
OFFICE OF THE ALBANY CITY TREASURER

DATE: July 10, 2024

TO: Hon. Kathy M. Sheehan
Members of the Common Council

FROM: Hon. Darius Shahinfar

CC: Ann Marie Salmon, Gideon Grande

RE: 1st quarter 2024 Performance

The following is a summary of the unaudited results for the 1st Quarter 2024.
Overall, fiscal performance was stable and within budgetary expectations for 2024.

Revenue in the first quarter of 2024 totaled \$95.47 million which was a decrease of 1%, or \$765K from last year at this time (most of this decrease is related to reimbursing the General Fund for ARPA Grant related expenses which were mostly salary expenses. Expenses totaled \$50.56M which was a decrease of 5.3% or \$2.8M compared to the first quarter of 2023.

REVENUE (Thousands)

	MAR	MAR		%	MAR	Annual		%
REVENUE	YTD 24	YTD 23	Variance		YTD 24	Budget	Variance	Budget
PROPERTY TAX	61,739	60,756	983	2%	61,739	61,497	242	100%
SALES/USE TAX	11,225	10,937	288	3%	11,225	48,629	-37,404	23%
PILOTS/19-a	10,540	11,099	-558	-5%	10,540	19,496	-8,956	54%
OTHER LOCAL SOURCES	416	461	-45	-10%	416	3,476	-3,060	12%
LANDFILL	784	693	91	13%	784	3,225	-2,441	24%
OTHER DEPARTMENTS	3,152	2,975	177	6%	3,152	7,011	-3,859	45%
INTER GOVERNMENT	509	816	-307	-38%	509	3,405	-2,897	15%
FINES	1,035	1,379	-344	-25%	1,035	5,882	-4,847	18%
LICENSES AND PERMITS	561	611	-51	-8%	561	4,634	-4,073	12%
STATE AID	18	239	-221	-92%	18	32,579	-32,561	0%
SALE P/COMP/LOSS	92	17	74	433%	92	575	-483	16%
MISCELLANEOUS	786	770	16	2%	786	6,990	-6,204	11%
OTHER	4,612	5,479	-868	-16%	4,612	28,717	-24,105	16%
TOTAL REVENUE	95,468	96,233	-765	-1%	95,468	226,116	-130,648	42%

The chart above summarizes the City's sources of revenue through March 31, 2024.

1. **Property Tax revenue** increased by \$983K from last year and is on budget at the end of the first quarter. This increase is related to the 2024 levy increase.
2. **Sales Tax revenue** the first quarter sales tax revenue was higher than last year by \$288K and totaled \$11.2M although it was below budget by 2% for the first quarter. First quarter sales tax revenue has historically been lower than subsequent quarters in the fiscal year.
3. **PILOTS/19-a revenue** was \$10.5M, which was 5% lower than the previous year.
4. **Other Local sources revenue** was \$416K, a decrease of 10% from the first quarter of 2023, primarily due to a decrease in utilities gross receipts tax.
5. **Landfill revenue** increased 13% (\$91K) compared to the same period last year. This was due to an increase in landfill usage by other governmental entities.
6. **Other Departmental revenue** was 6% (\$177K) higher than last year at this time. DGS fees, rental registry and EMS ambulance revenue mostly contributed to this growth.
7. **Inter Government** decreased by \$307K (38%) from the prior year. The decrease is related to a decrease in interest earned on cash investments.
8. **Fines and Forfeitures revenue** decreased by 25% (\$344K) from last year. This was largely due to parking violation fines and ticket surcharges being \$280K below prior year actuals.
9. **Licenses and Permits revenue** decreased 8% (\$51K) compared to the same period last year with plumbing permits being the only revenue source with significant variation. In FY2024, we received \$63K in Q1 vs. \$114K in Q1 of FY2023.
10. **State aid** – decreased \$221K at the end of the first quarter. Some of the revenue in this category is grant related and can vary from year to year.
11. **Miscellaneous revenue** decreased 2% (\$16K) compared to the same time last year. This category is made up of refund of prior year expenses, special events revenue and reimbursements from ACDA. Refund of prior year expenses are made up of fees and charges from last year that are included on the property tax bills. These charges can vary from year to year and adjustments for these charges can vary.

12. **Other revenue** decreased by \$868K compared to the same period last year. The decrease is related to a lower reimbursement amount in ARPA related expenses this year compared to Q1 of 2023.

DISBURSEMENTS

Category/Account	MAR	MAR		%	Annual		%
	YTD 24	YTD 23	Variance		Budget	Variance	Budget
Personal Benefits	23,056,626	22,182,723	873,903	3.9%	98,308,273	-75,251,647	23%
Fringe Benefits	13,106,969	13,486,484	-379,514	-2.8%	61,800,395	-48,693,426	21%
Non-Personal Service	14,400,301	17,715,831	-3,315,530	-18.7%	66,007,033	-51,606,732	22%
Total	50,563,896	53,385,037	-2,821,141	-5.3%	226,115,701	-175,551,805	22%
Number of weeks in period	13	13	0		52		25%

Total disbursements decreased by \$2.8M or 5.3% compared to the same period last year. Spending overall is well within 2024 budgetary expectations at 22%.

1. **Salary expense increased by 3.9%** compared to the same period last year but below budget at 23%. The increase is due to labor negotiations and cost-of-living-adjustments for the 2024 fiscal year.
2. **Benefits Expenses decreased by 2.8%** from the first quarter of last year and it was below budget for the first quarter at 21%. Most of the decrease in this category was related to worker's compensation, which was \$519K less than Q1 of 2023. Health insurance expense also decreased by \$413K but was offset by a \$422K increase in retirement expenditures.
3. **Non-Personal Service spending decreased by 18.7% or about \$3.3M.** This was primarily due to a decrease in BAN pay-down requirements from 2023 – 2024 of \$860K vs \$2.6M in FY2023. Debt service also decreased \$934K from a drop in interest expenses on our 2022 bond issuance. ARPA expenses related to the Albany for All Program were lower by \$890K compared to the first quarter of 2023.
4. **Encumbrances (funds reserved for purchases) increased by \$1M** compared to the same period last year. Encumbrances total slightly more than \$15M at the end of the first quarter.

OVERTIME

Department	2024	2023	Change	%	2024	Budget	% of Budget
Police (non-reimbursable)	1,814,056	1,524,611	289,445	19%	1,814,056	7,510,000	24%
Fire	363,372	553,260	(189,888)	-34%	363,372	2,225,000	16%
Communications	130,815	118,577	12,238	10%	130,815	557,000	23%
Parks Maintenance	128,415	135,956	(7,541)	-6%	128,415	450,000	29%
Waste Collection	117,832	150,707	(32,875)	-22%	117,832	400,000	29%
Landfill	38,692	72,283	(33,591)	-46%	38,692	185,000	21%
Central Maint.	19,331	22,555	(3,224)	-14%	19,331	75,000	26%
Street Maintenance	105,032	126,197	(21,165)	-17%	105,032	400,000	26%
Recreation	1,505	2,039	(534)	-26%	1,505	4,000	38%
Recreation Programs	244	0	244	2439900%	244	1,000	24%
Aquatics	0	0	(0)	-100%	0	1,000	0%
Bleeker / Facility Operations	1,994	2,227	(233)	-10%	1,994	10,000	20%
Traffic Engineering	14,684	18,515	(3,831)	-21%	14,684	68,000	22%
Capital Hills	15,720	24,948	(9,228)	-37%	15,720	75,000	21%
Fleet Maintenance	18,425	24,260	(5,835)	-24%	18,425	60,000	31%
Buildings	34,564	30,585	3,979	13%	34,564	100,000	35%
Personnel	0	880	(880)	-100%	0	5,000	0%
Engineering	15,069	0	15,069	150689900%	15,069	20,000	75%
DGS Administration	6,535	7,086	(551)	-8%	6,535	15,000	44%
Control of Animals	3,576	3,920	(344)	-9%	3,576	25,000	14%
Cultural Affairs	24	66	(42)	-64%	24	5,000	0%
Law Department	112	0	112	100%	112	0	100%
General Fund	2,829,997	2,818,672	11,325	0%	2,829,997	12,191,000	23%
Police (reimbursable)	177,794	193,926	(16,132)	-8%	177,794	1,187,000	15%
Fire (reimbursable)	0	0	0	0%	0	0	100%
Traffic Eng. (reimbursable)	0	0	0	0%	0	0	100%
Water	122,942	147,628	(24,686)	-17%	122,942	562,080	22%
Totals	3,130,733	3,160,226	(29,493) ✓	-1%	3,130,733	13,940,080	22%

General Fund overtime has remained steady (\$11K – 0%) from FY2023 – FY2024. This is primarily due to Fire and DGS having significantly lower OT than in the previous year. Correlations could be drawn to AFD being at 256/260 fire personnel and a milder winter reducing OT demand.

CASH

The City's cash position was 54% lower and decreased by \$45.5M from the same period last year. \$34M (75%) of that is directly related to the City spending down its ARPA funds. The remaining \$11.5M is explained by disbursements made on capital projects by the General Fund waiting for reimbursement, and timing differences between tax/pilot distributions to the county, school and library.

CONCLUSION

Thus far, there are no major surprises in the first quarter for 2024, as the City was largely moving forward as expected financially. As the ARPA program continues to be drawn upon, the general fund's flexibility to float expenses for separate funds (i.e. - capital) will be reduced and may require changes in administrative processes in the near future. Reduction in worker's compensation and positive trends with overtime are attributing to efficiencies in salary expense and benefits.