



NEW YORK STATE SENATOR

Jack M. Martins

Senator Martins Chairs Hearing in Syracuse on Fiscally Distressed Municipalities

JACK M. MARTINS August 21, 2013

| ISSUE: **LOCAL GOVERNMENT**

| COMMITTEE: **LOCAL GOVERNMENT**



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, is holding 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.

The first hearing took place on Tuesday, August 20 in Syracuse. Among those testifying were representatives from the New York State Comptroller's Office as well as Syracuse Mayor Stephanie Miner and Peter Baynes from the New York Conference of Mayors.

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.

There are two more hearings, entitled, "Fiscally Distressed Municipalities: Preparing for and Preventing Municipal Bankruptcy in New York," that will take place from 11:00 am to 4:00 pm at the following locations:

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