

CITY OF KINGSTON

Office of the Mayor

mayor@kingston-ny.gov

Steven T. Noble
Mayor



2017 Budget Message

Good Evening. I want to thank you all for participating in our 2017 budget planning process. It gives me great pride to know that more people are invested in their local government than ever before. We see it through participation in things like our online budget survey, readership and replies to my weekly newsletter, attendance at Council and committee meetings, increased traffic on our website and social media pages, and active discussions in person. I am confident that this civic participation can only grow more from here and I am committed to continuing to make my administration as accessible and welcoming as possible.

My proposed 2017 budget is based on a very simple but often overlooked question- does the city's budget reflect its ultimate responsibilities? The City of Kingston is charged with providing the highest quality of essential services to its constituents and expending the funds it was entrusted by the public in the most fiscally responsible way. I believe wholeheartedly that this budget satisfies these critical responsibilities and still provides us with the resources necessary to make the City of Kingston a wonderful community to live, work and visit.

I have a duty to ensure that our city departments are operating as efficiently and effectively as possible and delivering the quality of services the public needs and expects. When there are opportunities to improve a department's capabilities or to reduce duplications of effort, it is my responsibility to explore these opportunities and make adjustments as necessary. What you will see in this proposed budget is the continuation of our 2016 efforts to streamline services and shift management responsibilities. In order to make government work better, I have spent the past ten months evaluating each department and identifying efficiencies. I will be deploying resources where needed, with the expectation that we will reduce redundancies and increase the capacity of many of our departments. **If approved, the 2017 budget will not include any layoffs of current staff.** However, a number of currently vacant positions are proposed to be eliminated.

One of the strategies my administration has employed to maintain our stability is year-round budgeting. Our City Comptroller, John Tuey, has been an incredible partner in leading this effort. Together, we have maintained a finger on the pulse of city spending and have prepared for any unexpected challenges leading up to this proposed budget. I want to thank John and his staff for their great service to our city, as well as all of my senior staff who responded to my call to review every budget line and identify ways to do more with less.

Even with all of these efforts by department leadership to reduce costs, the challenges before us are incredible, though not completely unique. As we have seen, municipalities throughout the state are struggling to overcome many of the same barriers.

In 2017, we are facing a variety of challenges

- Rising health insurance costs (anticipated increase exceeds \$700,000)
- Growing infrastructure needs
- High service demands
- Expired union contracts

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- Stagnant state aid
 - Limited growth in tax base

All of this while complying within the NYS Tax cap of 0.68%

Not surprisingly, the responses to the 2017 community budget survey identified maintaining and improving our infrastructure and preserving essential services as two of the key priority areas the city must devote its resources. In addition, many of those surveyed expressed concern that taxes would continue to be raised, pushing more individuals, families and businesses to a point where they could no longer afford to live or do business here.

I am proud to announce that my 2017 proposed budget successfully holds the line on taxes, with a \$0 increase in the tax levy and declining tax rates for both homestead and non-homestead.

In order to maintain these essential services in our community (public safety, sanitation, parks, infrastructure, etc.), there must be a fair distribution of these costs. However, there are other independent services that I believe should not be carried by the tax payers. The 2017 budget includes a fee schedule that further supports a shift towards user-based revenues, which allow those users to enjoy specialized services without a burden on the general taxpayer. These fees include private use of our parks and buildings, parking, planning fees and permits, and other independently used services.

An item that I expect will spur significant interest and dialogue is the planned overhaul of our parking management system. My administration is committed to bringing our parking services into the 21st century, as well as improving and maintaining our parking facilities. A request for proposals has been released for the purchase and installation of kiosks at various parking lots throughout the city, as well as the activation of new payment options for on-street parking. Users of our parking lots will be able to easily pay by cash or credit card at kiosks, with short term and discounted long term options available. Our on-street meters will also soon allow payment by smartphone. Users will be able to receive alerts when their time is running out and will be able to add additional time through an easy to use app on their phones. More information will become available once responses to the RFP have been submitted. A list of planned improvements to our parking lots will also be made available shortly. I know these are significant changes and I am prepared to work with our local business owners, residents and others to ensure these changes are implemented in a way that works best for our community.

While preserving access to essential services is a cornerstone of this budget, we will also be making major advancements in a number of key focus areas critical to our future success.

Some of the areas we expect to make innovative progress in the coming year:

- Negotiations with all three unions- the City has begun discussions with our union partners. We expect that through open dialogue and mutual cooperation, we will have a positive outcome.
- Negotiation of a new franchise agreement with Time Warner Cable/Charter Communications- the City is interested in securing resources to film municipal meetings and increase broadband access in public facilities and local neighborhoods
- LED street lighting retrofit, with a goal of completion in 2017

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- Bringing the parking management system into the 21st century
 - Implementation of a variety innovative technologies to support communications, transparency and accountability (including new time and attendance system, electronic work order systems, fiscal transparency software, emergency alert software, agenda and meeting management tools, etc.)
 - Health Insurance Committee was formed and a health insurance broker was selected following competitive RFP to deliver a lower cost health insurance option for our employees while still delivering the same benefits
 - Progress has been made to equalize homestead and non-homestead tax rates, to relieve the burden on commercial properties while reducing tax rates for all property owners

2017 Budget by the Numbers

- Tax Levy of \$17,650,940 is a \$0 increase from 2016
- No increase in the amount of appropriated fund balance used for 2017 budget (same amount as 2016)
- Homestead tax rate will decline from \$10.16 per thousand to \$10.10 per thousand
- Non-homestead tax rate will decline from \$18.31 per thousand to \$18.13 per thousand
- Sewer rate remains unchanged at \$5.89 per unit
- \$500,000 in contingency to provide funding for the settlement of contracts and unanticipated expenditures that arise during the year
- \$100,000 has been put aside in the budget for non-bonded parking lot upgrades

At a time when local government leaders throughout the state are informing their constituents that they have no other choice but to exceed the tax cap, I am proud to present a 2017 proposed budget that keeps taxes down. However, this is only the beginning of our work together. In order to continue to be successful, we must keep making proactive decisions with the future in mind. I know that change is hard. Over the course of my term, I expect we will have a lot of difficult conversations. While I do not enjoy this aspect of my job, it is indeed the most important part. However, I trust that our community has the ability to navigate the challenges ahead because we are strong enough to make the tough decisions and have the foresight to see them for what they are...investments in our future.

Thank you for your time tonight. I look forward to working with you all as we move forward in this process.