

Saratoga officials face potential revenue fight

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SARATOGA SPRINGS — City officials said they are disappointed, but not shocked by Gov. David Paterson's proposal to slice the city's share of video lottery terminal revenues from Saratoga Gaming and Raceway in half next year.

Saratoga Springs stands to lose about \$1.8 million and Saratoga County would be hit for a loss of approximately \$550,000 under the proposal.

Paterson's announcement on Wednesday came less than three weeks before the city's 2009 Comprehensive Budget must be adopted. The proposed revenue loss accounts for approximately 5 percent of the currently proposed \$38 million budget.

For city officials who have been immersed in tweaking the city's annual budget, something has to give.

"You can only cut so much until you get to central services," said Mayor Scott Johnson. "We will look at all our expenses, maybe dip into our reserve if need be -- but we don't want to cut the work force."

While some services could be cut, a tax increase may also be in order, Johnson added. Prior to today's announcement by the governor, council members were proposing a city tax hike of 2.71 percent.

That percentage could rise above 3 percent in addition to other adjustments, such as cutting the budget cuts or dipping into the city's \$4 million reserve to compensate for the lost revenue, Finance Commissioner Kenneth Ivins said Wednesday.

"I'm always going to resist dipping into the reserve, but possibly, we would look at it for one year," Ivins said.

Accounts Commissioner John Franck, who said he was "saddened but not shocked" by the governor's proposal, said he would advocate for \$1 million of the city's \$4 million reserve be applied to the 2009 shortfall, as well as cutting \$1 million from the city's proposed \$38 million budget.

If nothing else were cut, the governor's proposed revenue slash for the city would equal a tax rate hike of 12 to 13 percent all on its own.

Earlier this month, the city received the good news that it would potentially be gaining approximately \$850,000 from a combination of unexpected income and a reduction of costs. At the time, Ivins recommended the revenue be distributed among a number of departments, which would secure more than a dozen city employee jobs previously defunded, provide police overtime for special events, add \$100,000 to the city's reserve fund and reduce earlier proposals of the city's 2009 property taxes from 3.8 percent to 2.71 percent.

On Wednesday, those proposals seemed to be in doubt.

"We just put a whole bunch of things back in the budget and that will be the first place we look at," Ivins said.

Public Safety Commissioner Ron Kim, whose fire and police departments provide manpower at the Racino, said the council needs to ensure that the city's essential services are provided. He also suggested the city could examine the work status of some of its longtime employees -- and highest wage earners -- who, with some incentive, may be willing to retire early.

"Rather than chop off at the limb, we may want to do this strategically and surgically," Kim said.

City officials agreed that when state Senate Majority Leader Joseph Bruno announced his retirement earlier this year, they had lost a powerful advocate for the city, but that they intended to continue to advocate for the revenue.

"We're going to fight for it." Ivins said.

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