

Office of the Treasurer
- City of Albany, New York -

Interim Financial Report
4th Quarter – FY 2024

CITY OF ALBANY, NEW YORK
OFFICE OF THE TREASURER - INTERIM FINANCIAL REPORT
4th QUARTER – FY 2024

Date: July 16th, 2025

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

From: Hon. Darius Shahinfar

CC: Ann Marie Salmon, Gideon Grande

Re: 4th Quarter 2024 Interim Financial Report

SYNOPSIS

For the fiscal year ended December 31, 2024, the City experienced a net revenue decrease of \$3.73 million, despite modest growth in key areas. Real property and sales tax revenues rose by 2.1% and 3.1%, respectively. However, these gains were offset by a 7.2% drop in intergovernmental revenue following the completion of ARPA-funded initiatives. On the expenditure side, personal benefits rose 4.8%, driven by cost-of-living adjustments and increased overtime—particularly within the police department and general services—while fringe benefits increased 2.8%, partially offset by lower workers' compensation and retiree health insurance costs. Non-personal services spending decreased 12% with the conclusion of ARPA projects. **Overall, the City maintained stable operations amid shifting revenue streams and a transition away from federal stimulus support.**

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

REVENUES	Q4 2024	Q4 2023	\$O/(U)	O/(U)%	2024 Budget	% of Budget
Real property taxes	62,084	60,821	1,264	2.1%	61,872	100.3%
Sales and use taxes	46,686	45,262	1,424	3.1%	48,629	96.0%
Other taxes	3,020	3,533	-513	-14.5%	3,226	93.6%
Payments in lieu of taxes	18,666	19,261	-595	-3.1%	19,496	95.7%
Intergovernmental revenue	59,311	63,894	-4,583	-7.2%	67,417	88.0%
Charges for services	11,501	9,752	1,748	17.9%	10,237	112.3%
Fines, interest and penalties	5,682	5,812	-130	-2.2%	5,892	96.4%
Use of money and properties	1,826	2,983	-1,157	-38.8%	2,758	66.2%
Licenses and permits	5,239	5,247	-9	-0.2%	5,732	91.4%
Other revenues	732	1,910	-1,178	-61.7%	3,479	21.0%
Total revenues	214,746	218,476	-3,730	-1.7%	228,739	93.9%

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Real Property Taxes

Real property tax revenue for the fiscal year ended December 31, 2024 increased by \$1.26 million or 2.1% as compared to the prior fiscal year ended December 31, 2023. The increase was primarily due to a 1.6% increase in the tax levy along with a notable growth in interest/penalties on property taxes.

Sales and Use Taxes

Sales and use tax revenue for the fiscal year ended December 31, 2024 increased by \$1.42 million or 3.1% as compared to the prior fiscal year ended December 31, 2023. The increase is in-line with the average inflation rate [2.9%] throughout the United States from December 2023 to December 2024.¹ While it increased year-over-year, it underperformed the budget by 4%, or (\$1.94 million). Economic headwinds (i.e.-tariffs & a slowing global economy) present short-term barriers to continued growth in revenues.

Other Taxes

Other tax revenue for the fiscal year ended December 31, 2024 decreased by \$513 thousand or -14.5% as compared to the prior fiscal year ended December 31, 2023. The decrease was primarily due to utilities gross receipts tax coming in \$607 thousand less than the previous year and franchise tax underperforming the prior year by \$109 thousand. There was a \$219 thousand overperformance from cannabis excise taxes year-over-year, generating \$250 thousand for the city in fiscal year 2024. Our Franchise Agreement(s) underperformed budget by over \$311 thousand in FY 2024.

Payments in Lieu of Taxes (PILOTS)

Payments in lieu of taxes for the fiscal year ended December 31, 2024 decreased by \$595 thousand or -3.1% as compared to the prior fiscal year ended December 31, 2023. Two PILOT agreements reached the end of their respective terms, one went back onto the tax roll, and another purchased by the State is now wholly tax-exempt. Due to the reassessment, the tax rate decreased slightly from \$14.81 to \$14.14 per thousand of assessed value, resulting in a drop in total PILOT revenues.

Intergovernmental Revenue

Intergovernmental revenue for the fiscal year ended December 31, 2024 decreased by \$4.58 million or -7.2% as compared to the prior fiscal year ended December 31, 2023. The decrease was primarily due to the city completing its ARPA-related initiatives, with said revenue line underperforming the prior year by \$4.84 million.

Charges for Services

Charges for services for the fiscal year ended December 31, 2024 increased \$1.74 million or 18% as compared to the prior fiscal year ended December 31, 2023. The increase can be attributed to a number of overperforming line items, including: DGS fees, EMS ambulance revenues, code violation courts, rental registry, sprinkler programs, and a notable increase in golf cart usage at Capital Hills. The city's sale of methane gas increased over \$500 thousand during the same time period. This also explains the 12.3% overperformance of the 2024 budget from this revenue category, with most line-items similarly outperforming budget expectations.

Fines, Interest and Penalties

Revenue from fines, interest and penalties for the fiscal year ended December 31, 2024 decreased by \$130 thousand or -2.2% as compared to the prior fiscal year ended December 31, 2023. The decrease was primarily due to traffic violations/police court fines and red-light camera tickets being collectively down \$430 thousand as compared to the prior fiscal year. Those were offset to an extent by the implementation of school speed zone

¹ <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>

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cameras in the 4th quarter of 2024. From a budgetary perspective, red-light cameras underperformed by \$350 thousand, implying an adjustment may be needed to budget for the costs of operation.

Use of Money and Properties

Use of money and properties for the fiscal year ended December 31, 2024 decreased by \$1.16 million or -38.8% as compared to the prior fiscal year ended December 31, 2023. The decrease is due to the continued disbursement of ARPA funds lowering our interest earned revenue. From a budget standpoint, interest earned on temporary cash investments underperformed by \$812 thousand, which will need to be adjusted for FY 2025. This again is due to the disbursement of ARPA funds.

Licenses and Permits

Licenses and permit revenue for the fiscal year ended December 31, 2024 decreased by \$9 thousand or -0.2% as compared to the prior fiscal year ended December 31, 2023. The decrease was primarily due to business and occupational licenses underperforming the prior year by \$8.6 thousand. Street openings underperformed budgeted expectations by \$239 thousand, but this revenue source is a direct reimbursement of expenditures so the impact on the city's bottom line is negligible.

Other Revenues

Other revenues for the fiscal year ended December 31, 2024 decreased by \$1.18 million or -61.7% as compared to the prior fiscal year ended December 31, 2023. The decrease is due to new GASB requirements requiring municipalities to account for leases differently to better portray the net present value (NPV) of said agreements. Those changes were enacted in fiscal years 2022 and 2023, but no additional lease agreements were added in fiscal year 2024.

EXPENDITURES	Q4		\$O/(U)	O/(U)%	2024	
	2024	2023			Budget	% of Budget
Personal benefits	99,681	95,093	4,588	4.8%	97,955	101.8%
Fringe benefits	61,473	59,794	1,680	2.8%	61,128	100.6%
Non-personal services	55,773	63,384	-7,610	-12.0%	69,568	80.2%
Total expenditures	216,928	218,271	-1,343	-0.6%	228,651	94.9%

Personal Benefits

Personal benefits for the fiscal year ended December 31, 2024 increased by \$4.59 million or 4.8% as compared to the prior fiscal year ended December 31, 2023. The increase is attributable to a \$1.42 million increase in overtime expenditures as well as continued cost-of-living adjustments for city employees. Personal benefit expenditures were overbudget by almost \$1.8 million and is largely due to overtime expenses being \$2.7 million overbudget.

Fringe Benefits

Fringe benefits for the fiscal year ended December 31, 2024 increased by \$1.68 million or 2.8% as compared to the prior fiscal year ended December 31, 2023. The increase is correlated to the increase in personal benefits, though there were notable decreases in worker's compensation (\$345 thousand) and retiree health insurance (\$743 thousand) as compared to the prior fiscal year.

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Non-Personal Services

Non-personal services for the fiscal year ended December 31, 2024 decreased by \$7.61 million or -12% as compared to the prior fiscal year ended December 31, 2023. The decrease is primarily due to the completion of ARPA-related initiatives. This also explains the underbudget performance of non-personal services due to ARPA expense finishing the year \$8.4 million under budget.

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OVERTIME REPORT FOR THE CITY OF ALBANY GENERAL FUND BY DEPARTMENT

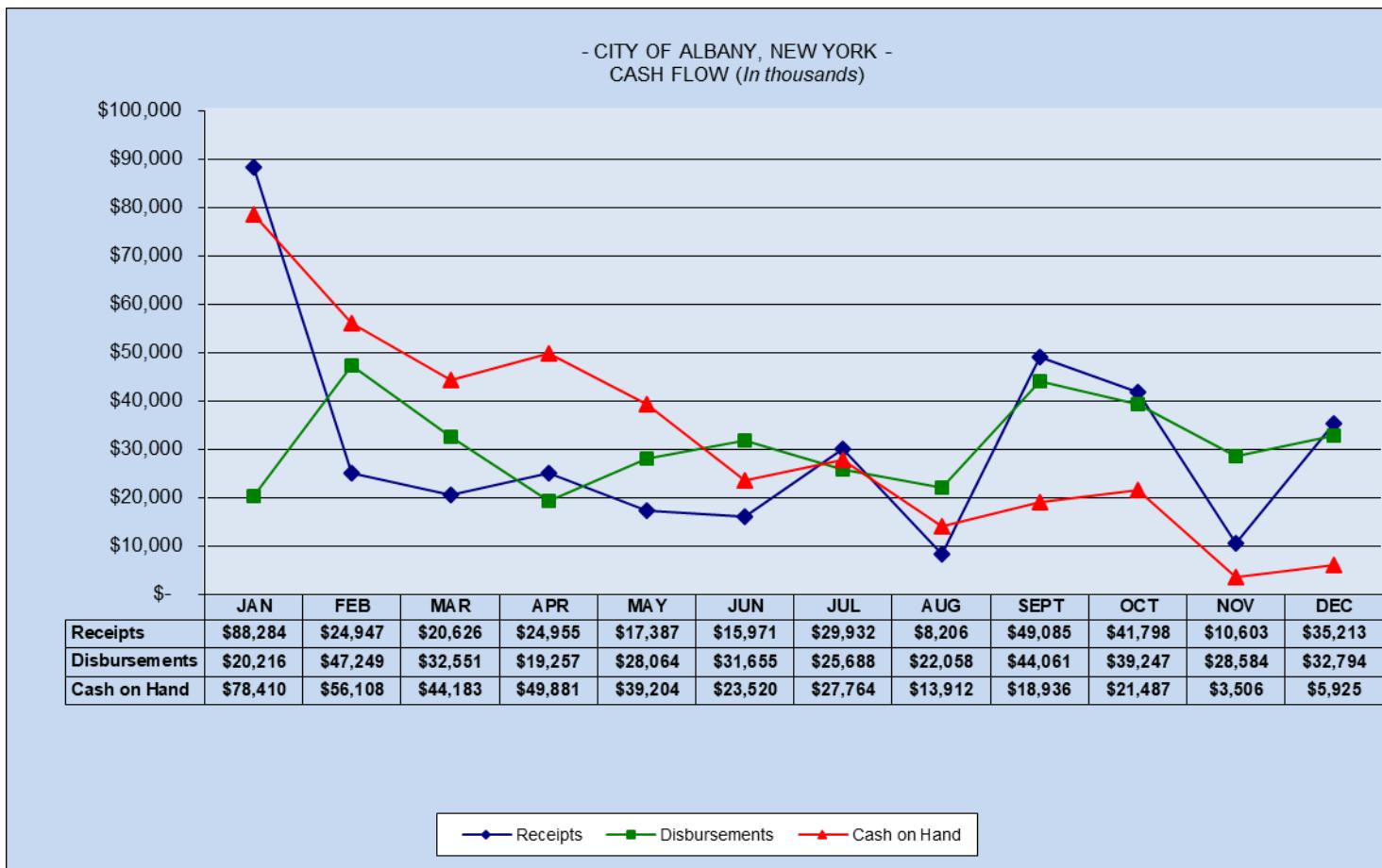
NON-REIMBURSABLE	Q4 2024	Q4 2023	\$O/(U)	O/(U)%	2024 Budget	% of Budget
Police	9,810,164	8,270,343	1,539,821	18.6%	7,510,000	130.6%
Fire	1,782,447	2,456,359	-673,912	-27.4%	2,225,000	80.1%
Communications	638,224	635,475	2,750	0.4%	557,000	114.6%
Parks Maintenance	654,900	566,501	88,399	15.6%	450,000	145.5%
Waste Collection	559,256	576,948	-17,692	-3.1%	400,000	139.8%
Landfill	194,793	181,332	13,461	7.4%	185,000	105.3%
Central Maintenance	76,923	118,939	-42,015	-35.3%	75,000	102.6%
Street Maintenance	506,574	457,584	48,990	10.7%	400,000	126.6%
Recreation	4,938	8,195	-3,257	-39.7%	4,000	123.4%
Recreation Programs	5,409	3,432	1,977	57.6%	2,000	270.5%
Aquatics	5,239	257	4,982	1939.9%	2,500	209.6%
Bleeker/Facility Operations	23,153	7,135	16,018	224.5%	10,000	231.5%
Traffic Engineering	130,333	72,957	57,377	78.6%	68,000	191.7%
Capital Hills	100,266	110,647	-10,381	-9.4%	75,000	133.7%
Fleet Maintenance	118,222	60,712	57,511	94.7%	60,000	197.0%
Buildings	197,075	143,130	53,946	37.7%	100,000	197.1%
Personnel	381	2,182	-1,801	-82.5%	5,000	7.6%
Engineering	21,314	0	21,314	-	20,000	106.6%
DGS Administration	27,785	22,111	5,674	25.7%	15,000	185.2%
Control of Animals	15,913	17,798	-1,885	-10.6%	25,000	63.7%
Cultural Affairs	6,370	3,771	2,599	68.9%	7,000	91.0%
Law Department	713	0	713	-	0	-
<i>Total overtime</i>	14,880,393	13,715,807	1,164,586	8.5%	12,195,500	122.0%

REIMBURSABLE	Q4 2024	Q4 2023	\$O/(U)	O/(U)%	2024 Budget	% of Budget
Police	1,070,792	852,726	218,066	25.6%	1,305,337	82.0%
<i>*Water Department</i>	519,178	479,906	39,272	8.2%	527,233	98.5%
<i>Total overtime</i>	16,470,364	15,048,439	1,421,925	9.4%	14,028,070	117.4%

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Overtime

Overtime expenditures for the fiscal year ended December 31, 2024 increased by \$1.16 million or 8.5% as compared to the prior fiscal year ended December 31, 2023. The increase was largely due to police overtime, which totaled \$1.54 million or 18.6% higher than the previous fiscal year. Buildings & regulatory compliance, traffic engineering, and parks/fleet maintenance also saw notable increases in overtime spending. The city's fire department reported a \$674 thousand or -27.4% decrease in overtime expenditures. Overtime finished the year \$2.7 million over budget.



Cash Flow

In fiscal year 2024, the City of Albany experienced no major changes in its overall cash flow trend, maintaining relative stability throughout the year. However, with the distribution of American Rescue Plan Act (ARPA) funds largely completed, the city faces increased pressure to closely manage its cash position—particularly in the fourth quarter. During this period, timely collection of receivables and prompt reimbursement for expenditures made on behalf of component units and capital projects will be critical. Without careful oversight, these timing issues could result in short-term cash flow shortages despite an otherwise steady financial outlook.