



MEMORANDUM
OFFICE OF THE COMMISSIONER OF FINANCE
CITY OF SARATOGA SPRINGS

MICHELE MADIGAN
COMMISSIONER OF FINANCE

PRESS RELEASE

For Immediate Release: April 23, 2020

Contact: Commissioner of Finance, Michele Madigan
Telephone: (518) 587-3550 ext 2577; (518) 526-9377
Email: michele.madigan@saratoga-springs.org

Re: City of Saratoga Springs 2019 Year End Report and April 2020 Covid-19 Fiscal Update

Commissioner of Finance Michele Madigan reports that 2019 City general fund (operating budget) closed out the year with a strong fund balance and nominal operating deficit.

Unaudited year-end figures show a \$16,758,000 fund balance; about half of this is restricted and half is freely available. This equates to 17.32% of the operating budget, well within the required 10% - 25% range. **The annual operating deficit for 2019 was \$856,000, about 1.8% of the 2019 budget.**

Of note is NYRA Admissions Tax, which came in 40% below 2018 as a result of a change in NYRA's calculation methodology. **2019 amounts received were \$429,000; 2019 amounts budgeted were \$723,000** (in line with amounts received in 2018). We continue to work with the County and NYRA to better understand NYRA's revised methodology. "The amount received in 2019 is equivalent to amounts received in 2011. Admissions are up, but the tax is down considerably. The City provides fire, police, ambulance, water, sewer, traffic, and beautification services in order to properly host the yearly meet. I believe the City requires a more equitable distribution of this tax in order to maintain our high-level of visitor and citizen protection services," states Commissioner Madigan.

"With excellent policies and practices in place, the City ended 2019 at a strong advantage to face the unprecedented 2020 pandemic. My years of financial discipline, preparation, budget and reserve building have provided us with a much better foundation than many coming into the current situation," states Madigan.

Actual 2019 revenue collected totaled \$46,261,134. Actual 2019 expenditures totaled \$47,117,479. **"The City did good job managing its current budget while considering future needs. These skills will prove beneficial in the months to come."** said the Commissioner.

The City is now in the process of reviewing its 2020 budget for adjustments that will be required in the face of a potential \$14 to \$16 million, or 29% to 33%, loss of general fund revenue. Sales and occupancy tax collection have already shown substantial decreases compared to 2019. State aid revenue sharing, parking ticket revenue, NYRA general admissions tax, casino rentals, building permits, and property tax collection are all at risk. **The City has researched the option of waiving late fees and penalties for property tax bills, but it has confirmed that only the NYS Governor may do so during a State of Emergency.**

Commissioner Madigan has asked each department to scour its budget for reductions, cuts, and re-purposed funds. **Looking for a 10% budget rollback "will require a new outlook, revised priorities, and discipline."** Madigan has great faith that **"this Council has what it takes to make it work."**

This is coupled with the “Hiring and Spending Freeze” requested by Madigan to the City Council on April 10, 2020.

“Every expense must be considered very carefully, against the long and short term City sustainability, the needs of our taxpayers, and most importantly, the health, safety, and welfare of our citizens. We are beginning from a position of strength, and will do what is best for the City of Saratoga Springs.”

Two presentation (the Preliminary Annual Report and Covid-19 and City Finances) were made by Commissioner Madigan on Tuesday, April 21, 2020 at the City Council meeting, and can be viewed on at <http://saratogaspringsny.swagit.com/play/04212020-1102>