



# CITY OF RENSSELAER

OFFICE OF  
**THE CITY CLERK**  
CITY HALL  
62 WASHINGTON STREET  
RENSSELAER, NEW YORK 12144

(518) 462-4266  
Fax: (518) 462-0890

## **AGENDA FOR THE COMMON COUNCIL MEETING JULY 1, 2020**

1. A RESOLUTION APPROVING CHANGE OF TRAFFIC AND PARKING SIGNAGE
2. A RESOLUTION ACCEPTING 2015/2016 AUDIT-OFFICE OF THE COMPTROLLER
3. A RESOLUTION APPROVING PROPOSED LOCAL LAW#6 OF 2020
4. A RESOLUTION TO APPROVE PROPOSED LOCAL LAW #7 OF 2020 AS TO FORM AND SCHEDULING A PUBLIC HEARING THEREON
5. A RESOLUTION TO APPROVE LAND SWAP TO RICHARD HOTALING AND SUSAN A. SHELDON N/K/A/ HOTALING, HIS WIFE
6. A RESOLUTION APPROVING RFP FOR TELECOMMUNICATIONS SYSTEM AND INTERNET SERVICES
7. A RESOLUTION SCHEDULING A PUBLIC HEARING FOR THE 2020-2021 CITY BUDGET
8. A RESOLUTION AUTHORIZING THE USE AND CONTROL OF RIVERFRONT PARK FOR WEEKLY MUSIC IN THE PARK
9. A RESOLUTION DISAPPROVING THE TERMINATION OF CRAMER

By Alderperson : \_\_\_\_\_  
Seconded by Alderperson : \_\_\_\_\_

**A RESOLUTION APPROVING CHANGE OF TRAFFIC AND PARKING SIGNAGE  
- OFFICE OF THE ENGINEER**

**WHEREAS**, the Common Council of the City of Rensselaer has been working with the City Engineer for the last two years in conducting an extensive Traffic and Parking Signage Study, and the City Engineer has now submitted a detailed recommendation, a copy of which is attached hereto, to the Common Council of certain recommended changes to the City signage and parking patterns so as to better serve the City residents, and

**WHEREAS**, the Common Council of the City of Rensselaer is further advised that the Mayor, Police Chief and DPW Commissioner all concur in the proposed signage changes, and

**WHEREAS**, such proposed signage changes appear appropriate as to form and effect, and a Public Hearing having been conducted on July 1<sup>st</sup>, 2020 so as to consider public comments on such proposed signage changes,

**NOW, THEREFORE BE IT RESOLVED**, that the City of Rensselaer hereby approves the attached proposed signage changes, and

**BE IT FURTHER RESOLVED**, that the City Engineer, Police Department and the Department of Public Works are hereby authorized to effectuate the aforementioned signage changes.

Approved as to form and sufficiency  
this \_\_\_\_\_ day of July, 2020

\_\_\_\_\_  
Corporation Counsel

\_\_\_\_\_  
Mayor

## I. SUMMARY

A comprehensive study was initiated in February 2020 to locate and evaluate traffic signs in the City of Rensselaer (hereafter The City). The work was completed in three phases, (1) handicap parking, (2) parking restrictions, and (3) signs at intersections. A total of **1041** street signs were identified in this study: **79** handicap parking, **525** parking restrictions, and **437** signs at intersections.

Overall, the condition of road signs in the City of Rensselaer is poor. Thirty percent of parking and intersection signs need to be replaced. The physical condition of handicapped parking signs is much better, but the number not licensed with the City is high.

The substandard condition of signs, particularly parking restrictions, creates chaos in compliance and enforcement. This holds true for both areas of the City where signs are insufficient and where signs are up to current standards.

*The condition of road signs in the City of Rensselaer is poor. Thirty percent of parking and intersection signs need to be replaced.*

To bring The City up to Dot standards will be a costly and laborious undertaking. A systematic, targeted approach is recommended to bring The City up to standards. As the work is carried out it will eliminate inadequacies, confusion, and enforcement issues without a net loss of legal, existing parking availability.

The insufficiencies outlined in this report stem from a lack of clear coordination of sign maintenance and adherence to NYS DOT standards and guidance. DOT Maintenance Guidance clearly states “*Damaged or deteriorated signs, gates, or object markers should be replaced.*”

Steps should be put in place to follow the 2009 Manual on Uniform Traffic Control Devices for Streets and Highways for future, continual maintenance of signs in the city. Establishment of a person(s) charged with overseeing regular maintenance and adherence to new standards and guidance will prevent future need to undertake a large-scale maintenance effort like the one now required.

Wilson and Kelling’s Broken Windows Theory can be applied to the condition of street signs in The City. Although the theory has been widely applied to community policing efforts, its application to the visual condition of signs and the negative perception it places on the community is appropriate. Wilson and Kelling’s discussion of “Order maintenance” by the police can also be applied to the government’s responsibility to provide order through well-maintained and clearly defined street signs. Improving the quality of street signs in The City will improve perceptions of public order for residents and visitors.

## II. PARKING SIGNS

### A. MAPPING

Five hundred and twenty-five non-handicap parking signs were identified in the City of Rensselaer during this study. Signs were identified by location, type, and condition. Signs were assigned numbers and plotted in CONNECTExplorer™ for visual purposes. Restrictions and prohibitions were identified by color-code; red represents a prohibition and blue represents a temporary restriction (i.e. Tuesday & Thursday 8-10am). The NYS Supplement to the 2009 MUTCD states that “**Parking signs shall be placed at each end of a regulation and, within the regulation, at intervals not to exceed 200 feet.**”<sup>1</sup> Distances were approximated with the mapping tool in CONNECTExplorer™ to locate the 200’ reach of any individual sign. This limitation is evident in the parking map generated. No assumptions were made for parking restrictions extending past the 200’ reach of any sign.

*The substandard condition of signs, particularly parking restrictions, creates chaos in compliance and enforcement.*

### B. CONDITION AND PROBLEM AREAS

Overall, sign quality is poor. Forty percent of the signs are insufficient, with over 30% needing replacement and slightly more than 9% needing maintenance.

Reasons for replacement include:

- |                |                        |
|----------------|------------------------|
| - Bent sign    | - Spray painted/tagged |
| - Chipping     | - Rust                 |
| - Fading       | - Handwritten sign     |
| - Illegibility | - Peeling laminate     |

Reasons identified for maintenance include:

- |              |   |
|--------------|---|
| - Bad angle  | - Mounted on utility poles, fence or building |
| - Bent mount | - Tagged with decals/stickers                 |
| - Low height | - Obscured by bushes                          |

---

<sup>1</sup> NYS Supplement to the 2009 MUTCD. Section 2B.48 Placement of Parking, Stopping, and Standing Signs. Paragraph 00C, page 35.

### III. SIGNS AT INTERSECTIONS

There were 437 signs identified in this phase of the study. The majority of signs (302) were STOP signs. Also included in this phase were signs on dead end streets including DEAD END (48), NO OUTLET (3), and NO DUMPING (7).

#### A. STOP SIGNS

302 stop signs were identified in the City. Of that number, 26.5% (n= 80) need replacing. Reasons for replacement include graffiti, fading, physical damage, or cracking laminate. It appears that a few of the signs had graffiti removed previously. The solvent that removed the graffiti also removes paint from the sign. This has resulted in large, unsightly, white blotches on the signs.

*Improving the quality of street signs in  
The City will improve perceptions of  
public order for residents and visitors.*

An additional 55 Stop signs (18% of the total) are in need of some form of maintenance. Maintenance ranges from remounting due to physical damage or height below code, resetting mounts that are leaning, and the removal of stickers.

Stop and Dead End signs have a higher rate of defacing (i.e. graffiti, tagging, stickers, etc.) than other signs due to the larger size and conspicuous placement. Defacing can negatively influence the perception of a neighborhood. Signs that are vandalized, damaged, or improperly placed give the perception of a community in decay. Wilson and Kelling's Broken Windows Theory<sup>2</sup> used the metaphor of broken windows as an indicator of potential disorder and incivility in a neighborhood. Subsequent tests of this idea revealed the visual presence of broken windows has a cascading effect on disorder and lawlessness in communities. Unattended maintenance, such as defaced street signs, like a broken window, serves as an indicator of community decay. Correcting physical problems can have a positive influence on crime deterrence.

The Broken Windows Theory has been applied widely across the United States for decades in the form of community policing to deter crime. The basic tenant of this law enforcement idea is that crime emanates from disorder and eliminating environmental disorder would deter more serious crimes in a neighborhood. Further, the prevalence of disorder creates a degree of fear that a community lacks structure and is therefore unsafe. The City can make strides to eliminate any such perceptions by improving the visual quality of its signs.

---

<sup>2</sup> Wilson, J. and G. Kelling (1982) The Police and neighborhood safety: Broken Windows. The Atlantic Monthly. 127:29-38.

This theory has been applied numerous times, including a 2008 study<sup>3</sup> which showed a strong correlation between graffiti and increased littering and theft. They concluded *“as a certain norm-violating behavior (i.e. graffiti) becomes more common, it will negatively influence conformity to other norms and rules.”*

## **IV. A STARTING POINT**

Broadway-Riverside, First Street, and Second Street were recognized as critically deficient in quality and quantity of signs. Parking restrictions are inconsistent and haphazard, with entire blocks lacking restrictions to allow for street sweeping and snow removal. All of the parking signs on First Street are in need of replacement. Additionally, the current restrictions do not meet The City’s maintenance and enforcement needs. Improving the signs on these and the cross streets will address the most egregious issues in The City.

Parking signs on the cross streets of Broadway, First, and Second are similarly haphazard and/or absent. To facilitate Street sweeping and snow removal restrictions need to be put in place.

### **A. BROADWAY**

Existing signs above Partition Street are in poor condition. Seventy-five percent of parking restriction signs need replacing. Sign coverage is grossly insufficient.

Between Columbia St and Partition St current signs are inconsistent with existing signs and do not reflect the desired changes herein.

Broadway-Riverside below Columbia St is also in need of complete replacement.

### **B. FIRST STREET**

Every one of the parking signs on First Street fails to meet DOT standards. Total replacement is needed. Days and times of parking restrictions will be the same as Broadway.

### **C. SECOND STREET**

Parking restriction signs on Second Street are of very poor quality. They also do not meet the desired changes to parking restrictions. A total replacement is warranted.

### **D. CROSS STREETS**

Many of the cross streets lack parking restrictions. The ones that have signs (i.e. John St) are of poor quality and lack alterations to allow for street maintenance.

On Monday, June 1, 2020 a meeting was held between Mayor Stammel, Chief Frankowski, City Engineer Smart, DPW Commissioner Brady, City Attorney Danaher, and Project Consultant Todd Hunsinger to address these problematic streets and solutions to meet current needs of street maintenance and enforcement of restrictions.

---

<sup>3</sup> Keiser, K. et al. 2008. The Spread of Disorder. Science, 322(5908) 1681-1685.

Consensus was reached that restrictions should be multiple days each week to facilitate snow removal and expedite the removal of abandoned cars.

Concern was expressed regarding intersection clearance for emergency vehicles. Stretches of First Street and cross streets are narrow. The slope of the hills creates another problem with navigating intersections. DOT Standards dictate that parking is prohibited within 15 feet of an intersection.

## **V. CONCLUSIONS AND RECOMMENDATIONS**

This study was initiated by then Third Ward Alderperson John DeFrancesco out of a concern surrounding the quality of street signs in the City of Rensselaer and the problems of compliance and enforcement that result. The data gathered supports these concerns and revealed the additional problem of an insufficient quantity of parking restriction signs to meet NYS DOT standards throughout much of the city. This effort is likely to have a positive influence for both residents and visitors of Rensselaer. Informally, residents appear wanting of these improvements. A few times during this study curious residents inquired about the work. The response was overwhelmingly favorable that The City was acting on this issue.

### **A. BROADWAY-RIVERSIDE**

Broadway will be resigned with restrictions of NO PARKING 9AM-3PM MONDAY, WEDNESDAY, FRIDAY on the east side and NO PARKING 9AM-3PM TUESDAY, THURSDAY on the west side, with a few exceptions.

The first exception is below the Broadway Viaduct. The parking prohibition signs (#s 414, 418-421) will remain. For consistency, two additional NO PARKING signs will be placed in front of the Boys and Girls Club at each parking lot entrance.

From Third Ave to Columbia Street will remain as currently signed with one exception. The two signs (#s 268-269) across from the Police Station stating 15 MINUTE PARKING 4-9PM will be removed. Sign 268 will be replaced with 30 MINUTE PARKING to match signs 270 and 271.

Broadway-Riverside below Columbia will have signs #240 and 241 prohibiting parking near the intersection will be replaced due to illegibility. The rest of the street to Belmore Place will be signed as Broadway is.

### **B. FIRST STREET**

First Street from Partition Street to McNaughton will be resigned with the restrictions NO PARKING 9AM-3PM MONDAY, WEDNESDAY, FRIDAY on the east side and NO PARKING 9AM-3PM TUESDAY, THURSDAY on the west side.

From McNaughton to Washington Ave the west side of the street will be resigned with NO PARKING FIRE LANE EXCEPT TUESDAY 9AM-3PM. The east side will be resigned with NO PARKING 9AM-3PM TUESDAY.

### **C. SECOND STREET**

From Partition to Church Street the street will be resigned with the restrictions NO PARKING 9AM-3PM MONDAY, WEDNESDAY, FRIDAY on the east side and NO PARKING 9AM-3PM TUESDAY, THURSDAY on the west side.

Upper Second will be signed with NO PARKING on the west side.

From Church St to the fork with Upper Second the east side will be resigned with NO PARKING FIRE LANE EXCEPT 9AM-3PM MONDAY. The west side will be signed with NO PARKING EXCEPT 9AM-3PM MONDAY.

Beyond the fork until the end the street will be resigned with restrictions NO PARKING 9AM-3PM MONDAY, WEDNESDAY, FRIDAY on the east side and NO PARKING 9AM-3PM TUESDAY, THURSDAY on the west side.

#### **D. CROSS STREETS, "THE HILLS"**

Where parking signs exist they are of poor quality and coverage.

John Street will be resigned with NO PARKING FIRE LANE EXCEPT 9AM-3PM MONDAY on the south side. The West side will be signed with NO PARKING 9AM-3PM MONDAY.

Fowler Ave and Tracy Street will resigned with NO PARKING FIRE LANE EXCEPT TUESDAY 9AM-3PM on the south side and NO PARKING 9AM-3PM TUESDAYS.

Other streets will be addressed as needed.

#### **E. INTERSECTIONS**

**NO PARKING HERE TO CORNER** signs will be installed 15 feet off all intersections where they are currently lacking.

To complete the updates 25 STOP signs, two ONE WAY, and one DO NOT ENTER sign are required.

Completing all of the upgrades will require 411 +/-parking signs, 25 STOP signs, two ONE WAY and one DO NOT ENTER.

Total cost for upgrades is approximately \$27,000.



By Alderperson : Council As A Whole

Seconded by Alderperson : \_\_\_\_\_

## **A RESOLUTION ACCEPTING 2015/2016 AUDIT - OFFICE OF THE COMPTROLLER**

**WHEREAS**, BST & Co. CPAs, LLP have conducted an Audit of the City of Rensselaer for Fiscal Year 2015/2016, and

**WHEREAS**, the Common Council of the City of Rensselaer has reviewed such Audit, a copy of which is attached hereto, and good cause appearing therefore,

**NOW, THEREFORE BE IT RESOLVED**, that the City of Rensselaer hereby accepts the findings contained in such Audit and thanks BST & Co. CPAs, LLP for its service to the City of Rensselaer.

Approved as to form and sufficiency  
this \_\_\_\_ day of \_\_\_\_\_, 2020

\_\_\_\_\_  
Corporation Counsel

\_\_\_\_\_  
Mayor

**City of Rensselaer, New York**

Basic Financial Statements

July 31, 2016

# City of Rensselaer, New York

## Basic Financial Statements

July 31, 2016

### CONTENTS

	<b>Page</b>
<b>Independent Auditor's Report</b>	1-3
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet - Governmental Funds	6
Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities	9
Statement of Fiduciary Net Position - Fiduciary Funds	10
Statement of Changes in Net Position - Fiduciary Fund	11
Notes to Financial Statements	12-38
<b>Required Supplementary Information</b>	
Budgetary Comparison Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	39
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund	40
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Development Fund	41
Schedule of Funding Progress - Other Postemployment Benefits	42
Schedule of Proportionate Share of the Net Pension Liability	43
Schedule of Pension Contributions	44
<b>Other Supplementary Information</b>	
Non-Major Governmental Funds	
Combining Balance Sheet	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	46



## **Independent Auditor's Report**

Mayor and City Common Council Members  
City of Rensselaer, New York  
Rensselaer, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rensselaer, New York (City) as of and for the year ended July 31, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Rensselaer Industrial Development Agency (Rensselaer IDA), which comprises the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Rensselaer IDA, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of July 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matters***

### ***Adoption of Accounting Standard***

As discussed in Note 1r to the basic financial statements, as of July 31, 2017, the City adopted Governmental Accounting Standard Board Statement No. 77, *Tax Abatement Disclosures*. Our opinions are not modified with respect to this matter.

### ***Restatement***

As discussed in Note 1s to the basic financial statements, opening fund balance within the general fund has been restated to correct a prior period error. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of funding progress - other postemployment benefits, schedule of proportionate share of the net pension liability, and schedule of pension contributions on pages 39-44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

***Other Matters - Continued***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BST & CO. CPAs, LLP

Albany, New York  
January 14, 2019



# City of Rensselaer, New York

## Government-Wide Financial Statements Statement of Net Position

	July 31, 2016	December 31, 2015
	Governmental Activities	Component Unit
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,763,673	\$ 129,078
Cash and cash equivalents, restricted	2,118,389	-
Receivables		
Taxes	953,765	-
Accounts	1,325,890	-
Loans, due within one year, less allowance for uncollectible	25,922	-
Due from other governments	807,434	-
Property held for sale	199,074	-
Loans receivable, due in more than one year, less allowance for uncollectible	623,059	
Capital assets		
Not being depreciated	1,847,786	-
Being depreciated, net	46,873,932	
Total assets	60,538,924	129,078
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	4,497,928	-
<b>LIABILITIES</b>		
Accounts payable	1,111,969	14,550
Accrued expenses	201,155	-
Due to other governments	797,296	-
Due to retirement system	394,475	-
Accrued interest payable	144,256	-
Unearned revenues	10,252	-
Bond anticipation notes payable	4,323,779	-
Non-current liabilities		
Due within one year	754,162	-
Due in more than one year		
Other postemployment benefits	7,796,875	-
Compensated absences	1,364,376	-
Pension contribution payable	790,990	-
Net pension liability	4,657,567	-
Bonds payable	5,000,000	-
EFC BAN payable	7,000,000	-
EFC loan payable	5,686,157	-
Total liabilities	40,033,309	14,550
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	1,140,702	-
<b>NET POSITION</b>		
Net investment in capital assets	26,231,782	-
Restricted	1,388,507	-
Unrestricted	(3,757,448)	114,528
<b>Total net position</b>	<b>\$ 23,862,841</b>	<b>\$ 114,528</b>

See accompanying Notes to Financial Statements.

# City of Rensselaer, New York

## Government-Wide Financial Statements Statement of Activities

Year Ended July 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit
<b>Primary Government</b>						
<b>Governmental Activities</b>						
General government support	\$ 3,640,066	\$ 100,404	\$ 1,493,898	\$ -	\$ (2,045,764)	\$ -
Public safety	7,314,939	292,631	82,705	-	(6,939,603)	-
Transportation	3,778,647	-	230,990	206,551	(3,341,106)	-
Economic opportunity and development	627,958	-	287,788	-	(340,170)	-
Culture and recreation	535,922	-	-	-	(535,922)	-
Home and community services	4,889,070	3,478,086	-	1,354,957	(56,027)	-
Interest expense	348,786	-	-	-	(348,786)	-
Total primary government	<u>\$ 21,135,388</u>	<u>\$ 3,871,121</u>	<u>\$ 2,095,381</u>	<u>\$ 1,561,508</u>	<u>(13,607,378)</u>	<u>-</u>
<b>Component Unit</b>	<u><b>\$ 21,525</b></u>	<u><b>\$ 13,500</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>		<u><b>(8,025)</b></u>
<b>GENERAL REVENUES</b>						
Real property tax and related tax items					8,089,932	-
Non-property taxes					2,462,775	-
Use of money and property					15,530	12
Other revenues					51,066	-
Total general revenues					<u>10,619,303</u>	<u>12</u>
Change in net position					(2,988,075)	(8,013)
<b>NET POSITION, beginning of year</b>					<u>26,850,916</u>	<u>122,541</u>
<b>NET POSITION, end of year</b>					<u><b>\$ 23,862,841</b></u>	<u><b>\$ 114,528</b></u>

See accompanying Notes to Financial Statements.



# City of Rensselaer, New York

## Fund Financial Statements Balance Sheet - Governmental Funds

July 31, 2016

	Major Funds				Non-Major Funds	Total Governmental Funds
	General	Water	Community Development	Capital Projects	Other Governmental	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,586,277	\$ 1,018,196	\$ 771,861	\$ 2,157,131	\$ 230,208	\$ 5,763,673
Cash and cash equivalents, restricted	9,267	-	-	2,109,122	-	2,118,389
Receivables						
Taxes	953,765	-	-	-	-	953,765
Accounts	-	793,227	376	-	532,287	1,325,890
Loans, less allowance for uncollectible	-	-	648,981	-	-	648,981
Due from other funds	455,089	-	-	-	403,268	858,357
Due from other governments	378,090	57,606	-	371,738	-	807,434
<b>Total assets</b>	<b>\$ 3,382,488</b>	<b>\$ 1,869,029</b>	<b>\$ 1,421,218</b>	<b>\$ 4,637,991</b>	<b>\$ 1,165,763</b>	<b>\$ 12,476,489</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 231,602	\$ 48,781	\$ 4,205	\$ 692,100	\$ 135,281	\$ 1,111,969
Accrued expenses	158,788	552	5,895	27,530	8,390	201,155
Due to other governments	10,314	786,982	-	-	-	797,296
Due to retirement system	372,901	10,462	-	-	11,112	394,475
Due to other funds	-	-	-	858,357	-	858,357
Unearned revenues	-	-	-	10,252	-	10,252
Bond anticipation notes payable	-	181,000	-	4,142,779	-	4,323,779
Total liabilities	773,605	1,027,777	10,100	5,731,018	154,783	7,697,283
Deferred inflows of resources	910,059	356,838	648,981	-	393,501	2,309,379
Fund balances						
Restricted	9,267	-	-	1,379,240	-	1,388,507
Assigned	-	484,414	762,137	-	617,479	1,864,030
Unassigned	1,689,557	-	-	(2,472,267)	-	(782,710)
Total fund balances	1,698,824	484,414	762,137	(1,093,027)	617,479	2,469,827
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,382,488</b>	<b>\$ 1,869,029</b>	<b>\$ 1,421,218</b>	<b>\$ 4,637,991</b>	<b>\$ 1,165,763</b>	<b>\$ 12,476,489</b>

See accompanying Notes to Financial Statements.

## City of Rensselaer, New York

### Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position

	<b>July 31, 2016</b>
Fund Balances - Total Governmental Funds	<u>\$ 2,469,827</u>
Amounts reported for governmental activities in the statement of net position are different because capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>48,721,718</u>
Property held for sale in governmental activities is not a financial resource and therefore is not reported in the funds.	199,074
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	910,059
Loans receivable	648,981
Water, sewer and sanitation receivables	<u>750,339</u>
	<u>2,309,379</u>
Deferred outflows and inflows of resources associated with the net pension liability are not required to be reported in the fund financial statements:	
Deferred outflows - pension resources	4,497,928
Deferred inflows - pension resources	<u>(1,140,702)</u>
	<u>3,357,226</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds:	
Bonds payable	(5,290,000)
EFC BAN payable	(7,000,000)
EFC loans payable	(5,876,157)
Accrued interest payable	(144,256)
Compensated absences	(1,515,973)
Pension contribution payable	(913,555)
Net pension liability	(4,657,567)
Other postemployment benefit obligations payable	<u>(7,796,875)</u>
	<u>(33,194,383)</u>
<b>Net position of governmental activities</b>	<u><b>\$ 23,862,841</b></u>

# City of Rensselaer, New York

## Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended July 31, 2016					
	Major Funds				Non-Major Funds	Governmental Funds
	General	Water	Community Development	Capital Projects	Other Governmental	
<b>REVENUES</b>						
Real property taxes and related items	\$ 7,943,622	\$ -	\$ -	\$ -	\$ -	\$ 7,943,622
Non-property taxes	2,462,775	-	-	-	-	2,462,775
Departmental income	100,404	2,009,540	37,227	-	1,205,220	3,352,391
Use of money and property	15,259	7	5	-	259	15,530
Licenses and permits	57,182	-	-	-	-	57,182
Fines and forfeitures	64,562	-	-	-	-	64,562
Sale of property and compensation for loss	4,791	-	-	-	-	4,791
Miscellaneous local sources	292,631	-	-	48,878	9,464	350,973
Federal aid	-	-	287,788	442,649	-	730,437
State aid	1,795,152	-	-	1,131,468	12,441	2,939,061
	<u>12,736,378</u>	<u>2,009,547</u>	<u>325,020</u>	<u>1,622,995</u>	<u>1,227,384</u>	<u>17,921,324</u>
<b>EXPENDITURES</b>						
General government support	2,106,893	-	-	-	-	2,106,893
Public safety	3,912,047	-	-	-	-	3,912,047
Transportation	1,184,126	-	-	316,126	-	1,500,252
Economic opportunity and development	-	-	317,619	-	-	317,619
Culture and recreation	148,814	-	-	-	123,856	272,670
Home and community services	332,176	1,748,711	-	-	812,698	2,893,585
Employee benefits	3,993,120	171,401	-	-	260,538	4,425,059
Capital Outlays	562,069	14,996	-	9,150,124	-	9,727,189
Debt service						
Principal						
Bonds	280,000	-	-	-	-	280,000
BANs	480,566	-	-	-	-	480,566
Interest	290,875	-	-	-	-	290,875
Total expenditures	<u>13,290,686</u>	<u>1,935,108</u>	<u>317,619</u>	<u>9,466,250</u>	<u>1,197,092</u>	<u>26,206,755</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(554,308)</b>	<b>74,439</b>	<b>7,401</b>	<b>(7,843,255)</b>	<b>30,292</b>	<b>(8,285,431)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
BANs redeemed from appropriations	-	-	-	480,566	-	480,566
Proceeds from long-term debt issuances	-	-	-	12,876,157	-	12,876,157
Transfers in	-	-	-	176,972	101,527	278,499
Transfers out	(278,499)	-	-	-	-	(278,499)
Total other financing sources (uses)	<u>(278,499)</u>	<u>-</u>	<u>-</u>	<u>13,533,695</u>	<u>101,527</u>	<u>13,356,723</u>
<b>Net change in fund balances</b>	<b>(832,807)</b>	<b>74,439</b>	<b>7,401</b>	<b>5,690,440</b>	<b>131,819</b>	<b>5,071,292</b>
<b>FUND BALANCES, beginning of year, as restated</b>	<b>2,531,631</b>	<b>409,975</b>	<b>754,736</b>	<b>(6,783,467)</b>	<b>485,660</b>	<b>(2,601,465)</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 1,698,824</b>	<b>\$ 484,414</b>	<b>\$ 762,137</b>	<b>\$ (1,093,027)</b>	<b>\$ 617,479</b>	<b>\$ 2,469,827</b>

See accompanying Notes to Financial Statements.

# City of Rensselaer, New York

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities

	<b>Year Ended July 31, 2016</b>
Net change in fund balances - total governmental funds	<u>\$ 5,071,292</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold or were repairs and maintenance and, therefore, were not capitalized:	
Capital outlay expenditures capitalized	11,375,263
Depreciation expense	<u>(2,366,162)</u>
	<u>9,009,101</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Grant revenues	(46,350)
Loans receivable	(37,337)
Charges for services	263,326
Property taxes	<u>146,310</u>
	<u>325,949</u>
Governmental funds report the annual contribution to the System as retirement expense. GASB 68 requires the prior year contribution to be recognized as an expense, as well as the change in the net pension liability and the deferred inflows and deferred outflows created as a result of this change:	
Change in net pension liability	(4,034,840)
Change in deferred outflows of resources	4,288,386
Change in deferred inflows of resources	<u>(1,489,449)</u>
	<u>(1,235,903)</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Proceeds from EFC BAN	(7,000,000)
Proceed from EFC loan refinancing	(5,876,157)
Principal paid on bonds	<u>280,000</u>
	<u>(12,596,157)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued interest	(57,911)
Compensated absences	286,147
Pension contribution payable	124,364
Other postemployment benefit obligations payable	<u>(3,914,957)</u>
	<u>(3,562,357)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ (2,988,075)</u></b>

See accompanying Notes to Financial Statements.

# City of Rensselaer, New York

## Statement of Fiduciary Net Position - Fiduciary Funds

	July 31, 2016	
	Private Purpose Trust	Trust and Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,311	\$ 240,132
<b>LIABILITIES</b>		
Accounts payable	-	3,617
Agency liabilities	-	236,515
	-	240,132
<b>NET POSITION</b>		
Restricted	\$ 12,311	\$ -

# City of Rensselaer, New York

## Statement of Changes in Net Position - Fiduciary Fund

	<u>Year Ended July 31, 2016</u>
	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>	
Use of money and property	<u>\$          2</u>
<b>CHANGE IN NET POSITION</b>	<u>2</u>
<b>NET POSITION, <i>beginning of year</i></b>	<u>12,309</u>
<b>NET POSITION, <i>end of year</i></b>	<u><u>\$      12,311</u></u>

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### **Note 1 - Organization and Summary of Significant Accounting Policies**

The City of Rensselaer, New York (City) was incorporated in 1897 and is governed by a charter, General Laws of the State of New York, and various local laws and ordinances. The City Common Council is the legislative body responsible for the overall operation of the City. The City provides general government support, police and fire protection, garbage collections, water services, a public library, and recreation services.

All governmental activities and functions performed for the City are the direct responsibility of the City Common Council.

#### *a. Financial Reporting Entity*

The financial reporting entity consists of the primary government, which is the City.

In evaluating how to define the City for financial reporting purposes, management has considered various separate legal entities as potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following component unit is included in the City's reporting entity:

The City of Rensselaer Industrial Development Agency was created under the provisions of the laws of New York State for the purpose of encouraging economic growth in the City. The Agency is exempt from federal, state and local income taxes. The members of the Agency's Board of Directors are appointed by the City's Common Council. Complete financial statements of the Agency can be obtained from its administrative office at the address indicated below:

City of Rensselaer Industrial Development Agency  
Department of Planning and Development  
City Hall  
62 Washington Street  
Rensselaer, New York 12144

Excluded from the reporting entity:

#### *The City of Rensselaer Housing Authority*

The Rensselaer Housing Authority's (Housing Authority) governing board is appointed by the Chief Executive Officer of the City. The City provides no subsidy to the Housing Authority nor is it responsible for debt or operating deficits of the Housing Authority. The Housing Authority's debt is essentially supported by operating revenues of the Housing Authority and is not guaranteed by the City. The City does not appoint management of the Housing Authority nor does it approve the Authority's budget, contracts, or hiring staff. The City has no oversight responsibility for funds of the Housing Authority.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *b. Financial Statement Presentation*

The accompanying basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing accounting and financial reporting principles in the United States of America.

The basic financial statements have been prepared primarily from accounts maintained by the City Treasurer.

#### *c. Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component unit. The effect of interfund activity within the governmental activities has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City does not have any business-type activities.

The statement of net position presents the financial position of the City at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions and programs. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year in which they are earned. Grants, entitlements and donations are recognized as revenues as soon as all eligibility requirements have been met.

Separate statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### *d. Fund Financial Statements*

Separate statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.



# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### d. Fund Financial Statements - Continued

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction that can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property taxes available if they are collected within 60 days of year end. A 120-day availability period is used for revenue recognition for all other governmental fund type revenues. Receivables not expected to be collected within the availability periods are recorded as deferred inflows of resources.

Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 modified the recognition criteria for certain expenditures and liabilities. GASBI 6 requires that expenditures and liabilities such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund financial statement only when they mature or become due for payment within the period. Expenditure driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met and amounts are considered available.

A fund is a separate accounting entity with a self-balancing set of accounts. The City reports the following major funds:

Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Water Fund is used to account for the revenues and expenditures associated with providing water treatment and transportation.

Community Development Fund is used to account for federal funds received in the form of community development grants and rental rehabilitation programs.

Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds.

The City reports the following non-major funds:

Sewer Fund is used to account for the revenues and expenditures associated with providing sewage treatment services in the City.

Library Fund is used to account for the operations of a public library established and supported by taxes pursuant to Education Law, Section 259.

Solid Waste Fund is used to account for revenues and expenditures for the purpose of providing refuse and trash collection to the City.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *d. Fund Financial Statements - Continued*

Fiduciary Funds are used to account for assets held by the City in a trustee or custodial capacity. Following are the City's fiduciary funds:

Trust and Agency Fund is used to account for assets held on behalf of outside parties, including other governments.

Private Purpose Trust is used to account for assets given to the City for the benefit of the Rensselaer Public Library.

#### *e. Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses/expenditures, and other financing sources (uses) during the reporting year. Actual results could differ from those estimates.

#### *f. Budgets*

The City employs the following budgetary procedures:

- i. No later than June 1, the budget officer submits a tentative budget to the City Common Council for the fiscal year commencing the following August 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- ii. After a public hearing is conducted to obtain taxpayer comments, but no later than June 30, the City Common Council adopts the preliminary budget.
- iii. All revisions that alter appropriations of any department or fund must be approved by the City Common Council.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgeting control purposes to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are recorded as reservations of fund balances since the commitments do not constitute expenditures or liabilities. Open encumbrances, after review by the City Common Council, are added to the subsequent year's budget to provide the modified budget presented in the financial statements. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Budgets are adopted on the modified accrual basis of accounting for the General Fund and each Special Revenue Fund. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year and any appropriated reserve funds. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year end. Supplementary appropriations may occur subject to legal restrictions if the City Common Council approves them because of a need that exists which was not determined at the time the budget was adopted. Expenditures may not legally exceed budgeted appropriations at the activity level. Project-length financial plans are adopted for all Capital Projects Funds.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *g. Cash and Cash Equivalents, and Investments*

The City's cash and cash equivalents are defined as restricted and unrestricted short-term, highly liquid investments that are readily convertible to known amounts of cash at maturity (with maturity being no greater than 90 days when purchased).

Restricted cash and cash equivalents consist of funds restricted by external parties and purposes established by the City Common Council.

The City's investment policies are governed by State statutes. City monies are deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies authorized to do business in New York State. The City is authorized to use demand accounts and invest in special time deposits and certificates of deposit. Permissible investments also include obligations of the U.S. Treasury and U.S. agencies where principal and interest are guaranteed by the United States of America and obligations of New York State or, as permitted by of the State Comptroller, in revenue and tax anticipation notes of New York State municipalities, school districts, public authorities, and district corporations.

New York State statutes require that collateral be maintained for cash and cash equivalents at 100% of all deposits not covered by the FDIC. As of July 31, 2016, the City has adequate coverage for all available bank balances either through FDIC or securities held by an agent of the City in the City's name.

#### *h. Interfund Transactions*

During the course of operations, the City processes several transactions that affect more than one fund and other transactions between the various funds. Interfund services provided and used are accounted for as revenues in the provider funds and expenditures or expenses in the user funds. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Advances or loans from one fund to another are recorded as receivables in the remitting fund and payables in the receiving fund. Other interfund transactions generally represent transfers of resources from one fund to be utilized in another fund and are reported as transfers. Interfund transactions that are unpaid between funds are recorded in the financial statements as due from other funds (receivables) and due to other funds (payables).

#### *i. Real Property Taxes and Related Tax Items, Taxes Receivable, Accounts Receivable, Loans Receivable and Due From Other Governments*

The City's Receiver of Taxes is responsible for collection of City and Rensselaer City School District (School District) taxes. The City Common Council adopts the budget for the ensuing fiscal year no later than June 30 of each year. Real property taxes for the City's purposes are levied and become a lien on August 1. All taxes levied on property within the City are collected by the City Treasurer for 30 days after August 1, without penalty or interest. After such 30-day period, interest and penalty are added as appropriate and collection continues until July 15. The City enforces its own taxes via a tax sale performed in mid-July.

The City remits school tax collections to the School District throughout the year and has until the end of the following fiscal year to reimburse the School District for taxes uncollected at July 31 of the current fiscal year.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*i. Real Property Taxes and Related Tax Items, Taxes Receivable, Accounts Receivable, Loans Receivable and Due From Other Governments - Continued*

Accounts and receivables other than loans are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of receivables. Management determined that no allowance for doubtful accounts was necessary for these receivables at July 31, 2016.

As further described in Note 2, the City makes loans for home improvements, home acquisition and economic development under various Housing and Urban Development programs. The City's loans are generally interest free as part of its program mission. Certain loans do not require repayment in the event the homeowner meets an established residency requirement. Loans receivable are carried at their unpaid principal balance less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful loans receivable based on a review of payment histories and judgments that have been filed. Management has established an allowance for doubtful loans receivable in the Community Development Fund of \$311,057 for loans receivable determined to be uncollectible.

*j. Property Held for Sale*

Property held for sale consists of property acquired through the City's enforcement of real property taxes for the purpose of resale and is carried at the lower of cost or net realizable value.

*k. Capital Assets*

Capital assets, which include land, construction-in-progress, buildings, site improvements, personal property, machinery, equipment, and infrastructure assets (e.g., roads, sidewalks, water lines, storm drains, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Land and construction-in-progress are not depreciated. Buildings, site improvements, personal property, machinery and equipment, and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30-50
Other capital assets	5-10
Machinery and equipment	5-15
Infrastructure	15-50

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2016.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *k. Capital Assets - Continued*

The costs associated with the acquisition or construction of capital assets is shown as a capital outlay expenditure on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

#### *l. Deferred Outflows/Inflows of Resources and Unearned Revenues*

When potential revenues do not meet the availability criterion for recognition in the current period, these amounts are recorded as deferred inflows of resources in the governmental funds. In subsequent periods, when availability criterion is met, deferred inflows of resources are recognized as revenues.

The City also reports deferred outflows and inflows of resources related to various pension transactions.

Unearned revenue arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, or when the City has legal claim to the resources, the liability is removed, and revenue is recognized.

#### *m. Compensated Absences*

City employees are granted vacation and sick time in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitation.

Payment of vacation and compensatory time is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and sick time.

Estimated vacation and sick time accumulated by governmental fund type employees have been recorded in the government-wide statement of net position.

#### *n. Other Postemployment Benefits*

Other postemployment costs are measured and disclosed using the accrual basis of accounting in the government-wide financial statements (Note 10). In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the City and its employee groups. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. Health care benefits are provided through plans whose premiums are based on benefits paid during the year. The City pays 100% of the retiree's and spouse's medical benefit and reimburses the employee and dependent spouse for the full cost of Medicare Part B.

#### *o. Pensions*

The City is a participating employer in the New York State and Local Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (collectively, the "System"). Employees in ERS and PFRS permanent positions are required to enroll in the System, while employees in ERS part-time or seasonal positions have the option of enrolling in the System. The System is a cost sharing, multiple employer, public employees defined benefit retirement system. The impact on the City's financial position and results of operations due to its participation in the System is more fully disclosed in Note 9.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *p. Long-Term Debt Obligations*

Principal and interest payments are recognized as expenditures of a governmental fund when paid. Long-term debt is recognized as a liability of a governmental fund when due. The remaining portion of such obligations is reported in the government-wide statement of net position.

Governmental funds recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *q. Net Position and Fund Balances*

The following terms are used in reporting net position:

*Net Investment in Capital Assets* consists of capital assets, including restricted capital assets, reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* net position is reported when constraints placed on the use of resources are either:

- a) Externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments, or
- b) Imposed by law through constitutional provisions or enabling legislation

*Unrestricted* is the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not included in the determination of net investment in capital assets or restricted components of net position described above.

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

*Nonspendable* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

*Restricted* - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.

*Assigned* - Amounts that are constrained only by the government's intent to be used for a specified purpose, but are not restricted or committed in any manner.

*Unassigned* - The residual amount in the General Fund after all of the other classifications have been established. In a Special Revenue Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### q. Net Position and Fund Balances - Continued

The City's fund balance policy is set by the City Common Council, the highest level of decision-making authority. The City Common Council considers "formal action" for a committed fund balance to be the passing of a resolution. The City Common Council has delegated the ability to assign fund balance to the Treasurer. The City Common Council considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

#### r. Adoption of Accounting Standard

The City has elected to early implement the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*. As a result of the adoption of this accounting standard, the City has disclosed all tax abatement related agreements (see Note 11). This standard is disclosure only and did not impact amounts reported within the financial statements.

#### s. Restatement

The City has restated the opening fund balance of the general fund, capital projects fund and solid waste fund as noted below:

	General	Capital Projects	Solid Waste
Fund balance, August 1, 2015, <i>as originally stated</i>	\$ 1,729,968	\$ (9,415,460)	\$ 54,318
Remove property held for sale (a)	(199,074)	-	-
Understatement of deferred inflows of resources (b)	-	-	(119,529)
Understatement of liabilities (c)	-	(46,350)	-
Overstatement of liabilities (d)	1,000,737	2,678,343	-
Fund balance, August 1, 2015, <i>as restated</i>	<u>\$ 2,531,631</u>	<u>\$ (6,783,467)</u>	<u>\$ (65,211)</u>

(a) Reporting of inventory balances is optional within the governmental funds. The City has decided to report property held for sale (inventory) in the government-wide statement of net position, as it does not provide for current financial resources in the governmental funds.

(b) Revenues reported in prior years were not available, and therefore should have been reported as deferred inflows of resources.

(c) Expenditures incurred and measurable at July 31, 2015 should have been reported in the financial statements.

(d) The general fund included pension contribution liabilities that were not currently due and payable, and therefore should have not been reported in the fund financial statements. The capital projects fund included a BAN payable, whose maturity date extended beyond one year of the balance sheet date, and therefore should not have been reported as a fund liability.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *t. Subsequent Events*

The City has evaluated subsequent events for potential recognition or disclosure through January 14, 2019, the date the financial statements were available to be issued.

### Note 2 - Receivables

#### *a. Loans Receivable, Less Allowance for Uncollectible*

The City's loan receivables consist of:

- 1) Interest-free home improvement - unsecured, interest-free loans to homeowners within the Fort Crailo historic district that are repayable on a monthly basis over a period not to exceed 10 years.
- 2) Home acquisition assistance loans (repayable) - interest-free loans made to assist in home acquisition within the City. These loans must be repaid when the borrower moves out or sells their residence. These loans are secured by the underlying property.
- 3) Home acquisition loans (amortizable) - unsecured, interest-free loans that are amortized over a period of time. Disposition of the property prior to the residency requirement would result in a pro-rata repayment of the loan balance.
- 4) Economic development - unsecured loans made to various business enterprises. Economic development loans are generally interest free and must be repaid over a period not to exceed 10 years.

The following table summarizes the loans outstanding as of July 31, 2016:

	Historic District	Homeowner Acquisition Repayable	Homeowner Acquisition Amortizable	Economic Development	Total
Book value	\$ 80,886	\$ 704,378	\$ 204,044	\$ 182,043	\$ 1,171,351
Reserve for amortizable loans	-	-	(204,044)		(204,044)
Reserve for uncollectible	(9,818)	-	-	(97,195)	(107,013)
Net book value	<u>\$ 71,068</u>	<u>\$ 704,378</u>	<u>\$ -</u>	<u>\$ 84,848</u>	<u>\$ 860,294</u>

The reserve for amortizable loans is based on the City's historical experience that homeowners will meet the residency requirements and, therefore, not repay their outstanding balance. Accordingly, the City has reserved 100% of these loan types. The City has filed a lien on repayable home acquisition loans, therefore, collection is probable. Loans for the Fort Crailo historic district and economic development loans are unsecured. A reserve for uncollectible loans was determined based on historical experience and delinquencies on outstanding balances. The City considers loan repayments that are fifteen days late to be past due.



# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 2 - Receivables - Continued

#### *b. Due from Other Governments*

*General Fund* - Primarily consists of \$378,090 representing June and July 2016 sales tax distributions due from the County of Rensselaer.

*Water Fund* - The balance represents amounts due from other municipalities for water consumption.

*Capital Projects Fund* - Primarily composed of reimbursements for grants from the State of New York for the Waterfront project and other projects.

### Note 3 - Interfund Transactions

During the course of operations, the City has numerous transactions between funds, including expenditures and transfers of revenue to provide services and construct assets. For the year ended July 31, 2016, interfund receivables, payables and transfers in and out, arising from these transactions were as follows:

	July 31, 2016	
	Interfund Receivables	Interfund Payables
General Fund	\$ 455,089	\$ -
Capital Projects Fund	-	858,357
Sewer Fund	403,268	-
Total	<u>\$ 858,357</u>	<u>\$ 858,357</u>

	Year Ended July 31, 2016	
	Transfers In	Transfers Out
General Fund	\$ -	\$ 278,499
Capital Projects Fund	176,972	-
Library Fund	101,527	-
Total	<u>\$ 278,499</u>	<u>\$ 278,499</u>

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 4 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance August 1, 2015	Additions	Retirements	Balance July 31, 2016
<i>Depreciable Assets</i>				
Buildings	\$ 11,787,437	\$ -	\$ -	\$ 11,787,437
Site improvements	120,184	19,966		140,150
Personal property	927,572	38,416		965,988
Machinery and equipment	4,549,047	251,708	(60,500)	4,740,255
Infrastructure	72,685,859	14,163,207	-	86,849,066
	<u>90,070,099</u>	<u>14,473,297</u>	<u>(60,500)</u>	<u>104,482,896</u>
Accumulated depreciation	<u>(55,303,302)</u>	<u>(2,366,162)</u>	<u>60,500</u>	<u>(57,608,964)</u>
Total depreciable assets	<u>34,766,797</u>	<u>12,107,135</u>	<u>-</u>	<u>46,873,932</u>
<i>Non-depreciable Assets</i>				
Land	640,126	-	-	640,126
Construction in progress	4,305,694	9,342,237	(12,440,271)	1,207,660
Total non-depreciable assets	<u>4,945,820</u>	<u>9,342,237</u>	<u>(12,440,271)</u>	<u>1,847,786</u>
Total capital assets	<u>\$ 39,712,617</u>	<u>\$ 21,449,372</u>	<u>\$ (12,440,271)</u>	<u>\$ 48,721,718</u>

### Note 5 - Long-Term Liabilities

The following table summarizes changes in long-term liabilities for governmental activities:

	Balance August 1, 2015	Additions	Reductions	Balance July 31, 2016	Due Within One Year
Bonds payable	\$ 5,570,000	\$ -	\$ 280,000	\$ 5,290,000	\$ 290,000
EFC - BAN Payable	-	7,000,000	-	7,000,000	-
EFC - Clean Water Loan	-	5,987,157	111,000	5,876,157	190,000
Compensated absences	1,802,120	180,212	466,359	1,515,973	151,597
Pension contribution payable	1,037,919	-	124,364	913,555	122,565
Net pension liability	622,727	5,085,432	1,050,592	4,657,567	-
Other post employment benefits	3,881,918	4,831,003	916,046	7,796,875	-
	<u>\$ 12,914,684</u>	<u>\$ 23,083,804</u>	<u>\$ 2,948,361</u>	<u>\$ 33,050,127</u>	<u>\$ 754,162</u>

### Note 6 - Bonds Payable

A summary of the City's indebtedness under bonds payable is as follows:

Issue Date	Original Amount	Final Maturity	Interest Rate	Outstanding at July 31, 2016
June 22, 2010	\$ 3,008,500	April 1, 2025	3.500% - 4.000%	\$ 1,975,000
April 5, 2011	3,435,000	April 1, 2040	4.750% - 5.125%	3,115,000
July 30, 2014	253,413	July 15, 2022	2.500%	200,000
				<u>\$ 5,290,000</u>

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 6 - Bonds Payable - Continued

Aggregate minimum maturities of bonds payable are as follows:

Fiscal Year Ending July 31,	Principal	Interest	Total
2017	\$ 290,000	\$ 233,350	\$ 523,350
2018	305,000	222,563	527,563
2019	320,000	211,150	531,150
2020	330,000	199,256	529,256
2021	345,000	186,863	531,863
2022 through 2026	1,495,000	725,294	2,220,294
2027 through 2031	625,000	495,205	1,120,205
2032 through 2036	795,000	325,030	1,120,030
2037 through 2040	785,000	102,757	887,757
Total	<u>\$ 5,290,000</u>	<u>\$ 2,701,468</u>	<u>\$ 7,991,468</u>

### Note 7 - Bond Anticipation Notes

Bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. BANs issued for capital purposes must be converted to long-term obligations within five years after the original issue date. However, BANs may be renewed for periods equivalent to the life of the permanent financing provided that annual reductions of principal are made. The City's obligations for BANs are as follows:

Description	Issue	Original Issue Amount	Interest Rate	July 31, 2016 Balance
<i>Capital Projects Fund</i>				
Various purposes	May 2016	\$ 281,500	1.59%	\$ 198,500
Fire fighting vehicle	May 2016	310,279	1.66%	250,279
Broadway NYSDOT project	January 2016	700,000	1.58%	600,000
Police vehicles	April 2016	150,000	1.55%	50,000
Truck apparatus	February 2016	74,000	1.57%	74,000
Drinking water project	May 2016	1,600,000	1.58%	1,600,000
Water system emergency reconstruction	July 2016	245,000	1.55%	245,000
Sewer system emergency reconstruction	April 2016	545,000	1.55%	545,000
Highway widening project	April 2016	585,000	1.55%	580,000
Total Capital Projects Fund				<u>4,142,779</u>
<i>Water Fund</i>				
Emergency reconstruction projects	September 2015	181,000	1.66%	<u>181,000</u>
Total bond anticipation notes payable				<u>\$ 4,323,779</u>

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 8 - Environmental Facilities Corporation Loan Agreements

#### *Clean Water State Revolving Fund Loans*

On September 29, 2011, the City entered into an unsecured financing agreement with the New York State Environmental Facilities Corporation (EFC) to help fund the cost of planning, design and construction of sewer separation improvements in the Washington Avenue and North Broadway areas of the City. The maximum principal sum of the loan was \$6,905,000, which consisted of two loans; an interest-free portion with a maximum principal sum of \$4,761,672 and an interest-bearing portion, .51%, per annum, with a maximum principal sum of \$2,113,238. The maximum principal forgiveness under the financing agreement is \$2,678,343. Under the financing agreement, the City was required to comply with various non-financial covenants. The balance of these loans at July 31, 2016 is as follows:

Zero interest loan	\$ 4,722,172
Less, forgivable portion	<u>(2,678,343)</u>
Zero interest loan, net	2,043,829
 Interest bearing loan	 <u>2,032,328</u>
 Total	 <u>\$ 4,076,157</u>

On May 12, 2016, the City issued a one-year BAN in the amount of \$1.8 million at an interest rate of 1.58%. The purpose of the BAN was to help finance the cost of clean water projects.

On September 29, 2016, the City entered into an unsecured long-term financing arrangement with EFC to repay the short-term EFC financing agreement and clean water project BAN in the amount of \$6,371,157. The long-term loan will be repaid over a 30-year period at a fixed interest rate net of subsidies of approximately 1.10%. A summary of the refunding transaction is as follows:

Debt refinancing	
EFC Financing Arrangement, Net	\$ 4,076,157
Clean water project - BAN	<u>1,800,000</u>
Total debt refinancing	5,876,157
 Debt issuance	 
Additional project cost borrowings	<u>495,000</u>
2016B series debt	<u>\$ 6,371,157</u>

Total short-term debt of \$5,876,157 has been excluded from the Capital Projects Fund as it was refinanced on a long-term basis subsequent to year-end.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 8 - Environmental Facilities Corporation Loan Agreements - Continued

#### *Clean Water State Revolving Fund Loans - Continued*

Aggregate minimum maturities of the EFC bonds are as follows:

	Principal	Interest	Total
2017	\$ 190,000	\$ 74,427	\$ 264,427
2018	176,157	92,336	268,493
2019	180,000	91,422	271,422
2020	180,000	90,348	270,348
2021	185,000	89,112	274,112
2022 - 2026	935,000	423,543	1,358,543
2027 - 2031	985,000	370,978	1,355,978
2032 - 2036	1,065,000	289,705	1,354,705
2037 - 2041	1,175,000	186,616	1,361,616
2042 - 2046	1,300,000	65,162	1,365,162
	<u>\$ 6,371,157</u>	<u>\$ 1,773,649</u>	<u>\$ 8,144,806</u>

#### *Drinking Water BAN Payable*

On October 30, 2014, the City entered into a BAN agreement with EFC for \$7,000,000 to help finance the following projects:

- 1) The acquisition by the City of a portion of the water storage tank and pump station facilities previously constructed and financed by the Rensselaer Water and Sewer Authority (Authority). These previously constructed facilities were for the benefit of the City and the Town of East Greenbush. The acquisition allows the Authority to partially redeem its 2008 revenues bonds to build the water facilities. This work included upgrades to the Cross Street Pump Station and two new 5-MG finished water storage tanks to replace a single 4-MG tank that was past its design life.
- 2) The replacement of aged and undersized water mains within the City and within a portion of the Town of North Greenbush that is also served by the City.

Principal repayments are not required until the maturity date. The BAN is unsecured and interest free through the maturity date, which has been extended to October 30, 2019. The City intends to refinance this loan with EFC on a long-term basis in the fall of 2018. Similar to the Clean Water financing agreement, the City is required to comply with various non-financial covenants.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 9 - Retirement System

#### *a. Plan Description and Benefits Provided*

The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as the New York State and Local Retirement System (System), which is a defined benefit cost-sharing, multiple employer, public employee retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System.

The Comptroller of the State of New York adopts and may amend rules and regulations for the administration and transaction of the business of the System for the custody and control of its funds. The System issues publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

#### *b. Plan Benefits*

The System provides retirement benefits as well as death and disability benefits. Retirement benefits are established by the New York State Retirement and Social Security Law (RSSL) and are dependent upon the point in time at which the employees last joined the System. The RSSL has established distinct classes of membership. The System uses a tier concept within ERS and PFRS to distinguish these groups, as follows:

#### ERS

- Tier 1 - Those persons who last became members before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

#### PFRS

- Tier 1 - Those persons who last became members before July 31, 1973.
- Tier 2 - Those persons who last became members on or after July 31, 1973, but before July 1, 2009.
- Tier 3 - Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 - Not applicable.
- Tier 5 - Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### **Note 9 - Retirement System - Continued**

#### *b. Plan Benefits*

Generally, members of the System may retire at age 55; however, members of Tiers 2, 3, and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. A member with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) generally need 10 years of service to be 100 percent vested.

Typically, the benefit for members in all Tiers is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or 2-member retiree with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20 percent of the previous year (Tier 1) or no more than 20 percent of the average of the previous two years (Tier 2). For Tier 3, 4, and 5 members, each year used in the final average salary calculation is limited to no more than 10 percent of the average of the previous two years. The benefit for Tier 6 members who retire with 20 years of service is 1.75 percent of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied to each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest consecutive years. Each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

An automatic post-employment benefit is provided annually to pensioners who have attained age 62 and have been retired for five years; to pensioners who have attained age 55 and have been retired for ten years; to all disability pensioners, regardless of age, who have been retired for five years; to recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or greater than 3 percent.

#### *c. Funding Policy*

Employee contribution requirements depend upon the point in time at which an employee last joined the System. Most Tier 1 and Tier 2 members of ERS, and most members of PFRS are not required to make employee contributions. Employees in ERS Tiers 3, 4, and 5 are required to contribute 3 percent of their salary, however, as a result of Article 19 of the RSSL, eligible ERS Tier 3 and 4 employees who have ten or more years of membership or credited service within the System are not required to contribute. The ERS Tier 6 contribution rate varies from 3 percent to 6 percent depending on salary. ERS Tiers 5 and 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or to make increased contributions beyond what was required when their memberships began.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 9 - Retirement System - Continued

#### *c. Funding Policy - Continued*

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2015 was approximately 20.1 percent of payroll. The average contribution rate for PFRS for the fiscal year ended March 31, 2016 was approximately 27.6 percent of payroll. The required contribution for the current year was \$389,151 for ERS and \$803,889 for PFRS.

Chapter 260 of the Laws of 2004 of the State of New York allowed local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State Fiscal Year (SFY) 2005-05, the amount of excess of 7% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5% of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5% of employees' covered pensionable salaries.

The City amortized the allowable amounts of \$17,980 for ERS and \$201,330 for PFRS. The balance of the ERS amortization was fully paid during the current fiscal year. The balance of PFRS was \$20,133 and is reported as a component of pension contribution payable in the statement of net position.

The City has also elected to participate in the Employer Contribution Stabilization Program per Part II of Chapter 57, Laws of 2010, which was signed into law on August 11, 2010. This program gives localities the option to amortize a portion of their annual pension cost. The amortized amount will be paid in equal installments over a ten-year period and may be prepaid at any time. The portion of the retirement bill that the City has elected to amortize for 2013 is \$42,030 for the ERS Retirement System and \$170,130 for the Police and Fire Retirement System, with a current balance of \$29,420 and \$119,091 at July 31, 2016, respectively. For 2014, the City elected to amortize \$186,470 for the ERS Retirement System and \$270,720 for the Police and Fire Retirement System, with a current balance of \$149,177 and \$225,600 at July 31, 2016, respectively. For 2015, the City elected to amortize an additional \$4,360 for the ERS Retirement System and \$172,140 for the Police and Fire Retirement System, with a current balance of \$3,924 and \$157,794 at July 31, 2016, respectively. The City also elected to amortize \$347,360 of Past Service Cost under Section 384E(b) for the Police and Fire Retirement System, with a current balance of \$208,416 at July 31, 2016. The balances of these amortized liabilities are included in pension contributions payable in the statement of net position.



# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 9 - Retirement System - Continued

#### c. Funding Policy – Continued

The following table presents the future minimum payments under the State's amortization programs.

	ERS	PFRS	Total
Plan year ending March 31,			
2017	\$ 23,286	\$ 99,279	\$ 122,565
2018	23,286	98,162	121,448
2019	23,286	88,654	111,940
2020	23,286	88,654	111,940
2021	23,286	88,654	111,940
Thereafter	66,091	267,631	333,722
	<u>\$ 182,521</u>	<u>\$ 731,034</u>	<u>\$ 913,555</u>

#### d. Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At July 31, 2016, the City reported a liability of \$4,657,567 for its proportionate share of the net pension liability of the System in the statement of net position. The net pension liability was measured as of March 31, 2015, and the total pension liability was determined by an actuarial valuation as of April 1, 2014. The City's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2015 measurement date, the City's proportionate share was 0.0086716% for ERS and 0.1103003% for PFRS.

For the year ended July 31, 2016, the City recognized pension expenditures of \$1,581,001. At July 31, 2016, the City reported deferred outflows and inflows of resources as follows:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 36,324	\$ 658,719
Changes of assumptions	1,779,011	-
Net differences between projected and actual investment earnings on pension plan investments	2,655,891	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,702	481,983
Total	<u>\$ 4,497,928</u>	<u>\$ 1,140,702</u>

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 9 - Retirement System - Continued

*d. Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions - Continued*

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as follows:

Year ending July 31,	
2017	\$ 808,023
2018	808,023
2019	808,023
2020	791,273
2021	141,884
	<hr/>
Total	<u>\$ 3,357,226</u>

*e. Actuarial Assumptions*

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with updated procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions:

Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

	<u>ERS</u>	<u>PFRS</u>
Inflation rate	2.5%	2.5%
Salary scale	3.8%	4.5%
Investment rate of return, including inflation	7.0%	7.0%
Cost of living adjustment	1.3%	1.3%

Annuitant mortality rates are based on April 1, 2005 to March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of actuarial experience study for the period April 1, 2005 to March 31, 2010.

*f. Investment Asset Allocation*

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below:

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 9 - Retirement System - Continued

#### *f. Investment Asset Allocation - Continued*

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	38.00%	7.30%
International equity	13.00%	8.55%
Private equity	10.00%	11.00%
Real estate	8.00%	8.25%
Absolute return strategies	3.00%	6.75%
Opportunistic portfolio	3.00%	8.60%
Real assets	3.00%	8.65%
Bonds and mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation-Indexed bonds	2.00%	4.00%
	<u>100.00%</u>	

#### *g. Discount Rate*

The discount rate used to calculate the total pension liability was 7.0%. The discount rate projection of cash flows assumes that contributions from members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### *h. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption*

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0% and the impact of using a discount rate that is 1% higher or lower than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability (asset)	\$ 10,432,843	\$ 4,657,567	\$ (195,139)

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 9 - Retirement System - Continued

#### i. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2016, were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 172,303,544	\$ 30,347,727	\$ 202,651,271
Plan net position	(156,253,265)	(27,386,940)	(183,640,205)
Employers' net pension liability	<u>\$ 16,050,279</u>	<u>\$ 2,960,787</u>	<u>\$ 19,011,066</u>
Ratio of plan net position to the employers' total pension liability	<u>90.7%</u>	<u>90.2%</u>	<u>90.6%</u>

### Note 10 - Postemployment Benefits Other Than Pensions

*Retiree Health Plan Description.* In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan (the "Retiree Health Plan"). The Retiree Health Plan provides for continuation of medical insurance benefits for retirees who have reach the age of 55 and have 15 to 20 years of service (non-Police) or have 15 to 20 years of service at any age (Police), and their eligible dependents. Retirees are not required to contribute toward the cost of benefits. Eligible dependents are covered by the Retiree Health Plan and may continue participation in the Retiree Health Plan subsequent to the death of the retiree at no cost.

*Funding Policy.* The City contributes sufficient amounts to the Retiree Health Plan to satisfy current obligations on a pay-as-you-go basis, which is equal to the balance not paid by Retiree Health Plan members.

*Other Post-Employment Employee Benefit (OPEB) Cost and Net OPEB Obligation.* The City's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Retiree Health Plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 10 - Postemployment Benefits Other Than Pensions - Continued

Annual required contribution	\$ 4,902,602
Interest on net OPEB obligation	135,867
Adjustment to annual required contribution	(207,466)
Annual OPEB cost	<u>4,831,003</u>
Contributions made	<u>(916,046)</u>
Increase in net OPEB obligation	3,914,957
Net OPEB obligation, <i>beginning of year</i>	<u>3,881,918</u>
Net OPEB obligation, <i>end of year</i>	<u>\$ 7,796,875</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retiree Health Plan, and the net OPEB obligation for the current and preceding year is as follows:

Fiscal Year Ended July 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 4,831,003	18.96%	\$ 7,796,875
2015	4,755,607	18.37%	3,881,918

**Funded Status and Funding Progress.** As of July 31, 2016, the actuarial accrued liability for benefits was \$48,131,088, none of which was funded. The covered payroll (annual payroll of active employees covered by the Retiree Health Plan) was \$4,941,314, and the ratio of the unfunded actuarial liability to the covered payroll was 974.1%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

**Retirement Age for Active Employees** - Rates of decrement due to retirement based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation*.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 10 - Postemployment Benefits Other Than Pensions - Continued

*Marital Status* - It is assumed that 80% of retirees will be married at the time of their retirement, with the male spouse assumed to be approximately three years older than the female. For current retirees, actual census information is used.

*Mortality* - Life expectancies were based on the RP-2000 Combined Health Participant Table projected 10 years using Projection Scale AA.

*Actuarial Cost Method* - The OPEB cost and net OPEB obligation were developed using the Projected Unit Credit cost method.

*Participation Rate* - It is assumed that 100% of future retirees eligible for coverage will elect the benefit.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 3.50% was used. The period used to determine amortization costs for the initial unfunded actuarial accrued liability is a level period of 30 years, the remaining amortization period used for this valuation is 28 years.

### Note 11 - Tax Abatements

The following summarizes certain property tax abatement agreements entered into by the City as of July 31, 2016:

Agreement	Start Date	End Date	Taxable Assessed Value	Per '000 Tax Rate	Tax Value	PILOT Received	Taxes Abated
Empire Generating	2/1/2009	2/29/2029	\$ 18,500,000	\$ 51.78	\$ 957,957	\$ 601,172	\$ 356,785
Empire Generating - Host	12/1/2014	12/1/2024	-	-	-	294,664	(294,664)
Gorman Terminals	2/1/2008	12/31/2018	64,500	52	3,340	462	2,878
Bell Top	11/1/2013	10/1/2024	107,800	52	5,582	4,596	986
							<u>\$ 65,985</u>

### Note 12 - Fund Balance

The City has reported a deficit fund balance of \$1,059,286 in the capital projects fund as of July 31, 2016. This deficit is attributable to projects which have been financed utilizing short-term bond anticipation notes and other short-term financing. The City plans on addressing the fund balance deficit in future years through the issuance of long-term debt securities.

### Note 13 - Contingencies

#### a. Pending Litigation

The City is involved in certain suits and claims arising from a variety of sources. It is the opinion of counsel and management that the liabilities that may arise from such actions would be covered by the City's insurance carrier or would not result in losses that would materially affect the financial position of the City or the results of its operations.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 13 - Contingencies - Continued

#### *b. Environmental Risks*

Certain facilities of the City are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the City expect such compliance to have, any material effect upon the capital expenditures or financial condition of the City. The City believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

#### *c. Grants*

Grants received by the City are subject to audit by certain agencies of New York State and the federal government. Such audits could possibly result in disallowances and request for return of funds. The City's administration believes disallowances, if any, would be immaterial.

### Note 14 - Accounting Standards Not Yet Implemented

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. This statement establishes requirement for defined benefit pensions that are not within the scope of GASB Statement No. 68, *Accounting and Financial Reporting for Pension* (GASB Statement No. 68), as well as for the assets accumulated for purposes of providing those pensions. In addition, this statement establishes requirements for defined contribution pensions that are not within the scope of GASB Statement No. 68. The requirements of this statement are effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). GASB 75 establishes financial reporting standards for other postemployment benefits (OPEB) plans for state and local governments. This standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. The statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expense/expenditures, as well as identifying the methods and assumptions required to project benefit payments, discount projected benefit payments, to their actuarial present value, and attribute that present value to periods of employee service. Additionally, GASB 75 lays out requirements for additional note disclosures and required supplementary information. These requirements are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 78, *Accounting and Financial Reporting Through Certain Multiple-Employer Benefit Pension Plans*. This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this statements are effective for reporting periods beginning after December 31, 2015.

# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### Note 14 - Accounting Standards Not Yet Implemented - Continued

GASB Statement No. 80, *Blending Requirements for Certain Component Units*. This statement provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local governments. The requirements of GASB 80 are effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 82, *Pension Issues* (GASB 82) addresses practice issues raised during implementation of the GASB's pension accounting and financial reporting standards for state and local governments. The requirements of GASB 82 are effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). GASB 83 establishes criteria for determining the timing and pattern of recognition for a liability and corresponding deferred outflow of resources for asset retirement obligations. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities* (GASB 84). GASB 84 establishes criteria for identifying fiduciary activities of state and local governments and establishes four types of fiduciary funds that should be reported. The statement also provides guidance for the recognition of liabilities in a fiduciary fund and the related release of liability to a beneficiary. These requirements are effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 85, *Omnibus 2017* (GASB 85). GASB 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 86, *Certain Debt Extinguishments* (GASB 86). GASB 86 addresses accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also addresses accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The required of this statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87, *Leases* (GASB 87). GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines-of-credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.



# City of Rensselaer, New York

## Notes to the Financial Statements July 31, 2016

### **Note 14 - Accounting Standards Not Yet Implemented - Continued**

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Management has not estimated the extent of potential impact of these statements on the City's financial statements.

# City of Rensselaer, New York

## Required Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended July 31, 2016			Variance with Final Budget Positive (Negative)
	2016 Adopted Budget	2016 Modified Budget	2016 Actual	
<b>REVENUES</b>				
Real property taxes and related items	\$ 7,416,884	7,416,884	\$ 7,943,622	\$ 526,738
Non-property taxes	2,633,000	2,633,000	2,462,775	(170,225)
Departmental income	401,400	401,400	100,404	(300,996)
Use of money and property	14,525	14,525	15,259	734
Licenses and permits	107,400	107,400	57,182	(50,218)
Fines and forfeitures	120,000	120,000	64,562	(55,438)
Sale of property and compensation for loss	-	-	4,791	4,791
Miscellaneous local sources	874,150	874,150	292,631	(581,519)
State aid	1,647,641	1,647,641	1,795,152	147,511
Total revenues	<u>13,215,000</u>	<u>13,215,000</u>	<u>12,736,378</u>	<u>(478,622)</u>
<b>EXPENDITURES</b>				
General government support	3,249,860	3,214,769	2,113,067	1,101,702
Public safety	4,031,645	4,057,009	4,073,500	(16,491)
Transportation	1,439,712	1,619,087	1,576,645	42,442
Culture and recreation	186,467	192,847	148,814	44,033
Home and community services	223,470	250,994	334,099	(83,105)
Employee benefits	3,768,331	3,900,006	3,993,120	(93,114)
Debt service	877,400	877,400	1,051,441	(174,041)
Total expenditures	<u>13,776,885</u>	<u>14,112,112</u>	<u>13,290,686</u>	<u>821,426</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(561,885)</b>	<b>(897,112)</b>	<b>(554,308)</b>	<b>342,804</b>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(107,115)</u>	<u>(107,115)</u>	<u>(278,499)</u>	<u>(171,384)</u>
<b>Net change in fund balances</b>	<b>(669,000)</b>	<b>(1,004,227)</b>	<b>(832,807)</b>	<b>\$ 171,420</b>
<b>FUND BALANCES, beginning of year</b>	<u>2,531,631</u>	<u>2,531,631</u>	<u>2,531,631</u>	
<b>FUND BALANCES, end of year</b>	<u><b>\$ 1,862,631</b></u>	<u><b>\$ 1,527,404</b></u>	<u><b>\$ 1,698,824</b></u>	

# City of Rensselaer, New York

## Required Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund

	Year Ended July 31, 2016			Variance with Final Budget Positive (Negative)
	2016 Adopted Budget	2016 Modified Budget	2016 Actual	
<b>REVENUES</b>				
Departmental income	\$ 2,528,300	\$ 2,528,300	\$ 2,009,540	\$ (518,760)
Use of money and property	-	-	7	7
Total revenues	<u>2,528,300</u>	<u>2,528,300</u>	<u>2,009,547</u>	<u>(518,753)</u>
<b>EXPENDITURES</b>				
Home and community services	1,986,018	2,296,988	1,763,707	533,281
Employee benefits	182,282	182,282	171,401	10,881
Debt service	<u>360,000</u>	<u>360,000</u>	-	<u>360,000</u>
Total expenditures	<u>2,528,300</u>	<u>2,839,270</u>	<u>1,935,108</u>	<u>904,162</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	<b>(310,970)</b>	<b>74,439</b>	<b><u>\$ 385,409</u></b>
<b>FUND BALANCES, <i>beginning of year</i></b>	<u>409,975</u>	<u>409,975</u>	<u>409,975</u>	
<b>FUND BALANCES, <i>end of year</i></b>	<b><u>\$ 409,975</u></b>	<b><u>\$ 99,005</u></b>	<b><u>\$ 484,414</u></b>	

# City of Rensselaer, New York

## Required Supplementary Information Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Development Fund

	Year Ended July 31, 2016			
	2016 Adopted Budget	2016 Modified Budget	2016 Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Departmental income	\$ 822,000	\$ 822,000	\$ 37,227	\$ (784,773)
Use of money and property	-	-	5	5
Federal aid	-	-	287,788	287,788
Total revenues	822,000	822,000	325,020	(496,980)
<b>EXPENDITURES</b>				
Economic assistance and opportunity	822,000	822,000	317,619	504,381
<b>Excess of revenues over expenditures</b>	-	-	7,401	<b>\$ 7,401</b>
<b>FUND BALANCES, <i>beginning of year</i></b>	754,736	754,736	754,736	
<b>FUND BALANCES, <i>end of year</i></b>	<b>\$ 754,736</b>	<b>\$ 754,736</b>	<b>\$ 762,137</b>	

## City of Rensselaer, New York

### Required Supplementary Information Schedule of Funding Progress - Other Postemployment Benefits

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage Covered Payroll ((b-a)/c)</u>
July 31, 2016	\$ -	\$ 48,131,088	\$ 48,131,088	0.0%	\$ 4,941,314	974.1%

See Independent Auditor's Report.

# City of Rensselaer, New York

## Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability

<b>ERS</b>	<b>2016</b>
City's proportion of the net pension liability	0.0086716%
City's proportionate share of the net pension liability	\$ 1,391,810
City's covered-employee payroll	\$ 2,350,213
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	59.22%
Plan fiduciary net position as a percentage of the total pension liability	90.68%
<b>PFRS</b>	<b>2016</b>
City's proportion of the net pension liability	0.1103003%
City's proportionate share of the net pension liability	\$ 3,265,757
City's covered-employee payroll	\$ 2,983,165
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	109.47%
Plan fiduciary net position as a percentage of the total pension liability	90.24%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

# City of Rensselaer, New York

## Required Supplementary Information Schedule of Pension Contributions

<b>ERS</b>	<b>2016</b>
Contractually required contribution	\$ 389,151
Contributions in relation to the contractually required contribution	389,151
Contribution deficiency (excess)	-
City's covered-employee payroll	2,350,213
Contribution as a percentage of covered-employee payroll	16.56%
<b>PFRS</b>	<b>2016</b>
Contractually required contribution	\$ 803,889
Contributions in relation to the contractually required contribution	803,889
Contribution deficiency (excess)	-
City's covered-employee payroll	2,983,165
Contribution as a percentage of covered-employee payroll	26.95%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

# City of Rensselaer, New York

## Supplementary Information - Combining Balance Sheet Non-Major Governmental Funds

	July 31, 2016			
	Sewer	Library	Solid Waste	Total Non-Major
<b>ASSETS</b>				
Cash and cash equivalents	\$ 215,450	\$ 1,650	\$ 13,108	\$ 230,208
Accounts receivable	220,925	-	311,362	532,287
Due from other funds	403,268	-	-	403,268
<b>Total assets</b>	<b>\$ 839,643</b>	<b>\$ 1,650</b>	<b>\$ 324,470</b>	<b>\$ 1,165,763</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 134,983	\$ 298	\$ -	\$ 135,281
Accrued expenses	731	2,054	5,605	8,390
Due to retirement system	2,601	-	8,511	11,112
Total liabilities	138,315	2,352	14,116	154,783
Deferred inflows of resources	123,899	-	269,602	393,501
Fund balance - assigned	577,429	(702)	40,752	617,479

See Independent Auditor's Report.



## City of Rensselaer, New York

### Supplementary Information - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended July 31, 2016			
	Sewer	Library	Solid Waste	Total Non-Major
<b>REVENUES</b>				
Departmental income	\$ 537,347	\$ -	\$ 667,873	\$ 1,205,220
Use of money and property	4	2	253	259
Miscellaneous local sources	-	9,464	-	9,464
State aid	-	12,441	-	12,441
Total revenues	<u>537,351</u>	<u>21,907</u>	<u>668,126</u>	<u>1,227,384</u>
<b>EXPENDITURES</b>				
Culture and recreation	-	123,856	-	123,856
Home and community services	411,565	-	401,133	812,698
Employee benefits	98,360	1,148	161,030	260,538
Total expenditures	<u>509,925</u>	<u>125,004</u>	<u>562,163</u>	<u>1,197,092</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>27,426</u>	<u>(103,097)</u>	<u>105,963</u>	<u>30,292</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	101,527	-	101,527
<b>Net change in fund balances</b>	<u>27,426</u>	<u>(1,570)</u>	<u>105,963</u>	<u>131,819</u>
<b>a</b>	<u>550,003</u>	<u>868</u>	<u>(65,211)</u>	<u>485,660</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 577,429</u>	<u>\$ (702)</u>	<u>\$ 40,752</u>	<u>\$ 617,479</u>

See Independent Auditor's Report.



January 14, 2019

Mayor and Common Council Members  
City of Rensselaer, New York  
62 Washington Street  
Rensselaer, New York 12144

Dear Mayor and City Common Council Members:

We are pleased to present this report related to our audit of the financial statements of the City of Rensselaer, New York (City) as of and for the year ended July 31, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the Mayor, City Common Council Members, and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to the City.

Very truly yours,

BST & Co. CPAs, LLP

Brendan K. Kennedy, Partner

BKK/emt



## City of Rensselaer, New York

### Communication With Those Charged With Governance Year Ended July 31, 2016

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

#### **Our Responsibilities With Regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated January 30, 2018. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

#### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

#### **Accounting Policies and Practices**

##### **Preferability of Accounting Policies and Practices**

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

##### **Adoption of, or Change in, Accounting Policies**

Subsequent to our appointment as the City's auditor, it was determined that external financial reporting on a basis consistent with the New York State Annual Update Document (Regulatory) is not permitted by the American Institute of Certified Public Accountants. Accordingly, the City adopted all accounting policies and provisions necessary to prepare its financial statements in accordance with U.S. GAAP.

##### **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

##### **Management's Judgments and Accounting Estimates**

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Exhibit A, Summary of Significant Accounting Estimates.

# **City of Rensselaer, New York**

## **Communication With Those Charged With Governance Year Ended July 31, 2016**

### **Audit Adjustments**

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the City are shown on the attached Exhibit B, Summary of Recorded Audit Adjustments.

### **Uncorrected Misstatements**

Uncorrected misstatements are summarized in the attached Exhibit C, Summary of Uncorrected Misstatements.

### **Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.

### **Consultations with Other Accountants**

We were informed by management that the City consulted with Stark & Basila Certified Public Accountants, P.C. to provide certain record keeping services during the year ended July 31, 2016.

### **Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed with or the subject of correspondence with management.

### **Significant Difficulties Encountered in Performing the Audit**

While we received the full cooperation when interacting with management, we encountered the following significant difficulties in performing our audit:

- Condition of the City's accounting records, including year-end reconciliations, maintenance of supporting documentation and census data.
- Lack of accounting records to support capital asset balances.
- Lack of a centralized grant management system, and maintenance of grant agreements.
- Condition of predecessor auditor working papers.

The aforementioned difficulties caused significant delays in our audit.

### **Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting**

We have separately communicated the significant deficiencies and material weaknesses identified during our audit of the financial statements.

### **Significant Written Communications Between Management and Our Firm**

Copies of significant written communications between our firm and the management of the City, including the representation letter provided to us by management, are attached as Exhibit D.



## City of Rensselaer, New York

### Summary of Significant Accounting Estimates Year Ended July 31, 2016

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's July 31, 2016 financial statements:

Estimate	Accounting Policy	Estimation Process
<b>Other Postemployment Benefits (OPEB)</b>	An accrual is made in the financial statements for benefits earned primarily by employer funded health insurance that will be paid subsequent to the qualifying employees' service with the City.	The estimate is developed with the assistance of an actuarial firm using assumptions applied to census and plan information provided by the City.
<b>Allowance for Uncollectible Receivables</b>	Receivables are reduced to their net realizable value. An allowance for uncollectible receivables is recorded as a contra asset and a corresponding expense.	Management performs a calculation to determine what portion of the outstanding receivable balances may be uncollectible using historical collection practices and currently known facts and circumstances.
<b>Compensated Absences</b>	The City recognizes the estimated liability for unused vacation and compensated time.	Unused vacation and compensated time is aggregated, and current employee rates are applied to generate the extended liability.
<b>Claims Payable</b>	An accrual for claims payable is recorded when the contingent obligation is determined to be both probable and estimable.	Management reviews responses from the City's legal counsel to determine cases that are both probable and possible. These cases are the basis for determining the claims payable estimate along with the footnote disclosure.
<b>Net Pension Liability</b>	The City recognizes its proportionate share of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System net pension liabilities and the related deferred inflows and outflows of resources.	The City's net pension liabilities are estimated by the New York State Office of the State Comptroller using census data supplied by participating employers and various actuarial assumptions, including but not limited to, rate of return, mortality, and inflation. The City's proportionate percentage of the liabilities is determined on an annual basis.

## City of Rensselaer, New York

### Summary of Significant Accounting Estimates Year Ended July 31, 2016

Estimate	Accounting Policy	Estimation Process
<b>Capital Assets</b>	The City reports capital assets at historical cost, or estimated historical cost, net of accumulated depreciation.	The City estimated a number of infrastructure and building assets using current replacement cost, and applying a deflation factor to the estimated year of acquisition.
<b>Depreciation Expense</b>	At the time an asset is inventoried, its useful life and acquisition date are determined in compliance with the capital asset policy and entered into the fixed asset system accordingly. The depreciation expense is recorded annually for financial statement preparation.	All capital assets are depreciated using the straight-line method over the estimated useful lives based on management's past experience with similar assets.

We have evaluated management's significant accounting estimates noted above as part of our audit, and concluded that management's estimates and the estimation process appear reasonable in the context of the financial statements taken as a whole.

**City of Rensselaer, New York**

**Summary of Recorded Audit Adjustments  
Year Ended July 31, 2016**

See next 12 pages.

Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss) Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments									
(7,923,136.00)									
1	7/31/2016	Sewer Maint Fees	G0365			80,081.00			
1	7/31/2016	Sewer Call Outs	G2132		80,081.00				
1	7/31/2016	Fund Balance	H0909			1.00			
1	7/31/2016	Othr Unclassified Revenue	H2770		1.00				
1	7/31/2016	Water Rents Receivables	FX0350		907,775.00				
1	7/31/2016	Water Rents Receivables	FX0350			319,232.00			
1	7/31/2016	Sewer Maint Fees	FX0365		319,232.00				
1	7/31/2016	Metered Water Sales	FX2140		209,665.00				
1	7/31/2016	Water Rents Receivables Relevy Fee	FX0350.00001			1,117,440.00			
Adjust water receivables									
					1,516,754.00	1,516,754.00	(6,885,778.00)	1,037,358.00	
2	7/31/2016	Interest Earnings	L2401		27.00				
2	7/31/2016	Interfund Revenue	L2810			27.00			
2	7/31/2016	Due from Other Funds	FX0391			299,134.00			
2	7/31/2016	Metered Water Sales	FX2140		299,134.00				
Adjust Water Fund Revenue and interfund balances									
					299,161.00	299,161.00	(7,184,912.00)	(299,134.00)	
3	7/31/2016	Othr Unclassified Revenue	FX2770		181,000.00				
3	7/31/2016	BANs Payable	FX0621.0100			181,000.00			
BAN Payable									
					181,000.00	181,000.00	(7,365,912.00)	(181,000.00)	
4	7/31/2016	Due To Emp. Retirement System	A0637		871,358.00				
4	7/31/2016	Fund Balance	A0909			1,000,737.00			
4	7/31/2016	Fund Balance	CD0909			1.00			
4	7/31/2016	Interest Earnings	CD2401		1.00				
4	7/31/2016	Fund Balance	CL0909			1.00			
4	7/31/2016	Nys Employee Retirement	A7810.9000		129,379.00				
4	7/31/2016	Refunds	CL7480.1900		1.00				
Correct General Fund's Fund Balace									
					1,000,739.00	1,000,739.00	(7,495,292.00)	(129,380.00)	



Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804-1

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
5	7/31/2016	Due from Other Funds	T0391		121,533.00					
5	7/31/2016	Due to Other Funds	T0630			121,533.00				
5	7/31/2016	Due to Other Funds	T0630		68,946.00					
5	7/31/2016	Due from Other Funds	FX0391			68,946.00				
5	7/31/2016	Metered Water Sales	FX2140		68,946.00					
5	7/31/2016	Cash Payroll Trust	T0200.T002			68,946.00				
		Fix cash in TA fund								
					259,425.00	259,425.00	(7,495,292.00)	0.00		
6	7/31/2016	Accrued Liabilities	FX0601			52,498.00				
6	7/31/2016	Purchase Of Water For Resale	FX7449.8320		52,498.00					
		Adjust ERS Payable								
					52,498.00	52,498.00	(7,547,790.00)	(52,498.00)		
7	7/31/2016	Accrued Liabilities	A0607		325,773.00					
7	7/31/2016	Due To Emp. Retirement System	A0637			372,901.00				
7	7/31/2016	Due To Emp. Retirement System	G0637			2,601.00				
7	7/31/2016	Due To Emp. Retirement System	CL0637		8,336.00					
7	7/31/2016	Due To Emp. Retirement System	FX0637		5,381.00					
7	7/31/2016	Nys Employee Retirement	A7810.9000		47,128.00					
7	7/31/2016	Nys Employee Retirement	G7810.9000		2,601.00					
7	7/31/2016	Nys Employee Retirement	CL7810.9000			8,336.00				
7	7/31/2016	Nys Employee Retirement	FX7810.9000			5,381.00				
		Adjust due to ERS/PFRS								
					389,219.00	389,219.00	(7,583,802.00)	(36,012.00)		
8	7/31/2016	All For Uncollected Taxes	A0252		580,000.00					
8	7/31/2016	Real Estate Taxes	A1001			580,000.00				
		Adjust tax revenues								
					580,000.00	580,000.00	(7,003,802.00)	580,000.00		
9	7/31/2016	PROV.-FUT.BDGT.CAP.INDBT...	W0125		3,914,957.00					
9	7/31/2016	Other Post Employment Benefits	W0692			3,914,957.00				
		Adjust OPEB per GASB 45 Report								

Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804-2

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
10	7/31/2016	Accrued Liabilities	A0607		3,914,957.00	3,914,957.00	(7,003,802.00)	0.00		
10	7/31/2016	Accrued Liabilities	G0607			139,217.00				
10	7/31/2016	Accrued Liabilities	L0601			731.00				
10	7/31/2016	Accrued Liabilities	CL0601			2,054.00				
10	7/31/2016	Accrued Payroll	FX0601.01		7,598.00	5,512.00				
10	7/31/2016	Executive	A7100.1010		191.00					
10	7/31/2016	Executive	A7100.1210		493.00					
10	7/31/2016	Executive	A7100.1315		1,785.00					
10	7/31/2016	Executive	A7100.1325		2,911.00					
10	7/31/2016	Executive	A7100.1345		357.00					
10	7/31/2016	Executive	A7100.1355		275.00					
10	7/31/2016	Executive	A7100.1410		1,968.00					
10	7/31/2016	Executive	A7100.1420		694.00					
10	7/31/2016	Executive	A7100.1430		1,458.00					
10	7/31/2016	Executive	A7100.1440		860.00					
10	7/31/2016	Executive	A7100.1490		4,154.00					
10	7/31/2016	Executive	A7100.3120		3,763.00					
10	7/31/2016	Executive	A7100.3410		604.00					
10	7/31/2016	Executive	A7100.3620		1,796.00					
10	7/31/2016	Executive	A7100.7310		263.00					
10	7/31/2016	Executive	A7100.8020		2,791.00					
10	7/31/2016	Supervisory	A7110.1010		1,011.00					
10	7/31/2016	Supervisory	A7110.1325		870.00					
10	7/31/2016	Supervisory	A7110.3120		10,384.00					
10	7/31/2016	Professional/Technical	A7120.1210		689.00					
10	7/31/2016	Professional/Technical	A7120.1420		303.00					
10	7/31/2016	Professional/Technical	A7120.3620		136.00					
10	7/31/2016	Professional/Technical	A7120.8020		1,811.00					
10	7/31/2016	Public Safety Operations	A7130.1620		1,372.00					
10	7/31/2016	Public Safety Operations	A7130.3120		32,843.00					
10	7/31/2016	Public Safety Operations	A7130.3410		24,260.00					
10	7/31/2016	Public Safety Operations	A7130.5010		15,721.00					
10	7/31/2016	Clerical	A7150.1210		1,364.00					
10	7/31/2016	Clerical	A7150.1325		668.00					
10	7/31/2016	Clerical	A7150.1345		274.00					
10	7/31/2016	Clerical	A7150.1355		1,061.00					
10	7/31/2016	Clerical	A7150.1410		122.00					
10	7/31/2016	Clerical	A7150.1430		991.00					
10	7/31/2016	Clerical	A7150.3120		4,425.00					
10	7/31/2016	Clerical	A7150.3620		604.00					
10	7/31/2016	Clerical	A7150.7310		968.00					
10	7/31/2016	Clerical	A7150.7310		244.00					

Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804-3

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
10	7/31/2016	Seasonal	A7160.7110		5,291.00					
10	7/31/2016	Social Security	A7801.9000		9,442.00					
10	7/31/2016	Public Safety Operations	G7130.8120		680.00					
10	7/31/2016	Social Security	G7801.9000		51.00					
10	7/31/2016	Executive	L7100.7410		1,028.00					
10	7/31/2016	Clerical	L7150.7410		880.00					
10	7/31/2016	Social Security	L7801.9000		146.00					
10	7/31/2016	Public Safety Operations	CL7130.8160			4,000.00				
10	7/31/2016	Trades	CL7140.8160			3,000.00				
10	7/31/2016	Social Security	CL7801.9000			598.00				
10	7/31/2016	Executive	FX7100.8310		886.00					
10	7/31/2016	Supervisory	FX7110.8320		879.00					
10	7/31/2016	Public Safety Operations	FX7130.8310		683.00					
10	7/31/2016	Trades	FX7140.8340		2,683.00					
10	7/31/2016	Social Security	FX7801.9000		381.00					
to record Payroll Accrual, per										
Fund at fye (CLIENT TO REVERSE 8/01/16)					155,112.00	155,112.00	(7,143,718.00)	(139,916.00)		
11	7/31/2016	Deferr Revenues	CD0691	2000CD-2	37,227.00					
11	7/31/2016	Fort Craillo Revenue	CDBST1	2000CD-2		18,802.00				
11	7/31/2016	Economic Development Revenue	CDBST2	2000CD-2		18,425.00				
Record revenues and reduce										
deferred income in relation to loan										
collections										
					37,227.00	37,227.00	(7,106,491.00)	37,227.00		
12	7/31/2016	All Uncollected Accounts	CD0253	2000CD-2		940,435.00				
12	7/31/2016	Deferr Revenues	CD0691	2000CD-2	940,435.00					
moving loans that are										
deemed low probability of collection										
					940,435.00	940,435.00	(7,106,491.00)	0.00		
13	7/31/2016	County Aid Library	L2706			5,700.00				
13	7/31/2016	Othr Unclassified Revenue	L2770		7,829.00					
13	7/31/2016	Othr Unclassified Revenue	L2770		5,700.00					
13	7/31/2016	Construction Grant- State	LBST1			7,829.00				
From investigation of the misc										
revenue account in the library, a line was										
identified as being a construction grant.										

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
This should have been listed as state revenue and is made up of a 9/25/15 deposit of \$7,046 and a 6/2/16 deposit of \$783. In addition, \$5,700 in the misc revenue should have been classified as County Aid										
14	7/31/2016	Taxes Receivable	A0250	2000	13,529.00	13,529.00	(7,106,491.00)	0.00		
14	7/31/2016	Deferred Tax Revenue	A0694	2000		1,167,182.00				
14	7/31/2016	Real Estate Taxes	A1001	2000	608,102.00					
To adjust property tax receivables.										
					1,167,182.00	1,167,182.00	(7,714,593.00)	(608,102.00)		
To adjust misposting.										
15	7/31/2016	Interest Earnings	G2401			1,264.00				
15	7/31/2016	Due from Other Funds	L0391		729.00					
15	7/31/2016	Due to Other Funds	L0630			729.00				
15	7/31/2016	Interest Earnings	L2401			114.00				
15	7/31/2016	Othr Unclassified Revenue	L2770		114.00					
15	7/31/2016	Contractual Services	G7440.8120		1,264.00					
To adjust misposting.										
					2,107.00	2,107.00	(7,714,593.00)	0.00		
16	7/31/2016	Prepaid Expenses	H0445	2000H-1		154,034.00				
16	7/31/2016	Capital Outlay Drinking Water Infr	H7210.0016.5112	2000H-1	154,034.00					
To remove prepaid expenditure.										
					154,034.00	154,034.00	(7,868,627.00)	(154,034.00)		
17	7/31/2016	Due From Other Govts	A0440	2000A-11	378,090.00					
17	7/31/2016	County Sales Tax	A1120	2000A-11		378,090.00				
To correct sales tax receivables.										
					378,090.00	378,090.00	(7,490,537.00)	378,090.00		
18	7/31/2016	LIBRARY TRUST, EXPENDABLE	T0091	2000TA-1		3.00				
18	7/31/2016	Trust Saving	T0202	2000TA-1	3.00					

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
To correct mis-posting.										
19	7/31/2016	All Uncollected Accounts	CD0253	2000CD-1	3.00	3.00	(7,490,537.00)	0.00		
19	7/31/2016	Deferr Revenues	CD0691	2000CD-1	908,422.00	908,422.00				
To adjust CD fund										
20	7/31/2016	All Uncollected Accounts	CD0253		204,044.00	204,044.00				
20	7/31/2016	Deferr Revenues	CD0691		2,311.00	2,311.00				
20	7/31/2016	Deferr Revenues	CD0691		2,311.00					
20	7/31/2016	Loans Receivable	CD0390.0001							
Reduce AR for amortizable loans.										
21	7/31/2016	Due from Other Funds	A0391		2,546,731.00	2,546,731.00				
21	7/31/2016	Due to Other Funds	A0630		2,546,731.00					
21	7/31/2016	Due from Other Funds	G0391		783,275.00	783,275.00				
21	7/31/2016	Due to Other Funds	G0630		783,275.00					
21	7/31/2016	Due from Other Funds	H0391		1,014,597.00	1,014,597.00				
21	7/31/2016	Due to Other Funds	H0630		1,014,597.00					
21	7/31/2016	Due to Other Funds	H0630		23,685.00					
21	7/31/2016	Othr. Unclassified Revenue	H2770			23,685.00				
21	7/31/2016	Due from Other Funds	L0391			6,795.00				
21	7/31/2016	Due from Other Funds	CD0391			305,237.00				
21	7/31/2016	Due from Other Funds	CD0391			13,747.00				
21	7/31/2016	Due to Other Funds	CD0630		305,237.00					
21	7/31/2016	Due from Other Funds	FX0391			1,658,197.00				
21	7/31/2016	Due from Other Funds	FX0391			3,143.00				
21	7/31/2016	Due to Other Funds	FX0630		1,588,108.00					
21	7/31/2016	Due To Other Funds Sanitary Sewers	FX0630.G		70,089.00					
21	7/31/2016	Contractual Services	L7440.7410		6,795.00					
21	7/31/2016	Contractual Services	CD7440.8668		13,747.00					
21	7/31/2016	Contractual Services	FX7440.8340		3,143.00					
Fix Interfund Balances										
					6,355,407.00	6,355,407.00	(7,490,537.00)	0.00		

Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804-6

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
22	7/31/2016	Due from Other Funds	A0391		5,583.00					
22	7/31/2016	Refund-Prior Yr. Exp.	A2701			5,583.00				
22	7/31/2016	Employee Payroll Deductions	T0602			145,203.00				
22	7/31/2016	Due to Other Funds	T0630		145,203.00					
22	7/31/2016	Due from Other Funds	CL0391			454,844.00				
22	7/31/2016	Due to Other Funds	CL0630		304,058.00					
22	7/31/2016	Charges City Charges	CL2130.0001		150,786.00					
		Fix Solid Waste								
					605,630.00	605,630.00	(7,635,740.00)	(145,203.00)		
23	7/31/2016	Accounts Payable	H0600			434,897.00				
23	7/31/2016	Casale Construction Services	H7210.0105.5112		434,897.00					
		Correct AP for Capital Projects								
					434,897.00	434,897.00	(8,070,637.00)	(434,897.00)		
24	7/31/2016	Drinking/Clean Water/EPA Drinking v	H3097.0002							
24	7/31/2016	Brownfield State Aid	H3097.0007		189,748.00					
		Reclassify grant revenue to the appropriate code.								
					189,748.00	189,748.00	(8,070,637.00)	0.00		
25	7/31/2016	PROV.-FUT.BDGT.CAP.INDBT...	W0125		913,555.00					
25	7/31/2016	Due to Employees' Retirement Syster	W0637			913,555.00				
		Report Pension Contribution Payable								
					913,555.00	913,555.00	(8,070,637.00)	0.00		
26	7/31/2016	B.A.N. Is Payable	H0626	2000H-10	13,754,500.00					
26	7/31/2016	B.A.N. Is Payable	H0626	2000H-10	1,800,000.00					
26	7/31/2016	Fund Balance	H0909	2000H-10		2,678,343.00				
26	7/31/2016	Installment Purchase Debt - Proceed:	H5785	2000H-10		11,076,157.00				
26	7/31/2016	Installment Purchase Debt - Proceed:	H5785	2000H-10		1,800,000.00				
26	7/31/2016	PROV.-FUT.BDGT.CAP.INDBT...	W0125	2000H-10	12,876,157.00					
26	7/31/2016	EFC BAN Payable	W0619.1	2000H-10		7,000,000.00				
26	7/31/2016	BAN Payable CW - Key Bank	W0619.2	2000H-10		1,800,000.00				
26	7/31/2016	EFC Loan Payable	W0619.3	2000H-10		4,076,157.00				
		To adjust Short Term EFC financing								

Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804-7

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
out of BANs Payable										
27	7/31/2016	Refund-Prior Yr. Exp.	A2701		28,430,657.00	28,430,657.00	4,805,520.00	12,876,157.00		
27	7/31/2016	NYS Trailway Project	A3400		261,623.00	261,623.00				
Relcass stated aid										
					261,623.00	261,623.00	4,805,520.00	0.00		
28	7/31/2016	Deferr Revenues	FX0691		258,313.00	258,313.00				
28	7/31/2016	Fund Balance	FX0909							
Adjust opening fund balance to match prior year financial statements										
					258,313.00	258,313.00	4,805,520.00	0.00		
29	7/31/2016	Contractual Services	FX7440.8340		14,575.00	14,575.00				
29	7/31/2016	Bond Anticipated Notes	FX7601.9730							
Remove debt service from water										
					14,575.00	14,575.00	4,805,520.00	0.00		
30	7/31/2016	Land	K0101		1,422.00					
30	7/31/2016	Buildings	K0102			3,201,334.00				
30	7/31/2016	Improvements Other than Buildings	K0103			30,822,540.00				
30	7/31/2016	Machinery & Equipme	K0104		927,572.00					
30	7/31/2016	Machinery & Equipme	K0104			3,333,574.00				
30	7/31/2016	Construction Work In Progress	K0105		13,483,405.00					
30	7/31/2016	Infrastructure	K0106		72,108,573.00					
30	7/31/2016	Buildings, Accumulated Depr	K0112			1,036,178.00				
30	7/31/2016	Site Improvements, Accumulated Dep	K0113			29,343.00				
30	7/31/2016	Machinery and Equipment	K0114			3,332,811.00				
30	7/31/2016	Machinery and Equipment	K0114			447,844.00				
30	7/31/2016	Infrastructure, Accumulated Depr	K0116			49,779,628.00				
30	7/31/2016	Fund Balance	K0909		5,462,280.00					
To record K-Fund balances										
					91,983,252.00	91,983,252.00	54,585,148.00	49,779,628.00		
32	7/31/2016	Due From Other Govts	FX0440	2000G-7		10,580.00				
32	7/31/2016	Other Water Serv Reimbursement fr	FX2378.0002	2000G-7	10,580.00					

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

0804-8

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
		correct amount in Due from Other govts for amounts billed East Greenbush in 15-16 but not paid until 16-17			10,580.00	10,580.00	54,574,568.00	(10,580.00)		
33	7/31/2016	Accounts Receivable	H0380	2000H-4		3,466.00				
33	7/31/2016	Othr.Unclassified Revenue	H2770	2000H-4	3,466.00					
		To remove 3rd Ave Bridge Reconstruction Receivable from Capital Projects fund. Immaterial for PAJE considerations.			3,466.00	3,466.00	54,571,102.00	(3,466.00)		
34	7/31/2016	Accounts Receivable	H0380	2000H-5		95,433.00				
34	7/31/2016	Drinking/Clean Water/EPA Green Infr H3097.0003		2000H-5	95,433.00					
34	7/31/2016	Drinking/Clean Water/EPA Green Infr H3097.0003		2000H-5		6,329.00				
34	7/31/2016	Capital Outlay GIGP #789	H7210.0022.5112	2000H-5	6,329.00					
		To adjust cut off errors in GIGP revenue recognition.			101,762.00	101,762.00	54,475,669.00	(95,433.00)		
35	7/31/2016	Accounts Payable	FX0600	2000FX-21	457,828.00					
35	7/31/2016	Accrued Liabilities	FX0601	2000FX-21	323,642.00					
35	7/31/2016	Due To Other Govts	FX0631	2000FX-21		781,470.00				
		Moving Troy Water bills out of A/P and accrued liability into due to other governments			781,470.00	781,470.00	54,475,669.00	0.00		
36	7/31/2016	PROV.-FUT.BDGT.CAP.INDBT...	W0125		4,034,840.00					
36	7/31/2016	Net Pension Liability	W0688			4,034,840.00				
		To record net pension liability.			4,034,840.00	4,034,840.00	54,475,669.00	0.00		
37	7/31/2016	Due To Other Govts	FX0631	2000FX-21		5,512.00				
37	7/31/2016	Accrued Payroll	FX0601.01	2000FX-21	5,512.00					
					5,512.00	5,512.00	54,475,669.00	0.00		



Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
38	7/31/2016	Sewer Call Outs	G2132		16,000.00					
38	7/31/2016	Metered Water Sales	FX2140		90,000.00					
38	7/31/2016	Service Charges	FX2144			12,000.00				
38	7/31/2016	Contractual Services	G7440.8120			16,000.00				
38	7/31/2016	Other Water Serv Reimbursement frc	FX2378.0002		18,000.00					
38	7/31/2016	Contractual Services	FX7440.8340			96,000.00				
		Normalize water revenues								
					124,000.00	124,000.00	54,475,669.00	0.00		
39	7/31/2016	Reserve for deferred loans	CD0254			211,313.00				
39	7/31/2016	Deferr Revenues	CD0691		211,313.00					
		To book reserve for estimated uncollectable loans								
					211,313.00	211,313.00	54,475,669.00	0.00		
40	7/31/2016	Fund Balance	H0909	2000H-2	46,350.00					
40	7/31/2016	Capital Outlay Killians Landing	H7210.0024.8020	2000H-2		46,350.00				
		Adjust for prior year error.								
					46,350.00	46,350.00	54,522,019.00	46,350.00		
41	7/31/2016	Accounts Receivable	H0380	2000H-2		33,741.00				
41	7/31/2016	Killians Landing	H3136	2000H-2	33,741.00					
					33,741.00	33,741.00	54,488,278.00	(33,741.00)		
42	7/31/2016	Prop Acquired For Taxes	A0330			199,074.00				
42	7/31/2016	Fund Balance	A0909		199,074.00					
		PBC								
					199,074.00	199,074.00	54,488,278.00	0.00		
43	7/31/2016	Deferred Tax Revenue	CL0694			104,801.00				
43	7/31/2016	Fund Balance	CL0909		119,530.00					
43	7/31/2016	Accounts Receivable Accounts Recei	CL0380.0001			67,129.00				
43	7/31/2016	Charges City Charges	CL2130.0001		52,400.00					
		Adjust fund balance for Sanitation								

Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804-10

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
44	7/31/2016	Buildings	K0102							
44	7/31/2016	Improvements Other than Buildings	K0103							
44	7/31/2016	Machinery & Equipme	K0104		7,454,749.00	270.00				
44	7/31/2016	Construction Work In Progress	K0105			927,502.00				
44	7/31/2016	Construction Work In Progress	K0105			11,970,758.00				
44	7/31/2016	Construction Work In Progress	K0105			305,000.00				
44	7/31/2016	Infrastructure	K0106		13.00					
44	7/31/2016	Infrastructure	K0106		14,435,493.00					
44	7/31/2016	Other Capital Assets	K0107		305,000.00					
44	7/31/2016	Buildings, Accumulated Depr	K0112		965,988.00					
44	7/31/2016	Machinery and Equipment	K0114		463,044.00		2,625,407.00			
44	7/31/2016	Personal Property Accum	K0115			451,685.00				
44	7/31/2016	Infrastructure, Accumulated Depr	K0116			687,724.00				
44	7/31/2016	Infrastructure, Accumulated Depr	K0116		318,612.00					
44	7/31/2016	Fund Balance	K0909			5,462,280.00				
44	7/31/2016	Investment Other	K0953			1,193,648.00				
44	7/31/2016	Investment Other	K0953			318,612.00				
44	7/31/2016	Investment Other	K0953			13.00				
K-Fund Update										
45	7/31/2016	Taxes Receivable	A0250							
45	7/31/2016	Deferred Tax Revenue	A0694			203,156.00				
45	7/31/2016	Real Estate Taxes	A1001		199,646.00					
45	7/31/2016	Sewer Maint Fees	G0365		3,510.00					
45	7/31/2016	Deffer Revenues	G0691							
45	7/31/2016	Sewer Call Outs	G2132							
45	7/31/2016	Water Rents Receivables	FX0350		141,581.00					
45	7/31/2016	Deffer Revenues	FX0691			139,302.00				
45	7/31/2016	Metered Water Sales	FX2140			2,279.00				
Reclass receivables										
46	7/31/2016	All Uncollected Accounts	A0253							
46	7/31/2016	Deferred Tax Revenue	A0694		30,000.00					
46	7/31/2016	Reserve for uncollectable	G0366			5,000.00				
46	7/31/2016	Sewer Call Outs	G2132		5,000.00					
46	7/31/2016	All Uncollected Accounts	A0253		344,737.00	344,737.00	54,803,759.00	(1,231.00)		
46	7/31/2016	Deferred Tax Revenue	A0694		30,000.00					
46	7/31/2016	Reserve for uncollectable	G0366			5,000.00				
46	7/31/2016	Sewer Call Outs	G2132		5,000.00					

Year End: July 31, 2016  
Trial balance  
Date: 8/1/2015 To 7/31/2016

0804-11

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
46	7/31/2016	Charges	CL2130		5,000.00					
46	7/31/2016	Reserve for uncollectable	FX0385			10,000.00				
46	7/31/2016	Metered Water Sales	FX2140		10,000.00					
46	7/31/2016	Accounts Receivable Accounts Recei	CL0380.0001			5,000.00				
Record reserve at fund level, carried over to government-wide										
					50,000.00	50,000.00	54,783,759.00	(20,000.00)		
47	7/31/2016	All Uncollected Accounts	A0253			79,344.00				
47	7/31/2016	Deferr Revenues	A0691		79,344.00					
47	7/31/2016	Deferred Tax Revenue	CL0694			60,000.00				
47	7/31/2016	Reserve for uncollectable	FX0385			30,954.00				
47	7/31/2016	Deferr Revenues	FX0691		30,954.00					
47	7/31/2016	Deferr Revenues	FX0691			248,490.00				
47	7/31/2016	Fund Balance	FX0909		248,490.00					
47	7/31/2016	Fund Balance	FX0909		9,823.00					
47	7/31/2016	Metered Water Sales	FX2140		60,000.00					
47	7/31/2016	Accounts Receivable Accounts Recei	CL0380.0001			9,823.00				
					428,611.00	428,611.00	54,793,582.00	9,823.00		
48	7/31/2016	Solid Waste Receivable	CL0370		104,801.00					
48	7/31/2016	Deferred Tax Revenue	CL0694			104,801.00				
Book lag for June/July										
					104,801.00	104,801.00	54,793,582.00	0.00		
					172,198,992.00	172,198,992.00	54,793,582.00	62,716,718.00		

## City of Rensselaer, New York

### Summary of Uncorrected Misstatements Year Ended July 31, 2016

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the statement of net position, statement of activities and to the related financial statement disclosures. Following is a summary of those uncorrected misstatements:

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenue	Expenditures
<b>Government-Wide</b>					
To adjust other post employment benefits	\$ -	\$ 272,890	\$ -	\$ -	\$ 272,890
To adjust compensated absences	-	146,942	-	-	146,942
Total Statement of Activities Effect	-	-	(419,832)	-	419,832
Total Statement of Net Position Effect	\$ -	\$ 419,832	\$ (419,832)		

**City of Rensselaer, New York**

Significant Written Communications  
Between Management and our Firm  
Year Ended July 31, 2016

Representation Letter



JO-ANN JOHNSON  
*Comptroller*  
STEVEN TERRY  
*Deputy Comptroller*

CITY OF RENSSELAER  
OFFICE OF CITY COMPTROLLER  
CITY HALL  
62 WASHINGTON STREET  
RENSSELAER, NEW YORK 12144  
(518) 694-7937 FAX (518) 694-3369

RICHARD MOONEY  
*Mayor*

1/14, 2019

BST & Co. CPAs, LLP  
26 Computer Drive West  
Albany, New York 12205

This representation letter is provided in connection with your audit of the basic financial statements of the City of Rensselaer, New York as of and for the year ended July 31, 2016 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of 1/14, 2019:

*Financial Statements*

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 30, 2018, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with a component unit for which the City is accountable, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

9. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
10. We have not completed the process of evaluating the effect that will result from adopting the guidance in Governmental Accounting Standards Board (GASB) Accounting Standards discussed in Note 14. The City is, therefore, unable to disclose the effect that adopting these GASB standards will have on its financial position and the results of operations when such guidance is adopted.
11. We agree with the findings of the specialists in evaluating the other postemployment benefits obligation and net pension liability and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
12. We believe that the actuarial assumptions and methods used to measure other postemployment benefit liabilities, and the net pension liability and all related costs for financial accounting purposes are appropriate in the circumstances.
13. We agree with the restatement of the previously issued financial statements discussed in Note 1s. In that regard:
  - a. The restatement corrects an error in those financial statements.
  - b. We were not aware of the error when these financial statements were issued.
  - c. We are not aware of any other errors in those financial statements.
  - d. We do not believe it is necessary to recall those financial statements and all users of those financial statements will receive a copy of the current year financial statements and independent auditor's report.
14. Arrangements involving restrictions on cash and cash equivalent balances have been properly disclosed.
15. With respect to financial statement preparation assistance and capital asset accounting record reconstruction services performed in the course of the audit:
  - a. We have made all management decisions and performed all management functions;
  - b. We assigned an appropriate individual to oversee the services;
  - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
  - d. We have accepted responsibility for the results of the services; and
  - e. We have accepted responsibility for all significant judgments and decisions that were made.
16. As of and for the year ended July 31, 2016, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.



Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenue	Expenditures
<b>Government-Wide</b>					
To adjust other post employment benefits	\$ -	\$ 272,890	\$ -	\$ -	\$ 272,890
To adjust compensated absences	-	146,942	-	-	146,942
Total Statement of Activities Effect	-	-	(419,832)	\$ -	\$ 419,832
Total Statement of Net Position Effect	\$ -	\$ 419,832	\$ (419,832)		

*Information Provided*

17. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit;
- Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence; and
- Minutes of the meetings of the City Common Council, committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

18. All transactions have been recorded in the accounting records and are reflected in the financial statements.

19. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

20. We have no knowledge of allegations of fraud or suspected fraud affecting the City's financial statements involving:

- Management.
- Employees who have significant roles in internal control.
- Others where the fraud could have a material effect on the financial statements.

21. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.

22. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.

23. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

24. We have disclosed to you the identity of the City's related parties and all the related-party relationships and transactions of which we are aware.

25. We have informed you of all significant deficiencies, including material weaknesses in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.



26. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
27. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

*Supplementary Information*

28. With respect to the supplementary information presented in relation to the financial statements as a whole:
  - a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
29. With respect to the budgetary comparison information, the schedule of funding progress - other postemployment benefits, the schedule of proportionate net pension liability, and the schedule of local government contributions presented as required by the GASB to supplement the basic financial statements:
  - a. We acknowledge our responsibility for the presentation of such required supplementary information.
  - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.

*Compliance Considerations*

30. In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:
  - a. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
  - b. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the City.
  - c. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

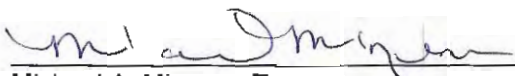
- d. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
- e. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
- f. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- g. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- h. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that you report.
- i. Has a process to track the status of audit findings and recommendations.
- j. Has identified for you previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- k. Has provided views on your reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
- l. Acknowledges its responsibilities as they relate to non-audit services performed by you, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Very truly yours,

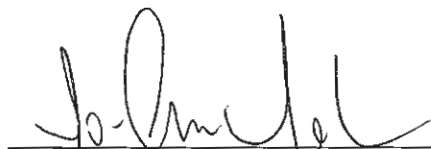
CITY OF RENSSELAER, NEW YORK



Richard J. Mooney, Mayor



Michael A. Mizener, Treasurer



Joann Johnson, Comptroller



**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With  
*Government Auditing Standards***

Mayor and City Common Council Members  
City of Rensselaer, New York  
Rensselaer, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Rensselaer, New York (City) as of and for the year ended July 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 14, 2019. Our report includes a reference to other auditors who audited the financial statements of the City of Rensselaer Industrial Development Agency (Agency), which comprises the discretely presented component unit. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance with other matters that are reported separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2016-001 to 2016-009, to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Response to Findings**

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST & CO. CPAs, LLP

Albany, New York  
January 14, 2019



# City of Rensselaer, New York

## Schedule of Findings and Responses Year Ended July 31, 2016

### **Section I - Summary of Auditor's Results**

#### *Financial Statements*

Type of report auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- |   |                      |                                |
|---|----------------------|--------------------------------|
| • Material weakness(es) identified?                   | <u>    X    </u> Yes | <u>        </u> No             |
| • Significant deficiency(ies) identified?             | <u>        </u> Yes  | <u>    X    </u> None Reported |
| Noncompliance material to financial statements noted? | <u>        </u> Yes  | <u>    X    </u> No            |

### **Section II - Financial Statement Findings**

#### **2016-001 Capital Asset Accounting and Reporting**

*Criteria:* Accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB), require the capitalization and depreciation of capital assets.

*Condition and cause:* Accounting records to support the completeness, existence and accuracy of capital assets have not been maintained.

*Effect or potential effect:* The City recreated capital assets accounting records using insurance information, tax rolls, public works reports, engineering reports and other historical records.

*Recommendation:* We recommend that management of the City develop processes and control to ensure the complete and accurate reporting of capital asset balances.

*View of responsible officials and planned corrective actions:* Management agrees with the recommendation and will implement processes and controls to ensure complete and accurate reporting of capital asset balances.

#### **2016-002 Internal Control Over Financial Reporting**

*Criteria:* The City should have resources to provide accurate and complete financial information in accordance with U.S. GAAP. The financial information should be prepared and be available on a timely basis to allow the City's Common Council to effectively manage the financial operations of the City.

*Condition:* The original trial balances supplied for audit purposes contained a number of material errors that would not have been identified had the external audit not occurred. These errors include prior period adjustments to fund balance for material errors at July 31, 2015.

*Cause:* Those charged with governance did not adequately monitor the City's financial reporting practices. As a result, the City did not have the appropriate resources in place to prepare timely and accurate financial information.

# City of Rensselaer, New York

## Schedule of Findings and Responses Year Ended July 31, 2016

### 2016-002 Internal Control Over Financial Reporting - Continued

*Effect or potential effect:* Prior to the external audit, financial information produced by the City's accounting and reporting system was materially inaccurate.

*Recommendation:* We note that the transition within the accounting function has since ended, and the City has full-time individuals with familiarity with the City's operations and financial reporting requirements. We encourage the City's accounting staff to continue to receive governmental accounting and reporting training. In addition, we recommend the City timely communicate accounting issues to its external auditors, so resolutions may be sought proactively. Finally, we recommend those charged with governance actively monitor the City's financial reporting processes.

*View of responsible officials and planned corrective actions:* Management agrees with the recommendation. The City's finance department will be attending New York Government Finance Officer training in 2019. In addition, the finance department will work with the City's auditors to develop a year-end closing process that will help ensure complete and accurate year-end financial reporting.

### 2016-003 Preparation of Schedule of Expenditures of Federal Awards

*Criteria:* The City must prepare a Schedule of Expenditures of Federal Awards (SEFA) that is accurate and complete in accordance with Title 2 *U.S. Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

*Condition:* The City has not maintained a SEFA that is accurate and complete in accordance with the Uniform Guidance.

*Cause:* Lack of internal controls related to the maintenance and preparation of the SEFA.

*Effect or potential effect:* Without adequate internal controls over the SEFA, the City may incorrectly determine the audit requirements in accordance with the Uniform Guidance. Additionally, the City may not identify all federal awards received by the City and related compliance and reporting requirements applicable to each award.

*Recommendation:* The City must assign individuals who are experienced and knowledgeable in the compliance requirements of the Uniform Guidance to monitor all federal grants received by the City. The City must identify all related compliance and reporting requirements to ensure the City has met the applicable compliance and reporting requirements of each federal award.

*View of responsible officials and planned corrective actions:* The City hired personnel responsible for the management and tracking of the City's grant agreement. With a centralized grant management process, the City believes that it can achieve accurate preparation of the annual SEFA.

### 2016-004 Monitoring of Financial Reporting Processes

*Criteria:* The Common Council is the highest level of decision making authority within the City, with the responsibility to adopt the City budget and various policies and procedures that govern the City. The Common Council is also charged with establishing and maintaining an effective organizational structure that assigns monitoring roles to individuals within the City with the appropriate capabilities, objectivity and authority.

# City of Rensselaer, New York

## Schedule of Findings and Responses Year Ended July 31, 2016

### **2016-004 Monitoring of Financial Reporting Processes - Continued**

*Condition and cause:* As noted in previous findings, the City's internal control structure is not properly designed, and therefore, not operating effectively. In addition, due to lack of appropriate resources, the City was unable to prepare accurate financial information on a timely basis.

*Effect or potential effect:* Without adequate oversight and monitoring procedures, multiple material weaknesses and significant deficiencies have been identified. Material adjusting journal entries are required to prepare the City's financial statements in accordance with U.S. GAAP, and financial reporting has been significantly delayed.

*Recommendation:* We recommend that members of the Common Council implement internal controls to effectively monitor the design and operating effectiveness of internal controls over financial reporting.

*View of responsible officials and planned corrective actions:* The City's Common Council has implemented a number of processes and controls since the 2016 reporting period, including the hiring of a new comptroller, investment in training opportunities for staff and periodic meetings with the external auditors. The City's Common Council will work with the finance department to monitor the financial reporting process.

### **2016-005 Journal Entry Review and Approval**

*Criteria:* The City should have a review process whereby all non-standard journal entries are appropriately reviewed and approved prior to being posted to the City's general ledger.

*Condition and cause:* The City did not have appropriate policies and procedures to review non-standard journal entries recorded during the year ended July 31, 2016.

*Effect or potential effect:* Without adequate review and approval procedures over the journal entry posting process, non-standard journal entries could potentially be recorded fraudulently or in error.

*Recommendation:* We note that in subsequent periods, the City has implemented a journal entry review and approval process. We recommend the City continue to abide by this policy to ensure all non-standard journal entries are appropriately reviewed and approved.

*View of responsible officials and planned corrective actions:* Given financial constraints of the City, we are currently evaluating the most economical way to implement a corrective action plan.

### **2016-006 Maintenance of Other Postemployment Benefit (OPEB) Census**

*Criteria:* In order to comply with requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*, the City is required to maintain a census of active and retired employees of the City. The census maintained by the City is used in conjunction with other inputs and actuarial assumptions to determine the future obligations of the City under the OPEB plan offered by the City.

*Condition and cause:* The City did not have appropriate policies and procedures to review the completeness and accuracy of the census provided to the City's independent actuary for purposes of valuing the OPEB obligation.

# City of Rensselaer, New York

## Schedule of Findings and Responses Year Ended July 31, 2016

### **2016-006 Maintenance of Other Postemployment Benefit (OPEB) Census - Continued**

*Effect or potential effect:* The City provided the independent actuary with current employees of the City who were temporary workers and are not eligible to receive OPEB benefits in the future. As a result, the valuation determined by the City's independent actuary overstated the net OPEB obligation at July 31, 2016.

*Recommendation:* We recommend management implement policies and procedures to review the census provided to the actuary for accuracy and completeness.

*View of responsible officials and planned corrective actions:* Due to transition at the human resource level, accurate employee records were not maintained. The City is in the process of reconstructing all employee records to ensure they are complete and accurate.

### **2016-007 Reserve for Uncollectable Receivables**

*Criteria:* Accounts receivable balances for property taxes, water, sewer, solid waste, loans and other balances should be reviewed by management on a periodic basis to assess their collectability. Management of the City should establish a reserve for the estimated portion of receivables they determine to be uncollectible.

*Condition and cause:* Management of the City does not have processes and controls in place to evaluate uncollectible receivable balances within the financial statements.

*Effect or potential effect:* Without processes and controls to evaluate uncollectible receivable balances, it is reasonably probable management will materially misstate receivable balances.

*Recommendation:* Using historical collection practices and currently known facts and circumstances, management should develop an estimate of receivables that have a reasonable probability of not being collected. In addition, we recommend the City Council review its foreclosure process, which currently takes 3+ years to enforce. A foreclosure process of this duration increases the risk of uncollectible balances to the City, which can adversely impact its financial condition.

*View of responsible officials and planned corrective actions:* The City's finance department will work with the Treasurer's office to implement processes and controls surrounding the reserve for uncollectible receivables.

### **2016-008 Previously Communicated Internal Control Findings**

*Criteria:* In a previous period, a material weakness in internal control was identified and communicated to those charged with governance.

*Condition and cause:* Management and those charged with governance have not implemented internal controls in response to this previously identified material weakness.

*Effect or potential effect:* The previously identified material weakness remains present for the year ended July 31, 2016.



# City of Rensselaer, New York

## Schedule of Findings and Responses Year Ended July 31, 2016

### 2016-008 Previously Communicated Internal Control Findings - Continued

*Recommendation:* We strongly recommend management and those charged with governance review all identified deficiencies in internal control identified during the 2016 audit. A formalized plan should then be implemented to develop policies, procedures and internal controls in response to the identified significant deficiencies and material weaknesses.

*View of responsible officials and planned corrective actions:* The City is in the process of implementing policies and procedures to address all internal control observations, including those identified in prior audit periods.

### 2016-009 Budgeting Practices

*Criteria:* On an annual basis, the City should develop a sound budget for each governmental fund that takes into consideration reasonable and conservative revenue and expense projections.

*Condition:* In reviewing the budgetary comparison schedules in the required supplementary section, we noted material variances between budgeted revenues and expenditures from the original and modified budget to the actual results. The majority of the City's revenue projections included negative variances from actual results. While the City's general fund's expenditures favored positively when compared to budget, a number of appropriations were over-expended, with no budget modification.

*Cause:* The City does not have adequate and appropriate resources to develop, maintain and monitor the annual budget.

*Effect or potential effect:* The City is noncompliant with the State rules and regulations regarding the development and maintenance of budgets. Additionally, failure to conservatively budget revenues could result in adverse financial conditions.

*Recommendation:* The City should place more emphasis on accurately developing its annual budget. We recommend the City take a more conservative approach to estimating its revenue figures. Additionally, the City must adequately monitor its spending to identify overspent appropriations. The City should pass resolutions to either authorize the spending of fund balance, or transfer appropriations from other line items, in order to fund the overspent appropriation.

*View of responsible officials and planned corrective actions:* The City is examining its budgeting practices, including the implementation of processes and controls to ensure appropriations are not over-expended.

By Alderperson : \_\_\_\_\_

Seconded by Alderperson : \_\_\_\_\_

**A RESOLUTION TO APPROVE PROPOSED LOCAL LAW NO. 6 OF 2020**

**WHEREAS**, the City of Rensselaer is desirous of amending Title IV, Section 77, of the Charter of the City of Rensselaer, New York, relative to the Auditing and Payment of Claims of Vendors servicing the City of Rensselaer, and

**WHEREAS**, the Common Council has reviewed proposed Local Law No. 6 of the year 2020, and

**WHEREAS**, such Local Law appears appropriate as to form and a Public Hearing having been conducted on July 1<sup>st</sup>, 2020 so as to consider public comments on such proposed Local Law,

**NOW, THEREFORE BE IT RESOLVED**, that proposed Local Law No. 6 of the year 2020 is hereby approved, and

**BE IT FURTHER RESOLVED**, that such Local Law is subject to Permissive Referendum, and

**BE IT FURTHER RESOLVED**, that the City Clerk is hereby authorized and directed to file such Local Law with the Office of the New York State Secretary of State should no valid Petition for Referendum be filed in a timely manner, or after successful passage of such Local Law by Referendum Vote.

Approved as to form and sufficiency  
this \_\_\_\_\_ day of July, 2020

\_\_\_\_\_  
Corporation Counsel

\_\_\_\_\_  
Mayor

**CITY OF RENSSELAER**

**LOCAL LAW NO. 6 OF THE YEAR 2020.**

**A Local Law**

**To Amend Title IV, Section 77, of the Charter of  
the City of Rensselaer, New York, Relative to  
the Auditing and Payment of Claims**

**Be it enacted by the Common Council of the City of Rensselaer as follows:**

**ARTICLE I. INTENT**

This Local Law shall be known as Local Law No. 6 of 2020, and shall amend Title IV, Section 77, of the Charter of the City of Rensselaer, New York, relating to the Auditing and Payment of Claims against the City of Rensselaer. This Local Law amends and supersedes all previously adopted Local Laws concerning such Auditing and Payment of Claims of Vendors servicing the City of Rensselaer. The purpose of this Local Law is to update Section 77 of the City Charter to meet the provision contained in Section 64 of the New York State Second Class Cities Law.

**ARTICLE II. LEGISLATIVE ACTION**

The Common Council of the City of Rensselaer, New York, hereby amends Article II, Section 155-4(B)(1), of the Code of the City of Rensselaer, New York, so as to read as follows:

§ 77. Claims against the City. No claim against the City except for a fixed salary, for the principal or interest on a bonded or funded debt or other loan, or for the regular or stated compensation of officers or employees in any city department, or for work performed or materials furnished under contract with the City, shall be paid unless a claim therefor, in such form as the Comptroller shall prescribe, and approved by the head of the department or officer whose action gave rise or origin to the claim, shall have been presented to the Comptroller, and shall have been audited and allowed by the Comptroller. The Common Council, by resolution, may require that claims be certified or that they be verified by oath of the claimant or claimant's duly authorized agent. The Comptroller shall cause each such claim, upon presentation to the Comptroller for audit, to be numbered consecutively and the number, date of presentation, name of claimant and brief statement of character of each claim shall be entered in a book or computer ledger kept for such purpose, which shall at all times during normal office hours the Comptroller be so placed as to be convenient for public inspection and examination. No claim shall be audited or paid until at least five days have elapsed after its presentation to the Comptroller, and the Comptroller shall not be required to audit a claim until two weeks have expired after the expiration of such period of five days. Notwithstanding the foregoing, the Comptroller is hereby authorized to pay by direct withdrawal from City funds normal and customary cyclical bills of the City for ongoing services, such as utilities, insurances, and the like, so as to avoid otherwise applicable penalties and late fees. Such payments still

are subject to audit and review. The Comptroller is authorized, in considering a claim, to require any person presenting the same for audit to be sworn before the Comptroller, and to give testimony touching upon the justness and accuracy of such claim, and to take evidence and examine witnesses in reference to the claim, and for that purpose, the Comptroller may issue subpoenas for the attendance of witnesses. If the claimant be dissatisfied with the audit the claimant may appeal to the Common Council by serving a notice of appeal in writing upon the Comptroller and the Common Council at any time before the first regular meeting of the Common Council that is held after the claimant receives the Comptroller's audit. If the Common Council, or any taxpayer be dissatisfied with such audit, the Common Council, or the taxpayer, may appeal to the Common Council, in like manner, by serving a written notice of appeal upon the claimant and the Comptroller and the Treasurer within ten days after the meeting of the Common Council at which such claims shall have been reported by the Comptroller. The Common Council shall make rules for the procedure upon the hearing of such appeals and the decision and audit of the Common Council, after the hearing upon the appeal to it, shall be final and conclusive as to the amount of the claim; but if there be no appeal from the original audit it shall in like manner be final and conclusive. The Comptroller and the Common Council upon an appeal to it, as herein provided, shall have authority to take evidence and examine witnesses in reference to the claim and for that purpose may issue subpoenas for the attendance of witnesses; and the Comptroller and each member of the Common Council is hereby declared to be ex officio a commissioner of deeds. When a claim has been finally audited by the Comptroller, the Comptroller shall indorse thereon or attach thereto the Comptroller's certificate as to such audit, and the same shall thereupon be filed in and remain a public record in the office of the Comptroller. If any person shall present to the Comptroller for audit a claim in the name of any person or firm other than that of the actual claimant that person shall be guilty of a misdemeanor.

### ARTICLE III. EFFECTIVE DATE

This Law shall take effect immediately upon its filing with the Office of the Secretary of State.

#### 1. (Final adoption by local legislative body only.)

I hereby certify that the local law annexed hereto, designated as Local Law No. 6 of 2020 of the City of Rensselaer was duly passed by the Common Council on \_\_\_\_\_, 2020, in accordance with the applicable provisions of law.

#### 2. (Passage by local legislative body with approval, no disapproval or repassage after disapproval by Elective Chief Executive Officer\*.)

I hereby certify that the local law annexed hereto, designated as Local Law No. 6 of 2020 of the City of Rensselaer was duly passed by the Common Council on \_\_\_\_\_, 2020, and was (approved)(not approved) (repassed after disapproval) by the Elective Chief Executive Officer\*, Mayor Michael Stammel, and was deemed duly adopted on \_\_\_\_\_, 2020.

**3. (Final adoption by referendum.)**

I hereby certify that the local law annexed hereto, designated as Local Law No. \_\_\_\_\_ of 200\_\_\_\_ of the \_\_\_\_\_ was duly passed by the \_\_\_\_\_ on \_\_\_\_\_, 200\_\_\_\_, and was (approved)(not approved)(repassed after disapproval) by the Elective Chief Executive Officer\*, \_\_\_\_\_ on \_\_\_\_\_, 200\_\_\_\_. Such Local Law was submitted to the people by reason of a (mandatory)(permissive) referendum, and received the affirmative vote of a majority of the qualified electors voting thereon at the (general)(special)(annual) election held on \_\_\_\_\_, 200\_\_\_\_, in accordance with the applicable provisions of law.

**4. (Subject to permissive referendum and final adoption because no valid petition was filed requesting referendum.)**

I hereby certify that the local law annexed hereto, designated as Local Law No. 6 of 2000 of the City of Rensselaer was duly passed by the Common Council on \_\_\_\_\_, 2000, and was (approved)(not approved)(repassed after disapproval) by the Elective Chief Officer\*, Mayor Michael Stammel, on \_\_\_\_\_, 2000. Such local law was subject to permissive referendum and no valid petition requesting such referendum was filed as of \_\_\_\_\_, 2000, in accordance with the applicable provisions of law.

**5. (City local law concerning Charter revision proposed by petition.)**

I hereby certify that the local law annexed hereto, designated as Local Law No. \_\_\_\_\_ of 200\_\_\_\_ of the City of \_\_\_\_\_ having been submitted to referendum pursuant to the provisions of section (36)(37) of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of such city voting thereon at the (special)(general) election held on \_\_\_\_\_, 200\_\_\_\_, became operative.

\_\_\_\_\_  
\* Elective Chief Officer means or includes the chief executive officer of a county elected on a county-wide basis or, if there be none, the chairperson of the county legislative body, the mayor of a city or village, or the supervisor of a town where such officer is vested with the power to approve or veto local laws or ordinances.

**6. (County local law concerning adoption of Charter.)**

I hereby certify that the local law annexed hereto, designated as local law No. \_\_\_\_\_ of 200\_\_\_\_ of the County of \_\_\_\_\_ State of New York, having been submitted to the electors at the General Election of November \_\_\_\_\_, 200\_\_\_\_, pursuant to subdivisions 5 and 7 of section 33 of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of the cities of said county as a unit and a majority of the qualified electors of the towns of said county considered as a unit voting at said general election, became operative.

**(If any other authorized form of final adoption has been followed, please provide an appropriate certification.)**

I further certify that I have compared the preceding local law with the original on file in this office and that the same is a correct transcript therefrom and of the whole of such original local law, and was finally adopted in the manner indicated in paragraph 1, above.

(Seal)

\_\_\_\_\_  
Clerk of the County Legislative Body, City, Town or Village  
Clerk or officer designated by local legislative body  
**CITY CLERK**

Date: \_\_\_\_\_

**(Certification to be executed by County Attorney, Corporation Counsel, Town Attorney, Village Attorney or other authorized attorney of locality.)**

State of New York  
County of Rensselaer

I, the undersigned, hereby certify that the foregoing Local Law contains the correct text and that all proper proceedings have been had or taken for the enactment of the Local Law annexed hereto.

\_\_\_\_\_  
**Corporation Counsel**  
Title

**CITY OF: RENSSELAER**

Date: \_\_\_\_\_

By Alderperson : \_\_\_\_\_

Seconded by Alderperson : \_\_\_\_\_

**A RESOLUTION TO APPROVE PROPOSED LOCAL LAW NO. 7 OF 2020 AS TO FORM AND  
SCHEDULING A PUBLIC HEARING THEREON**

**WHEREAS**, The City of Rensselaer is desirous of having the ability to override the New York State Tax Cap, if needed, for the 2020/2021 City Budget pursuant to New York State General Municipal Law Section 3-c, Subdivision 5, and

**WHEREAS**, the Common Council has reviewed proposed Local Law No. 7 of the year 2020, a copy of which is attached hereto, and

**WHEREAS**, such Local Law appears appropriate as to form and it appearing appropriate for a Public Hearing to be scheduled so as to consider public comments on such proposed Local Law,

**NOW, THEREFORE BE IT RESOLVED**, that proposed Local Law No. 7 of the year 2020 is hereby approved as to form, and

**BE IT FURTHER RESOLVED**, that a Public Hearing will be held at 6:30 p.m. on July 15th, 2020, at the City Hall of the City of Rensselaer located at 62 Washington Street, Rensselaer, New York, so as to allow the Common Council to hear Public Comment on proposed Local Law No. 7 of 2020, and

**BE IT FURTHER RESOLVED**, that the City Clerk is hereby authorized and directed to issue appropriate Public Notice of the Public Hearing scheduled herein.

Approved as to form and sufficiency  
this \_\_\_\_\_ day of July, 2020

\_\_\_\_\_  
Corporation Counsel

\_\_\_\_\_  
Mayor

**LOCAL LAW NO. 7 OF 2020**  
**A LOCAL LAW TO OVERRIDE THE TAX LEVY LIMIT ESTABLISHED IN**  
**GENERAL MUNICIPAL LAW SECTION 3-C**

Be it enacted by the City of Rensselaer in the County of Rensselaer, as follows:

**Section 1. Legislative Intent**

It is the intent of this Local Law to override the limit on the amount of real property taxes that may be levied by the City of Rensselaer, County of Rensselaer, State of New York (hereinafter "Rensselaer") pursuant to General Municipal Law § 3-c, and to allow Rensselaer to adopt a budget for (a) City purposes and (b) any other special or improvement district governed by the Common Council for the fiscal year 2020/2021 that requires a real property tax levy in excess of the "tax levy limit" as defined by General Municipal Law § 3-c.

**Section 2. Authority**

This local law is adopted pursuant to subdivision 5 of General Municipal Law § 3-c, which expressly authorizes the Common Council to override the tax levy limit by the adoption of a local law approved by vote of sixty percent (60%) of the Common Council.

**Section 3. Tax Levy Limit Override**

The Common Council of the City of Rensselaer is hereby authorized to adopt a budget for the fiscal year 2020/2021 that requires a real property tax levy in excess of the limit specified in General Municipal Law, § 3-c.

**Section 4. Severability.**

If any clause, sentence, paragraph, subdivision, or part of this Local Law or the application thereof to any person, firm or corporation, or circumstance, shall be adjusted by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or part of this Local Law or in its application to the person, individual, firm or corporation or circumstance, directly involved in the controversy in which such judgment or order shall be rendered.

**Section 5. Effective date.**

This local law shall take effect immediately upon filing with the Secretary of State.

PLEASE TAKE NOTICE TO THE EXTENT THAT THIS LOCAL LAW MAY CONFLICT WITH APPLICABLE PORTIONS OF THE GENERAL CITY LAW OF THE STATE OF NEW YORK, IT IS THE STATED INTENTION OF THE CITY TO EXERCISE ITS AUTHORITY TO SUPERSEDE AND AMEND, AS GRANTED UNDER THE MUNICIPAL HOME RULE LAW OF THE STATE OF NEW YORK, SECTION 10. THE CITY HEREBY PROVIDES NOTICE THAT IT IS EXERCISING ITS AUTHORITY TO SUPERSEDE AND AMEND PURSUANT TO MUNICIPAL HOME RULE LAW OF THE STATE OF NEW YORK SECTION 22.



By Alderperson : \_\_\_\_\_

Seconded by Alderperson : \_\_\_\_\_

**A RESOLUTION TO APPROVE LAND SWAP WITH RICHARD HOTALING AND SUSAN A. SHELDON  
N/K/A HOTALING, HIS WIFE**

**WHEREAS**, the Common Council of the City of Rensselaer has been provided with the attached surveys and tax map concerning a Land Swap between the City of Rensselaer and Richard Hotaling and Susan A. Sheldon n/k/a Hotaling, his wife, for properties in the vicinity of Central Avenue and Seventh Street in the City of Rensselaer, and

**WHEREAS**, the Common Council has reviewed such proposed Land Swap, and it appearing that the City would be transferring out 15,875 Square Feet of unused land constituting a portion of Seventh Street that was never developed nor appears to serve any public use contemplated in the future, and in return the City would receive 16,876 Square feet of vacant land upon which the City maintains an access road near the City border with the Town of North Greenbush that enables the City to service City Utilities, and

**WHEREAS**, City Assessor has advised that there are no appreciable differences in value between the parcels involved in the proposed Land Swap, and

**WHEREAS**, such proposed Land Swap appears to be in the best interests of the City of Rensselaer and the Common Council having conducted a Public Hearing on July 1<sup>st</sup>, 2020 to hear comments on such proposed Land Swap,

**NOW, THEREFORE BE IT RESOLVED**, that the attached proposed Land Swap is hereby approved, and

**BE IT FURTHER RESOLVED,** that the Parties shall share equally the Rensselaer County Clerk fees necessary to record the Land Swap documents, and

**BE IT FURTHER RESOLVED,** that the City Mayor is hereby authorized to sign all necessary documents so as to effectuate the Land Swap approved herein.

Approved as to form and sufficiency  
this \_\_\_\_\_ day of July, 2020

---

Corporation Counsel

---

Mayor

STEEL SHEET PILE WALL

LANDS OF  
RICHARD HOTALING & SUSAN A. SHELDON  
TO BE CONVEYED TO  
THE CITY OF RENSSELAER

- S 59°45'00" E 80.00'

PARCEL A  
AREA: 3,708 SQ.FT.

27" DIA  
CONCRETE PIERS

LIGHT STREET  
(60' R.O.W. - UNIMPROVED)

LANDS N/F OF  
CITY OF RENSSELAER  
SECTION 144.22 BLOCK 4 LOT 1

QUACKENDARY KILL

(1/4 INCH ONLY - S 61°00'00" W 117.5')

PROPERTY LINE

ft

EXISTING PROPERTY LINE

WOODED

EA:

REA: 39,197 SQ.FT.

REMAINING LANDS OF  
RICHARD HOTALING &  
SUSAN A. SHELDON  
BK. 1607, PG. 173  
TION 144.22 BLOCK 3 LOT 9.1

NEW PROPERTY LINE

GRAVEL & HARTHEN ACCESS ROAD

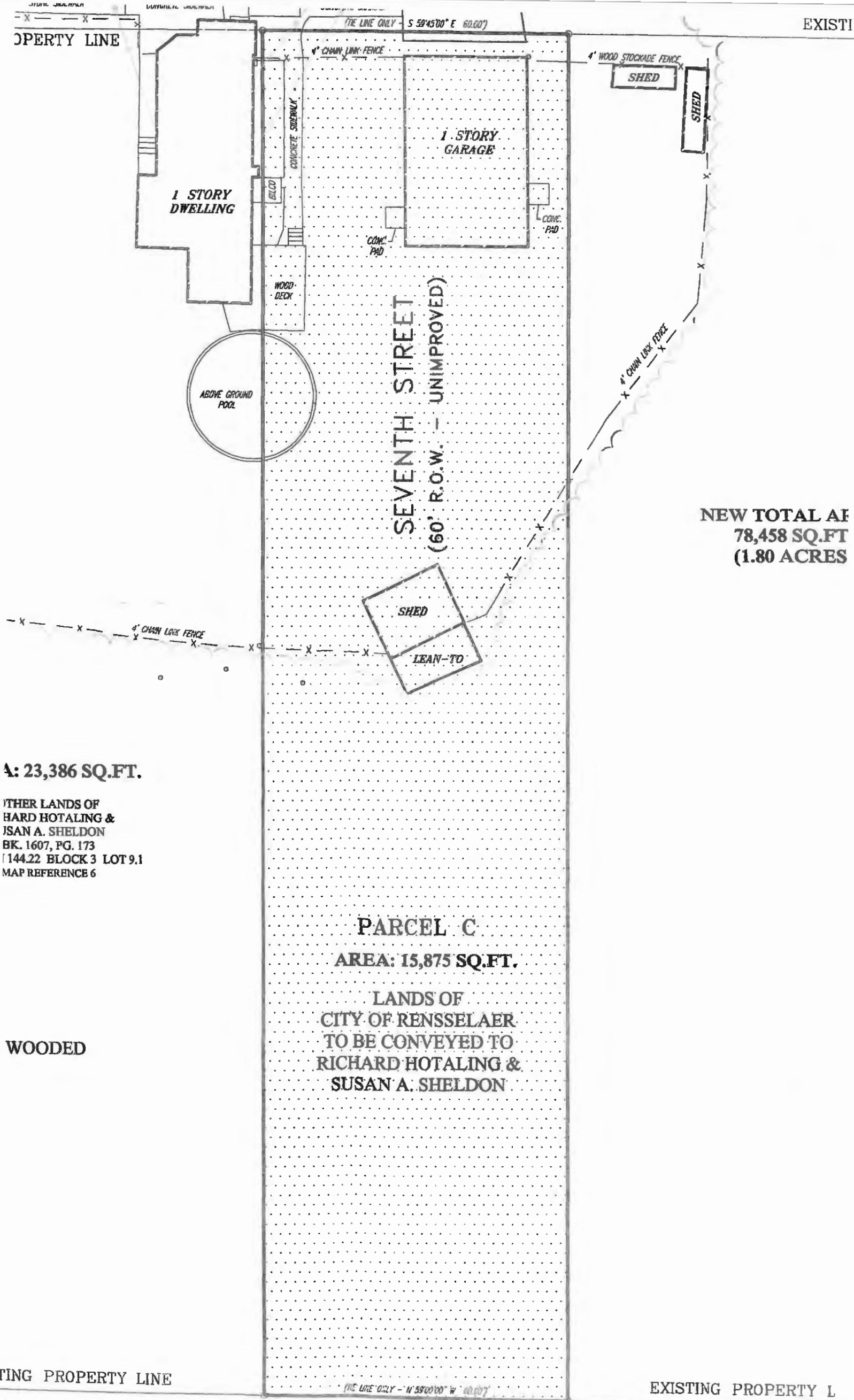
PARCEL B

AREA: 13,168 SQ.FT.

LANDS OF  
RICHARD HOTALING & SUSAN A. SHELDON  
TO BE CONVEYED TO  
THE CITY OF RENSSELAER

20" DIA  
CONCRETE PIERS

PROPERTY LINE



**A: 23,386 SQ.FT.**

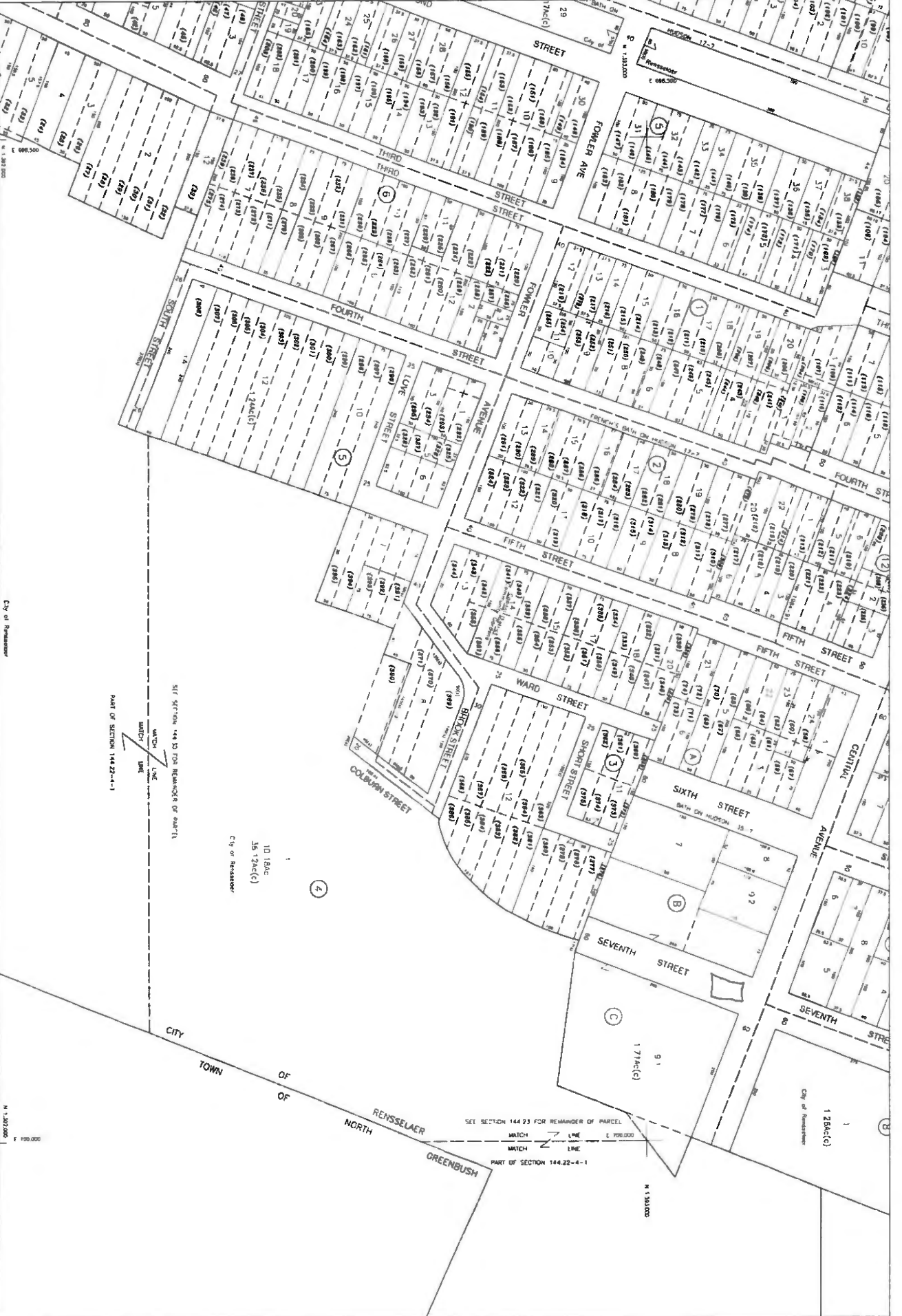
**OTHER LANDS OF  
HARD HOTALING &  
JAN A. SHELDON  
BK. 1607, PG. 173  
[ 144.22 BLOCK 3 LOT 9.1  
MAP REFERENCE 6**

WOODED

PARCEL C  
AREA: 15,875 SQ.FT.  
LANDS OF  
CITY OF RENSSELAER  
TO BE CONVEYED TO  
RICHARD HOTALING &  
SUSAN A. SHELDON

**NEW TOTAL AREA  
78,458 SQ.FT  
(1.80 ACRES)**

EXISTING PROPERTY L



By Alderperson : \_\_\_\_\_

Seconded by Alderperson : \_\_\_\_\_

**A RESOLUTION APPROVING ISSUANCE OF REQUEST FOR PROPOSALS FOR  
TELECOMMUNICATIONS SYSTEM AND INTERNET SERVICES – RENSSELAER  
DEPARTMENTS OF POLICE AND CITY HALL OFFICES**

**WHEREAS**, The Common Council of the City of Rensselaer believes issuance of a request for proposals for telecommunications system and internet services to assist and benefit the City of Rensselaer Departments of Police and City Hall Office is appropriate, and

**WHEREAS**, the Common Council of the City of Rensselaer has carefully reviewed the attached Request for Proposals and hereby approves same as to general form, and good cause appearing therefore,

**NOW, THEREFORE BE IT RESOLVED**, that the City of Rensselaer hereby approves the issuance of the attached Request for Proposals pursuant to the terms and conditions stated therein, with any proposals submitted in response thereto to be reviewed hereafter for possible acceptance by this Legislative Body.

Approved as to form and sufficiency

this \_\_\_\_\_ day of July, 2020

\_\_\_\_\_  
Corporation Counsel

\_\_\_\_\_  
Mayor

The City of Rensselaer  
IP Telephone System and  
Internet Service  
Bid Specifications





## **A. City of Rensselaer**

### **1. CLIENT BACKGROUND**

The City of Rensselaer is a municipal government located in Rensselaer County, New York. There are 2 primary buildings of focus.

City Hall  
62 Washington St.  
Rensselaer, NY 12144

Police Department  
201 Broadway Ave  
Rensselaer, NY 12144

## **Bid 1**

### **2. SCOPE OF ASSIGNMENT**

The goal of the City of Rensselaer is to enhance its current technology investment by upgrading the current telephone system by installing a state-of-the-art VoIP telephone system. The system needs to provide the ability to 4-digit dial between the two offices and must meet the recording needs of the Police Department outlined later in this section.

Below is a summary of the data network and current telephone services.

#### **Data Network**

- Both buildings are connected via private fiber for data and phone system communication.
- Internet is currently being provided via Spectrum Coax connections at each site. (The City is currently reviewing proposals to upgrade each location to Fiber).
- Located at City Hall (62 Washington), there are a total of (4) 48 Port Cisco POE Switches
- Located at the Police Department (201 Broadway Ave), there is (1) 48 Port Cisco POE switch

#### **Telephone Connectivity @ City Hall (62 Washington St)**

- Telephone service is being provided via a PRI
- In addition, there are 22 POTS Lines that are mainly fax machines, however there are a few for Elevator, Fire & Burglary.
  - 1 Elevator Line located at City Hall
  - 1 Fire Alarm Line located City Hall
  - 2 Burglary Alarm lines at City Hall

#### **Telephone Connectivity @ City Hall (201 Broadway Ave)**

- Telephone service is being provided via a PRI located at City Hall
- In addition, there are 18 POTS Lines that are a combination of 6 fax lines, 5 lines in hunt group for dispatch and 911, and 7 unidentified POTS lines.

### Police Department Recording Requirements

For the Police Dept., the proposed phone system should incorporate and be compatible with the existing Verint AudioLog recording system which utilizes the following Telephone Logger Patch: DynaMetric TLP-105SYL.

The following physical phones will need to be recorded:

Dispatch 1 – recorded all of the time

Dispatch 2 – recorded all of the time

Juvenile – recorded all of the time

An additional (7) phones will need to be recorded but have the ability to be turned off, on demand.

Bluetooth headsets will be used on at least 2 phones.

### **3. CURRENT TELEPHONE SYSTEM & EXTENSION LISTING**

The City currently has Cisco Call Manager Express with 2 Routers located at City Hall and the Police Department. Existing data and telephone equipment currently installed at the City of Rensselaer:

CITY OF RENSSELAER PHONES, FAXES, & CONFERENCE PHONES					
1ST FLOOR			Phones	fax	conf
MAYOR	Mayor Mike Stammel	phone	1		
	Erica Jackson	phone	1		
	Conf Room	phone - Polycom			1
	Fax	Fax		1	
ASSESSOR	Sharon Martin	phone	1		
	Fax	Fax		1	
PURCHASING	Rich Berhaupt	phone	1		
	Jessica Marvelli	phone	1		
	FAX	Fax		1	
ENGINEER	Bill Smart	phone	1		
	Mark Hendricks	phone	1		
2ND FLOOR					
CLERK	Nancy Hardt	phone	1		
	Julie Bink	phone	1		
	Nancy Consolo	phone	1		
	Safe-BackRoom	phone	1		

	FAX	Fax		1	
TREASURER	Mike	phone	1		
	Andrea	phone	1		
	Kristin Qua	phone	1		
	FAX	Fax		1	
PLANNING	Ketura Vics	phone	1		
	Amy Lolik	phone	1		
	Rick VanVorst	phone	1		
	Jack Bonesteel	phone	1		
BUILDING	Kyle Woodard	phone	1		
	Ben Akin	phone	1		
	Gary Flynn	phone	1		
	Fran	phone	1		
	FAX	Fax		1	
DPW	Jim Brady	phone	1		
	FAX	Fax		1	
WATER	Mary Cramer	phone	1		
	Jaurden Cramer	phone	1		
	Meter Reader operator	phone	1		
	Combined Sewer Operator	phone	1		
	FAX	Fax		1	
HR	Irene Sorriento	phone	1		
	Jodi Mayforth	phone	1		
	FAX	Fax		1	
COMPTROLLER	Steven Terry	phone	1		
	Ely Vargas	phone	1		
	Mike Slawson	phone	1		
	FAX	Fax		1	
YOUTH	Dan Dwyer Jr.	phone	1		
HISTORIAN	Victor Batorski	phone	1		
Police Department					
	CHIEF FRANKOSKI	Phone	1		
	DEPUTY CHIEF FAMIGLIETTI	Phone	1		
	DET/SGT MCCOY	Phone	1		
	DET. HANSEN	Phone	1		
	DET. EARING	Phone	1		
	SERGEANTS ROOM	Phone	1		
	SR. CLERK CARYOFILLES	Phone	1		
	CLERK RYAN	Phone	1		

	CONFERENCE ROOM	Phone	1		
	BOOKING ROOM 1	Phone	1		
	BOOKING ROOM 2	Phone	1		
	CELL BLOCK ROOM	Phone	1		
	EVIDENCE ROOM	Phone	1		
	FORENSIC ROOM	Phone	1		
	INTERVIEW ROOM	Phone	1		
	JV ROOM	Phone	1		
	DISPATCH PHONE 1	Phone	1		
	DISPATCH PHONE 2	Phone	1		
518-694-4440	Records Dept Fax	fax		1	
518-694-4441	Detective Office Fax	fax		1	
518-434-0539	Communications Fax	fax		1	
518-462-6610	Drug Line Fax	fax		1	
518-694-4435	Records Fax	fax		1	
518-598-1479	DC Fax	fax		1	
	<b>Total Count</b>		<b>52</b>	<b>16</b>	<b>1</b>

In addition to the devices above, the Police Department requires 33 voicemail-only mailboxes to support 30 members of the police staff as well the Drug Line, Emergency Line, and Parking Lines.

These lines will not require a physical phone but simply need the ability to maintain and have access to a private mailbox.

#### **4. SITE TOUR**

A tour of City of Rensselaer and its current system is available to those interested. Such requests should be made at least 48 hours in advance and will be scheduled during normal business hours, currently Monday through Friday from 9 a.m. to 3 p.m.

All requests should be directed to Erica Jackson at 518-462-9511 (City of Rensselaer – Mayors office)

#### **5. TRAINING**

The City of Rensselaer, as part of the proposal, will require administrative and end-user training. The training should be performed on-site and should be conducted about the same time period as the actual network installation. Training should be done on a departmental basis.

- Basic telephone system operation for end users
- Basic voicemail operation
- Switchboard Console Training
- Basic administrator training (e.g. set up new extension & mailbox)

#### **6. BASIC REQUIREMENTS**

The system needs to provide basic telephone system capabilities. Please provide a list of included features.

Each phone needs to support multiple lines, park, intercom, page, call forwarding, direct dial, and provide the ability to see other extensions when they are on the phone. We also use voicemail to email. All phones must be Gigabit and in new condition. Our current phones do not have many buttons and are limited in what they can do.

In the future, we may decide to add on a few other locations. It is critical that the solution be cost effective and scalable to some of our other smaller locations (Library, Dept of Public Works, Water & Sewer, etc.). Please provide a separate quote for adding our DPW building with 6 phones.

Due to the recent importance of being able to work from home, please identify any capabilities that would allow our staff to work from home if required.

Please include with your RFP Response the following info:

1. List of included features
2. Description and picture of phones provided.
3. A separate quote for DPW building. 4 telephone lines and 6 phones
4. Identify capabilities that can allow staff to work from home and outline of costs.
5. Support, Maintenance and Upgrade costs for one year.

Any additional items/options may be listed as à la carte.

## 7. PROPOSAL REQUIREMENTS

Please provide a proposal for the equipment needed. In addition, to the hardware described above, the City has the following needs.

- Approximately (10) Phones will need to be installed on the wall.
- We have (2) reception areas that have additional buttons on their phones that allow them to see all extensions.
- The current network POE switches need to be replaced as they are out of warranty. The City of Rensselaer IT Department currently manages and requires Cisco Small Business, Layer 3 Switches, that support stacking capabilities and Power over Ethernet (POE+). Please add SMARTnet protection for a period of 3 years. (If this cannot be provided, please specify in your proposal.)

Any additional items/options may be listed as à la carte.

## **Bid 2**

### **7(A). FIBER DELIVERED INTERNET SERVICE BID SPECIFICATION (SEPARATE BID)**

**Below are the minimum specs for the fiber delivered internet service  
for 62 Washington Street and 201 Broadway:**

**Public Static IP: /28 (13 addresses)**

**Bandwidth: 100/100 Mbps**

**Service Availability, End to End: 99.9%**

**Mean Time To Restore (MTTR): 4 hours**

**Latency Scope, Round Trip: 45ms**

**Network Jitter: <2ms**

**Network Packet Delivery: <0.1% loss**

**Service Credit if above SLAs are not met Dedicated Account**

**Representative Dedicated Service Representative**

## **8. PROPOSAL SUBMISSION, CONSIDERATION & DUE DATE**

All proposals must be submitted to the Office of the Rensselaer City Clerk, 62 Washington Street, Rensselaer, New York 12144, with a fully executed Non-Collusive Bidding Certification, on or **before July 13<sup>th</sup>, 2020 at 3:00 PM.** Offers received after this time will not be considered or accepted.

**Proposals will be considered based on price, best value, ability to meet the needs of our basic requirements and having a single source for support.** The City of Rensselaer reserves the right to reject any and all bids

## **9. OFFER AND ACCEPTANCE**

The selected firm will be forwarded original purchase agreements for signature. Upon City of Rensselaer receipt, they will be submitted for final execution and one (1) fully executed original will be returned to the Vendor for commencement of the project.

Thank you for your prompt attention to this request, and please contact Philip J. Danaher, Corporation Counsel at 518-462-9511 (City of Rensselaer – Mayors office) should you have any questions.



## **NON-COLLUSIVE BIDDING CERTIFICATION**

(Pursuant to 103d of the General Municipal Law of the State of New York)

1. The Bid herewith submitted has been arrived at by the Bidder independently and has been submitted without collusion with any other vendor of materials, supplies or equipment of the type described in the invitation for bids; and
2. The contents of the bid have not been communicated by the bidder, nor to its best knowledge and belief, by any of its employees or agents, to any persons not an employee or agent of the bidder or its surety on any bond furnished herewith prior to the official opening of the bid.

Company Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

By Alderperson : \_\_\_\_\_

Seconded by Alderperson : \_\_\_\_\_

**A RESOLUTION SCHEDULING A PUBLIC HEARING ON THE PROPOSED 2020-2021 BUDGET**

**WHEREAS**, The City of Rensselaer is desirous of scheduling a Public Hearing on the proposed 2020-2021 City Budget, and

**NOW, THEREFORE BE IT RESOLVED**, that a Public Hearing will be held at 6:30 p.m. on July 15<sup>th</sup>, 2020, at the City Hall of the City of Rensselaer located at 62 Washington Street, Rensselaer, New York, so as to allow the Common Council to hear Public Comment on the proposed 2020-2021 City Budget, and

**BE IT FURTHER RESOLVED**, that the City Clerk is hereby authorized and directed to issue appropriate Public Notice of the Public Hearing scheduled herein.

Approved as to form and sufficiency  
this \_\_\_\_\_ day of July, 2020

\_\_\_\_\_  
Corporation Counsel

\_\_\_\_\_  
Mayor

By Alderperson

Council as a Whole

Seconded by Alderperson

\_\_\_\_\_

## **A RESOLUTION DISAPPROVING CRAMER TERMINATION**

**WHEREAS**, the Common Council of the City of Rensselaer recently learned of the sudden termination of 22 year City employee Mary Cramer, and

**WHEREAS**, Mayor Michael Stammel physically appeared at the home of Ms. Cramer before working hours, and

**WHEREAS**, Ms. Cramer is currently caring for her immunocompromised, terminally ill spouse, and

**WHEREAS**, Mayor Michael Stammel provided no cause for termination to Ms. Cramer or Common Council members, and

**WHEREAS**, institutional knowledge is critical to the continued functioning of critical services to the City.

**NOW, THEREFORE BE IT RESOLVED**, that the Common Council of the City of Rensselaer does not approve of the termination and asks Mayor Michael Stammel to reconsider his decision and return Mary Cramer to her previous employment status with the City.

Approved as to form and sufficiency  
this \_\_\_\_\_ day of July, 2020

\_\_\_\_\_  
Corporation Counsel

\_\_\_\_\_  
Mayor