



Albany: Our Capital City

Fiscal Outlook



Mayor Kathy M. Sheehan

March 20, 2014



2014 Budget Challenges

Expenditures	\$171,077,200
Recurring Revenue	\$154,592,200
Deficit	(\$ 16,485,000)

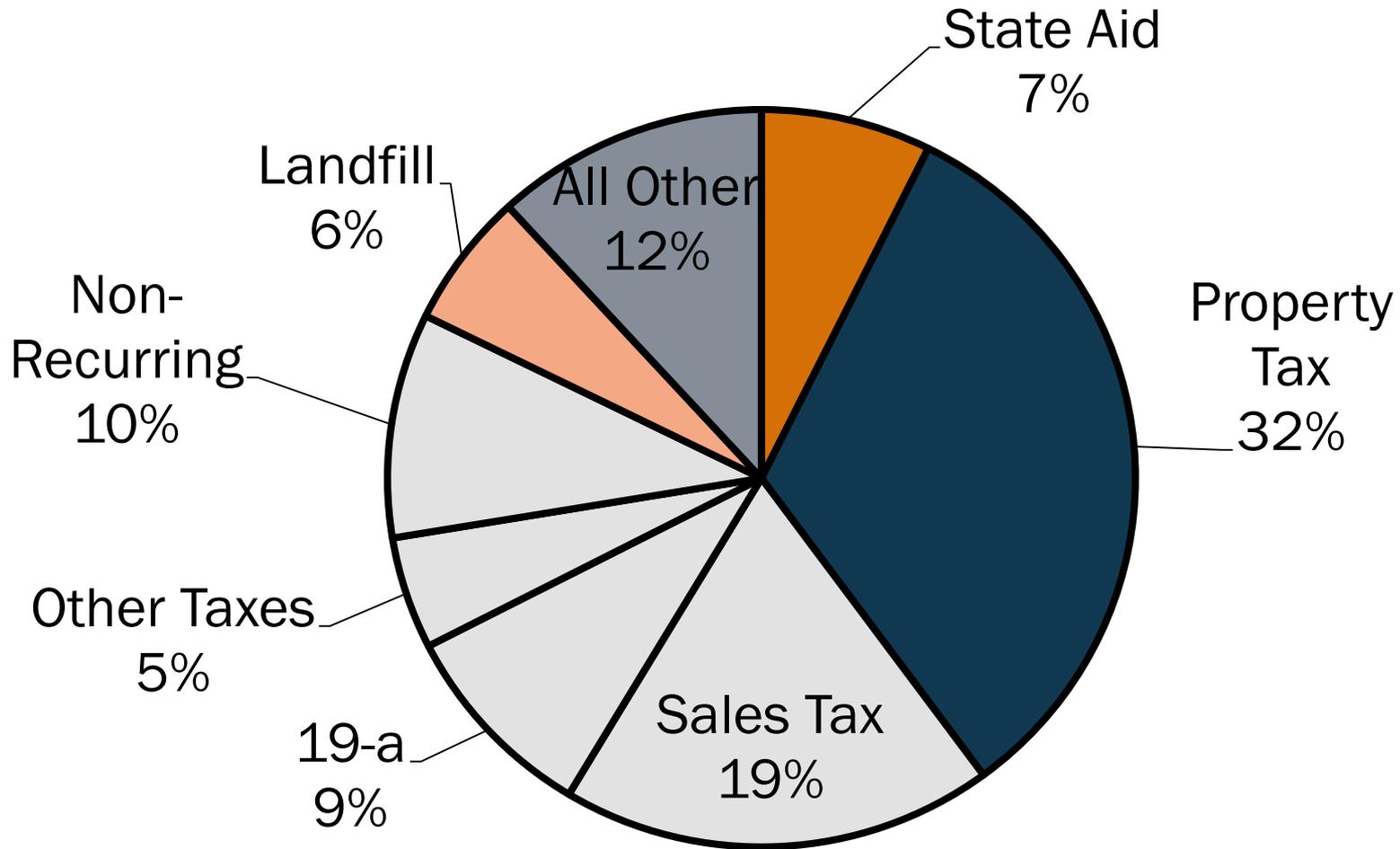
- ⌘ Structural Deficit \approx 10%
- ⌘ Fund Balance less than 5% of operating expense
- ⌘ Continue to Borrow for Pension Expense
 - Total pension borrowing will exceed \$14 million
- ⌘ Staying within cap still resulted in 6.6% Property Tax Increase for Non-Homestead Properties

Deficit

Source	Amount
Fund Balance	\$ 9,801,000
Debt Reserve	\$ 2,470,000
Pension Borrowing	\$ 4,214,000
TOTAL	\$16,485,000

The City budgeted the use of approximately \$4.3 million of Fund Balance in 2013. While the year-end close will not be completed for several weeks, it appears that revenue will be lower than budgeted, and expenses will be higher, resulting in a further erosion of Fund Balance. If 2013 and 2014 end on budget, the City will have less than \$8 million of Fund Balance remaining.

2014 Revenue Breakdown



Costs

	2014	
SALARIES	\$75,749,000	44%
RETIREMENT	\$18,250,000	11%
FICA	\$5,792,000	3%
HEALTH INSURANCE	\$22,204,415	13%
OTHER EMP. BENEFITS	\$1,203,000	1%
WORKERS' COMPENSATION	\$4,260,000	2%
OPERATING EXPENSES	\$22,588,785	13%
DEBT SERVICE	\$21,030,000	12%
TOTAL	\$171,077,200.00	

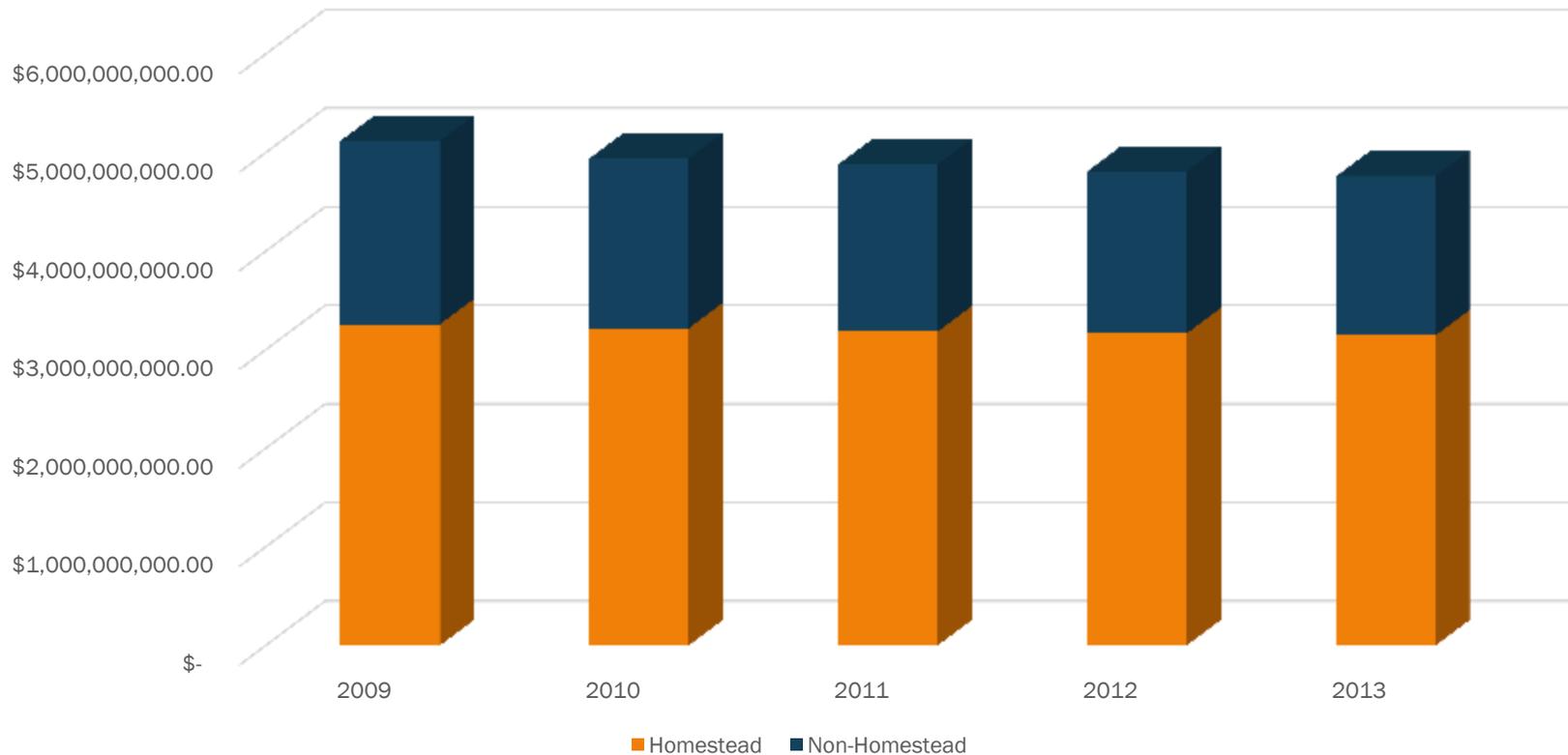
Employee expense is 74% of our budget.

Raising Taxes is not an Option

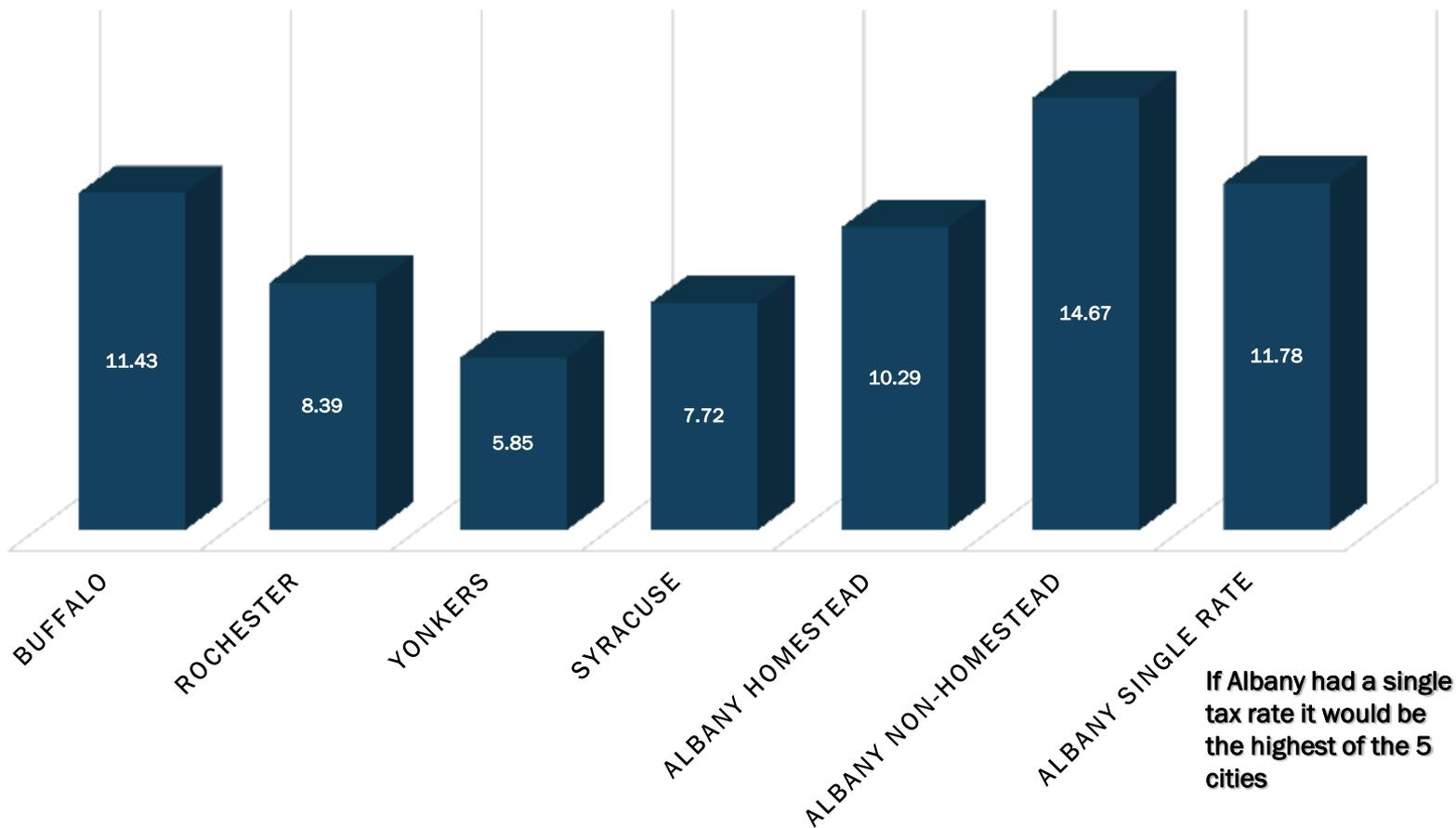
- ⌘ Among the highest property taxes in the region.
- ⌘ Staying within the 2% cap raises \$900,000.
- ⌘ Resulted in 6.6% tax increase for local businesses.

Declining Tax Base

- 13.3% Decline in Commercial Tax Base
- 7.0 % Decline in Total Tax Base



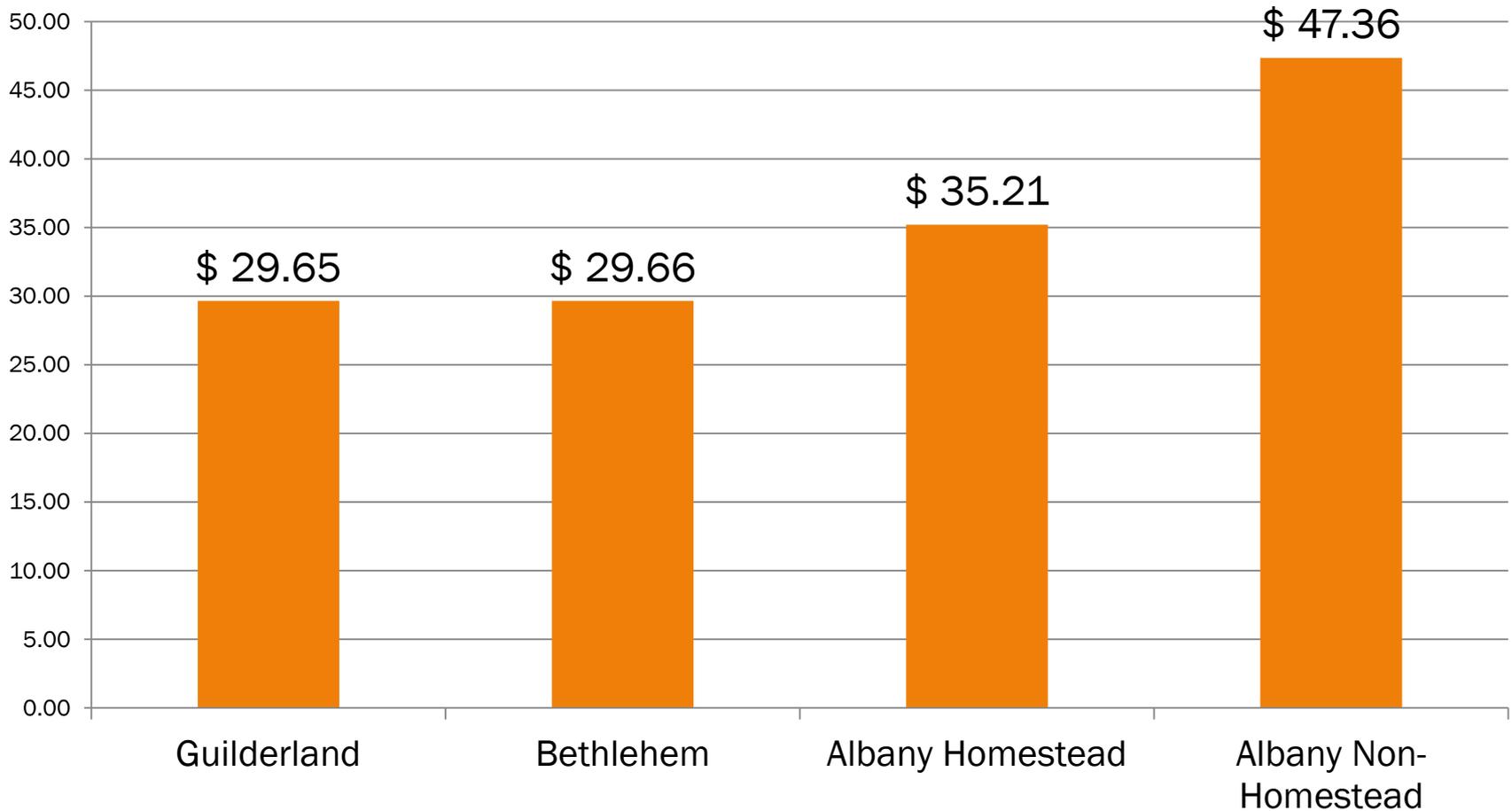
City Tax Rates



City Taxes



Total Tax Bill

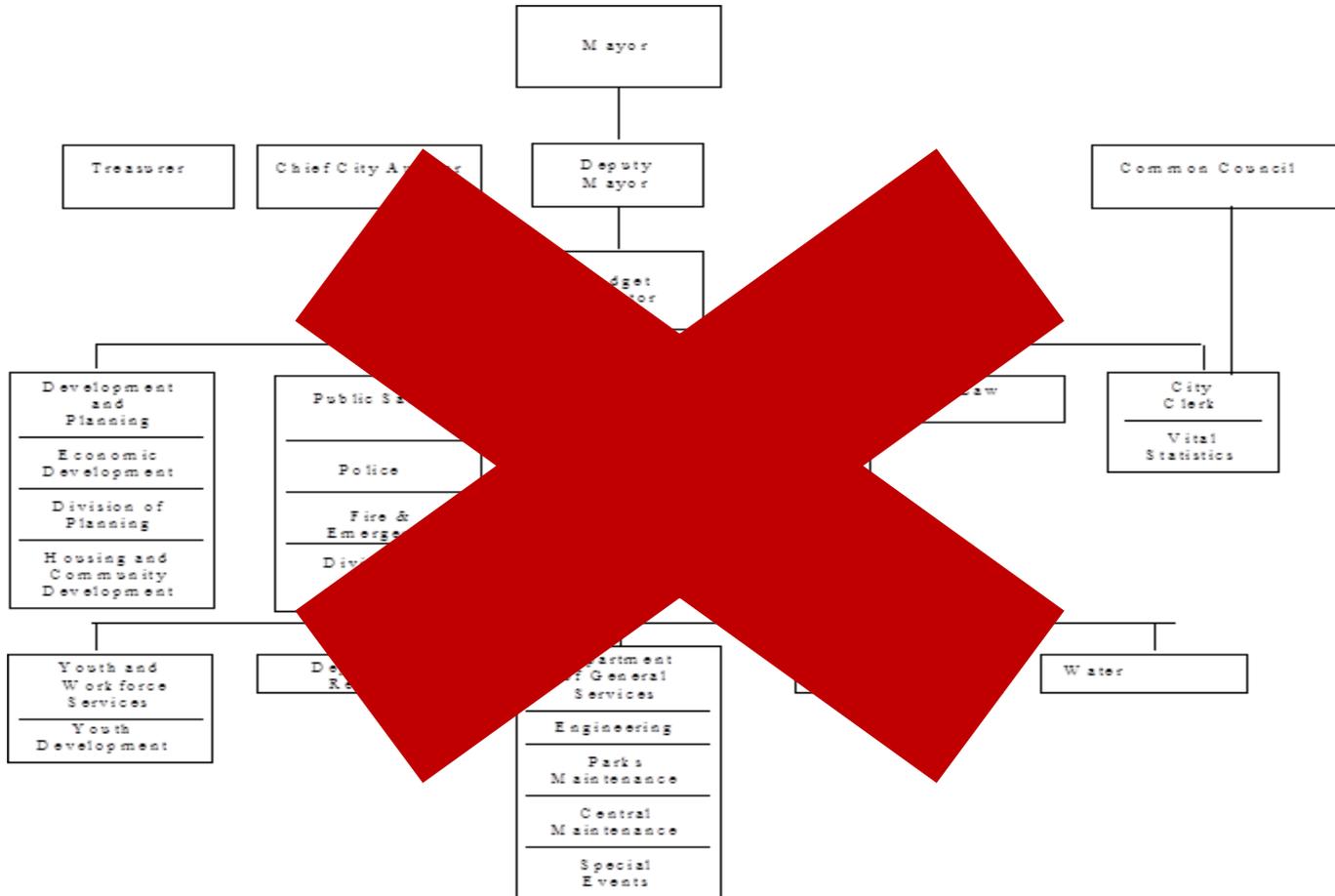


“The Best Way Out is Always Through”

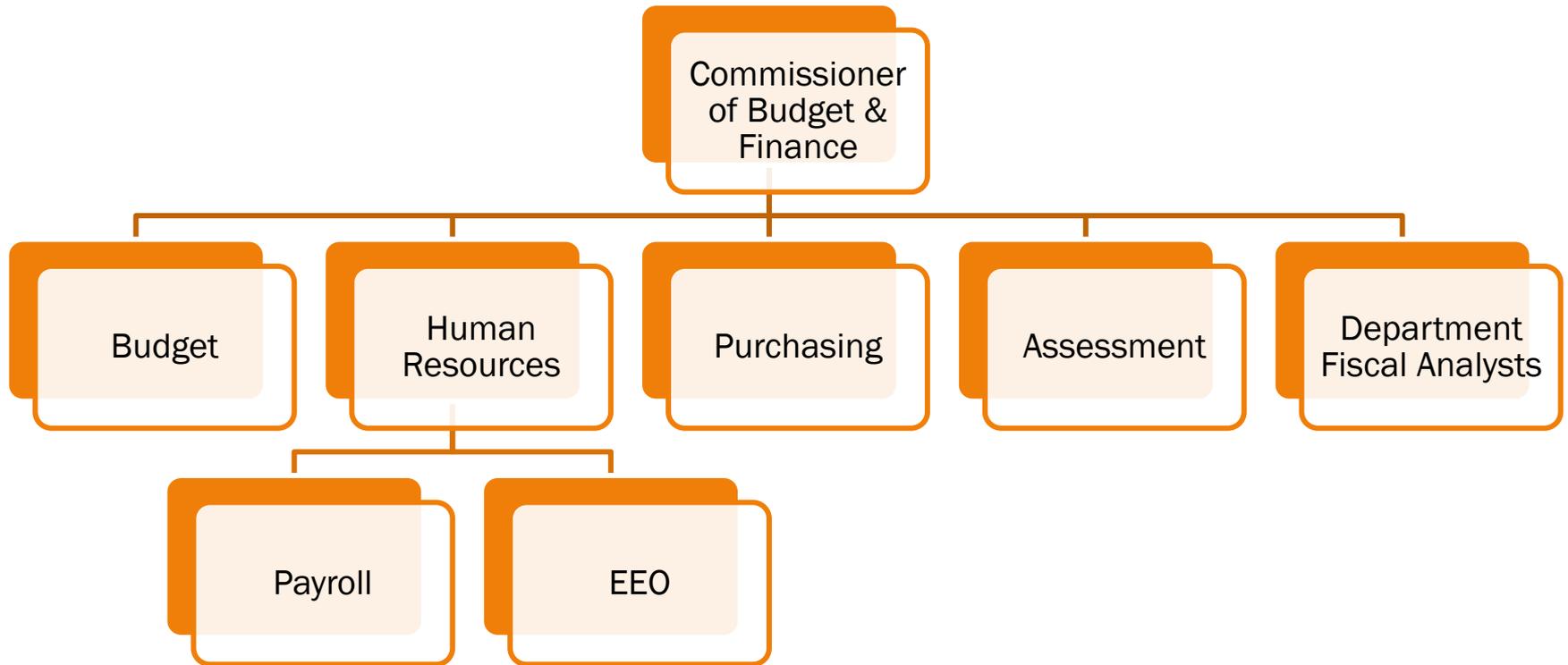
Robert Frost, *A Servant to Servants*

- ✎ Get excellent at understanding our costs and outstanding at finding alternative sources of revenue.
- ✎ Embrace technology in every facet of our operations.
- ✎ Question every assumption.
- ✎ Our greatest asset is our people.

Understanding Costs/Finding Revenue



Understanding Costs/Finding Revenue



21st Century City Hall

- ✎ Must embrace technology to increase productivity and improve customer service
- ✎ Requires a review of every process – WE CANNOT AFFORD BUSINESS AS USUAL
- ✎ Transition Team Report recommended creation of a City-wide IT governance Structure

Current IT Projects

Projects in Progress

- ✓ CoLo Datacenter Build
- ✓ Desktop Virtualization Roll-Out
- ✓ Parking Management Systems RFP Review
- ✓ ERP RFP Review
- ✓ City Infrastructure Review
- ✓ **openAlbany**
- ✓ APD-Virtual Server\Desktop Environment
- ✓ In-Car Video System & Supporting Wireless Infrastructure
- ✓ Energov (Permits Code Enforcement)
- ✓ GIS upgrade (required for Energov)
- ✓ APD –Application Migration (ISE)
- ✓ APD-Domain\Infrastructure Analysis
- ✓ FirstLight-VoIP Design
- ✓ City Hall Infrastructure upgrade
- ✓ Network Admin Daily Duties

Open Albany



Welcome to openAlbany

openAlbany supports government transparency, openness and innovative uses of municipal data that can help improve the lives of Albany residents, visitors and businesses.

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City Employee Earnings by Calendar Year

Datasets contain earning information for City employees for a given calendar year.



Residential Occupancy Permits

It is required that all residential units are inspected and certified every thirty (30) months in order to qualify for a ROP. This dataset contains all properties that have been inspected.



SeeClickFix Data

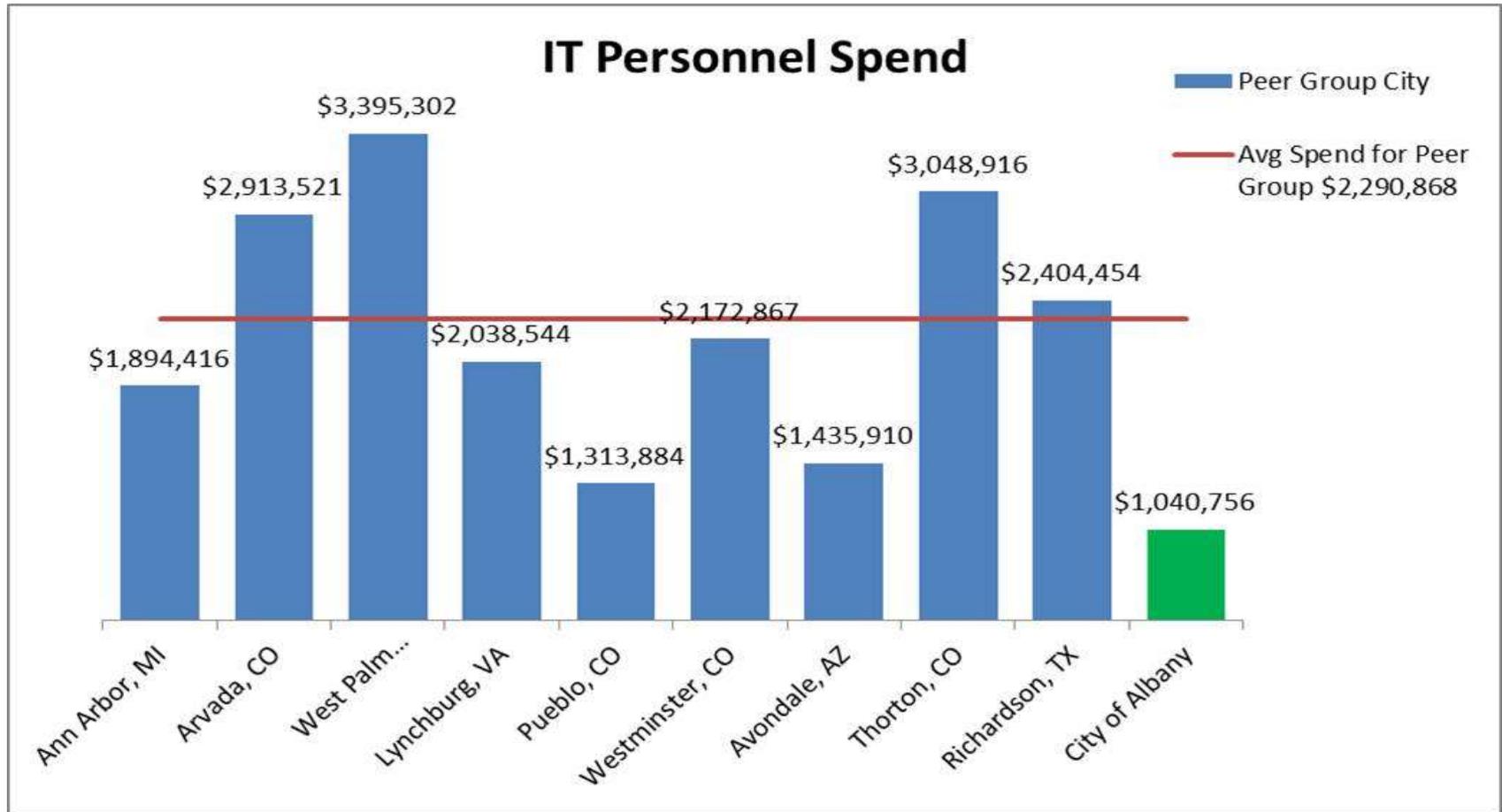
This data allows anyone to report and track non-emergency issues via the internet. Datasets include property and code complaints, pothole repair and others.



Property Tax Assessments

The Tax Assessment dataset contains the assessment roll of approximately 31,000 properties on which taxes are levied. Includes exemptions to eligible individuals & organizations.

What Comparable Cities Spend



Proposed IT Organization

Recommended Central IT Organization Model

Chief Information Technology Officer

- Enterprise Leadership
- Planning
- Budget
- IT Standards & Policy Development
- Performance Management Support

Infrastructure Services Team

- Server Administration
- Network Administration
- Data Center Operations
- IT Asset Management
- Telephony Administration & Support
- Network Security
- Disaster & Business Continuity Planning

Customer Service Team

- Help Desk (Tier 1 Support)
- Help Desk (Tier 2 Support)
- Personal Productivity Application Support
- End User Support Training
- Liaison with Departments
- Coordination across IT Teams
- Business Application Support

Project Management Team

- Project Planning
- PM Standards & Best Practices
- PM & Performance Reporting
- Portfolio Management
- Project Close-out & Transfer
- Post-project Reviews

Application Services Team

- Web Technologies
- Business Application Support
- Programming & Maintenance Support
- Intranet
- GIS
- Performance Management Support

**“Most of our assumptions have outlived
their uselessness”**

- Marshall McLuhan

**But**
way w always
a it.

2014 Budget Measures

- ⌘ All open positions are under review and cuts will be made from adopted 2014 budget
- ⌘ All proposed Capital Projects are under review and borrowing will be cut from adopted 2014 budget
- ⌘ All programs under review and cuts are expected
- ⌘ Prioritizing Inter-municipal Consolidation Opportunities
- ⌘ All fees under review
- ⌘ Undertaking complete review of tax exempt property to determine eligibility
- ⌘ **COMPREHENSIVE REVIEW BY NYS FINANCIAL RESTRUCTURING BOARD**

2030 Vision — Albany's Hope for the Future



*Albany in 2030 has built on its **history** and **diverse natural, cultural, institutional, and human resources** to become a **global model** for sustainable **revitalization** and **urban livability**. The City promotes a **balanced approach** to **economic opportunity, social equity, and environmental quality** that is **locally driven**, encourages **citizen involvement and investment**, and **benefits all residents**.*

*Albany 2030 Plan
Adopted April 2, 2012*