May 13, 2015

To the Town Board, Cicero Residents, Community Organizations, and Town Employees:

The 2014 Annual Update Document was completed and filed with the State Comptroller's Office on April 30, 2015, as well as with the Cicero Town Clerk. That report documents the actual spending by the Town in 2014.

The budget for 2014 was developed by Supervisor Jim Corl in 2013, and everyone knew it was going to be a very tight year. We had a number of unbudgeted challenges that were presented to the Town Board last year that included the purchase of two dump/snow plows for a cost of $317,000 and $97,000 for two Parks and Rec vehicles. We also appropriated funds for the acquisition of two Bennett Street properties for $36,000.00 (which is the mandatory 20% match) for the expansion of Riverfront Park in Brewerton. We also used reserve funds to provide the 50% matching funds of $137,500.00 for a $275,000.00 grant for Riverfront Park.

The total budget for Funds A, B, and DB totaled $9,955,111 and it included Fund Balance appropriations of $698,704 (see table below). I am happy to report that we only used one third (or 33%) of our appropriated fund balances, minimizing the reduction of reserves. This was a result of close monitoring in spending by the Supervisor's Office, the Comptroller's Office staff, and the individual Department Heads.

Below is a table of the Fund Balance appropriations for 2014

Fund Name	Appropriated	33% Actual Funds Used	Year-end Fund Balances
A Total Town	$314,981	**$ 81,609**	**$1,612,953**
B Town Outside the Village	$106,751	**$ 536**	**$ 810,159**
DB Highway	$276,972	**$148,300**	**$1,396,626**
TOTAL	**$698,704**	**$230,445**	**$3,819,738**

The 2014 fiscal year ended with sustainable fund balances and also an executed financial plan for paving and maintaining our roads. Although we ended the year on a positive note, there is no question that we need to continue our financial monitoring, explore other avenues for revenues, and seek cost-effective solutions to continue the Town's fiscal security.

There are four departments that generate revenues: The Justice and Police Departments from traffic and other fines; the Town Clerk from dog licensing fees; the Codes Office, Planning Board, and ZBA for application and permit fees; and the Tax Receiver's Office for late fees and penalties. The Highway Department received snow plow reimbursement from Onondaga County at a rate of $6,732.00 per mile that totaled $101,350.00 for 2014. The Town also received additional funds from the Extreme Winter Recovery Program that included $67,499 from the County and $25,423 from New York State. These funds helped compensate for the salt appropriation account shortfall that resulted from our severe winter conditions we all lived through.

Special mention must be made for the successful track record of the Police Department and the Parks and Recreation Department relative to grant awards. Year after year Parks and Rec staff continue to successfully obtain not only grant

funds, but also contributions from local municipalities to assist in running their youth programs. The Parks and Rec program fee schedules continue to provide income to offset program expenses.

The Police Department in 2014 received several grants to purchase bulletproof vests, radios, and car seats. Grants funds were also utilized to assist officers with public safety programs and training.

While we can all be glad that the Town finished 2014 'in the black,' there are many challenges to be faced this year and the next. We labor under property tax guidelines, namely, the Governor's 2% tax cap that clearly makes running this town difficult. Some of the challenges we faced last year and will have to contend with this year and the next include the following:

- We had a $72,435. increase in our workers comp premium in 2014, and this year's premium was increased another $76,000. Currently, the Town is paying $386,723 for its workers comp premium.
- We need to develop a fiscal plan to replace equipment in the Highway Department this year and police cars in 2016.
- We need to find money this year and the next to continue our support of Riverfront Park.
- Because the current highway garage is inadequate for space and function, we need to develop a plan to build a new highway garage that is adequate in size in a new location. It is imperative that the Town protect the highway equipment—and our investment of about $5 million for that equipment--from the severe weather conditions under which we live under each winter.
- We need to think about new offices and space for the Police Department, and perhaps for the Justice Department, as well.
- There are also three collective bargaining agreements that need to be addressed: one contract ends this year, and two other agreements expire at the end of 2016. We need to give careful consideration to these agreements because of the increasing costs associated, particularly health care benefits.
- We are also facing infrastructure problems, about which you will hear more in two weeks. But, this expenditure right now is projected for about $1.67 million to repair and replace our sewer pipes for the collection system of the Brewerton Treatment Plant.
- It is prudent to fund our roads maintenance program from our budget, rather than going out to bond, as we have the last three years. The Town Board will work at this task for the upcoming 2016 budget.

We all now know that 'money no longer grows on trees.' Because of our depleting fund balances and state-mandated restrictions, it has been projected by our Comptroller that at our current level of spending, the Town will no longer be able to sustain itself beyond 2019. I believe it is imperative that this--and future Town Boards--stop dealing with budgets and provision of services on a on a year-to-year basis. Rather, we need to develop long-range and realistic fiscal and operations plans that will ensure the financial security of the Town of Cicero so that we can continue to meet the needs of our community.

In closing, I would like to thank all our Department Heads and their staff for a successful 2014. Our Departments largely run on minimum staffing to achieve the highest productivity anywhere and in support of the fiscal health of the Town of Cicero. There is seldom any recognition for being a government employee, so I'm taking this time to thank all of our staff whose daily contributions make this town a great community in which to live.

Respectfully submitted,

Jessica Zambrano

Jessica Zambrano, Supervisor
Town of Cicero