



City of Saratoga Springs
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February 11, 2021

Submitted to the NYS Senate and NYS Assembly

**RE: Joint Legislative Hearing for LOCAL GOVERNMENT
Video Lottery Terminals Revenue (VLT) - City of Saratoga Springs**

To whom it may concern::

The City of Saratoga Springs (City) writes to express our immense thanks for your efforts to restore Video Lottery Terminal (VLT) impact aid to the City in the 2020-21 New York State Budget. This restoration, which represented approximately 4.27% of the City's 2020 projected revenues, allowed the City to maintain essential services and protect our employees, citizens, and taxpayers from the impacts of COVID-19. It was a positive outcome as we worked to manage through the early days of the pandemic and the many fiscal uncertainties the pandemic created.

As we all know too well, COVID-19 ultimately persisted for the entirety of 2020, causing significant human and economic pain to the City, State, and U.S. Thousands of lives were lost, our health care system was pushed to the limits, and many businesses have closed, resulting in record high unemployment levels.

Despite the many challenges, on the local level, the City worked diligently to lead the community through these unprecedented times. We created a customized, multi-media marketing "Mask Up, Saratoga Springs!" campaign, which raised awareness of safety protocols and raised community spirit too due to the involvement of many local businesses and organizations. We were also able to effectively move to remote working and virtual meeting and install digital measures that kept the business of government flowing smoothly and securely. We even were able to upgrade the City's information systems security in the face of increasing, threatening cyber security incidents.

The pandemic has been an extraordinary event for the City, a year-round destination accustomed to numerous activities, special events, with substantial citizen and visitor participation. For the most part, all of these activities temporarily paused in 2020, causing significant revenue loss. The disruption of the pandemic continues into 2021 with no precise end in sight. There is good news in that a vaccine has been approved and efforts are being made to get it rolled out to the masses in the coming months. It appears that better days are ahead in 2021 once considerable distribution and



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implementation issues are resolved. It is not clear when this will happen, or whether it will be in time to save the City's 2021 economy

Until that time, pursuant to City Charter, the City has adopted a balanced 2021 budget, which we believe will be key to the City's financial recovery from the COVID-19 pandemic. The adopted budget reflects our commitment to continuing excellent City services, maintaining the City's fiscal health, supporting all City employees, and effectively managing the City through the new pandemic economy and recovery. It includes responsible revenue and expense estimates and resourceful department management. The adopted budget, unfortunately, includes a 6% tax increase to all City residents – the first time during my tenure, an expression of shared efforts from one of the several stakeholders in the City's economy.

Mechanically, we have crafted the City budget to allow for flexibility should new revenue information become available, but, needless to say, we cannot afford any additional reductions to critical State revenue resources (*e.g.*, VLT impact aid, AIM aid). Our expense budget has already been reduced to levels not seen in years. Additional reductions would likely result in layoffs and possibly a further increase in the tax levy. Such actions would be unconscionable at a time when so many have suffered.

Again, we again thank you for your efforts during the 2020-21 New York State budget cycle to restore VLT impact aid to the City. This aid was critical in getting the City through the trying times of 2020. As detailed above, we anticipate 2021 to be an extremely difficult year as well and we are again pleading for your assistance during the 2021-22 New York State budget cycle. We hope to work collaboratively with you to ensure that the City's critically important State revenue resources are maintained at historic levels. At end of the day, the City has been a success story of economic growth, low property taxes, jobs, and excellent services. We hope to continue this success story long into the future, but we cannot do it without your support. Thank you!

Sincerely,

Michele Madigan
Commissioner of Finance

cc

Assemblywoman Carrie Woerner, Senator Daphne Jordan, Assemblyman Fred W. Thiele, Jr., Senator James Gaughran, Senator Joseph P. Addabbo Jr., Assemblyman J. Gary Pretlow