

Financial Restructuring Board for Local Governments

Meeting Minutes February 24, 2015 2:00 PM

The Blue Room (Room 250)
NYS State Capitol Building
Albany, NY 12224

The Financial Restructuring Board for Local Governments ("the Board") convened at 2:08 PM on February 24, 2015 in the New York State Capitol Building in Albany, NY. The following members of the Board were present:

Todd Scheuermann (representative designated for Mary Beth Labate, Chair)
Gabriel Deyo (representative designated for Thomas DiNapoli)
Jack Martins
Herman Farrell, Jr.
Dierdre Scozzafava (representative designated for Cesar Perales)
Sydney Cresswell
RoAnn Destito
Matthew Driscoll

The following members of the Board were absent:

Eric Schneiderman
Todd Snyder

Mr. Scheuermann opened the meeting and announced that there were four completed Comprehensive Reviews for the consideration of the Board, as well as updated eligibility data and five new applicants for a Comprehensive Review.

Mr. Scheuermann then asked the Board to consider the minutes from the meeting on June 30, 2014. Mr. Driscoll motioned to approve the minutes and Ms. Scozzafava seconded the motion. The minutes were unanimously approved.

Mr. Scheuermann asked Timothy Ryan, Secretary to the Board, to provide an overview of the four completed Comprehensive Reviews before the Board (the City of Rochester, the City of Albany, the City of Jamestown, and the Village of Alfred). Mr. Ryan gave a PowerPoint presentation with a description of the findings and recommendations for each municipality.

Mr. Martins noted that collective bargaining is always a two way street, and that certain contract provisions may be negotiated in lieu of other provisions. It is hard to compare municipalities in one area without additional context. Mr. Ryan agreed that there are many angles to consider when analyzing labor contracts.

Mr. Scheuermann asked Mr. Ryan to discuss how the Center for Governmental Research (CGR) was utilized in the City of Rochester's Comprehensive Review, and which other municipalities were involved. Mr. Ryan discussed how CGR worked with the City, neighboring towns, and the County to seek out shared services opportunities.

Mr. Driscoll asked if the City of Albany will still need to use the same amount of fund balance in the current year if they receive a grant from the Board. Mr. Ryan confirmed that both the fund balance and the grant were already assumed in the City's adopted budget, so fund balance usage would remain as described in the presentation.

Mr. Driscoll asked if any municipalities adjacent to Albany already have an ERP information technology system in place. Mr. Ryan replied that they do not.

Mr. Driscoll also asked who owns the land formerly intended for a convention center in Albany. Ms. Destito answered that the land is owned by the Albany Convention Center Authority. There will be a joint sale with the State Office of General Services and Empire State Development.

Ms. Cresswell stated that the Board should make sure any IT conversations related to the City of Albany's recommendations take full advantage of State resources and data sharing opportunities.

Mr. Martins asked if Albany's structural deficits are resolved in the out-years, given the current reliance on one-shot revenues to close their budget gaps. Mr. Ryan discussed how the City is expecting economic development on the Harriman Campus and former convention center site to help generate additional revenue in future years. Ms. Destito confirmed that the development is being fast tracked for the City.

Mr. Deyo stressed the importance of multi-year financial planning for municipalities.

Mr. Scheuermann noted that the Board will be able to have a continuing engagement with municipalities, and may be able to provide help further down the road.

Ms. Cresswell asked if there is any funding available through the Office of Court Administration (OCA) for the City of Jamestown to establish a traffic adjudications tribunal. Board members were not aware of any such funding, but Mr. Driscoll noted that the tribunal would be a revenue generator for the City and would likely be implemented if authorized by the State.

Mr. Martins inquired if the universities in the Village of Alfred use any Village resources or if they are largely self-contained. Mr. Ryan replied that they are water usage customers, and there are some public safety demands on the Village.

Mr. Scheuermann asked about the levy for the Village of Alfred and how significant the Citizens Empowerment Tax Credit would be if the Village dissolved. Mr. Ryan noted

that the Village has a levy of approximately \$700,000, so a tax credit of \$166,000 would be sizeable. He reiterated that the credit would be calculated as fifteen percent of the combined town and village tax levy.

Ms. Scozzafava asked if implementing any of the Board's recommendations could cause municipalities to exceed the tax cap. Mr. Scheuermann stated that the Board would have a continuing engagement with municipalities to assist as needed, and that they would work to identify other available resources with the goal of helping them stay within the tax cap.

Mr. Scheuermann then asked the Board to consider the following Resolutions related to the completed Comprehensive Reviews:

Resolution No. 2015-01: Approving the Comprehensive Review Report for the City of Rochester.

Ms. Destito motioned to adopt the Resolution. Mr. Martins seconded the motion, and the Resolution was unanimously adopted.

Resolution No. 2015-02: Approving the Comprehensive Review Report and Authorizing Grants for the City of Albany.

Ms. Destito motioned to adopt the Resolution. Ms. Scozzafava seconded the motion, and the Resolution was unanimously adopted.

Resolution No. 2015-03: Approving the Comprehensive Review Report and Authorizing a Grant for the City of Jamestown.

Mr. Driscoll motioned to adopt the Resolution. Mr. Martins seconded the motion, and the Resolution was unanimously adopted.

Resolution No. 2015-04: Approving the Comprehensive Review Report for the Village of Alfred.

Mr. Deyo motioned to adopt the Resolution. Ms. Destito seconded the motion, and the Resolution was unanimously adopted.

Mr. Ryan mentioned that the Board received updated information from the Office of the State Comptroller (OSC) to establish a new list of automatically Fiscally Eligible Municipalities. The new data is for 2009 through 2013. Mr. Scheuermann asked the Board to consider the following Resolution on the new data:

Resolution No. 2015-05: Approving the Determination of Automatically Fiscally Eligible Municipalities.

Mr. Driscoll motioned to adopt the Resolution. Mr. Martins seconded the motion, and the Resolution was unanimously adopted.

Mr. Scheuermann next asked Mr. Ryan to continue his PowerPoint presentation with information on the five new applicants for a Comprehensive Review (the City of Utica, the City of Elmira, the Village of Hoosick Falls, the City of Lockport, and the Village of Owego). Mr. Ryan gave a brief overview of each municipality, including their eligibility data and current financial condition. He noted that both the City of Lockport and the Village of Owego did not submit all necessary information on time to OSC, but they have recently submitted the missing information. OSC has confirmed in writing that both municipalities have now submitted the necessary information, and the Board may use its discretion to deem them Fiscally Eligible Municipalities.

Mr. Scheuermann asked if the Village of Hoosick Falls was still eligible under the new data. Mr. Ryan confirmed that they were, and that all information on the new applicants was already adjusted for the new 2009-2013 data.

Ms. Destito noted that she had reviewed the City of Utica's submission, and the City has greatly improved its financial condition. However, she believes that they would still benefit from a review by the Board.

Mr. Scheuermann agreed, and asked the Board to consider the following Resolutions related to the new applicants for a Comprehensive Review:

Resolution No. 2015-06: Approving the Request for a Comprehensive Review from the City of Utica.

Ms. Destito motioned to adopt the Resolution. Mr. Driscoll seconded the motion, and the Resolution was unanimously adopted.

Resolution No. 2015-07: Approving the Request for a Comprehensive Review from the City of Elmira.

Ms. Destito motioned to adopt the Resolution. Ms. Scozzafava seconded the motion, and the Resolution was unanimously adopted.

Resolution No. 2015-08: Approving the Request for a Comprehensive Review from the Village of Hoosick Falls.

Mr. Deyo motioned to adopt the Resolution. Mr. Farrell seconded the motion, and the Resolution was unanimously adopted.

Resolution No. 2015-09: Deeming the City of Lockport a Fiscally Eligible Municipality and Approving the Request for a Comprehensive Review from the City of Lockport.

Mr. Driscoll motioned to adopt the Resolution. Mr. Farrell seconded the motion, and the Resolution was unanimously adopted.

Resolution No. 2015-10: Deeming the Village of Owego a Fiscally Eligible Municipality and Approving the Request for a Comprehensive Review from the Village of Owego.

Ms. Destito motioned to adopt the Resolution. Mr. Driscoll seconded the motion, and the Resolution was unanimously adopted.

Mr. Ryan discussed the recently signed legislation that authorizes the Board to provide grants for municipalities to develop multi-year financial plans. He suggested that staff work to develop parameters and standards for the grants and come back to the Board with recommendations at a later meeting.

Mr. Martins urged the Board to encourage or require new applicants to develop multi-year financial plans.

The Meeting was adjourned at approximately 3:29 PM.

Respectfully submitted,

Timothy Ryan
Secretary