

A Resolution of the City Council of the City of Saratoga Springs, NY

WHEREAS, the City of Saratoga Springs is required, pursuant to New York State Public Housing Law, Article 3, Section 32, to approve employees' compensation as set by the Saratoga Springs Housing Authority (Authority), and

WHEREAS, the Office of the New York State Comptroller (OSC), in its 2012 audit entitled "Saratoga Springs Housing Authority, Board Oversight and Internal Controls Over Payroll and Employee Benefits (2012M-136)" (Audit), states guidelines for payroll and compensation, including:

1. "it is essential that management design and implement effective controls over the payroll process comprising well-developed policies, practices and procedures; adequate managerial oversight; and proper segregation of duties." (page 12);
2. "Authority employees should be paid commensurately with their workload and responsibilities." (page 12);
3. "In addition, when determining compensation, the Authority must comply with the Federal Department of Housing and Urban Development (HUD) requirements regarding compensation levels." (page 12);
4. "Public employment contracts should be written with the best interest of the taxpayers in mind and should not expose them to substantial financial obligations if there is substandard performance or unacceptable conduct by the employee." (page 15), and

WHEREAS, the Audit cites parts of the Authority's personnel policy regarding compensation, including:

1. "Authority's personnel policy contains a provision equating the salaries of positions in the Authority with salaries of positions Director's Compensation either in the City government or the City School District. The policy equates the Director's salary with a Principal in the Saratoga Springs School District, but does not specify which of the eight Principals it intended to equate the Director's salary to." (pages 12-13);
2. the Authority's Personnel Policy equates the salary of the Authority's Accountant with the Accountant position in the City of Saratoga Springs, which was eliminated and replaced by the Director of Finance, a position of similar responsibilities (page 17), and

WHEREAS, the Audit makes findings and conclusions regarding certain compensation set by the Authority, including:

1. the Director's compensation:
 - a. exceeded the 2010-2011 salaries of all the Principals in the Saratoga City School District (page 13);
 - b. fell within the top 7 percent of housing authority executive directors on a nation-wide basis (page 13);
 - c. fell within at least the top 25 percent of housing authority executive directors in the New York/New Jersey region (page 13); and

- d. exceeded four local housing authorities surveyed by OSC, including Plattsburgh, Troy, Schenectady, and Albany and in each of those cases, the housing authorities were responsible for significantly more tenant rentals than in Saratoga (page 14);
- 2. “the Authority did not pay the Director in accordance with its policy.” (page 14);
- 3. the provisions of the Director’s employment contract “expose the Authority to substantial financial liabilities and provide only minimal protection from the Director’s abrupt departure...” (page 16);
- 4. “the current Accountant’s salary compares favorably with the City’s Finance Director and with the CFOs in the other housing authorities. In addition, the Authority has achieved significant cost efficiencies by employing this individual.” (page 18).

NOW, THEREFORE BE IT RESOLVED, the Saratoga Springs City Council (Council) accepts and upholds the Audit provided by OSC, and

BE IT FURTHER RESOLVED, the Council considers the guidelines, statements, findings, conclusions and recommendations in the Audit as an appropriate standard of review for employees’ compensation set by the Authority, and

BE IT FURTHER RESOLVED, any presentation by the Authority to the Council of compensation for approval pursuant to Section 32 of the Public Housing Law of the State of New York shall be in accordance with the Audit’s guidelines, statements, findings, conclusions and recommendations.

ADOPTED:

AYES _____

NAYS _____