

Financial Restructuring Board for Local Governments

RESOLUTION No. 2018-10

DEEMING THE CITY OF YONKERS A FISCALLY ELIGIBLE MUNICIPALITY AND  
APPROVING THE REQUEST FOR A COMPREHENSIVE REVIEW FROM THE CITY  
OF YONKERS

WHEREAS, the Financial Restructuring Board for Local Governments (the "Board"), created pursuant to Chapter 67 of the Laws of 2013, is empowered by section 160.05 of the Local Finance Law to, among other things, deem certain municipalities as Fiscally Eligible Municipalities on a case by case basis if the Board determines that such municipalities would benefit from the services and assistance which the Board has the legal authority to offer; and

WHEREAS, when evaluating whether a municipality is a Fiscally Eligible Municipality, New York State Local Finance Law 160.05 requires that the Board consider the municipality's average full value property tax rate and average fund balance percentage, and such other criteria as the board deems relevant; 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 City of Yonkers (the "City") has an average full value property tax rate of \$6.4548 per \$1,000, which is below the automatic fiscal eligibility threshold of \$7.3381 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, the City has an average fund balance percentage of 12.97 percent, which is above the automatic fiscal eligibility threshold of five percent average fund balance percentage; and

WHEREAS, the City exhausted 93.2 percent of its Constitutional property tax levy limit for its 2018 fiscal year, and an estimated 87.7 percent for its 2019 fiscal year; and

WHEREAS, the City used \$20.6 million of general fund balance to cover a fiscal year 2017 deficit, and will use an estimated \$35.0 million of its general fund balance to cover a fiscal year 2018 deficit, and its remaining general fund balance available of \$18.3 million is being to balance its 2019 fiscal year budget; and

WHEREAS, the City's 2019 fiscal year executive budget proposal includes 182 layoffs of the City workforce; and

WHEREAS, City expenditures are projected to increase \$22.3 million in its 2019 fiscal year, primarily due to steep contractual increases in personal service and fringe benefits, including four percent cost of living wage increases for uniform service bargaining units; and

WHEREAS, the City will be entering into a new round of collective bargaining with six of the City's largest collective bargaining units with expiring contracts in its 2019 fiscal year; and

WHEREAS, the Board acknowledges the possibility of recurring savings for the City through new or increased efficiencies, new or expanded shared services with other local government entities, and/or modifications to existing workforce provisions; 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 hereby finds the City to be a fiscally eligible municipality pursuant to its authority within New York State Finance Law section 160.05(2); and

BE IT FURTHER 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. 2018-10  
Dated: 6-13-18

A handwritten signature in black ink, consisting of stylized, overlapping loops and a horizontal line extending to the right.