



**City of Saratoga Springs**

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

**Office of Finance**

*October 2, 2012*

# 2013 Comprehensive Budget

## Essential City Services

*Shaved to critical levels since Great Recession;  
Cuts affect every Department's ability to serve citizens*

## Planning for the Future

*Budget designed to re-build foundation; Budget  
designed to serve citizens today and tomorrow*

# Planning for the Future

*“Vision, discipline,  
and the faith that  
this City Council  
will join me in this  
unique  
opportunity.”*

## Fund Balance

*Excess fund balance:  
\$1,522,574*

**Recommendations** to the Council  
submitted by the  
Commissioner of Finance

# Fund Balance Recommendations

- **TAX STABILIZATION RESERVE:** **\$500,000**
- **RETIREMENT RESERVE:** **\$236,287**
- **CAPITAL RESERVE FOR BUILDINGS:** **\$236,287**
- **DEBT SERVICE FUND:** **\$550,000**

# Fund Balance Recommendations

*Majority of Council joined me to set aside proceeds from property auction for future or emergency needs. I look for that same good judgment and conscientious commitment in the application of fund balance excess.*

- Save funds for future needs
- Defray property tax levy
- Maximize number of building, infrastructure and equipment projects critical to structural stability of City

# EXPENSES

# 2013 General Fund

Total **2013 General Fund**..... \$39,794,135  
Increase over 2012..... \$ 2,545,458

Increase due to combination of:

- **Mandated Costs**
- **Contingency Planning**
- **Essential Services**
- **Equipment**

# Mandated Costs

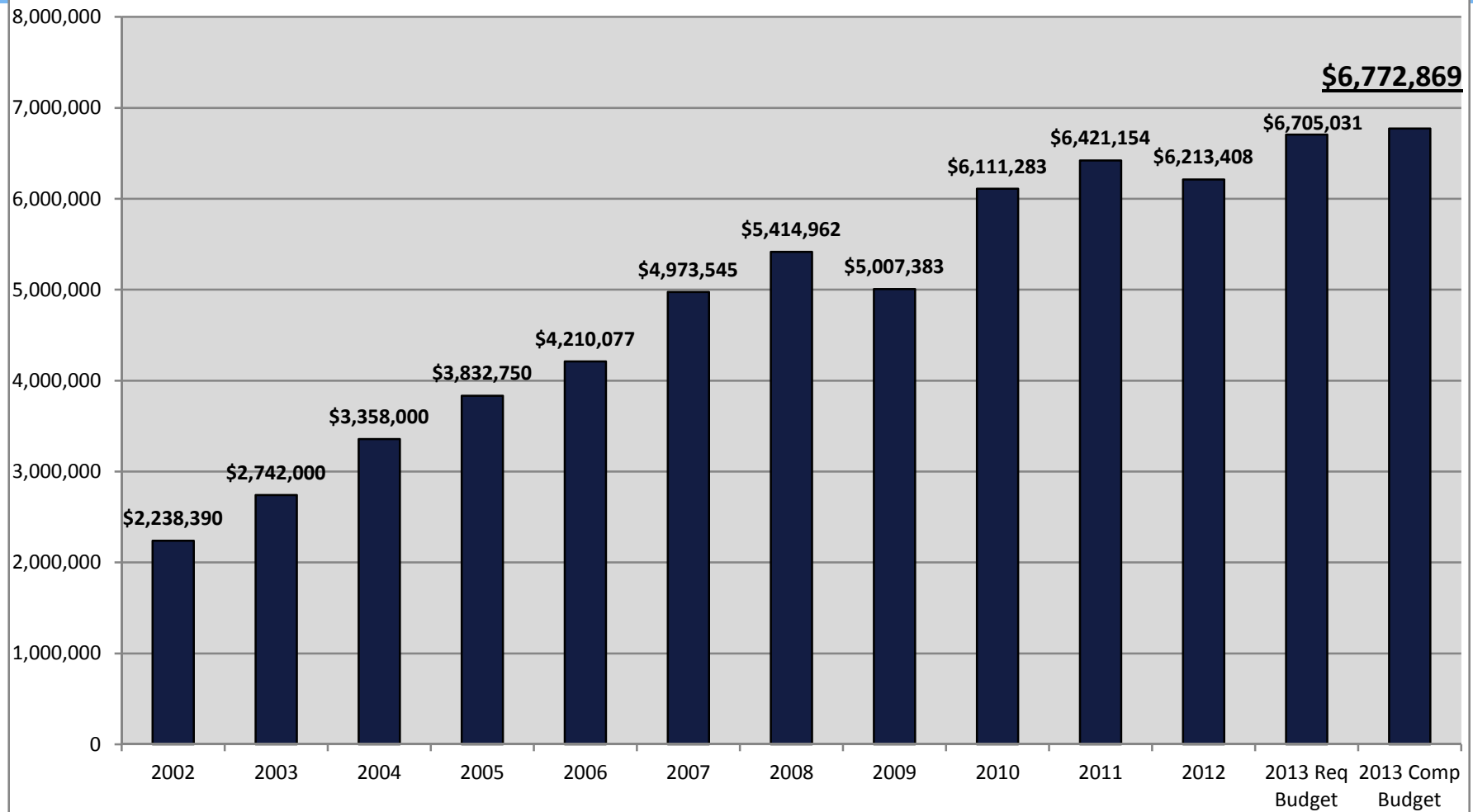
- **88% of proposed Comprehensive Budget**
  - Wages, benefits, NYS retirement, insurance, gas, oil, utilities; costs over which the City has little or no control
- **Employment Contracts: All Expired - 2008, 2010, 2012**
  - Budget no longer reflects the cost of sustaining itself
  - Obscured and looming liability in our short and long-term budgetary needs



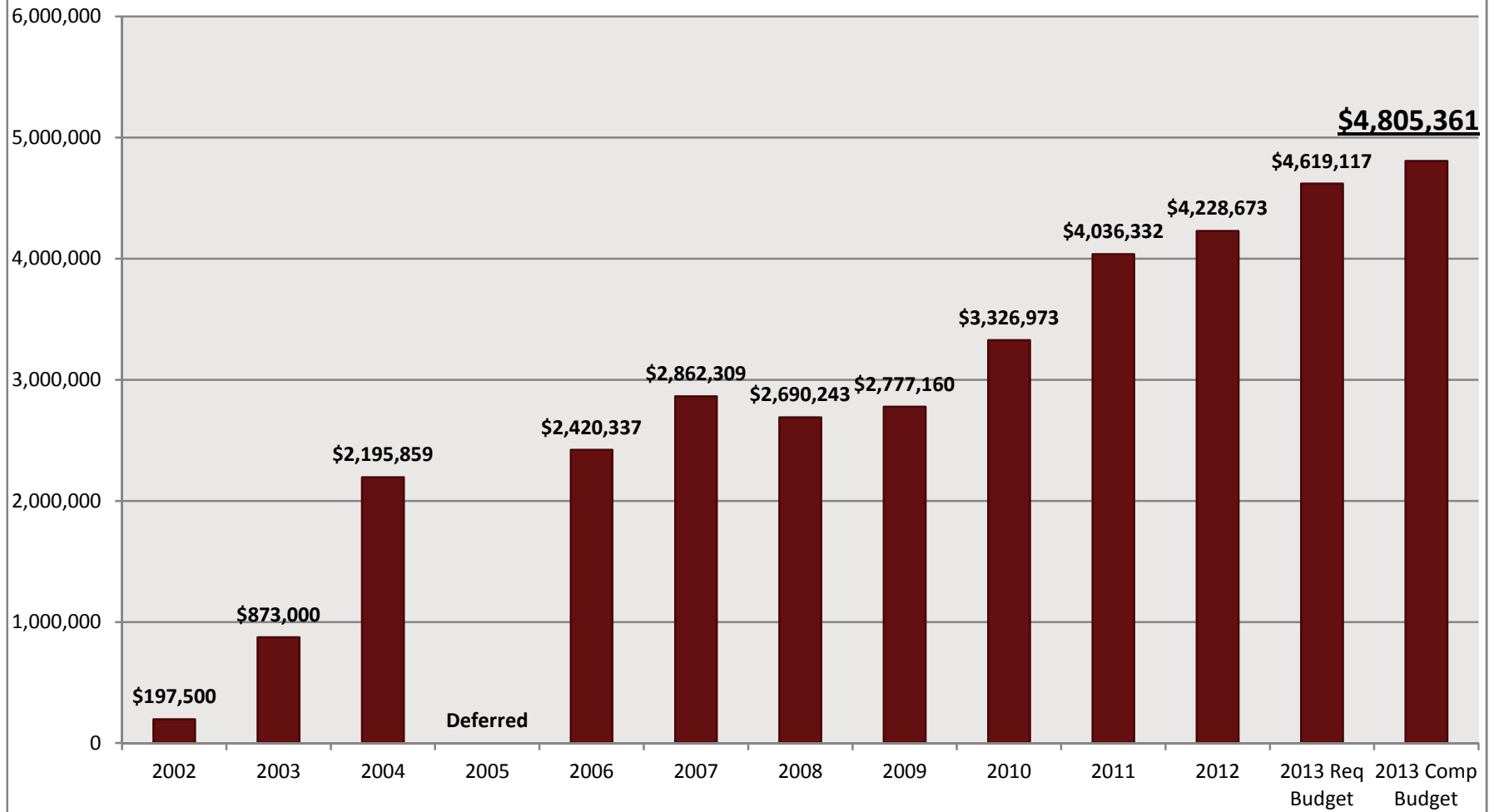
# Mandated Expense Increases

- **PERSONAL SERVICES AND HEALTH INSURANCE:** 32% of the increase in expenses – *without outstanding contracts.*
- **HEALTH INSURANCE:** estimated 9% increase over 2012 budget; 17% of 2013 operating budget
- **RETIREMENT COSTS:** 23% of the increase in expenses; 12% of 2013 operating budget
- **ENERGY COSTS:** Primarily affect DPW and DPS. Finance working on an Expense Reduction Survey

## Health Insurance - Appropriation History (Adopted Budget - General Fund)



## Retirement - Appropriation History (Adopted Budget-General Fund)



# Contingency Planning Expense Increases

- **CONTINGENCY** expense line covers:
  - Emergencies, unexpected situations
  - Unsettled contracts
  - Increased by \$210,000

# Essential Services Expense Increases

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

- **Increased** to deliver **ESSENTIAL CITY SERVICES**
- **Offset** by **AMBULANCE PROGRAM**.
  - ✓ *Fire Department* retained all firefighters previously covered by expired federal grant ('SAFER'); increased by 2 for ambulance and other programs
  - ✓ *Dispatch* is supported by 1 new hire
  - ✓ *Police Department* is supported by 2 new hires

# Equipment Expense Increases

- **Total - \$511,666; Increase -\$201,903 over 2012**
  - ✓ **Public Works**: 2 pick-up trucks, various trailers, mowers, saws, tarps, weed-whackers, snow blowers, blade sharpeners, miscellaneous tools, furniture and appliances for Canfield Casino
  - ✓ **Public Safety**: 2 police vehicles & equipment, portable radios, shoulder cameras, 1 traffic control work-truck, computer tablets for fire inspections, patrol laptops
  - ✓ **Finance**: copier, City-wide software upgrade
  - ✓ **Recreation**: sports supplies, office computer equipment

# Other Expense Increases

*New programs are difficult to contemplate in the aftermath of tough fiscal times. Nevertheless, the City must retain the courage, alongside good judgment, to consider new ideas as it plans for its current and future needs.*

## ➤ **PUBLIC WORKS:**

- **Off Street Parking**: \$74,309 increase to maintain City's parking decks
- **Water, Sewer, General Fund Allocation**: \$25,000 increase
- **Trees**: \$18,000 increase following recommendations that may reflect a new Master Tree Plan
- **Waterfront**: \$11,800 to maintain new Waterfront Park

## ➤ **MAYOR'S DEPARTMENT:**

- **Comprehensive Plan Review**: \$20,000 increase, offset by amounts no longer required for completed Zoning Ordinance review

# Expense Decreases

- **LABOR:** Decreased from 2012 to 2013 to equitably distribute needs and resources. (Labor lines increased by \$247,000 from 2011 to 2012)
- **IT-HARDWARE AND PROFESSIONAL SERVICES:** Data Network has completed security improvements and upgrades.
- **ACCOUNTS DEPARTMENT:** the *only* department reducing overall appropriations.
- **OUTSOURCED LEGAL ASSISTANCE:** Amounts for outsourced legal assistance have been reduced



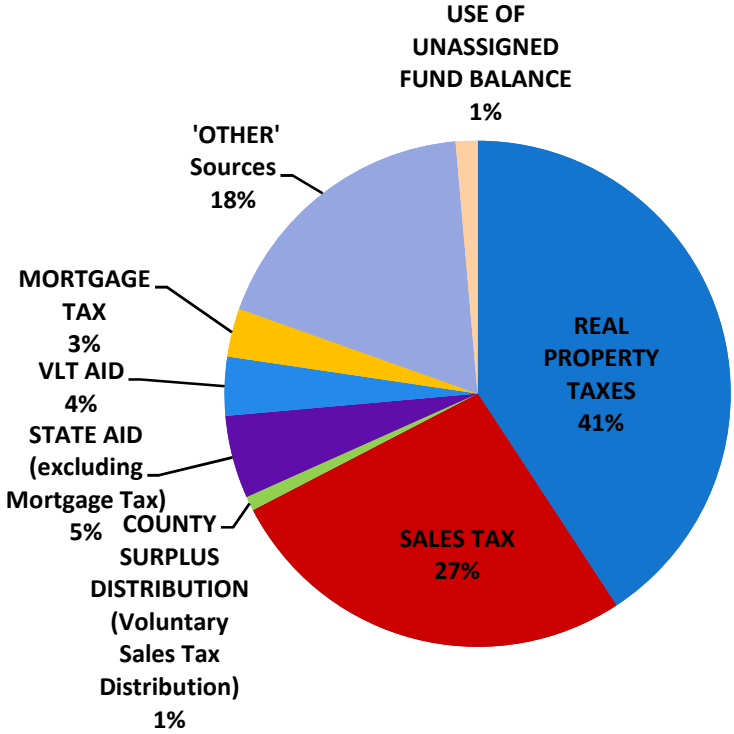
# REVENUES

# Main Revenue Sources

## 2013 General Fund Revenue

*Five main revenue sources*

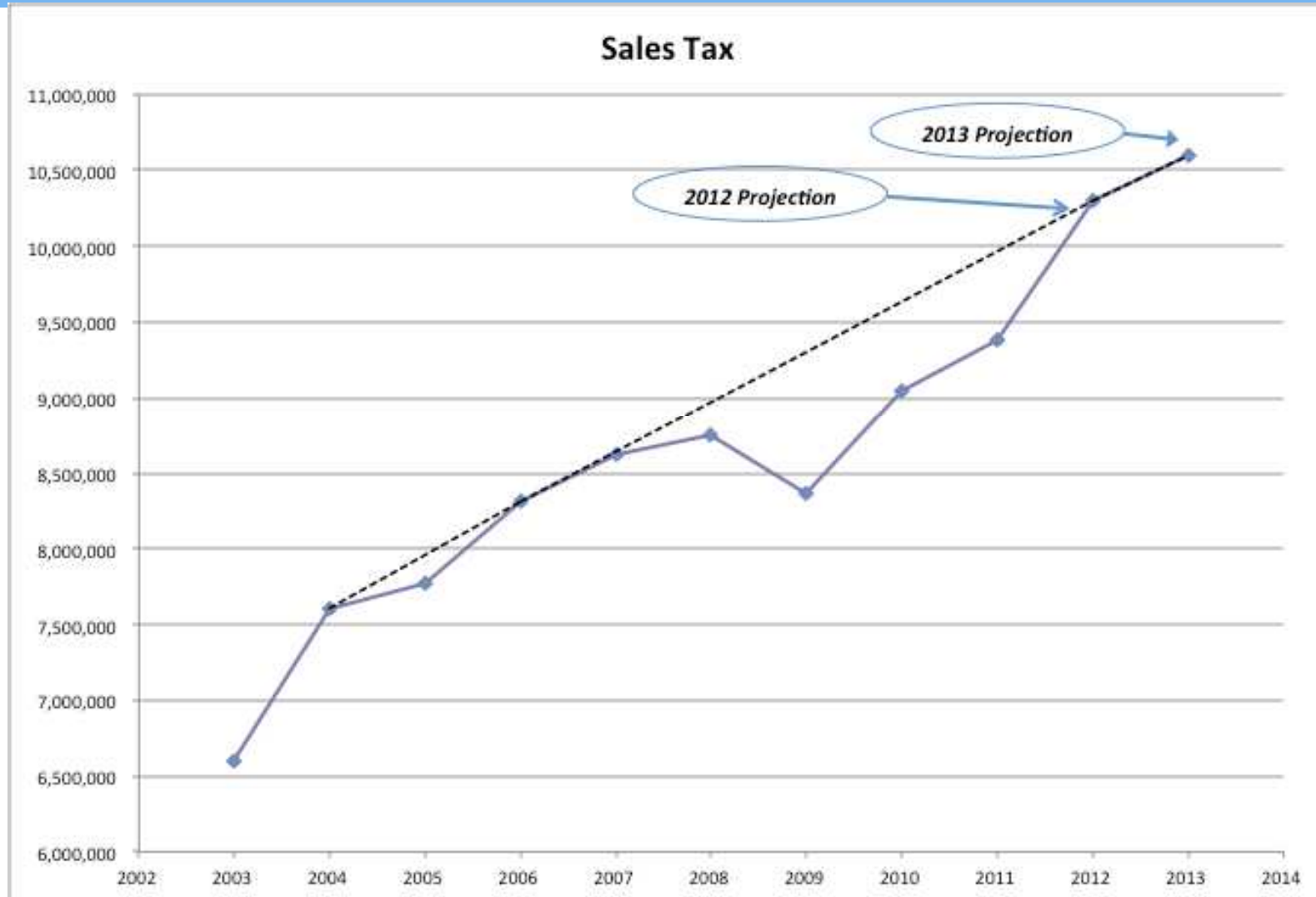
- REAL PROPERTY TAX
- SALES TAX
- STATE AID
- MORTGAGE TAX
- VLT AID



# Sales Tax

- **SALES TAX:**
  - **2012:** 9% higher than at this same time last year (actual collections through July)
  - **2013:** moderate 3% increase over 2012 projections - **\$10,600,000.**
- **Considerations:** Fluctuating gas prices, new businesses, development, city center conventions

# Sales Tax



# Mortgage Tax and State Aid

- **MORTGAGE TAX:**

- *2012*: 5% over amounts budgeted for 2012
- *2013*: conservative increase of 3% over 2012 budget - \$1,229,280

- **STATE REVENUE SHARING:**

- *2013*: same as amount received in 2012 -\$1,649,000

# VLT Aid

- **VLT AID:** NYS Finance Law, Article 4-A, Section 54-L
  - (i) defray local costs associated with a video lottery gaming facility, or
  - (ii) minimize or reduce real property taxes
- **Inconsistent Delivery:** withdrawn by the State in 2009, 2010; restored in mid-2011
  - **2012:** \$1,496,000, all in operating budget
  - Difficult to reduce
- **Recommendation:**
  - **2013:** \$1,496,000 VLT Aid in operating budget: with recommendation to strive to reduce VLT Aid used in the operating budget.

# Fund Balance

- **FUND BALANCE EXCESS:**

*\$550,000 to Debt Service Fund*

1. Defrays the combined 2013 property tax levy
2. Leverages tax dollars when interest *rates are low* and building, infrastructure, and equipment *needs are high*
3. Lowers City insurance costs, further reducing tax burden

# Other Revenue Increases

- **AMBULANCE PROGRAM – \$710,000**
  - Fire Dept stepped up to provide essential service
  - \$311,500 collected from April 1 – Sept 13, plus rent and advanced life support
  
- **OCCUPANCY TAX - \$525,000**
  - 2012 projections 32% over budget
  - New law to capture all online travel tax
  - 2013 budgeted at \$525,000, lower than 2012 projection
  
- **COMPOST - \$120,000**
  - Compost to be made year round
  - Material Trommel Screen in 2013 Capital Budget



# Key Decreases in Revenue

- **FEMA SAFER GRANT:** expired
- **PLANNING BOARD FEES :** reduced by \$55,000
- **INTEREST AND PENALTIES ON TAXES :** reduced by \$55,000 due to completion of in rem proceedings

# 2013 Capital Budget

## 2013 CAPITAL BUDGET PROJECTS

*The top three are endorsed by the City's Safety Committee:*



Police Department Infrastructure Renovation



Wedgewood Avenue Storm Sewer



Lake Avenue Fire Station Infrastructure Renovation

# 2013 Capital Budget

*Remaining 2013 projects, 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**

*continued...*

# 2013 Capital Budget

*Remaining 2013 projects, in the order of the Capital Committee priorities:*

- 15. Court Resurfacing, East, Veterans, Hathorn Tennis & Basketball Courts**
- 16. Geyser 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**

# 2013 Capital Budget

## *Modifications*

- ❌ **Geyser Road Trail** - reduced from \$200,000 to \$150,000 based on new information.
- ❌ **Fire Station 1 Audio PA Replacement** – funded in August 2012; removed from 2013.
- ❌ **41 Jefferson Street Parcel/Parking Lot** - removed due to outstanding concerns regarding the need and the neighborhood, the parking problem and its appropriate solution, the costs and the revenue source.
- ❌ **Music Hall Air-Conditioning** - removed due to need for further planning.
- ❌ **Street Sweeper #85 and Loader - Tool Carrier Machine #6** - lower departmental priorities; cannot rectify all equipment needs in single, annual budget; these will be considered on a reasonable replacement schedule as expeditiously as possible.

# Debt Service

- **Principal and Interest Payments on Debt** bonded for capital projects (excluding Water and Sewer)
- **TOTAL 2013 Debt Service Budget: \$3,058,130**
- **TOTAL 2013 Debt Service Revenues:**
  - + \$2,137,956...Property Tax Levy
  - + \$ 550,000 ..Fund Balance Excess
  - + \$ 370,174 ..Various (e.g., Recreation Trust, Donations, Planning Board Fees)

# Real Property Tax - Property Tax Cap

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

# Real Property Tax – Property Tax Levies

Property Tax Cap is equal to --

**\$19,350,832**

Property Tax Levies are equal to --

+ General Fund.....	\$16,218,230
+ Debt Service Fund.....	\$ 2,137,956
+ Downtown Special Assessment District.....	\$ 112,675
+ West Avenue Special Assessment District...	\$ <u>51,003</u>

TOTAL **\$18,519,864**

**Property Tax Levies are allowable under the Property Tax Cap,  
and will result in a 2014 carry-over.**



# Real Property Tax – Assessment Roll

$$\textit{Tax Rate}^* = \frac{\textit{Tax Levy divided by}}{\{\textit{the assessment roll}/1,000\}}$$

***July 2012 Tax Assessment Roll = \$3,065,743,207***

- Decrease of \$913,046 from July 2011 due to:
  - grievances
  - other settled assessment cases

**\*general formula; must be adjusted for inside and outside districts**

# Real Property Tax – Tax Rate

## 2013 PROPOSED PROPERTY TAX RATE

Proposed General Fund Tax Levy	\$16,218,230.16
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Proposed Debt Service Fund Tax Levy	<u>\$2,137,955.69</u>
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Proposed Combined Tax Levy	<u>\$18,356,185.85</u>
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Proposed Capital Tax Rate	\$0.6974
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Proposed Inside District Tax Rate	\$5.3259
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Proposed Outside District Tax Rate	\$5.2483
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# Real Property Tax – NO TAX INCREASE

**Proposed Combined  
Inside District Tax Rate: \$6.0232**

**Proposed Combined  
Outside District Tax Rate: \$5.9456**

**Inside Percent Change: -0.01%**

**Outside Percent Change: -0.07%**

***Average Percent Change* -0.04%**

THANK YOU