



# Mayor's Proposed 2019 Budget

Presented to Common Council on  
Wednesday, October 3, 2018

# Mission

We strive to make Ithaca a  
Model Community:

a great place to create, dream,  
live, learn, work and play



# Vision

We deliver high quality services  
to preserve & enhance  
the well-being of our community



# Values

## For those we employ and those we serve

### I. People

We believe that:

- People are our greatest asset;
- Each person should be respected, developed, supported, and valued;
- Diversity should be celebrated through inclusion

### II. Relationships

We believe in:

- Teamwork;
- Interdependent collaboration;
- Responsiveness;
- Sharing knowledge and expertise

### III. Excellent Results

We believe in:

- Continuous improvement;
- Streamlined processes;
- Creativity;
- Quality service;
- Celebrating success



# 2019 Tax Levy

- In 2019 the City of Ithaca tax levy will increase by 2.91%.

<u>2018</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
\$23,000,000	\$23,670,000	\$670,000	2.91%

- This is below the tax cap of 2.93%



# 2019 Tax Rate

- The tax rate will decrease from \$12.04 to \$11.60, a 4.45% reduction.
- The tax rate has decreased three times over the last five years, a total drop of 11.5%.
- This is the lowest tax rate since 2002.



# 2019 Tax Rate

## History of City of Ithaca Tax Rate

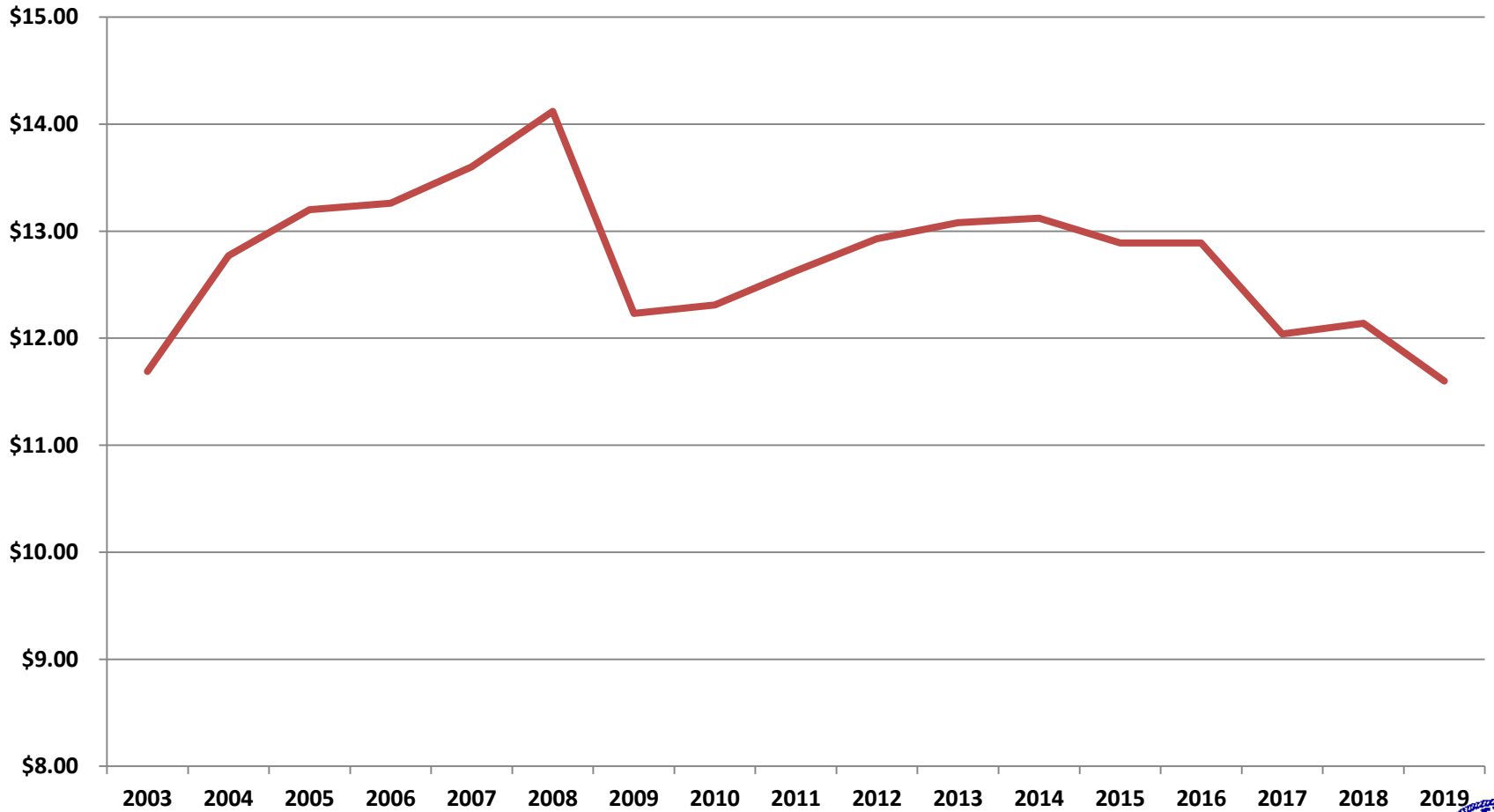
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Rate	\$10.29	\$11.69	\$12.77	\$13.20	\$13.26	\$13.60	\$14.12	<b>\$12.23</b>	\$12.31
Change	4.5%	13.7%	9.2%	3.4%	0.5%	2.6%	3.8%	<b>-13.4%</b>	0.7%

	2011	2012	2013	2014	2015	2016	2017	2018	<b>2019</b>
Rate	\$12.63	\$12.93	\$13.08	\$13.12	<b>\$12.89</b>	\$12.89	<b>\$12.04</b>	\$12.14	<b>\$11.60</b>
Change	2.6%	2.4%	1.2%	0.3%	<b>-1.8%</b>	0.0%	<b>-6.6%</b>	0.8%	<b>-4.4%</b>

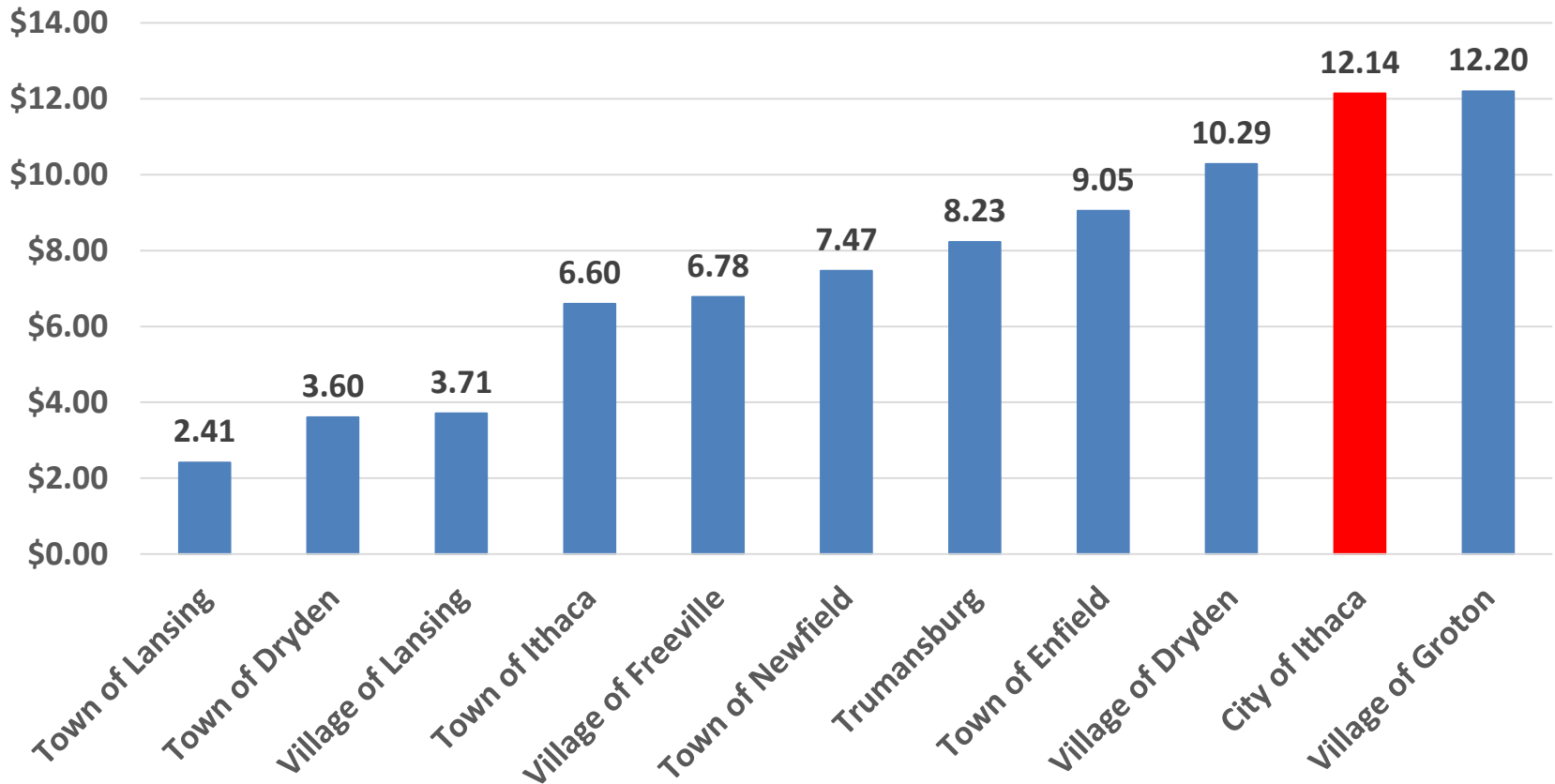


# City Tax Rate History

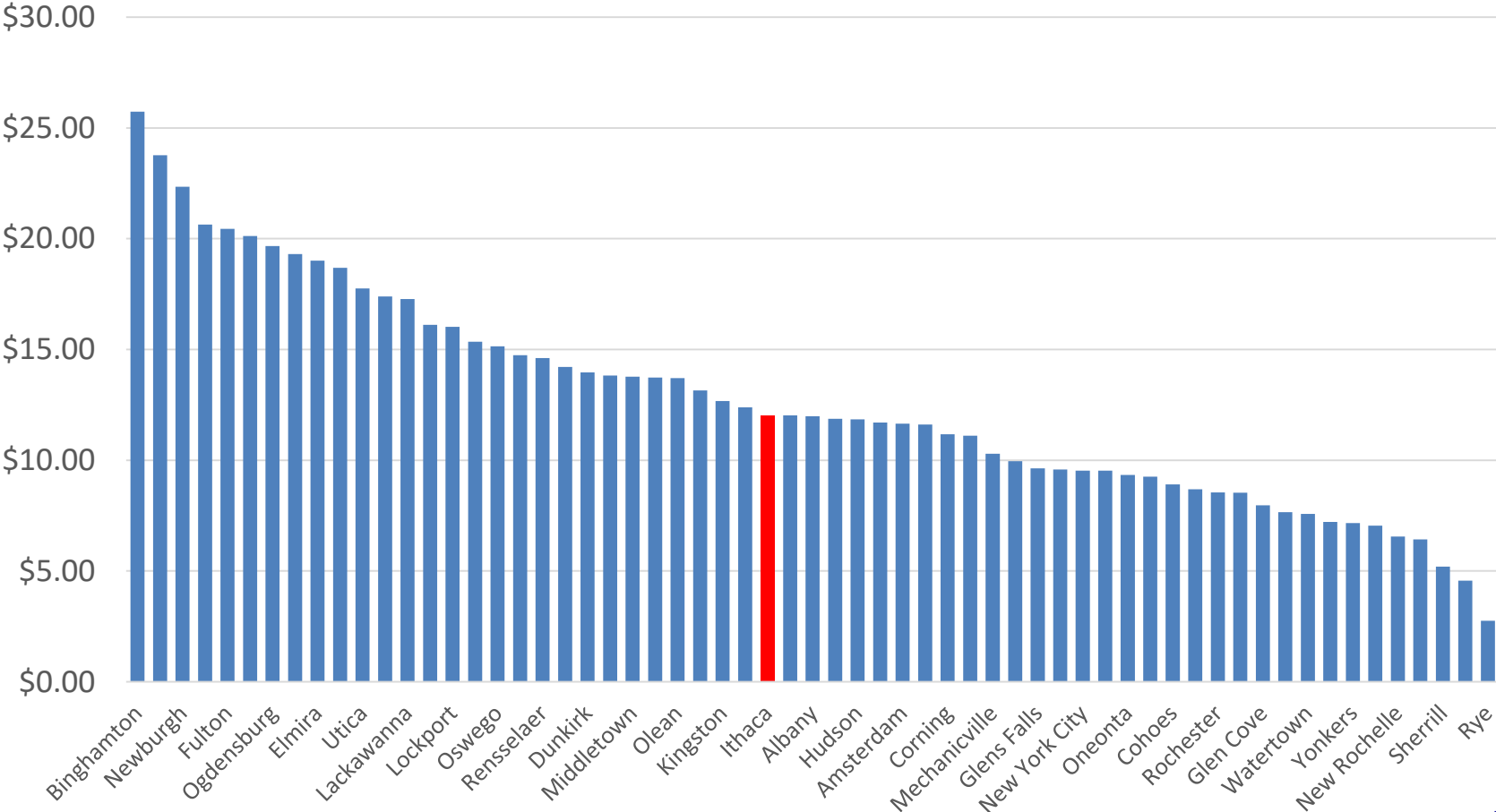




# 2018 Local Tax Rate Comparison



# 2017 Tax Rates for Cities in NY



# 2019 Budget Highlights

# 2019 Budget Highlights

## New DPW Crew

- Add a new 7-person crew to Streets and Facilities to focus on road reconstruction and other infrastructure needs
- Crew will be phased in starting March 1
- 2019 cost: \$450,000



# 2019 Budget Highlights

## Other DPW Strategic Investments

- Bridge Engineer salary brought into operating budget
- Purchase of thermal striping equipment
- Funding for design of ice jam effluent piping
- Annual TCAT contribution increased by \$73,000, an increase of 8.7%



# 2019 Budget Highlights

## Police and Fire

- Funding the same number of officers and firefighters for 2019
- Continue funding four SAFER firefighters to the end of 2019 after expiration of grant
- New aerial truck and replacement of Fire Department staff vehicle
- New police vehicles
- Town pays 31.2% of Fire Department investments



# 2019 Budget Highlights

## Planning, Building and Development

- Additional Code Inspector, starting on June 1
- Continue funding of half-time sustainability planner, funded jointly with the Town of Ithaca



# 2019 Budget Highlights

## Public Information and Technology

- Citywide WiFi upgrades funded in capital projects
- New software license to allow emailing of very large files





# 2019 Budget Highlights

## Youth Bureau

- Goose waste removal equipment
- Softball field improvements
- Tennis court resurfacing
- Living wage increases



# 2019 Budget Highlights

## GIAC

- Promote two program assistants to program leaders
- Increase one program assistant from 20 hours to 35 hours
- Living wage increases



# 2019 Budget Highlights

## Salary Increases

- Contractual salary increases for all bargaining units with contracts
- Additional step for Management Compensation Plan, effective April 1
- 2% salary increase for Common Council
- Mayor's salary same as 2018



# 2019 Budget Highlights

## Continued Funding

- Community Outreach Worker: double contribution to \$40,000
- Increase TCAD contribution to \$20,000
- 1.5% increases for Human Services Coalition, Southside Community Center and CSI
- Gorge Safety program funded at \$15,000
- Continue funding LEAD at \$50,000



# 2019 Budget Highlights

## New Funding

- Childcare for City meetings: \$5,000
- REACH: \$50,000
- Library (TCPL): \$3,000
- Wayfinding signage: \$5,000
- Tompkins Center for History and Culture: \$10,000



# 2019 General Fund Summary

Change in General Fund Revenues	\$2,500,000
Change in General Fund Expenditures	\$2,000,000
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Difference equals reduction in Fund Balance Appropriation	\$500,000



If property taxes are increasing by \$670,000, what accounts for the balance of the \$2.5 million increase in General Fund Revenues?



# 2019 General Fund Revenues

## Changes from 2018

Property Taxes	+\$670,000
Sales Tax	+\$768,000
Building Permits	+\$630,000
Transfer from Stormwater Utility	+\$535,000
Other Revenue Changes	-\$124,000
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Total Revenue Change	+\$2,479,000





# Stormwater Utility

# Stormwater Utility

- The City implemented a Stormwater Utility in 2015 to fund its stormwater-related activities.
- Increases the number of properties paying for storm water infrastructure and maintenance
- Reallocates the cost onto properties generating the most storm water runoff



# Stormwater Utility

- Current property tax rate would be \$0.49 higher without the Stormwater Utility
- The City currently collects over \$800,000 per year from Stormwater User Fees



# Stormwater Utility

- Properties with large parking lots pay a larger share of the Stormwater Utility
- \$213,500 (27%) of Stormwater User Fees is currently paid by tax exempt entities
- \$128,000 (16%) is currently paid by Cornell University alone
- The City continues to pay over \$500,000 per year from the General Fund for stormwater-related activities



# Stormwater Utility

- The Mayor's 2019 Budget proposes a two-tiered Stormwater User Fee structure
- 1-, 2-, and 3-family homes will pay \$57 per year, a \$9 increase
- Other properties will pay \$87 per ERU per year, an 81% increase
- This will bring in an additional \$535,000 to the Stormwater Utility to offset General Fund dollars currently being spent on stormwater-related activities



# Stormwater Utility

- Stormwater Utility will collect approximately \$1.35 million per year
- Tax rate would have to be \$0.66 (5.7%) higher in order to raise this same amount
- 97% of residential properties will pay less than if collected from property taxes
- 77% will pay less than half of what they would if collected from property taxes



# Tax Exempt Property

# Taxable vs. Tax Exempt

	Assessed Value	% of total
Taxable Property	\$2.1 billion	45%
Tax Exempt Property	\$2.6 billion	55%

Percent tax exempt property in the City of Ithaca, while still one of the highest in the state, has been coming down as we increase the amount of taxable property.





# Tax Exempt Entities

	<b>Exempt (millions)</b>	<b>% of exempt</b>
Cornell	\$2,100	85%
City	\$130	5%
School District	\$63	2%
Other Govt.	\$56	2%
PILOTs	\$41	2%
Churches	\$40	2%
Housing	\$37	1%
Non-profits	\$15	1%



# Cornell

- Tax exempt property owned by Cornell (\$2.1 billion) is equal to all of the taxable property in the City.
- It would generate additional \$25 million in property taxes if all of that was taxable.



But What About All the  
Development?

# Potential Revenue

Proposed Tax Rate: \$11.60 per \$1,000

\$10 million in taxable assessed value generates \$116,000 in annual property taxes

To generate an additional \$1,000,000 in property taxes requires \$86.2 million in new taxable assessed value.



# Recent Development

Marriott Hotel	\$19.5 million
Collegetown Terrace, Phase I & II	\$24.8 million
Collegetown Terrace, Phase III	\$17.8 million
Collegetown Terrace, Phase IV	\$12.3 million
Tompkins Financial	\$11.0 million
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<b>Total</b>	<b>\$85.5 million</b>

If we added the equivalent of the above development every year , we could generate almost \$1,000,000 more in property tax revenue every year



# Development

- New development is definitely helping. Our budget would be in far worse shape without it.
- It takes a lot of new development to make a dent in our rising expenses.
- We will continue to work on all fronts to increase revenues, while continuing to keep expenses from growing too quickly.



# Assessments

- Total taxable assessed value in the City increased from \$1.89 billion to \$2.04 billion, an increase of 7.7%
- It seems that there was a slight shift back toward 1- and 2-family homes as a percentage of the total assessed value



# Taxable Property Breakdown

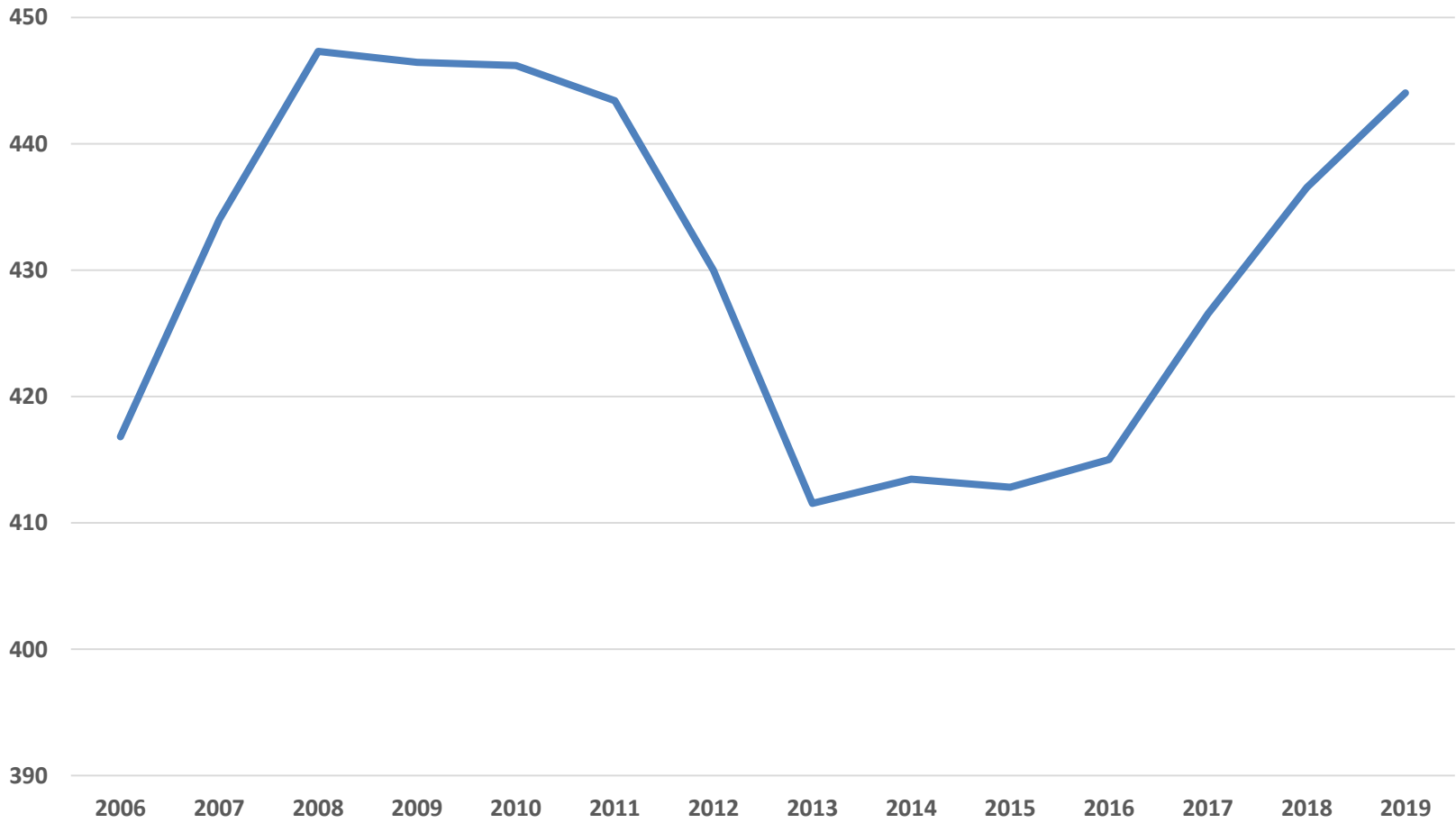
	2012	2013	2014	2015	2016	2017	2018
<b>1- and 2-family</b>	40.3%	40.1%	40.8%	40.7%	40.2%	38.9%	39.4%
<b>Apartments</b>	20.2%	20.0%	19.9%	19.8%	20.7%	23.1%	27.1%
<b>Other Residential</b>	7.7%	7.6%	7.5%	7.4%	7.2%	7.7%	7.9%
<b>Vacant</b>	0.7%	0.8%	0.9%	1.2%	1.4%	1.3%	1.8%
<b>All Other</b>	31.1%	31.5%	30.9%	30.9%	30.4%	29.0%	23.8%



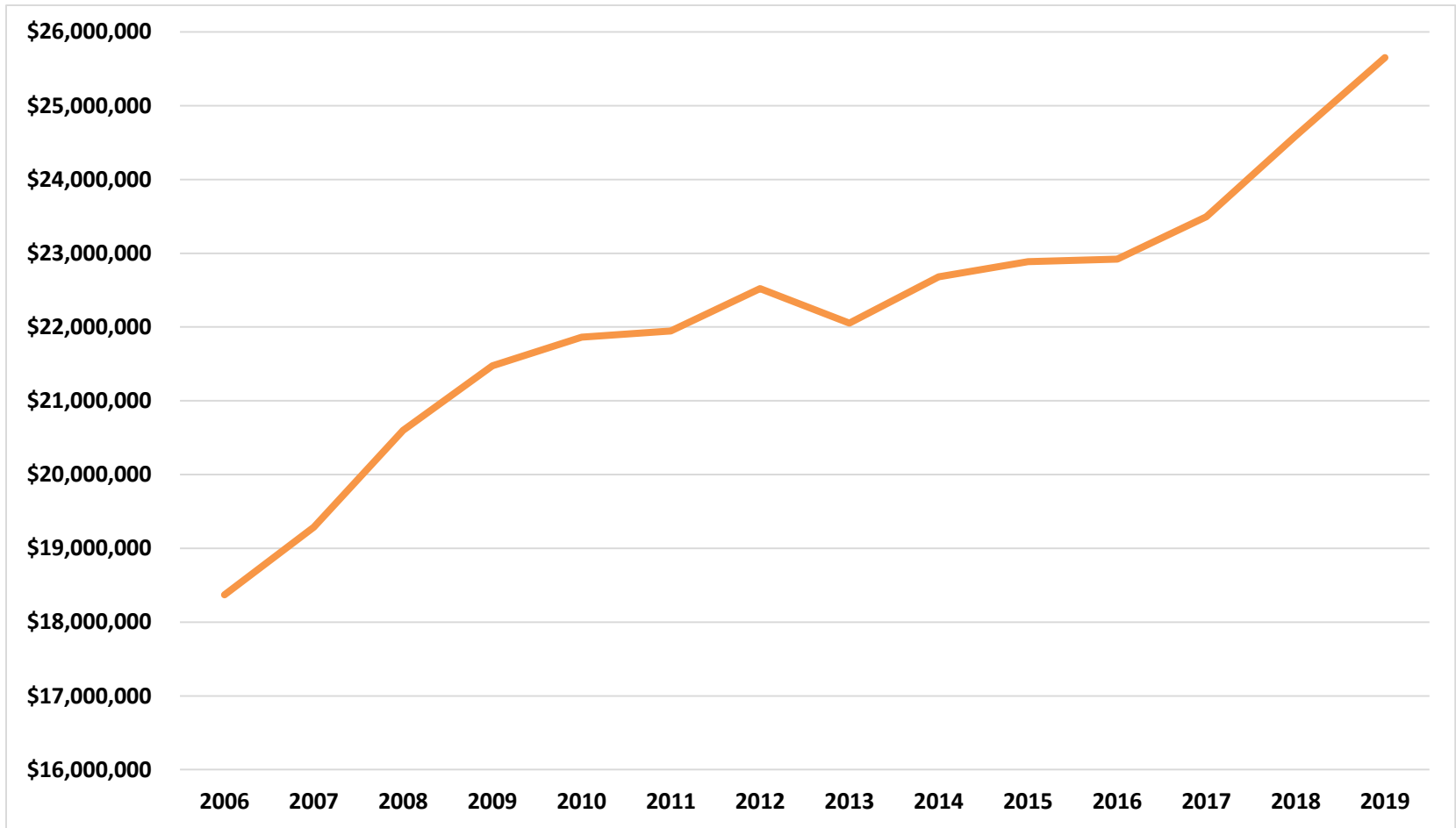


# Financial Metrics

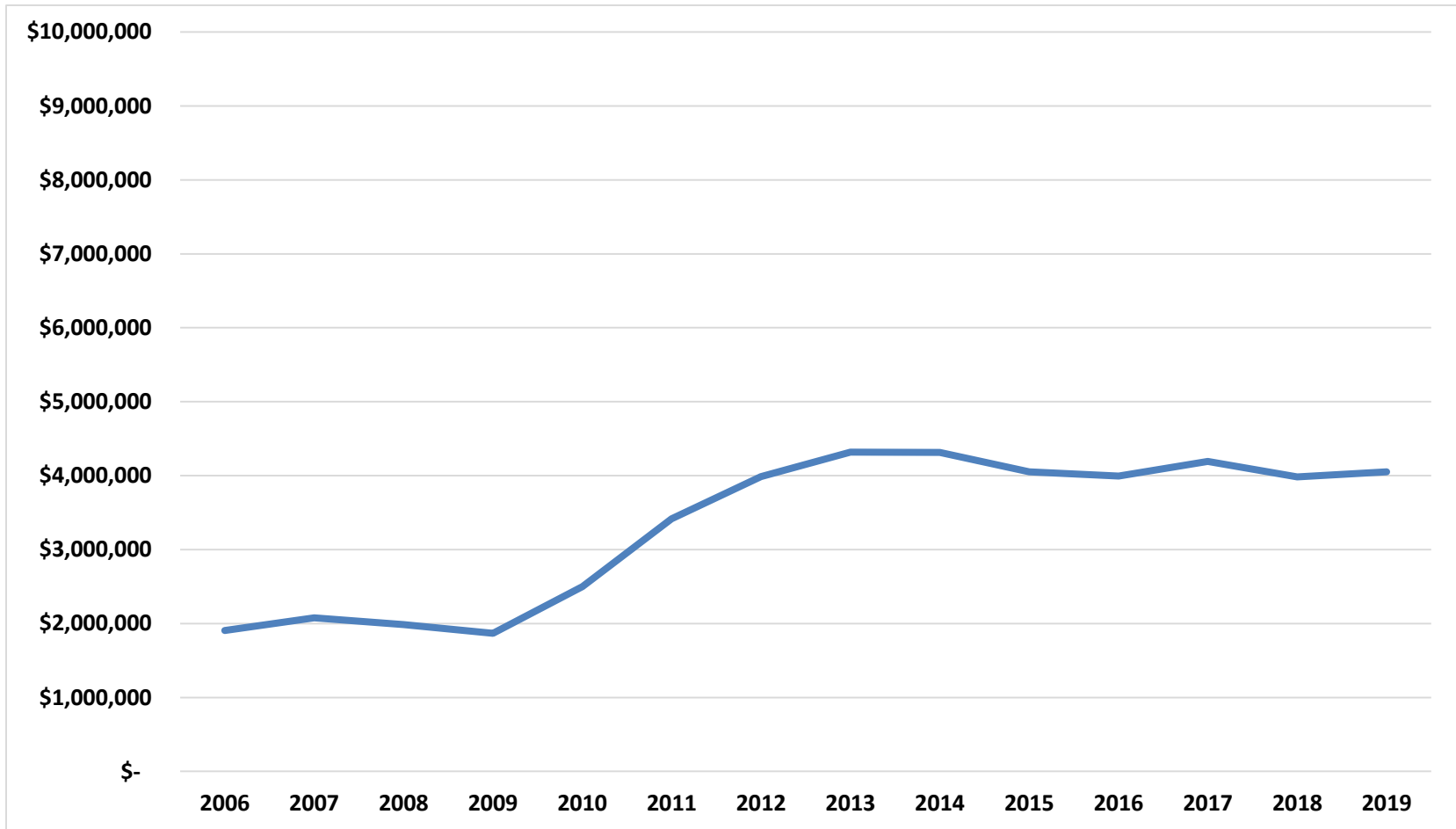
# Number of Employees



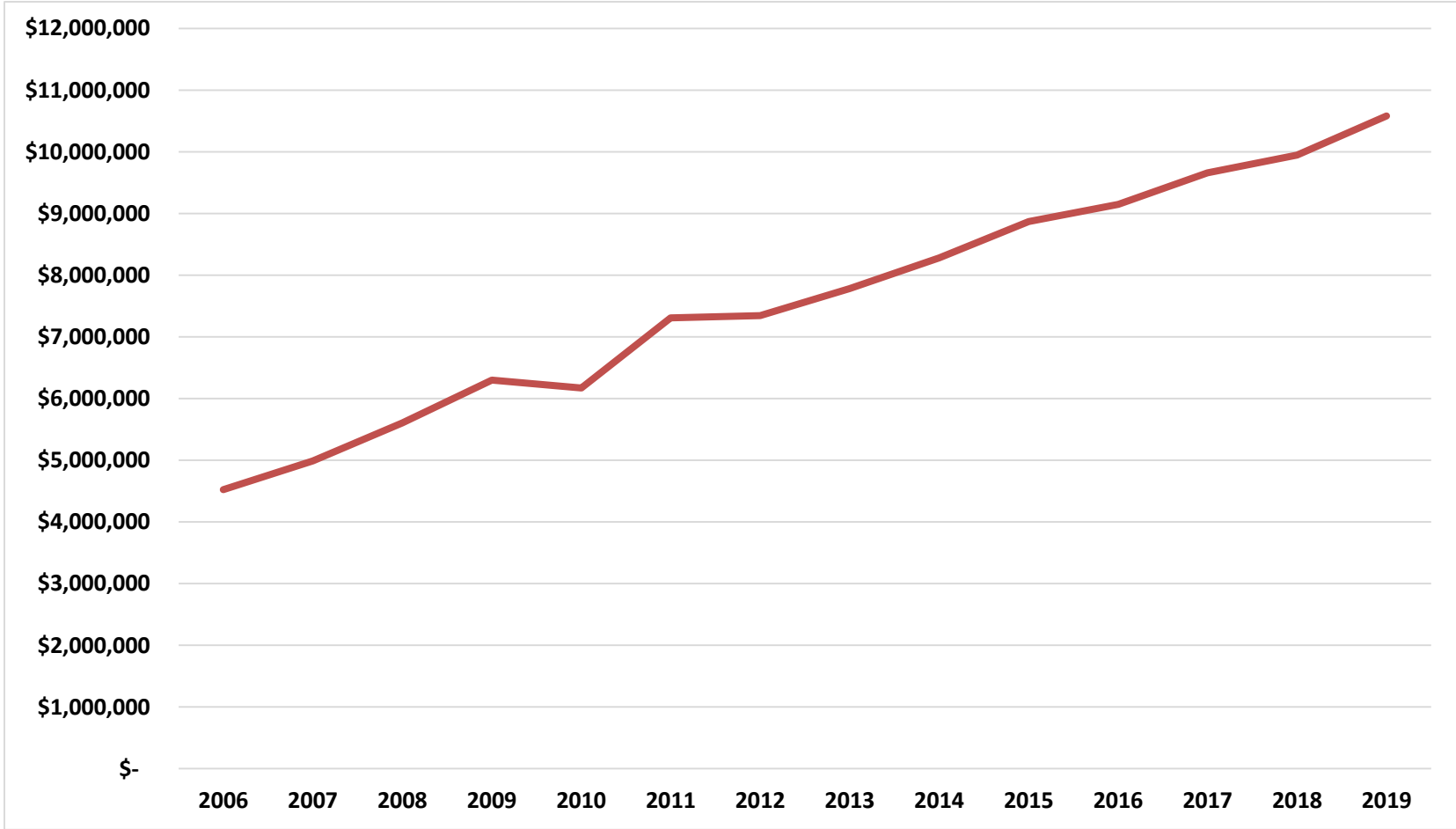
# Salaries



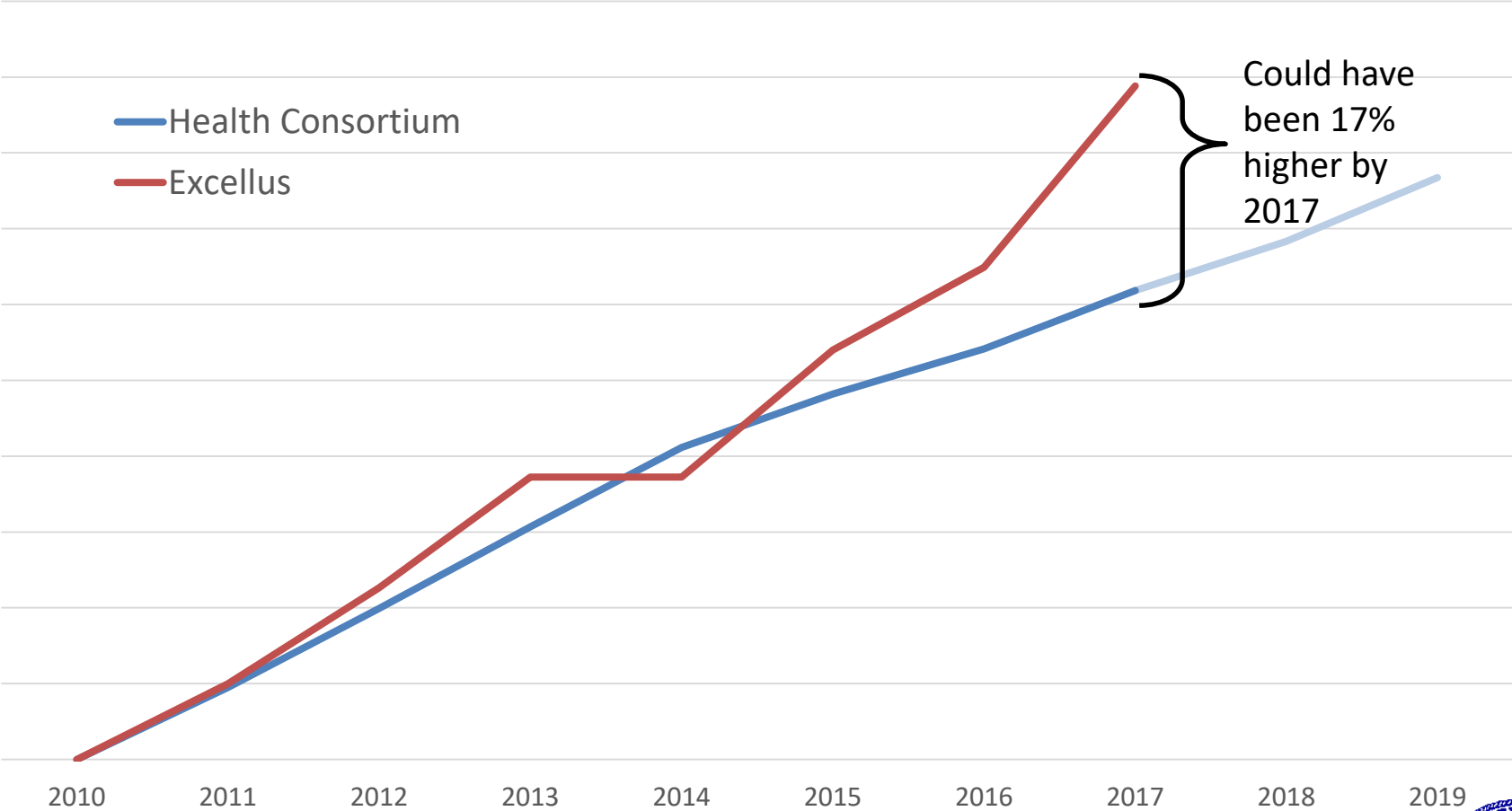
# Pension Costs



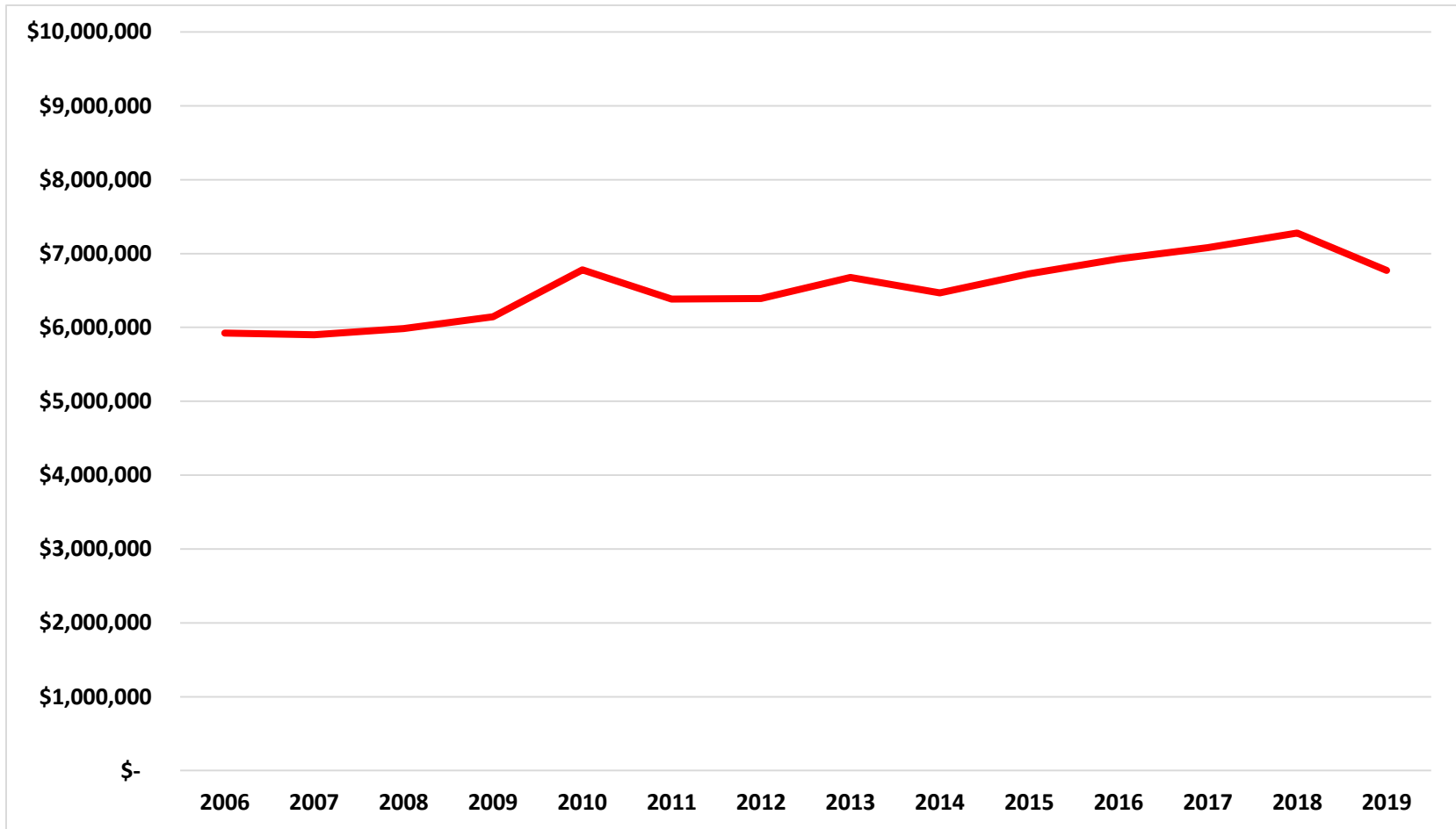
# Health Insurance Costs



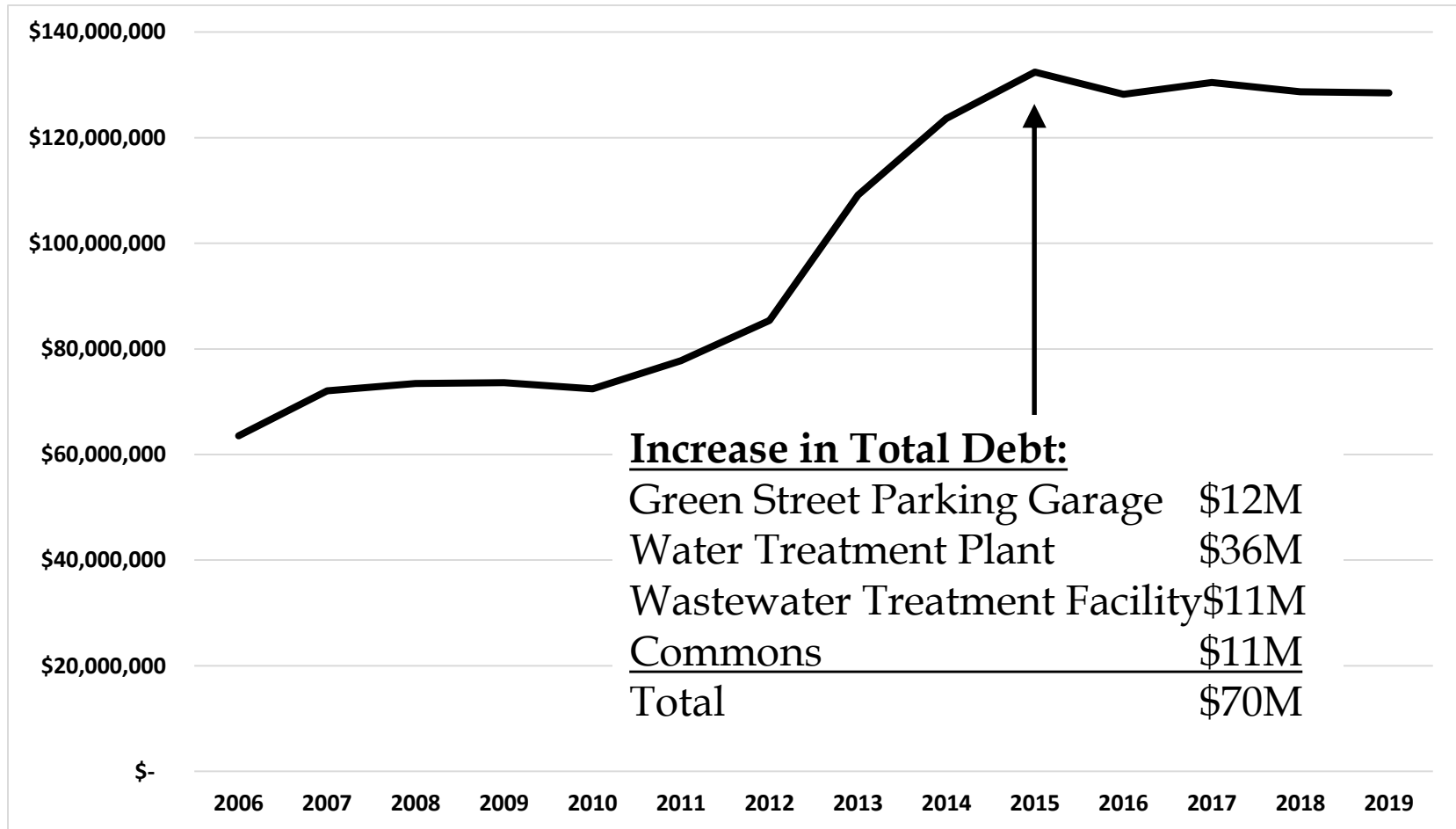
# Health Consortium vs. Private Health Insurance



# Debt Service

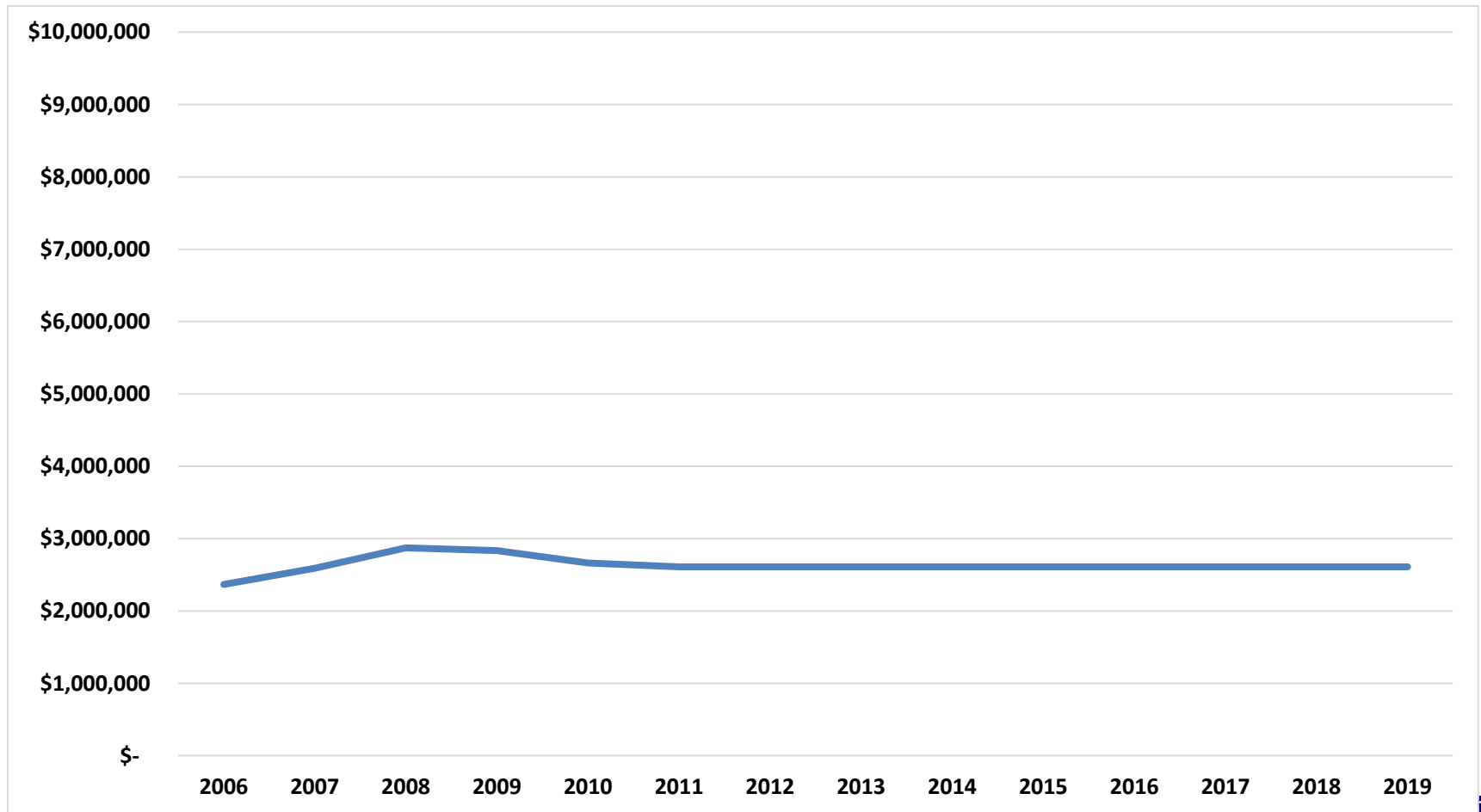


# Total Debt Outstanding

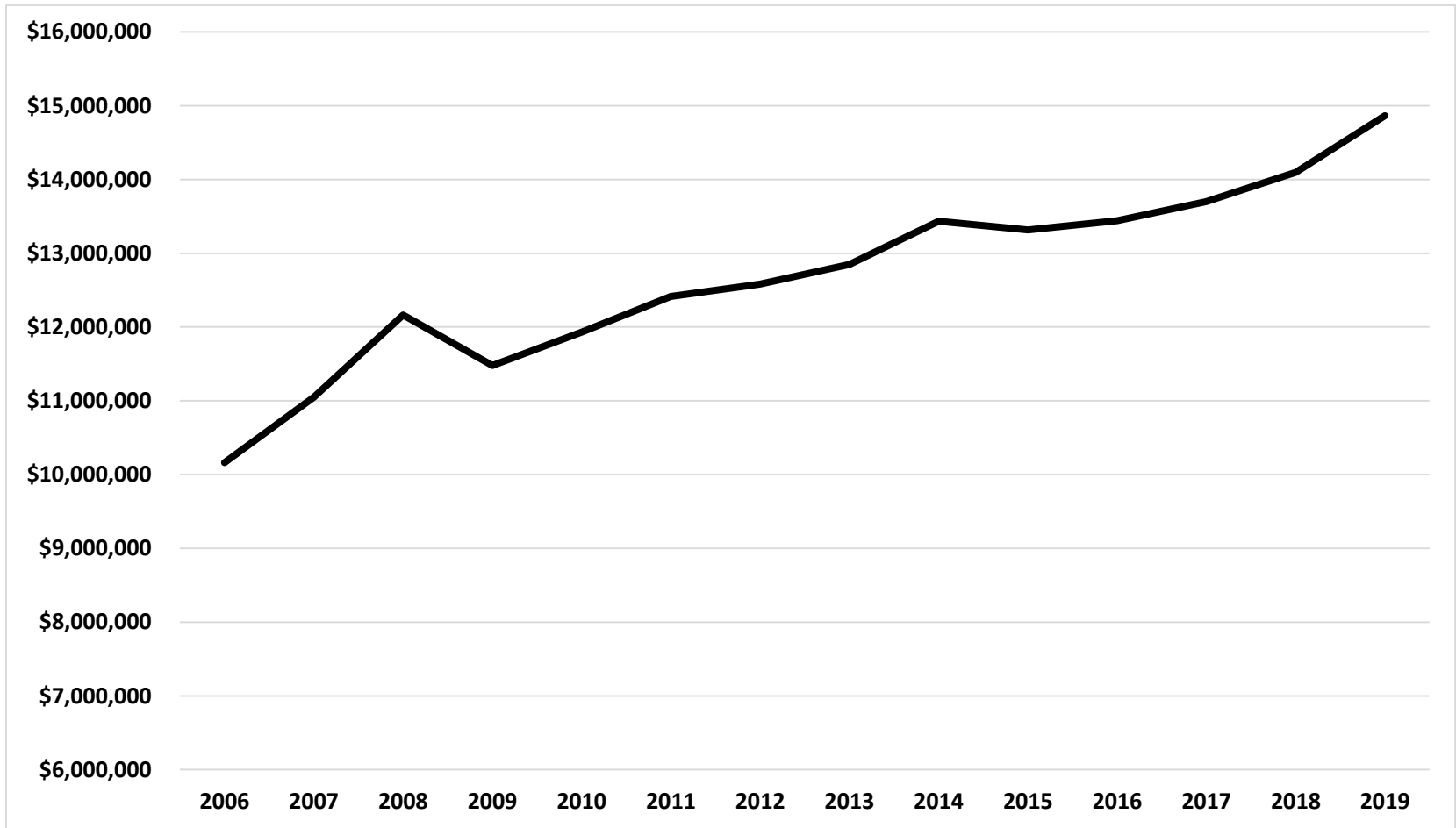




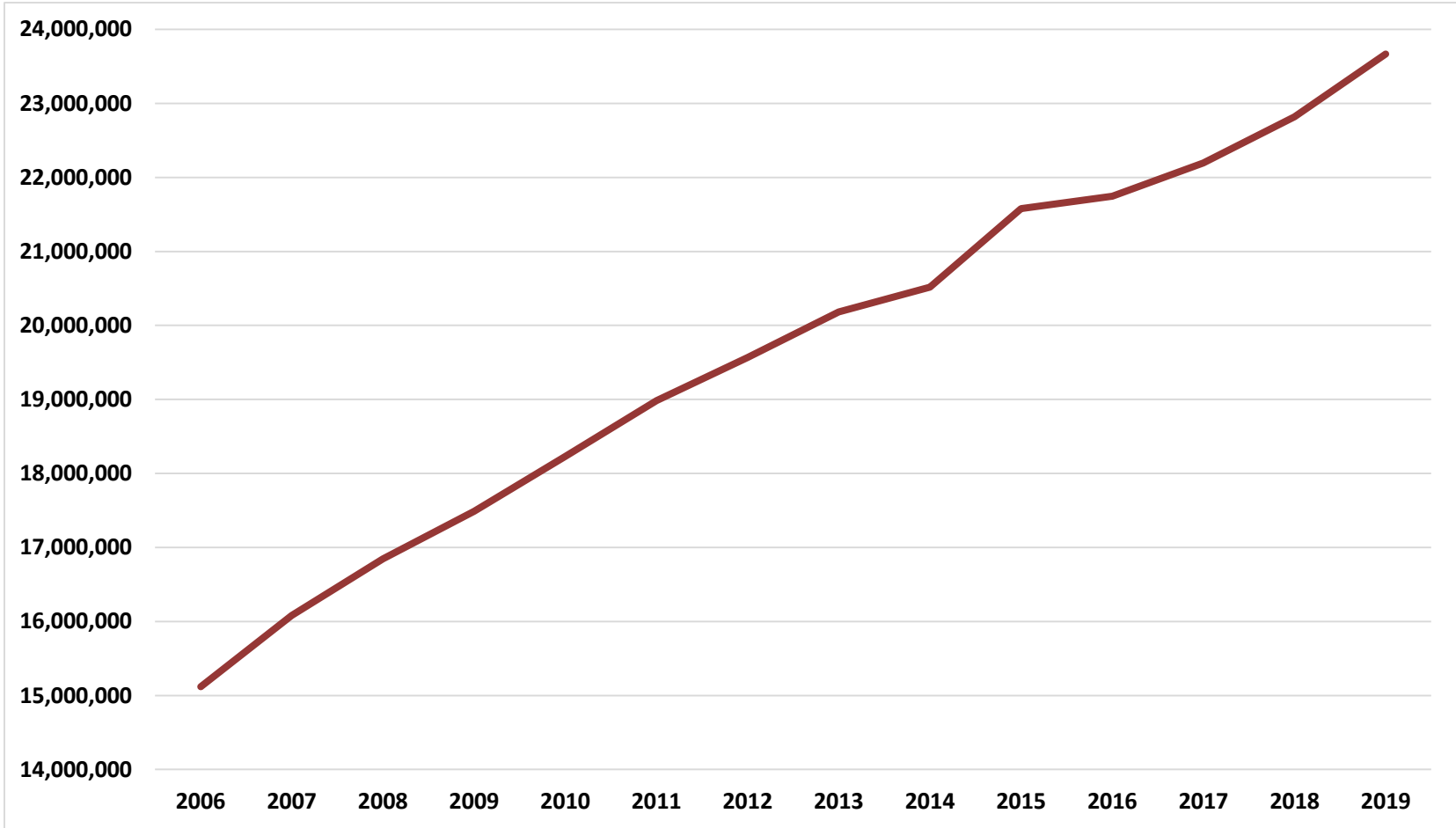
# State Aid



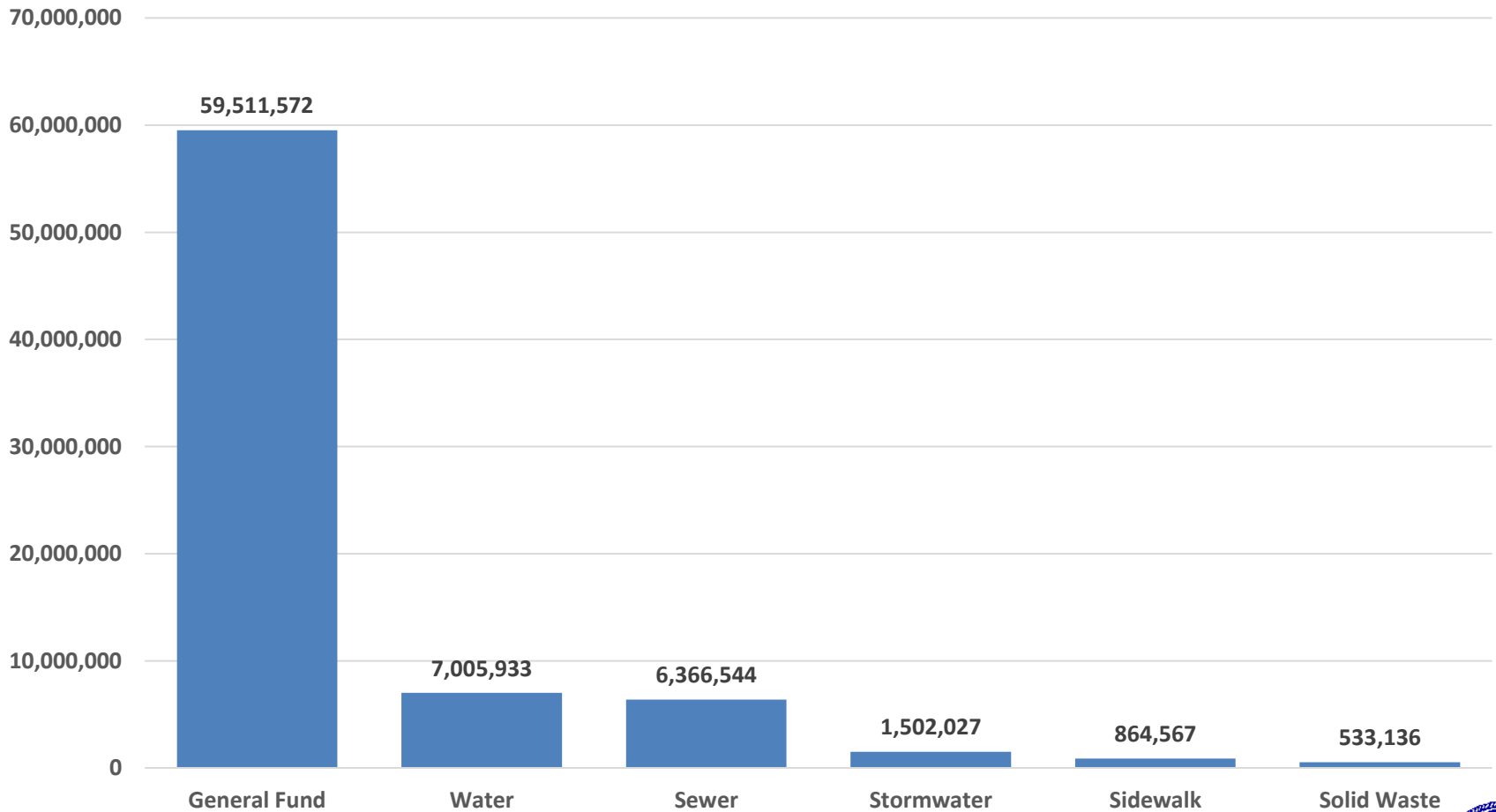
# Sales Tax Revenues



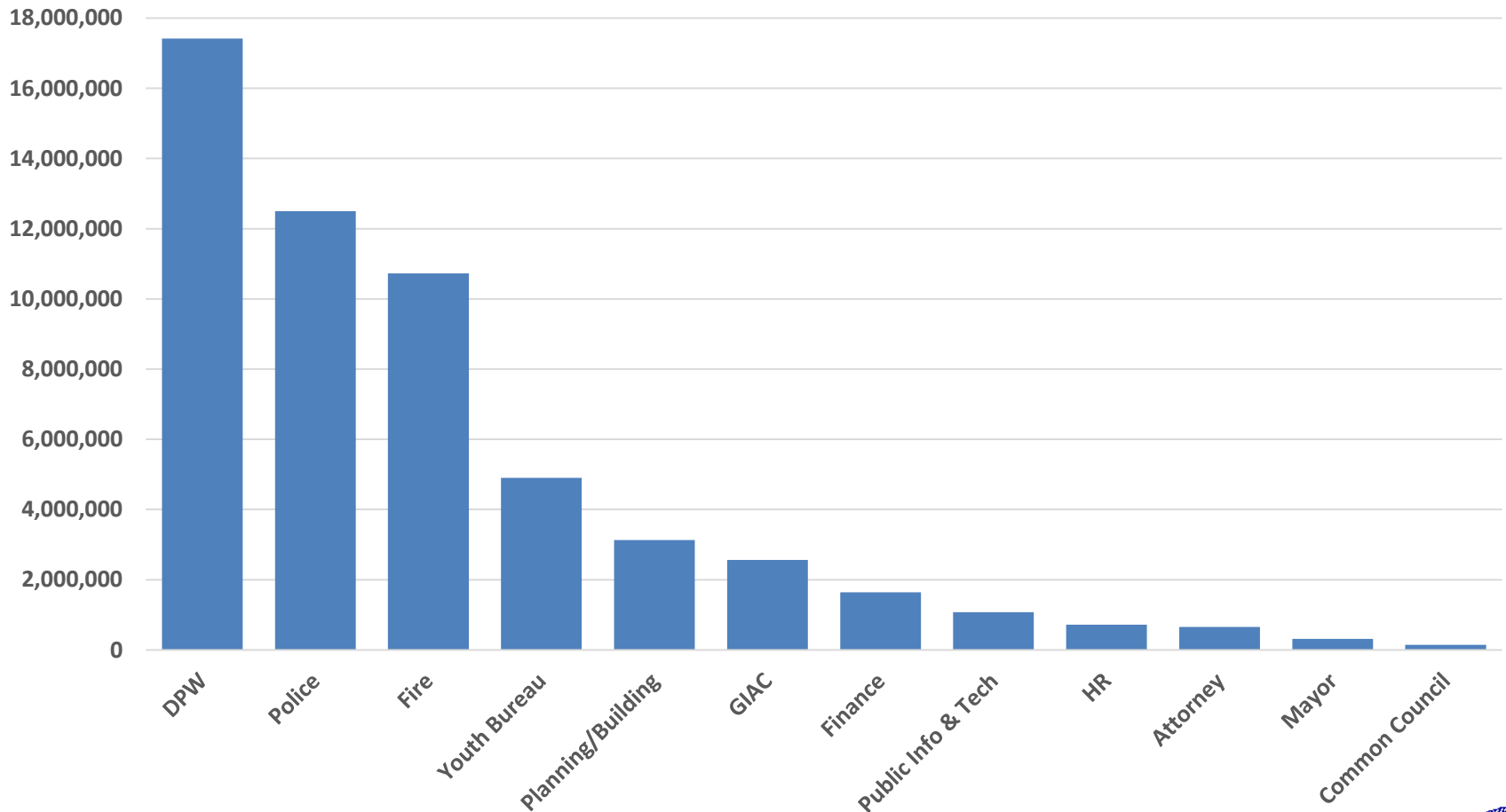
# Property Tax Levy



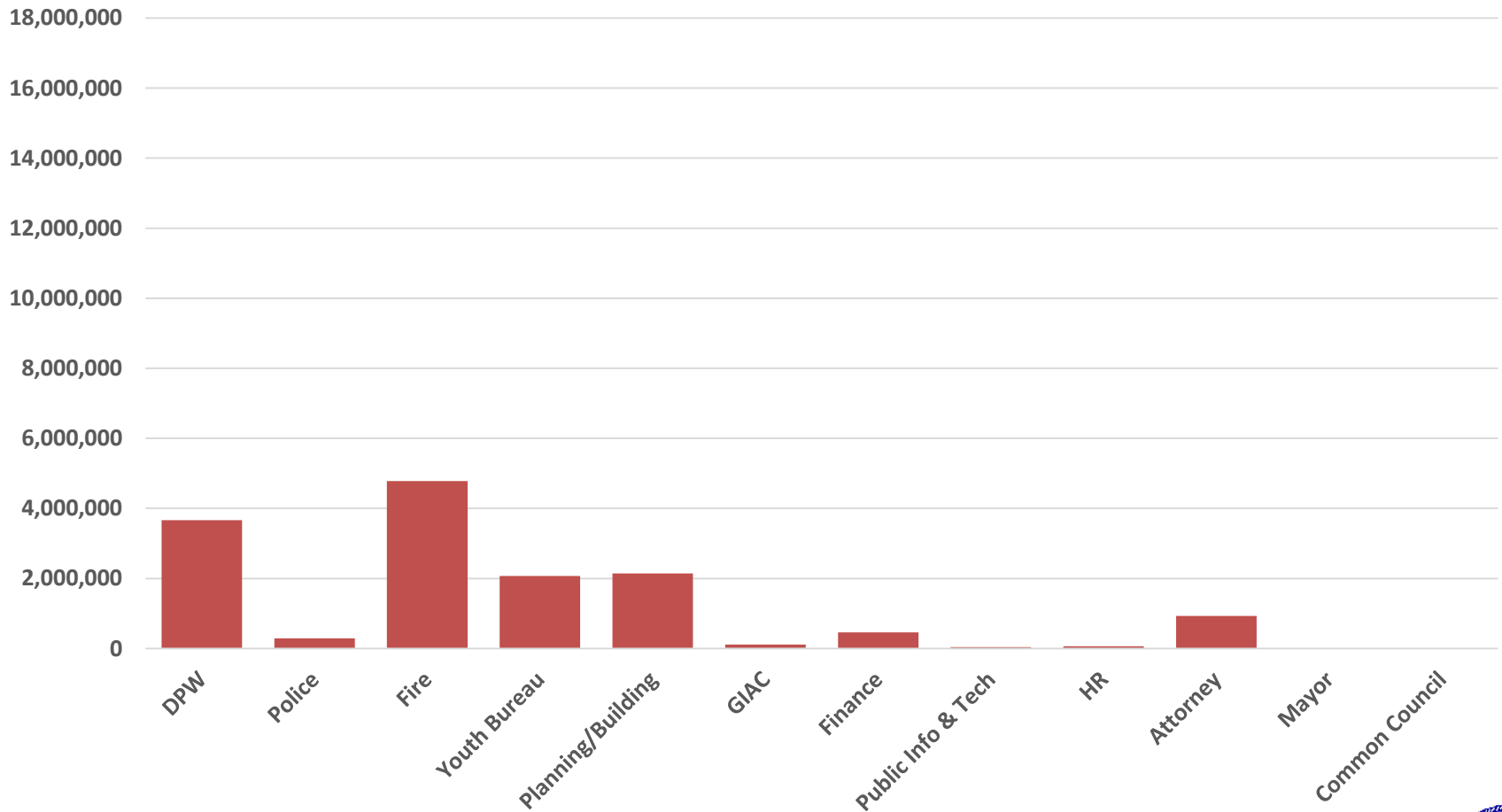
# Expenditures by Fund



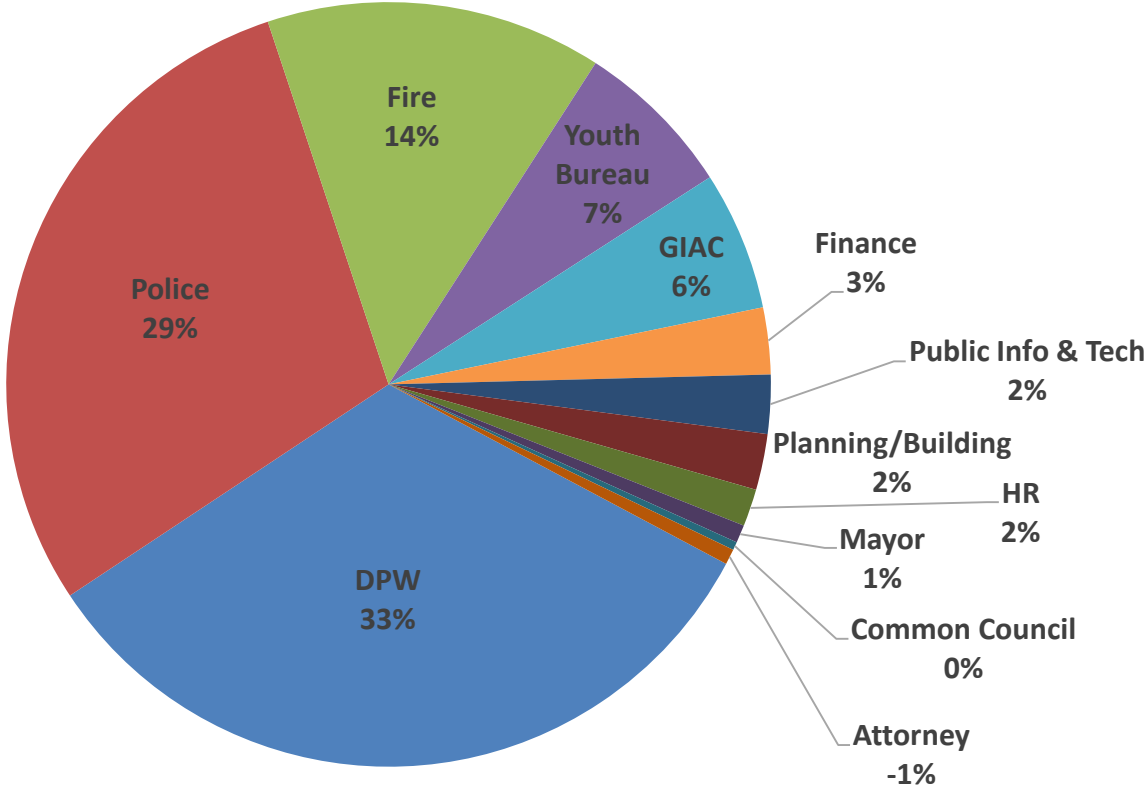
# 2019 General Fund Expenditure by Department



# 2019 General Fund Revenue by Department

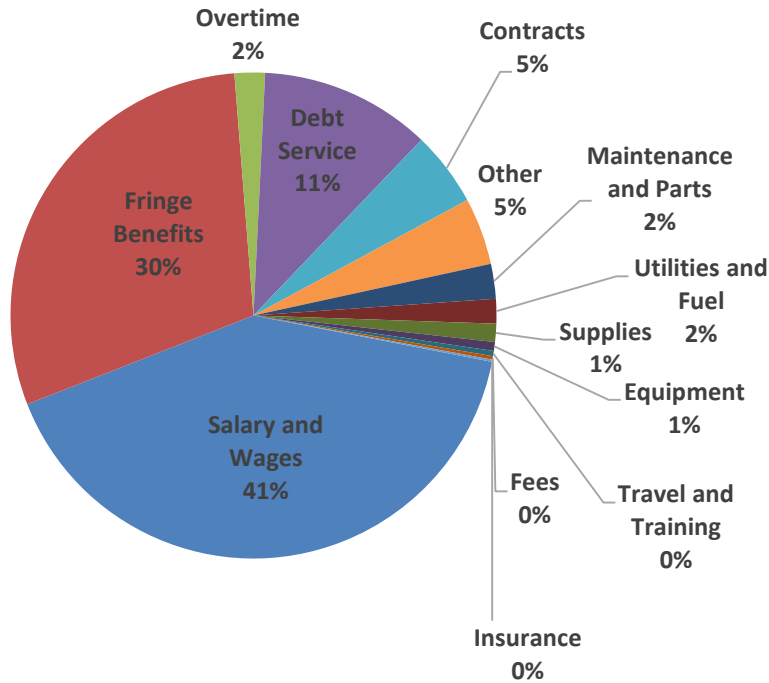


# 2019 General Fund Budget by Department (net of revenues)

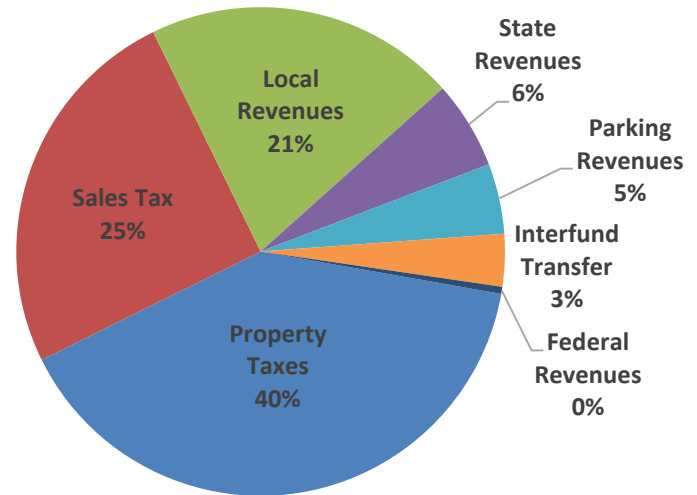


# 2019 General Fund

## Expenditures



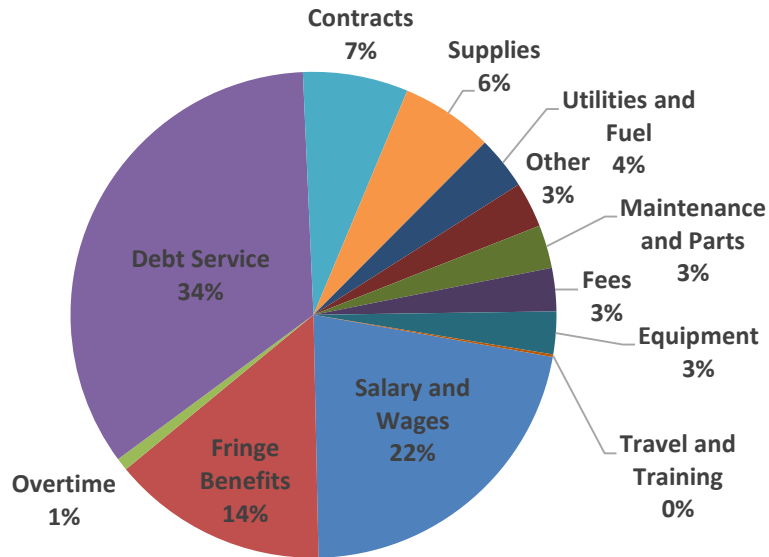
## Revenues



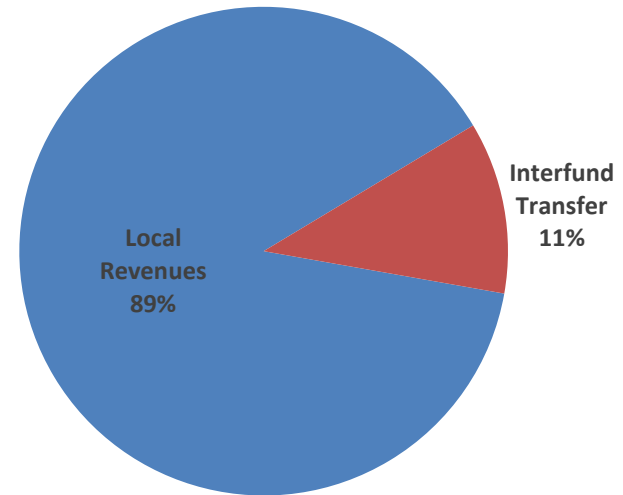


# 2019 Water Fund

## Expenditures

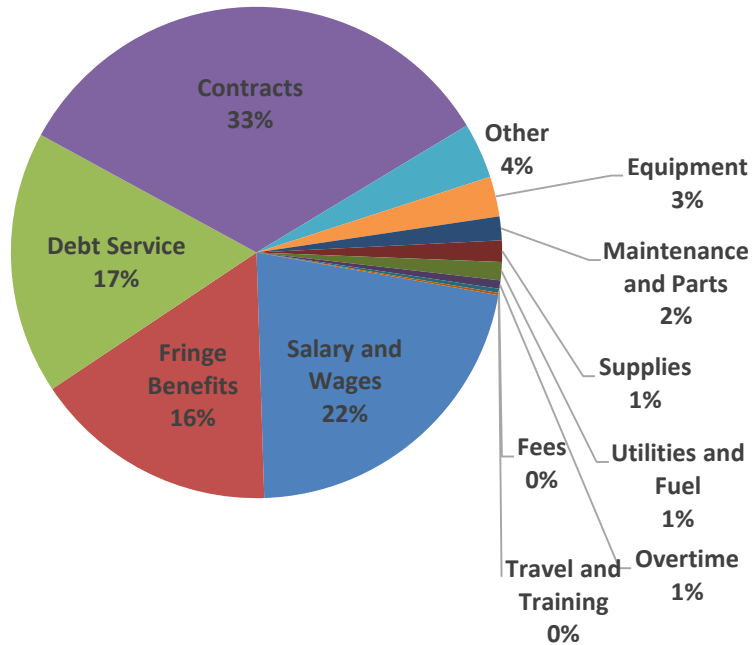


## Revenues

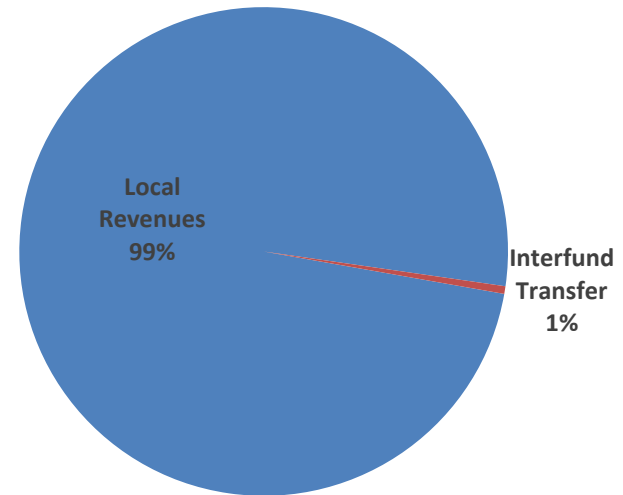


# 2019 Sewer Fund

## Expenditures

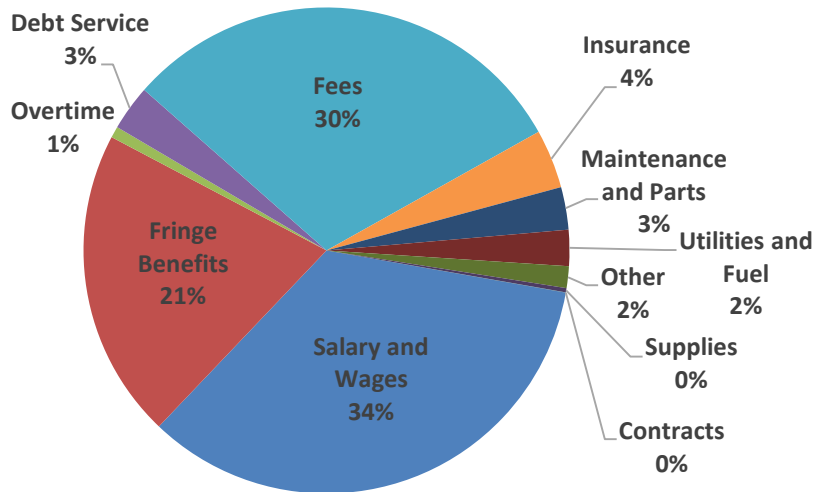


## Revenues

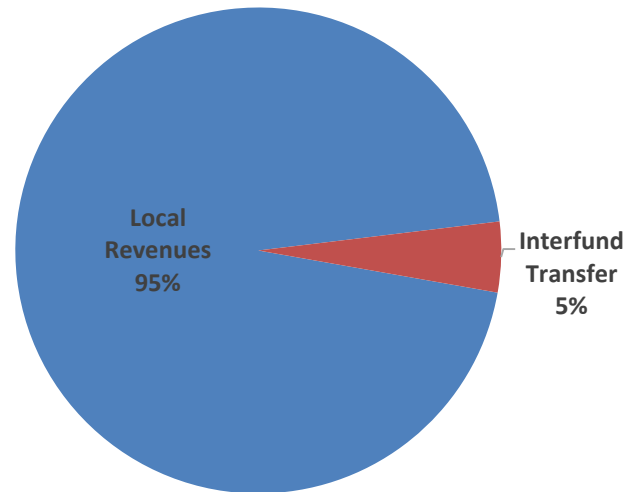


# 2019 Solid Waste Fund

## Expenditures

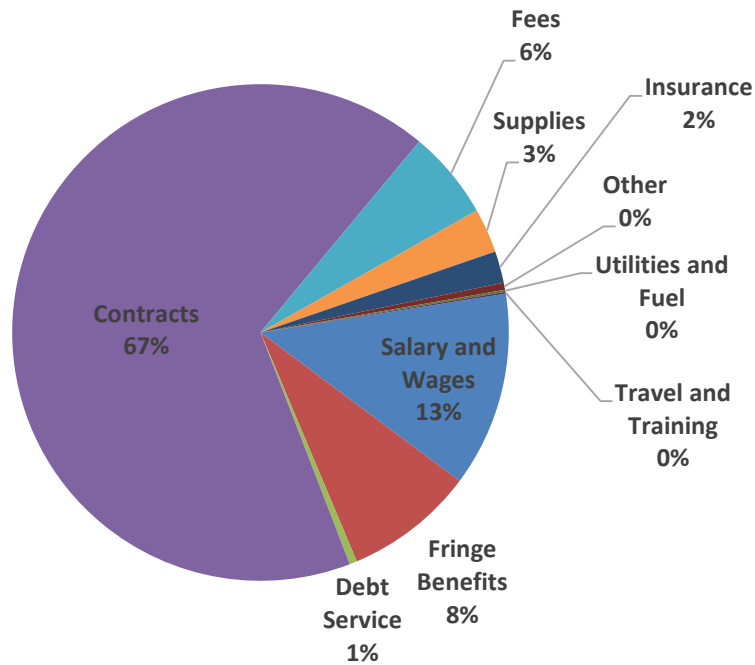


## Revenues

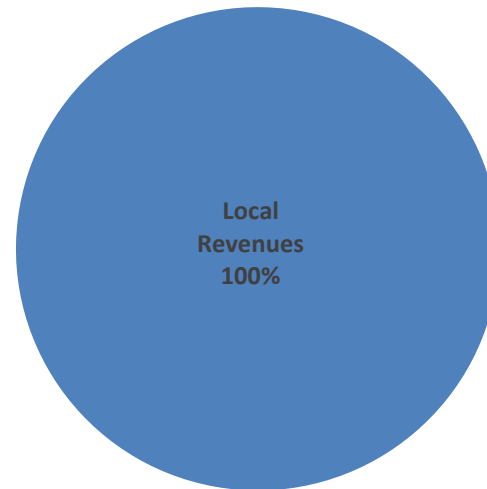


# 2019 Sidewalk Fund

## Expenditures

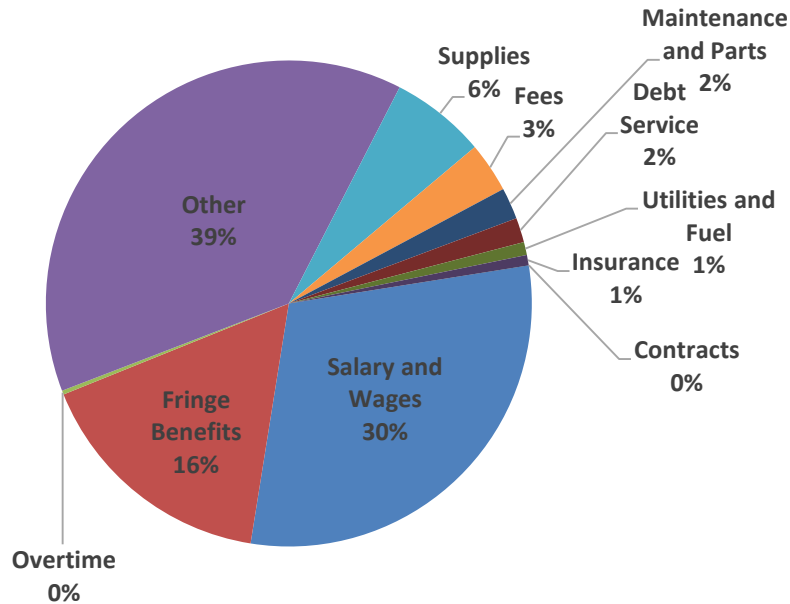


## Revenues

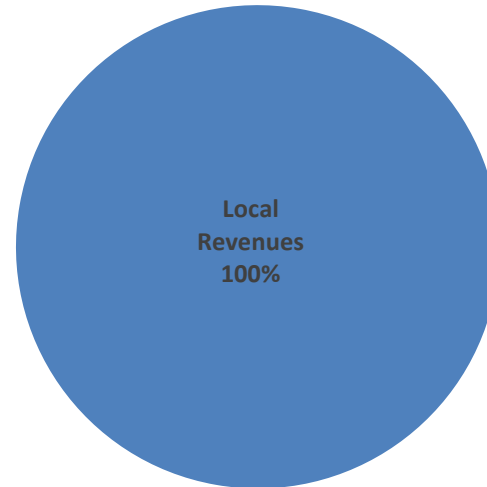


# 2019 Stormwater Fund

## Expenditures



## Revenues



# 2019 Budget Summary

- Adding a 7-person crew to Streets and Facilities to help with road reconstruction and other infrastructure maintenance
- Property Tax Rate will decrease by 4.5%, continuing the trend over the last five years
- Stormwater fees will be adjusted to cover stormwater-related expenses and reduce the subsidy from the General Fund



# Other Fees

Sidewalk Fee	No Change for 2019
Water Rates	Increase from \$6.94 to \$7.56 per 100 cubic feet
Sewer Rates	No Change for 2019
Trash Tags	Increase from \$3.75 to \$4.50 per tag (good for up to 35 pounds of trash)
Yard Waste Fee	No Change for 2019

