



**City of Saratoga Springs**

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**2013 BUDGET MESSAGE OF THE  
COMMISSIONER OF FINANCE**

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**Office of Finance**

**October 2, 2012**

## 2013 BUDGET MESSAGE OF THE COMMISSIONER OF FINANCE

To the Members of the Saratoga Springs City Council and the People of the City of Saratoga Springs:

I present the 2013 Comprehensive Budget, the first budget that I have submitted to the City Council, **for the taxpayers of our City**. The City Budget is one of our most important documents. More than an accounting ledger, it describes the City's **current needs** and encompasses its **vision for the future**.

The 2013 Comprehensive Budget is defined by:

- **Essential City Services**
- **Planning for the Future**

Essential City services have been shaved to critical levels since the Great Recession of 2008. Even as the City was building an excess fund balance, it was cutting expenditures that have affected every department in its ability to serve the citizens.

**The 2013 Comprehensive Budget is designed to re-build the foundation upon which this City's government is built – the delivery of essential City services.** This is being accomplished with an eye toward our current and future needs. The 2013 Comprehensive Budget is about serving its citizens today and tomorrow, in 2013 and beyond.

Preparing for future budget needs requires both vision and discipline. As Finance Commissioner, I am tasked with making recommendations in case of an excess (or a deficiency) in fund balance based on year-end audited figures. It has been announced that there is an excess fund balance of **\$1,522,574** dollars. **My recommendation is a part of the 2013 Comprehensive Budget, and I will state this first. It involves vision, discipline, and the faith that this City Council will join me in this unique opportunity.**

**RECOMMENDATION.** I have made my intentions public, and I do so again here. I recommend both saving and investing funds for the taxpayers as follows:

- **Contribute to the Tax Stabilization Reserve in the amount of \$500,000.**

I recommend that the Council set aside **\$500,000** in the City's tax stabilization reserve. Losing VLT revenue was the incentive to create the reserve, and this contribution will render amounts in the Tax Stabilization Reserve sufficient to cover another unexpected VLT loss.

I am equally concerned about the City's unsettled Union contracts. Contracts that have been unsettled for 2, 3, or **4 years** become nearly impossible to accommodate under a 2% property tax cap. Simply put, the City has no combination of revenues that can keep pace with multiple years of wages, and little way of anticipating when and how much to be prepared. The budgets that prior administrations have been promulgating do not fairly represent the cost of running this City. Funds must be available in the event of re-negotiation and settlement, and they must be available for the abrupt budget re-alignment this will generate.

➤ **Contribution to the Retirement Reserve in the amount of \$236,287**

I recommend that the Council set aside \$236,287 in a Retirement Reserve. The New York State mandated retirement contribution increased again this year. The New York State Comptroller states “there will continue to be upward pressure on rates through Fiscal Year 2014-2015.”. The City must protect itself from future spikes in this mandated contribution, and re-building the retirement reserve is an excellent way to do so.

➤ **Contribution to the Capital Reserve for Buildings in the amount of \$236,287**

I recommend that the Council set aside \$236,287 in the City’s Capital Reserve for Buildings. The City’s Capital Reserve for Buildings has been important since its creation, and will be even more so as we embark on significant capital improvements. Historic and older buildings are challenging even with good planning. Moreover, good opportunities can be as unpredictable as disasters. The Capital Reserve for Buildings must be augmented to meet the City’s needs.

➤ **Contribute to the Debt Service Fund Revenue budget in the amount of \$550,000.**

Finally, I recommend that the Council use \$550,000 in the City’s Debt Service Fund for the Capital Budget/Program. The Capital Budget/Program reflects a compilation of City building, infrastructure and equipment projects that are one-time, critically needed expenditures. Choosing capital projects involves extensive analysis by multiple stakeholders, prioritization by committee and Council, as well as public review.

This contribution to the Debt Service Fund helps the taxpayer in at least three ways:

- It leverages your tax dollar at a time when interest rates are historically low and the City’s building, infrastructure and equipment needs are historically high, and defrays the property tax levy necessary to cover the cost of bonding.
- Allows deferred building, infrastructure, and equipment purchases to be advanced, including and especially the long overdue renovation of the Saratoga Springs Police Department; and
- The completion of several capital projects may further defray property taxes by lowering City insurance costs.

**My recommendations save funds for future needs, defray the property tax levy, and maximize the number of building, infrastructure and equipment projects so critical to the structural stability of the City.** The majority of the Council joined me in support of the Resolution to set aside proceeds from the in rem property auction for either future tax relief or emergency needs. I look for that same good judgment and conscientious commitment to support this recommendation in the application of fund balance excess.

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## Key Spending Increases - General Fund

The total proposed 2013 Comprehensive General Fund Budget is as follows:

Total 2013 General Fund:	<b>\$39,794,135.49</b>
General Fund Change from 2012:	<b>\$ 2,545,458.38</b>

The increase in the General Fund from 2012 to 2013 is from a combination of factors:

- **Mandated costs**
- **Contingency planning**
- **Essential services**
- **Equipment**

**MANDATED EXPENDITURES.** Mandated expenditures hamper many budgets, and the 2013 Comprehensive Budget is no exception. These include wages, benefits, NYS retirement, insurance, gas, oil, utilities, and other costs over which the City has little control to constrain. These expenditures alone account for about 88% of the 2013 Comprehensive Budget, leaving only 12% for 'other costs'. 'Other costs' may not be mandated, but they still may be crucial to getting the job done.

**More significantly, however is the fact that, at this time, our mandated expenditures do not reflect actual wages.** The City of Saratoga Springs has seven unions. All seven contracts will be expired at the end of 2012. Three of these expired in 2008; one expired in 2010. **When contracts are left unsettled for this long, the budget no longer accurately reflects the cost of sustaining itself.** It creates an obscured and looming liability in our short and long-term budgetary needs.

Mandated expenditure increases include:

- **Personal Services and Health insurance** increases account for over 32% of the change between the 2012 adopted and 2013 Comprehensive General Fund budgets. This is *without* amounts for outstanding contracts in need of negotiation. Health benefits alone are estimated to increase by 9% over the 2012 budget. Health benefits budgeted in the General Fund total \$6,789,127. This is 17% of the entire 2013 operating budget
- **Retirement costs** for the City account for 23% of the change between the 2012 adopted and 2013 Comprehensive General Fund budgets. As late as September 11<sup>th</sup>, we were notified that the estimates provided in August were increasing by over \$250,000. The Director of Finance saved us about \$25,000 in interest payments by taking advantage of the City's strong cash flow situation to change our payment date. New York state pension mandates cost the City about \$4,805,361. This is about 12% of the entire 2013 operating budget.

- **Energy costs** continue to have a large impact on the City's budget. Gas, oil, utilities, and related items have increased the 2013 Comprehensive General Fund budget by about 13% over 2012 amounts. This accounts for about 8% of the change between 2012 and 2013. Increased energy costs most acutely affect the Departments of Public Works and Public Safety. The Finance Department is working on an Expense Reduction Survey for the audit of its fuel, natural gas, and electricity billings for the purpose of securing refunds, credits and cost reductions resulting from the discovery of incorrect charges.

**CONTINGENCY - \$210,000 increase.** The contingency expense line is budgeted to cover emergencies, unexpected situations and increases in unsettled contracts. Finance has included \$410,000 to cover these and other urgent or unanticipated City needs. This is an increase of \$210,000 over 2012, and accounts for 8% of the change in the 2013 Comprehensive General Fund Budget.

**ESSENTIAL SERVICES.** New programs and new spending are difficult to contemplate in the aftermath tough fiscal times. Nevertheless, the City Council must retain the courage, alongside good judgment, to consider new ideas and plan for current and future needs. New spending includes the following:

- **Ambulance Program.** The 2013 Comprehensive Budget owes much of its success to the new Ambulance Program which was approved by the City Council in January 2012. Expenses have been kept to a minimum and are offset by revenue being generated. The fire department stepped up to provide a critical program which the City was in imminent danger of losing. The citizens of Saratoga Springs have an essential service to be proud of and are receiving the full benefits of the paramedic/firefighter training that they pay for.
- **Public Safety Personnel - \$640,000 increase.** About half of this increase is due to the completion of a federal grant that covered the cost of seven fighters. The fire department has retained those firefighters and is supported by two new hires for the ambulance program and other fire department duties. Dispatch is supported with one new hire. The police department is supported with two new hires.

Public Safety personnel have 29 square miles to protect 24 hours per day 365 days per year, through track season, SPAC season, back-to-school, winter weather, holidays, festivals and special events too numerous to count, right through last call at 4:00 AM. Cuts, attrition, and medical issues have scaled our police, fire, and dispatch forces back to unacceptable levels. **The citizens want the protection they deserve, and this budget reflects this priority.**

**Maintaining safety and order is a critical component of the City's success. You cannot have success without safety, and the citizens of Saratoga Springs deserve no less.**

**EQUIPMENT - \$201,903 increase.** Public Works and Public Safety are acutely affected when equipment needs are ignored. Replacement schedules have been deferred while City program needs have grown. The Capital Committee acknowledged this in its 2013 Capital

Budget, awarding preference to several long delayed requests, and most of these have been honored in the 2013 Comprehensive Budget.

Many equipment needs are not eligible for capital treatment. City departments may require more equipment than our operating budget can balance in a single year. The 2013 Comprehensive General Fund budget has retained a modest number of requests. These equipments costs total \$511,666, an increase of about \$201,903 and still almost \$327,120 *less than requested*. New requests include:

- **Public Works:** two pick-up trucks, various trailers, mowers, saws, tarps, weed-whackers, snow blowers, saws, blade sharpeners, miscellaneous tools, furniture and appliances for the Canfield Casino;
- **Public Safety:** two police vehicles and equipment, portable radios, shoulder cameras, one traffic control work-truck, computer tablets for fire inspections (offset by decreased time/inspection), patrol laptops and other computer requirements
- **Finance:** copier, City-wide software upgrade for Microsoft office
- **Recreation:** various office computer equipment, sports supplies

***OTHER EXPENSE INCREASES:*** Expense increases were otherwise kept to a minimum and are outweighed by the benefits and efficiencies incurred:

- Off Street Parking - \$74,309 increase. Public Works' Off Street Parking budget increased to cover maintenance needs of the City's parking decks. This protects the City's investments, and includes repairs, cleaning, and labor.
- Water, Sewer, General Fund Allocation - \$25,000 increase. Public Works has re-distributed the allocation of administrative fees among the Water, Sewer, and General Funds. This increases the General Fund but decreases the Water and Sewer Funds.
- Trees - \$18,000 increase. Public Works' tree budget has been increased. Finance initiated follow-through on a DEC grant for an Urban Forestry Program that resulted in a city-wide tree inventory, and will culminate with a Master Tree Plan for the City of Saratoga Springs.
- Waterfront - \$11,800 increase. Public Works' Waterfront budget has increased to accommodate maintenance of the new Waterfront area open to the public.
- Comprehensive Plan Review - \$20,000 increase. The City's Comprehensive Plan must be reviewed every five years per the City Charter, Title 2 (F.). The Mayor's budget includes funds for this review, and is offset by amounts no longer required for the completed Zoning Ordinance review that took place in 2012.

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## Key Spending Decreases – General Fund

Spending cuts were required to balance new priorities with the required property tax levy. The City Council cannot control the cost of energy, health care or NYS retirement. It can establish priorities and find more efficient ways of delivering the essential services that taxpayers require. Spending decreases include:

- Public Works Labor - \$144,416 decrease. Public Works Labor lines increased by about \$247,000 between the 2011 and 2012 adopted budgets. A decrease has been made between the 2012 and 2013 budgets to equitably distribute needs and resources.
- IT-Hardware and Professional Services - \$90,000 decrease. Data Network has completed security improvements and upgrades in 2012, reducing 2013 budget needs.
- Accounts Department - \$22,633 decrease. Accounts is the only department that reduced its overall appropriations from 2012 to 2013. The reduction is largely due to decreased amounts required for the Assessment office for legal and appraisal fees.
- Outsourced Legal Assistance - \$35,000 decrease. Amounts for outsourced legal assistance have been reduced in the 2013 Comprehensive General Fund Budget.

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## Revenues – General Fund

**Reasonable, realistic revenue estimates** are important when establishing a fair budget. Underestimating revenues withholds funding from the taxpayer. It can lead to unnecessary cuts in essential services and an inflated property tax levy. Overestimating revenues can result in operating deficits, property tax hikes, and an inaccurate sense of the actual cost of City services.

**MAIN REVENUE SOURCES.** The majority of the 2013 Comprehensive General Fund budget is supported by five main revenue sources:

- **Real property tax**
  - **Sales tax**
  - **State aid**
  - **Mortgage tax, and**
  - **VLT Aid**
- **Sales Tax - \$850,000 increase.** Sales tax collection for 2012 is running about 9% higher than at this same time last year. This includes collections through the end of July; it does not include our August season. Also considered are fluctuating gas prices, recently opened businesses and planned developments. Sales tax is included in the 2013 Comprehensive

General Fund Budget at a more moderate 3% increase over 2012 **projections**, in the amount of \$10,600,000. These numbers will continue to be reviewed throughout budget season.

- **Mortgage Tax - \$47,280 increase.** The City of Saratoga Springs continues to be an outlier in the state-wide downward trend for mortgage tax collection. At this time, the 2012 year-end projection for mortgage tax is about 5% over amounts budgeted for 2012. Mortgage tax revenue is more conservatively budgeted in the 2013 Comprehensive General Fund Budget at 3% over amounts **budgeted** for 2012, in the amount of \$1,229,280.
- **State revenue sharing - \$40,000 increase.** State Aid has been a longstanding resource for the City, though it does not keep pace with state mandates. At this time, the 2013 Comprehensive General Fund Budget includes the same amount the City **received** in 2012 - \$1,649,000.00.
- **VLT Aid - \$0 increase.** Under State Finance Law, the City receives a share of video lottery terminal revenue. Amounts received under this legislation are not actual VLT monies, but rather, are state assistance based on a percent of what was received in the year 2008. The City is free to use its share to 1. defray local costs of VLT's, or 2. minimize or reduce real property taxes.

VLT Aid revenue is significant not only because of its sheer amount, but also because of its erratic history. While it was originally touted as a recurring revenue designed to assist host cities, the State has been inconsistent in its delivery of this revenue. VLT Aid was pulled altogether in 2009 and 2010, and restored unexpectedly in June of 2011. At that time, about 30% was used in the 2011 budget, and the remainder was put in a Tax Stabilization Reserve.

In November of 2011, in spite of the unreliable history of this revenue source, the prior administration appropriated the entire amount of anticipated VLT aid into the 2012 Adopted operating budget.

**This is difficult to understand, and even more difficult to retreat from.** There are few revenues that can be increased or expenses that can be decreased to cover revenue as substantial as VLT Aid. The New York State Division of Budget has provided an estimate of the City's share under the current formula, in the amount of \$1,496,000. This has been included in the General Fund at this time, with the recommendation that we strive to reduce VLT Aid used in the operating budget.

- **Fund Balance - \$550,000 increase.** Fund balance excess from 2011 has been applied towards the 2013 Debt Service Fund for one-time expenditures or expenditures which do not generate recurring operating costs. This helps the taxpayer in at least three ways: 1. leverages tax dollars while defraying the combined 2013 tax levy; 2. advances deferred building, infrastructure, and equipment projects; and 3. lowers City's insurance costs, thus further reducing the tax burden.

***OTHER REVENUE SOURCES-INCREASES.*** Increases in other revenue sources are briefly summarized as follows:

- Ambulance Program - \$710,000 increase. In January of 2012 the City Council voted to approve a City ambulance program to fill the need left empty by the sudden withdrawal of our previous service provider. To date, estimates for this revenue source have been on target - \$311,500 has been posted from 4/01/12 through 9/13/12, with only one month of full Medicare billing. A full report will be forthcoming after 12 full months of services. The 2013 Comprehensive Budget includes \$650,000 for Ambulance Transport, \$15,000 for Ambulance Advanced Life Support, and \$45,000 in Rental Fees for the West Avenue Fire station.
- Occupancy Tax - \$113,000 increase. Occupancy tax is dictated by County and City law. The total tax within the City limits is 6%. Of this, the County receives 1% and the City receives 5%. The City's 5% is further allocated: 2% goes to the Saratoga Convention and Tourism Bureau; 2% goes to the City Center; 1% remains with the City of Saratoga Springs.

Recently it came to the City's attention that online travel companies have been charging their customers retail prices, but remitting taxes based on wholesale costs. Both the County and the City are working to revise our laws to assure that rightful occupancy tax is paid. At this time, Occupancy tax amounts are projected to surpass the 2012 budget by about 32%. 2013 is more conservatively budgeted at \$525,000.

- Compost - \$53,000 increase. The City's compost is a high quality product in high demand. To date it has been made by a machine rented by the City for two weeks per year. The 2013 Comprehensive Capital Budget supports the purchase of a "trommel" that can be used year round, which will generate more compost for the city to sell. Accordingly, compost revenues have been increased to a level recommended by the Department of Public Works.
- Franchise Fee - \$31,000 increase. The City negotiates a fee with Time Warner Cable, as the sole provider of cable services in the City.
- Indoor Recreation Facility and Field Fees – \$30,500 increase. Revenue was shifted from 'Recreation Fees' to the 'Indoor Recreation Facility' to more accurately reflect the use of the Indoor Recreation Facility basketball courts. This resulted in an increase in Indoor Recreation Facility revenue, but a corresponding decrease in overall Recreation Fees. Recreation Field fees are also expected to increase.

I am also pleased to report that revenues for fire inspections, NYRA general admissions tax, false alarms, police services, special events-police, and rent for the Vernon Ice are all expected to increase in 2013.

***OTHER REVENUE SOURCES-DECREASES.*** Decreases in other revenue sources are summarized as follows:

- FEMA SAFER grant - \$301,958 decrease. The FEMA SAFER grant is expired.
- Planning Board fees - \$55,000 decrease. Planning Board fees are based on anticipated projects, and amounts estimated have been decreased by the Planning Department under the Mayor's office.
- Interest and penalties on taxes - \$55,000 decrease. Interest and penalties on taxes were budgeted higher than usual in 2012 because of the in rem (foreclosure) proceedings. The City will not commence another in rem until it has sufficient properties to justify the cost.
- Recreation Fees and Summer Programs - \$30,000. Revenue was shifted from 'Recreation Fees' to the 'Indoor Recreation Facility' to more accurately reflect the use of the Indoor Recreation Facility basketball courts. This results in a decrease in Recreation Fees, but a corresponding increase in Indoor Recreation Facility revenue. Summer Program fees are down by about \$10,000. The Recreation Department was without a director for several months during the search process. It welcomed new management in June of 2012.

Other revenue anticipated decreases include utilities tax, Weibel ice rink rents, and the sale of transfer station bags.

## Capital and Debt Service Budgets

***CAPITAL BUDGET.*** The Capital Budget process involves a thorough review and ranking of the City's Capital needs over the next 6 years. The projects included in the 2013 Comprehensive Budget include the top ranked priorities. Choices were made based on: 1) necessity, 2) city-wide priorities, and 3) project readiness.

The Capital projects included in the 2013 Comprehensive Budget total about \$3,768,794. Of this, about \$3,043,794 will be bonded through the Debt Service Fund; \$200,000 will be bonded through the Water Fund; \$100,000 will be bonded through the Sewer Fund; \$400,000 may be funded by a State grant; and \$25,000 is from donations via the Saratoga Preservation Society for the Spirit of Life restoration.

The top three priorities included in the 2013 Comprehensive Budget are also endorsed by the City's Safety Committee:

1. Police Department Infrastructure Renovation
2. Wedgewood Avenue Storm Sewer
3. Lake Avenue Fire Station Infrastructure Renovation

The remaining projects included in the 2013 Comprehensive Budget are listed in the order of the Capital Committee priorities:

4. Water - Infrastructure Improvement and Replacement

5. Self Contained Breathing Apparatus Replacement and Upgrade
6. Vernon Ice Rink - Water Heaters
7. Fire Station 2 Roof
8. Sewer - Waste Water Pump Stations Annual Upgrades
9. Dump Truck with Plow Equipment and Spreader #99
10. Hydraulic Tools (Jaws of Life)
11. City Buildings and Facilities Repairs and Upgrades
12. Traffic Light - Lake Avenue Fire House
13. Northside Park - Playground Replacement
14. Loader #51
15. Court Resurfacing, East, Veterans, Hathorn Tennis & Basketball Courts
16. Geysers Road Trail
17. Canfield Casino Rehabilitation Program
18. Variable Message and Traffic Signs
19. Brush Truck Replacement F553
20. Lake Avenue Fire Station Window Replacement
21. Weibel Ice Rink - Rink Arena and Lobby Flooring
22. The Spirit of Life Restoration Project
23. Material Trommel Screen
24. West and East Side Playground Rehabilitation
25. Waterfront Property Redevelopment Phase II
26. Dump Truck with Plow Equipment and Spreader #97
27. Skid Steer Loader #123

**Modifications.** One item from the Capital Committee's list was reduced in amount. Five items from the Capital Committee's list have not been included in the 2013 Comprehensive Budget.

- The **Geysers Road Trail** project has been reduced in expense from \$200,000 to \$150,000 based on information received subsequent to the Committee's proposal.
- The **Fire Station 1 Audio PA Replacement** has been removed because it was funded in August 2012 due to renovations ongoing at the Lake Avenue Fire Station.
- The **41 Jefferson Street Parcel/Parking Lot** has been removed because it is not ready for consideration. There are numerous outstanding concerns and public outcry regarding the need and the neighborhood, the parking problem and its appropriate solution, the costs and the revenue source. All these issues deserve the time required to come to a sound conclusion.
- The **Music Hall Air-Conditioning** project has been removed because it requires further planning. It is unclear that the project will accomplish its goal, or that revenues will be sufficiently increased to justify the expenditure. City Hall energy needs require study, cost/benefit analysis, and a cohesive design. Marketing City venues should take into consideration a broad plan for a full service, City-wide approach that maximizes the revenue making potential of its all City resources.

- Equipment needs that have been neglected cannot be rectified in a single budget. They will be considered on a reasonable replacement schedule as expeditiously as possible. Three are included in the 2013 Capital Budget, totaling about \$519,000. The **Street Sweeper #85** and **Loader - Tool Carrier Machine #6**, both lower departmental priorities, have been removed at this time.

One 2012 project requires clarification: **the Eastern Plateau EMS/Fire facility project was funded in 2012 in the amount of \$200,000.** The City Council authorized the Commissioner of Finance to bond such funds as needed at the 2/07/12 City Council meeting. Once bonded, funds must be used within a specific time-frame, so it is best not to bond until funds are imminently needed. **That funding has not been exhausted and remains available for use on this project.** Efforts to research and advanced this project are ongoing.

***DEBT SERVICE BUDGET.*** The Debt Service Budget reflects principal and interest payments on all the City's outstanding bonds except those included in the Water and Sewer Funds. The revenues used to support the Debt Service Budget's expenditures include property tax, as well as other Council approved sources, such as the Recreation Trust Fund, various Reserves, and planning board fees. The total proposed 2013 Debt Service budget is \$3,058,130. The main revenue sources supporting these expenditures are property tax in the amount of \$2,137,956 and fund balance in the amount of \$550,000; various other sources total \$370,174.

Under the City's self imposed 2% debt limit, subtracting amounts already bonded and not excludable, the amount available to bond as of 12/31/13 is an estimated **\$46,707,090.**

The City of Saratoga Springs received one of its highest bond ratings to date in the spring of 2012. Standard & Poor's Rating Services (S&P) upgraded the City's rating from AA to "AA+". In addition, it gave the City a "stable outlook", as well as a financial management practice assessment of "good". This is a high rating for a municipality, and served the City well when our Bond Issue went out to bid.

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## **Real Property Tax**

The total real property tax levy is as important to the citizens of Saratoga Springs as the policy and programs that it supports. It is the first and last piece of the budget; it is considered at the outset of a budget plan and finalized at the conclusion of a budget plan. This year marks the second year of the New York State Property Tax cap, which caps the growth of the total tax levy from year to year.

The City has two main property tax levies – one in the General Fund which supports the City's operating budget, and one in the Debt Service Fund, which supports the City's capital improvement projects. The City's tax rate reflects the total of these levies, or a 'combined tax rate'.

**PROPERTY TAX CAP.** The NY State property tax cap formula allows a combined property tax levy of \$19,350,832. This includes property tax levies in the General Fund, Debt Service Fund, plus the two Special Assessment Districts.

<b>NYS PROPERTY TAX CAP FORMULA</b>		
	<b>Calculation Factors</b>	<b>2013</b>
Prior Fiscal Year Tax Levy (12/31/12)		\$18,487,475
Multiplied by Tax Base Growth Factor	1.0054	\$18,587,307
Plus PILOTs Receivable in the Prior Fiscal Year (12/31/12)	\$93,141	\$18,680,448
Multiplied by (Allowable Levy Growth Factor+)	1.02	\$19,054,057
Plus up to 1.5% Carry-Over from 2012		\$288,543
		\$19,342,600
Minus PILOTS Receivable in Next Fiscal Year (12/31/13)	\$96,700	\$19,245,900
Plus Levy Increase Allowable for % Pension Pymnts		
TRs	\$0.00	
ERS	\$0.00	
PFRS	\$104,932.00	
Total Exclusions	\$104,932	\$19,350,832
Total allowable Tax Levy Limit –all Funds (Adjusted)		\$19,350,832

**PROPERTY TAX LEVIES.** The City’s total tax levies, including the General Fund, the Debt Service Fund, and the Special Assessment Districts, is \$18,519,864. This is allowable under the Property Tax cap, and will result in a 2014 carry-over.

The expenditures included in the 2013 Comprehensive Budget will require a General Fund tax levy of \$16,218,230 and a Debt Service Fund Tax Levy of \$2,137,956. The Special Assessment Districts require a total of \$163,678.

**ASSESSMENT ROLL.** The July 2012 tax assessment roll used to determine the 2013 tax rate is \$ 3,065,743,207. This taxable assessment roll decreased from the previous one by \$913,046, due to grievances, other settled disagreements regarding tax assessments, and various PILOT agreements. The tax rate is determined, generally, by dividing the tax levy by the [assessment roll divided by 1000], with adjustments for inside and outside tax districts.

**COMBINED TAX LEVIES AND TAX RATES.** The proposed tax levies and corresponding tax rates are as follows:

<b>2013 PROPOSED PROPERTY TAX RATE</b>	
Proposed General Fund Tax Levy:	<b>\$16,218,230.16</b>
Proposed Debt Service Fund Tax Levy:	<b>\$2,137,955.69</b>
Proposed Combined Tax Levy:	<b>\$18,356,185.85</b>
Proposed Capital Tax Rate	\$0.6974
Proposed Inside District Tax Rate	\$5.3259
Proposed Outside District Tax Rate	\$5.2483
<b>Proposed Combined Inside Tax Rate:</b>	<b>\$6.0232</b>
<b>Proposed Combined Outside Tax Rate:</b>	<b>\$5.9456</b>
<b>Inside Percent Change:</b>	<b>-0.01%</b>
<b>Outside Percent Change:</b>	<b>-0.07%</b>
<b>Average Percent Change:</b>	<b>-0.04%</b>

The 2013 Comprehensive Budget offers the citizens of Saratoga Springs **essential city services, essential capital improvements, increased City resources, and effectively no increase in the tax rate.**

## **Conclusion**

Establishing a budget, the City's guide for next year and many thereafter, is one of the most significant tasks of our tenure as elected officials. It is our job to debate the merits, to disagree when we must, agree when we can, and vote on what we think is best for our citizens. It is a difficult job, one that is spread among talented people who are each committed to their departments as well as their ideals for the City.

Before I close, I would like to personally thank each Council Member – Mayor Johnson, Commissioner Scirocco, Commissioner Mathiesen, and Commissioner Franck. I believe that we already do more with less. I believe that we do the best we can. I believe that we will find a way to provide the City with the essential services that it requires in 2013.

I look forward to the 2013 Comprehensive Budget season, and I thank you for your tremendous commitment to the City of Saratoga Springs.