

Financial Restructuring Board for Local Governments

RESOLUTION No. 2019-08

AUTHORIZING GRANTS FOR THE CITY OF DUNKIRK

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, 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, on June 19, 2017, the Board approved Resolution No. 2017-10 agreeing to undertake a Comprehensive Review of the City of Dunkirk (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, on June 13, 2018, the Board approved Resolution No. 2018-01 approving the report on the Comprehensive Review of the City (the "Comprehensive Review Report") and all of the findings and recommendations therein; and

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WHEREAS, the Comprehensive Review Report included a recommendation that the City continue to implement additional efficiency actions that will lower the annual cost of providing specific services; and

WHEREAS, the Comprehensive Review Report includes a recommendation that in recognition of the City's fiscal situation and the improbability of future payments in lieu of taxes to the City by NRG, Inc., the Board may award, in its sole discretion, a grant of up to \$1,770,000 to help temporarily stabilize the City's 2018, 2019, and 2020 finances and tax levies, while the City prepares for the potential long-term loss of the NRG, Inc. payment in lieu of taxes, and to help limit further erosion of the City's current fund balance;

WHEREAS, it has become clear that future NRG, Inc. payments in lieu of taxes are unlikely, and the City may require substantial restructuring of its operations as its extraordinary State Electric Generation Facility Cessation Mitigation assistance phases-out;

NOW THEREFORE BE IT RESOLVED that the Board authorizes a grant of up to \$125,000 to assist the City with the purchase and retrofitting of a property located at 338 Central Avenue, in order to alleviate congestion in its City Hall, 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 modifies its Resolution No. 2018-01, attached hereto as Attachment B, and modifies its authorization of a grant of up to \$1,770,000 to the City to help temporarily stabilize the City's 2018, 2019, and 2020 finances and tax levy to also include a payment of \$307,000 in 2021 which shall be subtracted from the \$807,000 payment in 2020, while the City prepares for the long-term loss of an NRG, Inc. payment in lieu of taxes and to further stretch out and aid the City's timeline to restructure, which shall be contingent on the submission and adoption of fiscally prudent City budgets and be subject to the terms of a contract entered into between the New York State Department of State and the City.

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

No. 2019-08

Dated: 6-26-19

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line and a small loop at the end.