\$44.6	\$48.8	\$50.2	\$52.2	\$55.2
<i>Year-to-Year Change:</i>	2.7%	1.3%	9.1%	10.3%	8.1%	7.2%	3.9%	2.7%	0.7%	1.8%	9.6%	2.8%	4.1%	5.6%
Operating Surplus/(Deficit)	(\$2.3)	\$0.7	\$0.7	\$1.8	\$0.4	\$2.0	\$1.6	(\$2.5)	(\$1.9)	\$0.1	(\$1.3)	(\$0.3)	(\$2.0)	(\$2.3)
Cumulative Surplus/(Deficit)	\$0.8	\$1.5	\$2.2	\$4.0	\$4.4	\$6.4	\$8.0	\$5.5	\$3.6	\$3.7	\$2.4	\$2.1	\$0.1	(\$2.2)

❖ We have funded an additional \$150 million in the general reserve for FY 2014 for additional risks we face, including federal reimbursement for Hurricane Sandy, the timing of taxi medallion sales, and other risks.

Our Twelve PEG Programs Result in Savings of Over \$6.5 Billion in FY 2014

Increases the Gap / (Decreases the Gap)
City Funds - \$ in Millions

<u>Dates PEGs Were Implemented</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Before June 2008	(\$618)	(\$1,145)	(\$1,081)	(\$1,021)	(\$985)	(\$985)	(\$985)
July 2008 - June 2009	---	(501)	(2,075)	(2,119)	(2,078)	(2,094)	(2,097)
July 2009 - June 2010	---	---	(300)	(971)	(1,147)	(1,150)	(1,105)
July 2010 - June 2011	---	---	---	(489)	(911)	(1,095)	(1,088)
July 2011 - June 2012	---	---	---	---	(247)	(457)	(240)
July 2012 - May 2013	---	---	---	---	---	(537)	(1,049)
Total	(\$618)	(\$1,646)	(\$3,456)	(\$4,600)	(\$5,368)	(\$6,318)	(\$6,564)

We Are Continuing the Agency Programs to Eliminate the Gap Previously Announced in Our November 2012 Plan

Increases the Gap / (Decreases the Gap)

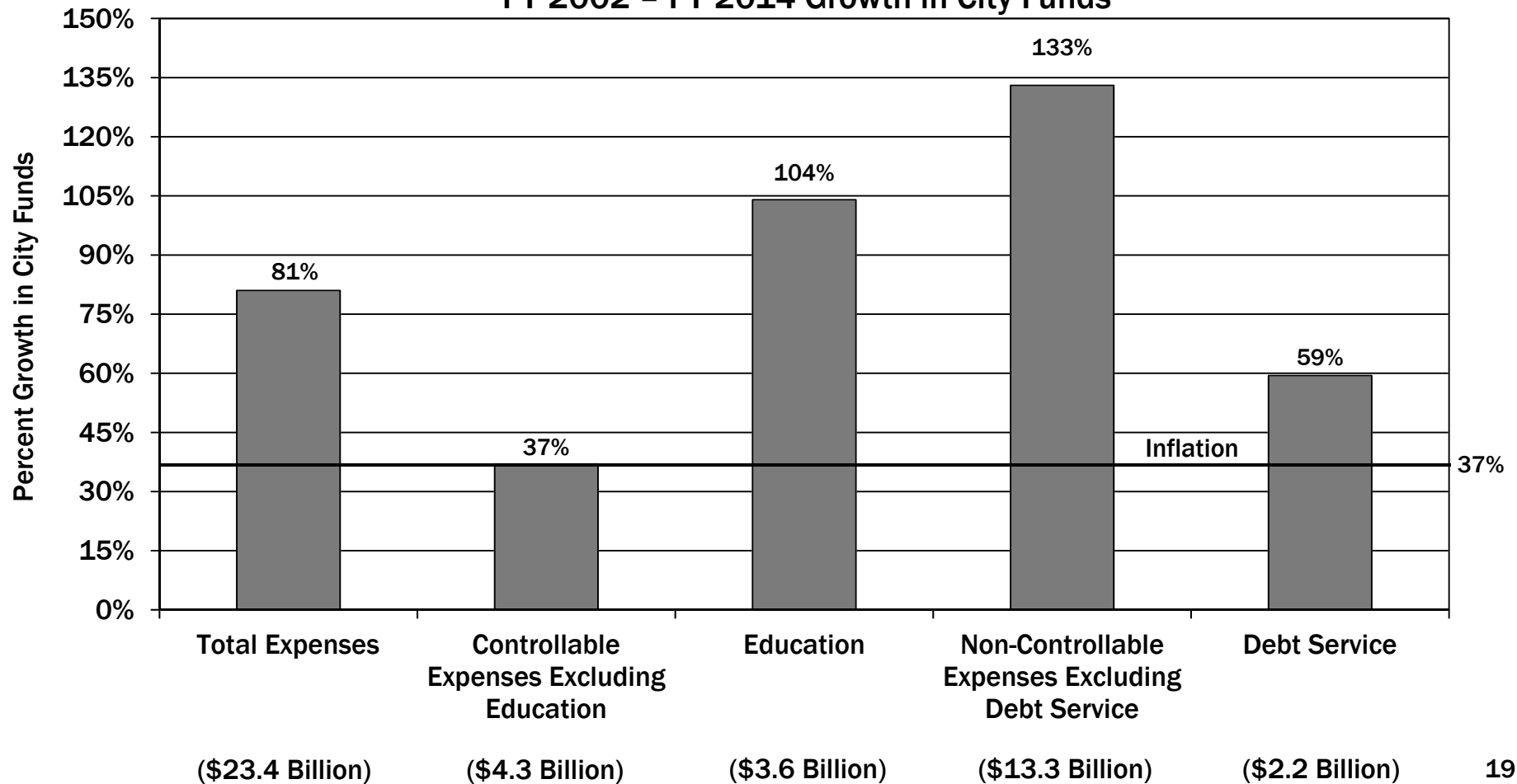
	Fiscal Year 2013 City Funds - \$ in Thousands				Fiscal Year 2014 City Funds - \$ in Thousands			
	Expense	Revenue	Total	Percentage	Expense	Revenue	Total	Percentage
Uniformed Forces								
Police	(\$22,333)	---	(\$22,333)	(0.4%)	(\$15,983)	(\$5,337)	(\$21,320)	(0.4%)
Fire	(7,400)	(6,376)	(13,776)	(0.7%)	(5,722)	(4,019)	(9,741)	(0.5%)
Correction	(28,116)	---	(28,116)	(2.2%)	(41,362)	---	(41,362)	(3.1%)
Sanitation	(910)	---	(910)	(0.1%)	(75,724)	---	(75,724)	(4.6%)
Health and Welfare								
Administration for Children's Services ⁽¹⁾	(72,267)	---	(72,267)	(8.1%)	(46,558)	---	(46,558)	(5.4%)
Social Services ⁽¹⁾	(43,482)	---	(43,482)	(6.4%)	(45,956)	---	(45,956)	(7.1%)
Homeless Services	(3,423)	---	(3,423)	(0.8%)	(12,178)	---	(12,178)	(2.8%)
Youth & Community Development	(9,408)	---	(9,408)	(3.7%)	(10,000)	---	(10,000)	(6.0%)
Health & Mental Hygiene	(15,938)	---	(15,938)	(3.6%)	(25,637)	---	(25,637)	(6.2%)
Other Mayoral								
Housing Preservation & Development	(2,546)	(977)	(3,523)	(4.8%)	(4,509)	(1,137)	(5,646)	(8.4%)
Finance	---	(16,650)	(16,650)	(6.5%)	---	(19,105)	(19,105)	(7.4%)
Transportation	(17,583)	(7,926)	(25,509)	(4.8%)	(19,502)	(22,418)	(41,920)	(7.5%)
Libraries	(4,103)	---	(4,103)	(1.4%)	(16,722)	---	(16,722)	(8.0%)
Department of Cultural Affairs	(6,040)	---	(6,040)	(3.9%)	(8,092)	---	(8,092)	(8.0%)
Citywide Administrative Services	(6,253)	(10,827)	(17,080)	(6.9%)	(6,092)	(10,518)	(16,610)	(6.5%)
All Other Agencies	(41,563)	(53,186)	(94,749)	(6.3%)	(27,202)	(37,033)	(64,235)	(4.6%)
Elected Officials								
Mayor's Office	(1,846)	---	(1,846)	(4.4%)	(2,051)	---	(2,051)	(5.0%)
Borough Presidents	---	---	---	0.0%	(765)	---	(765)	(4.0%)
Office of the Comptroller	---	(4,546)	(4,546)	(6.4%)	---	(300)	(300)	(0.4%)
Public Advocate	---	---	---	0.0%	(83)	---	(83)	(4.0%)
District Attorneys	(1,309)	---	(1,309)	(0.4%)	(1,358)	---	(1,358)	(0.4%)
Major Organizations								
Education	(122,303)	---	(122,303)	(1.3%)	(289,197)	(8,800)	(297,997)	(3.1%)
Other								
Debt Service	(29,291)	---	(29,291)		(229,971)	---	(229,971)	
Procurement Savings	---	---	---		(55,519)	---	(55,519)	
Total Agency Programs	(\$436,114)	(\$100,488)	(\$536,602)	(2.0%)	(\$940,183)	(\$108,667)	(\$1,048,850)	(4.0%)

⁽¹⁾ State and Federal funding will be substituted for City Funds, resulting in savings to the City with no impact on services.

Our Non-Controllable Expenses Are Primarily Responsible for the Growth in City Funds Spending Since FY 2002

- ❖ Our Controllable Spending Excluding Education has grown at the rate of inflation since FY 2002.
- ❖ Spending on Education, our Number One priority, has doubled since FY 2002.
- ❖ Our Non-Controllable Expenses and Debt Service have grown by \$15.5 billion since FY 2002.

FY 2002 – FY 2014 Growth in City Funds

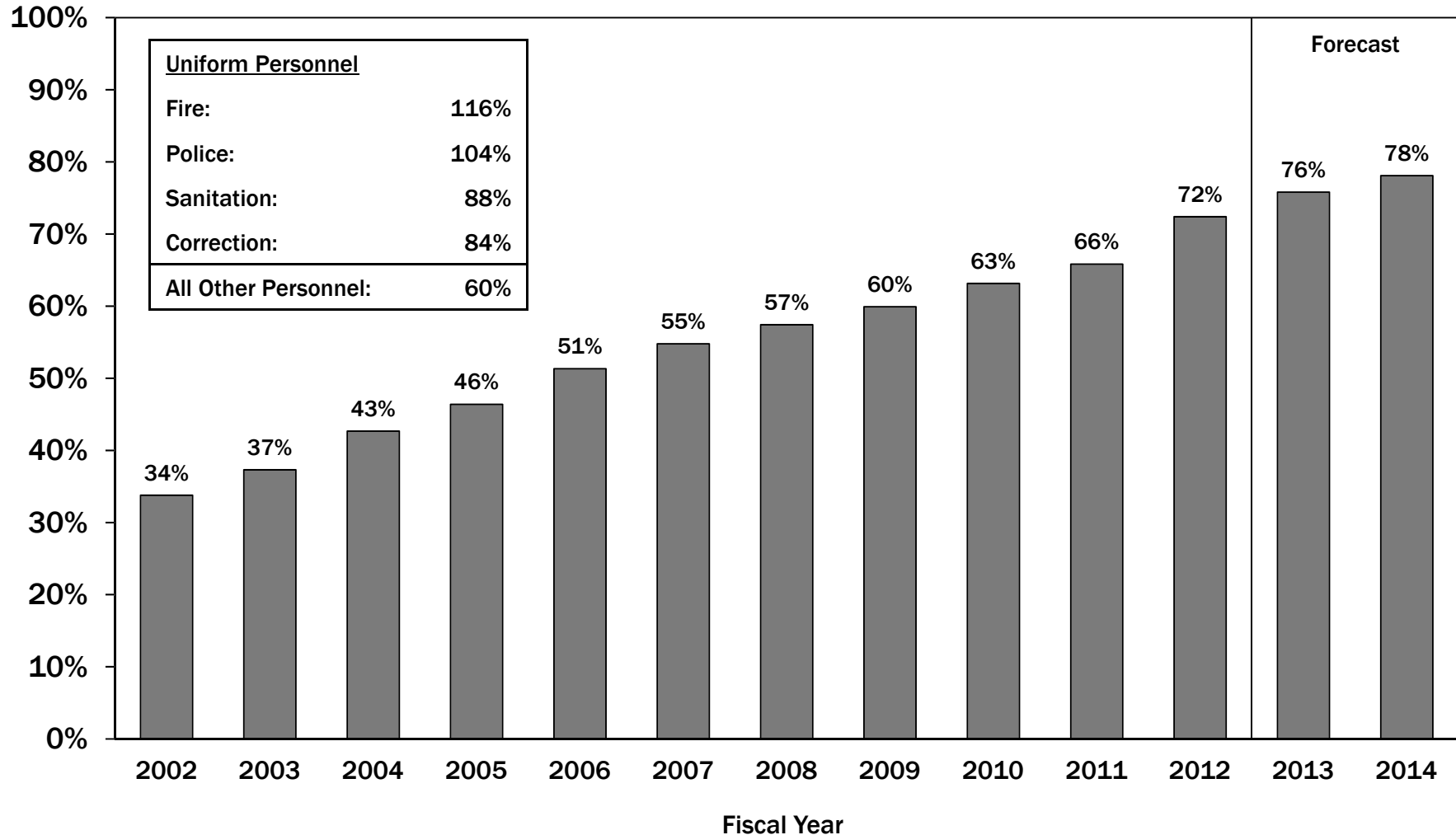


New York State Support for Education in New York City Has Fallen Further and Further Behind the City's Commitment

- ❖ In FY 2002, New York State and the City shared the non-federal cost of education equally. The City spent just \$200 million more than the State.
- ❖ This year, New York State's share is 39% while the City's share is 61%. The City is now spending \$4.7 billion more than the State.
- ❖ If the State had continued to share the cost of education equally with the City, spending on education would have cost local taxpayers \$2.1 billion less in FY 2013.
- ❖ The Governor cut New York State Education Aid to the City by \$250 million this year because the UFT would not agree to a teacher evaluation process.
- ❖ Other localities in the State did not get their Education Aid cut, even though their teacher evaluation agreements are ineffective. In fact, these agreements terminate before any teacher can be removed based on the teacher evaluations.

III. Labor

Pensions and Fringe Benefits as a Percentage of Salaries and Wages Continue to Increase



Note: Citywide excluding the impact of prepayments and RHBT in All Funds.
 Percentage by Agency data is as of FY 2012.

Future Contracts Between the City and its Employees Must Include Reform of Health Insurance

Percentage of City Employees Contributing to Health Insurance:	5%
Percentage of State Employees:	Over 90%
Percentage of Private Sector Employees:	Over 90%

- ❖ City employees must start contributing to the cost of their health insurance.
- ❖ The City will spend \$6.3 billion on health insurance this year, almost twice as much as in FY 2002.
- ❖ The City is preparing an RFP to replace outdated health benefit contracts with a data-driven, proactively managed modern healthcare plan that will save up to \$400 million annually – while also providing City employees with a higher standard of care.
- ❖ Our goal is to work collaboratively with the Municipal Labor Committee to issue the RFP by the end of this fiscal year.

The City Cannot Afford to Give Retroactive Pay Increases to Its Employees

- ❖ New York City is not obligated to pay its employees retroactive increases. Retroactive raises are not normal business practice. The City cannot get productivity savings retroactively from its employees, and should not have to pay additional costs for work already done.
- ❖ If the City were to agree to retroactive 4% raises for its teachers, principals, and other unsettled unions for the previous round of collective bargaining, it would cost \$3.7 billion in FY 2014, and almost \$1 billion annually every year thereafter.
- ❖ If the City were to agree to retroactive 4% raises as described above, combined with Consumer Price Index increases thereafter for all employees, it would cost \$7.8 billion in FY 2014, and over \$3 billion annually every year thereafter.
- ❖ In its earlier contracts, the UFT had elected to extend the time period covered by the contracts in exchange for increases. The PBA and the UFA contracts expired in July 2008. The UFT's comparable contract expired in October 2009. By the Winter of 2010, the City could no longer afford 4% annual increases, and by the Summer of 2010, the City could not afford any annual increases.
- ❖ Under the New York State Taylor Law, the terms of expired labor contracts remain in place until a new contract is negotiated. Many City employees whose contracts include automatic increases (e.g. teachers, police officers, etc.) have seen their pay go up despite the expiration of their contracts. As a matter of fact, teachers have gotten, on average, a 3.8% increase every year, and all other employees have gotten, on average, a 3.3% increase every year.

Since The Expiration Of The UFT Contract In October 2009, Total Compensation for Teachers, Including Salaries, Fringe Benefits, and Pensions, Has Increased by 11.7%

Teacher Headcount ⁽¹⁾	60,284
2009 Average Total Compensation ⁽²⁾	\$109,971
2012 Average Total Compensation ⁽³⁾	\$122,868

Growth	11.7%
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Average Annual Growth	3.8%
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❖ These increases are required under the New York State Taylor Law (see prior page).

⁽¹⁾ Teachers employed continuously since November 2009, when the contract expired.

⁽²⁾ Fringe and Pension Based on FY 2010 Levels

⁽³⁾ Fringe and Pension Based on FY 2013 Executive Plan Values

IV. Hurricane Sandy

Hurricane Sandy Damage Estimate

- ❖ Hurricane Sandy damaged critical infrastructure throughout New York City, resulting in an estimated \$4.52 billion in storm-related costs. \$1.5 billion of these costs support emergency work, involving debris removal and emergency protective measures. These costs are being borne within our Expense Budget. The balance of the costs reflect long-term permanent work to repair damaged infrastructure. These costs will be incurred over time in our Capital budget. We expect federal funding to cover the \$4.52 billion in storm-related costs.

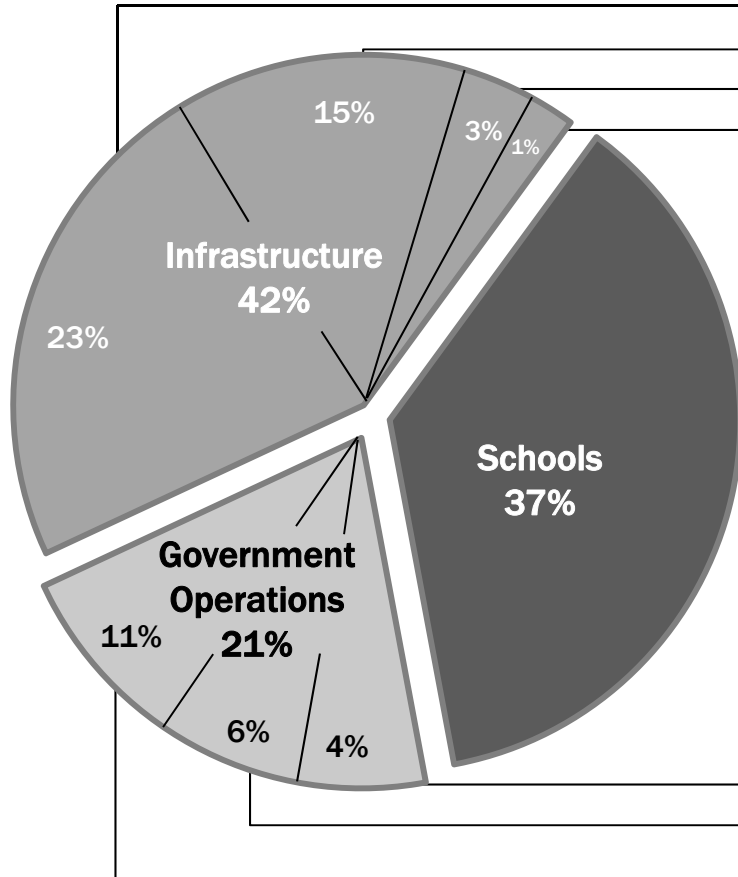
	(\$ in Millions)
Schools	\$461
Hospitals	\$816
Roads and Bridges	\$827
Buildings and Housing	\$620
Uniform Agencies	\$482
Parks	\$860
Other Agencies	\$454
Total	\$4,520

V. Capital

Ten-Year Capital Strategy FY 2014 - FY 2023

Total - \$53.7 Billion in All Funds

\$ in Billions



Environmental Protection	\$12.4
Bridges & Highways	\$8.1
Sanitation	\$1.6
Mass Transit	\$0.5

Education \$19.8

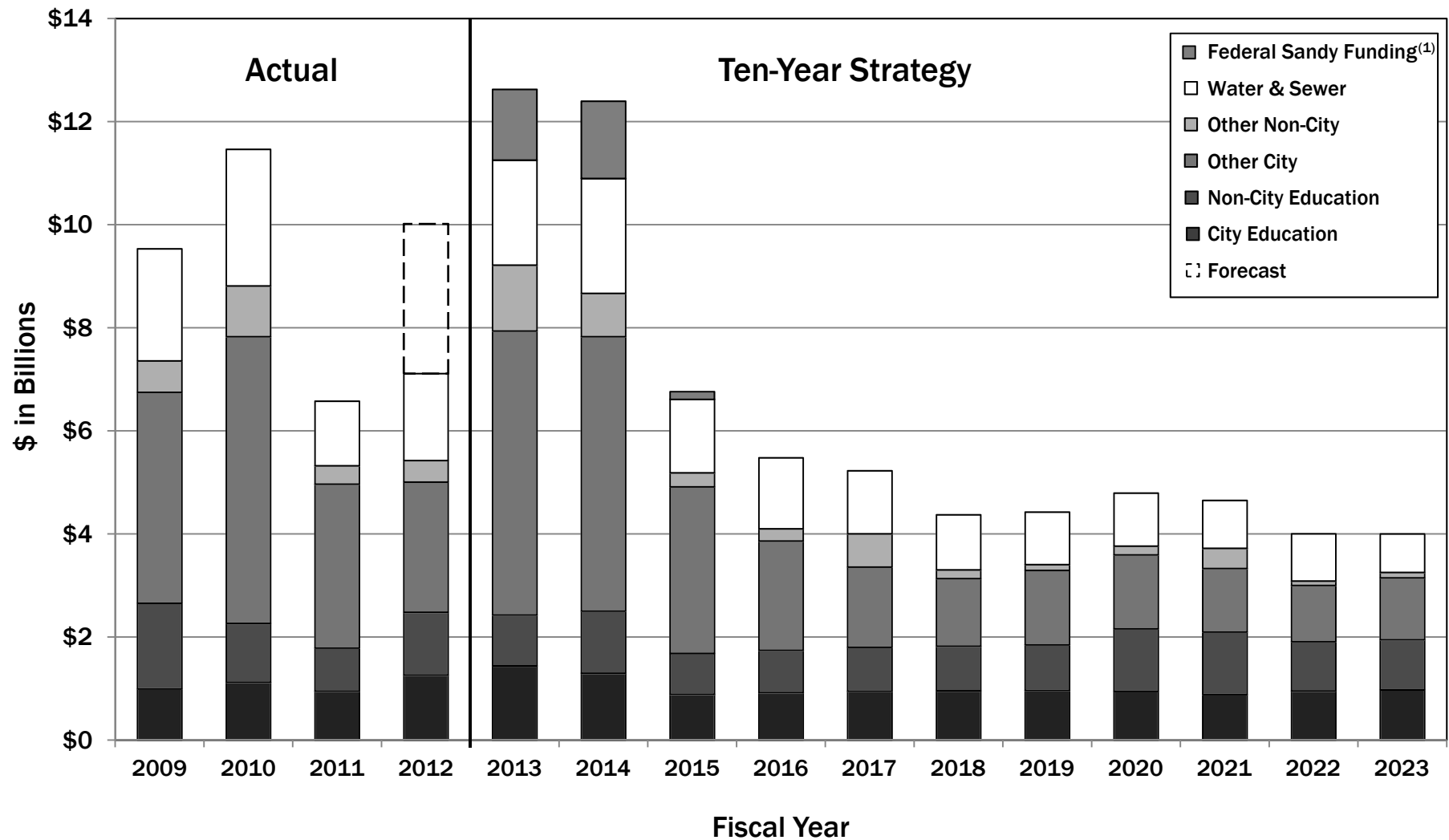
Administration of Justice	\$2.3
Housing and Development	\$3.3

Other City Services \$5.7

Health & Hospitals	\$1.2	Fire	\$0.6
Technology	\$1.1	Social Services	\$0.5
Parks	\$1.0	Cultural & Libraries	\$0.4
Public Buildings	\$0.9		

Note: Includes Federal Hurricane Sandy Reconstruction Funding

Capital Commitments - All Funds



(1) Federal Hurricane Sandy Reconstruction Funding

Highlights of the Ten-Year Capital Strategy

Capital Highlights

\$ In Millions

❖ Construction of New Schools to Address the Shortage of Seats	\$7,759
❖ Resurfacing of 6,228 Lane Miles of Streets, Citywide	\$1,285
❖ Sanitation Vehicle Replacement	\$1,053
❖ DEP Rondout West Branch Water Tunnel Bypass and Related Infrastructure	\$1,043
❖ DEP Combined Sewer Overflow Reduction Projects via NYC Green Infrastructure Plan	\$878
❖ DEP Sewer and Water Main Emergency Contracts	\$753
❖ Energy Efficiency Measures & Building Retrofits, Citywide	\$744
❖ New 1,500 Bed Facility on Rikers Island	\$547
❖ Fire Emergency Front-Line & Support Vehicle Replacement	\$463
❖ Construction and Land Acquisition for Citywide Blue Belt Projects	\$323
❖ Reconstruction of Belt Parkway Bridges	\$322
❖ Continued Rehabilitation of the East River Bridges	\$280
❖ DEP Water Filtration Avoidance Determination	\$280
❖ Construction of New Molinari Class Vessels for Staten Island Ferry	\$274
❖ New Sanitation Garage for Manhattan Districts 6 and 8	\$200
❖ Ambulance Purchases	\$196
❖ North River Wastewater Treatment Plant Cogeneration Project	\$195
❖ HHC Electronic Health Records	\$192
❖ Planting of New Street Trees and Reforestation, Citywide	\$163

VI. Tables

City Tax Revenue

May 2013 Financial Plan

		\$ in Millions				
		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Property Tax		\$18,561	\$19,486	\$20,328	\$21,259	\$22,026
	<i>Year-to-Year</i>		\$925	\$842	\$931	\$767
	<i>Change:</i>		5.0%	4.3%	4.6%	3.6%
Economically Sensitive Taxes		\$26,767 *	\$25,753	\$27,519	\$28,543	\$29,712
	<i>Year-to-Year</i>		(\$1,014)	\$1,766	\$1,024	\$1,169
	<i>Change:</i>		(3.8%)	6.9%	3.7%	4.1%
Subtotal – Tax Revenue		\$45,328	\$45,239	\$47,847	\$49,802	\$51,738
	<i>Year-to-Year</i>		(\$89)	\$2,608	\$1,955	\$1,936
	<i>Change:</i>		(0.2%)	5.8%	4.1%	3.9%
Non-Tax Revenue		\$4,612	\$4,984	\$5,036	\$5,039	\$5,149
	<i>Year-to-Year</i>		\$372	\$52	\$3	\$110
	<i>Change:</i>		8.1%	1.0%	0.1%	2.2%
Total Revenue		\$49,940	\$50,223	\$52,883	\$54,841	\$56,887
	<i>Year-to-Year</i>		\$283	\$2,660	\$1,958	\$2,046
	<i>Change:</i>		0.6%	5.3%	3.7%	3.7%

* Effect of “Spin-Up” of \$649 million from FY 2014 into FY 2013

Controllable Agency Expenses

May 2013 Financial Plan

City Funds - \$ in Millions

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Uniformed Forces					
Police Department	\$4,292	\$4,319	\$4,335	\$4,337	\$4,338
Fire Department	1,546	1,454	1,408	1,405	1,408
Department of Correction	1,064	1,053	1,049	1,049	1,049
Sanitation Department	1,292	1,402	1,440	1,439	1,439
Subtotal: Uniformed Forces	\$8,194	\$8,228	\$8,232	\$8,230	\$8,234
Year-to-Year Change:		\$34 0.4%	\$4 0.0%	(\$2) (0.0%)	\$4 0.0%
Health and Welfare					
Social Services	\$533	\$498	\$522	\$503	\$500
Children's Services	842	811	812	812	812
Homeless Services	468	449	446	446	456
Health and Mental Hygiene	621	590	588	588	588
HHC Subsidy	72	68	69	69	69
Subtotal: Health and Welfare	\$2,536	\$2,416	\$2,437	\$2,418	\$2,425
Year-to-Year Change:		(\$120) (4.7%)	\$21 0.9%	(\$19) (0.8%)	\$7 0.3%
Other Agencies					
Housing Preservation & Development	\$61	\$50	\$49	\$49	\$49
Environmental Protection	1,013	1,057	1,041	1,036	989
Finance	227	230	228	227	227
Transportation	418	433	447	449	449
Parks and Recreation	266	285	285	285	285
Citywide Administrative Services	208	225	210	208	207
All Other Mayoral	1,791	1,794	1,954	2,263	2,613
Subtotal: Other Agencies	\$3,984	\$4,074	\$4,214	\$4,517	\$4,819
Year-to-Year Change:		\$90 2.3%	\$140 3.4%	\$303 7.2%	\$302 6.7%
Education					
Department of Education (see below)	\$7,053	\$7,069	\$7,110	\$7,139	\$7,245
CUNY	583	593	589	589	570
Subtotal: Education	\$7,636	\$7,662	\$7,699	\$7,728	\$7,815
Year-to-Year Change:		\$26 0.3%	\$37 0.5%	\$29 0.4%	\$87 1.1%
Elected Officials					
Mayoralty	\$64	\$64	\$64	\$64	\$63
All Other Elected	415	408	405	406	406
Subtotal: Elected Officials	\$479	\$472	\$469	\$470	\$469
Year-to-Year Change:		(\$7) (1.5%)	(\$3) (0.6%)	\$1 0.2%	(\$1) (0.2%)
Total Controllable Agency Spending	\$22,829	\$22,852	\$23,051	\$23,363	\$23,762
Year-to-Year Change:		\$23 0.1%	\$199 0.9%	\$312 1.4%	\$399 1.7%
Dept of Education (Including State and Federal funds)	\$15,783	\$16,289	\$16,664	\$16,993	\$17,348
Year-to-Year Change:		\$506 3.2%	\$375 2.3%	\$329 2.0%	\$355 2.1%

Note: Excludes the impact of prepayments.

Non-Controllable Agency Expenses and Debt Service

May 2013 Financial Plan

City Funds - \$ in Millions

		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Non-Controllable Agency Expenses						
Pensions		\$8,029	\$8,160	\$8,170	\$8,367	\$8,621
	Year-to-Year		\$131	\$10	\$197	\$254
	Change:		1.6%	0.1%	2.4%	3.0%
Fringe Benefits ⁽¹⁾		\$6,539	\$7,012	\$7,782	\$8,429	\$8,991
	Year-to-Year		\$473	\$770	\$647	\$562
	Change:		7.2%	11.0%	8.3%	6.7%
Retiree Health Benefits Trust		(\$1,000)	(\$1,000)	\$ ---	\$ ---	\$ ---
Employee-Related Costs		\$13,568	\$14,172	\$15,952	\$16,796	\$17,612
	Year-to-Year		\$604	\$1,780	\$844	\$816
	Change:		4.5%	12.6%	5.3%	4.9%
Medicaid		\$6,222	\$6,272	\$6,353	\$6,322	\$6,322
	Year-to-Year		\$50	\$81	(\$31)	\$ ---
	Change:		0.8%	1.3%	(0.5%)	0.0%
FMAP (Federal Matching Percent for Medicaid)		(\$32)	\$ ---	\$ ---	\$ ---	\$ ---
Reserve for Claims From Past Periods		(\$500)	\$ ---	\$ ---	\$ ---	\$ ---
General Reserve		\$40	\$450	\$300	\$300	\$300
All Other ⁽²⁾		\$2,448	\$2,511	\$2,675	\$2,740	\$2,862
	Year-to-Year		\$63	\$164	\$65	\$122
	Change:		2.6%	6.5%	2.4%	4.5%
Subtotal: Non-Controllable Expenses		\$21,746	\$23,405	\$25,280	\$26,158	\$27,096
	Year-to-Year		\$1,659	\$1,875	\$878	\$938
	Change:		7.6%	8.0%	3.5%	3.6%
Debt Service		\$5,635	\$6,016	\$6,887	\$7,219	\$7,446
	Year-to-Year		\$381	\$871	\$332	\$227
	Change:		6.8%	14.5%	4.8%	3.1%
Total Non-Controllable and Debt Service		\$27,381	\$29,421	\$32,167	\$33,377	\$34,542
	Year-to-Year		\$2,040	\$2,746	\$1,210	\$1,165
	Change:		7.5%	9.3%	3.8%	3.5%

Excludes the impact of prepayments.

⁽¹⁾ Includes Health Insurance, Welfare Funds, Social Security Contributions, Worker's Compensation, Unemployment Insurance, Annuity Contributions, Uniform Allowance, and Disability Benefits Insurance.

⁽²⁾ Includes Public Assistance, Judgments & Claims, Indigent Defense Services, Contractual, Criminal Justice, and Water & Sewer for City Facilities.

Fiscal Year 2013

May 2013 Financial Plan

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Fund Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgment & Claims	Debt Service	OTPS Subtotal				
UNIFORM AGENCIES														
Police Department	\$4,374	\$1,891	\$2,640	\$8,905	\$533	---	\$57	\$180	\$129	\$899	\$9,804	\$9,573	\$8,976	
Fire Department	1,625	641	1,055	3,321	252	---	9	27	126	414	3,735	3,732	3,314	
Department of Correction	946	433	369	1,748	121	---	10	33	181	345	2,093	2,092	2,048	
Department of Sanitation	866	398	285	1,549	537	---	6	46	318	907	2,456	2,452	2,267	
Subtotal	\$7,811	\$3,363	\$4,349	\$15,523	\$1,443	---	\$82	\$286	\$754	\$2,565	\$18,088	\$17,849	\$16,605	
HEALTH AND WELFARE														
Administration for Children's Services	\$393	\$137	\$57	\$587	\$2,472	---	\$5	\$3	---	\$2,480	\$3,067	\$3,014	\$973	
Department of Social Services	754	339	144	1,237	1,034	7,712	5	---	80	8,831	10,068	10,055	7,690	
Department of Homeless Services	118	44	21	183	880	---	1	1	---	882	1,065	1,064	522	
Department of Health & Mental Hygiene	391	124	71	586	1,292	---	2	1	45	1,340	1,926	1,909	831	
Health and Hospitals Corporation ⁽⁴⁾	---	27	---	27	307	---	6	190	188	691	718	587	257	
Subtotal	\$1,656	\$671	\$293	\$2,620	\$5,985	\$7,712	\$19	\$195	\$313	\$14,224	\$16,844	\$16,629	\$10,273	
EDUCATION														
Department of Education	\$9,175	\$3,473	\$2,954	\$15,602	\$6,762	---	\$20	\$52	\$1,430	\$8,264	\$23,866	\$23,638	\$13,398	
City University	497	92	64	653	282	---	---	1	54	337	990	955	704	
Subtotal	\$9,672	\$3,565	\$3,018	\$16,255	\$7,044	---	\$20	\$53	\$1,484	\$8,601	\$24,856	\$24,593	\$14,102	
OTHER AGENCIES	\$2,369	\$820	\$441	\$3,630	\$5,446	---	\$85	\$199	\$3,006	\$8,736	\$12,366	\$11,356	\$8,204	
ELECTED OFFICIALS	\$469	\$134	\$84	\$687	\$101	---	\$5	\$2	---	\$108	\$795	\$790	\$695	
MISCELLANEOUS BUDGET	\$106	---	---	\$106	---	\$1,855 ⁽²⁾	---	---	\$300	\$2,155	\$2,261	\$2,261	\$1,747	
DEBT SERVICE COSTS (Unallocated)	---	---	---	---	---	---	---	---	\$137	\$137	\$137	\$137	\$84	
RESERVE FOR CLAIMS FROM PAST PERIODS	---	---	---	---	(\$500)	---	---	---	---	(\$500)	(\$500)	(\$500)	(\$500)	
RETIREE HEALTH BENEFITS TRUST (RHBT)	---	(\$1,000)	---	(\$1,000)	---	---	---	---	---	---	(\$1,000)	(\$1,000)	(\$1,000)	
TOTAL - ALL FUNDS⁽³⁾	\$22,083	\$7,553	\$8,185	\$37,821	\$19,519	\$9,567	\$211	\$735	\$5,994	\$36,026	\$73,847	\$72,115		
TOTAL - CITY FUNDS⁽³⁾	\$13,611	\$5,539	\$8,029	\$27,179	\$8,536	\$8,116	\$199	\$545	\$5,635	\$23,031			\$50,210	
Less: Prepayments	---	---	---	---	---	---	---	---	\$270	\$270	\$270	\$270	\$270	
Total After Prepayments	\$22,083	\$7,553	\$8,185	\$37,821	\$19,519	\$9,567	\$211	\$735	\$5,724	\$35,756	\$73,577	\$71,845	\$49,940	

⁽¹⁾ Only reflects funding appropriated in the City's Budget.

⁽²⁾ Includes subsidies to the MTA, General Reserve, Indigent Defense Services and Other Contractual Services.

⁽³⁾ Excludes the impact of prepayments.

Fiscal Year 2014 May 2013 Financial Plan

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Fund Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgment & Claims	Debt Service	OTPS Subtotal				
UNIFORM AGENCIES														
Police Department	\$4,271	\$1,933	\$2,547	\$8,751	\$332	---	\$58	\$191	\$132	\$713	\$9,464	\$9,234	\$9,047	
Fire Department	1,510	659	1,057	3,226	174	---	10	29	138	351	3,577	3,575	3,270	
Department of Correction	912	460	376	1,748	129	---	9	35	181	354	2,102	2,102	2,075	
Department of Sanitation	801	391	297	1,489	592	---	6	49	314	961	2,450	2,447	2,404	
Subtotal	\$7,494	\$3,443	\$4,277	\$15,214	\$1,227	---	\$83	\$304	\$765	\$2,379	\$17,593	\$17,358	\$16,796	
HEALTH AND WELFARE														
Administration for Children's Services	\$411	\$145	\$73	\$629	\$2,309	---	\$5	\$3	---	\$2,317	\$2,946	\$2,945	\$970	
Department of Social Services	742	355	152	1,249	935	7,753	4	---	107	8,799	10,048	10,039	7,821	
Department of Homeless Services	119	46	21	186	782	---	1	1	---	784	970	969	507	
Department of Health & Mental Hygiene	362	127	72	561	968	---	2	2	50	1,022	1,583	1,579	809	
Health and Hospitals Corporation ⁽⁴⁾	---	30	---	30	174	---	5	190	183	552	582	475	247	
Subtotal	\$1,634	\$703	\$318	\$2,655	\$5,168	\$7,753	\$17	\$196	\$340	\$13,474	\$16,129	\$16,007	\$10,354	
EDUCATION														
Department of Education	\$9,394	\$3,629	\$3,102	\$16,125	\$7,029	---	\$20	\$54	\$1,421	\$8,524	\$24,649	\$24,435	\$13,888	
City University	490	88	69	647	303	---	---	1	62	366	1,013	997	727	
Subtotal	\$9,884	\$3,717	\$3,171	\$16,772	\$7,332	---	\$20	\$55	\$1,483	\$8,890	\$25,662	\$25,432	\$14,615	
OTHER AGENCIES	\$2,315	\$827	\$463	\$3,605	\$3,967	---	\$86	\$211	\$3,195	\$7,459	\$11,064	\$10,092	\$8,367	
ELECTED OFFICIALS	\$440	\$137	\$88	\$665	\$88	---	\$6	\$2	---	\$96	\$761	\$757	\$697	
MISCELLANEOUS BUDGET	\$265	---	---	\$265	---	\$2,453 ⁽²⁾	---	---	\$316	\$2,769	\$3,034	\$3,034	\$2,351	
DEBT SERVICE COSTS (Unallocated)	---	---	---	---	---	---	---	---	\$146	\$146	\$146	\$146	\$93	
RESERVE FOR CLAIMS FROM PAST PERIODS	---	---	---	---	---	---	---	---	---	---	---	---	---	
RETIREE HEALTH BENEFITS TRUST (RHBT)	---	(\$1,000)	---	(\$1,000)	---	---	---	---	---	---	(\$1,000)	(\$1,000)	(\$1,000)	
TOTAL - ALL FUNDS⁽³⁾	\$22,032	\$7,827	\$8,317	\$38,176	\$17,782	\$10,206	\$212	\$768	\$6,245	\$35,213	\$73,389	\$71,826		
TOTAL - CITY FUNDS⁽³⁾	\$14,001	\$6,012	\$8,160	\$28,173	\$8,664	\$8,639	\$203	\$578	\$6,016	\$24,100			\$52,273	
Less: Prepayments	---	---	---	---	\$64	---	---	---	\$1,986	\$2,050	\$2,050	\$2,050	\$2,050	
Total After Prepayments	\$22,032	\$7,827	\$8,317	\$38,176	\$17,718	\$10,206	\$212	\$768	\$4,259	\$33,163	\$71,339	\$69,776	\$50,223	

⁽¹⁾ Only reflects funding appropriated in the City's Budget.

⁽²⁾ Includes subsidies to the MTA, General Reserve, Indigent Defense Services and Other Contractual Services.

⁽³⁾ Excludes the impact of prepayments.

Changes Between FY 2013 and FY 2014

May 2013 Financial Plan

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Fund Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgment & Claims	Debt Service	OTPS Subtotal			
UNIFORM AGENCIES													
Police Department	(\$103)	\$42	(\$93)	(\$154)	(\$201)	---	\$1	\$11	\$3	(\$186)	(\$340)	(\$339)	\$71
Fire Department	(115)	18	2	(95)	(78)	---	1	2	12	(63)	(158)	(157)	(44)
Department of Correction	(34)	27	7	---	8	---	(1)	2	---	9	9	10	27
Department of Sanitation	(65)	(7)	12	(60)	55	---	---	3	(4)	54	(6)	(5)	137
Subtotal	(\$317)	\$80	(\$72)	(\$309)	(\$216)	---	\$1	\$18	\$11	(\$186)	(\$495)	(\$491)	\$191
HEALTH AND WELFARE													
Administration for Children's Services	\$18	\$8	\$16	\$42	(\$163)	---	---	---	---	(\$163)	(\$121)	(\$69)	(\$3)
Department of Social Services	(12)	16	8	12	(99)	41	(1)	---	27	(32)	(20)	(16)	131
Department of Homeless Services	1	2	---	3	(98)	---	---	---	---	(98)	(95)	(95)	(15)
Department of Health & Mental Hygiene	(29)	3	1	(25)	(324)	---	---	1	5	(318)	(343)	(330)	(22)
Health and Hospitals Corporation ⁽¹⁾	---	3	---	3	(133)	---	(1)	---	(5)	(139)	(136)	(112)	(10)
Subtotal	(\$22)	\$32	\$25	\$35	(\$817)	\$41	(\$2)	\$1	\$27	(\$750)	(\$715)	(\$622)	\$81
EDUCATION													
Department of Education	\$219	\$156	\$148	\$523	\$267	---	---	\$2	(\$9)	\$260	\$783	\$797	\$490
City University	(7)	(4)	5	(6)	21	---	---	---	8	29	23	42	23
Subtotal	\$212	\$152	\$153	\$517	\$288	---	---	\$2	(\$1)	\$289	\$806	\$839	\$513
OTHER AGENCIES	(\$54)	\$7	\$22	(\$25)	(\$1,479)	---	\$1	\$12	\$189	(\$1,277)	(\$1,302)	(\$1,264)	\$163
ELECTED OFFICIALS	(\$29)	\$3	\$4	(\$22)	(\$13)	---	\$1	---	---	(\$12)	(\$34)	(\$33)	\$2
MISCELLANEOUS BUDGET	\$159	---	---	\$159	---	\$598 ⁽²⁾	---	---	\$16	\$614	\$773	\$773	\$604
DEBT SERVICE COSTS (Unallocated)	---	---	---	---	---	---	---	---	\$9	\$9	\$9	\$9	\$9
RESERVE FOR CLAIMS FROM PAST PERIODS	---	---	---	---	\$500	---	---	---	---	\$500	\$500	\$500	\$500
RETIREE HEALTH BENEFITS TRUST (RHBT)	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL - ALL FUNDS⁽³⁾	(\$51)	\$274	\$132	\$355	(\$1,737)	\$639	\$1	\$33	\$251	(\$813)	(\$458)	(\$289)	
TOTAL - CITY FUNDS⁽³⁾	\$390	\$473	\$131	\$994	\$128	\$523	\$4	\$33	\$381	\$1,069			\$2,063
Less: Prepayments	---	---	---	---	\$64	---	---	---	\$1,716	\$1,780	\$1,780	\$1,780	\$1,780
Total After Prepayments	(\$51)	\$274	\$132	\$355	(\$1,801)	\$639	\$1	\$33	(\$1,465)	(\$2,593)	(\$2,238)	(\$2,069)	\$283

⁽¹⁾ Only reflects funding appropriated in the City's Budget.

⁽²⁾ Includes subsidies to the MTA, General Reserve, Indigent Defense Services and Other Contractual Services.

⁽³⁾ Excludes the impact of prepayments.

City Funds Changes to FY 2013 – FY 2017 Since the January 2013 Financial Plan

	City Funds (\$ in Millions)				
	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Gap to be Closed - January 2013 Financial Plan	\$ ---	\$ ---	(\$2,373)	(\$1,876)	(\$1,854)
<u>Revenue Changes - Increase/(Decrease)</u>					
Tax Revenue Forecast	\$1,036	(\$194)	\$323	\$215	\$144
Tax Audit Revenue	222	---	---	---	---
Delay in Taxi Medallion Sales	---	(300)	(97)	(3)	400
Non-Tax Revenue Changes	(183)	32	1	(42)	(81)
Subtotal Revenue Changes	\$1,075	(\$462)	\$227	\$170	\$463
<u>Expense Changes - Increase/(Decrease)</u>					
Pension Changes	\$124	\$105	\$123	\$125	\$126
Agency Expense Changes	40	327	162	155	(25)
Debt Service Changes	(8)	(5)	8	19	33
Energy Savings	(97)	(105)	(104)	(106)	(108)
Additional General Reserve in FY 2014	---	150	---	---	---
General Reserve in FY 2013 (Reduce from \$100m to \$40m)	(60)	---	---	---	---
Subtotal Expense Changes	(\$1)	\$472	\$189	\$193	\$26
Remaining Gap to be Closed	\$1,076	(\$934)	(\$2,335)	(\$1,899)	(\$1,417)
Prepayment of FY 2014 Expenses - (Increase Gap)/Decrease Gap	(\$1,076)	\$1,076	\$ ---	\$ ---	\$ ---
Prepayment of FY 2015 Expenses - (Increase Gap)/Decrease Gap	\$ ---	(\$142)	\$142	\$ ---	\$ ---
Gap to be Closed - May 2013 Financial Plan	\$ ---	\$ ---	(\$2,193)	(\$1,899)	(\$1,417)

Five-Year Financial Plan Revenues and Expenditures as Required by Law May 2013 Financial Plan

(All Funds - \$ in Millions)

Revenues	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Taxes					
General Property Tax	\$18,561	\$19,486	\$20,328	\$21,259	\$22,026
Other Taxes	25,707	25,044	26,810	27,834	29,003
Tax Audit Revenue	1,060	709	709	709	709
Subtotal: Taxes	\$45,328	\$45,239	\$47,847	\$49,802	\$51,738
Miscellaneous Revenues	6,359	6,562	6,612	6,619	6,730
Unrestricted Intergovernmental Aid	---	---	---	---	---
Less: Intra-City Revenue	(1,732)	(1,563)	(1,561)	(1,565)	(1,566)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$49,940	\$50,223	\$52,883	\$54,841	\$56,887
Other Categorical Grants	996	888	893	881	877
Inter-Fund Revenues	560	535	516	515	515
Federal Categorical Grants	9,005	6,429	6,312	6,295	6,292
State Categorical Grants	11,344	11,701	12,037	12,519	13,033
Total Revenues	\$71,845	\$69,776	\$72,641	\$75,051	\$77,604
Expenditures					
Personal Service					
Salaries and Wages	\$22,083	\$22,032	\$22,158	\$22,429	\$22,785
Pensions	8,185	8,317	8,326	8,524	8,778
Fringe Benefits	8,553	8,827	9,447	10,148	10,913
Retiree Health Benefits Trust	(1,000)	(1,000)	-	-	-
Subtotal: Personal Service	\$37,821	\$38,176	\$39,931	\$41,101	\$42,476
Other Than Personal Service					
Medical Assistance	6,335	6,366	6,447	6,415	6,415
Public Assistance	1,378	1,387	1,385	1,385	1,391
All Other ^{(1),(2)}	22,279	20,765	21,295	21,804	22,273
Subtotal: Other Than Personal Service	\$29,992	\$28,518	\$29,127	\$29,604	\$30,079
General Obligation, Lease and TFA Debt Service ^{(1),(2),(3)}	5,994	6,245	7,179	7,510	7,732
FY 2012 Budget Stabilization & Discretionary Transfers ⁽¹⁾	(2,431)	(31)	---	---	---
FY 2013 Budget Stabilization & Discretionary Transfers ⁽²⁾	2,161	(2,161)	---	---	---
FY 2014 Budget Stabilization ⁽³⁾	---	142	(142)	---	---
General Reserve	40	450	300	300	300
Subtotal	\$73,577	\$71,339	\$76,395	\$78,515	\$80,587
Less: Intra-City Expenses	(1,732)	(1,563)	(1,561)	(1,565)	(1,566)
Total Expenditures	\$71,845	\$69,776	\$74,834	\$76,950	\$79,021
Gap To Be Closed	\$ ---	\$ ---	(\$2,193)	(\$1,899)	(\$1,417)

⁽¹⁾ Fiscal Year 2012 Budget Stabilization and Discretionary Transfers total \$2.462 billion, including GO of \$1.340 billion, TFA of \$879 million, lease debt service of \$156 million, net equity contribution in bond refunding of \$23 million, and subsidies of \$64 million.

⁽²⁾ Fiscal Year 2013 Budget Stabilization and Discretionary Transfers total \$2.161 billion, including GO of \$2.097 billion and subsidies of \$64 million.

⁽³⁾ Fiscal Year 2014 Budget Stabilization totals \$142 million.