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Mayor

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## **Stratton's 2007 Budget Cuts City Tax Rate**

### ***Mayor's \$68.6 Million Spending Plan Increases Staffing for Police, Fire and Code Enforcement, Continues Fiscal Discipline, Cuts Property Tax Rate by One Percent***

**SCHENECTADY** – Mayor Brian U. Stratton today presented the City Council with a \$68.6 million proposed city budget for 2007, a fiscally responsible spending plan that will increase funding for community policing and code enforcement in all city neighborhoods, while providing Schenectady property owners with a property cut.

“The budget I have presented continues the City of Schenectady on a path from recovery to resurgence, addressing the need for quality-of-life improvements in our neighborhoods by adding more code enforcement officers, increasing police patrols on bicycle and on foot in all neighborhoods, while providing our taxpayers with needed tax relief,” Mayor Stratton said.

“Because of our continued commitment to fiscal discipline and continued realistic budgeting, we are now able to provide these added and essential services without raising taxes. It is an accomplishment made possible by the cooperative efforts of the City Council and Administration, and with the continued support of our Schenectady taxpayers,” the Mayor said.

The Mayor's budget, presented to the City Council 10 days before required by the City Charter, establishes a general fund property tax rate of \$21.10 per thousand dollars of assessed value, a reduction of just over one percent from the 2006 rate, and far lower than the both the reported national and regional rates of inflation. According to the United States Department of Labor Bureau of Statistics, the consumer price index (inflation rate) for the nation and New York's Capital Region for the 12-month period between July 2005 and July 2006 was 4.2 percent.

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In presenting his budget, Mayor Stratton noted the progress his administration and the City Council have made since 2004 to restore Schenectady's fiscal credibility and its future. "In just three years, we have erased a projected \$10.2 million deficit inherited from the previous administration, finished 2005 with an all funds surplus of \$4.9 million, eliminated the need for borrowing millions at year-end, and brought Schenectady's credit rating back from junk bond to investment grade.

"Our 2007 budget continues to make fiscal discipline a priority by setting aside the appropriate reserves needed for the future, while teaming with our county, state, federal and community partners to increase Schenectady's share of revenues outside of property taxes," Mayor Stratton said.

Mayor Stratton said since 2004, Schenectady's non-tax revenue stream has grown by 40 percent, or to nearly \$11 million annually through 2007. This includes nearly \$4.2 million in additional unrestricted state aid for Schenectady, an increase of nearly 75 percent over the 2003 level. Schenectady also now receives \$1.4 million annually from recovered delinquent taxes; allocates \$1.2 million annually in previously appropriated reserves, and generates \$2.7 million each year through a residential garbage collection fee.

Consistent with the aspects of city's ongoing Comprehensive Plan process, the Mayor's budget prioritizes the funding of quality of life improvements for the city's neighborhoods, including hiring five additional code enforcement officers, additional legal and clerical staff to support the increased level of citations they will generate, two additional firefighters, and utilizes nearly \$200,000 in state and federal grants to fund up to 500 hours of increased police patrols on foot and bike in city neighborhoods.

In addition, the Mayor's budget prepares for the possible hiring of six additional police officers in 2007, should Schenectady be approved for a federal policing grant from the U.S. Department of Justice. Excluding the six police officers, the proposed 2007 budget adds 15 new positions, the majority of which will be funded through state or federal grants.

The Mayor's proposed budget also includes funding to prepare for a complete city-wide revaluation of all residential and commercial properties. Initial steps will be taken by City Assessor Patrick Mastro and clerical staff in 2007 to prepare for a full-scale reassessment in 2008. The entire reassessment process will be conducted by City Assessor, and will not require the hiring of a private revaluation firm.

Mayor Stratton said a full city revaluation is essential for Schenectady's continued fiscal improvement. "We must ensure that all city properties are taxed upon a fair and equitable basis. A citywide reassessment will provide equity for all taxpayers, give us local control over the tax rate, help to improve our credit rating, and minimize the potential for future court challenges to assessments."

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The Mayor also outlined individual spending plans for the city's water, sewer and golf funds. Under his proposed budget, residential water rates would increase an average of \$16 per household annually next year, while residential sewer rates would remain unchanged.

The Mayor also reviewed nearly \$6.5 million in combined capital improvement projects that would be funded through long-term borrowing in the city's general fund, sewer fund and water fund.

According to the Mayor's proposed budget, residential garbage collection fees would also remain unchanged for 2007, at \$131 for single family; \$262 for two family; and \$393 for three-family. Residents who are eligible for an aged or disability exemption will continue to pay just \$100 per year if qualified.

"I am immensely proud of what Schenectady has achieved in such a short period of time. With this budget, I look forward to continuing to work with the City Council to make our community stronger and move Schenectady ever upward," Mayor Stratton said.