Mayor’s Proposed 2020 Budget

Presented to Common Council on Wednesday, October 2, 2019
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
2020 Tax Levy

• In 2020 the City of Ithaca tax levy will increase by 2.99%.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$23,614,000</td>
<td>$24,320,000</td>
<td>$706,000</td>
<td>2.99%</td>
</tr>
</tbody>
</table>

• This is below the tax cap of 3.40%
2020 Tax Rate

• Tax rate will increase $0.11 per thousand, from $11.60 to $11.71, a 0.95% increase.
• Second lowest tax rate since 2003.
• Tax rate has decreased three times over the last six years and is 10.7% below where it was in 2014
• The rate is two cents (0.17%) above where it was in 2003 (17 years ago).
# 2020 Tax Rate

## History of City of Ithaca Tax Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$11.69</td>
<td>13.7%</td>
</tr>
<tr>
<td>2004</td>
<td>$12.77</td>
<td>9.2%</td>
</tr>
<tr>
<td>2005</td>
<td>$13.20</td>
<td>3.4%</td>
</tr>
<tr>
<td>2006</td>
<td>$13.26</td>
<td>0.5%</td>
</tr>
<tr>
<td>2007</td>
<td>$13.60</td>
<td>2.6%</td>
</tr>
<tr>
<td>2008</td>
<td>$14.12</td>
<td>3.8%</td>
</tr>
<tr>
<td>2009</td>
<td>$12.23</td>
<td>-13.4%</td>
</tr>
<tr>
<td>2010</td>
<td>$12.31</td>
<td>0.7%</td>
</tr>
<tr>
<td>2011</td>
<td>$12.63</td>
<td>2.6%</td>
</tr>
<tr>
<td>2012</td>
<td>$12.93</td>
<td>2.4%</td>
</tr>
<tr>
<td>2013</td>
<td>$13.08</td>
<td>1.2%</td>
</tr>
<tr>
<td>2014</td>
<td>$13.12</td>
<td>0.3%</td>
</tr>
<tr>
<td>2015</td>
<td>$12.89</td>
<td>-1.8%</td>
</tr>
<tr>
<td>2016</td>
<td>$12.89</td>
<td>0.0%</td>
</tr>
<tr>
<td>2017</td>
<td>$12.04</td>
<td>-6.6%</td>
</tr>
<tr>
<td>2018</td>
<td>$12.14</td>
<td>0.8%</td>
</tr>
<tr>
<td>2019</td>
<td>$11.60</td>
<td>-4.4%</td>
</tr>
<tr>
<td>2020</td>
<td>$11.71</td>
<td>0.9%</td>
</tr>
</tbody>
</table>
City Tax Rate History

$8.00
$9.00
$10.00
$11.00
$12.00
$13.00
$14.00
$15.00

2019 Local Tax Rate Comparison
2018 Tax Rates for Cities in NY
2020 Budget Highlights
2020 Budget Highlights

General Fund Challenges

- Wages up $650,000
- Health Insurance up $680,000
- State Retirement contributions up $355,000
- Must pay $530,000 in 2020 to retire a bond for past IURA borrowing for housing
- Budgeting $650,000 from fund balance in 2020
2020 Budget Highlights

New Staffing

• Tripling spending on sustainability for new staff to guide implementation of the Ithaca Green New Deal ($138,000, up from $45,000)
• Deputy Fire Chief
• New Half-time Assistant City Attorney
2020 Budget Highlights

Capital Project Highlights

• Green New Deal Climate Action Plan ($100,000)
• Parking and Transportation Plan
• Cass Park Facilities Upgrade Plan
• Construction of Effluent Piping for Ice Jams in Fall Creek and Cascadilla Creek
2020 Budget Highlights

Capital Requests Funded from Operating

• Six Mile Creek Trail feasibility study
• South Hill Trail Connector scoping study
• Engineering Office remodel
• Parking Garage equipment and security cameras
• Continued upgrades to Dewitt Park tree lawn for farmer’s market
2020 Budget Highlights

Public Safety

• Permanent funding for two of the four firefighters funded through a SAFER grant
• Funding the same number of police officers
• New pumper trucks
• New police vehicles
• Town pays 31.2% of Fire Department investments
2020 Budget Highlights

Community Organizations

• Community Outreach Worker: Increase contribution to $60,000 to fund two workers
• Doubled contribution for Community Housing Development Fund to $200,000
• 1.5% increases for TCAD, Human Services Coalition, Southside Community Center and CSI
• TCAT funding increased by $18,000 as requested
2020 Budget Highlights

Other Funding

• Tompkins Center for History and Culture: $10,000
• Mental Health Court: $25,000
• Library (TCPL): $5,000
• Hangar Theatre: $10,000
• Carry forward $100,000 in previous funding for LEAD
2020 Budget Highlights

Salary Increases

- Contractual salary increases for all bargaining units with contracts
- Living Wage Adjustments where applicable
- No change to Management Compensation Plan
- No change to Common Council and Mayor’s salaries
2020 General Fund Summary
2020 General Fund Summary

Change in General Fund Expenditures $2,900,000
Change in General Fund Revenues $2,500,000
Difference equals increase in Fund Balance Appropriation $400,000

2019: appropriated $250,000 in Fund Balance
2020: will appropriate $650,000 in Fund Balance
Property taxes are increasing by $706,000

What accounts for the balance of the $2.5 million increase in General Fund Revenues?
## 2020 General Fund Revenues

Changes from 2019

<table>
<thead>
<tr>
<th>Source</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>+$706,000</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>+$682,000</td>
</tr>
<tr>
<td>Mortgage Tax</td>
<td>+$105,000</td>
</tr>
<tr>
<td>Fire Protection Service</td>
<td>+$318,000</td>
</tr>
<tr>
<td>Parking Revenues</td>
<td>+$281,000</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>+$243,000</td>
</tr>
<tr>
<td>Other Revenue Changes</td>
<td>+$165,000</td>
</tr>
<tr>
<td><strong>Total Revenue Change</strong></td>
<td><strong>+$2,500,000</strong></td>
</tr>
</tbody>
</table>
Impact of Reassessment?
Assessments

• Total taxable assessed value in the City increased from $2.04 billion to $2.08 billion, an increase of 1.8%
• 1- and 2-family homes decreased as a percentage of the total taxable value
• Apartments increased as a percentage of the total taxable value
Taxable Property Breakdown

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1- and 2-family</td>
<td>40.3%</td>
<td>40.1%</td>
<td>40.8%</td>
<td>40.7%</td>
<td>40.2%</td>
<td>38.9%</td>
<td>39.4%</td>
<td>39.0%</td>
</tr>
<tr>
<td>Apartments</td>
<td>20.2%</td>
<td>20.0%</td>
<td>19.9%</td>
<td>19.8%</td>
<td>20.7%</td>
<td>23.1%</td>
<td>27.1%</td>
<td>28.9%</td>
</tr>
<tr>
<td>Other Residential</td>
<td>7.7%</td>
<td>7.6%</td>
<td>7.5%</td>
<td>7.4%</td>
<td>7.2%</td>
<td>7.7%</td>
<td>7.9%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Vacant</td>
<td>0.7%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>1.3%</td>
<td>1.8%</td>
<td>1.0%</td>
</tr>
<tr>
<td>All Other</td>
<td>31.1%</td>
<td>31.5%</td>
<td>30.9%</td>
<td>30.9%</td>
<td>30.4%</td>
<td>29.0%</td>
<td>23.8%</td>
<td>23.7%</td>
</tr>
</tbody>
</table>
Assessments

• City was did not receive a comprehensive reassessment in 2019, though other municipalities in the county did.
• As a result, City taxpayers are paying a smaller share of county and school district taxes.
• Overall tax bill for most 1- and 2-family homeowners should drop as a result.
Share of County Taxes

City of Ithaca

1- and 2-family in City

Assessment Year
Share of ICSD Taxes

- City of Ithaca
- 1- and 2-family in City

Financial Metrics
Number of Employees

![Graph showing the number of employees from 2007 to 2020. The number of employees varies over the years, with a peak around 2010 and a trough around 2012. The number of employees increases significantly starting in 2017 and continues to rise through 2020.](image-url)
Pension Costs
Health Insurance Costs
# State Aid

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2008</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2009</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2019</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2020</td>
<td>$3,000,000</td>
</tr>
</tbody>
</table>

The diagram above shows the trend of State Aid from 2007 to 2020, with the amount remaining relatively stable at $3,000,000 each year.
Sales Tax Revenues

![Line graph showing the trend of sales tax revenues from 2007 to 2020. Revenue increases from $8,000,000 in 2007 to over $17,000,000 in 2020.](image-url)
Property Tax Levy
Overall Budget by Department – All Funds Together
## 8-year change, by department

<table>
<thead>
<tr>
<th>Department</th>
<th>2012</th>
<th>2020</th>
<th>$ increase</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPW</td>
<td>28,200,000</td>
<td>34,800,000</td>
<td>6,600,000</td>
<td>23%</td>
</tr>
<tr>
<td>Fire</td>
<td>9,600,000</td>
<td>11,300,000</td>
<td>1,700,000</td>
<td>18%</td>
</tr>
<tr>
<td>Police</td>
<td>11,500,000</td>
<td>12,800,000</td>
<td>1,300,000</td>
<td>11%</td>
</tr>
<tr>
<td>Planning/Building</td>
<td>2,520,000</td>
<td>3,790,000</td>
<td>1,270,000</td>
<td>50%</td>
</tr>
<tr>
<td>Administration</td>
<td>4,010,000</td>
<td>4,880,000</td>
<td>870,000</td>
<td>22%</td>
</tr>
<tr>
<td>Youth Bureau</td>
<td>4,280,000</td>
<td>5,040,000</td>
<td>760,000</td>
<td>18%</td>
</tr>
<tr>
<td>GIAC</td>
<td>1,960,000</td>
<td>2,700,000</td>
<td>740,000</td>
<td>38%</td>
</tr>
<tr>
<td>Community Agencies</td>
<td>65,000</td>
<td>268,000</td>
<td>203,000</td>
<td>312%</td>
</tr>
</tbody>
</table>
2020 Budget by Department (net of revenues)

- DPW, 33%
- Police, 27%
- Fire, 15%
- Youth Bureau, 7%
- Planning/Building, 5%
- GIAC, 5%
- Finance, 2%
- Human Resources, 1.6%
- PIT, 3%
- Attorney's Office, 1.1%
- Mayor's Office, 0.8%
- Community Agencies, 0.6%
- Common Council, 0.3%
2020 General Fund

Expenditures

- Salary and Wages: 40%
- Fringe Benefits: 30%
- Overtime: 2%
- Travel and Training: 1%
- Fringe Benefits: 30%
- Maintenance and Parts: 2%
- Utilities and Fuel: 2%
- Other: 5%
- Equipment: 0%
- Supplies: 1%
- Insurance: 0%
- Fees: 0%
- Debt Service: 12%
- Contracts: 5%

Revenues

- Local Revenues: 21%
- Sales Tax: 25%
- Property Taxes: 39%
- Federal Revenues: 6%
- State Revenues: 5%
- Parking Revenues: 5%
- Interfund Transfer: 4%
2020 Water Fund

**Expenditures**
- Debt Service: 35%
- Salary and Wages: 22%
- Overtime: 1%
- Fringe Benefits: 14%
- Utilities and Fuel: 4%
- Maintenance and Parts: 3%
- Supplies: 5%
- Equipment: 4%
- Travel and Training: 0%
- Contracts: 3%
- Other: 3%
- Fees: 3%
- Other: 3%

**Revenues**
- Local Revenues: 99%
- Interfund Transfer: 1%
2020 Sewer Fund

Expenditures

- Salary and Wages: 22%
- Overtime: 1%
- Fringe Benefits: 15%
- Travel and Training: 0%
- Equipment: 6%
- Supplies: 1%
- Maintenance and Parts: 1%
- Utilities and Fuel: 1%
- Other: 4%
- Contracts: 26%

Revenues

- Local Revenues: 99%
- Interfund Transfer: 1%
- Fees: 0%
- Debt Service: 19%
- Interfund Transfer: 4%
- Supplies: 1%
- Fringe Benefits: 15%
- Overtime: 1%
- Contracts: 26%
2020 Solid Waste Fund

**Expenditures**

- Fees: 29%
- Salary and Wages: 35%
- Overtime: 1%
- Fringe Benefits: 21%
- Supplies: 0%
- Maintenance and Parts: 3%
- Utilities and Fuel: 2%
- Contracts: 0%
- Other: 1%
- Insurance: 4%
- Debt Service: 4%
- Other: 1%

**Revenues**

- Local Revenues: 95%
- Interfund Transfer: 5%
2020 Sidewalk Fund

Expenditures

- Salary and Wages: 13%
- Fringe Benefits: 9%
- Travel and Training: 0%
- Equipment: 0%
- Supplies: 3%
- Utilities and Fuel: 0%
- Other: 0%
- Overtime: 0%
- Contracts: 63%

Revenues

- Local Revenues: 100%
- Fees: 6%
- Insurance: 3%
- Debt Service: 3%
2020 Stormwater Fund

Expenditures

- Salary and Wages: 36%
- Fringe Benefits: 17%
- Equipment: 0%
- Supplies: 6%
- Maintenance Utilities and Parts: 2%
- Fuel: 1%
- Overtime: 0%
- Other: 1%
- Contracts: 0%
- Insurance: 1%
- Utilities and Fuel: 1%
- Other: 1%
- Debt Service: 2%
- Interfund Transfer: 31%
- Local Revenues: 100%
- Fees: 3%

Revenues
## Other Fees

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk Fee</td>
<td>No Change for 2020</td>
</tr>
<tr>
<td>Water Rates</td>
<td>Increase from $7.88 to $8.67 per 100 cubic feet</td>
</tr>
<tr>
<td>Sewer Rates</td>
<td>No Change for 2020</td>
</tr>
<tr>
<td>Trash Tags</td>
<td>No Change for 2020</td>
</tr>
<tr>
<td>Yard Waste Fee</td>
<td>No Change for 2020</td>
</tr>
</tbody>
</table>
2020 Budget Summary

• $238,000 for Ithaca Green New Deal
• Hiring of Deputy Fire Chief and Assistant City Attorney
• One-time payment for large debt repayment
• A year of absorbing increases from the last few years of expansion