BUDGET NOTES

THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
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JANUARY 2001

FY 01 MID-YEAR ASSESSMENT

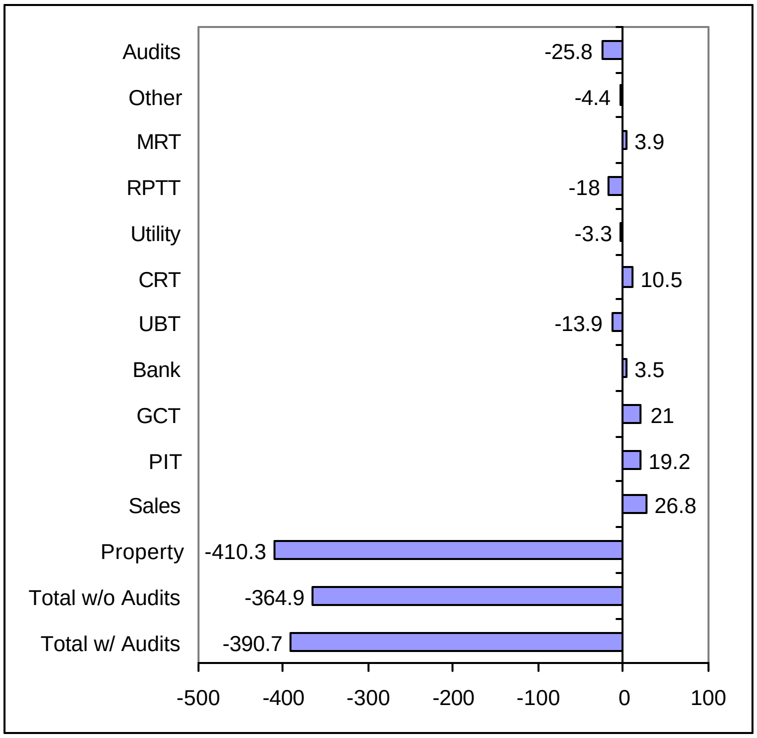
- **First-half FY 01 tax revenues, excluding tax-audit and property-tax revenues, were $45.4 million above the November Plan and four percent above tax revenues for the first half of FY 00.**
- **Major miscellaneous-revenue collections were $37 million above the November Plan.**
- **The City projects that the Health and Hospitals Corporation will end FY 01 with a $357 million surplus.**
- **The public-assistance caseload declined further to 537,841 recipients, 35,031 below June 2000.**
- **The City could return $9 million to the Board of Education for district spending as part of the initiative to reduce spending on the Board's central administration.**
- **Approximately 2,080 employees retired under the Early Retirement Incentive Program.**
- **Overtime spending in the first half of FY 01 was $339.1 million, 27.1 percent above the same period in FY 00.**
- **As of December 31, 2000, the City had 5,179 more employees than on the same date in 1999.**
- **The City has settled a class-action lawsuit for strip-searching certain detainees at the Department of Correction.**
- **The City completed two refundings of General Obligation bonds that will save about $80 million over the next three fiscal years.**

<u>**Tax Revenues**</u> Tax revenues for the first six months of FY 01 were $11.531 billion, excluding audits and the school tax relief (STAR) program. This is 1.8 percent lower than FY 00 tax revenues for the same period. It is also 3.1 percent, or $365.0 million, lower than the November Plan estimate. This short fall reflects delays in processing of the property taxes as well as a slowdown in the City's economy. Audit revenue for the first six months of FY 01 was $141.9 million, or $25.8 million below the November Plan projection. However, if property-tax collections are excluded, tax revenues are $45.4 million above the November Plan estimate. (See Chart 1.)

Property-tax collections for the six months of FY 01 were $5.281 billion, 7.8 percent below year-to-date FY 00 collections, and 7.2 percent below the November Plan estimate. The decline in property-tax collections in part reflects a delay in processing property taxes from late December 2000 to January 2001.

Personal income tax (PIT) collections of $2.362 billion in the first six months of FY 01 were 1.1 percent higher than FY 00 collections for the same period, and were 0.8 percent above the November Plan estimate. PIT withholding-tax collections in December were 7.5 percent lower than the same period in FY 00 and estimated-tax collections were 6.6 percent lower. The decrease in PIT withholding and estimated payments may reflect a drop in bonus payments and capital gains because of stock-market declines. But it could also simply reflect a shift in the timing of recognizing bonus income, from late December 2000 to January 2001. PIT collections in the first half of January 2001 have come in 29.6 percent above last year's rate. However, it is too early to determine which explanation is more accurate, or whether another factor is involved.

Chart 1. *Actual Taxes Less November Plan, FY 01, Six Months, $ millions*



Source: Office of Management and Budget, November Plan, FY 01; differences computed by the NYC Comptroller's Office. CRT=Commercial Rent Tax. MRT=Mortgage Recording Tax. RPTT=Real Property Transfer Tax. PIT=Personal Income Tax. GCT=General Corporation Tax. BCT=Banking Corporation Tax. UBT=Unincorporated Business Tax.

Real property transfer tax (RPTT) collections for the period were lower than in FY 00. Total RPTT collections until December were $205.3 million, or 12.2 percent below FY 00 year-to-date collections and 8.1 percent below the November Plan. Mortgage recording tax (MRT) revenue for first six months of FY 01 was $176.1 million, 12.7 percent below FY 00 collections for the same period, but 2.2 percent above the November Plan estimate. The decrease in RPTT and MRT collections reflects the impact of the economic slowdown, i.e., a softening of real estate prices and a reduction in sales activity.

Sales-tax revenues for the first six months of FY 01 were higher than the same period in FY 00. The $1.77 billion total sales tax was 4.6 percent above year-to-date FY 00, and 1.5 percent above the November Plan estimate. Commercial taxes were substantially above the previous year. The general corporation tax (GCT) for the first six months of FY 01 was $79.2 million, 15.0 percent above year-to-date FY 00 and 2.8 percent above the figure in the November Plan. The banking corporation tax was $226.7 million, 48.3 percent above FY 00 year-to-date, and 1.5 percent higher than in the November Plan. Commercial rent tax (CRT) collections for the first six months of FY 01 were $178.2 million, 10.8 percent above FY 00 collection in the same period, and 6.3 percent higher than estimated in the November Plan. Unincorporated business tax (UBT) collections were $201.2 million, or 3.5 percent higher in the first six months of FY 01 than in the same period of FY 00, but 6.4 percent below the November Plan estimate.

Utility taxes for the first six months of FY 01 were $92.5 million, or 7.3 percent, lower than FY 00 collections, and were 3.4 percent below the November Plan estimate. Other tax revenues totaled $259.0 million for the first six months of FY 01, 0.1 percent lower than FY 00 revenue for the same period, and 1.7 percent below November Plan projections.

Miscellaneous Revenues During the first half of FY 01, the City's major miscellaneous-revenue initiatives produced $610 million, about 6.4 percent, or $37 million, more than planned. This resulted mainly from (1) earlier-than-projected rental payments for the use of the City's terminal markets, (2) higher fees collected for Environmental Control fines, parking-violation and other motor-vehicle fines, construction permits, and (3) additional rental income for JFK and LaGuardia airports. These higher revenues were partly offset by lower collections from parking meters, bus-stop advertisements, and the sale of City-foreclosed properties. (See Table 1.)

In the November Plan, the City increased its projection of FY 01 miscellaneous revenues to $3.161 billion, $65 million over the Adopted Budget. As a result, the amount to be generated from major miscellaneous-revenue initiatives increased to $1.159 billion, a net increase of $14 million above the Adopted Budget. The major revenue initiatives include parking and moving violation fines, rental revenues for JFK and LaGuardia airports, and the overnight investment of treasury cash. The remaining $2.002 billion in revenues consists mainly of the following: payments reimbursing the City for operations, maintenance, and rental of the water and sewer system from the Water Board ($866 million), sale of the NYC Coliseum ($340 million), net proceeds from the tobacco settlement above the amounts pleged to securitize debt service of TSASC, Inc. bonds ($139 million), tuition and fees from the City University Senior and Community Colleges ($128 million), payments from the Health and Hospitals Corporation ($142 million), and other revenue sources ($387 million) such as fingerprinting, recreation-facility permits, and taxi-inspection fees.

The miscellaneous-revenue budget also includes a projection for proceeds of $30 million from the proposed sale of City-owned assets including the Board of Education (BOE) headquarters. In fact, the City will benefit from the sale of a single building in Battery Park City for approximately $40 million. The City is still seeking a buyer for the BOE headquarters.

In the November Plan, $5 million was added to the planned amount of rental income from the Port Authority (PA) for JFK and LaGuardia airports. The City's budget now projects $20 million from airport rentals from the PA for all of FY 01. But collections during the first half of FY 01 were $17 million, or $4 million higher than projected, as the PA raised its projected rental payments to the City in accordance with higher revenue forecasts for the airports in FY 01 and higher-than-expected collections by the PA for Calendar Year 2000. If the current trend in higher rental payments to the City from the PA continues throughout FY 01, the City could realize as much as $10 million more in rental income than projected in the November Plan.

Table 1. *Major Miscellaneous-Revenue Initiatives FY 01 and FY 00, First Half, $ thousands*

	(1) FY01 Plan	**(2) Actual First Half FY 01**	**(3) Actual First Half FY 00**	**(2-1) Better/(Worse) than FY 01 Plan**	**(2-3) Better/(Worse) than FY 00 Actual**
Parking and Moving Violations	$196,050	$200,533	$198,773	$4,483	$1,760
Interest Income	48,349	48,633	38,963	284	9,670
Cable-Television Franchises	35,286	39,126	25,734	3,840	13,392
Parking Meters	36,242	34,707	37,509	(1,535)	(2,802)
Interest on Debt Funds	31,314	30,501	N/A	(813)	N/A
Con Ed/Lilco Payments	25,351	25,470	24,987	119	483
Construction Permits	20,547	24,955	19,894	4,408	5,061
Park-Facility Privileges	17,116	20,092	18,057	2,976	2,035
Environmental Control Board	15,707	21,748	15,674	6,041	6,074
Fire Inspection Fees	14,109	15,629	14,525	1,520	1,104
Telephone Commission Fees	9,300	10,143	6,804	843	3,339
City-Register Fees	9,600	8,334	10,738	(1,266)	(2,404)
Taxi Licenses	7,895	8,210	12,945	315	(4,735)
Airport-Rental Revenues	12,476	16,550	16,250	4,074	300
Street Openings/Utility Permits	7,050	6,884	6,166	(166)	718
Garages and Long-Term Parking	6,112	6,504	5,950	392	554
Rents from City-Foreclosed Buildings	5,640	5,646	6,847	6	(1,201)
Affirmative Litigation	5,487	7,076	6,485	1,589	591
Birth and Death Certificates	5,090	5,226	5,164	136	62
Sheriff Desk Fees	4,197	2,722	3,511	(1,475)	(789)
Building Inspection Fees	3,774	3,660	3,345	(114)	315
Bus Stops and Advertisements	6,733	5,169	4,703	(1,564)	466
City-Foreclosed Property Auction Sales	3,174	1,738	5,613	(1,436)	(3,875)
Consumer Affairs Licenses	2,453	2,862	3,549	409	(687)
Pest Control Fees	1,350	1,856	1,099	506	757
School Lunch Fees	5,779	6,141	5,620	362	521
Terminal-Market Rents	0	7,036	N/A	7,036	N/A
All Other Major Initiatives	37,087	42,968	51,750	5,881	(8,782)
TOTAL	**$573,268**	**$610,119**	**$550,655**	**$36,851**	**$21,927**

Source: NYC Financial Management System and November Financial Plan.

Fees collected from parking, moving-violations, and other motor-vehicle-related fines were $4.4 million higher than planned for the first half of FY 01, because the City had lowered its expectation of parking-violation fines by $17 million in the November Plan. The City now projects collecting $368 million in FY 01 as a result of a drop in the issuance of parking-violation-vehicle fines. The 4,113,490 parking-violation fines issued during the first half of FY 01 represent a drop of 4.8 percent from the first half of FY 00. The main factors that account for the decline in parking-violation fines are fewer workers in traffic-enforcement units and a drop in the number of summonses issued by the Police Department. The City collected $182 million during the first half of FY 01 from the issuance of parking-violation fines, $4.8 million from moving-violation fines, $7.9 million from the towing of vehicles, and $5.7 million from traffic violations at red lights.

The City collects approximately $7 million annually in rental income for the use of its terminal markets. The City received this rental payment for FY 01 in October, where as the City in the November Plan had projected collecting this revenue in the second half of FY 01. This resulted in better-than-projected first-half FY 01 rental performance.

Other revenue sources that were higher than planned for the first half of FY 01 were fines issued by the Environmental Control Board ($6.0 million above the November Plan) and construction-permits fees ($4.4 million above plan).

Lower revenues were collected from parking meters ($1.5 million below plan), bus-stop advertisements ($1.6 million below plan), and the sale of foreclosed properties ($1.4 million below plan). The lower collections from parking meters resulted mainly from a negative variance of $1 million in collections for the month of December. Revenues from bus-stop advertisements were also lower in December by $1.8 million. The City had experienced higher collections from this initiative through November. As a result, the City increased the planned amount by $2.6 million in the November Plan. However, collections for December did not materialize as projected.

Health and Hospitals Corporation The Health and Hospitals Corporation (HHC) remains on a solid financial footing in FY 01. In FY 00, HHC reported a year-end cash balance of $436 million, the highest closing balance in its operating history. Thus far, HHC appears on pace to achieve a similar feat in FY 01. HHC's December 15 cash-flow report shows that HHC maintained daily cash balances mostly between $350-$450 million through the first half of FY 01. Daily cash balances are expected to continue predominantly in the $400-$500 million range for the remainder of FY 01. Although the report shows overall revenue collections to be slightly weaker than expected, as a result of lower estimated Medicare revenues, Medicaid collections remain strong through the first half of the year and will likely continue to exceed estimates through the end of FY 01. In recent years, Medicaid collections at HHC have routinely outperformed expectations because of slower-than-anticipated enrollment of Medicaid-eligible recipients into HHC's managed-care programs. The lower-than-expected enrollment for Medicaid managed-care programs resulted in higher Medicaid fee-for-service revenues for HHC. This pattern is likely to repeat in FY 01, given that HHC's managed-care-enrollment target remains ambitious despite being scaled back significantly from its initial forecast in June. HHC will likely end FY 01 on a strong note, as reflected in the November Plan, which projects a sizable cash balance of $357 million for HHC at the close of FY 01.

Public Assistance The public-assistance caseload fell by about 6 percent through the first half of FY 01. According to data compiled by the Department of Social Services, the City's welfare caseload fell to 537,841 in December, reflecting a decline of 35,031 recipients from the June 2000 caseload of 572,872. The FY 01 year-to-date decline consists of 29,646 recipients in the Federally mandated Family Assistance (FA) program and 5,385 recipients in the State-mandated Safety Net Assistance (SNA) program. The decline in the SNA category makes up only about 15 percent of the overall decline in the welfare caseload, thus limiting the potential for greater savings even in the face of continuing significant caseload declines through the first half of FY 01. The City contributes a higher share for spending in the SNA program (50 percent) than the FA program (25 percent). Since reaching a peak caseload of 1,160,593 in March 1995, the City's welfare roll has fallen dramatically, by about 54 percent. Monthly grants spending has also experienced a similar decline, falling by almost 55 percent to $112.1 million in December 2000, from $247.8 million in March 1995.

The December caseload is 27,872 recipients below the estimate in the November Plan. In fact, the December caseload has already surpassed the year-end caseload target of 551,083 in the November Plan. If this favorable variance is maintained for the remainder of FY 01, the City could realize a surplus of about $12 million in its public-assistance budget.

Early-Retirement Incentive Program The City instituted an early-retirement incentive program that ended on December 29, 2000.[1] Preliminary counts indicate that 2,080 employees retired under the incentive. Of those, 955 were employees of the City and the remaining 1,125 were members of the NYC Employees Retirement System (NYCERS) employed at covered organizations, such as the Off-Track-Betting Corporation (OTB), the Health and Hospitals Corporation (HHC), and the Housing Authority (HA). The City has stipulated that it would allow agencies to fill one vacancy for every two vacancies caused by the early-retirement incentive program. Therefore if one-half of the 955 retirees is replaced at an average final salary of $45,000 for all positions formerly held by participants in the early-retirement-incentive program, the City will reduce its expenditures for salary and social security contributions by approximately $11.5 million during the rest of FY 01 and $23 million in each of FYs 02-04.[2] However, these savings will be offset by the first payment for the retired members' accrued leave time. Employees participating in the program will receive the cash value of their accrued annual leave, sick leave, and compensatory time, pursuant to applicable regulations and collective-bargaining agreements, in three equal lump-sum payments at 2-, 14-, and 24-month intervals following the effective date of retirement. Also, beginning in FY 02, for the 955 retiring City employees, the City's pension contributions to NYCERS will increase by approximately $5.5 million for the next five years under the formula specified by the State Law authorizing this program.[3]

Overtime During the first half of FY 01, the City spent $339.1 million for overtime; this is $72.4 million, or 27.1 percent, more than the same period in FY 00. (See Table 2.) If current

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[1] The City's early-retirement incentive program was targeted towards non-uniformed employees who are not in hard-to-recruit titles. Retirement-system members at least 50 years of age and with at least 10 years service could participate in this program. Those electing to participate received an additional month's service credit for each year of service, up to a maximum of 36 months, and had to retire between October 16 and December 29, 2000. A reduction factor applied to those members retiring before the normal retirement age of their respective plans.

[2] Given the lag in the City's hiring process, the savings in FY 01 may be higher.

[3] The City will have to make payments to NYCERS despite the NYCERS "asset cushion." This cushion was created by its assets exceeding its actuarial liabilities when new assumptions, methods, and a restart were implemented effective June 30, 1999. The cushion is subject to depletion from adverse investment experience, actuarial losses, or increases in liabilities resulting from new or enhanced benefits. As of June 30, 1999, the NYCERS cushion was around $7 billion. Subsequent benefit enhancements have reduced the asset cushion. The NYCERS Chief Actuary estimates that, as a result of benefit enhancements, the NYCERS cushion has been reduced to $1.5 billion as of June 30, 2000.

spending patterns continue, the City may spend a record $688 million for overtime in FY 01, which represents a risk of $82 million to the budget.

Table 2. *Overtime Spending, First Six Months, FY 01 vs. FY 00, $ millions*

	First Six Months		FY 01 vs. FY 00
Agency	**FY 01**	**FY 00**	**Better/(Worse)**
Uniformed:			
Police	$158.3	$80.6	($77.7)
Fire	40.2	42.0	1.8
Correction	21.0	21.4	0.4
Sanitation	19.0	34.2	15.2
Subtotal	$238.5	$178.2	(60.3)
Civilian:			
Police	$13.7	$11.0	($2.7)
Fire	10.1	10.9	$0.8
Correction	2.2	3.5	$1.3
Sanitation	2.1	2.4	$0.3
Board of Education	6.0	4.7	($1.3)
Juvenile Justice	2.0	2.2	$0.2
Environmental Protection	10.5	8.5	($2.0)
Transportation	14.0	11.5	($2.5)
Parks & Recreation	2.1	2.5	$0.4
Administrative Services	2.0	2.0	$0.0
Agency for Child Svcs.	11.0	9.1	($1.9)
Social Services	9.7	7.1	($2.6)
All Other Civilian	15.2	13.1	($2.1)
Subtotal	$100.6	$88.5	($12.1)
Total City	**$339.1**	**$266.7**	**($72.4)**

Source: NYC Office of Management and Budget and Financial Management System.

The Police Department has spent $158.3 million for overtime through the first six months (as of December 31) and is on pace to spend for FY 01 approximately $350 million for uniformed officers, $81 million more than budgeted. The Department has doubled patrol strength to 1,000 officers per day through "Operation Condor", an anti-drug and quality-of-life initiative that has accounted for most of the increased overtime in the Police Department.

Overtime spending for the Department of Correction (DOC) uniformed personnel has declined by approximately 3 percent in FY 01 over FY 00 because of a lower average daily population in the City's jails. As a result overtime spending for the first half of FY 01 is lower by approximately 2 percent, which means DOC should not exceed its FY 01 budget.

The Sanitation Department (DOS) has increased its uniformed personnel in FY 01 to implement initiatives such as waste export and weekly recycling. The additional personnel will allow for the elimination of refuse disposal at the Fresh Kills landfill by December 31, 2001. The additional personnel have helped reduced the level of overtime incurred by DOS during the first half of FY 01 by $15.5 million, or about 42 percent, compared with the same period in FY 00.

Work Force The City work force as of December 31, 2000, was 254,868, up by a 5,179 from the same point in FY 00, largely as a result of an additional 4,499 pedagogical employees at the BOE.[4] (See Table 3.) The City is expected to end FY 01 with 255,221 employees. This reflects a net increase of 353 employees to be added throughout the rest of FY 01 to meet the City's year-end target. However, the work force as of December 31, 2000 and the ending work-force target projected by the City for FY 01 does not include the impact of an early-retirement-incentive program implemented at the end of December. A preliminary accounting of the number of participants in the early-retirement-incentive program shows that 955 employees on the City's payroll participated in the program.

Table 3. *Work Force Comparison, December 31, 2000 vs. 1999*

Agency	12/31/00 Work Force	Actual 12/31/99 Work Force	More/(Less) Than FY 00
Uniformed:			
Police	40,257	39,473	784
Fire	11,336	11,426	(90)
Correction	10,611	10,899	(288)
Sanitation	8,186	7,368	818
Subtotal	70,390	69,166	1,224
Pedagogical:			
Board of Education	97,009	92,510	4,499
City University	2,247	2,232	15
Subtotal	99,256	94,742	4,514
Civilian:			
Police	9,020	9,066	(46)
Admin for Child Svcs.	7,237	7,016	221
Social Services	13,044	13,297	(253)
All Other Civilian	55,921	56,402	(481)
Subtotal	85,222	85,781	(559)
Total	254,868	249,689	5,179

Sources : City of New York, Office of the Comptroller, and Office of Management and Budget.

On December 31, 2000, the City work force was 5,179 above the same date in 1999. This net increase is mainly the result of additional pedagogical employees in the BOE, uniformed Police and Sanitation employees, and civilian employees at the Agency for Children's Services; theses increases were partly offset by declines in a number of departments including Correction, Social Services, and Fire. Among the uniformed agencies, the Police Department (NYPD) increased by 784 employees and the Department of Sanitation (DOS) by 818 employees. The Department of Correction declined by 288 employees and the Fire Department by 90 employees. Agencies that showed the largest FY 01 declines in the civilian work force compared with FY 00 were the Department of Social Services (253 employees), the Department of Environmental Protection (122 employees), the Department of Homeless Services (97 employees), the Department of Finance (96 employees), the Fire Department (95 employees) and the Department of Transportation (83 employees).

Work-force changes since December 1999 reflect expanded education programs at BOE, crime prevention activities at NYPD, elevated waste-export activities at DOS associated with

[4] Work-force data for December is an estimate based on preliminary figures from the City's Financial Management System (FMS). The Office of Management and Budget will publish final work-force figures for December in about one month.

the closure of the Fresh Kills landfill, and lower prison populations at City jails. BOE has implemented a number of programs in recent years including early-grade-class size reductions, and the expansion of the universal pre-Kindergarden program. The NYPD continues to increase patrol strength and add additional officers for its crime-reduction initiatives such as Operation Condor. The level of DOS uniformed personnel continues to increase, reflecting a higher workload attributable to (1) waste exports that reduce the tonnage of waste disposal at Fresh Kills landfill and (2) recycling activities. Daily refuse disposed at Fresh Kills landfill is down to roughly 4,000 tons from 13,000 tons five years ago. DOC work-force levels continue to decline, reflecting lower prisoner populations at City correctional facilities. According to the Mayor's Management Report, average daily prison population at City jails was down approximately 12 percent.

Judgment & Claims/Strip Search by Corrections Officers The City has settled a class-action lawsuit filed in FY 97, challenging the Department of Correction's policy of strip-searching detainees arrested for non-felony offenses. The settlement is pending approval by the Federal Court. This lawsuit was filed on behalf of approximately 65,000 persons who alleged that Department of Correction personnel violated their constitutional rights. This policy was in effect over a ten-month period between 1996 and 1997 and was abolished in May 1997. Under the terms of the settlement, the cost to the City could be as high as $50 million, with claimants being awarded a minimum of $250 to a maximum of $22,500. The City should address funding for this settlement in its next modification of the FY 01 budget.

Board of Education Central Administration Savings In the Adopted Budget for FY 01, $88 million was removed from the Board of Education (BOE) budget for central administration. The intent of this initiative was to reduce central administrative expenditures at BOE Headquarters and utilize these resources for additional district spending. The City opted in the Adopted Budget to set aside this sum in a reserve account until BOE is able to demonstrate reductions in its central administration budget. Thus far, the City has given preliminary indication that $9 million could be returned to BOE in the next budget modification to support district spending. The City expects to conduct further reviews to determine if additional funds should be returned to BOE under this initiative.

Debt Service During the first half of FY 01 the City completed two refundings of General Obligation (G.O.) Bonds that will save approximately $80 million in the current and next two fiscal years. These transactions were completed in conjunction with approximately $46 million in equity contributions from the City treasury.[5] (See Table 4.)

In October 2000, the City completed the sale of General Obligation (G.O.) Bonds Series 2001 C, which consisted of $63.4 million of refunding bonds and a $15.0 million equity contribution that refunded $74.8 million of outstanding G.O. bonds. The gross savings of the transaction were $7.14 million with net dissavings of $13.1 million in FY 01 and savings of $7.37 million in FY 02, $12.49 million in FY 03, and $356,000 in FYs 04-22.

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[5] An equity contribution is a payment made from the City Treasury in a refunding transaction to pay off specific bonds.

Table 4. *FY 2001 G.O. Bond Refunding Transaction Summary, $ 000*

Series 2001 B & C – Completed October 2000:	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004 and After**	**Total**
Gross Savings / (Dissavings)	$1,932	$7,367	$12,493	$356	$22,148
Equity Contribution	($15,003)	-	-	-	($15,003)
Net Savings / (Dissavings) Series 2001 B & C	($13,071)	$7,367	$12,493	$356	$7,145
Series 2001 D & E – Completed January 2001:					
Gross Savings /(Dissavings)	$9,643	$49,131	$78	$206	$59,058
Equity Contribution	($31,178)	-	-	-	($31,178)
Net Savings / (Dissavings) Series 2001 D & E	($21,535)	$49,131	$78	$206	$27,880
Total Combined Savings /(Dissavings)	**($34,606)**	**$56,498**	**$12,571**	**$562**	**$35,025**

Source: NYC Comptroller's Office.

In early January, the City completed the sale of G.O. Series D & E bonds that consisted of $377.6 million of refunding bonds and an equity contribution of $31.18 million. These sources of funds defeased $390.4 million of outstanding G.O. bonds. The gross savings for the transaction were $27.88 million, with dissavings of $21.53 million in FY 01 that result from the $31.178 million from the City, partly offset by $9.643 million in debt-service savings in FY 01. This transaction produces savings of $49.1 million in FY 02, and $284,000 in savings in FY 03 through FY 20.

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