



Brian U. Stratton
Mayor

OFFICE OF THE MAYOR
CITY OF SCHENECTADY
NEW YORK

105 Jay St., City Hall, Room 111
Schenectady, NY 12305-1938
(518) 382 - 5000
Fax : (518) 382-5272
mayor@nycap.rr.com

FOR RELEASE: Immediate
Thursday, September 27, 2007

CONTACT: Mayor's Office
382-5000

Stratton's 2008 Budget Cuts Taxes Again!

Mayor's \$72.7 Million Spending Plan Increases Staffing for Police, Fire, Street Paving & Sidewalks, Continues Fiscal Discipline, and Cuts the City Property Tax Rate by 1.2 Percent

New Revenue Makes 2008 Tax Levy Lower than '07 and '06

SCHENECTADY – Mayor Brian U. Stratton today presented members of the City Council with a \$72.7 million proposed city budget for 2008, a fiscally responsible spending plan that provides taxpayers with their second consecutive cut in city property taxes, while providing improved services. The Mayor's budget cuts the general fund tax rate by 1.2 percent, following a 1.1 percent tax cut delivered in 2007.

Mayor Stratton's budget also increases funding for the hiring of additional police officers and fire fighters, increases capital funds for street and sidewalk paving and reconstruction, continues vehicle replacement and new equipment purchasing, all while setting aside the appropriate reserves for future expenses and long-term fiscal stability.

"I am pleased that the budget I present today to the City Council is a realistic and manageable spending plan that provides Schenectady taxpayers with a second consecutive property tax cut, while including funding for increased public safety, neighborhood reinvestment, infrastructure repair, improved services, and the purchase of capital equipment" Mayor Stratton said.

"For the past four years, our proven ability to control spending while incrementally and significantly increasing non-tax revenues has put Schenectady on a path for lasting financial recovery and stability. Moreover, it has given us the ability to invest in our neighborhoods and infrastructure, while providing tax relief and giving our citizens the level of city services they need," Mayor Stratton said.

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“Our accomplishments are made possible by the continued cooperative efforts of the City Council and my administration working together, and in partnership with the Schenectady County Legislature, Metroplex, New York State, the private sector, and our representatives in Washington,” the Mayor said.

Keeping Taxes Below the Rate of Inflation

The Mayor’s budget establishes a general fund property tax rate of \$20.85 per thousand dollars of assessed value, a reduction of 1.2 percent from the 2007 rate of \$21.10 per thousand. The decrease is well below 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 August 2006 and August 2007 was 2.0 percent and 1.6 percent, respectively.

Deficit Eliminated, Credit Rating Improved

In presenting his budget, Mayor Stratton noted the progress his administration and the City Council have made since 2004 to restore Schenectady’s fiscal stability and long-term credibility. “In four years, we have erased a projected \$10.2 million deficit, finished 2005 and 2006 with a surplus in all funds, eliminated the need for borrowing millions at year-end, and elevated Schenectady’s credit rating four times to investment grade.

“Our 2008 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 – and the private sector -- to increase Schenectady’s share of revenues outside of property taxes,” Mayor Stratton said.

Increasing Revenue Without Raising Taxes

Mayor Stratton said since 2004, Schenectady’s non-tax revenue stream has grown by 54 percent, or by nearly \$15.2 million per year. This includes \$6.1 million in additional unrestricted state aid for Schenectady, an increase of 108 percent over the city’s 2004 level. Through the sale of tax liens, Schenectady also annually receives \$1.8 million from recovered delinquent taxes; allocates \$2.3 million annually in previously appropriated reserves, and generates nearly \$3 million each year through residential garbage collection fees and through service contracts with commercial businesses and not-for-profit organizations.

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State Aid to Schenectady More than Doubled Since 2004

We have been absolutely aggressive in fighting for Schenectady's fair share of state aid," said the Mayor. "Since 2004, we have more than doubled our share of unrestricted state aid from Albany, up 108 percent -- from \$5.7 million in 2004 to \$11.8 million scheduled for 2008."

Neighborhood Improvements & Reinvestment

The Mayor's budget prioritizes the funding of quality of life improvements for the city's neighborhoods, including a 40 percent increase in funding for street and sidewalk reconstruction, the hiring of six additional police officers, two additional firefighters, increased code enforcement, a lead-based paint hazard control program, improvements in the city's parks, and increased funding for the addition of crime surveillance cameras in the city.

No Increase in Residential Water or Sewer Fees

The Mayor also outlined individual spending plans for the city's water, sewer and golf funds. Under his proposed budget, there would be no increase next year for residential water or sewer rates.

No Increase in Residential Waste Collection Fee

According to the Mayor's proposed budget, residential garbage collection fees would also remain unchanged for 2008, at \$131 for single family; \$262 for two family home; and \$393 for three-family unit. Residents who are eligible for an aged or disability exemption will continue to pay just \$100 per year if qualified.

2008 Capital Funds Program Includes Major Increase for Neighborhood Street and Sidewalk Reconstruction

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. The proposed budget also increases 2008 general fund capital borrowing to \$3 million, including \$1.4 million set to accelerate the needed reconstruction of streets and sidewalks in Schenectady neighborhoods – a nearly 200 percent boost above the 2007 capital fund borrowing level of \$500,000 earmarked for paving. The city will augment its annual paving budget with annual state funding (ChiPs) and federal grant funding for eligible neighborhoods through CDBG.

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“I am ever proud of Schenectady’s great progress during these past four years. With the presentation of this budget, I look forward to continuing to work with the City Council to continue Schenectady’s progress from recovery to resurgence,” Mayor Stratton said.

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FOR ADDITIONAL INFORMATION ON MAYOR STRATTON’S 2008 BUDGET PRESENTATION TO THE CITY COUNCIL, PLEASE VISIT THE CITY OF SCHENECTADY WEB SITE AT www.CityofSchenectady.com