Financial Restructuring Board for Local Governments Meeting

September 23, 2013
All information included in this presentation may be found on the Board’s website:

www.frb.ny.gov
Statutory Overview
Ch. 67 of the Laws of 2013

• Created to assist distressed municipalities by developing targeted recommendations and assistance

• The Board has two primary functions and responsibilities:
  – Comprehensive Review
  – Binding Arbitration
Comprehensive Review

• The Board may review a municipality's operations, finances, management practices, economic base, and any other relevant factors to make findings and recommendations on reforming and restructuring its operations.

• A Comprehensive Review must be requested with the consent of the municipality’s governing body and its chief executive.

• Certain municipalities are automatically eligible.
Comprehensive Review

- Other municipalities may apply and provide justification as to why they would benefit from the Board’s services.
- The Board may offer grants or loans up to $5 million to municipalities upon implementation of Board recommendations.
- Board recommendations must be finalized within six months of accepting a municipality’s application for services.
- The Board is not required to perform a Review for every applicant.
• The Board is also authorized to resolve an impasse subject to binding arbitration (e.g. for police and fire bargaining units)

  – A Binding Arbitration Determination must be requested with the joint concurrence of the municipality and the public employee organization

  – Determinations would be final and binding on both parties using the same criteria as the existing binding arbitration law

  – The Board’s Determination would be finalized within six months

  – Determinations may not be for a period longer than four years
Eligibility
Fiscally Eligible Municipalities

• Certain municipalities are automatically a Fiscally Eligible Municipality if they meet one of two criteria:
  – A five year average full value property tax rate above the 75th percentile for all municipalities statewide
  – A five year average General Fund balance below five percent of total expenditures

• Any municipality that has not reported the information necessary to calculate these averages to OSC cannot be deemed a Fiscally Eligible Municipality
<table>
<thead>
<tr>
<th>Type</th>
<th>Total</th>
<th>Automatically Fiscally Eligible</th>
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<tr>
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<td>8</td>
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<tr>
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<tr>
<td>Total</td>
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Applying for Board Services
Comprehensive Review

- Municipalities apply through the Board Website: www.frb.ny.gov

- Upon receipt of an application, staff will immediately review and make a recommendation to the Board regarding acceptance

- The Board will meet on a regular basis to ensure timely action
Comprehensive Review

• Municipalities submit the following information:

  ✓ Requesting Resolution
  ✓ Budget, Financial Plan, Financial Statements
  ✓ Economic Conditions
  ✓ Existing shared services
  ✓ Current Labor Agreements & Employee Health Insurance Contribution Information
  ✓ Contact Information
  ✓ Organizational Chart and Roster
  ✓ Areas of Opportunity

• Municipalities encouraged to submit any additional relevant information to assist in the Comprehensive Review
Binding Arbitration

• Municipalities and Public Employee Organizations must mutually agree to apply

• Both Municipalities and Public Employee Organizations will need to apply separately through the Board’s Website: www.frb.ny.gov

• Municipalities and Public Employee Organizations will be required to submit certain information to the Board
Potential Consulting Services
Request for Proposal (RFP)
Request for Proposal

• The Board may need to procure a pool of resources that can be quickly deployed on an “as-needed” basis

• If needed, the Division of the Budget (DOB) would issue an RFP, and manage the contracts

• The Offices of the Attorney General and the State Comptroller would conduct normal review