



The City of New York

Mayor's Office of Management and Budget

255 Greenwich Street - New York, New York 10007 - 2146
(212) 788-5900

Dean Fuleihan
Director

November 17, 2016

TO THE FINANCIAL CONTROL BOARD

Pursuant to Section 8.3 of the Financial Emergency Act (the "Act"), the City hereby submits for review by the Financial Control Board, Modification No. 17-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2017-2020 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. The Plan for the Covered Organization which requires modification will be forwarded to you under separate cover.

The Four Year Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP") except for the application of Statement No. 49 of the Government Accounting Standards Board ("GASB 49"), and with the exception of that portion of the plan related to certain Covered Organizations, which are prepared on a cash basis.

The City hereby certifies that, in its judgment, the Modification is complete and complies with the standards set forth in Section 8.1 of the Act.

Yours truly,

A handwritten signature in black ink, appearing to read 'D. Fuleihan'.

Dean Fuleihan

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EXHIBIT A

CITY OF NEW YORK - FINANCIAL PLAN

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Four Year Financial Plan Revenues and Expenditures
(\$ in millions)

REVENUES	FY 2017	FY 2018	FY 2019	FY 2020
Taxes				
General Property Tax	\$ 24,025	\$ 25,410	\$ 26,920	\$ 28,191
Other Taxes	29,752	31,092	32,081	33,182
Tax Audit Revenue	741	716	716	716
Subtotal: Taxes	\$ 54,518	\$ 57,218	\$ 59,717	\$ 62,089
Miscellaneous Revenues	6,624	6,442	6,695	6,798
Unrestricted Intergovernmental Aid	-	-	-	-
Less: Intra-City Revenue	(1,961)	(1,778)	(1,772)	(1,779)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 59,166	\$ 61,867	\$ 64,625	\$ 67,093
Other Categorical Grants	972	856	847	838
Inter-Fund Revenues	655	657	595	594
Federal Categorical Grants	8,534	6,799	6,638	6,638
State Categorical Grants	14,130	14,390	14,860	15,346
Total Revenues	\$ 83,457	\$ 84,569	\$ 87,565	\$ 90,509
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 25,815	\$ 27,227	\$ 28,710	\$ 29,544
Pensions	9,422	9,830	10,110	10,161
Fringe Benefits	9,636	10,222	10,890	11,838
Subtotal: Personal Service	\$ 44,873	\$ 47,279	\$ 49,710	\$ 51,543
Other Than Personal Service				
Medical Assistance	5,915	5,915	5,915	5,915
Public Assistance	1,584	1,594	1,605	1,616
All Other	28,672	26,323	26,612	26,558
Subtotal: Other Than Personal Service	\$ 36,171	\$ 33,832	\$ 34,132	\$ 34,089
Debt Service ^{1,2}				
	6,473	6,916	7,384	8,032
FY 2016 Budget Stabilization & Discretionary Transfers ¹	(4,038)	-	-	-
FY 2017 Budget Stabilization ²	439	(439)	-	-
Capital Stabilization Reserve	500	-	-	-
General Reserve	1,000	1,000	1,000	1,000
Subtotal	\$ 85,418	\$ 88,588	\$ 92,226	\$ 94,664
Less: Intra-City Expenses	(1,961)	(1,778)	(1,772)	(1,779)
Total Expenditures	\$ 83,457	\$ 86,810	\$ 90,454	\$ 92,885
Gap To Be Closed	\$ -	\$ (2,241)	\$ (2,889)	\$ (2,376)

¹ Fiscal Year 2016 Budget Stabilization and Discretionary Transfers total \$4.038 billion, including GO of \$1.760 billion, TFA-PIT of \$1.734 billion, lease debt service of \$100 million, net equity contribution in bond refunding of \$44 million and subsidies of \$400 million.

² Fiscal Year 2017 Budget Stabilization totals \$439 million.

New York City Financial Plan
Four Year Projections of Cash Sources and Uses
(\$ in millions)

Sources of Cash	FY 2017	FY 2018	FY 2019	FY 2020
Funds Provided/(Used) from Operations	\$ (214)	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	8,761	10,541	12,033	11,830
Total Sources of Cash	\$ 8,547	\$ 12,941	\$ 14,433	\$ 14,230
Uses of Cash				
Capital Disbursements	\$ 8,761	\$ 10,541	\$ 12,033	\$ 11,830
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Total Uses of Cash	\$ 8,761	\$ 12,941	\$ 14,433	\$ 14,230
Net Sources/(Uses) of Cash	\$ (214)	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 11,719	\$ 11,505	\$ 11,505	\$ 11,505
Cash Balance - End of Period	\$ 11,505	\$ 11,505	\$ 11,505	\$ 11,505

**New York City Financial Plan
Four Year Capital Plan Funding Sources
(\$ in millions)**

Sources of Capital Cash	FY 2017	FY 2018	FY 2019	FY 2020
New York City General Obligation Bonds	\$ 2,431	\$ 3,350	\$ 4,140	\$ 4,210
Other Long-Term Sources:				
TFA-PIT	3,200	3,350	4,140	4,210
Water Authority	1,810	1,508	1,732	1,729
Subtotal Long-Term Sources	\$ 7,441	\$ 8,208	\$ 10,012	\$ 10,149
Four Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	-	750	164	64
Other State Funded Financing	156	222	210	112
Change in Non-City Cash	455	(583)	-	-
Other Non-City Funds	806	1,093	1,266	1,179
Subtotal Reimbursable Capital	\$ 1,417	\$ 1,482	\$ 1,640	\$ 1,355
Financial Plan Adjustment	(97)	851	381	326
Total Capital Plan Funding Sources	<u>\$ 8,761</u>	<u>\$ 10,541</u>	<u>\$ 12,033</u>	<u>\$ 11,830</u>

**New York City Financial Plan
FY 2017 Borrowing Schedule
(\$ in millions)**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
Total Short-Term Borrowing (Repayment)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Borrowing:					
New York City General Obligation	\$ 1,431	\$ -	\$ 1,000	\$ -	\$ 2,431
Transitional Finance Authority (TFA-PIT)	2,200	-	-	1,000	3,200
Water Authority ¹	352	683	375	400	1,810
Total Borrowing to Finance City Capital Program	\$ 3,983	\$ 683	\$ 1,375	\$ 1,400	\$ 7,441

Notes:

1. Excludes costs of issuance and reserve fund allocations and reflects Water Authority Commercial Paper, Bond Anticipation Notes, releases from debt service reserve funds, and revenue bonds issued to finance the water and sewer system's capital program. Amounts do not include revenue bonds issued to permanently finance previously issued commercial paper.

**New York City Financial Plan
Four Year Capital Plan
(\$ in millions)**

Projected Capital Commitments

	FY 2017	FY 2018	FY 2019	FY 2020	Total
City	\$ 11,628	\$ 13,729	\$ 11,143	\$ 10,791	\$ 47,291
Non-City	2,876	2,284	1,002	574	6,736
Total	\$ 14,504	\$ 16,013	\$ 12,145	\$ 11,365	\$ 54,027

Projected Capital Expenditures

	FY 2017	FY 2018	FY 2019	FY 2020	Total
City	\$ 7,344	\$ 9,059	\$ 10,393	\$ 10,475	\$ 37,271
Non-City ¹	1,417	1,482	1,640	1,355	5,894
Total	\$ 8,761	\$ 10,541	\$ 12,033	\$ 11,830	\$ 43,165

Notes:

1. Includes Federal, State and other Reimbursable Capital.



The City of New York
Mayor's Office of Management and Budget
255 Greenwich Street - New York, New York 10007 - 2146
(212) 788-5900

Dean Fuleihan
Director

Charles Brisky
Deputy Director

December 15, 2016

Mr. Jeffrey Sommer
Acting Executive Director
Financial Control Board
123 William Street, 23rd Floor
New York, New York 10038

Dear Mr. Sommer:

Enclosed please find Exhibits B1-B5 on behalf of the Covered Organizations. This completes Modification No. 17-1.

Yours truly,

A handwritten signature in black ink, appearing to read 'Charles Brisky', written in a cursive style.

Charles Brisky

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EXHIBIT B

COVERED ORGANIZATIONS - FINANCIAL PLAN

B-1	New York City Transit Authority
B-2	Staten Island Rapid Transit Operating Authority
B-3	Housing Development Corporation
B-4	New York City Industrial Development Agency
B-5	New York City Educational Construction Fund

New York City Transit (NYCT)				
2017-2020 NOVEMBER FINANCIAL PLAN				
(Calendar Years; \$ in Millions)				
DESCRIPTION	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUE:				
Operating Revenue				
Farebox Revenue	\$ 4,338.8	\$ 4,365.6	\$ 4,390.9	\$ 4,405.3
Other Operating Revenue	510.5	528.8	555.2	580.6
Total Operating Revenue	\$ 4,849.3	\$ 4,894.3	\$ 4,946.1	\$ 4,985.9
Capital & Police Reimbursement	1,202.1	1,239.4	1,176.3	1,179.8
REVENUE TOTAL	\$ 6,051.3	\$ 6,133.7	\$ 6,122.4	\$ 6,165.8
EXPENSES: ⁽¹⁾				
Nonreimbursable Expenses				
Personal Services				
Salaries and Wages	\$ 3,630.6	\$ 3,734.1	\$ 3,794.5	\$ 3,865.8
Fringe Benefits	2,732.0	2,797.0	2,890.2	3,004.7
Reimbursable Overhead	(255.5)	(255.0)	(240.1)	(240.3)
Total Personal Services	\$ 6,107.1	\$ 6,276.1	\$ 6,444.6	\$ 6,630.1
OTPS Total	\$ 1,661.9	\$ 1,820.8	\$ 1,818.9	\$ 1,894.4
Total Gap Closing Expenses	\$ -	\$ -	\$ -	\$ -
Debt Service ⁽²⁾	1,185.0	1,273.1	1,334.8	1,373.4
Depreciation	1,728.1	1,778.1	1,828.1	1,878.1
Other Post Employment Benefits (OPEB)	1,443.4	1,501.1	1,561.1	1,623.6
Environmental Remediation	-	-	-	-
GASB 68 Pension Adjustment	(354.8)	(296.0)	(305.5)	(296.4)
Total Nonreimbursable Expenses	\$ 11,770.6	\$ 12,353.1	\$ 12,681.9	\$ 13,103.2
Total Reimbursable Expenses	\$ 1,202.1	\$ 1,239.4	\$ 1,176.3	\$ 1,179.8
TOTAL EXPENSES	\$ 12,972.7	\$ 13,592.5	\$ 13,858.3	\$ 14,283.1
SUBSIDIES:				
Bridges & Tunnels Surplus Transfer	\$ 309.0	\$ 260.9	\$ 224.5	\$ 203.7
Operating Assistance	316.2	316.2	316.2	316.2
Tax-Supported Subsidies	3,816.7	3,754.4	3,895.2	3,954.8
Additional Assistance ⁽³⁾	(426.7)	(435.6)	(161.7)	(303.0)
TOTAL SUBSIDIES	\$ 4,015.2	\$ 3,895.9	\$ 4,274.2	\$ 4,171.6
SURPLUS (DEFICIT)	\$ (2,906.1)	\$ (3,562.9)	\$ (3,461.6)	\$ (3,945.6)
Financial Stabilization Program	\$ -	\$ -	\$ -	\$ -
BELOW THE LINE ITEMS ⁽⁴⁾	(368.5)	168.9	251.3	585.0
OTHER ACTIONS AVAILABLE TO OFFSET OUTYEAR				
BUDGET GAPS ⁽⁵⁾	-	141.3	-	-
CASH FLOW ADJUSTMENTS	154.4	253.0	190.8	167.4
DEPRECIATION ADJUSTMENT	1,728.1	1,778.1	1,828.1	1,878.1
OPEB ADJUSTMENT	1,443.4	1,501.1	1,561.1	1,623.6
ENVIRONMENTAL REMEDIATION	-	-	-	-
GASB 68 PENSION ADJUSTMENT	(354.8)	(296.0)	(305.5)	(296.4)
CASH SURPLUS FROM PREVIOUS YEAR	320.2	16.6	-	64.2
CLOSING CASH BALANCE	\$ 16.6	\$ -	\$ 64.2	\$ 76.2

SOURCE: MTA 2017 Final Proposed Budget, November Financial Plan 2017-2020, dated November 2016. This report is an accrual based operating report statement excluding amounts for debt service and subsidies, which are reported on a cash basis.

(1) Includes increases due to investments in new programmatic initiatives including the Enterprise Asset Management (EAM) project, Second Avenue Subway, and Select Bus Service expansion.

(2) Debt Service includes NYCT Base Debt Service plus Debt Service assumed by the MTA on behalf of NYCT. It equals the Sub-total MTA Paid Debt Service. The base debt amount is adjusted by refinanced debt. The total debt service amount is cash-based.

(3) Includes the Forward Energy Contracts Program, NYCT charge-back of MTA Bus debt service and Committed to Capital for the 2010-2014 and 2015-2019 Capital Programs.

(4) Items include actions that require Board approval and/or waiting negotiations such as the 4% fare/toll increases in 2017 and 2019 and several unidentified MTA Efficiencies.

(5) Includes items not yet provided by the MTA. Typically includes Increased Ridership, Fare Collection, Expense Reductions, Management Initiatives, Cash Reserve, and Other Governmental Assistance.

* The Fiscal Year used by MTA-New York City Transit is the Calendar Year (January to December).

**STATEN ISLAND RAILWAY (SIRTOA)
2017-2020 NOVEMBER FINANCIAL PLAN
(Calendar Years; \$ in Millions)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUE:⁽¹⁾				
Subway Farebox Revenue	6.574	6.618	6.665	6.687
Other Operating Revenue	2.428	2.450	2.473	2.496
Capital and Other Reimbursements	4.996	2.510	2.010	2.010
TOTAL REVENUE	13.998	11.578	11.148	11.193
EXPENDITURES (Non-Reimbursable):				
Payroll	23.406	22.726	23.091	23.465
Overtime	2.895	3.062	1.641	1.655
Health & Welfare	4.293	4.649	4.730	4.913
OPEB Current Portion	1.404	1.497	1.524	1.585
Pensions	6.074	6.128	6.128	6.229
Other Fringe Benefits	4.036	4.093	4.082	4.165
Total Reimbursable Overhead	(1.208)	(0.489)	(0.489)	(0.489)
Electric Power	3.324	4.025	4.191	4.364
Fuel for Buses & Trains	0.235	0.275	0.288	0.293
Insurance	1.117	1.462	1.660	1.680
Claims	0.084	0.088	0.088	0.091
Mtce. & Other Operating Contracts ⁽²⁾	14.933	21.507	2.517	2.081
Professional Service Contracts	0.762	1.112	1.046	1.064
Materials & Supplies	2.631	1.815	1.331	1.340
Other Business Expenses	0.030	0.030	0.030	0.030
TOTAL EXPENSES	64.016	71.980	51.858	52.466
Capital and Other Reimbursements	4.996	2.510	2.010	2.010
Depreciation Expense	8.300	8.300	8.300	8.300
OPEB Account	7.500	7.500	7.500	7.500
Base Debt Service Expense	0.600	0.783	2.104	4.527
Debt Service Investment Income	-	-	(0.001)	(0.001)
GASB 68 Pension Expense Adjustment	(0.500)	(0.500)	(0.500)	(0.500)
TOTAL EXPENSES AFTER DEPRECIATION	84.912	90.573	71.271	74.301
OPERATING SURPLUS (DEFICIT)	(70.914)	(78.995)	(60.123)	(63.108)
SUBSIDY REVENUE:				
City Aid & Fare Reimbursement	0.565	0.565	0.565	0.565
State Aid & Fare Reimbursement	0.565	0.565	0.565	0.565
MMTOA	4.006	4.191	4.385	4.536
SIRTOA Recovery	36.121	56.402	58.205	39.281
TOTAL TAX & OPERATING ASSISTANCE	41.258	61.724	63.720	44.948
SURPLUS (DEFICIT)	(29.656)	(17.271)	3.597	(18.160)
LOAN FROM (TO) MTA STABILIZATION FUND ⁽³⁾	20.280	1.803	(18.923)	2.638
BELOW THE LINE ITEMS ⁽⁴⁾	-	0.168	0.031	0.241
ACCRUAL TO CASH ADJUSTMENT	(5.924)	-	(0.005)	(0.019)
DEPRECIATION CASH ADJUSTMENT	8.300	8.300	8.300	8.300
OPEB ACCOUNT CASH ADJUSTMENT	7.500	7.500	7.500	7.500
GASB 68 PENSION ADJUSTMENT	(0.500)	(0.500)	(0.500)	(0.500)
NET CHANGE IN CASH	-	-	-	-
OPENING CASH BALANCE	-	-	-	-
CLOSING CASH BALANCE	-	-	-	-

NOTE: The Calendar Year is the Fiscal Year used by MTA-Staten Island Railway.

SOURCES: MTA 2017 Final Proposed Budget, November Financial Plan 2017-2020, dated November 2016.

(1) Includes farebox revenue and capital reimbursements in 2016 to provide materials in support of countdown clock installation and for labor expenses under the National Transportation Safety Board mandated worker protection requirement.

(2) Reflects inflationary increases from 2017-2020. Also includes the R-44 fleet maintenance project through 2019.

(3) This line is due to the timing of the City subsidy for SIRTOA, which is provided after the close of the MTA fiscal year.

(4) Items include actions that require Board approval and/or waiting negotiations such as the 4% fare/toll increases in 2017 and 2019.

New York City Housing Development Corporation
Four Year Financial Plan -- Schedule of Revenues, Expenditures and Fund Balances
HDC Fiscal Years 2017 through 2020
Accrual Basis, Dollars in Thousands
HDC Programs Only

Reporting Categories	2017	2018	2019	2020
Operating Revenues				
Interest on Loans	330,688	353,837	378,605	405,108
Fees and Charges	66,379	67,707	69,061	70,442
Income on Loan Participation Interests	5,000	5,000	5,000	5,000
Other Operating Revenues	5,000	2,000	2,000	2,000
Subtotal, Operating Revenues	407,068	428,544	454,666	482,550
Operating Expenses				
Interest, Amortization of Bond Discount/Premium	251,744	264,331	277,548	291,425
Salaries and Related Expense ⁽¹⁾	26,413	27,206	28,022	28,863
Trustee and Other Fees	12,955	13,214	13,478	13,748
Debt Issuance Costs	10,220	13,286	17,271	22,453
Corporate Operating Expenses	5,336	5,470	5,606	5,746
Subtotal, Operating Expenses	306,668	323,506	341,925	362,234
Non-Operating Revenues (Expenses)				
Earnings on Investments ⁽²⁾	26,058	26,319	26,582	26,848
Non-Operating Revenues (Grant Income) ⁽³⁾	-	-	-	-
Non-Operating Revenues (Expenses), Net	2,000	1,000	1,000	1,000
Subtotal, Non-Operating Revenues	28,058	27,319	27,582	27,848
Transfers	515	530	546	563
Special Item	-	-	-	-
Change in Net Assets	128,973	132,887	140,869	148,726
Net Assets, Beginning of Year ⁽⁴⁾	2,257,113	2,386,086	2,518,973	2,659,842
Net Assets, End of Year ⁽⁴⁾	2,386,086	2,518,973	2,659,842	2,808,567

⁽¹⁾ As of October 31, 2016, the actuarial accrued liability for OPEB (Other Post Employment Benefits) was \$27,699,000 a portion of this amount is included in the plan annual salaries expense.

⁽²⁾ Earnings on Investments includes fair value appreciation of \$2.3 million for FY 2016.

⁽³⁾ In 2016 the Corporation did not receive 421A Trust fund from the Battery Park City Authority.

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES
 Fiscal Years 2017 through 2020
 (000) Amounts in thousands

CATERGORIES:	Budgeted 2017	Budgeted 2018	Budgeted 2019	Budgeted 2020
REVENUES:				
Financing Fees	4,832	5,083	4,319	4,479
Application Fees	170	185	200	215
Compliance Fees	957	988	1,018	1,050
Post-Closing Fees	100	100	100	100
Investment Income	86	84	84	86
Other Income	400	400	400	400
TOTAL REVENUES	6,545	6,839	6,121	6,330
EXPENDITURES:				
OTPS	7,416	6,933	5,055	4,972
TOTAL EXPENDITURES	7,416	6,933	5,055	4,972
SURPLUS/(DEFICIT)	(871)	(94)	1,065	1,359
FUND BALANCE (Beginning of Period)	47,576	46,705	46,612	47,677
FUND BALANCE (End of Period)	46,705	46,612	47,677	49,036

NYC EDUCATIONAL CONSTRUCTION FUND

FY 2017 - 2020 Budget

\$ in thousands

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
RECEIPTS				
Non-School Rentals & Tax Payments	\$ 22,713	\$ 24,746	\$ 25,646	\$ 27,708
Interest Income	500	510	520	531
IRS Build American Bonds (BABs) Interest Subsidy	1,005	987	987	987
Total Receipts	\$ 24,218	\$ 26,243	\$ 27,153	\$ 29,226
DISBURSEMENTS				
Personal Services	\$ 657	\$ 676	\$ 697	\$ 718
Other Than Personal Services	526	542	558	575
Insurance	683	704	725	747
Sub-total Administrative	\$ 1,866	\$ 1,922	\$ 1,980	\$ 2,039
Debt Service:				
Principal	\$ 4,525	\$ 4,680	\$ 4,845	\$ 5,035
Interest	13,334	13,163	12,970	16,048
Sub-total Debt Service and Construction Expense	\$ 17,859	\$ 17,843	\$ 17,815	\$ 21,083
Total Disbursements	\$ 19,725	\$ 19,765	\$ 19,795	\$ 23,122
Beginning Balance - Cash and Investments Holdings	\$ 24,133	\$ 28,626	\$ 35,104	\$ 42,463
Excess/(Deficiency) of Receipts over Disbursements	4,493	6,478	7,358	6,103
Ending Balance Cash and Investment Holdings	\$ 28,626	\$ 35,104	\$ 42,463	\$ 48,566

* ECF's non-school rentals/tax receipts projection increased slightly for 2017.

* ECF signed a term sheet and is going through the approval process for a proposed new project on 96th Street. Depending on the timeline, ECF could start incurring a net increase in interest on the new bonds starting in 2020.