



OFFICE OF THE MAYOR

Jacqueline M. Izzo, Mayor

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BUDGET MESSAGE FY 2018

President Viscelli, Members of the Council, Ladies and Gentlemen:

Tonight our administration submits the proposed fiscal year 2018 spending plan. I would first like to thank our department heads in leading the effort to assist us in identifying the most important items required to continue to provide services, while also showing a willingness to hold the line on expenditures. Additionally, all of our departments have been working together very well to share equipment and services resulting in a much more cooperative work environment and finding creative ways to get things done more efficiently resulting in overall savings, and we thank them for bringing us their ideas to better utilize resources.

The three most important revenue sources in any municipal budget are property tax, Aid and Incentives for Municipalities (AIM) funding and sales tax. Our general city assessment roll has increased \$6 million dollars. The amount of property tax levy available to us for fiscal year 2018 is \$15,672,316 to remain in compliance with the mandated NYS 2% Tax Cap. The actual budget Property Tax Levy is \$15,267,813 resulting in the 2018 budget being \$404,503 below the mandated 2% Tax Cap. The sales tax is trending very nicely, as of September it was 4.43% ahead of the 2017 budget forecast combined state and county sales tax of \$9,240,000. Although we are very pleased with this development, we are still going to be conservative with our 2018 budget forecast of \$9,614,560, which increases approximately \$375,000 for 2018. AIM funding remains \$9,083,340 stagnant since 2008-2009. Payments in lieu of taxes (PILOTS) is up \$107,000. Debt service decreases \$309,000 as a result of refinancing.

Unlike the process of building the 2017 budget where we had to fill funding gaps first from revenue that did not materialize in 2016, in preparation for 2018 we were able to better estimate revenue providing more accurate forecasting during the 2018 budget process. We are still not comfortable in predicting potential revenue from the two solar projects as we have not had a year's worth of credits to actually compare to prior years so this budget will once again not show any potential revenue from solar until we can concretely show accurate potential savings. However, we are instituting an LED lighting replacement program in cooperation with ACE Hardware throughout City Hall that will result in considerable savings to the City Hall electrical bill. Therefore, we chose to leave this line item steady for 2018 without any anticipated increases.



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Throughout this year with the assistance of our Purchasing Agent Logan Fournier, we have instituted procedures to better scrutinize purchasing practices, which has resulted in a net savings of almost \$21,000 throughout all our departments helping us to build out toward the 2018 budget.

We were able to realize more revenue back to the city by taking a hard look at some contracts, such as the cell tower agreement you will be considering later this evening. This contract will generate over \$1.3 million for the life of the contract with 20% of new revenue realized on any subcontract of space on the tower back to the city's coffers.

Healthcare is always a major area of concern in any municipal budget. In the case of the City of Rome, the one constant criticism I have heard since taking office was the retirees move to the Humana Healthcare plan. Further complicating this issue over the past year was Slocum-Dickson's decision to no longer honor Humana insurance throughout their practice. This obviously caused a great deal of consternation for our retirees. We have heard your concerns and I am happy to report that we will be moving our retiree healthcare to the United Healthcare, the largest insurance company in the country. All coverages will remain the same, but we will also be improving the provider network, as United Healthcare's is much larger, and providing a more robust pharmacy program through UHC. We have also verified that UHC's network includes the Slocum-Dickson Medical Group. This will also result in a net \$111,284 savings in premium cost to the City.

Beginning January 1, 2017, we instituted Telemedicine to our City health plan. To date, our projected annual savings with this program for the first year is \$150,000. We look forward to this service growing in 2018.

Budgets are also about making tough decisions. For instance, in 2017 with a number of planned retirements in the Fire Department we collectively, with the Union, decided to look at staffing levels. Thus, we made a decision to vacate 6 positions in the last contract. Those staffing changes took effect in 2017 and going forward to 2018 our annual projected savings is approximately \$300,000.

This budget will also reflect some personnel changes. With the situation that exists at the Liberty/George St. parking garage along with a deep look into actual Parking Authority revenue throughout 2016 and 2017, the Parking Authority will be reduced to 2 employees, one Transit Union employee and one 1088 employee, for a net projected savings of \$56,640. Other than parking permit income, our annual net incremental income in both garages was less than \$1000.



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We will also be eliminating our cleaning services contract for City Hall with our outside vendor NYSID and Human Technologies Corporation for a net savings of approximately \$19,000. We will instead utilize our existing building maintenance staff and employ one afternoon/evening part-time cleaner.

We also took a very hard look at spending in the area of Information Technology, one of the largest line items in the budget. Along with our vendor MA Polce, we reexamined our computer replacement schedule, network hardware upgrades, annual software licensing, maintenance contracts and continued improvements to our overall network infrastructure in an effort to streamline costs to operate more efficiently and economically. Our results are impressive as we were able to identify savings of approximately \$114,000.

Upgrades are ongoing at our Wastewater Treatment Plant and Phase 2 of our water expansion project is almost complete. Our water and sewer funds, while still very strong, will require slight increases in 2018 of 3.5% for sewer and 7.5% for water users as we continue to improve both systems and comply with new regulatory requirements.

Our relationships with our colleagues in government, county, state and federal, have never been better. Their willingness to assist the city with grant funding allows us to continue making improvements to city owned facilities and infrastructure that we could not otherwise afford. We are also involved in many shared services initiatives with our neighboring municipalities, county and state governments that allow us to access equipment and services that we would otherwise have to fund on our own. In the midst of the budget review process, some of our departments have been right sized and better positioned for growth, such as engineering and community and economic development who are in a much better position to continue monitoring our many ongoing projects as well as the future Downtown Revitalization Initiative.

Obviously, the community is very excited, as are we, with the Governor's announcement that the City of Rome would receive \$10 million dollars in Downtown Revitalization funding. We look forward to working with the Department of State and Bergmann Associates to implement the revitalization projects outlined in our winning DRI application.

Our City is certainly moving forward quickly with many exciting projects on the horizon, and I am most pleased to announce that going into 2018 with all the savings identified and more efficient workflows in place, that we will have a 0% tax increase.

Thank you, and God Bless our great City of Rome.