

Financial Restructuring Board for Local Governments

RESOLUTION No. 2021-01

APPROVING THE COMPREHENSIVE REVIEW REPORT AND AUTHORIZING
GRANTS FOR THE CITY OF AMSTERDAM

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 26, 2019, the Board approved Resolution No. 2019-11 agreeing to undertake a Comprehensive Review of the City of Amsterdam (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; and

WHEREAS, the report on the Comprehensive Review of the City (the "Comprehensive Review Report"), attached hereto as Attachment A, includes a recommendation that the City pursue advancements in energy efficiency; and

WHEREAS, the Comprehensive Review Report provides that, if the City agrees to abide by and implement the recommendation described in the immediately preceding recital, the Board may, in its sole discretion, award a grant of up to \$1,100,000 to assist the City with the conversion of its lighting infrastructure to light emitting diode (LED) technology; and

WHEREAS, the Comprehensive Review Report also includes a recommendation that the City could update and integrate their codes, building inspection, and fire department software functions; and

WHEREAS, the Comprehensive Review Report provides that, if the City agrees to abide and implement the recommendation described in the immediately preceding recital, the Board may, in its sole discretion, award a grant of up to \$30,000 to procure said software; and

WHEREAS, the Comprehensive Review Report also includes a recommendation that the City could operate a second ambulance, provided the City can maintain current operating costs and not increase staffing; and

WHEREAS, the Comprehensive Review Report provides that, if the City agrees to abide by and implement the recommendation described in the immediately preceding recital, the Board may, in its sole discretion, award a grant of up to \$200,000 to assist in the purchase of a second ambulance; and

WHEREAS, the Comprehensive Review Report also includes a recommendation that the City update the mapping of its water infrastructure system via GIS; and

WHEREAS, the Comprehensive Review Report provides that, if the City agrees to abide by and implement the recommendation described in the immediately preceding recital, the Board may, in its sole discretion, award a grant of up to \$250,000 to update the mapping of its water infrastructure system via GIS; and

WHEREAS, the Comprehensive Review Report also includes a recommendation that the City remediate the asbestos in the golf course club house in order to assist in the sale and redevelopment of that property; and

WHEREAS, the Comprehensive Review Report provides that, if the City agrees to abide by and implement the recommendation described in the immediately preceding recital, the Board may, in its sole discretion, award a grant of up to \$69,000 for asbestos remediation in the golf course club house; and

NOW THEREFORE BE IT RESOLVED that the Board approves the Comprehensive Review Report, attached hereto as Attachment A, and all of the findings and recommendations therein; and

BE IT FURTHER RESOLVED that the Board authorizes a grant of up to \$1,100,000 to assist the City with the conversion of its lighting infrastructure to light emitting diode (LED) technology, which grant shall be subject to the terms of a contract entered into between the New York State Department of State and the City; and

BE IT FURTHER RESOLVED that the Board authorizes a grant of up to \$30,000 to assist the City in converting to an updated municipal software to integrate codes, building inspections, and fire departments activities, which grant shall be subject to the terms of a contract entered into between the New York State Department of State and the City; and


BE IT FURTHER RESOLVED that the Board authorizes a grant of up to \$200,000 for the City to purchase and equip a second ambulance, which grant shall be subject to the terms of a contract entered into between the New York State Department of State and the City; and

BE IT FURTHER RESOLVED that the Board authorizes a grant of up to \$250,000 to assist the City in completing Geographic Information System (GIS) mapping of the City's water system, which grant shall be subject to the terms of a contract entered into between the New York State Department of State and the City; and

BE IT FURTHER RESOLVED that the Board authorizes a grant of up to \$69,000 to assist the City in asbestos remediation in order to spur the sale and redevelopment of the golf course clubhouse, which grant shall be subject to the terms of a contract between the New York State Department of State and the City; and

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

No. 2021-01

Dated:  11/19/21



City of Amsterdam Comprehensive Review Report

**Financial Restructuring Board
for Local Governments**

November 2021

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Overview

The City of Amsterdam is a small upstate city in Montgomery County. With a population of 18,620 at the 2010 Census, it is the 32nd most populous city in New York State.* 2020 expenditures of \$37.1 million were the 33rd highest of all reporting cities. 2020 expenditures per capita were \$1,993, the 41st highest of reporting cities and less than the \$2,478 median of reporting cities.

The City is governed by a five-member City Council, including a Mayor. The Mayor is elected citywide for a four-year term and each Alderperson is elected to represent their ward for a two-year term. The Mayor is required to appoint a Corporation Counsel, a City Engineer, an Assistant City Engineer, a Fire Chief, a Police Chief, a Commissioner of Health, a Recreation Commissioner, a Director of the Department of Water and Sanitary Sewers, while the Council is responsible for appointing the City Clerk, who shall appoint the Deputy Clerk. A new Mayoral Administration and several new Aldermen assumed office in January 2020 after a November 2019 election.

The former Mayor and City Council adopted a resolution requesting a Comprehensive Review by the Financial Restructuring Board (see Appendix A). On June 26, 2019, the Financial Restructuring Board approved this request for a Comprehensive Review with Resolution No. 2019-11 (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.

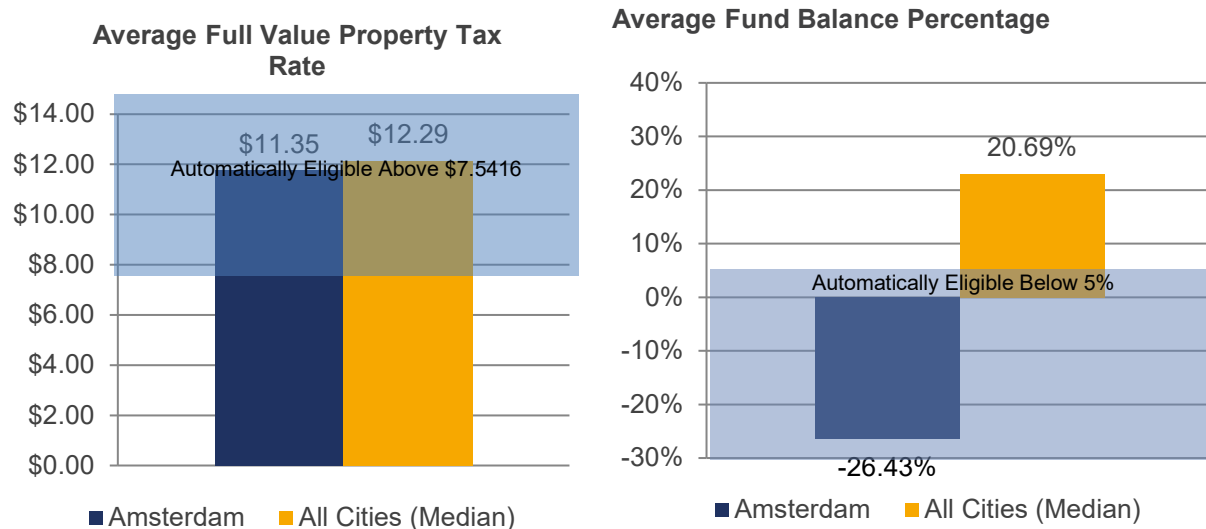
*All City rankings in this report exclude New York City

Background

Fiscal Eligibility and Stress

The City of Amsterdam is automatically considered a Fiscally Eligible Municipality because its Average Full Value Property Tax Rate (2016-2020) of \$11.7559 per \$1,000 is above \$7.5419 per \$1,000 – the 75th percentile for all municipalities. This is the 35th highest for all cities.

The City has an Average Fund Balance Percentage (2016-2020) of -26.43 percent, which is below 5.0 percent. This is the lowest amongst all cities.



The Office of the State Comptroller's (OSC) Fiscal Stress Monitoring System gives the City of Amsterdam a Fiscal Rating of "Significant Fiscal Stress" with a score of 75 for 2020 (an improvement from 83.3 in 2019), but reveals some troubling indicators, and ranks 3rd highest in the entire State. Indicators include low general fund and all funds fund balance compared to gross expenditures, high general fund gross expenditures, a combined funds operating deficit in one of the last three fiscal years, a low cash ratio, high short-term debt compared to expenditures, the issuance of short-term debt in CY 2018 and CY 2019, and high personal service and benefits costs compared to revenues over a three-year average.

OSC's Fiscal Stress Monitoring System gives the City of Amsterdam an Environmental Rating of "Moderate Environmental Stress" with a score of 43.3 for 2020 (down from 53.3 for 2019). Negative environmental factors contributing to this score include: a loss in population estimates between 2014 and 2019 (-1.68 percent), a high proportion of households with public assistance (27.24 percent), a negative change in median home value from 2013 to 2018 compared to the change in the consumer price index (-8.7 percent compared to 9.6 percent), and a high unemployment rate in 2019 (9.0 percent).

Demographic and Socioeconomic Profile

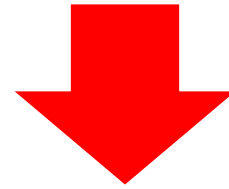
The City's population decreased by 2.2 percent to 18,219 from 2010 to 2019 (estimated). In contrast, the typical city's population in New York State grew 0.5 percent over that same period.

The City of Amsterdam's median household income in 2018 was \$36,326, which is less than the typical city's median household income of \$55,178. The City's median home value of \$85,800 is less than the median home value of the typical city of \$136,600. Its taxable property value per capita in 2020 was \$26,644 -- the 13th lowest of all cities in the State.

In 2018, the combined county, city, and school property tax bill for a home of the median value of \$85,800 on the combined rate of \$40.81 was \$3,501, or 4.1 percent of the median home value and 9.6 percent of the City's median household income. Of this total, the \$1,039 City portion of the median property tax bill represents 2.7 percent of median household income and 1.2 percent of median home value.

Population Change

2010: 18,620



2019: 18,219 (Est.)

Organization and Finances

Organizational Profile

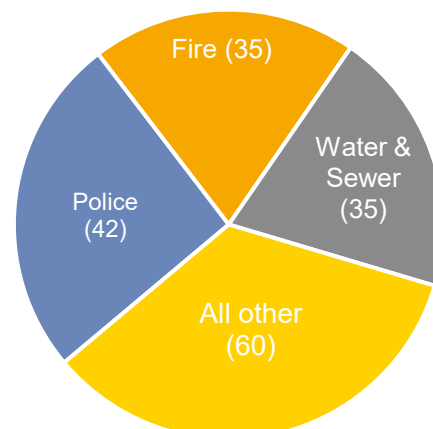
The City of Amsterdam is governed by a five-member City Council and a Mayor. The Council is elected to represent their individual wards for two-year terms, with the next election in 2021.

The City has several primary departments: Law Department, Department of the City Clerk, City Planning Commission, Department of Public Works, Police Department, Fire Department, Assessment and Taxation Department, Recreation Department, and the Department of Finance.

As of the 2021 adopted budget, the City had 172 General Fund supported FTEs (excluding the City Council). This is approximately two more than in 2014. The City Police Department has the most FTEs at 42, followed by the Fire Department and Water & Sewer Department at 35 each.

Several unions represent the City's unionized workforce, with various contract terms and salary increases, as provided in the following section.

2021 City of Amsterdam General Fund Full-Time Equivalents by Department



Labor Contracts

166 of 172 total City positions are represented by a collective bargaining unit, totaling approximately 97 percent of the City's workforce. Most of the City's collective bargaining agreements are expired, many of them as recently as a few months ago (June 30, 2021). The significant provisions of each of the current collective bargaining agreements are detailed below.

Union	Covered FTEs	Contract Status	Contract Expiration	% Salary Increases (Calendar Year)					Minimum Staffing Clause	No-Layoff Clause
				2017	2018	2019	2020	2021		
CSEA, Local 1000 AFSCME, AFL-CIO	37	Expired	June 30, 2021	0	2	3	2	TBD	No	No
Police Benevolent Association	34	Active	June 30, 2022	2.25	1.25	2.5	2.5	2.5	Yes (32)	No
Superior Police Officers Association	7	Expired	June 30, 2017	0	TBD	TBD	TBD	TBD	No	Yes
UPSEU (Dept. Heads)	7	Expired	June 30, 2021	0	2	3	2	TBD	No	No
AFSCME Council 66 - Local 1614	52	Expired	June 30, 2021	0	2	3	2	TBD	No	No
Professional Firefighters Union - Local 2825	32	Active	June 30, 2022	1.25	1.25	2.50	2.50	2.50	No	No

General Provisions

The City's labor contracts included general salary increases for FYs 2017 through 2021 ranging from zero to three percent. With a majority of contracts expired the City is facing fiscal liabilities with expectations there the will be future salar increases and potential retroactive salary increases. Only one contract includes a minimum staffing clause (the Police Benevolent Association), though the Superior Police Officers Association's contract includes a no-layoff clause. Both provisions likely constrain the City with respect to Police Department staffing.

Health Insurance

The City pays a significant portion of both active employees' and retirees' health insurance premiums. The premium share rates for active employees range from zero to 25 percent, based on hire date and other factors, as shown in the chart below. For many employees, the share of their health insurance for which they are responsible for paying is less than State employees'.

Most employees are eligible to receive buyouts of their health insurance benefits, at rates near those offered to State employees (\$1,000 for individual / \$3,000 for family). Offering reasonable but competitive buyouts has produced savings for many local governments.

City of Amsterdam Healthcare Premium Contributions (Active Employees, By Unit)	
Hire Date	Percent Premium Contribution
Police Benevolent Association	
Prior to July 2017	July 2017 - 10% (capped at 2011 premium) July 2020 - 7% July 2021 - 8%
After July 2017	25% for three years; then 15%
Buyback	\$1,200 individual.; \$1,500 two-person; \$2,000 family
Superior Police Officers Association	
Prior to July 2003	\$676 annually for indiv.; \$728 for two-person; \$780 for family
After July 2003	25% for three years; then same as others
Buyback	\$1,200 individual.; \$1,500 two-person; \$2,000 family
Professional Firefighters Union - Local 2825	
Prior to July 2020	10%, not to exceed a specific dollar amount
After July 2020	Current FF's contribute 7%, new contribute 15%
July 2021	Current FF's will contribute 8%, new contribute 15%
July 2022	Current FF's will contribute 9%, new contribute 15%
Buyback	\$1,500 indiv.; \$2,000 two-person; \$3,000 family
UPSEU (Dept. Heads)	
Prior to 8/12/2018	10%
After 8/12/2018	15%
Buyback	\$1,500 indiv.; \$2,000 two-person; \$3,000 family

CSEA, Local 1000 AFSCME, AFL-CIO	
Prior to July 2016	10% (indiv. max. of \$1,300; two-person max. of \$2,600; family max. of \$3,900)
After July 2016	15% (indiv. max. of \$1,300; two-person max. of \$2,600; family max. of \$3,900)
Buyback	\$1,500 indiv.; \$2,000 two-person; \$3,000 family
AFSCME Council 66 - Local 1614	
Prior to July 2016	10%
After July 2016	15%
Buyback	\$1,500 indiv.; \$2,000 two-person; \$3,000 family
Non- Unionized Workforce	
After 2004	10% until August 12, 2018 then 15%
Buyback	\$1,500 indiv.; \$2,000 two-person; \$3,000 family

Staffing and Scheduling

In addition to the above provisions, several of the City's collective bargaining agreements control staffing and scheduling. For police, the Police Benevolent Association (PBA) has a minimum staffing provision (agreed to in 2014) of 32 officers, which the City is currently at. The PBA contracts requires officers to work 12-hour shifts on a 60-on/24-on basis over a 14-day period, which results in an additional compensatory day every six weeks.

The Professional Firefighters Union contract requires firefighters to work a 24-on/72-off shift with eight firefighters per shift, which results in one additional compensatory day every quarter. Additionally, the City grants an additional 14 hours of compensatory time to result in 2080 compensated hours per year. Firefighters also staff the City's transporting ambulance, and every firefighter is also a trained Emergency Medical Technician (EMT).

Accruals

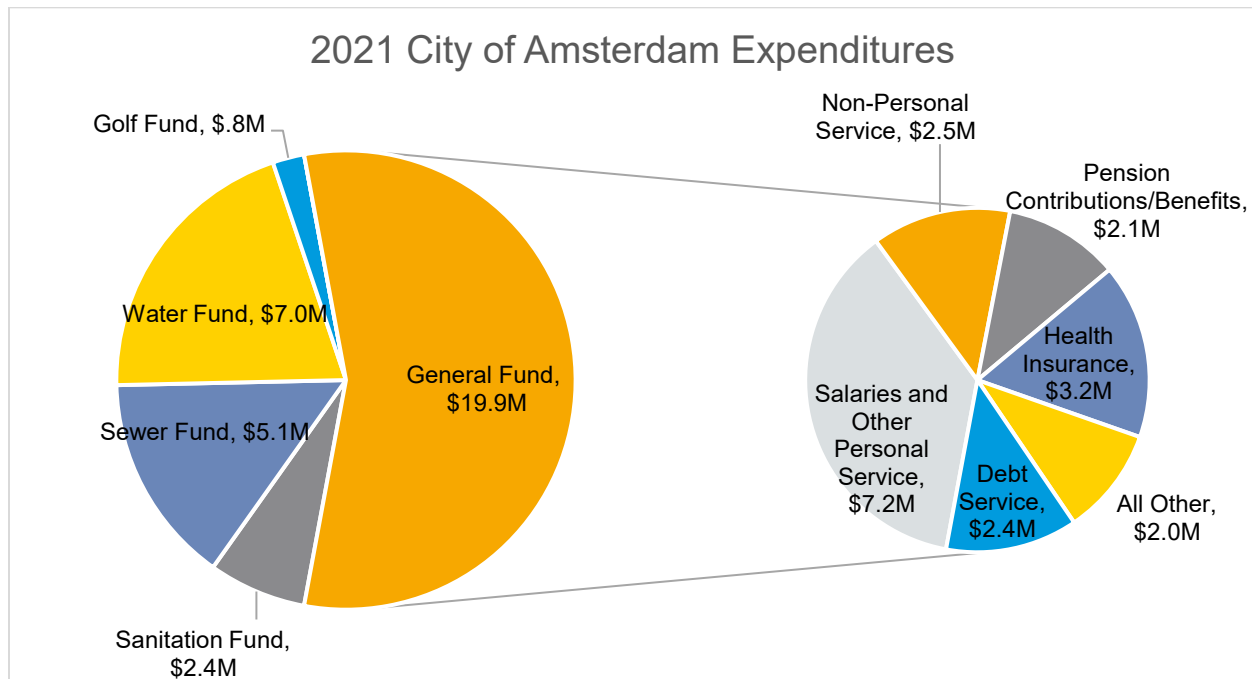
Several of the City's collective bargaining units accrue significant amounts of various categories of compensatory leave, which can be sold back to the City usually upon retirement or separation and in some cases while an employee is still working. Other categories, usually sick leave, can be used to pay health insurance premiums in retirement. The various leave policies are shown in the below chart, compared to what the State offers.

City of Amsterdam Accrual Payout Provisions - Police & Fire					
Bargaining Unit	Vacation	Sick	Terminal Pay	Compensatory	Personal
Fire Dept.	No cap	1920	No benefit exists	Balance over 120 hours can be sold back	No cap
Police Dept.	No cap	Accrues up to 1,920 hours; can be used to pay premiums in retirement or sold back at 50 percent	\$5,000 if over 21 service years; \$10,000 if over 24 years	Balance over 120 hours can be sold back	No cap
State Police	225 hours	Up to 165 days can be used to pay premiums in retirement; any days over 165 and below 300 converted to cash benefit	No benefit exists	No benefit exists	No cash value upon separation
SUNY, EnCon, Park Police, Forest Rangers	225 hours	Up to 200 days can be used to pay premiums in retirement	No benefit exists	No benefit exists	No cash value upon separation

These accrual policies are of significant concern to the City, as the City has had three police retirements in September of 2019, and two more retirements in 2020. The payouts for the three retirements ranged from \$5,000 to almost \$42,000. In recent years, payouts for a retiring Lieutenant and Deputy Chief exceeded \$70,000 each. While large retirement payouts can prove difficult to budget in advance, but the City should examine historical trends and accommodate retirement payouts within budgeted amounts.

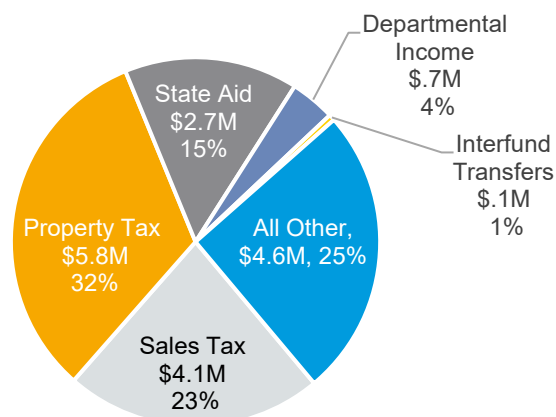
Budget Profile

The City's 2021 All Funds Adopted Budget totals \$35.3 million. This is a 6.5 percent increase from the 2020 All Funds Adopted Budget, largely as a result of increases in Sewer Fund Appropriations and the Golf Enterprise Fund. For the General Fund, which totals \$19.9 million for FY 2021, the largest expenditure category is personal service at \$7.2 million (36 percent of General Fund expenditures), followed by employee benefits at \$4.7 million (23.5 percent of General Fund expenditures). Of the personal service category (including overtime), \$3.4 million was for Police Department employees and \$2.3 million was for Fire Department employees.



The 2021 General Fund revenue sources (adjusted for interfund revenue and transfers) include: 32 percent from property tax; 15 percent from State aid; and 23 percent from sales tax. The property tax levy is \$5.8 million, which is up 5.3 percent or \$293,737 from FY 2020, which exceeded the Property Tax Cap. The City also exceeded the Property Tax Cap in 2019 with a levy increase of 7.3 percent. For FY 2021, the City exhausted 41 percent of its Constitutional Tax Limit, after exclusions. Its tax margin remaining was \$8.6 million.

2021 City of Amsterdam General Fund Revenues



According to its FY 2020 Annual Update Document, the City had \$29.9 million in total outstanding debt at the end of FY 2020, up significantly from \$24.9 at the beginning of FY 2020. This is due primarily to the issuance during the year of \$7.7 million of deficit financing bonds (with a two percent interest rate and a one-year maturity), as discussed later in this Report. The City exhausted 48.2 percent of its Constitutional Debt Limit in 2019, after exclusions. Its Net Debt Contracting Margin is \$16.8 million. As discussed later in this report, the City intends to issue a significant amount of new debt to liquidate accumulated deficits across several City funds.

Fiscal Performance

All Funds

Since 2009, the City ended the year with only five All Funds surpluses (seven deficits), and in total, has spent \$9.06 million more than it received in revenue - in other words, two percent of the City's expenditures were unfunded over this time.

In addition, the operating surpluses and deficits range from a 19.1 percent surplus in 2014 to a 16.1 percent deficit in 2011. Only twice - 2018 and 2013 - has the City's operating surplus or deficit been less than five percent, indicating difficulty budgeting and managing revenues and expenditures according to plan. The following subsections overview the City's main operating funds, and show how the \$9.06 million net operating deficit since 2009 eroded the City's fund balances, leaving it with a negative \$8.3 million accumulated All Funds fund balance at the end of FY 2018, necessitating deficit financing authorization from the State in 2019, of which the City availed itself in 2020 by issuing \$7.7 million in deficit financing bonds with a two percent interest rate and a one-year maturity (the City will likely renew).

All Funds (\$ in million)			
Fiscal Year	Revenues	Expenditures	Operating Surplus/(Deficit)
2009	\$30.43	\$27.85	\$2.59
2010	\$31.06	\$35.18	(\$4.11)
2011	\$33.00	\$39.31	(\$6.31)
2012	\$29.22	\$32.73	(\$3.52)
2013	\$32.28	\$31.54	\$0.74
2014	\$38.36	\$32.20	\$6.16
2015	\$32.81	\$30.41	\$2.40
2016	\$28.01	\$31.61	(\$3.60)
2017	\$31.39	\$33.03	(\$1.64)
2018	\$32.81	\$33.49	(\$0.68)
2019	\$33.15	\$35.93	(\$2.78)
2020	\$33.10	\$31.40	\$1.71
Total	\$385.62	\$394.68	(\$9.06)

General Fund

The following chart depicts the City's key General Fund revenue and expenditure trends over the six-year period since FY 2015. The General Fund has routinely operated significant deficits since FY 2015. As a result, FY 2010 was the last time the City closed a fiscal year with a fund balance over ten percent of its General Fund expenditures, and the City's \$2.8 million fund balance at the beginning of FY 2009 (a healthy 20.2 percent of General Fund expenditures) has not only diminished, but now stands at negative \$3.3 million (17 percent of General Fund expenditures) upon the close of FY 2020.

On a positive note, at the close of FY 2018, the City was facing an even more daunting fiscal position than at the close of its FY 2019: \$8.3 million in All Funds accumulated deficits, \$6.0 million in the General Fund alone. The General Fund's positive FYs 2019 and 2020 were largely a result of \$1.6 million and \$1 million transfers from the Water Fund and a one-time reimbursement of \$500,000 from the City's demolition of a local mill.

Further examining the City's General Fund, since Fiscal year 2014, the property tax levy increased at an average annual rate of 3.1 percent, primarily due to a 17.4 percent increase in FY 2020, which was the first year the City exceeded the Tax Cap.

Through FY 2020 General Fund expenditures increased at an average annual rate of 4.0 percent, close to the 4.4 percent average annual increase of revenues. Personal service (salaries) grew at 2.0 percent per year, non-personal services (contractual items and equipment) grew at 0.5 percent per year, and two expenditure objects which have stressed the budgets of many local governments were essentially flat: health insurance at an average of 1.9 percent per year and other employee benefits decreased -0.4 percent per year. Debt service increased at an average annual rate of 4.5 percent.

Fiscal Trends (\$ in millions)							
General Fund	2015	2016	2017	2018	2019	2020	CAGR
	Actual	Actual	Actual	Actual	Actual	Actual	
Expenditures	\$15.61	\$15.90	\$16.85	\$16.48	\$16.96	\$19.33	4.00%
Revenues	\$15.51	\$13.84	\$15.25	\$15.93	\$19.50	\$19.21	4.40%
Surplus / (Deficit)	(\$0.10)	(\$2.06)	(\$1.60)	(\$0.55)	\$2.55	\$0.12	-
Fund Balance	\$0.73	(\$3.87)	(\$5.48)	(\$6.03)	(\$3.64)	(\$3.31)	-
Property Tax Levy	\$5.15	\$5.12	\$5.20	\$5.24	\$5.37	\$5.50	1.30%
Adhered to Tax Cap	Yes	Yes	Yes	Yes	Yes	No	-
Full Value Tax Rate (per \$1,000)	\$12.03	\$11.57	\$11.65	\$11.92	\$12.06	\$11.09	-
Taxable Full Value	\$428.06	\$442.27	\$446.34	\$439.44	\$444.89	\$496.11	3.00%
Personal Service	\$6.50	\$6.62	\$7.04	\$6.97	\$6.81	\$7.16	2.00%
Non-Personal Service	\$2.46	\$2.78	\$2.01	\$2.64	\$2.76	\$2.53	0.50%
Debt Service	\$1.92	\$1.91	\$2.30	\$1.90	\$1.80	\$2.40	4.50%
Employee Benefits (Non-Health)	\$2.14	\$2.14	\$2.14	\$2.14	\$2.02	\$2.10	-0.40%
Health Insurance	\$2.90	\$2.72	\$3.42	\$2.82	\$3.55	\$3.18	1.90%

Of note, 72 percent of General Fund expenditures are for employee personal service (salaries) and health insurance and pensions (benefits).

In conversations with the City, officials noted three main factors to the General Fund operating deficits. First, City officials noted that the City is self-insured and has rarely closed fiscal years within adopted budget estimates due to several significant claims and subsequent cost over-runs, sometimes totaling over \$1 million.

Second, for several years (at least FYs 2015, 2016, 2017, and 2018) the City Council adopted budgets which included a \$1 million interfund transfer from the Water Fund to the General Fund. While permissible, the City Controller did not execute such transfers each of the four years, as the City Controller claims the Council did not include an appropriation of fund balance to account for the interfund transfer from the Water Fund to the General Fund. To the Board's knowledge, such interfund transfers were in fact never executed, and no midyear budget corrections were ever made by the Council. According to City officials, the Council did not want to include Water Fund appropriations of fund balance because the City did not know the actual amount of fund balance within the fund (see below). As a result, for each of these three years, the City adopted General Fund budgets that were underfunded by \$1 million each year.

The third factor contributing to the General Fund operating deficits, according to City officials, was a lack of proper accounting software and properly maintained ledgers. This problem was confirmed by a 2014 audit by the Office of the State Comptroller that examined accounting records from June 2011 through March 31, 2013, which summarized the issues as follows:

"City officials failed to maintain accurate and complete accounting records. We identified significant inaccuracies in balance sheet account balances as well as in revenues and expenditures. The lack of adequate and timely accounting records precluded the Mayor and Council from evaluating the City's financial activities and limited their ability to accurately assess the true financial position of the City" (p. 7)¹.

In the City's response to the audit, City officials noted that in 2011, the City was transitioning to a new electronic accounting system, which became "problematic," as the elected Controller "who had argued for this transition was not re-elected" and left office December 31, 2011. The previous incoming Controller, according to the officials, "was not familiar with computerized accounting systems" and a Principal Account Clerk within the Department of Finance left such role at the same time. As such, the new electronic accounting system "was not properly configured," and although some of the audit's findings existed prior to the new system's implementation, "they were masked by the manual actions of prior staff in support of the previous system."

The City's response to the audit notes several corrective actions the City took, including creating a new Deputy Controller position which required a degree in accounting and was filled on March 1, 2013, as well as hiring an accountant to assist staff with corrections and training, which was unsuccessful and to the Board's knowledge, was never implemented.

¹ "Amsterdam Records and Reports (City)." New York State Office of the State Comptroller. 2014. <http://www.osc.state.ny.us/localgov/audits/cities/2014/amsterdam.htm>

In December 2012, the elected City Controller died unexpectedly. The City passed a local law, subject to public referendum, amending the City's Charter to eliminate the office of the elected Controller. The local law was defeated at referendum in June 2013, and an elected Controller won office in November 2013. The same Controller has been in such office since.

In addition to the General Fund, the City operates several other funds which have ran deficits over the course of several years and also have significant accumulated negative fund balances. These major funds are each explored more fully below.

Water Fund

As the charts below display, since FY 2009, Water Fund expenditures increased at an average annual rate of 4.9 percent, slightly more than the 4.8 percent average annual increase for Water Fund revenues. However, this is largely due to an FY 2019 transfer of \$1.6 million to the General Fund to subsidize that Fund's operations. Absent the transfer, the Water Fund would have operated a significant surplus.

The Water Fund, relative to the City's other funds, is healthy and solvent. At the close of FY 2020, it had a fund balance of \$2.6 million, down from \$3.4 million in FY 2018, due in part to the transfer of the General Fund. The City is balancing its resources between funds, moving excess in one fund to avoid greater tax increases and spending reductions in the other. Nonetheless, there may be several efficiencies and opportunities for the Water Fund, which sells water to non-City customers in the nearby Towns of Amsterdam and Florida. The City's water fund and its rate structure are discussed more fully in the "Water Meters" section later in this report.

Note, the FY 2022 Adopted Budget also includes a transfer of \$1.35 million to the General Fund. As long as the General Fund is subsidized by the Water Fund, the solvency of the Water Fund is integral to the City's financial position and ability to provide basic services. It should also be noted that a \$1.35 million annual subsidization of the General Fund by the Water Fund appears unsustainable based on the Water Fund's historical revenues, expenditures, and fund balance.

Water Fund Revenues and Expenditures		
Fiscal Year	Revenues	Expenditures
2009	\$3,714,975	\$3,548,582
2010	\$3,854,463	\$3,557,211
2011	\$4,204,161	\$4,082,483
2012	\$4,568,598	\$3,895,777
2013	\$4,788,857	\$4,157,179
2014	\$5,109,996	\$4,599,829
2015	\$5,259,227	\$4,698,653
2016	\$5,536,846	\$4,927,616
2017	\$5,472,850	\$4,870,043
2018	\$5,725,829	\$4,385,384
2019	\$5,583,774	\$6,661,133
2020	\$5,915,002	\$5,720,955
CAGR	4.8%	4.9%

Water Fund Operating Results			
Fiscal Year	FYB Fund Balance	Surplus / (Deficit)	FYE Fund Balance
2009	\$413,683	(\$33,607)	\$380,076
2010	\$380,076	\$19,988	\$400,064
2011	\$400,066	(\$212,828)	\$187,238
2012	\$187,238	\$459,437	\$646,675
2013	\$561,569	\$491,678	\$1,053,247
2014	\$1,053,247	\$1,168	\$1,054,415
2015	\$303,999	\$560,575	\$864,574
2016	\$888,253	\$609,230	\$1,497,483
2017	\$1,497,483	\$602,807	\$2,100,290
2018	\$2,100,289	\$1,340,445	\$3,440,734
2019	\$3,478,452	(\$1,077,359)	\$2,401,093
2020	\$2,411,900	\$194,047	\$2,605,948

Sewer Fund

Since FY 2009, sewer fund revenues increased to \$4.6 million in FY 2014 before decreasing to \$3.6 million, less than in FY 2009, and finally increasing in FY 2020 to a high of \$5.1 million. Expenditures, meanwhile, have generally increased year after year at an average annual rate of 2.0 percent, to a high of \$4.8 million in FY 2019, which resulted in an operating deficit of \$1.1 million, the Fund's fourth consecutive operating deficit, before recovering in FY 2020 to have an operating surplus of \$662,000. As a result, the Fund's fund balance decreased from positive \$1.1 million in FY 2015 to a low of negative \$1.3 million in 2019, then (up) to a negative \$626,000 in 2020. Accordingly, the City should continue to implement corrective action to limit expenditure increases and ensure revenues meet expenditures.

Sewer Fund Operating Results			
Fiscal Year	FYB Fund Balance	Surplus / (Deficit)	FYE Fund Balance
2009	\$205,389	\$22,349	\$227,738
2010	\$227,738	\$210,951	\$438,689
2011	\$438,690	\$162,544	\$601,234
2012	\$601,234	\$412,721	\$1,013,954
2013	\$1,013,954	\$128,991	\$1,142,946
2014	\$1,142,946	\$206,820	\$1,349,766
2015	\$808,061	\$288,063	\$1,096,125
2016	\$1,068,354	(\$487,053)	\$581,301
2017	\$581,301	(\$581,874)	(\$573)
2018	(\$572)	(\$192,254)	(\$192,826)
2019	(\$172,943)	(\$1,114,774)	(\$1,287,718)
2020	(\$1,288,497)	\$622,245	(\$626,251)

Sewer Fund Revenues and Expenditures		
Fiscal Year	Revenues	Expenditures
2009	\$3,692,406	\$3,670,057
2010	\$3,958,109	\$3,747,158
2011	\$3,985,412	\$3,822,868
2012	\$4,389,841	\$3,977,120
2013	\$4,180,225	\$4,051,234
2014	\$4,591,259	\$4,384,439
2015	\$4,460,278	\$4,172,215
2016	\$4,012,276	\$4,499,329
2017	\$3,573,065	\$4,154,939
2018	\$3,729,916	\$3,922,170
2019	\$3,641,032	\$4,755,811
2020	\$5,121,337	\$4,459,091
CAGR	3.3%	2.0%

Garbage Fund

Garbage Fund revenues have largely kept pace with modestly increasing expenditures, increasing at an annual average of 2.2 percent and 1.8 percent, respectively (see charts). Several recent years of operating deficits have, however, depleted the Fund's fund balance from a high of \$1.2 million in FY 2014 to \$401,991 at the close of FY 2020. Future budgets should ensure the Fund's revenues, which are almost entirely garbage fees, keep pace with expenditures. To mitigate expenditure increases and avoid increasing garbage fees, the City should explore efficiencies, such as those recommended later in this report (see the section "Solid Waste Collection").

Garbage Fund Operating Results			
Fiscal Year	FYB Fund Balance	Surplus / (Deficit)	FYE Fund Balance
2009	\$261,122	(\$12,373)	\$248,749
2010	\$248,749	\$76,210	\$324,959
2011	\$324,961	\$150,189	\$475,150
2012	\$475,150	\$248,020	\$723,170
2013	\$723,170	\$305,912	\$1,029,082
2014	\$1,029,082	\$180,304	\$1,209,385
2015	\$744,835	\$139,292	\$884,127
2016	\$853,768	(\$29,402)	\$824,366
2017	\$824,366	(\$206,736)	\$617,630
2018	\$617,674	(\$27,071)	\$590,603
2019	\$597,647	(\$273,924)	\$323,723
2020	\$335,344	\$66,648	\$401,991

Garbage Fund Revenues and Expenditures		
Fiscal Year	Revenues	Expenditures
2009	\$1,822,560	\$1,836,524
2010	\$1,857,798	\$1,784,127
2011	\$1,903,283	\$1,753,556
2012	\$1,866,193	\$1,618,173
2013	\$1,898,051	\$1,592,236
2014	\$2,028,093	\$1,847,789
2015	\$1,997,424	\$1,858,132
2016	\$1,981,348	\$2,010,750
2017	\$1,996,762	\$2,203,498
2018	\$2,093,078	\$2,120,149
2019	\$2,021,302	\$2,295,228
2020	\$2,263,569	\$2,196,921
CAGR	2.2%	1.8%

Transportation Fund

Prior to FY 2019, the City's Transportation Fund accounted for the City's full-time transportation director, dispatcher, and mechanic, as well as the nine part-time drivers of the City's eight bus-fleet.

Transportation Fund Revenues and Expenditures			
Fiscal Year	Revenues	Expenditures	Transfers In
2009	\$509,672	\$637,233	\$114,569
2010	\$540,625	\$658,305	\$81,283
2011	\$753,889	\$1,001,986	\$175,283
2012	\$757,260	\$843,065	\$110,157
2013	\$483,832	\$782,561	\$0
2014	\$476,691	\$775,437	\$305,846
2015	\$435,334	\$590,691	\$0
2016	\$400,170	\$641,532	\$0
2017	\$394,983	\$639,900	\$0
2018	\$175,668	\$517,080	\$0
2019	-	-	-
2020	\$68,077	\$27,134	\$1,321,091
CAGR	-16.7%	-24.9%	24.9%

Transportation Fund revenues, excluding interfund transfers, did not meet annual expenditures in every year for which data was available. Over the past decade, revenues and transfers declined at an average of negative 11.2 percent per year, with a high of over \$750,000 in FY 2012 and a low of \$175,000 in FY 2018, which was the final operating year of the Transportation Fund. The decline in revenues was largely the result of diminishing ability for other funds to make transfers to the Transportation Fund (the last of which was made in 2014), as well as declining revenue from bus operations.

Expenditures, on the other hand, while fluctuating between about \$500,000 and \$1 million, changed less year-to-year. Citing fiscal hardships, the City discontinued bus service in April of 2018. Prior to discontinuance, the City tried shortening routes, eliminating routes, and increasing service speed. In addition, the City tried convincing institutional customers, including the School District,

FMCC, and Liberty ARC to increase cost-sharing to continue service, each of which declined before service was stopped.

Some bus service has been maintained by a private provider, which makes multiple daily runs to the Empire State Plaza in Albany, as well as limited runs within Montgomery County. Due to the ceasing of bus service, the over \$1.3 million accumulated deficit in this fund (entirely attributable to outstanding dues to other funds) will likely need to be resolved through write-offs of those dues, likely within the General Fund or Water Fund. The City is hoping to utilize the former transportation garage for its Department of Public Works. Such a repurposing requires State Department of Transportation and Federal Transit Administration approval, from the latter of which the City is awaiting response.

Recreation (Golf Course Fund)

As the charts below display, the Recreation Fund, which accounts for the operations of the Amsterdam Municipal Golf Course, also has a significant negative accumulated fund balance of over \$1.4 million for the FY ending 2020, which is more than double the worth of the prior year's expenditures. The Recreation Fund has operated a deficit every single year since 2009, amidst declining fee revenue (on average fee revenue decreased 3.5 percent per year) and increasing expenditures. Since FY 2009, golf course fee revenue declined from funding 93 percent of fund expenditures to only 48 percent in FY 2020, demonstrating the insolvency of this fund, which has operated to date on interfund transfers (i.e., subsidization) from other funds.

Unlike the Transportation Fund, for which the City chose to liquidate its bus service in the face of negative financial position, the City instead chose to invest in the Golf Course, by hiring a new General Manager/Golf Pro and seasonal clubhouse staff, management. The Council also increased some membership rates by over five percent.

In February 2019, the clubhouse incurred water damage due to a burst water line, which flooded portions of the facility. After initially moving to rebuild the clubhouse, the Mayor and Common Council approved an offer (contingent on development funding) to sell the water damaged clubhouse and pavillion to a developer for \$50,000, to be razed and replaced with a \$2 million project. This proposal would allow the City to keep the \$1.6 million payout that was received from their insurance company for the water damage. The proposed purchase agreement includes language that would require the developer or any future owners of the location to operate it as a clubhouse for the golf course and a restaurant and banquet hall to the public.

The Golf Course will need to begin operating suprluses within the fund, otherwise the nearly \$800,000 accumulated deficit in this fund (entirely attributable to outstanding payments owed to other funds) will likely need to be resolved through write-offs of those dues, likely within the General Fund or Water Fund, which support some of the City's essential services.

Recreation Fund (Golf Course) Operating Results			
Fiscal Year	FYB Fund Balance	Surplus / (Deficit)	FYE Fund Balance
2009	\$216,623	(\$28,764)	\$187,859
2010	\$187,859	(\$49,243)	\$138,616
2011	\$138,616	(\$9,793)	\$128,823
2012	\$128,823	(\$34,509)	\$94,314
2013	\$94,314	(\$120,519)	(\$26,205)
2014	\$29,093	(\$135,939)	(\$106,847)
2015	(\$264,644)	(\$93,679)	(\$358,323)
2016	(\$359,772)	(\$121,634)	(\$481,406)
2017	(\$481,153)	(\$119,311)	(\$600,464)
2018	(\$600,464)	(\$171,595)	(\$772,059)
2019	(\$763,374)	(\$265,719)	(\$1,029,093)
2020	(\$1,029,543)	(\$377,867)	(\$1,407,411)

Declining Golf Course Fee Revenue			
Fiscal Year	Fee Revenue	Expenditures	Fees as a % of Expenditures
2009	\$540,829	\$581,606	93%
2010	\$555,237	\$624,989	89%
2011	\$511,963	\$563,332	91%
2012	\$511,963	\$526,388	97%
2013	\$532,258	\$661,850	80%
2014	\$554,731	\$704,723	79%
2015	\$483,509	\$612,474	79%
2016	\$514,527	\$654,771	79%
2017	\$448,676	\$596,427	75%
2018	\$402,007	\$594,978	68%
2019	\$345,226	\$677,182	51%
2020	\$380,500	\$779,853	48%
CAGR	-3.5%	3.0%	-6.2%

Sales and Use Tax

The City receives a more significant proportion of its revenue from sales tax (\$4.7 million, or 28 percent of General Fund expenditures in CFY 2019) compared to other cities, due to its sharing agreement with Montgomery County. Under the agreement, of the first three percent, the County shares: 1) 15 percent with the City of Amsterdam, 2) 35 percent with the towns and villages based on property value, and 3) the County retains the other fifty percent. The County's fourth sales tax percent is split in the following manner: 80 percent retained by the County, 18 percent is shared with the City, and 2 percent is shared with the towns and villages based on property value.

Short-Term Borrowing and Credit Rating

The City's bonds are currently rated as "sub-investment grade", which significantly increases its borrowing costs, and will impact the City's deficit financing (discussed below) as well as capital improvements. The City has a financial advisor and bond counsel.

Fiscal Outlook

Deficit Financing

In response to the accumulated deficits in the City's various funds (as discussed above), and after the deficits were confirmed by the City's FY 2018 audited financial statements, the City Council adopted a home rule request on to request authorization from the State to finance, over ten years, the \$8.3 million accumulated deficits across four funds, as summarized below.

Deficit Financing Authorized by Fund (FYE 2018, Audited Financial Statements)					
General	Transportation	Recreation (Golf)	Sewer	Misc Special Revenue	Combined
(\$5,974,761)	(\$1,320,430)	(\$763,373)	(\$172,945)	(\$37,054)	(\$8,268,563)

Chapter 531 of the Laws of 2019 subsequently authorized the City to borrow in order to finance this accumulated deficit. However, at the close of FY 2019, the City's unaudited figures showed an approximately \$1 million decrease (a 12 percent improvement) of the accumulated deficits as a result of operations. The accumulated deficits the City intends to finance according to the State authorization are as follows:

Deficit Financing Needed by Fund (FYE 2019, Unaudited Financial Statements)					
General	Transportation	Recreation (Golf)	Sewer	Misc Special Revenue	Combined
(\$3,644,690)	(\$1,387,029)	(\$1,029,093)	(\$1,287,718)	(\$37,054)	(\$7,385,584)

The City originally planned to Finance \$8.3 million (its full authorization); however, due to an improved financial status, only bonded \$7.6 million in June of 2020 at an unexpectedly low interest rate of 1.84 percent, versus the 6 percent they were anticipating, saving the City approximately \$250,000 in payments per year.

FY 2022 Budget

The City budget for Fiscal Year 2022 all-funds budget is \$35.36 million, with a property tax levy of \$5.79 million, a decrease of 1.8 percent from Fiscal Year 2021. The City again relies on a transfer from the Water Fund to balance, in the amount of \$1.35 million. Pursuant to the City's deficit financing authorization, the Office of the State Comptroller reviewed the preliminary budget. The review included a finding that the City may be underestimating potential health insurance costs by as much as up to \$400,000 in the fiscal year.

As discussed in preceding sections, the City faces more fundamental risks and constraints, including increasing labor costs (both salaries as well as benefits, especially health insurance), unsustainable transfers from the Water Fund to the General Fund, and a Golf Course/Recreation Fund running perpetual deficits. The next sections of this report will further examine some of these constraints and opportunities for savings and service improvements.

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

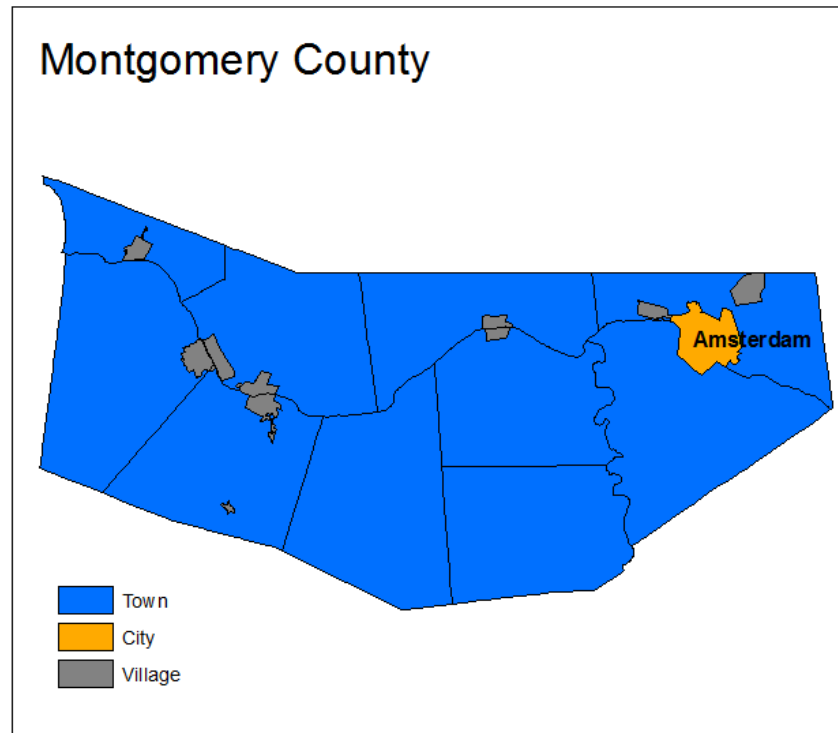
As of the 2010 Census, Montgomery County had a population of 50,219 and was the 33rd most populous county out of the 57 counties outside of New York City. With a land area of 410 square miles, it is the 7th smallest county in the state, excluding New York City. With a population density of 123 residents per square mile, it is the 22nd most densely populated county.

The County is governed by a 9-member County Legislature and an elected County Executive who serves as the Chief Executive Officer of the County.

Other elected County officials include: The Sheriff, the District Attorney, the Clerk, the County Treasurer, and the Coroner. As of 2020, the County had total expenditures of \$116.1 million, which is the 41st highest for counties, and total expenditures per capita of \$2,312.12, which is the 22nd highest for counties.

Within the County, there is one city, 10 towns, 10 villages, 6 school districts, 18 fire districts, and more than 65 town special districts and other entities.

The City of Amsterdam is in the northeastern sector of the County, bisected by the Mohawk River and is surrounded by the counties of Fulton to the North, Schenectady to the East, Schoharie and Otsego to the South, and Herkimer to the West. The City is by far the largest government in the County (excluding the County itself), and the closest large government is the Village of Fort Plain. The County administrative offices are located in the Village of Fonda.



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 Amsterdam	Montgomery County	Amsterdam S.D.
Police	X	X	
Dispatch/E-911	X	X	
Fire	X		
Ambulance/EMS	X		
Tax Collection/Treasurer	X	X	X
Tax Bill Printing	X	X	X
Tax Foreclosure	X	X	
Assessing	X		
Personnel/HR/Civil Service	X	X	X
Payroll/Time & Attendance	X	X	X
Purchasing	X	X	X
Budget/Finance	X	X	X
Code Enforcement	X		
Building/Zoning/Planning	X	X ²	
Park Maintenance	X		
Animal Control	X		
Plowing	X	3rd Party ³	
Paving/Street Maintenance	X	X	
Lighting/Traffic Controls	3rd Party	X	
Sanitation/Garbage	X		
Water	X		
Wastewater/Sewer	X	X ⁴	
IT Services/Management	3rd Party	X	X
Legal Department	X ¹	X	X
¹ City has their own Corporation Counsel, but all labor negotiations are through a 3rd party ² Role of Montgomery County Planning Board restricted to section 239 referrals from municipalities ³ Montgomery County contracts with towns for plowing of County roads ⁴ Montgomery County Sanitary Sewer District No. 1 provides waste-water services to Villages of Fort Plain, Nelliston & Palatine Bridge			

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 overlap of services among the City of Amsterdam and its neighboring municipalities.

If the City of Amsterdam is to address any future budget challenge, it must maximize available savings from pursuing and implementing a 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.

In addition to the current shared service efforts between the City and its governmental neighbors and partners, other opportunities exist which may allow Amsterdam to lower its current cost structure for existing services, enable future job attrition without exact refilling of current staff levels (presenting savings opportunities to both the City and the governmental partner it so engages with to share the service), and allow the City and its neighboring government the opportunity to receive grants and assistance from the State via a number of programmatic options.

One of the top priorities of a Board engagement with a municipality is to help identify and fund, when and where appropriate, shared service endeavors in order for that municipality, as well as other local governments, to save money while maintaining or improving service to their residents. The recommendations in this section aim to accomplish this goal.

Fire Department

The City of Amsterdam Fire Department currently employs 33 full time employees, and, as a whole, costs the City a total \$2.7 million per year. The City of Amsterdam Fire Department is the only full time, paid department in Montgomery County. Because of this, the City of Amsterdam could assess expanding its fire coverage to the Towns of Amsterdam and Florida. The towns adjacent to the City of Amsterdam have experienced difficulty in recruiting new members, and have experienced climbing response times, particularly to emergency calls that are placed during the workday hours.

By expanding its coverage to the surrounding towns, the City may be able to secure additional revenue streams. For this to be a viable option, however, the City must ensure that it is doing this coverage expansion within the existing personnel structure that it currently has in place. Hiring any additional personnel, or increasing minimum staffing because of this potential endeavor, would quickly negate any additional revenue that the City may be able to capture.

Moreover, the City should assess its ability to maintain eight person shifts, while ensuring that all City (and potential town resident/customers) are being properly served by the Amsterdam Fire Department. Multiple calls may stress the department beyond its capabilities, particularly if the calls are in distant geographic areas of the towns. If the City were to cover all three municipalities, the City of Amsterdam, the Town of Amsterdam, and the Town of Florida, it could potentially spread the department over a distance of more than 15 miles, and a more than 25-minute drive radius. If the City and Towns decide to pursue this option, it may be necessary for the Towns to create a fire district, to allow the City to only cover the closer, more urban parts of the town, to avoid covering the whole town.

Additionally, there is potential for the Towns of Amsterdam and Florida to receive home insurance rate reductions by being served by a professional fire department.

IT and Payroll

The City owns and runs a financial software system, which it switched to after a poor implementation of the previous financial software (as discussed in the Fiscal Performance section earlier in this report). The system is working, but the Controller believes that the system may become unsupported in the near future. Of note, some historical data contained in the current financial software system may be incorrect, due to the slow/incorrect initial implementation. The City has been working to upgrade to a new timekeeping system but is waiting for the IAFF to agree to its implementation.

Currently at least one department still utilizes paper forms for time, attendance and payroll tracking. By upgrading its technology, the City estimates that each department could save one to two percent on payroll costs by not having to manually enter and check entries.

Also of note, Montgomery County currently utilizes a popular software for its time and attendance and plans to utilize available scheduling module of the software. Plans are to eventually add a payroll module to simplify processes already in place. For financial software, the County currently uses an older but stable program that currently serves its needs. However, it is becoming increasingly difficult finding staff able to maintain it. Because the program is older, many new programmers are unable to code the software, and within the next few years the County is facing retirements of employees who are familiar. If this remains an issue, the County could easily spend hundreds of dollars per hour to hire a consultant or contract programmer to maintain the system.

The County and City believe it would be ideal to operate the same time, attendance, payroll, scheduling, and financial software. It would be advantageous for the County to assume the lead on a potential shared service to eventually contract with all municipalities within the County to provide these services, or at least host such services, benefitting all taxpayers within the County.

Additionally, the County is transitioning from paper records to an electronic file-keeping system, it would be advantageous for the City to partake, if the construct fits its needs.

Recommendation:

If the City agrees to abide by and implement updated financial and payroll software, along with the County, 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

County-Wide Shared Services Initiative

The State has empowered citizens and local leaders to control the cost of local government through the creation of the County-Wide Shared Services Property Tax Savings Plans Initiative. The initiative consists of annual rounds, which began in September 2017 and requires each county to convene a shared services panel consisting of local government leaders within the county, the goal of which is to create property tax savings plans that benefit taxpayers.

Per the law, plans 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.

Montgomery County submitted a plan in 2017, and its qualified first year 2018 net savings from implemented projects are expected to be matched by the State. The City was an active participant in the County plan, which projected savings of approximately \$1.2 million in the first year. The City should remain an active participant in the County's shared services panel for future years, and the County and its other municipalities should continue, to identify additional shared services which would be eligible for State matching funds and would reduce the City's and other local governments' property tax burden. In addition, the Board could give priority consideration to shared service projects adopted and implemented through the County's shared services panel.

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/lg/lge/grant.html>

Efficiencies

Solid Waste Collection

Currently, the City budgets over \$2.2 million to handle solid waste collection. Collection by the City is optional for all commercial and residential units and costs \$269 per year per residential unit (\$22.42 per month), while commercial units pay varying rates. The City utilizes a three-person truck operation, which appears to be efficient due to a portion of the City's streets being narrow and congested. In total, the City operates three to four waste collection trucks and collects refuse four days per week for residential customers and one day per week for commercial customers.

Currently, Department of Public Works employees physically lift all refuse and deposit it into waste collection trucks. Under this model, employees face significant work-related injury risk, which in addition to impacting employee health and wellness, also increases the City's workers' compensation premiums.

To reduce workplace injury and workers' compensation risk, the City's four rear-loader trucks could be retrofitted with semi-automated platform lifts, also known as a tipper tote system. Such a system could also reduce from three to two the number of employees needed to operate a truck. Each truck can be retrofitted at a cost of \$6,000 to \$7,000, or up to \$28,000 in total. Additionally, the City would need to purchase tipper-tote style refuse containers, which could cost of approximately \$725,000 (\$50 per tote per household, at two per household), because such mechanics requires special totes, regular refuse cans will not work with this system.

The City could explore options to reduce workplace injuries and the resulting costs by retrofitting trucks with a tipper tote system. The Board encourages the City to explore updating its sanitation and solid waste services, and consider safer, more cost-efficient alternatives to the current three-person-per-truck waste collection model.

Codes Inspections and Building Permit Software

The City of Amsterdam had discussed the possibility of converting the City's inspection, building permits, and codes data into a single software platform, and to provide the training necessary the municipal employees to utilize this software.

This new software would allow building and codes inspections to be conducted quicker, as it is estimated that there would be a reduction of 30 minutes per inspection, but it would also eliminate the requirement for a return to the office after each inspection, this would create an annual savings of approximately 7,500 hours. Additionally, critical documents can be printed at the site of inspection via mobile printer. Time savings also comes from the ability for the software to prepopulate much of the required information on the digital forms.

The City estimates that there will also be a mileage savings of approximately 50-60,000 miles per year, which will reduce fuel and maintenance costs on City owned vehicles. If we were to use the IRS Standard Mileage rate of 57.5 cents per mile, this could equate to an annual savings of \$34,500.

In addition to a time savings for building permits and codes violations, it is anticipated that the Fire Department would also utilize the software, enabling them to access the full property records and historical data (with pictures). Neighborhood Revitalization Teams or Code Enforcement Officials can also note properties that have signs of blight on the spot, and it will update the database in real time.

The City also anticipates utilizing the software database to create an automated process to identify and produce mailings for fines associated with vacant properties in the City. The Code Enforcement Official would be able to quickly enter the property info into the database and the system would generate notifications and fines based on that data. The City believes that this alone could generate \$75,000 in recurring annual fees for vacant properties located within the City.

Additionally, there is potential for shared services, with the City of Amsterdam working with neighboring municipalities to either work in conjunction with their codes/building departments, or potentially contracting to take over these services from those municipalities.

Between the vacant property fines, building inspection fines, and savings from reduced fuel and maintenance costs, the City could see in excess of a combined \$109,500 in annual savings and revenues from this software implementation.

Recommendation: The Board recommends that the City pursue a conversion to updated municipal software to integrate codes, building inspections, and fire department activities. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$30,000 to help the City with purchasing and implementing this software. The specific structure and conditions of 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.

GPS Tracking of Vehicles

The City of Amsterdam is looking to partner with a logistics and transportation management company to help integrate GPS tracking on City owned vehicles for routing and fleet management. By utilizing GPS technology, the City may be able to better manage snow removal activities. This would allow the City and its residents to see in real time where the snowplows are, and where they have been. This helps the City determine which areas have not yet been plowed, and if there are vital roadways (specifically emergency routes) that are in need of more immediate attention. This would also allow the City's Public Works Department to avoid streets that have already been cleared and salted. Another City in the Capital Region implemented a similar system, and has saved on fuel costs, vehicle maintenance expenditures, and unnecessary miles driven.

GPS tracking could also help the City coordinate shared services, by increasing the ease of which the City can work with neighboring towns. Allowing the City to assess whether the surrounding areas have been plowed recently and send a truck to clear the streets.

Additionally, this tracking could make for more efficient routing for refuse pickup, allowing the City to assess the routes that the trucks travel daily, and possibly cutting down on re-tracing areas that have already been picked up.

LED Lights

The City of Amsterdam contracted with an engineering firm to conduct an Investment Grade Audit (IGA) of all the roadway, underpass, and bridge lighting fixtures throughout the City. As part of the contractor's recommendations, the City could purchase and upgrade to LED the 1,960 utility-owned street light assets at a cost of \$2.2 million (\$900,000 to purchase the lights from the utility, and \$1.3 million for the LED conversion). With some additional costs, including interest, the total price of the conversion is estimated at \$2.3 million.

The 25-year project rates estimate that the City could realize annual energy savings of approximately \$95,000. The City could also save \$132,000 per year on maintenance, with the contracted engineering firm responsible for the first ten years of system maintenance, which includes a warranty on the system.

LEDs have been shown to produce energy savings of 60 to 70 percent. On average, they last longer, up to 100,000 hours or over 20 years, require less maintenance compared to their older counterparts, and offer improved lighting quality. Therefore, conversion to LED lights would benefit the City through reduced wattage draw as well as lowered average annual maintenance costs.

Chapter 495 of the Laws of 2015 ("the Streetlight Replacement and Savings Act"), established the procedures for the transfer of street light systems ownership from a utility to a municipality. The procedure requires all utilities to establish a process to facilitate the transfer of ownership. The price of the transfer is negotiated between the municipality and the utility, and the municipality files an application with the Public Service Commission, which includes an inventory of streetlights including numbers, location, and lighting type and a statement including anticipated financial impacts and any plans to retrofit the fixtures with energy efficient lighting.

Another option that the City could explore is converting the streetlights (as opposed to purchasing all the lights, poles, and all supporting infrastructure) at an estimated cost of \$183,000. This is a substantially less expensive option than the above and would generate an estimated annual savings of \$94,000 in electrical costs. Additionally, there is a first come-first serve, one-time incentive of an estimated \$108,000, which would reduce the price of the conversion to LED to approximately \$75,000.

This incentive, coupled with the electricity savings, makes for a more palatable option for a City which is still in the process of paying off their deficit financing. If the City were able to take advantage of this conversion and incentive, it could have a very reasonable return on investment. Of note, the City of Amsterdam would be responsible for the operation, maintenance, and repair of the streetlights, which will have an attached cost, which is yet to be determined, and could substantially change the ROI time period.

Recommendation: The Board recommends that the City pursue advancements in energy efficiency. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$1.1 million to help the City with the purchase and conversion of its lighting infrastructure to light emitting diode (LED) technology. The specific structure and conditions of 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.

Ambulance

In January of 2017, the City amended its charter to authorize the Amsterdam Fire Department to operate an ambulance service, and in August of 2017 the Fire Department became the City's primary ambulance provider for both advance and basic life support (ALS and BLS) calls.

The City has been able to provide this service without increasing staffing by sending two firefighters to respond to advanced life support calls within the City, with one firefighter riding in the ambulance to provide care and a second firefighter following the ambulance to transport the first back to the station at the close of the call.

For FY 2018, revenue from the ambulance operation exceeded expectations by more than \$41,000, with a net operating margin of \$330,000, a significant benefit to the City's General Fund. In FY 2019, the City saw an operating margin of approximately \$441,000, in FY 2020 the ambulance service has provided approximately \$400,000 in revenue, and is budgeted to provide \$520,000 in revenues for FY 2021.

Currently, the City operates a single ambulance, with any additional calls answered by an outside ambulance service. In 2018, there were 1,646 billing claims submitted by the City's ambulance service, with an additional 267 calls being turned over to these outside providers, due to the City's lone ambulance being on another call, or from being out of service for maintenance. By adding a second ambulance, the City would be able to answer these calls itself, increasing revenue and net operating margin. Additionally, with a second ambulance, the City indicates it may be able to provide facility transfers, which are scheduled patient transfers from one facility to another, such as nursing homes and hospitals. Lastly, by adding a second ambulance, the City's service would be more stable in the event of a breakdown or needed repair.

The cost to the City to operate an additional ambulance could be minimal. Pre-owned ambulances can cost \$75,000 to \$100,000, and the City indicates it would not need to increase staffing. Currently, the City utilizes shifts of eight for their fire department, and as long as seven reporting for a shift, there would be sufficient personnel to operate two ambulances and maintain current fire service. It is important that the City operate a potential second ambulance within existing personnel levels to ensure that costs do not increase and outweigh the potential benefit. Increased overtime may be an additional concern and would need to be managed closely. The modest additional margin could be wiped out easily and quickly.

Across New York State, it has proved difficult for many ambulance providers to maintain service. Near Amsterdam, the Ambulance Service of Fulton County (ASFC) and the Johnstown Area Volunteer Ambulance Corps (JAVAC) both recently suspended service, citing financial struggles. Other area services were able to accommodate the ASFC service lapse.

In recent years, the major ambulance provider in Montgomery County expressed public concerns about its financial position and asked the County to subsidize its operational costs. The provider indicated its response times could double or triple absent financial relief.

At a subsequent meeting between officials of the City, surrounding town, County, and the ambulance provider officials, officials discussed the current provision of ambulance service in the County, its problems, and potential options. One topic discussed included the City of Amsterdam

Fire Department expanding its ambulance service outside of the City limits. While the meeting came to no conclusions, and the ambulance provider is still providing service, the City's option to operate a second ambulance with existing staffing levels should be evaluated as a potential shared service for the City and its neighboring governments. The City of Amsterdam and its taxpayers should make sure, however, that such service is at least fiscally neutral, if not positive.

Recommendation: The Board recommends that the City pursue providing additional ambulance services, and the revenue stream that accompanies that service. Additionally, there is a future opportunity for the City to explore expanding of its ambulance service outside of the City limits, to ensure the continued safety of the residents of neighboring municipalities. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$200,000 to help the City with purchasing and equipping a second ambulance. The specific structure and conditions of 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.

Water System Mapping

At present, the City of Amsterdam is utilizing an antiquated paper and linen map system that is currently 110 years old for its water system. The City uses these maps on a daily basis to make repairs and find links within the system. There are two main issues with these maps – that it takes time to find anything on the current system, and there are multiple sets of maps of which not all are always cohesively updated.

The City would like to update this map system by utilizing GIS mapping of their water distribution network. This would allow the maps to be pulled up on any electronic device and can be updated for all users in real time, as changes are made. One of the advantages to this is how quickly valves and shutoffs can be located. This system would allow the City to much more quickly locate the needed valves to shut off or reroute water amongst its network while making repairs, and it would be made much simpler with the ability to pull the maps up “on the fly” as opposed to going into the City buildings to search through the proper maps, and locate the needed connections, which can take hours.

Recommendation: The Board recommends that the City undertake GIS mapping of its water infrastructure. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$250,000 to help the City with GIS mapping. The specific structure and conditions of 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.

Residential Water Meters

Currently, the City only has water meters installed at commercial properties within the supply area, with around 5,169 residential parcels being charged a flat fee for water usage. As a result, in 2018, 85 percent of the water used within the City limits could not be directly accounted for. It could be used by residents or lost to leakage, without any accountability. An additional eight

percent of the City's produced water went to metered commercial use, four percent was sold to the Town of Florida, and three percent was sold to the Town of Amsterdam.

According to a report completed for the City of Amsterdam, when comparing the City's water usage to other municipalities within a 50-mile radius, the City uses a very high level of water per person/per day. The City produces 299 gallons of water per day per person (for use within the City limits), while Johnstown and Queensbury (the next highest producers) only produce approximately 215 gallons of water per day per person. When comparing similarly sized municipalities (Town of Glenville and City of Johnstown), the City of Amsterdam produces significantly more water than its peers, with Glenville producing on average 100 gallons of water per day per person, and Johnstown, 214. Amsterdam is producing and consuming *three times* more water per day, per person than Glenville.

The City charges a flat fee to residents of \$423.89 annually. Based on its water production for residential use (not taking into account water lost through system leakage, which is technically unknown due to the lack of metering), if the City charged a similar fee structure as the City of Rensselaer, the resulting bill would be over \$1,400 for each of the 5,169 residential properties in the City of Amsterdam. In the City of Albany, comparatively, the annual water bill per residential customer would be \$1,344 at current rates.

Also, according to the study completed for the City, the cost to install water meters in all 5,169 residential properties within the City is estimated at \$2.97 million. While a significant cost, the benefits to City residents could make such an investment highly worthwhile. Currently, high-usage properties are paying the same amount as low-usage properties, disincentivizing conservation and potentially wasting resources and the City's production capacity.

There is currently no incentive for residents to install low-flow water fixtures, attempt to conserve water, or to be conscious of overall water usage, and those who do conserve overpay compared to their high-usage neighbors. Low-usage City residents should not have to subsidize their neighbors' water usage, and residential water meter installation would allow the City to bill units more equitably.

In considering an installation of water meters, the City should ensure that it sets rates at appropriate, and equitable, amounts while ensuring providing the sustainability and solvency of the Water Fund, which is used to subsidize the operation of the General Fund.

Recommendation: The Board recommends that the City undertake installation of residential water meters. 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 installing residential water meters. The specific structure and conditions of 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.

Golf Course Clubhouse

In February 2019, the City-owned golf course clubhouse incurred water damage due to a burst water line, which flooded portions of the facility. After initially moving to rebuild the clubhouse, the Mayor and Common Council approved an offer (contingent on development funding) to sell the

water damaged clubhouse and pavillion to a developer for \$50,000, to be razed and replaced with a \$2 million project. The proposed purchase agreement includes language that would require the developer or any future owners of the location to operate it as a clubhouse for the golf course and a restaurant and banquet hall to the public.

These steps should help limit the City's exposure to risk and ensure the Golf Course Enterprise Fund is self-sufficient, without relying on the City's General Fund and tax base for support.

Recommendation: The Board recommends that the take steps to ensure the self-sufficiency of the Golf Course Enterprise Fund by selling the City-owned clubhouse. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$69,000 to help the City with costs related to asbestos mitigation. The specific structure and conditions of 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

Employee Health Insurance Costs

Many municipal budgets across the State, including Amsterdam's, are strained by rising or unpredictable employee personal service and benefits expenses, particularly health insurance costs. With local governments facing significant budget deficits and needing to identify ways to reduce spending, more attention has been focused on healthcare costs for public sector employees.

The City's health insurance expenditures increased at an average annual rate of 5.5 percent between 2014 and 2019, as shown below. In addition, the City has reported significant swings in its All Funds health insurance expenditures, indicating it may be having difficulty budgeting and/or controlling these costs: 2017, 2018, and 2019 reported year-to-year changes of 16.7 percent, -18.2 percent, and 24.9, respectively. It is likely that the City's self-insured status is contributing to this volatility. A general rule is that an organization should have at least 500 employees to ensure claims predictably and/or a large enough pool of employees or covered lives with which to spread risk over; the City has only about 175 employees. The City does carry a stop-loss insurance policy of \$200,000 to limit the City's exposure to catastrophic claims.

The City of Ogdensburg, in St. Lawrence County, which has approximately 117 employees, switched from self-insurance in 2018 after experiencing similar cost increases and volatility. As a result of switching, the City's premiums for retirees decreased, although its premiums for active employees and their dependents increased 15 percent. On the whole, the City of Ogdensburg believes the change is producing savings and is budgeting lower amounts for health insurance, due to the decreased volatility and risk compared to self-insuring.

Health Insurance Costs by Fund Type							
Fund	2020	2019	2018	2017	2016	2015	2014
General Fund	3,180,888	3,547,063	2,824,128	3,421,093	2,719,784	2,901,253	2,707,643
Garbage Fund	494,947	553,848	433,796	542,764	464,830	412,772	385,209
Recreation/Golf Course Fund	58,440	17,662	14,104	16,643	15,960	9,628	13,804
Transportation Fund	-	-	89,326	111,219	103,419	91,466	161,041
Water Fund	946,451	1,027,596	770,270	953,733	905,211	790,221	726,986
Sewer Fund	772,454	880,162	695,048	855,496	846,353	708,617	671,772
Total	5,453,180	6,026,330	4,826,673	5,900,948	5,055,558	4,913,957	4,666,455
Year to Year % Change	-9.51%	24.90%	-18.20%	16.70%	2.90%	5.30%	-

The City pays a significant portion of retirees' and their dependents' health insurance premiums. The chart below shows retired employees' contribution rates, many of which are zero percent, including retired PBA employees hired before 2004, retired Superior Police Officers Association employees hired before 2000, retired Professional Firefighters Union employees hired before 2000, retired UPSEU employees hired before 1994, and retired CSEA employees hired before 1998.

City of Amsterdam Healthcare Premium Contributions (Retired Employees, By Unit)	
Hire Date	Percent Premium Contribution
PBA	
Prior to July 2004	0%
After July 2004 (Indiv.)	Same as Active Employees
After July 2004 (Family)	50%
After July 2017	Same as Active; Mandatory Medicare Advantage
Superior Police Officers Association	
Prior to July 2000	0%
After July 2000 (Indiv.)	Same as Active Employees
After July 2000 (Family)	50%
Professional Firefighters Union - Local 2825	
Prior to July 2000	0%
After July 2000 (Indiv.)	Same as Active Employees
After July 2000 (Family)	50%
UPSEU (Dept. Heads)	
Prior to July 1994	0%
After July 1994	Not Eligible (100%)
CSEA, Local 1000 AFSCME, AFL-CIO	
Prior to July 1998	0% Individual; 50% Two/Family; Mandatory Medicare Advantage
After July 1998	Same as Active for Individual; 50% Two/Family; Mandatory Medicare Advantage

AFSCME Council 66 - Local 1614	
Prior to 10/16/1997	Same as Active Employees
After 10/16/1997	Same as Active for Individual; 50% Two/Family; Mandatory Medicare Advantage
Non- Unionized Workforce	
Prior to 2004	Not Eligible (100%)
After 2004	Not Eligible (100%)

Generally, the City should continue to look for ways to contain health insurance costs. The Office of the State Comptroller offers some suggestions, including offering cash payments in lieu of health benefits, entering into a cooperative agreement with other local governments, instituting wellness programs, and examining changes in deductibles, cost caps or other types of coverage. More information can be found at <https://osc.state.ny.us/localgov/costsavings/emphealth.htm>

Police Staffing

The Police Department currently employs 32 full time officers, 8 superior officers, and 1.5 civilians, at an annual cost of \$3.9 million, which represents 22 percent of the City's FY 2020 Adopted General Fund budget. The Department has remained fairly consistent in its staffing levels over the past ten years, but has dipped slightly lower, to a low of 36 in 2014, with a high of 42 in 2011. Since 2014 the Department has had a minimum staffing clause in its collective bargaining agreement which keeps the Department at a minimum of 32 officers (not including superior officers).

The New York State Department of Criminal Justice has historically provided local governments with an analysis of police staffing levels using the International Association of Chiefs of Police (IACP) staffing model upon request. The Board's analysis using this model considers a number of influencing factors in determining an appropriate force size in a community, including the total number of hours needed for one patrol position, average time needed to handle complaints, a buffer for preventative patrol and activities not captured in call data, and time off (see Appendix C). Further analysis was completed using Department of Justice (DOJ) data on local police departments which indicates that, on the average, police departments operate with an average of one full-time police officer per 1,000 residents.

According to Census data, the City of Amsterdam had 18,620 people in 2010 and, in 2019, handled 16,840 total complaints. Based on this ratio and the IACP model, the City should have roughly 25 full-time patrol officers. However, 32 patrol officers are currently employed by Amsterdam. According to Office of the State Comptroller data from 2019, the City's police officers are paid \$72,500 on average, which is the second highest average pay amongst cities in the Mohawk Valley Region of the State of New York.

If Amsterdam were to consider re-sizing its police department to more closely align to the IACP model's recommendations, the approximate savings of 7 officers' salaries alone totals upwards of \$500,000 annually and nearly \$800,000 annually when considering all pension, health benefits, and other costs. However, before taking such action or prior to commencing negotiations with the union, the City and residents should thoroughly consider all options as well as the pros and cons of any specific approach.

Civilianize Police Dispatch

Currently, the Fire Department is dispatched by Montgomery County dispatchers, while Police dispatch is handled by a mix of civilian and uniformed employees. At present, the City employs one full-time dispatcher, and one part-time dispatcher. When there is no civilian dispatcher available, the Sergeant on duty assigns a patrol officer to cover dispatch. These assignments are usually broken into four-hour shifts, which take officers away from patrol duties, essentially utilizing the equivalent of two and a half full time uniformed officers to supplement dispatch duties when the civilian dispatchers are not scheduled.

If the City eliminated two or three uniformed positions (such as through attrition after retirements), which currently are desk/dispatch positions, City could instead employ four full-time civilian dispatchers at a significantly lower cost, while maintaining current service levels for patrols. Salaries for these dispatchers would be approximately half that of uniformed officers, which currently make an average of \$72,500, versus the \$30,000 to 35,000 annual average for a civilian dispatcher. By civilianizing the dispatch positions, the City could save up to \$91,000 annually on salaries, and at least \$45,000 annually in benefits, for a total savings approaching \$140,000 per year.

Currently, these uniformed officers are responsible for duties that can easily be done by civilians. Many cities, towns, and villages throughout the State have civilian dispatchers, and many of these cities, towns, and villages have converted from uniformed to civilian dispatch only recently. The City should analyze if the added cost of using uniformed officers for police dispatch is justified.

One difficulty the City may encounter in civilianizing police dispatch to reduce the overall number of officers (but maintain current service levels for patrols) is the PBA's minimum staffing requirement in its collective bargaining agreement. The City and PBA would need to agree to reduce the number of officers below 32. Additionally, the City has indicated that its dispatchers (both uniformed and civilian) serve walk-in cases at City Hall and monitor the City holding center. Civilianizing police dispatch would not impact either of these services.

Transfer Police Dispatch to Montgomery County

Alternatively, or perhaps even after civilian City dispatch staffing, the City could consider altogether transferring police dispatch to Montgomery County. As previously stated, the County, at its Public Safety Answering Point (PSAP), already dispatches the City Fire Department. Calls for the Amsterdam Police Department already currently pass through the PSAP, as all police calls placed within the City are initially answered by the County PSAP, then transferred to the Amsterdam Police dispatcher.

The PSAP currently handles an average of 188,057 calls annually. Including non-custodial arrest tickets, the Amsterdam Police Dispatch handles an average of 16,755 calls annually. Adding Amsterdam police calls to the Montgomery County PSAP call volume would add approximately 1.9 calls per dispatcher/per shift, a 3.2 percent increase. If the Montgomery County PSAP were to add one and a half additional dispatchers to its rotation (so there were nine dispatchers working in a 24-hour period, as opposed to the current eight), even with the addition of the City of Amsterdam Police Department calls, it would actually decrease the number of calls per dispatcher/per shift by one half of one call.

City and County Dispatch Calls			
	City of Amsterdam	Montgomery County	Combined
2016	15,750	194,574	210,324
2017	16,861	193,694	210,555
2018	17,411	186,954	204,365
2019	16,840	184,096	200,936
2020	16,914	180,968	197,882
Annual Average	16,755	188,057	204,812
Calls Per 9/8-Hour Shift	15	172	187
Dispatcher FTEs	4	11	12.5
Avg. Dispatchers Per Shift	1	3(7am-11pm) 2(11pm-7am)	3
Calls Per Dispatcher Per Shift	15	21	21

It should be noted that County dispatchers working at the PSAP handle a large volume of calls, and that police calls *do* tend to be more involved than other calls for service, due to the need to “run” license plates, drivers’ licenses, and other information requests as a part of the call.

If the City were able to eliminate four dispatcher FTEs (currently a mix of uniformed and civilian), it could save \$230,000 per year in salary alone, or just under five percent of the property tax levy. Even if it were to pay the County a fee for providing the dispatch services, it is likely that the City would generate a savings.

The residents of Amsterdam are effectively paying or contributing to the salaries for two sets of dispatchers - being taxed as county residents, paying for the County dispatchers, and being taxed as city residents, paying for the City police dispatchers.

Recommendation: The Board recommends that the City seek labor and healthcare efficiencies. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to implement this recommendation. 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.

Economic Development

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 up to 10 such land banks through Chapter 257 of the Laws of 2011. This authorization was expanded to a total of 20 land banks through Chapter 106 of the Laws of 2014, and then expanded to a total of 25 land banks through Chapter 55 of the Laws of 2017. 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 25 approved land banks (the maximum permitted under current law) in New York State: Albany County Land Bank Corporation, Allegany County Land Bank Corporation, Broome County Land Bank Corporation, Buffalo Erie Niagara Land Improvement Corporation, Capital Region Land Reutilization Corporation, Cattaraugus County Land Bank Corporation, Chautauqua County Land Bank Corporation, Chemung County Property Development Corporation, Finger Lakes Regional Land Bank Corporation, Greater Mohawk Valley Land Bank Corporation, Greater Syracuse Property Development Corporation, Livingston County Land Bank, Nassau County Land Bank Corporation, Newburgh Community Land Bank, Niagara-Orleans Regional Land Improvement Corp, Oswego County Land Bank Corporation, Rochester Land Bank Corporation, Suffolk County Land Bank Corporation, Sullivan County Land Bank Corporation, Steuben County Land Bank Corporation, Tioga County Property Development Corporation, and the Troy Community Land Bank, the Wayne County Land Bank, the Kingston City Land Bank, and the Ogdensburg Land Bank Corp.

The City should ensure it works with the Greater Mohawk Valley Land Bank Corporation to address problems of blight from vacant and abandoned buildings.

Fiscal Performance and Accountability

Multi-Year Financial Planning Grants for Local Governments

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 Board has available funding to assist fiscally stressed local governments with multi-year financial planning on a reimbursement basis. Eligible local governments that meet the requirements may be eligible for a reimbursement equal to the lesser of (1) 50 percent of the cost of engaging in multi-year financial planning with the assistance of an external advisor, which may be increased to up to 100 percent of such cost upon approval by the Chair of the Board, or (2) \$12,500.

The City of Amsterdam has not created multi-year financial plans in the recent past. The City could especially benefit from the multi-year financial planning process as it repays deficit financing bonds. For the reasons outlined above, the Board finds that the City should develop and maintain a multi-year financial plan.

Conclusion and Next Steps

The Board may, in its sole discretion, award any of the following grants:

- The Board 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 pursue a conversation to updated municipal software to integrate codes, building inspections, and fire department activities. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$30,000 to assist the City with the purchase and implementation of such software.
- The Board recommends that the City pursue advancements in energy efficiency. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$1.1 million to help the City with the purchase and conversion of its lighting infrastructure to light emitting diode (LED) technology.
- The Board recommends that the City pursue providing additional ambulance services, and the revenue stream that accompanies that service. Additionally, there is a future opportunity for the City to explore expanding of its ambulance service outside of the City limits, to ensure the continued safety of the residents of neighboring municipalities. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$200,000 to help the City with purchasing and equipping a second ambulance.
- The Board recommends that the City undertake GIS mapping of its water infrastructure. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$250,000 to help the City with GIS mapping. The specific structure and conditions of 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 recommends that the City install residential water meters. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to help the City with the installation of residential water meters.
- The Board recommends that the take steps to ensure the self-sufficiency of the Golf Course Enterprise Fund by selling the City-owned clubhouse. If the City agrees to abide

by and implement this recommendation, the Board may, in its sole discretion, award a grant of up to \$69,000 to help the City with costs related to asbestos mitigation.

- The Board recommends that the City seek labor and healthcare efficiencies. If the City agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to help the City alter its long-term cost structure.

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.

Appendix A – Resolution from City of Amsterdam

COMMON COUNCIL MEETING
MAY 21, 2019
6:00 PM

RESOLUTION #18/19-240

RESOLUTION SUPPORTING THE NYS FINANCIAL RESTRUCTURING BOARD

BY: FULL COUNCIL

RESOLVED, the Common Council of the City of Amsterdam fully supports the NYS Financial Restructuring Board performing a Comprehensive Review for the City of Amsterdam.

RESOLUTION ADOPTED UNANIMOUSLY.

Common Council
City of Amsterdam, NY

	Aye	Nay
Alderman Russo	✓	
Alderman Ochal	✓	
Alderman Collins	✓	
Alderman Dybas	✓	
Alderman Martuscello	✓	


MICHAEL J. VILLA, MAYOR

DATED: 5-22, 2019

This is to certify that I, Laura Barquero, City Clerk of the City of Amsterdam, County of Montgomery, State of New York, that the above is the original Resolution, passed by the City of Amsterdam Common Council on May 21, 2019 a majority of all members elected to the Council voting in favor.

I have set my hand and the official seal of the City of Amsterdam this 22nd day of May, 2019.


CITY CLERK

CITY SEAL

Received & Filed in the Office of the City Clerk: 5/22/19

Received by: LB

Appendix B – Resolution Approving the City of Amsterdam

Financial Restructuring Board for Local Governments

RESOLUTION No. 2019-11

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

WHEREAS, pursuant to New York State Local Finance Law section 160.05(2), the Financial Restructuring Board for Local Governments (the "Board") must find that the City of Amsterdam (the "City") is a Fiscally Eligible Municipality because it has an average full value property tax rate of \$11.3518 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(2), the Financial Restructuring Board for Local Governments (the "Board") must find that the City of Amsterdam (the "City") is a Fiscally Eligible Municipality because it has an average fund balance percentage of negative 6.46 percent of expenditures, which is less than five percent; 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. 2019-11

Dated: 6-26-19

