

Office of the Treasurer
- City of Albany, New York -
Interim Financial Report
2nd Quarter – FY 2024

CITY OF ALBANY, NEW YORK
OFFICE OF THE TREASURER - INTERIM FINANCIAL REPORT
2ND QUARTER – FY 2024

Date: July 24th, 2024

To: Hon. Kathy Sheehan, Members of the Common Council

From: Hon. Darius Shahinfar

CC: Ann Marie Salmon, Gideon Grande

Re: 2nd Quarter 2024 Interim Financial Report

SYNOPSIS

The following is a summary of the unaudited results for the 2nd Quarter of FY 2024. Revenue for the first half of the fiscal year totaled \$120.73M which was a decrease of 2.1%, or \$2.6M from last year at this time. The majority of the variances for both revenues & expenditures between fiscal years is the result of reimbursing the General Fund for ARPA Grant related expenses. Expenditures totaled \$100.26M which was a decrease of 4.7%, or \$4.9M compared to the first half of FY 2023. **Overall, fiscal performance remains stable and within budgetary expectations for 2024.**

- CITY OF ALBANY, NEW YORK -
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND MODIFIED BUDGET
FOR THE CITY OF ALBANY GENERAL FUND (THOUSANDS)

REVENUES	Q2	Q2	2024			% of Budget	
	2024	2023	\$O/(U)	O/(U)%	Budget	Variance	
Real property taxes	61,746	60,731	1,015	1.7%	61,497	-249	100.4%
Sales and use taxes	22,994	22,038	957	4.3%	48,629	25,635	47.3%
Payments in lieu of taxes	10,971	11,525	-553	-4.8%	19,496	8,525	56.3%
Other local sources	1,235	1,313	-78	-6.0%	3,601	2,366	34.3%
Landfill	1,765	1,606	159	9.9%	3,225	1,460	54.7%
Other departments	4,673	4,136	537	13.0%	7,011	2,338	66.7%
Intergovernmental	1,035	1,660	-625	-37.7%	2,184	1,149	47.4%
Fines	2,434	2,628	-194	-7.4%	5,882	3,448	41.4%
Licenses and permits	2,188	1,665	524	31.5%	4,634	2,446	47.2%
State aid	182	822	-640	-77.8%	33,370	33,188	0.5%
Sale of property/comp/loss	179	202	-23	-11.5%	575	396	31.2%
Miscellaneous	1,749	1,500	249	16.6%	7,115	5,365	24.6%
Other	9,580	13,502	-3,922	-29.0%	29,208	19,628	32.8%
Total revenues	120,733	123,327	-2,594	-2.1%	226,427	105,694	53.3%

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Real property taxes are performing as expected, up by 1.6% from last year as a direct result of the property tax levy increase. Real property taxes contribute to 27% of the annual budget for the General Fund.

Sales and use taxes so far are \$957K (4.3%) higher than last year. The last reported sales tax data from New York State (April 23rd, 2024 for Q4 December- February) showed a 3.3% growth in taxable sales (~\$70.5M) for Albany County. [Taxable sales and purchases quarterly data can be found on www.data.ny.gov.] For local tax distributions, Albany County retains 60% of revenues and distributes the remaining 40% to municipalities proportionately based on published census information. The City of Albany receives approximately 13% of the local taxable sales in the county. Sales and use taxes contribute to 22% of the General Fund's annual budget.

Payments in lieu of taxes (PILOTs) were \$553K less than the previous year. There are currently 4 PILOT payments that are in the process of being billed/negotiated which explains the variance to the prior year.

Other local sources are currently lagging last year's actuals by \$78K. Utilities gross receipts taxes, which makes up three-quarters of the revenue category were down \$36K (~5%) from last year. Both OTB receipts and franchise taxes were down 12% this year as well. With the recent growth of online betting, OTB receipts will be facing headwinds worth monitoring over the next few years. Other taxes only contribute to 1% of the total revenue budget.

Landfill brought in 10% more in revenues than it had in the prior fiscal year due to increased usage by other governmental entities.

Intergovernmental revenue saw a 38% decrease (\$625K) from the prior year, which is primarily due to American Rescue Plan (ARPA) funds being spent and subsequently having fewer funds available to accrue interest.

Charges for services increased by 8.2% (\$471K) compared to last year's actuals. DGS fees (+\$175K), APD OT details (+\$88K), Codes violation fees (+\$153K) and EMS revenues (\$106K) were the primary drivers behind the increase. Charges for services accounts for just under 5% of the General Fund's budgeted revenues.

Fines decreased by \$194K (7.4%) from last year at this time. Parking tickets (-\$100K), red-light cameras (-\$62K) and parking ticket surcharges (-\$67K) were the primary contributors to the decrease in actuals. This revenue category makes up less than 3% of the General Fund's budgeted revenues.

Licenses and permits saw a sharp 31% increase over last year, driven primarily by demolition & stabilization fees (+\$393K) and street openings (+\$178K). Licenses and permits are responsible for 2% of the General Fund's revenue budget.

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State aid is down \$640K (78%) from last year, and is only at 0.5% of the total budgeted amount, but will even out by the end of the year as budgeted revenues are received by the City.

Miscellaneous revenues were \$249K (17%) higher than the previous year as a result of the refunding of prior year expenses and a \$21K increase in special event revenues.

Other revenue decreased by \$3.9M (29%) compared to the same period last year. The decrease is related to a lower reimbursement amount in ARPA related expenses this year compared to the first half of 2023.

EXPENDITURES	Q2	Q2	2024			% of Budget	
	2024	2023	\$O/(U)	O/(U)%	Budget		
Personal benefits	47,459	45,105	2,354	5.2%	98,306	50,847	48.3%
Fringe benefits	23,421	23,943	-522	-2.2%	61,050	37,629	38.4%
Non-personal services	29,378	36,142	-6,764	-18.7%	67,070	37,692	43.8%
<i>Total expenditures</i>	100,258	105,190	-4,932	-4.7%	226,427	126,168	44.3%

Personal benefits (salary expense) has increased 5.2% as compared to the same period last year. The increase is due to labor negotiations and cost-of-living adjustments (COLA) for the 2024 fiscal year. However, we are under-budget for the 2 Quarters indicating potential cost savings by the end of the year.

Fringe benefits decreased 2.6% (\$522K) from last year, due to a \$1.6M drop in retiree health insurance expenses, but offset by a \$587K increase to employee health insurance and a \$443K increase in employee retirement costs. This also indicates potential cost savings by the end of the year.

Non-personal services spending was down 20% (\$7.2M) compared to last year. Debt service payments are down \$4.7M compared to last year, and ARPA expenses are down \$2.3M which account for the majority of the large variance between fiscal years.

Encumbrances (funds reserved for purchases) increased by \$286K (2.6%) compared to the same period last year. Encumbrances total slightly more than \$11M at the end of the 2nd quarter.

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- CITY OF ALBANY, NEW YORK -
OVERTIME REPORT FOR THE CITY OF ALBANY GENERAL FUND BY DEPARTMENT

NON-REIMBURSABLE	Q2	Q2	\$O/(U)	O/(U)%	2024	% of
	2024	2023			Budget	Budget
Police	4,370,351	3,475,843	894,508	25.7%	7,510,000	58.2%
Fire	772,843	1,264,702	-491,859	-38.9%	2,225,000	34.7%
Communications	286,731	266,157	20,575	7.7%	557,000	51.5%
Parks Maintenance	307,466	292,311	15,155	5.2%	450,000	68.3%
Waste Collection	270,513	299,817	-29,304	-9.8%	400,000	67.6%
Landfill	97,365	117,495	-20,130	-17.1%	185,000	52.6%
Central Maintenance	36,593	63,684	-27,091	-42.5%	75,000	48.8%
Street Maintenance	231,575	252,935	-21,359	-8.4%	400,000	57.9%
Recreation	2,101	3,579	-1,477	-41.3%	4,000	52.5%
Recreation Programs	1,229	203	1,026	506.7%	1,000	122.9%
Aquatics	0	0	0	-	1,000	0.0%
Bleeker/Facility Operations	5,398	3,407	1,991	58.4%	10,000	54.0%
Traffic Engineering	64,838	34,952	29,886	85.5%	68,000	95.4%
Capital Hills	46,814	54,910	-8,096	-14.7%	75,000	62.4%
Fleet Maintenance	38,506	36,959	1,546	4.2%	60,000	64.2%
Buildings	74,599	72,717	1,882	2.6%	100,000	74.6%
Personnel	104	1,432	-1,329	-92.8%	5,000	2.1%
Engineering	6,422	0	6,422	-	20,000	32.1%
DGS Administration	13,929	13,201	728	5.5%	15,000	92.9%
Control of Animals	8,072	9,538	-1,466	-15.4%	25,000	32.3%
Cultural Affairs	3,771	2,065	1,706	82.6%	5,000	75.4%
Law Department	238	0	238	-	0	-
Total non-reimbursable	6,639,458	6,265,905	373,553	6.0%	12,191,000	54.5%

REIMBURSABLE	Q2	Q2	\$O/(U)	O/(U)%	2024	% of
	2024	2023			Budget	Budget
Police	501,298	420,300	80,998	19.3%	1,187,000	42.2%
Total reimbursable	501,298	420,300	80,998	19.3%	1,187,000	42.2%

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Overtime expenses increased 6% (\$373K) from FY 2023 – FY 2024. Police non-reimbursable overtime was the primary catalyst for this increase, with DGS and Fire showing significant decreases in OT expenses.

The City's cash flow is mirroring prior year patterns with no unforeseen occurrences or threats to interfere with us being able to satisfy our disbursement obligations. The strength of the City's cash position and growing fund balance has allowed for the City to be more conservative in issuing debt to prevent over-borrowing and reduce principal + interest payments over time. While over the short-term, this will reduce the amount of cash available to the general fund, it will benefit the City long-term without any short-term hindrance. The City retains the right to issue debt against any approved bonding resolution if an event were to occur in which the general fund required immediate reimbursement.