

## 2018 Charter Review Commission

### Proposed Charter Financial Analysis

The 2018 Charter Review Commission was formed on March 6, 2018 by Mayor Meg Kelly with the goal of finding efficiencies and organizational improvements to better serve the people who live and work in the City of Saratoga Springs, all within the commission form of government. The Commission's proposal will be voted on by City voters via a referendum in the November 2018 election.

There will be two Charter-related questions on the ballot this November. The first will ask if the Charter shall be amended as proposed by the 2018 Charter Review Commission. The second will ask if the Charter shall be further amended to provide for two (2) additional City Council members whose authority shall be legislative only. The initiative to increase the City Council to seven members allows voters to decide separately from the proposed updates and amendments to the Charter, in accordance with New York State Law. The increase to seven members can only be enacted with a “Yes” vote on BOTH questions.

The Proposed Charters, meaning the five-member and seven-member versions, are now available on the City website and in both the Recreation Center and Saratoga Springs Library. These Charters include a variety of amendments across multiple sections. Some amendments were made to improve consistency, clarity, and readability across the document. Other amendments were more substantive, and made changes to City processes, hierarchy, and functions. Below is a listing of material substantive changes made and the expected financial impact of each. Also included is an explanation of the potential financial impact of expanding the City Council from five to seven members.

Section	Notes	Impact (\$)
<b>2.1</b>	Proposed Charter removed the stated salary for Council members of \$14,500, and states “the salary shall be set from time to time by local law and subject to provisions of the Municipal Home Rule Law.” This does not change the existing salary for Council members, or the process to effect a change in salary. An increase to the salary of sitting elected officials requires a referendum. An increase to the salary of future elected officials would require the full process of a local law, including a public hearing.	\$0
<b>2.3</b>	State of the City Address will now include all Council members, not just the Mayor.	\$0
<b>2.8.1</b>	Deputies are now required to “possess sufficient educational qualifications, or work experience, or both, reasonably related to the administrative responsibilities of his or her department.”	\$0
<b>3.8</b>	“City Historian” language was previously mentioned in the Mayor’s section, but the importance of this position has warranted it being given its own paragraph. There are no associated expected increased costs as this position is already employed by the City.	\$0
<b>4.3.4</b>	The Commissioner of Finance may “retain an independent auditing firm to conduct any internal audit, subject to approval of Council.” As these would be conducted as needed, and outside of the annual audit already being done, there is no reliable estimate for increased annual costs.	\$0

<b>5.4</b>	“Parks and Recreation” have moved from the Mayor’s Department to the Department of Public Works. This change is purely chain-of-command related and there are no increased costs associated expected.	\$0
<b>6.3</b>	“Code Administration” language has been added to the Proposed Charter, but this function has existed in the City for some time and there are no associated increased costs expected.	\$0
<b>7.4</b>	“Registrar of Vital Statistics” language has been added to the Proposed Charter, but this function has existed in the City for some time and there are no associated increased costs expected.	\$0
<b>9.2.1</b>	“Risk & Safety” language has been added to the Proposed Charter, but this function has existed in the City for some time in the Accounts Department and there are no associated expected increased costs.	\$0
<b>10</b>	“Human Resources Administrator” language was previously in the Mayor’s section, but the City-wide role this position plays has warranted it being given its own title. This individual now is formally under the direction of the entire City Council. There are no associated increased costs expected.	\$0
<b>11</b>	“Information Technology” language was previously only loosely mentioned in the Finance section, but the City-wide role this group plays has warranted it being given its own title. This group is now formally under the direction of the entire City Council. There are no associated increased costs expected.	\$0
<b>13.4</b>	The discount available for the full payment of taxes prior to March 1 will be determined during the budget process of the preceding year. There is currently no planned change in discount offered by the City.	\$0
<b>15</b>	Certain budget dates have been changed. These have no financial impact.	\$0

Regarding Section 2.1, while the specific salary figure of \$14,500 has been removed, the method for the City Council to change the salary of elected officials is unchanged. Again, a change to the salary of sitting elected officials would require a referendum to be approved by voters. An increase to the salary of future elected officials would require the full process of a local law, which includes a public hearing for citizens to let their opinion on any potential change be heard. There is no scenario whereby a sitting City Council can change their salary at their discretion without the voters approving it.

In summary, should Question (1) be approved by City voters, the expected financial impact is **\$0**.

Regarding the potential expansion of the City Council from five to seven members, this increase would result in additional costs to the City. As mentioned earlier, any change would need to go through the local law process, which includes a public hearing. While that process has yet to occur, below is an estimated cost analysis using currently available information:

City Council members currently earn an annual salary of \$14,500. The total salary expense to the City is \$15,609 once social security is included. Should the two new City Council members make the same salary as the current City Council members, the expected cost to the City, and therefore taxpayers, would be **\$31,218**. For reference, this represents 0.07% of the City’s \$46.1 million 2018 Adopted Budget.

It has yet to be determined if the new City Council members would receive benefits. If you were to assume the most expensive family plan, the annual benefit package cost per elected official would be \$25,314. Therefore the cost per new Council member, assuming the most expensive benefits plan and that they are paid the same salary as current City Council members, is \$40,923, or **\$81,846** for two new City Council members. For reference, this represents 0.18% of the City's \$46.1 million 2018 Adopted Budget.

Let us again stress that this is an estimate based on currently available information. Should City Council expansion from five to seven members be approved by voters this November, the Commission recommends that City Council undertake the process of determining the appropriate compensation for all City officials prior to the 2019 election. The salary and benefits associated with this determination would go through the local law process, which allows for citizens to be heard through a public hearing.

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**Approved by:** 2018 Charter Review Commission (9/27/18)