



The Fiscal Condition of Albany County for the Year 2016

Presented May 8, 2017 by
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FOCUS AREAS

- 2016 Fiscal Performance of Albany County
- Sales Tax and Its Potential Impact on our Future
- Remedies

2016 Results

OVERALL COMPARISON 2015 VS 2016

Overall Comparison	2015	2016	Increase/(Decrease)
EXCESS OF REVENUE, APPROPRIATION OF PRIOR YEAR FUND BALANCE AND OTHER SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER USES	3,277,474	2,213,508	
UNDESIGNATED FUND BALANCE	42,305,085	44,518,593	2,213,508
PERCENTAGE OF UNDESIGNATED FUND BALANCE TO TOTAL NET REVENUE	9.82%	9.95%	
TO TOTAL 2017 NET APPROPRIATIONS	9.40%	9.79%	

OVERALL COMPARISON 2015 VS 2016

Overall Comparison	2015	2016	Increase/(Decrease)
REVENUE	533,526,740	551,311,329	17,784,589
EXPENDITURES	527,513,744	541,129,773	13,616,029
EXCESS/(DEFICIT) OF REVENUE OVER EXPENDITURES	6,714,086	10,172,953	
PRIOR PERIOD ADJUSTMENT	701,090	(8,603)	

REVENUE

Revenue	2015	2016	Increase/ (Decrease)
SALES TAX	256,720,212	259,776,999	3,056,787
COUNTY SHARE SALES TAX	154,032,127	155,866,521	1,834,394
PROPERTY TAX	81,461,326	88,506,698	7,045,372
TOBACCO SETTLEMENT	4,026,563	8,133,080	4,106,517
JAIL FACILITIES SERVICES	3,999,667	3,571,784	(427,883)

REVENUE

Revenue	2015	2016	Increase/ (Decrease)
CASINO REVENUE	-----	1,718,754	1,718,754
OTB	631,537	624,051	(7,486)
CIVIC CENTER	796,769	651,522	(145,247)
OCCUPANCY TAX	8,744,931	8,697,127	(47,804)

TOTAL REVENUE

Total Revenue	2015	2016	Increase/ (Decrease)
TAX ITEMS	357,445,627	367,214,478	9,768,851
DEPARTMENTAL, INTERGOVERNMENTAL, MISCELLANEOUS	44,775,540	50,609,584	5,834,044
STATE AID	55,439,265	59,424,276	3,985,011
FEDERAL AID	71,368,533	72,976,800	1,608,267
TRANSFERS	1,317,775	1,086,191	(231,584)

EXPENDITURES

Highlights	2015	2016	Increase/(Decrease)
Personal Services	118,046,251	121,635,631	3,589,380
MMIS	65,731,458	65,596,437	(135,021)
Family Assistance	19,210,138	19,202,066	(8,072)
Safety Net	12,445,895	13,125,410	679,515

EXPENDITURES

Highlights	2015	2016	Increase/(Decrease)
Jail	30,690,559	31,592,910	902,351
Retirement	20,578,035	22,168,678	1,590,643
Health Insurance	48,454,301	45,931,338	(2,522,963)
Transfer Residential Health Care	1,301,647	4,313,480	3,011,833

TOTAL EXPENDITURES

Total Expenditures	2015	2016	Increase/(Decrease)
General Government	142,506,698	142,283,473	(223,225)
Education	24,454,494	25,543,669	1,089,175
Public Safety	55,281,670	58,000,335	2,718,665
Health	29,575,136	30,808,182	1,233,046
Transportation	1,243,242	1,242,665	(577)
Economic Assistance & Opportunity	176,921,964	185,220,927	8,298,963

TOTAL EXPENDITURES

Total Expenditures	2015	2016	Increase/(Decrease)
Culture & Recreation	564,458	553,695	(10,763)
Home & Community Services	2,864,754	3,112,392	247,638
Interest Expense	34,708	-----	(34,708)
Employee Benefits	64,799,261	62,988,069	(1,811,192)
Transfers	29,267,359	31,376,366	2,109,007

Sales Tax and the Future of Albany County

- The impact of internet purchasing on Albany County Sales Tax.
- The resulting impact of decreasing sales tax in our budget could be terrifying.

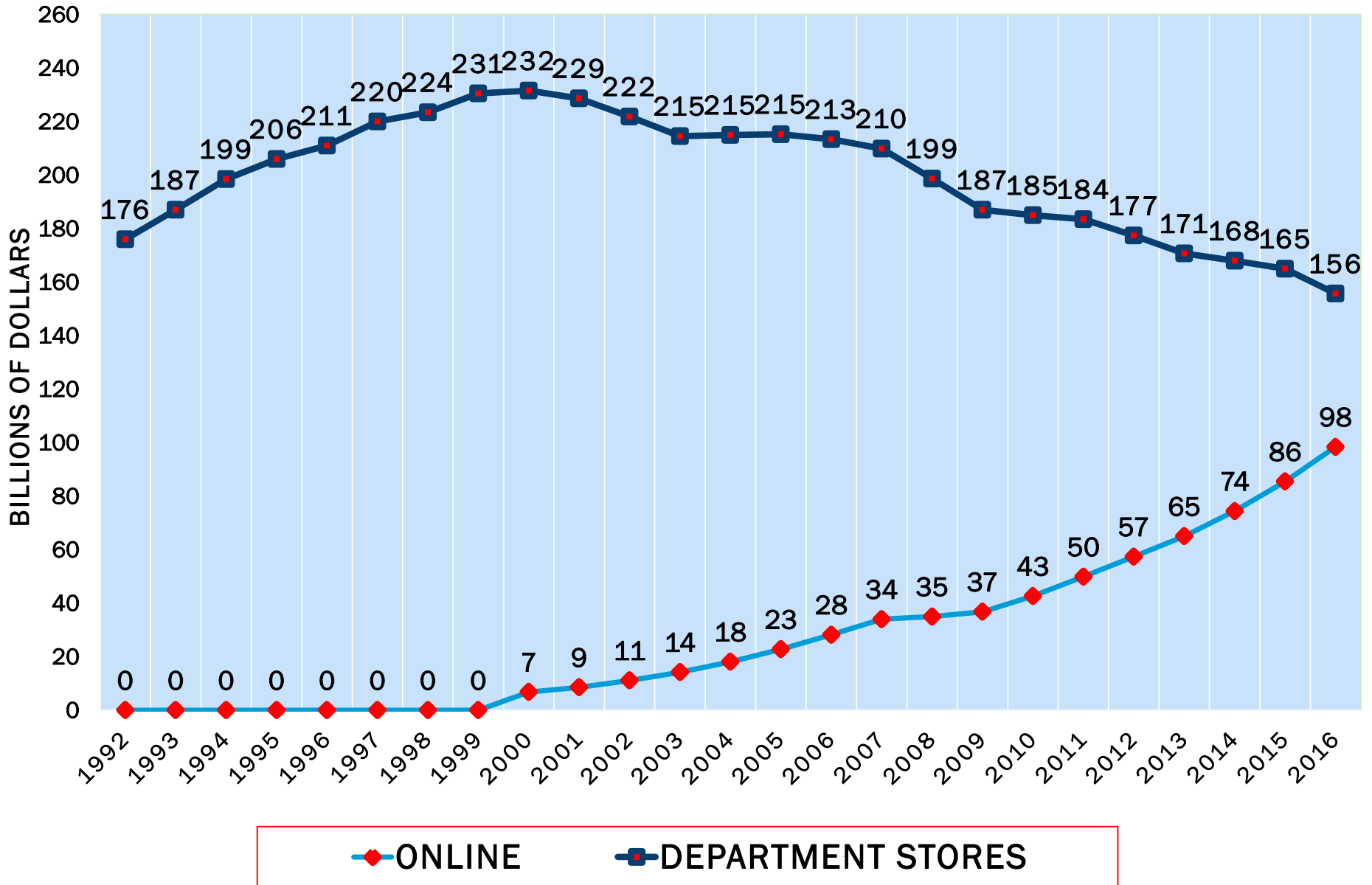
- Times Union reporter Robert Downen wrote an article covering this topic back on April 23rd of this year.
- The article brings a state and national focus to the evolving retail economy's impact upon brick and mortar destination retail centers.

- The chilling impact of the 2008 financial crisis combined with the shift to internet purchasing growth bodes ill for Albany County.
- We need to begin preparing for the impact of declining retail sales and property tax levies.

- In just 16 years there has been a major shift in the ratio of sales between online retailers and national department stores.

- In the past sales from national department stores totaled \$231 billion dollars, much higher than the \$10 billion dollars generated from online sales.
- Now those numbers have changed significantly. Sales from national department stores dropped to \$155.7 billion dollars, with sales from online rising up to \$98 billion dollars.

NATIONAL DEPARTMENT STORE SALES VS. ONLINE SALES 1992-2016



- Given these trends, we need to start planning how to downsize the cost of governmental services in advance of the coming onslaught.

- Last year, the Department of Audit & Control worked on a collective effort with the Benjamin Center at SUNY New Paltz, the Legislature, Sheriff, Clerk and Executive to present our Local Government Efficiency Plan to the Governor's Office.
- This plan earned our collective Cities, Towns, Villages, Libraries, Fire Districts and County over \$2.5 million dollars in rebates for our taxpayers.

- Later this summer we will be releasing another study to focus on costs that are not sustainable.
- The key to successfully addressing the coming onslaught will be sharing people and resources; and reducing state barriers to cooperative efforts prohibited under existing state laws.

- County governments were charged by recent legislation, S2009-C, to create shared services panels.
- This panel is composed of Mayors, Supervisors and is chaired by the County Executive.
- The goal of this panel is to submit a plan that shall contain new recurring property tax savings.

- The plan will take specific actions to achieve property tax savings such as, but not limited to:
 - The elimination of duplicative services
 - Shared services, such as joint purchasing
 - Shared highway equipment, shared storage facilities, shared plowing services

- Energy and insurance purchasing cooperatives
- Reduction in back office administrative overhead
- Better coordination of services

- So far, the Executive has had meetings to begin this process.
- The panel shall conduct at least three public hearings and submit the plan to the State in the fall.
- The bill references that the plan will have to be accompanied by a certification but does not contain a great amount of specificity.

REMEDIES

- Make contact with the Retail Council and other representatives of malls and retail sales organizations.
- A unified effort will be critical for Albany County and our local government partners in the very near future.

CLOSING THOUGHTS

- Going it alone will not work if the current retail sales delivery model continues to shift.
- The winds of change to our economic base have the potential to be devastating.
- We must work cooperatively in order to best prepare proactively for the shift we are seeing.



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SOURCE

- <http://www.timesunion.com/tuplus-business/article/Decline-of-malls-hurts-everyone-in-more-ways-than-11088978.php>