



Financial Restructuring Board for Local Governments

November 19, 2021

Agenda

- New Comprehensive Reviews and Awards
 - City of Amsterdam
- Activity Update for Previously Reviewed Municipalities
 - Resolution modifications for the Cities of Syracuse and Watervliet, and the Village of Amityville
 - New Awards for the Cities of Long Beach, Niagara Falls, and Ogdensburg



Completed Reviews



City of Amsterdam

Montgomery County



City of Amsterdam Overview/Fiscal Status

- OSC's Fiscal Stress Monitoring System gives the City a "Significant" Fiscal Stress Designation, with a current score of 75, one of the highest in the State. The City's Average Full Value Tax Rate was \$11.58, and its Average Fund Balance Percentage was -22.05 percent, for 2015-2019.
- The City ran operating deficits in four of the five fiscal years from FYs 2016-2020.
- At the end of CFY 2018, the City reported an All-Funds fund balance of -\$8.3 million, primarily due to an accumulated General Fund deficit of -\$6 million. Several other funds, including the Transportation and Recreation Funds, also reported negative fund balances.
- The State Legislature passed a bill to permit the City to finance its accumulated deficit (Ch. 531, L. 2019). In 2020, the City ended up issuing \$7.7 million of bonds to liquidate the All-Funds deficits.
- For the current FY 2021-22, the City's \$5.79 million tax levy was reduced by \$10k, after the 2018-2020 levies increased an average of nearly 5 percent per year.
- Federal ARPA Aid: The City is expected to receive \$1.8 million over two years.



Findings and Recommendations



City of Amsterdam

Shared Services/Functional Consolidation

- I.T.: Montgomery County and Amsterdam currently operate separate IT/financial systems including payroll and Time & Attendance systems. If, in the future, both governments can align new IT investments, they should consider purchasing the same systems. The County could begin to perform back-office functions for the City and other smaller governments.
- Dispatch: Amsterdam Police Department is the only emergency dispatch in the County that doesn't utilize the County's public safety answering point (PSAP). City taxpayers are paying twice for emergency dispatch. By transferring its police dispatch to the County, the City could save upwards of four FTEs, 2.5 of which are uniformed officers. The City and County could split the cost of the added workload on the County, still saving City taxpayers.



City of Amsterdam

Workforce and Labor

- Police: The City's Police patrol force stands at 32 members (excluding superior officers), due to a 32 minimum staffing clause implemented a decade ago. General research indicates a staffing closer to 25 officers would be in line with peers.
- Ambulance: The City presently operates only one ambulance through the Fire Department. If the City added a second ambulance, it could increase the number of transports, increase revenue, and guard against the need to outsource service if one ambulance needs repair.
 - Recommendation: The Board could award a grant of up to \$200,000 to help the City purchase a second ambulance.



City of Amsterdam

Internal/Operational Efficiencies

- LED Streetlights: The City has an opportunity to buy the current infrastructure from National Grid and upgrade 1,900 lights to LED, for a cost of close to \$2.3 million. Annual savings of over \$225,000 would be expected.
 - Recommendation: The Board could award a grant of up to \$1.1 million to assist the City in purchasing the streetlight infrastructure and upgrading all of the lights to LED.
- Water Service/Infrastructure: The City's mapping of its service mains and laterals is antiquated, with some maps well over a century old. Modern, digital mapping would improve leak detection and repair times.
 - Recommendation: The Board could award up to \$250,000 to enable the City to convert its water service mapping to a GIS/digital system and format.



City of Amsterdam

Internal/Operational Efficiencies (Continued)

- Buildings/Codes: The City is pursuing modern municipal software to integrate codes, building inspections, and applicable fire department activities by implementing a new digital system that allows employees to conduct inspection activities quicker and more efficiently.
 - Recommendation: The Board could award a grant of up to \$30,000 to assist the City in purchasing and implementing a new integrated codes and inspections system.
- Golf Course Clubhouse: The City Golf Course operation/fund had suffered financial losses, much of which was due to strained performance from the Clubhouse/restaurant operation. The City wants to keep the Golf Course (holes) but sell the Clubhouse/restaurant parcels to improve overall fiscal results for the Fund.
 - Recommendation: The Board could award up to \$69,000 to reimburse the City for required asbestos remediation at its Clubhouse/restaurant, enabling the sale of the parcels.



Activity Update on Previously Reviewed Municipalities



City of Syracuse

Background

- The Board approved the City's Comprehensive Review Report on June 26, 2019. The City was awarded \$2 million for payroll/time & attendance upgrades with Onondaga County and \$2 million for the City's LED streetlight conversion. The Report, in general, recommended that the City continue to look for workforce, shared service, and internal efficiency savings.
- With respect to the \$2 million award for LED conversion, while the City has already implemented the first phases of the project with \$38 million of City funds, due to the significant ARPA funds received by the City as well as a delay in the final phase of the project, the City would like to repurpose the FRB funding for a major Sanitation Department investment.
- The City intends to revamp its sanitation collection processes through new trucks, retrofitting trucks with tipper arms, purchasing over 90,000 canisters, to aid both staff and residents. The \$5+ million investment could produce savings of \$750,000 annually in the outyears.

Recommendation:

- The Board could modify the award to repurpose the \$2 million for sanitation investments and increase the award to a total of \$3 million.



City of Watervliet

Background

- The Board approved the City's Comprehensive Review Report on June 26, 2019. The City was awarded over \$2 million to help them address several opportunities, including Workers' Comp. self insurance, hydroelectric improvements, a new financial system, and others. The Report, in general, recommended that the City continue to look for workforce, shared service, and internal efficiency savings.
- With respect to the award for a new ERP/financial system, the Board awarded the City \$300,000 for a new system that had to be hosted by Albany County.
- However, with the change of City Administration, the pandemic, and the high cost and delayed timeline to procure the same system as Albany County, the City determined that it needed to go with a different vendor/product as its existing systems were failing.

Recommendation:

- The Board could modify the award to remove the requirement that Albany County must host Watervliet's new financial system and reduce the \$300,000 award to \$220,000 given that the endeavor will not include an immediate shared service between the governments.



Village of Amityville

Background

- The Board approved the Village's Comprehensive Review Report on June 19, 2017. The Village, and its host Town of Babylon were awarded up to \$200,000 each in grants to help the village upgrade its street lighting to LED. The Report, in general, recommended that the City continue to look for workforce, shared service and internal efficiency savings.
- The Village, however, ended up partnering with the Town of Brookhaven instead, after Babylon was unable to assist the Village.
- The existing Resolution (2017-05) required Amityville and Babylon to work together.

Recommendation:

- The Board could modify the award to remove the requirement that Amityville work with Babylon, and also remove the \$200,000 reward for Babylon, which will remain available for future Village awards.



City of Long Beach

Background

- The Board approved the City's Comprehensive Review Report on June 26, 2019. The City was awarded a total of up to \$375,000 in grants to assist the City LED lighting and budget/financial consultants. The Report, in general, recommended the City continue to look for workforce, shared service, and internal efficiency savings.
- The City's fiscal operations and budget are still very tenuous. Over \$4 million in borrowing was needed for operations last fiscal year, the Tax Cap was overridden for the current budget, and the City has no Unassigned Fund Balance available.
- Recently, a court-ordered judgement was imposed on the City, stemming from a several decades old parcel/variance lawsuit. This judgement currently stands at close to \$145 million, with daily interest accruing.

Recommendation:

- The Board could award up to \$3,745,000 for assistance with the City's procurement of legal, fiscal or other related services in order to address the court-ordered judgement.



City of Long Beach (cont'd)

- The City has also been very aggressive seeking efficiencies and operational savings as a result of the Board's Report. Several opportunities the City would like to implement include:
 - Installing parking kiosks and increasing enforcement staff for parking in the Central Business District.
 - Modernizing its manual/paper-based time & attendance system for all employees.
 - Modernizing its beach pass “system” from paper to e-business, reducing costs and increasing revenue.
 - Investing in asset tracking software to alleviate concerns and issues raised by auditors.

Recommendation: The Board could award:

- \$500,000 to help offset the costs to implement paid parking in the Central Business District.
- \$200,000 to pay for a modern employee time & attendance system.
- \$130,000 to purchase equipment and software to implement an electronic beach pass system.
- \$50,000 in procure, install, and train for a new Citywide asset tracking system.



City of Niagara Falls

Background

- The Board approved the City's Comprehensive Review Report on June 19, 2017. At the June 2018 Meeting, the Board approved a \$100,000 award to help the City improve online tax payments and collections. The Report, in general, recommended that the City continue to look for workforce, shared service, and internal efficiency savings.
- Recent efforts to achieve savings and improve governmental operations have yielded two new efficiencies the City is implementing:
 - Security for the Dept. of Public Works' equipment Yard has been contracted out at a cost of over \$200,000 annually. The City is installing a security gate/electronic access for a one-time cost of around \$175,000.
 - The City's parking lots and ramps are staffed on a part-time basis only with annual personnel costs close to \$275,000. Further, the part-time coverage is leading to lost revenue. Installing parking gates and kiosks for approx. \$495,000 will provide 24/7 coverage, increase revenue and save expenses.

Recommendation:

- The Board could award up to \$175,000 to help the City install its own security measures at its DPW Yard, and the Board could award an additional \$495,000 to help the City install infrastructure at its parking lots and ramps.



City of Ogdensburg

Background

- The Board approved the City's Comprehensive Review Report on June 26, 2019. The City was awarded a total of up to \$905,000 in grants to assist the City with its fleet, abandoned properties, dispatch services, among others. The Report recommended the City continue to look for workforce, shared service, and internal efficiency savings.
- The City's 2021 budget cut the tax levy by 10 percent and reduced fire department staffing from 28 to 20. An early retirement incentive was offered by the City to effectuate the reduction.
- The Administration's recent focus on reducing expenses, re-engineering the structure of the fire department, and improving the City's tax limit exhaustion has led to credit upgrades.

Recommendation:

- The Board could award up to \$550,000 to reimburse the City for the cost of the incentive and the payout of each of the eight (8) staff accruals.
- Further, the Board could award up to \$950,000 to help the City procure a new fire truck that will maximize the efforts and abilities of the staff and replace the need for multiple smaller trucks.





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