

## SPECIAL CITY COUNCIL MEETING

October 3, 2022

Page 336

Mayor Skelly called the meeting to order and asked the Clerk to call the roll:

PRESENT: Mayor Skelly, Councillors Dillabough, Fisher, Kennedy, \*Powers, Rische and Skamperle

ABSENT: None

*Councillor Fisher participated in this meeting remotely from 9400 Shore Drive, Myrtle Beach, South Carolina 29572.*

\*Councillor Powers arrived at the meeting at 6:06 p.m.

### PRESENTATION

1. City Comptroller Angela Gray and City Manager Stephen Jellie made a presentation to Council regarding the 2023 Preliminary Draft General Fund budget. (A copy of the presentation follows these minutes.) Mr. Jellie said paper copies of the preliminary budget will be delivered to Council tomorrow. Mr. Jellie explained he would like to schedule five budget work sessions for Council to meet with department heads and outside agencies to review each section of the budget. Mr. Jellie said everyone has been told this day was coming since 2018 beginning with former City Manager Sarah Purdy and read memorandums written by Ms. Purdy to Council. Mr. Jellie said he also warned Council in 2020 that the City would exceed his constitutional tax limit by 3.5% without exclusions if changes were not made. Mr. Jellie said all seven members of Council need to work together to balance the budget, adding the City must change the size, structure and strength of the workforce. Mr. Jellie said the County and the school district will not lower their tax rates once the City-wide reassessment is completed, and taxpayers will pay more in taxes under the new assessments. Councillor Skamperle asked if school board representatives had told Mr. Jellie that, and Mr. Jellie said they do not need to tell him. Councillor Skamperle said that is a pretty big accusation, and he has faith in the school board. Councillor Skamperle explained Mr. Jellie can say history indicates they will not lower their tax rates, but he does not know that the school board will not lower their rate.

## SPECIAL CITY COUNCIL MEETING

October 3, 2022

Page 337

Mr. Jellie said it will be great if he is wrong about the school board, but he knows the County will not lower their rate. Ms. Gray reviewed the presentation in detail. Ms. Gray noted some of the numbers indicated in the presentation and preliminary budget are based on estimates and may change. Mr. Jellie explained he was given a directive of lowering taxes 25% over four years, and he needs to know how Council wants to proceed. Ms. Gray said health insurance costs will increase 19% next year. Councillor Powers asked that the shareable data concerning the health insurance rate increase be provided to Council. Ms. Gray noted it is not possible for the City to appropriate \$3.5 million from the fund balance to balance the preliminary budget. Ms. Gray explained the recommended amount for the City's fund balance is \$2.5 million and suggested a minimal amount of fund balance be used to balance the budget. Councillor Skamperle asked if the City will bond for the full REDI amount. Ms. Gray explained a recommendation from staff will be forthcoming. Councillor Skamperle said it is important to look at the options before the budget is approved because it affects the fund balance. Councillor Rishe asked for the sales tax revenue amount through October 1, 2022, and Ms. Gray said she can provide the updated chart to Council.

Councillor Rishe said we did everything we could in terms of the Fire Department, and the State basically told us what we can and cannot do. Councillor Rishe said the police department really isn't a question of manpower with the level of crime and drugs. Councillor Rishe said he believes it comes down to the fact that the State owns 30% of the non-taxable property in the City. Mr. Jellie said there is no question about that, but Council needs to gain support for the PILOT resolution passed at the last meeting, adding the battle needs to be fought for the long-term benefit. Councillor Rishe asked for an explanation of the capital outlay increase from 2020 to 2021, and Ms. Gray said she will provide that information to Council. Councillor Rishe asked if Council will be presented with a balanced budget by November 1, 2022, and Mr. Jellie said yes. Councillor Rishe questioned if the preliminary budget is a work in progress. Mr. Jellie explained he will send the preliminary budget to Council tomorrow so Council can review each sheet and formulate ideas of how to find the \$3.5 million. Councillor Rishe said the City Manager usually presents Council with his proposal by November 1, 2022, and then budget work sessions are scheduled. Mr. Jellie said he is proposing it be done early this year.

## SPECIAL CITY COUNCIL MEETING

October 3, 2022

Page 338

Councillor Powers said ultimately the City Manager is hired to do the budget. Mr. Jellie said he can recommend three less police officers, but Council will not approve that. Councillor Rishe said he does not want Council presented with a budget with a \$3.5 million deficit. Mr. Jellie said Council has voted against cuts in the Fire Department and questioned if Councillor Rishe's recent votes matter. Councillor Rishe asked if that was the point Mr. Jellie was going to make, and Mr. Jellie said yes. Councillor Rishe said Council makes the decisions. Mayor Skelly said the City Manager is allowing Council the opportunity to have input early. Mr. Jellie said the budget work sessions will be scheduled so Council can hear from the department heads. Councillor Rishe suggested the following areas be reviewed to close the deficit: real property tax increase; sales tax revenue increase; use of water/sewer funds; reduction of capital expenses; use of some fund balance; use of bond anticipation notes; refinancing debt; and, a review police and fire departments and the most efficient use of overtime. Mayor Skelly said future budgets will be more difficult if the City takes on more debt. Councillor Rishe said most people have a mortgage payment as well as a car payment.

### PERSONAL APPEARANCE

1. Michael Tooley addressed Council and said based on the information shared over the past couple months, he saw the increase in the deficit for 2023 move from \$700,000 as presented in April to \$3.5 million now. Mr. Tooley said an approach to employee unions to negotiate contracts is now appropriate. Mr. Tooley commended Council for thinking outside of the box and approaching New York State for PILOT payments. Mr. Tooley suggested an approach to St. Lawrence County to continue the half percent sales tax support which he understands would cease if we received Home Rule legislation. Mr. Tooley said since the City did not receive the 1% perhaps the County may be able to assist us. Mr. Tooley said he hopes the City has not exhausted all good will with these entities and hampered any attempt to seek help with the 2023 budget as currently presented. Mr. Tooley said he wanted to make comments regarding the City Manager's comments in regards to the school district and their tax levy. Mr. Tooley explained he worked for 20 years as a public school business administrator and served on the Ogdensburg City School District Board for 10 years so he is familiar with school finances.

## SPECIAL CITY COUNCIL MEETING

October 3, 2022

Page 339

Mr. Tooley said it is a tremendous misrepresentation that the reassessment of the City of Ogdensburg is going to generate a windfall of taxes for the school district. Mr. Tooley explained that every year since the State implemented the tax cap, which is a tax cap on the total levy of 2% or less, the school district has been within that 2% every year. Mr. Tooley said the school district budget was voted on, supported and approved. Mr. Tooley said if the school district went beyond the tax cap, a supermajority vote would be required which is something the school district does not want to see. Mr. Tooley explained in terms of the school district's finances, their balance sheet is very strong. Mr. Tooley said there was discussion about the City wishing to reestablish balances for capital improvements and noted the school district's balance sheet shows balances for tax certiorari proceedings, capital improvements and the retirement system. Mr. Tooley explained in the past, retirement expenses have increased in one year 8, 9 or 10 percent and having that reserve in case of inflation helped limit the impact on the budget. Mr. Tooley said the school district will stay within the two percent tax cap and there will not be a windfall, noting the school district deals with three different tax rates. Mr. Tooley explained they increase the levy by two percent or less and adjust to the assessment, adding the school district's tax rate has been relatively stable for a decade. Mr. Tooley said he commented at a previous meeting that the school district's tax levy as a percentage of the budget is lower than most communities of the same size in St. Lawrence County. Mr. Tooley said it is a gross misrepresentation to think the school district is going to see a windfall due to reassessment, and he does not think the City should be pushing that message out there, noting it does a disservice to the community.

Mayor Skelly said there was a need for Executive Session to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation, and Councillor Rishe seconded the motion.

The vote to adjourn to Executive Session was:

CARRIED, AYES ALL

On a motion duly made and seconded, the meeting was adjourned.



# City of Ogdensburg New York

---

**2023 Draft Preliminary  
General Fund Budget**

**October 3, 2022**

# 2023 Draft Preliminary Budget

---



## ***Note to Reader:***

*As of the date of this presentation final cost estimates are unavailable for multiple budget lines. Consequently, management has made estimates based upon limited information available in preparation of the preliminary budget figures.*

*Final budget numbers could differ from these estimates.*



# 2023 Draft Preliminary Budget Highlights

- Estimated property tax revenue assumes no change in property tax rates
  - 2% Tax Cap limit would allow for an approximate increase of \$180,000
- Staffing levels are maintained compared to 2022
- Health insurance costs have increased by 19%
- 10% anticipated reduction in money being transferred from the water and sewer funds
- Budget does not include reduction in staffing



# 2023 Draft Preliminary Revenue Detail

Revenue Source	2020 Actual Revenues	2021 Actual Revenues	2022 Budgeted Revenues	2023 DRAFT Preliminary Revenue
Real Property Tax	5,810,794	5,111,268	4,567,070	\$4,546,087
Sales Tax Revenue	4,094,008	4,700,010	3,000,000	3,200,000
NYS Aid to Municipalities	1,708,659	1,708,659	1,708,659	1,708,659
Interfund Revenue	885,620	815,328	812,876	751,751
Other Revenues	3,237,112	3,633,478	3,020,613	2,312,250
Appropriated Fund Balance	0	0	2,409,606	3,589,566
<b>Total Revenue</b>	<b>\$15,736,193</b>	<b>\$15,968,743</b>	<b>\$15,518,824</b>	<b>\$16,108,313</b>





# 2023 Draft Preliminary Appropriation Detail by Program

Program	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
General Govt Support Svcs	\$2,659,799	\$2,089,577	\$2,449,129	\$2,161,390
Public Safety	8,192,183	7,987,095	8,416,957	8,892,918
Public Works	2,202,950	2,775,198	2,706,685	2,929,238
Recreation	453,359	431,569	638,945	753,252
Non-Departmental Items	764,757	651,888	1,307,109	1,371,515
<b>Total Expenses</b>	<b>\$14,273,048</b>	<b>\$13,935,327</b>	<b>\$15,518,825</b>	<b>\$16,108,313</b>



# 2023 Draft Preliminary Appropriations by Expenditure Type

Expenditure Type	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
Personal Service	\$6,508,353	\$6,083,741	\$6,145,852	\$6,840,464
Equipment	955,677	43,883	158,737	137,350
Capital Outlay	511,531	1,094,062	865,709	1,071,315
Other Contractual Expense	2,137,386	2,617,457	4,211,175	2,493,530
Debt Service	320,161	316,606	318,389	1,305,015
Fringe Benefits	3,839,938	3,778,020	3,818,960	4,260,639
<b>Total Expenses</b>	<b>\$14,273,048</b>	<b>\$13,993,771</b>	<b>\$15,518,824</b>	<b>\$16,108,313</b>



# 2023 Draft Preliminary Fringe Benefit Detail

Fringe Benefit	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
NYS Retirement	\$1,177,106	\$1,355,683	\$1,428,521	\$1,498,947
Social Security Taxes	475,379	442,990	465,063	519,930
NYS Disability Insurance	370	159	1185	100
Health Insurance	2,161,982	1,960,919	1,897,162	2,234,162
Unemployment Insurance	25,102	18,282	25,000	7,500
<b>Total Fringe Benefits</b>	<b>\$3,839,939</b>	<b>\$3,778,033</b>	<b>\$3,816,931</b>	<b>\$4,260,639</b>

Health Insurance Plan Costs	2021 Actual	2022 Actual	2023 Estimated
Single	10,239	10,239	12,174
Two Person	20,477	20,477	24,347
Family	28,248	28,248	33,587



# 2023 Draft Preliminary Appropriation Detail General Government Support

Program	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
Mayor/Council	39,275	44,206	41,354	37,640
City Manager	177,730	183,737	178,775	232,664
Comptroller	344,599	364,062	478,712	472,314
Assessment	101,692	94,722	365,226	118,649
City Clerk	172,919	176,759	191,433	213,560
Law	162,498	204,373	175,000	200,000
City Hall Building	71,243	92,611	124,739	137,150
Central Services	98,323	168,825	180,500	226,000
Planning & Development	130,526	140,574	247,905	288,342
Other	1,400,269	663,914	506,839	272,711
<b>Total</b>	<b>\$2,659,799</b>	<b>\$2,089,577</b>	<b>\$2,449,129</b>	<b>\$2,161,390</b>



# 2023 Draft Preliminary Appropriation Detail Public Safety

Program	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
Police	\$4,053,616	\$3,850,394	\$3,777,455	\$4,142,612
Fire	3,841,035	3,746,451	3,603,818	4,197,963
Animal Control	34,721	36,054	33,147	33,147
Rescue Squad	-0-	78,000	78,000	-0-
Code Enforcement	262,811	276,196	924,537	519,196
<b>Total</b>	<b>\$8,192,183</b>	<b>\$7,987,095</b>	<b>\$8,416,957</b>	<b>\$8,892,918</b>



# 2023 Draft Preliminary Appropriation Detail Public Works

Program	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
Public Works Admin	142,403	124,427	148,508	172,983
Street Maintenance	797,728	1,282,075	1,032,941	1,203,200
Street Cleaning	191,467	192,851	261,475	303,946
Public Works Garage	359,950	357,952	380,744	322,631
Snow Removal	428,259	434,097	454,064	507,235
Street Lighting	115,346	197,624	207,000	187,000
Sidewalks	164,175	182,988	209,853	214,143
Community Beautification	0	0	2,000	5,000
Shade Trees	3,621	3,183	10,100	13,100
<b>Total</b>	<b>\$2,202,950</b>	<b>\$2,775,198</b>	<b>\$2,706,685</b>	<b>\$2,929,238</b>



# 2023 Draft Preliminary Appropriation Detail Recreation

Program	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
Recreation Admin	\$108,879	\$86,308	116,901	134,992
Parks	219,313	149,892	191,760	236,058
Recreation Activities	12,160	45,871	45,987	52,513
Pool	39,021	41,641	82,391	128,006
Arena	73,986	107,857	130,838	148,683
Beach	0	0	58,066	30,000
Celebrations	0	0	10,000	20,000
Other Culture & Recreation	0	0	3,000	3,000
<b>Total</b>	<b>\$453,359</b>	<b>\$431,569</b>	<b>\$638,945</b>	<b>\$753,252</b>



# 2023 Draft Preliminary Appropriation Detail Non-Departmental Items

Program	2020 Actual	2021 Actual	2022 Budgeted	2023 DRAFT Preliminary
General Insurance	\$85,000	\$85,000	\$50,000	\$50,000
Unemployment Insurance	25,102	18,282	25,000	7,500
Contributions to Library & Museum	334,493	232,000	0	9,000
Debt Service	320,162	316,606	318,389	1,305,015
Contingency	0	0	96,525	0
Transfer to Capital Fund	0	0	817,195	0
<b>Total</b>	<b>\$764,757</b>	<b>\$651,888</b>	<b>\$1,307,109</b>	<b>\$1,371,515</b>





# 2023 Capital Project Requests

- City Hall Roof
- Dobisky Center Roof
- Pool Repairs
- Lafayette Street Bridge

*Potential of all requests estimated to exceed \$2,000,000*



# 2023 Recommendations

- Establish a spending plan to eliminate the deficit and simultaneously plan for long –term sustainability
- Establish a funding plan for local match requirements in grants
- Create a multi-year capital plan which addresses the aged immediate and ongoing capital needs of the City buildings and infrastructure
- Establish a capital reserve for anticipated future financial needs and obligations
  - Create a multi-year plan for additions/subtractions to/from this reserve, as applicable