

By Andrew Beam, 07/12/11

Republican candidate for Colonie supervisor Denise Sheehan has called out Supervisor Paula Mahan's administration, saying her math shows the town's deficit is currently at \$21 million. In its defense, the town released a statement touting the work it's done to control spending, but providing few details as to where the town stands financially.

Jean Donovan, assistant to the supervisor, said that the town is on the cusp of fixing the town's financial problems and that it is too difficult to provide an exact number of the deficit.

"Anyone who gives you a number is guessing," she said.

Sheehan said she took the numbers from the Annual Financial Report for the End of the Year 2010 in the Town of Colonie that was submitted to the New York State Office of the Comptroller. She has also criticized Supervisor Paula Mahan for not making those numbers public.

"There is no regular monitoring or reporting with the town," she said.

Sheehan said Albany County Comptroller Mike Conners set a good financial example by releasing the county's financial information on a regular basis.

"That's what it means to have financial oversight. You get to the end of the year and, wow, boy, another deficit. Hands-on management is what needs to be done. This is a disservice to residents and we are the ones paying the bills."

In a statement, Mahan said the administration has been spending "every minute of every day" to help the town get back on good financial ground. This has been done by reducing spending, reducing the town's workforce and consolidating departments, such as the town's various fire departments.

"If we hadn't taken these measures, the external conditions would have had an even greater impact on our finances," she said in the statement, adding that much of the focus has also been on a positive outcome for the landfill partnership the town is currently seeking. "Once the landfill agreement is final, I will be updating everyone on the positive impact it will have."

Sheehan said there will be another infusion tax from the private partnership with the landfill as there may possibly be a large upfront payment to the town but said there is no proper financial management system in place to place the money where it needs to go.

She used the one-shot \$5.6 million tax that was used to help pay off the town's deficit, which ended up paying the town's operating costs. This is something she said the town cannot afford as it did not put itself on the path of increasing revenues.

"We haven't addressed the fact that we don't have the proper financial controls in place," she said. "We'll get more money but without any real financial leadership we're in trouble of it going

into a black hole."

Mahan said in August of 2009 that the town's deficit had been reduced to \$10.8 million from its high in January 2008 of 19.7 million. As of December 31, 2009, Town Deputy Comptroller Chris Kelsey said the deficit stood at \$16 million. When Mahan was asked as to what happened between August and December of 2009 and what the current deficit total is, Jean Donovan, assistant to the supervisor, said the town's financial situation is constantly fluctuating and released this statement to the Spotlight:

The August 2009 financial projection was accurate at the time it was made.

Between 2009 and present the amount of the deficit has fluctuated due to the economic downturn. During this period the general fund deficit ranged between \$8.3 million and \$10.4 million. This was due to a loss of revenue beyond our control from a reduction in sales and mortgage taxes received by the Town, along with increase in costs for personnel related items. Due to State mandates the Town pension cost alone increased 38% in 2010.

The landfill deficit fluctuated between \$6.4 million to \$10.7 million. Subsequent to our 2009 financial projections outside auditors discovered an additional \$1.2 million dollar deficit left over from the previous administration.

Due to accounting regulations there was also a \$3 million dollar increase in the landfill deficit due to a depreciation accounting adjustment.

The steps we have taken since 2008 have allowed us to weather the economic storm. We have done this by tightening our belts and cutting costs and expenses. Our Town budget had been reduced every year since I've been in office.

We have a plan that will address both the short and long term financial issues facing the Town. An update will be provided soon.