CITY OF ALBANY
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KATHY SHEEHAN
MAYOR

April 9, 2014

The Financial Restructuring Board for Local Governments
Attn: Timothy Ryan
NYS State Capitol Building, Room 135
Albany, NY 12224

Dear Financial Restructuring Board Members and Staff:

Thank you for taking the time to discuss Albany's fiscal situation with myself and my senior staff. I look forward to continuing the conversation in the weeks ahead as you grow to understand Albany's unique fiscal challenges.

Enclosed are the following documents:

- The Power Point presentation discussed at our meeting
- The Financial Assurance Estimate for closure of the Rapp Road landfill
- A detailed breakdown of REDC funding received for projects within the City of Albany

As we discussed at our meeting, the City faces significant challenges. First, we need to invest in technology so that we have the tools to make better financial and operational decisions. Second, we must address our $16 million deficit. As we implement cost saving measures, we must also address our revenue challenges. The City's per capita AIM is 75% lower than the next four largest cities in New York State. Even factoring in the City's payment under Section 19-a (which was intended to replace lost property tax value), total funding per capita is 46% lower than the next four largest cities. Nearly 80% of our commercial property is exempt from property tax, creating an unsustainable tax burden on our residents and local businesses.

We are proud and honored to be New York's Capital City and we are committed to creating a safe, healthy and vibrant community for our residents and visitors. As the largest property owner in Albany, the State is a critical partner in our future success and we look forward to working with the Financial Restructuring Board over the weeks and months ahead.

Thank you again for your time and consideration.

Sincerely,

Kathy M. Sheehan
Mayor of Albany