



# Village of Hoosick Falls Comprehensive Review Report

**Financial Restructuring Board  
for Local Governments**

June 20, 2016

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## Overview

The Village of Hoosick Falls is a large Upstate village in Rensselaer County. With a population of 3,501 at the 2010 Census, it is the 155th most populous village in New York State and the most populous village in Rensselaer County. 2015 expenditures of \$3.5 million were the 188th most of villages in the State and the most of villages in the County.

The Village is governed by a Mayor and six Village Trustees, who are elected to two-year staggered terms. The other elected official is the Village Justice.

The Village Board adopted and the Mayor concurred with a resolution requesting a Comprehensive Review by the Financial Restructuring Board (see Appendix A). On February 24, 2015, the Financial Restructuring Board approved this request for a Comprehensive Review with Resolution No. 2015-08 (see Appendix B).

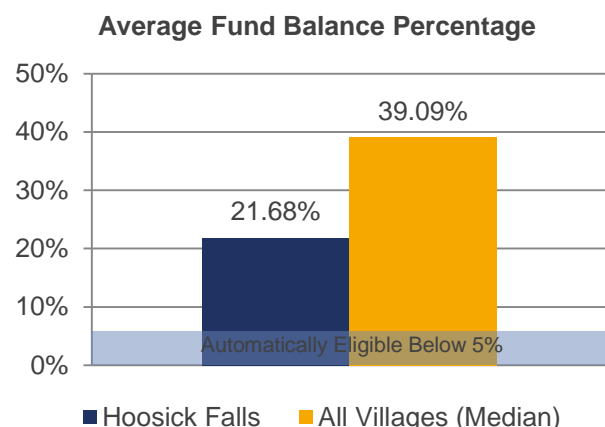
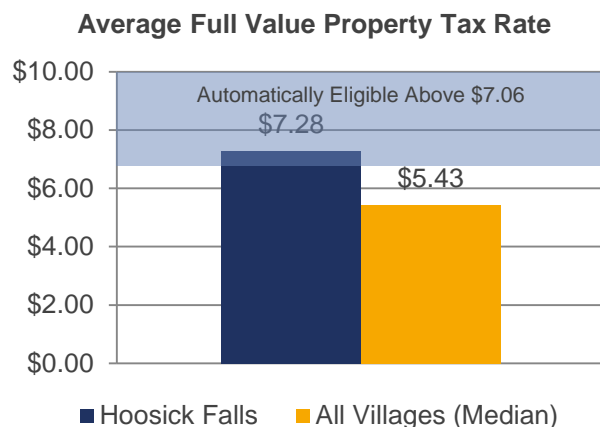
This Comprehensive Review first gives some background on the Village's fiscal eligibility and demographic profile. It then provides information on the organization and finances of the Village. Finally, it presents the Comprehensive Review's findings and recommendations.

## Background

### Fiscal Eligibility and Stress

The Village of Hoosick Falls is automatically considered a Fiscally Eligible Municipality because its Average Full Value Property Tax Rate (2009-2013) of \$7.28 per \$1,000 is above \$7.06 per \$1,000 – the 75th percentile for all municipalities. This is the 167th highest for villages.

The Village's Average Fund Balance Percentage (2009-2013) of 21.68 percent is the 117th lowest for villages but is still above the five percent threshold.



The Office of the State Comptroller’s (OSC) Fiscal Stress Monitoring System gives the Village of Hoosick Falls a Fiscal Rating of “No Designation” with a score of 22.9 percent for 2015, which is slightly worse than the Village’s score of 20.0 percent for 2014 and worse than the median score of 11.7 percent for all villages that are rated for 2015 (a local government would be determined to be Susceptible to Fiscal Stress with a score of 45.0 percent or higher). Negative fiscal factors include: low fund balance compared to General Fund expenditures, low cash as a percentage of current liabilities and as a percentage of monthly expenditures, and a high level of debt service spending compared to revenues. OSC projects that the Village's score will decrease to 21.7 percent in 2016, remaining at No Designation.

OSC’s Fiscal Stress Monitoring System gives the Village of Hoosick Falls an Environmental Rating of “No Designation” with a score of 13.8 percent, which is better than the median score of 19.6 percent for all villages that are rated for 2015 (a local government would receive a designation with a score of 30 percent or higher). Negative environmental factors include: an increase in the childhood poverty rate by 9.5 percent from 2000 to 2010 and a decrease in property values over the last four years by -2.7 percent

## Demographic and Socioeconomic Profile

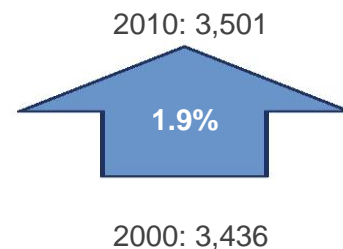
The Village's population grew 1.9 percent from 2000 to 2010 to 3,501. This growth is slightly more than the 1.1 percent population loss experienced by the typical village over that same period.

The Village of Hoosick Falls median household income in 2014 was \$47,188, which is less than the typical village's median household income of \$52,633.

The Village's median home value of \$121,700 is less than the median home value of the typical village of \$130,750. Its property value per capita of \$39,836 in 2015 is less than the property value per capita of the typical village (with a 2015 OSC fiscal stress score) of \$49,602. The four-year average change in property value of -2.7 percent is less than the average change of the typical village (with a 2015 OSC fiscal stress score) of -0.6 percent.

The surrounding county’s unemployment rate of 5.3 percent is lower than the unemployment rate of the typical village (with a 2015 OSC fiscal stress score, or its surrounding county if the village has a population less than 25,000) of 6.0 percent. With a child poverty rate of 18.1 percent, the Village of Hoosick Falls has a higher child poverty rate than the typical village (with a 2015 OSC fiscal stress score), which is 11.3 percent.

### Population Change



## Organization and Finances

### Organizational Profile

The Village of Hoosick Falls is governed by a Mayor and six Village Trustees. The Mayor is elected to a two-year term, which expires in 2017. The Trustees are elected to staggered two-year terms which expire in 2017 and 2018. The Village Justice has a four-year term that expires in 2019.

According to the organizational chart provided by the Village, there are six major department areas: Executive, including the Mayor and Board of Trustees; Clerical and Judicial, including the Treasurer, Clerk, and Village Justice; Highway; Water; Sewer; and Public Safety.

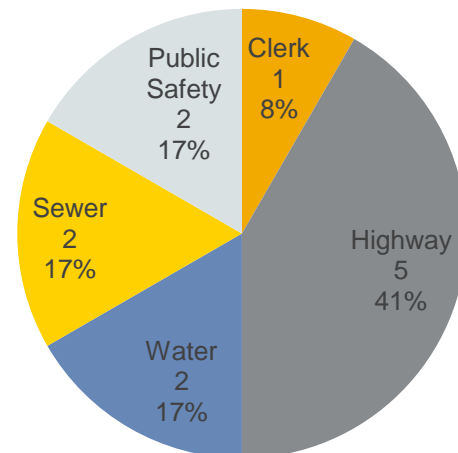
The Highway Department has the most full-time employees with five. The Public Safety Department has two full-time employees as well as 17 part-time officers, a part-time assistant chief of police, and a part-time code enforcement officer. The Water Department and Sewer Department have two full-time employees each.

Certain Village employees are covered by collective bargaining agreements. The United Public Service Employees Union (UPSEU) for Police Officers represents 17 employees in the Police Department. The most recent UPSEU contract expired May 31, 2016. It provided two percent salary increases each year under contract.

The Civil Service Employees Association (CSEA), Inc., Local 1000, AFSCME, and AFL-CIO represents four employees in the Highway Department. The most recent contract extends through May 31, 2017. It provides two percent salary increases each fiscal year under contract.

All Village employees hired after 1999 are required to contribute 25 percent of the cost of providing health insurance.

**Village of Hoosick Falls  
Full-Time Employees by Department**



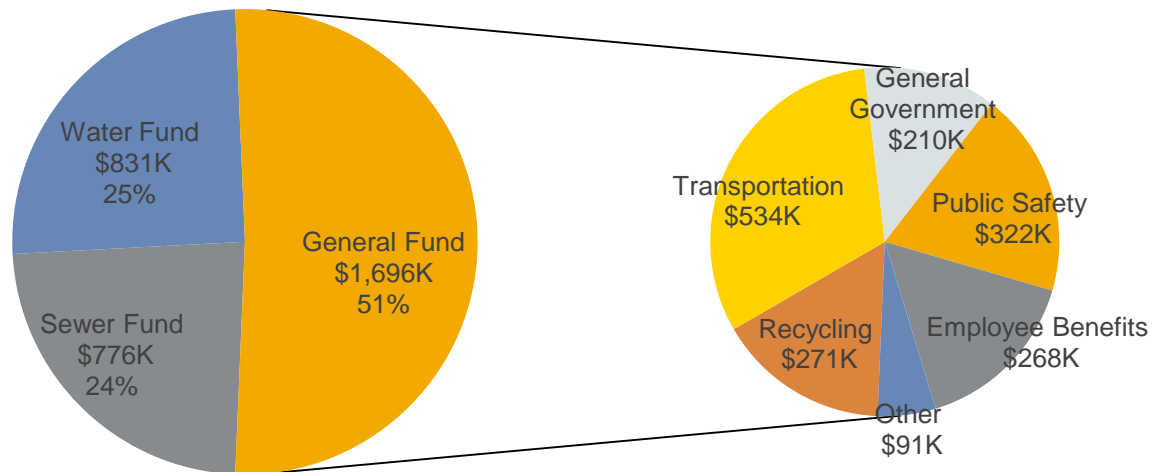
**Village of Hoosick Falls Labor Contracts**

Union	% Salary Increases			
	2013	2014	2015	2016
UPSEU (Police)	2.0	2.0	2.0	-
CSEA (Highway)	2.0	2.0	2.0	2.0

## Budget Profile

The Village's 2016 all funds adopted budget (General, Water and Sewer Fund) appropriations total \$3.3 million; of which \$1.7 million is for the General Fund. The budget represents a 3.2 percent increase from the 2015 adopted budget. For the General Fund, the largest appropriation is for transportation, which encompasses the Highway Department.

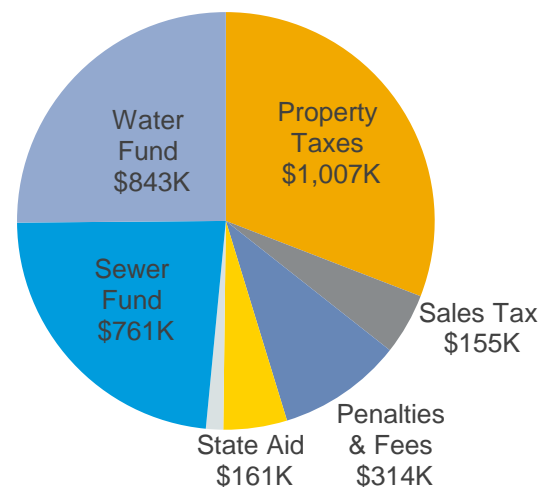
**2016 Village of Hoosick Falls Expenditures**



The largest all funds revenue sources for the Village are property taxes (30.9 percent), Water Fund revenues (25.1 percent), and Sewer Fund Revenues (23.3 percent). The adopted budget levy of \$1.0 million increased 1.5 percent over the prior year, and was within the Village's property tax cap.

The Village has nearly \$15 million in outstanding long term debt, with nearly all of it related to reconstruction and improvements to both the water treatment and sewage treatment plants. These projects were financed with no-interest loans from the Environmental Facilities Corporation (EFC).

**2016 Village of Hoosick Falls Revenues**



At present, the Village appears to be on substantially solid financial footing, given the following:

- Even with the use of fund balance in the 2016 budget, the Village still has sufficient fund balance, especially in the Water and Sewer Funds.

	<b>Fund Balance Ending 2015</b> \$ in 000s	<b>2016 Appropriated Fund Balance</b> \$ in 000s	<b>Projected 2016 Fund Balance</b> \$ in 000s	<b>Projected Fund Balance as % of Expenditures</b>
General Fund	353	15	337	19.9%
Water Fund	452	12	440	52.9%
Sewer Fund	499	15	484	62.3%
<b>Major Funds</b>	<b>1,303</b>	<b>42</b>	<b>1,261</b>	<b>38.2%</b>

- The 2016 adopted budget was able to fund, for the first time, new \$10,000 contingency appropriations for each fund.
- In addition, the adopted budget was able to fund an increase in police coverage. Prior service provided 24-hour coverage four days per week, with part-time coverage on the remaining three days. However, the 2016 Adopted Budget funds 24-hour coverage five days per week. The Village indicates that it would like to increase police coverage going forward.

The Village's 2017 adopted budget maintains revenue and spending levels similar to the 2016 adopted budget, despite the challenges the Village has faced regarding its water supply. General Fund expenditures were increased from the prior year by one percent to a total of \$1.71 million, and the tax levy was increased from the prior year by .013 percent to \$1.02 million. Modest fund balance usage was required to balance the budget, including \$118,030 in the Water Fund and \$56,578 in the Sewer Fund.

## Findings and Recommendations

After a thorough review of the Village’s operations, the Board identifies findings and recommendations in the following areas: shared services, dissolution, efficiencies, public water supply, economic development, and fiscal performance and accountability.

### Shared Services

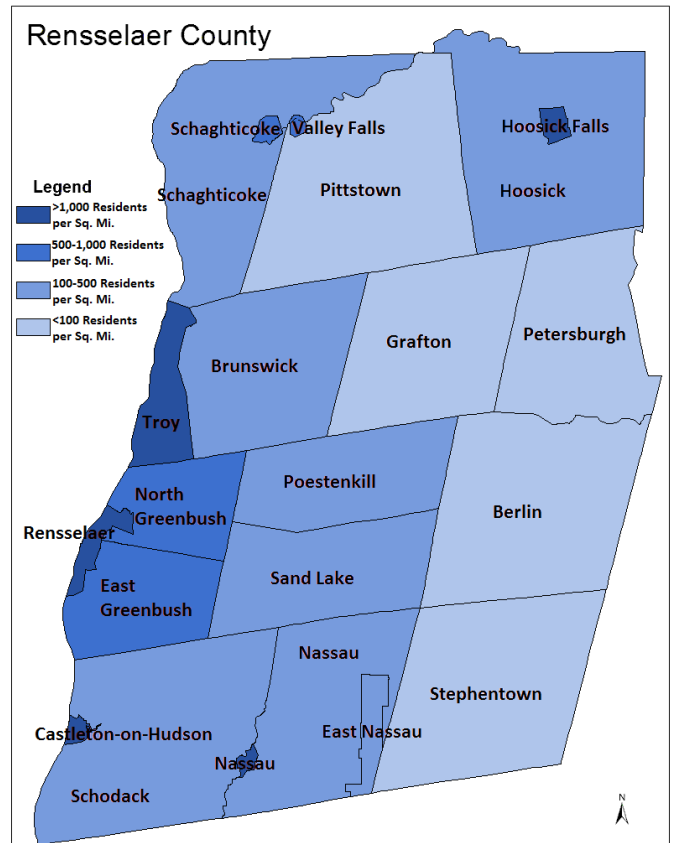
#### Regional Government Context

As of the 2010 Census, Rensselaer County had a population of 159,429 and was the 16th most populous county out of the 57 counties outside of New York City. With a land area of 652.4 square miles, it is the 32nd largest county. With a population density of 244 residents per square mile, it is the 16th most densely populated county.

The County is governed by a County Executive and a 19-member County Legislature. Other elected officials include a County Clerk, District Attorney, and Sheriff. As of 2014, the County had total expenditures of \$343.8 million, which is the 14th highest for counties, and total expenditures per capita of \$2,156, which is the 23th highest for counties.

Within the County, there are 2 cities, 14 towns, 6 villages, 12 school districts, 27 fire districts and more than 100 town special districts and other entities.

The Village of Hoosick Falls is completely within the Town of Hoosick, which is located in the northeast corner of Rensselaer County.





## Survey of Shared Services

The Board worked with the Village and its neighboring municipalities to conduct a survey on the services they provide in order to discover opportunities for further shared services. The Village 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 the summary of the results identifying which services are provided by each municipal entity.

Index of Municipal Services Provided			
Service / Function	Village of Hoosick Falls	Town of Hoosick	Rensselaer County
Police	X		X
Dispatch / E-911			X
Fire			X
Ambulance / EMS			X
Tax Collection/Treasurer	X	X	X
Tax Bill Printing		X	X
Tax Foreclosure			X
Assessing	X	X	
Personnel / HR / Civil Service	X		X
Payroll / Time & Attendance	X	X	X
Purchasing	X		X
Budget / Finance	X	X	X
Code Enforcement	X	X	X
Building / Zoning / Planning	X	X	X
Park Maintenance	X	X	
Animal Control	X	X	
Plowing	X	X	X
Paving / Street Maintenance	X	X	X
Lighting / Traffic Controls	X	X	X
Sanitation / Garbage	X		
Water	X		
Wastewater / Sewer	X		X

## Shared Services Actions and Opportunities

A local government's primary responsibility is to deliver services for the benefit and well-being of its residents. With limited resources and rising costs, all local governments must continually look to partner with one another to find efficiencies and eliminate duplicative functions performed by multiple governments.

Recently, the Village has been active with its neighboring municipalities and it currently has a number of existing shared service agreements with the Town and County.

- The Town of Hoosick and the Village have an agreement to provide police services for the Town court, to share highway equipment and salt, and to cooperate on plowing.
- The County provides dispatch service to the Village, allowing the Village to save approximately \$165,000 each year from reduced personnel-based costs.

Although some actions have been taken, a number of additional opportunities for the Village and its neighboring municipalities to pursue shared services remain. As the previous chart aptly displays, there is significant duplication of services among the Village of Hoosick Falls and its neighboring municipalities. Some of the most promising opportunities for shared services including the following:

### Justice Courts

A 2013 study by the Center for Governmental Research identified a number of areas where structural changes could be made to take advantage of shared services. One of these areas is the Town and Village courts. The Town and Village currently have two separate court systems. The two Justices serve both positions for the Town and Village, and each court has a part-time clerk. The Village budgeted \$34,000 for the municipal court in FY 2016. While the Board recognizes that Village residents disapproved a referendum approximately ten years ago to relinquish the Village justice court function, the Village may wish to revisit this opportunity. By consolidating this function, the Town and the Village could experience savings.

### Police Services

The Village's second largest functional area in terms of expense is public safety, with 17 part-time police officers and nearly \$325,000 in annual expenditures, excluding fringe benefits. Rensselaer County provides road patrol services throughout the County and spends just under \$5 million annually for approximately 42 FTEs in the Sheriff's Department. The Village and its residents should consider a couple of different approaches with respect to the combination of Village police and County Sheriff operations:

First, the Village residents could elect, by referendum, to eliminate the Village Police Department. By default, response would fall to the County Sheriff or the State Police. Although this option could reduce/eliminate a significant cost to the Village, residents might be left with less coverage than they currently have with the Village Police Department.

As a second option, the Village and County could work out a fiscal arrangement that, upon a successful referendum to dissolve the Police Department, would provide a continued presence

and patrol within the Village. This arrangement would cost taxpayers money each year, to compensate the County for the residents' need, desire, and comfort in seeing a constant or near-constant presence in the Village, but the expectation is that it would save Village taxpayers compared to supporting the full Police Department. Coverage arrangements and the associated costs and savings would have to be worked out between the Village and the County in advance in order to determine the feasibility of such an agreement.

If the Village of Hoosick Falls is to have sustainable fiscal health, it must maximize available savings from pursuing and implementing new shared services with its governmental partners. This will not only enable the Village to reduce its cost structure going forward, but should also help partnering governments to reduce their costs as well. The Board finds that the Village should continue to work with its governmental neighbors to share services so as to lower the annual cost of providing specific services and address the inherent duplication of services via multi-governmental jurisdictions.

Recommendation: The Board recommends that the Village, 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 Village agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to assist the Village 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 Village, and any other aspects of such grant would be subject to an affirmative vote of a majority of the total members of the Board.

## Local Government Efficiency Grant Program

If the Village of Hoosick Falls would like to pursue additional shared services opportunities, the State 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/lq/lge/index.html>.

## Transformational Municipal Restructuring Grants

On February 2, 2016 the Department of State released the Request for Applications for the Municipal Restructuring Fund (MRF) – a new \$25 million program to assist local government and school officials with developing transformative projects that will lead to property tax reductions for New Yorkers. The MRF is a grant program with a continuous recruitment process and projects submitted through the program will be ranked as they are received based upon established criteria until funding is exhausted. Projects will be ranked by metrics that include potential impact across local governments, effect across service delivery areas and municipal functions, and potential for long-term property tax savings.

The Village should consider evaluating internal opportunities for consolidation or partner with surrounding communities for the purpose of filing an application for this grant funding. More information on MRF grant requirements and how to apply is available at <http://www.dos.ny.gov/funding/rfa-15-mrf-27/index.html>.

## **Municipal Consolidation Competition**

To further encourage local government consolidation, New York State created a new \$20 million Municipal Consolidation Competition in the FY 2017 Enacted State Budget to empower counties and other local governments to pursue opportunities for consolidation, shared services, and other changes that permanently reduce the property tax burden. This competition is designed to bring forth aspirational consolidation ideas that will change the structure of local government.

The Village should consider partnering with Rensselaer County in order to craft an application for this funding that outlines a transformative change in the structure of their local governments or service delivery methods.

## Village Dissolution

The Board finds that the Village administration and residents should consider dissolution as an option to address the taxes imposed solely on the Village residents. Dissolution represents a viable option for any village experiencing fiscal stress, given adequate preparation and the ability of the Town to fulfill necessary services would need to be analyzed prior to any village efforts. The State offers resources to plan and implement a village dissolution. In addition, residents will annually benefit from additional tax credits provided after village dissolution.

## Village of Hoosick Falls and Town of Hoosick

The Town of Hoosick is governed by a Supervisor and four other members of the Town Board. Other elected town officials include: the Superintendent of Highways, Clerk, and two Justices.

The Village is the only village within the Town of Hoosick. The Village includes over 50 percent of the Town's population but only 2.5 percent of the Town's land area. The full value of the property in the Village as of 2014 is 35 percent of the full value of the property in the Town.

	Village of Hoosick Falls	Town of Hoosick
Population	3,501	6,924
Area (sq. miles)	1.6	63.0
Full Value	\$143M	\$408M

The Village and the Town have relatively similar demographic profiles, which would be expected as over half of the Town's population also lives in the Village.

	Village of Hoosick Falls	Town of Hoosick
Population Change (2000-2010)	1.9%	2.4%
Median Household Income (2014)	\$47,188	\$57,386
Median Home Value (2014)	\$121,700	\$153,100
Property Value Per Capita (2014)	\$40,770	\$58,955
Child Poverty Rate (2010)	18.1%	16.8%
Change in Child Poverty Rate (2000-2010)	9.5%	6.6%

The Village's 2014 total expenditures of approximately \$3.4 million were greater than the Town's 2014 total expenditures of \$3.3 million.

	Village of Hoosick Falls 2014 Expenditures		Town of Hoosick 2014 Expenditures	
	\$ in 000s	%	\$ in 000s	%
General Government	213	6.3	632	19.3
Public Safety	389	11.5	284	8.7
Transportation	689	20.4	1,423	43.5
Culture and Recreation	28	0.8	532	16.3
Utilities	352	10.4	2	0.0
Sanitation	654	19.4	0	0.0
Employee Benefits	369	10.9	393	12.0
Debt Service	552	16.4	0	0.0
Other	129	3.8	8	0.3
<b>Total</b>	<b>3,376</b>	<b>100.0</b>	<b>3,273</b>	<b>100.0</b>

## Dissolution Grants and Incentives

State law provides two options for initiating the dissolution process – a resolution of a village board or a petition by village electors. Appendix C contains a summary of the reorganization process prepared by the Department of State.

If either the Village board or its electors would like to pursue dissolution, the State offers assistance with planning and implementing of dissolution through the Citizens Reorganization Empowerment Grant program. The State also offers annual incentive aid through the Citizens Empowerment Tax Credit program

### Citizens Reorganization Empowerment Grants

The Citizen Re-Organization Empowerment Grant program (CREG) provides assistance to municipalities for the costs associated with studies, plans, and implementation efforts related to local government re-organization activities, including dissolution and consolidation.

These as-of-right grants provide funding of up to \$100,000 for local governments to cover costs associated with planning and implementing local government re-organization activities. Expedited assistance is given to local governments that have received a citizen petition for consolidation or dissolution.

Services for which grant proceeds may be used towards include:

- **Re-Organization Planning:** A re-organization plan or agreement provides the blueprint for the disposition of a local government's property, services, and obligations. To develop such a plan or agreement, local government leaders and citizens need to have a full understanding of the current services and responsibilities of the local government. Developing consolidation agreements or dissolution plans require considerable data gathering, analysis, and discussion. A re-organization study will form the foundation for a consolidation agreement or dissolution plan.

- **Expedited Re-Organization Assistance:** When the electors of a local government have filed a petition that requires a referendum on the question of local government re-organization, such local government is eligible for expedited re-organization assistance to cover costs associated with the development and dissemination of information to the electors prior to the required referendum. If the referendum is approved, the project will lead to a re-organization plan which provides the blueprint for the disposition of a local government entity's property, services, and obligations.
- **Re-Organization Implementation:** If it is determined that re-organization is in the best interest of the local government entity, the implementation of the dissolution plan or consolidation agreement will proceed. The complexity of a re-organization implementation is often dependent on the complexity of the local government entity and the consolidation agreement or dissolution plan. Implementation may need to include legal services, capital improvements, transitional personnel and other necessary items related to re-organization implementation.

CREG is administered by the Department of State. More information on grant requirements and how to apply is available at <http://www.dos.ny.gov/>.

#### Citizen Empowerment Tax Credit

If the Village of Hoosick Falls dissolves, the State will pay additional annual assistance to the Town of Hoosick through the Citizens Empowerment Tax Credit (CETC). For cities, towns, or villages that consolidate or dissolve, these tax credits provide annual aid bonus to the surviving municipality equal to 15 percent of the newly combined local government's tax levy. At least 70 percent of such amount must be used for direct relief to property taxpayers. Currently, 11 towns and their residents are benefitting by nearly \$1.4 million annually for 10 village dissolutions.

A sample calculation of what the CETC could be for the Village of Hoosick Falls and Town of Hoosick follows:

<b>Sample Calculation of CETC</b>	
Village of Hoosick Falls Tax Levy (2014)	\$989,000
Town of Hoosick Tax Levy (2014)	\$1,133,000
Combined Levy	\$2,122,000
15% of Combined Levy	\$318,000

The actual amount of CETC will be determined by the Division of Budget by calculating fifteen percent of the combined amount of real property taxes levied by the Village and Town in the local fiscal year before the local fiscal year in which the dissolution occurred. For example, if the Village dissolved on December 31, 2016 (village fiscal year 2017 and town fiscal year 2016), CETC would be based on the amount levied by the Village in fiscal year 2016 and by the Town in fiscal year 2015.

The Town would start receiving the CETC in the State fiscal year following the State fiscal year in which the dissolution occurs. For example, if the Village dissolved on December 31, 2016,

this would be in State fiscal year 2017 (which begins April 1, 2016). CETC would be paid in September 2017 (State fiscal year 2018).

It is important to note that CETC would be in addition to existing Aid and Incentives for Municipalities (AIM) funding. After dissolution, the Town would receive CETC as well as both the Town's and Village's AIM funding.



## Efficiencies

### Improving and Maximizing Village Internal Efficiency

Board discussions with the Village have revealed a number of ways that the Village is undertaking efficiency initiatives. These include:

- Installing solar panels on the municipal building as well as the water and sewage treatment plants. For a small investment of only \$450, the Village is presently saving over \$6,500 annually.
- Leasing land at the Village's former landfill to a company for 20 years that is presently planning to install 1,900 solar panels. When completed and fully operational, the Village anticipates savings or benefits totaling \$45,000 annually. Through this and prior installation of solar panels, over 60 percent of the Village's electricity will be powered by the sun.
- Replacing some of streetlights with LED technology for the 50 out of 450 streetlights that are Village-owned.
- Switching its insurance carrier to the New York Municipal Insurance Reciprocal (NYMIR) and its electricity supplier. Both actions are saving the Village approximately \$45,000 per year.

The Board finds that the Village has undertaken a number of efficiency actions and should continue to maximize efficiency opportunities that reduce the demand on property taxes.

## Public Water Supply

### PFOA Contamination

The State has taken a series of actions to address perfluorooctanoic acid (PFOA) contamination in the Village of Hoosick Falls public water supply and in the Town of Hoosick private drinking wells. PFOA belongs to a group of manufactured chemicals called perfluorinated chemicals (PFCs) used to make household and commercial products that resist heat, and repel oil, stains, grease, and water. This includes nonstick cookware, surface coatings for stain-resistant carpets and fabric, and paper and cardboard food packaging. Starting in 2006, major manufacturers have been phasing out the use of PFOA.

The Department of Environmental Conservation (DEC) recently announced that the State has secured two consent orders that will hold Saint Gobain and Honeywell responsible for the PFOA contamination, investigate the source, and determine the full scope and extent of contamination at sites operated by the companies. The agreement also requires the companies to ensure the installation and operation of a full capacity municipal water treatment system to replace the temporary system currently in place, evaluate alternate water supplies, and continue to provide bottled water as warranted.

DEC has installed a filtration system at the school and other community gathering places, and more than 750 point of entry treatment (POET) systems on private water systems. The Department of Health (DOH) has tested more than 1,000 private wells throughout the Village, and continues to do so today. Additionally, the State has provided rebates to Village residents for past water bills for water that was determined to be unsafe for use.

DEC has made significant progress in its efforts to identify alternate drinking water sources, including groundwater, surface water and connection to existing water supplies and has identified the first phase of potential groundwater locations. In conjunction with DOH and the State Department of Agriculture and Markets, DEC will evaluate the potential for exposure from soils that may have been impacted by contaminated water. As part of the State's Superfund investigation, additional sampling will include certain agricultural lands, gardens and other sites.

The Board finds that the Village should continue to work with State partners at DEC and DOH to track the progress of the remediation and implement the long-term filtration solution to ensure the Village residents have water that is acceptable for all uses.

## Economic Development

### FY 2017 Enacted State Budget Actions Will Assist the Village's Economic Development Climate

The FY 2017 Enacted State Budget included a number of initiatives that will grow the economy within the Village of Hoosick Falls and the surrounding region. This includes supporting locally-driven priorities for economic development and bolstering some of the State's most vital forms of infrastructure. Investments include:

- Authorizing Additional Upstate Revitalization Initiative (URI) Grants: This competition replicated the successful Buffalo Billion initiative to help further Upstate New York's economic recovery. Projects focused on strengthening critical infrastructure, revitalizing communities, bolstering workforce development, growing tourism, and improving quality of life. In December 2015, the Capital Region was awarded \$98.1 million for 114 economic development projects. Of those projects, two were located in the Village of Hoosick Falls.
- Funding a Sixth Round of Regional Economic Development Council (REDC) funding: To build on the success of the REDC and URI, the FY 2017 Enacted State Budget continued this locally-driven economic development approach with \$950 million for a sixth round of REDC awards and URI runners-up awards. Round VI of the Regional Council initiative will include \$750 million to be split competitively among each of the State's ten regions, and \$200 million to fund top projects for the runners up from last year's URI, which the Capital Region will be eligible for.

### Regional Economic Development Councils & Upstate Revitalization Initiative

During the 2015 REDC awards process, the following projects within the Village of Hoosick Falls were awarded:

- Village of Hoosick Falls Hoosick River Greenway - Project will create trail enhancements and will represent the first phase of the proposed 2.2-mile rail-trail in the Village of Hoosick Falls - \$107,200
- Village of Hoosick Falls Local Waterfront Revitalization Plan - The plan will focus on enhancing physical and visual public waterfront access opportunities, revitalizing downtown areas, protecting community character, and improving the ability of the community to take advantage of river-related tourism - \$37,500.

### State Water Infrastructure Improvement Act

The Water Infrastructure Improvement Act of 2015 provides grants to municipalities for critical drinking water and wastewater system improvements. The FY 2017 Enacted State Budget increased the Act's funding from the \$200 million approved in 2015, to \$400 million total. Grants provided through the Act will help local governments advance approximately \$2 billion in local drinking water and wastewater infrastructure investments while creating an estimated 33,000 construction jobs.

The Village of Hoosick Falls should contact the Environmental Facilities Corporation to inquire about funding.

## **New Transportation Capital Program**

The FY 2017 Enacted State Budget included \$21.1 billion for capital improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and Department of Transportation facilities throughout the State. This includes the launch of three new initiatives: BRIDGE NY, PAVE NY, and the Extreme Weather Infrastructure Hardening Program.

- The BRIDGE NY program will provide \$1 billion to replace, rehabilitate and maintain State and local bridges over a five year period.
- The PAVE NY program will provide \$1 billion to State and local paving projects over a five year period and will be distributed according to the Consolidated Local Street and Highway Improvement Program (CHIPs) formula. The Village of Hoosick Falls will receive \$26,975 in State Fiscal Year 2017 as part of this program.
- The Extreme Weather Infrastructure Hardening Program will provide \$500 million to further improve conditions on State and local roads and bridges, as well as provide resiliency to roadways that are particularly susceptible to weather events.

## Fiscal Performance and Accountability

### Multi-Year Financial Plans

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 Village of Hoosick Falls does not currently have a multi-year financial plan. As noted earlier, the Village has been regularly appropriating fund balance to closed budget gaps – a practice that is not sustainable over the long-term. To prepare for how to address future budget gaps without the use of fund balance as well as for the reasons outlined above, the Board finds that the Village should develop a multi-year financial plan.

## Conclusion and Next Steps

The Board recommends that the Village, 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 Village agrees to abide by and implement this recommendation, the Board may, in its sole discretion, award a grant to assist the Village 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 Village, and any other aspects of such grant would be subject to an affirmative vote of a majority of the total members of the Board.

To the extent the Village Board or Village residents need assistance as they consider shared services, dissolution, or other efficiencies, the State offers resources to plan and implement these actions. Staff at the Department of State is available to provide additional information on the process and available resources.

The Board also finds that the Village should continue to work with State partners at DEC and DOH to track the progress of the remediation and implement the long-term filtration solutions to ensure the Village residents have water that's acceptable for all uses.

## Appendix A – Letter and Resolution from Village of Hoosick Falls



Municipal Building  
24 Main Street  
Hoosick Falls, NY 12090

Phone: 518-686-7072  
Fax: 518-686-4902  
village@hoosick.org  
villageofhoosickfalls.com

Mayor:  
David B. Borge

Deputy Mayor:  
Ric DiDonato

Trustees:  
Robert Downing  
Jeremy Driscoll  
Kevin O'Malley  
Robert Ryan  
Ben Patten

October 30, 2014

Tim Ryan  
Secretary, Financial Restructuring Board  
NYS State Capitol Building, room 135  
Albany, NY 12224

Dear Mr. Ryan:

Although it has been 1 year since the Village Board passed a resolution supporting the application to the FRB for advice and counsel in all areas of Village finance, please know that the Hoosick Falls Village Board is reaffirming its intent as specified in the original resolution dated November 2013. Delays in providing requested information were unanticipated and have been addressed.

Should you have further questions or concerns, please feel free to contact the Mayor, David Borge at 686-7072 or via email at [themayorhlf@gmail.com](mailto:themayorhlf@gmail.com).

Thank you for your patience.

Sincerely,

Ann M. Bornt  
Village Clerk

Cc: D. Borge, Mayor  
D. McMahon, Village Treasurer



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October 30, 2014

Tim Ryan  
Secretary, Financial Restructuring Board  
NYS State Capitol Building, Room 135  
Albany, NY 12224

Dear Mr. Ryan:

Please accept this letter as confirmation that as Mayor of the Village of Hoosick Falls and with full Board of Trustee support, via a resolution dated November 2013, I wish to go forward with the formal application to the FRB. It is anticipated that the advice and counsel from the FRB regarding all matters financial will assist our municipality to improve and streamline its financial practices for the benefit of our community taxpayers.

Should you require anything further, feel free to contact me at 686-7072x5 or vial email at [themayorhf@gmail.com](mailto:themayorhf@gmail.com).

Thank you.

David B. Borge, Mayor  
Village of Hoosick Falls

Cc: Ann Bornt, Village Clerk  
Denise McMahon, Village Treasurer



VILLAGE OF HOOSICK FALLS  
RESOLUTION #9 OF 2013

The State of New York has established the Financial Restructuring Board for Local Governments.

WHEREAS: Based on information submitted to the Office of the State Comptroller and other criteria set in the Board's governing statute, our Village has been determined to be a fiscally eligible municipality.

NOW THEREFORE BE IT RESOLVED: The Village of Hoosick Falls Board of Trustees requests a comprehensive review of finances and operations and recommendations to improve its fiscal stability and the delivery of public services.

MOTION: Tr. Ben Patten seconded by Tr. Jeremy Driscoll

ROLL CALL VOTE: Tr. Kevin O'Malley - yes  
Tr. Robert Ryan - yes  
Tr. Robert Downing - yes  
Tr. Jeremy Driscoll - yes  
Tr. Ben Patten - yes

ABSENT: Tr. Ric DiDonato

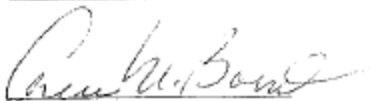
Vote unanimous

CERTIFICATION

STATE OF NEW YORK  
RENSSELAER COUNTY

I, Ann M. Bornt, do hereby verify that the foregoing is a true copy of a resolution unanimously adopted by the Village Board on the 12<sup>th</sup> day of November 2013.

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Ann M. Bornt  
Village Clerk

## Appendix B – Resolution Approving the Village of Hoosick Falls

Financial Restructuring Board for Local Governments

RESOLUTION No. 2015-08

### APPROVING THE REQUEST FOR A COMPREHENSIVE REVIEW FROM THE VILLAGE OF HOOSICK FALLS

WHEREAS, pursuant to New York State Local Finance Law section 160.05(2)(a), the Board of the Financial Restructuring Board (the "Board") must find that the Village of Hoosick Falls (the "Village") is a Fiscally Eligible Municipality because it has an average full value property tax rate of \$7.28 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(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 Village with the concurrence of the Village's chief executive has requested that the Board undertake a Comprehensive Review of the Village;

NOW THEREFORE BE IT RESOLVED that the Board agrees to undertake a Comprehensive Review of the Village 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. 2015-08

Dated: 2-24-15



## Appendix C – Summary of Government Reorganization Process



# The Reorganization of Local Government:

A Summary of the Government Reorganization Processes

General Municipal Law Article 17-A provides a unified process for the consolidation and dissolution of local government entities. The process is applicable to towns, villages, fire and fire protection districts, special improvement districts, other improvement districts created pursuant to Articles 11, 12, 12-a or 13 of Town Law, and other districts created by law. It excludes school districts, city districts, or special purpose districts created by counties under County Law.

Under Article 17-A of General Municipal Law there are two different methods for local governments to consider: Board-Initiated or Citizen-Initiated. The process for either consolidation or dissolution is the same. The following is a brief outline of the processes found in Article 17-A.

Procedural details may be found in the Department of State publications:

- *The New N.Y. Government Reorganization and Citizen Empowerment Act*
- *The New N.Y. Government Reorganization and Citizen Empowerment Act: A Summary of the Process for Consolidation and Dissolution*

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**Andrew M. Cuomo**  
Governor

**Cesar A. Perales**  
Secretary of State

## VOTER- INITIATED REORGANIZATION

Article 17-A of General Municipal Law provides a process for voters to petition for a public vote on consolidating or dissolving their local government. Only voters registered in the local government entity may sign consolidation petitions, or serve as the contact person for the petition [§757(3)].

Unlike a board-initiated reorganization, in a voter-initiated process the consolidation agreement or dissolution plan will not be developed until after the referendum on whether to consolidate or dissolve passes. The plan must contain the same information as one prepared in a board-initiated process. Once a proposed plan is prepared by the governing bodies, voters have the opportunity to conduct another petition drive to require a second referendum, this time on the plan itself. If that drive is successful and another referendum is held, it too must pass in order for the reorganization to take effect.

If the governing bodies are unable or unwilling to prepare and approve a reorganization plan, five voters who signed the original petition may bring a C.P.L.R. Article 78 action in state Supreme Court. Depending on its findings, the court may refer the matter to mediation or issue an injunction compelling the governing bodies to act. If the governing bodies still fail to act, the court may appoint a judicial hearing officer to develop and approve a plan [§764].

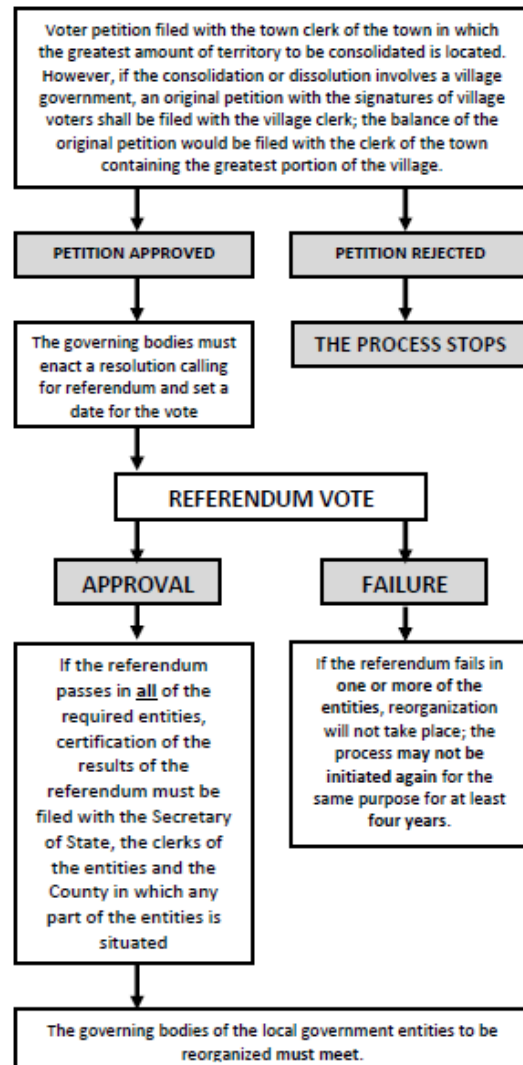
*A petition must contain, for each governmental entity to be consolidated or dissolved, the signatures of 10 percent of the registered voters in that entity or 5000 signatures, whichever is less. However, if a governmental entity to be reorganized has 500 or fewer registered voters, signatures of at least 20 percent of the voters are required.*

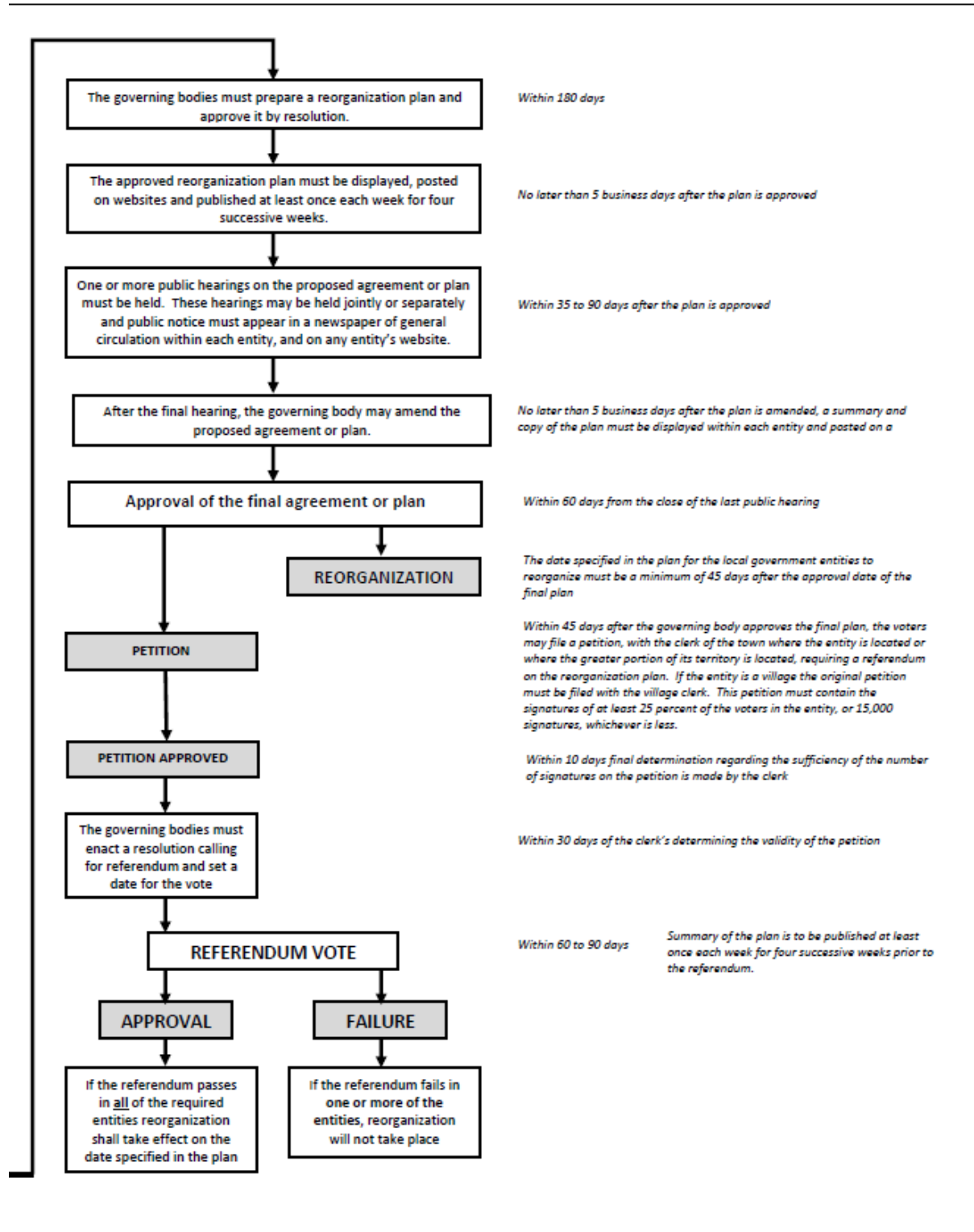
*Within 10 days final determination regarding the sufficiency of the number of signatures on the petition is made by the clerk*

*Within 30 days of the clerk's determining the validity of the petition*

*Summary of the petition is to be published at least once each week for four successive weeks prior to the referendum. Within 60 to 90 days*

*Within 30 days of certification of the results*





## BOARD-INITIATED REORGANIZATION

The statutory process, when initiated by the governing body of the participating local government entities, begins with a resolution by the governing bodies endorsing a proposed joint consolidation agreement or dissolution plan.

However, the process of reorganization may start many months before the statutory process begins. With a board initiated reorganization process the board(s) may conduct a study to determine the possible impacts associated with reorganization. As outlined in the previous section, by taking the time to study the impacts of reorganization, both the governing body and the public will be able to evaluate the impacts of reorganization before making the decision to reorganize.

