



# 2018 City Manager's Budget Proposal

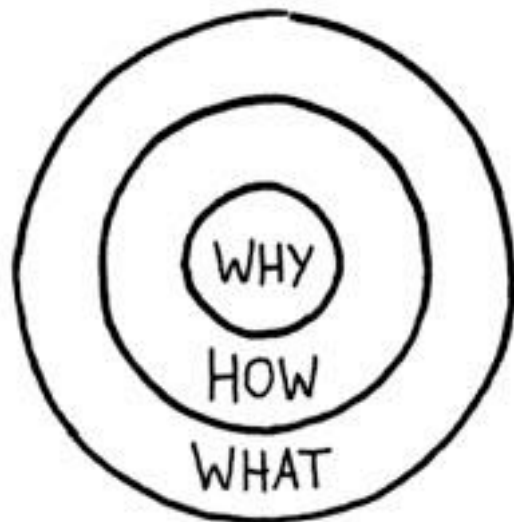
Presentation to Geneva City Council  
August 30, 2017

# Budget Calendar

- Budget Presentation August 30
- Resolution Est. Public Hearing September 6
- Council Interactions September 24  
(Week of)
- Public Hearing October 4
- Work Session I October 11
- Work Session II October 18
- Adoption October 25
- Effective January 1

...before we start...

# The Golden Circle



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## What

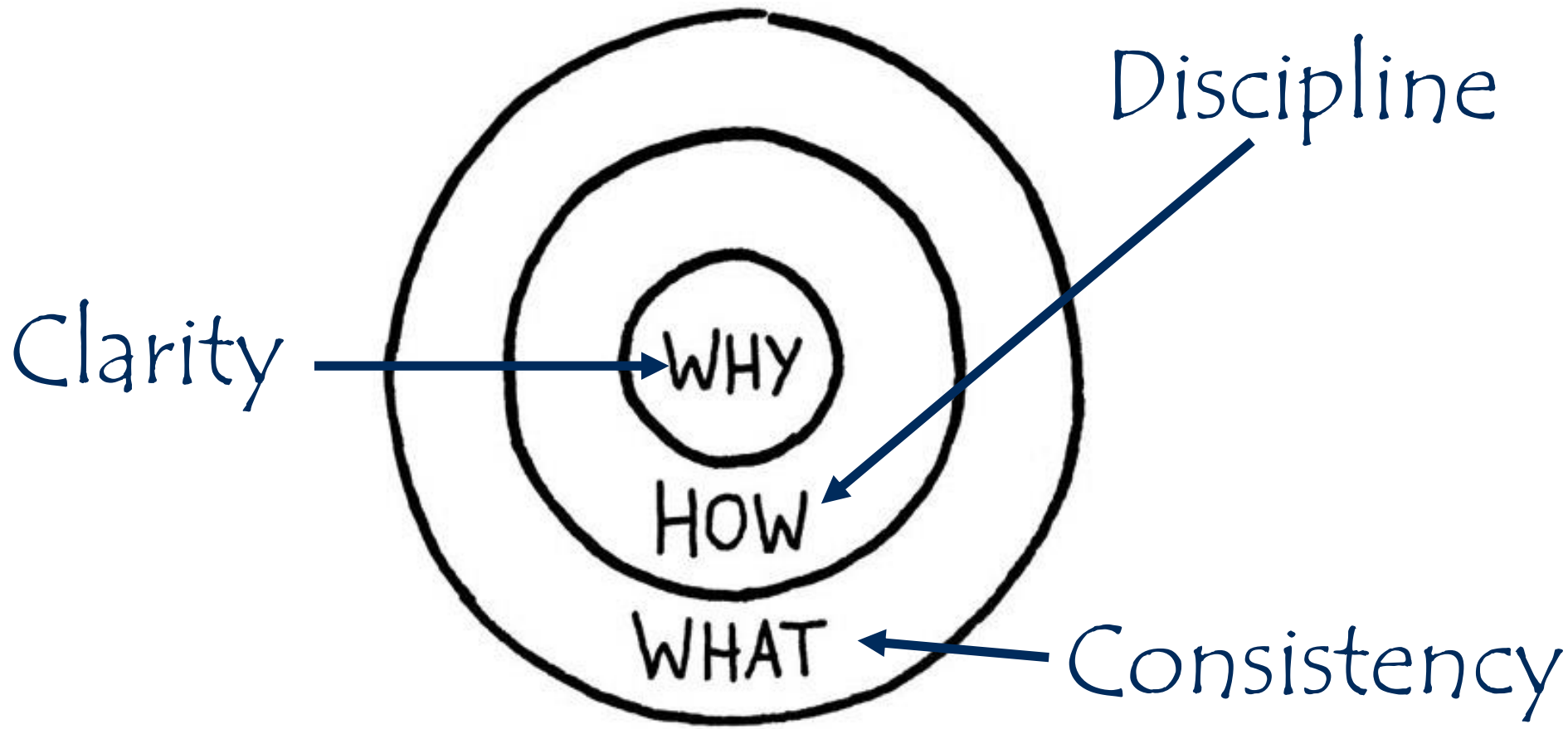
Every organization on the planet knows WHAT they do. These are products they sell or the services they offer.

## How

Some organizations know HOW they do it. These are the things that make them special or set them apart from their competition.

## Why

Very few organizations know WHY they do what they do. WHY is not about making money. That's a result. It's a purpose, cause or belief. It's the very reason your organization exists.





# Community Vision *(Our WHY)*

# Beautiful

Our uniquely urban character is part of who we are...our arts, architectural, and recreational assets are important to us...

- Uniquely Urban -

# Prosperous

It is important to us that our economy is strong...our economic development efforts are focused on bolstering the economic status of our residents and the financial sustainability of City facilities, programs, and services...

- Uniquely Urban -



# Equitable

We are a community rich in diverse identities, traditions, customs, and histories that warrant inclusion and celebration...

- Uniquely Urban -

# Connected

Inclusive interactions and transparent decision making makes us feel connected, as does our tight development pattern and commitment to multimodal transportation...

- Uniquely Urban -

# Sustainable

We are stewards of our special natural setting, and will protect and celebrate it...

- Uniquely Urban -



# Core Values

*(Our HOW)*

# **We are stewards of our special natural setting.**

**Our visually beautiful and ecologically sustainable environment should be celebrated and protected within the city and surrounding area.**

# **Our “uniquely urban” character and sense of community are at the core of who we are.**

**We are defined by our city’s physical context and the people who live here. We benefit from the energy that comes from a diverse population and from visitors, residents and businesses pursuing a variety of interests. We know one another, we worship together, and we attend school and play ball, sail, and run together and see each other at the grocery store. We take citizenship seriously and we take action together.**

# **Our multi-cultural heritage is a point of pride.**

**We are a community rich in diverse identities, traditions, customs, and histories that warrant celebration.**

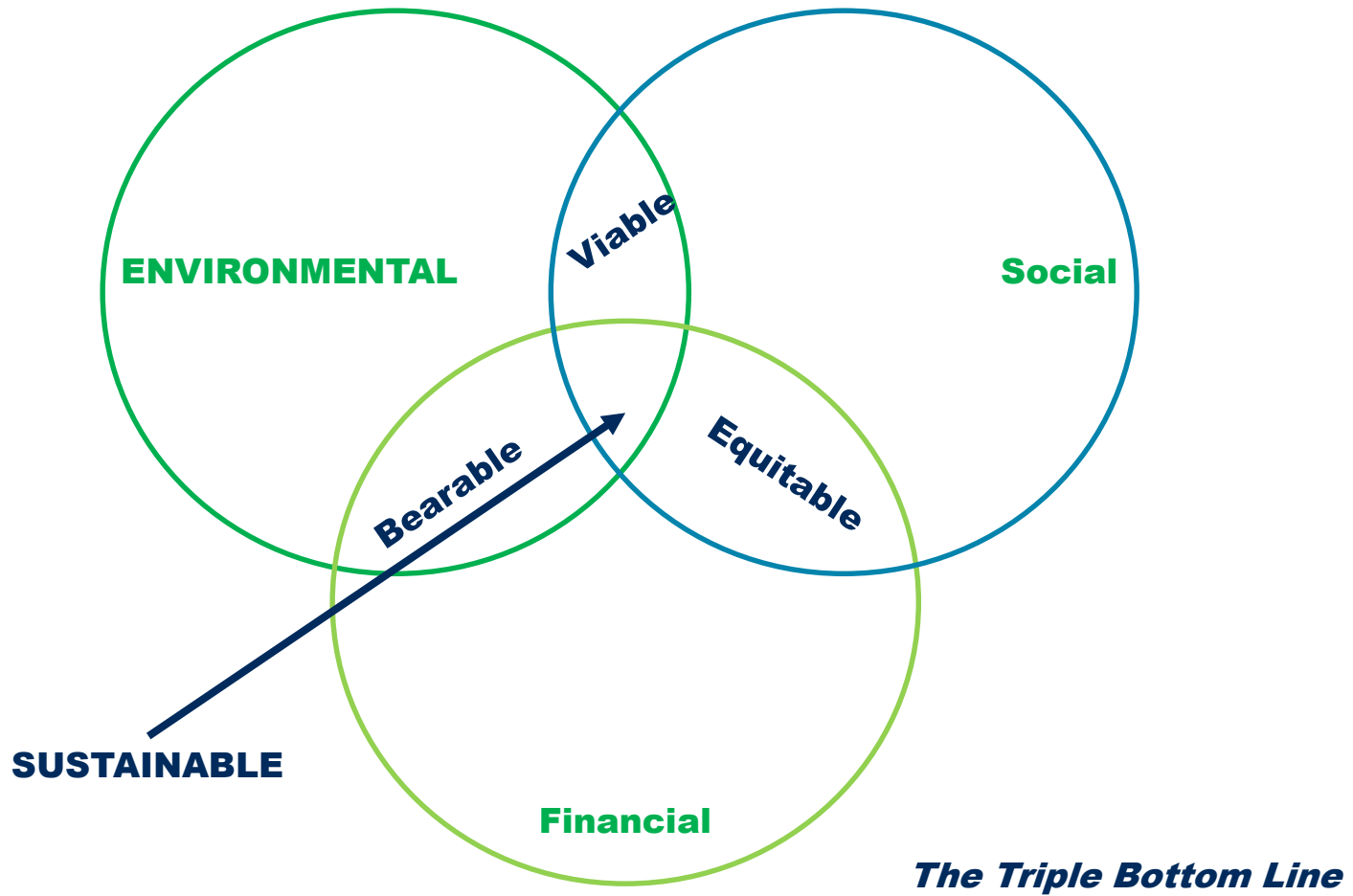
# **Our arts, architectural and recreational assets are important to us.**

**Our small city on a pristine lakeshore with established institutions, a beautiful downtown, and historic homes in equally historic and livable neighborhoods sets us apart in the region.**



**It is important to us that our economy is strong.**

**If we are economically prosperous, we can maintain and improve our city.**





# Overview

# General Budget Barometer

- The City is emerging from fiscal challenges and has developed a recent track record of sustainability. Understanding that financial discipline was central to the recovery, staff was challenged to keep spending increases to a minimum
- The initial deficit between forecasted revenues and cost proposals was \$520,000
- Programs most closely aligning with our core values received the most attention. A triple bottom line analysis was performed for high growth/high cost items

- Uniquely Urban -

# Revenues

- The City's Taxable Assessed Value remained stable following last year's reassessment; taxable values grew less than 1%
- Sales tax forecasts are developing a trend of sustained growth. Staff continued to forecast conservatively
- Staff continued to utilize recommended formulas when calculating utility fund transfers, which remained fairly stable for 2018

# Investing in our Core Values

- Investment proposals are focused in areas that will support our core values
- The investment plan also calls for implementation of capital projects associated with the recent DRI award
- In the spirit of financial sustainability, five-year plans are also offered to support capital investment and future equipment acquisition



# Funding Our Priorities

Revenue Analysis  
and Forecasting

# Forecasting Models

- Per Council's revenue forecasting policy, staff used conservative, objective, and reasonable forecasting models to generate budget numbers
- Staff utilized a ten year data set to observe trends, but relied heavily on five-year averages and trend analysis
- Staff reviewed ten year trends and averages, along with five and two year trends and averages, and utilized the most reasonable forecast to determine revenue recommendations

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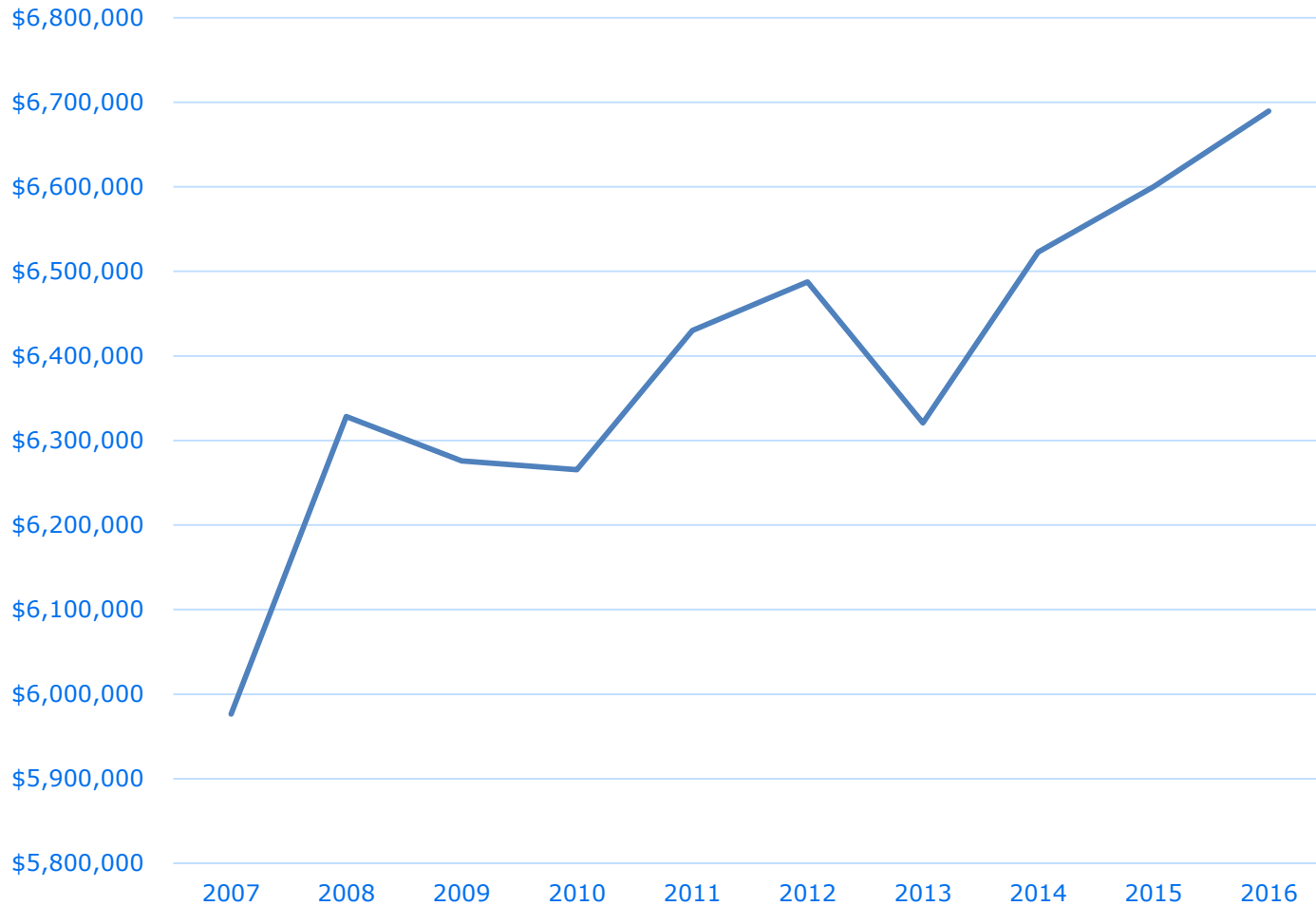


# Revenue Overview

- Total taxable value increased from 2017 by approximately 1%
- Sales tax revenue results have been a mixed bag, prompting “optimistic conservatism” in forecasts
- Occupancy tax numbers are showing signs of growth, and new rooms mean a likely uptick in revenue
- State Aid dollars have shored up and are steady
- Overall, total revenues are up in the General Fund by just under 2%

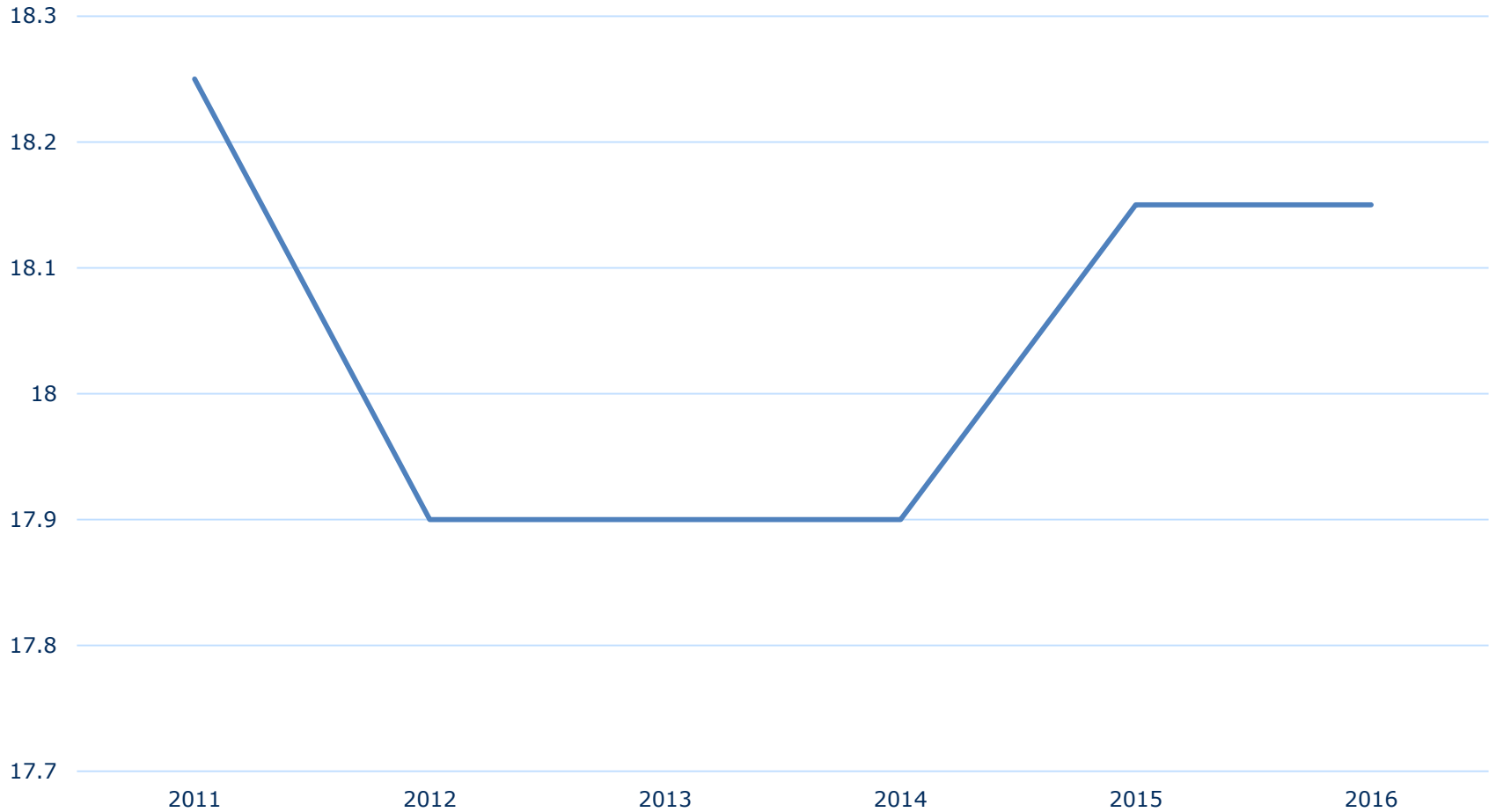
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# Property Tax Collections



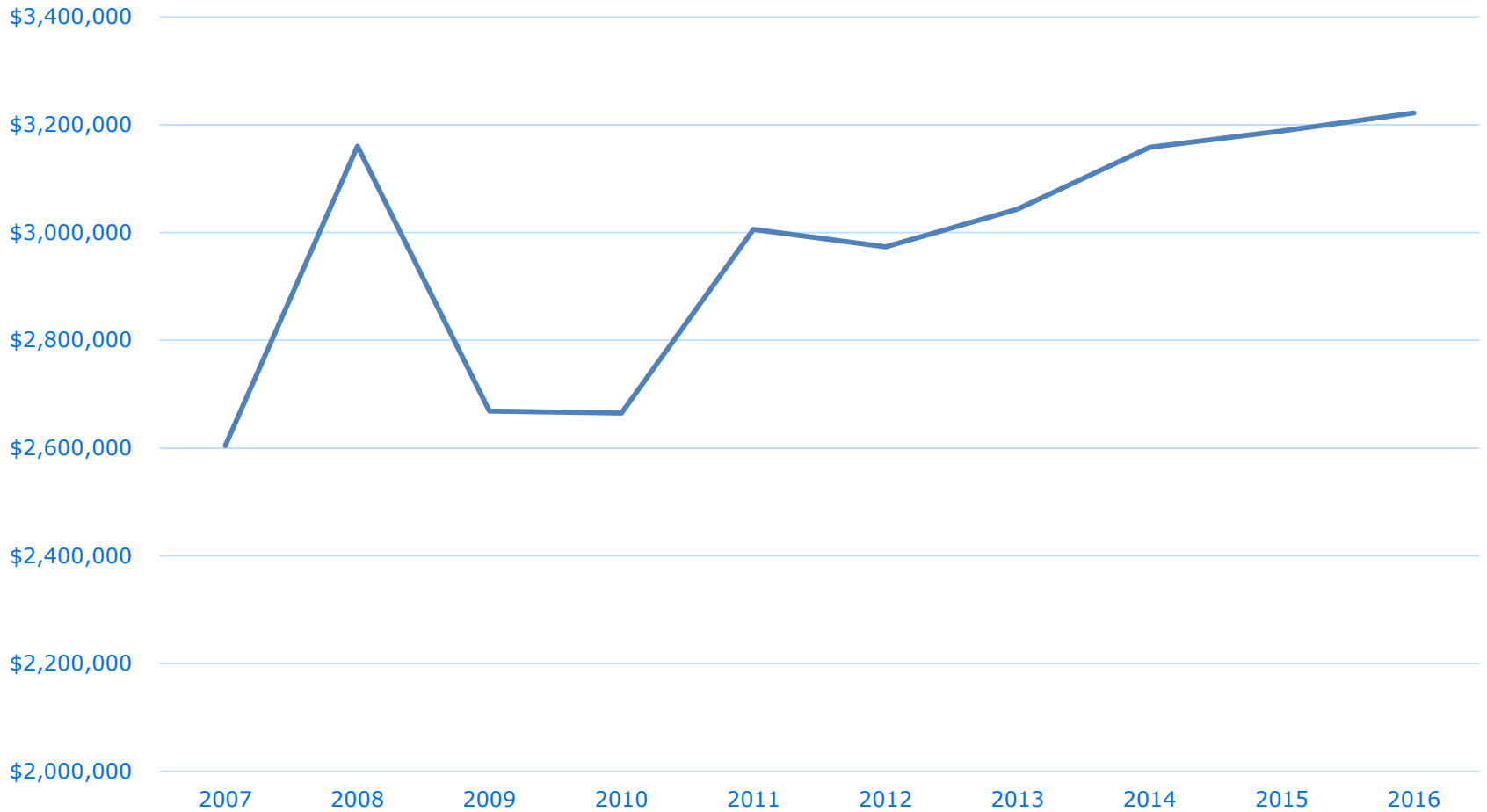
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# Property Tax Rate



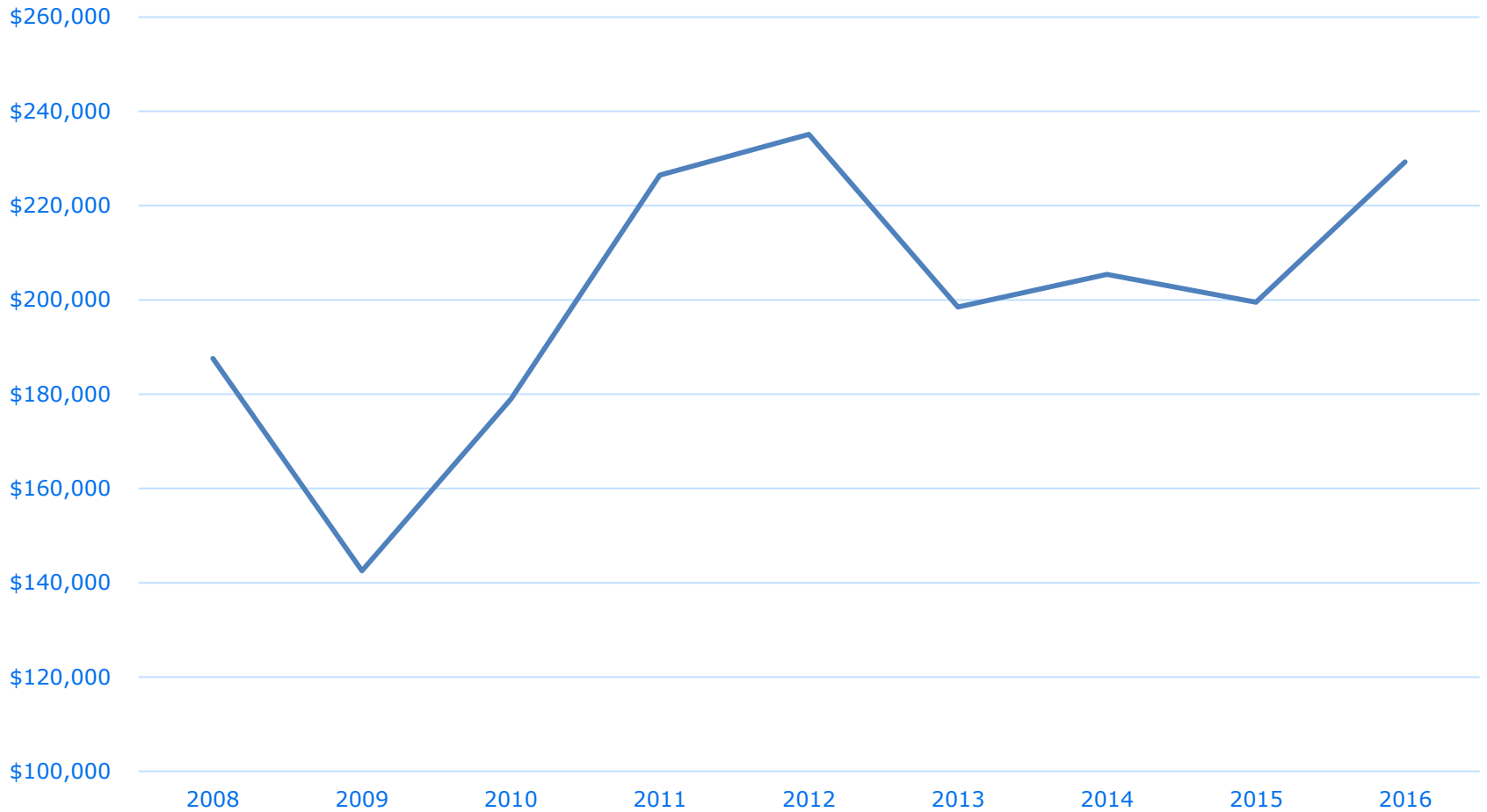
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# Sales Tax Collections



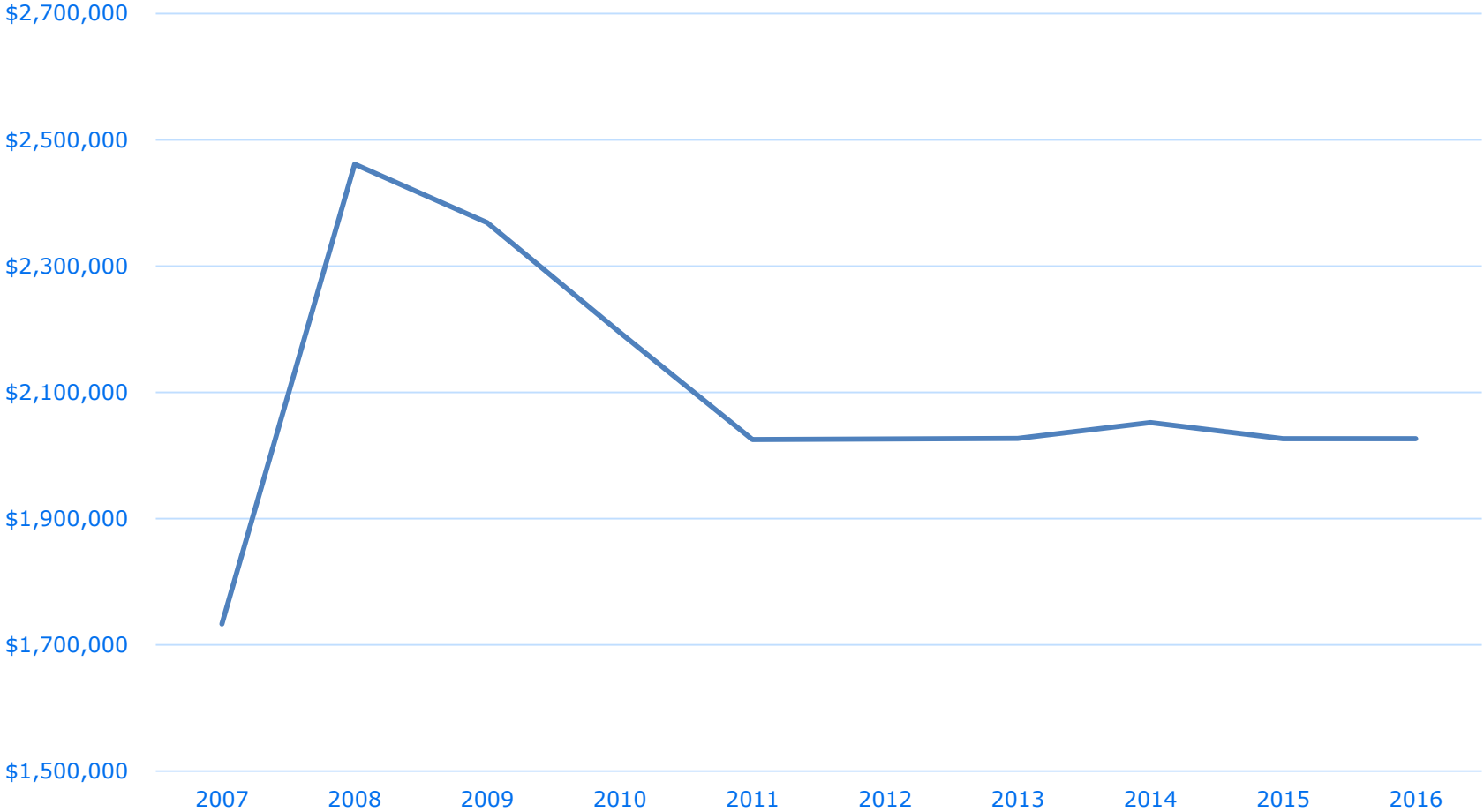
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# Occupancy Tax Collections



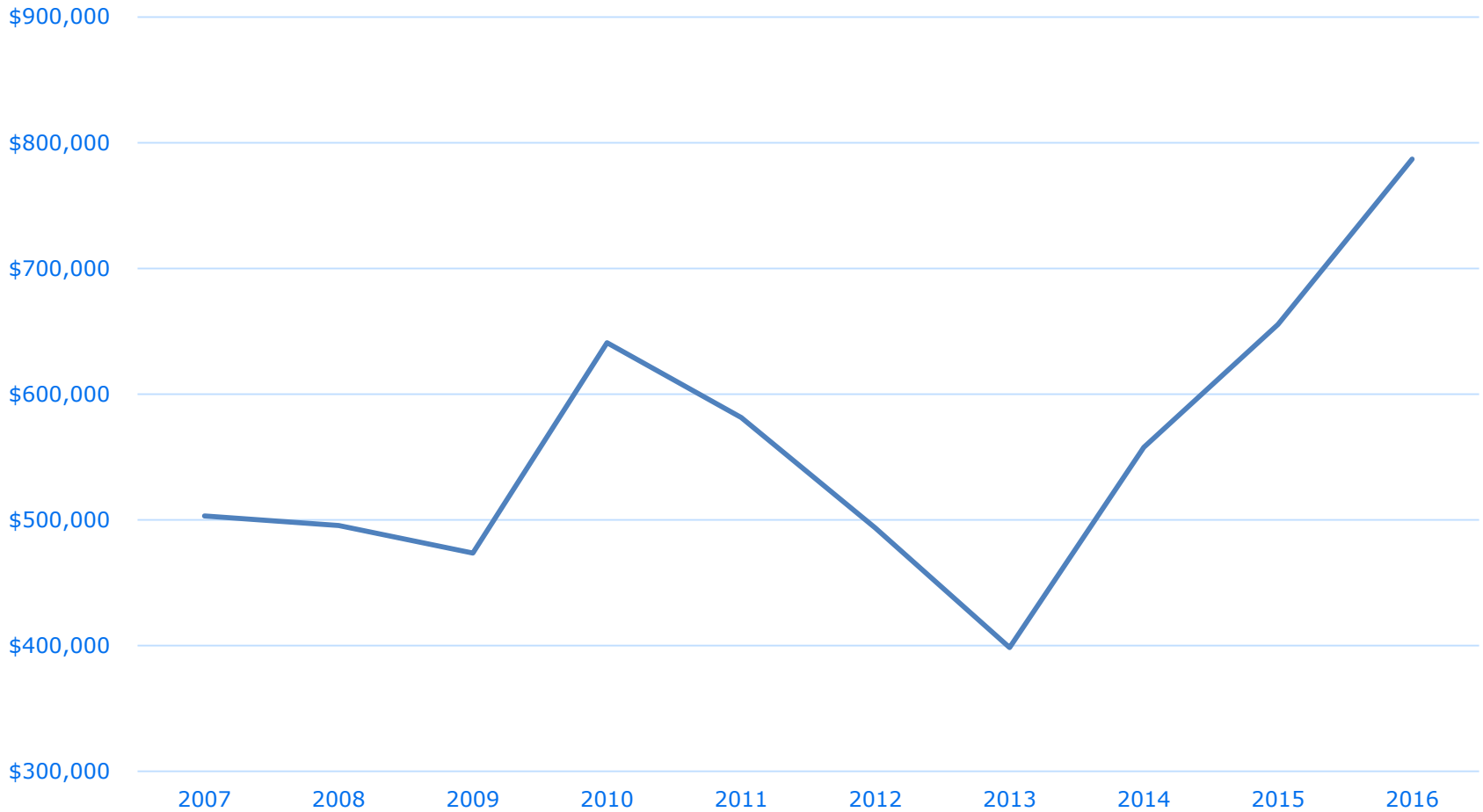
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# State Aid Collections



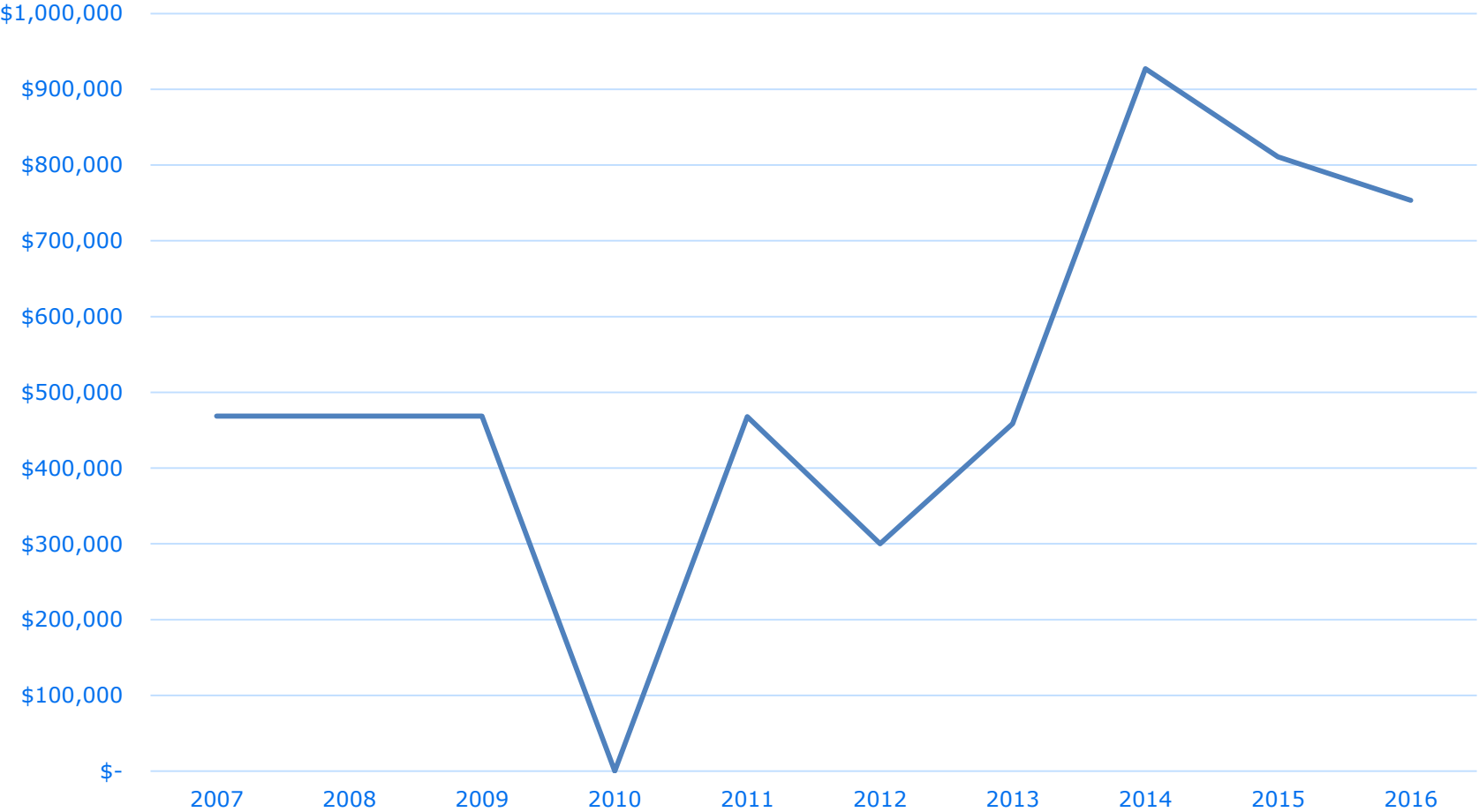
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# PILOTs



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# Utility Fund Transfers



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# Revenue Recommendations

- Staff is recommending no increase in the general fund operations property tax rate for 2018
- Revenue generated from modest and diverse growth to maintain stability in the tax rate
- Conservation-based billing models for utility funds are recommended to be continued
- Investments in water and sewer infrastructure and operations have resulted in modest rate increases in both utilities. Rates remain below 2014 levels

# Utility Rate Impact

2017 Minimum Water Rate: \$0.00483/Gallon

2018 Minimum Water Rate: \$0.00526/Gallon

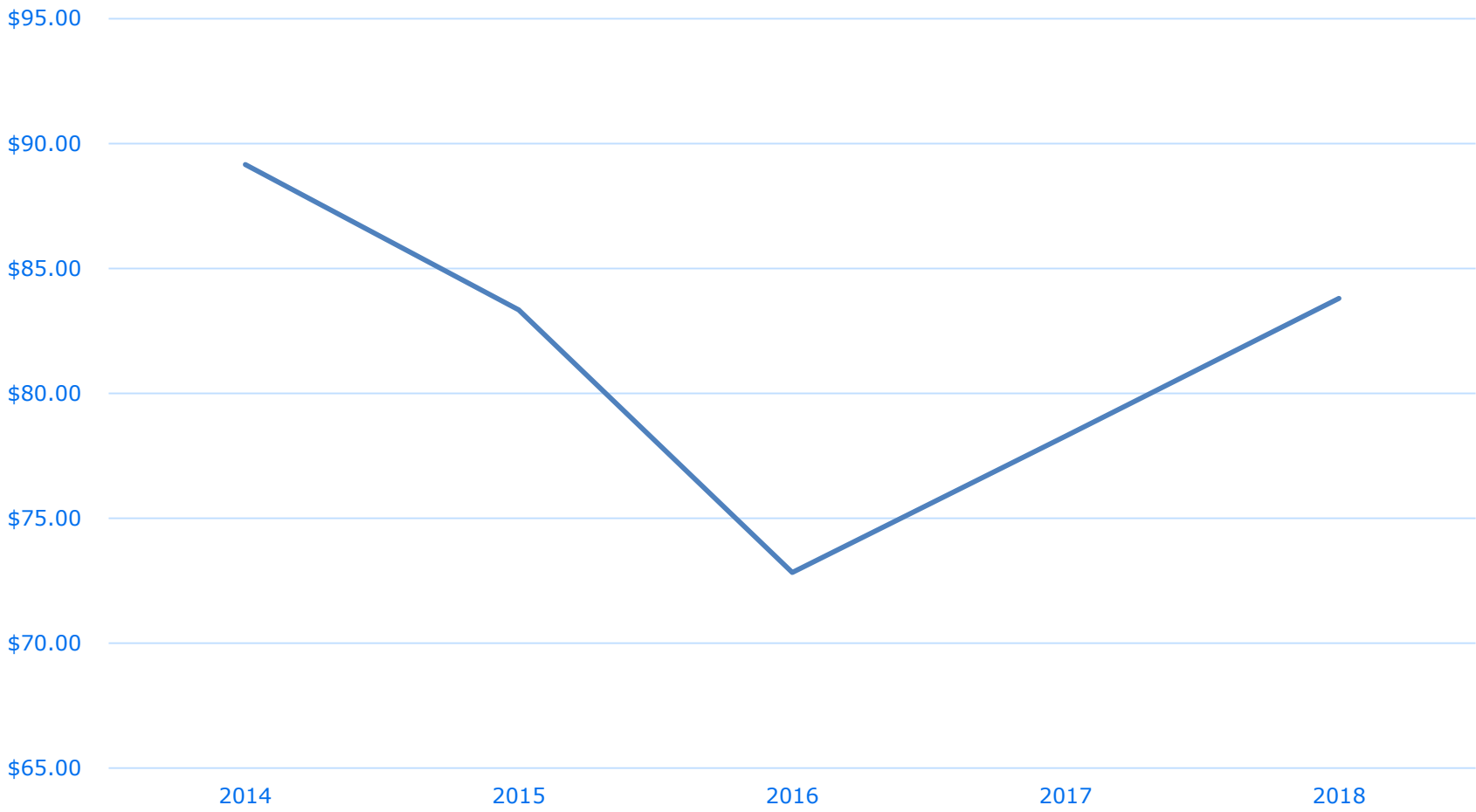
2017 Minimum Sewer Rate: \$0.00860/Gallon

2018 Minimum Sewer Rate: \$0.00912/Gallon

<u>2017 Minimum Bill</u>	<u>2018 Minimum Bill</u>	<u>Change</u>
\$78.29	\$83.80	\$5.51

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# Quarterly Minimum Cost



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# Investing Wisely

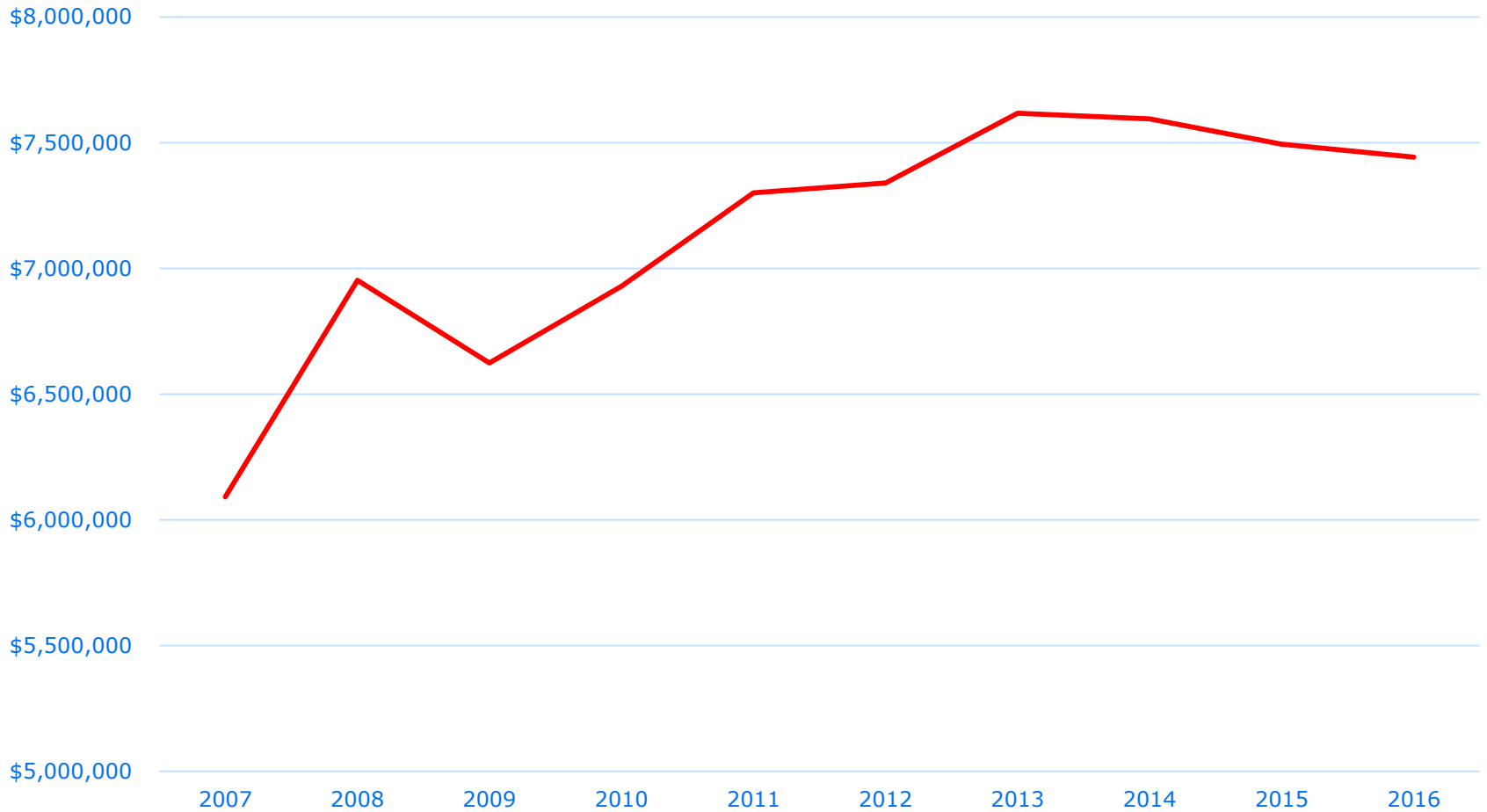
Expenditure  
Analysis and  
Forecasting

# Expenditure Overview

- Salary costs have leveled off with discipline in contract, shared services leveraging, public-private partnerships, and headcount management.
- Health care cost increases are managed at modest growth thanks to Council's participation in the Finger Lakes Municipal Health Insurance Trust
- Retirement costs continue to plague us with allocations of 21.5% of non-safety employees and 30.5% of police and firefighter salaries contributed to the system

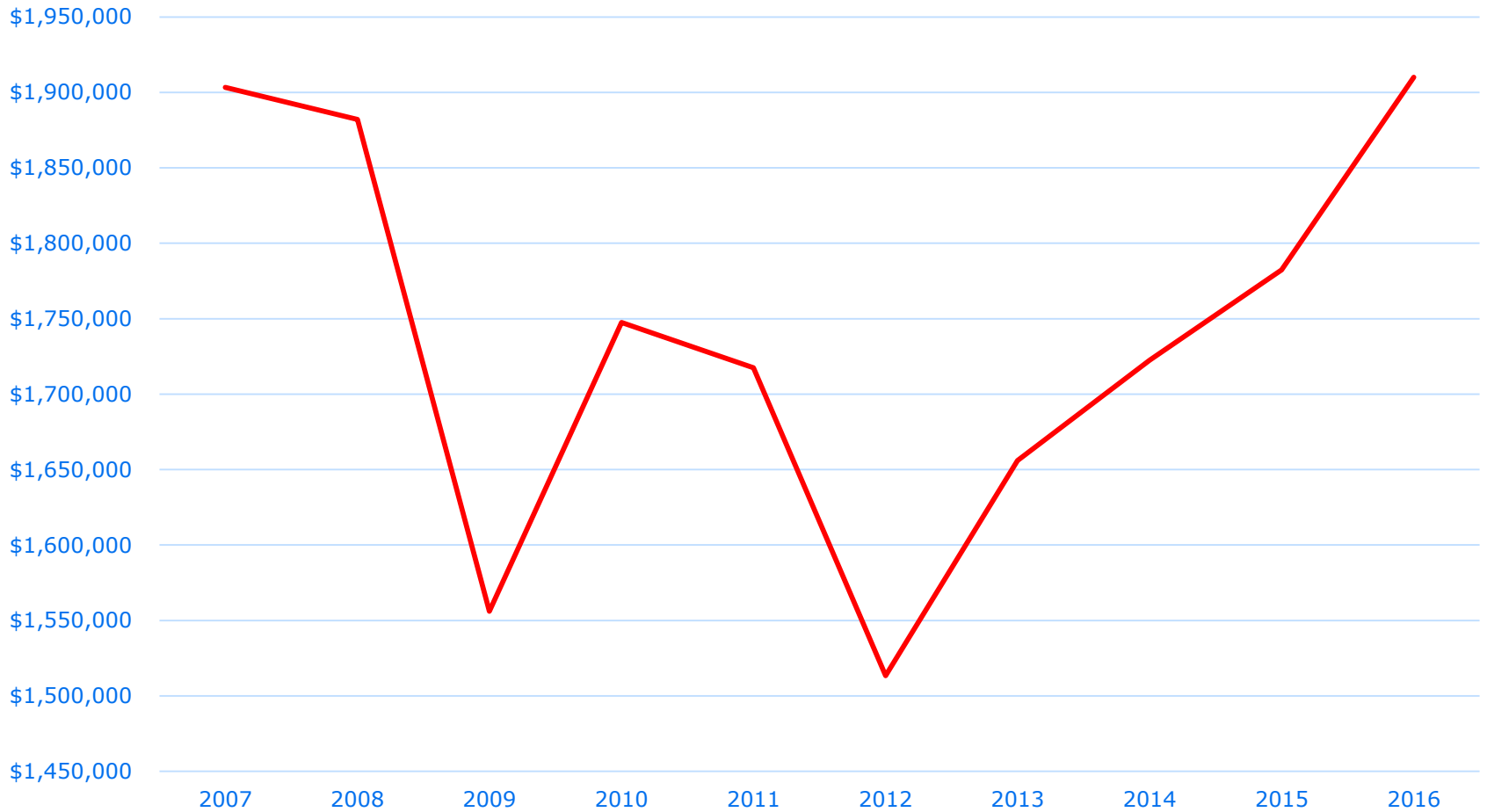
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# Salary Costs



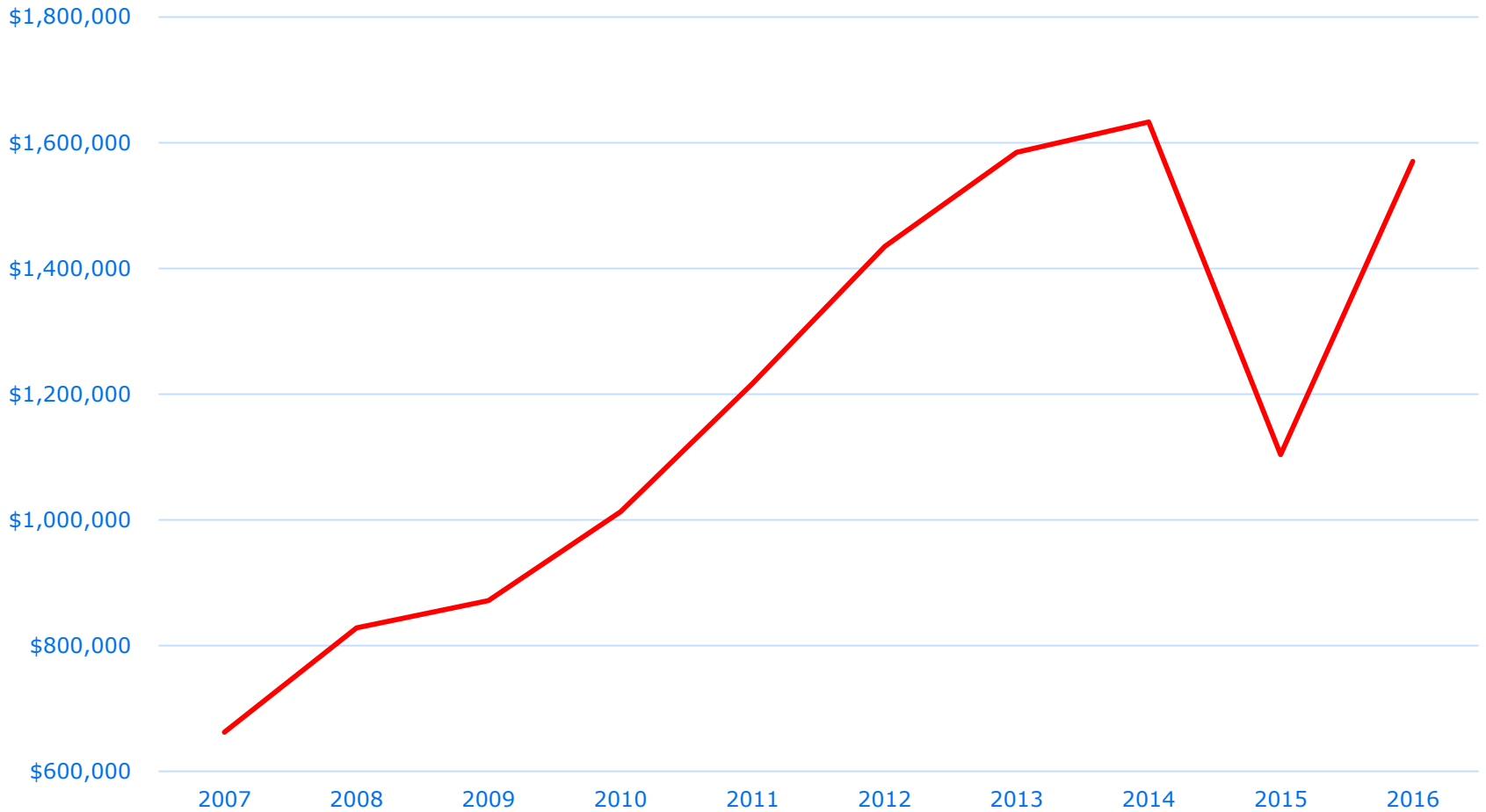
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# Health Care Costs



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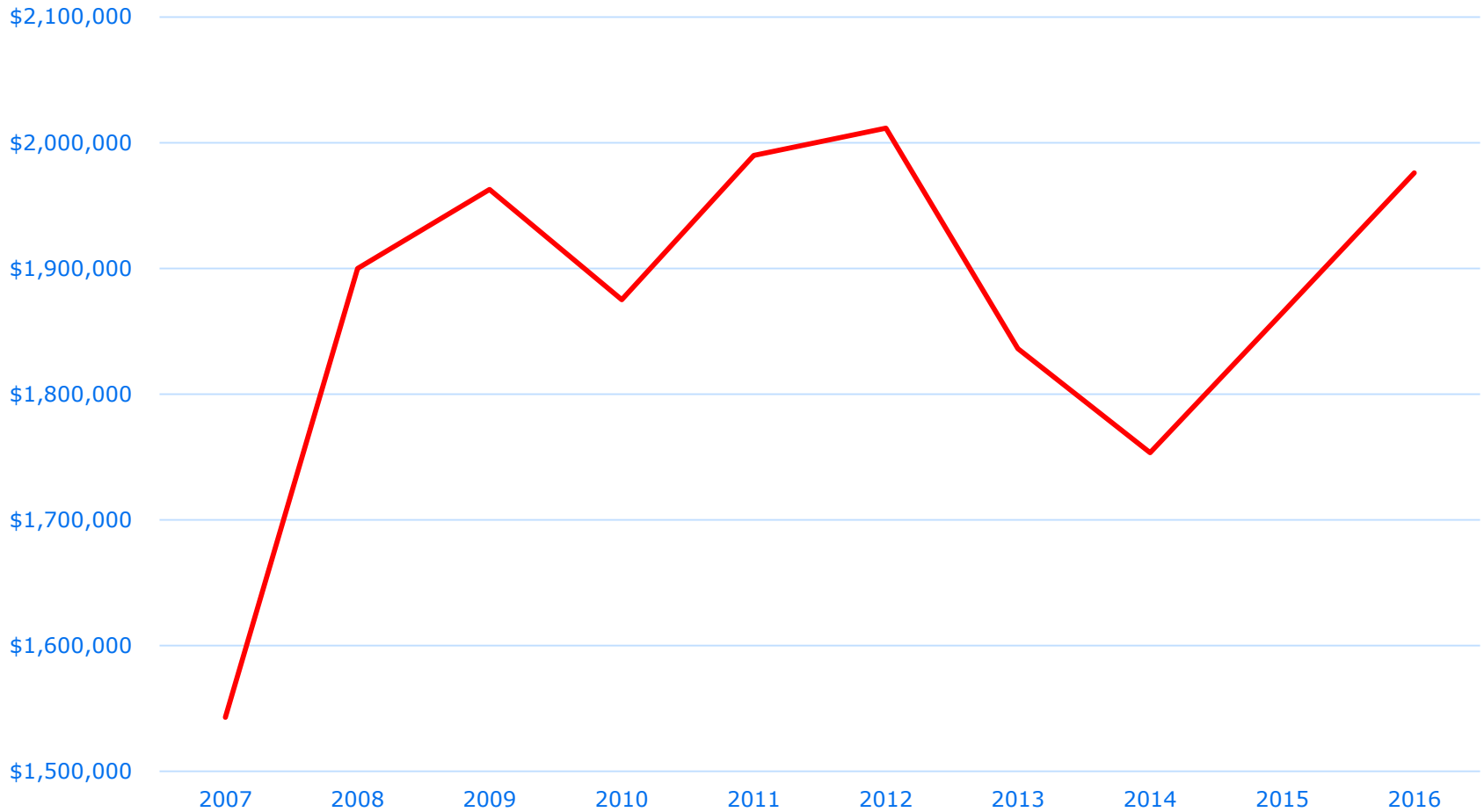
# Retirement System Costs



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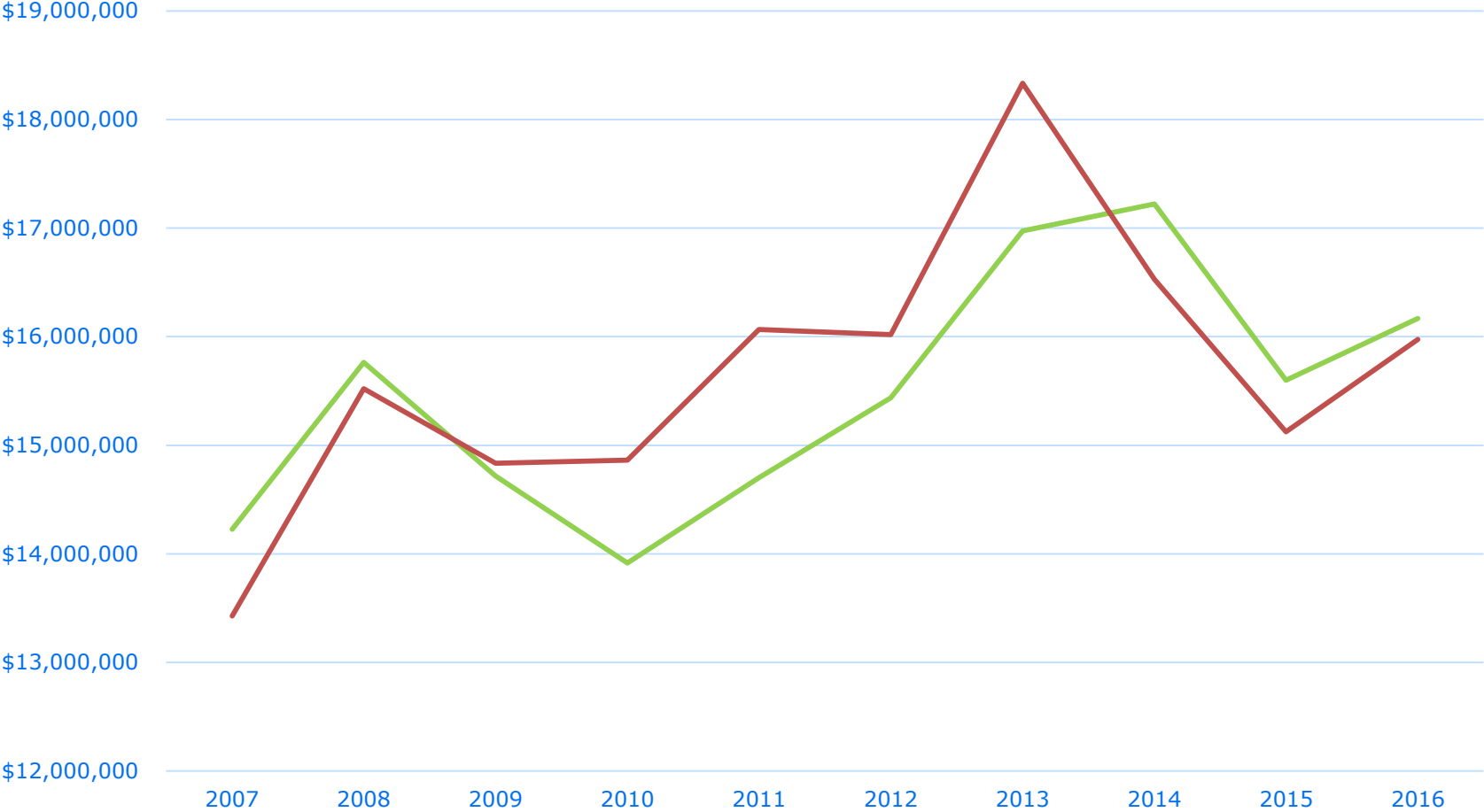


# Debt Costs



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# Revenues vs. Expenditures



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# From Vision to Execution

2017 Investment  
Program  
Recommendations

# The Team Approach

- As noted, the initial deficit between projected revenues and spending requests amounted to over \$500,000
- Department heads continued an intensive cost management and revenue diversification engagement series
- The City's Management Team utilized a triple-bottom line evaluation process to ensure that cost increases can be justified
- Ultimately, multiple gap closing measures were employed to meet revenue objectives while addressing core values

**Beautiful**

# Park Improvements

- Since 2016, City Council has committed annual installments toward improvements to neighborhood parks.
- Neighborhood park improvements have been executed at Richards and Neider Parks
- In 2017, final upgrades to Richards and Neider are underway, as is design for improvements to Jefferson park. Jefferson Park construction will commence later this year and run into 2018
- Additional funds have been recommended in the 2018 budget to address final improvements to these parks and new upgrades to Ridgewood and Washington Street parks

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# Marina Development

- In 2016, the City was awarded funds to support the design of a marina along the lakefront.
- The design process is underway, with schematic and construction level design in progress, and business feasibility analysis underway. Final plans are expected this fall.
- DRI funds have been awarded to support marina construction. The 2018 capital plan calls for a match to these funds to support extension of Long Pier in anticipation of marina construction
- The facility is expected to open in 2019

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# Enhanced Lakefront Maintenance

- As improvements to the lakefront are executed, it is critical that preventative maintenance efforts be increased and sustained
- In 2017, staff deployed a team charged strictly with maintenance and care of lakefront assets
- For 2018, this team will be deployed for the full season, with crews coming online in mid-April and working through early fall
- Crews will be charged with ensuring that the lakefront has a crisp, polished look; and that all amenities remain functional and attractive

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**Equitable**

# Foundry Neighbor Support

- In 2017, City Council committed resources to support quality of life preservation for residents of the neighborhoods surrounding the former Geneva Foundry
- Staff was deployed to conduct information gathering to determine what programming would be most impactful for impacted residents
- Nutritional support was also provided via funding for fresh produce from the Geneva Farmers Market and Curbside Market
- For 2018, these programs will be refined, and new programs deployed in alignment with resident feedback

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# Community Compact Execution

- In 2017, staff participated in the renewal efforts for the Community Compact; a framework designed to improve relationships between the City and the communities of color
- The Compact calls for several investments by the City, including the training of community mediators and the equipping of volunteers to support reconciliation of police personnel complaints
- In partnership with the Community Compact Steering Committee, the 2018 budget calls for allocation of resources to support these efforts.

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# Human Rights Commission

- The Geneva Human Rights Commission is ramping up efforts to ensure that the Board is fully staffed and geared to support the City's diversity and inclusion goals
- In 2018, staff recommends funding to ensure appropriate staff support to the Commission, and to provide for safe, accessible space for the Commission to engage with stakeholders
- A City staff person will be assigned to the Commission and space has been identified at the Geneva Enterprise Development Center to support Commission operations

**Prosperous**

# Economic Opportunity

- In 2017, staff established a partnership with Tools for Social Change to engage in an information gathering effort to gain information on poverty conditions in Geneva
- TSC developed an effort entitled “Let’s Talk Economic Opportunity,” which is set to be deployed this fall
- Funds have been allocated to expand and complete this effort in 2018
- Information gathered in the effort will be used to support the development of a framework for an Economic Opportunity Task Force and future economic opportunity programming

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# Entrepreneurial Ecosystem

- Since 2016, staff has executed policy support and infrastructure development for the creation of a network of assets to support entrepreneurs in Geneva
- In late 2016, the City's first co-working venture, Port 100, opened, and is near capacity
- In 2017, City Council allocated funds for the development of the Finger Lakes Food Innovation Center, which opened earlier this summer.
- Funds have been allocated in the 2018 budget to support operations of these two facilities, which largely are supported by user fees and grant funding

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# Operational Sustainability

- Staff recognizes that, in order to ensure that our community can be prosperous, we must create financial stability in the organization that minimizes cost impacts to taxpayers
- For the third consecutive year, the tax rate has remained flat, while the City has contributed to its fully-funded undesignated reserves
- Additionally, staff has recommended full funding for allocations to the Equipment Replacement Program to ensure that cost spikes resulting from equipment repair or replacement are minimized through amortization

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**Connected**

# Routes 5 and 20 Improvements

- Since 2010, the taming of Routes 5 and 20 to provide greater connectivity between downtown and the lakefront has been a priority for Council and the community
- Governor Cuomo identified a “road diet” project for Routes 5 and 20 between Elizabeth Blackwell and Lake Street as part of the DRI Strategic Investment Plan
- Funds have been allocated for a match to this allocation. Design will commence in 2017, with construction beginning in late 2018

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# Five-Points Intersection

- The intersection of Castle, Main, and Milton Streets has been identified as a major barrier to connectivity between north and west neighborhoods and downtown for pedestrians and cyclists
- Staff submitted an improvement project to support pedestrian and cyclist driven improvements, as well as enhancements to parking for the library as part of the DRI process
- The project has been approved, and funding is included in the budget recommendation for matching funds.
- Design will commence in 2017, with construction beginning in 2018

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# Wireless Network

- As part of the 2017 capital improvement plan, staff deployed an enhanced wireless network, covering downtown and the lakefront
- The project was completed this summer, and coverage has been dramatically enhanced
- Funds are included in the 2018 budget to support continued coverage, in anticipation of a DRI-funded expansion in 2019

**Sustainable**

# Sustainability Team

- In 2017, significant staff allocations were made to support sustainability in city operations
- Throughout this year, the Sustainability Team has supported the Green Committee in Climate Smart Communities strategy execution, LED street lighting implementation, and the development of sustainable operations policies
- For 2018, staff will continue to support the Green Committee to advance us toward our Climate Smart Communities goals and execution of projects to be funded by the County's sustainability incentive programming

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# Resource Recovery Park

- The DEC and EPA are in their final review of the City's necessary permitting for the composting of wastewater sludge
- In 2017, staff has developed a business and site plan for the development of food waste and other recycling efforts on the site of the current transfer station
- Infrastructure improvements, including drying and staging will be implemented in 2018 to support a larger reclamation and repurposing effort
- County sustainability funds and public-private partnerships will be used to support operations

# TBL Execution

- In 2017, City Council endorsed the triple bottom line management philosophy, which identifies true sustainability as:
  - Ensuring that our efforts have a positive economic effect on the community and organization
  - Identifying opportunities to advance social objectives and tailoring programs to ensure social impact
  - Ensuring that there is no negative impact to the environment, and optimally improving environmental conditions
- Software has been acquired to support performance measurement and reporting on progress toward these objectives
- Staff will develop monthly reports to City Council on TBL implementation
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# Partner Agency Funding

<u>Partner Agency</u>	<u>Proposed Funding</u>
Technology Farm	\$15,000
Smith Center for the Arts	\$11,000
Business Improvement District	\$27,400
Detailing Downtown	\$23,500
Boys and Girls Club	\$17,000
FLTV	\$15,250
Human Rights Commission	\$ 5,650
Center of the Finger Lakes	\$ 5,000
Geneva Historical Society	\$13,000
Geneva YMCA (Seniors)	\$18,000
Geneva Music Festival	\$ 2,500
Finger Lakes Youth Sports	\$ 1,000



# Bricks and Mortar

2018 – 2022  
Capital  
Improvement Plan

# Capital Plan

- In accordance with Council's adopted Capital Improvement Policy, staff has developed a five-year forecast of projects, costs, and funding recommendations
- The plan calls execution of DRI-funded infrastructure projects, park improvements, and street upgrades
- It also calls for improvements to water and wastewater collection and distribution systems

# 2018 Projects

<u>Project</u>	<u>Cost</u>
Lakefront Improvements Phase IVa	\$1,500,000
North Main Street Rehabilitation	\$ 300,000
Five Points Intersection Upgrades	\$1,300,000
Mason Street Water Main	\$ 350,000
Routes 5 and 20 Improvements	\$4,400,000
Street Resurfacing—Various Streets	\$ 275,000
Parks Master Plan Implementation	\$ 175,000
<u>Sanitary Sewer Lining</u>	<u>\$ 200,000</u>
<i>Total:</i>	<i>\$8,500,000</i>

# 2018 Project Funding

<u>Funding Source</u>	<u>Amount</u>
State Funding (CHIPS/DRI)	\$3,875,000
Bonded Indebtedness	\$4,425,000
General:	\$4,175,000
Water:	\$ 250,000
Cash (Sewer)	\$ 200,000

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# 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 2018 is \$275,909, an \$29,000 increase from 2017.
- This will result in an increase of the workers' compensation millage of seven cents per \$1,000 of assessed value

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# 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 not exceed the statutory cap. However, due to the close proximity of the levy to the cap, and the heavy penalties associated with violations, staff recommends a precautionary override
- This will be presented by separate local law, requiring a 2/3 vote of City Council

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# Format Updates

- At Council's request, additional information was included in the document, including:
  - Expanded compensation and benefits schedule, featuring all positions and their respective base salary and other benefits
  - Detailed summary of all debt instruments and their respective projects
  - Overview of fund balances for all funds



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# Questions?

Full budget document available on 8/31 at  
[www.cityofgenevany.com](http://www.cityofgenevany.com)