

## **Saratoga County Releases 2014 Tentative Budget Budget Includes \$8.5 Million in Spending Cuts, Maintains Low Tax Rates, and Utilizes the Lowest Fund Balance Appropriation in Seven Years**

**(Ballston Spa, NY)** County Administrator Spencer P. Hellwig, III, today released the 2014 Saratoga County Tentative Budget. Continuing the fiscal austerity measures of the previous three years, the budget includes \$8.5 million in discretionary spending cuts. There are no cost-of-living adjustments for management and confidential employees for the third year in a row, no raises for County Supervisors for the fifth year in a row, and no new positions in this budget. The County will retain its 3% local sales tax rate, which is the lowest in New York State and shared by only four other counties. At \$2.28 per thousand dollars of assessed value, the proposed property tax rate is also still one of the lowest in the state, and is below the property tax cap for the third consecutive year. The 2014 Tentative Budget relies on only \$1,000,000 from the County's fund balance, which is the lowest such appropriation since 2007.

"For the past three years, Saratoga County has taken a very aggressive approach toward reducing the expense side of our budget," said Hellwig. "We are now beginning to see the fruits of those labors. Our operating budget is stabilizing, and in 2014 we will have our lowest anticipated usage of fund balance in seven years. At the same time, our tax rates are still among the lowest in the state. The 2014 Tentative Budget will continue to implement a decisive program to restore Saratoga County's financial stability."

Board of Supervisors Vice Chairman Paul Sausville, who provided strategic oversight during the budget making process as Chairman of the Law & Finance Committee, added, "We have always been a fiscally conservative county, and the actions we are taking in this budget are consistent with that philosophy. Despite the improvement in our financial position, there are many more challenges to meet and much more work to be done in order to reach and maintain structural balance in our budget. We will move forward into 2014 with the same strong commitment to these goals."

The two major initiatives of the 2013 Adopted Budget, the privatization of the County landfill and infirmary, have successfully moved forward this year and helped set the stage for increased financial stability in 2014. The landfill sale agreement negotiated with Finch Paper accomplished the County's goal of securing \$4 million in initial sale revenue, helping to balance this year's budget, while providing a recurring revenue stream in the future once the landfill begins operating. Due to the work of the Maplewood Manor Local Development Corporation, the County expects to complete the sale of the infirmary to a responsible private sector operator in 2014. Because of this, the 2014 Tentative Budget does not contain a General Fund subsidy of Maplewood Manor for the first time since 2003.

The largest expense in the 2014 Tentative Budget is the County's workforce, and this budget continues the efforts of the past three years to control fringe benefit costs, especially health insurance. Next year, the County will realize more than \$1.4 million in savings as a result of transitioning retirees to Medicare Advantage plans that provide the same level of care at a fraction of the cost. This decision, coupled with the change of insurance carriers last year and the transition to an Administrative Services Only (ASO) arrangement two years ago, translates into millions of dollars of recurring savings. The 2014 Tentative Budget also includes healthcare savings achieved at the bargaining table, namely the new Collective

Bargaining Agreement with our Corrections union, which included a healthcare contribution from pre-1998 employees for the first time in County history.

Other highlights from the 2014 Tentative Budget include:

- 1.65% projected growth in General Fund revenues compared to the 2013 Adopted Budget.
- Sales tax is budgeted at \$110.7 million, reflecting 2% growth over 2013 projected revenues of \$108.5 million.
- The property tax levy is budgeted at \$52,454,500, reflecting a one cent increase per thousand dollars of assessed value. This represents a \$876,821 increase over the 2013 levy, and is still not nearly enough to fully cover the cost of unfunded mandates.
- Unfunded mandates will cost a net \$62 million, which represents 118% of the proposed property tax levy.
- Medicaid, the most expensive unfunded mandate, will grow to \$25,358,740 next year, reflecting 2% growth over 2013 expenditures through April 1, 2014, and 1% growth over 2013 expenditures for the remainder of the year.
- In addition to management, confidential and elected employees, there is also no cost-of-living adjustment for employees who are members of CSEA and the Road Patrol bargaining unit, due to those two collective bargaining agreements still being under negotiation.
- The 2014 Capital Program saves \$2.1 million compared to 2013, while reconstructing more highway miles and investing nearly \$3 million more in bridge reconstruction. The Capital Program also makes a badly-needed \$250,000 investment in the County's IT infrastructure.
- The 2014 Economic Development appropriation has been budgeted at \$846,000 and includes \$346,500 for tourism marketing. This appropriation is offset by a dedicated revenue stream.
- Funding reductions to supported organizations will continue with some exceptions, notably a \$527,262 increase in the mandatory Hudson River-Black River Regulating District assessment.

Chairman of the Board Alan Grattidge concluded, "Saratoga County has begun to turn the page from financial distress to recovery. This budget maintains low tax rates, takes fiscally conservative measures to rein in and control expenditures, and continues forward on Maplewood Manor, the most significant fiscal challenge the County has ever faced. Difficult decisions and discipline have gotten us to where we are, and those things are still needed."

The Tentative Budget will be presented to the Law & Finance Committee for its hearings on Thursday, November 7<sup>th</sup> at 4 p.m. The Budget Workshop for Supervisors is scheduled for Thursday, November 14<sup>th</sup> at 3 p.m. At that time, there will be a final review of any proposed changes to the Tentative Budget before the Public Hearing on December 3<sup>rd</sup> and final adoption of the budget on December 11<sup>th</sup>.

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