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## OFFICE OF THE ALBANY CITY TREASURER

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**DATE:** May 3, 2012

**TO:** Hon. Gerald D. Jennings  
Members of the Common Council

**FROM:** Hon. Kathy M. Sheehan

**CC:** Phil Calderone, Chris Hearley

**RE:** 1st quarter 2012 Performance

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The following is a summary of the unaudited results for the 1st Quarter 2012.

Revenue in the first quarter of 2012 increased 3% and spending decreased slightly compared to first quarter of 2011. General Fund overtime expenses are down 21% compared to the first quarter last year and are at 19% of budget.

### REVENUE (Thousands)

REVENUE	MAR	MAR	Variance	%	MAR	Annual	Variance	%
	YTD	YTD			YTD	Budget		
	12	11			12	Budget		Budget
PROPERTY TAX	55,074	53,998	1,076	2%	55,074	55,148	(74)	100%
SALES/USE TAX	0	0	0	0%	0	28,900	(28,900)	0%
PILOTS/19-a	3,426	2,956	470	16%	3,426	26,942	(23,516)	13%
OTHER LOCAL SOURCES	377	437	(60)	-14%	377	3,789	(3,412)	10%
LANDFILL	2,778	2,733	45	2%	2,778	11,410	(8,632)	24%
OTHER DEPARTMENTS	394	485	(91)	-19%	394	2,746	(2,352)	14%
INTER GOVERNMENT	102	112	(10)	-9%	102	260	(158)	39%
FINES	1,252	1,370	(118)	-9%	1,252	5,287	(4,035)	24%
LICENSES AND PERMITS	921	566	355	63%	921	2,147	(1,226)	43%
STATE AID	87	306	(219)	-72%	87	21,444	(21,357)	0%
SALE P/COMP/LOSS	73	23	50	217%	73	327	(254)	22%
MISCELLANEOUS	1,815	1,648	167	10%	1,815	4,819	(3,004)	38%
OTHER	0	1	(1)	-99%	0	2,959	(2,959)	0%
<b>TOTAL REVENUE</b>	<b>66,299</b>	<b>64,635</b>	<b>1,664</b>	<b>3%</b>	<b>66,299</b>	<b>166,178</b>	<b>(99,879)</b>	<b>40%</b>

The chart above summarizes the City's sources of revenue through March 31, 2012.

1. **Property Tax revenue** is 2% higher than last year as a result of a 2% increase in the property tax levy, but it is slightly under budget as a result of assessment reductions. Additional assessment reductions received during the calendar year would lower property tax revenue further.
2. **Sales Tax revenue** for the first quarter is received at the beginning of the second quarter so no sales tax revenue is recorded until the second quarter. The first quarter payment received on April 19 was approximately \$7.4 million, or 4.6% higher than the same period last year, and the strongest first quarter for sales tax since 2008. Total sales tax revenue for 2011 was \$29.7 million, which was \$1.2 million higher than budget and the best showing since 2008, when sales tax revenue peaked at \$30.4 million.
3. **PILOTS/19-a revenue** is 16% higher than the same period last year mainly as a result of a number of payments in lieu of tax agreements nearing the end of their terms. Most of these agreements are structured such that tax abatement is reduced each year over a 10-year period until the property becomes 100% taxable.
4. **Other Local sources revenue** is 14% lower than the same period last year mainly as a result of a decrease in utility gross receipts.
5. **Landfill revenue** is up 2% compared to the first quarter of 2011 and is at 24% of budget. Revenue was up for contaminated soil and usage from other municipalities, but was down for methane gas sales, which currently are at 8% of budget for the year.
6. **Other Departmental revenue** is approximately 19% lower than in the first quarter of 2011. Most departmental revenue is trending close to 2011 levels, but EMS recovery fees are down nearly 70% compared to last year. We will be monitoring this closely to determine whether this trend is expected to continue. Civil service fees are down almost 90%, but revenue was higher than normal in 2011 because civil service exams were given for both the APD and AFD.
7. **Fines and Forfeitures revenue** is 9% lower than the same period last year mainly as a result of a decrease in parking fine revenue. Ticket issuance was down compared to the first quarter last year, due in part to the lack of any snow emergencies in the first quarter of this year.
8. **Licenses and Permits revenue** increased 63% over the same period last year. Revenue from electrical permits increased 508% (\$191,000) primarily as a result of inspections related to construction at Albany Medical Center. Revenue from safety inspections and the vacant building registry were also up significantly compared to the same period last year.

9. **State aid** decreased significantly compared to the first quarter of 2011 due solely to the timing of NYS Court Security payments to the City.
10. **Miscellaneous revenue** increased of 10% compared to the same period last year primarily as a result of an increase in delinquent debris and demolition charges levied onto 2012 property tax bills.
11. **Other revenue** was consistent with the same period last year.

## DISBURSEMENTS

	MAR	MAR		%	Annual		%
	YTD 12	YTD 11	Variance		Budget	Variance	Budget
Personal Benefits	17,435,532	16,697,134	738,398	4.4%	73,968,318	(56,532,786)	24%
Fringe Benefits	10,256,104	9,788,196	467,908	4.8%	51,292,721	(41,036,617)	20%
Non-Personal Service	<u>4,339,307</u>	<u>6,003,706</u>	<u>(1,664,399)</u>	<u>-27.7%</u>	<u>46,751,802</u>	<u>(42,412,495)</u>	<u>9%</u>
Total	32,030,943	32,489,036	(1,196,481)	-3.7%	172,012,841	(150,238,002)	19%
Number of weeks in period	13	12	1		52		25%

**Total disbursements decreased 3.7% compared to the same period last year to approximately \$32 million.** Spending was up for salaries and benefits, but these increases were offset by a nearly 28% decrease in operating expenses.

1. **Wages were up 4.4% or nearly \$740,000** compared to the same period last year. The increase reflected a 3% pay increase for non-union employees and a more than 4% increase in wages awarded to firefighters compared to the first quarter of 2011.
2. **Benefits Expenses increased 4.8% for the first quarter of 2012.** Retiree health insurance was 82% (\$234,000) higher than the same period last year, but is at just 8% of budget at the end of the first quarter. Retirement and social security expense also increased, while employee health insurance expense decreased slightly compared to the same period last year.
3. **Non-Personal Service spending decreased almost \$1.7 million or 27.7%** compared to the same period last year. This category includes

utilities, contracted services, supplies, materials, small equipment, consulting fees and debt service. Snow removal accounted for the largest single decrease of nearly \$820,000, a 91% reduction compared to the same period last year. While a number of departments showed a reduction in spending compared to last year, approximately \$500,000 of the decrease is attributable solely to the timing of liability insurance payments.

5. **Encumbrances (funds reserved for purchases) increased by \$1.57 million** or 26% compared to the same period last year. Encumbrances total nearly \$7.5 million at the end of the first quarter.

### OVERTIME

Department	2012	2011	Change	%	% of		
					2012	Budget	Budget
Police (non-reimbursable)	820,918	815,469	5,450	1%	820,918	4,037,000	20%
Fire	249,955	393,133	(143,178)	-36%	249,955	1,800,000	14%
Communications	43,823	26,792	17,031	64%	43,823	150,000	29%
Parks Maintenance	37,091	90,049	(52,958)	-59%	37,091	190,000	20%
Waste Collection	38,210	75,731	(37,521)	-50%	38,210	230,000	17%
Landfill	40,587	64,611	(24,024)	-37%	40,587	110,000	37%
Central Maint.	18,983	39,909	(20,925)	-52%	18,983	100,000	19%
Street Maintenance	27,744	61,740	(33,995)	-55%	27,744	150,000	18%
Street Cleaning	23,073	77,651	(54,579)	-70%	23,073	170,000	14%
Recreation	11,483	9,771	1,712	18%	11,483	32,000	36%
Traffic Engineering	6,149	5,419	730	13%	6,149	25,000	25%
Capital Hills	3,235	6,377	(3,142)	-49%	3,235	20,000	16%
Central Garage	7,436	17,350	(9,913)	-57%	7,436	30,000	25%
Bleeker Stadium	0	149	(149)	-100%	0	2,500	0%
Buildings	3,748	3,967	(219)	-6%	3,748	10,000	37%
Control of Animals	1,319	1,390	(71)	-5%	1,319	10,000	13%
Special Events	294	147	148	101%	294	25,000	1%
<b>General Fund</b>	<b>1,334,050</b>	<b>1,689,654</b>	<b>(355,604)</b>	<b>-21%</b>	<b>1,334,050</b>	<b>7,091,500</b>	<b>19%</b>
Police (reimbursable)	266,992	202,217	64,775	32%	266,992	725,000	37%
Water	141,039	166,204	(25,166)	-15%	141,039	605,000	23%
<b>Totals</b>	<b>1,742,080</b>	<b>2,058,075</b>	<b>(315,994)</b>	<b>-15%</b>	<b>1,742,080</b>	<b>8,421,500</b>	<b>21%</b>

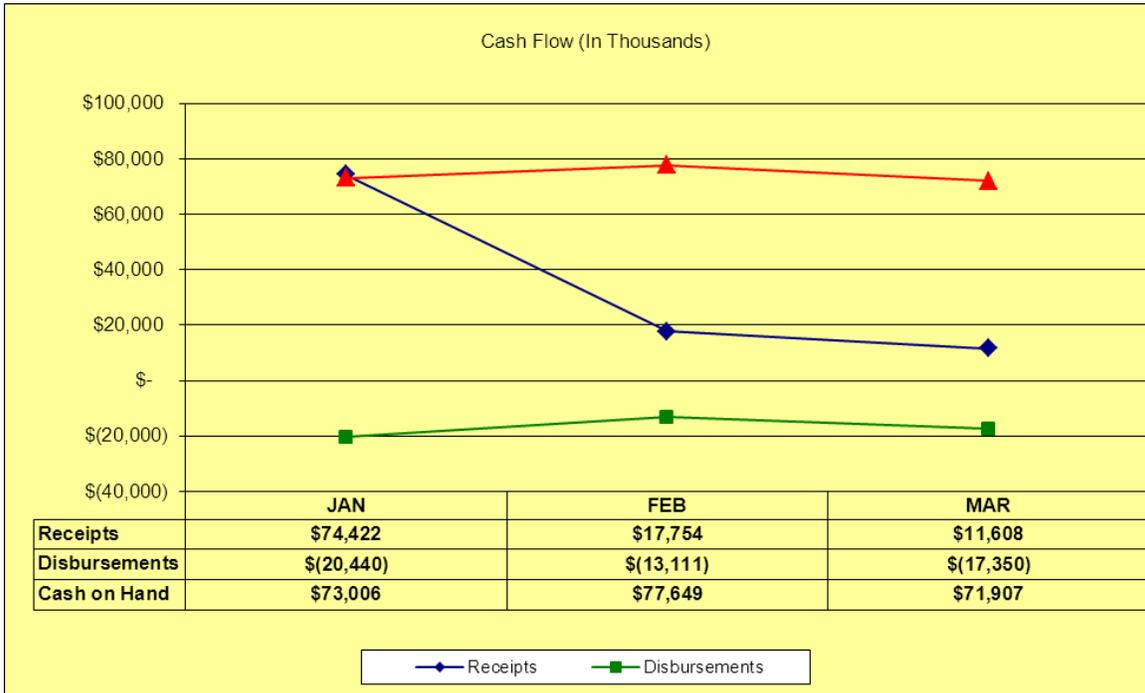
**City-wide, overtime was at 21% of budget at the end of the first quarter.**

Excluding the Water Department (for which the City is reimbursed) and reimbursable Police overtime, overtime expense is at 19% of budget and is 21%, or nearly \$356,000, lower than the same period last year.

Fire department overtime was down 36% compared to the first quarter last year, and was at 14% of budget. Reductions in other departments are due mainly to the fact that the City had no snow emergencies in the first quarter this year.

Police overtime was up slightly compared to the same period last year, but is tracking at just 20% of budget at the end of the first quarter.

**CASH**



**The City’s cash position improved by approximately 30% compared to the same period last year** from \$55.5 million to nearly \$71.2 million. The improved cash position resulted from a higher starting position for cash in 2012 and a reduction in disbursements compared to the first quarter of 2011.

**CONCLUSION**

The first quarter provided a relatively solid foundation for the year, tracking close to budget. Overtime expenses for the Police and Fire Department are tracking below budget. In addition, revenue is running slightly ahead of 2011 and first quarter operating expenses were helped by a mild winter with no significant snowfall events.