Mayor’s Proposed 2017 Budget

Monday October 3, 2016
6:00pm
Common Council Chambers
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
- People are our greatest asset;
- Each person should be respected, developed, supported, and valued;
- Diversity should be celebrated through inclusion

II. Relationships
- Teamwork;
- Interdependent collaboration;
- Responsiveness;
- Sharing knowledge and expertise

III. Excellent Results
- Continuous improvement;
- Streamlined processes;
- Creativity;
- Quality service;
- Celebrating success
2017 Mayor’s Proposed Budget

• In 2017 the City of Ithaca tax levy will increase by 1.98%.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
<th>% Change</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$21,765,380</td>
<td>$22,195,764</td>
<td>$430,384</td>
<td>1.98%</td>
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• This is below the tax cap of 2.03%
• Third lowest tax levy increase in past 16 years
2017 Mayor’s Proposed Budget

• The tax rate will drop by 6.6%, from $12.89 per $1,000 to $12.04, a decrease of $0.85.
• This is only the third time since 2001 that the tax rate has dropped.
• This is the lowest tax rate since 2003.
2017 Mayor’s Proposed Budget

• How can the tax levy increase by 1.98% if the tax rate drops by 6.6%?
• Total taxable assessed value in the City has grown from $1.69 billion to $1.84 billion, an increase of 9.18%.
What is the tax impact to the average homeowner?

• The median change in city taxes for 1- and 2-family homes is a decrease of $2.85, or 0.2%.

• This is for a house that was assessed at $145,000 in 2015 and $155,000 today.

• Over half of 1- and 2-family homeowners will see their taxes decrease.
2017 Mayor’s Proposed Budget

• The tax levy is increasing by 1.98%

• But the average homeowner will see a decrease in their taxes of 0.2%

• This is because single- and two-family homes are a smaller share of the taxable assessed value.

• We are seeing the benefits of increased development in the City of Ithaca.
2017 Mayor’s Proposed Budget

• Strategic Investments
  – Police and Fire
    • Funding the same number of officers and firefighters for 2016, plus the four new firefighters from the SAFER grant
    • Deputy Fire Chief funded, starting in December
    • Downtown outreach worker continues
    • Funding for re-entry program
2017 Mayor’s Proposed Budget

• Strategic Investments
  – DPW
    • Street Improvement
      – $1 million in capital budget for various 2017 street reconstruction projects, increased from 2016
    • Assistant Chief Water Treatment Plant Operator, to help with succession
2017 Mayor’s Proposed Budget

• Strategic Investments
  – Planning/Building/Zoning/ED Department
    • Continued shared funding of sustainability planner, funded jointly with the Town of Ithaca
    • New planner position starting in September 2017 to help backfill after two retirements of senior staff members from this department
Expenditures by Fund
(2017 Mayor’s Proposed Budget)
City Departments

- Attorney’s Office
- Common Council
- Department of Public Works
- Finance Department
- Fire Department
- Greater Ithaca Activities Center
- Human Resources
- Mayor’s Office
- Planning, Building, Zoning, and Economic Development
- Police Department
- Public Information and Technology
- Youth Bureau
Expenditure by Department (2017 Budget)
Revenue by Department (2017 Budget)
2017 General Fund Budget by Department (net of revenues)

- DPW: 36%
- Police: 27%
- Fire: 15%
- Finance: 3%
- HR: 2%
- PIT: 2%
- PBZED: 3%
- GIAC: 5%
- Mayor: 1%
- Youth Bureau: 6%
- Council: 0%
- Attorney: 0%
General Fund (2017 Budget)

Expenditures

- Salary and Wages: 41%
- Overtime: 2%
- Fringe Benefits: 30%
- Debt Service: 13%
- Contracts: 5%
- Equipment: 0%
- Fees: 0%
- Insurance: 2%
- Maintenance and Parts: 4%
- Other: 1%
- Supplies: 1%
- Travel and Training: 0%

Revenues

- Property Taxes: 40%
- Sales Tax: 25%
- Parking Revenues: 1%
- Interfund Transfer: 1%
- Federal Revenues: 6%
- State Revenues: 5%
- Local Revenues: 3%
- Local Revenues: 0%
- Use of Fund Balance: 20%
Joint Activity Fund (2017 Budget) (Wastewater Treatment)

Expenditures

- Salary and Wages: 20%
- Overtime: 14%
- Fringe Benefits: 11%
- Travel and Training: 9%
- Equipment: 8%
- Supplies: 6%
- Maintenance and Parts: 3%
- Utilities and Fuel: 3%
- Other: 13%
- Contracts: 11%
- Insurance: 3%
- Fees: 3%
- Debt Service: 1%

Revenues

- Local Revenues: 100%
Water Fund (2017 Budget)

Expenditures

- Salary and Wages: 32%
- Overtime: 8%
- Fringe Benefits: 2%
- Debt Service: 2%
- Equipment: 16%
- Fees: 5%
- Insurance: 4%
- Maintenance and Parts: 3%
- Other: 5%
- Supplies: 0%
- Travel and Training: 2%
- Utilities and Fuel: 2%

Revenues

- Local Revenues: 89%
- Interfund Transfer: 11%
Sewer Fund (2017 Budget)

**Expenditures**

- **Salary and Wages**: 32%
- **Overtime**: 1%
- **Fringe Benefits**: 3%
- **Debt Service**: 3%
- **Contracts**: 2%
- **Equipment**: 19%
- **Fees**: 0%
- **Maintenance and Parts**: 3%
- **Other**: 0%
- **Supplies**: 2%
- **Travel and Training**: 21%
- **Utilities and Fuel**: 0%

**Revenues**

- **Local Revenues**: 100%
- **Interfund Transfer**: 0%

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Solid Waste Fund (2017 Budget)

Expenditures

- Salary and Wages: 35%
- Overtime: 4%
- Fringe Benefits: 4%
- Debt Service: 4%
- Fees: 2%
- Maintenance and Parts: 0%
- Other: 2%
- Supplies: 1%
- Utilities and Fuel: 2%
- Other: 0%
- Local Revenues: 31%

Revenues

- Local Revenues: 100%
Sidewalk Fund (2017 Budget)

Expenditures

- Salary and Wages: 69%
- Fringe Benefits: 12%
- Contracts: 6%
- Fees: 2%
- Insurance: 0%
- Other: 0%
- Supplies: 8%
- Travel and Training: 0%
- Utilities and Fuel: 0%

Revenues

- Local Revenues: 100%
Stormwater Fund (2017 Budget)

Expenditures

- Salary and Wages: 37%
- Overtime: 27%
- Fringe Benefits: 9%
- Debt Service: 2%
- Equipment: 1%
- Fees: 7%
- Insurance: 1%
- Maintenance and Parts: 2%
- Other: 2%
- Supplies: 0%
- Utilities and Fuel: 12%

Revenues

- Interfund Transfer: 1%
- Local Revenues: 99%
15-year Budget Projections

Health Insurance

5.0% annual increase since 2014
15-year Budget Projections

Health Insurance

5% annual growth
15-year Budget Projections

Salaries

1% annual growth since 2014
15-year Budget Projections

Salaries

1% annual growth
15-year Budget Projections

Sales Tax Revenue

0.7% annual growth since 2014
15-year Budget Projections

Sales Tax Revenue

0.7% annual growth
15-year Budget Projections

Health Insurance (5% growth)  $10,300,000 increase
Salaries (1% growth)  $3,700,000 increase
Sales tax revenue (0.7% growth)  -$1,600,000 increase
Needed property tax revenue  $12,400,000 increase

• This represents an annual property tax increase of 3.0%.
• This year’s tax cap is 2.03%
2017 Mayor's Proposed Budget

Summary

• In order to preserve services at current levels and support strategic investments, the City of Ithaca tax levy will increase by 1.98%

• Property owners will see a 6.6% decrease in their tax rate.

• As a result, the average homeowner will see a 0.2% decrease in their city taxes.