

Financial Restructuring Board for Local Governments

RESOLUTION No. 2015-03

APPROVING THE COMPREHENSIVE REVIEW REPORT AND AUTHORIZING A  
GRANT FOR THE CITY OF JAMESTOWN

WHEREAS, pursuant to New York State Local Finance Law section 160.05 (3), upon the request of a fiscally eligible municipality, by resolution of the governing body of such municipality with the concurrence of the chief executive of such municipality, the Board may undertake a comprehensive review of the operations, finances, management practices, economic base and any other factors that in its sole discretion it deems relevant to be able to make findings and recommendations on reforming and restructuring the operations of the fiscally eligible municipality (the "Comprehensive Review"); and

WHEREAS, on February 26, 2014 the Board of the Financial Restructuring Board (the "Board") approved Resolution No. 2014-07 agreeing to undertake a Comprehensive Review of the City of Jamestown (the "City") in accordance with New York State Local Finance Law section 160.05(3); and

WHEREAS, the Board subsequently undertook a Comprehensive Review of the City; and

WHEREAS, pursuant to New York State Finance Law section 54(10)(t)(ii), the Board may award funding under the Local Government Performance and Efficiency Program to fiscally eligible municipalities for financial restructuring and related purposes, as determined by the Board; and

WHEREAS, the attached report on the Comprehensive Review of the City ("Comprehensive Review Report") identifies a grant of up to \$250,000 that the Board may, in its sole discretion, award to help temporarily stabilize the City's 2015 budget and

help limit further erosion of the City's current fund balance, thus enabling the City to pursue advancements in information technology and/or energy consumption;

NOW THEREFORE BE IT RESOLVED that the Board approves the attached Comprehensive Review Report and all of the findings and recommendations therein; and

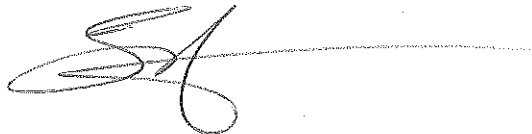
BE IT FURTHER RESOLVED that if the City agrees to abide by and implement one or more of the recommendations contained in the Comprehensive Review Report, the Board may, in its sole discretion, award funding to implement the recommendations of the Report; the specific structure and conditions of any such funding, which would be developed in consultation with the City, and any other aspects of such funding would be subject to an affirmative vote of a majority of the total members of the Board at a later date; and

BE IT FURTHER RESOLVED that the Board authorizes, subject to conditions approved by the Chair of the Board, a grant for financial restructuring and related purposes of up to \$250,000 to help temporarily stabilize the City's 2015 budget and help limit further erosion of the City's current fund balance, thus enabling the City to pursue advancements in information technology and/or energy consumption.

This resolution shall take effect immediately and remain in effect until modified, replaced or repealed by resolution of the Board.

No. 2015-03

Dated: 2-24-15

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# **City of Jamestown Comprehensive Review Report**

**Financial Restructuring Board  
for Local Governments**

**February 2015**

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## Overview

The City of Jamestown is a medium Upstate city in Chautauqua County. With a population of 31,146 at the 2010 Census, it is the 18th most populous city in New York State.\* 2012 expenditures of \$90.0 million were the 14th most of all cities.

The City is governed by a Mayor and a nine-member City Council. The Mayor is elected citywide for a four-year term. The City Council is elected for two-year terms. Six members represent each of the City's six wards, and three additional members are elected at-large, representing the entire city.

The City Council adopted and the Mayor concurred with a resolution requesting a Comprehensive Review by the Financial Restructuring Board (see Appendix A). On February 26, 2014, the Financial Restructuring Board approved this request for a Comprehensive Review with Resolution No. 2014-07 (see Appendix B).

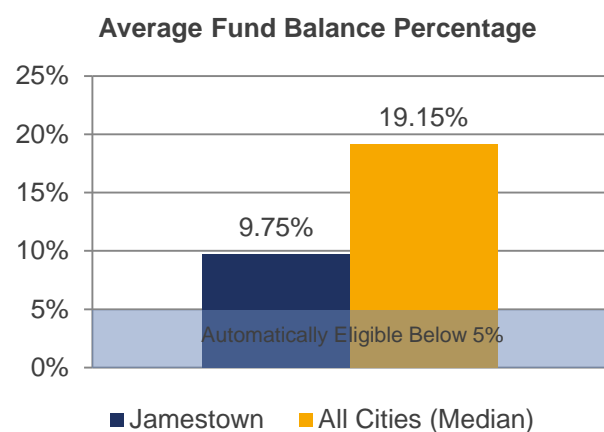
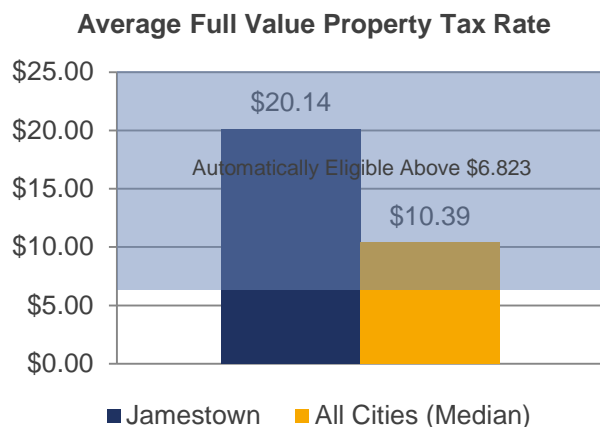
This Comprehensive Review first gives some background on the City's fiscal eligibility and demographic profile. It then provides information on the organization and finances of the City. Finally, it presents the Comprehensive Review's findings and recommendations.

## Background

### Fiscal Eligibility and Stress

The City of Jamestown is automatically considered a Fiscally Eligible Municipality because its Average Full Value Property Tax Rate (2008-2012) of \$20.14 per \$1,000 is above \$6.823 per \$1,000 – the 75th percentile for all municipalities. This is the third highest for cities.

The City's Average Fund Balance Percentage (2008-2012) of 9.75 percent is the 34th lowest for cities but is still above the five percent threshold.



The Office of the State Comptroller's (OSC) Fiscal Stress Monitoring System gives the City of Jamestown a Fiscal Rating of No Designation with a score of 37.5 percent for 2013, which is the same as the City's 2012 score and is worse than the median score of 21.3 percent for all cities that are rated for 2013 (a local government would be determined to be Susceptible to Fiscal Stress with a score of 45.0 percent or higher). This score is primarily the result of having a low fund balance. From 2011 to 2013, its General Fund Total Fund Balance as a Percentage of Expenditures decreased from 9.7 percent to 8.3 percent. OSC projects that the City's score will remain at 37.5 percent in 2014, remaining at No Designation.

OSC's Fiscal Stress Monitoring System gives the City of Jamestown an Environmental Rating of ### (considered to have the worst environmental conditions) with a score of 51.2 percent, which is slightly worse than the City's 2012 score of 50.4 percent and the second worst score of cities that are rated (a local government would receive a designation with a score of 30.0 percent or higher). Negative environmental factors contributing to this score include: a decrease in population from 2000 to 2010 (-1.8 percent); a constitutional tax limit that is more than 90 percent exhausted as of 2013 (93.4 percent); a high child poverty rate (34.3 percent), which increased from 2000 to 2010; a city unemployment rate that is higher than the statewide rate with a decrease in the number of jobs; and low property values per capita.

## Demographic and Socioeconomic Profile

The City's population declined 1.8 percent from 2000 to 2010 to 31,146. In contrast, the typical city's population grew 0.5 percent over that same period.

The City of Jamestown's median household income in 2012 was \$30,835, which is less than the typical city's median household income of \$38,913.

The City's median home value of \$63,400 is less than the median home value of the typical city of \$102,300. Its property value per capita of \$21,416 in 2013 is less than the property value per capita of the typical city (with a 2013 OSC fiscal stress score) of \$40,021. The four-year average change in property value of -0.3 percent is less than the average change of the typical city (with a 2013 OSC fiscal stress score) of 0.1 percent.

The City's unemployment rate of 9.3 percent is higher than the unemployment rate of the typical city (with a 2013 OSC fiscal stress score, or its surrounding county if the city has a population less than 25,000) of 8.8 percent. With a child poverty rate of 34.3 percent, the City of Jamestown has a higher child poverty rate than the typical city (with a 2013 OSC fiscal stress score), which is 25.8 percent.

### Population Change

2000: 31,730



2010: 31,146

## Organization and Finances

### Organizational Profile

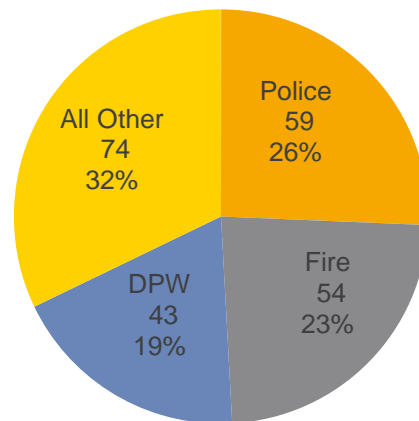
#### General Fund Operations

The City of Jamestown is governed by a Mayor and a nine-member Common Council. The Mayor is elected citywide for a four-year term, which expires December 31, 2015. The City Council consists of six ward Council members and three at-large Council members. Each member serves for a two-year term, which expire December 31, 2015.

The City has seven departments: Police Department, Fire Department, Department of Financial Services, Comptroller's Department, Department of Development, Public Works Department, and Department of Parks, Recreation and Conservation. In addition to the Police Department, the Public Safety Director oversees the Fire Department.

The Jamestown General Fund Budget currently staffs 230 full-time equivalent (FTE) positions. This is down 20 percent from the 286 FTEs in 2000 when the current Mayor's administration commenced. These figures do not include appointed City officers. According to the General Fund FTE comparison document submitted by the City, the City Police Department has the most employees at 59, followed by the Fire Department at 54, and the Public Works Department at 43. Of the \$15.3 million in salaries (excluding employee benefits) in the 2014 budget, the Police Department represents the largest portion of this cost at \$5.0 million, followed by the Fire Department at \$4.5 million. These salaries exclude court security, traffic control, parking meter attendants and animal control.

**2014 City of Jamestown GF FTEs by Dept.**



Five unions represent the City's unionized General Fund workforce: the Jamestown Professional Firefighters Association, Local 1772; the Kendall Club Police Benevolent Association, Inc.; the Jamestown City Administrative Association (JCAA); Local 418 AFSCME/AFL-CIO and CSEA, Local 1000 AFSCME/AFL-CIO. In December 2013, the City settled with its police and fire unions. The wage increases included in these contracts are: 2.0 percent for 2012; 0.0 percent for 2013; and 2.75 percent for 2014 and 2015.

In 2014, the City settled with JCAA through December 31, 2016. The wage increases are: 0.0 percent for 2012 and 2013; 1.5 percent for 2014; and 2.0 percent for 2015 and 2016.

The two other contracts expired December 31, 2011 and have not been settled. The contract with AFSCME included wages increases of 2.75 percent for 2008; 3.0 percent for 2009; 2.75

percent for 2010; and 3.0 percent for 2011. CSEA settled a similar contract that included wage increases of 2.5 percent for 2008; 3.0 percent for 2009; 2.75 percent for 2010; and 3.0 percent for 2011.

**City of Jamestown Labor Contracts**

Union	% Salary Increases				
	2010	2011	2012	2013	2014
Jamestown Professional Firefighters	2.5	2.5	2.0	0.0	2.75
Kendall Club PBA	2.5	2.5	2.0	0.0	2.75
JCAA	1.75	2.0	0.0	0.0	1.5
AFSCME/AFL-CIO	2.75	3.0			
CSEA	2.75	3.0			

CSEA and AFSCME all have a 17 percent premium contribution for medical and dental insurance. Effective January 1, 2014, police and fire unions have a 17 percent premium contribution for medical and dental insurance. Effective July 1, 2014, JCAA has an 18 percent premium contribution. Also a voluntary health and wellness program has been implemented as of January 1, 2015. If an active employee or retiree elects not to participate in the health and wellness program, the premium contribution will be 22 percent.

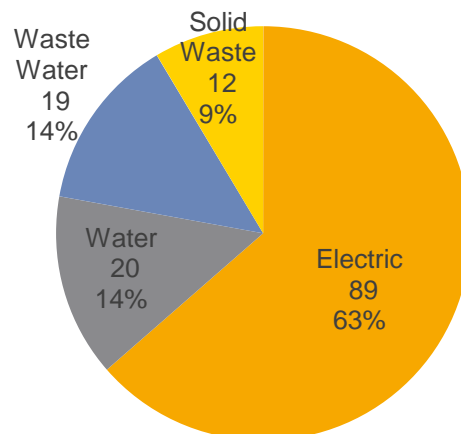
## Board of Public Utilities Operations

The City also runs the Jamestown Board of Public Utilities (BPU), which is a municipal utility corporation formed pursuant to the City Charter and operated separately from other City departments. The BPU does not have the authority to issue bonds or notes and all projects of the BPU are financed by bonds or notes issued by the City.

The BPU is comprised of five individual operating divisions: Electric, Water, District Heat, Wastewater and Solid Waste. It is governed by a nine member board which includes the Mayor, the City's Public Works Director, two City Council members, and five citizens of the City. The two City Council members are appointed by the City Council, while the citizen representatives are appointed by the Mayor and confirmed by the City Council for either a four- or a two-year term. The Mayor serves as President of the BPU.

In addition to the City's workforce supported through the General Fund, the Jamestown BPU staffs an additional 140 FTEs across its divisions. This is down 13 percent from 161 FTEs in 2000. These figures do not include management positions.

**2014 City of Jamestown BPU FTEs by Div.**





The Electric Division of the BPU serves a geographic region comprised of the entire City of Jamestown and portions of the Town of Ellicott, including the Villages of Celeron and Falconer. This service territory encompasses a total area of 23 square miles, with an estimated population of about 50,000, and approximately 20,000 customers. The BPU is the largest municipal electric utility in the State that owns and operates an electrical power generating facility.

The Water Division of the BPU provides potable water to about 13,500 businesses and residences in the City. Additionally, the BPU provides water, with or without corresponding management, distribution and maintenance services, through a series of long term contracts to the neighboring Towns of Ellicott, Busti, and North Harmony and the Villages of Lakewood, Falconer and Celeron.

The District Heat Division supplies more than 72 customers with super-heated water produced by co-generation at the Generating Station for use as building heat and domestic hot water. Water can be heated by coal, exhaust gas from the gas turbine, or a gas-fired boiler. District Heat Division hot water heating is an efficient manner of supplying space and process heat from a central source and transporting it through a closed loop, underground piping distribution system to individual buildings. This thermally heated water is then piped to the customers within the BPU system's boundaries to meet their space heating, domestic hot water and processing needs.

In 1994, the City transferred the property and responsibility for operation of its City sewer system to the BPU. The BPU sewer system provides wastewater disposal (collection and treatment) to residences and businesses within the City limits, and to the neighboring Towns of Ellicott and Kiantone, and the Village of Falconer, through long-term contracts. The Sewer Division also processes sewage sludge for the South and Center Chautauqua Lake Sewer District, and leachate from the Chautauqua County Landfill.

For many years the City provided sanitation services to residents and small businesses within the City. The cost was paid for out of general City tax revenues. In 1994, the City turned the property and operating responsibility over to the BPU. The BPU has run this division, as it has its other divisions, as a utility. Garbage is collected on a weekly basis, for which residences and small businesses pay a monthly fee as part of their utility bill.

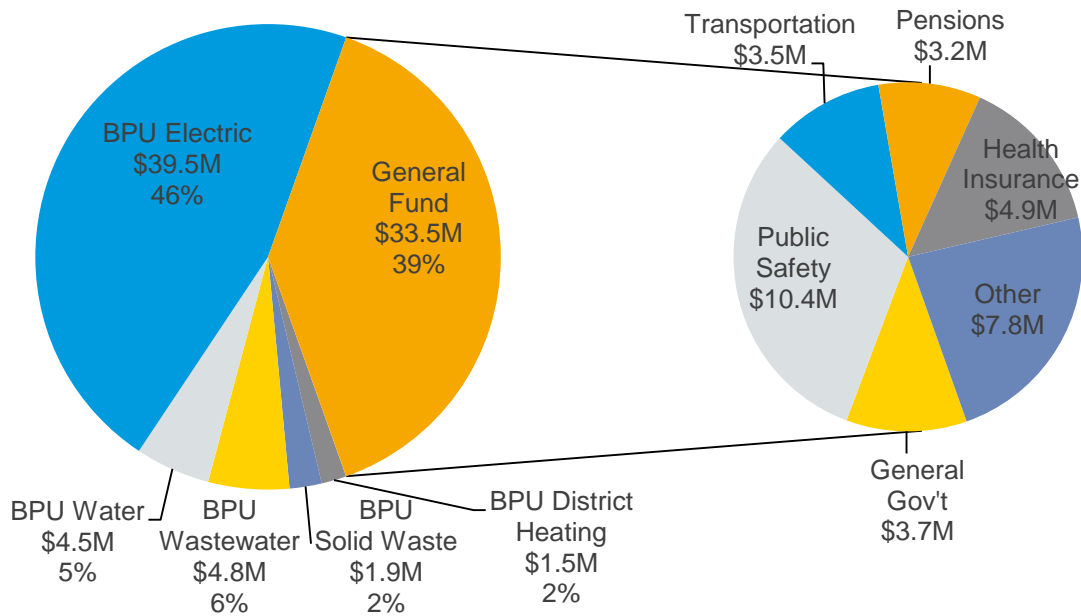
Three unions represent the BPU's unionized workforce: the International Brotherhood of Electrical Workers (IBEW), Local 459; the IBEW, Local 106; and the AFL-CIO Brotherhood of Teamsters, Local 264. The Teamsters, Local 264 contract expires December 31, 2014 and includes a wage increase beginning January 1, 2014 of \$0.50 per hour. The IBEW, Local 106 contract expires December 31, 2015 and includes wage increases of three percent for each 2014 and 2015. The IBEW, Local 459 contract expired March 31, 2014. After failing to reach an agreement on a negotiated contract, the BPU voted to impose a one-year labor contract through March 31, 2015 that included no wage increase.

IBEW, Local 106 and IBEW 459 both have a 16 percent premium contribution for medical and dental insurance. For the Teamsters, Local 264, the health insurance contribution that the BPU pays is fixed at \$1,206 per month, with employees contributing the difference between that amount and total premium cost.

## Budget Profile

The City's 2014 all funds adopted budget expenditures total \$85.7 million. This is a 1.58 percent decrease from the 2013 adopted budget. For the General Fund, the largest appropriation in the 2014 budget is for public safety (31.1 percent of General Fund appropriations), primarily police and fire.

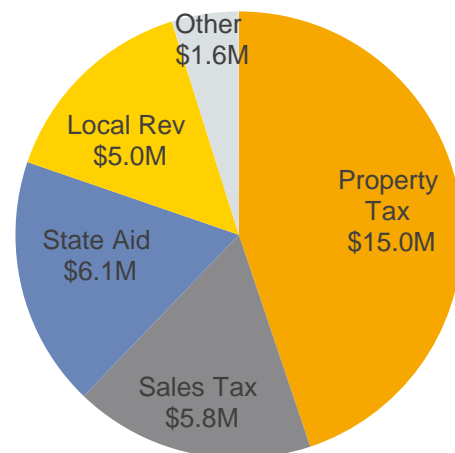
### 2014 City of Jamestown Expenditures



The 2014 General Fund revenue sources include: 44.8 percent from real property taxes and liens; 18.0 percent from State aid; 17.4 percent from sales and use tax; and 15 percent from local revenues. The property tax levy is \$14.7 million – an increase of 2.0 percent from the prior year.

The City received welcome news in November 2013 from Standard & Poor's Rating Services. For the second time in three years the City's financial outlook was elevated. This was the first time in more than three decades that Jamestown attained a bond rating in the "A" classification. Prior to its Baa1 designation in June 2010, the City's bond rating was Baa3, which is one notch

### 2014 City of Jamestown GF Revenues



above "junk bond" status. The most recent A-minus rating in November is considered one of upper-medium quality.

According to its 2012 Annual Financial Report, the City had \$9.2 million in general obligation bonds outstanding and \$9.1 million in notes payable and capital lease obligations outstanding at the end of 2012 related to City's governmental activities. There was an additional \$23.2 million in general obligation bonds and notes payable related to business-type activities (BPU).

At the end of 2012, the City had a Total Governmental Funds Balance of \$9.7 million (10.5 percent of Total Governmental Funds expenditures for 2012), \$2.8 million of which was General Fund Balance (8.7 percent of General Fund expenditures for 2012). The City's General Fund balance has been declining the last few years. At the end of 2010, the City had a General Fund balance of \$3.4 million. That amount fell to \$3.1 million (10.2 percent decrease) by the end of 2011. At the end of 2012, it had further fallen to \$2.8 million (8.7 percent decrease), of which \$1.0 million was unassigned.

The City's 2013 budget increased the real property levy by \$117,772. The budget also continued the trend of using reserves by appropriating \$390,000 of the City's General Fund Balance. In its 2014 budget, the City raised the property tax levy by an additional \$295,109, or 2.04 percent. Its 2014 tax levy was over 90 percent of its constitutional tax limit allowed under law, leaving a reported tax margin of approximately \$1.2 million. The City also appropriated an additional \$305,000 of fund balance.

Between 2008 and 2014, the City's tax levy has increased by nearly 17 percent. The City has also been experiencing a gradual decline in total assessed property value. The full value of assessed property in the City since 2008 has decreased by 1.2 percent. As a result, property tax rates have needed to increase to offset the decline in property values. Since 2008, the City's tax rate increased by more than 18 percent, with the largest increase coming in 2010 (7.9 percent) and 1.9 percent (\$21.62 per \$1,000 to \$22.04 per \$1,000) coming in the 2014 Budget.

## Property Value, Levy, and Property Tax Rate

	2008	2009	2010	2011	2012	2013	2014
Property Value	\$676.7M	\$675.9M	\$676.2M	\$671.4M	\$668.5M	\$667.5M	\$668.7M
% Change	-	(0.19%)	0.12%	(0.71%)	(0.42%)	(0.15%)	0.17%
Property Tax Levy	\$12.6M	\$12.9M	\$13.9M	\$14.1M	\$14.3M	\$14.4M	\$14.7M
% Change	-	2.49%	7.85%	0.78%	1.94%	0.82%	2.04%
Property Tax Rate	\$16.63	\$19.12	\$20.61	\$20.92	\$21.41	\$21.62	\$22.04
% Change	-	2.63%	7.79%	1.50%	2.34%	0.98%	1.90%

With the 2015 adopted City budget, Jamestown increased the tax levy by an additional \$346,624, or 2.3 percent. This levy amount is \$36,688 less than the allowable amount under the property tax cap for the 2015 fiscal year. The budget increases total expenditures by nearly \$1.5 million (4.4 percent) and also assumes the use of over \$1 million in fund balances (\$450,000 from the unassigned category and \$604,000 from non-spendable), in addition to almost \$500,000 of an Electric Fund profit transfer. For 2015, expenditures for employee health and dental insurance are expected to increase by approximately \$440,000. The City also plans to invest in various operational and energy saving opportunities that should result in recurring savings.

The fiscal burden on the City of Jamestown and its taxpayers is growing significantly worse. Due to the City's limited options to offset expenditure growth, which has been outpacing revenue growth over the last few years, it has been forced to rely on its fund balance. With the adopted budget action, City officials are warning that its unassigned fund balance could be depleted following 2015. Without sufficient reserves to mitigate unforeseen circumstances or expenses, and an already high property tax burden, the City could find itself in a difficult situation in 2016.

In addition to a depleted fund balance, the 2015 tax levy of \$15.08 million carries a full value tax rate of \$22.67 per \$1,000 of assessment, and further, exhausts a staggering 94.9 percent of the City's Constitutional tax margin.

The City will need to address escalating expenditures and continue to seek efficiencies and/or service consolidation as it becomes more apparent that revenues can no longer keep pace.

## Findings and Recommendations

After a thorough review of the City's operations, the Board identifies findings and recommendations in the following areas: shared services; workforce/police-sheriff consolidation; efficiencies; economic development; and fiscal performance and accountability.

### Shared Services

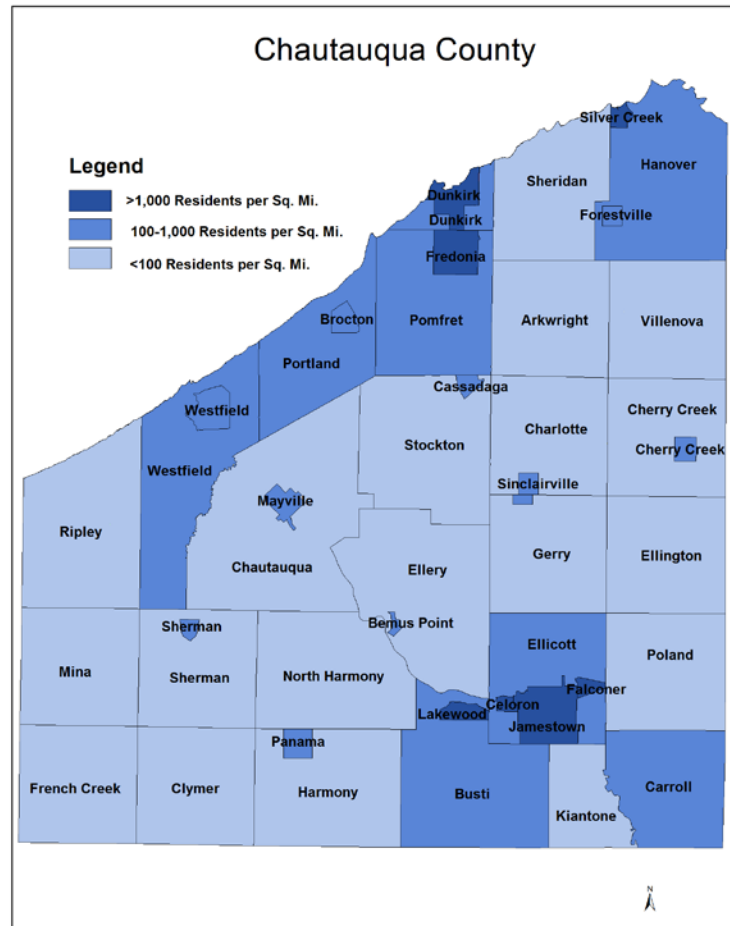
#### Regional Government Context

As of the 2010 Census, Chautauqua County had a population of 134,905 and was the 18th most populous county out of the 57 counties outside of New York City. With a land area of 1,060.2 square miles, it is the 13th largest county. With a population density of 127 residents per square mile, it is the 24th most densely populated county.

The County is governed by a County Executive and a 19-member County Legislature. Other elected county officials include: the Sheriff, the District Attorney, and the Clerk. As of 2012, the County had total expenditures of \$294 million, which is the 17th highest for counties, and total expenditures per capita of \$2,177, which is the 20th highest for counties.

Within the County, there are 2 cities, 27 towns, 15 villages, 18 school districts, and 19 fire districts and more than 150 town special districts and other entities.

The City of Jamestown is in the southeast portion of the County. It is surrounded by the Town of Ellicott to the north, east and west, the Town of Busti to the southwest, and the Town of Kiantone to the southeast. The City also shares a direct border with the Village of Celeron to the northwest and the Village of Falconer to the northeast.



## Property Tax Freeze Credit Program

As part of the 2015 State Budget, Governor Cuomo advanced and the Legislature enacted a new Property Tax Freeze Credit to provide relief to New York homeowners and address one of the primary drivers of the State's high property taxes – the outsized number of local governments. The property tax relief package is designed to incentivize local governments and school districts to share services and reduce their financial burden on the taxpayer.

In the first year under the reform plan, New Yorkers will receive property tax relief if their local governments stay within the property tax cap. The property tax relief will be awarded for a second year in jurisdictions that comply with the tax cap and put forward a plan to save one percent of their tax levy per year, over three years that is determined to be compliant by the State Division of Budget.

For the City of Jamestown, this prospective plan will need to generate savings of one percent of the tax levy, which would be approximately \$147,000 annually on a \$14.7 million levy. Based on the below Index of Municipal Services Provided, the City of Jamestown and its neighboring municipalities do provide duplicative services. If the City were to consolidate functions or enter into inter-municipal agreements to share services, the savings generated would help the City meet the one percent threshold for the Tax Credit.

## Survey of Shared Services

The Board held discussions with the City and the County. A survey was conducted by the City to gather information on the general functions of the City and neighboring municipalities to ascertain duplication of services and potential areas for further consolidation. The City was asked to briefly describe current shared service arrangements in each service/function area and identify any obstacles or opportunities for additional shared services.

Below is a summary of the results identifying which services are provided by each municipal entity:

Index of Municipal Services Provided						
Service/Function	City	School	County	Ellicott	Lakewood	Comments
Police/Patrol	X		X	X	X	City Court officers reimbursed by NYS
Dispatch/E-911			X			
Fire	X (Paid)				X (Vol)	
Ambulance	X		X			
Tax Collection	X		X	X		City collects for County & School
Tax Bill Printing	X		X		X	Print County & School bills
Tax Foreclosure			X			Handled by County
Assessing	X			X		Share PT Assessor with Busti & Ellicott
Personnel/HR/Civ Serv	X	X	X			
Payroll	X	X	X		X	
Purchasing		X				No centralized purchasing
Budget/Finance	X	X	X	X	X	
Code Enforcement	X			X	X	Contract with City Urban Renewal Agency
Building/Zoning/Plan.	X		X		X	Contract with City Urban Renewal Agency
Park Maintenance	X		X		X	
Animal Control	X					
Plowing	X		X	X	X	
Paving/Street Maint.	X		X	X	X	
Lighting/Traffic Controls	X (City & BPU)				X	
Sanitation/Garbage	X (BPU)		X		X	
Water	X (BPU)		X	X	X	
Wastewater/Sewer	X (BPU)		X			
Library Operation	X				X	Annual contribution to Prendergast Library



## Shared Services Plan Development and Implementation

A local government's primary responsibility is to deliver services for the benefit and well-being of its residents. As the above chart aptly displays, there is significant duplication of services among the City of Jamestown and its neighboring municipalities.

If the City of Jamestown is to address its future budget gaps, it must maximize available savings from pursuing and implementing a new shared services plan with its governmental partners. An effective plan will not only enable the City to reduce its cost structure going forward, but should also help partnering governments to reduce their costs as well.

The Board's analysis of municipal services provided by the City of Jamestown and its neighboring municipalities identified several areas of overlap. Some of the most promising opportunities for shared services include police services, human resource and budget functions, street maintenance, and water services.

Recommendation: The Board recommends that the City, in conjunction with its governmental neighbors, develop and implement a shared services plan that will lower the annual cost of providing specific services and address the inherent duplication of services via multi-governmental jurisdictions. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to assist the City and its neighboring governments with implementing such shared services plan. The specific structure and conditions of such grant, which would be developed in consultation with the City, and any other aspects of such grant would be subject to an affirmative vote of a majority of the total members of the Board.

## Local Government Efficiency Grant Program

The State also offers competitive grants through the Local Government Efficiency Grant program (LGEG) to local governments for planning or implementing a local government efficiency project, including sharing services, functional consolidation, and regional service delivery. The maximum grant for an implementation project is \$200,000 per municipality/\$1 million per grant. The maximum grant for a planning project is \$12,500 per municipality/\$100,000 per grant. Planning projects require a 50 percent local match and implementation projects require a 10 percent local match. If a planning project is later implemented, the local match for implementation is offset by the amount of the local match for the planning project.

LGEG is administered by the Department of State. More information on grant requirements and how to apply is available at <https://www.dos.ny.gov/lq/lge/index.html>.



## Workforce/Police-Sheriff Consolidation

### City and County Public Safety

In 2008, the City of Jamestown and Chautauqua County reached out to the State Department of Criminal Justice Services (DCJS) to assess the viability of consolidating the Jamestown Police Department (JPD) into the Chautauqua County Sheriff's Office (CCSO). On the basis of DCJS's recommendations, the City and County engaged the Center for Governmental Research (CGR) to advise a Steering Committee on developing potential consolidation models, cost estimates and implementation approaches. Both the JPD Police Chief and the CCSO Sheriff are members of the Steering Committee. The CGR study was funded through the Department of State's LGEG program.

CGR found that differential in pay scales between JPD officers and CCSO deputies offers the potential for savings if CCSO deputies replace JPD officers, who are compensated at a higher level. Moreover, it takes seven years to reach the highest step of the JPD scale, compared to 15 years for CCSO. Thus, a seven-year employee in the JPD is already making the maximum in the pay scale, while a seven-year Sheriff's Deputy has only ascended to less than half of the highest pay level their union offers.

The cost of a JPD officer and CCSO deputy is also a function of pension and health care benefits, which differ among unions. JPD officers participate in the Police and Fire Retirement System (PFRS), which offers 50 percent of average final salary after 20 years. The majority of CCSO deputies participate in the Employee Retirement System (ERS), which offers 50 percent of final average salary after 25 years. JPD officers are offered a two-tier health care plan for life, whereas CCSO deputies are offered a three-tier health care plan with full coverage only for the first three years of retirement.

**Average Cost of Officers / Deputies (2015 Est.)**

Expense Item	JPD	CCSO	Savings
Salary	\$62,714	\$50,000	\$12,714
Pension	\$12,571	\$7,143	\$5,428
Health Care	\$22,714	\$19,571	\$3,143
Other Expenses	\$3,429	\$3,429	\$0
Total	\$101,428	\$80,143	\$21,285

CGR determined that the maximum savings potential would be realized utilizing a single cutover date on which all JPD officers would be transferred to the CCSO at existing CCSO pay scales. Over five years, this would lead to a savings of \$5.2 million for the City, assuming it contracted with the CCSO for equivalent service. However, to minimize resistance and maximize the chances for success, the Steering Committee endorsed a phase-in approach to consolidation with the CCSO whereby CCSO deputies would replace JPD officers as they retire.

The City of Jamestown has an Impact Agreement with the JPD's union (Kendall Club PBA) that imposes penalties upon the City when staffing falls below 65 officers and further prohibits a reduction in complement below 60 officers. The JPD currently has 60 officers and therefore the City must pay \$114,000 annually in impact fees to the remaining officers (\$1,900 per remaining officer). Any reduction in complement below 60 officers will require approval of the Public

Employment Relations Board (PERB) to change the negotiated minimum staffing. If PERB determines that minimum staffing applies to JPD officers only (i.e. CCSO deputies are not counted), the City anticipates that it will need to settle with JPD officers as CCSO deputies are phased-in.

Based upon retirement dates of JPD officers estimated by the City and assuming a five percent annual increase in officer and deputy costs, cost reductions and impact fees through 2020 are as follows:

Expense Item	2015	2016	2017	2018	2019	2020
New Hires (Cum.)	0	3	3	6	9	11
Cost Reductions	\$0	\$67,051	\$70,403	\$147,847	\$232,859	\$298,836
Impact Fees	(\$114,000)	(\$108,300)	(\$108,300)	(\$102,600)	(\$96,900)	(\$93,100)
Net Savings	(\$114,000)	(41,249)	(\$37,897)	\$45,247	\$135,959	\$205,736

To assist the City with transition costs associated with consolidation of the JPD into the CCSO, the Board could provide funding up to a specified amount to cover the costs of two scenarios:

1. In the event that PERB determines that minimum staffing includes JPD officers only (temporarily precluding staffing from falling below 60), an amount to cover an anticipated settlement with the Kendall Club PBA. This could be estimated by discounting the value of impact fees payable under the Impact Agreement for a specified period of time (e.g., 10 years); or
2. In the event that PERB determines that minimum staffing includes both JPD officers and CCSO deputies, an amount to cover impact fees until such time as they are covered by savings generated by the consolidation (three years in the above projection).

The City of Jamestown may have to change its City Charter, which defines that the City must have a Chief of Police and that the Chief of Police also serves as the Director of Public Safety overseeing the Fire Department. Civil Service Law Section 58(1-c) also requires a municipality of less than 150,000 that has a police department with more than four FTE officers to have the position of police chief. If Jamestown were to use the “cutover” approach, this section of law would not be an issue. However as mentioned the recommended course of action is a long-term staggered approach. During the transition time when the City will still have officers, there may need to be a waiver granted or change in Civil Service Law to have the Sheriff act as the Police Chief of the City, or there is the potential to have two heads of police.

CGR is presently trying to develop an inter-municipal agreement between the City and County for police consolidation. The presence of the JPD Police Chief and CCSO Sheriff on the Steering Committee suggests that progress is being made on an eventual agreement and that there may be room for negotiation of a settlement with the Kendall Club PBA if necessary. There remains \$200,000 in the LGEG grant to retain CGR to help negotiate a consolidation agreement and standardize equipment for the two police forces.

Recommendation: The Board recommends that the City continue to work toward the aforementioned police consolidation. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to the City to help defray the costs of merging the City Police Department with the County Sheriff's Office. The specific structure and conditions of such grant, which would be developed in consultation with the City, and any other aspects of such grant would be subject to an affirmative vote of a majority of the total members of the Board.

## **Binding Arbitration Reforms**

In 2013, the Governor advanced and the Legislature enacted significant reforms to the binding arbitration process between local governments and police and fire unions. These reforms give increased weight to an eligible local government's ability to pay as well as require arbitrators to consider the limitations of the property tax cap for these local governments.

If a binding arbitration panel finds that a local government is eligible because of its high property tax rate or low reserves, it must give 70 percent of the weight of its decision to the local government's ability to pay and consider the requirements and limitations of the property tax cap. The remaining 30 percent of the weight would be given to the other binding arbitration award factors, including wage comparison, prior contracts, and public interest. Prior to these reforms, higher weight was not given to a local government's ability to pay and there was not a specific requirement to consider the limitations of the property tax cap. Given the City's high average property tax rate, the City would likely qualify for application of the heightened ability to pay requirements should its labor negotiations require arbitration upon expiration of existing contracts this December.

## Efficiencies

### Energy Modernization Plan for City Hall

The City of Jamestown has developed an Energy Modernization Plan that includes twelve separate energy conservation measures for City Hall. The City plans to make a number of improvements that included upgrading pneumatic controls, upgrading interior and exterior lighting and installing occupancy sensors. The largest investments will be replacing two 40-year old inefficient boilers with new condensing boilers, and installing a new chilled water and cooling tower. The City's energy consultant estimates these upgrades have an average payback of 11.9 years and will conservatively save over \$70,000 annually in natural gas and electricity costs.

### Department of Public Works Maintenance Software System Upgrade

The City of Jamestown is planning to invest in new maintenance software for Department of Public Works. By upgrading to newer fleet maintenance software, the City of Jamestown will gain the ability to track employee labor in real time, better plan and coordinate work schedules, enter time sheet and parts data automatically, track parts and supplies inventory in real time, accurately implement life cycle costing of all of the equipment, accurately track preventative and predictive maintenance on equipment, and provide fuel usage information for each vehicle and piece of equipment.

Better record keeping of repair history will allow the City to not only minimize liability and but also offer savings by tracking warranty on vehicles and repair parts. The advanced capabilities of the newer software systems will also enable it to accurately implement life cycle costing of all City equipment. This will provide a clearer picture of the cost of ownership of the entire fleet for replacement purposes and allow for more informed financial decisions. Overall, this investment will result in efficiencies and savings for the City.

### Energy Efficiency – Streetlights

For the City of Jamestown, converting its streetlights from existing metal halide or high-pressure sodium lighting technology to LED would undoubtedly reduce energy draw and help the City save money. In addition, LED lights, on average, last longer, require less maintenance and attention compared to their older counterparts, and offer improved lighting quality. Therefore, conversion to LED lights would benefit the City through reduced wattage draw (potentially upwards of 70 percent) as well as lowered average annual maintenance costs.

There are approximately 3,500 street lights in the City of Jamestown, which the BPU owns and maintains. The City pays an electric rate as determined by the BPU and approved by the Public Service Commission, equating to approximately \$530,000 annually. The BPU has tentative plans to convert the street lights to the more efficient LED over the next three to five years. There is approximately \$1.2 million in the BPU's Electric Division capital budget over the next four years to pursue LED conversions. Prior to initiating a formal change-out program, the BPU would need to get a new street light tariff rate approved by the Public Service Commission.

Recommendation: The Board recommends that the City pursue efficiencies, such as advancements in information technology and/or energy consumption. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to assist the City with implementing efficiency projects.

In recognition of the opportunity for additional efficiencies that the City may realize from pursuing advancements in information technology and/or energy consumption, the Board may, in its sole discretion, award a grant of up to \$250,000 to help temporarily stabilize the City's 2015 budget and help limit further erosion of the City's current fund balance, thus enabling the City to pursue these advancements.

The specific structure and conditions of such grants, which would be developed in consultation with the City, and any other aspects of such grants would be subject to an affirmative vote of a majority of the total members of the Board.

### **Administrative Tribunal for Adjudicating Parking Infractions**

Parking infractions in Jamestown are currently adjudicated in the City Court system, which can take up the limited time of City Court judges. According to City officials, parking infractions are rarely adjudicated in the City Court system because the majority of time is spent presiding over the more serious criminal cases and infractions. Since these tickets are rarely adjudicated, the City of Jamestown loses out on a significant amount of revenue each year. As of May 2014, the City assessed that it had nearly 7,000 in parking tickets outstanding, which equates to over \$420,000 worth of revenue that is owed to the City. Of the nearly 7,000 outstanding tickets, over two-thirds are more than one-year old.

The City Treasurer's Office receives approximately 50 requests per week for a trial to contest a ticket. These requests are then forwarded to the City Court for review. Typically the City Court does not allow these requests to proceed unless an individual has parking tickets that are greater than \$300. Though the City of Jamestown has a booting and towing ordinance in effect that allows the City to boot and tow a vehicle if they have greater than \$100 in parking tickets, it has not prevented a backlog of outstanding violations from accumulating.

The current structure forces citizens to wait years for the adjudication of parking infractions. When the public becomes aware of the current policy regarding the extended length of time it takes to adjudicate parking infractions, it can lead to more not-guilty pleas and individuals that refrain from proactively paying a fine, knowing a ticket could become outdated and eventually dismissed. This will likely be the case for some of the existing parking ticket backlog in Jamestown.

A number of other cities have asked for State legislation authorizing the establishment of parking tribunals and/or parking violations agencies, namely Buffalo, Rochester, Syracuse, Yonkers, Peekskill, Utica and most recently Newburgh in 2012. These entities received the needed State authorization allowing them to collect needed revenue on past due violations and create capacity for each to write and adjudicate future tickets in a more timely manner. The City of Jamestown should be granted the same opportunity.

The Jamestown City Council has adopted resolutions in each of the last three years requesting State legislation allowing the City to establish an Administrative Tribunal for the adjudication of

parking infractions (see Appendix C). The City would like to reduce City Court case backlogs, increase traffic infraction penalty collections, and establish a more efficient way to manage its parking ticket system. City officials do not anticipate increased costs to residents or in their budget to establish and operate such a parking ticket tribunal. The City plans to establish such a program with existing staff and resources.

The Board finds that the State Legislature should grant permission to the City to establish an administrative tribunal with hearing examiners so that City Court personnel would be freed of this responsibility and the City will be better suited to collect much needed revenue that is currently delinquent. By removing parking infractions from the docket, City Court officials will be better equipped to concentrate on adjudicating the more serious infractions occurring within the City.

## Procurement

The City does not have a Purchasing Agent or centralized purchasing, rather in most situations, each department does their own purchasing. The Department of Public Works buys its own equipment and procures public works, the Finance Department buys certain items such as office supplies, and the Police and Fire Departments do their own purchasing. The Comptroller is required to approve all purchases before they are made. Further, any procurement done by competitive bid is approved by the City Council. Jamestown Board of Public Utilities does all the purchasing related to the City's municipal electric, water, and wastewater systems.

The City does utilize State Office of General Services centralized contracts where appropriate, as well as some county contracts. The City is also a member of US Communities, and has recently explored the National Joint Powers Alliance, which is a national procurement organization based in Minnesota.

Within the City Charter, there is one section, § C-40. Miscellaneous provisions, within Article V. Finance, that discusses purchases by competitive bid and purchases of supplies. No section of the City Code is devoted to purchasing or a procurement policy. The City does have a "Procurement Policy," which is supposed to be reviewed and approved by resolution annually by the City Council. The policy is comprehensive, but does need to be updated. The City Charter section should be reviewed by the City with an eye toward adopting by local law "best value" purchasing and expanded piggybacking as authorized by recent amendments to the General Municipal Law.

The City was the subject of an audit by OSC covering the period of January 2011 through January 2013. The audit found several deficiencies in the area of purchasing including failing to abide by its purchasing policy, lack of securing written quotes, lack of written documentation, and other shortfalls on several instances. The City has assured the Board that it has or is working on addressing those identified failings. The Board finds that the City should consider coordinating with the Jamestown School District for mass purchasing to gain economies of scale and consider the benefits of a purchasing agent to manage operations for both entities.



## Economic Development

Jamestown has been collaborating with various State agencies on economic development projects within the City. Empire State Development (ESD), which is the State's chief economic development agency, is tasked with promoting a vigorous and growing economy, encouraging the creation of new job and economic opportunities, increasing revenues to the State and its municipalities, and achieving stable and diversified local economies. This is done through the use of loans, grants, tax credits and other forms of financial assistance. The Board has identified various projects in Jamestown that are currently underway and will boost the City's economic revitalization and tourism efforts. Specific projects in Jamestown include:

### The National Comedy Center

A \$1.5 million grant was awarded in December 2014 through the Regional Economic Development Councils process to the National Comedy Center Inc. to launch a construction project to create an interactive guest experience and improved access to the Comedy Center Park and patio along the riverfront. The National Comedy Center Inc., is working to create a comedy center by renovating two historic structures and building a third that will connect all three in the urban core of Jamestown. Currently, the Lucy Desi Museum & Center for Comedy attracts 20,000 visitors annually to the City. With the completion of the National Comedy Center, this number is expected to rise to more than 120,000 and will have a projected \$26 million economic impact in the region. In August 2014, representatives from local foundations and area organizations gathered behind the Jamestown Gateway Train Station to break ground on the first phase of the National Comedy Center, a park. The Comedy Center Park green space located across the train tracks will be connected to the existing Riverwalk Trail and will be equipped with benches and picnic tables. The Park will eventually be utilized for attractions such as an amphitheater for live entertainment once the Comedy Center is built. This will provide an excellent opportunity for the City of Jamestown to boost its local economy as this attraction helps increase tourism.

### Greater Jamestown Riverwalk Trail

A \$500,000 grant is being provided through New York State Office of Parks, Recreation and Historic Preservation's Environmental Protection Fund to continue the City's waterfront revitalization efforts. The multi-phase Greater Jamestown Riverwalk Trail construction project is designed to create connectivity in the City through the redevelopment of areas around the Chadakoin River. Funding for this Phase VI portion of the Riverwalk will be used to develop trails on both the north and south sides of the river, construct scenic vistas that look out over the waterway, install two new playgrounds, and completely renovate the historic McCrea Point Boat Landing Park. Branded signage trail markers, informational kiosks and storyboards will also be placed along the entire trail system to link the historic past of the river with the present. When finished, the Greater Jamestown Riverwalk Trail will improve connectivity for pedestrians and cyclists in the City while showcasing the City's waterfront.

## Jamestown Hotel Redevelopment

ESD has awarded a \$200,000 grant to assist in the restoration and renovation of the former Ramada Inn hotel in downtown Jamestown. The property is an old, dilapidated hotel that has been an underperforming eye-sore in the heart of downtown Jamestown for quite some time. The Hamister Group from Buffalo bought the property for \$1.7 million late last year and immediately closed it, indicating that it planned to fully renovate the property from a low-end hotel into a higher quality, upscale, full service hotel with many high-end amenities. In June, an announcement was made that a franchise agreement with Doubletree by Hilton had been reached. The Hamister Group believes the franchise agreement with Doubletree by Hilton is an important step into turning the former Ramada into a 146-room, full-service hotel and restaurant with 4,000 square feet of banquet and meeting space. Construction on this \$13 million project is expected to begin this fall and the hotel is expected to open in the summer of 2015.

With ESD's capital investment, the goal is to turn this vacant property into the premier full-service hotel to visit in the southern tier region. This project will result in a revitalized building for Jamestown and lure travelers back into the heart of downtown, which should increase discretionary spending at local businesses, create jobs for local residents, and provide a renewed source of tax revenues for the City. As Jamestown tries to enhance its visitor experience with new and improved venues, this hotel project will play a critical role in setting the tone for future development projects.

The Board finds that the City of Jamestown should continue to work with the State on existing projects, as well as potential projects that may be identified moving forward and require State assistance. As new opportunities arise for the City of Jamestown, the Board, working through ESD, is open to furthering the City's current economic development and tourism efforts.

## Land Banks and Community Revitalization

In recent years, municipalities have sought to address problems associated with blight from vacant and abandoned buildings through the creation of municipal land banks. New York State authorized the creation of up to ten such land banks through Chapter 257 of the Laws of 2011, and this authorization was expanded to a total of twenty land banks through Chapter 106 of the Laws of 2014.

Land banks are not-for-profit corporations that are able to more efficiently return vacant, abandoned, or tax delinquent properties back to productive use. They have several powers that are not otherwise afforded to municipalities, such as the ability to dispose of property under negotiated terms, to sell properties for non-monetary compensation, to retain equity in properties, to purchase tax liens, and special bidding privileges when purchasing properties at a tax foreclosure auction. Land banks allow municipalities to have a more efficient and streamlined process for property redevelopment and community revitalization. This in turn reduces the social and economic consequences of blight within a municipality.

In New York State, municipalities must first submit an application to create a land bank to ESD. Chautauqua County submitted an application to create a land bank to ESD in March of 2012, which was approved the following May. According to the County's application, the initial focus of the Chautauqua County Land Bank Corporation (CCLBC) is to serve all of Chautauqua County,



with a majority of CCLBC's activities revolving around residential properties in the cities of Jamestown and Dunkirk, and primarily on or near the Main Streets of the rural communities. As the CCLBC matures, a greater percentage of work will take place in rural communities and will likely include a greater number of commercial properties. The CCLBC expects to expand in years three through five to serve Cattaraugus County and to serve Allegany County in years six through nine. The land bank intends to have an impact on over 300 various types of properties over a ten-year period.

The Chautauqua County land bank was initially funded with local seed funding from Chautauqua County, as well as Community Development Block Grant (CDBG) funding from the cities of Jamestown and Dunkirk. In addition, the CCLBC also intends to apply for funding from various outside sources, including foundations, private donations, and grants. Since its creation, the CCLBC has utilized its limited resources to undertake small demonstration projects within the cities of Dunkirk and Jamestown. Chautauqua County's housing stock is amongst the oldest in the country, and much of the housing is in need of rehabilitation or demolition. This problem has only been compounded by the national foreclosure crisis. As of 2010, a total of 12,676 homes, or 18.9 percent, of the total housing stock in Chautauqua County was vacant.

Though the enabling State legislation did not provide any funding assistance, land banks have received funding from the State Attorney General. The Attorney General, through the Community Revitalization Initiative, dedicated \$20 million in mortgage settlement funds to support land banks across the State in 2013. The Initiative was aimed at helping communities recover from the devastating effects of the foreclosure crisis. This funding was structured to be distributed through two competitive award cycles. The first round was awarded in October 2013 (\$12.4 million), with the remainder to be awarded in October 2014. Instead, in August 2014, the Attorney General announced a new \$20 million round of funding to eligible land banks in addition to the \$12.4 million allocated last year, bringing the total to nearly \$33 million. The Chautauqua County Land Bank was awarded \$1.5 million in the Attorney General's first round of funding for land banks and \$1.3 million as part of the second round of funding.

Of the \$1.5 million in round-one funding, \$500,000 was for the City of Jamestown to demolish abandoned structures over a two-year period. Specifically, this State investment enabled the CCLBC to: support full time staff, market and develop a website so that developers and other community partners can better access the land bank; acquire and demolish 40 highly-distressed and blighted properties in Jamestown, 20 distressed properties in Dunkirk, and 20 distressed properties in rural areas that are vacant and are driving down the value of neighboring properties; convert up to 80 vacant lots into a Side Lot Program whereby the vacant lots will be transferred to neighboring homeowners who will maintain the land and get the properties back on the tax rolls; and launch a new program, allowing the land bank to acquire bank owned, foreclosed properties for the purposes of renovation and resale to new homeowners at affordable prices.

Additionally, the funding from the Attorney General is enabling the CCLBC to leverage up to \$2.8 in matching funds from County and State sources. The CCLBC is confident that with the dedicated staff funded under this program, they will be able to generate another \$2 million in private financing to support this and future projects and become self-sustaining.

The Board finds that the continued development of the Chautauqua County Land Bank will be beneficial for the City of Jamestown as a tool for combatting blight and encouraging community development.

## State 2015 Enacted Budget Actions Will Assist the City's Economic Development Climate

The 2015 enacted Budget keeps with the State's promise to create jobs in every region of the State, while also providing significant tax relief. Specifically, the enacted Budget will:

- **Establish a 20 Percent Real Property Tax Credit for Manufacturers:** The Budget provides a statewide credit equal to 20 percent of property taxes paid by manufacturers who own or lease property. The credit is nonrefundable for corporate tax filers and refundable for pass-through entities whose members file personal income tax returns.
- **Eliminate the Net Income Tax on Corporate Manufacturers:** To encourage the growth of manufacturing, the Budget lowers the tax rate on income for corporate manufacturers from the current 5.9 percent to zero in 2014 and thereafter.
- **Accelerate the Phase-Out of 18-A Utility Surcharge:** The Budget accelerates the phase out the 18-a temporary assessment for all customers. New Yorkers pay some of the highest energy bills in the country, and the temporary utility assessment exacerbates this burden on struggling businesses and families. The Budget will save businesses and residents \$600 million over the next three years.

## Fiscal Performance and Accountability

### Multi-Year Financial Plans

Multi-year financial plans can be an important tool for local government leaders. These plans project a local government's revenues and expenditures for a number of years into the future based on reasonable assumptions. This allows local officials to not only see the current fiscal situation but also see the fiscal situation over the next few years. This empowers local officials in two ways.

First, it enables local officials to avoid creating future problems with a current action. For example, using a one-time revenue source to fund an ongoing program would not show an impact in the current year, but could have a significant impact in future years, when the one-time revenue source is no longer available.

It also empowers local officials to address future problems today. As projected revenues seldom exceed projected expenditures, local officials can start to make decisions today to address out-year gaps. By proactively addressing future issues, the impact to the local government, its residents, its taxpayers, and its workforce can be lessened.

OSC has developed an extensive set of resources for local governments on multi-year financial planning. This includes a tutorial, a guide, and a template, which are all available on OSC's website <http://www.osc.state.ny.us/localgov/planbudget/index.htm>. These are designed to make it as easy as possible for local governments to develop multi-year financial plans.

The City of Jamestown currently has a multi-year financial plan. For the reasons outlined above, the Board finds that the City should continue to maintain its multi-year financial plan.

## Conclusion and Next Steps

The Board may, in its sole discretion, award any of the following grants:

- The Board recommends that the City, in conjunction with its governmental neighbors, develop and implement a shared services plan that will lower the annual cost of providing specific services and address the inherent duplication of services via multi-governmental jurisdictions. If the City agrees to abide by and implement this recommendation, the Board may award a grant to assist the City and its neighboring governments with implementing such shared services plan.
- The Board recommends that the City continue to work toward the aforementioned police consolidation. If the City agrees to abide by and implement this recommendation, the Board may award a grant to the City to help defray the costs of merging the City Police Department with the County Sheriff's Office.
- The Board recommends that the City pursue efficiencies, such as advancements in information technology and/or energy consumption. If the City agrees to abide by and implement this recommendation, the Board may award a grant to assist the City with implementing efficiency projects.
- In recognition of the opportunity for additional efficiencies that the City may realize from pursuing advancements in information technology and/or energy consumption, the Board may award a grant of up to \$250,000 to help temporarily stabilize the City's 2015 budget and help limit further erosion of the City's current fund balance, thus enabling the City to pursue these advancements.

The specific structure and conditions of any such grants, which would be developed in consultation with the City, and any other aspects of such grants would be subject to an affirmative vote of a majority of the total members of the Board.

\* All city rankings in this report exclude New York City

## Appendix A – Letter and Resolution from City of Jamestown

### **CITY OF JAMESTOWN**

OFFICE OF THE MAYOR

[www.jamestownny.net](http://www.jamestownny.net)



SAMUEL TERESI

February 12, 2014

Mr. Robert L. Megna  
Chair  
State of New York Financial Restructuring Board  
State Capitol, Room 135  
Albany, NY 12224

Dear Mr. Megna:

On behalf of the residents of the City of Jamestown and the Greater Jamestown Region, please accept this as our formal request for a comprehensive review of the city's finances and operating procedures. It is our hope that this process may lead to additional ideas and approaches to build upon recent efforts to improve both our delivery of essential public services and fiscal stability.

As you are probably well aware, Jamestown, like many other Northeast and Midwest former manufacturing centers, has faced a number of daunting challenges over the past several decades that have threatened its viability as a place in which to live, operate a business and own property. Included have been the following:

- Significant and steady population losses within a legally landlocked area of only nine (9) square miles. 1950 – 45,155\* 2010 – 31,146\* (\*The Greater Jamestown urban population during this time period has remained around 70,000).
- A declining regional economy, which, due in large part to the lack of a major university or four-year college, has struggled to successfully diversify and transition from its declining manufacturing base. Additionally, the Jamestown area has endured one of the lowest per capita income levels and one of the highest urban poverty rates of any region in the Empire State.
- The challenges of servicing, maintaining and replacing an aging, decaying and long-neglected infrastructure, that was originally developed to support and be sustained by a larger population and tax base.

- The crushing burden of monumental mandated services (led by state retirement expenses), coupled with the elimination of Federal Revenue Sharing, declining AIM and CDBG assistance and flat revenues from sales tax and fees.
- The adverse impact of previously negotiated and Tri Borough protected collective bargaining agreements, which are no longer affordable in the modern day context.
- A series of misguided, previously enacted intermunicipal utility agreements that, over the years, have helped to unleash explosive suburban development at the expense of the city's struggling business districts, aging residential neighborhoods and declining tax base.
- Unbearable, legally-protected legacy costs contained in previously negotiated CBA's. Specifically, lifelong healthcare benefits granted to all city government retirees back in 1986, are now threatening the financial solvency of the entire operation.

Despite all of these challenges, during recent years, we clearly have not been standing pat, and have in fact made significant strides on a number of fronts.

For nearly 14 years, the professionals within my Administration, City Council Members and individuals from the broader Jamestown community have been hard at work adapting, innovating, changing and streamlining our operations. In essence, we have been delivering "tough love" and "strong medicine" solutions to long term structural challenges...regardless of the political costs and implications. It is my firm belief that our past and ongoing efforts have literally "kept this city in the game" and better positioned us for the future when circumstances change and economic conditions eventually improve in our region of the state.

Contained in this package are a number of items that help to relate our story, including the following:

1. A summary of the 66 (and counting) departmental restructuring efforts that have been put in place since the year 2000. As may be seen, these "small ball" initiatives have had a cumulative, reoccurring, annual, positive impact on the City General Fund Budget of more than \$5.1 million...and growing! These items are all consistent with the Fiscal Recovery Strategy that was put together a number of years ago with the assistance of a "Blue Ribbon" private sector advisory committee. It should be noted that these 66 items do not include revenue enhancements or savings secured through more effective efforts at the "collective bargaining table" during recent years.



2. A copy of an Op-Ed Column that was published in the Jamestown Post-Journal on December 23, 2012, highlighting our long history of service consolidation and regionalism efforts in Jamestown...the latest of which is a state funded initiative exploring and developing models for the merger of the Jamestown Police Department with the Chautauqua County Sheriff's Office. As may be seen, for years we have been at the forefront of the regional cooperation arena and the recent initiatives that have been put in place have continued to change the scope and face of City Government. Our philosophy remains that it really doesn't matter whose name is on the door of the office, the side of the vehicle, or the patch on the uniform, as long as the quality of the service is high and it's delivery is efficient and affordable.
3. A table outlining the change in full-time General Fund employment since the year 2000. As may be seen, due to our restructuring and regionalism efforts, we have been able to realize a 20% across the board reduction in actual employment during this period. This includes a 50% reduction in the number of appointed City Officer (Department Head) level positions. These employment roll backs have occurred through both attrition and layoffs. In each instance, a significant level of flexibility by the remaining Department Heads and line employees of the City was required to compensate for the corresponding loss of staff.
4. A chart illustrating the reversal of the City's financial fortunes over the past 14 years. After experiencing multiple, structural deficit budgets in the late 1990's (driven by consecutive tax cuts with little or no adjustment in the size and spending habits of city government), we were able to put into place 10 consecutive surplus budgets. Over this period (during which we also completed the comprehensive revaluation of all 15,000 tax parcels for the first time in 33 years), the City's Fund Balance improved from a **negative** \$1,371,000 to a **positive** \$2.8 million. During this time, we have also seen an unprecedented resurgence in our previously desolate Downtown area, due to the establishment of a unique and effective partnership between public, private and non-profit foundation players. These efforts have brought in excess of \$100 million in new private/public investment into our central business district.

We also feel it is quite noteworthy, that for the **second time in three years** (in an era in which many governments at all levels are seeing downgrades), the City of Jamestown earned a positive adjustment to its all important Bond Rating and for the **first time in more than three decades**, the City's rating was restored back into the "A" category. During October of this past year, Jamestown was assigned an "A-" rating, with a Stable Outlook, by Standard and Poor's.

While we have been able to make these strides on our own, there is absolutely no doubt in my mind that had the outside eyes, experience, clout, and resources (both financial and technical) of the state sanctioned Financial Restructuring Board been available to us, we would have been able to accomplish all of this...and more...even faster and better.

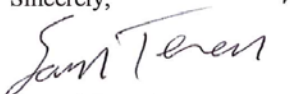
We also remain acutely aware, that as far as we may have come during recent years, we have even further to go in order to reach our desired destination.

It is my sincere hope that the depth of our structural challenges, together with our past achievements on the shared services and consolidation front and our current desire to continue the “retooling” process, will make Jamestown a viable candidate for Financial Restructuring Board consideration. Additionally, given the number and scope of our previous initiatives, the “fresh set of eyes”, “encouragement” and “legal muscle” of the FRB will not only be helpful, but might be absolutely essential to take our efforts to even higher and more difficult-to- attain heights.

Once again, on behalf of the residents and taxpayers of both the City of Jamestown and the entire Greater Jamestown Region, I would like to thank you for your consideration of this proposal.

Should you have any questions or require any further information, please feel free to contact me at any time.

Sincerely,



Samuel Teresi  
Mayor

CC: Jamestown City Council Members  
James N. Olson, Director of Financial Services  
Joseph Bellitto, City Comptroller



## CITY OF JAMESTOWN

OFFICE OF THE CITY CLERK/TREASURER  
JAMES N. OLSON, DIRECTOR OF FINANCIAL SERVICES/CITY CLERK



SAMUEL TERESI, MAYOR

201312A21

BY COUNCILWOMAN CARRUBBA:

WHEREAS, in June 2013 Governor Andrew Cuomo's Program Bill Number 21 was approved amending Section 160.5 of the Local Finance Law to establish a Financial Restructuring Board, and

*WHEREAS, The Financial Restructuring Board for Local Governments is a ten-member panel available to offer assistance to eligible municipalities, and*

WHEREAS, The Board is chaired by the New York State Budget Director and includes the New York State Comptroller, the New York State Attorney General, the New York State Secretary of State, and six other members appointed by the Governor, and

WHEREAS, Any county, city (except New York City), town, or village deemed a Fiscally Eligible Municipality by the Financial Restructuring Board may request, by resolution of its governing board with the concurrence of its Chief Executive, a Comprehensive Review from the Financial Restructuring Board, and

WHEREAS, If the Financial Restructuring Board decides to undertake a Comprehensive Review of a municipality, it can request any information necessary to understand the municipality's finances and operations and based on this information, the Financial Restructuring Board would make non-binding recommendations to that municipality on improving its fiscal stability, management, and the delivery of public services, and

WHEREAS, In addition, the Financial Restructuring Board could offer grants and/or loans of up to \$5 million through the Local Government Performance and Efficiency Program for undertaking certain recommendations, if the municipality agrees to undertake the Financial Restructuring Board's recommendations, it would be contractually bound to fulfill those terms in order to receive the aid, and

WHEREAS, The City of Jamestown has been deemed a "fiscally eligible municipality" pursuant to criteria established by section 160.05 of the Local Finance Law, and

WHEREAS, given the current economic climate, the governing body of the City of Jamestown has determined that a comprehensive review by the Financial Restructuring Board for Local Governments would be worthwhile, and

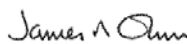
WHEREAS, the City Council of the City of Jamestown understands that the recommendations of the Financial Restructuring Board are not binding, now therefore be it

RESOLVED, That this resolution shall serve as a request for services by the Financial Restructuring Board from the City Council of the City of Jamestown in concurrence with Mayor Samuel Teresi, Chief Executive Officer of the City of Jamestown, and be it further

RESOLVED, that the Director of Financial Services/City Clerk forward certified copies of this resolution to Governor Andrew Cuomo, State Comptroller Thomas Dinapoli, Attorney General Eric T. Schneiderman, Secretary of State Cesar A. Perales and Robert Megna, Chair of the Financial Restructuring Board.

Carried: 7 ayes, 0 nays

I, James N. Olson, City Clerk of the City of Jamestown, New York, do hereby certify that the above resolution is a true and correct copy of the resolution adopted by the City Council of the City of Jamestown at a regular meeting held December 30, 2013.



December 31, 2013 James N. Olson, Director of Financial Services/City Clerk

## **Appendix B – Resolution Approving the City of Jamestown**

Financial Restructuring Board for Local Governments

RESOLUTION No. 2014-07

### **APPROVING THE REQUEST FOR A COMPREHENSIVE REVIEW FROM THE CITY OF JAMESTOWN**

WHEREAS, pursuant to New York State Local Finance Law section 160.05 (2)(a), the Board of the Financial Restructuring Board (the “Board”) must find that the City of Jamestown (the “City”) is a Fiscally Eligible Municipality because it has an average full value property tax rate of \$20.14 per \$1,000, which is greater than the average full value property tax rate of seventy-five percent of counties, cities, towns, and villages with local fiscal years ending in the same calendar year as of the most recently available information; and

WHEREAS, pursuant to New York State Local Finance Law section 160.05 (3), upon the request of a fiscally eligible municipality, by resolution of the governing body of such municipality with the concurrence of the chief executive of such municipality, the Board may undertake a comprehensive review of the operations, finances, management practices, economic base and any other factors that in its sole discretion it deems relevant to be able to make findings and recommendations on reforming and restructuring the operations of the fiscally eligible municipality (the “Comprehensive Review”); and

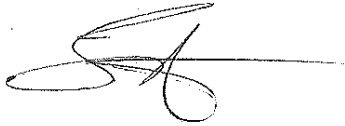
WHEREAS, the governing body of the City with the concurrence of the City’s chief executive has requested that the Board undertake a Comprehensive Review of the City;

NOW THEREFORE BE IT RESOLVED that the Board agrees to undertake a Comprehensive Review of the City in accordance with New York State Local Finance Law section 160.05(3).

This resolution shall take effect immediately and remain in effect until modified, replaced or repealed by resolution of the Board.

No. 2014-07

Dated: 2-26-14



## Appendix C – Resolutions Requesting State Legislation

### CITY OF JAMESTOWN

OFFICE OF THE CITY CLERK/TREASURER  
JAMES N. OLSON, DIRECTOR OF FINANCIAL SERVICES/CITY CLERK



SAMUEL TERESI, MAYOR

201211C13

BY COUNCILMAN DeJOY:

WHEREAS, the City of Jamestown desires to establish an administrative tribunal for the adjudication of parking infractions, (e.g., non-moving violations), and

WHEREAS, the establishment of this administrative tribunal will be subject to the provisions of Article 2-B of the New York State Vehicle and Traffic Law, and

WHEREAS, once established, the Jamestown City Council will by Local Law provide for the appointment of hearing examiners to adjudicate said parking infractions, now therefore be it

RESOLVED, that the City Council of the City of Jamestown, New York hereby requests that the New York State Assembly and the New York State Senate enact a bill which would be entitled "AN ACT TO ALLOW THE CITY OF JAMESTOWN, NEW YORK TO ESTABLISH AN ADMINISTRATIVE TRIBUNAL FOR THE ADJUDICATION OF PARKING INFRACTIONS" and be it further

RESOLVED, that the Director of Financial Services/City Clerk be, and he hereby is, authorized and directed as Clerk of the Jamestown City Council to execute a home rule request for transmittal to the New York State Assembly and the New York State Senate certifying the Jamestown City Council's adoption of this resolution.

I, James N. Olson, City Clerk of the City of Jamestown, New York, do hereby certify that the above resolution is a true and correct copy of the resolution adopted by the City Council of the City of Jamestown at a regular meeting held November 27, 2012.

November 29, 2012

James N. Olson, Director of Financial Services/  
City Clerk

CITY  
OF  
JAMESTOWN

OFFICE OF THE CITY CLERK/TREASURER  
JAMES N. OLSON, DIRECTOR OF FINANCIAL SERVICES/CITY CLERK



SAMUEL TERESI, MAYOR

201312A08

BY COUNCILMAN DOLCE:

WHEREAS, the City of Jamestown desires to establish an administrative tribunal for the adjudication of parking infractions, (e.g., non-moving violations), and

WHEREAS, the establishment of this administrative tribunal will be subject to the provisions of Article 2-B of the New York State Vehicle and Traffic Law, and

WHEREAS, once established, the Jamestown City Council will by Local Law provide for the appointment of hearing examiners to adjudicate said parking infractions, now therefore be it

RESOLVED, that the City Council of the City of Jamestown, New York hereby requests that the New York State Assembly and the New York State Senate enact a bill which would be entitled "AN ACT TO ALLOW THE CITY OF JAMESTOWN, NEW YORK TO ESTABLISH AN ADMINISTRATIVE TRIBUNAL FOR THE ADJUDICATION OF PARKING INFRACTIONS" and be it further

RESOLVED, that the Director of Financial Services/City Clerk be, and he hereby is, authorized and directed as Clerk of the Jamestown City Council to execute a home rule request for transmittal to the New York State Assembly and the New York State Senate certifying the Jamestown City Council's adoption of this resolution.

Carried: 7 ayes, 0 nays

I, James N. Olson, City Clerk of the City of Jamestown, New York, do hereby certify that the above resolution is a true and correct copy of the resolution adopted by the City Council of the City of Jamestown at a regular meeting held December 30, 2013.

December 31, 2013 James N. Olson, Director of Financial Services/City Clerk



CITY  
OF  
JAMESTOWN

OFFICE OF THE CITY CLERK/TREASURER  
JAMES N. OLSON, DIRECTOR OF FINANCIAL SERVICES/CITY CLERK



SAMUEL TERESI, MAYOR

201402A11

BY COUNCILMAN WHITFORD:

WHEREAS, the City of Jamestown desires to establish an administrative tribunal for the adjudication of parking infractions, (e.g., non-moving violations), and

WHEREAS, the establishment of this administrative tribunal will be subject to the provisions of Article 2-B of the New York State Vehicle and Traffic Law, and

WHEREAS, once established, the Jamestown City Council will by Local Law provide for the appointment of hearing examiners to adjudicate said parking infractions, now therefore be it

RESOLVED, that the City Council of the City of Jamestown, New York hereby requests that the New York State Assembly and the New York State Senate enact a bill which would be entitled "AN ACT TO ALLOW THE CITY OF JAMESTOWN, NEW YORK TO ESTABLISH AN ADMINISTRATIVE TRIBUNAL FOR THE ADJUDICATION OF PARKING INFRACTIONS" and be it further

RESOLVED, that the Director of Financial Services/City Clerk be, and he hereby is, authorized and directed as Clerk of the Jamestown City Council to execute a home rule request for transmittal to the New York State Assembly and the New York State Senate certifying the Jamestown City Council's adoption of this resolution.

Carried 9-0

I, James N. Olson, City Clerk of the City of Jamestown, New York, do hereby certify that the above resolution is a true and correct copy of the resolution adopted by the City Council of the City of Jamestown at a regular meeting held February 24, 2014.

*James N. Olson*

February 27, 2014 James N. Olson, Director of Financial Services/City Clerk