

MAYOR'S BUDGET MESSAGE

April 1, 2014

I am pleased to present the FY 2014/15 Proposed Budget for consideration by the City of Amsterdam Common Council and its citizens. As the economy slowly improves from the worldwide recession that began in 2008/09 and problems of record keeping in the Controller's office are finally being addressed, the City is substantially stronger for all of its struggles.

The FY 2014/15 Proposed Budget funds everything from law enforcement services to recreation programs to street maintenance. Over six years, the city has aggressively pursued measures to improve the quality of life in our neighborhoods and fight the effects of time on infrastructure and property. We strive to treat our employees fairly while seeking fiscally responsible efficiencies at all levels of government. This document is the result of a great commitment to what is best for our residents and the future of our community.

Of particular note in the FY 2014/15 Proposed Budget:

- The real property tax levy remains under the state mandated property tax cap, coming in at 1.85%. Since this cap was put in place three years ago, we have never exceeded the cap.
- Utility fees are under the self-imposed 3% cap with the exception of commercial and industrial metered water, which is still billed at a rate that is lower than the rate charged to flat rate residential users.
- Health insurance costs are flat, as are liability insurance costs.
- Amortizing the police and fire retirements, as well as the Employee Retirement System payments has reduced pension expenses.
- Unallocated insurance for the fire department has been reduced by incorporating into the County's Workman's Compensation Plan. The County will now pay the premium for this component as they do for other fire departments across the County.
- The Aid and Incentives for Municipalities (AIM) payment from the state, a major source of revenue for general fund expenses, is unchanged again this year.
- Sales tax has been conservatively projected to increase by 3%.
- Revenue sharing with the Towns of Florida and Amsterdam is up by \$30,000 this year.
- Revisions to the water and sewer rates have enhanced revenues in both funds. These changes have helped to keep residential water and sewer rates stable.
- Debt service rates have increased based on our recent borrowing, though in five years time much of the general fund debt will have been repaid. The increase in debt had come about because we replaced aging equipment and funded long overdue capital projects that had been put off to the point of being hazardous to employees and residents. We also bonded in anticipation

of revenue we would receive as reimbursement via grants. This has been good for our employees and residents. To manage this situation more effectively, we will put together a five-year Capital Plan to sequence borrowing and reduce fluctuations in the coming years.

- Electricity costs may go up. We have increased contingency to reflect this projection, should this change become a reality.
- We have added positions in the following areas: a Safety Officer that will be shared with the County; a Supervisor for DPW to deal with project management and discipline; and a Secretary to be shared between Employee Relations and Civil Service.
- As full-time drivers have retired in the Transportation Department, we have taken advantage of casual drivers to cut costs by \$130,000. Efforts are underway with various agencies and institutions to share the cost of this service, but even with that effort, the transportation fund will still need an interfund transfer from the general fund of \$252,421. The city will have to assess whether or not to continue to provide this service as the cost has escalated precipitously over six years.
- The Golf Fund reflects cart revenue that will provide for staffing, marketing and course improvements. The fund also shows an increase in its reserves.

We can be cautiously optimistic and plan for continued improvement of our fiscal condition given the work we have done in the past year to overcome our challenges and the excellent caliber of our staff. I am very grateful to our department heads for submitting budgets that held to the tax cap and still provide essential services to our constituency. I am especially appreciative of the long hours Controller Matthew Agresta and Corporation Counsel Gerry DeCusatis devoted to put this budget together in a timely fashion.

I respectfully offer this FY 2014/15 Proposed Budget to the Common Council and the hope that they are sensitive to the needs of each department and our labors to grow our community through responsible investment.

Mayor Ann M. Thane