



**Financial Restructuring Board for Local  
Governments Meeting**

**September 23, 2013**

The background is a blue-tinted photograph of a grand classical building with prominent columns. In the foreground, there is a large, semi-transparent circular seal. The seal contains the text "NEW YORK" at the top, "1788" in the center, and "GATEWAY TO" at the bottom. The overall scene is dimly lit, suggesting an evening or night setting.

**All information included in this  
presentation may be found on the  
Board's website:**

**[www.frb.ny.gov](http://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

# Binding Arbitration

- 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

# Fiscally Eligible Municipalities

	Total	Automatically Fiscally Eligible
Counties	57	8
Cities	61	44
Towns	932	149
Villages	550	188
Total	1,600	389



# Applying for Board Services

# Comprehensive Review

- Municipalities apply through the Board Website: [www.frb.ny.gov](http://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](http://www.frb.ny.gov)
- Municipalities and Public Employee Organizations will be required to submit certain information to the Board

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# 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



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