

**YONKERS**



**MAYOR MIKE SPANO**

**FISCAL YEAR 2022  
EXECUTIVE BUDGET  
MESSAGE**



**MAYOR MIKE SPANO**

**John A. Liszewski**  
Commissioner  
Department of Finance

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Budget Director  
Department of Finance

April 15, 2021

Yonkers City Council  
City Hall, 4th Floor  
40 South Broadway  
Yonkers, NY 10701

Honorable Members of the City Council:

I hereby submit to you the Fiscal Year 2022 Executive Budget Proposal for the City of Yonkers, prepared in accordance with the Charter of the City of Yonkers and the New York State Special Local Finance and Budget Act for the City of Yonkers.

I am pleased share with you that this year's proposed Executive Budget includes a zero property tax increase and no cuts in services or workforce. Given the ongoing COVID-19 pandemic, this is a tremendous achievement.

In order to view this proposed budget in context, it should be noted that since the beginning of this administration, I have had the pleasure of working with the Council in a bipartisan manner.

As a result of this cooperation, we have passed nine consecutive bipartisan, balanced budgets. We have completely overhauled the way the City manages its money, by installing proper controls, reducing waste, and implementing a cohesive financial plan.

During my Administration, our unemployment rate was at its lowest rate since 2000. New businesses have been opening and development has moved forward, boasting nearly \$4 billion in private investment. Plans for rebuilding our City will further expand our tax base and provide significant new revenue for the City's future.

This year, however, like many cities across the country, Yonkers experienced a yearlong lockdown due to a global pandemic that crippled local businesses and employment. State and federal stimulus were uncertain and an economic fallout was expected. At the start of the pandemic last year, the City's revenue loss for Special Taxes and other departmental revenues was projected to be \$42.7 million. Fortunately, Yonkers weathered the storm better than expected largely due to the city's uniquely diverse workforce; its growing population because of its booming economic development; increased e-commerce sales; and direct federal stimulus aid to residents. Today, the city is emerging from the lockdown and is getting back to business, putting our residents back to work, resulting in our unemployment rate falling back down to 8%.

The City's ability to remain intact during this turbulent year is due in part to the Administration's fiscal responsibility and frugal spending. We've increased revenues and we've merged departments. Despite this, we continue to face flat Aid and Incentives for Municipalities (AIM) funding from New York State for Fiscal Year 2022 at \$108 million. The state-funded AIM funding is down over \$27 million from 2009 levels. This makes it difficult to fund our fringe benefit and union contract costs, which account for 75% of the City's budget.

In regards to Yonkers Public Schools, the City remains the only city to continually increase its local aid to education each year. Since I've been mayor, the Maintenance of Effort has increased 21% annually and 109% cumulatively. For FY22, the combined Maintenance of Effort and Debt Service contribution transfer to education will go up by \$7.2 million.

This year's Executive Budget is one that is honest and lean while dealing with the many inherited structural problems, keeps our property tax levy flat but also deals with the ongoing effects from a global pandemic.

## **EXECUTIVE BUDGET SUMMARY**

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**The Executive Budget for the Fiscal Year 2022 for the combined City and Board of Education (BOE) General Funds is \$1.15 billion, a decrease of \$600,000 (\$6.8 million decrease for City and \$6.2million increase for the BOE), or 0.05%.**

**The Executive Budget includes a record \$651.9 million appropriation for the Board of Education, the largest ever budgeted by an Administration.**

Including FY22, the Administration's combined contribution (which includes Debt Service contributions) to the Board of Education has increased by \$287.5 million cumulatively since Fiscal Year 2012, which excludes the absorption of approximately \$10 million of BOE administrative services into the municipal budget.

I want to extend my thanks to our New York State Yonkers delegation for committing to deliver the long overdue phase-in of foundation aid over the next three years, with Yonkers Public Schools receiving \$21.9 million this year, a more than 10% increase over last year, as well as again adding \$12 million in state education bullet aid. While this serves our District now, we need to remain vigilant in addressing the systematic funding inequities that effect Yonkers students each year.

The City also continues to advocate for New York State to pass the enabling legislation that will provide Yonkers the ability to rebuild each of our schools. Under current state reimbursement formulas and double MCA (maximum cost allowance), the City has the ability to build only one new school, despite the need for at least two more and repairs on more than 30 other schools. Therefore, the Executive Budget includes a \$3.3 million appropriation for the first installment payment for the Yonkers Joint School Construction Board bonding for a new community Pre-K – 8 grade school at the former St. Denis School site.

**Included in the Executive Budget is a municipal General Fund operating budget of \$536 million. General Fund Departmental Expenditures are budgeted at \$291 million.**

The Administration recognizes the adversities still faced by its residents due to the ongoing pandemic. In response, the City has made economic assistance programs available to small businesses and renters through grants and loans. More importantly, the Executive Budget recognizes the economic hardships of our property taxpayers because of the pandemic. As a result, FY22 Budget proposes a flat property tax levy – marking the first time in over 20 years taxes would remain flat.

The Administration also proposes absorbing nearly half of the projected 10% increase by the New York City water per capita rate with a local increase of 4.5%. The water fund revenue will be assumed on a volume based tiered structure that is currently being discussed by the City Council.

Additionally, the Executive Budget proposes \$149.5 million in combined City and BOE capital improvements including:

- Cacace Justice Center Garage construction: \$19M
- Government Center Garage renovation: \$7M
- New Waterfront Park (Ludlow): \$10M
- St. Denis community school: \$3.3M
- Kahlil Gibran School – construction of 13 new classrooms: \$20M

The 2022 Executive Budget does not propose cuts to municipal services or our workforce; adds 36 new positions, many of which will be covered by increased revenue; and includes essential health and safety capital projects for the city.

In closing, the Administration's hope is that the 2022 Executive Budget is a basis for discussions and decisions. I am calling on our partners including our state leaders, City Council and our union leaders to continue to build upon the spirit of cooperation that has passed nine consecutive bipartisan budgets during my time in office.

The Administration continues to be efficient and conscientious of any fiscal challenges and will utilize necessary tools to keep expenditures in line. I look forward to an active and healthy discussion of our City's finances as we work to move the great City of Yonkers forward.

Sincerely,

A handwritten signature in blue ink that reads "Mike Spano". The signature is stylized with a large, looping initial "M" and a long, sweeping underline.

**MIKE SPANO**

Mayor