



CITY OF RYE, NEW YORK

Citizens 2009 Budget Report

November 5, 2008

The following is a Citizens Budget Report prepared by the City of Rye's Finance Committee. The purpose of this report is to provide voters a streamlined version of the 2009 City Manager's proposed budget (the "Tentative Budget") presented by the City Manager and City Comptroller to the City Council on November 5, 2008. Our focus here is on the General Fund, which forms the basis of your City property tax rate – County and School taxes are separate. Individuals interested in the Boat Basin and Golf Club enterprise funds should refer to the details found in the 2009 Annual Budget document.

Our goal is to have an informed public that is familiar with the key issues and numbers in the Tentative Budget without going through the several-hundred-page budget document. This way, people can follow and participate in the City Council's discussion of the budget. For anyone interested in the full detail, the complete budget document is available for viewing in the City Clerk's office in City Hall, on the City's website <http://www.ryeny.gov>, and in the Rye Free Reading Room.

The City Council has scheduled the following meetings, all of which begin at 7:00PM in Rye City Hall, to discuss, and consider amendments to, the 2009 Tentative Budget: Monday, November 10th; Wednesday, November 12th; Monday, November 17th; Wednesday, November 19th; Monday, November 24th, and a public hearing on Wednesday, December 3rd. Final review and adoption of the 2009 budget is scheduled for December 17, 2008. Meeting dates and times are subject to change, so please check the City's website for any updates.

OVERVIEW OF 2009 TENTATIVE (MANAGER'S PROPOSED) BUDGET

The proposed 2009 tax rate is \$139.32 per \$1,000 taxable assessed valuation, a 5.95% increase over the 2008 tax rate.

The median home with a market value of approximately \$1,280,000 million and assessed at \$22,550 would see an annual tax increase of \$176.56.

Revenues budgeted in 2009 (including property taxes) are \$29 million, up \$280,000 or roughly 1% from the latest 2008 forecast.

Expenditures (including capital) are \$31 million, down \$575,000 or 1.82% from the 2008 forecast.

A deficit of \$1.95 million, to help pay for capital items (e.g. street paving, building repairs and the purchase of work vehicles), will be covered by a drawdown from the General Fund.

The projected year-end 2009 \$2.6 million of unreserved, undesignated balances remaining in the General Fund equals 8.51% of expenditures vs. the 5% policy requirement.

EXPENDITURES BY PROGRAM (\$ millions) IN 2009 TENTATIVE BUDGET

General Government Services: <i>(City Council/Manager, and various City Hall Departments: e.g. Finance, Assessor, Clerk, Law, Planning, Zoning, etc.)</i>		\$4.2 (-8.1% vs. 2008)
Public Safety:		\$13.5 (+2.6%)
Police	\$8.1	
Traffic Services	\$0.4	
Fire	\$4.3	
Other <i>(e.g. building inspection, EMS)</i>	\$0.7	
Transportation:		\$3.4 (+7.4%)
Street Administration	\$1.2	
Street Maintenance <i>(maintenance of roads, snow removal, street lighting, etc.)</i>	\$1.9	
Parking <i>(maintains city parking and parking meters and pay stations)</i>	\$0.3	
Culture and Recreation:		\$3.8 (-4.0%)
Recreation Services <i>(parks, playgrounds)</i>	\$2.7	
Cultural Services <i>(e.g. Library and Square house)</i>	\$1.1	
Home and Community Services:		\$4.5 (+0.8%)
General Environment <i>(planning dept.)</i>	\$0.2	
Sanitation <i>(sewers and drains and garbage collection and recycling)</i>	\$3.2	
Community Environment <i>(shade tree plantings, improving the City environment)</i>	\$1.0	
Natural Resources <i>(City's conservation facilities and prepares for disasters)</i>	\$0.1	
Other Financing Uses <i>(includes contingency appropriations and inter-fund transfers to subsidize operations/fund projects)</i>		\$1.6 (-29.8%)
TOTAL EXPENDITURES BY PROGRAM		\$31.0 (-1.82%)

EXPENDITURES BY TYPE OR OBJECT (\$ millions) IN 2009 TENTATIVE BUDGET

Salaries and Wages:	\$12.8 (+1.6%)
Non-Capitalized Equipment <i>(e.g. computers and other office equipment)</i>	\$0.4 (-9.4%)
Materials and Supplies: <i>(e.g. salt for roads, lawn supplies, office supplies)</i>	\$2.4 (- 9.2%)
Contractual Costs: <i>(payments to internal service funds for building maintenance and risk; payments for professional services)</i>	\$7.5 (+0.5%)
Employee Benefits:	\$6.3 (+5.8%)
Capital Costs: <i>(capital investments in infrastructure, buildings and facilities, vehicles and equipment)</i>	\$1.3 (- 41.2%)
Contingency:	\$0.3 (-3.8%)
TOTAL EXPENDITURES BY TYPE OR OBJECT	\$31.0 (- 0.5%)

REVENUES BY SOURCE (\$ millions) IN 2008 TENTATIVE BUDGET

Property Tax:		\$19.7 (+7.1%)
Non-Property Tax Items:		\$2.5 (- 4.9%)
Sales tax	\$1.9	
Gross Utility Receipt taxes	\$0.4	
Hotel Occupancy Tax	\$0.2	
Charges for Services:		\$1.3 (-1.1%)
Culture and Recreation (I)	\$0.8	
Transportation	\$0.4	
<i>(Includes \$175,000 from the parking stations)</i>		
Other	\$0.1	
Use of Money and Property:		\$0.3 (- 30.6%)
Licenses and Permits:		\$1.5 (- 7.8%)
Building and Alterations	\$0.9	
Parking Permits (II)	\$0.4	
Miscellaneous <i>(e.g. street opening, alarms)</i>	\$0.2	
Fines and Forfeitures:		\$0.6 (- 3.7%)
<i>(e.g. vehicle moving violations and parking violations)</i>		
Miscellaneous		\$0.3
Inter-fund Transfers		\$0.4 (+3.5%)
<i>(revenues from other funds, e.g. the General Fund charges the Golf Club for garbage collection)</i>		
Intergovernmental Revenues:		\$2.4 (- 18.3%)
Mortgage taxes	\$1.1 (- 32.5%)	
Revenue sharing <i>(e.g. state aid)</i>	\$1.3	
TOTAL REVENUES BY SOURCE		\$29.0 (+1.0%)

(I) Average recreation fees are projected to remain relatively the same in 2009. The Boat Basin and Golf Club are covered in separate budgets, and both are increasing fees respectively by 5% and 4.5% on average.

(II) The resident commuter parking permit fee charged in late 2008 for 2009 will be \$336, the same as charged in late 2007 for 2008.

CAPITAL ITEMS IN 2009 TENTATIVE BUDGET

The 2009 budget provides for the following capital items:

Capital Projects Fund

Annual Street Resurfacing Program	\$500,000
Annual Sidewalk and Curb Program	50,000
Purchase Street/Library Lane Traffic Signal	200,000
Brevoort Lane Sewer Pump	80,000
Cedar Place Sewer	90,000
Hewlett Avenue Pump Replacement	40,000
Westchester Beach Pump Generator	35,000

Building and Vehicle Fund

Police Lavatory/Locker Rooms	\$130,000
Friends Meeting House Design	25,000
Recreation Park Improvements Phase I	54,500

SUMMARY OF CAPITAL ITEMS (\$ millions)

<u>Purpose</u>		<u>Financing</u>	
Capital Projects	\$1.0	Fund Balances	\$1.7
Building Projects	\$0.2	New Debt	\$-0-
Vehicle and Equipment Projects	\$0.8	Grants & Other	\$0.3
Total	\$2.0	Total	\$2.0

DEBT INFORMATION IN 2009 TENTATIVE BUDGET

Total Debt Service for 2008 for the General Fund, Building Fund and Golf Club:

Principal Payments	\$1.2 million	(General Fund share is \$74,242)
Interest Payments	\$1.0 million	(General Fund share is \$65,114)
Total	\$2.2 million	

Total Debt Outstanding:
as of January 1, 2009: \$24.1 million;
as of December 31, 2009: \$24.9 million.

DID YOU KNOW?

- Property taxes represent 67% of 2009 revenues.
- If you live in the area of Rye serviced by the Rye City School District, 62¢ of your property tax dollar goes to the school district, 22¢ goes to the county, and only 16¢ goes to the City. If you live in the area serviced by the Rye Neck Union Free School District, 67¢ of your property tax dollar goes to the school district, 19¢ goes to the county, and only 14¢ goes to support City operations.
- Elastic revenues beyond the City's control (e.g. sales tax, mortgage tax, etc.) are projected at 12.5% of total revenues, below the 14.9% forecast for 2008. Specifically, 2009 mortgage tax revenues are forecast to decrease \$530,000 (32.5%) from 2008.
- 62% of the City's expenditures are for salaries and benefits, which are expected to increase 1.6% and 5.8% respectively.
- In addition to a State constitutional debt limit (7% of the five-year average *full* valuation), the City of Rye has its own self-imposed debt limits (City Charter §21-9). Under these Charter debt limits, the 2009 Tentative Budget provides that the City Council may, by resolution alone, authorize up to \$1.35 million of new debt, and by resolution subject to permissive referendum may authorize an additional amount not exceeding \$1.5 million. Consideration of debt exceeding these amounts would require approval by the voting public in a public referendum.