



CITY OF UTICA

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ROBERT M. PALMIERI
MAYOR

For Immediate Release: February 4, 2019

MAYOR PALMIERI PROPOSES FY 2019-2020 BUDGET WITH 2% TAX DECREASE

Mayor Palmieri today presented his FY 2019-2020 budget to the Board of Estimate and Apportionment which comes with a proposed 2% tax decrease.

The Mayor's \$71.8 million budget increases spending by less than 1% annually over an 11-year span, a testament to the City's fiscal discipline.

The City of Utica's financial position significantly improved over the past seven years as our progress has been recognized by independent financial institutions.

Fitch Ratings, Moody's and Standard & Poor's Global Ratings (S&P Global) have all upgraded Utica's credit rating with the city earning its first "A" rating with S&P Global for the first time in 30 years.

These results stem from positive fiscal trends including the significant expansion of the city's tax base and increased sales tax revenue which is a strong indicator of economic growth.

Over the past seven years, the city has sold over 600 properties including most recently the Utica Marina and the former General Electric Building on Bleecker Street. These two unexpected sales significantly increased the city's revenue while also eliminating the cost to maintain these properties.

Looking forward, the city is pursuing a partnership with the New York Power Authority (NYPA) to purchase street lights currently owned by National Grid.

NYPA is providing the financing for this transformational project which will upgrade our existing street light infrastructure, reduce energy consumption, lower utility costs, decrease maintenance/operating expenses and improve light quality throughout the city.

Approximately 90% of the proposed budget is comprised of mandates and contractual obligations.

Mayor Palmieri stated, “I have always believed we should run government like a business as much as possible. In the private sector, shareholders benefit when a company has a productive year. In government, the residents are the shareholders and deserve to reap the benefits when government performs well.”

Mayor Palmieri continued, “The cumulative impact of expanding our tax base, increasing sales tax revenue, selling major commercial properties and purchasing our street lights has a substantive, positive effect on the budget and as a result I am pleased to announced my FY 2019-2020 proposed budget comes with a 2% tax decrease.”

Comptroller Bill Morehouse stated, “As a result of the collaboration and strong working relationship between the Comptroller’s Office, the Mayor’s Office and the Common Council, the City of Utica has achieved tremendous economic and financial progress. I commend Mayor Palmieri and his staff for crafting another responsible budget that will provide tax relief for Utica residents and continue to strengthen our financial position.”

The Mayor’s Budget Message and Proposal can be found at www.cityofutica.com.

**The Mayors Proposed Budget Message
Presented to the Board of Estimate and Apportionment
Mayor Robert M. Palmieri
City of Utica, New York
February 4, 2019**

The City of Utica's financial position significantly improved over the past seven years as our progress has been recognized by independent financial institutions. Fitch Ratings, Moody's and Standard & Poor's Global Ratings (S&P Global) have all upgraded Utica's credit rating with the city earning its first "A" rating with S&P Global for the first time in 30 years.

One of the most significant successes in our financial recovery is the rebuilding of the city's fund balance as there is a direct correlation between a municipality's level of fund balance and its credit rating, as well as, it's overall fiscal health. When the city's fund balance was depleted seven years ago, Utica was in the "high risk" category for fiscal stress, according to the State Comptroller's Fiscal Stress Monitoring System.

Last month, the City secured its 6th consecutive budget surplus and the accumulation of these surpluses increased our fund balance to \$6.7 million, its highest level in nearly 20 years. To go from a fund balance of negative \$15,000 to \$6.7 million in seven years is a tremendous accomplishment, and the credit goes to hardworking staff and many partners throughout city government.

Not only is our fund balance now in compliance with the amount mandated by the residents, but Utica currently has no fiscal risk designation with the State Comptroller's Office. These results stem from positive fiscal trends including the significant expansion of the city's tax base and increased sales tax revenue which is a strong indicator of economic growth.

In the past several months, the city sold the Utica Marina and the former General Electric Building on Bleecker Street. These two unexpected sales significantly increased the city's revenue while also eliminating the cost to maintain these properties.

Looking forward, the city is pursuing a partnership with the New York Power Authority (NYPA) to purchase street lights currently owned by National Grid. NYPA is providing the financing for this transformational project which will upgrade our existing street light infrastructure, reduce energy consumption, lower utility costs, decrease maintenance/operating expenses and improve light quality throughout the city.

After countless meetings with department heads and our budget office, the proposed budget for FY 2019-2020 is \$71.8 million, which increases spending by less than 1% annually over an 11-year span. Given the increases in mandated cost over the past decade, this is a strong testament to the city's continued fiscal discipline.

In the proposed budget, I am requesting the Common Council increase the Utica Police Department's complement by adding one additional Community Outreach Officer. This position would work in conjunction with our current Community Outreach Division and will be based in City Hall to provide protection for city employees and the public.

Federal Community Development Block Grant funds will be used for this Division's work in the neighborhoods of Cornhill, as well as, East and West Utica, thereby allowing for this increase to the complement without impacting the budget. Due to the violent incidents that have occurred throughout the country and recent threats we must be proactive and make the safety of our employees and the public a top priority.

I have always believed we should run government like a business as much as possible. In the private sector, shareholders benefit when a company has a productive year. In government, the residents are the shareholders and deserve to reap the benefits when government performs well.

The cumulative impact of expanding our tax base, increasing sales tax revenue, selling major commercial properties and purchasing our street lights has a substantive, positive effect on the budget and as a result I am pleased to announce my FY 2019-2020 proposed budget comes with 2% tax decrease.

I emphasize to the Members of the Board of Estimate & Apportionment, the Common Council and public that approximately 90% of the proposed budget is comprised of mandates and contractual obligations. Given this reality, it will be very difficult to maintain the services our residents expect and deserve should this budget be cut or reduced.

The track record and credibility of this Administration in improving the finances of Utica is strong among experts in the financial community. For the eighth consecutive year, I am proposing a fiscally responsible budget which provides the services and resources needed for continued economic development.

Together, we have made a significant impact in improving Utica's outlook and future. I look forward to working with residents and my colleagues in city government as we strive to keep Utica moving in the right direction.



2019 - 2020

MAYOR'S PROPOSED BUDGET

ROBERT M. PALMIERI
MAYOR
CITY OF UTICA

UPGRADED CREDIT RATINGS

FITCH
RATINGS

A

MOODY'S

UPGRADED

S&P
GLOBAL*

A

*1ST "A" RATING WITH S&P GLOBAL IN 30 YEARS



6TH CONSECUTIVE BUDGET SURPLUS



\$931K

2012-2013



\$1.5M

2013-2014



\$345K

2014-2015



\$750K

2015-2016



\$377K

2016-2017



\$531K

2017-2018



\$6.7M FUND BALANCE



MAYOR PALMIERI ELECTED

2011

HIGH RISK
CATEGORY FOR
FISCAL STRESS,
ACCORDING TO
NEW YORK STATE
COMPTROLLER



2018

HIGHEST FUND
BALANCE SINCE
1999,
NO FISCAL STRESS
DESIGNATION

2011

-\$15K

2018



7 YEARS OF IMPROVED FISCAL HEALTH



FUND BALANCE EXCEEDS CITIZENS MANDATE



NO FISCAL STRESS DESIGNATION

SUCCESS STEMS FROM:



**SIGNIFICANT
EXPANSION OF
TAX BASE**



**INCREASED
SALES TAX
REVENUE**



OVER THE LAST SEVEN YEARS
THE URBAN RENEWAL AGENCY
SOLD OVER 600 PROPERTIES

INCLUDING MOST RECENTLY
**THE UTICA MARINA AND
FORMER GE BUILDING ON
BLEECKER STREET**

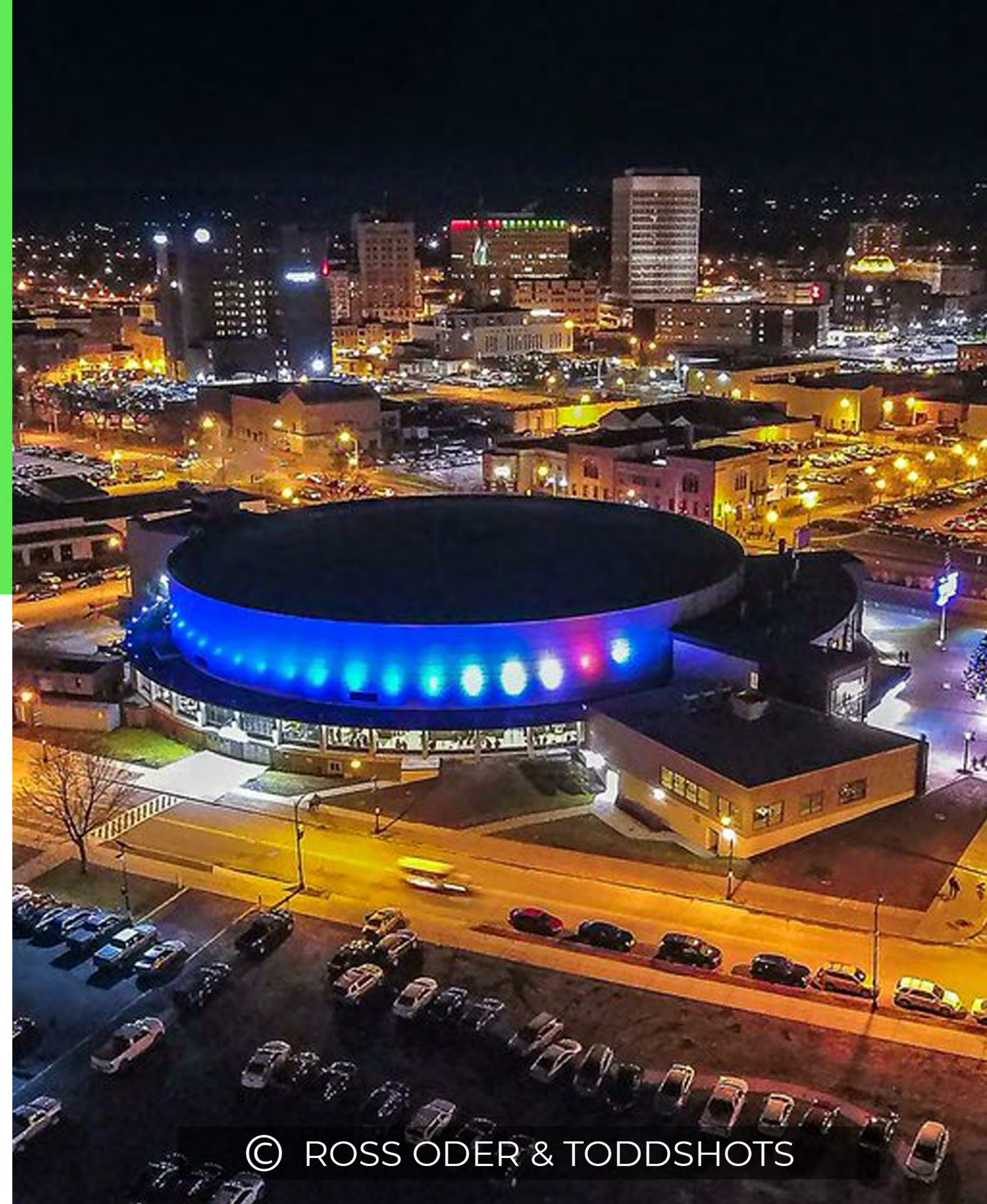


POWERFUL PARTNERSHIP



New York Power
Authority

- + UPGRADE STREET LIGHT INFRASTRUCTURE
- + REDUCE ENERGY CONSUMPTION
- + LOWER UTILITY COSTS
- + DECREASE MAINTENANCE & OPERATING EXPENSES
- + IMPROVE LIGHT QUALITY



© ROSS ODER & TODDSHOTS



STRENGTHEN UPD COMMUNITY OUTREACH DIVISION

- + ADD ONE COMMUNITY OUTREACH OFFICER
- + PROVIDE PROTECTION FOR CITY HALL AND PUBLIC
- + FUNDED BY CDBG
- + WORK IN CORNHILL, EAST & WEST UTICA
- + NO IMPACT ON BUDGET

THE TRACK RECORD AND CREDIBILITY OF THIS ADMINISTRATION IN IMPROVING THE FINANCES OF UTICA IS STRONG AMONG EXPERTS IN THE FINANCIAL COMMUNITY.

FOR THE EIGHTH CONSECUTIVE YEAR, I AM PROPOSING A FISCALLY RESPONSIBLE BUDGET WHICH PROVIDES THE SERVICES AND RESOURCES NEEDED FOR CONTINUED ECONOMIC DEVELOPMENT.

An aerial photograph of a city, likely Denver, Colorado, showing a grid of streets, various buildings, and a large parking lot. The image is overlaid with a semi-transparent blue filter. Centered on the image is the text "THE CITY'S BUDGET IN 2008-2009 WAS \$66.8 MILLION". The words "THE CITY'S BUDGET IN" and "2008-2009 WAS" are in white, while "\$66.8 MILLION" is in a bright green color. The text has a slight drop shadow, making it stand out against the background.

THE CITY'S BUDGET IN
2008-2009 WAS **\$66.8 MILLION**

MY PROPOSED BUDGET FOR
2019-2020 IS **\$71.8 MILLION**

<1% INCREASE IN SPENDING
ANNUALLY OVER 11 YEARS

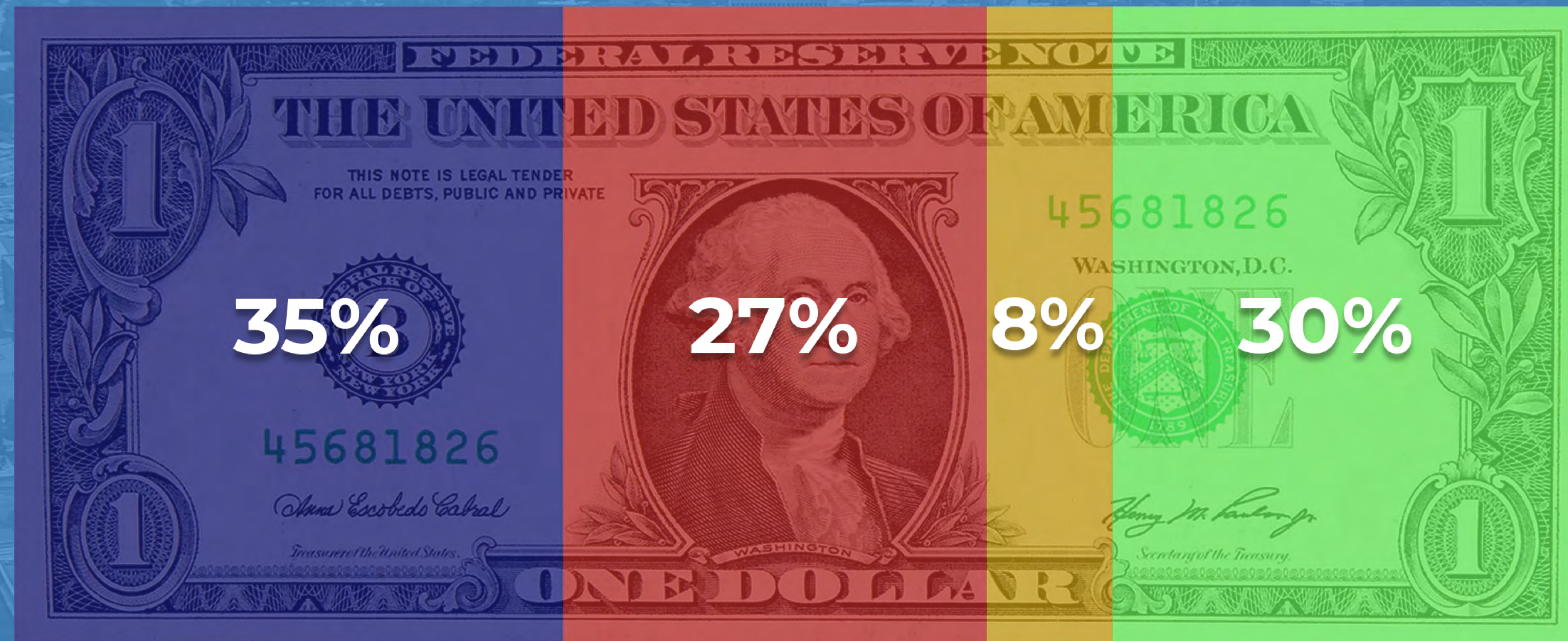
**GIVEN THE INCREASES IN
MANDATED COSTS OVER
THE PAST DECADE,**

**THIS IS A STRONG TESTAMENT
TO THE CITY'S CONTINUED
FISCAL DISCIPLINE**

BUDGET BREAKDOWN

UTICA POLICE
DEPARTMENT

UTICA PUBLIC
WORKS DEPT.



UTICA FIRE
DEPARTMENT

ALL OTHER
CITY EXPENSES



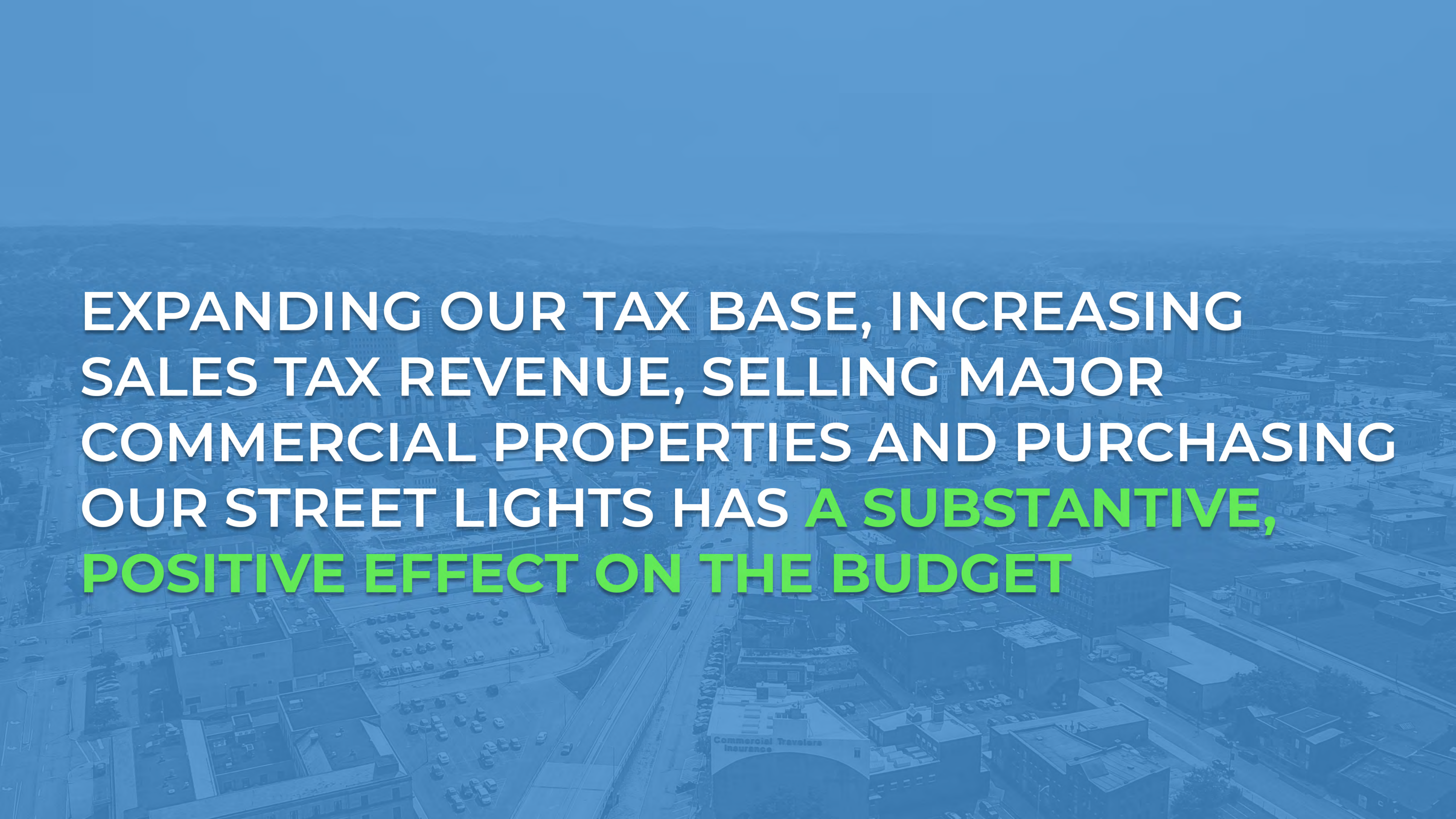
APPROXIMATELY 90% OF EVERY DOLLAR IN THE BUDGET IS COMMITTED TO MANDATES AND CONTRACTUAL OBLIGATIONS



DISCRETIONARY
10 %

- + EQUIPMENT
- + FUEL
- + SUPPLIES
- + ROAD SALT
- + SIDEWALK PROGRAM



An aerial photograph of a city, likely Denver, with a blue color overlay. The text is centered over the image. The text reads: "EXPANDING OUR TAX BASE, INCREASING SALES TAX REVENUE, SELLING MAJOR COMMERCIAL PROPERTIES AND PURCHASING OUR STREET LIGHTS HAS A SUBSTANTIVE, POSITIVE EFFECT ON THE BUDGET". The words "A SUBSTANTIVE, POSITIVE EFFECT ON THE BUDGET" are highlighted in green.

EXPANDING OUR TAX BASE, INCREASING
SALES TAX REVENUE, SELLING MAJOR
COMMERCIAL PROPERTIES AND PURCHASING
OUR STREET LIGHTS HAS **A SUBSTANTIVE,
POSITIVE EFFECT ON THE BUDGET**

I BELIEVE WE SHOULD RUN GOVERNMENT LIKE A BUSINESS. IN THE PRIVATE SECTOR, SHAREHOLDERS BENEFIT WHEN A COMPANY HAS A PRODUCTIVE YEAR

IN GOVERNMENT, THE RESIDENTS ARE THE SHAREHOLDERS AND DESERVE TO REAP THE BENEFITS WHEN GOVERNMENT PERFORMS WELL

I AM PLEASED TO ANNOUNCED MY 2019-2020
PROPOSED BUDGET COMES WITH A



2% TAX DECREASE

An aerial photograph of the city of Utica, New York, viewed from a high angle. The image is overlaid with a semi-transparent blue filter. The text is centered and reads:

TOGETHER, WE HAVE MADE A SIGNIFICANT
IMPACT IN IMPROVING UTICA'S OUTLOOK
AND FUTURE

LETS KEEP UTICA MOVING IN THE RIGHT
DIRECTION



THANK YOU

ROBERT M. PALMIERI
MAYOR
CITY OF UTICA