



Mayor Mike Spano

City of Yonkers

Four Year Financial Plan

Fiscal Year 2019 - Fiscal Year 2022

**Prepared by the
Office of Management and Budget
July 2018**

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City of Yonkers Financial Plan FY19 - FY22 Overview and Discussion (Section A)

Overview

For all seven budget years of the current administration, a balanced budget has been passed with certification from the State Comptroller's Office and review by 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 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, 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 \$18.3 million by the close of FY17. The City's improved fiscal condition, along with an increase in business activity and investment in Yonkers, have been signs of positive growth.

As shown below, FY18 projects continued solid growth for economically-sensitive revenues. Compared to FY18 Current Budgets; Personal Income Tax (PIT) revenue is projected higher by \$1.9 million or 3.8%; Mortgage Recording Tax revenue is projected higher by \$1.1 million, or 15.8%; City Sales and Use Tax revenue is projected higher by \$1.2 million, or 1.6%; Real Estate Transfer Tax receipts are projected higher by \$2.7 million, or 24%.

Revenues (\$mil)	FY14	FY15	FY16	FY17	FY18
Sales & Use Tax	70.4	72.8	73	75.1	78.3
Real Estate Transfer Tax	8.4	9.9	10.1	12.9	14.0
Personal Income Tax	41.3	47.7	50.8	50.0	53.0
Mortgage Recording Tax	4.9	5.9	8.5	7.1	8.2
Total	125	136.3	142.4	145.1	153.5

Along with the positive economic backdrop as outlined above comes the challenge of balancing revenues with increasing expenditures. The FY19 - FY22 Financial Plan uses the FY19 Adopted Budget as the basis for the FY20 through FY22 fiscal year projections. The FY19 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 \$18.3 million unassigned fund balance from the City's General Fund; the entire \$24.1 million unassigned fund balance from the City's Education Fund; as well as \$1.2 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 FY19 Budget fully funds recently-settled labor union contracts, but does not provide a contingency reserve. The FY19 Budget increases the Maintenance of Effort (MOE) for the School District budget by approximately \$1.5 million, including \$675,000 from additional sales tax for education and \$800,000 in additional City baseline contribution.

The ultimate goal is to return fiscal stability to the City. This can be accomplished by increasing recurring revenues enabling the City to consistently return and retain fund balance; establishing a sound fund balance policy; budgeting annual contingency reserves; and exiting short term balancing techniques, such as, bonding for tax certioraris and other items with short periods of probable usefulness. 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 governance, as it is under the current administration, in order to help eliminate the annual structural imbalance plaguing the City.

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 backup.

City of Yonkers Financial Plan FY19 - FY22 Overview and Discussion (Section A)

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 FY20 - FY22 budget gaps of \$37.3 million, \$40.9 million, and \$42.5 million, while the School District budget gaps over the same period are projected at \$56.9 million, \$75.5 million, and \$89.1 million, respectfully.** 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. The FY20 - FY22 projections assume no use of 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 if necessary.

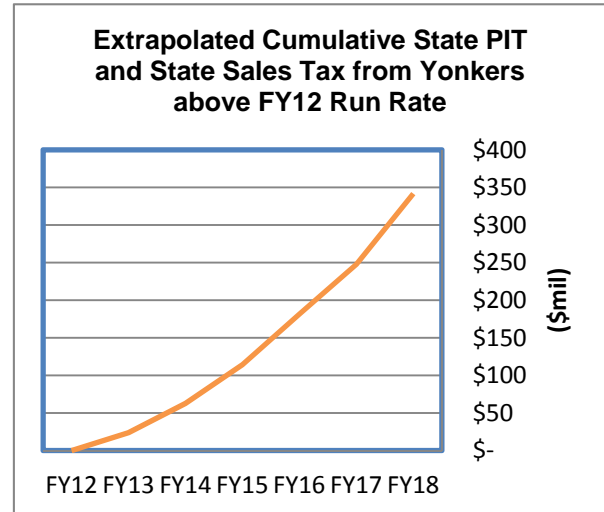
Revenues

In the \$1.191 billion FY19 Adopted Budget, the major sources of revenue for combined City and School District operations are State and Federal Aid (\$440.8 million or 37.01%) and Property Taxes (\$378.3 million or 31.77%).

City-anticipated State and Federal Aid is \$113.8 million for FY19 (9.56% of total revenue) which includes a one-time \$5 million in Specialized State Aid expected to be received under the New York State Financial Restructuring Boards' Local Government Performance and Efficiency Program. The City's Aid and Incentives to Municipalities (AIM) funding from New York State has remained flat at approximately \$108 million since FY12, and less than the advanced amount of \$132 million received in FY11. 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.

For example, the chart above measures the cumulative extrapolated New York State portion of Yonkers Personal Income Tax and Sales Tax above the FY12

run rate over the last six years FY13 through FY18 (projected).



School District State and Federal Aid for FY19 is \$326.9 million (27.5% of total revenue). This is an increase of \$15.6 million above FY18; non-recurring Bullet Aid of \$8.8 million (\$6.6 million above FY18) combined with a 3.8% increase in Foundation Aid of \$7.4 million make up the majority of the increase. Beyond the above 68.8% of revenue from State and Federal Aid and Property Taxes, the remaining 31.2% of revenues are comprised mainly of Sales Tax (8.1%), Income Tax Surcharge (4.5%), Water and Sewer revenues (4.3%), and Appropriated Fund Balance (3.56%). Given the limits of the Property Tax Levy Cap & Constitutional Tax Margin Levy Limit, and the lack of growth in State and Federal Aid, the City has become more dependent on economically sensitive revenues, such as, housing-related taxes, income tax, and sales tax, and the use of Appropriated Fund Balance. The factors driving economic revenues also drive up expenditure costs, such as, health insurance, wage inflation, and contractual costs. Normally, only the revenues suffer during an economic slowdown while the expenditures stay elevated. 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.

City of Yonkers Financial Plan FY19 - FY22

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Major revenue projections and assumptions are as follows:

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. Although Yonkers had stayed within the Property Tax Cap Law for all but one year during the current administration, in FY19, while facing layoffs and program cuts, Council voted to break the tax cap by increasing the Property Tax Levy by 6.2%.

The Financial Plan maintains the allowable tax levy growth at 2.0% 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 \$7.1 million in FY20, \$7.2 million in FY21, and \$7.3 million in FY22. 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.

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 2.0% annually in each year of the Financial Plan. City Sales Tax and Education Sales Tax revenue increase in FY20- FY22, by an average \$1.6 million and \$328,000 per year, respectively. The Plan's average 2.0% growth is less than the average City's sales and use tax growth from FY14 through the FY18 projection (2.91%), and also less than the New York State FY2019 Enacted Budget Financial Plan

projections for sales and use tax growth in Fiscal Years 2019 through 2022.¹

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).

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. The Financial Plan maintains the FY19 Adopted amount of \$7.7 million with no growth in the outyears.

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 \$13.5 million in FY18 and budgeted at \$14.1 million in FY19. 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 \$13.5 million in FY18, or average annual growth of 15.7% over the period. The FY19 Adopted Budget assumes that recent activity will continue at its very strong pace but the Financial Plan is more conservative by using an average of prior fiscal years amounts to arrive at outer year amounts as indicated by a reduction in the Transfer Tax by 14% in FY20, and then growth of 2% in FY21 and FY22.

¹ See <https://www.budget.ny.gov/pubs/archive/fy19/enac/fy19enacFP.pdf>, Page 77.

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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%.

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 leveled off in FY17 to \$7.1 million in and is projected to be \$7.5 million in FY18. The FY19 Adopted Budget is \$7.8 million and the Financial Plan maintains mortgage recording tax revenue flat in the outer years.

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 eight locations contribute to the tax revenue. Hotel tax revenue is projected at \$850,000 in FY18, and the FY19 Adopted Budget is \$1,080,000 reflecting full year collections from all eight locations. The Financial Plan conservatively grows the FY19 amount by 1% in the outer years.

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 projected FY18, the City's income tax surcharge receipts grew from \$29.6 million to \$52.5 million, a total increase of 77% and an average annual increase of 8.75%. During this period, the PIT surcharge percent collected on residents increased from 10% to the current 16.75% of their New York State tax amount. Although the City has experienced tremendous growth in the PIT over the past 8 years, there are factors at play which can create variances in actual receipts, such as, changes in New York State

tax rates and/or brackets, year over year changes in estimated payments and withholding amounts, capital gains tax rates, wage inflation, unemployment, lottery winnings, and overall economic growth of Yonkers and the surrounding areas. For example, in FY17, Yonkers experienced a revenue shortfall vs. budget of \$4.3 million (budget was based off a 3.5% expected growth off FY16 projection) and a decline in receipts from FY16 of \$831k. This turned out to be a statewide issue. In its FY 2018 Enacted Budget Financial Plan, all funds PIT Receipts were projected to be \$47.56 billion in SFY17 versus an Enacted Plan of \$49.46 billion, or a shortfall of approximately \$1.9 billion (3.8%). New York State said that the shortfall was "primarily due to underlying weaknesses in estimated payments and withholding growth."² However, Yonkers PIT recovered strongly in FY18 and is projected to growth at 5% above FY17 actuals.

Payments in Lieu of Taxes (PILOTs)

Payments in Lieu of Taxes increase by 4% 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.

City Departmental Revenue

City Departments generate revenue from permits, fees, fines, and reimbursement of services. The Parking Violation Bureau (PVB) generates the highest revenue; the FY19 Budget is \$18.7 million for parking, red light camera, and code violation fines. . The Department of Housing and Buildings (DHB) is projected to generate \$5.0 million in FY19 for various permits, fees, and fines. The Police Department's FY19 Adopted revenue of \$5.3 million is comprised primarily of reimbursable police services, such as compensation by utility companies when work requires police presence. Recent development in the downtown area has helped buoy Housing and Building permits fees and the need for Police reimbursable services.

² See

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

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The FY19 Adopted Budget for Department Revenues is \$41.6 million. With several development projects expected to be completed prior to FY20, the Financial Plan conservatively projects a reduction in Departmental Revenues in FY20 of \$500,000 and keeps this amount flat in FY21 and FY22.

Metered Water Sales and Sewer Rents

In the Financial Plan, 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.

School Aid

School District Basic State Funding is projected to increase over the financial plan primarily due to an estimated 3% annual increase in Foundation Aid, which represents the midpoint between the FY18-19 Executive (January) and the Legislative (May) FY18-19 State Education Department (SED) Foundation Aid State Run amounts vs. the FY17-18 Projected Foundation Aid amount on the May 2018 State Aid run.

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 \$310k (0.09%) in FY20, \$10.0 million (3.07%) in FY21, and \$11.1 million (3.3%) in FY22.

Please note that in FY19, the District received \$8.8 million in State "Bullet Aid." The Financial Plan assumes no "Bullet Aid" in outer years FY20-FY22.

Expenditures

The major uses of the combined \$1.1191 billion operating funds in the FY19 Adopted Budget are the Board of Education (51.7% of total expenditures or \$615.6 million when debt service for education is included), City Departmental Expenses (27.0% or \$321.9 million), and Fringe Benefits for City employees (14.0% or \$166.3 million). Including the cost of Fringe Benefits for city employees and City Departmental Expenses, the total cost for the City's departmental operations is 41.0% of total expenditures. The remainder of the expenditures is split over Debt Service (4.46% without the education component) and Special Items (2.8%).

Personnel costs - hourly/salary wages, overtime, special pay, and employee fringe benefits - comprise the majority of operating budget expense. In the FY19 Adopted Budget, Municipal payroll (\$260.9 million) plus employee fringe benefits (\$166.3 million) combine for \$427.2 million or 74.3% of the City's \$575.2 million operating budget. School District payroll (\$305.8 million) plus employee fringe benefits (\$162.1 million) combine for \$469.9 million or 76.0% of the School District's \$615.6 million operating budget. Combined, personnel costs comprise 75.2% of the \$1.191 billion City operating budget.

City Departmental

In the Financial Plan, City Departmental expenses are expected to increase \$2.6 million in FY20, \$2.1 million in FY21, and \$2.0 million in FY22. In the City Departmental section, only settled labor contracts are reflected: 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).

For department other-than-personal-services expenses, outyear increases are applied to materials/supplies and contractual services accounts,

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materials/supplies and contractual services accounts, and specific projections are factored for commodity accounts like energy, water, and gasoline/diesel purchases.

City Employee Fringe Benefits

Employee fringe benefit costs are expected to rise by an average of 4.5% or \$7.8 million annually for FY20 through FY22. 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 FY19 rates plus 0.5% for FY20 through FY22, 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 \$6.0 million annually, for the NYSHIP Empire Plan for FY20 through FY22.

Social Security Taxes: Based on expected eligible wages for FY20 through FY22, a 6.4% estimated tax rate is projected.

Workers Compensation: A projected 5.0% annual increase in Workers Compensation for FY20 through FY22 was applied to recognize continually increasing claim costs and activity.

Debt Service and Capital Improvement/Bond Issuance Plan

The City projects bond issuance as follows in the Financial Plan.

Capital Improvement & Bond Issuance Plan (mil)	FY19	FY20	FY21	FY22
City Capital Improvement	\$45	\$30	\$30	\$30
Tax Certioraris	\$10	\$0	\$0	\$0
Library Capital Improvement	\$1	\$1	\$1	\$1
Museum Capital Improvement	\$1	\$1	\$1	\$1
Water Capital Improvement	\$5	\$5	\$5	\$5
Sewer Capital Improvement	\$5	\$5	\$5	\$5
Total City	\$67	\$42	\$42	\$42
BOE Capital Improvement	\$20	\$35	\$35	\$35
BOE Equipment /Textbooks	\$5	\$0	\$0	\$0
Total BOE	\$25	\$35	\$35	\$35
Total Bond Issuance Plan	\$92	\$77	\$77	\$77

The Financial Plan projection assumes that Yonkers will cease its practice of bonding for Tax Certiorari Payments, BOE Textbooks and Equipment, and Police Vehicles in FY20. Besides debt service for capital expenses, 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 FY19 Adopted Debt Service budget is \$86.1 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 FY20 - FY22 of \$81.6 million, \$80.7 million, and \$79.3 million respectively.

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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; tax certioraris; 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 property tax growth.
- Tax Certioraris: an annual amount of \$10.5 million in the General Fund for years FY20 through FY22.
- Termination Payments: a 50% increase in FY20 due to increased expected retirements due to contract expirations with a reduction of 27% in FY21 reflecting normal retirement environment.
- Contractual Settlements: funded per projected retroactive salary payments.
- Contingent Reserve: a factor, as described below.
- Judgments & Claims, Litigation Expense, and most other Special Items: held flat through the Plan.

The FY19 Special Items Adopted Budget is \$33.9 million. In FY20, Special Items are projected to increase by \$13.3 million to \$47.2 million primarily because of the netting effects of (a) a \$10 million increases in tax certioraris to the General Fund since the Financial Plan assumes that the City will cease bonding for annual tax certioraris to help arrive at structural balance (b) retroactive salary payments for settled contracts decrease by \$6.6 million in FY20 but offset by a contingent reserve projection of \$6 million which includes, among other things, an amount to fund

personnel costs including wages and fringe benefits (c) an appropriation for the purchase of Police Vehicles of \$2 million. In FY21 and FY22, Special Items increase by \$6.9 million and \$4.4 million primarily attributable to an increase in the contingent reserve.

Board of Education (BOE) Basic Operating Expenditures

The BOE FY19 Adopted Budget for basic operating expenditures is \$582.6 million. In the Plan, BOE basic operating expenditures increase \$33.6 million (5.8%) in FY20, \$28.9 million (4.7%) in FY21, and \$29.0 million (4.5%) in FY22. Included in operating expenditures for outer years FY20 through FY22 is an appropriation of \$5 million for the purchase of Textbooks and Equipment which had previously been bonded over the past several years.

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 units have settled labor contracts through FY21.

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

BOE Plan Increases over Prior Year (mil)	FY20	FY21	FY22
Salary & Salary Related	\$ 12.16	\$ 10.94	\$ 1.64
Employee Benefits	10.89	12.18	8.60
Transportation	0.96	0.99	1.02
Tuitions	1.64	1.75	1.79
Debt Service	(7.52)	(0.03)	2.15
Contractual	0.56	(0.03)	0.59
BOCES	1.12	1.21	1.31
Charter School Tuitions	1.02	1.29	1.38
Utilities	0.41	0.43	0.45
Materials & Supplies	0.07	0.07	0.07
Building Repairs	0.06	0.06	0.07
Transfers	(0.25)	-	-
Insurance	0.05	0.06	0.06
Equipment	2.09	-	-
Library Books	0.21	-	-
Textbooks	2.64	-	-
Contingent Reserve	-	-	8.00
Total	\$26.10	\$28.90	\$27.12

Salary and Salary-related increases are based on the terms of settled labor contracts for FY20 and FY21.

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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 are 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. For FY22, the Plan includes a contingency reserve of \$8 million which includes, among other things, an amount for potential wage and fringe benefits costs due to the FY21 expiration of labor contracts.

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 FY19 Adopted Budget exhausts 92.3% or \$298.1 million of the \$323.1 CTL, which translates to \$25.0 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 five-year rolling average formula for full valuation of taxable real property for outer years is arrived at by keeping the FY19 special equalization ratio as provided by ORPTS and taxable valuation fixed at FY19 levels.

The constitutional tax margin based on the annual increase in property tax levy, changes as follows in the financial plan: \$25.0 million in FY19, \$27.3 million in FY20, \$21.5 million in FY21, \$8.5 million in FY22.

	FY19	FY20	FY21	FY22
Constitutional Tax Margin (mil)	\$ 25.0	\$ 27.3	\$ 21.5	\$ 8.5
% CTL Exhausted	92.27%	91.61%	93.43%	97.36%

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, for both active and retired employees, and persistent costs stemming from the State's 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 \$2.6 million annually starting in FY20.

Labor contracts with all eight municipal unions expire during or at the end of FY21. 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 \$4.1 million annually starting in FY21.

A factor for possible settlements in FY20, FY21 and FY22 is included as part of the Contingent Reserve under City Special Items.

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Salary and salary-related increases for School District personnel under signed labor agreements are incorporated into the Plan with a contingency amount in FY22 because all School District bargaining unit contracts expire in FY21.

Economically Sensitive Revenues

City operations are supported by taxes that fluctuate with known and unknown economic condition and can be subject to exogenous shocks or mid-year vector reversals. Although in FY18 economically sensitive revenues are projected to be higher than budget, sometimes there can be “hiccups” or one year anomalies which differ from trend. 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 rebounded, even as gasoline prices remain low; City sales tax grew 2.76% in FY17, and is projected to grow by 3.6% in FY18. More than offsetting the rebound in sales tax revenue in FY17 was the shortfall in personal income tax surcharge receipts which as mentioned previously was a statewide issue despite strong job and income data from Yonkers.

Over recent years, much of the City’s recent return to fund balance has been fueled by overall performance above budget by economically sensitive revenues. Increased reliance on these types of revenues could be an issue during economic turbulence or when “hiccups”, as mentioned above, occur. Therefore, the City must be cautious in projecting revenue subject to broader economic conditions.

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.

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

City of Yonkers Financial Plan FY19 - FY22

Overview and Discussion (Section A)

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 \$6.7 million annual revenue.

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 \$12.1 to \$14.1 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 FY19, 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 \$3.6 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 e.g. 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 exit the practice of bonding for Tax Certiorari Payments with an increased cost of \$10 million above the FY19 level in outer years FY20 through FY22. A revaluation project, along with the continued improvement in market values, could reduce the need to pay the annual cost of successful certiorari challenges, and could save the City approximately 50% or \$5 million annually. 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.

City of Yonkers Financial Plan FY19 - FY22

Overview and Discussion (Section A)

Revenue Enhancement

- Create a new Refuse District Fund, with its own dedicated fee structure, to 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 through the acceptance of the Community Eligibility 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.)
- Lobby State to increase AIM Aid. As stated earlier in the Revenue section, Yonkers is and has been sending an increasing amount of Sales Tax and Income Tax to the State while Yonkers AIM Aid has remained flat. Investments in new infrastructure, improvements to Parks, strong Public Safety, and other improved services are creating the attractive backdrop where people want to live and shop that is fostering growth in the shared revenues. However, Yonkers is not receiving its share of the increased revenues.
- Lobby State to increase Host Community Portion of Video Lottery Terminal Revenue from Empire City Casino. Since FY08, full year net win for the casino has increased by \$166.8 million from \$431.7 million in FY08 to \$598.5 million in FY18 while State Aid for VLT's has remained flat at \$19.6 million.
- Lobby State to make changes in State Aid Formula to reflect needs of the district. Over the past 15 years (FY04-FY18), the City's annual transfer to Education has increased by \$126 million from \$135 million to \$261 million leaving Yonkers in the "danger zone" of 92.3% of its Constitutional Property Tax Margin Levy Limit. Possible suggestions are; an increase in the Foundation Aid State Sharing Ratio to the cap of 90% equaling the other three sister cities; an increase in the Regional Cost Index to that of Long Island and New York City to accurately reflect cost levels of Yonkers; a reduction in the

spread between Foundation Aid by Formula and Foundation Aid actually paid.

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.
- 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.

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Financial Plan Summary

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
City Budget	\$ 575,193,734	\$ 601,964,130	\$ 617,549,460	\$ 628,551,464
School District Budget	\$ 615,616,354	\$ 641,714,136	\$ 670,616,228	\$ 697,740,672
Total Budget	\$ 1,190,810,088	\$ 1,243,678,266	\$ 1,288,165,688	\$ 1,326,292,136
Budget Surplus/(Gap) (before Gap Closing measures)	\$ -	\$ (94,247,894)	\$ (116,432,967)	\$ (131,531,577)
City Budget Details	FY 2019	FY 2020	FY 2021	FY 2022
City Expenditures	\$ 575,193,734	\$ 601,964,130	\$ 617,549,460	\$ 628,551,464
City Revenues	\$ 591,284,491	\$ 581,048,605	\$ 593,358,538	\$ 603,162,549
Less Sales Tax for Education	\$ 16,090,757	\$ 16,412,572	\$ 16,740,823	\$ 17,075,640
City Budget Gap (before Gap Closing measures)	\$ -	\$ (37,328,097)	\$ (40,931,746)	\$ (42,464,555)
School District Budget Details	FY 2019	FY 2020	FY 2021	FY 2022
School District Expenditures	\$ 615,616,354	\$ 641,714,136	\$ 670,616,228	\$ 697,740,672
School District Revenues	\$ 354,021,213	\$ 329,433,540	\$ 339,457,816	\$ 350,529,350
City Contribution to Education	\$ 245,504,384	\$ 238,948,228	\$ 238,916,368	\$ 241,068,660
Plus Sales Tax for Education	\$ 16,090,757	\$ 16,412,572	\$ 16,740,823	\$ 17,075,640
School District Budget Gap (before Gap Closing measures)	\$ -	\$ (56,919,796)	\$ (75,501,221)	\$ (89,067,022)

The City projects outyear FY20 - FY22 budget gaps of \$37.3 million, \$40.9 million, and \$42.5 million, while the School District budget gaps over the same period are estimated at \$56.9 million, \$75.5 million, and \$89.1 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 FY20 - FY22 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 Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Revenue and Expenditure Summary

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Revenues				
Property Taxes	\$ 378,330,354	\$ 385,431,079	\$ 392,655,183	\$ 400,004,388
Special Taxes	182,310,852	183,363,610	186,689,135	190,081,062
State & Federal Funding	113,841,179	108,841,179	108,841,179	108,841,179
City Departments	41,559,193	41,059,193	41,059,193	41,059,193
Other Revenues	51,077,211	49,968,524	50,704,715	51,526,064
Appr. Fund Balance (General)	18,261,008	-	-	-
Appr. Fund Balance (Non Spendable)	-	-	-	-
Total Revenues - General Fund	\$ 785,379,797	\$ 768,663,585	\$ 779,949,405	\$ 791,511,886
Library Fund	657,343	150,610	150,610	150,610
Water Fund	41,766,467	41,952,638	42,635,061	43,337,956
Sewer Fund	8,985,268	9,230,001	9,539,830	9,230,756
Total City Revenue	\$ 836,788,875	\$ 819,996,833	\$ 832,274,906	\$ 844,231,209
Board of Education	354,021,213	329,433,540	339,457,816	350,529,350
Total Revenues - All Funds	\$ 1,190,810,088	\$ 1,149,430,373	\$ 1,171,732,722	\$ 1,194,760,559
Expenditures				
City Departments	\$ 321,857,063	\$ 324,437,731	\$ 326,559,425	\$ 328,581,375
Fringe Benefits	166,325,634	174,183,776	181,576,261	189,763,380
Special Items	33,878,262	47,192,507	54,123,364	58,546,154
Board of Education	582,615,150	616,237,621	645,171,573	670,143,725
Subtotal	\$ 1,104,676,109	\$ 1,162,051,635	\$ 1,207,430,622	\$ 1,247,034,633
Debt Service	\$ 86,133,979	81,626,632	80,735,066	79,257,502
Total Expenditures	\$ 1,190,810,088	\$ 1,243,678,266	\$ 1,288,165,688	\$ 1,326,292,136
Revenues vs. Expenditures	\$ -	\$ (94,247,894)	\$ (116,432,967)	\$ (131,531,577)

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Revenue Summary

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Property Taxes	\$ 378,330,354	\$ 385,431,079	\$ 392,655,183	\$ 400,004,388
Special Taxes				
Sale and Use Tax	80,453,784	82,062,860	83,704,117	85,378,199
Sale and Use Tax - Education	16,090,757	16,412,572	16,740,823	17,075,640
Raceway Admissions	20,450	20,450	20,450	20,450
Utilities Gross Receipts	7,700,000	7,700,000	7,700,000	7,700,000
Supplemental Real Estate Tax	550,000	550,000	550,000	550,000
Real Estate Transfer Tax	14,091,000	12,121,000	12,363,420	12,610,688
O.T.B. Surcharge	65,350	65,350	65,350	65,350
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	7,832,000	7,832,000	7,832,000	7,832,000
Hotel Room & Occupancy Tax	1,080,000	1,090,800	1,101,708	1,112,725
Income Tax Surcharge	54,053,370	55,134,437	56,237,126	57,361,869
Total - Special Taxes	\$ 182,310,852	\$ 183,363,610	\$ 186,689,135	\$ 190,081,062
State & Federal Funding				
AIM Funding	108,215,479	108,215,479	108,215,479	108,215,479
COPS	-	-	-	-
Specialized State Aid	5,000,000	-	-	-
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	\$ 113,841,179	\$ 108,841,179	\$ 108,841,179	\$ 108,841,179
City Departments				
Executive	400,000	400,000	400,000	400,000
City Clerk	242,000	242,000	242,000	242,000
Corporation Counsel	57,000	57,000	57,000	57,000
Finance and Mgt. Services	92,015	92,015	92,015	92,015
Parking Violations Bureau	18,700,000	18,700,000	18,700,000	18,700,000
Consumer Protection	1,357,570	1,357,570	1,357,570	1,357,570
Civil Service	40,000	40,000	40,000	40,000
Planning and Development	68,000	68,000	68,000	68,000
Police	5,331,282	4,831,282	4,831,282	4,831,282
Fire	3,550,000	3,550,000	3,550,000	3,550,000
Public Works	1,988,750	1,988,750	1,988,750	1,988,750
Engineering	801,000	801,000	801,000	801,000
Parks	2,946,576	2,946,576	2,946,576	2,946,576
Housing and Buildings	4,985,000	4,985,000	4,985,000	4,985,000
Courts Fines	1,000,000	1,000,000	1,000,000	1,000,000
Total - City Departments	\$ 41,559,193	\$ 41,059,193	\$ 41,059,193	\$ 41,059,193

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Revenue Summary

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Other Revenues				
Prior Year Tax Payments	12,495,420	12,729,941	12,968,538	13,211,266
Interest on Investment	111,400	111,400	111,400	111,400
Interest on Taxes	5,173,000	5,173,000	5,173,000	5,173,000
Cable Television Fees	4,696,000	4,226,400	3,803,760	3,423,384
Rent on City Property	104,000	104,000	104,000	104,000
Maintenance of State/Co. Roads	480,905	480,905	480,905	480,905
Payments in Lieu of Taxes	23,294,112	24,225,876	25,194,912	26,202,708
Yonkers Raceway Impact Fees	1,500,000	1,500,000	1,500,000	1,500,000
County Prisoner Processing	387,801	387,801	387,801	387,801
Sale of Property	300,000	300,000	300,000	300,000
Miscellaneous	1,012,000	412,000	412,000	412,000
QSCB Interest	386,594	317,200	268,400	219,600
Appropriated Fund Balance (Debt Svc)	1,135,979	-	-	-
Subtotal	\$ 51,077,211	\$ 49,968,524	\$ 50,704,715	\$ 51,526,064
Appropriated Fund Balance (General)	18,261,008	-	-	-
Appropriated Fund Balance (Non Spendable)	-	-	-	-
Total - Other Revenues	\$ 69,338,219	\$ 49,968,524	\$ 50,704,715	\$ 51,526,064
Library Fund				
Rental of Real Property	11,000	11,000	11,000	11,000
Fees and Fines	51,000	51,000	51,000	51,000
Miscellaneous Library	41,050	41,050	41,050	41,050
State Funding	47,560	47,560	47,560	47,560
Subtotal	\$ 150,610	\$ 150,610	\$ 150,610	\$ 150,610
Appropriated Fund Balance (Library)	506,733	-	-	-
Total - Library Fund	\$ 657,343	\$ 150,610	\$ 150,610	\$ 150,610
Water Fund				
Water Frontage Tax	3,765,310	3,765,310	3,765,310	3,765,310
Metered Water Sales	36,880,016	37,066,187	37,748,610	38,451,505
Sundries and Interest	1,121,141	1,121,141	1,121,141	1,121,141
Subtotal	\$ 41,766,467	\$ 41,952,638	\$ 42,635,061	\$ 43,337,956
Appropriated Fund Balance (Water)	-	-	-	-
Total - Water Fund	\$ 41,766,467	\$ 41,952,638	\$ 42,635,061	\$ 43,337,956
Sewer Fund				
Sewer Rents	8,373,671	9,024,570	9,334,399	9,025,325
Other	205,431	205,431	205,431	205,431
Subtotal	\$ 8,579,102	\$ 9,230,001	\$ 9,539,830	\$ 9,230,756
Appropriated Fund Balance (Sewer)	406,166	-	-	-
Total - Sewer Fund	\$ 8,985,268	\$ 9,230,001	\$ 9,539,830	\$ 9,230,756

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Revenue Summary

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Board of Education				
State Funding - Basic	292,429,704	301,539,307	311,563,583	322,635,117
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
State Funding - Additional Aid	8,800,000	-	-	-
State Funding - Prior Year Adj	-	-	-	-
State Funding - Bullet Aid	-	-	-	-
Federal Aid	650,000	814,900	814,900	814,900
Department	366,900	366,900	366,900	366,900
Interfund Rev./Indirect Cost	446,656	446,656	446,656	446,656
Misc. Departmental	1,231,022	1,231,022	1,231,022	1,231,022
Approp. Fund Balance (Debt Svc Restr)	964,300	-	-	-
Approp. Fund Balance (Edu Debt Svc)	4,233	-	-	-
Subtotal	\$ 329,927,570	\$ 329,433,540	\$ 339,457,816	\$ 350,529,350
Appr. Fund Balance - G./F.	24,093,643	-	-	-
Total - Board of Education	\$ 354,021,213	\$ 329,433,540	\$ 339,457,816	\$ 350,529,350
Total Revenues	\$ 1,190,810,088	\$ 1,149,430,373	\$ 1,171,732,722	\$ 1,194,760,559

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

Yonkers Board of Education Revenue by Account

Description	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Supp Educational Improvement Plan	17,500,000	17,500,000	17,500,000	17,500,000
Video Lottery Terminal Rev. Sharing	19,600,000	19,600,000	19,600,000	19,600,000
Basic Form Excess Cost (Pub & Pvt)	41,112,358	44,357,128	47,308,743	51,093,443
Basic Formula Aid	206,281,073	211,375,254	217,652,260	224,117,577
Transportation Aid	23,597,208	24,305,124	25,034,278	25,785,306
Computer Hardware Aid	429,475	429,475	429,475	429,475
Computer Software Aid	442,344	442,344	442,344	442,344
Textbook Aid	1,837,089	1,837,089	1,837,089	1,837,089
Library Materials Aid	184,556	184,556	184,556	184,556
Bullet Aid	8,800,000	-	-	-
Charter School Transitional Aid	1,045,601	1,108,337	1,174,837	1,245,328
Impact Aid	14,900	14,900	14,900	14,900
Federal Medicaid Assistance	635,100	800,000	800,000	800,000
City of Yonkers	231,160,925	231,482,740	231,810,991	232,145,808
Day School Tuition-Individual	-	-	-	-
Summer School Tuition	3,200	3,200	3,200	3,200
Other Student Fees/Chgs	9,000	9,000	9,000	9,000
Other Charges/Services	1,000	1,000	1,000	1,000
Day School Tuition-Other Districts	-	-	-	-
Tuition-Foster Other Districts	203,700	203,700	203,700	203,700
Health Services-Other Districts	150,000	150,000	150,000	150,000
Rental of Buildings - Pool	75,000	75,000	75,000	75,000
Rental of Buildings - Individual	218,000	218,000	218,000	218,000
Refund Pr Yr Transp Exp	5,000	5,000	5,000	5,000
Refund Pr Yr Exp-Misc	660,000	660,000	660,000	660,000
Other Misc Revenue	272,322	272,322	272,322	272,322
Trust Fund Income-Saunders	700	700	700	700
490 Interfund Rev-Indr Cost	446,656	446,656	446,656	446,656
451 Interfund Rev-Indr Cost	59,660	59,660	59,660	59,660
Appropriated General Fund Balance	24,093,643	-	-	-
Total General Fund	578,838,510	555,541,185	565,893,712	577,300,063
Universal Pre-K	4,269,388	4,269,388	4,269,388	4,269,388
Health Services	1,165,367	1,165,367	1,165,367	1,165,367
451 Interfund Rev-Indr Cost	(59,660)	(59,660)	(59,660)	(59,660)
City of Yonkers	30,434,216	23,878,060	23,846,200	25,998,492
Debt Svc Fund Balance	968,533	-	-	-
Total Consolidated Fund Revenue	615,616,354	584,794,340	595,115,007	608,673,650

City of Yonkers FY19 - FY22 Supporting Schedules (Section B)

City of Yonkers Expenditure Summary

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
City Departments				
Executive	\$ 2,037,918	\$ 2,060,426	\$ 2,072,333	\$ 2,084,597
Legislative	2,950,259	2,981,024	3,009,444	3,038,717
Corporation Counsel	2,602,632	2,620,761	2,628,373	2,636,213
Finance and Mgt. Services	16,050,632	16,351,124	16,457,583	16,567,236
Human Resources	3,931,927	4,009,010	4,023,940	4,039,319
Information Technology	7,546,134	7,728,543	7,836,917	7,948,542
Planning and Development	1,578,234	1,603,552	1,606,456	1,609,448
Police	105,296,716	105,553,598	105,675,756	105,801,578
Fire	73,159,474	73,226,269	73,285,719	73,346,952
Public Works	74,883,734	75,971,409	77,457,152	79,003,020
Engineering	2,833,401	2,879,173	2,885,058	2,885,058
Parks	13,249,909	13,481,904	13,545,685	13,545,685
Housing and Buildings	3,453,758	3,510,186	3,513,211	3,513,211
Constituent Services	1,002,436	1,020,233	1,032,928	1,032,928
Inspector General	699,700	702,383	705,146	705,146
Veterans Services	458,622	463,434	467,459	467,459
Human Rights	115,000	117,775	120,633	120,633
Library	9,756,577	9,899,429	9,970,407	9,970,407
Museum	250,000	257,500	265,225	265,225
Total - Departmental Expenditures	\$ 321,857,063	\$ 324,437,731	\$ 326,559,425	\$ 328,581,375
Fringes Benefits				
Employee Retirement	\$ 15,693,020	\$ 16,197,404	\$ 16,589,635	\$ 16,755,745
Police & Fire Retirement	42,790,854	43,579,899	44,006,616	44,862,892
Social Security	17,512,182	17,700,016	17,620,823	17,620,823
Workers' Compensation	12,836,313	13,478,129	14,152,035	14,859,637
Life/Health/Dental Ins.	69,203,002	74,739,000	80,717,825	87,174,956
Trust & Welfare Payments	5,251,804	5,311,103	5,311,103	5,311,103
Local Pension Plan	45,000	45,000	45,000	45,000
Unemployment Insurance	210,234	200,000	200,000	200,000
Fire 207A Supple. Pension	2,783,225	2,933,225	2,933,225	2,933,225
Total - Fringe Benefits	\$ 166,325,634	\$ 174,183,776	\$ 181,576,261	\$ 189,763,380
Special Items				
Taxes on City Property	\$ 3,012,713	\$ 3,069,257	\$ 3,126,784	\$ 3,185,307
Tax Remission	1,100,000	1,100,000	1,100,000	1,100,000
Senior Citizens Tax Exempt	440,000	440,000	440,000	440,000
Res. for Uncollected Taxes	12,892,118	13,134,085	13,380,256	13,630,690
YMCA-SNUG Grant	100,000	100,000	100,000	100,000
Tax Advertising	65,000	65,000	65,000	65,000
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	10,500,000	10,500,000	10,500,000
Contractual Settlements	6,879,787	255,884	-	-

City of Yonkers FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Expenditure Summary

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Termination Payments	3,053,006	4,579,509	3,358,307	3,358,307
Fiscal Agent Bank Fee	25,000	25,000	25,000	25,000
Grant Cash Match	35,000	35,000	35,000	35,000
Litigation Expenses	2,065,000	2,168,250	2,276,663	2,390,496
Police Vehicles	-	2,000,000	2,000,000	2,000,000
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	921,433	931,316	927,149	927,149
Board of Ethics	-	-	-	-
Green Task Force	20,000	20,000	20,000	20,000
Affordable Housing Subsidies	400,000	400,000	400,000	400,000
Buena Vista Parking Garage	134,205	134,205	134,205	134,205
Annual City Audit	560,000	560,000	560,000	560,000
Contingent Reserve	-	6,000,000	14,000,000	18,000,000
Total - Special Items	\$ 33,878,262	\$ 47,192,507	\$ 54,123,364	\$ 58,546,154
Board of Education				
Basic Operating Expend.	\$ 582,615,150	\$ 616,237,621	\$ 645,171,573	\$ 670,143,725
Debt Service				
Debt Service - General Fund	\$ 40,662,700	\$ 44,982,523	\$ 43,593,237	\$ 40,175,228
Debt Service - Education Fund	33,001,204	25,476,515	25,444,655	27,596,947
Debt Service - Library Fund	1,202,660	1,007,312	1,092,672	1,083,254
Debt Service - Museum Fund	3,252,963	1,369,630	1,446,651	2,412,115
Debt Service - Water Fund	4,588,996	4,960,843	5,089,808	4,309,103
Debt Service - Sewer Fund	3,425,456	3,829,809	4,068,043	3,680,856
Total - Debt Service	\$ 86,133,979	\$ 81,626,632	\$ 80,735,066	\$ 79,257,502
Total Expenditures	\$ 1,190,810,088	\$ 1,243,678,266	\$ 1,288,165,688	\$ 1,326,292,136

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Department Operating Expenditures

Department	Account Class	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Executive	100's	\$ 1,652,580	\$ 1,663,528	\$ 1,663,528	\$ 1,663,528
	200's	-	-	-	-
	300's	60,286	62,095	63,957	65,876
	400's	325,052	334,804	344,848	355,193
	Total	\$ 2,037,918	\$ 2,060,426	\$ 2,072,333	\$ 2,084,597
Legislative	100's	\$ 2,015,514	\$ 2,018,687	\$ 2,018,687	\$ 2,018,687
	200's	15,000	15,000	15,000	15,000
	300's	18,750	19,313	19,892	20,489
	400's	900,995	928,025	955,866	984,542
	Total	\$ 2,950,259	\$ 2,981,024	\$ 3,009,444	\$ 3,038,717
Corporation Counsel	100's	\$ 2,356,288	\$ 2,367,026	\$ 2,367,026	\$ 2,367,026
	200's	-	-	-	-
	300's	15,800	16,274	16,762	17,265
	400's	230,544	237,460	244,584	251,922
	Total	\$ 2,602,632	\$ 2,620,761	\$ 2,628,373	\$ 2,636,213
Finance and Mgt. Services	100's	\$ 12,605,359	\$ 12,802,493	\$ 12,802,493	\$ 12,802,493
	200's	-	-	-	-
	300's	76,740	79,042	81,413	83,856
	400's	3,368,533	3,469,589	3,573,677	3,680,887
	Total	\$ 16,050,632	\$ 16,351,124	\$ 16,457,583	\$ 16,567,236
Human Resources	100's	\$ 3,448,740	\$ 3,511,327	\$ 3,511,327	\$ 3,511,327
	200's	-	-	-	-
	300's	15,700	16,171	16,656	17,156
	400's	467,487	481,512	495,957	510,836
	Total	\$ 3,931,927	\$ 4,009,010	\$ 4,023,940	\$ 4,039,319
Information Technology	100's	\$ 4,038,884	\$ 4,116,075	\$ 4,116,075	\$ 4,116,075
	200's	-	-	-	-
	300's	93,300	96,099	98,982	101,951
	400's	3,413,950	3,516,369	3,621,860	3,730,515
	Total	\$ 7,546,134	\$ 7,728,543	\$ 7,836,917	\$ 7,948,542
Planning and Development	100's	\$ 1,484,234	\$ 1,506,732	\$ 1,506,732	\$ 1,506,732
	200's	-	-	-	-
	300's	4,000	4,120	4,244	4,371
	400's	90,000	92,700	95,481	98,345
	Total	\$ 1,578,234	\$ 1,603,552	\$ 1,606,456	\$ 1,609,448

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Department Operating Expenditures

Department	Account Class	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Police	100's	\$ 101,343,390	\$ 101,481,672	\$ 101,481,672	\$ 101,481,672
	200's	-	-	-	-
	300's	843,397	868,699	894,760	921,603
	400's	3,109,929	3,203,227	3,299,324	3,398,303
	Total	\$ 105,296,716	\$ 105,553,598	\$ 105,675,756	\$ 105,801,578
Fire	100's	\$ 71,212,024	\$ 71,221,100	\$ 71,221,100	\$ 71,221,100
	200's	23,500	23,500	23,500	23,500
	300's	620,000	638,600	657,758	677,491
	400's	1,303,950	1,343,069	1,383,361	1,424,861
	Total	\$ 73,159,474	\$ 73,226,269	\$ 73,285,719	\$ 73,346,952
Public Works	100's	\$ 34,639,310	\$ 35,087,320	\$ 35,087,320	\$ 35,087,320
	200's	125,000	128,750	132,613	136,591
	300's	7,782,491	7,941,854	8,307,000	8,690,713
	400's	32,336,933	32,813,484	33,930,219	35,088,396
	Total	\$ 74,883,734	\$ 75,971,409	\$ 77,457,152	\$ 79,003,020
Engineering	100's	\$ 2,642,966	\$ 2,683,025	\$ 2,683,025	\$ 2,683,025
	200's	-	-	-	-
	300's	125,305	129,064	132,936	132,936
	400's	65,130	67,084	69,096	69,096
	Total	\$ 2,833,401	\$ 2,879,173	\$ 2,885,058	\$ 2,885,058
Parks	100's	\$ 11,171,510	\$ 11,341,582	\$ 11,341,582	\$ 11,341,582
	200's	14,300	14,300	14,300	14,300
	300's	530,350	546,261	562,648	562,648
	400's	1,533,749	1,579,761	1,627,154	1,627,154
	Total	\$ 13,249,909	\$ 13,481,904	\$ 13,545,685	\$ 13,545,685
Housing and Buildings	100's	\$ 3,355,858	\$ 3,409,349	\$ 3,409,349	\$ 3,409,349
	200's	-	-	-	-
	300's	10,000	10,300	10,609	10,609
	400's	87,900	90,537	93,253	93,253
	Total	\$ 3,453,758	\$ 3,510,186	\$ 3,513,211	\$ 3,513,211
Constituent Services	100's	\$ 591,572	\$ 597,043	\$ 597,043	\$ 597,043
	200's	-	-	-	-
	300's	6,300	6,489	6,684	6,684
	400's	404,564	416,701	429,202	429,202
	Total	\$ 1,002,436	\$ 1,020,233	\$ 1,032,928	\$ 1,032,928

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Department Operating Expenditures

Department	Account Class	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Inspector General	100's	\$ 610,268	\$ 610,268	\$ 610,268	\$ 610,268
	200's	-	-	-	-
	300's	1,482	1,526	1,572	1,572
	400's	87,950	90,589	93,306	93,306
	Total	\$ 699,700	\$ 702,383	\$ 705,146	\$ 705,146
Veterans Services	100's	\$ 328,372	\$ 329,276	\$ 329,276	\$ 329,276
	200's	-	-	-	-
	300's	7,600	7,828	8,063	8,063
	400's	122,650	126,330	130,119	130,119
	Total	\$ 458,622	\$ 463,434	\$ 467,459	\$ 467,459
Human Rights	100's	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500
	200's	-	-	-	-
	300's	-	-	-	-
	400's	92,500	95,275	98,133	98,133
	Total	\$ 115,000	\$ 117,775	\$ 120,633	\$ 120,633
Library	100's	\$ 7,377,539	\$ 7,451,480	\$ 7,451,480	\$ 7,451,480
	200's	82,000	82,000	82,000	82,000
	300's	210,706	217,027	223,538	223,538
	400's	2,086,332	2,148,922	2,213,390	2,213,390
	Total	\$ 9,756,577	\$ 9,899,429	\$ 9,970,407	\$ 9,970,407
Museum	100's	\$ -	\$ -	\$ -	\$ -
	200's	-	-	-	-
	300's	-	-	-	-
	400's	250,000	257,500	265,225	265,225
	Total	\$ 250,000	\$ 257,500	\$ 265,225	\$ 265,225
Total	100's	\$ 260,896,908	\$ 262,220,484	\$ 262,220,484	\$ 262,220,484
	200's	259,800	263,550	267,413	271,391
	300's	10,422,207	10,660,761	11,107,474	11,546,820
	400's	50,278,148	51,292,936	52,964,054	54,542,680
	Total	\$ 321,857,063	\$ 324,437,731	\$ 326,559,425	\$ 328,581,375

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

Yonkers Board of Education Expenditures by Type

Expenditure	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
Salary	305,792,584	317,952,240	328,889,034	330,526,209
Employee Benefits	162,118,228	173,005,527	185,183,511	193,787,096
Administration - 403b	3,012	3,072	3,133	3,196
Civil Service Retirement	11,306,223	11,756,582	12,491,801	12,803,135
Dental, Life & Vision	69,133	70,516	71,926	73,364
Health Insurance	95,963,005	103,640,045	111,931,248	120,885,748
Social Security	22,520,689	23,528,466	24,337,789	24,458,940
Teachers' Retirement	27,923,250	29,523,030	31,729,792	30,806,877
Unemployment Insurance	50,000	51,000	52,020	53,060
Welfare Fund Contribution	4,282,915	4,432,817	4,565,802	4,702,776
Transportation	32,042,751	33,004,034	33,994,154	35,013,978
Athletics & Extra Curricular	1,324,280	1,364,008	1,404,928	1,447,076
Contract Trans Special Education	15,759,457	16,232,241	16,719,208	17,220,784
Contract Transportation - Charters	21,630	22,279	22,947	23,635
Contract Transportation - Regular	13,937,384	14,355,506	14,786,171	15,229,756
Public Transportation - Regular	1,000,000	1,030,000	1,060,900	1,092,727
Tuitions	23,056,663	24,693,229	26,440,461	28,225,735
Debt Service	33,001,204	25,476,515	25,444,655	27,596,947
Debt Service	26,554,959	18,472,280	18,439,940	20,748,492
Other Debt - Deficit Financing	4,647,790	5,205,780	5,206,260	5,050,000
Other Debt - ESCO	1,598,455	1,598,455	1,598,455	1,598,455
Other Debt- State Loan	200,000	200,000	200,000	200,000
Term Bonds-Schl Construction	-	-	-	-
Contractual	17,838,677	18,401,767	18,373,331	18,965,986
BOCES	13,858,331	14,976,292	16,184,440	17,490,051
Athletics & Extra Curricular	315,554	340,798	368,062	397,507
BOCES Transportation	21,630	23,360	25,229	27,247
Home & Hospital	240,000	259,200	279,936	302,331
Special Education	13,279,447	14,351,098	15,509,231	16,760,826
Supervision/Curriculum Development	1,700	1,836	1,982	2,140
Charter School Tuitions	11,091,923	12,116,101	13,401,516	14,785,345
Utilities	8,176,136	8,584,943	9,014,190	9,464,899
Materials & Supplies	3,372,278	3,439,727	3,508,520	3,578,692
Building Repairs	2,058,300	2,120,049	2,183,650	2,249,160
Transfers	1,845,200	1,595,200	1,595,200	1,595,200
Insurance	1,048,646	1,101,078	1,156,132	1,213,939
Postage	200,000	200,000	200,000	200,000
Travel	47,434	47,434	47,434	47,434
Equipment	68,000	2,154,000	2,154,000	2,154,000
Library Books		206,000	206,000	206,000
Textbooks		2,640,000	2,640,000	2,640,000
Contingent Reserve		-		8,000,000
Total Expenditures	615,616,354	641,714,136	670,616,228	697,740,672

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers Combined Property Tax Levy Components

	FY 2019 Adopted	FY 2020 Projection	FY 2021 Projection	FY 2022 Projection
2% Tax Constitutional Limit	\$ 298,133,843	\$ 298,041,756	\$ 306,395,659	\$ 314,835,242
Debt Service Exclusion	78,561,711	75,754,523	74,624,724	73,534,347
City Operating Capital	134,800	134,800	134,800	134,800
City Capital Labor	0	0	0	0
Tax Certiorari Payments	500,000	10,500,000	10,500,000	10,500,000
Judgment & Claims	1,000,000	1,000,000	1,000,000	1,000,000
Total Property Tax Levy	\$ 378,330,354	\$ 385,431,079	\$ 392,655,183	\$ 400,004,388
Total Exclusions	80,196,511	87,389,323	86,259,524	
2% Constit. Limit	\$ 323,124,147	\$ 325,336,361	\$ 327,926,362	\$ 323,358,163
Expend. Subject to 2% Limit	\$ 298,133,843	\$ 298,041,756	\$ 306,395,659	\$ 314,835,242
Constit. Tax Margin	\$ 24,990,304	\$ 27,294,606	\$ 21,530,702	\$ 8,522,921
% of CTL Exhausted	92.27%	91.61%	93.43%	97.36%

City of Yonkers Financial Plan FY19 - FY22

Supporting Schedules (Section B)

City of Yonkers 2% Constitutional Tax Limit Calculation

Fiscal Year	Property	Franchise	City Taxable A. V.	Vet Exempt.	School School Taxable A.V.	Special Ratio %	Full Value
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	\$ 29,189,585	\$ 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	2.76%	\$ 17,194,542,536
FY 2018	\$ 442,589,486	\$ 29,189,585	\$ 471,779,071	\$ 500,697	\$ 472,279,768	2.84%	\$ 16,629,569,296
FY 2019	\$ 442,751,554	\$ 27,010,908	\$ 469,762,462	\$ 575,579	\$ 470,338,041	2.93%	\$ 16,052,492,867
FY 2020	\$ 442,751,554	\$ 27,010,908	\$ 469,762,462	\$ 575,579	\$ 470,338,041	2.93%	\$ 16,052,492,867
FY 2021	\$ 442,751,554	\$ 27,010,908	\$ 469,762,462	\$ 575,579	\$ 470,338,041	2.93%	\$ 16,052,492,867
FY 2022	\$ 442,751,554	\$ 27,010,908	\$ 469,762,462	\$ 575,579	\$ 470,338,041	2.93%	\$ 16,052,492,867
					FY 2019 2% of Five Year Rolling Average	\$	323,124,147
					FY 2020 2% of Five Year Rolling Average	\$	325,336,361
					FY 2021 2% of Five Year Rolling Average	\$	327,926,362
					FY 2022 2% of Five Year Rolling Average	\$	323,358,163

AV = Assessed Value