

COUNCIL MEMORANDUM

**Memorial City Hall
24 South Street
Auburn, New York 13021**

TO: Honorable Mayor and Members of City Council

FROM: Jeff Dygert, City Manager

DATE: April 5, 2018

RE: 2018-19 Preliminary Budget

Background:

City staff has been diligently working on preparing this budget in accordance with the budget timeline adopted by the City Council. Please see the attachments for the details of the proposal, below are highlights of this year's budget. As always, please keep in mind that we will be modifying estimates as better numbers become available as budgeting is based on educated estimates and not specifically know figures.

General Fund:

The total General fund budget is projected at approximately \$34,287,715 which is a 1.0% increase from the prior year. There is no use of fund balance included in the proposed budget and the proposed tax levy increase is set at 5.00%. This is the growth factor published by NYS for the City's fiscal year and is below the City's tax cap. Below is a highlight of significant changes in total department budgets that lead to the overall increase of 1.0%. Department heads will provide a more detailed look at their departments' budget.

Expenditure Changes:

- City Manager - The transfer of the Director of Capital Projects from Planning.
- Corporation Counsel – The part time Corporation Counsel is retiring.
- Engineering – Purchasing a LG formatted printer and staff changes.
- Public Works Garage – Purchasing a tire mounting machine to replace the obsolete one that is over 20 years old and replacement parts cannot be found.
- Unallocated Salaries – This line decreased as it holds a contingency for contract negotiations which have all been settle this year.
- Central Services – Purchase of a new network switch, updates to Munis and new Cloud backup.
- Police – Purchasing four new SUVs which after use for a few years will be transferred to other departments for use.
- Municipal Parking – Adding a full time laborer who will be tasked with maintaining the Parking Garage as well and help as needed in the new Visitors Center.
- Falcon Park – Purchasing a new infield groomer to replace a ten year old one.

- Contractual Salary Increases
- Health Insurance – The move to the Cayuga County Health Insurance Consortium allows the City to be able to budget known costs and therefore can reduce the contingency previously budgeted in this account. Projects saving of \$350k from last year.

Revenue Changes:

- State revenues for AIM funding, CHIPS funding, PAVE NY funding and arterial highway maintenance funding have been budgeted at amounts proposed in the Governor's FY2018-19 budget. These revenue line items may be adjusted once a final State budget is released.
- Sales tax has been increased 2% based on year to date information compared to last year.
- The vacant building registry fees are escalating this year; this is a set escalation depending on when the building became vacant.

Landfill Fund

The fund is balanced on a cash flow basis with no fee changes to citizens. The fund budget has decreased by 4.1% due to the retirement of two long term employees and a decrease in the transfer to the General Fund.

Refuse Collection Fund

The fund has a 3.1% increase due to contractual salary increases and debt payment increases. The fund is balanced without the need for fee increases but a small use of fund balance.

Power Utility Fund

There is a large increase of 28.2% in this fund's budget due to the new \$3.6m debt issuance for the Mill Street Dam Hydro Electric Facility. The fund is balanced after a \$300k transfer from the general fund.

Water Fund

The fund has an overall fund increase of 2.6% due to contractual salary increases and debt payment increases. The fund is balanced without the need for fee increases or use of fund balance.

Sewer Fund

The fund has a slight .6% increase due to contractual salary increases and new debt issuances. The fund is balanced without the need for City user or wholesale customer fee increases or use of fund balance.

Fiscal Implications:

N/A