



2025 Budget Workshop Session

October 9, 2024 Notes

The budget work session process allows the council the opportunity to have questions addressed by staff in an informed manner. The questions raised were provided prior to the meeting, although follow-up questions on tonight's questions are expected. Any new questions about different topic areas or departments should be addressed in future meetings. Council members may also make motions to amend the budget at any time following typical procedures. All modifications are not finalized until the budget is adopted.

The next budget work session will be on October 16 and questions/motions should be received by October 11. Department of Public Works questions will be held until October 23 due to scheduling conflicts.

Information on the proposed budget:

- 2024 Adopted Budget: \$19,503,229
- 2025 Proposed Budget Amount: \$22,300,361
- Total budget increase from 2024 budget to 2025 proposed is 14.34%

- 2024 Adopted Tax Levy: \$8,428,873
- 2025 Proposed Tax Levy: \$10,160,898
- Tax Levy increase from 2024 budget to 2025 proposed is 20.54%

- 2024 Adopted Tax Rate: \$17.26
- 2025 Proposed Tax Rate: \$13.97
- Tax Rate decrease from 2024 budget to 2025 proposed is 19.06%

- Amount of funding being utilized from the Fund Balance in the proposed 2025 Budget: \$924,500
 - Safety Coordinator for 3-year cycle \$85,000
 - All one-time maintenance expenses in Buildings and Grounds - \$839,500

- Senior Exemption Resolution takes effect on 2025 roll for 2026 City budget

October 9, 2024

Responses to questions:

1. If the council is to look to remove funding from the budget to change to 5% levy growth what would need to be removed from the budget? What would this do to the tax rate?
 - a. The 2024 tax levy was \$8,428,873. A 5% increase would be \$421,444. Making the 2025 levy \$8,850,317.
 - b. This would be a reduction from the proposed 2025 budget of \$1,310,581.
 - c. The new tax rate would be \$12.16 per \$1,000.
2. Where can we look to see areas to reduce the budget?
 - a. The proposed budget was crafted with a focus on catching up on maintenance and other efforts. We have not reached a place where we are proactively working towards future efforts or introducing new offerings. Reductions may reduce the speed of work/services that can be done.
 - b. In each departmental budget breakdown, the notes outline large variances and purchases between years. These are recommended areas for reviewing and re-establishing.
 - c. For example, looking at the City Council budget, there is an increase in the line 1210.4046. In the notes you can see that this increase was provided to give the council funding for specialty projects. This would be an area that would be recommended for review.
3. What would the reduction be to the proposed budget if we did not surpass the property tax cap? Tax cap calculation is on page 89.
 - a. The proposed tax levy is \$10,160,898. The tax cap limit is \$9,852,787.
 - b. This would mean a reduction in levy by \$308,111.
 - c. The tax rate would be \$13.54 per \$1000
 - d. If we stay below the cap there are minimal challenges to not having the override in place. The reason we would pass the override is to ensure that if we are under but close to the cap that we are okay.
4. What did the Senior Exemption do to the budget?
 - a. The senior exemption is for the 2025 tax roll which will take effect in 2026. This will NOT have an impact on the 2025 budget. It impacts the total assessed taxable value on the 2025 roll.
5. What has been the growth of the tax levy over the past ten years?
 - a. 2014 - \$6,509,889 --> 2024 - \$8,428,873
6. Why is there such a large increase in the Public Works 7110 budget on page 60?
 - a. Building Maintenance for specific buildings has been moved from other parts of the budget to Buildings & Grounds. These costs are all one-time funded and are proposed to come from fund balance (inter-fund transfer).
7. What would the % change of the budget be if we added the Community Engagement Coordinator to the proposed budget?
 - a. The estimated cost of the Community Engagement Coordinator is \$95,000 for 2025.
 - b. The new levy amount would be \$10,255,898.
 - c. The tax rate would be \$14.10 per \$1,000

- d. Change to overall proposed budget is 0.42%; change to proposed levy is .93%
8. What is the estimated fund balance expected to roll over in 2025? As of 10.9.2024 the balance will be:

- a. General Fund - \$4,245,582
- b. Water Fund - \$1,020,471
- c. Sewer Fund - \$1,262,400

Remember this is a fluid number and may change if there was a need to utilize fund balance.

9. What are the top five spending increases? Overall? Levy Related?
- a. Page 5 – Expenditure Breakdown is a good place to review changes then look at the department notes.
 - i. Increase in salary and benefits - The total increase in employee benefits is \$746k (page 12 of budget). There is a \$475k increase in salaries which also includes new staff for 2025, more on staffing below.
 - ii. Increase in costs of doing business – The overall costs for day-to-day materials like salt, machinery, etc. as well as technology for police, fire, entire city is up by 12-20%.
 - iii. Continuing to catch up on building maintenance/infrastructure maintenance
 - 1. Road repairs with replacing lines underneath roads
 - 2. Repairs to facilities like roof repair, replacing gazebo, etc.
 - iv. Equipment costs up \$400k due to new replacement vehicles, Salt Truck, Bucket Truck, Asphalt Roller
 - v. Animal control – while not a top 5 increase; this is an imposed increase that nearly doubles the previous allocation

10. Where are new staff positions located?

- a. Additional 1.5 FTE proposed for 2025
- b. 1 FTE in DPW as Administrative Assistant
- c. .5 FTE in ITS for Network Analyst (this will be a full-time position, shared with Canandaigua)
 - i. For the IT contract we are fully responsible for 2FTEs in 2024 and then are reimbursed for 1 FTE or ½ of the Director and ½ of the Analyst time; if we move forward with this position our 2025 budget will show 3FTEs and we will receive reimbursement on ½ of the director and ½ of each analyst's time.
- d. The Safety Coordinator will continue from 2024 but is funded with fund balance \$ (one-time funding, does not increase levy).
- e. Other position changes include the Grants Coordinator being fully in PED, this was previously shared with Assessor/Finance. This is now partially funded by grants in addition to local funding.
- f. The .5 for the Assessor continues in the new shared arrangement with Canandaigua.
 - i. The 2024 Assessor contract is similar to the IT contract where we pay for the full salary and are reimbursed for ½ of the salary. For 2025, the clerk will

remain a Canandaigua employee and will be paid for out of the extra help line.

11. Where did ONI go?

- a. Planning and Economic Development is now the overarching department for ONI. The budget code for this department remains 8689.

Motions

1. **Motion** to add in Comprehensive Plan Update for 2025 - \$75,000 in City Manager's Budget – **Valentino**
 - a. This would be a one-time request with the full amount coming from fund balance
2. Withdrawn - **Motion** to add in Performance Management Software and Training for 2025 - \$55,000 in City Manager's Budget – **Valentino**
 - a. This would be an initial cost to set up the software to come from fund balance. There may be recurring costs for software maintenance to not exceed \$10-15k per year.