

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

Dean Fuleihan
Director

November 12, 2015

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. 16-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2016-2019 (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

TABLE OF CONTENTS

EXHIBIT A

CITY OF NEW YORK - FINANCIAL PLAN

A-1	Projection of Revenues and Expenditures
A-2	Projections of Cash Sources and Uses
A-3	Capital Plan Funding Sources
A-4	Borrowing Schedule
A-5	Capital Plan

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

REVENUES	FY 2016	FY 2017	FY 2018	FY 2019
Taxes				
General Property Tax	\$ 22,436	\$ 23,534	\$ 24,532	\$ 25,583
Other Taxes	29,306	30,084	31,039	32,025
Tax Audit Revenue	740	711	711	711
Subtotal: Taxes	\$ 52,482	\$ 54,329	\$ 56,282	\$ 58,319
Miscellaneous Revenues	6,738	6,698	6,797	6,851
Unrestricted Intergovernmental Aid	1	-	-	-
Less: Intra-City Revenue	(1,928)	(1,772)	(1,782)	(1,776)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 57,278	\$ 59,240	\$ 61,282	\$ 63,379
Other Categorical Grants	887	824	829	827
Inter-Fund Revenues	577	548	551	551
Federal Categorical Grants	8,047	6,910	6,501	6,403
State Categorical Grants	13,142	13,367	13,769	14,097
Total Revenues	\$ 79,931	\$ 80,889	\$ 82,932	\$ 85,257
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 25,448	\$ 25,394	\$ 26,693	\$ 28,191
Pensions	8,774	8,818	8,945	9,120
Fringe Benefits	9,318	9,758	10,328	11,121
Subtotal: Personal Service	\$ 43,540	\$ 43,970	\$ 45,966	\$ 48,432
Other Than Personal Service				
Medical Assistance	6,282	6,424	6,424	6,424
Public Assistance	1,481	1,464	1,464	1,464
All Other	26,039	24,451	24,587	24,916
Subtotal: Other Than Personal Service	\$ 33,802	\$ 32,339	\$ 32,475	\$ 32,804
Debt Service ^{1,2,3}				
Debt Service	6,509	6,726	7,196	7,705
Debt Defeasances ¹	(103)	-	-	-
FY 2015 Budget Stabilization ²	(3,524)	-	-	-
FY 2016 Budget Stabilization ³	135	(135)	-	-
Capital Stabilization Reserve	500	-	-	-
General Reserve	1,000	1,000	1,000	1,000
Subtotal	\$ 81,859	\$ 83,900	\$ 86,637	\$ 89,941
Less: Intra-City Expenses	(1,928)	(1,772)	(1,782)	(1,776)
Total Expenditures	\$ 79,931	\$ 82,128	\$ 84,855	\$ 88,165
Gap To Be Closed	\$ -	\$ (1,239)	\$ (1,923)	\$ (2,908)

¹ Includes Debt Defeasances of TFA in Fiscal Year 2013 of \$196 million impacting Fiscal Year 2014 through Fiscal Year 2016.

² Fiscal Year 2015 Budget Stabilization totals \$3.601 billion, including GO of \$1.976 billion, TFA-PIT of \$1.501 billion, TFA-BARBs of \$77 million, and net equity contribution in bond refunding of \$47 million.

³ Fiscal Year 2016 Budget Stabilization totals \$135 million.

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

Sources of Cash	FY 2016	FY 2017	FY 2018	FY 2019
Funds Provided/(Used) from Operations	\$ 2,584	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	7,938	8,814	9,953	10,377
Total Sources of Cash	\$ 10,522	\$ 11,214	\$ 12,353	\$ 12,777
Uses of Cash				
Capital Disbursements	\$ 7,938	\$ 8,814	\$ 9,953	\$ 10,377
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Total Uses of Cash	\$ 7,938	\$ 11,214	\$ 12,353	\$ 12,777
Net Sources/(Uses) of Cash	\$ 2,584	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 9,502	\$ 12,086	\$ 12,086	\$ 12,086
Cash Balance - End of Period	\$ 12,086	\$ 12,086	\$ 12,086	\$ 12,086

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

Sources of Capital Cash	FY 2016	FY 2017	FY 2018	FY 2019
New York City General Obligation Bonds	\$ 1,100	\$ 3,030	\$ 3,390	\$ 3,620
Other Long-Term Sources:				
TFA-PIT	3,950	3,030	3,390	3,620
Water Authority	1,340	1,287	1,408	1,468
Subtotal Long-Term Sources	\$ 6,390	\$ 7,347	\$ 8,188	\$ 8,708
Four Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	759	279	329	213
Other State Funded Financing	77	150	180	185
Change in Non-City Cash	-	-	-	-
Other Non-City Funds	802	809	1,004	1,029
Subtotal Reimbursable Capital	\$ 1,638	\$ 1,238	\$ 1,513	\$ 1,427
Financial Plan Adjustment	(90)	229	252	242
Total Capital Plan Funding Sources	<u>\$ 7,938</u>	<u>\$ 8,814</u>	<u>\$ 9,953</u>	<u>\$ 10,377</u>

**New York City Financial Plan
FY 2016 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	\$ -	\$ -	\$ -	\$ 1,100	\$ 1,100
Transitional Finance Authority (TFA-PIT)	1,150	600	1,200	1,000	3,950
Water Authority ¹	620	-	400	320	1,340
Total Borrowing to Finance City Capital Program	\$ 1,770	\$ 600	\$ 1,600	\$ 2,420	\$ 6,390

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

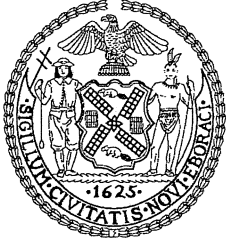
	FY 2016	FY 2017	FY 2018	FY 2019	Total
City	\$ 9,753	\$ 10,653	\$ 9,188	\$ 8,828	\$ 38,422
Non-City	2,179	1,602	1,810	786	6,377
Total	\$ 11,932	\$ 12,255	\$ 10,998	\$ 9,614	\$ 44,799

Projected Capital Expenditures

	FY 2016	FY 2017	FY 2018	FY 2019	Total
City	\$ 6,300	\$ 7,576	\$ 8,440	\$ 8,950	\$ 31,266
Non-City ¹	1,638	1,238	1,513	1,427	5,816
Total	\$ 7,938	\$ 8,814	\$ 9,953	\$ 10,377	\$ 37,082

Notes:

1. Includes Federal, State and other Reimbursable Capital.



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

Dean Fuleihan
Director

December 18, 2015

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-B4 on behalf of the Covered Organizations. This completes Modification No. 16-1.

Yours truly,

A handwritten signature in black ink, appearing to read "C. Brisky", with a stylized flourish at the end.

Charles Brisky

TABLE OF CONTENTS

EXHIBIT B

COVERED ORGANIZATIONS - FINANCIAL PLAN

B-1	New York City Transit Authority
B-2	Staten Island Rapid Transit Operating Authority
B-3	City University Construction Fund
B-4	New York City Educational Construction Fund

New York City Transit (NYCT)				
2016-2019 NOVEMBER FINANCIAL PLAN				
(Calendar Years; \$ in Millions)				
DESCRIPTION	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUE:				
Operating Revenue				
Farebox Revenue ⁽¹⁾	\$ 4,281.9	\$ 4,394.9	\$ 4,424.0	\$ 4,450.2
Other Operating Revenue	489.3	496.1	505.5	523.2
Total Operating Revenue	\$ 4,771.2	\$ 4,891.0	\$ 4,929.4	\$ 4,973.4
Capital & Police Reimbursement	1,152.8	1,161.1	1,133.9	1,107.7
REVENUE TOTAL	\$ 5,924.1	\$ 6,052.1	\$ 6,063.4	\$ 6,081.2
EXPENSES: ⁽²⁾				
Nonreimbursable Expenses				
Personal Services				
Salaries and Wages	\$ 3,529.4	\$ 3,616.2	\$ 3,713.1	\$ 3,778.5
Fringe Benefits	2,330.9	2,446.1	2,525.8	2,628.6
Reimbursable Overhead	(237.3)	(238.6)	(231.9)	(224.5)
Total Personal Services	\$ 5,623.0	\$ 5,823.8	\$ 6,006.9	\$ 6,182.6
OTPS Total	\$ 1,685.0	\$ 1,754.6	\$ 1,778.0	\$ 1,847.3
Total Gap Closing Expenses	\$ -	\$ -	\$ -	\$ -
Debt Service ⁽³⁾	1,147.7	1,310.9	1,436.7	1,522.0
Depreciation	1,638.1	1,688.1	1,863.3	1,913.3
Other Post Employment Benefits (OPEB)	1,616.3	1,680.9	1,748.1	1,818.1
Environmental Remediation	-	-	-	-
Total Nonreimbursable Expenses	\$ 11,710.1	\$ 12,258.3	\$ 12,833.1	\$ 13,283.2
Total Reimbursable Expenses	\$ 1,152.8	\$ 1,161.1	\$ 1,133.9	\$ 1,107.7
TOTAL EXPENSES	\$ 12,862.9	\$ 13,419.5	\$ 13,967.0	\$ 14,391.0
SUBSIDIES:				
Bridges & Tunnels Surplus Transfer	\$ 290.8	\$ 261.3	\$ 245.7	\$ 230.9
Operating Assistance	316.2	316.2	316.2	316.2
Tax-Supported Subsidies	3,869.2	3,634.4	3,794.4	3,788.4
Additional Assistance ⁽⁴⁾	(405.3)	(249.9)	(265.4)	(215.5)
TOTAL SUBSIDIES	\$ 4,070.9	\$ 3,962.1	\$ 4,090.9	\$ 4,120.0
SURPLUS (DEFICIT)	\$ (2,867.9)	\$ (3,405.2)	\$ (3,812.7)	\$ (4,189.8)
Financial Stabilization Program	\$ -	\$ -	\$ -	\$ -
BELOW THE LINE ITEMS ⁽⁵⁾	(375.0)	(29.4)	176.8	473.4
OTHER ACTIONS AVAILABLE TO OFFSET OUTYEAR BUDGET GAPS ⁽⁶⁾	-	-	22.2	14.3
CASH FLOW ADJUSTMENTS	(5.0)	(3.2)	(19.5)	(29.2)
DEPRECIATION ADJUSTMENT	1,638.1	1,688.1	1,863.3	1,913.3
OPEB ADJUSTMENT	1,616.3	1,680.9	1,748.1	1,818.1
ENVIRONMENTAL REMEDIATION	-	-	-	-
CASH SURPLUS FROM PREVIOUS YEAR	84.1	90.6	21.8	-
CLOSING CASH BALANCE	\$ 90.6	\$ 21.8	\$ -	\$ -

SOURCE: MTA 2016 Final Proposed Budget, November Financial Plan 2016-2019, dated November 2015. This report is an accrual based operating report statement excluding amounts for debt service and subsidies, which are reported on a cash basis.

(1) Reflects decreased farebox revenue compared with the July plan based on slower growth in ridership than previously projected.

(2) Includes increased overtime expenses over the February plan for based on adverse weather in 2015 and additional track/operational requirements. Also includes a top-side adjustment of \$9.57 million for the accelerated start date of the 2nd Avenue Subway.

(3) 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, investment income, and adjustments to the 2010-2014 Sandy Repair and Mitigation Capital Program. The total debt service amount is cash-based.

(4) Includes the loan repayment to the Capital Financing Fund, Forward Energy Contracts Program, NYCT charge-back of MTA Bus debt service, reserve for retroactive payments and commitment to capital for the 2010-2014 and 2015-2019 Capital Programs.

(5) Items include actions that require Board approval and/or waiting negotiations such as the 4% fare/toll Increases in 2017 and 2019, MTA Efficiencies, Debt Service savings and Committed to Capital, including the acceleration of the Committed to Capital contribution.

(6) 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)				
2016-2019 NOVEMBER FINANCIAL PLAN				
(Calendar Years; \$ in Millions)				
	2015	2016	2017	2018
REVENUE:⁽¹⁾				
Subway Farebox Revenue	6.373	6.735	6.769	6.816
Other Operating Revenue	2.486	2.568	2.589	2.612
Capital and Other Reimbursements	3.871	6.871	5.371	3.871
TOTAL REVENUE	12.730	16.174	14.729	13.299
EXPENDITURES (Non-Reimbursable):				
Payroll ⁽²⁾	22.715	22.117	22.549	22.973
Overtime	1.780	3.342	1.588	1.402
Health & Welfare	3.938	4.310	4.361	4.543
OPEB Current Portion	1.309	1.420	1.437	1.498
Pensions	6.007	6.133	6.220	6.306
Other Fringe Benefits	3.437	3.756	3.739	3.823
Total Reimbursable Overhead	(1.754)	(1.754)	(1.754)	(1.754)
Electric Power	3.837	3.945	4.085	4.342
Fuel for Buses & Trains	0.216	0.217	0.229	0.238
Insurance	1.241	1.590	1.610	1.780
Claims	0.904	0.085	0.089	0.089
Mtce. & Other Operating Contracts ⁽³⁾	3.396	20.049	9.019	1.829
Professional Service Contracts	0.754	0.766	0.784	0.802
Materials & Supplies	1.964	2.222	1.332	1.346
Other Business Expenses	0.030	0.030	0.030	0.030
TOTAL EXPENSES	49.774	68.228	55.318	49.247
Capital and Other Reimbursements	3.871	6.871	5.371	3.871
Depreciation Expense	8.300	8.300	8.300	8.300
OPEB Account	2.300	2.300	2.300	2.300
Base Debt Service Expense ⁽⁴⁾	0.587	1.321	1.812	1.967
Debt Service Investment Income	-	-	(0.001)	(0.001)
2012 - 2014 Sandy Program	-	-	-	-
TOTAL EXPENSES AFTER DEPRECIATION	64.832	87.020	73.101	65.683
OPERATING SURPLUS (DEFICIT)	(52.102)	(70.846)	(58.372)	(52.384)
SUBSIDY REVENUE:				
City Aid & Fare Reimbursement	0.555	0.555	0.555	0.555
State Aid & Fare Reimbursement	0.555	0.555	0.555	0.555
MMTOA	3.625	3.724	3.886	4.078
SIRTOA Recovery	33.353	41.609	55.411	42.775
TOTAL TAX & OPERATING ASSISTANCE	38.088	46.444	60.408	47.964
SURPLUS (DEFICIT)	(14.014)	(24.402)	2.036	(4.420)
LOAN FROM (TO) MTA STABILIZATION FUND	8.257	13.802	(12.865)	(6.217)
BELOW THE LINE ITEMS ⁽⁵⁾	-	-	0.229	0.044
ACCRUAL TO CASH ADJUSTMENT	(4.843)	-	-	(0.007)
DEPRECIATION CASH ADJUSTMENT	8.300	8.300	8.300	8.300
OPEB ACCOUNT CASH ADJUSTMENT	2.300	2.300	2.300	2.300
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 2016 Final Proposed Budget, November Financial Plan 2016-2019, dated November 2015.

(1) Includes farebox revenue and an increase in the reimbursements projection over the November 2014 Plan. Reimbursements are to provide materials in support of countdown clock installation and for labor expenses under the NTSB mandated worker protection requirement.

(2) Reflects employee wage increase assumptions following the MTA Railroad pattern upon expiration of existing contracts. Salaries for non-represented employees follow CPI-based increases.

(3) Reflects inflationary increases from 2016-2019. Also includes the R-44 fleet maintenance project (\$26.3 million) from December 2015 to May 2017.

(4) No bonds were needed to fund SIRTOA capital programs until the 2010-2014 capital program, funding sources for SIRTOA capital projects were limited to TBTA investment income and State and City contributions. Debt service expenses were included in SIRTOA financial plan in July 2014 for the first time.

(5) Reflects the 4% fare/toll increase in 2017 and 2019, and the subsidy impacts of that increase.

CITY UNIVERSITY CONSTRUCTION FUND
FINANCIAL PLAN FOR CITY FISCAL YEARS 2016 - 2019
(\$ in thousands)

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
REVENUES				
State	\$ 189,637	\$ 161,938	\$ 154,359	\$ 140,864
City	21,350	10,645	10,905	8,584
Interest and Investment Income ³	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>
Total ¹	\$ 220,886	\$ 182,482	\$ 175,164	\$ 159,347
EXPENDITURES				
Debt Service (<i>Senior Colleges</i>)	\$ 159,849	\$ 138,981	\$ 130,527	\$ 118,706
Debt Service (<i>Community Colleges</i>)	<u>41,223</u>	<u>18,099</u>	<u>18,461</u>	<u>13,648</u>
Subtotal - D.A. Rentals	\$ 201,072	\$ 157,080	\$ 148,988	\$ 132,354
D.A. Administration (<i>Senior Colleges</i>)	270	224	235	247
D.A. Administration (<i>Community Colleges</i>)	120	101	106	111
Pass-through Expenses (<i>Senior Colleges</i>)	8,168	12,088	12,692	13,327
Pass-through Expenses (<i>Community Colleges</i>)	1,356	3,089	3,243	3,408
CUCF Administration ³	<u>9,400</u>	<u>9,400</u>	<u>9,400</u>	<u>9,400</u>
Total	\$ 220,386	\$ 181,982	\$ 174,664	\$ 158,847
Surplus/ (Deficit)	\$ 500	\$ 500	\$ 500	\$ 500
Cash Flow Adjustment ²	<u>20,250</u>	<u>20,750</u>	<u>21,250</u>	<u>21,750</u>
Adjusted Surplus/ (Deficit)	\$ 20,750	\$ 21,250	\$ 21,750	\$ 22,250

NOTES

- 1 Totals may be slightly off due to rounding.
2. Cash Flow adjustment is unaudited
3. CUCF Administration and Investment and Other Income are estimated.
4. Information per DASNY 11/30/2015

NYC EDUCATIONAL CONSTRUCTION FUND

FY 2016 - 2019 Budget (Cash Basis)

\$ in thousands

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<u>RECEIPTS</u>				
Non-School Rentals & Tax Payments	\$ 21,024	\$ 22,397	\$ 24,746	\$ 25,646
Interest Income	450	459	468	478
IRS Build American Bonds (BABs) Interest Subsidy	987	987	987	987
Total Receipts	\$ 22,461	\$ 23,843	\$ 26,201	\$ 27,111
<u>DISBURSEMENTS</u>				
Personal Services	\$ 638	\$ 657	\$ 676	\$ 697
Other Than Personal Services	511	526	542	558
Insurance	663	683	704	725
Sub-total Administrative	\$ 1,812	\$ 1,866	\$ 1,922	\$ 1,980
Debt Service:				
Bond Redemption*	\$ 20,770	\$ -	\$ -	\$ -
Principal	330	4,525	4,680	4,845
Interest	13,859	13,334	13,163	12,970
Sub-total Debt Service and Construction Expense	\$ 34,959	\$ 17,859	\$ 17,843	\$ 17,815
Total Disbursements	\$ 36,771	\$ 19,725	\$ 19,765	\$ 19,795
Beginning Balance - Cash and Investments Holdings	\$ 38,443	\$ 24,133	\$ 28,251	\$ 34,687
Excess/(Deficiency) of Receipts over Disbursements	(14,310)	4,118	6,436	7,316
Ending Balance Cash and Investment Holdings	\$ 24,133	\$ 28,251	\$ 34,687	\$ 42,003

* ECF redeemed its outstanding Series 2005A bonds on Oct 1, 2015.