

CITY OF WATERVLIET



2018 PROPOSED BUDGET

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- ✘ For 10 years the City of Watervliet has remained under what has been defined as the NYS Tax Cap. To maintain this, the City has reduced staff in Public Works and Administration, utilized reserves, and assigned portions of fund balance that in recent years have not been replenished.
- ✘ In 2016, the City operated in a significant deficit and fund balance was depleted.
- ✘ In 2017, administration has made significant changes as to how the city operates not only logistically but also financially, further placing controls over the finances to make sure that the city does not run into deficit again.
- ✘ The 2018 budget is met with major challenges, both internal and external.

2018 PROPOSED BUDGET

BUDGET CHALLENGES

× COMPTROLLERS OFFICE

- + The State Comptrollers office has requested that the City of Watervliet show revenues and expenditures in a different way moving forward. In the past, if the city was reimbursed for a service, it would be shown as a negative expenditure in the expense lines. Now the city will show the reimbursement as a revenue. This will show further accuracy.
- + The Comptroller office has requested that all shared expenses across funds be shown in that manner. Therefore the 2018 budget will look different than it has historically.
- + Throughout 2017, City administration has worked to make these changes and they will be seen in the 2018 budget.

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BUDGET CHALLENGES

× INTERNAL CHALLENGES

- + For six years, the City of Watervliet has assigned \$300,000 of fund balance to balance the budget. Due to the 2016 deficit, the City is unable to do so in 2018.
- + For nearly 10 years the City has been funded with a \$300,000 transfer from the debt service reserve, which is no longer available
- + Sales tax revenue has historically accounted for 50% of the non property tax. For the first time, Sales tax revenues have decreased in 2017.
- + Workers Compensation, Liability Insurance and Health Insurance premiums continue to rise.
- + The City of Watervliet is 98% developed, with nearly 50% of all property being fully tax exempt.
- + Taxable Assessment decreased by 4 Million from 2016 to 2017 Assessment

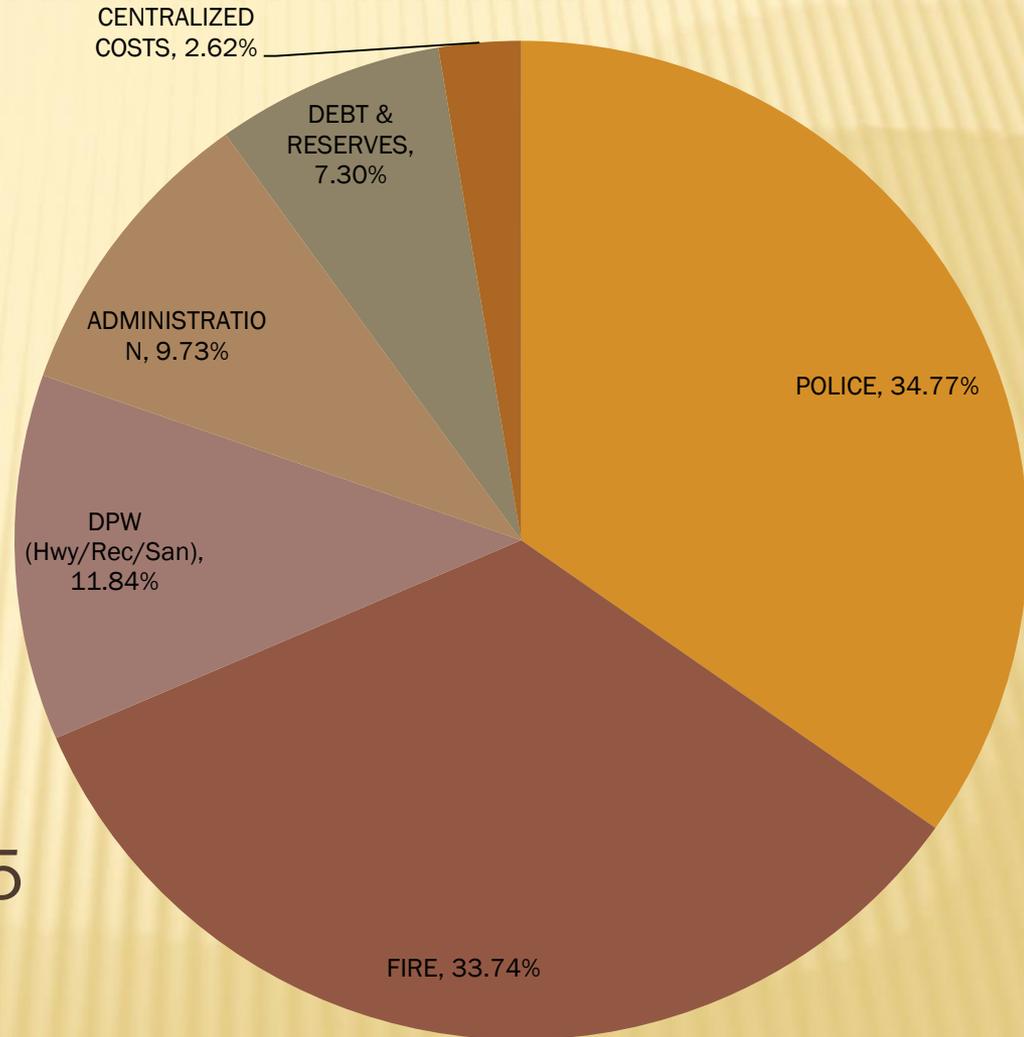
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- ✘ The 2018 budget provides the City of Watervliet with the optimal level of staffing to complete all tasks and continue to provide all services.
- ✘ The 2018 budget fills voids in departments that have been depleted over the years due to retirements and covers any areas of deficiency that have been identified.
- ✘ The 2018 budget proposes funding the reserves to replenish what has been depleted and does so in a responsible way and in line with the City's five year financial plan.
- ✘ The 2018 budget places park counselors in the parks to operate the splash pads and children activities in the afternoons during the summer 7 days a week.
- ✘ The 2018 budget proposes having student summer help to work in public works to help with beautification initiatives such as curb cleaning etc.
- ✘ The 2018 Budget decreases Overtime costs in Public works and Public Safety
- ✘ No raises other than 1% contractual obligated to CSEA employees
- ✘ The 2018 Budget decreases expenditures in the General Fund by ~\$530,000

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EXPENDITURES

✘	POLICE -	\$3,988,311
✘	FIRE -	\$3,869,655
✘	DPW -	\$1,358,328
✘	ADMIN -	\$1,115,435
✘	DEBT/RESERVES -	\$ 837,106
✘	CENTRAL COSTS -	\$ 300,150
✘	TOTAL =	\$11,468,985



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REVENUES

\$6,476,193

Account	Description	estimate
A1081	PAYMENT IN LIEU OF TAXES	\$ 150,000.00
A1090	INTEREST /PENALTY ON TAXES	\$ 20,000.00
A1110	SALES TAX	\$ 3,480,000.00
A1130	UTILITY TAX	\$ 110,000.00
A1170	FRANCHISE TAX	\$ 150,000.00
A1210	COURT FEES	\$ 180,000.00
A1220	Traffic Safety Div Fines	\$ 18,000.00
A1255	CLERK FEES	\$ 7,000.00
A1603	VITAL STATISTICS	\$ 2,000.00
A1689	Vacant Building Registration	\$ 60,000.00
A2025	SWIMMING POOL FEES	\$ 2,500.00
A2110	ZONING BOARD FEES	\$ 2,000.00
A2555	BUILDING PERMITS	\$ 50,000.00
A2660	SALE OF REAL PROPERTY	\$ 2,000.00
A2770	UNCLASSIFIED REVENUES	\$ 100,000.00
A2772	Cell Tower Rentals	\$ 20,000.00

Account	Description	estimate
A2773	Refuse User Fee	\$ 33,000.00
A2775	Insurance Recovery - Fire Department	\$ 375,000.00
A2776	Recovery of Liens on Property	\$ 20,000.00
A2777	Park/Recreation Facility Rentals	\$ 20,000.00
A2778	DWI Reimbursement - PD OT	\$ 2,000.00
A2779	Code Enforcement & PNL Fines	\$ 40,000.00
A2780	CDBG GRANT REIMBURSEMENT	\$ 50,000.00
A2801	INTERFUND TRANSFER	\$ 100,000.00
A3001	STATE AID	\$ 1,210,193.00
A3005	MORTGAGE TAX	\$ 87,000.00
A3021	State Aid Court Facilities	\$ 48,000.00
A3330	Court security reimbursements from State	\$ 75,000.00
A3389	State Aid - Other Public Safety	\$ 8,500.00
	Investigator -T88 reimbursement	\$ 50,000.00
A3820	STATE AID FOR YOUTH	\$ 4,000.00

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TAX RATE CALCULATION & ASSESSED VALUE INFO

- ✘ TOTAL WHOLLY EXEMPT ASSESSED VALUE 2017 = \$326,620,500
- ✘ TOTAL TAXABLE ASSESSMENT VALUE FOR 2017 = \$377,163,908
- ✘ TOTAL ESTIMATE OF EXPENDITURES FOR 2018 = \$11,468,985
- ✘ TOTAL NON PROPERTY TAX REVENUES FOR 2018 = \$6,476,193
- ✘ TOTAL AMOUNT TO BE RAISED BY TAXES FOR 2018 = \$4,992,792
- ✘ TOTAL AMOUNT RAISED BY TAXES IN 2017 = \$4,231,160
- ✘ 2018 BUDGET HAS DEFICIT OF \$761,632
- ✘ PROPOSED TAX RATE INCREASE OF 19.21% (11.1048/1000 TO 13.2377/1000)

2018 PROPOSED BUDGET

WHY? WHAT IS CAUSING THE DEFICIT

- ✘ \$300,000.00 Fund balance no longer available to balance the budget (~8% tax increase contribution)
- ✘ \$200,000.00 Debt service reserve no longer available as a revenue (~5%)
- ✘ Make up for overstated sales tax revenue in 2017 and reduce estimate for 2018 ~\$150,000.00 (~4%)
- ✘ Make up for \$75,000.00 understated Liability insurance expenditure in 2017 (2%)
- ✘ These factors equal ~\$725,000.00
- ✘ Without these factors the deficit would be ~\$36,000 (1%)

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What does this Increase mean to tax payers

- ✘ Based on the average value of residential property in the City of Watervliet of \$120,000.00, the increase in cost is equal to;
 - + \$255.00/year
 - + \$21.25/month
 - + \$4.95/week

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What is being done to prevent an increase in the future?

- ✘ Not proposing unbalanced budget (assign fund balance)
- ✘ Building reserves to prevent operating in deficit and prepare for major future costs
- ✘ Continually finding ways to control costs; reduce overtime, encumbrance system, Purchasing policy
- ✘ Expand on Planning and Economic Development Department
- ✘ Continue to upgrade and utilize facilities as revenue sources
- ✘ Continue to shuffle staffing to provide highest level of efficiency

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Ways to reduce the deficit

- ✘ UNDER STAFFING
- ✘ REDUCE SERVICES
- ✘ INSUFFICIENT RESERVES

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NEXT STEPS

- ✘ Budget is a living document that can change
- ✘ DECEMBER 7, 2017 7:00PM – PUBLIC HEARING
- ✘ DECEMBER 21, 2017 7:00PM – City Council Meeting in Which Local Law will be presented on the agenda for Approval

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THANK YOU

- × Scott O'Reilly
- × Mike McNeff
- × Amanda Austin
- × Amanda Delap
- × Phyllis Carroll
- × Department Heads
- × Public