Good evening Common Council and President,

As we look ahead to the coming fiscal year, I'm pleased to present a budget that reflects our city's commitment to fiscal responsibility, balanced growth, and prioritizing the needs of our community. This budget acknowledges the challenges we face, particularly in areas like benefits and debt obligations, but it also celebrates our successes and highlights the many strategic decisions we are making to build a stronger, more resilient future. I would like to thank my fellow members of the BEA Treasurer Heather Campbell and President Tom Depietro.

First, it's worth noting that costs for mandatory benefits such as retirement, workers' compensation, health insurance, and social security have continued to rise—an increase of over $275,000 from last year alone. Over the past three years, we've seen these costs grow by more than $935,000, a substantial number that underscores how important it is to plan wisely. While healthcare costs have risen almost 10% and retirement benefits are up 15%, these benefits are essential to attracting and retaining the talented, dedicated workforce that serves our city each day.

We are also honoring our contractual commitments to employees, with fair and reasonable increases to reflect the hard work and dedication they bring to our community. Departments such as HPD are seeing an increase to support an additional officer, which will help us better serve and protect our residents. We have started conversations with the county's office of aging in order to improve our Senior Services.

Our ongoing investments in infrastructure also play a key role in this budget. Debt service has increased as we continue to make vital capital investments to improve city services and facilities. These projects include LED streetlight replacements, a new ladder truck for our fire department, ADA improvements to City Hall, and continued work on major projects like the Ferry Street Bridge. These are essential steps toward building a safer, more sustainable, and accessible city for everyone.

We're also pleased to announce that we've identified new revenue sources to help offset rising expenses. These include modest growth in lodging and cannabis tax revenue. For those unfamiliar, cannabis tax revenue is distributed with 9% going to New York State and 4% to localities, with 25% of the local share allocated to the county and 75% to the municipality where the sale occurred. Alongside this, we anticipate additional revenue from increased building permits and property sales. Additionally, by adjusting certain fees, such as those for parking and waste bags, we're able to more effectively balance our revenue streams in a way that aligns with our community's needs.

We've implemented small adjustments to certain fees to better balance our revenue streams while keeping taxpayer costs as low as possible. For instance, there will be a slight 50-cent increase per bag for waste disposal, and parking meter rates will rise by 50 cents per hour. These adjustments, along with a 10% overall increase in parking ticket fees, will help support essential city services without placing a large burden on any single group of residents. Aligning with prices from cities similar in size to Hudson.

Importantly, to minimize the tax impact on our residents, we are leveraging over $800,000 from the city's fund balance. This prudent decision allows us to lower the tax increase from the cap of 2.369% to a much more manageable 1.5%. We know that every dollar matters, and by making these adjustments, we're ensuring that our residents feel the smallest possible impact while enabling the city to meet rising costs and fulfill our obligations.

Overall, this budget reflects our commitment to careful, thoughtful planning in a challenging economic landscape. It represents a balance between meeting today's needs and preparing for tomorrow's demands. I'm confident that with these strategic decisions, we're positioning our city for continued success, stability, and growth.

Thank You

Mayor Kamal Johnson