

CITY OF RENSSELAER
IN
COMMON COUNCIL
WEDNESDAY EVENING
REGULAR MEETING

The Council convened at 7:22 O'clock P. M. and was called to order by
Pres. Stewart.

The roll being called the following answered to their names:

Pres. Stewart

Aldermen: Bullert ✓
Mooney
Lithgow ✓
Buono ✓

Alderman: Girolami ✓
Adams
Benedette Miller ✓
Leahey ✓
Jukes

Alderman *Leahey* moved that the minutes be adopted as printed subject to
correction.

COMMUNICATIONS FROM THE MAYOR
HEADS OF THE DEPARTMENTS AND CITY OFFICIALS

The Clerk reports that the Mayor had approved of all resolutions passed at
the last meeting.

TREASURER'S REPORT

PRESENTATION OF ACCOUNTS

Alderman *Leahey* moved that all bills be referred to the auditing committee.
All bills be allowed and ordered paid.

PRESENTATION OF PETITIONS AND ACCOUNTS

RESOLUTIONS

REPORT OF COMMITTEE

Alderman *Leahey* moved to adjourn, seconded by Alderman *Girolami*

UNITED TRACTION COMPANY

Annual Report

YEAR 1968



UNITED TRACTION COMPANY

BOARD OF DIRECTORS

Lester W. Herzog, Jr.
Livingston W. Houston
Robert H. McCarthy

Thomas F. Riedy
Edward S. Rooney
William V. Waterman, Jr.

OFFICERS

Thomas F. Riedy
President and General Manager

Robert H. McCarthy
Vice President

William V. Waterman, Jr.
Vice President

Amos K. Munson
Vice President

W. Watson Ferris
Comptroller and Treasurer

John A. Kilgallon
Secretary

UNITED TRACTION COMPANY
110 WATERVLIT AVENUE
ALBANY, NEW YORK
12206

THOMAS F. RIEDY

ALBANY, N. Y.
PRESIDENT AND
GENERAL MANAGER
UNITED TRACTION COMPANY

ALEXANDER GRANT & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

380 MADISON AVENUE

NEW YORK, NEW YORK 10017

Board of Directors
United Traction Company

We have examined the balance sheet of UNITED TRACTION COMPANY as of December 31, 1968, and the related statements of operations and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the amounts ultimately received from the condemnation awards less applicable income taxes as discussed in Notes D and E of the Notes to Financial Statements, the accompanying financial statements present fairly the financial position of United Traction Company at December 31, 1968, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Alexander Grant & Company

New York, New York
January 18, 1969
except as to Note D
which is as of
March 26, 1969

...ANY, N. Y.

UNITED TRACT

BALANCE

<u>ASSETS</u>	<u>December 31</u>	
	<u>1968</u>	<u>1967</u>
CURRENT ASSETS		
Cash	\$ 227,898	\$ 372,009
Accounts and notes receivable, less allowance for uncollectible accounts, \$30,000 – 1968 and 1967	83,543	116,755
Inventory of operating supplies	67,410	70,698
Refundable income taxes (Notes D and E)	65,262	20,000
Prepayments, deposits and sundry	29,362	55,318
Total current assets	<u>473,475</u>	<u>634,780</u>
FIXED ASSETS – AT COST		
Buildings	1,887,464	1,856,259
Buses	3,204,118	3,204,118
Furniture, fixtures and other equipment	401,272	390,371
	5,492,854	5,450,748
Less depreciation (Note B)	<u>-3,149,444</u>	<u>-3,031,096</u>
Land and land rights	2,343,410	2,419,652
	86,738	87,738
Total fixed assets	<u>2,430,148</u>	<u>2,507,390</u>
INVESTMENTS (Note C)		
United States Treasury bonds on deposit as required by the Public Service Commission – at amortized cost	<u>168,676</u>	<u>168,696</u>
OTHER ASSETS		
Franchises and other intangibles, net	<u>90</u>	<u>240</u>
	<u>\$3,072,389</u>	<u>\$3,311,106</u>

The accompanying notes are an integral part of this statement.

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E SHEET

	<u>December 31</u>	
	<u>1968</u>	<u>1967</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Notes payable – bank – unsecured	\$1,250,000	\$1,250,000
Unredeemed matured long term debt including accrued interest 1968 – \$2,568; 1967 – \$2,568	3,818	3,818
Accounts payable	34,329	73,098
Dividends payable	26,062	25,477
Unredeemed tokens	275,418	150,731
Reserve for injuries and damages (Note C)	131,078	134,745
Accruals –		
Taxes	16,565	15,184
Salaries and wages	91,341	72,267
Other	30,217	29,096
Total current liabilities	<u>1,858,828</u>	<u>1,754,416</u>
DEFERRED CREDITS		
Net proceeds from condemnation awards (Note D)	<u>139,401</u>	<u>136,950</u>
STOCKHOLDERS' EQUITY		
Common stock – no par value – \$10 stated value		
Authorized 65,229 shares – issued 63,407 shares; outstanding 25,522 shares	634,070	634,070
Appropriated retained earnings (Note G)	325,000	325,000
Retained earnings	<u>759,135</u>	<u>1,104,715</u>
	1,718,205	2,063,785
Less 37,885 shares in treasury, at cost	<u>- 644,045</u>	<u>- 644,045</u>
Total stockholders' equity	<u>1,074,160</u>	<u>1,419,740</u>
	<u>\$3,072,389</u>	<u>\$3,311,106</u>

UNITED TRACTION COMPANY

<u>STATEMENT OF OPERATIONS</u>	<u>Year ended December 31,</u>	
	<u>1968</u>	<u>1967</u>
Revenues		
Operations	\$3,454,624	\$3,298,437
Interest earned during construction	--	34,131
Income from special fund (Note C)	6,953	6,952
	<u>3,461,577</u>	<u>3,339,520</u>
Expenses		
Operations and maintenance	3,301,910	2,951,845
Depreciation (Note B)	134,590	101,983
Taxes other than income taxes	275,981	266,647
Interest	78,784	28,210
	<u>3,791,265</u>	<u>3,348,685</u>
Loss before income tax credits	<u>(329,688)</u>	<u>(9,165)</u>
Estimated refund of taxes on income resulting from carry-back of operating loss, net of \$9,544 assessment (Notes D and E)	<u>22,909</u>	<u>20,753</u>
NET EARNINGS (LOSS)	<u>\$ (306,779)</u>	<u>\$ 11,588</u>

<u>STATEMENT OF RETAINED EARNINGS</u>		
Retained earnings – January 1	\$1,104,715	\$1,131,343
Net earnings (loss)	<u>(306,779)</u>	<u>11,588</u>
	797,936	1,142,931
Dividends declared \$1.50 a share	<u>38,801</u>	<u>38,216</u>
Retained earnings – December 31	<u>\$ 759,135</u>	<u>\$1,104,715</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Note A – Accounting Principles

The accompanying financial statements are presented in conformity with generally accepted accounting principles which differ in some respects from the reports filed with the Public Service Commission of the State of New York in accordance with its prescribed system of accounts.

Note B – Depreciation

Depreciation is provided on fixed assets at estimated useful lives on the straight line method and exceeds by approximately \$23,000 the amount used for income tax purposes which is provided at the revised rates established by the Internal Revenue Service during the examination of the Company's tax return for 1966.

Note C – Investments

Under authority of the Public Service Commission of the State of New York, the Company self-insures public liability claims and purchases liability insurance for any claims in excess of \$25,000. As ordered by the commission, the Company has deposited securities with an escrow agent. Reserve for injuries and damages are considered adequate to pay all pending claims.

Note D – Net Proceeds from Condemnation Award

Certain real estate property consisting of land and buildings was seized in 1965 under condemnation proceedings by the State of New York and an offer was made for \$605,500 of which \$363,300 was paid. The Company filed a claim with the New York State Court of Claims, which has been litigated and on March 11, 1969 an award of \$1,340,471 plus interest was granted. Pending a possible appeal by the State of New York no recognition was given in the financial statement for the results of the condemnation. During 1968 additional contiguous property was appropriated by the City of Albany and the payment of compensation therefor is expected to be litigated or settled during 1969. During 1968, a small segment was sold to a business company for \$4,000. Pending the outcome of the condemnation proceedings, the proceeds from the condemnation of the seized properties and the sale have been recorded as a deferred credit less the book value of the properties and expenses related to the proceedings, as summarized below:

Advance payment received	\$367,300
Less expenses paid	<u>11,648</u>
	355,652
Cost of property less depreciation	<u>216,251</u>
Deferred credit	<u>\$139,401</u>

The ultimate award plus interest, less costs and expenses incurred in connection with the condemnation proceeding (which have been deferred), is indeterminate at this time.

Based upon the original offer and the estimated value at March 1, 1913 of a portion of the property seized, the company reported a loss of approximately \$104,000 on its 1967 income tax return. Any increase in the amount realized or reduction of the tax basis of the property may result in a reduction of the reported loss or may result in an amount subject to income taxes.

Note E – Income Taxes

Federal income taxes which may become payable in respect to the awards to be received on the condemned properties, and interest thereon, (see Note D) will be dependent upon establishing the tax basis of the properties (which may be at variance with the book values), upon the applicability of loss carry-overs, and upon award ultimately received.

Net operating loss carry-overs available to reduce future taxable income is approximately \$170,000 and expires in 1973. Unused investment tax credit of \$38,000 is available to offset income taxes of future years.

Note F – Pension Plan

The Company has established a contributory pension plan for substantially all employees. The unfunded prior service liability is approximately \$32,000. No expense accrual or Company contribution was required in 1968.

Note G – Appropriated Retained Earnings

By order of the Public Service Commission, in connection with the approval of the purchase of treasury stock, the Company transferred \$325,000 from retained earnings to appropriated retained earnings which cannot be used for any other purpose.

Note H – 1967 Reclassifications

For purposes of comparison, certain items for the year 1967 have been reclassified to conform to the presentation accorded such items in 1968.

Bids Received on
Thursday, July 30, 1969
Office of City Clerk
City Hall, Renss. N. Y.

J. Kenneth Fraser
and Associates
516 Washington Avenue
Rensselaer, N. Y.

CITY OF RENSSELAER
RENSSELAER COUNTY, NEW YORK

CONSTRUCTION OF 12" STORM SEWERS ON
IOWA AND MISSOURI AVENUES AND
MARYLAND AVENUE

BID TABULATION

Name and Adress of Contractor	Amount Bid
Anvil Contracting, Inc., P.O. Box 615, Voorheesville, N.Y.	\$14, 246.30
William J. Keller & Sons Construction Corp., 1435 Route 9, Castleton, N.Y.	\$13, 429.00
Cristo Bros., Box 55, Rensselaer, New York	\$19, 870.00
Micheli Contracting, Inc., 94 Lawrence St., Renss., N.Y.	\$15, 469.00
Michael Cristo, Renss. Heights, Renss., N. Y.	\$15, 110.00

By Alderman Leahey:

Resolved that the Consulting Engineer be and he hereby is authorized and directed to prepare plans and specifications for construction and installation of storm sewers where needed in Eastland Park, Mann and Rollins Avenues sections located in the Eighth Ward.

Approved as to form and sufficiency
this 30th day of July, 1969

Richard F. Reilly
Corp. Counsel

Richard Reilly

Corporation Counsel

2nd by Girolami

	AYES	NOES
IRWIN STEWART		
HAROLD BULLENT	✓	
JOHN MOONEY		
WILLIAM LITHGOW	✓	
STEPHEN BUONO	✓	
ARMAND GIROLAMI	✓	
WILLIAM ADAMS		
WILLIAM MILLER	✓	
A. DONALD LEANEY	✓	
ALFRED JUKES		
TOTAL		

#80

BY ALDERMAN Leahy

RESOLVED that the Mayor and Commissioner of Taxation
be and they hereby are authorized and directed to attend a Seminar
sponsored by the New York State Office For Local Government at
Thayer Hotel, West Point, New York, on August 6th and 7th, 1969.

Approved as to form and
sufficiency this 30th day of
July, 1969.

Richard Reilly
Corporation Counsel

Indy Bullent

	AYES	NOES
IRWIN STEWART		
HAROLD BULLENT	✓	
JOHN MOONEY		
WILLIAM LITHGOW	✓	
STEPHEN BUONO	✓	
ARMAND GIROLAMI	✓	
WILLIAM ADAMS		
WILLIAM MILLER	✓	
J. DONALD LEAHEY	✓	
ALFRED JUKES		
TOTAL		