

**Council Member Doesschate on the behalf of Finance, Assessment and Taxation Committee introduced the following, which was approved:**

**Resolution Number 83.112.19 (MC)**

**RESOLUTION OF THE COMMON COUNCIL OUTLINING ITS ACTIONS AND EXPRESSING ITS FINDINGS AND INTENT WITH REGARD TO THE CITY OF ALBANY 2020 BUDGET AS PROPOSED IN ORDINANCE 33.101.19**

WHEREAS, on October 1, 2019 the Common Council received the Mayor’s proposed budget for the City of Albany for fiscal year 2020 and the accompanying Mayor’s budget message; and

WHEREAS, subsequent to receipt of such budget, the Finance, Taxation and Assessment Committee and the full Common Council engaged in an extensive review of the proposed budget which included over twelve meetings, discussions with ten Department heads, two public hearings, and requests for additional information; and

WHEREAS, the Common Council has identified a number of areas of concern, needed amendments, and items requiring further action;

NOW, THEREFORE, BE IT RESOLVED that the Common Council adopts the following statement outlining its findings, intent and recommendations for future action with regard to the Proposed City of Albany Budget for Fiscal Year 2020:

**Proposed 2020 City of Albany Budget  
Statement of Common Council Actions, Findings, Intent and Recommendations**

**Council Priorities**

Prior to the issuance of the proposed budget, the Council asked the Mayor and her staff to address a number of city-wide issues in the budget, including the need for increased funding for street and sidewalk repairs and reconstruction, neighborhood park improvements, routine oversight of vacant and poorly maintained properties, improved salaries in the Department of Buildings and Regulatory Compliance, improved senior and youth services, and expanded street tree replenishment. We are pleased that the Mayor has included increased funding in the budget for street and sidewalk reconstruction, has consolidated routine maintenance of city parks in the Department of General Services, modestly increased capital budget funding for continued neighborhood park improvements, and has committed to improving services to assist with the maintenance of vacant and poorly maintained properties through an outside contractor. However, we believe more should be done to improve our neighborhood parks and playing fields, replenish street trees, and improved services for our seniors. We are hopeful that the administration will sincerely commit to working with the Common Council to address these needs as they directly affect the quality of life throughout our City and attention to the attractiveness and livability of our neighborhoods can help encourage private investment throughout the City as much as any tax abatements or other specific projects.

**The Common Council Public Comment/Hearings**

Many Albany residents spoke at the two public hearings held on October 14, 2019 and November 4, 2019 and otherwise conveyed to the Council the need to amend the budget to: 1. address the wet and often dangerous conditions of the Hoffman Park soccer playing fields and the insufficiency of the space provided; 2. provide funding for a housing vacancy study; 3. move towards a Pay as You Throw curbside

waste collection fee system rather than permanently adopt the proposed \$90 per unit annual fee; and 4. review and reorder budget priorities and address the budget's structural problems.

## **Common Council Review of the 2020 Proposed Budget**

During its review, the Finance, Taxation, and Assessment Committee and other Council members identified the following issues and concerns, some of which can be addressed in amendments made by the Council, and others that the Council has no authority or ability to change that need further immediate attention by the administration:

### **I. Support for Albany's Fair Share**

The Mayor's proposed 2020 budget again includes \$12.5M in Capital City funding although the State only approved \$12M for Capital City Funding in 2018 and 2019. The Common Council continues to fully support the Mayor's inclusion of this amount in the budget as it is not only necessary, but a fair and reasonable request of our Governor and Legislature. In fact, most of the Council continues to believe that even the \$12.5 million requested from the State is inequitable and insufficient, given that 63% of the property in the City is tax exempt, our Aid to Municipalities (AIM) funding is disproportionately lower than other similar upstate cities, and the City provides essential services to tens of thousands of public employees and other commuters everyday who do not reside in Albany. We, alongside the Mayor, will continue to push for this funding to become permanent because it truly is our "fair share" that should not fall on the shoulders of our taxpayers.

### **II. The Common Council is concerned the Proposed 2020 Budget continues an inequitable practice of providing small uniform salary adjustments for the vast majority of City employees while granting significant adjustments to certain classes of employees.**

The Council notes from the outset that the Council does not have authority under the Albany City Charter to make adjustments to salaries included in the Mayor's proposed budget unless it relates to a position the Council has created.

The Council is aware of the fiscal restraints on the city to provide desired salary adjustments to its employees. The Proposed 2020 Budget proposes a uniform 1% salary adjustment for non-union employees while continuing a practice of making higher salary adjustments ranging from 3% to 40% for certain employees who tend to be in higher salaried positions – some of whom have received substantial bump-ups in salary in recent years. While some of these higher salary adjustments may be justified, they contribute to a perception of inequity in the city's overall salary structure, both in terms of the adequacy of salaries for lower wage workers and comparable salary levels for employees with similar responsibilities in different departments. The Council is particularly concerned that the routine granting of 1% raises to the vast majority of employees at the lower end of the pay scale increases the income gap and fails to recognize that many of our employees are not making a wage that is compatible with the costs of living in the City. All of this contributes to issues related to employee morale and ability of the City to retain front-line employees who provide vital City services and often have valuable institutional knowledge. The Council believes we need to create a culture in which all City employees feel valued for the work they do and the services they provide to the city's residents, businesses, and visitors.

Issues related to adequacy and uniformity of non-union salaries, especially for lower wage workers, need to be addressed in a comprehensive manner. To that end, the Council recommends the city

retain an outside entity review of non-union employee compensation levels by job responsibility and department with regard to adequacy of salary levels, as well as a comparative review of salary levels for similar positions in neighboring municipalities. It is recommended that a Commission be appointed to supervise this analysis and make final recommendations to the Mayor and Council. Any one-time costs for this study should be determined through an RFP process and necessary funding found to cover this investment in employee retention and recruitment. Ideally, recommendations could be in place for possible implementation (or phased implementation) for the 2021 fiscal year.

**III. The Proposed 2020 Budget did not include the full amount of Debt Service as an expenditure as has been done in the past and did not show any payment from the Debt Reserve Fund. Additionally, those budgetary changes and the use of and additional \$800,000 from the Debt Reserve Fund over 2019 were not included in the Mayor's Budget Message as required by the Albany City Charter. These issues need to be addressed in the 2020 Budget to provide transparency and ensure the budget authorizes the administration to both pay the full amount of the City's Debt Service obligation in 2020 and to use \$1,800,000 from the Debt Reserve Fund for that purpose.**

The amount of Debt Service listed in the Expenditures Summary on page 10 of the Proposed 2020 Budget is \$21,833,600, although the full amount of the City's Debt Service obligation for 2020 is \$23,633,600. The amount of principal and interest due on serial bonds on pages 11 and 84 of the Proposed 2020 Budget are also less than the City's actual obligations. This is because the administration decided to change its method of budgeting by using the amount it planned to pay out of the Debt Reserve Fund (\$1,800,000) to offset the amount of Debt Service expenditures shown in the Proposed 2020 Budget. However, in doing so, the administration did not mention of the planned use of Debt Reserve Funds in the proposed budget, the Mayor's Budget Message, or any presentations to the Council and the public. The Proposed 2020 Budget and Mayor's Budget Message also did not mention that the administration intended to use \$800,000 more from Debt Reserves in 2020 than it did in 2019 to help balance the 2020 budget.

Since the City's annual budget is the document that gives the administration the authority to spend money and use other funding resources, the lack of inclusion of the full amount of the Debt Service as an expenditure and the use of \$1,800,000 from the Debt Reserve Fund, if unaddressed, would prevent the administration from spending the full \$23,633,600 required to pay the City's full Debt Service obligation.

Draft amendments to the Proposed 2020 Budget would include the full amount of the Debt Service on the Expenditures Summary pages (page 10) as has been done in the past, include a specific appropriation from the Debt Reserve Fund of \$1,800,000 from the Debt Reserve Fund to help pay the Debt Service, and make corollary changes on pages 8,9, 11, and 84 to authorize the City to use \$1,800,000 from the Debt Reserve Fund and to expend the full \$23,633,600 needed to pay its full Debt Service obligation in 2020.

We note that changes are also required to the Mayor's Budget message as the Albany City Charter expressly requires the Mayor's Budget message to "indicate any major changes from the current year in expenditures and revenues together with the reasons for such changes." Both the proposed change in budgeting the Debt Service and the use of an additional \$800,000 from the Debt Reserve Fund to balance the budget should have been noted in the Mayor's Budget Message. The Council has concluded it is inappropriate for the Council to make amendments to the Mayor's Budget Message, but understands the Mayor's Office plans to revised the Budget Message to address this.

We note that the inclusion of the full amount of Debt Service in the Proposed 2020 Budget, as has been done in the past shows the total expenditures for the 2020 Budget is actually \$181,383,548 – a 2.39% growth, not the 1.25% growth stated in the Mayor’s Budget Message.

It is also important to note that most of the growth in this year’s budget is due to the Debt Service increasing by \$4.5 million from 2019 levels. This is a one-time significant bump up in Debt Service. In 2021, the city’s Debt Service obligations are expected to revert to 2019 levels or below. As a result, it is entirely appropriate for the City to use an increased amount of the over \$5 million in the Debt Reserve Fund in 2020 to help the City address this one-time variance. At the same time, we note that the City Debt Service payments are expected to remain close to the City’s Debt Policy limits and fiscal restraint in borrowing is needed to help keep the City from over burdening future generations with its debt obligations and depleting its flexibility to address emergencies that require an immediate influx of capital funds.

While it is appreciated that the Mayor’s office has agreed to amend the budget to report the Debt Service as it has in year’s past, the changes in the budget to the reporting of the Debt Service without any clarifying explanation in the budget itself was just one piece in a frustrating budget process for the Proposed 2020 Budget. The Council recommends the creation of a standardized, transparent budget process that complies with the Albany City Charter requirements to ensure transparency for the public as well as the Council, and ensure the Council gets the information needed for their budget analysis. Council members and the Mayor’s office can work together to establish this standardized process that should also include an expected timeline.

**IV. The Total for Retirement on the Expenditure Summary (page 10) should properly reflect the amount included in the rest of the proposed budget for Retirement. Police and Fire Department Challenge Lines should be included in another Expenditure category.**

During its review of the budget, the Council noted the Expenditure Breakdown on Page 10 added up to \$179,473,548 rather than stated \$179,583,548 (a \$10,000 difference). After the Council brought this error to the attention of the administration, the Budget Office advised the Council that the total for Retirement Expenditures on page 10 should be increased by \$10,000 to \$14,158,313.

However, on further review, the Council noted that the amount for Retirement Expenditures included throughout budget actually totaled \$14,658,313 or \$500,000 more that the revised figure the administration requested the Council amend that line to. Eventually, the Council was able to determine that this was because the \$250,000 “Challenge Lines” for the Albany Police Department and the Albany Fire Department were coded to roll up into the “Retirement” expenditure category on page 10. Since the departments have no real ability to impact the amount expensed for pensions, the administration has agreed that it would be appropriate to move the “Challenge Lines” to a different category on the Expenditure Summary page. The Council has agreed for now this should be moved to “Operating Expenses” as that is where savings might be achieved without impacting salaries. This change has been included in a draft amendment for potential Council action.

The Council recommends the administration review this issue in further in light of where the Challenge Lines show up in the Albany Police Department and Albany Fire Department listings and their current coding as “Retirement” expenditures and make the additional appropriate adjustments through the E and A process.

**V. The Proposed 2020 Budget lacks a Capital Plan as required by the Albany City Charter. This needs to be corrected.**

In its 2018 Budget Intent Resolution the Common Council noted that the Proposed 2019 Budget lacked a Five Year Capital Plan as is required by the Albany City Charter, and emphasized the importance of developing a clear multi-year capital plan to establish an affordable list of priorities.

We specifically recommended the administration

“Develop and implement a true capital plan with appropriate quarterly monitoring of all capital projects in a manner consistent with the recommendations contained in the 2017 consultant report, the best practice recommendations of the Office of the State Comptroller, and the language contained in City Charter §604(C) to help ensure the city’s capital budget and its fiscal impacts are transparent and fully justified, as well as to ensure borrowed funds are being spent as planned to accomplish important city objectives.”

We are frustrated that the administration has not complied with the legal requirements in the City Charter and the Council’s recommendation that would benefit the City of Albany and its residents greatly, and make the bonding authorization process more streamlined because projects and purchases for which funding is sought will have been well-developed, completely justified, and prioritized long before they are presented to the Common Council.

We again emphasize that City Charter Section 604(C) expressly states:

“(a) The budget shall include a five-year capital plan. The first year of the capital plan shall be included in the budget for the ensuing year. The five-year plan shall include:

- (1) A clear general summary of its contents.
- (2) A list of all capital projects to be undertaken during the ensuing five fiscal years.
- (3) Cost estimates, sources of funding and, where appropriate, recommended time schedules for each such improvement.

“(b) This plan shall be revised, updated and extended each year with regard to capital improvements still pending or in the process of construction or acquisition.”

Nothing like this exists in the Proposed 2020 Budget. We again reiterate the astute observations contained in “City of Albany, New York, FY2017-FY2020 Financial Options,” report issued in 2017 by a consultant for the NYS Division of the Budget:

“At present the City does not have a formal capital budget, but rather a list of key projects included in the budget each year...there does not appear to be a full, comprehensive historic catalogue of all approved projects, their expected costs, approved and funded amounts, including detailed breakout by each funding source, progress on completion, and remaining project elements.”

The 2017 consultant report specifically recommended:

“... the City develop a full capital budget and plan that lists but also includes descriptions of each project, its funding type and source(s), and whether it is expected to result in a long-term asset. In conjunction with this the City can clearly identify capital assets and complete life-cycle planning in critical areas (for example fleet, as described below). In the long run, the City should have a quarterly report on the construction/purchasing status of all uncompleted capital projects, and establish a formal process for vetting, qualifying and annually funding an affordable group of projects tied to a formal project evaluation system. The City should also update and maintain debt and debt funding policies, and report on them each year in its budget document.”

The Office of the State Comptroller has provided guidance regarding best practices for the development of long-term plans and their benefits, and advises

“a multiyear capital plan should provide accurate, reasonable estimates of each project’s budgetary impact, including debt service costs, impact on capital reserve funds and fund balance, and future operating expenditures.”

The OSC Local Government Management Guide “Multiyear Capital Planning” outlines the process capital planning should follow to prioritize needs and come up with an affordable list of clearly defined and fully justified purchases and capital improvements. We ask that the administration immediately provide copies of this document to every member of the administration that has a role in the development of the Capital Budget and immediately embark on a process to follow the recommendations contained in the OSC guide.

The resulting chaotic way in which the Common Council is provided information (this year in the form of several amendments to the Proposed 2020 Budget, 21 separate bonding ordinances and various related documents provided over the course of 6 weeks) makes it difficult for the Council to understand the goals, objectives, and priorities of the administration. It has also resulted in the administration requesting the Council approve \$26 million in bonding authorizations that will result in the City exceeding its Debt Policy debt limits in the near future and severely limit borrowing flexibility for emergencies and future significant projects.

We further note that due to its failure to have a clear Capital Plan, the administration has developed changes to the Capital Plan included in the Proposed 2020 Budget and asked the Council to make those amendments to the budget. These changes have been included in the draft amendment to the Proposed 2020 Budget as a courtesy to the administration. However, it needs to be emphasized that the inclusion of the list of projects for which \$26 million in borrowing authorization is sought, does not satisfy the City Charter requirements, nor the City’s need to have a true 5 year Capital Plan.

As always, the Council will be looking to bring anticipated borrowing within the City’s established Debt Policy limits as we evaluate each of the 21 bonding ordinance requests currently pending before the Council.

As the Council is not in a position to develop the 5 year Capital Plan for inclusion in the Proposed 2020 Budget, the Council again urges the administration to immediately establish a process, consistent with OSC guidance, to develop a true 5 Year Capital Plan and monitoring process that complies with the explicit language of the Albany City Charter and the recommendations of the Council, the OSC, and the PFM Consultant Report.

## **VI. Police Staffing Issues**

### **A. Major operational changes are anticipated in 2020, although no information was provided to Council,**

When Albany Police Department Chief Eric Hawkins and Chief Fiscal Officer Bridget Pardo presented the Department's 2020 Proposed Budget to the Council they did not present information regarding a major planned change in operations that has now been presented at several neighborhood meetings since the APD's budget presentation. We ask that all operational changes in the future be included in budget presentations as part of the needed changes to the budgetary process. Also, we request that the operational changes be presented to the full Council as they should have been prior to being presented to the public at large.

### **B. Seven Unfunded positions are included in Albany Police Department Staffing Totals.**

Page 36 of the budget book lists seven FTE "Recruits" without any appropriation and includes these 7 unfunded positions in the total 396 FTEs listed for the Albany Police Department. The Albany Police Department Chief Business Official has acknowledged filling those seven positions would require a budget amendment to make the needed appropriation of funds. Considering the concerns of residents regarding adequate police coverage, reductions in neighborhood engagement units, and the challenges of filling vacancies, these positions should either have an appropriation associated with them in the budget or should be eliminated.

## **VII. Other Issues**

### **a. Soccer Field Improvements**

During the public hearings on the budget many parents and young athletes spoke eloquently and passionately about the need for the City of Albany to provide safe and adequate playing fields for the Albany Soccer Club. The current poor drainage, uneven fields, exposed concrete, and lack of adequate space poses significant risks to our children that we cannot let continue. The Common Council is committed to working with the Department of Parks and Recreation, parents, and coaches to remedy this situation as soon as possible and has let the administration know it is ready and willing to authorize bonding to undertake appropriate improvements or approve other budget amendments once a plan has been developed.

### **b. Housing Study**

In response to numerous comments at the budget hearings asking the Council to include funding in the budget to conduct a housing vacancy study to determine the City of Albany's eligibility to opt into the Emergency Tenant Protection Act, the Chair of the Finance, Taxation and Assessment Committee has introduced a resolution calling upon the City to undertake such a study. As this is a one-time expenditure, unexpended funds in the 2019 budget are available to finance this study.

### **c. Senior Services**

In its 2018 Budget Intent Resolution relating to the 2019 budget, the Council noted that the current and proposed level of funding for "Programs for Aging" has remained at the same amount since at least FY1996, despite demographic changes and increased costs for services. The Council recommended

a needs-based assessment of the adequacy of current services and funding that may include the identification of senior services that may be provided by other city departments or agencies. Although the Mayor's Budget Message states that the budget has allocated funding "to offer additional programming for out senior population," the Council has been unable to identify any line items containing such additional funding even after consulting with the Commissioner of Parks and Recreation.

We, again, encourage the administration to undertake a comprehensive review of the needs of our seniors and evaluate existing opportunities with an eye to coordinating with other not-for-profits and municipal providers of senior services, expanding upon Albany's offerings, supporting the ability of seniors to participate in a wide range of activities and services, and communicating with seniors about such opportunities through a variety of means.

#### **d. Curbside Waste Collection Fee Sunset**

The Council has agreed that it is appropriate to continue to evaluate the Curbside Waste Collection Fee and the potential for the City to move to a Pay-As-You-Throw fee to encourage waste reduction, recycling and reuse practices throughout the City. As a result, the proposed Curbside Waste Collection Fee legislation has been amended to include a sunset date of December 31, 2022. This will require a re-evaluation of that fee in 2022. However, this new sunset does not preclude the Council and the administration from studying this issue and potentially amending the legislation at an earlier date.

#### **Conclusion**

With adoption of this resolution, we complete action on the fiscal year 2020 City of Albany budget.

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

BE IT FURTHER RESOLVED that a copy of the "Statement of Common Council Actions, Findings and Intent" as herein adopted be printed in the final bound document constituting the "City of Albany 2020 Budget" immediately following the Mayor's transmittal message.

BE IT FURTHER RESOLVED that if the administration ignores the Council's request to include the Council's Budget Intent Resolution in the printed adopted budget as herein specified, the administration shall be prohibited from using Council funds to print any proposed or adopted budgets or any other documents aside from costs needed to provide the Council with the 20 copies expressly needed for Council members, their staff and records.

**TO: Danielle Gillespie, City Clerk**  
**FROM: Judy L. Doesschate, Member, Albany Common Council**  
**RE: Request for Common Council Legislation**  
**Supporting Memorandum**

**DATE: November 18, 2019**

**RESOLUTION NUMBER 83.112.19R (MC)**

**RESOLUTION OF THE COMMON COUNCIL OUTLINING ITS ACTIONS AND EXPRESSING ITS FINDINGS AND INTENT WITH REGARD TO THE CITY OF ALBANY 2020 BUDGET AS PROPOSED IN ORDINANCE 33.101.19**

**GENERAL PURPOSE OF LEGISLATION:** To adopt an explanatory resolution to be read in conjunction with the actions of the Common Council with regard to the budget.

**FISCAL IMPACT:** None.

**Passed by the following vote of all the Council Members elected voting in favor thereof:**

*\* Resolution 83.112.19R was co-sponsored by Council Members Kimbrough*

Affirmative – Anane, Applyrs, Balarin, Doesschate, Fahey, Farrell, Flynn, Hoey, Igoe, Johnson, Kimbrough, O'Brien and Robinson

Affirmative 14 Negative 0 Abstain 0

\_\_\_\_\_  
Clerk of the Common Council

\_\_\_\_\_  
President of the Common Council

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

I, Danielle Gillespie, City Clerk and Clerk of the Common Council, do hereby certify that Resolution Number 83.112.19 was passed at a meeting of the Albany Common Council on November 18, 2019.

In Affirmation thereof, I hereto set my hand and affix The Seal of the City of Albany this \_\_\_\_\_ day of November 2019.

\_\_\_\_\_  
Danielle Gillespie, Clerk of the Common Council