COMMON COUNCIL COMMITTEE MEETING
FINANCE, TAXATION AND ASSESSMENT COMMITTEE
Judy Doesschate, Chair

Meeting called by: Judy Doesschate, Chair  Date: 6-5-18  Time: 5:30PM

Invitees/Speakers

Mike Wheeler
Darius Shahinfar

Committee Members
Doesschate, Chair ☒ O'Brien ☒ Applyrs ☐ Farrell ☐ Robinson ☒

Present:

Council Members
Present: President Pro Temp Conti

City Personnel
Present: City Auditor Susan Rizzo

Minutes

Agenda Item:
Chair convened the meeting stating members present and the agenda.

The Chair announced the Committee would first consider Resolution 33.61.18R, the proposed resolution for approving account transfers in excess of 4% for 2016 as required by the City Charter to close out the 2016 budget.

Points of Discussion:

- The City Charter requires Council approval of transfers from one account to another that amount to more than four percent of the approved budget. Resolution 33.61.18R is authorization for 2016 budget close out.
- Many of the transfers relate to employees being listed in the wrong account in the budget. To solve this problem in the future, all salaries will be listed in one account in every department. This change will help reduce the number of account transfers that will be required so the transfers are not likely to go over the 4% threshold.
- Albany Police Department (APD) has been meeting its $700K “challenge line” almost entirely from retirement savings, while another $1.2M of the retirement savings is going to overtime.
- The high level of retirement savings is due to the previous budget staff budgeting the retirement number in the workers comp line and vice versa. It was corrected in the 2017 budget.
- All transfers were done at department level, i.e. most all departments stayed within budget for the year although they needed intra-department account adjustments.
- There are Chief Fiscal Managers (CFM) in both Albany Fire Department (AFD) and APD. The CFM answers to central budget department. CFM duties are to look for savings, and drive efficiencies. Nicholas Blais is currently filling in as CFM for the APD – the position has been posted.
Council Member Robinson made a motion to move Resolution 33.61.18R (approving the transfer an amount to exceed four percent of the total city budget for the year 2016) out of committee with a favorable recommendation, which was seconded by Councilmember O’Brien. The motion passed unanimously.

The Committee then discussed the Treasurer’s 1st Quarter Report for 2018.

- Treasurer Shahinfar commented that the first quarter report is generally in line with what is expected, but noted that there is an issue with private entities reneging on their commitments to provide voluntary PILOTs.
- Time Warner franchise agreement payment has been received earlier this year than last year.
- Gatso, contractor for red light camera will start doing collections of the fines. This will bring in some revenue. Currently, having discussions about whether to renew or not.
- We have been able to handle tickets in-house at no cost to the City.
- Trident sends reports of outstanding worker’s comp cases.
- Currently, AFD is in line with the adopted budget and APD is over budget. These figures do not take into consideration potential arbitration salary increase and overtime increase.
- The funerals of three officers this year has increased overtime expenses.
- AFD is under budget for salary and overtime combined this year. AFD overtime decrease is moving in the right direction.
- AFD has 12 vacancies and APD has 30. They have had vacancies for some time now.
- The DA office is requiring all officers present at crime scene to testify which creates a lot of overtime. Often all officers are not needed. The Chairperson suggested Albany County DA Soares should be made aware of this as an issue.
- Utilities and gas are up for the year and will need to be watched because of increasing rates.
- Because our interest rates were flat last year, we weren’t investing much and made only $33,000 in interest. Since interest rates have increased, we have made $86,000 in interest as of June of this year.
- The property tax base increased some, which increased real property tax collections over 2017, along with the slight tax increase that had been adopted in the budget.

The Committee then reviewed the Treasurer’s Report for the 4th quarter of 2017, or the year-end report, with the Treasurer, Budget Director, Mike Wheeler, and City Auditor, Susan Rizzo.

- In the 4th quarter of 2017 we were up in workers compensation and over $1.6 million in overtime. Employee health insurance costs increased by $727,000, although retiree health insurance decreased by almost a similar amount. Retirement expenses are also down by $733,000 from 2016.
- FICA and non-personal has increased, but are still under budget.
- Our bond rating is A+ with a stable outlook for this year.
- AAA is the highest bond rating that the bond rating we currently have. We were at AA- in 2016 and 2017.
- The city has improved its relationship with the ratings agencies by publishing its financials on-line. Property taxes were almost $1.2 million higher as a result of the expanded tax base, but was under budget for the year by slightly more than $200,000 as a result of reimbursing property owners for reduced taxes after they successfully challenged their assessments.
- Treasurer Shahinfar noted that we have not received voluntary pilots. We have not received SUNY POLY $500,000 voluntary contribution this year. Although the Treasurer’s report currently lists a surplus of approximately $500,000 for 2017, this assumes we will be getting $500,000 in a voluntary PILOT from SUNY Poly and, $100,000 for traffic study from St. Peter’s. If SUNY Poly does not provide the voluntary PILOT, there will be no surplus for 2017.
- In addition, we have not received voluntary contributions for St. Peters, Albany Medical Center and NANO. Albany Medical Center claims they do not have the money for PILOTS. Their apartment PILOT ends in 2022.
- Landfill revenue has decreased over $3 million from year to year. The tipping fees have increased which provided $605,000 more revenue than budgeted in 2017. This increase is driven by the rate increase.
Because the landfill did not see a significant decrease in drop-offs, the landfill hours were changed to close at 11am. This may extend the life of the landfill.

- Golf fees were lower as a result of bad weather, but it is break even enterprise.
- The committee asked to be provided with the City’s fiscal analysis of the golf course.
- Parking tickets revenues were the lowest for 4th 2017 financial report. This is due to a switch in the software company. Parking tickets are down by $180,000; traffic violation fines are down by $335,000, and Police Court fines are down by $300,000. A committee member noted this reduction in fines may be due to new judges in criminal court.
- License and permit revenue increased, most of which is due to increases in demolitions and an increase in street opening permit revenue.
- The increase in the “State aid” category is mostly due to the $12.5M Capital City funding being listed in this category as opposed to being listed in “PILOTS.” Other revenue like FEMA funding for Hurricane Stella ($354,000) and Inter-fund transfer don’t show as actuals.
- The inter-fund transfer is from debt reserves which are where we put our BAN and bond premiums and money swept from unused bond accounts.
- Federal government forces us to put ACDA funding – both the income and expenses - into our budget when it is a “wash”. Putting this funding into our budget makes it looks like we are under budget.

Following the reports, the Chairperson asked for a motion to adjourn, which was duly made, seconded, and passed.