

TIMBER | PUBLIC COMMENTS

Regarding Mayor Madden's 2024 Neighborhood Reinvestment Budget Plan (10-18-23)

Troy's \$112m 2024 Neighborhood Reinvestment Budget Plan is this administration's budget proposal for the fiscal year that begins January 1, 2024, when our next mayor takes office. The most significant changes in this year's budget flow downstream of Troy's collective bargaining agreements: most notably, there is a \$2.2m (4.8%) increase in Public Safety spending that is mostly attributable to police and firefighter salaries and benefits. Of the discretionary choices in the proposal, the most remarkable are cuts to transportation spending. The budget proposal also includes no engineers (civil, traffic, or otherwise) and does not feature a grantwriter despite many requests from councilmembers, advocates, and department heads.

While acknowledging several major budgetary and personnel issues in recent memory, this administration has stated a preference for a "status quo" budget proposal that does not encumber the next administration with new moving pieces. However, this administration has also shared that they hope to leave the budget better than they found it – a sentiment that several councilmembers have echoed. Our budget comments this year have been drafted with those preferences in mind.

Our main priority is setting up the next City Council for success. Although Troy's City Council is permitted to hire Legislative Counsel or Counsels under the City Charter,¹ their legal advice comes from Corporation Counsel, who serves at the pleasure of the Mayor. The Council gleans its understanding of the city's finances by consulting with the Comptroller, who *also* serves at the pleasure of the Mayor. The council does not have full-time staff, and their compensation (\$15,000) is insufficient to meaningfully replace a day job. Councilmembers have shared that their representation of the public has suffered as a consequence of all of these factors. Structurally, we are a very long way from a City Council that could be reasonably considered a co-equal branch of government: Troy is borderline authoritarian relative to most similarly-sized cities.

Here are several very achievable improvements for FY24's proposal:

Reappropriate the funds for the DEI Director's salary and benefits to the Council. This alone would double the Council's compensation. The DEI position has been vacant for several years, and its scope of work is so improvisational that we disagree with the mayor's assertion that he is somehow doing the next administration a favor by leaving it in the budget. Ironically, doubling the salary for councilmembers would likely make the seats much more accessible and attractive to a much broader pool of candidates. In fact, this may very well be the most actionable and immediate DEI initiative that the City could embark upon. If the next administration would like to hire a DEI Director, this reappropriation does not stop them from doing that.

Project local revenue more realistically to cover the cost of legislative counsel. In its budget projections, the Madden administration has undershot local revenue every single year. From 2016 to 2022, the city's actual receipts exceeded its estimates from two years prior by an average of about \$1.6m every year. It is not dishonest for a city to have conservative budget projections, but it can be a

¹ <https://ecode360.com/32050596>

convenient way for a mayor to game things out if they do not want to entertain additional budget items in public discussions and would rather service debt with fortuitous little windfalls throughout the year.

This year, a particularly notable revenue item is the county sales tax. The Comptroller projects sales taxes using 10-year averages,² which he acknowledges to be conservative.

A-0000-1120-0000 Sales Tax PILOT - County				
Budget	Actual Receipts	Projected Revenue	Difference (\$)	
2024	-	\$20,250,000	-	
2023	-	\$18,500,000	-	
2022	\$19,459,654	\$17,200,000	\$2,259,654	
2021	\$18,432,808	\$16,615,000	\$1,817,808	
2020	\$17,161,563	\$16,500,000	\$661,563	
2019	\$17,315,615	\$16,000,000	\$1,315,615	
2018	\$16,757,597	\$15,750,000	\$1,007,597	
2017	\$16,301,340	\$15,410,000	\$891,340	

Even if we ignore the recent rate of inflation and other helpful variables, this is indeed a fairly conservative way to project Troy’s sales tax revenue. After accounting for those things and looking at historical trends, we are extremely confident that there is going to be enough daylight between the Comptroller’s projection and the actual receipts to hire a part-time attorney for the City Council.

The golf course and the marina belong in enterprise funds. We can tell that it is almost Halloween because there are public enterprises out here masquerading as public services. Services belong in the General Fund and enterprises belong in Enterprise Funds. These can be tricky to distinguish, but the difference is that services are generally so unambiguously good for the public that they are not expected to pay for themselves. Allowing Frear Park and the Marina to stay in the General Fund obscures their actual profitability (or lack thereof). If the business models for either entity are so far from breaking even that they cannot legally be classified as enterprises, those business models need to change. There are a lot of children with elevated blood lead levels at the moment and reportedly five employees in our entire Water Department, so we would prefer not to subsidize golf until we get those issues squared away.

² <https://www.youtube.com/live/AZzDO5v5th0?si=MOF727MbBpKbTjSo&t=6965>

