

Wm. Patrick Madden
Mayor



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Mayor Madden Releases Proposed 2019 City Budget

TROY, NY – Continuing his administration’s commitment to strong financial oversight and fact-based budgeting practices, Mayor Patrick Madden today presented the City of Troy’s proposed 2019 budget, a financially sound proposal which supports the continued growth and revitalization of the Collar City. The community-focused budget plan limits the increase to 1.402% for 2019, with a monthly increase of \$2.44 based on assessed value of \$150,000. The proposed budget plan remains under the state-mandated tax cap for 2019, preserves necessary staffing levels and includes no layoffs.

Mayor Madden said, “We have made great progress in rebuilding our City’s financial condition, and this year’s budget is a strong plan for the continued economic and social prosperity of our community. Through prudent budgeting practices and strong oversight we have advanced a plan that continues to guide our City back to stable financial ground and accounts for mandated increases in debt payments and other expenses.”

The Proposed 2019 City of Troy Budget is the third consecutive balanced budget advanced by the Madden administration since assuming office in 2016. The proposal implements a number of initiatives to optimize cost savings while preserving core services, including:

- **Restructuring of department-level operations** – The 2019 budget proposal maintains existing staffing levels in all departments. Troy’s progress has been hampered for over a decade due to reductions in workforce size to achieve arbitrary budget reductions. The administration has restructured City operations to better deploy staff and resources to address the quality of life issues facing our neighborhoods. The budget adds needed seasonal employment opportunities within the Department of Public Works and Parks & Recreation to assist with maintenance of public spaces for Troy residents and families.
- **Accounting for labor increases and debt obligations** – The 2019 combined budget projects an increase in expenditures of \$3.1M. Half of this increase is

attributed to debt payments, including Municipal Assistance Corporation (MAC) debt payments, and debt owed to the NYS Retirement Fund. The administration has implemented policies to discontinue the deferment of operating expenses to future years. The administration has demonstrated a commitment to provide benefits and fair compensation to employees which also account for the financial challenges currently facing the City. Through the cooperation of the City's labor unions – who recognized the City's current financial condition agreed to limit retroactive raises – the administration negotiated settlements which had been expired for many years. Salary increases negotiated for 2018 are reflected in the 2019 proposed budget.

- **Implementing a comprehensive program for solid waste management & recycling** – The budget plan implements the creation of a separate “sanitation/garbage fund” to account for all revenue and expenses related to solid waste management in the City of Troy. In accordance with recommendations outlined in the City's draft Solid Waste Management Plan, the budget also implements an extension of the \$160 annual solid waste management fee with an increase of \$4 per unit per year. Unforeseen shifts in the global recycling marketplace have caused significant changes in domestic recycling programs, reducing available markets for recyclable materials and posing new challenges for financially-strapped communities across New York. While the City of Troy is currently insulated from these changes, the administration is working to expand various recycling opportunities to reduce costs, increase data collection, and ensure an equitable allocation of costs based on usage. The administration is presenting legislation to update City Code to implement changes in City operations to achieve these objectives.
- **Continued growth of the City's reserves** – Between 2006 and 2015, the City's financial reserves decreased from \$9 million to \$2 million, a total loss of over \$7 million in tax revenue over the same period. This loss created a structural deficit which threatened the City's financial standing. In 2016, the administration took swift action to stabilize the Troy's overall financial health through difficult, but necessary increases in property assessment revenues. These decisions have yielded significant benefits for the City, resulting in the reduction of Troy's fiscal stress score by the Office of the State Comptroller, and an upgrade of the City's credit outlook from “negative” to “positive” by Moody's Investors Services. The 2019 budget proposal continues to modestly increase budget reserves to achieve recommended levels of savings which strengthens the City's ability to address possible future emergency expenses.
- **Investment in City assets and infrastructure** – The 2019 budget proposal includes a responsible Capital Plan, part of the administration's proactive approach to asset management. The Capital Plan outlines planned investments to stabilize the City's municipal vehicle fleet, plan for the future of our municipal recreational facilities, and reduce expenses through grant funding to implement new technologies. This approach will improve delivery of City services, increase efficiencies within City operations, and enhance public amenities in the short- and long-term.

The 2019 Proposed City Budget is available for public review at www.troyny.gov

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