

Status of the Administration

February 3, 2020



Levy Increases

MAYOR-COMMISSION

Year	Annual Levy Increase	8 –Year Average Levy Increase
FY86	12.27%	
FY87	7.38%	
FY88	7.07%	
FY89	6.70%	
FY90	9.95%	
FY91	13.70%	
FY92	22.53%	
FY93	49.91%	
FY94	14.62%	
FY95	9.69%	15.38%

COUNCIL-MANAGER

Year	Annual Levy Increase	8 –Year Average Levy Increase
FY11	7.84%	
FY12	8.45%	
FY13	2.73%	
FY14	6.04%	
FY15	4.44%	
FY16	3.22%	
FY17	1.66%	
FY18	2.25%	
FY19	1.95%	
FY20	2.09%	4.08%

Change in Form of Government

- Bond rating A3 to A1.
- General Fund Balance from \$133,208 in FY95 to \$2,056,564 in FY19.
- Overall fund balances and reserves from \$145,455 in FY95 to \$7,992,749 in FY19.
- Improved internal controls and transparency.
- \$40 Million of grants and contributions.
- Reduced our full-time workforce by 33.5% (149 to 102) while maintaining services.

Change in Form of Government

- Long-term labor contracts to provide stability and predictability.
- 5-year Capital Improvement Plan, updated annually.
- 19.5% reduction of fleet size.
- Self-supporting water and sewer enterprise funds.
- Water and sewer charges based on the amount of use and size of our systems.
- Consolidated Senior Center and Recreation Department.
- Transitioning the library to provide stable funding.

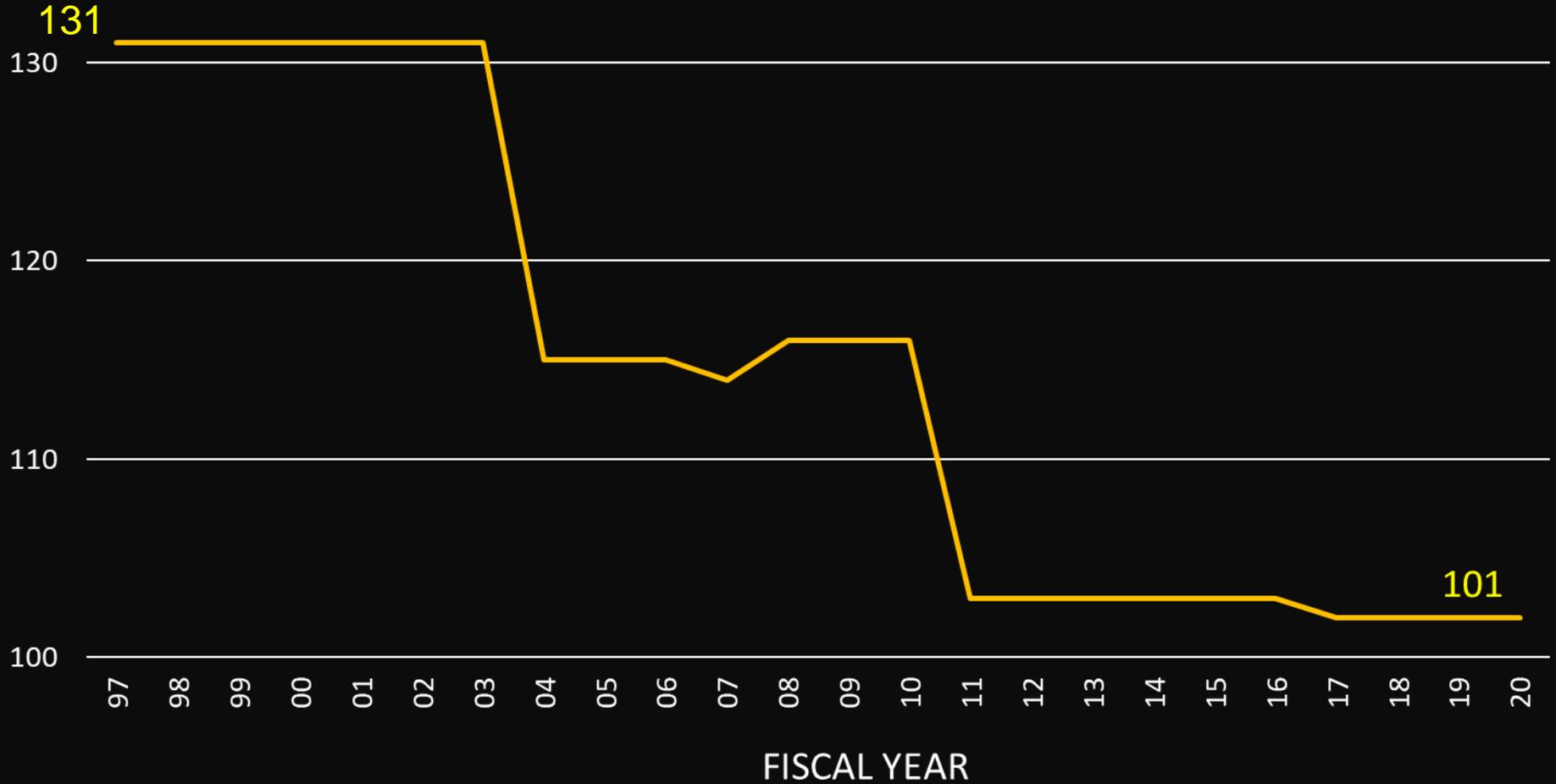
Avoid Double-Digit Tax Increases

1. Financial planning
2. Consistently strong management
3. Some years of above average tax increases
4. Adjusting user fees & chargebacks
5. Reductions to our full-time workforce
6. Careful management of fund balances & reserves

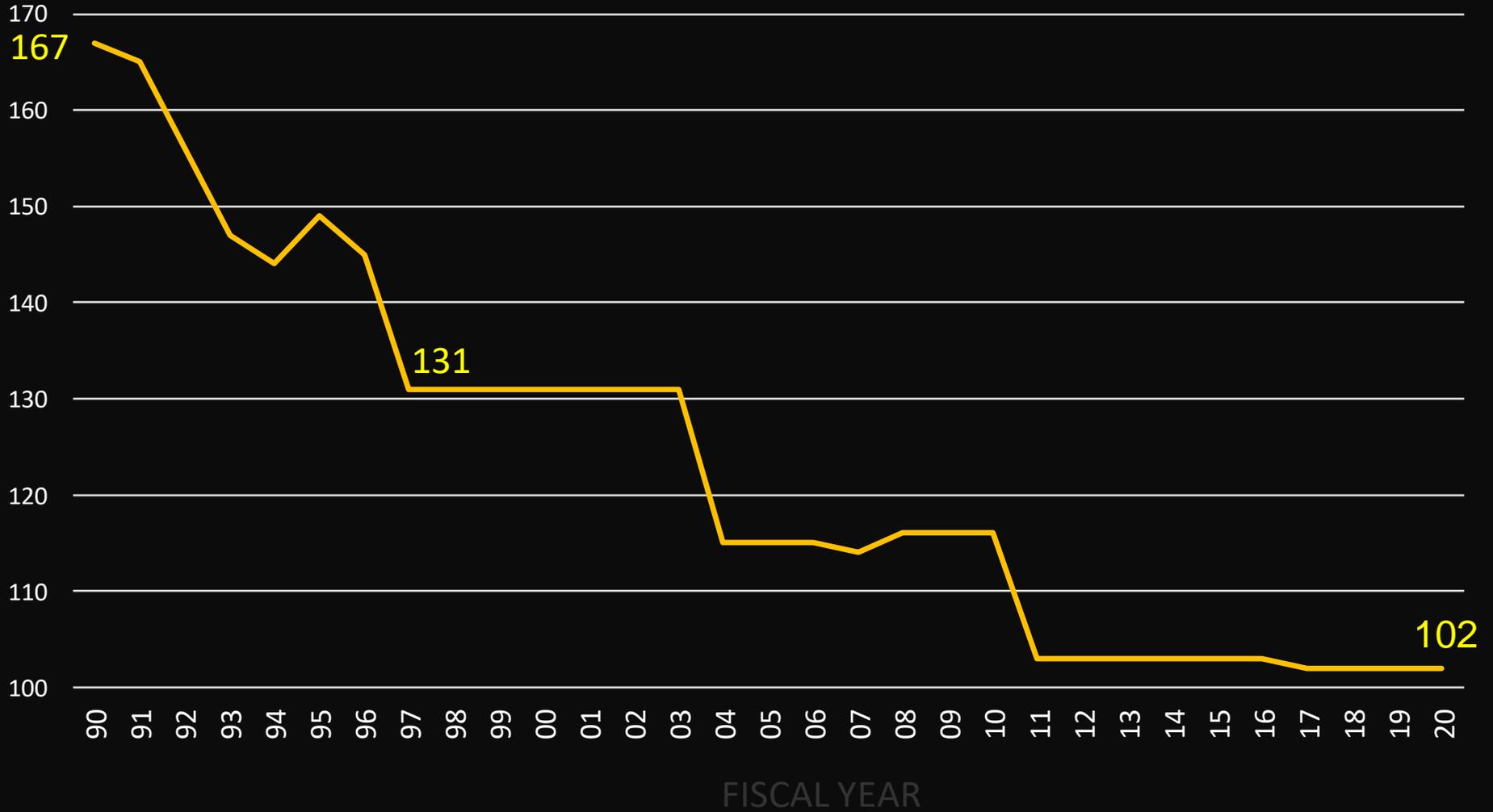
Workforce Reductions

<u>POSITIONS</u>	<u>NUMBER OF FULL-TIME</u>
Personnel & Labor Relations Administrator	1
Engineering Aid	1
Maintenance Worker	2
Automotive Mechanic	1
Laborer	2
Motor Equipment Operator	1
Sign Maintenance Worker	1
Working Supervisor	1
Patrolmen	3
Firefighters	11
Senior Account Clerk/Typist	1
Account Clerk/Typist	1
Buildings & Grounds Supervisor	1
<u>Senior Center Director</u>	<u>1</u>
TOTAL	29

Full-Time Employees



Full-Time Employees



Labor Contracts

UNIT	EXPIRES
CSEA 8702	June 30, 2020
CSEA 8702-01	December 31, 2020
Crystal City PBA	December 31, 2020
Corning IAFF	June 30, 2021

Long-Term Labor Agreements

1. Provide management with the ability to better predict expenses;
2. Afford our employees and those we are recruiting greater wage and benefits certainty; and
3. Offer stability to the terms governing employment.

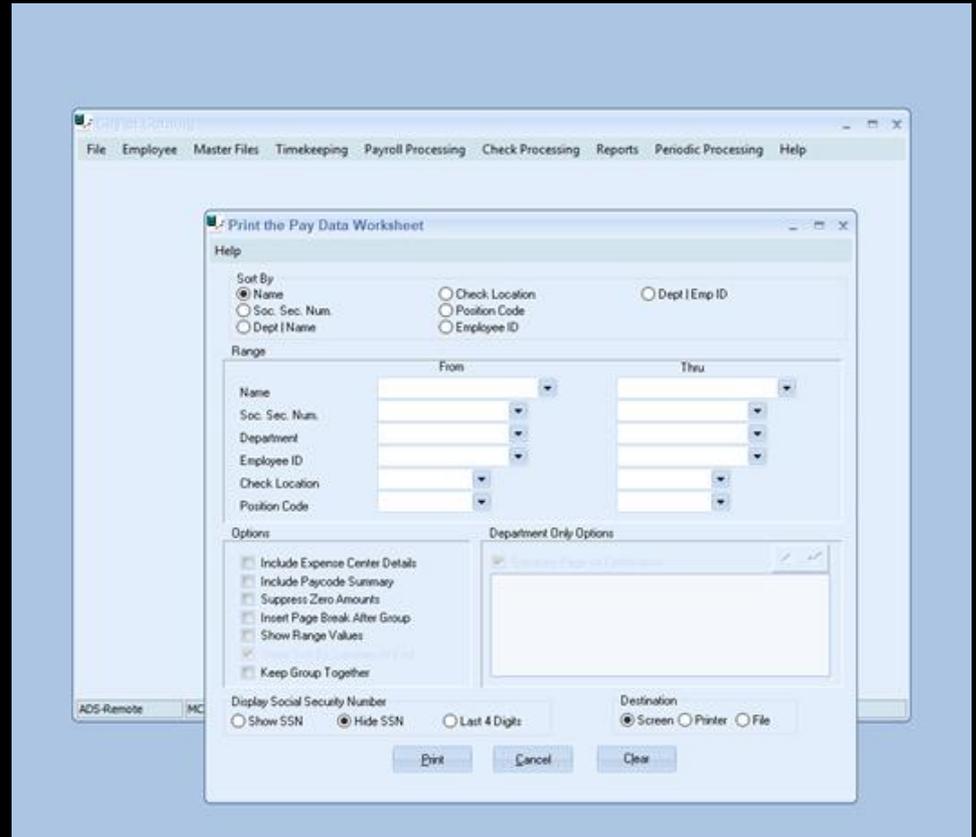
Safeguarding Assets

- Staffing
- Training
- Equipment
- Cybersecurity



Computerized Accounting System

- 20 Years Old
- Updated 10 Years Ago
- Experiencing Reliability Issues



Windows 7

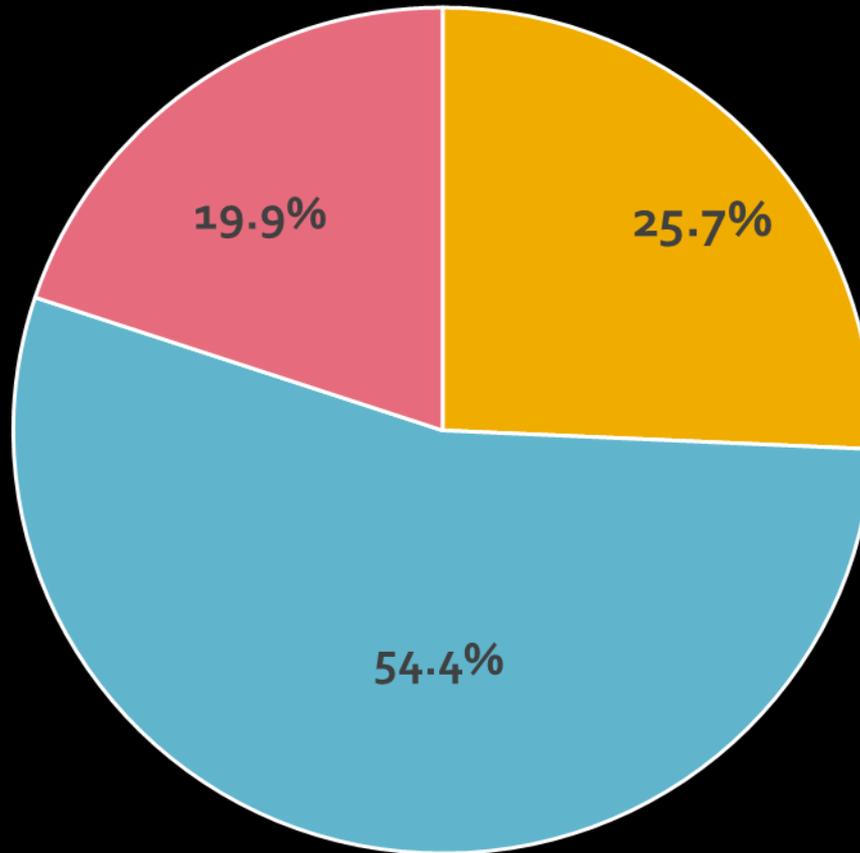
- No longer supported by MicroSoft
- Widespread software throughout departments
- Leaves systems vulnerable
- In the process of addressing
- Will likely need to budget additional funds

Property Tax Cap

- Cap Enacted for FY13
- Not Tied to Mandate Relief
- Is Now Permanent

“Property taxes make up approximately 50% of the city's annual revenues and, positively, the city has demonstrated a willingness to exceed New York State's 2% cap on property tax levy increases in order to maintain structurally balanced financial operations.” –
Moody's Investors Services

Tax Burden



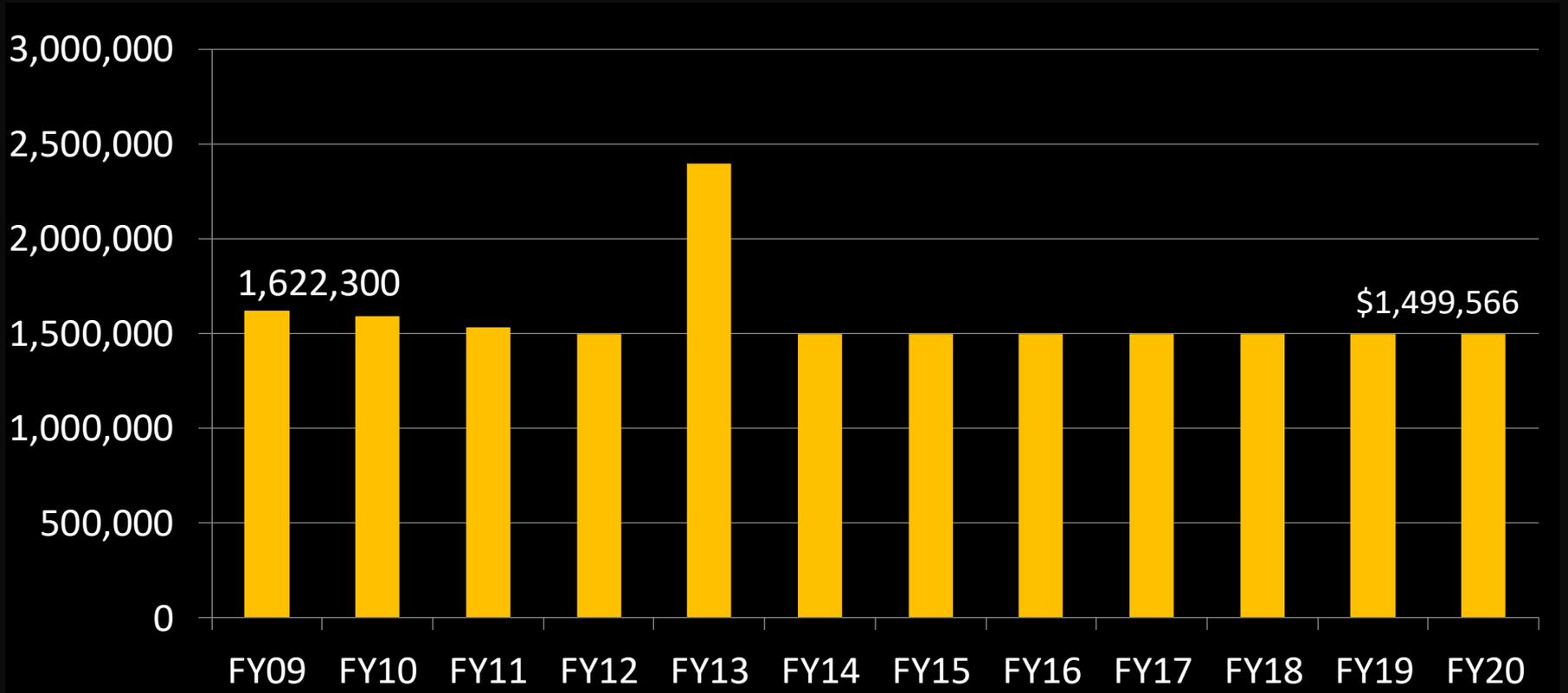
■ City ■ School ■ County

Assessments

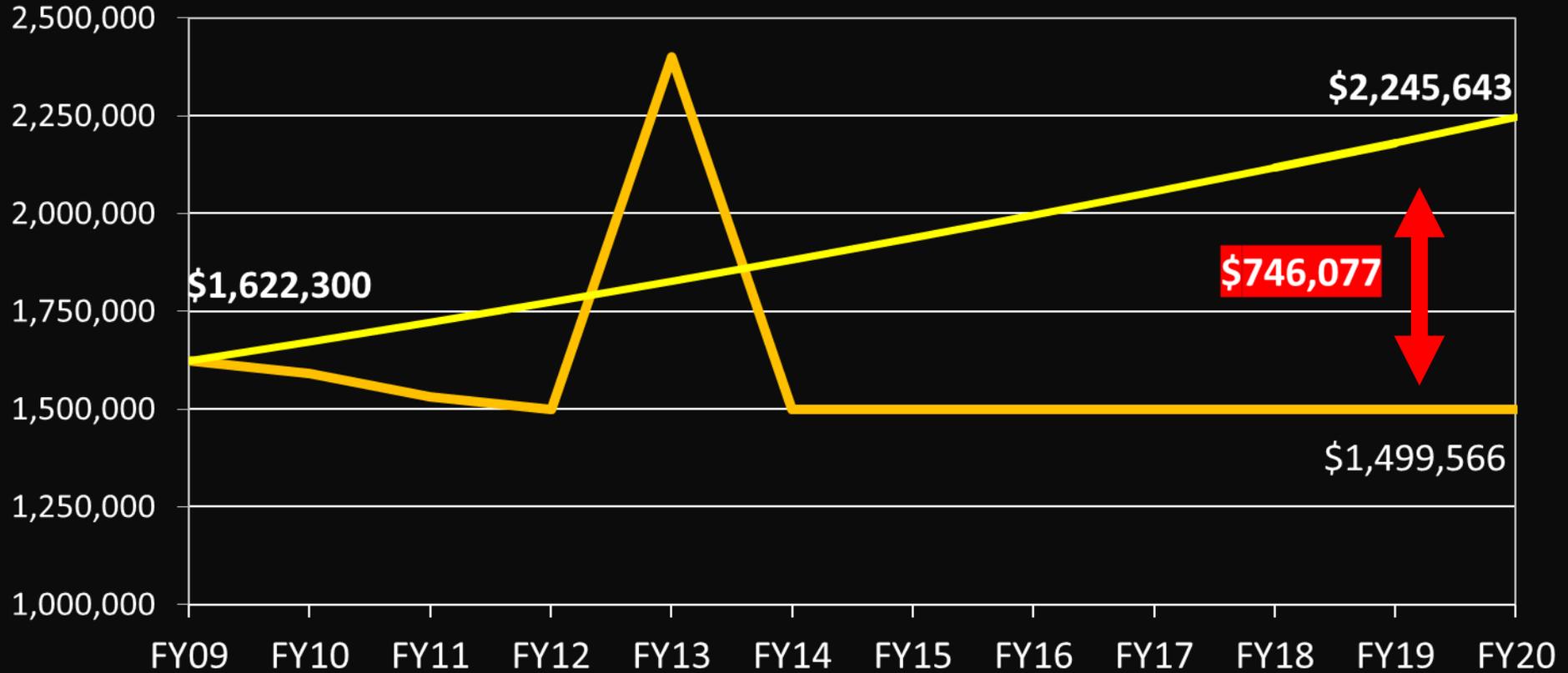
- Equalization Rate Changes will Effect School and County Tax Burden.
- Last conducted in 2014.
- Will provide for equitable distribution of the tax levy.



AIM Funding



AIM Funding



State Funding - Streets

	Budgeted FY20	Governor's 2020-21 Budget
CHIPS	\$403,972	\$403,972
Pave NY	92,211	92,211
Winter Recovery	62,867	0
Arterial Aid	55,128	55,128
TOTAL	\$614,178	\$551,311

Sales Tax

- FY20 \$3,858,000
- FY97 \$2,947,683

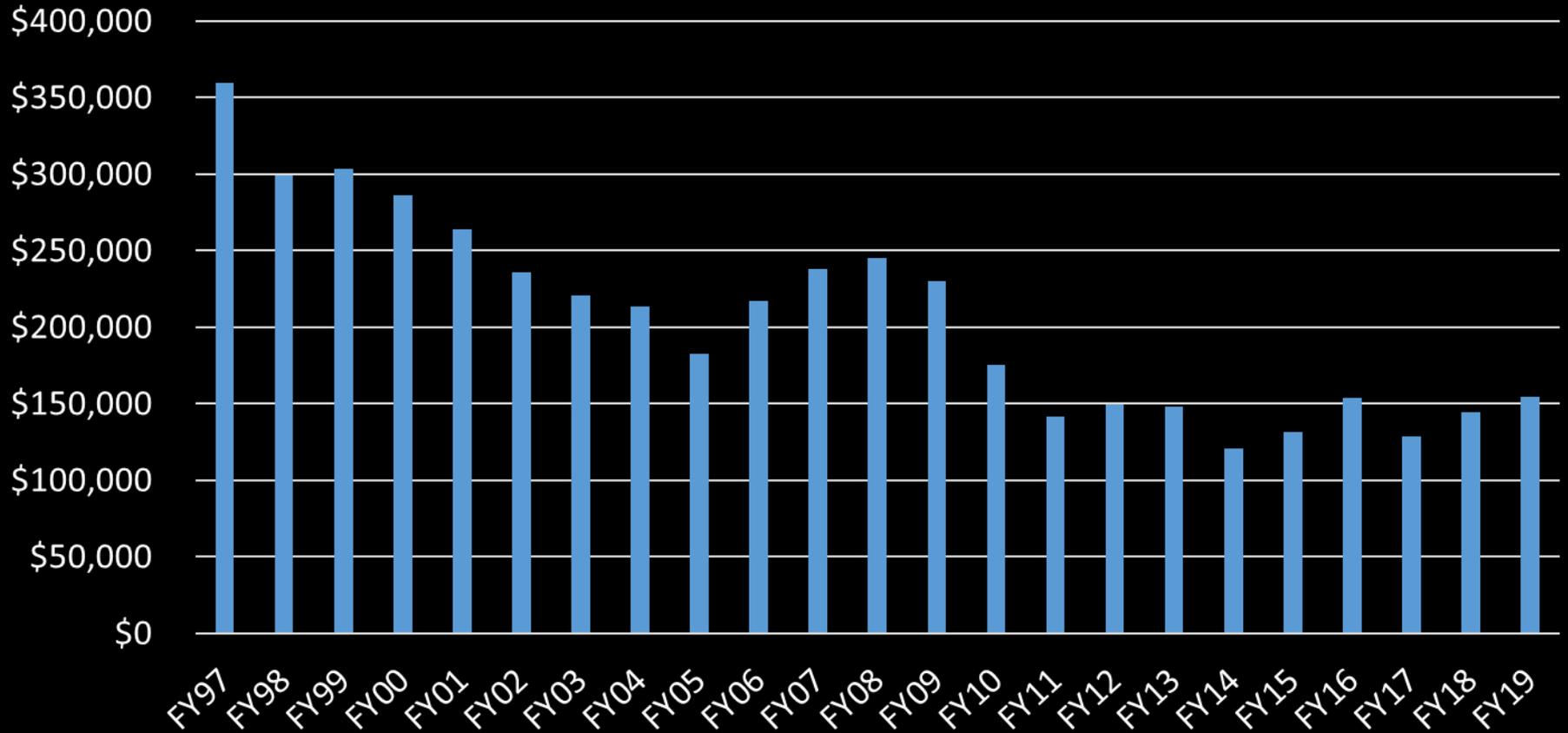


Sharing Agreement with
Steuben County and City of
Hornell to distribute the
Local 3% Tax.

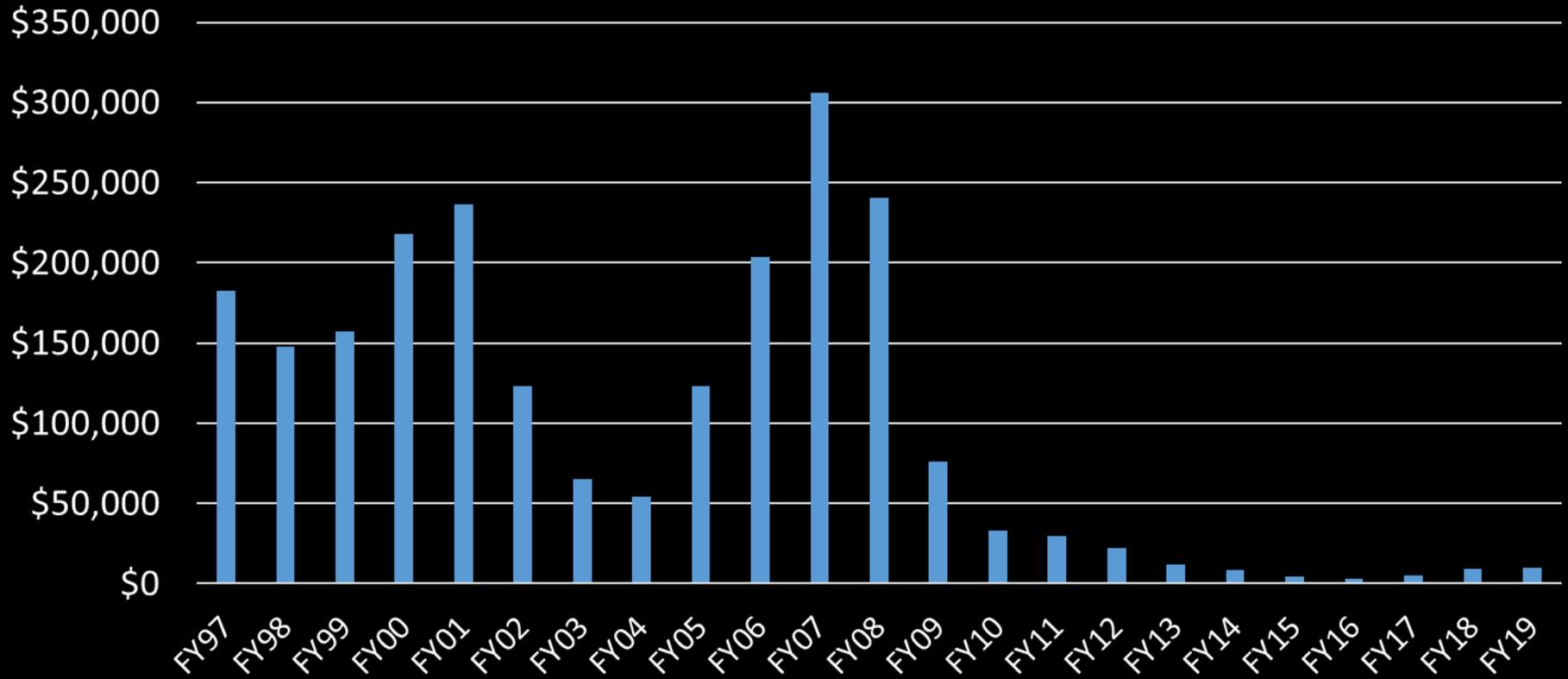
\$780,000 allocation from
the Local 1% Option.

Additional \$40,000 from the
Local 1% Option starting in
November.

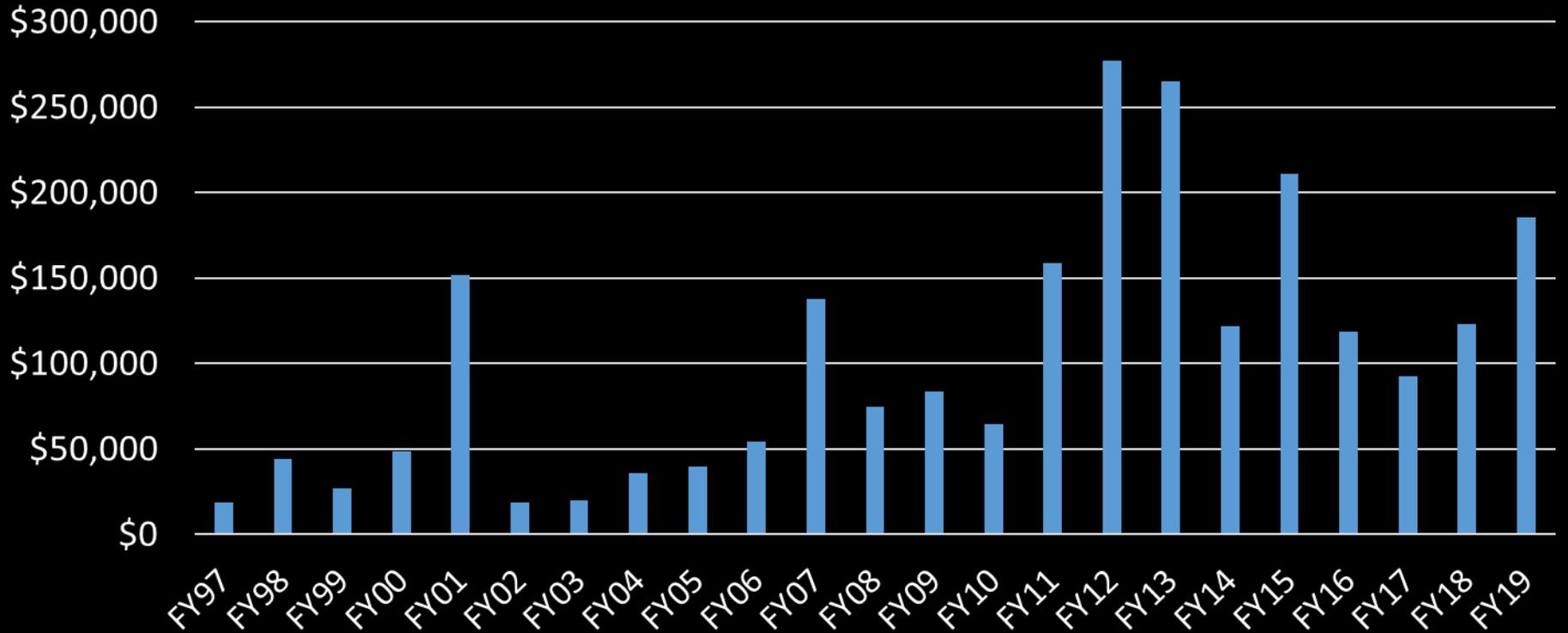
Gross Receipts Tax



Interest Earnings



Building Permits

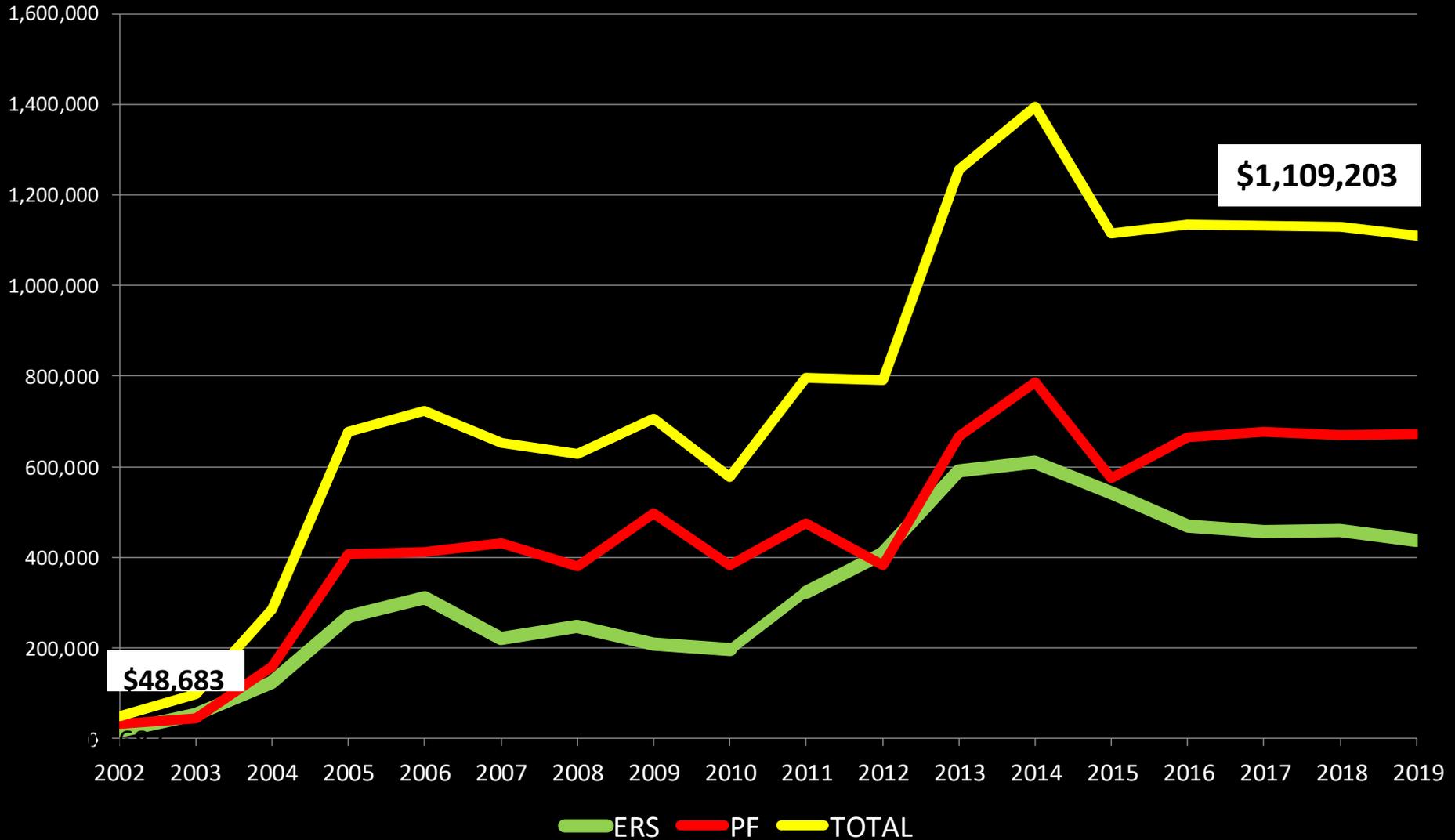


Guthrie Contribution

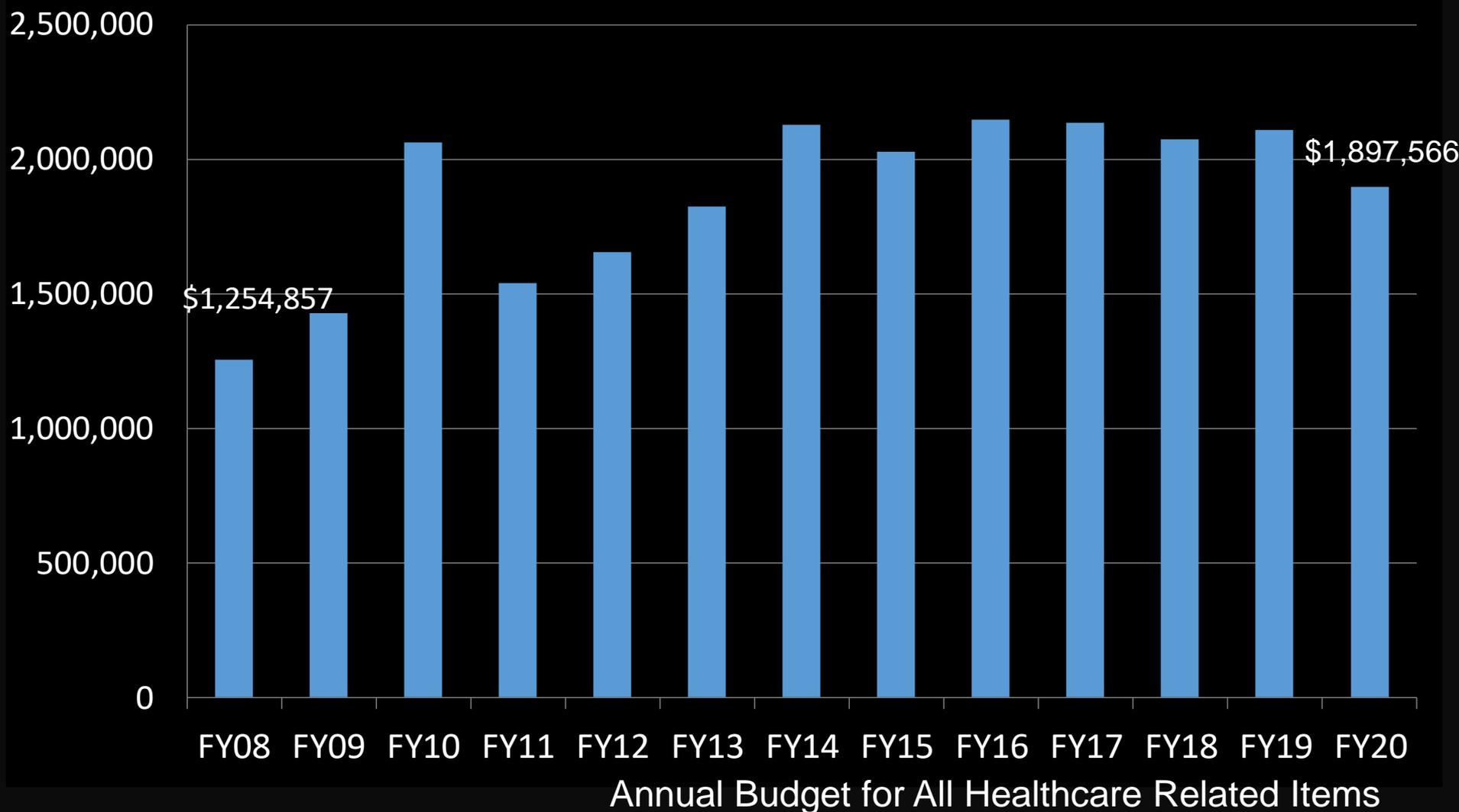
- Tax exempt.
- Negotiated \$500,000 voluntary payment.
- 4 Years.
- Last payment of \$125,000 in the current budget.
- 1.7% property tax impact for FY21.



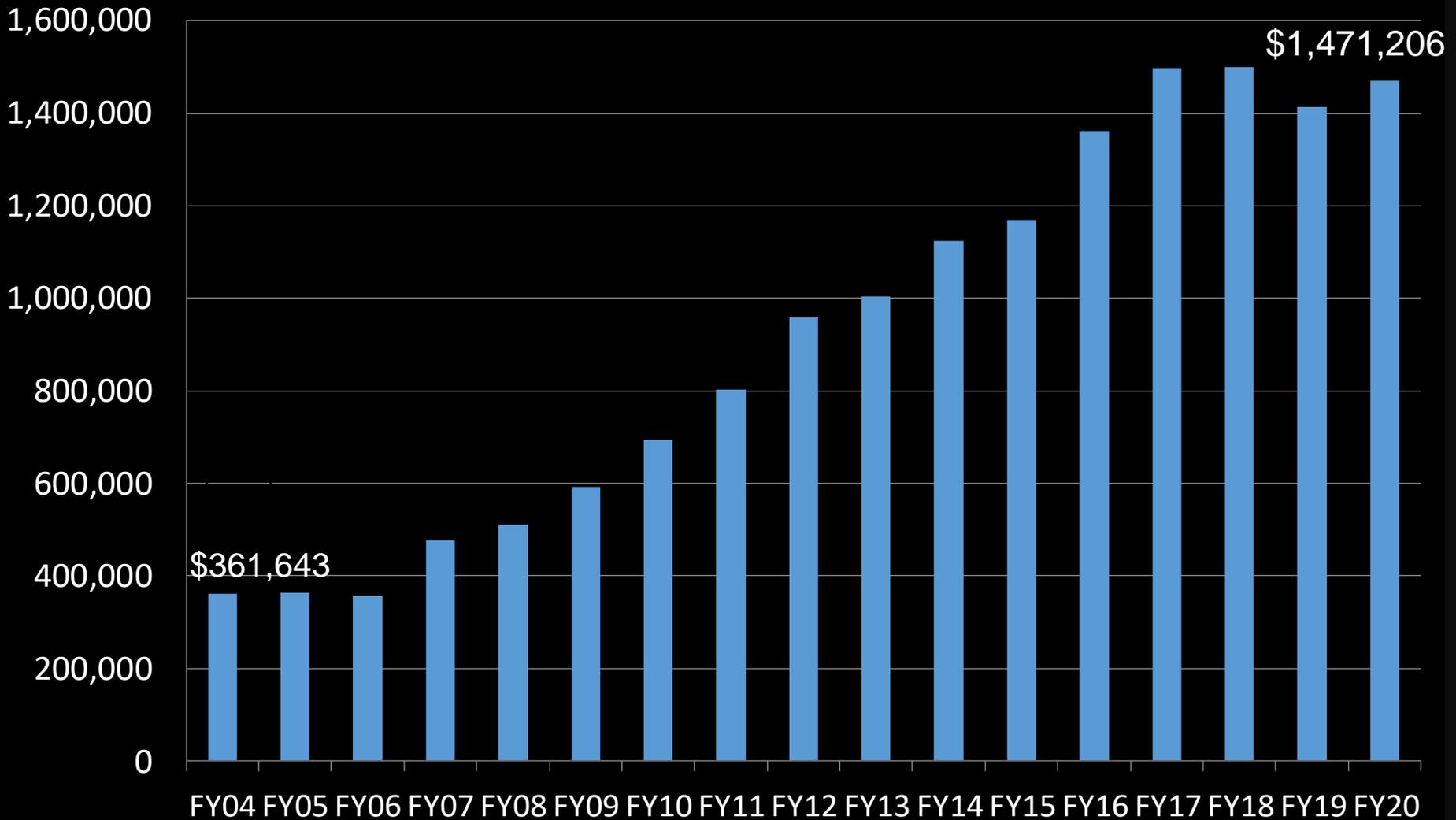
Pension Costs



Health Insurance



Retiree Health Insurance

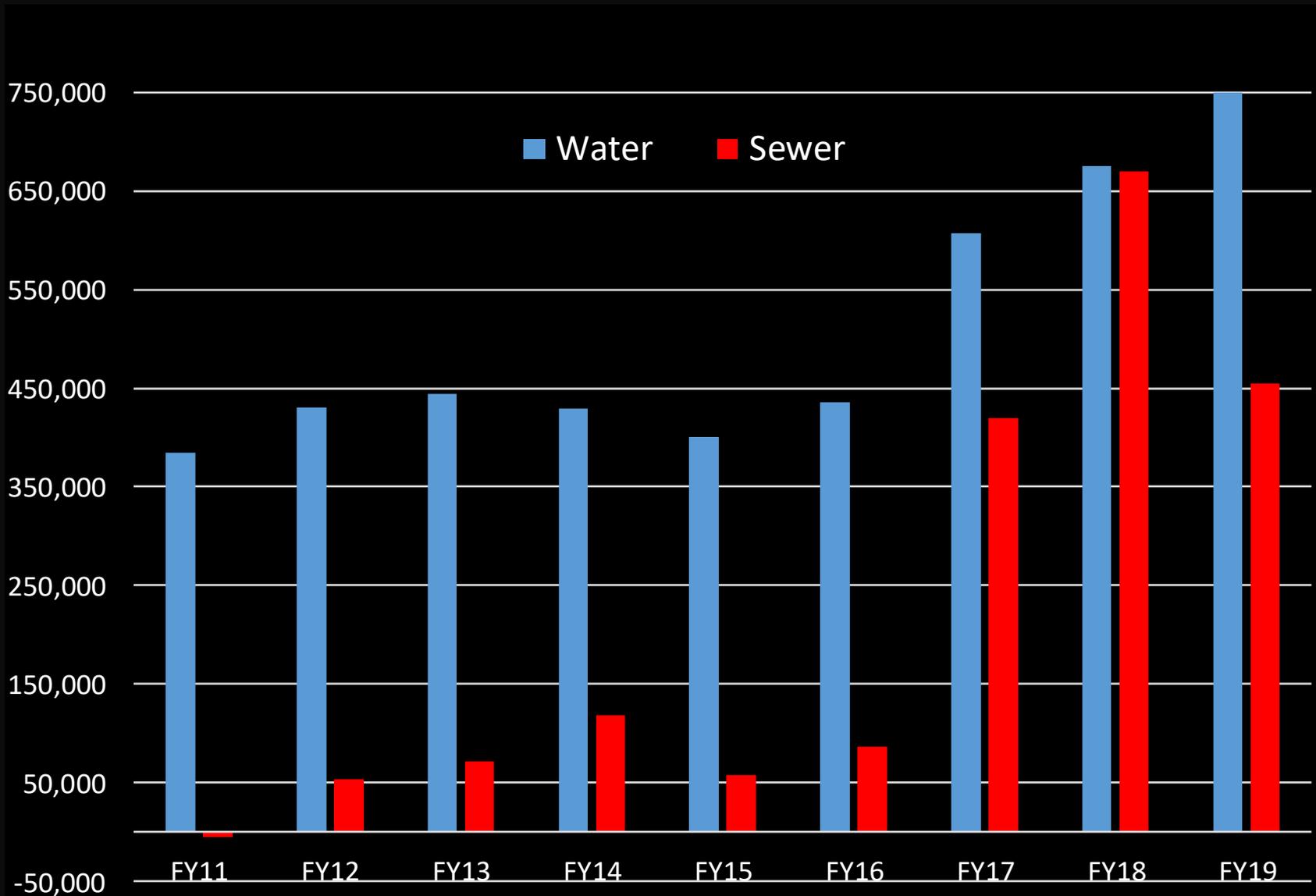


Annual Budget for Retiree Health Insurance

Budgeted Reliance on Fund Balances and Reserves

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
General Fund Balance	285,000	225,000	220,000	215,000	210,000	200,000	195,000	190,000	185,000	180,000	175,000
Pension Reserve	73,000	100,000	70,000	70,000	70,000	75,000	50,000	50,000	50,000	50,000	0
Tax Stabil. Reserve	60,000	70,000	70,000	50,000	45,000	50,000	25,000	25,000	25,000	0	0
Long Term Liability Reserve	31,403	0	0	0	0	0	0	0	0	0	0
Debt Service Fund	120,000	100,000	82,000	0	75,000	75,000	75,000	75,000	75,000	75,000	0
TOTAL	569,403	495,000	442,000	335,000	400,000	400,000	345,000	340,000	335,000	305,000	175,000

Water/Sewer Fund Balances

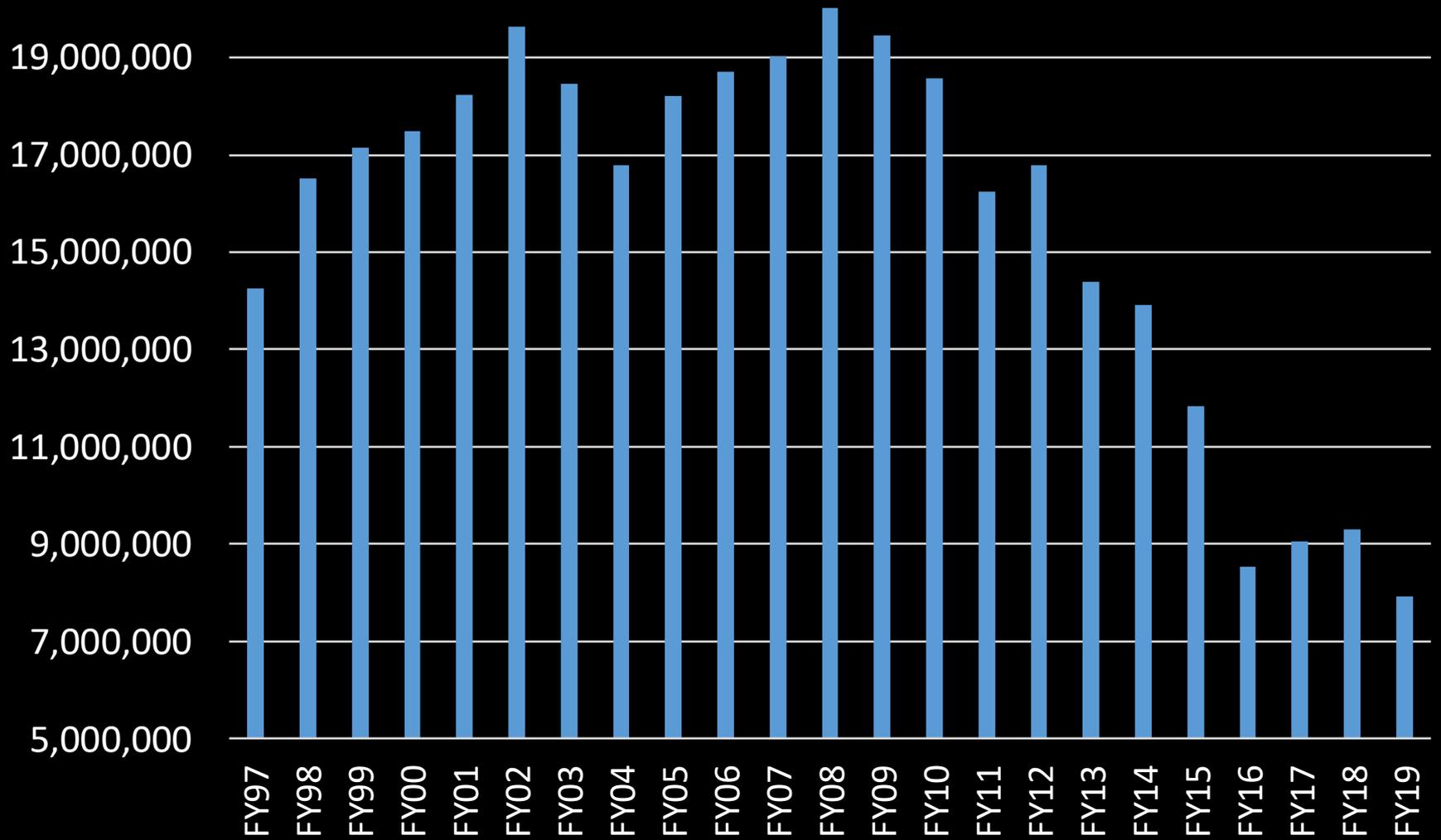


Fund Balances on June 30 of Each Fiscal Year

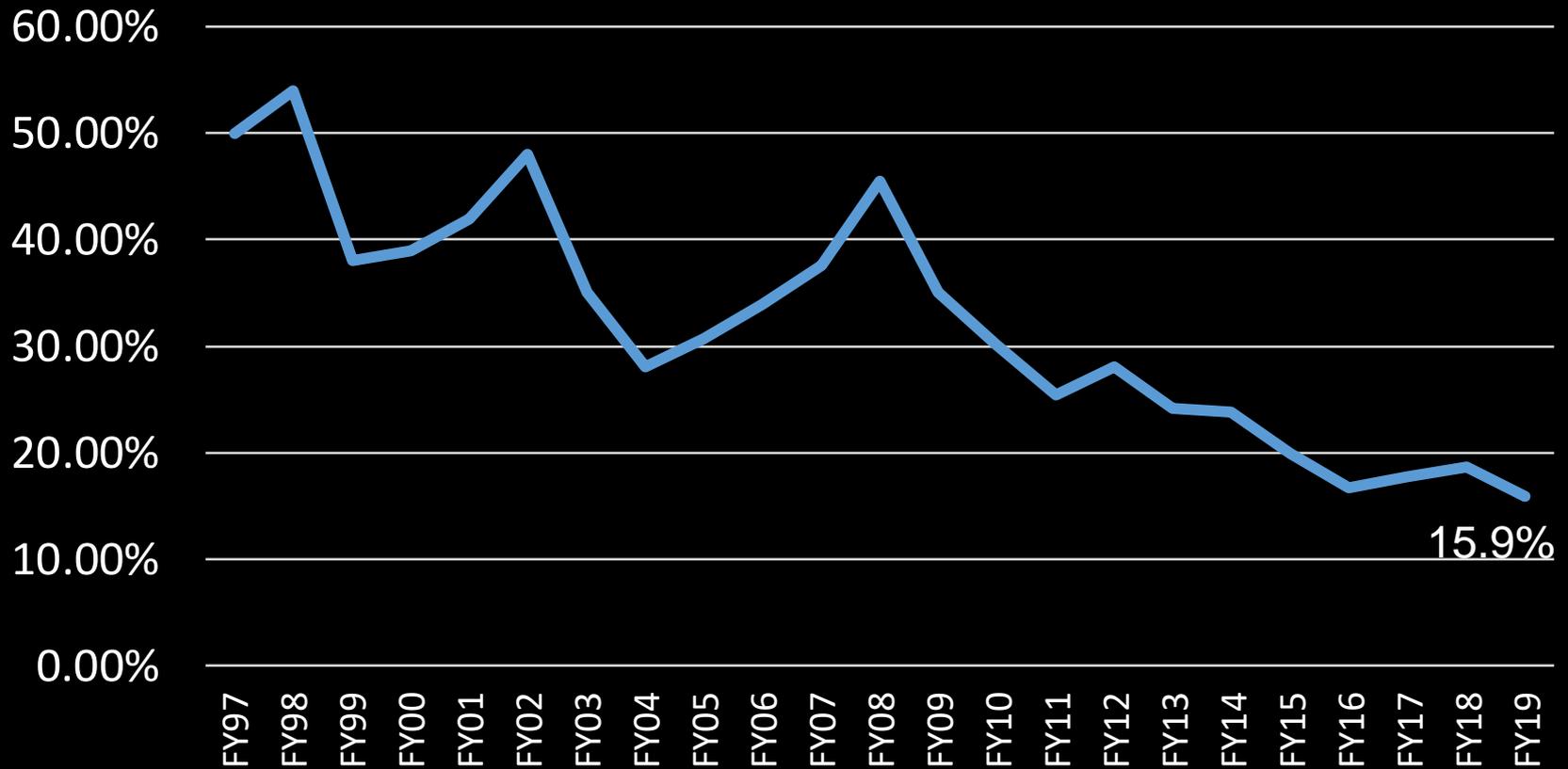
Bond Rating

- A1 from Moody's
- Credit Strengths
 - Sound financial operations and strong reserve levels
 - Stable and modestly growing tax base
- Credit Challenges
 - Significant taxpayer concentration
 - Elevated fixed costs

Outstanding Debt



Constitutional Debt Limit



Denison Storm Outfall

- Outfall pipe is failing.
- Depth of pipe and contamination making project challenging.
- Will need to include additional funds in upcoming Capital Improvement Plan.
- Additional cost will impact ability to conduct other improvements.



Tower Truck

- Purchased in 1992.
- 28 years old.
- Having increased maintenance issues.
- Estimated replacement cost is approximately \$1.4 million.



ADA Improvements

- Mandated to develop an ADA Compliance Transition Plan.
- Currently assessing City facilities and infrastructure.
- Implementations will likely be several million dollars.



Swimming Pools

- Denison Pool built in 1973.
- Stewart Pool built in 1983
- Having increased maintenance issues.
- Stewart Park site may have soil contamination.



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