



Mayor's Proposed Budget: FY 2018-2019

Mayor Robert M. Palmieri

City of Utica

February 5, 2018



Executing our Financial Recovery Plan has resulted in:

- Strengthening of our financial position
- Credit upgrades by all three of the nation’s leading financial institutions
- Improvement of Utica’s Fiscal Stress Score*

*(assessed by New York State Comptroller DiNapoli’s Fiscal Stress Monitoring System)

FitchRatings

MOODY’S

S&P Global
Ratings



A

Rare 3-Notch Upgrade

**Upgraded
Credit
Rating**

A

First 'A' Rating in 30
Years

20.8%

Utica’s Fiscal Stress
Score has Improved 50
Points in Six Years



**New York State Comptroller
Thomas P. DiNapoli**

Mayor Palmieri has faced the city's tough fiscal challenges head-on and made the difficult, but necessary, budget decisions that were key to turning around Utica's finances. Wisely, the mayor developed a multi-year financial plan that addressed the major drivers of fiscal stress for many municipalities in Upstate New York.

This type of forward-thinking can help our local governments become more efficient, more creative and more effective with the resources that are available. Mayor Palmieri has acknowledged that the financial issues affecting Utica are ongoing and will require persistence and careful management. That is why I have no doubt that he and his colleagues in city government can continue to build on their successes.

In FY 2016-2017, we secured an operating budget surplus of over \$350,000, our 5th consecutive budget surplus.

Fiscal Year 2012-2013	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017
\$931,000 Surplus	\$1.5 Million Surplus	\$345,000 Surplus	\$750,000 Surplus	\$377,000 Surplus

We've held the line on spending, seen a large expansion in our tax base and increased sales tax revenue.

Despite these improvements, Utica, like so many upstate communities, faces an uphill battle when it comes to fiscal sustainability.

Revenues simply do not keep up with the largest budgetary cost drivers, many of which are not in the City's direct control.

The City's budget in FY 2008-2009 was \$66.8 million.

My proposed budget for FY 2018-2019 is \$72.5 million.

**Less than a 1% increase
in spending annually
over 10 years.**

For the seventh consecutive year, I am proposing a fiscally responsible budget that provides the tools for continued economic development and the services residents deserve.

We've held the line on spending and kept taxes down.

Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018
0.83% Tax Decrease	1.74% Under Tax Cap	0.39% Tax Decrease
Total Tax Increase Over 3 Years 0.52%		

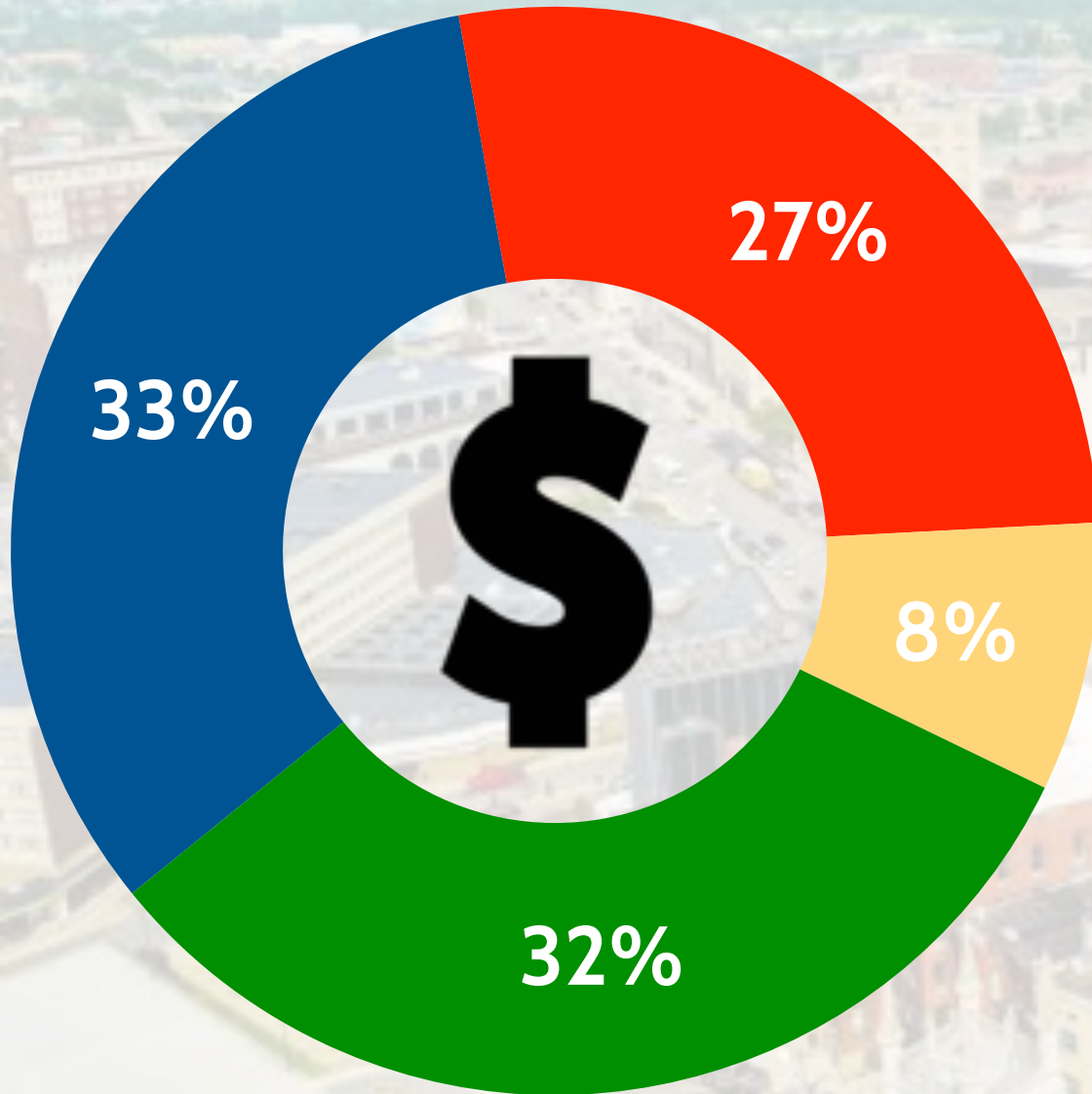
By implementing conservative budget practices, not only have City taxes only increased by half of 1% over the past three years, but we've also been able to stay under the tax cap four of the last five fiscal years.

Approximately 90% of Budget Items are Contractual Obligations

Discretionary Spending Items

- Facility Equipment
- Fuel
- Office Supplies
- Road Salt
- Sidewalk Program





Utica Police Department



Utica Fire Department



Department of Public Works



All Other City Expenses

Mandated Costs



Retirement & Pensions



\$1,182,831
Increase

Long Term Debt
(Paving Referendum Included)



\$1,094,524
Increase

Salaries



\$538,899
Increase

Healthcare Premiums



\$517,622
Increase

Mandated Costs



Retirement & Pensions

Long Term Debt
(Paving Referendum Included)

Salaries

Healthcare Premiums

Total Rise in Mandated Costs
\$3,333,876

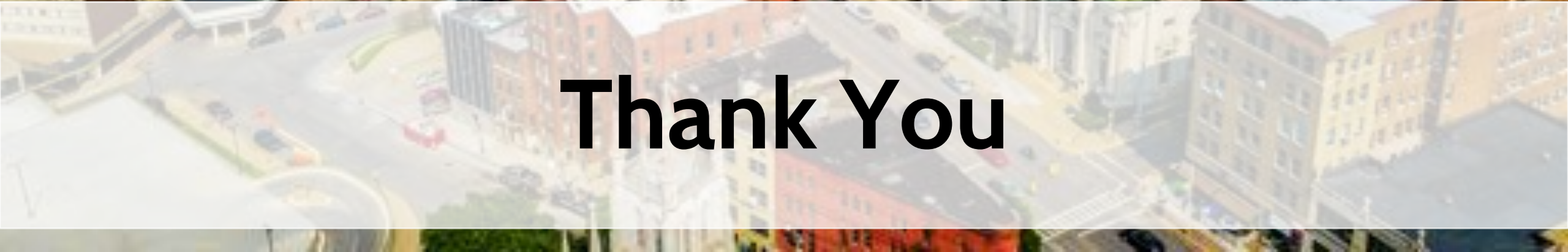
= 11.2%
Tax Increase



**An 11.2% tax increase
is not acceptable.**

Through countless meetings with department heads, Comptroller Bill Morehouse's office and our budget team, we worked tirelessly to keep expenditures as low as possible while still meeting the City's financial obligations.

Fiscal Year 2018-2019 Proposed Tax Increase:
7.8%



Thank You