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City of Yonkers

Four Year Financial Plan

Fiscal Year 2018 - Fiscal Year 2021

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Overview and Discussion

Section A

City of Yonkers Financial Plan: FY18 - FY21

Overview

For all six budget years of the current administration, a balanced budget has been passed with certification from both the State Comptroller’s Office and the State Department of Education, thus providing the most safeguards for a municipality budget in New York State. Along with a downward trend in the unemployment rate, the City has over recent years experienced net growth in economically driven revenues such as Sales and Use Tax and Personal Income Tax, and in revenues related to the housing market such as the sale of real property, Real Estate Transfer Tax, and Mortgage Recording Tax. Stronger revenues and cost efficiencies allowed the City to increase its unassigned General Fund balance from \$8.9 million at the end of FY11 to \$37.7 million by the close of FY16. The City’s improved fiscal condition, along with increases in business activity and investment in Yonkers, has been signs of positive growth.

As shown below, FY17 projects mixed results for economically-sensitive and other major revenues. Personal Income Tax (PIT) revenue is forecast significantly lower statewide, and for Yonkers is \$4.4 million or 8.0% below budget. Mortgage recording Tax receipts also project lower than the FY17 Adopted Budget by \$1.8 million, or 20.8%. But Sales and Use Tax revenue projects 1% or \$0.6 million above budget, and Real Estate Transfer Tax receipts are forecast to exceed the FY17 Adopted Budget by \$3.1 million or nearly 32%. Included in this chart is revenue from Sale of Property, which is budgeted annually at \$0.3 million, but through aggressive lien sales, in rem sales, and sale of City-owned assets for development, has significantly exceeded budget the last few years, and therefore provided a significant portion of the City’s annual return to fund balance. In FY17, property sales have a much more modest projection, which will lower overall fund balance return.

Selected Revenues (in millions)	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Projection
Sales & Use Tax (City/Special)	\$ 68.3	\$ 70.4	\$ 72.8	\$ 73.0	\$ 74.8
Real Estate Transfer Tax	8.2	8.4	9.9	10.1	12.9
Personal Income Tax	39.9	41.3	47.7	50.8	50.0
Parking Violations Bureau	14.4	15.8	17.1	19.5	18.4
Prior Year Tax Payments	15.5	14.0	16.2	15.9	12.9
Sale of Property	0.3	3.9	7.8	14.5	4.2
Mortgage Recording Tax	<u>5.2</u>	<u>4.9</u>	<u>5.9</u>	<u>8.5</u>	<u>7.1</u>
Total	\$ 151.8	\$ 158.7	\$ 177.4	\$ 192.3	\$ 180.3

City of Yonkers Financial Plan: FY18 - FY21

The FY18 - FY21 Financial Plan uses the FY18 Adopted Budget as the basis for the FY19 through FY21 fiscal year projections. The FY18 Adopted Budget relies on past practices to balance the City's Operating Budget: participation in New York State's pension smoothing plan; bond issuance for tax certioraris; and the utilization of available fund balance, including: the entire \$38 million unassigned fund balance from the City's General Fund; \$17.4 million of the \$25.8 million unassigned fund balance from the City's Education Fund; as well as \$7.7 million in debt service fund balance, most of this amount the result of the refunding of bond issue bank balances under Fiscal Agent control. The FY18 Budget fully funds recently-settled labor union contracts, but does not provide a contingency reserve. The FY18 Budget increases the Maintenance of Effort (MOE) for the School District budget by approximately \$1 million, including \$583,000 from additional sales tax for education and \$400,000 in additional City contribution. The City will also expend an additional \$2.5 million to cover an increase in the School District's debt service.

The financial difficulties facing the City and the School District can be mitigated by continuing to borrow for pension costs and certioraris, and the FY19 - FY21 projections assume Yonkers will do so. Such practices will allow the City to maintain basic operations, and from a practical standpoint cannot be discontinued at this time without requiring (a) significant increases in recurring revenues and/or (b) expenditure cuts with potential losses in programs and services provided by both the City and the School District.

Fund balance is used to balance the FY18 Budget, but the FY19 - FY21 projections assume no use because future availability is uncertain.¹ The use of available fund balance, to the extent that it is produced, will be part of budget-balancing solutions for FY19 - FY21.

The School District's FY17 Budget was balanced using an \$11 million transfer from New York State's Mortgage Insurance Fund (MIF). The MIF funding was \$25 million over two years: \$14 million was used in FY16, and the remaining \$11 million was used in FY17. The exhaustion of this \$25 million in state aid was a significant contributor to the initial School District FY18 budget gap to close, and subsequent use of education fund balance.

The ultimate goal is to return fiscal stability to the City by increasing recurring revenue and by the consistent return and retention of fund balance, and therefore not using fund balance to close future budget gaps. Across-the-board expenditure cuts, and the potential loss of programs and services, are not a long-term solution to structural deficits. Economic development and the increased revenues it can bring, as well as improved cost-efficiency of operations, must be the focus of Yonkers governance, as it is under the current administration.

¹ Debt Service fund balance of \$2,522,585 is used in FY19 to reflect the final refunding payment of bond issue bank balances under Fiscal Agent control.

City of Yonkers Financial Plan: FY18 - FY21

Investors should note that the City's bondholders are afforded the unusual protection of having a significant portion of the City revenues intercepted by the State Comptroller, who controls the City's bond proceeds, to provide for annual debt service payments. As well, a similar ability is available to the State Comptroller to intercept State Aid to the School District should the City encounter financial difficulty.

Below is a discussion of overall revenues and expenditures, along with the assumptions used in formulating projections. The subsequent Section B provides projection details, including a summary of revenues and expenditures and other schedules of interest.

City of Yonkers Financial Plan: FY18 - FY21

Financial Plan Summary

Budget Gaps

Schedule B-1 lays out the budget gaps, before gap closing measures, facing the City and the School District. The City projects outyear FY19 - FY21 budget gaps of \$56.7 million, \$54.8 million, and \$64.8 million, while the School District budget gaps over the same period are projected at \$32.4 million, \$48.3 million, and \$62.9 million. Budget gaps will be closed with the use of fund balance, enhanced revenue programs, cost containment actions, and other gap closing measures, some of which are detailed later in the Plan. As noted earlier, the FY19 - FY21 projections assume no use of fund balance because future availability is uncertain.² However, the use of available fund balance, to the extent that it is produced, will be part of future budget-balancing solutions.

Revenues

In the \$1.154 billion FY18 Adopted Budget, the major sources of revenue for combined City and School District operations are State and Federal Aid (\$418.7 million or 36.3%) and Property Taxes (\$356.2 million or 30.9%).

City-anticipated State and Federal Aid is \$108.8 million for FY18 (9.4% of total revenue). The City's Aid and Incentives to Municipalities (AIM) funding from New York State remains at \$108.2 million, the same amount the City received in FY12, and less than the City received in FY07 with inflation adjustment. While the improved Yonkers economy generates additional sales and income tax revenue for the State, the flow of AIM back to the City is not commensurate.

School District State and Federal Aid for FY18 is \$309.9 million (26.8% of total revenue). This is nearly identical to the FY17 Adopted Budget total; modest increases in Foundation Aid and other education reimbursement categories in FY18 were offset by the loss of MIF funding as described above.

Beyond the 67.2% of revenue from State and Federal Aid and Property Taxes, the remaining 32.8% of revenues are comprised mainly of Sales Tax (8.0%), Income Tax Surcharge (4.4%), Water and Sewer revenues (4.3%), and Appropriated Fund Balance (5.8%). Given the limits of the Property Tax Levy Cap, and the lack of growth in State and Federal Aid, housing-related taxes, income tax, and sales tax have become critical revenue sources for City operations.

² Debt Service fund balance of \$2,522,585 is used in FY19 to reflect the final refunding payment of bond issue bank balances under Fiscal Agent control.

City of Yonkers Financial Plan: FY18 - FY21

However, these tax revenues are subject to economic factors, and may decrease for unclear reasons, like FY17 Personal Income Tax receipts across New York State, as described in detail below. As well, increases in economically-driven revenues often drive up government expenses, as many are impacted by the same economic factors. Also, the use of Appropriated Fund Balance can only continue if the City and School District are able to return what was appropriated to balance the annual budgets, so it is available for future years. Therefore, in the long-term, recurring revenues and cost efficiencies must be implemented to replace the use of fund balance.

Major revenue projections and assumptions are as follows:

Revenue: Property Tax Levy

The Property Tax Cap Law defines the allowable tax levy growth factor as the lesser of (a) one plus an inflation factor calculated by the New York State Comptroller, or (b) one and two-one-hundredths of a percent. In FY18, the City complied with the Property Tax Cap Law in using the published allowable tax levy growth factor of 1.0126 (or growth of 1.26%) for localities with a fiscal year commencing July 1, 2017.

The Financial Plan maintains the allowable tax levy growth at 1.5% in FY19 and the outyears. The projected increase is based on the trend of allowable tax levy growth factors issued by the State Comptroller, as well as keeping the City within its Constitutional Tax Limit (CTL).

Property Tax revenues increase by \$4.7 million in FY19, \$4.8 million in FY20, and \$4.8 million in FY21. Property tax collections in the Financial Plan will continue to reflect the offset of increased Payments in Lieu of Taxes (PILOTs), as prescribed by the Property Tax Cap Law.

Revenue: Sales and Use Tax

Currently an 8.875% sales and use tax is imposed on all retail sales in the City. Revenues from that tax are apportioned 4.0% to the State, 2.5% to the City, 0.5% to the Yonkers School District (subject to approval of the Yonkers City Council), 1.5% to the County, and 0.375% to the Metropolitan Transportation Authority.

Both the City's 2.5% portion of the Sales and Use Tax, and the education portion of 0.5%, are projected to grow 3.0% annually in each year of the Financial Plan. City revenue and Sales Tax for Education revenue would increase by an average \$2.4 million and \$476,000 per year, respectively. The Plan's average 3.0% growth is less than the average City sales and use tax growth from FY13 through the FY17 projection (3.6%), and also less than the New York State

City of Yonkers Financial Plan: FY18 - FY21

FY2018 Enacted Budget Financial Plan projections for sales and use tax growth in Fiscal Years 2018 through 2021.³

The Plan assumes that the full amount of the 0.5% sales tax for education will be allocated to the School District operating budget, with a commensurate increase to the City's Maintenance of Effort (MOE).

Revenue: Utilities Gross Receipts Tax

A 3.0% Utilities Gross Receipts Tax is charged to Yonkers customers of Con Edison and telephone utilities, and remitted to the City by those entities. Utilities Gross Receipts revenue is affected positively by increases in Con Edison power production/delivery rates, and negatively by energy efficiency efforts, as well as the trend of reduced landline telephone customers. Average revenue is approximately \$7.5 million over the last five years, and the Financial Plan maintains this level with no growth in the outyears.

Revenue: Real Estate Transfer Tax

A 1.5% Real Estate Transfer Tax is collected by the City of Yonkers upon the sale or transfer of real property. Real Estate Transfer Tax collections are projected at \$12.9 million in FY17 and budgeted at \$11.3 million in FY18. (The FY18 Budget analysis excluded significantly large FY17 property sales and assumed flat growth for the remainder.)

Actual transfer tax collections, fueled by a strong residential housing resale market and housing/commercial development, have increased steadily over the last few years, from \$5.9 million in FY12 to the projected \$12.9 million in FY17, or average annual growth of 18% over the period. The Plan assumes a conservative 2.0% annual growth, or total transfer tax revenue of \$11.5 million in FY19, \$11.8 million in FY20, and \$12 million in FY21. The Plan's average 2.0% growth is less than New York State FY2018 Enacted Budget Financial Plan projections for real estate transfer tax in Fiscal Years 2018 through 2021.⁴

Revenue: Mortgage Recording Tax

A mortgage recording tax at the rate \$0.50 per \$100 of mortgages is collected for the City by the County under New York State Tax Law §253. The City also enacted in the FY1994 Budget a City of Yonkers mortgage recording tax at an additional rate of \$0.50 per \$100 of mortgages, so the combined tax rate is 1.0%.

³ See <https://www.budget.ny.gov/pubs/archive/fy18archive/enactedfy18/FY2018EnactedFP.pdf>, Page 80.

⁴ See <https://www.budget.ny.gov/pubs/archive/fy18archive/enactedfy18/FY2018EnactedFP.pdf>, Page 84.

City of Yonkers Financial Plan: FY18 - FY21

Mortgage recording tax receipts were steady at approximately \$5 million annually and then jumped to \$5.8 million in FY15 and \$8.5 million in FY16, a result of both a strong housing resale market and low mortgage interest rates. Revenue has leveled off to a projected \$7.1 million in FY17, and the FY18 Budget is identical, a reflection of a steady housing resale market but reduced refinancing as interest rates rise. The Financial Plan maintains mortgage recording tax revenue at \$7.1 million in all years.

Revenue: Hotel Room and Occupancy Tax

Since August 2015, the City has collected a tax of 3% for occupancy of a room in a hotel or motel in the City. Currently six locations contribute to the tax revenue, and a seventh is scheduled to open. Hotel tax revenue is projected at \$800,000 in FY17, and the FY18 Adopted Budget is \$850,000. The FY19 projection increase to \$950,000 to reflect full-year collections from all seven locations, and FY20 and FY21 revenue are also forecast at \$950,000.

Revenue: Personal Income Tax Surcharge

New York State collects for and remits to Yonkers a personal income tax (PIT) surcharge of (a) 16.75% of a Yonkers resident's New York State tax payment or (b) 0.5% of a non-resident's gross income.

From FY11 through FY16, the City's income tax surcharge receipts grew from \$29.6 million to \$50.8 million, an increase of 71%, or annual average growth of 11.6%. The FY17 budget of \$54.3 million was calculated as in years past, with estimated growth of 3.5% over the current year projection, a rate both (a) commensurate with labor market and wage growth data, and (b) below New York State's estimate for Personal Income Tax growth in SFY 2017.⁵

However, starting in April 2016, the City of Yonkers, as well as New York City and New York State, experienced significant drops in personal income tax revenue versus the prior year. In its SFY 2018 Executive Budget Financial Plan (Updated for Governor's Amendments and Forecast Revisions), the State provided some insight to the shortfall: "uncharacteristically weak withholding growth...attributable to weak bonus growth," and "an estimated payments decline ... resulting from a tax year 2015 personal income tax settlement characterized by a significant decline in extension payments and a decline in current year estimated payments off a high prior year base."⁶ New York State projects, in its FY 2018 Enacted Budget Financial Plan, All Funds

⁵ See <https://www.budget.ny.gov/pubs/archive/fy17archive/enactedfy17/FY2017FP.pdf>, Page 70.

⁶ See <https://www.budget.ny.gov/pubs/executive/eBudget1718/financialPlan/FinPlanUpdatedFY18.pdf>

City of Yonkers Financial Plan: FY18 - FY21

PIT Receipts of \$47.56 billion in SFY17 versus an Enacted Plan of \$49.46 billion, or a shortfall of approximately \$1.9 billion (3.8%).⁷

FY17 Yonkers PIT revenue is projected at \$50.0 million or \$4.3 million (8.0%) less than the FY17 Adopted Budget of \$54.3 million. Recent months (February through June 2017) have shown improved revenue versus the prior year. The FY18 Adopted Budget of \$51.1 million represents modest growth over the FY17 Projection, and each year of the Plan estimates the 2.65% annual growth factor, or an average \$1.4 million additional revenue each year.

Revenue: Payments in Lieu of Taxes (PILOTs)

Payments in Lieu of Taxes increase by \$1 million annually in the Plan. The Financial Plan assumes the growth in PILOTs will continue to be used in the tax levy cap calculation to decrease the allowable tax levy amount.

Revenue: Departmental Revenue

City Departments generate revenue from permits, fees, fines, and reimbursement of services. The Parking Violation Bureau (PVB) generates the highest revenue; the FY18 Budget is \$20.6 million for parking, red light camera, and code violation fines, as well as a new Public Safety Fee of \$15 on every red light camera violation, which is expected to generate \$1.2 million in FY18. The Department of Housing and Buildings (DHB) is projected to generate \$5.26 million in FY18 for various permits, fees, and fines. The Police Department's FY18 Adopted revenue of \$4.1 million is comprised primarily of reimbursable police services, such as compensation by utility companies when work requires police presence.

The FY18 Adopted Budget for Department Revenues is \$42.9 million. The Financial Plan projects modest growth in PVB and DHB revenues that result in an average annual increase of \$340,000.

Revenue: Metered Water Sales and Sewer Rents

Metered Water Sales and Sewer Rents increase annually in amounts that offset corresponding increases in the price of water charged by the NYC Water Board, and operating cost increases (supplies, payroll, etc.) associated with operating the Water and Sewer Bureaus, as well as changes in debt service from the City's Capital Improvement Plan assumptions.

⁷ See <https://www.budget.ny.gov/pubs/archive/fy18archive/enactedfy18/FY2018EnactedFP.pdf>, Page 133.

City of Yonkers Financial Plan: FY18 - FY21

Revenue: School Aid

School District Basic State Funding is projected to increase over the financial plan primarily due to an estimated 4.2% annual increase in Foundation Aid, which represents the increase in FY18 Adopted Foundation Aid over FY17 Projected Foundation Aid, as per the May 2017 State Education Department (SED) State Aid runs.

School District State Funding that is reimbursed based on expenditure levels is adjusted in the Financial Plan based on expected cost growth.

Certain State Aid is projected to remain flat through the Plan, such as State Funding from Video Lottery Terminals (VLTs) at \$19.6 million, Supplemental Educational Improvement Plan (SEIP) funding at \$17.5 million, and Categorical State Funding (for Universal Pre-K and Health Services) at \$5.4 million.

Overall, School District State Funding is projected to increase by \$8.1 million (2.6%) in FY19, \$10.3 million (3.2%) in FY20, and \$10.7 million (3.3%) in FY21.

(Note that the remaining Gap Elimination Adjustment (GEA) that has reduced Yonkers School District's Basic State Funding for many years was eliminated in FY17.)

Expenditures

The major uses of the City's \$1.154 billion operating funds in the FY18 Adopted Budget are the Board of Education (51.2% of total expenditures or \$590.7 million when debt service for education is included), City Departmental Expenses (27.3% or \$314.6 million), and Fringe Benefits for City employees (13.5% or \$156 million). Including the cost of Fringe Benefits with City Departmental Expenses, the total cost for the City's departmental operations is 40.8% of total expenditures. The remainder of the expenditures is split over Debt Service (4.6% without the education component) and Special Items (3.5%).

Personnel costs - hourly/salary wages, overtime, special pay, and employee fringe benefits - comprise the majority of operating budget expense. In the FY18 Adopted Budget, Municipal payroll (\$252.8 million) plus employee fringe benefits (\$156.0 million) combine for \$408.8 million or 72.5% of the City's \$563.6 million operating budget. School District payroll (\$297.9 million) plus employee fringe benefits (\$149.7 million) combine for \$447.6 million or 75.8% of the School District's \$590.7 million operating budget. Combined, personnel costs comprise 74% of the \$1.154 billion City operating budget.

City of Yonkers Financial Plan: FY18 - FY21

Expenditure: City Departmental

In the Financial Plan, City Departmental expenses are expected to increase \$9.2 million in FY19, \$3.3 million in FY20, and \$1.6 million in FY21. In the City Departmental section, only settled labor contracts are reflected: FY19 includes settled labor contracts with the City's eight municipal unions; FY20 does not include a cost escalation provision for the City's four uniformed collective bargaining units, the Service Employees International Union (SEIU), or Teamster Local 456; and FY21 does not include a cost escalation provision for any of the eight unions. (A Financial Plan factor for unsettled labor contracts is shown in the Special Items section, described below and under the account Contingent Reserve.)

For department other-than-personal-services expenses, outyear increases are applied to materials/supplies and contractual services accounts, and specific projections are factored for commodity accounts like energy, water, and gasoline/diesel purchases.

Expenditure: City Employee Fringe Benefits

Employee fringe benefit costs are expected to rise by an average of 5.9% or \$9.7 million annually for FY19 through FY21. Driving the increased projections are underlying assumptions for categories of fringe benefits, such as: pension obligations, health insurance costs, Social Security taxes, and workers compensation.

Pension Obligations: For both the NY State Police and Fire Retirement System (PFRS) and the NY State Employee Retirement System (ERS), the Financial Plan assumes that the City will remain in the Alternate Contribution Stabilization Plans, pay amortized rates equal to the FY18 rates plus 0.5% for FY19 through FY21, and make all annual debt installment payments due under the plans.

Health Insurance Costs: The Plan assumes an annual increase of 8.0%, or an average \$5.5 million annually, for the NYSHIP Empire Plan for FY19 through FY21.

Social Security Taxes: Based on expected eligible wages for FY19 through FY21, a 6.43% estimated tax rate is projected.

Workers Compensation: A projected 4.0% annual increase in Workers Compensation for FY19 through FY21 was applied to recognize continually increasing claim costs and activity. In addition, \$700,000 was added in FY19 to recognize processing of an expected Scheduled Loss of Use (SLU) claims backlog. This account funds Workers Compensation claims for both City and School District employees.

City of Yonkers Financial Plan: FY18 - FY21

Expenditure: Debt Service and Capital Improvement/Bond Issuance Plan

The City projects bond issuance as follows in the Financial Plan. (Also reflected in FY18 is bond issuance for a \$16.8 million BAN from FY17):

Capital Improvement and Bond Issuance Plan (in millions)	FY18	FY19	FY20	FY21
City Capital Improvement	\$ 20.2	\$ 30.0	\$ 30.0	\$ 30.0
Tax Certioraris	6.0	10.0	10.0	10.0
Library Capital Improvement	3.3	1.0	1.0	1.0
Museum Capital Improvement	4.2	1.0	1.0	1.0
Water Capital Improvement	5.3	5.0	5.0	5.0
Sewer Capital Improvement	<u>2.5</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total City	\$ 41.5	\$ 52.0	\$ 52.0	\$ 52.0
BOE Capital Improvement	\$ 29.0	\$ 35.0	\$ 35.0	\$ 35.0
BOE Equipment and Textbooks	<u>7.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total BOE	\$ 36.0	\$ 40.0	\$ 40.0	\$ 40.0
Total Bond Issuance Plan	\$ 77.5	\$ 92.0	\$ 92.0	\$ 92.0

As mentioned earlier, the multi-year projection assumes that Yonkers will continue the practice of bonding for Tax Certiorari Payments. A revaluation project, along with the continued improvement in market values, could reduce the need to borrow to pay the annual cost of successful certiorari challenges, and could save the City over \$1 million in debt service payments each year. The City of Yonkers Assessment Department has implemented the use of tablets to collect property data and is utilizing capital funding for reassessment to expedite its commercial data collection efforts. Additional funding to complete a citywide revaluation is reflected in the capital improvement plan.

Besides debt service for capital expenses and tax certioraris, the City also records debt service costs for various energy savings agreements and other notes/loans payable. The debt service budget also includes an appropriation for bond, revenue, and tax anticipation note issuance.

The FY18 Adopted Debt Service budget is \$86.2 million. Inclusive of (a) projected debt service needs under the current portfolio of outstanding bonds, (b) projected bond issuance as shown above, and (c) other expenses recorded under debt service, the Financial Plan projects debt service budgets in FY19 - FY21 of \$89.4 million, \$83.1 million, and \$84.5 million respectively.

City of Yonkers Financial Plan: FY18 - FY21

Expenditures: City Special Items

The Special Items budget consists of expenditure items not specific to a City Department function, or items that historically have been shown as unique budget lines. The largest item, Reserve for Uncollected Taxes, is budgeted in accordance with a formula outlined in the Yonkers Fiscal Agent Act of 1976. Special Items also include budget lines for: City and County property taxes and water/sewer charges on taxable City property; judgment and claims; outside counsel; termination pay of unused leave time; and contractual settlements, an account created to segregate retroactive salary payments that are being paid over a 3-5 year period under recently settled labor union contracts.

The following Plan assumptions were used for Special Items:

- Reserve for Uncollected Taxes, Taxes on City Property: increased in accordance with the Plan's assumption of annual 1.5% property tax growth.
- Termination Payments: 3% annual growth to represent projected retirements.
- Contractual Settlements: funded per projected retroactive salary payments.
- Contingent Reserve: a factor, described below, is included for unsettled City labor contracts.
- Judgments & Claims, Litigation Expense, and most other Special Items: held flat through the Plan.

The FY18 Special Items Adopted Budget is \$40.3 million. In FY19, Special Items are projected to decrease by \$4.1 million to \$36.2 million because (a) the FY18 projection excludes a one-time \$3.4 million appropriation to set aside a portion of property sale proceeds to fund certain federal loan repayments, and (b) retroactive salary payments for settled contracts will begin to taper off. In FY20, Special Items increases \$2.6 million to \$38.7 million; retroactive salary payments essentially end this year for savings of \$6.7 million, but a contingent reserve projection of \$9 million is shown for labor union contracts that ended in FY19. Finally in FY21, Special Items increase by \$9.6 million to \$8.5 million, an increase attributable to additional contingent reserve for unsettled labor contracts.

Contingent Reserve for the General Fund, when budgeted, is shown as a Special Item. Neither the FY18 Adopted Budget nor the FY19 Projection includes contingent reserve funding. In FY20 and FY21, \$9 million and \$18.6 million, respectively, are forecast as estimates of the payroll and employee fringe benefits expense, including general amortized rate pension liability, to settle employee labor contracts that are scheduled to expire.

City of Yonkers Financial Plan: FY18 - FY21

Expenditures: Board of Education (BOE) Basic Operating Expenditures

The BOE FY18 Adopted Budget for basic operating expenditures is \$557.3 million. In the Plan, BOE basic operating expenditures increase \$23.7 million (4.2%) in FY19, \$26.8 million (4.6%) in FY20, and \$26.0 million (4.3%) in FY21.

The BOE negotiates with four employee labor organizations: the Yonkers Federation of Teachers (YFT), the Yonkers Council of Administrators (YCA), the Civil Service Employees Association (CSEA), and Teamsters Local 456 (White Collar). All but the Teamsters unit have settled labor contracts through the Financial Plan.

Year-over-year increases in BOE expenditures over the Plan are summarized below.

BOE Plan Increases over Prior Year (in millions)	FY19	FY20	FY21
Salary and Salary-Related	\$ 7.7	\$ 10.7	\$ 9.3
Employee Fringe Benefits	11.0	11.2	12.0
Special Education Expense	2.7	3.0	3.2
Other	<u>2.3</u>	<u>1.9</u>	<u>1.5</u>
Total	\$ 23.7	\$ 26.8	\$ 26.0

Salary and Salary-related increases are based on the terms of settled labor contracts, with a factor for the unsettled Teamster unit. Employee Fringe Benefit increases are also related to labor contract increases, as well as an 8% annual increase in projected employee health insurance expense under NYSHIP. The cost to provide Special Education services is projected to increase based on recent expenditure trends. The remaining increases include annual projected growth in building service and maintenance contracts, utilities and heating oil, and other areas.

City of Yonkers Financial Plan: FY18 - FY21

Areas of Concern

Constitutional Tax Limit (CTL)

The New York State Constitution prescribes a limit on the authority of cities, counties, and villages to impose property taxes. The limit is calculated as a percentage of the five-year average full valuation of taxable real property, where the full valuation is derived from special equalization ratios provided by the NYS Office of Real Property Tax Services (ORPTS), and applied to the final tax assessment roll. (The special equalization ratios for Yonkers are calculated by ORPTS using a 20-year trend analysis of property sales.) Certain operating budget expenses, like debt service, judgments and claims, and tax certioraris, are excluded from the CTL calculus. For Yonkers, the CTL is 2.0% of the five-year average full valuation.

The FY18 Adopted Budget exhausts 93.1% or \$283.1 million of the \$304.1 CTL, which translates to \$20.9 million of remaining available taxing authority, also known as constitutional tax margin. The danger of a dwindling tax margin is that the City in future years may not be able to use increased property tax levy as a budget-balancing mechanism.

In the Financial Plan, the outyear special equalization ratios are fixed to the FY18 equalization ratios provided by ORPTS and used for the FY18 Adopted Budget. The City's taxable assessed value is fixed at the FY18 adopted value.

The constitutional tax margin, with a 1.5% annual increase in property tax levy, changes as follows in the financial plan: \$20.9 million in FY18, \$23.8 million in FY19, \$13.9 million in FY20, \$9.9 million in FY21.

	FY18	FY19	FY20	FY21
Constitutional Tax Margin (in \$mil)	\$ 20.9	\$ 23.8	\$ 13.9	\$ 9.9
% of CTL Exhausted	93.1%	92.1%	95.4%	96.7%

The Cost of Labor

State Laws with regard to labor negotiations with public employees contribute to salary growth rates - and commensurate increases in salary-related costs like pension contribution, social security, and the metropolitan commuter transportation mobility tax (aka MTA Tax) - that local governments find increasingly difficult to offset without raising unpopular revenues or reducing programs and services. Costs for health care, and increased costs stemming from the State's

City of Yonkers Financial Plan: FY18 - FY21

workers compensation and job injury leave policies and practices, also continue to climb at unsustainable levels.

Unsettled Labor Contracts

Labor contracts with the four City uniformed labor unions and two other units expire at the end of FY19. For each 1.0% increase in contractual wages under new agreements with the six collective bargaining units, total salary and employee fringe benefits, including amortized pension liability, would cost an additional \$3.0 million annually starting in FY20.

Labor contracts with all eight municipal unions expire during or at the end of FY20. For each 1.0% increase in contractual wages under new agreements with all eight collective bargaining units, total salary and employee fringe benefits, including amortized pension liability, would cost an additional \$3.2 million annually starting in FY21.

A factor is included, under City Special Items - Contingent Reserve, for municipal labor contract settlements in FY20 and FY21.

(Salary and salary-related increases for School District personnel under signed labor agreements are incorporated into the Plan.)

Economically Sensitive Revenues

City operations are supported by taxes that fluctuate with known and unknown economic conditions. In FY16, statewide housing-related taxes (real estate transfer tax and mortgage recording tax) and personal income taxes were strong, but sales tax revenue was flat and therefore below the City's annual 3% growth rate. The shortfall in sales tax revenue was experienced statewide; and counties and other municipalities curtailed operations as a result. A theory was offered that reduced gasoline prices, where gasoline is estimated to be as much as 6% of the "basket of goods" that make up sales tax gross receipts, had driven sales tax revenue down.

In FY17, City and statewide sales tax has rebounded, even as gasoline prices remain low; the City projects growth of 4% over the prior year. But more than offsetting the gain in sales tax revenue was the shortfall in personal income tax surcharge receipts, and despite job and income data, for the reasons described above: "uncharacteristically weak withholding growth...an estimated payments decline...a significant decline in extension payments." The City experienced robust real estate transfer tax revenue in FY17, well above budget, but a significant decrease versus the prior year in mortgage recording tax revenue.

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Much of the City's recent return to fund balance has been fueled by overall performance above budget by economically-sensitive revenues. However, the City must be cautious in projecting revenue subject to broader economic conditions.

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Gap Closing Measures

Exactly how the City addresses looming structural deficits will be decided by the administration in conjunction with the various stakeholders in the City of Yonkers and those concerned with its fiscal stability. This includes federal and state elected officials, the NYS Comptroller, the State Education Department, the public and their representatives in the City Council, City and School District employees and their union representatives, local businesses, developers, bondholders and property owners. The following gap closing measures are provided as examples to qualify, and quantify, possible means to a solution.

The fiscal problems facing the City are not unique to Yonkers and cannot be solved by citywide percentage cut targets. A review of the categories of expenditures - Departmental Expenditures and Fringe Benefits, Special Items, the School District, and Debt Service - and their associated costs reveals that many significant expenses are mandated or beyond the control of the City. For instance, the City cannot decrease its contribution to the School District under the MOE. The City cannot easily decrease its Debt Service expense, as the expense is based on prior years' bonding, and repair and maintenance of critical infrastructure is a priority. The largest expense of the Special Items, the Reserve for Uncollected Taxes, must be calculated based on a formula specified by the Fiscal Agent Act, and cannot be reduced as a budget item. (At the same time, despite revenues for Prior Year Tax Payments coming in significantly better than budgeted, the City is also constricted by formula for this revenue as specified by the Fiscal Agent Act.) Cost centers largely outside of the City's control, like Employee Health Insurance and Workers Compensation, continue to increase at rates in excess of the both the City's economically-sensitive revenue growth and the 2% property tax cap. (However, recently settled union contracts do provide some options: in some cases lower starting salaries were agreed to, and/or labor union concessions in other areas, including fringe benefits such as health care contributions.)

Some financial and management options available to the City are listed below as gap closing measures. Employing any or all of these tools must be done judiciously to ensure that the City's financial obligations are met while limiting the fiscal stress on taxpayers and maintaining a robust City government. The following list is only an illustration of the tools which may be utilized to address deficits:

Increase Income Tax Surcharge

The City's income tax for residents is based on an individual's state income tax and was introduced by the New York State Financial Control Board. The resident rate is 16.75% of the net State tax, after being increased from 15% starting January 1, 2014. Under current state law this tax could be increased up to 19.25%, which could generate an additional \$6.0 to \$6.5 million annual revenue.

City of Yonkers Financial Plan: FY18 - FY21

Increase Real Estate Transfer Tax

The City's Real Estate Transfer Tax is currently 1.5%, and could be increased to up to 3% of the conveyance amount. An increase to 3.0% could generate an additional \$11.3 million annually, providing that real estate sales trends continue. (An increase to 3% was presented in the FY17 Proposed Executive Budget but was ultimately rejected by the City Council in favor of an increase in the property tax levy above the allowable tax levy growth factor.)

Exceed Property Tax Cap Limit

As enacted in FY17, with a supermajority vote of the City Council (five of the seven council members), the property tax cap can be exceeded. Each 1% increase in the Property Tax garners an additional \$3.5 million in annual revenue. However, as described earlier, the City is approaching its Constitutional Tax Limit.

Savings from Merging School District and City Functions

The merger of the School District and City financial and administrative functions resulted in stronger financial and administrative departments and cost savings from efficiencies and improved operations. The main goal of the merger was to provide fiscal oversight to ensure mistakes like the one that resulted in an overstatement of expected state aid by \$55 million will not occur again, but also to implement operational, functional, and fiscal review - using this strengthened combined team of professionals - that will consider for analysis combined School District and City operations. Other merged responsibilities could also generate expense savings.

Self-Insured Health Benefits Plan, or Lower Cost Carrier

Many cities and counties (i.e. the City of Syracuse and Westchester County) have better controlled increases in health insurance costs by becoming self-insured. While savings would only be minimal in the short run, perhaps \$3 million annually, because of the need for costly stop loss insurance for a newly established self-insured plan without a claims history of catastrophic cases to evaluate, eventually this option could provide significant savings, especially if stop loss insurance is discontinued. Alternately, the City should investigate health insurance carriers that offer commensurate services to the current provider (NYSHIP) at a lower cost.

Property Revaluation

As mentioned earlier, the multi-year projection assumes that Yonkers will continue the practice of bonding for Tax Certiorari Payments. A revaluation project, along with the continued

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improvement in market values, could reduce the need to borrow to pay the annual cost of successful certiorari challenges, and could save the City over \$1 million in debt service payments each year. The City of Yonkers Assessment Department has implemented the use of tablets to collect property data and is utilizing capital funding for reassessment to expedite its commercial data collection efforts. Additional funding to complete a citywide revaluation is reflected in the capital improvement plan.

Government Restructuring Initiative

The City is forming a Government Restructuring Committee that will be comprised of a Board of Directors, a Chairman with significant governmental operations experience, key Yonkers City and School District cabinet members, a representative of the City/BOE labor unions, and a representative from the City Council. The Committee will focus on the following areas, and will consider these sample topics:

Consolidation, Efficiency, and Cost Containment

- Consolidate smaller City agencies into a single Department to reduce duplicative payroll, procurement, and other support functions.
- Merge larger agencies with similar mission/mandates to reduce overhead and other fixed costs.
- Continue to merge School District and City services such as information technology, public safety, and building rehabilitation and maintenance.
- Partner with collective bargaining units to identify savings initiatives that will maintain City services at the most cost-efficient level for the taxpayer.

Revenue Enhancement

- Create a new Refuse District Fund, with its own dedicated fee structure, to reduce the City's tax levy and ensure that all users, including tax-exempt entities, pay their fair share for refuse collection and disposal.
- Maximize federal reimbursement for the School Lunch Program.
- Increase personal income tax, currently 0.5% of gross income, for non-residents who are employed by Yonkers entities. (Would require State legislation.)
- Extend the Real Estate Transfer Tax and Mortgage Recording Tax to cooperative apartments. (Would require State legislation.)

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Shared Services

- Form “districts” with neighboring communities to consolidate operations, eliminate overhead, and share capital equipment.

Operations

- Update procurement policy to reduce volume of low-dollar purchase orders with significant processing costs.
- Establish workers compensation verification unit to reduce abuses and fraud.
- Bolster revenue collections function to maximize receipt of fees, permits, taxes, grants, etc.

Public Safety (Police and Fire)

- Collaborate with uniformed collective bargaining agencies to ensure that (a) personnel deployment and (b) overtime allocation are done in the most cost efficient manner and without a diminishment of services.

Real Estate

- Analyze City properties and vacant/underutilized private properties to identify and develop candidate areas for commercial/housing development and resultant increase of Yonkers tax base.

Supporting Schedules

Section B

City of Yonkers Financial Plan Summary

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
City Budget	\$ 563,614,541	\$ 582,366,448	\$ 595,937,102	\$ 616,280,751
School District Budget	\$ 590,740,749	\$ 615,683,139	\$ 635,992,115	\$ 663,187,360
Total Budget	\$ 1,154,355,290	\$ 1,198,049,587	\$ 1,231,929,217	\$ 1,279,468,111
Budget Surplus/(Gap) (before Gap Closing measures)	\$ -	\$ (89,129,674)	\$ (103,064,411)	\$ (127,683,971)
City Budget Details	FY 2018	FY 2019	FY 2020	FY 2021
City Expenditures	\$ 563,614,541	\$ 582,366,448	\$ 595,937,102	\$ 616,280,751
City Revenues	\$ 579,030,093	\$ 541,514,713	\$ 557,527,535	\$ 568,366,823
Less Sales Tax for Education	\$ 15,415,552	\$ 15,878,019	\$ 16,354,359	\$ 16,844,990
City Budget Gap (before Gap Closing measures)	\$ -	\$ (56,729,753)	\$ (54,763,926)	\$ (64,758,918)
School District Budget Details	FY 2018	FY 2019	FY 2020	FY 2021
School District Expenditures	\$ 590,740,749	\$ 615,683,139	\$ 635,992,115	\$ 663,187,360
School District Revenues	\$ 329,598,828	\$ 320,053,131	\$ 330,470,219	\$ 341,335,821
City Contribution to Education	\$ 245,726,369	\$ 247,352,069	\$ 240,867,052	\$ 242,081,497
Plus Sales Tax for Education	\$ 15,415,552	\$ 15,878,019	\$ 16,354,359	\$ 16,844,990
School District Budget Gap (before Gap Closing measures)	\$ -	\$ (32,399,920)	\$ (48,300,485)	\$ (62,925,052)

The City projects outyear FY19 - FY21 budget gaps of \$56.7 million, \$54.8 million, and \$64.8 million, while the School District budget gaps over the same period are estimated at \$32.4 million, \$48.3 million, and \$62.9 million. These budget gaps will be closed with the use of fund balance, enhanced revenue programs, cost containment actions, and other gap closing measures detailed in the Plan. As noted earlier, the FY19 - FY21 projections assume no use of operational fund balance because future availability is uncertain. However, the use of available fund balance, to the extent that it is produced, will be part of future budget-balancing solutions.

City of Yonkers Revenue and Expenditure Summary

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Revenues				
Property Taxes	\$ 356,243,271	\$ 360,908,351	\$ 365,658,407	\$ 370,494,714
Special Taxes	171,330,094	175,783,974	180,261,474	184,866,133
State & Federal Funding	108,841,179	108,841,179	108,841,179	108,841,179
City Departments	42,930,632	43,405,846	43,694,505	43,959,225
Other Revenues	53,212,299	49,360,709	47,856,954	48,883,477
Appr. Fund Balance (General)	37,686,576	-	-	-
Appr. Fund Balance (Non Spendable)	4,000,000			
Total Revenues - General Fund	\$ 774,244,051	\$ 738,300,058	\$ 746,312,519	\$ 757,044,728
Library Fund	730,359	165,710	165,710	165,710
Water Fund	41,735,816	42,657,438	43,772,724	44,720,125
Sewer Fund	8,046,236	7,743,576	8,143,634	8,517,756
Total City Revenue	\$ 824,756,462	\$ 788,866,782	\$ 798,394,586	\$ 810,448,319
Board of Education	329,598,828	320,053,131	330,470,219	341,335,821
Total Revenues - All Funds	\$ 1,154,355,290	\$ 1,108,919,913	\$ 1,128,864,805	\$ 1,151,784,140
Expenditures				
City Departments	\$ 314,588,829	\$ 323,807,673	\$ 326,131,993	\$ 327,491,806
Fringe Benefits	155,968,451	167,659,280	176,090,179	185,128,465
Special Items	40,275,929	36,183,091	38,763,605	48,541,505
Board of Education	557,311,406	581,002,783	607,796,776	633,777,576
Subtotal	\$ 1,068,144,615	\$ 1,108,652,827	\$ 1,148,782,553	\$ 1,194,939,352
Debt Service	\$ 86,210,675	89,396,760	83,146,663	84,528,759
Total Expenditures	\$ 1,154,355,290	\$ 1,198,049,587	\$ 1,231,929,217	\$ 1,279,468,111
Revenues vs. Expenditures	\$ -	\$ (89,129,674)	\$ (103,064,411)	\$ (127,683,971)

City of Yonkers Revenue Summary

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Property Taxes	\$ 356,243,271	\$ 360,908,351	\$ 365,658,407	\$ 370,494,714
Special Taxes				
Sale and Use Tax	\$ 77,077,761	\$ 79,390,094	\$ 81,771,797	\$ 84,224,951
Sale and Use Tax - Education	15,415,552	15,878,019	16,354,359	16,844,990
Raceway Admissions	27,000	27,000	27,000	27,000
Utilities Gross Receipts	7,500,000	7,500,000	7,500,000	7,500,000
Supplemental Real Estate Tax	550,000	550,000	550,000	550,000
Real Estate Transfer Tax	11,300,000	11,526,000	11,756,520	11,991,650
O.T.B. Surcharge	126,000	126,000	126,000	126,000
Multiple Unit Dwelling Tax	143,151	143,151	143,151	143,151
E.T.P.A. Adm. Charge	230,990	230,990	230,990	230,990
City & State Mortgage Tax	7,050,000	7,050,000	7,050,000	7,050,000
Hotel Room & Occupancy Tax	850,000	950,000	950,000	950,000
Income Tax Surcharge	51,059,640	52,412,720	53,801,658	55,227,401
Total - Special Taxes	\$ 171,330,094	\$ 175,783,974	\$ 180,261,474	\$ 184,866,133
State & Federal Funding				
AIM Funding	\$ 108,215,479	\$ 108,215,479	\$ 108,215,479	\$ 108,215,479
Veterans Services	12,700	12,700	12,700	12,700
Court Facilities	440,000	440,000	440,000	440,000
County of West. - CMHB	173,000	173,000	173,000	173,000
Total - State and Federal Funding	\$ 108,841,179	\$ 108,841,179	\$ 108,841,179	\$ 108,841,179
City Departments				
Executive	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
City Clerk	242,000	242,000	242,000	242,000
Corporation Counsel	57,000	57,000	57,000	57,000
Finance and Mgt. Services	91,215	91,215	91,215	91,215
Parking Violations Bureau	20,611,950	20,818,070	21,026,251	21,236,514
Consumer Protection	1,344,376	1,344,376	1,344,376	1,344,376
Civil Service	590,000	590,000	590,000	590,000
Planning and Development	68,000	68,000	68,000	68,000
Police	4,097,341	4,261,235	4,261,235	4,261,235
Fire	3,526,500	3,526,500	3,526,500	3,526,500
Public Works	1,988,750	1,988,750	1,988,750	1,988,750
Engineering	801,000	801,000	801,000	801,000
Parks	3,152,500	3,152,500	3,152,500	3,152,500
Housing and Buildings	5,260,000	5,365,200	5,445,678	5,500,135
Courts Fines	800,000	800,000	800,000	800,000
Total - City Departments	\$ 42,930,632	\$ 43,405,846	\$ 43,694,505	\$ 43,959,225
Other Revenues				
Prior Year Tax Payments	\$ 10,772,172	\$ 10,960,205	\$ 11,151,662	\$ 11,346,596
Interest on Investment	95,100	95,100	95,100	95,100
Interest on Taxes	4,738,000	4,738,000	4,738,000	4,738,000
Cable Television Fees	4,600,000	4,462,000	4,328,140	4,198,296
Rent on City Property	104,000	106,080	108,202	110,366
Maintenance of State/Co. Roads	474,485	474,485	474,485	474,485
Payments in Lieu of Taxes	21,428,697	22,428,697	23,428,697	24,428,697

City of Yonkers Revenue Summary

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Yonkers Raceway Impact Fees	1,500,000	1,500,000	1,500,000	1,500,000
County Prisoner Processing	387,801	395,557	403,468	411,538
Sale of Property	300,000	300,000	300,000	300,000
Miscellaneous	1,012,000	1,012,000	1,012,000	1,012,000
QSCB Interest	431,143	366,000	317,200	268,400
Appropriated Fund Balance (Debt Svc)	7,368,901	2,522,585		
Subtotal	\$ 53,212,299	\$ 49,360,709	\$ 47,856,954	\$ 48,883,477
Appropriated Fund Balance (General)	37,686,576	-	-	-
Appropriated Fund Balance (Non Spendable)	4,000,000			
Total - Other Revenues	\$ 94,898,875	\$ 49,360,709	\$ 47,856,954	\$ 48,883,477
 Library Fund				
Rental of Real Property	\$ 11,800	\$ 11,800	\$ 11,800	\$ 11,800
Fees and Fines	65,300	65,300	65,300	65,300
Miscellaneous Library	41,050	41,050	41,050	41,050
State Funding	47,560	47,560	47,560	47,560
Subtotal	\$ 165,710	\$ 165,710	\$ 165,710	\$ 165,710
Appropriated Fund Balance (Library)	564,649	-	-	-
Total - Library Fund	\$ 730,359	\$ 165,710	\$ 165,710	\$ 165,710
 Water Fund				
Water Frontage Tax	\$ 4,135,310	\$ 4,135,310	\$ 4,135,310	\$ 4,135,310
Metered Water Sales	36,490,037	37,411,659	38,526,945	39,474,346
Sundries and Interest	1,110,469	1,110,469	1,110,469	1,110,469
Subtotal	\$ 41,735,816	\$ 42,657,438	\$ 43,772,724	\$ 44,720,125
Appropriated Fund Balance (Water)	-			
Total - Water Fund	\$ 41,735,816	\$ 42,657,438	\$ 43,772,724	\$ 44,720,125
 Sewer Fund				
Sewer Rents	7,848,783	7,546,123	7,946,181	8,320,303
Other	197,453	197,453	197,453	197,453
Subtotal	\$ 8,046,236	\$ 7,743,576	\$ 8,143,634	\$ 8,517,756
Appropriated Fund Balance (Sewer)	-	-	-	-
Total - Sewer Fund	\$ 8,046,236	\$ 7,743,576	\$ 8,143,634	\$ 8,517,756
 Board of Education				
State Funding - Basic	\$ 284,212,539	\$ 292,323,798	\$ 302,610,618	\$ 313,339,438
State Funding - Categorical	5,434,755	5,434,755	5,434,755	5,434,755
State Funding for VLTs	19,600,000	19,600,000	19,600,000	19,600,000
Federal Aid	614,900	650,000	681,500	714,575
Department	434,500	455,565	477,683	500,907
Interfund Rev./Indirect Cost	561,713	561,713	561,713	561,713
Misc. Departmental /Fines	954,300	1,027,300	1,103,950	1,184,433
Appropriated Fund Balance (Debt Svc)	374,687	-	-	-
Subtotal	\$ 312,187,394	\$ 320,053,131	\$ 330,470,219	\$ 341,335,821
Appr. Fund Balance - G./F.	17,411,434	-	-	-
Total - Board of Education	\$ 329,598,828	\$ 320,053,131	\$ 330,470,219	\$ 341,335,821
Total Revenues	\$ 1,154,355,290	\$ 1,108,919,913	\$ 1,128,864,805	\$ 1,151,784,140

City of Yonkers Expenditure Summary

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
City Departments				
Executive	\$ 2,085,031	\$ 2,101,077	\$ 2,118,204	\$ 2,127,437
Legislative	2,946,517	2,963,895	2,982,153	3,001,361
Corporation Counsel	2,725,694	2,747,524	2,761,454	2,767,262
Finance and Mgt. Services	15,722,672	16,046,603	16,268,530	16,339,587
Human Resources	4,295,779	4,391,452	4,463,635	4,480,449
Information Technology	7,041,739	7,157,355	7,283,301	7,348,466
Planning and Development	1,564,064	1,583,708	1,603,343	1,606,399
Police	101,195,603	104,999,932	105,187,368	105,257,199
Fire	71,055,902	73,817,181	73,857,286	73,899,023
Public Works	74,812,238	76,154,639	77,329,635	78,271,157
Engineering	2,958,153	3,026,074	3,073,368	3,077,045
Parks	13,106,247	13,443,080	13,644,605	13,687,706
Housing and Buildings	3,435,157	3,520,696	3,576,052	3,577,846
Constituent Services	952,500	960,761	968,820	976,688
Inspector General	506,512	507,454	508,882	510,814
Veterans Services	466,039	469,192	472,134	474,866
Human Rights	115,000	116,375	118,235	120,132
Library	9,353,982	9,548,174	9,658,699	9,706,957
Museum	250,000	252,500	256,288	261,413
Total - Departmental Expenditures	\$ 314,588,829	\$ 323,807,673	\$ 326,131,993	\$ 327,491,806
Fringes Benefits				
Employee Retirement	\$ 15,171,950	\$ 16,250,710	\$ 17,117,690	\$ 17,901,418
Police & Fire Retirement	39,692,341	43,246,093	45,051,146	46,831,281
Social Security	16,944,059	17,569,264	17,230,620	17,225,565
Workers' Compensation	12,488,018	13,687,539	14,235,040	14,804,442
Life/Health/Dental Ins.	63,798,333	68,865,271	74,337,564	80,247,640
Trust & Welfare Payments	4,942,208	5,136,889	5,214,603	5,214,603
Local Pension Plan	52,200	52,200	52,200	52,200
Unemployment Insurance	200,000	200,000	200,000	200,000
Fire 207A Supple. Pension	2,679,342	2,651,316	2,651,316	2,651,316
Total - Fringe Benefits	\$ 155,968,451	\$ 167,659,280	\$ 176,090,179	\$ 185,128,465
Special Items				
Taxes on City Property	\$ 2,975,305	\$ 3,034,811	\$ 3,095,507	\$ 3,157,417
Tax Remission	1,500,000	1,500,000	1,500,000	1,500,000
Senior Citizens Tax Exempt	440,000	440,000	440,000	440,000
Res. for Uncollected Taxes	14,358,884	14,546,917	14,738,374	14,933,308
YMCA-SNUG Grant	100,000	100,000	100,000	100,000
STRIVE	-	-	-	-
Tax Advertising	60,000	60,000	60,000	60,000
Paying Agent Expense	100,000	100,000	100,000	100,000
Municipal Dues	32,000	32,000	32,000	32,000
Tenant Act Expense	167,000	167,000	167,000	167,000
Judgments and Claims	1,000,000	1,000,000	1,000,000	1,000,000
Tax Certiorari Payments	500,000	500,000	500,000	500,000
Contractual Settlements	7,930,195	6,884,894	156,301	-
Termination Payments	2,439,069	2,512,241	2,587,608	2,665,237
Fiscal Agent Bank Fee	20,000	20,000	20,000	20,000

City of Yonkers Expenditure Summary

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Grant Cash Match	100,000	100,000	100,000	100,000
Litigation Expenses	2,065,000	2,065,000	2,065,000	2,065,000
Administrative Income Tax	366,000	366,000	366,000	366,000
Yonkers Historical Society	10,000	10,000	10,000	10,000
MTA Payroll Tax	905,827	932,227	913,814	913,543
Board of Ethics	-	-	-	-
Green Task Force	20,000	20,000	20,000	20,000
Affordable Housing Subsidies	1,100,000	1,100,000	1,100,000	1,100,000
Buena Vista Parking Garage	132,000	132,000	132,000	132,000
Annual City Audit	560,000	560,000	560,000	560,000
Transfer to CDA	3,394,649			
Contingent Reserve	-	-	9,000,000	18,600,000
Total - Special Items	\$ 40,275,929	\$ 36,183,091	\$ 38,763,605	\$ 48,541,505
Board of Education				
Basic Operating Expend.	\$ 557,311,406	\$ 581,002,783	\$ 607,796,776	\$ 633,777,576
Debt Service				
Debt Service - General Fund	\$ 42,582,256	\$ 44,277,562	\$ 43,797,100	\$ 43,303,669
Debt Service - Education Fund	33,429,343	34,680,356	28,195,339	29,409,784
Debt Service - Library Fund	1,028,400	1,247,079	1,035,400	1,131,780
Debt Service - Museum Fund	653,541	879,938	1,126,547	1,214,761
Debt Service - Water Fund	4,526,009	4,773,141	5,138,325	5,322,787
Debt Service - Sewer Fund	3,991,126	3,538,684	3,853,953	4,145,977
Total - Debt Service	\$ 86,210,675	\$ 89,396,760	\$ 83,146,663	\$ 84,528,759
Total Expenditures	\$ 1,154,355,290	\$ 1,198,049,587	\$ 1,231,929,217	\$ 1,279,468,111

City of Yonkers
Department Operating Expenditures

Department	Account Class	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Executive	100's	\$ 1,634,693	\$ 1,646,236	\$ 1,656,540	\$ 1,656,540
	200's	-	-	-	-
	300's	60,286	60,889	61,802	63,038
	400's	390,052	393,953	399,862	407,859
	Total	\$ 2,085,031	\$ 2,101,077	\$ 2,118,204	\$ 2,127,437
Legislative	100's	\$ 1,994,672	\$ 2,002,682	\$ 2,006,746	\$ 2,006,746
	200's	15,000	15,000	15,000	15,000
	300's	21,250	21,463	21,784	22,220
	400's	915,595	924,751	938,622	957,395
	Total	\$ 2,946,517	\$ 2,963,895	\$ 2,982,153	\$ 3,001,361
Corporation Counsel	100's	\$ 2,442,444	\$ 2,461,441	\$ 2,471,081	\$ 2,471,081
	200's	-	-	-	-
	300's	15,800	15,958	16,197	16,521
	400's	267,450	270,125	274,176	279,660
	Total	\$ 2,725,694	\$ 2,747,524	\$ 2,761,454	\$ 2,767,262
Finance and Mgt. Services	100's	\$ 12,257,015	\$ 12,546,290	\$ 12,715,712	\$ 12,715,712
	200's	-	-	-	-
	300's	78,240	79,022	80,208	81,812
	400's	3,387,417	3,421,291	3,472,611	3,542,063
	Total	\$ 15,722,672	\$ 16,046,603	\$ 16,268,530	\$ 16,339,587
Human Resources	100's	\$ 3,475,692	\$ 3,563,164	\$ 3,622,923	\$ 3,622,923
	200's	-	-	-	-
	300's	15,700	15,857	16,095	16,417
	400's	804,387	812,431	824,617	841,110
	Total	\$ 4,295,779	\$ 4,391,452	\$ 4,463,635	\$ 4,480,449
Information Technology	100's	\$ 3,863,451	\$ 3,947,284	\$ 4,025,079	\$ 4,025,079
	200's	-	-	-	-
	300's	106,150	107,212	108,820	110,996
	400's	3,072,138	3,102,859	3,149,402	3,212,390
	Total	\$ 7,041,739	\$ 7,157,355	\$ 7,283,301	\$ 7,348,466

City of Yonkers
Department Operating Expenditures

Department	Account Class	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Planning and Development	100's	\$ 1,415,039	\$ 1,433,193	\$ 1,450,570	\$ 1,450,570
	200's	-	-	-	-
	300's	5,000	5,050	5,126	5,228
	400's	144,025	145,465	147,647	150,600
	Total	\$ 1,564,064	\$ 1,583,708	\$ 1,603,343	\$ 1,606,399
Police	100's	\$ 97,789,723	\$ 101,559,993	\$ 101,695,830	\$ 101,695,830
	200's	-	-	-	-
	300's	650,419	656,923	666,777	680,113
	400's	2,755,461	2,783,016	2,824,761	2,881,256
	Total	\$ 101,195,603	\$ 104,999,932	\$ 105,187,368	\$ 105,257,199
Fire	100's	\$ 69,020,252	\$ 71,761,175	\$ 71,770,440	\$ 71,770,440
	200's	23,500	23,735	24,091	24,573
	300's	711,500	718,615	729,394	743,982
	400's	1,300,650	1,313,657	1,333,361	1,360,029
	Total	\$ 71,055,902	\$ 73,817,181	\$ 73,857,286	\$ 73,899,023
Public Works	100's	\$ 33,390,722	\$ 34,359,014	\$ 34,823,499	\$ 34,823,499
	200's	125,000	126,250	128,144	130,707
	300's	7,589,760	7,738,065	7,934,727	8,177,811
	400's	33,706,756	33,931,310	34,443,266	35,139,141
	Total	\$ 74,812,238	\$ 76,154,639	\$ 77,329,635	\$ 78,271,157
Engineering	100's	\$ 2,778,833	\$ 2,844,960	\$ 2,889,538	\$ 2,889,538
	200's	-	-	-	-
	300's	127,850	129,129	131,065	133,687
	400's	51,470	51,985	52,764	53,820
	Total	\$ 2,958,153	\$ 3,026,074	\$ 3,073,368	\$ 3,077,045
Parks	100's	\$ 11,004,068	\$ 11,319,879	\$ 11,489,557	\$ 11,489,557
	200's	14,300	14,443	14,660	14,953
	300's	560,500	566,105	574,597	586,089
	400's	1,527,379	1,542,653	1,565,793	1,597,108
	Total	\$ 13,106,247	\$ 13,443,080	\$ 13,644,605	\$ 13,687,706

City of Yonkers
Department Operating Expenditures

Department	Account Class	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Housing and Buildings	100's	\$ 3,347,657	\$ 3,432,321	\$ 3,486,351	\$ 3,486,351
	200's	-	-	-	-
	300's	10,000	10,100	10,252	10,457
	400's	77,500	78,275	79,449	81,038
	Total	\$ 3,435,157	\$ 3,520,696	\$ 3,576,052	\$ 3,577,846
Constituent Services	100's	\$ 568,733	\$ 573,157	\$ 575,401	\$ 575,401
	200's	-	-	-	-
	300's	6,300	6,363	6,458	6,588
	400's	377,467	381,242	386,960	394,700
	Total	\$ 952,500	\$ 960,761	\$ 968,820	\$ 976,688
Inspector General	100's	\$ 412,290	\$ 412,290	\$ 412,290	\$ 412,290
	200's	-	-	-	-
	300's	3,522	3,557	3,611	3,683
	400's	90,700	91,607	92,981	94,841
	Total	\$ 506,512	\$ 507,454	\$ 508,882	\$ 510,814
Veterans Services	100's	\$ 332,789	\$ 334,609	\$ 335,533	\$ 335,533
	200's	-	-	-	-
	300's	8,600	8,686	8,816	8,993
	400's	124,650	125,897	127,785	130,341
	Total	\$ 466,039	\$ 469,192	\$ 472,134	\$ 474,866
Human Rights	100's	\$ 22,500	\$ 22,950	\$ 23,409	\$ 23,409
	200's	-	-	-	-
	300's	-	-	-	-
	400's	92,500	93,425	94,826	96,723
	Total	\$ 115,000	\$ 116,375	\$ 118,235	\$ 120,132
Library	100's	\$ 7,000,277	\$ 7,170,932	\$ 7,245,799	\$ 7,245,799
	200's	80,967	81,777	83,003	84,663
	300's	206,665	208,732	211,863	216,100
	400's	2,066,073	2,086,734	2,118,035	2,160,395
	Total	\$ 9,353,982	\$ 9,548,174	\$ 9,658,699	\$ 9,706,957

City of Yonkers
Department Operating Expenditures

Department	Account Class	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Museum	100's	\$ -	\$ -	\$ -	
	200's	-	-	-	-
	300's	-	-	-	-
	400's	250,000	252,500	256,288	261,413
	Total	\$ 250,000	\$ 252,500	\$ 256,288	\$ 261,413
Total	100's	\$ 252,750,850	\$ 261,391,571	\$ 262,696,297	\$ 262,696,297
	200's	258,767	261,205	264,898	269,896
	300's	10,177,542	10,351,724	10,587,592	10,883,733
	400's	51,401,670	51,803,173	52,583,207	53,641,881
	Total	\$ 314,588,829	\$ 323,807,673	\$ 326,131,993	\$ 327,491,806

Yonkers Public School District Consolidated Operating Expenses

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
Salaries and Salary Related	\$ 298,395,285	\$ 306,046,549	\$ 316,750,647	\$ 326,099,233
Employee Benefits				
Civil Service Retirement (ERS)	10,441,181	11,901,082	12,534,543	13,455,865
Teachers Retirement (TRS)	25,360,556	27,247,033	29,351,907	31,433,952
Social Security	22,075,345	22,647,445	23,439,548	24,131,343
Dental, Life, Vision	74,249	75,734	77,249	78,794
Unemployment Insurance	50,000	51,000	52,020	53,060
Health Insurance	87,332,927	94,319,561	101,865,126	110,014,336
Welfare Fund Contribution	4,173,683	4,278,025	4,427,756	4,560,588
Administration 403B	3,012	3,072	3,134	3,196
Transportation	30,823,000	31,131,230	31,442,542	31,756,968
Tuition	24,626,120	26,770,881	29,153,794	31,751,544
Charter Schools	10,020,341	10,320,801	10,621,261	10,921,721
Contractual	17,221,888	17,805,530	18,633,021	18,975,798
BOCES	10,975,849	11,524,641	12,100,874	12,705,917
Fuel Oil	3,065,724	3,139,301	3,214,645	3,291,796
Electricity	3,180,000	3,402,600	3,640,782	3,895,637
Other Utilities	996,200	1,135,580	1,182,090	1,230,617
Material/Supplies	3,357,022	3,424,162	3,492,646	3,562,499
Building Repairs	1,972,000	2,303,080	2,372,172	2,443,338
Transfer to Grant Special Aid Fund	1,495,200	1,495,200	1,495,200	1,495,200
Transfer to School Lunch Fund	350,000	600,000	500,000	400,000
Insurance	986,100	1,035,405	1,087,175	1,141,534
Postage	280,000	280,000	282,800	285,628
Travel	45,725	54,870	65,844	79,013
Equipment	10,000	10,000	10,000	10,000
Textbooks	-	-	-	-
Subtotal	\$ 557,311,407	\$ 581,002,783	\$ 607,796,776	\$ 633,777,576
Debt Service	33,429,343	34,680,356	28,195,339	29,409,784
TOTAL	\$ 590,740,749	\$ 615,683,139	\$ 635,992,115	\$ 663,187,360

City of Yonkers Combined Property Tax Levy Components

	FY 2018 Adopted	FY 2019 Projection	FY 2020 Projection	FY 2021 Projection
2% Tax Constitutional Limit	\$ 283,147,462	\$ 278,953,012	\$ 287,745,848	\$ 291,492,085
Debt Service Exclusion	69,842,042	80,321,572	76,278,792	77,368,862
City Operating Capital	133,767	133,767	133,767	133,767
City Capital Labor	0	0	0	0
Tax Certiorari Payments	500,000	500,000	500,000	500,000
Judgment & Claims	1,000,000	1,000,000	1,000,000	1,000,000
Total Property Tax Levy	\$ 356,243,271	\$ 360,908,351	\$ 365,658,407	\$ 370,494,714
Total Exclusions	71,475,809	81,955,339	77,912,559	
2% Constit. Limit	\$ 304,067,494	\$ 302,751,991	\$ 301,694,134	\$ 301,410,996
Expend. Subject to 2% Limit	\$ 283,147,462	\$ 278,953,012	\$ 287,745,848	\$ 291,492,085
Constit. Tax Margin	\$ 20,920,032	\$ 23,798,979	\$ 13,948,285	\$ 9,918,911

City of Yonkers
FY 2018 - 2% Constitutional Tax Limit Calculation

Fiscal Year	Property	Franchise	City Taxable AV	Vet. Exempt.	School Taxable AV	Special Ratio%	Full Value
FY 2014	\$ 450,208,617	\$ 25,117,088	\$ 475,325,705	\$ 7,192,720	\$ 482,518,425	3.11%	\$ 15,515,061,897
FY 2015	\$ 446,758,228	\$ 25,999,604	\$ 472,757,832	\$ 7,724,788	\$ 480,482,620	3.10%	\$ 15,499,439,355
FY 2016	\$ 444,952,060	\$ 27,289,654	\$ 472,241,714	\$ 2,232,063	\$ 474,473,777	3.08%	\$ 15,404,992,760
FY 2017	\$ 445,287,692	\$ 27,289,654	\$ 472,577,346	\$ 1,992,028	\$ 474,569,374	3.15%	\$ 15,065,694,413
FY 2018 Adopted	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.25%	\$ 14,531,685,169
Five Year Total							\$ 76,016,873,594
Five Year Average							\$ 15,203,374,719
2% of Five Year Ave.							\$ 304,067,494

AV = Assessed Value

City of Yonkers
FY 2019 - 2% Constitutional Tax Limit Calculation

Fiscal Year	Property	Franchise	City Taxable AV	Vet. Exempt.	School Taxable AV	Special Ratio%	Full Value
FY 2015	\$ 446,758,228	\$ 25,999,604	\$ 472,757,832	\$ 7,724,788	\$ 480,482,620	3.11%	\$ 15,449,601,929
FY 2016	\$ 444,952,060	\$ 27,289,654	\$ 472,241,714	\$ 2,232,063	\$ 474,473,777	3.10%	\$ 15,305,605,710
FY 2017	\$ 445,287,692	\$ 27,289,654	\$ 472,577,346	\$ 1,992,028	\$ 474,569,374	3.08%	\$ 15,408,096,558
FY 2018 Adopted	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.15%	\$ 14,993,008,508
FY 2019 Projection	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.25%	\$ 14,531,685,169
Five Year Total							\$ 75,687,997,875
Five Year Average							\$ 15,137,599,575
2% of Five Year Ave.							\$ 302,751,991

AV = Assessed Value

City of Yonkers
FY 2020 - 2% Constitutional Tax Limit Calculation

Fiscal Year	Property	Franchise	City Taxable AV	Vet. Exempt.	School Taxable AV	Special Ratio%	Full Value
FY 2016	\$ 444,952,060	\$ 27,289,654	\$ 472,241,714	\$ 2,232,063	\$ 474,473,777	3.11%	\$ 15,256,391,543
FY 2017	\$ 445,287,692	\$ 27,289,654	\$ 472,577,346	\$ 1,992,028	\$ 474,569,374	3.10%	\$ 15,308,689,484
FY 2018 Adopted	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.08%	\$ 15,333,758,701
FY 2019 Projection	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.15%	\$ 14,993,008,508
FY 2020 Projection	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.25%	\$ 14,531,685,169
Five Year Total							\$ 75,423,533,406
Five Year Average							\$ 15,084,706,681
2% of Five Year Ave.							\$ 301,694,134

AV = Assessed Value

City of Yonkers
FY 2021 - 2% Constitutional Tax Limit Calculation

Fiscal Year	Property	Franchise	City Taxable AV	Vet. Exempt.	School Taxable AV	Special Ratio%	Full Value
FY 2017	\$ 445,287,692	\$ 27,289,654	\$ 472,577,346	\$ 1,992,028	\$ 474,569,374	3.11%	\$ 15,259,465,402
FY 2018 Adopted	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.10%	\$ 15,234,831,226
FY 2019 Projection	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.08%	\$ 15,333,758,701
FY 2020 Projection	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.15%	\$ 14,993,008,508
FY 2021 Projection	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	3.25%	\$ 14,531,685,169
Five Year Total							\$ 75,352,749,006
Five Year Average							\$ 15,070,549,801
2% of Five Year Ave.							\$ 301,410,996

AV = Assessed Value