

Council Member Conti offered the following, which was approved:

RESOLUTION NUMBER 74.121.12R (MC)

RESOLUTION OF THE COMMON COUNCIL OUTLINING ITS ACTIONS AND EXPRESSING ITS FINDINGS, INTENT AND RECOMMENDATIONS WITH REGARD TO ADOPTION OF THE FISCAL YEAR 2013 CITY OF ALBANY BUDGET AS PROPOSED IN ORDINANCE 36.101.12 (AS AMENDED) ENTITLED: “AN ORDINANCE ADOPTING THE BUDGET AS PRESENTED BY THE MAYOR ON OCTOBER 1, 2012 FOR FISCAL YEAR 2013”

WHEREAS on October 1, 2012 the Common Council received the proposed budget for the City of Albany for fiscal year 2013; and

WHEREAS subsequent to receipt of such budget, the Common Council engaged in an extensive review of the proposal which included meeting with department heads, holding two public hearings, discussion of the city’s financial status and identification of budget priorities; and

WHEREAS as a result of this process the Council on November 28, 2012 adopted Ordinance Number 36.101.12 (as amended) which adopts the fiscal year 2013 City of Albany budget with revisions;

NOW, THEREFORE, BE IT RESOLVED that the Common Council does adopt the following statement outlining its actions and expressing its findings, intent and recommendations with regard to adoption of the fiscal year 2013 City of Albany budget; and

BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to the Mayor, Deputy Mayor, Budget Director and all other department heads; and

BE IT FURTHER RESOLVED that a copy of the “Statement of Common Council Actions, Findings, Intent and Recommendations” as herein adopted be printed in the final bound document constituting the “City of Albany 2013 Budget” immediately following the Mayor’s transmittal message.

**2013 City of Albany Budget
Statement of Common Council Actions, Findings, Intent and Recommendations**

The Common Council has completed its review of the proposed 2013 City of Albany budget. This statement summarizes the Council’s actions, findings, intent and recommendations with regard to adoption of Ordinance 36.101.12 (as amended).

Overview

The Common Council recognizes that the City of Albany is facing significant financial challenges in the upcoming fiscal year and beyond, partially exacerbated by federal and state fiscal policies. While we realize there are positive elements in the 2012 budget, the Council is still concerned with the lack of multi-year budget planning and identification of initiatives to implement structural reforms that will have long-term financial benefits.

Specifically, the Council has the following concerns regarding the 2013 Executive proposal:

- Reliance on \$7.85 million in 19-a spin-up funds in State Fiscal Year 2013-14 which have yet to be budgeted or approved by the State Legislature;
- Reliance on use of fund balance to meet a structural financial imbalance and support operating expenses;
- Amortization of \$5.7 million in mandated contributions to the NYS Retirement System; and
- Decreasing revenues related to the landfill against fixed costs of operation and lack of a final long-term plan for post-closure waste collection and disposal.

Beyond these concerns, the Council recognizes that progress has been made in several areas we have identified as challenges in the past, including:

- Establishment of a position of Chief Information Officer, which was recommended by the Council in 2012, to co-ordinate and update information systems and make better use of information technology;
- Further reductions in retiree health costs;
- Progress on health expenditures for active employees both through the ad-hoc discussions on employee health benefits with collective bargaining unit representatives and restructuring, through the collective bargaining process, to employee health benefit plans;
- Reductions in overtime expenditures through better management so that they are within budgeted amounts;
- Engagement of exempt entities in discussions regarding the financial relationship with the City of Albany through the Commission on Public-Private Budgetary Cooperation; and
- Establishment of a separate Department of Buildings and Regulatory Compliance, outside of the Fire Department, as recommended by the Council in 2012 and prior years.

The Council further recognizes that unfunded mandates from state government and the lack of policy which recognizes the needs of upstate urban centers will pose continuing challenges to the City of Albany until they are addressed.

Council Revisions

Common Council

The Common Council budget is amended to increase the allocation for Temporary Help from \$7,500 to \$17,500. This adjustment is offset by a reduction in expenditures for health insurance resulting in no net increase in the Council's 2013 budget.

Department of Administrative Services

The Executive proposes a formal continuation of the de facto consolidation of the Department of Administrative Services with the Department of Law that has existed since 2008 by eliminating the appropriation to support the salary of the Commissioner of Administrative Services. The Department of Administrative Services is created in City Code by the Common

Council with a Commissioner to be responsible for functions related to: EEO/Fair Housing; Personnel and Human Resources; and Purchasing. The Commissioner of Administrative Services is appointed by the Mayor subject to Council confirmation. In the past the Council has consistently advocated for the appointment of a Commissioner to oversee the important functions of the Department. The Council has also expressed concern with the conflict that exists in merging the functions of the Department of Administrative Services with the Department of Law. Only the Common Council can eliminate the position of Commissioner of Administrative Services, to that end the Council amends the budget for the Department of Administrative Services by reinstating an appropriation for the Commissioner of Administrative Services.

City Clerk

The Office of City Clerk handles a significant number of licensing and permitting activities of city government; the City Clerk also serves as the city's FOIL officer. In 2012 the Council added two new significant programs for the Office of City Clerk to administer: cabaret licensing; and resident parking permits. Both of these programs have revenue associated with them that were intended to cover the cost of administration. It was the Council's expectation at the time these programs were put in place that additional staffing resources would be necessary for purposes of current and added workforce responsibilities. To that end, the Council amends the City Clerk's budget by establishing an additional position of Information Clerk II at \$31,365. The Council additionally amends the City Clerk's budget to include \$3,540 to support maintenance of the new FOIL system.

Salary Adjustments

The Council notes recent agreements with the collective bargaining units representing blue collar workers and Albany Police Department patrol officers for 2010-2013. The Council previously approved fund transfers to support collectively bargained salary adjustments for years prior to 2013. By separate resolutions authorizing fund transfers, the Council further amends the 2013 budget to reflect salary adjustments related to these agreements. In addition, consistent with past practice, the Council also amends the 2013 budget to include a 2.5 percent salary adjustment for non-union employees. Funding for these items is supported by transfers from the Contingency Fund and fund balance; it is anticipated that enhanced landfill revenue (which will accrue to the fund balance) through acceptance of Super Storm Sandy debris will offset the additional fund balance expenditure to support the salary adjustments.

Department of Buildings and Regulatory Compliance

The Executive proposes the establishment of a separate Department of Buildings and Regulatory Compliance by separating this function from the Department of Fire and Emergency Services. The Council has expressed past support for a separate department which is also consistent with recommendations and findings of the 2010 PFM Management Audit. The Council accepts the budget framework for a separate department but also notes that separate legislation has been introduced at the request of the Executive (Local Laws A and B of 2012) to formally establish the new department to be headed by a Commissioner whose appointment would be subject to Council confirmation. Both proposed local laws are pending review by committee, it is anticipated that the Council will formally establish the separate department post budget and that the Mayor will subsequently nominate an individual to serve as Commissioner. Until such time as the new department is established, the Division of Buildings and Regulatory Compliance is continued.

Additionally, the proposed budget assumes enhanced revenue due to adjustments in fees related to the Residential Occupancy Permit (ROP) inspection system. This includes increasing the ROP inspection fee from \$30 to \$50 per unit; the fee associated with failure to appear at an inspection from \$25 to \$40; and the fee associated with re-inspections from \$40 to \$50. Legislation to accomplish these revisions has not been submitted by the Executive but will be reviewed when received. The Council also notes that adjustments to these fees is consistent with findings of the September 2011 Performance Audit of the Division of Building and Codes conducted by the City Auditor.

Department of Recreation

During our public hearings several members of the public advocated for a new concession building at Bleecker Stadium. The Council appreciates the need for a replacement but is unable to allocate funds at this time. As an alternative we direct the Office of Special Events and the Department of Recreation to cooperatively seek corporate sponsorship for the construction of a new concession building at Bleecker Stadium. In addition, we encourage these departments to work together in grant writing and identification of corporate sponsorships to underwrite many of our community-based programs such as teen centers, playgrounds, etc.

Additionally, consistent with the 2010 PFM Management Audit, the Council identifies opportunities for enhanced revenue through the establishment of fees at certain recreation programs and other activities. The Council recommends consideration of the following:

- Charge for existing programming with resident and non-resident fee differentiation;
- Increase Swinburne Park skating rink fees, passed in over three years, with resident and non-resident differentiation;
- Charge for access to the boxing gym;
- Increase Bleecker Stadium user fees;
- Increase field permitting user fees;
- Offer a low-income subsidy or city-wide recreation “Fun Pass”;
- Form financial and operational partnerships with public entities – City School District, Housing Authority, etc.
- Develop and implement fundraising and development actions;
- Pursue all State and federal grant support;
- Develop and implement market-based revenue opportunities (selling advertising space around Swinburne Park and Bleecker Stadiums, seeking corporate sponsorship and naming rights to facilities);
- Establish an annual cycle for fee review and revision.

Albany SNUG

The Common Council has been a consistent supporter of Albany SNUG; for the 2012 budget the Council added \$150,000 under “contracted services” to meet program needs not met by other funding sources. We are pleased that the Executive proposes to continue this funding allocation in 2013. As we stated last year, it's important that this funding supports continuation of the Albany SNUG model that maintains fidelity to a community-based violence intervention and prevention program modeled after Chicago Cease Fire and consistent with the recommendations of the Gun Violence Task Force. It's also important that this be a program that connects

with the community and builds those relationships. The fact that Albany SNUG is not a creature of a law enforcement or government agency is one of the keys to its success.

Public Safety Staffing Reports

As part of the 2009, 2010, 2011 and 2012 budgets the Council requested quarterly staffing reports from both the Fire Chief and Police Chief for their respective departments, the Council continues that request for 2013 and directs that such reports be submitted to the Clerk of the Common Council for dissemination to Council Members.

Capital Budget & Bonding

The Council has reviewed the proposed 2013 Capital Budget; it will review it more closely in 2013 during the consideration of separate bonding ordinances and for consistency with the adopted debt policy. The Council is concerned however with the level borrowing proposed for 2013 and the accumulation of debt. In addition, preliminary analysis indicates that debt service may exceed what's allowable under our current debt policy. The Council recommends we begin to move a greater share of the capital budget from bonding sources to operating revenues.

Landfill Operations

Earlier this year as a condition of Council approval of bonding related to landfill expansion and restoration projects, the Executive committed to setting aside \$2 per ton for each ton collected pursuant to a commercial hauling contract, to be placed into an account to fund future capital improvements at the landfill (4/2/12 Memorandum from Mayor Jennings to Members of the Council). Funds for this purpose are included in the proposed Executive Budget, p. 60, Dept. 8160.14 – Waste Disposal, Line 7477 Post Closure.

Since this set aside was intended as an offset to borrowing for capital projects at the landfill, the Council is directing the Treasurer to establish a reserve account and set aside funds from the Post Closure budget lines based on monthly calculations from the landfill of contractual commercial tonnage. Requests for payment of capital-related landfill expenses should be paid from amounts available in the reserve account and then from capital accounts containing borrowed funds. The Treasurer should also take into account amounts available and projected to be reserved for capital expenses under the \$2 per ton agreement in future borrowing in order to reduce overall borrowing expenditures.

Tax-Exempt Properties

A 2010 report by The PFM Group (*Capital Punishment: An analysis of the fiscal impact of State government policies and tax exempt properties on the City of Albany*) commissioned by the City of Albany recognized that at least 60 percent of real property (by value) in the City of Albany is tax exempt. Nevertheless the city is required to provide services to all entities regardless of taxable status. The PFM report recommended the city pursue a comprehensive revenue recovery strategy for these properties so as to offset the financial burden placed on the 40 percent of properties that are taxable. In 2010 the Common Council established a Commission on Public Private Budgetary Cooperation charged with the responsibility of identifying ways in which tax-exempt entities could financially aid city operations. The commission has met on at least seven occasions but has yet to issue a report with recommendations on how to pursue any recovery strategy for these properties. The Council directs the Commission to report to the Mayor and

the Council on or before March 15, 2013 with recommendations for a comprehensive revenue recovery strategy for exempt properties.

Longer Term Financial Management

The Council recommends examination of the following areas:

- ***Bi-weekly Payrolls*** are common in private industry and other levels of government, we should continue examining the feasibility of moving to a biweekly payroll which has potential cost savings as well as implementing a lag payroll to assure that salary payments are for work days completed;
- ***Red Light Cameras*** have been authorized by the State Legislature for certain communities, this enhances traffic enforcement; the Council passed Resolution 90.112.11R requesting that our state legislative representatives pursue a similar authorization for the City of Albany;
- ***Vital Statistic fees*** charged by localities are capped at a level below those authorized for the same services and documents accessed through the NYS Department of Health. Certain municipalities have received approval from the State Legislature to set vital statistic fees at a level not to exceed those set by the NYS-DOH. In 2011, at the request of the Council, legislation (A.5667-A, McEneny, Canestrari/S.3551-A, Breslin) was introduced in the State Legislature to implement this recommendation; the bill passed the Assembly in both 2011 and 2012 but not the Senate. We should continue to pursue passage of this legislation in 2013.
- ***Motor Vehicle Policy*** and assignment of city-owned vehicles needs to be examined. There should be a starting point that assignment of 24-hour vehicles should only be assigned on the basis of objective standards, further, all city-vehicles should be marked with the city seal with exceptions related to public safety vehicles or based on other objective standards;
- All city departments need to develop clear ***mission statements*** and what their core missions are, activities that are peripheral to the core mission need to be re-examined;
- We need to more actively explore opportunities for ***Shared Services*** with other units of local government including Albany County, the Albany City School District and other local governments.
- We should explore cooperative ***Grant Writing*** between departments to enhance our success rates; the Office of Special Events should expand its responsibilities to procuring sponsorships for our youth programs.
- We continue to be concerned about financial operations at the ***Golf Course***; the PFM Group Management Audit recommended the establishment of an enterprise fund, absent moving forward on that, the Council recommends the issuance of a Request for Interest (RFI) to gauge interest in leasing options of this facility. Such request should include the provision that all non-golf uses are guaranteed.

Conclusion

With adoption of Ordinance 36.101.12 as amended and this resolution, we complete action on the fiscal year 2013 City of Albany budget.