

## **Financial Restructuring Board for Local Governments**

### **Meeting Minutes**

**June 19, 2017**

**10:30 AM**

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

The Financial Restructuring Board for Local Governments ("the Board") convened at 10:32 AM on June 19, 2017 in the New York State Capitol Building in Albany, NY. The following members of the Board were present:

Todd Scheuermann (representative designated for Robert Mujica Jr., Chair)  
Gabriel Deyo (representative designated for Thomas DiNapoli)  
Catharine Young  
Herman Farrell, Jr.  
Mark Pattison (representative designated for Rossana Rosado)  
Sydney Cresswell  
RoAnn Destito

The following members of the Board were absent:

Matt Driscoll  
Eric Schneiderman  
Todd Snyder

Mr. Scheuermann opened the meeting and welcomed the Board's newest member, Senator Catharine Young. Mr. Scheuermann also thanked Senator Jack Martins for his service on the Board and said he looked forward to the next phase with Ms. Young's membership.

Ms. Young replied that she looked forward to working with the Board.

Mr. Scheuermann announced that the Board has five completed Comprehensive Reviews, some amendments to previously approved communities, and three new communities for review. He then asked the Board to consider the minutes from the meeting on June 20, 2016.

Ms. Destito motioned to approve the minutes and Mr. Pattison seconded the motion. The minutes were unanimously approved.

Mr. Scheuermann asked Timothy Ryan, Secretary to the Board, to provide an overview of the completed Comprehensive Review for the City of Niagara Falls. Mr. Ryan gave a

PowerPoint presentation with a description of the findings and recommendations for the City.

Mr. Scheuermann noted that Board staff will continue working with the City of Niagara Falls in regards to the agreement between the City and the Seneca Nation over future casino payments to the City.

Mr. Scheuermann then asked for any Board member questions.

Ms. Destito asked if Niagara Falls' police department schedule was not a standard schedule. Mr. Ryan said that the police staffing was not typical, and the schedule causes each officer to clock 136 less hours per year than a standard schedule, causing more officers to be in rotation. He noted that any changes would have to be negotiated. Mr. Pattison mentioned that DOS staff would be willing to assist Niagara Falls with shared services funding in this area.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-01**: Approving the Comprehensive Report for the City of Niagara Falls.

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

Ms. Destito noted Assemblyman Angelo Morinello from Niagara Falls was present.

Mr. Scheuermann acknowledged Mayor Rolison of Poughkeepsie in the audience and Mr. Ryan gave a PowerPoint presentation with a description of the findings and recommendations for the City of Poughkeepsie.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-02**: Approving the Comprehensive Report and authorizing grants for the City of Poughkeepsie.

Mr. Farrell motioned to adopt the Resolution, Ms. Destito seconded the motion, and the Resolution was unanimously adopted, with Mr. Deyo abstaining from the vote.

Mr. Ryan gave a PowerPoint presentation with a description of the findings and recommendations for the City of Troy.

Mr. Scheuermann asked if the City owns its street lights, and Mr. Ryan replied that he believes National Grid may own them.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-03**: Approving the Comprehensive Report and authorizing grants for the City of Troy.

Mr. Deyo motioned to adopt the Resolution. Ms. Destito seconded the motion, and the Resolution was unanimously passed, with Mr. Pattison abstaining.

Mr. Ryan gave a PowerPoint presentation with a description of the findings and recommendations for the City of Plattsburgh.

Mr. Scheuermann asked how the City qualified for its fiscal eligibility, inquiring whether it was by the fund balance criterion or the by the property tax rate criterion. Mr. Ryan replied that although fund balance is a concern for the City, they automatically qualified due to their property tax rate.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-04**: Approving the Comprehensive Report for the City of Plattsburgh.

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

Mr. Ryan gave a PowerPoint presentation with a description of the findings and recommendations for the Village of Amityville.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-05**: Approving the Comprehensive Report and authorizing a grant for the Village of Amityville.

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

Mr. Scheuermann commented that he was proud that the Board has continued to engage the communities it works with on an on-going basis. Mr. Ryan replied that he is thankful for those relationships and notes fiscal stress can be long and on-going issue, and that it helps the municipalities to engage with the Board over time.

Mr. Ryan gave a PowerPoint presentation with an update on the City of Jamestown and recommended to the Board a grant of up to \$1.5 million to assist the City in encouraging retirees to switch health plans.

Mr. Ryan noted the City has exhausted its Constitutional tax limit and requires help to reduce its fringe benefits costs on a recurring basis. Mr. Pattison noted the City has a long history of sharing services and municipal restructuring, and is working hard to correct its fiscal hardships. Ms. Young noted her strong support for helping the City.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-06**: Amending the Comprehensive Report and authorizing a grant for the City of Jamestown.

Mr. Pattison motioned to adopt the Resolution. Ms. Young seconded the motion, and the Resolution was unanimously adopted.

Mr. Ryan gave a PowerPoint presentation with an update on the City of Lockport and recommended to the Board a grant of up \$470,000 for purchasing licenses to enable shared information technology services with Niagara County.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-07**: Authorizing a grant for the City of Lockport.

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

Mr. Ryan gave a PowerPoint presentation with an update on the Village of Owego and recommended to the Board a grant of up to \$425,000 to ease the burden on taxpayers for wastewater treatment plant reconstruction and improvement, as well as a grant of up to \$100,000 to assist the Village in dissolving its justice court.

Mr. Scheuermann noted that the Board made sure there was a regional need for the facility and that the new wastewater plant would not create competition that would hurt other municipalities.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-08**: Amending the Comprehensive Report and authorizing grants for the Village of Owego.

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

Mr. Ryan gave an update on a City of Albany study that was commissioned through Public Financial Management (PFM).

Ms. Young asked the Board to comment on the City's expected \$6 million surplus and its relation to the \$12.5 million in special aid the City of Albany received in the FY 2017 State Budget.

Mr. Ryan confirmed that the City will have an official surplus for 2016. Mr. Scheuermann commented that the City's fund balance is still low for its size and had been exhausted, but that the Board should hope the surplus is a harbinger of good things going forward for the City. And, he noted that the Board previously allocated money to the City for IT software that could be a contributor to some of the City's savings.

Mr. Pattison commented that some of the City's surplus was due to one-time savings through a mild winter and lower workers' compensation costs, and that the City may still have problems going forward.

Ms. Destito commented that the City also has ongoing infrastructure needs, such as repairing roads.

Mr. Pattison commented that the City also instituted a hiring freeze and that the landfill will be closing sometime soon, and said the City may not have turned a corner just yet.

Ms. Young commented that there are distressed communities all over the State and said it was alarming that the State appropriated so much money to the City in the budget.

Mr. Deyo commented that the Board should consider projecting future cash flows and that future aid to the City of Albany should be granted in terms of “up to...” certain amounts, to ensure the City only receives what is necessary to balance its budget. He noted that without the State appropriation, the City of Albany would still have had a \$6 million deficit.

Mr. Scheuermann commented that Mr. Deyo’s idea was a good suggestion going forward.

Mr. Scheuermann then asked Mr. Ryan for an update on the list of automatically fiscally eligible municipalities. He thanked the Comptroller’s office for the timely data used to determine the fiscally eligible list for municipalities.

Mr. Ryan reviewed the Board’s criteria for automatic eligibility for the Board. He noted that the number of eligible municipalities does not change much from year to year.

Mr. Deyo commented that the Office of the State Comptroller takes this duty very seriously. He noted that while the number of entities that are automatically fiscally eligible does not change, the composition may. He suggested the Board should try to release the automatically fiscally eligible list as soon as possible every year.

Mr. Scheuermann commented that the Board could allow Board staff to post the automatically fiscally eligible list online before the Board meets. Mr. Ryan stated that staff could discuss the process before the next meeting.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-08**: Approving the determination of automatically fiscally eligible municipalities.

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

Mr. Scheuermann said the Board would now consider the new applicants for a Comprehensive Review.

Mr. Ryan gave a PowerPoint presentation on the City of Dunkirk and its fiscal state.

Ms. Young mentioned that she represents the City of Dunkirk and noted that the Legislature has put a mitigation fund into place for local governments with power plants that are closing, as is the case in Dunkirk. She said the Senate tried to insert language for the City of Dunkirk, the school district, and Chautauqua County but that they could not get a deal in negotiations. She commented that although the power plant will allegedly reopen as a natural gas plant, the City will lose the PILOT payments in the

interim. She inquired if the Board could recommend that the Empire State Development Corporation distribute mitigation funds to Dunkirk to quell the short-term financial distress as the City waits for the power plant to re-open.

Mr. Scheuermann replied that the Board has the ability to work across the entire State enterprise. He said the Board should avail itself of the State expertise on the Board, and said that expertise means the Board should be able to work well for Dunkirk.

Ms. Destito inquired if the plant was being re-opened, or if it was just being talked about. Ms. Young replied that there is a contract in place that was approved by the Public Service Commission, and there was a delay due to a lawsuit. Ms. Young noted this is exactly what the mitigation fund is for, and she recommends the fund be used to make municipalities whole instead of ratcheting down during the interim time between plants closing and reopening

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-09**: Approving the request for a Comprehensive Review from the City of Dunkirk.

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

Mr. Ryan gave a PowerPoint presentation on the Village of Herkimer and its fiscal state. He noted that the Village is at its Constitutional property tax limit.

Ms. Destito noted that Herkimer County Community College is located within the Village, which means the population swells and may require more police and other Village services.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-10**: Approving the request for a Comprehensive Review from the Village of Herkimer.

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

Mr. Ryan gave a PowerPoint presentation on the City of Potsdam and its fiscal state.

Mr. Scheuermann asked the Board to consider **Resolution No. 2017-11**: Approving the request for a Comprehensive Review from the Village of Potsdam.

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

Mr. Scheuermann thanked the Board and commented that Board staff will be making site visits to the accepted municipalities. He invited the Board members to attend if possible.

The meeting was adjourned at approximately 11:39 AM.

Respectfully Submitted,

Timothy Ryan  
Secretary