

Financial Restructuring Board for Local Governments

RESOLUTION No. 2017-04

APPROVING THE COMPREHENSIVE REVIEW REPORT FOR THE CITY OF
PLATTSBURGH

WHEREAS, pursuant to New York State Local Finance Law section 160.05(3), the Financial Restructuring Board for Local Governments (the "Board"), 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, 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 June 20, 2016, the Board approved Resolution No. 2016-12 agreeing to undertake a Comprehensive Review of the City of Plattsburgh (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

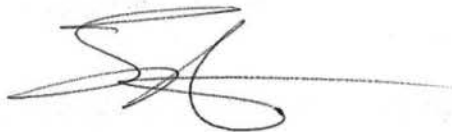
WHEREAS, pursuant to New York State Finance Law section 54(10)(t)(ii), the Board may award funding under the Local Government Performance and Efficiency Program to fiscally eligible municipalities for financial restructuring and related purposes, as determined by the Board;

NOW THEREFORE BE IT RESOLVED that the Board approves the report on the Comprehensive Review of the City (the "Comprehensive Review Report"), attached hereto as Attachment A, and all of the findings and recommendations therein.

This resolution shall take effect immediately and remain in effect until modified, replaced or repealed by resolution of the Board.

No. 2017-04

Dated: 6-19-17

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City of Plattsburgh Comprehensive Review Report

**Financial Restructuring Board
for Local Governments**

June 19, 2017

Table of Contents

Table of Contents	2
Overview	3
Background	3
Fiscal Eligibility and Stress.....	3
Demographic and Socioeconomic Profile.....	4
Organization and Finances	5
Organizational Profile.....	5
Budget Profile	7
Findings and Recommendations	10
Shared Services.....	10
Efficiencies.....	18
Workforce	22
Economic Development	26
Fiscal Performance and Accountability	31
Conclusion and Next Steps	32
Appendix A – Letter and Resolution from the City of Plattsburgh	33
Appendix B – Resolution Approving the City of Plattsburgh	35

Overview

The City of Plattsburgh is a medium Upstate city in Clinton County. With a population of 19,989 as of the 2010 Census, it is the 30th most populous city in New York State.* 2015 expenditures of \$57.7 million were the 24th highest of all cities.

The Common Council adopted, and the Mayor concurred with, a resolution requesting a Comprehensive Review by the Financial Restructuring Board (see Appendix A). On June 20, 2016, the Financial Restructuring Board approved this request for a Comprehensive Review with Resolution No. 2016-12 (see Appendix B).

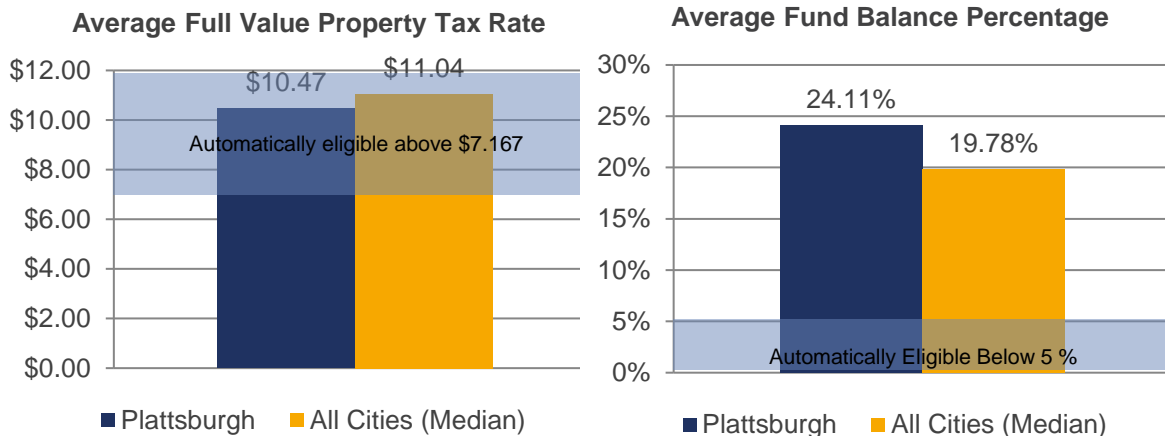
This Comprehensive Review first gives some background on the City's fiscal eligibility and demographic profile. It then provides information on the organization and finances of the City. Finally, it presents the Comprehensive Review's findings and recommendations.

Background

Fiscal Eligibility and Stress

The City of Plattsburgh is automatically considered a Fiscally Eligible Municipality because its Average Full Value Property Tax Rate (2010-2014) of \$10.470 per \$1,000 is above \$7.167 per \$1,000 – the 75th percentile for all municipalities. This is the 28th highest for cities.

The City's Average Fund Balance Percentage (2010-2014) of 24.11 percent is the 39th 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 Plattsburgh a Fiscal Rating of "No Designation" with a score of 41.3 percent for 2015 (a local government would receive a designation with a score of 45.0 percent or higher). The negative factors contributing to this score include a low fund balance and an operating deficit in each of the last three fiscal years. OSC projects that the City's score will increase in 2016 to 47.6 percent, shifting to a designation of "Susceptible to Fiscal Stress."

OSC's Fiscal Stress Monitoring System gives the City of Plattsburgh an Environmental Rating of "No Designation" with a score of 10.8 percent for 2015 (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 high child poverty rate in 2010 (23.1 percent), an increase in the child poverty rate from 2000 to 2010 (2.1 percent), and a high unemployment rate in 2014 (6.7 percent).

Demographic and Socioeconomic Profile

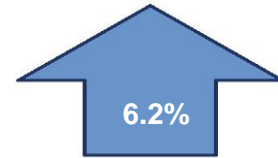
The City's population increased by 6.2 percent to 19,989 from 2000 to 2010. In contrast, the typical city's population grew 0.5 percent over that same period.

The City of Plattsburgh's median household income in 2014 was \$34,460, which is less than the typical city's median household income of \$40,111.

The City's median home value of \$143,000 is more than the median home value of the typical city of \$108,300. Its property value per capita in 2015 was \$46,555 and its four-year average change in property value was 1.6 percent. As noted above, the City's unemployment rate is 6.7 percent, and its child poverty rate is 23.1 percent.

Population Change

2010: 19,989



2000: 18,816

Organization and Finances

Organizational Profile

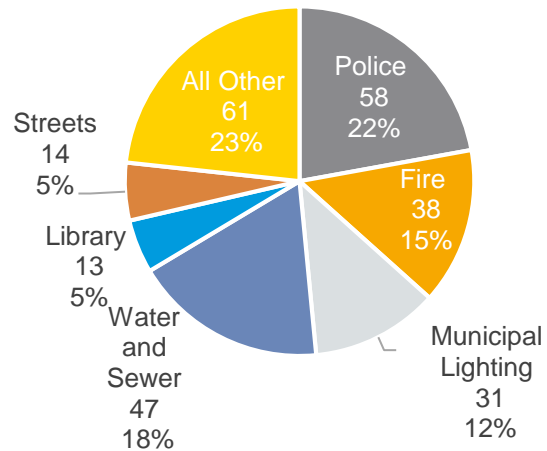
The City of Plattsburgh is governed by a Mayor and a six-member Common Council. The Mayor is elected City-wide for a four-year term, with the most recent term expiring December 31, 2020. A charter revision modified the terms of council members elected in 2016 to stagger their terms. Subsequent elections for Councilors will be for three-year terms. Councilors are elected to represent specific districts in the City.

The City has several primary departments: the Mayor's office, Human Resources, Community Development, Engineering, Environmental Services, Fire, Information Technology, Municipal Lighting, Police, Public Works, Recreation, and Water Treatment/Pollution Control. Other individuals perform various administrative and management functions, including the Corporation Counsel, City Chamberlain, Assessor, Building Inspector, and City Clerk.

The City had 262 FTEs in its 2016 budget. The City Police Department had the most employees with 58, the Water and Sewer Departments combine for a total of 47 full-time equivalents, followed by the Fire Department with 38, the Municipal Lighting Department with 31, Streets with 14, and the Library with 13.

Several unions represent the City's unionized workforce, with various contract terms and salary increases, as provided in the table below. Active police, fire, municipal lighting, library, and blue-collar employees contribute 15 percent of their salary to healthcare coverage.

City of Plattsburgh Full-Time Employees



City of Plattsburgh Labor Contracts							
Union	Contract Status	Contract Expiration	% Salary Increases				
			2014	2015	2016	2017	2018
Local 788 & NY Council 66 AFSCME, AFL-CIO	Expired	06/30/15	1.5	-	-	-	-
NYS Law Enforcement Officers Union Council 82 AFSCME Local 812, AFL-CIO (Police)	Expired	12/31/16	1.0	1.5	1.0	-	-
Plattsburgh Permanent Firemen's Association Local 2421 (Fire)	Expired	12/31/11	-	-	-	-	-
Plattsburgh Public Library & Local 788 AFSCME Council 66, AFL-CIO* (Public Library)	Current*	06/30/19	0.0	3.0	2.0	2.0	2.0
Local Union 1249 of the IBEW, AFL-CIO (Municipal Lighting)	Current	06/30/17	1.5	1.5	1.5	-	-
Local 788 & NY Council 66 AFSCME. AFL – CIO (Blue-Collar)	Current	6/30/18	-	2.0	2.0	1.5	-

*MOU/Tentative Agreement

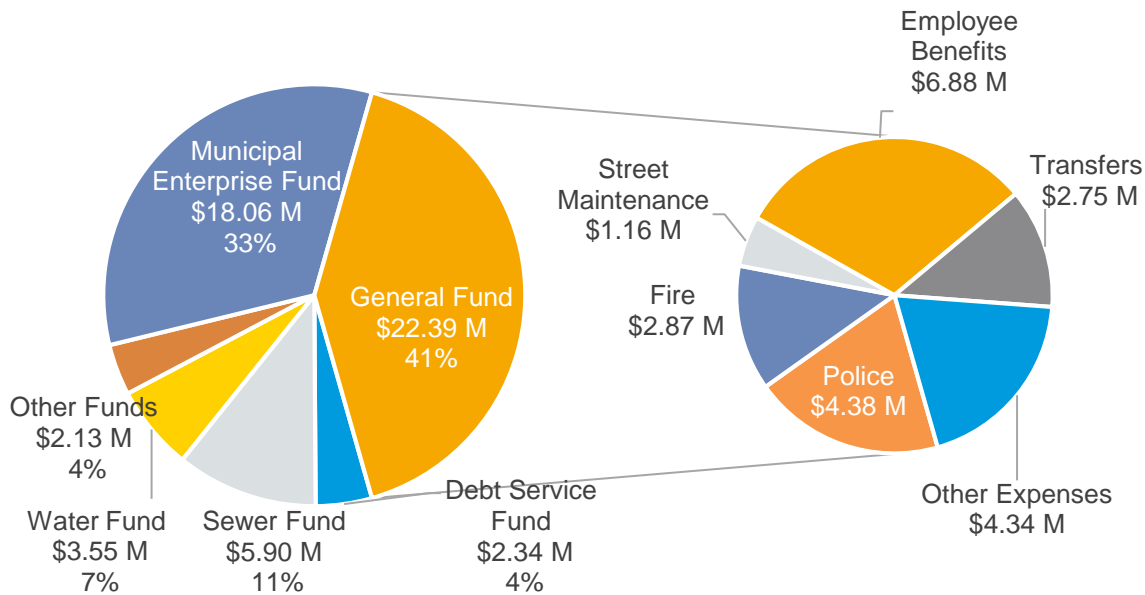
AFSCME 788 is currently awaiting approval on a new contract that will run from July 1, 2016 to June 30, 2018. The City is in discussion with the Police Union 812 to renew its contract.

In all, there are now five retroactive years that the Fire Department has worked without a new contract (2012-2016). As noted in the above chart and as discussed later in this Comprehensive Review, the City's fire union is at arbitration with the City in order to try to settle contracts for the 2012 and 2013 calendar years. According to recent discussions with the City, it appears the arbitrator will extend their agreement through 2017, with a substantial retro pay increase in 2017. The City believes the arbitration deal (the more palatable option of two presented to the City) would cover fiscal years 2012-2015 with 1.5 percent raises each year, and 1.8 percent raises for each of 2016 and 2017. The City would pay \$839,000 in retroactive salaries and face an additional \$3.3 million in costs over the next five years. As further noted in the Budget Profile section of this Comprehensive Review, this would be a significant impact to the City's General Fund.

Budget Profile

The City's 2017 major funds adopted budget totals \$31.8 million, which includes \$22.4 million for the General Fund, \$3.5 million for the Water Fund, and \$5.9 million for the Sewer Fund. The all funds total is \$54.4 million and, in addition to the major funds, includes \$18.1 million for the City's Municipal Lighting District Enterprise Fund, among other smaller funds. For the General Fund, the largest expenditure category is for employee fringe benefits, at \$6.9 million (30.8 percent of General Fund expenditures), followed by police at \$4.4 million (19.6 percent of General Fund expenditures), and fire at \$2.9 million (12.8 percent of General Fund expenditures).

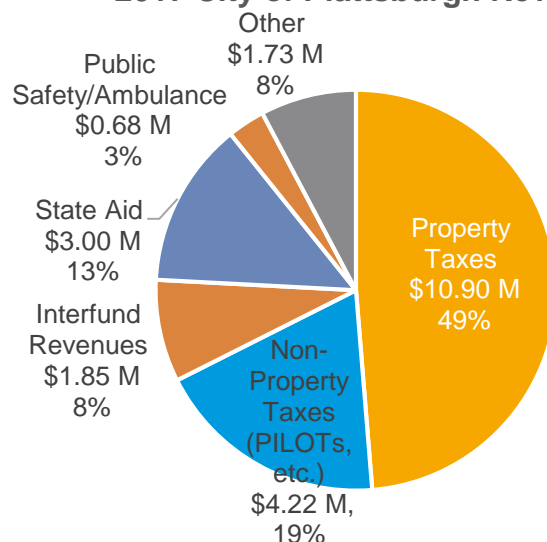
2017 City of Plattsburgh Expenditures



The 2017 General Fund revenue sources (before transfers) total \$22.4 million and include: 49.0 percent from property taxes; 19.0 percent from non-property taxes; and 13.0 percent from State aid. The property tax levy is \$10.9 million for 2017, up 6.9 percent from the prior year.

As is typical with most local governments in New York State, and especially for cities, the largest revenue source is the property tax, which supports fifty percent of the General Fund (prior to the transfer to other funds). As detailed in the below chart, with the exception of the most recent tax levy hike for the 2017 budget (6.9 percent), the

2017 City of Plattsburgh Revenues



levy has seen relatively little increase since 2012. Moreover, in 2016, the City had exhausted a modest 43.8 percent of its constitutional property tax limit. However, the City's financial position (prior to 2017) has suffered due to the revenue/expenditure imbalance that led to perpetual net deficits over the same time period that has now almost completely exhausted the fund balance.

Property Tax Trends 2012-2017 (in millions)							
General Fund	2012	2013	2014	2015	2016	2017	Avg Annual % Change
Property Tax Levy	\$9.2	\$9.7	\$9.9	\$10.0	\$10.2	\$10.9	3.5%
Full Value Tax Rate (per \$1000)	\$10.4	\$10.8	\$10.6	\$10.8	\$11.0	\$11.7	2.3%
Taxable Assessment Value	\$882	\$897	\$932	\$931	\$928	\$935	1.2%

As detailed in the following chart, the City has allowed the General Fund to operate in deficit on a seemingly perpetual basis. As a result, the City has quickly depleted its once-healthy General Fund balance, with the available fund balance threatening to turn negative when actual results from the City's 2016 fiscal year become known via audit later this calendar year.

City Operating Results and Balances (in thousands)					
General Fund	2012	2013	2014	2015	2016 (est.)
Operations	(1,303)	(1,015)	(1,253)	(1,380)	(458)
Available Fund Balance	1,886	608	80	994	706
Total Fund Balance	5,500	4,484	3,232	1,852	1,448

While the City Council and new Mayor recognized the need to start producing balanced General Fund operations, and accordingly increased the tax levy close to seven percent, it is unlikely that this action will allow the City to begin to rebuild its available fund balance back to the threshold of five percent of expenditures or greater.

There are at least two key fiscal issues facing the City. The first is retiree healthcare costs. This issue was one of the leading reasons behind the City requesting the Board's assistance. This Comprehensive Review discusses this issue and offers potentially significant savings that the City should attempt to secure.

Second, the City is likely to face significant costs resulting from resolving the contract with its fire union, which has been expired for five years. The City's lack of fund balance makes any retroactive award difficult to pay. In addition, the settlement will likely include a higher salary schedule going forward that is not presently budgeted. Without access to a healthy

unassigned/undesignated fund balance to soften the blow of a retroactive settlement and higher salary structure, the City will likely face another tax levy increase, one that will probably be higher than the 2017 increase.

City Credit Rating

In January 2016, Moody's downgraded the rating on the City's general obligation debt from Aa3 to A2 (two notches lower), with a negative outlook.

According to the rating agency, the downgrade to A2 reflects the City's weakened financial position following several years of reserve draws. The rating also incorporates the City's limited but growing tax base stabilized by a strong institutional presence, below-average socioeconomic indices, and elevated debt and pension burdens. The negative outlook reflects continued pressure on the City's financial operations. The City anticipates deficit operations in fiscal years 2015 and 2016, potentially driving cash and fund balance into negative levels.

Findings and Recommendations

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

Shared Services

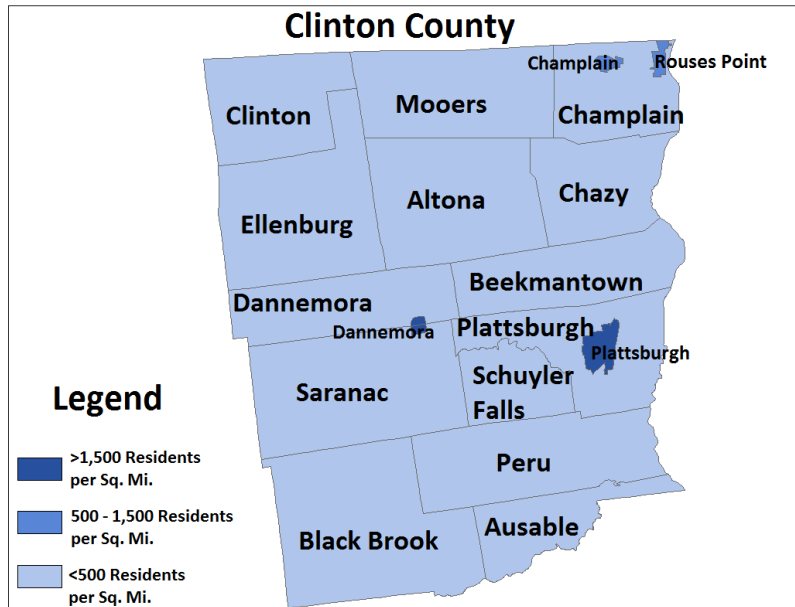
Regional Government Context

As of the 2010 Census, Clinton County had a population of 82,128 and was the 28th most populous county out of the 57 counties outside of New York City. With a land area of 1,038 square miles, it is the 15th largest county. With a population density of 79 residents per square mile, it is the 38th most densely populated county.

The County is governed by a 10-member County Legislature with an appointed County Administrator. Other elected County officials include: the Clerk, the Treasurer, the District Attorney, the Coroner, and the Sheriff. As of 2015, the County had total expenditures of \$166.5 million, which is the 28th highest for counties, and total expenditures per capita of \$2,027, which is the 26th highest for counties.

Within the County, there is 1 city, 14 towns, 3 villages, 8 school districts, 16 fire districts, and around 100 town special districts and other entities.

The City of Plattsburgh is on the eastern edge of the County, and is completely surrounded by the Town of Plattsburgh.



Survey of Shared Services

Board staff in conjunction with the City conducted a survey on the general functions of the City and neighboring municipalities to ascertain duplication of services and potential areas for further consolidation. The City and its surrounding governments were asked to briefly describe current shared service arrangements in each service/function area and to 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 of Plattsburgh	Clinton County	Plattsburgh City School District	Town of Plattsburgh
Police	X	X		
Dispatch/E-911	X	X		
Fire	X			
Ambulance/EMS	X			X
Tax Collection/Treasurer	X	X	X	X
Tax Bill Printing	X	X	X	
Tax Foreclosure	X	X		
Assessing	X	X		X
Personnel/HR/Civil Service	X	X	X	X
Payroll/Time & Attendance		X	X	X
Purchasing		X	X	X
Budget/Finance	X	X	X	X
Code Enforcement	X			X
Building/Zoning/Planning	X	X		X
Parks/ Recreation Services	X	X		X
Animal Control	X			X
Plowing	X	X	X	X
Paving/Street Maintenance	X	X		X
Lighting/Traffic Controls	X			X
Sanitation/Garbage	X			
Water	X			X
Wastewater/Sewer	X			X

Shared Services Actions and Opportunities

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 Plattsburgh and its neighboring municipalities.

If the City of Plattsburgh is to address its future budget challenges, 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 and its neighboring municipalities, as well as the State, identified several areas of overlap. Some of the most promising opportunities for shared services include the following.

County and City IT

The County has an IT Department with eight employees, a departmental budget of \$929,000 and a payroll of \$540,000. Three employees maintain computers, two maintain the network/exchange server, and three are applications coordinators for the various County systems, including the MUNIS Enterprise business system. The City has three employees in an IT Department with a budget of \$344,000, and a fourth IT specialist at the City Police Department with a salary close to \$50,000. The County has indicated to the City that three of the eight IT department staff are a year or so away from retirement and that the County may have future issues with succession. The City believes this upcoming time period may bring a tremendous opportunity with respect to consolidating both departments with a total staff of potentially eight or nine individuals.

In addition, the City at present spends close to \$100,000 annually to house its systems off-site (for security and integrity purposes). The County may be able to house the City's system for a reduced cost. Both the City and the County separately maintain servers for managing in-house email. Merging systems into one may be possible, saving both governments money and staff time each year.

County and City Payroll Development and Processing

Both the County and the City operate the same financial system – MUNIS – and both governments use a MUNIS payroll module to help complete the payroll process and issue checks. However, both the County and the City lack a proper, modern electronic timekeeping (time & attendance) system. For both entities, individual departments within each government manually collect their time and attendance information. This manual process can be wrought with errors and is chronically inefficient. By investing in a modern, complete time and attendance application and equipment, both the City and the County could use the new system to better and more quickly track employee attendance and absences and link the new system to their MUNIS finance system. This direct link and data communication from a new time and attendance system would greatly reduce time, errors, and staff time. One payroll clerk would be necessary if both the County and City had both the same financial system as well as the same time and attendance system. Presently, the County and City each employ staff for payroll processing.

City staff estimate that maintaining this segregated process could be costing upwards of \$500,000 annually when accounting for cost, potential error factor, waste, and inefficiency associated with their antiquated payroll data collection and processing function.

Tax Assessment

Section 579 of the Real Property Tax Law allows two or more assessing units located in the same county (or adjoining counties), having the same level of assessment, and having the same assessor, to enter into an agreement to become a Coordinated Assessment Program (CAP).

Under this arrangement, the State Board of Real Property Services establishes identical equalization rates for all of the assessing units in the CAP. In addition to yielding standardization benefits, the CAP model can be particularly useful in spreading assessment costs between or among jurisdictions. For example, multiple assessing units in a CAP may be able to acquire professional assessment services that would otherwise be cost prohibitive were they acting separately. In addition, licensing fees for assessment software can be shared between municipalities, thus reducing the cost.

If the City decides to pursue a local CAP, State aid is available through the Office of Real Property Tax Services within the Department of Taxation and Finance. The aid is provided in a one-time payment of up to \$7 per parcel.

In addition, county coordinated assessing provides functional consolidation of assessing tasks at the county level without eliminating municipal assessing units. Individual cities and towns (or a group of cities and towns) can enter into a coordinated program with a county where the county provides all assessment services (including having a county employee act as a local assessor). Coordinated Assessing does not require a referendum (compared to county-run assessing below), but rather the agreement of the municipalities and the county. Under the terms of such contract, the involved municipalities would coordinate their assessing functions and contract with the county for all assessment services.

In reviewing the operational structure of the County and the City, Board staff learned that the County employs eight full-time staff and has departmental costs of nearly \$750,000. The County is the sole assessor for four towns and it also provides assessment related services to other towns in the County. The City employs two full-time staff and the department spends approximately \$215,000 annually on assessment.

According to the City, the County would charge \$13.50 per parcel for full assessment services, including being the assessor for the City. The City has roughly 5,000 parcels, therefore, the annual bill from the County would be approximately \$67,000 per year. Given the density of the City in comparison to surrounding towns, as well as the likelihood of increased property-type homogeneity, the County would not have the same "per-property" efforts as they do in surrounding towns, as thus, the City should seek a lower per-property cost/charge from the County, should the City partner with the County for the service.

If the County were to take over all assessor functions for the City, the City would likely still need a part-time employee to act as a liaison to the County or provide internal support for the City. It is likely that under this approach, the City could save an estimated \$130,000 in salary and fringe benefits, offset by the charge from the County.

Dispatch Services

The City employs four employees and budgets \$350,000 for its 911 dispatch function. The County manages a County-wide 911 emergency dispatch function and provides this service for all areas of the County, with the exception of the City of Plattsburgh. The County staffs 14 employees and budgets over \$1 million annually for the function. It should be noted that City taxpayers are also County taxpayers, and are hence paying for two dispatch operations, when they could be paying for only one.

Eliminating duplicative emergency dispatch services is frequently recommended by the Board. If the City were to allow the County to provide dispatch services, the City could save a substantial percentage of its budgeted expenses in this area. Depending on the staffing needs of the County, the City and the County could approach this from a number of different ways. Depending on the precise path chosen and the specific operational changes envisioned for City staff, the City may need to engage in negotiations with the workforce and affected bargaining unit.

State Parks

The City of Plattsburgh and New York State share coastline along the western side of Lake Champlain, whereby the City operates its Plattsburgh City Beach, and the State operates the Cumberland Bay State Park. This combined stretch of beach, at 1.5 miles long, is one of the longest freshwater beaches in America.

In discussions with local officials, it became apparent that, given the mutual stretch of land and beachfront, opportunities for collaboration could certainly exist between the State and the City. However, collaboration between the two entities has been minimal. In order to ascertain any potential opportunities for efficiency or shared services, Board staff arranged a number of calls and encouraged City department heads and State staff to meet to further discuss the range of potential collaborations between the two parties in this area.

In late December 2016, staff from the two governments met in the City to tour the facilities and discuss areas of potential collaboration. The meeting produced a few smaller-scale, straight-forward ideas and opportunities to work on solidifying a partnership for the 2017 beach season. The partnership could likely involve water quality initiatives, advertising of amenities, communication protocols, and possibly creation of a lifeguard competition.

Over the near future, the State will seek opinions of its executive agency staff on how they will view specific collaborations with the City, including creating a mixed-use trail connecting both properties as well as potentially developing a unified plan to better provide lifeguard services for the entire beach. In addition, both entities will establish a joint survey of patrons to gauge park impact and usage, economic impact, and potential quality improvements.

The Board finds that the City and the State should continue to discuss and develop opportunities for collaboration that could result in higher levels of efficiency for both parties that will produce operational savings, development of new revenue generating ideas, and increased quality of life for the public.

Department of Public Works Operation Site

The City of Plattsburgh owns 12 acres in the Town of Plattsburgh and uses that location for its Department of Public Works/Highway Department operation.

Recently, the City has been interested in locating its facilities within City borders for a number of reasons:

- the City believes it could save money every day by cutting the distance its trucks have to travel to work and operate;

- the City owns property outside of its border, it is obligated to pay property taxes approaching \$40,000 per year, which is divided among the Town, County, and School District;
- the City operates its own municipal electric utility, and thus, is provided with a very advantageous electrical kilowatt rate. However, because the City's DPW/Highway facility lies outside of the utility's footprint, the City has to pay New York State Electric and Gas (NYSEG) utility rates, which end up costing the City close to \$90,000 per year more than if the facility was within the City boundary; and, among other reasons,
- if the City were to be able to relocate its DPW/Highway Department into the 14-acre parcel within the City's boundary, it could potentially also relocate its Municipal Lighting District (MLD) operations to that same parcel, which in turn, would allow the City to sell or re-purpose the current MLD parcel.

The City could consider trying to annex the 12 acres, if the property touches with the City at any point. It may also be possible for the City to try to extend its municipal electrical grid to that 12 acre parcel in the Town, which lies just outside of the current grid. Extending the grid (power lines) to this DPW facility would allow the City to take advantage of its low kilowatt rate and should enable Plattsburgh to save upwards of \$90,000 annually in electric costs.

There are, however, challenges for the City to be able to accomplish this extension. Since the City is paying NYSEG a significant amount each year for electricity, NYSEG would likely resist losing a piece of their grid and the associated revenue. This is an issue that the Public Service Commission (PSC) may have to delve into or opine on should the City wish to entertain this possibility. Another challenge would be the sheer cost to the City associated with extending the grid. The last time the City contemplated such a venture, they estimated that it could cost over \$450,000

Aside from these opportunities, the Mayor is also contemplating relocating the City's DPW operation as well as the City's Municipal Lighting Department (MLD) to a new, combined location on available City acreage. According to the Mayor, such a maneuver would provide a number of benefits, including departmental shared services and economies of scale, ability to sell the Town parcel and eliminate the higher electricity costs as well as the property tax payments, and free up waterfront land where the current MLD operation is.

Recommendation: The Board recommends the City work with the County to invest in similar payroll and time and attendance software; IT hosting by the County; a County takeover of assessing, dispatch, and other shared services; extend the City's electrical grid to its DPW facility to the extent practicable; or continue contemplation of co-locating the DPW and MLD facilities. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$1 million to assist the City with implementing any of the opportunities. 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.

The Board further 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>.

Transformational Municipal Restructuring Grants

On February 2, 2016 the Department of State released the Request for Applications for the Municipal Restructuring Fund (MRF) – a \$25 million program to assist local government and school officials with developing transformative projects that will lead to property tax reductions for New Yorkers. The MRF is a grant program with a continuous recruitment process and projects submitted through the program will be ranked as they are received based upon established criteria until funding is exhausted. Projects will be ranked by metrics that include potential impact across local governments, effect across service delivery areas and municipal functions, and potential for long-term property tax savings.

The City should consider evaluating internal opportunities for consolidation or partner with surrounding communities for the purpose of filing an application for this grant funding. More information on MRF grant requirements and how to apply is available at <http://www.dos.ny.gov/funding/rfa-15-mrf-27/index.html>.

County-wide Shared Services Property Tax Savings Plans

The FY 2018 State Budget empowers citizens and local leaders to control the cost of local government through the creation of County-wide Shared Services Property Tax Savings Plans. Each county will gather the mayors and supervisors in the county and develop a plan that generates real, recurring taxpayer savings. The plan should include actions such as the elimination of duplicative services; shared services, such as joint purchasing, shared highway equipment, shared storage facilities, shared plowing services, and energy and insurance purchasing cooperatives; reduction in back office administrative overhead, and/or better coordination of services. The State will match the first year of savings from new shared services actions in approved plans.

The City should actively participate in the development of the Clinton County plan, taking advantage of this opportunity to find and implement shared services actions with other local governments in the County. Additional information on this initiative is available at https://www.dos.ny.gov/lg/countywide_services.html.

Efficiencies

Parking Investments

Prior to the announcement of the Downtown Revitalization Initiative (DRI) by the Governor, the City of Plattsburgh was interested in developing a city center concept focused on redeveloping the municipal parking lot located at Durkee Street. Durkee Street is located on a five acre site in the southeast corner of Plattsburgh's downtown district. The site is currently home to a 380 vehicle municipal lot, the 14 Durkee Street building, the Farmer's Market, and the former Highway Oil building.

In December 2016, the City of Plattsburgh was awarded \$20,000 in funding through the Regional Economic Development Council (REDC) process to assist with a parking study of the downtown area, with a focus on the Durkee Street lot and surrounding area identified in the Downtown Revitalization area.

The City's downtown has available space. More than three acres of property at the waterfront provide an opportunity for development, with a parking lot already in place and six more adjacent acres that could be repurposed for housing. The Durkee Street lot development would require a change in the way residents and visitors access parking. Currently, the lot holds approximately 380 parking spots and is the main place reserved for parking in the City. With the redevelopment of the space, due to assumed repurposing by the DRI, parking solutions for the future of the City will need to be explored.

The development happening in downtown Plattsburgh through the DRI will likely have a significant impact on the way parking is provided in the City. Currently there is no paid parking in the City, with free parking available in five surface lots downtown along with a one-story parking garage in the Durkee Street lot. The garage is used by the Gateway Office Building located adjacent to the lot. Street parking is available around the City with two-hour time limits placed on the spots available downtown.

In light of the potential of the Durkee Street lot, the State recently announced its redevelopment as one of the City's ten winning projects under the Downtown Revitalization Initiative (DRI). The City should continue to explore other parking opportunities, including its capacity to install paid parking, either via meters or a parking garage. Not only would the addition of paid parking help the City maintain its downtown area, but the parking fees might also help offset the cost of the installation of meters or the construction of a tiered parking garage. The development brought in by the DRI may increase the need for parking around the downtown as shops expand and more people are working and living downtown.

It is vital that the City plans for not only its current needs, but that it also creates a flexible solution to parking issues that may arise in the future.

Marina

The City of Plattsburgh is the largest city on the New York State side of Lake Champlain. With shoreline in New York, Vermont, and Canada, the 127 mile-long Lake Champlain has grown significantly in the sailing, yachting, and fishing communities. It is well documented that the lake has a major impact on the economic conditions of the region.

In 2015, the City of Plattsburgh opened the 36 slip/25 mooring Plattsburgh City Marina. It became immediately full and profitable. The City of Plattsburgh is revitalizing its waterfront, generating a modest income and promoting tourism with the marina. All slips and all protected moorings are currently full with a waiting list of over 60 boaters.

The City would likely generate substantially more income and tourism with a marina expansion. An expansion would create 74 more slips for seasonal boaters, adding to a new combined total of 135 slips and moorings. Engineered plans and accurate cost estimates are in place and the necessary permits have been applied for.

An increased quantity of boaters would have a significant impact on downtown Plattsburgh and the surrounding region. The City of Burlington, VT has a municipal marina and estimates that boaters spend between \$200 and \$300 per boat, per day. This type of economic infusion will help the resurgence of the Plattsburgh region be successful.

In addition to the benefits of the direct and indirect spending of boaters, the expanded Plattsburgh City Marina would generate significant revenue to offset not just the operational costs of the marina, but also quality-of-life-related expenses. This additional revenue could be applied to multiple quality-of-life initiatives throughout the community, such as the Plattsburgh City Beach and a future regional indoor sports complex. Investment in the Plattsburgh City Marina could have a ripple-effect on the quality-of-life for residents and for the regional economy.

According to the City, Marina Phases 2 and 3 (which could be developed and implemented together) would cost about \$1.2 million. If the City received grants for the project and could subsequently avoid taking on new debt, the City would generate a \$2.85 million profit over 15 years, or an average of \$190,000 per year. This amount represents over 1.7 percent of the property tax levy.

According to City officials, the City of Plattsburgh is shovel-ready for this project. An investment in the spring of 2017 would lead to construction contracts signed in June 2017 and would give the marina the ability to sell seasonal slips for the 2018 boating season in late summer 2017. Additional revenues would be recognized immediately.

The Board finds that, given the unfulfilled demand for boating slips, the need for the City to create additional revenue, and that an investment in this area could dovetail with other simultaneous investments in the City through the DRI process, the City should continue to consider expansion of the marina.

Tax Base

The City of Plattsburgh, similar to other cities reviewed by the Board, faces many of the infrastructure issues confronting other municipalities in Upstate New York. Harsh winters have stressed aging infrastructure, and the ability to finance repairs to this infrastructure is limited by a shrinking population that is composed primarily of low to moderate income households. For many municipalities, the concept of funding infrastructure through traditional property taxes is not as sustainable as it once was.

Over 35 percent of properties in the City are tax exempt, which places a burden on the remaining taxable properties to fund City operations and infrastructure. Since property taxes are controlled

at the local level, it is the revenue source that local officials typically must turn to as the last measure to balance revenue and expenses. The emergence of the tax cap and its override requirements, as well as the demands by taxpayers, has made local officials more sensitive than ever to levy increases.

Finding ways to take pressure off of the tax levy, and pressure off of existing taxpayers, is a typical goal of local government leaders. Some cities in the State are looking beyond existing property taxpayers in order to try to increase revenue. Municipalities are looking at creative ways to have tax-exempt properties pay for the share of the burden that they place on municipal services.

Following in the steps of a growing number of municipalities within the State, including the City of Rochester and the City of Ithaca, some within the City of Plattsburgh's government would like the City to pursue a new, innovative funding program that will address its ongoing infrastructure funding and maintenance issues for sidewalks, storm water, lighting, and street maintenance.

Several decades ago, the City of Rochester developed a way to incorporate both taxable and non-taxable properties into the sharing of costs for street-related services such as street cleaning, roadway and sidewalk snow plowing, and hazardous sidewalk repair through what the City of Rochester calls an "embellishment fee". According to the City's website, such fees charge for specific services included on the annual property tax bill. The fees are based on the multiplication of the property's front footage by the appropriate rate. The fee totals approximately \$225 per year for an average homestead property with 40 feet of frontage.

In 2014, the City of Ithaca implemented a new sidewalk funding program whereby low-foot-traffic lots (one- and two-family homes) were responsible for paying an annual maintenance fee of \$70. All other lots pay an annual maintenance fee of \$140, plus a square footage fee (\$0.015 per square foot of buildings on a lot) and a frontage fee (\$30 for each 55 feet of lot frontage or portion thereof).

In line with the City of Ithaca, the goals and objectives of a potential City of Plattsburgh sidewalk fee program would be as follows:

- inclusion of tax-exempt owners into a new system of financing to produce additional revenue to properly fund necessary City repairs and investments;
- planned and predictable sidewalk costs for property owners;
- reduced disincentive to new construction; and,
- improved sidewalk repair records in a simple and efficient system.

In addition to the sidewalk program, the City could create a similar program for allocating costs associated with storm water runoff, which is similar to another program in the City of Ithaca. Beyond these programs, the City could also contemplate a fee structure to fairly allocate costs for street lighting.

It should be noted that, for the properties that currently pay taxes in Plattsburgh, if the City were to mimic Rochester or Ithaca's approach and create a new street-based fee, or a similar benefit assessment as authorized in General City Law, and not concurrently lower the tax levy, this approach would increase the burden on current taxpayers.

Of further note, the City of Rochester does not bill or collect embellishment fees from the State of New York. In Plattsburgh, 40 percent of the total tax exempt property is State property, and of this, over 95 percent is SUNY Plattsburgh. If the City decides to construct a fee program similar to Rochester or Ithaca, it should do so with the assumption that no new revenue would likely be attainable from the State property within the City. The City would have to determine if, given such limitation, the new net revenue is worth the physical and political efforts.

The Board finds that if the City desires, it should develop a work plan for the costs and potential benefits of a new program of infrastructure financing, including how new fees would affect current taxpayers, tax-exempt properties, and future tax increases.

Recommendation: The Board recommends that the City continue to implement additional efficiency actions that will lower the annual cost of providing specific services. 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 such efficiency actions. 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.

Workforce

Retiree Health

When preparing the City's 2016 budget, the former administration and City Council planned to change the City's insurance benefit program for all of the Medicare-eligible retirees in order to save a half million dollars. However the plan was opposed by a number of retirees who filed suit in court. Days before the final City budget was due, a restraining order was issued blocking implementation of the new insurance plan.

This order forced the City to find ways to close a \$600,000 gap in the all funds financial plan (\$500,000 for the General Fund) that resulted from this action. The City noted that of approximately 230 retirees in question, more than 70 individuals ended up switching to the Medicare-based health plan, while the remainder (party to the court action) did not. It was this remaining group that the City was blocked from switching.

Approaching the 2017 budget, with a new Mayor coming, the City Council decided not to try to force the remaining group of Medicare-eligible retirees to switch health care plans in order to save the remaining \$350,000 in General Fund costs. There has been no decision by the new Mayor or the City Council to move any more individuals to this Medicare plan. According to the City, they are still prevented, for the time being, from moving any retirees. That injunction has been extended to August of 2017. The Mayor is unsure if any deal can be struck before such date.

Board staff believe there may still be opportunity for the City and the retirees to come to an agreement so the City can reduce its costs but also help its retirees retain quality, affordable health care coverage.

Recommendation: The Board recommends that the City continue to work on an agreement to convert Medicare-eligible retirees to a new health plan. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$500,000 to assist with such agreement. 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.

Police Department

At a total department FTE count of 58 (51 uniform) and with annual departmental costs of \$4.4 million, excluding fringe benefits, the Police Department is the largest department in the City of Plattsburgh. According to City staff, the uniform count is up four FTEs since 2011. As noted earlier in this Comprehensive Review, the Police Department's contract expired at the end of 2016. The City and the union could begin the process of negotiation at any point in the near future. Separate and aside from determining what a fair compensation package is, the City should contemplate what it believes is the most optimal level of staffing for the Department. The staffing level should provide the necessary level of service to the community, but also be one that taxpayers can financially support.

In terms of community presence, it should be noted that the City police are not the only law enforcement in the area. In fact, there are two other forces that are present within the City's borders. The County funds a full Sheriff's Department and patrol force that includes 32 FTEs with departmental costs of \$3 million. In addition, SUNY Plattsburgh maintains a police and security force comprised of 17 FTEs. SUNY spends over \$1 million in salary costs for this department,

exclusive of total fringe benefit costs. SUNY officers do not patrol off campus, but are allowed to follow-up or pursue incidents off campus if necessary.

The staffing available across all three Departments in or around the City represents a substantial grouping of personnel for the size and population of the City. With the City's Police Department being slightly larger than it was a handful of years ago, and given that the department is not at its contractual minimum staffing level, an opportunity exists for the City, SUNY, and the County to potentially combine or, at the very least, supplement operations.

Board staff has not performed an exhaustive analysis in trying to determine how many uniformed officers the City of Plattsburgh should have. The following chart represents a very high level comparison of the City's uniform and civilian Police Department levels to several other peer cities, using a population and per capita basis only. These numbers reflect only City FTEs, and do not include any University or County staffing:

Full-time Law Enforcement Employees – Plattsburgh and Peer Cities							
City	Population	Total Law Enforcement Employees	Total Officers	Total Civilians	Total Employees per 10k	Total Officers per 10k	Total Civilians per 10k
Oswego	17,941	58	49	9	32	27	5
Plattsburgh	19,678	58	51	7	29	26	4
Rye	16,066	42	37	5	26	23	3
Lockport	20,641	47	45	2	23	22	1
Cortland	19,163	46	43	3	24	22	2
Amsterdam	18,012	42	39	3	23	22	2
Cohoes	16,225	35	31	4	22	19	2

(Cities - 2015 FBI Uniform Crime Reporting)

Of this peer group, Plattsburgh and the City of Oswego employ the highest number of officers per ten thousand residents. One could assume that the presence of a University within the City limits is justification to have an elevated force. However, the City of Cortland, with a larger SUNY enrollment than Plattsburgh, seems to be able to manage with a lower per capita force.

In the face of a depleted fund balance and rising taxes, the City must attain structurally balanced budgets moving forward. Along these lines, all departments and all services should be scrutinized to find the optimal level of cost and benefit.

Fire Department

The Fire Department has been working with an unsettled contract from 2012 through 2016. Most recently, according to the City, the Union has been seeking three percent retroactive raises. The City and Union are presently at impasse and the matter is headed for arbitration. At a three percent increase, the retroactive pay amount would be \$1.2 million for the 2012-2016 period. At two percent each year, that amount would be close to \$800,000, without considering the added pension/other benefit costs. The benefits would be at current rates of roughly 42 percent and would amount to an extra \$300,000 for two percent increases and over \$450,000 for three percent increases – for a grand total of \$1.1 million retroactive pay cost only at two percent raises and just under \$1.7 million for three percent raises. For context, the City's available General Fund balance may come close to being completely exhausted, or go negative, when 2016 audit figures become known.

Another item within the Fire Department's contract is a provision called "lieu pay" that provides an additional nine hours of holiday pay for firefighters not working on a holiday. In other words, if a shift happens to miss a major holiday, whereby that individual would miss out on the extra holiday pay, the contract would grant a bonus for those people who happened to have that day off. This provision adds a cost of \$45,000 annually.

In addition, the contract states that firefighters are only allowed to be on standby for the last 16 hours of a 24-hour shift. No side work can be asked of them during that long period. While situations may vary, 8-, 10-, or 12-hour shifts have been shown to provide better coverage with fewer overtime requirements and less fatigue for the employee throughout the work day.

Medical First Response and Fire Department Ambulance Service

The City provides its own ambulance service for its residents through its Fire Department. Including benefits, the City spends just over \$4 million per year for the Fire Department. The most revenue received for ambulance calls over the past five years is \$572,000, which barely covers the cost of eight of the lowest paid staff with benefits. Per contractual obligation, the City has to employ 36 firefighters based on the minimum staffing clause.

In a typical year, there are at most 30 calls that are considered true fire calls. Of these 30, around 10 are large structure fires. Therefore, the majority of the time spent by the 36 Fire Department staff is for answering 2,500 to 2,800 ambulance (medical) calls per year. The Board has seen similar situations throughout the State, in which only a small percentage of calls handled by fire departments are for true smoke and fire-related issues.

According to statistics maintained by the State Department of Labor, firefighters in New York State have a median wage of \$70,770 and EMTs/paramedics in New York State have a median wage of \$37,640, both excluding benefits. It is important to note that firefighters receive significant additional benefits and protections, including a 20-year pension benefit rather than 30 years for non-uniform governmental employees, the availability of binding arbitration, which is only available to police and fire unions, and 207-a disability benefits.

Maintaining a proper number and type of personnel is vital to ensure that response time and the public's well-being is not harmed or jeopardized. However, given the significant percentage of calls that are medical as well as the cost implications of the fire personnel, local governments

should continue to look for ways to provide quality service with optimal response times at a far lower cost.

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. These reforms were extended until 2019 as part of the FY 2017 State Budget.

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, it would likely qualify for application of the heightened ability to pay requirements should its labor negotiations require arbitration.

Economic Development

Indoor Sports Complex

In 1974, the City of Plattsburgh completed construction on the 40,000 square foot Crete Memorial Civic Center, located on 99 acres of the Plattsburgh City Beach property. The Crete Center was, for a long time, an ice rink and event space, holding thousands of events and games throughout its lifespan. The ice rink was shut down in 1998 due to extensive plumbing issues. The building was repurposed in 2004 as an indoor sports complex. Turf was put down and nets were put up, and ever since then, the City has operated an indoor field sports program with soccer, flag football, baseball, and lacrosse. Currently, there are two primary issues with the Crete Center:

- The Crete Center is experiencing extensive technical issues due to the age of the building. The roof is leaking and needs to be replaced, water and sanitary lines are failing, electrical components are failing, parking lot lights have failed, and very little of the building meets Americans with Disabilities Act (ADA) accessibility requirements. Additionally, the energy efficiency of the facility (originally designed to keep ice from melting) is extremely poor.
- The demand of the indoor field sports program has far exceeded the supply. Plattsburgh has one indoor field, which limits the ability for it to do more than one game at a time. The City runs two sessions per year (Fall/Winter, and Winter/Spring). In each session it is now regularly seeing more than 150 teams (over 2,000 people per week). Because of the lack of space, the City has turned away over 30 teams and over 50 individuals in this session alone. This equals over 350 people who are unable to participate.

The City, along with its municipal and State partners, has a tremendous opportunity to build a new indoor sports and convention complex on the Plattsburgh City Beach Property. Funded by a grant through the Department of State, a Waterfront Design and Feasibility Study was completed in April 2016 that identified opportunities for the re-use of the site to serve as an economic development catalyst through waterfront redevelopment for the Plattsburgh region.

The demand and the cash-positive business model currently exists to support such a venture. The complex would be built with a number of primary achievable goals:

- to satisfy the demand of the region's residents, who are seeking individual and team-based opportunities to maintain an active and healthy lifestyle;
- to significantly enhance the quality-of-life of the region to attract and retain large-scale international manufacturers like Nova Bus, Bombardier, Norsk Titanium, and Lorentian Aerospace;
- to provide enough indoor space to allow for regular practices for those who participate;
- to provide the ability to host multiple events at the same time, as well as both team-based and individual-based activities (e.g. tennis, rock wall, track, swimming);
- to engage in a shared services arrangement with other municipalities and county or State agencies that satisfies multiple agency goals and disburses the responsibility over a larger tax base;

- to achieve operational efficiencies by sizing the building appropriately for its use, and by using the same staff to manage both the new sports complex and the Plattsburgh City Beach; and,
- to create a facility that attracts multi-state and multi-national participants and that has a significant economic impact on the region through sports/leisure tourism.

According to the City, initial order-of-magnitude estimates put a “wish-list” facility in the \$25 million range. For comparison, when the Crete Memorial Civic Center was constructed, it cost \$12.5 million in today’s dollars. Including a modest indoor waterpark feature and factoring in \$6.0 million in potential State/Federal/private funding, the City estimates that revenue would begin to exceed expenses around year seven, with total revenue-after-expense of close to \$8 million over the life of a \$20 million bond.

If the City truly desires to entertain a project of this magnitude, it should seek to create regional support for this venture, perhaps including SUNY and neighboring governments. The City should also work with its Regional Economic Development Council (REDC) to make sure the Council is aware of this potential regional project and inquire about funding for design and specification and/or funding for its construction.

Downtown Revitalization Initiative

The first round of the Downtown Revitalization Initiative (DRI) will invest \$10 million in each of ten communities to transform them into vibrant communities where tomorrow’s workforce will want to live, work, and raise families. The program emphasizes using investments to reinforce and secure additional public and private investments proximal to, and within, downtown neighborhoods, and in doing so will build upon growth spurred by the Governor’s Regional Economic Development Councils (REDCs).

One community downtown area was selected in each of the ten REDCs of New York State. Plattsburgh was chosen out of eight applicants in the North Country REDC as the regional awardee.

Steps Completed

The City of Plattsburgh created a DRI Local Planning Committee (LPC) that developed a downtown revitalization plan identifying economic development, transportation, housing, and community projects that align with the community’s vision. With the help of planning experts hired by the State to assist the committee, the LPC held five in-person meetings (September 15, 2016, October 24, 2016, December 9, 2016, January 9, 2017, and February 11, 2017) and three conference call workshops (January 4, 2017, January 5, 2017, and February 1, 2017).

The planning experts reviewed and analyzed previous planning efforts, collected additional data, and analyzed existing conditions, issues and opportunities, which was then compiled into a Downtown Profile. The planning experts engaged the public by organizing four community workshops, two movie nights showing the documentary, “Urban Century” followed by discussion, four community surveys, and interviews and focus groups with local youth, residents, families, SUNY students, business owners and local leaders.

With the assistance of the planning experts, the LPC developed a vision and goals and proposed a number of key projects to revitalize the downtown that could be implemented using DRI funds as well as some additional projects that could be implemented with other funding sources.

Winning Projects

The LPC's plan for downtown revitalization was submitted to the State at the end of February. The City's DRI funds were awarded to priority projects proposed in the plan that will serve as catalysts to advance the community's vision as expressed in the plan: "The Downtown Revitalization Initiative will foster Downtown Plattsburgh's educational, cultural, historic, artistic, recreational, dining, and retail opportunities. DRI investment will strengthen existing local and regional assets; create long-term value to support future generations, and provide an inclusive and sustainable downtown experience for residents, workers, students and visitors."

In May 2017, the State announced the following ten winning projects from Plattsburgh's downtown revitalization plan:

- Re-Development of the Durkee Street Parking Lot - re-develop the Durkee Street parking lot, increasing residential and commercial activity, returning the site to the tax rolls, and connecting the historic downtown to the waterfront.
- Food Incubator - create a small, "pop-up" or temporary kitchen and retail space connected to the resources and business expertise of the North Country Food Co-Op. The incubator will support new or growing prepared food businesses downtown by providing easy connections to the shared commercial kitchen and equipment, as well as access to a base of potential customers already patronizing the Co-Op.
- Shared Commercial Kitchen - create commercial kitchen space to support Plattsburgh's local organizations and farms to cook, process, and package food and bakery products.
- Enhance Riverfront Amenities - improve riverfront access at key points to strengthen the connection to downtown, increase recreational opportunities, and highlight Plattsburgh's natural assets.
- Dock Street Waterfront District - a request for proposals will be issued to invite developers to propose new ideas for the Dock Street Waterfront District that will connect residents and visitors at the waterfront with the city's historic core.
- Downtown Streetscape Improvements - improve the downtown streetscape and pedestrian experience with investments to key streets and walkable areas. The project includes design and construction of streetscape improvements on five streets within downtown, the Veteran's Memorial Bridge, and underutilized open space within the City.
- Fund for Downtown Residential, Retail, and Hotel Improvements - provide a grant fund, targeted at upper floor residential and commercial/hotel development, to incentivize downtown development and rehabilitation.

- Advance the Art and Innovation Studio - develop an Art & Innovation studio at the Strand Cultural Center, which includes installing equipment and software that will encourage experimentation and support educational programming across multiple disciplines.
- Marketing, Branding, and Signage Strategy - target downtown marketing to strengthen Downtown Plattsburgh's identity and visibility by improving wayfinding and signage to draw attention to historic and cultural assets.
- Strand Center Capital Improvements, Marketing, and Branding - fund capital improvements at the Strand Center Theatre, and support strategic marketing and advertising efforts.

FY 2018 State Budget Actions Will Assist the City's Economic Development Climate

The FY 2018 State Budget includes a number of initiatives that will grow the economy within the City of Plattsburgh and the surrounding North Country region. This includes supporting locally-driven priorities for economic development and bolstering some of the State's most vital forms of infrastructure.

Transportation Capital Program

The FY 2018 State Budget continues to fund \$21.1 billion for capital improvement of highways, bridges, rail, aviation infrastructure, non-metropolitan Transportation Authority transit, and Department of Transportation facilities throughout the State. This includes the continuation of three initiatives: BRIDGE NY, PAVE NY, and the Extreme Weather Infrastructure Hardening Program.

- The BRIDGE NY program provides \$1 billion to replace, rehabilitate and maintain State and local bridges over a five year period.
- The PAVE NY program provides \$1 billion to State and local paving projects over a five year period and is distributed according to the Consolidated Local Street and Highway Improvement Program (CHIPs) formula. The City of Plattsburgh will receive \$80,000 in FY 2018 as part of this program.
- The Extreme Weather Infrastructure Hardening Program provides \$500 million to further improve conditions on State and local roads and bridges, as well as provide resiliency to roadways that are particularly susceptible to weather events.

Clean Water Infrastructure

The FY 2018 State Budget continues the effort to improve water infrastructure in the State through the Clean Water Infrastructure Act. The Act provides \$2.5 billion for local governments to help address water emergencies, pay for local infrastructure, construction projects, underwrite land acquisition for some water protection and investigate and mitigate emerging contaminants of drinking water. This investment will protect public health, safeguard the environment, and preserve the State's water resources. These projects will improve the quality and safety of municipal drinking water distribution, filtration systems, and wastewater treatment infrastructure.

Regional Economic Development Councils

To build on the success of the Regional Economic Development Council (REDC) and Upstate Revitalization Initiatives (URI), the FY 2018 State Budget continues this locally-driven economic development approach for a seventh round of REDC awards. Round VII of the Regional Council Initiative will include \$750 million to be split competitively among each of the State's ten regions.

During the 2016 awards process, the following projects within the City of Plattsburgh were awarded a total of \$1.8 million in funding:

- \$300,000 – Modernize two elevators and elevator components in the Plattsburgh Housing Authority's Lakeview Towers.
- \$20,000 – The City of Plattsburgh will conduct a parking study focusing on the Durkee Street area with the goals maximizing parking while minimizing the footprint to enhance the downtown area.
- \$49,500 – The Strand Center for the Arts, in partnership with the City of Plattsburgh and SUNY Plattsburgh, will hire consultants to map the cultural and creative assets of Plattsburgh and surrounding areas creative networks to leverage resources to spur economic development.
- Portion of \$1.4 million – Part of a County-wide award to advance downtown revitalization and resiliency projects in communities along the Ausable River.

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 land banks in 2011, and the number of authorized land banks was increased to 25 as part of the FY 2018 State Budget. In New York State, municipalities must first submit an application to create a land bank to Empire State Development (ESD).

Land banks are not-for-profit corporations that may be able to more efficiently return vacant, abandoned, or tax delinquent properties back to productive use. They have several powers 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. Currently, there are 20 approved land banks in New York State.

The Board finds that the City of Plattsburgh should seek to work with Clinton County and other municipalities to create a regional land bank that could serve as a tool for combatting blight in the most affected areas of the region.

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 Plattsburgh 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 the City work with the County to invest in similar payroll and time and attendance software; IT hosting by the County; a County takeover of assessing, dispatch, and other shared services; extend the City's electrical grid to its DPW facility to the extent practicable; or continue contemplation of co-locating the DPW and MLD facilities. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$1 million to assist the City with implementing any of the opportunities.
- The Board further 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 Board recommends that the City continue to implement additional efficiency actions that will lower the annual cost of providing specific services. 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 such efficiency actions.
- The Board recommends that the City continue to work on an agreement to convert Medicare-eligible retirees to a new health plan. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$500,000 to assist with such agreement.

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 the City of Plattsburgh



James E. Calnon
Mayor

41 City Hall Place
Plattsburgh, New York 12901
T: (518) 563-7701
F: (518) 561-7367
mayor@cityofplattsburgh-ny.gov

January 8, 2016

Ms. Mary Beth Labate, Chair
The Financial Restructuring Board for Local Governments
NYS State Capitol Building, Room 135
Albany, NY 12224

Dear Chairperson Labate;

As Mayor and Chief Executive Officer of the City of Plattsburgh, I am respectfully requesting, along with the governing board of the City of Plattsburgh, that the New York State Financial Restructuring Board for Local Governments do a complete review of the City of Plattsburgh's financial conditions and make any recommendations that would help us to improve our current financial conditions.

Respectfully,

James E. Calnon
Mayor, City of Plattsburgh

cc: Members of the Common Council
Richard Marks, City Chamberlain



James E. Calnon, Mayor

41 City Hall Place
Plattsburgh, NY 12901
518 563-7701
518 561-7367 fax
mayor@cityofplattsburgh-ny.gov

January 8, 2016

At a Regular meeting of the Common Council of the City of Plattsburgh, New York held on January 7, 2016, the following resolution was adopted.

RESOLVED: That the City Chamberlain be authorized as the primary municipal contact to provide the information and complete the request for a Comprehensive Review from the Financial Restructuring Board for Local Governments pursuant to Local Finance Law Section 160.05 (3); and

BE IT FURTHER RESOLVED, that by adopting this resolution, this Common Council is officially requesting a Comprehensive Review with the concurrence of the Mayor of the City of Plattsburgh.

By Councilor Kelly; Second by Councilor Dowdle

On roll call: Councilors Armstrong, Kelly, Dowdle, Kasper, Kretser
(All voted in the affirmative)

Absent: Councilor O'Connell

CERTIFIED A TRUE COPY

January 8, 2016

I, Sylvia Parrotte, the duly appointed City Clerk of the City of Plattsburgh, do hereby certify that the preceding resolution was adopted at a regular meeting of the Common Council of the City of Plattsburgh held on January 7, 2016, and is incorporated in the original minutes of said meeting, and that said resolution has not been altered, amended or revoked and is in full force and effect.


Sylvia Parrotte, City Clerk

Appendix B – Resolution Approving the City of Plattsburgh

Financial Restructuring Board for Local Governments

RESOLUTION No. 2016-12

APPROVING THE REQUEST FOR A COMPREHENSIVE REVIEW FROM THE CITY OF PLATTSBURGH

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 Plattsburgh (the "City") is a Fiscally Eligible Municipality because it has an average full value property tax rate of \$10.470 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. 2016-12

Dated: 6-20-16

