



OFFICE OF THE MAYOR

CITY OF SCHENECTADY
NEW YORK

City Hall, 105 Jay Street, Rm 111
Schenectady, N.Y. 12305-1938
Office: (518) 382-5000
Cell: (518) 424-0483
Fax: (518) 382-5272
gmccarthy@schenectadyny.gov

Gary R. McCarthy
Mayor

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PRESS RELEASE

Mayor Gary McCarthy Presents City of Schenectady 2021 Proposed Budget

SCHENECTADY – On Thursday, Mayor Gary McCarthy presented the City of Schenectady 2021 Proposed Budget to the Schenectady City Council via WebEx. The 2021 Proposed Budget is available on the City of Schenectady Department of Finance website. The COVID-19 pandemic and economic shutdown has caused significant revenue shortfalls to state and local governments across the country seeking emergency federal assistance.

Prior to COVID-19, the City of Schenectady was able to cut taxes for five consecutive years, reducing the tax rate by 8% from \$13.88 per \$1,000 assessed value in 2015 to \$12.78 per \$1,000 assessed value in 2020. In that same time period, the City's property assessment equalization rate also went from 123% to 100%.

“This year has presented us with many unique challenges and there are some difficult decisions that will need to be made to keep critical services intact for the residents of our city,” **Mayor McCarthy said**. “Communities across this country continue to face the threat of financial devastation without immediate federal assistance for the essential services we provide.”

The City of Schenectady currently projects an approximate \$12 million shortfall in fiscal year 2020. This is due to COVID-19 related revenue shortfalls in the following categories:

- State aid cut by 20%: \$2.2 million
- Reduced prior-year tax collection: \$2 million
- Reduced casino revenue: \$1.9 million
- Reduced sales tax revenue: \$1.1 million
- Fewer foreclosed property sales: \$725,000
- Fewer fees and fines: \$600,000
- Interest and penalty on property taxes: \$500,000

The 2021 Proposed General Fund Budget is \$87,487,008, which is 4% less than the 2020 Adopted General Fund Budget and reflects the financial impact of the COVID-19 pandemic with an increase in property tax, waste collection fees, and reduction of staff by 63 positions, 47 of which are currently vacant. The proposed budget avoids layoffs to active police officers and firefighters.

The proposed Property Tax Levy is \$31,413,411, the maximum allowed under the New York State property tax cap, for a rate of \$13.13 per \$1,000 assessed value – a 2.8% increase from 2020. This rate is 0.15% less than the rate of 2018 and 5.4% less than the rate of 2015. For a property assessed at \$100,000, the increase amounts to an additional \$35 for 2021.

The Proposed 2021 Budget includes an increase in annual Waste Collection Fees from \$224 to \$274 per unit. For units qualifying for exemptions, the annual Waste Collection Fees will increase from \$115 to \$137. Commercial Waste Collection Fees will also increase to \$3.45 per gallon.

The City will continue to sell foreclosed properties through the Mayor's award-winning HOMES Initiative (Homeownership Made Easy in Schenectady). The City currently has 69 properties available online for a total listed value of \$2.6 million.