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## The City of Buffalo Budget Fiscal Year 2008-2009

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## The City of Buffalo Budget Fiscal Year 2008-2009

### Abstract

The City asserts that it has the ability to: afford three successive property tax cuts”, thereby reducing the overall property tax rate on residential properties by nearly 12%; maintain an unprecedented unreserved fund balance of \$105 million with \$76 million undesignated; set aside \$30 million in City surplus funds and up to \$15 million in a separate capital reserve to ensure the City never again faces a fiscal crisis; move the City from a fiscal control period to an advisory one; benefit from two successive credit upgrades from Wall Street; and increase the margin for use from a low of 8% in 2005-06 to just over 25% projected for 2008-09.

### Keywords

Buffalo, Government, Budgets, Fact Sheet, PPG, PDF



**The City of Buffalo Budget  
Fiscal Year 2008-2009  
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**What is the City's budget for the 2008-2009 Fiscal Year?**

The City Budget will total \$435 million, with expenditures growing by less than 1% from projected current year levels.<sup>1</sup>

**How does Buffalo's \$435 million budget compare to cities such as Rochester, Albany, and Syracuse?**

For 2008-09, Rochester's budget was \$478,107,100,<sup>2</sup> Syracuse's was \$624,275,156<sup>3</sup> and Albany's was \$160,951,755.<sup>4</sup>

**How is Buffalo's money being spent in FY 2008-2009? (millions)<sup>5</sup>**

- Police \$77.3
- Other City \$98.2
- Common Council & City Clerk \$3.7
- Fringe Benefits (health, pensions, etc.) \$104.8
- Fire \$54.8
- Executive \$2.8
- Public Works, Parks, Streets \$23.2

- Transfer to Board of Education \$70.3

### **Where does the money come from?(millions)<sup>6</sup>**

- State \$181.5 (including \$169,027,453 in AIM funds)
- Property Tax \$127.1
- Sales Tax \$68.3
- Other City sources \$55.9



### **What is AIM funding?**

Aid and Incentives for Municipalities (AIM) funding in 2008-09 features the second installment of a four-year, \$200 million commitment to target additional State aid primarily to fiscally distressed municipalities. Money is distributed according to fiscal distress, which is measured using indicators that include:

- Full valuation of taxable real property per capita less than 50 percent of the statewide average.
- More than 60 percent of the Constitutional property tax limit exhausted.
- Population loss greater than 10 percent since 1970.
- Poverty rate greater than 150 percent of the statewide average.<sup>7</sup>

### **What new things does Buffalo intend to do with its budget?**

The City plans to:

- add 40 new police officers and hire 35 new firefighters;
- maintain the 100 high-tech security cameras being deployed in Buffalo neighborhoods;
- use \$45 million in new resources for economic development, arts, tourism, and cultural projects to spur the City's economy;
- build a new 311 Citizen Services Hotline and add some new Spanish speaking positions in City departments to better serve the public;
- cut the tax rate on residential properties by 4.8%, bringing the overall rate reduction to approximately 12% over three years; and
- employ 3,000 youth in the Mayor's Summer and Winter Youth Employment programs.<sup>8</sup>

### **How does the City plan to reduce costs?**

Through "Spending and Management Reform", Buffalo plans to:

- Eliminate all non-essential travel to reduce costs and gasoline usage.

- Eliminate the purchase of new cars other than scheduled replacement of police vehicles.
- Reduce energy costs with the addition of a City Energy Manager.
- Limit overtime to essential services and public safety purposes.
- Reduce the incidence and costs of injured police officers and firefighters.
- Expand the use of the CitiStat accountability and management system to enforce spending restraint, cost containment measures, and meeting budget performance goals.<sup>9</sup>

### **What are financial successes claimed by the City?**

The City asserts that it has the ability to:

- afford three successive property tax cuts”, thereby reducing the overall property tax rate on residential properties by nearly 12%;
- maintain an unprecedented unreserved fund balance of \$105 million with \$76 million undesignated;
- set aside \$30 million in City surplus funds and up to \$15 million in a separate capital reserve to ensure the City never again faces a fiscal crisis;
- move the City from a fiscal control period to an advisory one;
- benefit from two successive credit upgrades from Wall Street; and
- increase the margin for use from a low of 8% in 2005-06 to just over 25% projected for 2008-09.<sup>10</sup>

### **How does the City plan to address high property taxes?**

Mayor Brown has moved to reduce the property tax burden on Buffalo homeowners. With his previous property tax initiatives, a homeowner with a \$100,000 home and limited change to the assessed value of their property will have seen a \$212 reduction in their property taxes since June 2006.<sup>11</sup> Of course, many homes have seen substantial increases in their assessed value, and hence higher taxes, despite the lower rates.



### **How is the budget passed?**

Pursuant to Article 20 of the City’s Charter, every departmental head must submit to the Mayor a departmental budget. Upon receipt, the Mayor has up until May 1<sup>st</sup>

to submit the entire budget, including the City's capital plan, to the Common Council for approval.<sup>12</sup>

### **How is the Common Council involved in the process? How can citizens become involved?**

The council does a few things with the Mayor's proposal. First, the council holds public budget hearings for "review and comment on the presentations by city departments and allied agencies."



These public forums are an opportunity for citizens to become involved in the city's budget making process. There, they are able to voice their opinions and concerns. After the hearings, the council generally decides what parts of the Mayor's proposal should be kept, added or deleted altogether. Any additions must be returned to the Mayor via the city's clerk for his final approval.<sup>13</sup>

### **Where can I find more information on the City's Budget?**

The City' budget can be downloaded or viewed at

- [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/2008-2009AdoptedBudget/Section\\_1\\_Summary\\_Statements\\_Graphs.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/2008-2009AdoptedBudget/Section_1_Summary_Statements_Graphs.pdf)
- [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf)

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<sup>1</sup> City of Buffalo Fiscal Year 2008-2009 Budget Overview, [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf)

<sup>2</sup> 2008-2009 City of Rochester Budget, pg. 4.

<sup>3</sup> Syracuse, The Emerald City: City of Syracuse Annual Budget Fiscal Year Ending June 30, 2009, <http://www.syracuse.ny.us/pdfs/Budget/2008-2009%20Budget.pdf>.

<sup>4</sup> City of Albany 2009 Budget, [http://www.albanyny.gov/\\_files/2009%20Budget.pdf](http://www.albanyny.gov/_files/2009%20Budget.pdf).

<sup>5</sup> City of Buffalo Fiscal Year 2008-2009 Budget Overview, [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf).

<sup>6</sup> City of Buffalo Fiscal Year 2008-2009 Budget Overview, [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf).

<sup>7</sup> New York State 2008-2009 Executive Budget, Aid and Incentives for Municipalities, <http://www.budget.state.ny.us/pubs/archive/fy0809archive/eBudget0809/fy0809localities/local/aim.html>

<sup>8</sup> City of Buffalo Fiscal Year 2008-2009 Budget Overview, [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf).

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<sup>9</sup> City of Buffalo Fiscal Year 2008-2009 Budget Overview, [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf).

<sup>10</sup> City of Buffalo Fiscal Year 2008-2009 Budget Overview, [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf).

<sup>11</sup> City of Buffalo Fiscal Year 2008-2009 Budget Overview, [http://www.city-buffalo.com/files/1\\_2\\_1/Mayor/BudgetOverviewBook2008-09.pdf](http://www.city-buffalo.com/files/1_2_1/Mayor/BudgetOverviewBook2008-09.pdf).

<sup>12</sup> City of Buffalo Charter, Article 20, [http://www.e-codes.generalcode.com/codes/1237\\_A/1237-Cha.pdf#xml=http://www.e-codes.generalcode.com/searchresults.asp?cmd=pdfhits&DocId=145&Index=C%3a%5cProgram%20Files%5cdtSearch%5cUserData%5c1237%5fA&HitCount=142&hits=b22+b3c+b53+b59+b6a+ba8+baf+bc9+bce+bd&hc=159&req=budget](http://www.e-codes.generalcode.com/codes/1237_A/1237-Cha.pdf#xml=http://www.e-codes.generalcode.com/searchresults.asp?cmd=pdfhits&DocId=145&Index=C%3a%5cProgram%20Files%5cdtSearch%5cUserData%5c1237%5fA&HitCount=142&hits=b22+b3c+b53+b59+b6a+ba8+baf+bc9+bce+bd&hc=159&req=budget).

<sup>13</sup> [http://www.ci.buffalo.ny.us/files/1\\_2\\_1/common\\_council/BudgetHearingScheduleMay08.pdf](http://www.ci.buffalo.ny.us/files/1_2_1/common_council/BudgetHearingScheduleMay08.pdf)