

Council Member Conti introduced the following, which was approved:

Resolution Number 85.113.08R (MC)

RESOLUTION OF THE COMMON COUNCIL OUTLINING ITS ACTIONS AND EXPRESSING ITS FINDINGS AND INTENT WITH REGARD TO ADOPTION OF THE FISCAL YEAR 2009 CITY OF ALBANY BUDGET AS PROPOSED IN ORDINANCE 67.102.08 (AS AMENDED) ENTITLED: “AN ORDINANCE ADOPTING THE BUDGET AS PROPOSED BY THE MAYOR ON OCTOBER 1, 2008, FOR FISCAL YEAR 2009”

WHEREAS on October 1, 2008 the Common Council received the proposed budget for the City of Albany for fiscal year 2009; and

WHEREAS subsequent to receipt of such budget, the Common Council engaged in an extensive review of the proposal which included meeting with department heads, holding two public hearings, discussion of the city’s financial status and identification of budget priorities; and

WHEREAS as a result of this process the Council has adopted Ordinance Number 67.102.08 (as amended) which adopts the fiscal year 2009 City of Albany budget with revisions;

NOW, THEREFORE, BE IT RESOLVED that the Common Council does adopt the following statement outlining its actions and expressing its findings and intent with regard to adoption of the fiscal year 2008 City of Albany budget; and

BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to the Mayor, Deputy Mayor, 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 2008 Budget” immediately following the Mayor’s transmittal message.

**2009 City of Albany Budget
Statement of Common Council Actions, Findings and Intent**

The Common Council has completed its review of the proposed 2009 City of Albany budget. This statement summarizes the Council’s actions, findings and intent with regard to adoption of Ordinance 67.102.08 as amended.

Overview

The Common Council recognizes that the City of Albany is facing significant financial challenges in the upcoming fiscal year and beyond. The proposed budget closes what was a projected \$14.9 million operating deficit for 2009 through a series of actions; we view this year’s budget as a bridge to structural reforms that will carry us into future years and an opportunity to make government more efficient and affordable.

The Common Council also recognizes that certain projected revenues contained within the 2009 budget proposal may not be realized, in particular we are concerned that the worsening economy will affect projected sales tax revenues and that proposals on the State level may reduce state aid to municipalities through the Aid Incentives to Municipalities (AIM) program in State Fiscal Year 2009-

10. As a result of these potential revenue shortfalls, department heads must aggressively manage expenditures in all areas, no matter how small, to meet this challenge.

The Council is also concerned with the proposed 4.9 percent property tax levy increase and the impact this will have on residential and commercial property tax payers, especially when combined with property tax increases at other levels of government. We must work to reduce the burden of regressive taxation on Albany's residents and the negative impact it has on home ownership, neighborhood revitalization and business development and job growth.

Finally, as we move forward, the Council is committed to working with the Administration on efforts to secure enhanced state aid which rectify inequitable funding formulas and identifying new sources of revenue, especially expanded PILOT agreements with non-governmental entities, to help maintain the delivery of services to residents and non-resident visitors and commuters. As part of this effort we will work to assure that our elected representatives in the State Legislature are more fully aware of the financial challenges facing Albany as New York State's capital city.

Public Employee COLAs

The proposed 2009 budget includes collectively bargained cost of living salary increases for unionized employees approximating 4 percent. The Executive proposes to withhold the traditionally granted comparable COLA for non-unionized employees for a savings of \$600,000. The Council understands the need to control expenditures but is concerned with the impact of this salary freeze on low-wage workers. Therefore, we direct an amendment to the budget to provide a 4 percent COLA for full-time employees salaried at \$35,000 or less. The approximate cost of this adjustment is \$107,000 the cost of which should be allocated from the contingency account. We acknowledge the Mayor's support for this adjustment. It would be the Council's desire to provide a COLA to employees salaried above \$35,000 if we were in a financial position to do so; our inability to do this is in no way a reflection on the value we place in our public employees and the services they provide to the residents of the City of Albany.

Public Safety Vacancies

Part of the Executive's cost containment initiative includes the non-funding of 20 vacant firefighter positions within the Fire Department and 10 vacant police officer positions within the Police Department. The maintenance of these vacancies creates public safety concerns and will require the Fire and Police Departments to manage resources to maintain appropriate levels of service. Although the proposed budget reflects the non-funding of these positions, the Council amends the budget for both departments to reflect an additional 20 Firefighter Grade 1 EMT positions at zero funding for 2009, and 10 additional Police Officer Entry Level positions at zero funding for 2009. In making this adjustment it is the intention of the Council to more clearly reflect the non-funding of these positions. In addition, the non-funding of these positions should not be viewed as a hindrance to enhanced recruitment and hiring efforts to increase minority representation within the uniformed services. In order to monitor staffing levels within the both the Police and Fire Departments, the Council directs that the Fire Chief and Police Chief, for their respective departments, submit quarterly reports to the Council on current staffing levels and vacancies beginning for the first quarter in 2009.

Youth Services Initiatives

In prior year budgets the Council allocated an additional \$25,000 to support expanded operating hours, including weekends, for existing youth centers. To date this funding has not been utilized, at the Council's meeting on the 2009 Department of Recreation budget the Commissioner indicated funds would be allocated for expanded hours beginning in January 2009. The Council directs the Commissioner of Recreation to report back to the Council in January upon implementation of the expanded hours including hours of operation and the location of youth centers covered.

The Council is committed to assuring the availability of adequate recreational, social and after school programs for our community's youth. Our youth and families are our city's most valuable resource yet it is a resource that has suffered far too often from neglect and inadequate civic supports. Evidence of this is the ever increasing number of incidents of violence among our youth both in our public schools and on our streets as well as our unacceptably high drop out rate. The need for comprehensive and accessible youth and family services in our most distressed neighborhoods is critical and it is our government's responsibility to address the problem. It is of the utmost importance that this be a major priority in any future budget planning.

Common Council

The Council budget is amended to eliminate the position of part-time Legislative Aide. A portion of the savings is used to offset a salary adjustment for the newly established full-time Senior Legislative Aide to reflect additional responsibilities; the remaining unexpended funds are transferred to the Temporary Help line. An additional reduction in employee benefits is made to reflect a savings from the elimination of this position. Additional revisions are made to reflect updated employee benefit costs.

Administrative Services

The Council believes that savings can be achieved in postal expenditures. The Common Council has reduced its own use of postage by approximately 60 percent through greater use of electronic mail. Similar savings can be achieved in portions of the city's overall postage budget through the following steps:

- Greater use of electronic mail and better use of the city's website to post information that might otherwise be mailed;
- The Department of Administrative Services should develop policy guidelines for departments and agencies on the appropriate use of various postal rate categories;
- Certain types of mailing can be converted to postal cards at lower rates, such as the invitation to the Annual Holiday Open House which would also result in printing savings;
- Holiday cards from city officials should not be printed or mailed at city expense;
- Departments should review mailing lists to avoid duplications.

In particular, the Council believes that the lack of policy guidelines on the use of postage contributes to added expenses and inefficiencies. The Council directs the Commissioner of Administrative Services to establish clear policy guidelines for departments and agencies on the appropriate use of various postal rate categories. The Commissioner of Administrative Services is directed to report back to the Council on the development and implementation of such guidelines by February 1, 2009.

Parking Fines

The Executive projects \$2.4 million in parking fine collections for 2009, exclusive of the additional revenue from the mandated State surcharge. The adopted 2008 budget projected \$2.65 million in collections; however that target was adjusted to \$2.3 million for 2008. As of October 27, 2008 \$1.691 million has been collected. We should consider contracting with an outside vendor for collection services. Any such contract needs to include a performance clause in order to motivate, monitor and evaluate contractor performance. Other municipalities have used this approach; a well designed contract should be attempted. The Treasurer is directed to report back to the Council by February 1, 2009 on the feasibility of contracting with an outside vendor for collection services.

Special Events

Special events add to the quality of the City's cultural life, and while the cost of City sponsored events are largely covered by sponsorships and vendor fees, there are areas of potential savings. The Department of General Services indicated that it incurred \$49,000 in expenses for 68 non-city sponsored events that were not billed back to the event sponsor. We need to recover costs expended by city agencies. In addition we need to assess the location of events so as to minimize the use of city resources in managing them. For example use of Riverfront Park could prove a more manageable location for certain events that may consume less public safety and traffic personnel vs. Washington Park where greater resources are required. A uniform policy should be developed to bill back the cost of unreimbursed expenses by city agencies for non-city events to event sponsors. Involved agencies include the Department of General Services, Fire Department and Police Department. These departments, individually or collectively, are directed to establish guidelines on billing for unreimbursed special event expenses and to report back to the Common Council by February 28, 2009 on developed policies and guidelines.

Capital Budget

Growth in the capital budget is an additional area of concern. NYS Comptroller DiNapoli recently issued a Research Brief "*The Credit Crunch: Implications for Local Government Short-Term Debt*". The Comptroller warns that "the current global financial market crisis could have serious implications for New York's local governments if access to credit markets remains constrained." Although the proposed budget contains a capital plan, actual bonding authorizations will not be considered by the Council until 2009. We need to re-examine our capital plan in a manner cognizant of our financial situation. The Council will shortly adopt a debt policy; approval of the 2009 capital plan will be done in the context of the newly adopted policy and reducing debt burden.

Areas for Longer Term Review

As indicated at the outset, this budget must be treated as a bridge to long term fiscal stability and addressing our financial challenges. As we move forward, we must understand that our financial situation continues to be pressured. For example, PILOT payments under sec. 19-A of the NYS Public Lands Law, currently pegged at \$22,850,000 decline to \$15,000,000 beginning in 2011; and potential declines in city population in the 2010 census will impact our share of county sales tax revenue beginning in 2011. We also cannot plan on any significant growth in state aid in the coming years; indeed, we must work to safeguard what we have.

We must also be concerned about the future of the landfill, which CANNOT be viewed as a source of long-term operating revenue to support city services. However, an expansion of current ca-

capacity needs to be a part of the bridge to long term restructuring. We also note the Council's adoption of Resolution 10.21.06R on March 20, 2006 supporting the expansion of the Rapp Road landfill to provide regional waste disposal capacity " ... contingent upon the current proposed expansion being the last expansion at the Rapp Road landfill."

To that end, we must begin to look at longer term restructuring.

- **Management Audits:** The use of targeted management audits of certain departments is one way to look for efficiencies. The Council has included funding in past budgets, which is continued in the 2009 proposal, to fund targeted management audits. The Council and Executive should work together on development of a process to utilize this funding. It should be a goal to have a process in place on or before February 28, 2009.

We should not solely rely on management audits as a road map for long term restructuring; we also need to point to additional areas for review. Some areas to consider:

- **EMS Response:** We need to re-examine the level of response we provide to EMS calls. We should assure that our dispatchers are properly trained in priority dispatch. More importantly, we should vary the response relative to the dispatch so that we are not needlessly sending expensive fire equipment for low priority calls where an ambulance response would be appropriate.
- **ROP Inspections:** We should re-examine the use of firefighters to conduct residential occupancy permit (ROP) inspections. The current system is expensive in terms of personnel use and firefighter apparatus that is needed when firefighters are on call, and difficult to administer in terms of scheduling appointments and follow-up. A dedicated corp of trained inspectors may prove to be more efficient in handling the system than is currently the case.
- **Health Insurance Contributions:** We need to re-examine the policy of non-contributory health insurance for public safety personnel after eight years of service. Clearly this is a collective bargaining issue and has to be mutually agreed to; however, we can no longer afford that benefit if we are to contain costs and still maintain an adequate public safety system.
- **Payroll Processing:** We should examine moving to a biweekly payroll system which is common in other units of government; we should also consider contracting out payroll processing and management to a professional firm for additional expenditure reductions.

Government Restructuring

Efficient operation of government also produces savings and economies. We need to make better use of the City's website as a management tool and a repository of information available to the public that will in turn reduce the demand on city personnel to fill public information requests. We need a full-time webmaster charged with the responsibility of development, maintenance and consistency of the city website. We should examine the size of all city boards, commissions and other governmental entities to see where reductions or consolidations can be made. There also needs to be a consolidation and investment in information services and technology. Current systems, and responsibility, should be housed in the Department of Administrative Services. The Executive should also explore the establishment of inter-departmental grant writing resources to maximize the opportunity for outside funding.

In the same vein of government restructuring, we need to re-examine the annual budget presentation document. Budgets are significant policy documents allocating financial resources and determining priorities. Albany's annual budget document needs to be revamped to be more reflective of a policy document which sets forth goals and objectives for the year. It should also highlight budget changes from year to year and include a multi-year financial plan that sets out the budget in a broader context.

Summary of Recommendations

The following summarizes recommendations with an identified timetable for action.

- In order to monitor staffing levels within the both the Police and Fire Departments, the Council directs that the Fire Chief and Police Chief, for their respective departments, submit quarterly reports to the Council on current staffing levels and vacancies beginning for the first quarter in 2009.
- The Council directs the Commissioner of Recreation to report back to the Council in January upon implementation of expanded hours, including hours of operation and locations of existing youth centers covered.
- The Council directs the Commissioner of Administrative Services to establish clear policy guidelines for departments and agencies on the appropriate use of various postal rate categories. The Commissioner of Administrative Services is directed to report back to the Council on the development and implementation of such guidelines by February 1, 2009.
- The Treasurer is directed to report back to the Council by February 1, 2009 on the feasibility of contracting with an outside vendor for parking fine collection services.
- The Departments of General Services, Fire and Police, individually or collectively, are directed to establish guidelines on billing for unreimbursed special event expenses and to report back to the Common Council by February 28, 2009 on developed polices and guidelines.
- The Council and Executive should work together on development of a process to utilize funding for independent management audits. It should be a goal to have a process in place on or before February 28, 2009.

Conclusion

Addressing the challenges ahead must be part of a cooperative effort. The Council is committed to being a part of that process. All of us in city government share the same goals: stable finances, a level of services necessary to meet public needs, and a minimal tax burden on residents. We need to continue our efforts at economic and neighborhood development that will make Albany a "community of choice" for Capital District residents seeking an optimal quality of life.

With adoption of Ordinance 67.102.08 as amended and this resolution, we complete action on the fiscal year 2009 City of Albany budget.