



NEW YORK STATE SENATOR

Jack M. Martins

## Senator Martins to Hold Statewide Hearings on Strategies to Address and Alleviate Municipal Distress

JACK M. MARTINS August 5, 2013

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Recognizing the fiscal crisis and recent filing for bankruptcy by the City of Detroit, Senator Jack M. Martins (R-C-I, Mineola), Chairman of the Senate Committee on Local Governments, today announced that he will hold a series of statewide public hearings with municipal leaders in communities with varying levels of distress to review state laws and state imposed municipal finance oversight boards in the context of fiscally distressed municipalities and hear testimony as to new initiatives that provide relief and assistance to fiscally distressed municipalities.

On July 18, 2013, the city of Detroit filed for bankruptcy, the largest city in the United States to ever do so. Succumbing to soaring unemployment, benefits owed to current and future retirees, population flight, and the collapse of revenue from a decreasing tax base, and unable to cover everything from law enforcement and firefighting services to street lighting, the city of 700,000 with an annual budget of \$1.5 billion is facing a fiscal crisis of debts totaling over \$18.5 billion dollars.

“Detroit presents a worst case scenario for municipalities everywhere facing similar concerns, but it is not alone,” said Senator Martins. “Many of our municipalities right here in New York are being crushed by overwhelming long-term debt and structural budget shortfalls. Governing Magazine states that there have been 36 municipal bankruptcies since

2010, including Detroit, a fact that has left many wondering whether it can happen here in New York. By attempting to address these concerns, these hearings are not only timely, but extremely important. We will bring municipal leaders, financial experts and community leaders together and examine what we can learn from Detroit and how our municipalities here in New York can tread a different path.”

Martins noted that New York State has taken proactive steps to prevent municipal failures such as eliminating state mandates on municipalities, offering a local option to flatten pension rates, as well as creating a new financial restructuring board for local governments. “There are various tools for State intervention, but I believe there is certainly more we can do to support our municipalities, our communities, our homes,” he added.

The hearings, entitled, “Fiscally Distressed Municipalities: Preparing for and Preventing Municipal Bankruptcy in New York,” will take place from 11:00 am to 4:00 pm at the following locations:

- Syracuse – August 20th / Syracuse City Hall

Common Council Chambers, Room 314, 233 East Washington Street, Syracuse, NY 13202

- Buffalo – August 22nd / Buffalo City Hall

Common Council Chambers, 13th Floor, 65 Niagara Square, Buffalo, NY 14202

- Nassau County – August 27th / Theodore Roosevelt Executive and Legislative Building

1550 Franklin Avenue, Garden City, NY 11501

\*\* Will begin at 10:00 am in Nassau County only

Oral testimony by Invited Speakers only.

The Senate Standing Committee on Local Government will ask municipal leaders to address the following issues:

- Current and potential solutions to fiscal stress within the municipality to promote long term fiscal solvency; including the newly created financial restructuring board.
- The awareness of the State Comptroller's Fiscal Stress Monitoring System factors; including local input provided and the response to its findings of fiscal stress.
- The impact of statewide initiatives such as consolidation, dissolution and efficiency grants that are offered currently to promote savings.
- For municipalities currently working with a fiscal control board; the benefits and hindrances of working within this structure and potential modifications for additional state oversight.