

LET'S TALK BUDGET

June 25, 2018

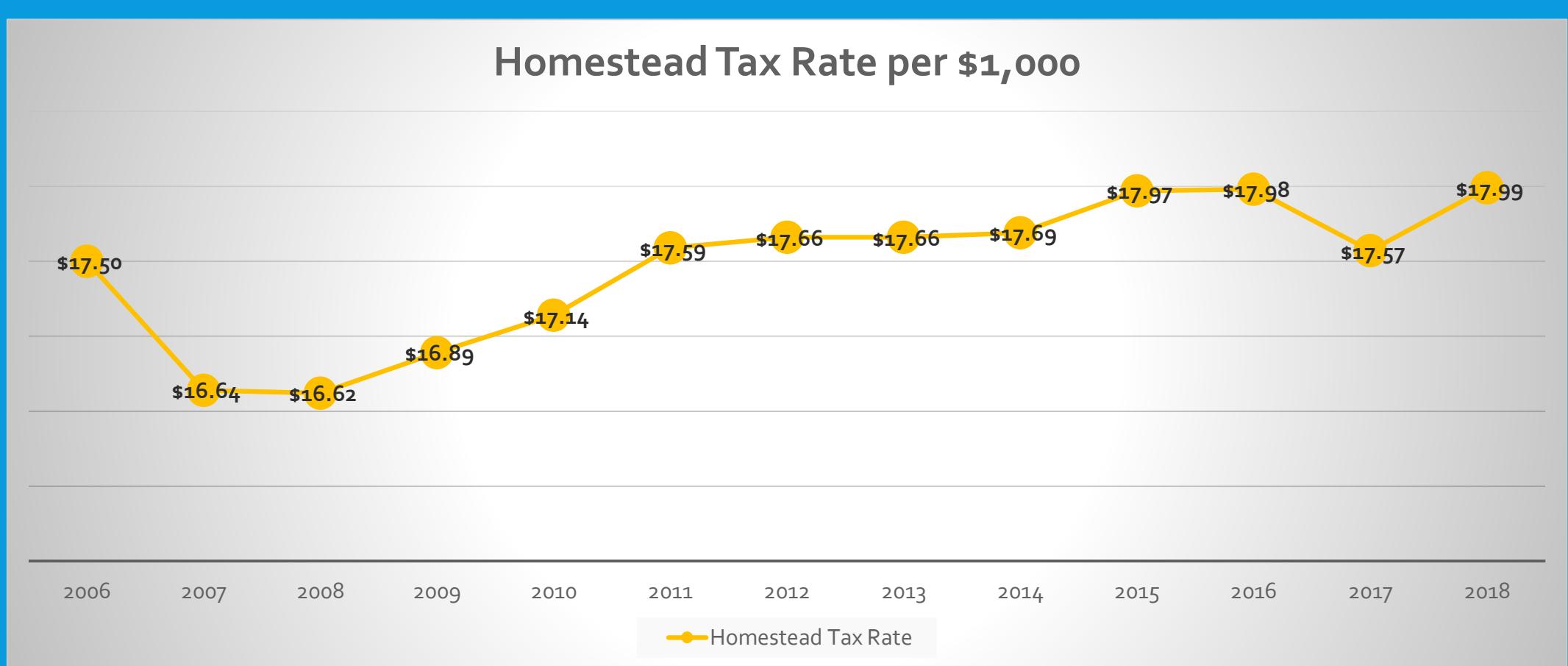
6:30pm – 7:30pm

LaSalle Branch Library

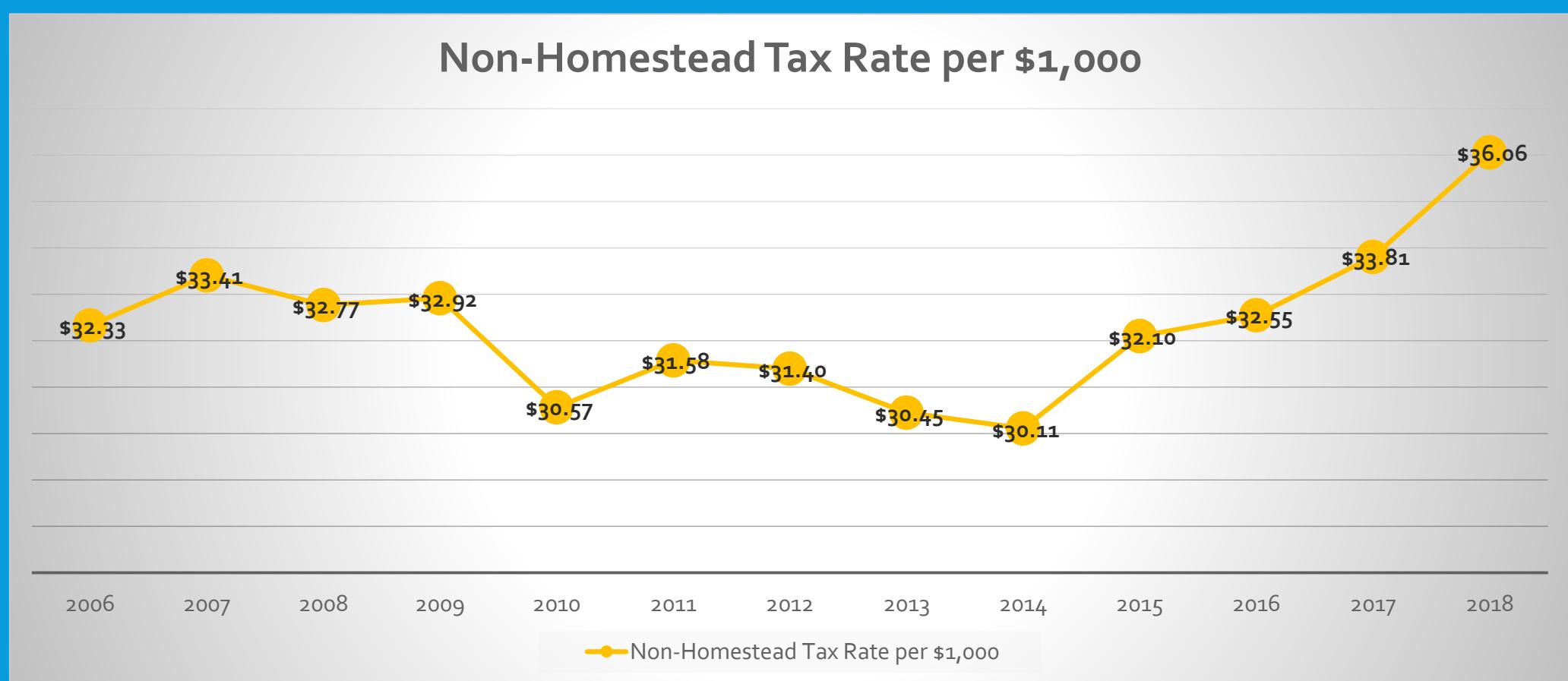
TOPICS TO DISCUSS

- Property Tax Rates
 - Homestead
 - Non-Homestead
 - Tax Levy
- 2017 Financial Statement Audit Results
- 2018 Budget Information
- 2019 Budget Process
- Questions and/or Comments

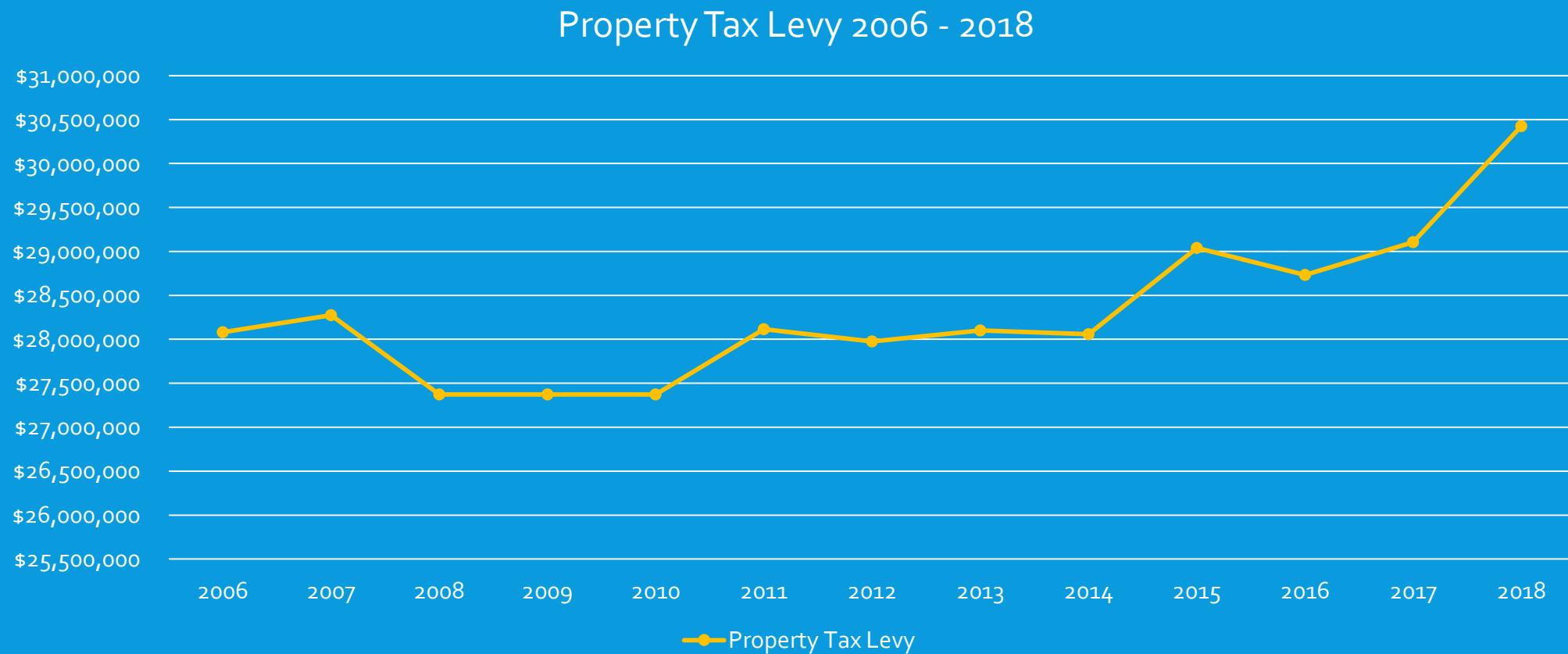
HOMESTEAD TAX RATES – 2006 - 2018



NON-HOMESTEAD TAX RATES – 2006 -2018



PROPERTY TAX LEVY – 2006 - 2018



2017 FINANCIAL STATEMENT AUDIT - REVENUE

1. Revenue generated by General Fund activities:
 - Budget = \$74,474,048
 - Actual = \$74,996,512
 - Surplus = \$522,464 - HRU Sales Tax had \$7.3 million budget and earned \$8.0 million actual.
2. Transfers in from other funds:
 - Budget = \$13,746,840
 - Actual = \$14,301,960
 - Surplus = \$555,120 - Parking Revenue transfer had \$1 million budget and earned \$1.5 million actual.
3. Total surplus of approximately \$1.1 million based on above results
4. Included in adopted budget was approximately \$2.6 million of unassigned fund balance.

2017 FINANCIAL STATEMENT AUDIT - EXPENSES

1. Expenses generated by General Fund activities:
 - Budget = \$81,755,341
 - Actual = \$83,408,523
 - Deficit = \$1,653,182 – Main cause was related to retro payments made in 2017.
2. Transfers out to other funds:
 - Budget = \$9,010,085
 - Actual = \$8,785,317
 - Savings = \$224,768
3. Total deficit of approximately \$1.4 million

2017 FINANCIAL STATEMENT AUDIT RESULTS

- Overall net loss incurred of \$2.9 million from operations.
- 2017 budget included an appropriation of unassigned fund balance of approximately \$2.6 million.
 - As a result of the 2016 audit, our fund balance was only approximately \$2.3 million
- As of December 31, 2017 we have an overall unassigned fund balance amount that is a deficit of approximately \$676,000.

2018 BUDGET - REVENUE

- Total revenue included in General Fund - \$91.4 million total:
 - \$76.8 million in actual revenue generated from General Fund activities
 - Property Taxes - \$29.8 million
 - State Aid - \$19.1 million
 - Sales Tax - \$18.5 million
 - PILOT's - \$4.8 million
 - \$14.6 million in transfers in from other funds
 - \$11.2 million in Tribal Revenue
 - \$1.8 million in Parking Operations

2018 BUDGET - EXPENSES

- General Fund:
 - Total expenses of \$82.9 million in budget.
 - \$38.3 million is personnel costs (46.1%)
 - \$34.0 million is employee benefit costs (41.1%)
 - \$10.6 million is operating costs (12.8%)
 - Additional \$8.5 million of other costs related to:
 - debt service - \$6.2 million
 - library - \$1.8 million
 - risk retention - \$300k
 - train station - \$170k

2018 BUDGET – PERSONNEL COSTS

- Included in \$38.3 million of personnel costs:
 - \$27.6 million (72.1%) is public safety (Police & Fire)
 - \$15.3 million is Police and \$12.3 million is Fire
 - \$6.3 million (16.3%) is DPW
 - \$4.4 million (11.6%) is all other departments
- \$2.6 million in overtime costs included in budget
 - \$1.6 million (61.5%) is Police
 - \$793k (30%) is Fire
 - \$217k (8%) is DPW
 - \$14k (0.5%) is all other departments

2018 BUDGET – EMPLOYEE BENEFIT COSTS

- Included in \$34.0 million of employee benefits cost:
 - \$18.5 million in medical & dental insurance costs (54.4%)
 - \$9.3 million represents amounts paid for retirees (50.1% of medical & dental costs)
 - Contributions to health care out of 570 active positions in budget
 - 339 contribute 0% to health care (59.5%)
 - 144 contribute 5% (25.3%)
 - 15 contribute 10% or 15% (2.6%)
 - 47 receive the opt-out (8.2%)
 - 25 decline health care coverage – City spouse or age requirement (4.4%)
 - \$9.7 million in retirement costs (28.5%)
 - Police & Fire retirement is \$7.7 million
 - NYS ERS retirement is \$2 million
 - \$5.8 million in FICA, workers compensation, and life insurance costs (17.1%)

2018 BUDGET – OPERATING COSTS

- Included in \$10.6 million of operating costs
 - \$3.5 million in garbage collection
 - \$1.3 million in street lighting
 - \$1.1 million in utilities (light/power, water/sewer, and natural gas)
- Operating costs were reduced by \$970k in 2018 budget (10.7%) when compared to 2017 adopted budget

2018 BUDGET – SUMMARY COSTS

- Out of the \$82.9 million budget:
 - \$46.3 million is public safety (55.8%) – Police & Fire
 - \$16.7 million is DPW (20.1%)
 - \$19.9 million is all other costs (24.1%)

2018 BUDGET – TOURISM FUND REVENUE

- Occupancy tax revenue for 2017 is highest ever at \$3.38 million. Approximately \$2.7 million is bed tax and \$673k is reserved for NFTA Trolley operations.
 - Destination Niagara to receive approximately \$2.16 million of bed tax revenue
 - City portion of bed tax revenue is approximately \$540k
- Bed tax has seen a 123% increase in revenue from 2008 levels. \$2.7 million versus \$1.2 million.

2019 BUDGET PROCESS

- Meet with each department head over next 2-3 weeks to review preliminary budget figures:
 - Historical spend
 - Anticipated changes in 2019
 - Staffing levels (i.e. retirements)
- Review revenue figures
 - Input from department heads needed for various items
- Federal, New York State, and Contractual mandated costs (i.e. pension, health insurance, workers compensation, refuse & recycling costs, animal control costs, and library funding to name only a few.)
 - Approximately \$37 million in costs in 2018 budget – 41% of 2018 budget

2019 BUDGET PROCESS

- 2018 budget included a casino transfer of approximately \$11.2 million.
- 2019 budget may have various cost increases in items such as:
 - Salary
 - Animal control costs
 - Risk Retention fund costs
 - Retirement costs (mandated by NYS)
- Potential 2019 deficit of approximately \$13 million.

QUESTIONS / COMMENTS?

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