



August 21, 2018

CITY OF SARATOGA SPRINGS
City Council Meeting
Saratoga Springs City Center
522 Broadway
6:00 PM

5:50 PM P.H. – Amend Chapter 201 of the
City Code – Street Naming and
Numbering

5:55 PM P.H. - 2019 – 2024 Capital Budget
and Program

6:00 PM

CALL TO ORDER

ROLL CALL

SALUTE TO FLAG

PUBLIC COMMENT PERIOD / 15 MINUTES

PRESENTATION

1. Charter Review Commissioner Public Forum
2. 2019 – 2024 Capital Budget Program
3. 2017 Audited Financial Statements

EXECUTIVE SESSION

1. Lease of Acquisition of Property When Publicity Would Effect Value
2. Matters Which Will Imperil the Public Safety if Disclosed

CONSENT AGENDA

1. Approval of 8/7/18 City Council Meeting Minutes
2. Approval of 8/6/18 Pre-Agenda Meeting Minutes
3. Approve Budget Amendments – Regular (Increases)
4. Approve Budget Transfers - Regular
5. Approve Payroll 8/10/18 \$537,380.20
6. Approve Payroll 8/17/18 \$548,536.22
7. Approve Warrant - 2018 18MWAUG2 \$848,678.72
8. Approve Warrant – 2018 18AUG2 \$309,602.97
9. Approve Acceptance of Donation from the Saratoga Springs Friends of Recreation
10. Approve Payment of Invoice – BSN Sports
11. Approve Payment of Invoice – Spring Electric, Inc.
12. Approve Payment of the Invoice – The Fun Spot
13. Authorization for the Mayor to Sign Change Order #1 – Spring Electric, Inc.

MAYOR'S DEPARTMENT

1. Discussion and Vote: 2019 – 2024 Capital Budget Program
2. Discussion and Vote: Authorization for the Mayor to Execute Retainer with Napoli Shkolnik, PLLC
3. Discussion and Vote: Authorization for the Mayor to Sign Addendum #3 with Greenman Pedersen, Inc. for Geyser Road Trail Design Services
4. Discussion and Vote: Authorization for Mayor to Sign Funding approval Agreement – US Dept. HUD for CDGB FY2018 Plan
5. Discussion and Vote: Authorization for the Mayor to Sign NYS Master Contract, Department of Environmental Conservation, DEC01-T00467GG-3350000 for Natural Resources Inventory
6. Discussion and Vote: Authorization for the Mayor to Sign Contract with LaBella Associates for NYS DEC Grant – Natural Resources Inventory
7. Announcement: Update – City Hall and City Hall Operations

ACCOUNTS DEPARTMENT

1. Award of Bid: Natural Resource Inventory to LaBella Associates, D.P.C.

FINANCE DEPARTMENT

1. Announcement: 2019 Budget Update
2. Discussion: Assignment for the Refund of Prior Year Taxes
3. Discussion and Vote: Budget Transfers – Contingency
4. Discussion and Vote: Budget Amendment – Payroll
5. Discussion and Vote: Budget Transfers – Payroll
6. Discussion and Vote: Authorization for the Mayor to Sign Contract for Rental Space Re: City Operations

PUBLIC WORKS DEPARTMENT

1. Discussion and Vote: Amend Chapter 201 of the City Code Street Naming and Numbering
2. Discussion and Vote: Approve Payment of Invoices to BPI Mechanical Service for HVAC Services
3. Discussion and Vote: Approve Payment of Invoices to Pallette Stone Corp.
4. Discussion and Vote: Authorization for the Mayor to Sign Property Access Agreement with Niagara Mohawk Power Corporation (DBA) National Grid for the Old Red Spring
5. Discussion and Vote: Authorization for the Mayor to Sign a Clark Patterson Lee for the East Side Storm Drainage Project
6. Discussion and Vote: Authorization for the Mayor to Sign Addendum Agreement with Stantec Consulting Services Inc., for the Nelson Avenue Drainage Project
7. Announcement: Crescent Avenue Bridge Re-Opening

PUBLIC SAFETY DEPARTMENT

1. Announcement: School Safety Public Forum
2. Set Public Hearing: To Amend Chapter 215 of the City Code, Taxicabs with Respect to Technical Consistencies
3. Announcement: Thank You to Departments for Work Regarding City Hall Fire/City Operations

SUPERVISORS

Matt Veitch

1. Saratoga Casino Hotel Foundation
2. County Public Safety Committee
3. Soil & Water Conservation District Annual Report

City Council Meeting
8/21/18

Tara Gaston

1. Health & Social Services Committee
2. Veterans Committee & Concert
3. NYSAC Appointment
4. White House Visit
5. Update: Law Library

ADJOURN



August 21, 2018

City Council Meeting
Saratoga Springs City Center
522 Broadway
6:00 PM

PRESENT: Meg Kelly, Mayor
Michele Madigan, Commissioner of Finance
John Franck, Commissioner of Accounts
Anthony Scirocco, Commissioner of DPW
Peter Martin, Commissioner of DPS

STAFF PRESENT: Lisa Shields, Deputy Mayor
Mike Sharp, Deputy Commissioner, Finance
Maire Masterson, Deputy Commissioner, Accounts
Joe O'Neill, Deputy Commissioner, DPW
John Daley, Deputy Commissioner, DPS

Vincent DeLeonardis

Matthew Veitch, Supervisor
Tara Gaston, Supervisor

RECORDING OF PROCEEDING

The proceedings of this meeting were taped for the benefit of the secretary. Because the minutes are not a verbatim record of the proceedings, the minutes are not a word-for-word transcript.

PUBLIC HEARINGS

Amend Chapter 201 of City Code – Street Naming and Numbering

Mayor Kelly opened the public hearing at 5:53 p.m.

Commissioner Scirocco stated this chapter currently gives the city engineer full authority over street numbering. The amendment will give the commissioner final authority of street naming and numbering with the city engineer carrying out the order.

Kathryn Cassimeris of Arrowhead Road thanked all for bringing this amendment forward. She encouraged the Council to vote in favor of this amendment. (letter attached)

Pat Ritzert of Arrowhead Road stated she is in favor of having the Commissioner of Public Works be the final authority. The decisions that significantly impact the residents of the City should be the responsibility of the elected officials. She fully supports this amendment. (letter attached)

Mayor Kelly closed the public hearing at 5:59 p.m.

2019 – 2024 Capital Budget and Program

Mayor Kelly rescheduled this for the September 4th City Council meeting.

CALL TO ORDER

Mayor Kelly called the meeting to order at 6:00 p.m.

PUBLIC COMMENT

Mayor Kelly said the public comment period is limited to a total of 15 minutes and individuals are limited to two minutes.

Mayor Kelly opened the public comment period at 6:01 p.m.

Bill Boehmke, vice-chair of Sustainable Saratoga, stated they have read the new Charter and hopes the Commission will incorporate all critical recommendations the public makes. They are not taking a position on this draft of the Charter but applaud all efforts to keep the Charter up to date. They did not find an reference to sustainability or responsibility for parking, trails, housing, etc. (letter attached)

Frank Schultz of Saratoga Springs stated he is in support of the supervisors being members of the Council.

Mayor Kelly closed the public comment period at 6:05 p.m.

PRESENTATION

Charter Review Commissioner Public Forum

See minutes under Charter Review on the City's webpage.

2019- 2024 Capital Budget Program

Mayor Kelly postponed this until the next City Council meeting at their office did not have enough time to prepare due to the fire at City Hall.

2017 Audited Financial Statement

Commissioner Madigan introduced Brendan Kennedy from BST.

Brendan Kennedy of BST provided the Council with handouts regarding the financial statement. Handouts include the Executive Summary, Yellowbook Report, and required communications. Because the City spent less than \$750,000 no federal single audit was required for 2017 and because no federal single audit was required no state DOT single audit was required. There were no control deficiencies identified; no compliance matters; and no uncorrected differences; therefore, a clean opinion was issued. This is all good news.

The general fund is in strong shape; the City held the line on spending; and overall the general fund is in good financial condition. Total capital spending was \$3.8 million and debt service is about 6.43% of the City's total governmental expenditures.

The water fund is in adequate condition. It was a break-even year for the water fund. Need to keep an eye on the water fund and may require future fee increases.

Sewer fund continues to do well.

City Center is break-even from the net position standpoint.

There is a new accounting standard that all municipalities need to implement – (GASB 75). It radically changes the way we are reporting and disclosing our post employment benefits. Expect a significant increase due to this accounting change; it will impact the full accrual statement. He expects everyone's bond rating to plummet as a result of this.

EXECUTIVE SESSION

Mayor Kelly moved and Commissioner Martin seconded to adjourn into executive session to discuss 2 matters: 1. the lease or acquisition of property when publicity would affect value; and 2. matters which will imperil the public safety if disclosed at 7:04 p.m.

Ayes - All

The Council returned at 7:50 p.m.

Mayor Kelly stated they will be looking at a lease agreement on Commissioner Madigan's agenda.

CONSENT AGENDA

Mayor Kelly moved and Commissioner Madigan seconded to accept the consent agenda as follows:

1. Approval of 8/7/18 City Council Meeting Minutes
2. Approval of 8/6/18 Pre-Agenda Meeting Minutes
3. Approve Budget Amendments – Regular (Increases)
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Ayes – All

MAYOR'S DEPARTMENT

Discussion and Vote: 2019 – 2024 Capital Budget Program

Mayor Kelly pulled this item from the agenda.

Discussion and Vote: Authorization for the Mayor to Execute Retainer with Napoli Shkolnik, PLLC (18-280)

Mayor Kelly moved and Commissioner Scirocco seconded to authorize the mayor to execute retainer with Napoli Shkolnik, PLLC.

Ayes - All

Discussion and Vote: Authorization for the Mayor to Sign Addendum #3 with Greenman Pedersen, Inc. for Geyser Road Trail Design Services (18-281)

Mayor Kelly stated this is an addendum for additional legal services associated with property acquisition. The contract amount is not to exceed \$17,800.

Mayor Kelly moved and Commissioner Martin seconded to authorize the mayor to sign addendum #3 with Greenman Pedersen, Inc. for the Geyser Road Trail Design Services.

Ayes – All

Discussion and Vote: Authorization for Mayor to Sign Funding approval Agreement – US Dept. HUD for CDGB FY2018 Plan (18-282)

Mayor Kelly moved and Commissioner Franck seconded to authorize the mayor to sign the funding approval agreement with US Department for HUD for CDGB FY2018 plan.

Ayes - All

Discussion and Vote: Authorization for the Mayor to Sign NYS Master Contract, Department of Environmental Conservation, DEC01-T00467GG-3350000 for Natural Resources Inventory (18-283)

Mayor Kelly advised this agreement allows the City to accept the grant funds awarded.

Mayor Kelly moved and Commissioner Madigan seconded to authorize the mayor to sign the NYS Master Contract Department of Environmental Conservation DEC01-T00467GG-3350000 for Natural Resources Inventory.

Ayes - All

Discussion and Vote: Authorization for the Mayor to Sign Contract with LaBella Associates for NYS DEC Grant – Natural Resources Inventory (18-284)

Mayor Kelly moved and Commissioner Franck seconded to authorize the mayor to sign the contract with LaBella Associates not to exceed \$29,420 for Natural Resource Inventory.

Ayes - All

Announcement: Update – City Hall and City Hall Operations

Mayor Kelly announced City officials and employees have been working around the clock to relocate employees to other areas to continue business. She thanked all who have been involved getting everything moving forward.

The damage was substantial and we are preparing alternative work operations. The building is being cleaned and dried and the air quality is being tested. The main concentration on the 1st and 2nd floors is to move items to new locations. Relocating City Hall functions is a priority.

ACCOUNTS DEPARTMENT

Award of Bid: Natural Resource Inventory to LaBella Associates, D.P.C. (18-285)

Commissioner Franck moved and Commissioner Madigan seconded to award the bid for Natural Resource Inventory to LaBella Associates, D.P.C. in the amount not to exceed \$29,420.

Ayes – All

FINANCE DEPARTMENT

Announcement: 2019 Budget Update

Commissioner Madigan announced they received most of the requested budgets. They expect to send out uploaded budgets for confirmation. They are scheduling and re-scheduling meetings with departments.

Discussion: Assignment for the Refund of Prior Year Taxes

Commissioner Madigan advised that on 9/1/2015 a resolution was passed by the Council creating an assignment of the refund of prior year taxes. An annual calculation must be completed by the Commissioner of Accounts to verify the City's exposure and the Finance Department will make sure the line has 50% of the exposure amount. The Finance Office received the report and the exposure is estimated to be \$234,959. The assignment has a balance of \$146,609 which is more than 50% of the exposure. She will be working on making recommendations to replenish this assignment.

Discussion and Vote: Budget Transfers – Contingency (18-286)

Commissioner Madigan advised this is for the natural resource inventory expense line. The balance prior to the transfer is \$104,174 and the balance that will remain after the transfer is \$89,464.

Commissioner Madigan moved and Commissioner Franck seconded to approve the budget transfer – contingency as stated and distributed with the agenda.

Ayes - All

Discussion and Vote: Budget Amendment – Payroll (18-287)

Commissioner Madigan moved and Commissioner Franck seconded to approve the budget amendment – payroll as previously submitted with the agenda.

Ayes - All

Discussion and Vote: Budget Transfers – Payroll (18-288)

Commissioner Madigan moved and Commissioner Franck seconded to approve the budget transfers – payroll as previously submitted with the agenda.

Ayes - All

Discussion and Vote: Authorization for the Mayor to Sign Contract for Rental Space Re: City Operations (18-289)

Commissioner Madigan stated this is a month to month lease at the Mill, LLC for \$6,611 per month.

Commissioner Madigan moved and Commissioner Scirocco seconded to authorize the mayor to sign the lease with the Mill, LLC; emailed to City Council, risk and safety, and city attorney yesterday; and reviewed earlier today in our executive session.

Ayes – All

Vince DeLeonardis, city attorney, advised they were going to revise the lease that it is not specifically for finance purposes. Also, need friendly modification that the lease is between the Mill and the City of Saratoga Springs, not the Mill and the Finance Department.

Commissioner Madigan amended the motion and Commissioner Martin seconded that the lease is with the City of Saratoga Springs.

Ayes – All

Commissioner Madigan moved and Commissioner Scirocco seconded to add item regarding an agreement with Crown Castle to increase speed at the Recreation Center. (18-290)

Ayes – All

Commissioner Madigan moved and Commissioner Martin seconded to authorize the mayor to sign an agreement with Crown Castle to increase internet speed at the Recreation Center. (18-291)

Ayes – All

PUBLIC WORKS DEPARTMENT

Discussion and Vote: Amend Chapter 201 of the City Code Street Naming and Numbering (18-292)

Commissioner Scirocco moved and Commissioner Madigan seconded to approve amending Chapter 201 of the City Code – Street Naming and Numbering as respectfully submitted.

Ayes - All

Discussion and Vote: Approve Payment of Invoices to BPI Mechanical Service for HVAC Services (18-293)

Commissioner Scirocco advised services were performed before a purchase order was in place. During the week of July 4th week the Casino's air conditioning unit was not working and needed repair in the amount of \$2,514. The Vernon Rink chiller was low on refrigerant and needed to be added in the amount of \$2,021.80.

Commissioner Scirocco moved and Commissioner Madigan seconded to approve payment to BPI Mechanical Services in the amount of \$2,514 and \$2,021.80 for a total of \$4,535.80 for repairs to the chillers at the Canfield Casino and the Vernon Ice Rink.

Ayes - All

Discussion and Vote: Approve Payment of Invoices to Palette Stone Corp. (18-294)

Commissioner Scirocco advised invoices are a result of ordering material prior to a purchase order being in place.

Commissioner Scirocco moved and Commissioner Martin seconded to approve payment to Palette Stone Corp. in the amount of \$1,812.25 and \$2,255.50 for a total of \$4,067.75 for concrete and pre-cast curbing.

Ayes - All

Discussion and Vote: Authorization for the Mayor to Sign Property Access Agreement with Niagara Mohawk Power Corporation (DBA) National Grid for the Old Red Spring (18-295)

Tim Wales, city engineer, advised this is an access agreement to allow contractors and workers in the right-of-way. We gave them a similar access agreement last year.

Commissioner Scirocco moved and Commissioner Franck seconded to authorize the mayor to sign the property access agreement with Niagara Mohawk Power Corporation dba National Grid for the Old Red Spring.

Ayes - All

Discussion and Vote: Authorization for the Mayor to Sign a Clark Patterson Lee for the East Side Storm Drainage Project (18-296)

Tim Wales advised this a continuation of the east side drainage project; a capital budget project.

Commissioner Scirocco moved and Commissioner Madigan seconded to authorize the mayor to sign an addendum agreement with Clark Patterson Lee for the east side drainage improvement project in the amount of \$81,000.

Ayes - All

Discussion and Vote: Authorization for the Mayor to Sign Addendum Agreement with Stantec Consulting Services Inc., for the Nelson Avenue Drainage Project (18-297)

Tim Wales advised the City has been working on drainage improvements on Nelson Avenue.

Commissioner Scirocco moved and Commissioner Martin seconded to authorize the mayor to sign the addendum agreement with Stantec Consulting Group for the Nelson Avenue Drainage Project in the amount of \$15,850.

Ayes – All

Announcement: Crescent Avenue Bridge Re-Opening

Commissioner Scirocco announced the Crescent Avenue Bridge has been completed and is open again.

Commissioner Scirocco moved Commissioner Madigan seconded to add item to his agenda for designated engineer services for City Hall restoration. (18-298)

Ayes - All

Announcement: Designated Engineering Services for City Hall Restoration

Commissioner Scirocco announced Clark Patterson will provide guidance on how we put City Hall back together. They provided an estimate not to exceed \$32,000 for the first task response. This will include reviewing conditions, assessing project needs, and the review of testing results. The will also work on a

schematic design for a floor plan; review mechanical, electrical and plumbing codes; and work on an initial budget and schedule. His hope is the insurance company will cover this expense.

PUBLIC SAFETY DEPARTMENT

Announcement: School Safety Public Forum

Commissioner Martin announced they will be holding a public forum regarding school safety on Monday, Sept 17th at 7 p.m. at the City Center.

Set Public Hearing: To Amend Chapter 215 of the City Code, Taxicabs with Respect to Technical Consistencies

Commissioner Martin set a public hearing for Tuesday, September 18, 2018 at 6:55 p.m.

Announcement: Thank You to Departments for Work Regarding City Hall Fire/City Operations

Commissioner Martin thanked the first responders and the command team that is leading us through this. He also thanked the Fire Department, Police Department, risk and safety, and many others.

SUPERVISORS

Matt Veitch

Saratoga Casino Hotel Foundation

Supervisor Veitch reported the Saratoga Casino Hotel Foundation grant applications are due soon.

County Public Safety Committee

Supervisor Veitch reported they approved a contract for renovations to the County jail; they approved their aid to defense and prosecution; and authorized contracts for the new public safety building.

Soil & Water Conservation District Annual Report

Supervisor Veitch reported the district was created by the Board of Supervisors in 1947. They also help with planning for farms and sold 21,000 saplings this year.

Tara Gaston

Health & Social Services Committee

Supervisor Gaston reported Saratoga County is the healthiest county in the state. The County is now going to be the fiduciary for the County Suicide Prevention Coalition.

Veterans Committee & Concert

Supervisor Gaston reported the Veteran's Committee helps veteran's process claims and provides ride to health visits. The United States Army Field Bank is giving a free concert again this year.

NYSAC Appointment

Supervisor Gaston reported she was appointed to the NYSAC Public Health & Mental Health Committee.

City Council Meeting
8/21/18

White House Visit

Supervisor Gaston reported all New York County officials have been invited to the White House on August 23rd.

Update: Law Library

Supervisor Gaston reported the law library is closed due to the fire.

ADJOURNMENT

There being no further business, Mayor Kelly adjourned the meeting at 8:44 p.m.

Respectfully submitted,

Lisa Ribis
Clerk

Approved: 9/4/18
Vote: 5 - 0

Kathryn Cassimeras

578 306-5754

CC: 8/21/18

MERCI...GRACIA...EFATHESTO...THank you

For bringing this amendment of the housing #201 to the attention of the City Council. I know we will be very pleased indeed, as will generations to come.

Having the ability to comment on changes in ^{house}street numbers and street names, before they take place will be greatly appreciated.

Thank you for considering the voters of the City of Saratoga Springs.

Please vote an overwhelming YES to this ammendment!

In any language.....THANK YOU!

CC: 8/21/18

Aug. 21, 2018

My name is Pat Ritzert, I live at 30 Arrowhead Rd. SS. I'm here tonight to tell you that I fully support the proposal to amend chapter 201 of the City Code, Street naming and numbering to appoint the Commissioner of Public Works as the final authority to make such designations, working with and providing direction to the City Engineer.

From a big picture vantage point, I believe that the kinds of decisions that significantly impact residents and Taxpayers of SS, should ultimately be the responsibility of elected officials as opposed to an appointed individual. And believe me, this is one of those decisions. The Commissioner of Public Works has stated the procedures also should be reviewed and amended and believes they should include the input of those who will be affected by said changes.

From a personal vantage point, I, along with 120 other residents of this community (those who signed this petition previously presented to you) applaud this effort and fully support this amendment. We believe that anyone who is impacted by decisions of this nature should have an opportunity to provide input PRIOR to decisions being made and that this is considered to be as vital to the process as any other information or data that is needed before making such decisions.

I ~~also~~ want to thank Commissioner Scirocco for taking the time to fully review the issue that brought us to this point, and taking the necessary steps to address the problems and hopefully avoid any similar situations in the future.

or ask for the support of the Council to vote for this amendment.

Pat Ritzert

518-859-5798



*Educate.
Advocate.
Act.*

CC: 8/21/18

Sustainable Saratoga
PO Box 454
Saratoga Springs, NY 12866
info@sustainablesaratoga.org
www.sustainablesaratoga.org

**STATEMENT FOR COMMUNITY FORUM ON DRAFT CITY CHARTER
TUESDAY, AUGUST 21, 2018**

My name is Bill Boehmke. I am Vice-Chair of Sustainable Saratoga.

We have read the new draft City Charter, and we hope that the Charter Review Commission will incorporate all critical recommendations that the public brings forth at this hearing. Sustainable Saratoga did not take a position on the draft charter proposed by the previous Charter Review Commission, and we are also not taking a position on this current draft of the City Charter. However, we applaud any effort to keep the City Charter up-to-date, so that our government remains in a strong position to address current and future community needs – especially the need to make our city more sustainable.

Issues of sustainability didn't receive much attention anywhere decades ago, so it's understandable that they weren't reflected in earlier versions of our City Charter. But in recent years, as Saratoga Springs has continued to grow, sustainability has played an increasingly central part in the way businesses operate and people conduct their lives. As you know, our organization works on a wide variety of issues relating to sustainability. Our efforts have frequently been stymied by the lack of a clear delineation of which department(s) were responsible for sustainability-related issues. We believe that our city government also should be focused on sustainability issues, and that any new City Charter should clearly indicate who in City Hall has the responsibility for tackling them.

The City's Comprehensive Plan calls for a number of important sustainability policies and initiatives. However, in our review of the draft Charter, we found no references to sustainability or responsibilities assigned for:

- Parking
- Trails
- Street trees, and other trees owned or controlled by the City
- Housing, especially affordable housing
- Energy conservation and renewable energy sources
- Environmental protection
- Climate change and resiliency planning
- Recycling and waste reduction
- Multimodal transportation planning

We strongly believe that sustainability in general, and these issues in particular, should be addressed in the proposed Charter, and that the departments and staff responsible for sustainability functions should be clearly identified. In addition, because many sustainability issues require new interdisciplinary approaches, we hope that the Charter will provide clear guidance for the effective coordination of sustainability efforts among all City departments. Thank you for your time.



— ACCOUNTING / TAX / ADVISORY

City of Saratoga Springs, New York 2017 Audit Results Presentation

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Executive Summary

- Fieldwork completed in May/June, completion process in June/July.
- Deliverables
 - ❖ Independent auditor's report on basic financial statements
 - ❖ Yellow Book Report (report on controls and compliance)
 - ❖ Required Communications
- The City's Federal awards did not exceed \$750,000, therefore, no Federal Single Audit or State DOT Single Audit were required.
- No instances of control deficiencies identified that would have a material effect on the December 31, 2017 financial statements or single audit reports.
- No instances of noncompliance identified that would have a material effect on the December 31, 2017 financial statements
- No uncorrected differences.
- BST issued an unmodified opinion on the basic financial statements.

Financial Statement Walkthrough

- Independent Auditor's Reports (pages 1-3)
- Management's Discussion and Analysis (pages 4-13)
- Financial Statements (pages 14-24)
- Notes to the financial statements (pages 25-55)
- Required Supplementary Information (page 56-60)
- Other Supplementary Information (pages 61-63)

Financial Audit Results

Area of focus included:

- ❖ Cash and investments
- ❖ Taxes receivables
- ❖ Capital assets
- ❖ Cash receipts and revenue recognition:
 - Taxes
 - Non-exchange (licenses/permits/fines/etc.)
 - Charges for services (water, sewer, governmental activities)
- ❖ Cash disbursements
- ❖ Accounts payable/accrued expense (completeness)
- ❖ Significant accounting estimates
- ❖ Financial reporting process and journal entries
- ❖ New accounting standards
- ❖ Compliance with grant requirements

Consideration of Fraud

Procedures –

- Inquiries of management and other personnel.
- Review of manual journal entries for reasonableness and reconciliation of entries to underlying documentation.
- Performed a cancelled check review to ensure City was adhering to check signing policy, compared payee to vendor list.
- Reviewed random bank statements for out of sequence checks, or other unusual disbursements.
- Performed a review of the vendor list.
- Performed various cash receipt inquiries and testing

Results –

- No instances of fraud or potential fraud identified.

Financial Analysis

General Fund

- Increase in fund balance of \$915,600.
- Unassigned fund balance as a percentage of total expenditures is 21.20%, relatively consistent with prior reporting periods.
- Total expenditures decreased \$235,411, or .54%
- Real property tax revenues increased \$111,883, or .67%, while non-property taxes decreased \$113,970 or .78%

The City held the line on property tax increases and spending while maintaining strong fund balance and reserves for future operating cycles.

Financial Analysis

Capital Projects / Debt Service Fund

- Total bond issuance of \$7,881,574.
- Bond proceeds of \$5,881,574, related to governmental activity projects during 2017.
- Proceeds also redeemed \$1.165 in bond anticipation notes.
- Total capital spending of \$3.8 million during fiscal 2017 covers a variety of equipment, repairs and upgrades and infrastructure projects.
- Governmental activity debt service of \$3.263 million approximates 6.43% of the City's total expenditures.

The City should continue to monitor project length capital project schedules to ensure adequate resources are available for each established project.

Financial Analysis

Water Fund

- Net position decreased \$332,540 from the prior period.
- Non-cash charges for OPEB and net pension liability, adversely impacted the increase in net position by approximately \$275,000.
- Excluding bond proceeds and capital spending, cash increased by approximately \$90,500.

The Water Fund's cash position remains stable; unrestricted net deficit will continue to be adversely affected by the accrual of other postemployment benefits. The City should continue to monitor the Water Fund's performance and consider the need for future rate increases.

Financial Analysis

Sewer Fund

- Net position decreased \$46,494 from the prior period.
- Non-cash charges for OPEB and net pension liability, adversely impacted the increase in net position by approximately \$197,000
- Excluding bond proceeds and capital spending, cash increased by approximately \$205,000.

Similar to the Water Fund, unrestricted net deficit will continue to be adversely affected by the accrual of other postemployment benefits. The Sewer Fund appears to be generated sufficient cash flows to meet its obligations.

Financial Analysis

City Center

- Net position decreased \$26,758 from the prior period.
- The City Center's cash position increased by approximately \$768,000 from the prior year.
- The City Center has accumulated \$7,202,301 for capital improvements.
- In 2017, the City Center entered into a construction loan for a not-to-exceed amount of \$7,500,000 to finance a new parking facility. The loan requires the establishment of various reserve accounts and equity contributions. The loan is secured by the parking facility, future rents, leases and profits.
- The City Center drew down \$50,000 of the funds at December 31, 2017.

The City Center should be mindful of all the terms, conditions, and covenants that are associated with bank loans, which can vary significantly from the traditional general obligation bonds.

On the Horizon

Adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

- This accounting standard significantly alters the reporting and disclosure requirements for OPEB.
- The City can expect a significant increase in the OPEB accrual, which will adversely impact the financial position of the water fund, sewer fund, and government-wide statement of net position.
- There will be no impact to the City's general fund.
- The bond rating community is aware of this standard and the likely impact to municipality financial statements.
- Adoption of this standard will impact the 2018 financial statements.

City-Wide Observations/Communications

- Personnel were friendly, well organized and knowledgeable.
- In general, the City's financial records were in good order.
- The overall financial health of the City appears strong.
- Accounting policies and practices appeared appropriate, no significant changes during the period under audit.
- No significant and/or unusual transactions were noted.
- We evaluated significant accounting estimates, considering the potential for management bias; assumptions were reasonable and inputs were accurate.
- We did not identify any materially deficient process or controls that would impact the financial statements or the City's compliance with Federal/State Laws.
- We encountered no significant difficulties in the conduct of our audit.
- The Finance Department was cooperative and responsive to our inquiries, along with all other City personnel encountered during the conduct of our audit.
- Consideration should be given as to optimal method of reporting the water and sewer funds (enterprise – full accrual vs. governmental – modified accrual).

We truly value the opportunity to be of service to the City of Saratoga Springs and hope that our input beyond the "traditional audit" was meaningful. We look forward to being of continued service to the City of Saratoga Springs.

Thank You!



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www.bstco.com

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