

The background of the slide features a light blue banner with the word "ITHACA" in large, white, serif capital letters. To the right of the banner is a circular seal of the City of Ithaca, which includes a building illustration and the text "CITY OF ITHACA" around the perimeter.

# Mayor's Proposed 2018 Budget

Wednesday, October 4, 2017

5:30pm

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

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



# 2018 Mayor's Proposed Budget

- In 2018 the City of Ithaca tax levy will increase by 2.80%.

<u>2017</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
\$22,196,661	\$22,818,169	\$621,508	2.80%

- This is below the tax cap of 2.94%



# 2018 Mayor's Proposed Budget

- The tax rate will remain the same, at \$12.04 per \$1,000.
- Since 2001 it is the second time that the tax rate has remained the same, and the fifth that it has not increased.
- This remains the lowest tax rate since 2003.



# 2018 Mayor's Proposed Budget

- Why does the tax levy increase by 2.8% if the tax rate remains the same?
- Total taxable assessed value in the City increased from \$1.84 billion to \$1.90 billion, an increase of 2.8%.



# 2018 Mayor's Proposed Budget

What is the tax impact to the average homeowner?

- 92% of 1- and 2-family homes will see no change in City taxes in 2018.
- Another 3% of 1- and 2-family homes will see a decrease in City taxes in 2018.





# 2018 Mayor's Proposed Budget

- The tax levy is increasing by 2.80% while the vast majority of homeowners will see their taxes decrease or remain the same.
- This is because single- and two-family homes are a smaller share of the taxable assessed value.



# Taxable Property Breakdown

	2012	2013	2014	2015	2016	2017
<b>1- and 2-family</b>	40.3%	40.1%	40.8%	40.7%	40.2%	39.4%
<b>Apartments</b>	20.2%	20.0%	19.9%	19.8%	20.7%	20.5%
<b>Other Residential</b>	7.7%	7.6%	7.5%	7.4%	7.2%	7.2%
<b>Vacant</b>	0.7%	0.8%	0.9%	1.2%	1.4%	1.4%
<b>All Other</b>	31.1%	31.5%	30.9%	30.9%	30.4%	31.4%

- We are seeing the benefits of increased development in the City of Ithaca.



# 2018 Mayor's Proposed Budget

## Challenges to the City Budget

- General Fund expenditures will rise to \$57.3 million, an increase of \$1.8 million, or 3.3%.
- General Fund revenues, including property taxes, are up only \$1.6 million.
- To make up the difference, we must use \$687,000 from the fund balance in 2018, up from \$488,000 in 2017.



# 2018 Mayor's Proposed Budget

- Strategic Investments
  - DPW
    - Street Improvement
      - \$1.1 million in capital budget for various 2018 street reconstruction projects, increased from 2017
    - Purchase of streetlights
      - Will purchase streetlights in 2018, and will begin the process of converting to LED
    - Odd/Even Parking
      - Reduction in revenue from parking fines as a result of new system to suspend Odd/Even enforcement



# 2018 Mayor's Proposed Budget

- Strategic Investments
  - Police and Fire
    - Funding the same number of officers and firefighters for 2018, plus the continuation of four additional firefighters from the SAFER grant
    - Body camera replacements
    - Deputy Fire Chief funded, starting in November
    - Downtown outreach worker continues
    - Funding for LEAD Case Coordinator



# 2018 Mayor's Proposed Budget

- Strategic Investments
  - Planning, Building and Development
    - Full funding of half-time sustainability planner, funded jointly with the Town of Ithaca
  - GIAC and Youth Bureau
    - Continued funding for Hospitality Employment Training and My Brother's Keeper
    - Raised salaries to match updated Living Wage calculation



# 2018 Mayor's Proposed Budget

- Strategic Investments
  - Common Council
    - \$10,000 for Participatory Budgeting



# 2018 Mayor's Proposed Budget

## Other Highlights

### – Gorge Safety

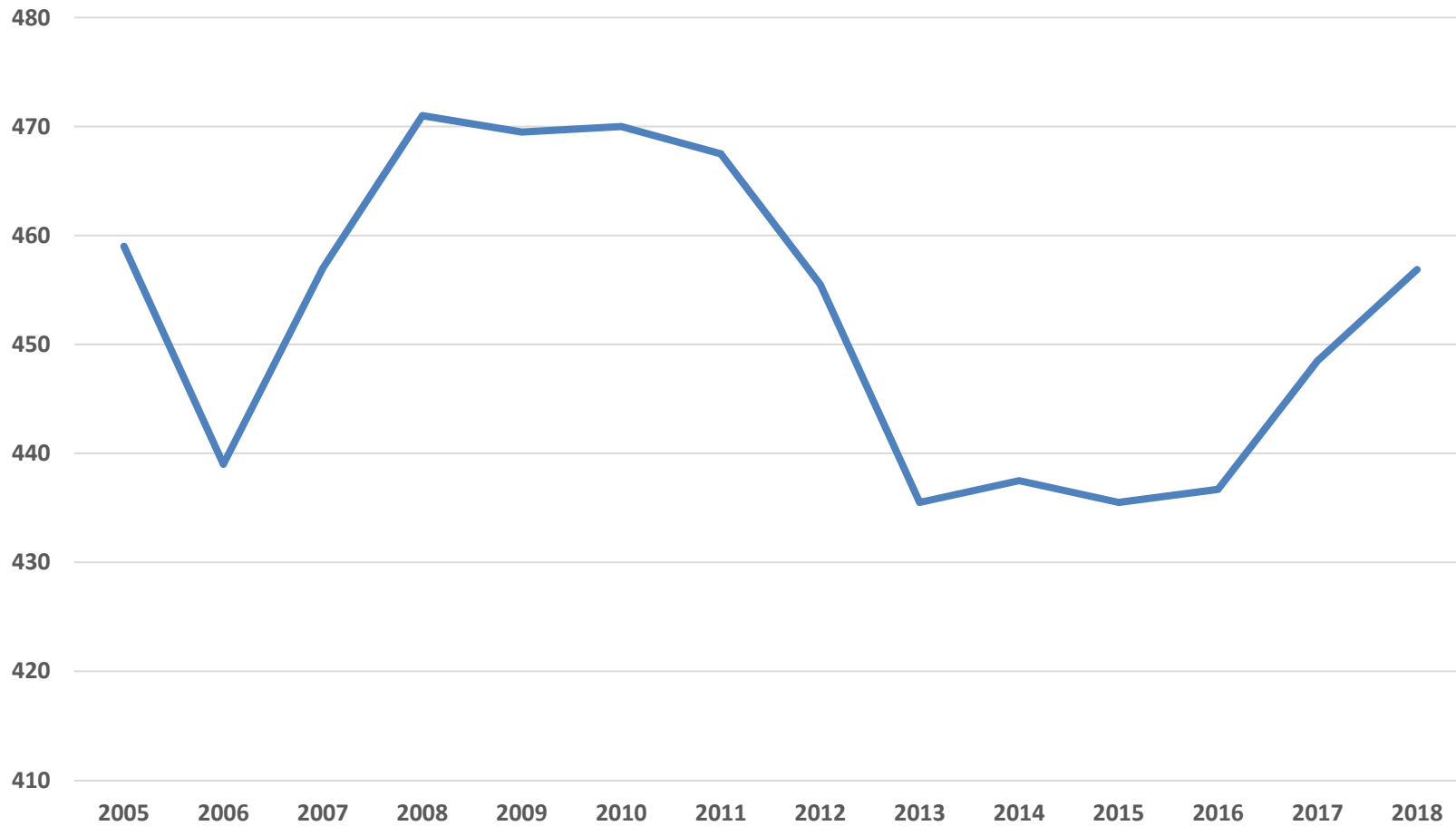
- No funding of gorge ranger program in 2018



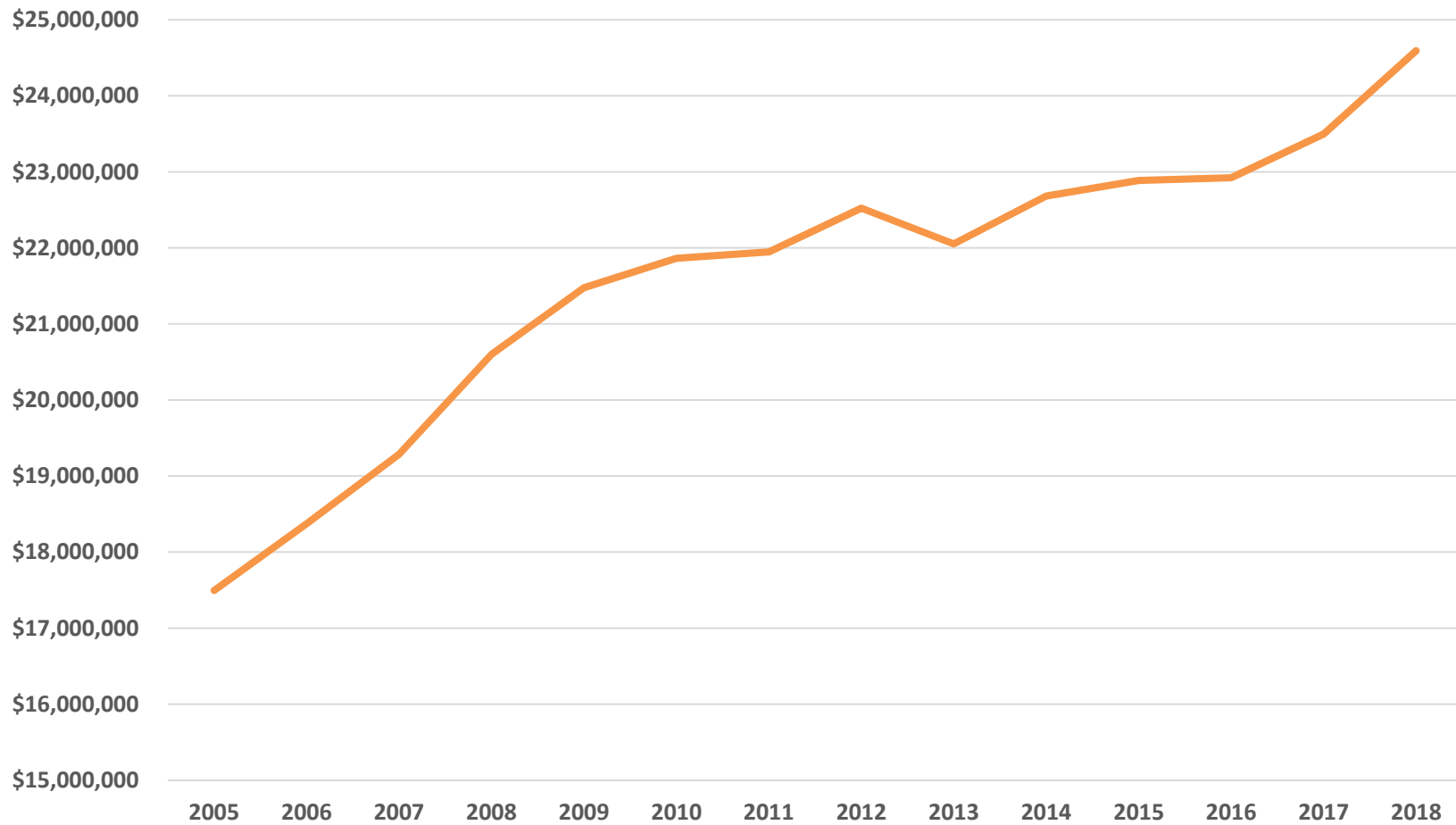


# Financial Metrics

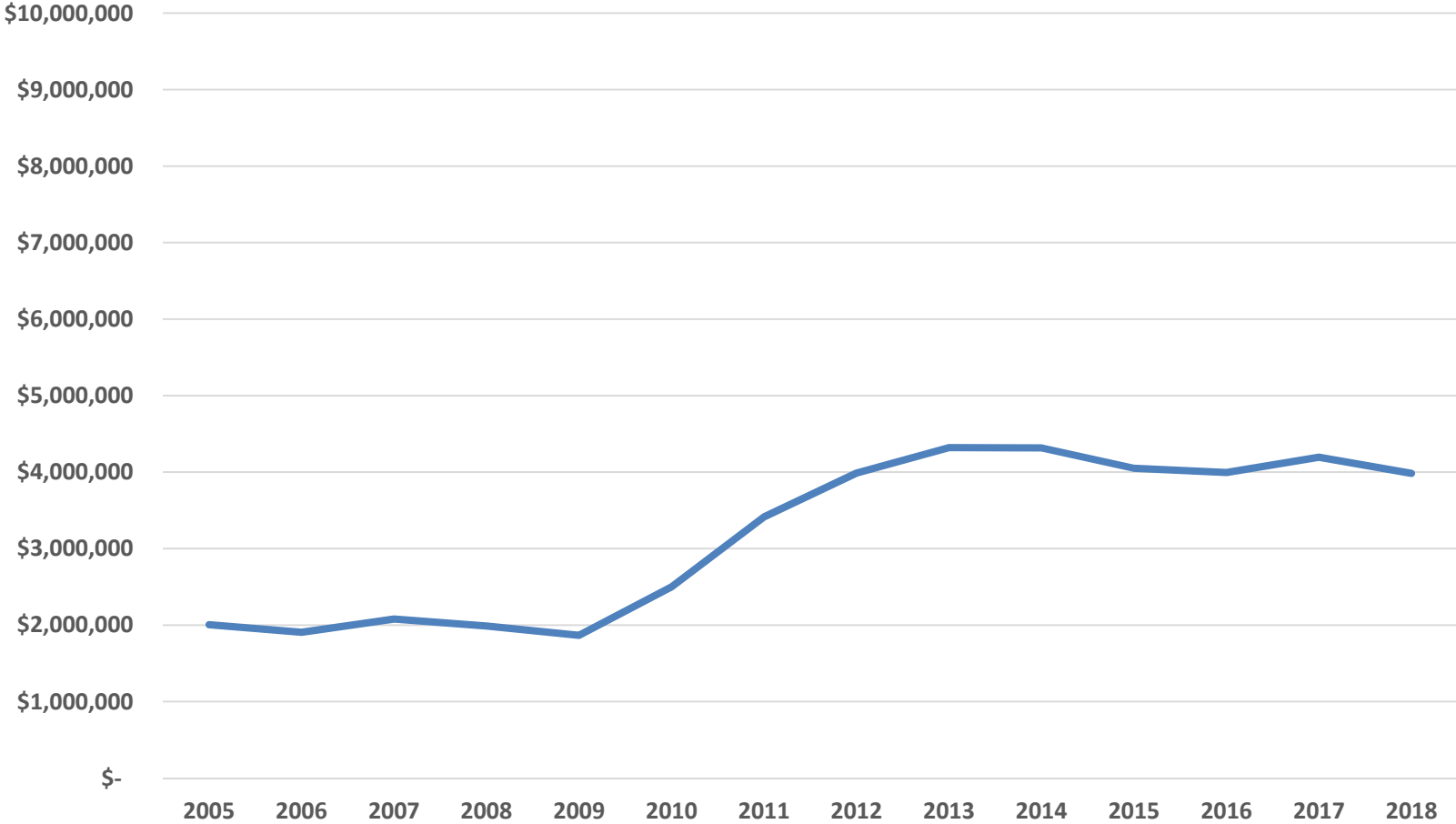
# Number of Employees



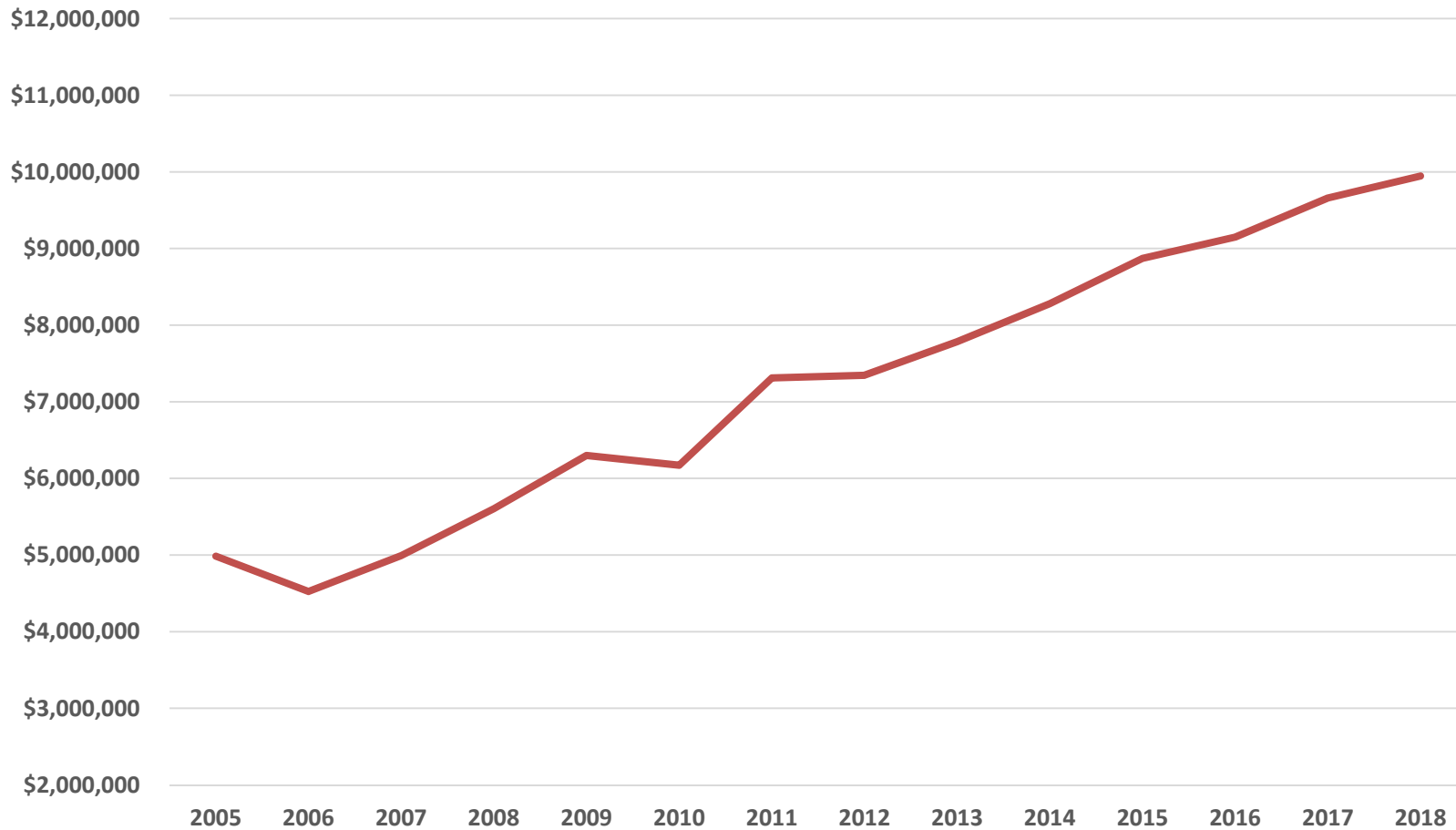
# Salaries



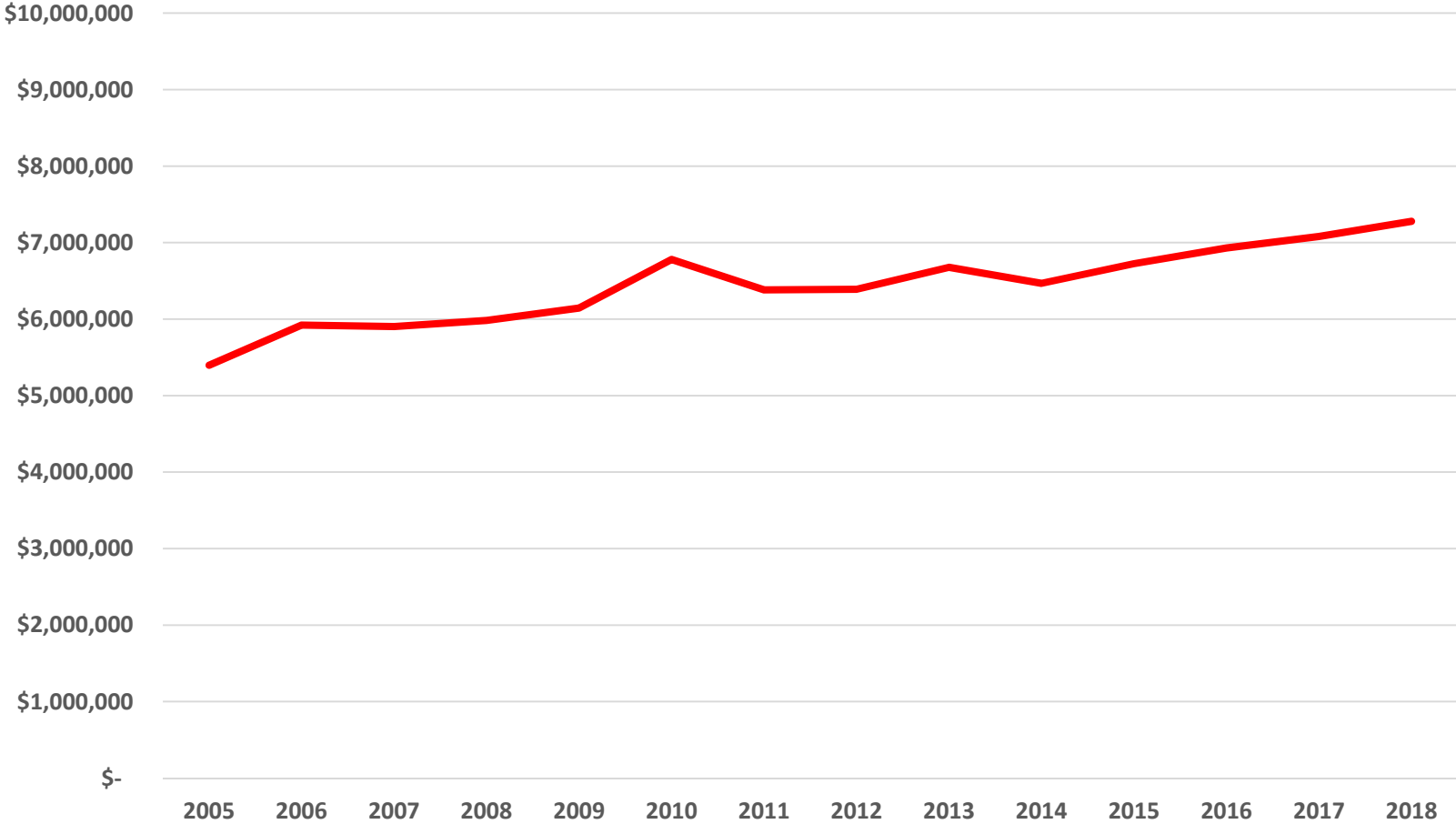
# Pension Costs



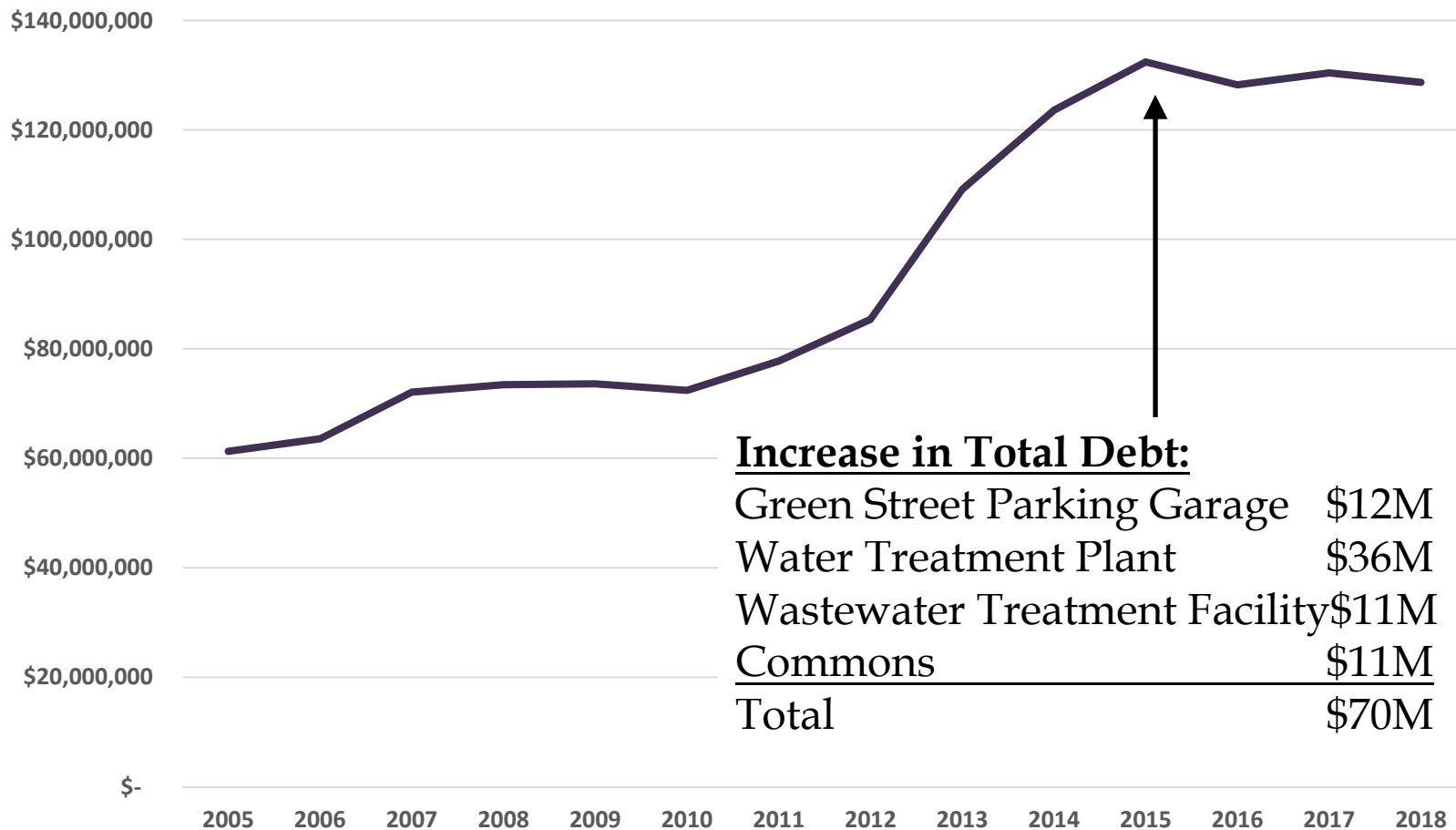
# Health Insurance Costs



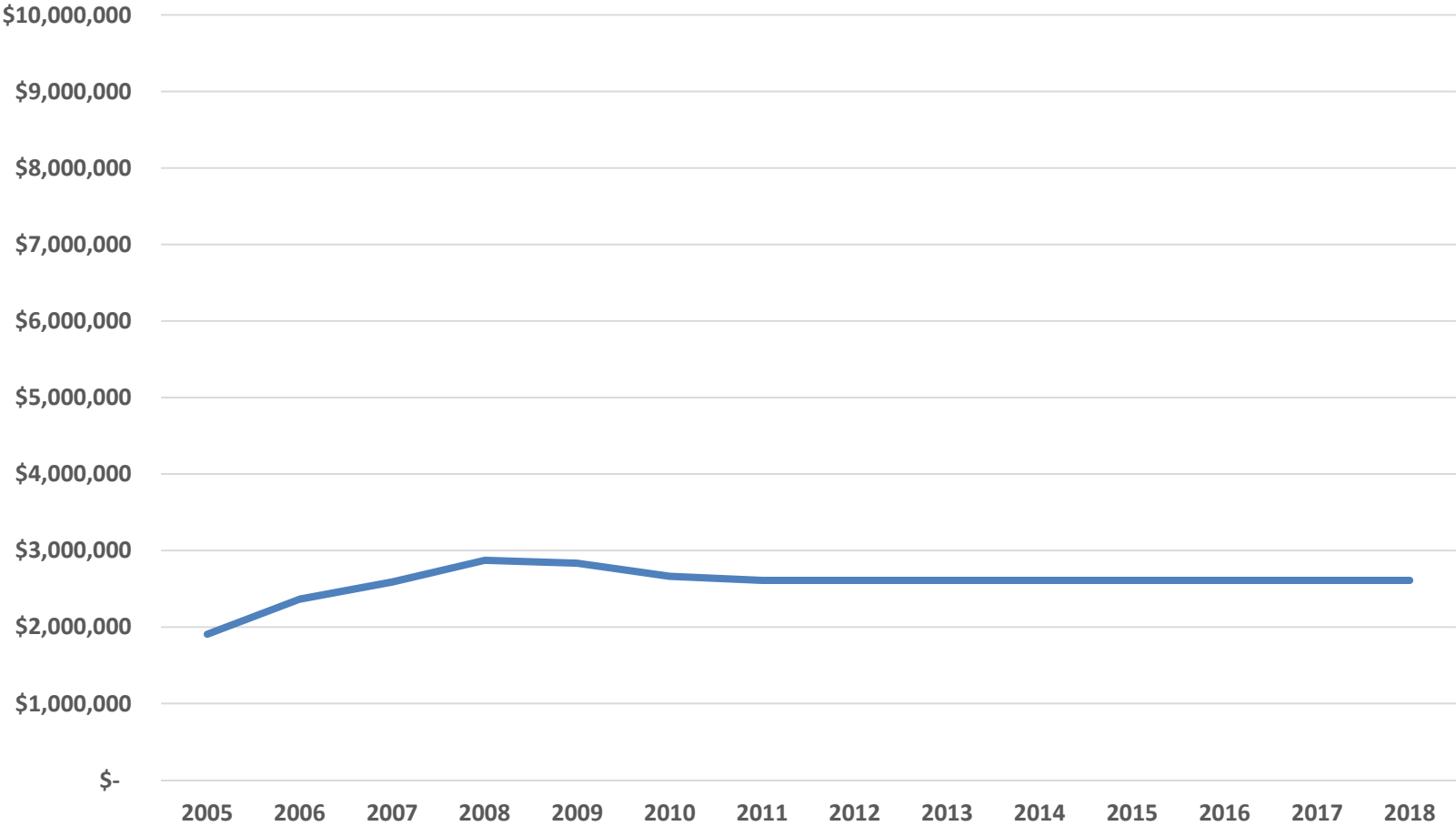
# Debt Service



# Total Debt Outstanding

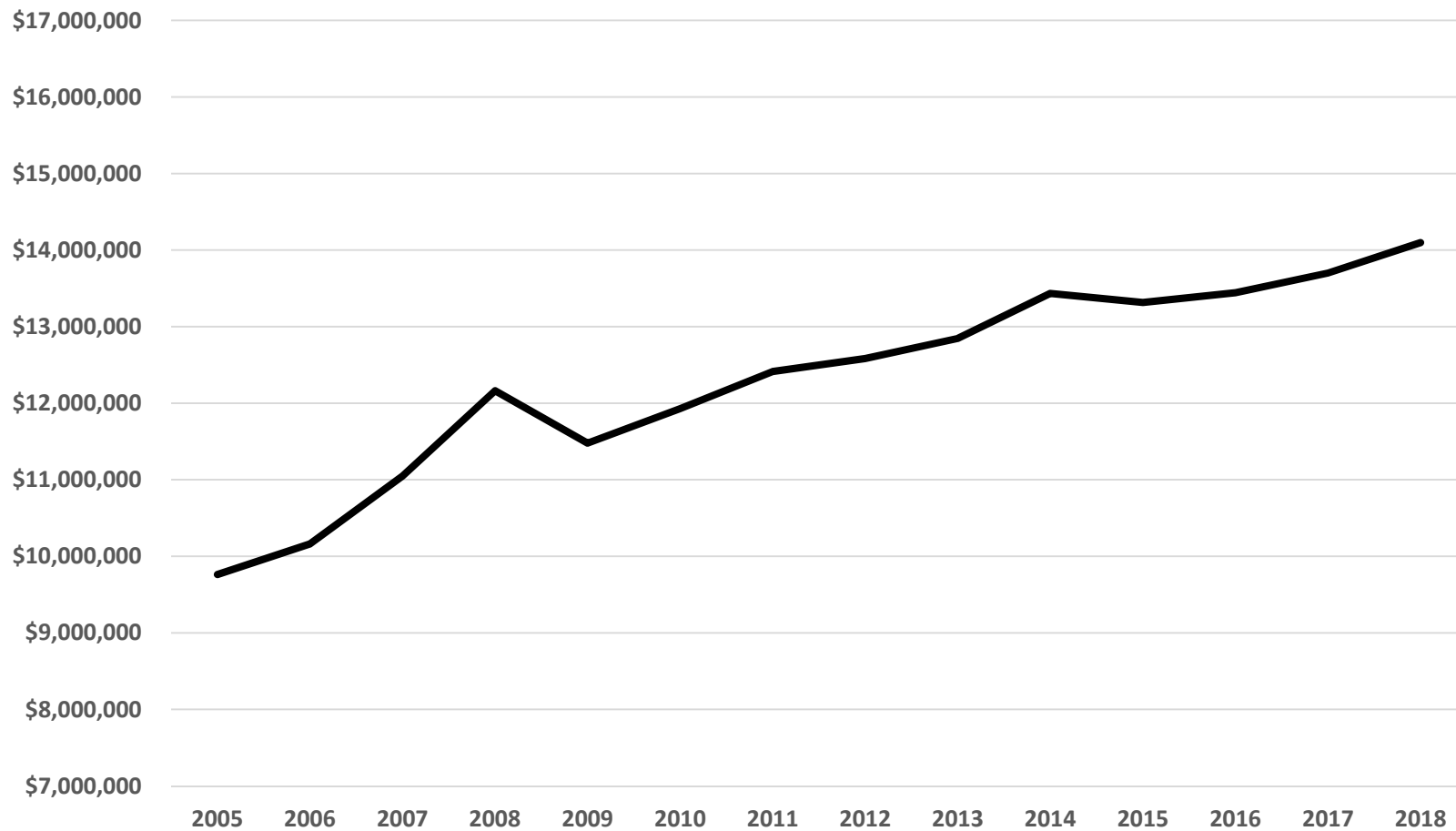


# State Aid

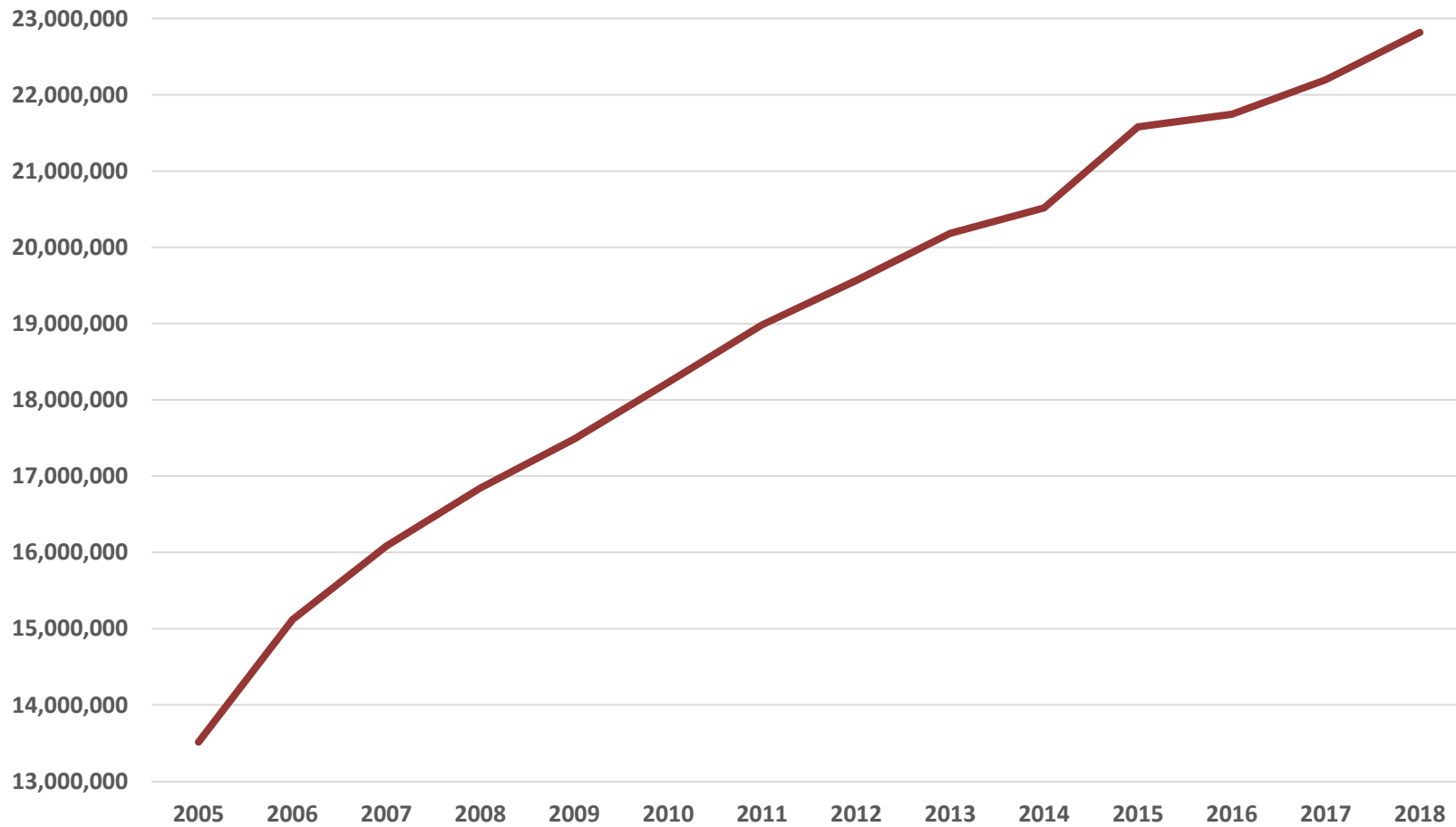




# Sales Tax Revenues



# Property Tax Levy



# What About All This Development?

# Potential Revenue

Current Tax Rate: \$12.04 per \$1,000

\$10 million in taxable assessed value generates \$120,400 in annual property taxes

To generate an additional \$1,000,000 would require \$83 million in new taxable assessed value.



# Representative Projects

<b>Project</b>	<b>Added Value</b>
Seneca Place (Hilton Garden)	\$25.3 million
Cayuga Green Apartments	\$10.5 million
Lofts at Six Mile Creek	\$6.1 million
Marriott Hotel	\$18.5 million
Collegetown Terrace Apartmets	\$23.6 million
<b>Total</b>	<b>\$84.0 million</b>

Collegetown Terrace Apartments assessment will increase by another \$20 - \$25 million in 2019



# Recent Development

- Since 2011 the City added \$131 million in assessed value from new development.
- \$131 million generates \$1.58 million in additional property tax revenue.
- If not for the new development, taxes would be 6.9% higher, an additional \$0.83 on the tax rate.
- Assessed value of existing properties increased \$253 million in same period.



# Tax Exempt Property

# Taxable vs. Tax Exempt

	Assessed Value	% of total	Per Capita
Taxable Property	\$1.8 billion	42%	\$60,000
Tax Exempt Property	\$2.5 billion	58%	\$82,400

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

	Exempt (millions)	Exempt per capita	% of exempt
Cornell	\$2,100	\$69,800	85%
City	\$130	\$4,300	5%
School District	\$63	\$2,100	2%
Other Govt.	\$56	\$1,800	2%
PILOTs	\$41	\$1,300	2%
Churches	\$40	\$1,300	2%
Housing	\$37	\$1,200	1%
Non-profits	\$15	\$500	1%
Ithaca College	\$3	\$100	0%
<b>Total Exempt</b>	<b>\$2,500</b>	<b>\$82,400</b>	<b>100%</b>

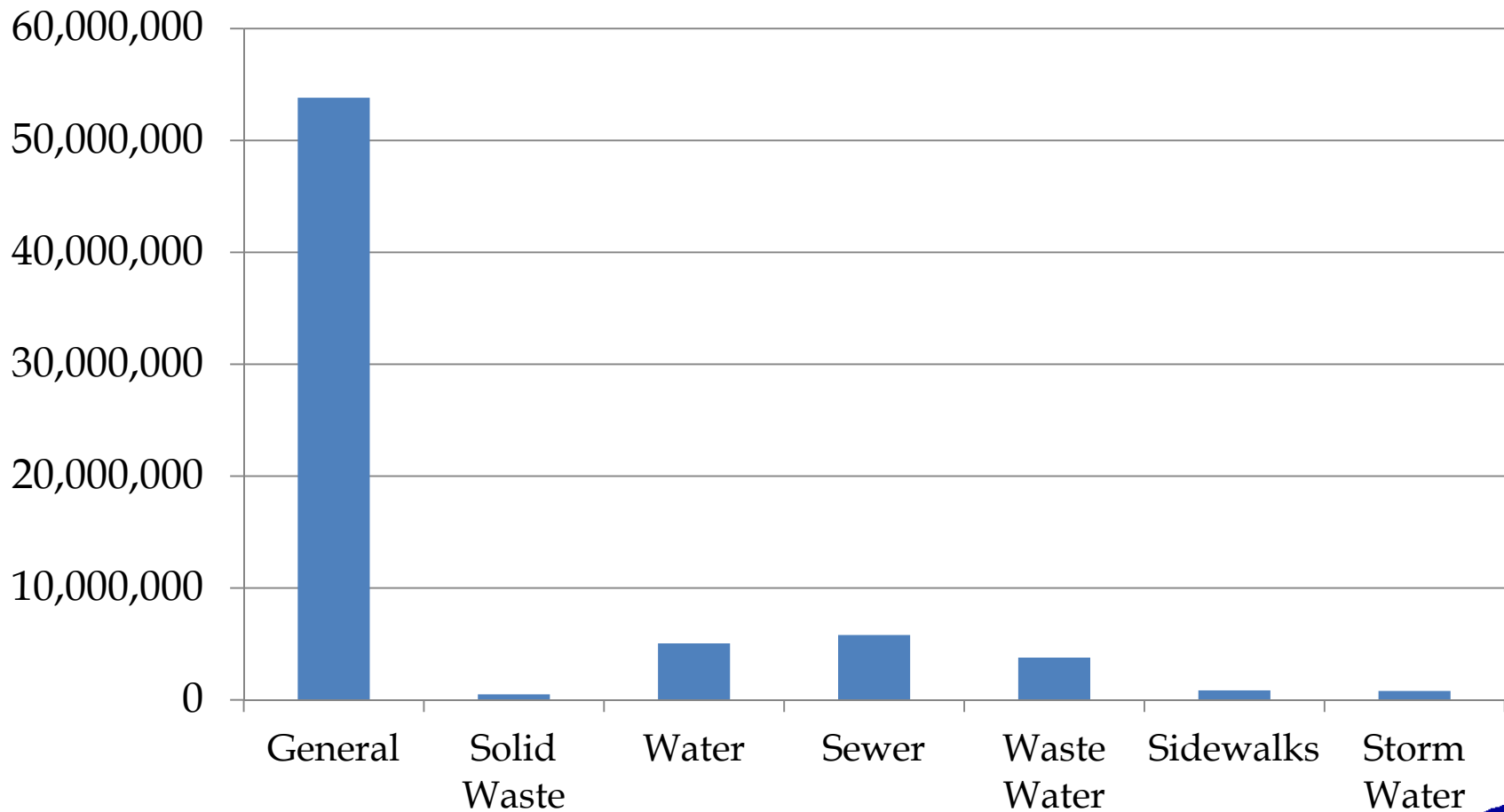


# Cornell Tax Exempt Property

- Cornell's tax exempt property in the City is worth more than all of the taxable property.
- If all of that property was taxable, it would generate an additional \$25 million in property taxes.



# Expenditures by Fund (2018 Mayor's Proposed Budget)

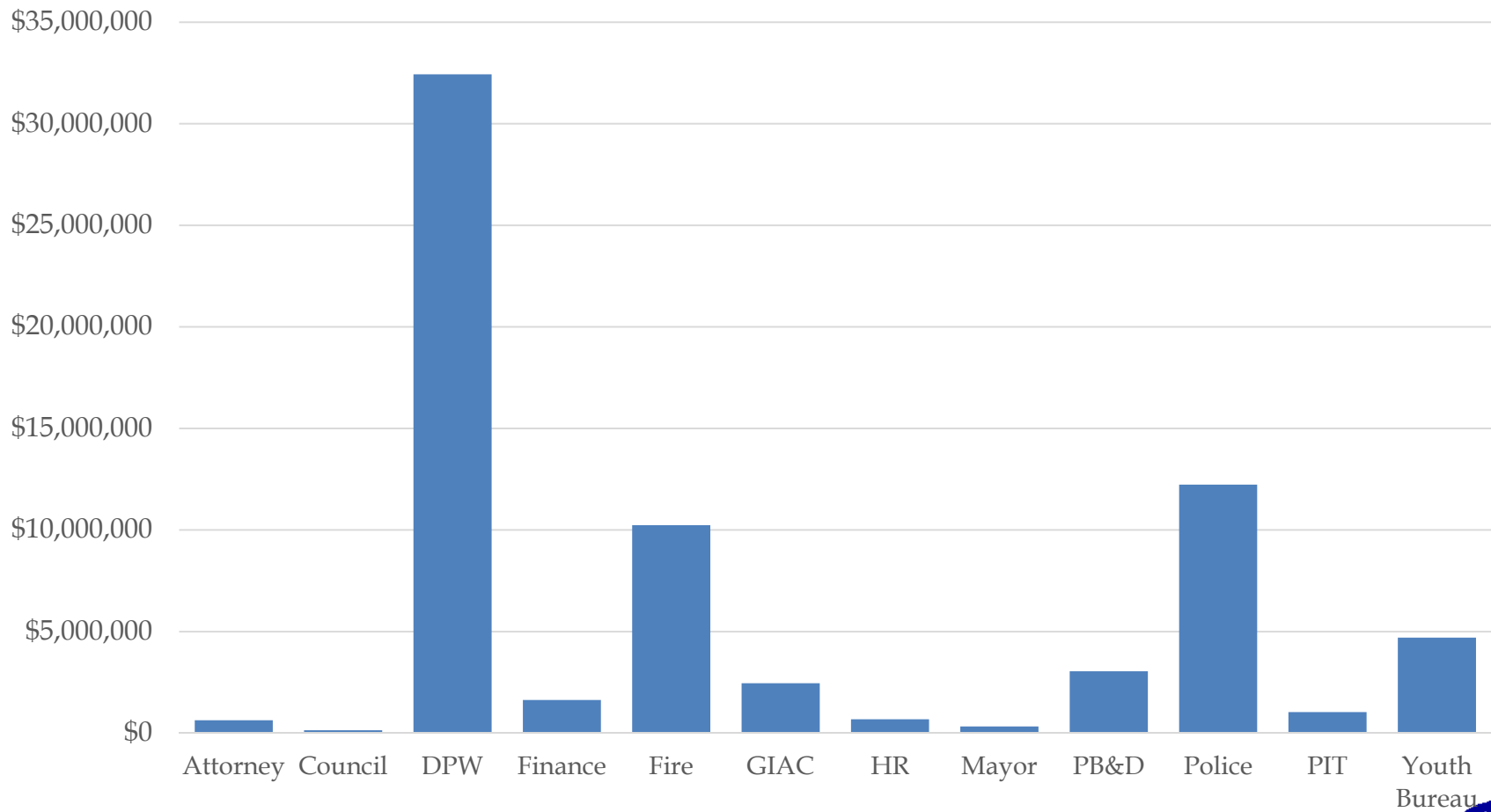


# City Departments

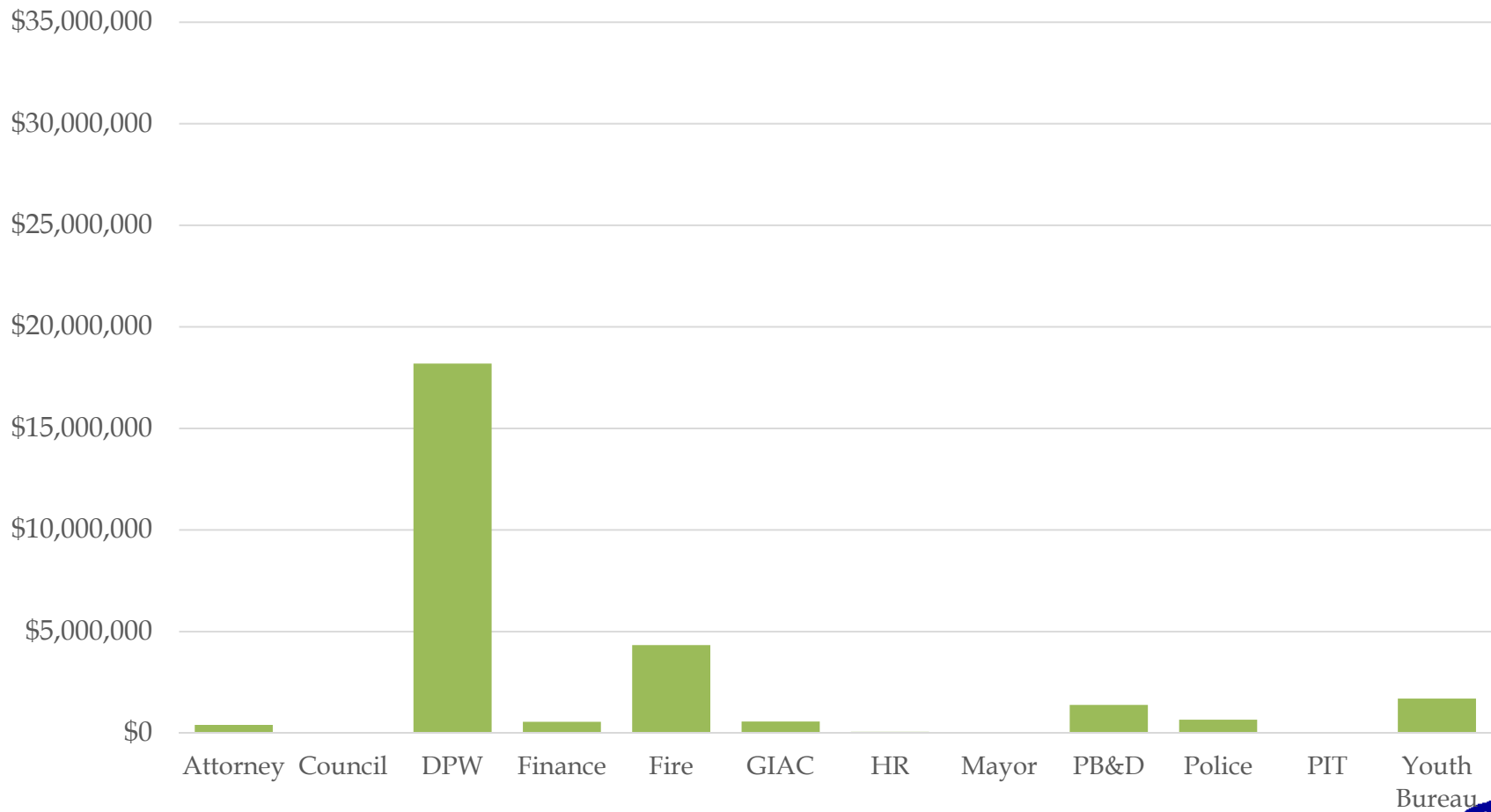
- Attorney's Office
- Common Council
- Department of Public Works
- Finance Department
- Fire Department
- Greater Ithaca Activities Center
- Human Resources
- Mayor's Office
- Planning, Building and Development
- Police Department
- Public Information and Technology
- Youth Bureau



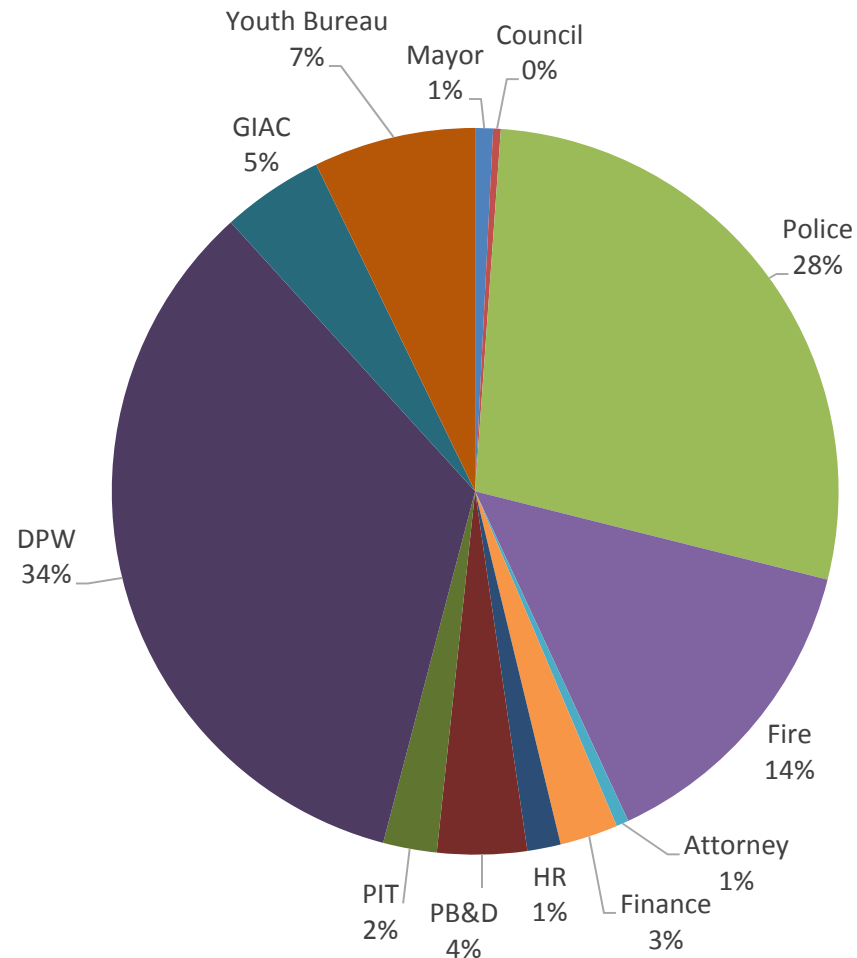
# Expenditure by Department (2018 Budget)



# Revenue by Department (2018 Budget)

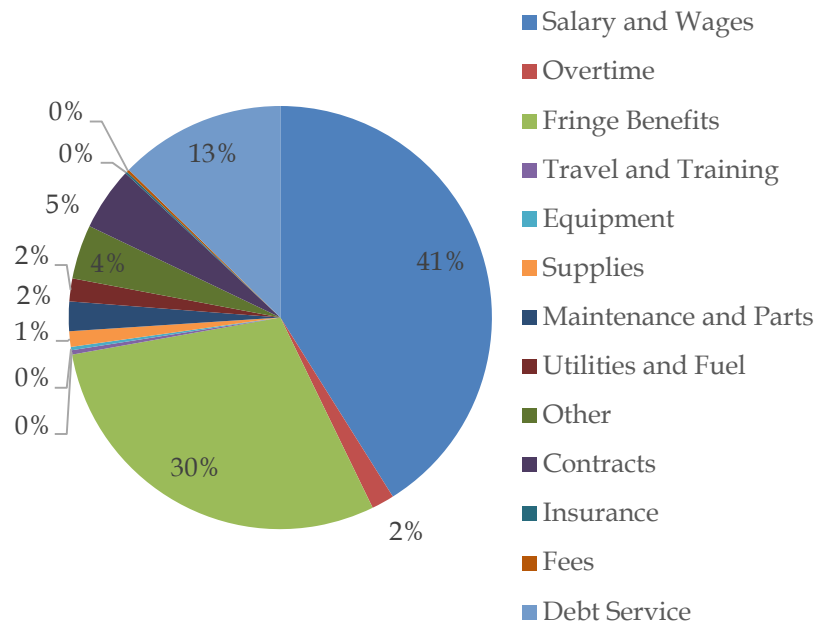


# 2018 General Fund Budget by Department (net of revenues)

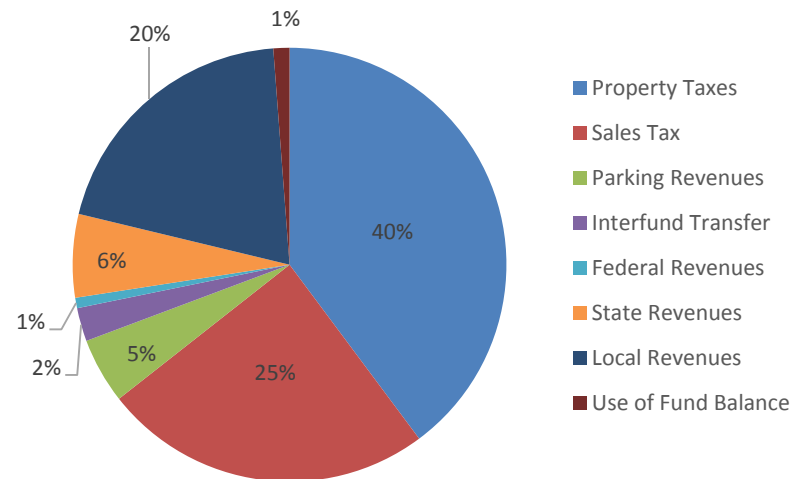


# General Fund (2018 Budget)

## Expenditures



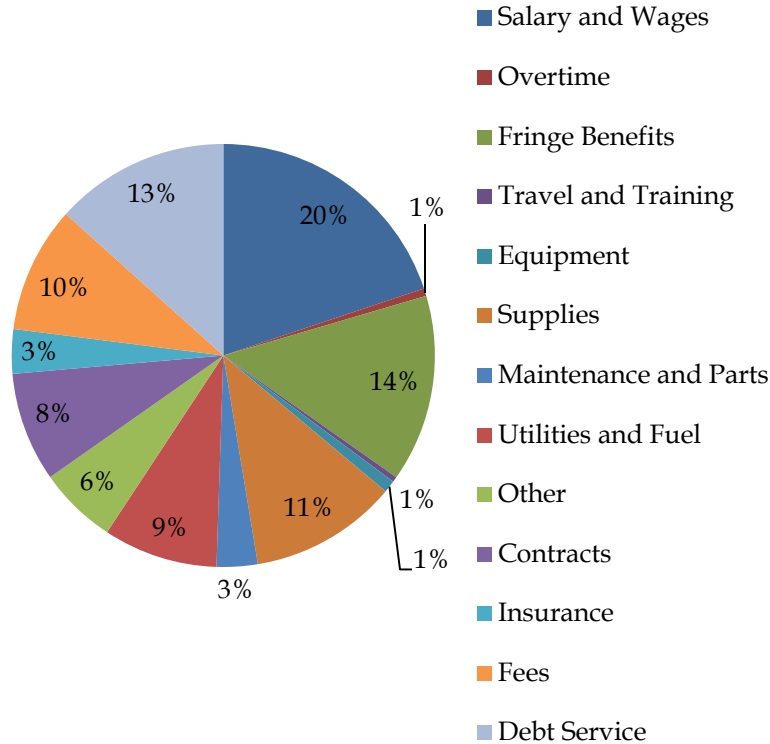
## Revenues



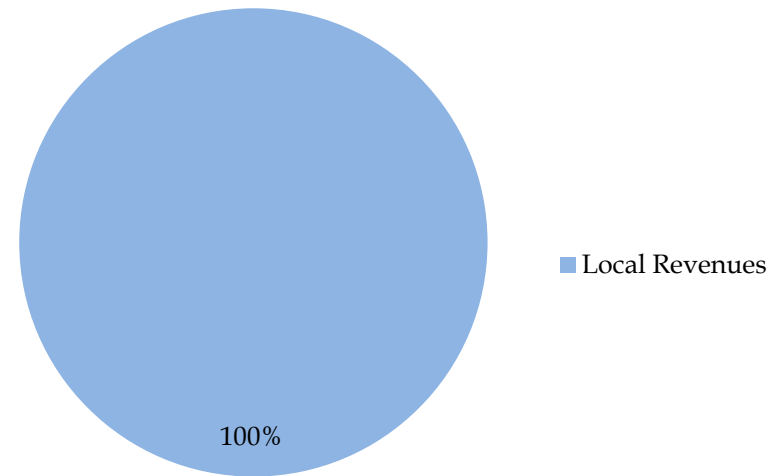


# Joint Activity Fund (2018 Budget) (Wastewater Treatment)

## Expenditures

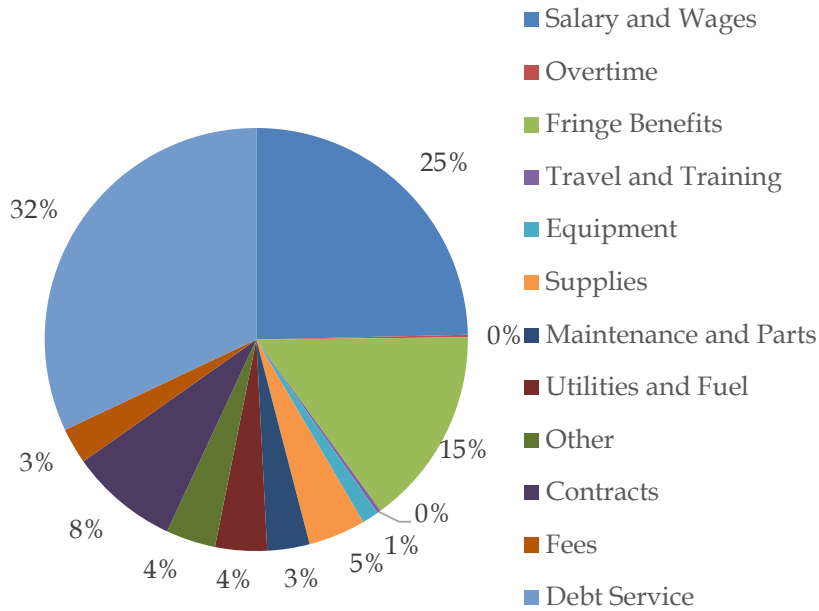


## Revenues

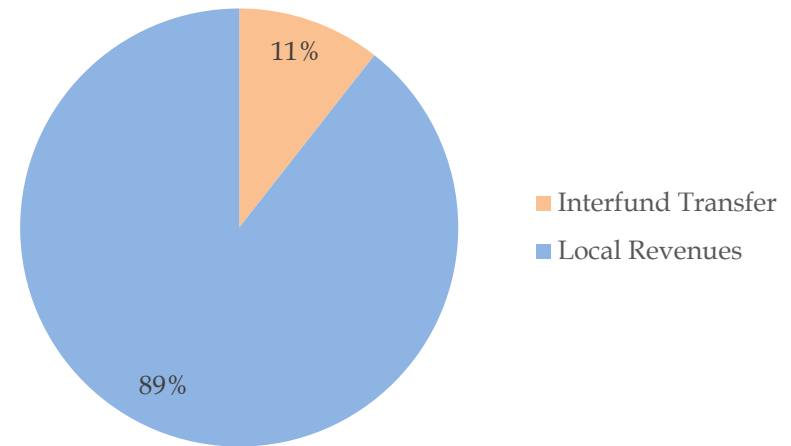


# Water Fund (2018 Budget)

## Expenditures

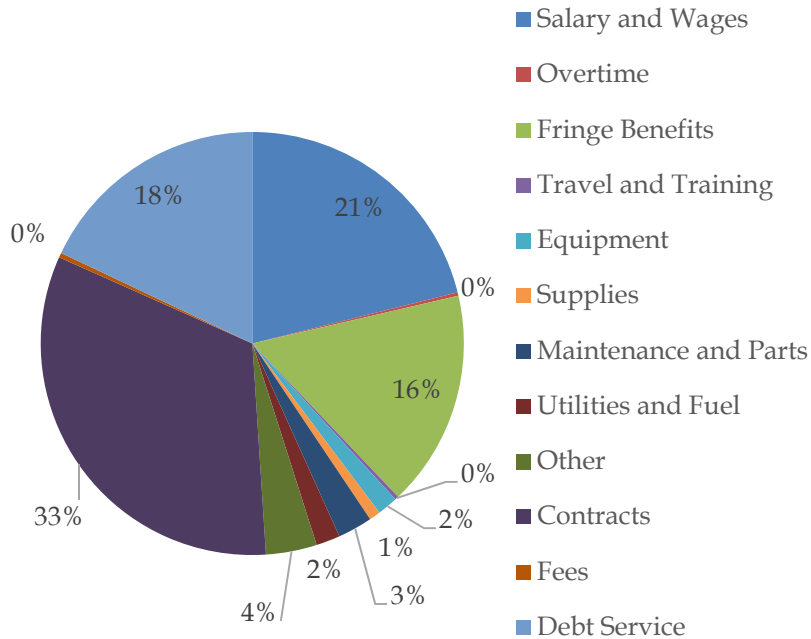


## Revenues

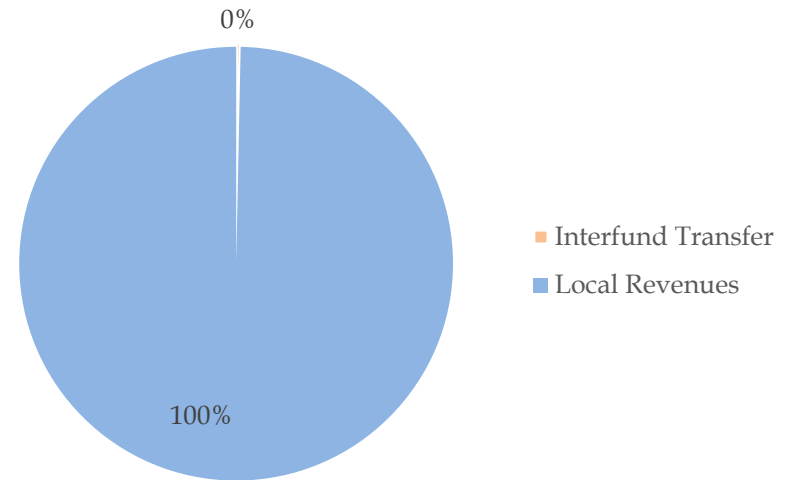


# Sewer Fund (2018 Budget)

## Expenditures

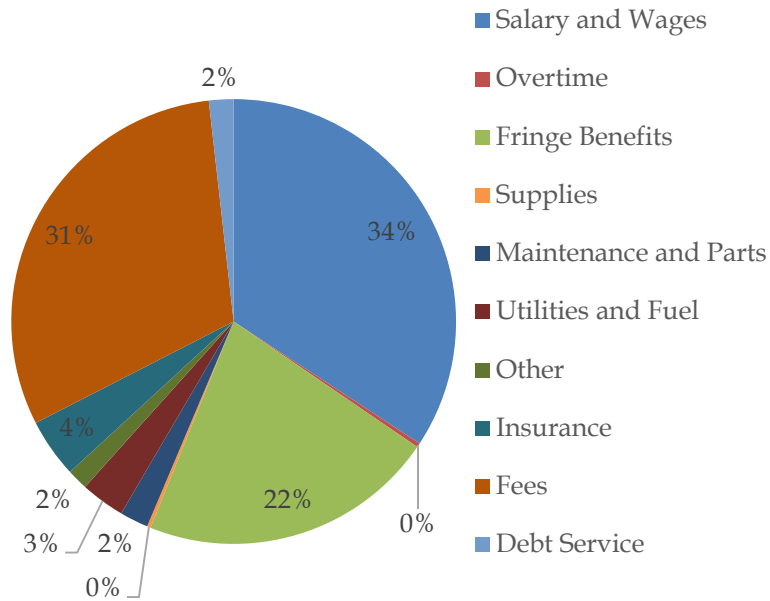


## Revenues

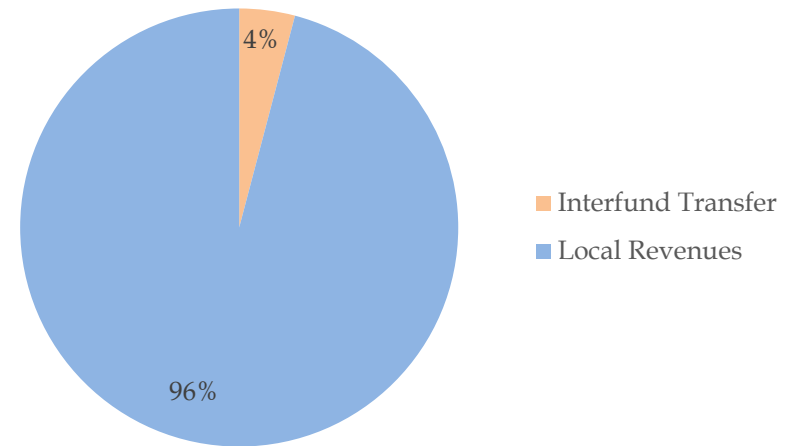


# Solid Waste Fund (2018 Budget)

## Expenditures

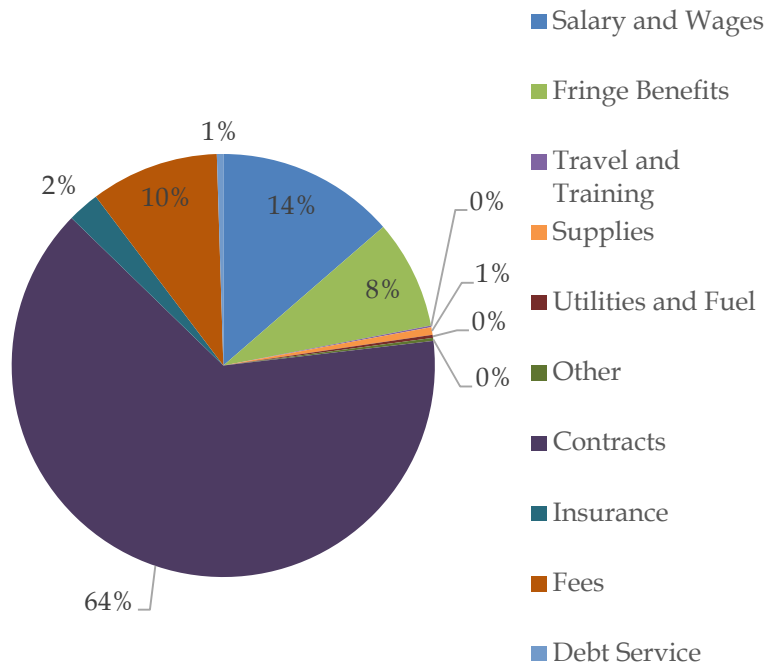


## Revenues

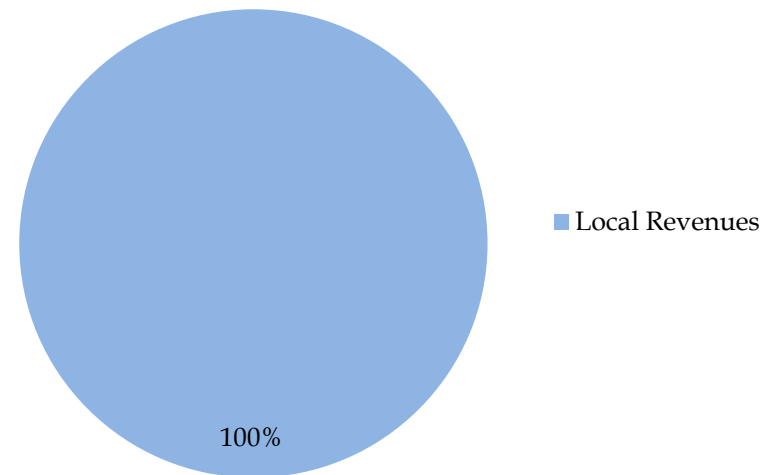


# Sidewalk Fund (2018 Budget)

## Expenditures

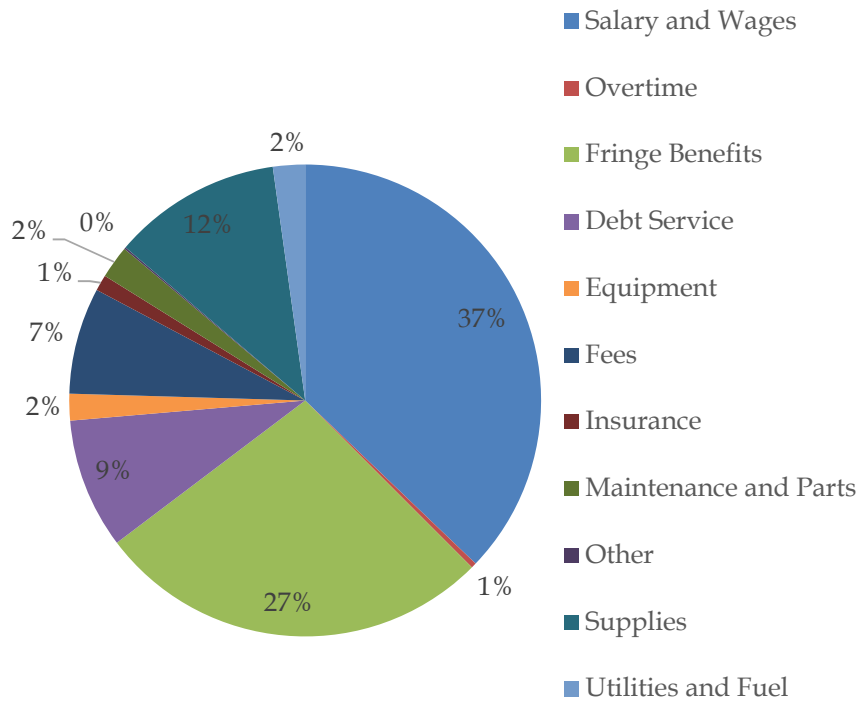


## Revenues

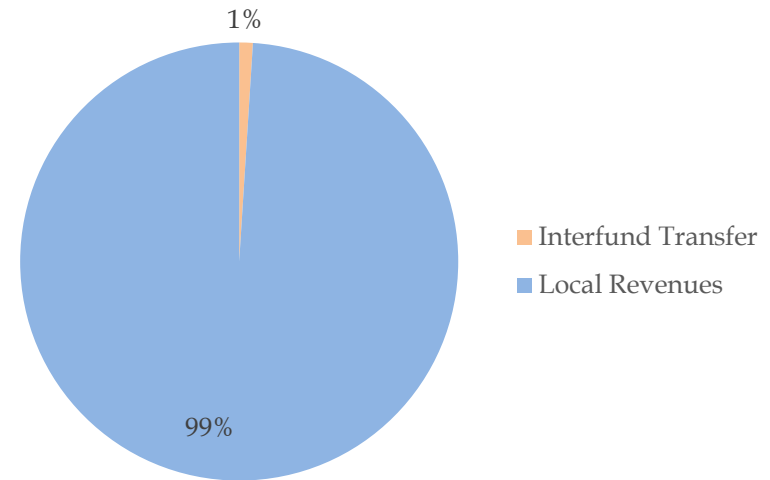


# Stormwater Fund (2018 Budget)

## Expenditures



## Revenues



# 2018 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 2.80%
- Property owners will see no change in their tax rate.
- As a result, 95% of homeowners will see no change, or a decrease, in their city taxes.

