



October 16, 2014

CITY OF SARATOGA SPRINGS
Budget Workshop
City Council Room
1:00 PM

PRESENT: Joanne Yepsen, Mayor
Michele Madigan, Commissioner of Finance
John Franck, Commissioner of Accounts
Anthony Scirocco, Commissioner of DPW
Christian Mathiesen, Commissioner of DPS

STAFF PRESENT: Lynn Bachner, Deputy Commissioner, Finance
Sharon Kellner-Byrnes, Deputy Commissioner, Accounts
Eileen Finneran, Deputy Commissioner, DPS

EXCUSED: Joe Ogden, Deputy Mayor
Tim Cogan, Deputy Commissioner, DPW

RECORDING OF PROCEEDING

The proceedings of this meeting were taped for the benefit of the secretary. Because the minutes are not a verbatim record of the proceedings, the minutes are not a word-for-word transcript.

CALL TO ORDER

Mayor Yepsen called the meeting to order at 4:01 p.m.

PUBLIC COMMENT

Mayor Yepsen opened the public comment period at 4:02 p.m.

No one spoke.

Mayor Yepsen closed the public comment period at 4:02 p.m.

BUDGET WORKSHOP

Commissioner Madigan advised this is the third budget workshop. There has been a request from Commissioner Franck to reduce the Prior Year Taxes line by \$12,000.

Commissioner Franck stated his budget was down slightly from last year. He will be settling a couple Article 7 cases in the next few weeks and will be able to reduce the Prior Year Taxes line by \$50,000 from last year. We encumber these funds as an Article 7 usually goes 3 – 4 years back.

Commissioner Franck advised he has been able to realize savings from retirements over the years and others have been from working on job specs to combine more into positions.

Commissioner Madigan confirmed that the amount in the line is \$730,000+. History shows encumbrance of large amounts of funds in this line.

Commissioner Franck explained when there was a citywide re-evaluation of assessments, there were a lot of cases (most in history) causing the 'reserve' system for this to be established. There is also a state law stating money should be put away for that reason; at least 50%.

Commissioner Madigan stated it looks like this could be reduced further based upon the large encumbrances.

Commissioner Franck asked Commissioner Madigan to reduce her 30% increase as he is at less spending than last year.

Commissioner Madigan stated this isn't about her budget.

Commissioner Franck stated as an assessor and a CPA, his budget is down; as in previous years. If Commissioner Madigan wants to take more out of this line she has the right to do so but would ask what amount she has carried over and accumulated in fund balance.

Commissioner Madigan advised they are at their max.

Commissioner Franck asked what that exact dollar amount is.

Commissioner Madigan stated she didn't know the amount off the top of her head.

Commissioner Franck asked how much of that line is she using to balance her budget.

Commissioner Madigan stated in a budget year where they are struggling and have competing priorities, this is a large number to continually encumber.

Commissioner Franck stated that is why he dropped the figure \$50,000. He doesn't know how much he can keep reducing it.

Commissioner Madigan stated there is still a large encumbrance.

Commissioner Franck asked how much of the fund balance she took to balance the budget.

Commissioner Madigan stated she took \$1.2 million and her budget is balanced. She may reduce sales tax based upon their conversation the other day about gasoline.

Commissioner Franck stated the sales tax number is wrong.

Commissioner Madigan stated her sales tax number is not necessarily wrong.

Commissioner Franck asked again why she wouldn't take more money out of that line.

Commissioner Madigan stated she doesn't need to as this line has a large encumbrance with very few cases settling.

Commissioner Franck stated that is exactly why they have to encumber the money as some of the cases are 4 and 5 years old. He doesn't know why she would take more from the fund balance.

Commissioner Madigan stated it is not good to balance a budget with fund balance.

Commissioner Franck advised a few years ago they worked with various condo applicants through the City Council because if they went to grievance and Article 7s the next year it would have wiped the money out.

Commissioner Madigan can take whatever she wants from this line but it would be poor judgment and set the City up for possible liability for having insufficient funds earmarked for that account. It is bad budgeting.

Commissioner Madigan stated it is not bad budgeting and corrected what she said about fund balance. They used \$1.2 million but it is only \$380,000 in unassigned fund balance.

Commissioner Franck stated he doesn't have a crystal ball as to when these cases will settle. He provided the Council with the years of his budget amounts. The 2015 budget is less than his first budget of 2007. By him lowering his budget it makes the other department's budgets easier.

Commissioner Madigan advised the next budget meeting is Wednesday, October 22, 2014 at 1:00 p.m. with the Department of Public Safety. The first public hearing will be on Tuesday, October 21, 2014 at 6:45 p.m.

ADJOURNMENT

There being no further business, Mayor Yepsen adjourned the meeting at 4:29 p.m.

Respectfully submitted,

Lisa Ribis
Clerk

Approved:
Vote: