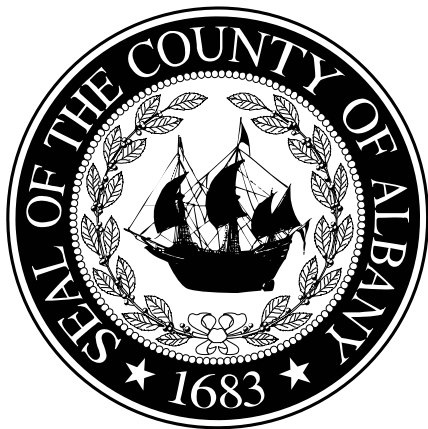


---

# **2022 ALBANY COUNTY ADOPTED BUDGET**

## **INTRODUCTION AND HIGHLIGHTS FUND BALANCES AND RESERVES**



**Daniel P. McCoy**  
County Executive

**M. David Reilly**  
Commissioner of Management & Budget

---



# RESERVES

## **BACKGROUND**

Albany County has established a number of reserve funds, which are segregated from the operating budget and intended to provide resources to meet future needs, contingencies, and capital outlays. These reserves were created through discretionary means and to satisfy certain legal obligations. Included in this section is a summary of Albany County's reserve accounts, along with the intended use of any reserve funds in 2019.

## **RESERVE ACCOUNTS AND RECOMMENDED USES**

The table on the following page provides a description of Albany County's reserve accounts and the intended 2018 appropriation.

# FUND BALANCE

The Undesignated, Un-appropriated Fund Balance is one measure of Albany County's overall financial health. Also known as surplus, the fund balances listed on the next page can be appropriated by the Legislature as part of the budget process to address instances in which appropriations exceed anticipated revenues. If, by the end of the fiscal year, actual expenditures exceeded revenues received, the surplus can also be used to offset the shortfall in revenue. Conversely, if revenues received exceed expenditures, the surplus will increase at the end of the year. The fund balance can be appropriated only as part of the budget process and cannot be appropriated or utilized once the budget has been adopted. It is important to note that a fund balance is an accounting tool and isn't completely backed by cash in the same manner as reserves.

The information in the chart on the next page, as reported in the County's Annual Financial Report to the State Comptroller's Office, is a snap shot of the conditions on December 31, 2020. The surplus is used as a diagnostic tool by rating agencies to determine the County's credit rating and risk when it is seeking funding through the issuance of bonds or bond anticipation notes.

Due to a reduction in many revenue streams, most notably sales tax, several of our fund balances were reduced to offset shortfalls, for a total reduction of \$14.6 million to a current total at year end of approximately \$45.85 million. As the global and local economies continue to rebound, on top of stimulus monies received we fully anticipate to bring these balances back to where they were previously.

The consistent use of surplus to meet spending needs not backed by revenue has impacted the County's credit rating in the past. In July 2010, The County's Aa2 credit rating was given a negative outlook by Moody's Investor Services. In September 2011, Moody's downgraded the County's credit rating once again, resulting in a change in grade level from Aa2 to Aa3. This rating was re-affirmed in the summer of 2013 and has remained stable since. In 2020 S&P reaffirmed Albany County as AA with a Stable Outlook and in 2021 Moody's reaffirmed Albany County as AA. We will continue to work with the County Comptroller on getting these ratings upgraded to the levels they should be at.

	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available
	2005	Close 2005	2006	Close 2006	2007	Close 2007	2008	Close 2008	2009	Close 2009
General	\$1,833,484	\$27,750,073	\$2,378,915	\$30,128,988	\$2,823,360	\$32,952,348	(\$3,620,731)	\$29,331,617	(\$12,695,500)	\$16,636,117
Road	(\$298,039)	\$82,033	\$280,605	\$362,638	\$63,492	\$426,130	(\$407,955)	\$18,175	(\$1,970)	\$16,205
Road Machinery	(\$38,272)	\$58,092	\$46,607	\$104,699	(\$99,004)	\$5,695	\$52,141	\$57,836	\$122,778	\$180,614
Sewer	\$658,632	\$1,773,729	\$1,727,231	\$3,500,960	(\$1,854,271)	\$1,646,689	(\$397,667)	\$1,249,022	\$964,147	\$2,213,169
Nursing Home	\$2,337,927	\$2,390,333	(\$659,324)	\$1,731,009	(\$5,412,737)	(\$3,681,728)	\$3,011,163	(\$670,565)	\$1,346,069	\$675,504
<b>Total</b>	<b>\$4,493,732</b>	<b>\$32,054,260</b>	<b>\$3,774,034</b>	<b>\$35,828,294</b>	<b>(\$4,479,160)</b>	<b>\$31,349,134</b>	<b>(\$1,363,049)</b>	<b>\$29,986,085</b>	<b>(\$10,264,476)</b>	<b>\$19,721,609</b>

	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available
	2010	Close 2010	2011	Close 2011	2012	Close 2012	2013	Close 2013	2014	Close 2014
General	\$2,940,634	\$19,576,751	\$3,613,926	\$23,190,677	\$4,160,229	\$27,350,906	\$7,511,996	\$34,862,902	\$4,874,156	\$39,737,058
Road	\$157,893	\$174,098	(\$14,473)	\$159,625	\$117,227	\$276,852	\$805,493	\$1,082,345	\$814,185	\$1,896,530
Road Machinery	(\$76,380)	\$104,234	(\$38,636)	\$65,598	(\$35,896)	29,702	(\$18,851)	\$10,851	\$255,412	\$266,263
Sewer	\$1,218,257	\$3,431,426	\$213,049	\$3,644,475	(\$35,896)	\$3,608,579	(\$95,705)	\$3,512,874	\$299,525	\$3,812,399
Nursing Home	(\$117,265)	\$558,239	\$3,023,911	\$3,582,150	\$787,807	\$4,369,957	\$115,735	\$4,485,692	\$2,219,941	\$6,705,633
<b>Total</b>	<b>\$4,123,139</b>	<b>\$23,844,748</b>	<b>\$6,797,777</b>	<b>\$30,642,525</b>	<b>\$4,993,471</b>	<b>\$35,635,996</b>	<b>\$8,318,668</b>	<b>\$43,954,664</b>	<b>\$8,463,219</b>	<b>\$52,417,883</b>

	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available	Change During	Fund Balance Available
	2015	Close 2015	2016	Close 2016	2017	Close 2017	2018	Close 2018	2019	Close 2019
General	\$2,568,027	\$42,305,085	\$2,213,508	\$44,518,593	\$1,754,570	\$46,273,163	\$3,052,033	\$49,325,196	\$581,597	\$49,906,793
Road	\$284,874	\$2,181,404	(\$20,800)	\$2,160,604	\$2,655,315	\$4,815,919	(\$1,939,577)	\$2,463,379	(\$824,252)	\$1,639,127
Road Machinery	\$196,797	\$463,060	(\$26,257)	\$436,803	(\$231,453)	\$205,350	(\$182,031)	\$23,319	\$60,581	\$83,900
Sewer	(\$870,170)	\$2,942,229	\$1,186,647	\$4,128,876	(\$18,005)	\$4,110,871	\$282,372	\$4,393,243	\$1,583,334	\$5,976,577
Nursing Home	\$4,460,553	\$11,166,186	\$1,200,077	\$12,366,263	(\$5,586,993)	\$6,779,270	\$286,299	\$7,065,569	(\$4,146,504)	\$2,919,065
<b>Total</b>	<b>\$6,640,081</b>	<b>\$59,057,964</b>	<b>\$4,553,175</b>	<b>\$63,611,139</b>	<b>(\$1,426,566)</b>	<b>\$62,184,573</b>	<b>\$1,499,096</b>	<b>\$63,270,706</b>	<b>(\$2,745,244)</b>	<b>\$60,525,462</b>

	Change During	Fund Balance Available	Proposed Change During	Proposed Fund Balance Available	Proposed Change During	Proposed Fund Balance Available				
	2020	Close 2020	2021	Close 2021	2022	Close 2022				
General	(\$15,362,595)	\$34,544,198	(\$3,000,000)	\$31,544,198		\$31,544,198				
Road	(\$98,345)	\$1,540,782	\$0	\$1,540,782		\$1,540,782				
Road Machinery	(\$53,954)	\$29,946	\$0	\$29,946		\$29,946				
Sewer	\$842,843	\$6,819,420	\$0	\$6,819,420	(\$750,000)	\$6,069,420				
Nursing Home	\$0	\$2,919,065	(\$772,438)	\$2,146,627		\$2,146,627				
<b>Total</b>	<b>(\$14,670,031)</b>	<b>\$45,853,411</b>	<b>(\$3,772,438)</b>	<b>\$42,080,973</b>		<b>\$42,080,973</b>				

# RESERVES

## **BACKGROUND**

Albany County has established a number of reserve funds, which are segregated from the operating budget and intended to provide resources to meet future needs, contingencies, and capital outlays. These reserves were created through discretionary means and to satisfy certain legal obligations. Included in this section is a summary of Albany County's reserve accounts, along with the intended use of any reserve funds in 2021.

## **RESERVE ACCOUNTS AND RECOMMENDED USES**

The table on the following page provides a description of Albany County's reserve accounts and the intended 2021 and 2022 appropriations. This includes the creation of a Capital Reserve of approximately \$3.75 million and a Retirement Contribution Reserve of \$3 million. Resolutions for these reserves will be provided to the Legislature concurrently with this budget submission.

RESERVE TITLE	Reserve Balances Close of 2019	Reserve Balances Close of 2020	Proposed Use of Reserves for 2021	Projected Reserve Balances Close of 2021	Proposed Use of Reserves for 2022	Projected Reserve Balances Close of 2022	PURPOSE
E 911	\$ 1,229,464	\$ 1,240,058		\$ 1,240,058		\$ 1,240,058	Emergency Telephone System
DWI	\$ 3,923	\$ -		\$ -		\$ -	Stop DWI Program
Stormwater Coalition	\$ 93,918	\$ 173,337		\$ 173,337		\$ 173,337	Stormwater Management
EMS Ambulance Program	\$ 233,379	\$ 289,407		\$ 289,407		\$ 289,407	Ambulance Program
Tax Stabilization	\$ 1,850,155	\$ 1,850,155		\$ 1,850,155		\$ 1,850,155	Reduce Levy
Debt	\$ 9,891,357	\$ 26,812,989	\$ 3,000,000	\$ 23,812,989	\$ 6,677,019	\$ 17,135,970	Payment of debt service
Capital Reserve*	\$ -	\$ -	\$ -	\$ -	\$ 3,749,172		Fund Capital Projects without Bonding
Retirement Contribution Reserve*	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000		Payment of Retirement Contributions
Civic Center Debt	\$ 6,671,253	\$ 7,330,400	\$ 2,000,000	\$ 5,330,400		\$ 5,330,400	Payment for civic center debt
Civic Center Capital Reserve	\$ 1,273,332	\$ 1,279,479		\$ 1,279,479		\$ 1,279,479	Capital Improvement or eligible equipment
Capital Projects	\$ 800,000	\$ 1,004,867		\$ 1,004,867		\$ 1,004,867	Capital Improvement or eligible equipment
Capital Repairs	\$ 755,750	\$ 2,955,750		\$ 2,955,750		\$ 2,955,750	Repairs to Capital Improvements or eligible equipment
Workers Compensation	\$ 12,275,092	\$ 13,463,464		\$ 13,463,464		\$ 13,463,464	Workers Compensation
Insurance	\$ 125,890	\$ 125,890		\$ 125,890		\$ 125,890	General Liability Insurance
Sewer Capital Repairs	\$ 217,423	\$ 217,423		\$ 217,423		\$ 217,423	Repairs to Capital Improvements or eligible equipment
Sewer Repairs	\$ 230,175	\$ 230,175		\$ 230,175		\$ 230,175	Repairs
Sewer Debt	\$ 1,035,583	\$ 1,030,954	\$ 450,000	\$ 580,954		\$ 580,954	Payment of debt service
Sewer Retirement	\$ 251,561	\$ 251,561		\$ 251,561		\$ 251,561	Payment for retirement contribution
Nursing Home Capital Projects	\$ 252,607	\$ 253,749		\$ 253,749		\$ 253,749	Costs associated with new facility
Nursing Home Debt	\$ 2,796,734	\$ 2,578,338		\$ 2,578,338		\$ 2,578,338	Payment of debt service
Hospital and Medical Insurance	\$ -	\$ -		\$ -		\$ -	Requirement of insurance administrator