

CITY OF ALBANY 2017 NEW YORK STATE BUDGET TESTIMONY

UNLEASHING ALBANY'S POTENTIAL



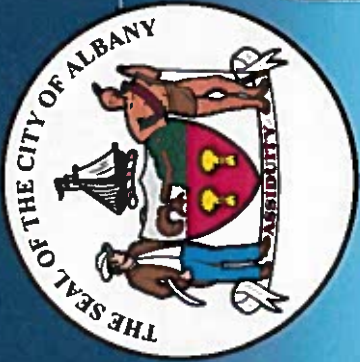
2017 CITY OF ALBANY BUDGET TESTIMONY

MAYOR KATHY SHEEHAN

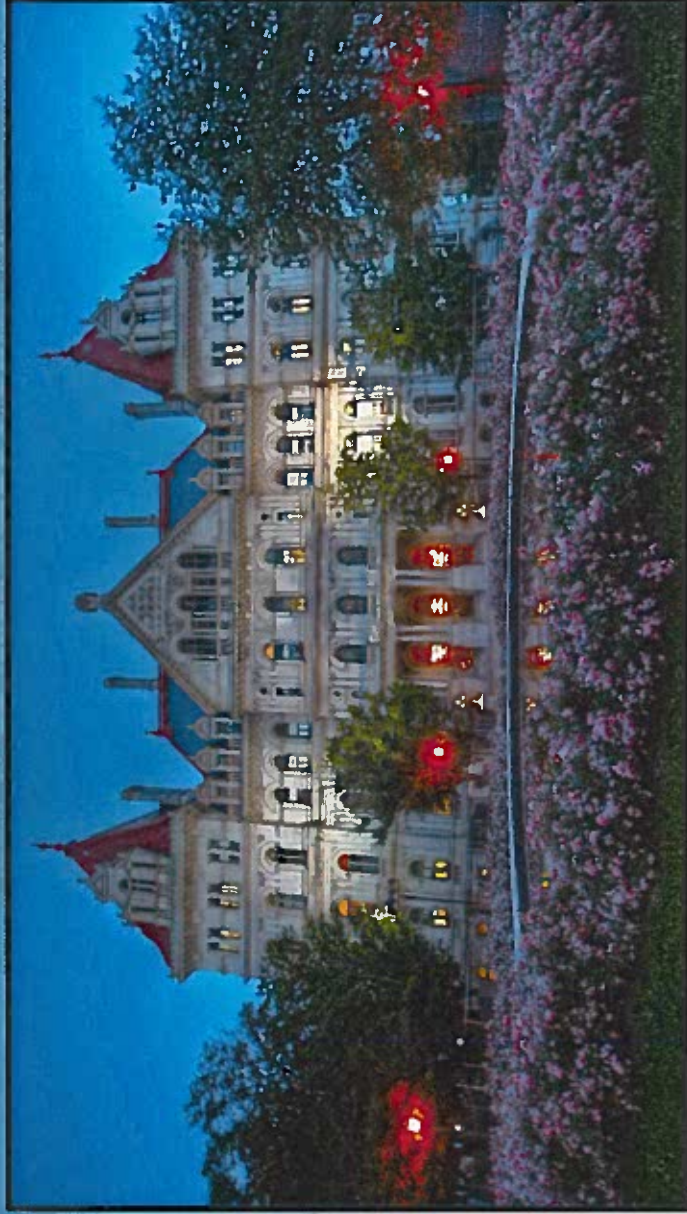


THANK YOU

- **Chairperson Young, Senate Finance Committee**
- **Chairperson Farrell, Assembly Ways & Means Committee**
- **Members of the New York State Senate & Assembly**
- **Our Albany Delegation**
 - **Senator Breslin**
 - **Assemblymember Fahy**
 - **Assemblymember McDonald**



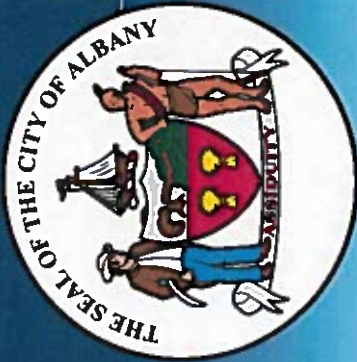
OUR CAPITAL CITY & A CITY OF NEIGHBORHOODS





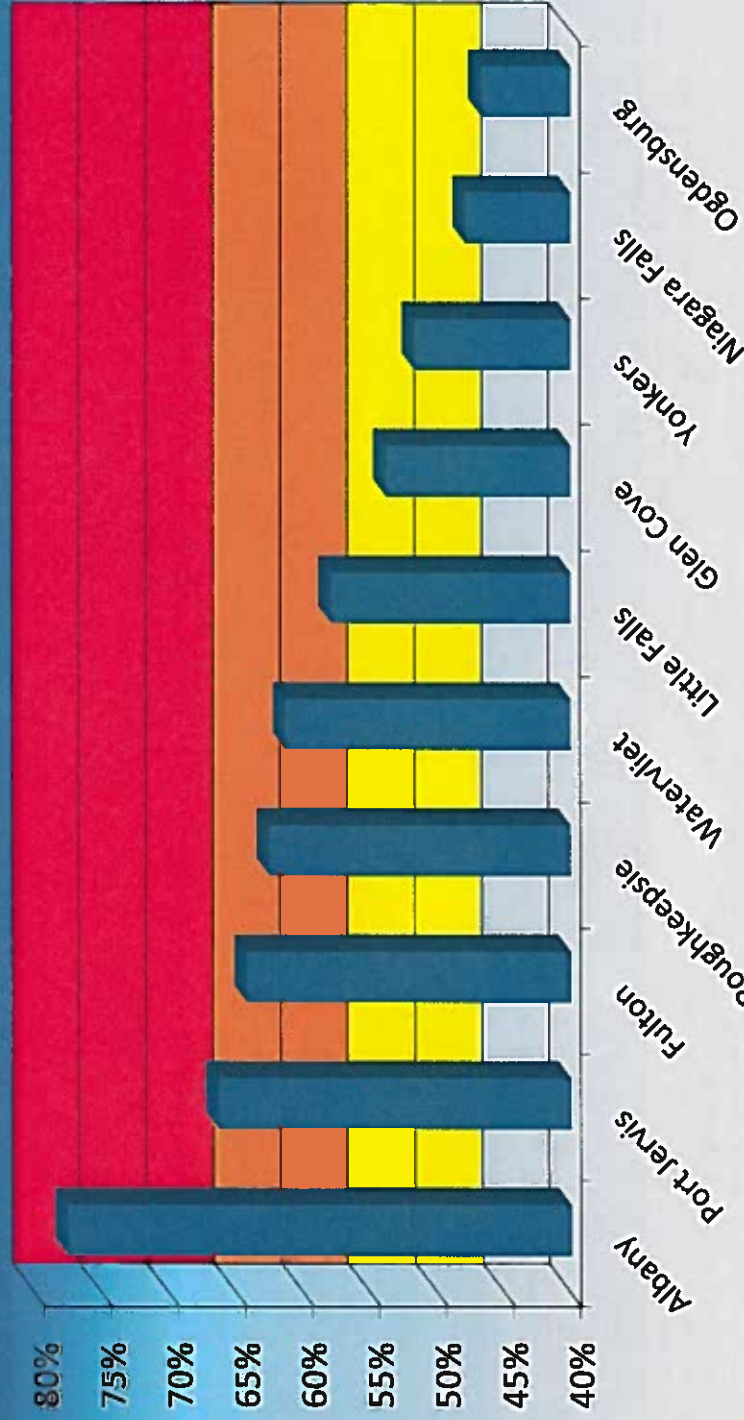
OUR CAPITAL CITY & A CITY OF NEIGHBORHOODS





NYS COMPTROLLER FISCAL STRESS SCORE

TEN MOST FISCALLY STRESSED NYS CITIES (SEPT. 2016)



KEY

- Significant Fiscal Stress (≥ to 65% of total points) [Red Box]
- Moderate Fiscal Stress (≥ to 55% of total points) [Orange Box]
- Susceptible to Fiscal Stress (≥ to 45% of total points) [Yellow Box]

21st CENTURY CITY GOVERNMENT

UNLEASHING ALBANY'S POTENTIAL



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BUILDING THE BRIDGE

- Centralized Department of Administrative Services
- Implemented Enterprise Resource Planning (ERP) software for accounting
- Implemented Kronos for timekeeping
- Treasurer's Office implemented tax billing software
- Investment in additional technologies
- Rollout of automated recycling pilot program
- Eliminating waste and continued cost reductions





LARGEST EXPENDITURE DECREASE IN MORE THAN 15 YEARS

\$180,607,786

2016



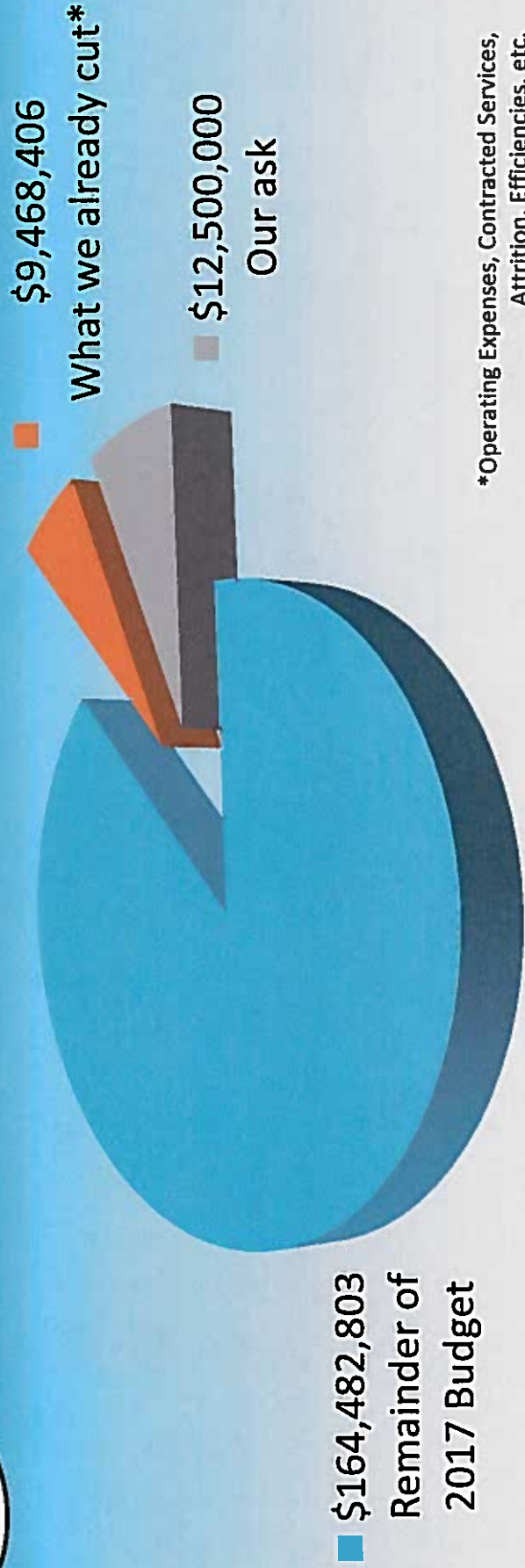
\$176,982,803

2017



WHY IS THIS IMPORTANT?

CITY OF ALBANY 2017 STRUCTURAL DEFICIT





WHY IS THIS IMPORTANT?

Alternative Budget Gap Scenarios with State Aid



PARTNERING WITH NEW YORK STATE

UNLEASHING ALBANY'S POTENTIAL



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CLOSING THE GAP

- FRB highlighted the City of Albany needs to expand revenue sources
- After thoroughly reviewing finances, outside consultants agree a structural deficit exists
- A patchwork of spin-ups and other one-time funding streams has maintained solvency from year to year without addressing the underlying issues



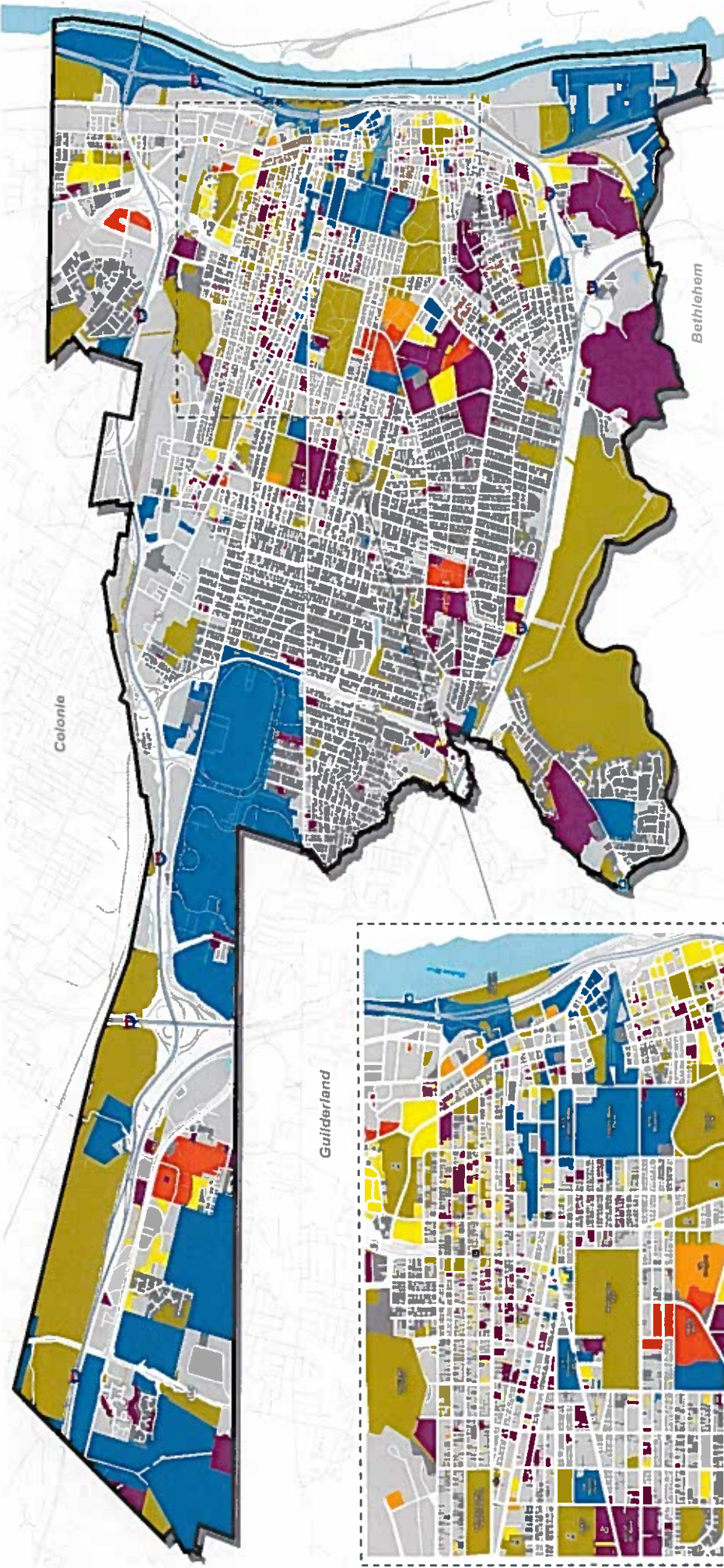
CAPITAL CITY CHALLENGES

- **\$12.5 million structural deficit between the cost of operating the Capital City & the revenue that can be reasonably raised to fund operations without making damaging cuts**
- **Every property owner would receive a 22% property tax increase should the City of Albany not receive the \$12.5 million Capital City Funding**



UNSUSTAINABLE CIRCUMSTANCES: TAX-EXEMPT PROPERTY

- **63% of the property in the City of Albany is tax-exempt**
- **New York State owns 60% of the tax-exempt property in the City of Albany**
- **Current New York State funding to the City of Albany under Sec. 19-a of the Public Lands Law is equivalent to 0.36% of the value of New York State-owned property in the City of Albany**

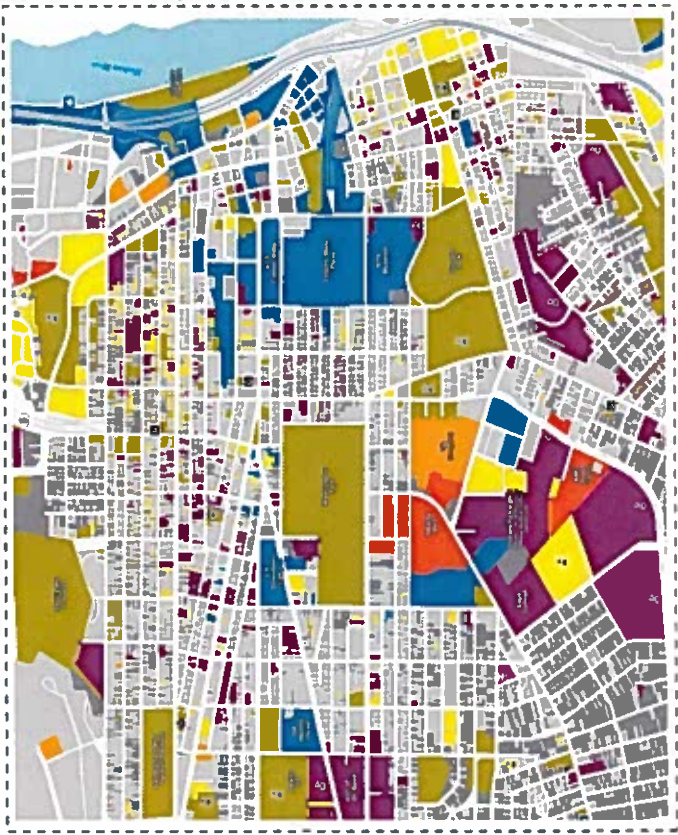


City of Albany
**BREAKDOWN OF TAX EXEMPTIONS
 ON PROPERTY IN THE CITY OF ALBANY**

City of Albany Department of Assessment & Taxation, Planning & Development, Tax Exemption Unit
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- Federal Exemptions
- NYS Exemptions
- Local Exemptions
- Public Housing Exemptions
- Religious / Fraternal Exemptions
- Health Care / Services Exemptions
- Other Exemptions
- No Data / No Exemptions

Guilderland





AIM: INEQUALITY FOR A CITY DRIVEN BY EQUITY

- The City of Albany receives less AIM per capita than any other upstate city with at least 50,000 residents

<u>City</u>	<u>Population</u>	<u>AIM Per Capita</u>
Buffalo	261,310	\$617.22
Syracuse	145,170	\$494.31
Rochester	210,565	\$419.04
Niagara Falls	50,193	\$354.52
Utica	62,235	\$258.87
Troy	50,129	\$244.96
Schenectady	66,135	\$169.44
Albany	97,856	\$128.84

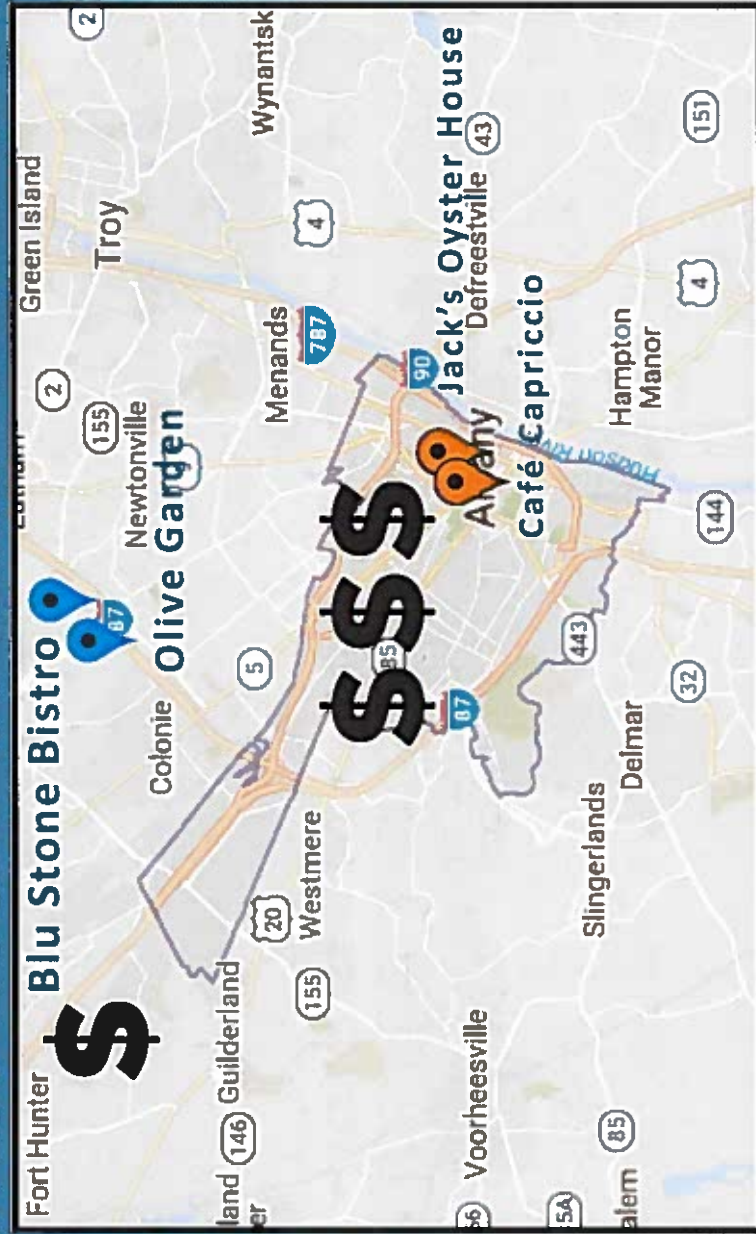


CITY & SCHOOL TAX LEVY

<u>City</u>	<u>City Tax Levy</u>	<u>School Levy</u>	<u>Total</u>	<u>AIM Aid</u>	<u>AIM as % of Total Levy</u>	<u>Total Levy as % of AIM</u>
Albany	\$58,000,000	\$103,659,129	\$161,659,129	\$12,607,823	7.80%	1282.21%
Utica	\$27,332,869	\$22,630,540	\$49,963,409	\$16,110,473	32.24%	310.13%
Rochester	\$55,349,400	\$107,566,700	\$162,916,100	\$88,234,464	54.16%	184.64%
Syracuse	\$34,315,624	\$58,556,352	\$92,871,976	\$71,758,584	77.27%	129.42%
Buffalo	\$69,277,242	\$57,270,405	\$126,547,647	\$161,285,233	127.45%	78.46%



HIGH TAX RATES IMPACT BUSINESS COMPETITIVENESS





OUR ASK

- **New York State partners with the City of Albany for \$12.5 million in Capital City Funding to address this inequity**
- **Amend Public Lands Law Sec. 19-a to provide the City of Albany with additional revenue because of the amount of New York State-owned land within the City**

THANK YOU

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