



# Mayor's Proposed Budget FY 2016-2017

City of Utica | Mayor Robert M. Palmieri | 2.19.16



Over the past four years the City of Utica has undergone a positive financial and economic turnaround. We've turned inherited million dollar deficits, a negative outlook from financial rating institutions and a negative fund balance into...

**Four Consecutive Balanced Budgets**

**Three Consecutive Surpluses**

**Upgraded Financial Outlooks**

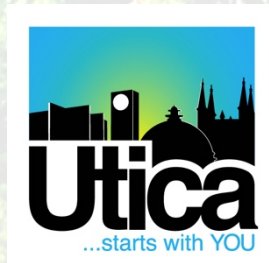
**Unreserved Fund Balance Over 5% of the Budget\***

\*As directed by the residents via referendum.



Mayor's Proposed Budget FY 2016-2017

This was achieved by working with members of the Common Council and building partnerships.





My proposed FY 2016-2017 budget increases spending by only

**2.4%**

**compared to the City's FY 2008-2009 budget eight years go.**



The total cost of my proposed FY 2016-2017 budget is

**\$68.4 Million**

Given the drastic increases in mandated costs over the past eight years, this is a remarkable testament to the fiscal discipline the City has demonstrated in recent years.



**Discretionary**

- Salt
- Fuel
- Equipment
- Supplies
- Sidewalk Program

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



# Over 5% Fund Balance

In order to provide our residents needed tax relief we propose **utilizing a small portion of the fund balance while still preserving the 5% reserve** tax payers mandated.



Progress has clearly been made, but more work needs to be done to ensure fiscal sustainability as many of the largest budgetary cost drivers are mandated and not directly in the City's control.

	<u>2015/2016</u>	<u>2016/2017</u>	<u>Total Increase</u>
<b>Salary Increases</b> Contractually Obligated	\$31.52M	\$32.13M	= \$607,699.43
<b>Lease Payments</b> Contractually Obligated	\$1.08M	\$1.48M	= \$393,957.24
<b>Medical Costs</b> Contractually Obligated	\$9.36M	\$9.59M	= \$228,111.30





This proposal encompasses several contractually obligated items as illustrated earlier. In order to close this gap, the proposed budget comes with a

# 1.75% Tax Increase

This proposal keeps the City **under the State's 2% property tax cap** and **maintains the eligibility for our residents to receive a rebate check** from the State next year, similar to what they received this year.

I am also introducing an **Infrastructure Improvement Program** which will enable the City to fix more roads and upgrade aging infrastructure, with **no additional tax increase.**



The **Infrastructure Improvement Program** would go over and above the work we currently do and help to properly and efficiently address some of the worst infrastructure issues throughout the City.



I propose we pay for the **Infrastructure Improvement Program** by working in cooperation with the Mohawk Valley Water Authority (MVWA) to renegotiate the terms of our existing note for the remaining Capital Improvement Trust so we improve our infrastructure.





In years past, the Capital Improvement Trust was used to supplement unbalanced budgets. Unfortunately, not only did the City drain its reserves, but **we had nothing to show for it.**

# Over \$12 Million Depleted

As a result of the City's improving financial standing, we can now **invest in and improve the City's aging infrastructure.**



This proposed budget is fiscally responsible, provides the resources necessary to effectively run the operations of the City, improves our infrastructure and **stays within the 2% tax cap.**

Responsible | Effective | Proactive

**Together, we have changed Utica's image, complexion and trajectory.**

**Let's continue the progress Utica has made over the past four years.**

