

Weekly Column for September 29, 2005

On Thursday, I had the pleasure of unveiling my second budget as Mayor. As you may have heard, it included a minor tax increase of 1.48 percent, and a small water increase of 3 percent. All told, this will cost the average home in Troy about an additional \$27 next year.

I'm going to post my speech from yesterday in the hopes you will better understand why it is we had to increase taxes slightly, and what you will be getting back from the City. Have a great weekend.

Council President DerGurahian, Council Members, Department Heads, and Guests.

Over the past year we have been inundated with news of the rising costs of living all around us. Gasoline prices at the pump are at record levels. Health care expenses are rising at astronomical rates. And retirement allocations for our greatest generation continue to exceed predicted levels.

At the government level these costs are threatening our day-to-day business. This proposed budget includes the following cost increases:

- Health Care will rise \$1.4 million to \$10.3 million in 2006, an increase of 15.2 percent. This number alone constitutes a ten percent tax increase. As you can see, in 2001 that number was less than \$5 million
- Retirement Costs will surpass original state estimates for the year and escalate an additional 12 percent to \$3.8 million. As you can see, in 2001 that amount was \$300,000.
- Gasoline rates will jump 60 percent from 2005 projections, costing the City of Troy more than \$400,000 next year.

These figures are in addition to the three percent contractual raises that most City employees receive on an annual basis.

Reports of rising costs are often difficult to deal with, but there is excellent news in the City of Troy as well. Sales tax revenues in Troy and Rensselaer County have been growing steadily during this decade, and the City will comfortably raise that estimated revenue number in 2006. You can be sure that this measure is being taken only after several years of convincing proof that sales tax revenue are indeed climbing.

Following the rezoning of the Hoosick Street Corridor and the South Troy Waterfront in the past year, we expect this trend to continue as our City and County grow well into the future.

I want to point out that when I say we are seeing real increases in revenue, we are. In the past, as you can see by this chart, the prior administration would find "revenue" to fill gaps in the budget. We no longer have the luxury of padding the budget.

For seven years, the residents of Troy were told that \$6 million was needed to pay off the debt we had acquired. For seven years they were lied to. They were overtaxed. That is not a legacy; that is a disgrace. It is not good budgeting, it is deceitful, and it is no longer happening.

Because of that change, in 2006 the City of Troy will also receive an additional one million dollars in New York State aid that was set aside for municipalities with sound financial planning. To qualify for this funding the City had to present a four-year financial plan to the State Comptroller and Financial Supervisory Board earlier this year. The plan was so well received that it qualified us for additional money and is being presented as a model program in the Office of State Comptroller's Local Government Management Guide. Programs such as this from Governor George Pataki and State Senate Majority Leader Joseph L. Bruno reward communities like Troy for their solid fiscal preparation. We should be proud of that fact.

Combining these factors, with a continued effort to decrease costs of consultants, we are making strides. A small example is the charts you see today. Previously, the City paid \$2,000 to have them done. This year, it was done in-house. We are practicing what we preach. We have been able to lower the costs of running the City on a day-to-day basis.

As a result, of all these factors, this year we are proposing a very minor tax increase of 1.48 percent. For the average household in Troy, that will mean an additional \$17. The water rate will also have a very small increase of about 3 percent, which will average out to about eighty-five cents a month.

This increase does not come however without an improvement of services. We are relentlessly trying to improve the quality of life in the City of Troy. Over the course of the past year we have had many discussions with residents, clergy, school leaders and business owners that each have a unique perspective on life in the City. When it comes to safety, the ideas range across a broad spectrum, but usually come back to one suggestion. We need more police officers. This administration agrees.

The 2006 proposed budget calls for the additional hiring of two new police officers to help patrol the streets of Troy.

This budget is a solid one, with little room for maneuvering. I am eager to work with the City Council throughout the budget process to ensure that the residents in Troy are best served by this plan.

Before I finish I want to take the opportunity to thank Comptroller Deborah Witkowski for her tireless efforts on this budget. I also want to thank Deputy Mayor Dan Crawley for his specialized attention to detail on during this budget process.

On a closing note, there are no gimmicks in this budget. No ones shots or use of slush funds. This is a budget I believe in and one I trust the residents will find acceptable.

Thanks you