



CITY OF NEWBURGH

2020- CITY MANAGERS PROPOSED BUDGET

CITY OF NEWBURGH

2020 MANAGERS PROPOSED BUDGET

Goals of the 2020 Budget Included:

- Capture all expenditure needs for the upcoming fiscal year
- Increase Department oversight and reduce overspending
- Minimize reliance on the fund balance to support budget
- Correct structural imbalances across all city funds to promote financial stability

Budget Building processes

1. In July department heads began the process of identifying needs. All requests were to final by August.
2. In early September, all requests were provided via workbooks to the City Council, City Manager and respective department heads.
3. Budget work sessions were held September 16-30th
4. Multiple meetings to review revenue and expenditures

General Fund

CITY MANAGERS PROPOSED BUDGET 2020

City Managers Proposed Budget Revenue

General Fund - \$47,930,277

<u>Expenditure Groups</u>	<u>Budget Amount</u>	<u>% to Budget</u>	<u>Inc./ (Dec.) 2019 Adj Budget</u>	
Real Property Tax	24,684,559	51.50%	Inc.	4,114,093
Non Property Tax	13,051,171	27.23%	Inc.	372,088
State Aid	5,417,816	11.30%	Dec.	(1,599,821)
Inter-fund Transfer	1,675,254	3.50%	Dec.	(1,056,416)
Real Property Taxes (other)	1,516,730	3.16%	Inc.	252,831
Department Income	1,060,151	2.21%	Dec.	(91,143)
Fines and Forfeitures	749,960	1.56%	Inc.	76,760
Appropriated Fund Balance	-	0.00%	Dec.	(1,053,494)

City Managers Proposed Budget -Expense

General Fund - \$47,930,277

<u>Expenditure Groups</u>	<u>Budget Amount</u>	<u>% to Budget</u>
Salary	\$ 18,763,913	39.15%
Benefits	\$ 14,966,688	31.23%
Fixed Charges	\$ 6,134,702	12.80%
Debt Principal	\$ 2,669,024	5.57%
Self Insurance	\$ 3,259,000	6.80%
Debt Interest	\$ 1,534,253	3.20%
Capital Items	\$ 330,000	0.69%
Special Items/Celebrations	\$ 672,126	1.40%

City Managers Proposed Budget - Expense

General Fund \$47,930,277

<u>Expenditure Groups</u>	<u>Budget Amount</u>	<u>% to Budget</u>
Public Safety	\$ 15,323,157	31.97%
General Government	\$ 7,205,952	15.03%
Debt Services	\$ 4,203,277	8.77%
Transportation	\$ 2,004,756	4.18%
Interfund Transfer	\$ 2,859,570	5.97%
Culture and Recreation	\$ 1,136,583	2.37%
Home and Community	\$ 290,297	0.61%

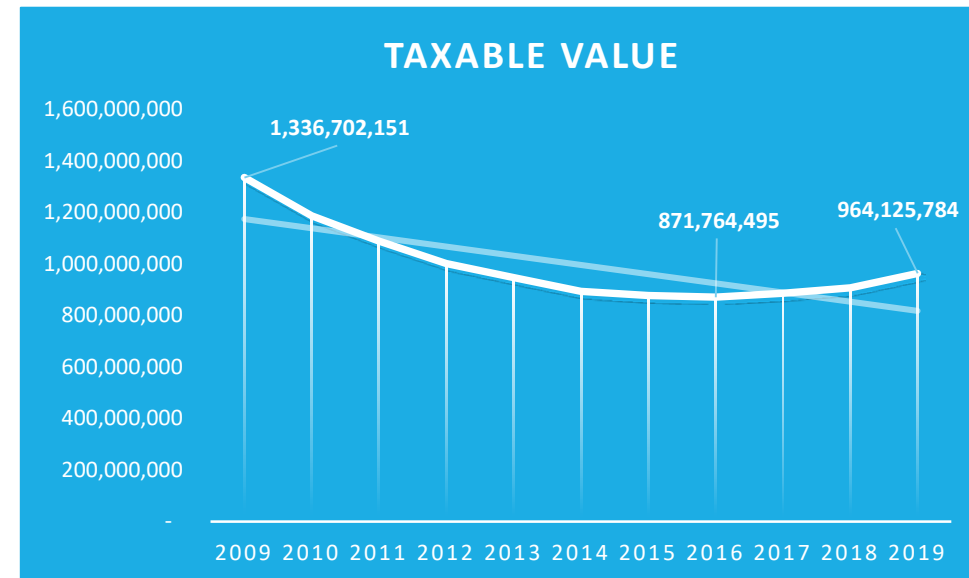
Taxable Assessed Value –

Value of *Taxable* Properties: Homestead and Non Homestead

Assessed Values

- 2018-2019 Values overall Increase \$56.2 m - 6.19%

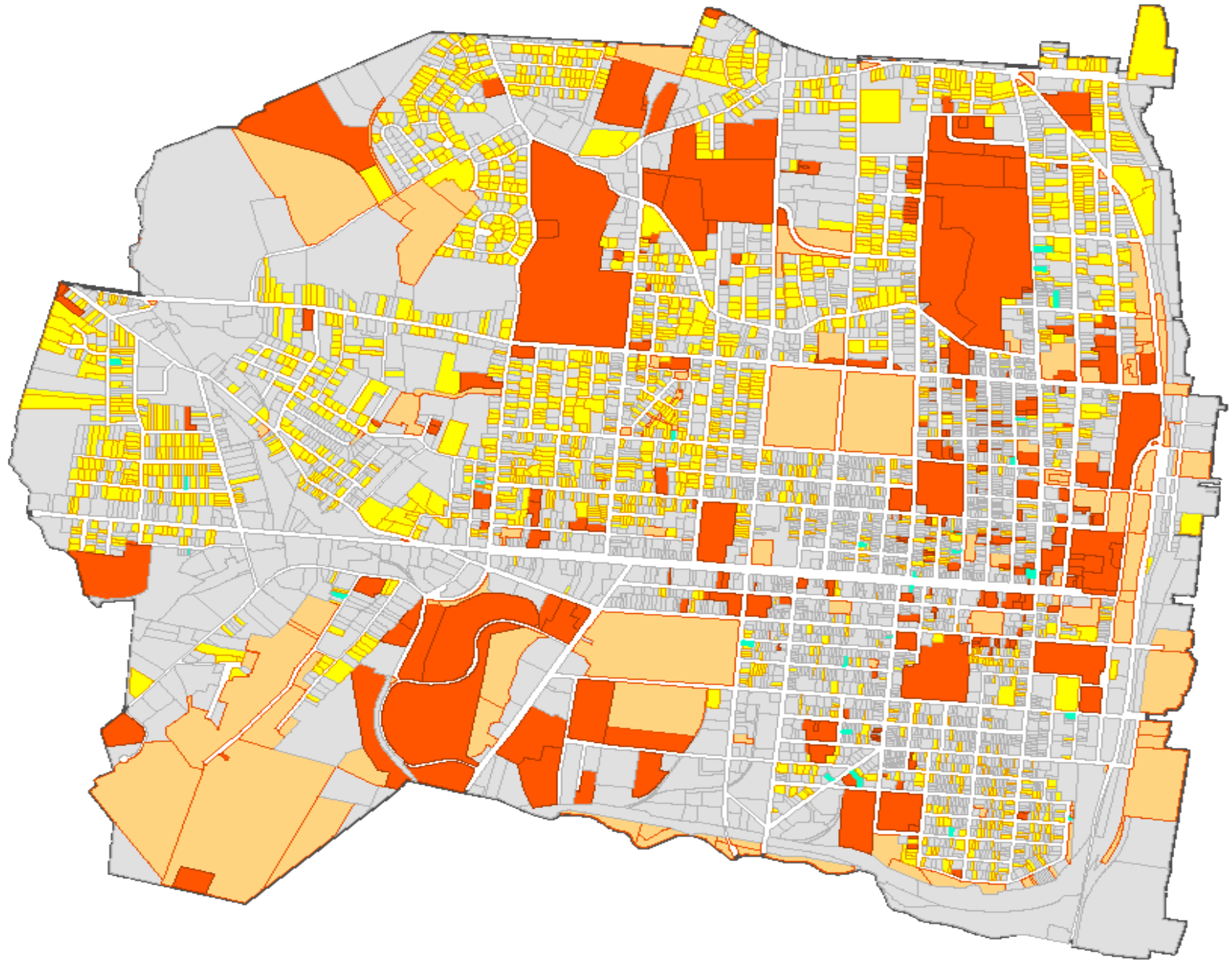
- 2017-2018 –Increase \$21.0m – 2.37%
- 2016-2017 –Increase \$15.2m – 1.74%
- 2015-2016 –Decrease \$6.3m – .72%
- 2014-2015 –Decrease \$16.8m – 1.88%
- 2013-2014 –Decrease \$52.9m – 5.58%
- 2012-2013- Decrease \$54.2m - 5.40%
- 2011-2012- Decrease \$87.0m - 7.99%
- 2010-2011- Decrease \$98.2m - 8.27%
- 2009-2010- Decrease \$149.4m – 11.18%



City of Newburgh

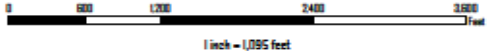


Tax Exempted Property by Roll Section 2019



Exemption Type

- Wholly Exempted (Private Properties)
- Partially Exempted (Private Properties)
- Wholly Exempted (City Owned)
- Partially Exempted (City Owned)
- Not Exempted



Tax Levy Implications

	2019 includes Adj. BP	2020	2020 includes Adj. BP	Additional Per Dollar Tax Rate Impact
Tax Levy	\$20,570,466	\$24,684,559	\$24,684,559	For Every \$50,000 increase
Homestead TAV	528,884,816	570,520,181	570,520,181	
Non-Homestead TAV	379,015,404	393,605,603	393,605,603	
Total TAV	907,900,220	964,125,784	964,125,784	
Homestead Rate	19.6550	21.4436	21.4436	1072.18
Non Homestead Rate	26.7913	31.6230	31.6230	1581.15

Tax Levy Implications (Continued)

Home & Non-Homestead Calculation	Homestead	Non-Homestead	Totals
2020 City Council Proposed Tax Levy	24,684,599	24,684,599	
Home & Non-Homestead Allocation %age	49.56151	50.43849	100
Tax Levy Allocated to Each Type	12,234,060	12,450,539	24,684,599
Tax Levy Allocated to Each Type	12,234,060	12,450,539	24,684,599
2020 Taxable Assessed Value	570,520,181	393,605,603	964,125,784
2020 Tax Rate per \$1,000 Assessed Value	21.443694	31.632017	
2020 Tax Rate per \$1,000 Assessed Value	21.443694	31.632017	
2019 Tax Rate per \$1,000 Assessed Value	19.655012	26.791348	
2020 Tax Rate Inc/(Dec) Amt per \$1,000	\$1.79	\$4.84	
2020 Tax Rate Increase %age per \$1,000	9.10%	18.07%	
2020 \$ change for \$150,000 Assessed Value	\$268.30	\$726.10	

Personnel and benefits

Includes Salaries, Longevity, Health Benefits, Retirement, and Employer taxes

Total MP Budget \$47,930,278

Personnel & Benefits make up 70 % - \$33,730,602 (74% of 2019)

Police Department

MP 2020	29%	\$13,853,725	
2019 Adopted	31%	\$14,779,264	(\$925,539)

Fire Department

MP 2020	22%	\$10,484,832	
2019 Adopted	24%	\$11,415,621	(\$930,789)

Department of Public Works

MP 2020	6%	\$3,084,622	
---------	----	-------------	--

Personnel and benefits

Includes Salaries, Longevity, Health Benefits, Retirement, and Employer taxes

- **Reduction in Police**

- Removal of funding for 14% of workforce (civilian and uniform)
- Currently 4 uniform vacancies in PD

- **Reduction in Fire**

- Removal of funding for 16% of workforce (civilian and uniform)
- Currently 2 uniform vacancies in FD

- **Hiring Freeze – Potential Reductions \$327K**

- 3 MEO's in DPW
- 3 Asst Mechanic in Water
- MEO in Rec
- City Planner
- PT Code Officer
- Chief Water Operator
- Code Compliance Supervisor

Overtime Estimates

Police & Fire OT – 20% Reduction

Provided accurate and realistic estimates

- PD requested \$1.4 million in OT
 - Manager's Proposed provides \$1.1 million
- FD requested \$1 million in OT
 - Manager's Proposed provides \$800,000.

Enterprise Funds

CITY MANAGERS PROPOSED BUDGET 2020

Enterprise funds

- Water Fund:
 - City Manager's Proposed recommends 10% increase to metered water
 - Staffing study is budgeted in 2020 to determine multiyear plan to retain solvency
 - Appropriation to fund balance of \$699,793 to close \$1M gap due to increased litigation costs
- Sewer Fund:
 - Red Oak consulting recommending 6% increase from 2017-2024 with a 7% increase in 2025.
 - Reviewing a budget plan for Storm Water User Fee- (Ithaca NY Model).
- Maintain Sanitation rates for the 2020 year:
 - Review available grants for recycling incentives and other potential options available.
 - Use recent increases to restore operational budget and fund balance.

City Managers Proposed Budget -Revenue

Enterprise- \$17,108,794

<u>Expenditure Groups</u>	<u>Budget Amount</u>	<u>% to Budget</u>
Water	7,072,546	41.34%
Sewer	6,041,704	35.31%
Sanitation	3,994,544	23.35%

City Managers Proposed Budget -Expense

Enterprise Fund- Water \$7,072,546

<u>Expenditure Groups</u>	<u>Budget Amount</u>	<u>% to Budget</u>
Salary	1,396,298	8.16%
Benefits	1,180,071	6.90%
Fixed Charges	1,265,375	7.40%
Debt Principal	885,126	5.17%
Debt Interest	474,040	2.77%
Capital Items	0	0.00%
Special Items/Celebrations	752,756	4.40%

City Managers Proposed Budget -Expense

Enterprise Fund- Sewer \$ 6,041,704

<u>Expenditure Groups</u>	<u>Budget Amount</u>	<u>% to Budget</u>
Salary	477,152	7.90%
Benefits	361,558	5.98%
Fixed Charges	2,894,660	47.91%
Debt Principal	426,592	7.06%
Debt Interest	329,689	5.46%
Capital Items	0	0.00%
Special Items/Celebrations	470,575	7.79%

City Managers Proposed Budget -Expense

Enterprise Fund- Sanitation \$ 3,994,544.00

<u>Expenditure Groups</u>	<u>Budget Amount</u>	<u>% to Budget</u>
Salary	955,228	23.91%
Benefits	770,156	19.28%
Fixed Charges	1,133,500	28.38%
Debt Principal	7,501	0.19%
Debt Interest	9,500	0.24%
Capital Items	0	0.00%
Special Items/Celebrations	589,817	14.77%

Conclusion

Staff Reduction/ 2% Tax Increase	Manager's Proposed	Tax Increase/No Staff Reduction
2% Increase to Overall Tax Levy	20% Increase to Overall Tax Levy	39% Increase to Overall Tax Levy
7.3% Decrease Homestead	9.1% Increase Homestead	26.4% Increase Homestead
0.4% Increase to Non-Homestead	18.1% Increase to Non-Homestead	36.8% Increase to Non-Homestead
49% Reduction in staff	20% Reduction in staff	No Reduction in staff



CITY OF NEWBURGH

2020- CITY MANAGERS PROPOSED BUDGET