



2021 City Manager's Budget Proposal

Presentation to
Geneva City Council
September 24, 2020

Budget Calendar

- Sept. 24th 5:30 PM City Manager Budget Presentation
- Sept. 30th 5:30 PM Council Budget Work Session
- Oct. 7th 7:00 PM Budget Public Hearing
- Oct. 14th 5:30 PM Council Budget Work Session
- Oct. 21st 5:30 PM Council Budget Work Session
Possible Council Adoption
- Oct. 28th 5:30 PM Council Budget Work Session
Possible Council Adoption

Meeting Information Available on Events Calendar:

<http://cityofgenevany.com/>

Budget Goal

To Stabilize the City's Fiscal Health
Due to Revenue Shortfall
from COVID-19

Strategies

- Continue conservative forecasting
- Reduce and limit department expenditures
- Preserve Fund Balances
- Set priorities and expectations
- Reallocate team members to address needs

Budget Approach

- Use a Zero-based budgeting process
- Prioritize supporting staff to be their best selves
 - Doing more than less harder to sustain
 - Decrease in six employees through 2020 attrition and 2021 projections (15% in past decade)
 - Take creative approaches for department cuts
- Respect Council's goal of a zero tax rate increase
- Stabilize now and Rebound over multiple years

Budget Snapshot

- 0% General Fund Tax Rate increase
 - No General Fund tax rate increase will still mean property tax bill increase for those with added property value
- 4% Water Fund Rate Increase
- 2.5% Sewer Fund Rate Increase

For Every General Fund Dollar Spent

- 45¢** FOR PUBLIC SAFETY (Police and Fire)
- 16¢** FOR DEBT
- 15¢** FOR PUBLIC WORKS
- 11¢** FOR ADMINISTRATIVE SERVICES
- 7¢** FOR RETIREE HEALTH INSURANCE
- 3¢** FOR COMMUNITY, ECONOMIC, NEIGHBORHOOD, HOUSING AND RECREATIONAL SERVICES AND PROGRAMS
- 3¢** FOR UTILITIES AND INSURANCE



Image Source: <https://www.publicdomainpictures.net/en/view-image.php?image=163049&picture=one-dollar-bill>

Revenue Gains and Losses

- Approx. \$1 million increase in property tax revenue
- 20% reduction in State Aid
 - \$400,000 decrease
- 20% reduction in sales and use tax
 - \$725,000 decrease
- 44% reduction in occupancy tax
 - \$120,000 decrease

Expense Gains and Losses

- Over \$600,000 decrease in General Fund spending
- Decrease in personnel costs due to staff level continued declines
- No new capital projects
- Limited deferred maintenance projects
- Limited partner agency support for direct services provided to departments

Council Priorities

- **Decrease the property tax rate** by increasing revenues
- **Maintain a BEAUTIFUL City** through efficient services, code enforcement, infrastructure and community involvement

Critical and Unanticipated Focus

- COVID-19 financial impact actions and safety plans
 - Staff situated to perform jobs safely
 - Adjusting expenses for budget shortfalls
 - New State mandate for updated safety plans
- Police Reform Initiatives
 - City Council responding to Community requests
 - City Manager and Police Departments' efforts
 - Building relationships
 - Seeking new community mental health resources
 - Governor Cuomo's Executive Order 203 for Action Plan

Staying True to the Big Picture

COVID-19's has strained funding resources.

For the short-term, we will depend staff time, energy and focused discipline to move the Triple Bottom Line approach forward.



Achieving our Vision

Committed to current projects and creatively making gains to achieve our VISION:

**Beautiful,
Prosperous,
Equitable,
Connected,
and Sustainable.**

This is the Geneva we want to leave to our children.

And our Community's Values of being *stewards of our special natural setting; living into our "uniquely urban" character and nurturing our sense of community; celebrating our multi-cultural heritage; taking care of our arts, architectural and recreational assets; and growing a strong economy.*



General Fund Overview

2021 General
Fund Proposed
Budget

General Fund Deficit Timeline

- Balance @ 7/20/20 - \$(1,617,471)
- Balance @ 7/27/20 - \$(1,099,306)
- Balance @ 7/31/20 - \$(888,052)
- Balance @ 8/3/20 - \$(524,434)
- Balance @ 8/24/20 - \$(327,557)
- Balance @ 9/3/20 - \$(247,944)
- Balance @ 9/11/20 - \$0

General Fund Overview

- Balanced at \$17,111,856
 - Down \$617,848 in spending from 2020
- No property tax rate increase
 - Remains at \$17.17/\$1,000

General Fund Overview

- Significant Revenue Changes
 - State Aid cut 20%
 - Sales Tax projected at a 20% decrease
 - Occupancy Tax projected at a 44% decrease
 - Property Tax levy up 13% due to reassessment

General Fund Overview

- Water/Sewer Transfer decreased by \$446,771 due to reallocation of staff and services to the appropriate funds.
- Many equipment purchases to be funded through Equipment Reserve
 - Total of \$314,696
 - Long term interest savings

General Fund Overview

- Debt Service increased by \$125,165
- Will see relief on debt service expenses beginning in 2022.
- Percentages of Total Revenue
 - Debt 16.41%
 - Personnel 67.98%
 - Total 84.38%

General Fund Balance

- Fund Balance: \$2,284,796 (as of 1/1/20)
- 2021 Proposed Budget: \$17,111,856
- Percentage: 13.35%



Water Fund Overview

2021 Water Fund
Proposed Budget

Water Fund Deficit Timeline

- Balance @ 8/3/20 - \$(126,697)
- Balance @ 8/24/20 - \$0

Water Fund

- Balanced at \$3,594,169
 - Down \$622,907 in spending from 2020
- Proposed water rate increase of 4% to make up for decreased consumption and increasing maintenance costs.

Water Fund

- Debt Service expenses decreased \$408,652 from 2020.
 - Due to significant debt roll off in 2021
 - Will see relief on debt service expenses continuing in 2021 and beyond.

Water Fund

- Equipment reserve in the water fund will support \$111,000 of new equipment for 2021.
 - Reserve balance of \$336,297 after 2021 scheduled draw.

Water Fund

- Percentages of Total Revenue
 - Debt 30.23%
 - Personnel 34.90%
 - Total 65.13%

Water Fund Balance

- Fund Balance: \$566,798 (as of 1/1/20)
- 2021 Budget: \$3,594,169
- Percentage: 15.77%



Sewer Fund Overview

2021 Sewer Fund
Proposed Budget

Sewer Fund Deficit Timeline

- Balance @ 8/3/20 - \$(187,637)
- Balance @ 8/24/20 - \$0

Sewer Fund

- Balanced at \$5,154,330
 - Up \$72,796 in spending from 2020
- Proposed sewer rate increase of 2.5% to make up for decreased consumption and increasing maintenance costs.

Sewer Fund

- Debt Service expenses increased \$59,743 from 2020.
- Will see relief on debt service expenses beginning in 2022.

Sewer Fund

- Equipment reserve in the sewer fund will support \$180,000 of new equipment for 2021.
 - Reserve balance of \$73,911 after 2021 scheduled draw.

Sewer Fund

- Percentages of Total Revenue
 - Debt 39.92%
 - Personnel 31.57%
 - Total 71.49%

Sewer Fund Balance

- Fund Balance: \$1,124,862 (as of 1/1/20)
- 2021 Budget: \$5,154,330
- Percentage: 21.82%



Capital Plan Overview

2021
Capital Plan

2021 Projects

None.



Add'l Budget Items

2021
Workers' Comp &
Tax Cap

Workers' Compensation

- In 2013, Ontario County made the levy of taxes associated with workers' compensation costs the responsibility of the host jurisdiction.
- The levy required to do this for 2021 is \$375,177, a \$19,746 decrease from 2020.
- This will result in a decrease of the workers' compensation rate of 17 cents per \$1,000 of assessed value.

Tax Cap Impact

- The State of New York provides a formula for calculation of allowable increases to the property tax levy.
- Current projections indicate that the proposed levy will exceed the statutory cap, therefore, City Council will need to override the tax cap.
- This will be presented by separate local law, requiring a 2/3 vote of City Council.



2020
Reflection &
2021
Opportunities

Cultivating Opportunities

- 2020 Small Business Disaster Grants of \$250,000 through partner collaborations
- Food and Beverage Sector Growth
- Industrial Park, GEDC and Tech Farm expansions
- Real Estate Market Growth

Celebrating Successes

- Police Department – Reaccreditation completed
- Zombie Property work underway
- Vermiculture trenches construction & Lafayette Avenue reconstruction in progress

Celebrating Successes

- Staff continues managing over a dozen investment projects
- Approx. \$10.5 million in State grants, \$9 million in City investment, over \$1.5 million in private



Grateful & Optimistic

- Priorities emerge with tight budgets and limited resources
- Department Heads and staff inspire with creative solutions
- Councilors understand the financial predicament and want to work with us



Thank You!

Full budget document available
tomorrow at
www.cityofgenevany.com