



RICK RECTOR
MAYOR

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MAYOR'S OFFICE
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HUDSON, N.Y. 12534

MEMORANDUM

TO: Common Council President and Members of the Common Council

DATE: November 7, 2019

On Behalf of the Board of Estimate and Apportionments made up by myself, the President of the Common Council and the City Treasurer, I present you with the proposed 2020 Budget for the City of Hudson. This budget was developed with the goal of providing maximum benefit to all while maintaining the financial health and well being of the City and minimizing financial impact to taxpayers.

OVERVIEW

Each department within the City of Hudson presents a proposed budget to the BEA via a series of meetings and each department is responsible for accurately estimating both the revenues and expenditures based on current year plans and actuals that have been adjusted to date.

There are several mandated annual expenses that the BEA has no control over that impact the budget--- increases in insurance, wages, health care, interest payments, etc. Some notable ones are:

- | | |
|----------------------|--|
| Health Care: | The cost of Health care allocated to the General Fund is down TY vs LY by 5.8% (decrease) due to better allocation across funds. However, this resulted in a \$89.6 or 34.8% increase in the transfer to the Cemetery fund to cover its health care expense. |
| Wages: | Personal services increases of \$66.2 or 1.27%. This reflects the CSEA contractual increase of 2.5% which we also extended to permanent part-time employees. The increase was offset by DPW wages down due to retirement and other personnel changes. Last year wages increased \$260.4 or 4.6% over 2018 with much of it from the minimum wage increase of part time employees to a standard of \$15.00 hourly. |
| Workers Comp: | Increased \$31.1 over last year or an increase of 23.2%. |

Revenue/Expenses

Finding new sources of revenues should be the continued goal of all city officials. The 2020 proposed budget is \$11,945.8 or a 2.28% increase over last year to provide for a balanced budget.

Noted revenue contributions to the 2020 proposed budget:

Lodging Tax: \$60.0 or a 21.4% increase over 2019.

Sales Tax: \$200.0 increase or an approximate 11.8% increase over 2019.

Parking: on/off street parking-\$25.0 increase over TY or a 17.2% increase.
Parking tickets-\$35.0 increase or a 11.1% increase over TY.

Expenditure Breakdown by Department (Includes wages):

	2019 original	Adjusted 2019	Actual YTD	Proposed 2020	Proposed vs. Original 2019
TOTAL EXPENDITURES	\$11,679,799	\$13,016,157	\$8,228,357	\$11,945,838	\$266,039 2.3%
TOTAL DEPT. EXPENSES	6,800,232	7,874,191	5,283,376	6,922,349	122,117 1.8%
Common Council	126,246	185,746	111,352	137,113	10,867 8.6%
Mayor	132,720	159,880	104,499	133,440	720 0.5%
Treasury	222,632	230,232	182,152	252,086	29,454 13.2%
Assessment	36,250	41,750	33,610	36,250	0 0%
City Clerk	202,777	202,777	152,258	209,315	6,538 3.2%
DPW	1,904,121	2,667,253	1,381,073	1,978,687	74,566 3.9%
Police	3,073,681	3,094,181	2,333,533	3,007,421	(66,260) -2.2%
Parking	185,237	185,237	125,927	199,395	14,158 7.6%
Fire	236,173	307,347	244,697	243,000	6,827 2.9%
Code Enforcement	132,563	132,563	105,364	137,492	4,929 3.7%
Youth	540,832	657,225	502,056	580,150	39,318 7.3%
Seniors	56,312	61,773	44,806	63,212	6,900 12.3%
Total Non-Departmental	913,997	1,129,435	545,247	969,296	55,299 6.1%
Total Benefits	3,048,594	3,007,594	1,674,181	3,045,066	(3,528) -0.1%
Total Debt Services	603,069	603,069	439,111	598,754	(4,315) -0.7%
Total Interfund Transfers	57,595	312,595	240,000	347,161	89,566 34.8%
REVENUES-EXPENDITURES	(429,348)	(1,015,831)	451,644	(353,900)	
Use of Fund Balance	439,348	1,015,831	-	353,900	

FUND	DEPT	ITEM	PROJ	ACCOUNT NO	ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2019	ADJUSTED BUDGET 2019	ACTUAL TO DATE	RECOMMEND STAGE 2020	RECOMMENDED VS ORIGINAL 2019
TOTAL REVENUES						\$ 11,250,451	\$ 12,000,326	\$ 8,680,000	\$ 11,591,938	\$ 94,487 3.04%

FUND	DEPT	ITEM	PROJ	ACCOUNT NO	ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2019	ADJUSTED BUDGET 2019	ACTUAL TO DATE	RECOMMEND STAGE 2020	RECOMMENDED VS ORIGINAL 2019
TOTAL EXPENDITURES						\$ 11,679,799	\$ 13,016,157	\$ 8,228,517	\$ 11,945,838	\$ 266,019 2.3%
Total Departmental Expenses						\$ 6,800,292	\$ 7,874,191	\$ 5,283,376	\$ 6,922,349	\$ 122,117 1.8%
Common Council						\$ 126,246	\$ 185,746	\$ 111,352	\$ 137,113	\$ 10,867 8.6%
Mayor's Office						\$ 132,720	\$ 159,880	\$ 104,499	\$ 133,440	\$ 720 0.5%
Treasury						\$ 222,692	\$ 230,232	\$ 182,452	\$ 252,086	\$ 29,454 13.2%
Assessment						\$ 36,250	\$ 41,750	\$ 39,610	\$ 36,250	\$ - 0.0%
Grand Total - City Clerk						\$ 202,777	\$ 202,777	\$ 152,258	\$ 209,315	\$ 6,538 3.2%
City Clerk						\$ 181,043	\$ 181,043	\$ 138,709	\$ 187,401	\$ 6,358 3.5%
Records Management						\$ 250	\$ 250	\$ 33	\$ 250	\$ - 0.0%
Animal Control						\$ 12,700	\$ 12,700	\$ 7,572	\$ 12,700	\$ - 0.0%
Registrar						\$ 8,784	\$ 8,784	\$ 6,144	\$ 8,964	\$ 180 2.0%
Grand Total - DPW						\$ 1,904,121	\$ 2,667,253	\$ 1,381,073	\$ 1,978,687	\$ 74,566 3.9%
DPW Admin						\$ 99,994	\$ 94,994	\$ 69,342	\$ 83,485	\$ (10,559) -11.2%
Buildings						\$ 99,096	\$ 141,048	\$ 102,983	\$ 137,070	\$ 38,034 38.4%
Buildings (Historical)						\$ -	\$ -	\$ -	\$ -	\$ - #DIV/0!
Electrical						\$ 11,000	\$ 11,000	\$ 6,190	\$ 11,000	\$ - 0.0%
Street Maintenance						\$ 807,985	\$ 918,112	\$ 635,647	\$ 829,608	\$ 21,518 2.7%
Chilps						\$ 195,063	\$ 605,989	\$ -	\$ 195,063	\$ - 0.0%
Snow Removal						\$ 105,000	\$ 120,000	\$ 96,006	\$ 125,000	\$ 20,000 19.0%
Lighting						\$ 193,000	\$ 193,000	\$ 151,573	\$ 193,000	\$ - 0.0%
Parks						\$ 96,389	\$ 276,458	\$ 95,710	\$ 103,731	\$ 7,338 7.6%
Waste Collection						\$ 281,150	\$ 281,150	\$ 203,657	\$ 279,285	\$ (66,260) -23.6%
Street Cleaning						\$ 28,500	\$ 35,500	\$ 26,883	\$ 29,500	\$ 1,000 3.5%
Grand Total - Police						\$ 3,073,681	\$ 3,094,181	\$ 2,333,593	\$ 3,007,421	\$ (66,260) -2.2%
Police						\$ 3,073,681	\$ 3,094,181	\$ 2,333,593	\$ 3,007,421	\$ (66,260) -2.2%
Contingent						\$ -	\$ -	\$ -	\$ -	\$ - #DIV/0!
Parking Bureau						\$ 185,297	\$ 185,297	\$ 125,927	\$ 199,395	\$ 14,158 7.6%
Grand Total - Fire						\$ 236,173	\$ 307,347	\$ 244,697	\$ 243,000	\$ 6,827 2.9%
Fire Department						\$ 236,173	\$ 307,347	\$ 244,697	\$ 243,000	\$ 6,827 2.9%
Contingent						\$ -	\$ -	\$ -	\$ -	\$ - #DIV/0!
Grand Total - Code Enforcement						\$ 132,563	\$ 132,563	\$ 105,364	\$ 137,492	\$ 4,929 3.7%
Code Enforcement						\$ 132,563	\$ 132,563	\$ 105,364	\$ 137,492	\$ 4,929 3.7%
Contingent						\$ -	\$ -	\$ -	\$ -	\$ - #DIV/0!
Grand Total - Youth						\$ 540,892	\$ 657,225	\$ 502,056	\$ 580,150	\$ 39,318 7.3%
Youth Department						\$ 540,892	\$ 657,225	\$ 502,056	\$ 580,150	\$ 39,318 7.3%
Contingent						\$ -	\$ -	\$ -	\$ -	\$ - #DIV/0!
Senior Center						\$ 56,312	\$ 61,773	\$ 44,806	\$ 63,212	\$ 6,900 12.3%
Total Non-Departmental						\$ 913,997	\$ 1,129,485	\$ 545,247	\$ 969,296	\$ 55,299 6.1%
Total Benefits						\$ 3,048,594	\$ 3,007,594	\$ 1,674,481	\$ 3,045,066	\$ (3,528) -0.1%
Total Debt Service						\$ 603,069	\$ 603,069	\$ 439,110	\$ 598,754	\$ (4,315) -0.7%
Total Interfund Transfers						\$ 257,595	\$ 312,595	\$ 240,000	\$ 347,161	\$ 89,566 34.8%

REVENUES - EXPENDITURES (429,348) \$ (1,015,831) \$ 451,644 \$ (353,900)

Use of Fund Balance 429,348 \$ 1,015,831 \$ - \$ 353,900

(REVENUES + USE OF FUND BALANCE) - EXPENDITURES - \$ - \$ 451,644 \$ -

General

Many assume that the tax cap is set at 2%, the maximum allowable, however, the annual tax cap is actually determined by using a complex, multi-step calculation. The maximum allowable tax increase for 2020 is 3.8%. We are pleased to present the attach proposed 2020 budget that reflects a 3.46% tax increase. It is the BEA's belief that the proposed 2020 budget will continue to provide significant improvements across City of Hudson departments.

The 2020 budget reflects \$353.9 to be taken from the Fund Balance to achieve a balanced budget, which is the maximum allowable under the city's Fund Balance policy. This is a reduction of \$75.4 or -17.6%. from last year's usage of \$429.3.

	2019	2020
Tax Increase	3.0%	3.46%
Expense Increase	4.6%	2.28%
Use of Fund Balance	\$429.3	\$353.9
Est. Mill Rate	12.96	7.55

I, along with Council President Tom DePietro and City Treasurer Heather Campbell would like to extend our thanks and gratitude to the departmental heads for their hard work, thoughtfulness and flexibility throughout this process. Please do not hesitate to reach out to any of us with questions, comments, etc.

Many thanks for your time, consideration and dedication to the City of Hudson