



**City of Saratoga Springs**  
**OFFICE OF COMMISSIONER OF FINANCE**

**MINITA SANGHVI**  
**COMMISSIONER OF FINANCE**

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Finance Department Assistant

**TO:**

Mayor Kim  
Commissioner Montagnino  
Commissioner Golub  
Commissioner Moran  
Deputies, Managers

Michael Phillips, Risk and Safety  
Derrick LeGall, Recreation Commission  
Ryan McMahan, City Center  
Harvey Fox, SAD  
Matt Jones, WASAD

**CC:** Christine Gillmett-Brown, Director of Finance  
Donna Woods, Budget Director

**FROM:** Commissioner Sanghvi

**DATE:** June 20, 2023

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**2024 BUDGET CALL LETTER**

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I am excited to embark upon a new year and a new budget cycle with you. We have accomplished a lot this past year and I know we have important things to look forward in 2024.

While our city economy is growing, national and local trends with rising interest rates, high inflation, an inverted yield curve and an unexpected banking crisis are all indications of a possible recession. The New York Fed indicates there is a 68.2% chance of a US recession in the next 12 months. That's the highest reading in more than four decades.

In addition to the current trends, in February 2023, our mayor and commissioner voted to increase all union salaries by 1.5% on top of the already contractually obligated pay raises for the next year. This was not budgeted for when we voted on the budget in 2022 and will significantly impact payroll this year and in all coming years. We're also seeing increases in utility costs, health insurance costs, lawsuits and pending litigations, which are increasing liability insurance costs.

Furthermore, the city has taken on the responsibility of providing for a new homeless shelter for our unhoused population. While this is a commendable response for a critical public health and humanitarian crisis, it adds a greater strain on the city's financial resources.

Finally, we are excited to have our third fire station up and running, however, we have to add operational expenses of running the station as a part of our budget.

Keeping all these issues in mind, we expect that planning for the budget for the 2024 fiscal year will be similar to last year. We expect all departments to make substantial efforts to protect essential services, trim any excess so we can continue maintaining financial stability and put forth a balanced 2024 budget.

- It is recommended that the total Requested Budget for each department be **similar to 2023 adopted budget** amounts. This is necessary to cover mandatory cost increases. **It is my goal to maintain a stable City tax rate for 2024.**
- **Any proposed 2024 budget line item that is increased from the 2023 original budget should include a written explanation for the increase.**
- **Any new hires will be stringently vetted.**

In accordance with Section 4.4.2 of the City Charter, attached please find the 2024 budget worksheets for your department or entity. You will find worksheets for revenue as well as expenditures that relate to your department or entity. **Please complete both the 2023 Projections and the 2024 Requests.**

**Please return your Requested Budgets on the Budget Request Worksheets. Budget Request Worksheets must be submitted to the Budget Director by:**

**12:00 PM on Wednesday, August 9, 2023**

## **GUIDELINES**

Below are guidelines to consult as you work through your budgets. Please do not hesitate to contact the Budget Director.

- **Benefits:** Retirement, health care and other insurance items will undoubtedly increase, due to both cost of living and COVID-19. The Finance Office, with assistance from Risk and Safety Management, will provide these figures when actual amounts are available. For your planning purposes, insurance is estimated at a 15% increase, retirement costs an average of 10% of wages amounts for Police and Fire, and 10% of wage amounts for all other employees.

54773	Liability insurance
54774	Life insurance
54775	Self Insurance
54770	Disability insurance
58010	Hospitalization
58011	Vision
58040, 58020	Retirement (NYSPFRS, NYSERS)

The following lines can remain unchanged from 2023 amounts at this time:

51001	Hospitalization opt-out
58013	HRA Admin Fee
58014	HRA Co-Pay Reimbursement

- **Unemployment:** Each individual department is responsible for calculating projected **Unemployment (54776)** expenditures. These may increase as well. Please allocate \$13,104.00 for each estimated annual obligation (26 weeks annual payout; \$504 max/per employee per week).
- **Sick Leave:** Each individual department is responsible for calculating projected **Sick Leave (51990)** expenditures.
  - ‘Sick Leave’ is used to budget for accumulated sick leave payout in the event of retirement or separation from the City. Please poll your department and plan as necessary.
- **Wage and Social Security.** Each individual department is responsible for calculating its **2024 salaries**, and the corresponding **Social Security (58030)**. Salary lines should include ‘steps’, ‘longevity’, and contractual increases *if available*. If a contract has expired, use 2023 base amounts per the expired document, *plus* steps and longevity. Upgraded salaries due to contract settlements will be budgeted by Finance in its Contingency line (A3829999 59010).
  - Social Security is calculated by multiplying wages by 0.0765. There is usually one social security line per each sub-department. Please contact Finance if you need assistance.
  - **Itemization:** For wage expense lines that include multiple employees, please include an itemized list or spread sheet describing each position, and salary, confirming the total wages requested.
- Please include an **itemization of expenditures** for the following expense line items:

54180 Other Supplies	52300 Miscellaneous Equipment
52100 Equipment	54720, 54726, 054740 Service Contracts
52400 Vehicles	
- Department Organization Chart. Please provide a **current organization chart** describing your department, including the total number of employees. In addition, include the number of employees (FT, PT, Seasonal) for each section. Finance can provide prior year charts for assistance.

## SUMMARY

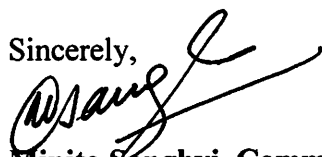
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- **Once MUNIS input is complete, proofs of your requests will be provided to you for verification.**
- **I will submit a proposed Comprehensive Budget at the City Council meeting on October 3, 2023.** The first public hearing must occur on or before November 1<sup>st</sup>, and we will be well within compliance of this charter requirement.
- If there are any questions, please do not hesitate to contact the Budget Director or me. Thank you very much. We can all look forward to a positive 2024 budget season.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Sanghvi', written over a horizontal line.

**Minita Sanghvi, Commissioner of Finance**