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May 20, 2024

Honorable Mike Spano, Mayor  
City Council Members  
City of Yonkers  
City Hall  
Yonkers, NY 10701-3886

Report Number: B24-6-6

Dear Mayor Spano and City Council Members,

Chapter 55 of the Laws of 2014 authorizes the City of Yonkers (City), subject to certain requirements, to issue serial bonds not to exceed \$45 million to liquidate deficits in the City School District's (District's) general fund as of June 30, 2014. Additionally, Chapter 55 requires the City to submit to the State Comptroller and the Commissioner of Education, starting with the fiscal year during which it was authorized to issue obligations and for each subsequent fiscal year during which the deficit obligations are outstanding, its proposed budget for the next succeeding fiscal year.

The proposed budget must be submitted no later than 30 days before the date scheduled for the City Council's vote on the adoption of the final budget or the last date on which the budget may be finally adopted, whichever is earlier. The State Comptroller and the Commissioner of Education must then examine the proposed budget and make recommendations as deemed appropriate after examining the City's estimates of revenues and expenditures.

The City Council, no later than five days prior to the adoption of the budget, must review all recommendations made by the State Comptroller and the Commissioner of Education and make adjustments to its proposed budget consistent with the recommendations made by the State Comptroller and the Commissioner of Education. The State Comptroller's recommendations on the City's proposed budget for the 2024-25 fiscal year are contained in this report.

Our Office has recently completed a review of the City's proposed budget for the 2024-25 fiscal year. The objective of the review was to provide an independent evaluation of the proposed budget. Our review addressed the following question related to the City's proposed budget for the upcoming fiscal year:

- Are the significant revenue and expenditure projections in the City's proposed budget reasonable?

Based on the results of our review, we determined that certain significant revenue and expenditure projections in the proposed budget are unreasonable and that officials continue to use debt to pay for recurring costs, which is imprudent. In addition, we determined that of the 18 recommendations from our May 2023 budget review letter,<sup>1</sup> only six were fully implemented.

To accomplish our objective, we reviewed the City’s proposed budget, salary schedules, debt payment schedules and other pertinent information. We identified and examined significant estimated revenues and expenditures for reasonableness with emphasis on significant and/or unrealistic increases or decreases. We analyzed, verified and/or corroborated trend data and estimates, where appropriate. We identified significant, new or unusually high revenue or expenditure estimates, made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and to assess whether the estimates were realistic and reasonable. We also evaluated the amount of fund balance appropriated in the proposed budget to be used as a financing source and determined whether the amount of fund balance was available and sufficient for that purpose.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

The proposed budget package submitted for review for the 2024-25 fiscal year consisted of the following:

- 2024-25 Mayor’s Budget Letter.
- 2024-25 Board of Education Budget Request.
- 2024-25 Proposed Executive Budget.
- Supplementary Information.

The City’s proposed budget submitted to our Office is summarized in Figure 1.

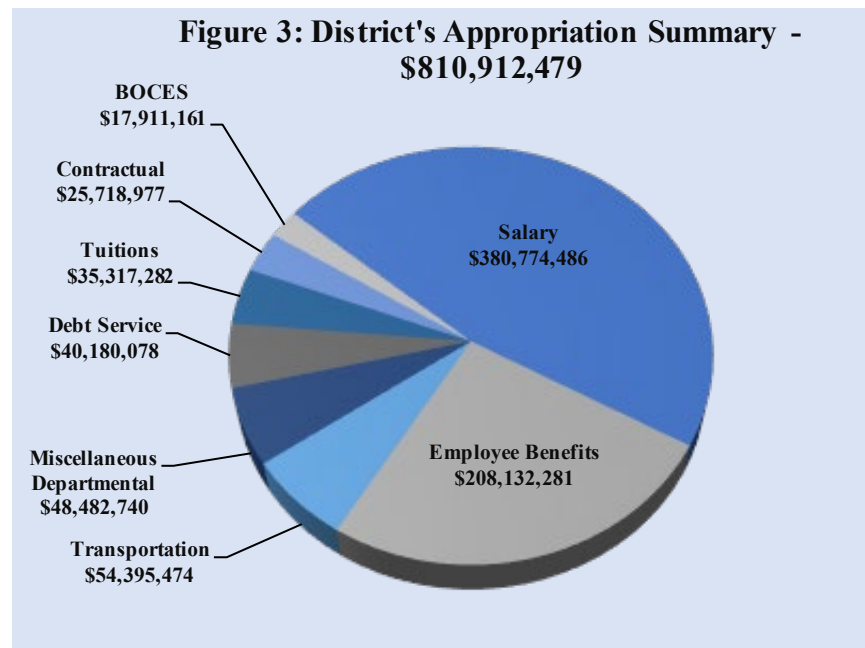
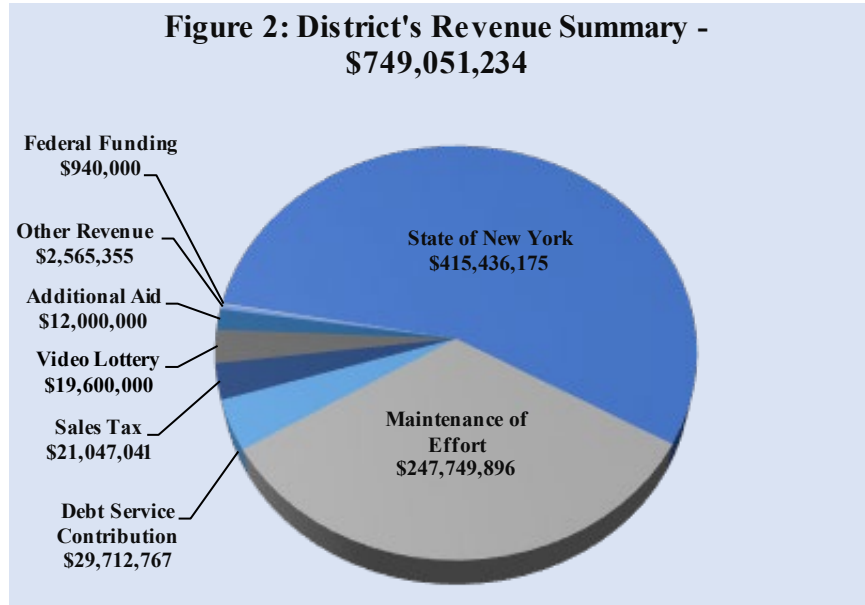
<b>Figure 1: 2024-25 City of Yonkers’s Proposed Budget</b>					
<b>Fund</b>	<b>Appropriations and Provisions for Other Uses</b>	<b>Estimated Revenue</b>	<b>Appropriated Fund Balance</b>	<b>Fund Transfers In/(Out)<sup>a</sup></b>	<b>Real Property Taxes</b>
<b>Board of Education Fund</b>	\$748,901,879	\$450,392,175	\$0	\$298,509,704	\$0
<b>General Fund</b>	585,759,284	444,330,102	63,371,957	(359,824,899)	437,882,124
<b>Debt Service Fund</b>	64,291,694	0	205,935 <sup>c</sup>	64,085,759	0
<b>Water Fund</b>	44,566,382	46,326,340	5,375,618	(10,876,701)	3,741,125 <sup>b</sup>
<b>Library Fund</b>	11,743,526	82,980	482,195	11,178,351	0
<b>Sewer Fund</b>	8,965,812	11,735,999	793,277	(3,563,464)	0
<b>Museum Fund</b>	491,250	0	0	491,250	0
<b>Total</b>	<b>\$1,464,719,827</b>	<b>\$952,867,596</b>	<b>\$70,228,982</b>	<b>\$0</b>	<b>\$441,623,249</b>
a) Includes transfers to and from various funds. b) Includes water frontage tax. c) Includes appropriated debt service fund balance for the education fund.					

<sup>1</sup> [yonkers-city-2023-B23-6-5.pdf \(ny.gov\)](#)

Our review disclosed the following issues which City officials should review for appropriate action. As noted above, Chapter 55 of the Laws of 2014 requires the City Council to make adjustments to the proposed budget consistent with our recommendations. We believe that any such adjustments will help improve the City’s financial condition.

**Board of Education**

The proposed budget submitted to our Office for the Board of Education (District) is summarized in Figures 2 and 3.



Budget Gap – The District’s 2024-25 budget request is \$810.9 million for appropriations. However, the City’s proposed budget contains revenues totaling \$749 million for the District. As a result, the District’s proposed budget is structurally imbalanced with a budget gap of at least \$61.9 million. City and District officials must resolve this gap between District revenues and appropriations.

Additional Aid – The District’s 2024-25 proposed budget relies on additional State aid of \$12 million for District services and expenses. Although the aid may provide relief in the 2024-25 budget, this funding source may not be available in future years. The City’s reliance on additional State aid to finance District operating expenditures may cause funding gaps in the future.

Contractual Settlements – The District’s 2024-25 proposed budget does not include an appropriation for contractual settlements. Two of the District’s union collective bargaining agreements (CBAs) expired June 30, 2023 (Figure 4). The District could face additional expenditures when these contracts are

<b>Figure 4: CBA Expiration Dates</b>	
<b>Bargaining Unit</b>	<b>CBA Expiration Date</b>
Civil Service Employees Association Yonkers Non-Teaching Unit 9169, Local 1000, American Federation of State, County and Municipal Employees, Westchester Local 860	June 30, 2023
Teamster Local 456	June 30, 2023

settled. Therefore, the District should be mindful to ensure appropriations are sufficient for these potential liabilities when contract agreements are reached.

Teacher Retirement – The District’s 2024-25 proposed budget includes an appropriation of \$29.3 million for the payments of teacher retirement. The District spent \$24.6 million on payments to the teacher’s retirement system (TRS) in 2022-23. We project the District will spend \$29.8 million in 2024-25 based on New York State Retirement projections. Therefore, the appropriation for teacher retirement is likely underestimated by approximately \$478,000.

Charter School Tuition – The District’s 2024-25 proposed budget includes an appropriation of \$17.9 million for charter school tuition, which includes a projected increase in enrollment of 65 students. We project the District will spend \$18.1 million based on historic trends of increases in enrollment and tuition rates. Therefore, the appropriation for charter school tuition payments may be underestimated by approximately \$206,000.

Contingency – Contingency accounts are used by local governments as a means of providing funding for unexpected events. The District’s 2024-25 proposed budget includes \$5.7 million for contingency; this amount is less than 1 percent of the District’s budgeted appropriations. However, given the potential increased current year wages from unsettled contracts and potential cost overruns from current economic conditions, this may exhaust the current amount budgeted, leaving limited flexibility to cover any other unforeseen or unexpected costs. District officials should consider establishing a contingency appropriation at a level that will provide the District with adequate funding for any significant unforeseen or unexpected costs.

Textbooks, Software and Equipment – The District’s 2024-25 budget request includes a \$5.4 million appropriation for the purchase of textbooks, software and equipment. However, the City’s capital budget includes up to \$5.4 million for the acquisition of textbooks and equipment. City officials included the request within the capital budget to allow the option to bond for textbooks and equipment to close the \$61.9 million budget gap. The purchase of textbooks, software and equipment is a recurring District expenditure and, therefore, should remain as an appropriation in the annual budget and not be included in the capital budget. The District will incur additional costs if it continues to borrow for operating costs such as textbooks, software and equipment.

**City of Yonkers**

**Nonrecurring Funding Sources**

We previously expressed concerns about the City’s continuous practice of balancing its budget by financing recurring operating expenditures with nonrecurring funding sources. However, officials continue using this practice, as their 2024-25 proposed budget uses nonrecurring funding of \$87.9 million to finance operating expenditures. This nonrecurring funding includes appropriated fund balance, one-time State and Federal funding, and the sale of property.

Fund Balance<sup>2</sup> –

The City is projecting unassigned general fund balance of \$118.9 million as of the end of the 2023-24 fiscal year. The City appropriated \$63.4 million, or approximately 53 percent of the projected fund balance, in the

<b>Figure 5: Fund Balance</b>					
<b>Fund</b>	<b>Fund Balance Appropriated</b>	<b>Projected Fund Balance Available</b>	<b>Percent Used</b>	<b>Fund Balance Available Per Act<sup>2</sup></b>	<b>Percent Used</b>
<b>Board of Education Fund</b>	\$0	\$70,976,423	0.0%	\$50,895,291	0.0%
<b>General Fund</b>	\$63,371,957	\$118,884,908	53.3%	\$63,371,957	100%
<b>Debt Service Fund<sup>a</sup></b>	\$205,935	\$8,460,773	2.4%	\$205,935	100%
<b>Water Fund</b>	\$5,375,618	\$11,726,765	45.8%	\$7,587,501	70.8%
<b>Library Fund</b>	\$482,195	\$590,158	81.7%	\$482,195	100.0%
<b>Sewer Fund</b>	\$793,277	\$1,934,831	41.0%	\$1,412,028	56.2%

a) Includes appropriated debt service fund balance for the education fund.

2024-25 proposed budget. In addition to appropriating fund balance in the general fund, the City appropriated \$5.4 million of water fund balance, \$793,277 of sewer fund balance, \$482,195 of library fund balance and \$205,935 of debt service fund balance (Figure 5).

The City’s use of fund balance to close gaps in the budget decreases the fund balance that is available to cover unforeseen circumstances, shortfalls in revenue or cash flow needs. City officials may have to replace this nonrecurring revenue in future budgets.

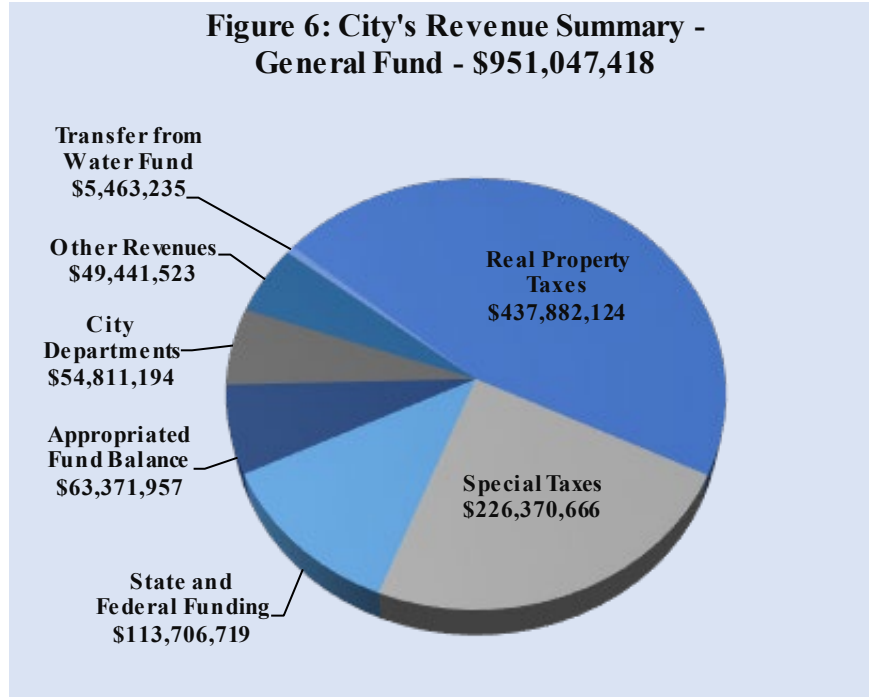
2 To comply with the requirements of the Fiscal Agent Act (Laws of 1976, Chapter 488, as amended) (Act) and the City’s related bond covenants, the City’s 2024-25 adopted budget may not appropriate fund balance in excess of the aggregate of the fund balance of the various operating funds of the City as of the end of the 2022-23 fiscal year.

Overall, the City is relying on \$87.9 million of nonrecurring revenue – such as appropriated fund balance, one-time State and Federal funding and sale of property – to finance its 2024-25 operations. Although this funding provides relief in the 2024-25 budget, it may not be available in future years. Therefore, a potentially significant funding gap may occur in the 2025-26 fiscal year that the City must address by finding alternative sources of revenue or reducing appropriations.

**Revenues<sup>3</sup>**

The proposed budget submitted to our Office for the City’s general fund revenues is summarized in Figure 6.

Temporary Municipal Assistance – The City’s 2024-25 proposed budget relies on additional State aid of \$5 million for City services and expenses. Although the aid may provide relief in the 2024-25 budget, this funding source may not be available in future years. The City’s reliance on additional State aid to finance the City’s operating expenditures may cause funding gaps in the future.



Police – The 2024-25 proposed budget includes police revenue of approximately \$7.4 million. In the 2022-23 fiscal year, the City received approximately \$8.4 million and is projected to receive approximately \$5.9 million for the 2023-24 fiscal year. Our projection of \$5.9 million for 2024-25 is based on 2023-24 projections and 2022-23 actuals. The City could potentially face a shortfall of approximately \$1.5 million if revenue estimates are not realized. City officials should reassess whether this increase is achievable and, if not, lower the police revenue estimate.

<sup>3</sup> If any of the revenues discussed in this section are included in the City’s adopted budget in an amount which exceeds the amount of such revenue either realized in 2022-23 or “properly attributable” to 2023-24, then the City must submit a “justification document” with respect to the excess before the adopted budget may be approved under the Fiscal Agent Act and bond covenants. If the amount of any such revenue included in the City’s adopted budget requires an increase in a rate or charge, the City must act to increase the rate or charge before the justification document can be approved under the Fiscal Agent Act and bond covenants. Similarly, if the amount of any such revenue included in the City’s adopted budget requires enactment of State legislation, the legislation must be enacted before the justification document can be approved.

Real Estate Transfer Tax – The 2024-25 proposed budget includes real estate transfer tax revenues of approximately \$11.8 million. In the 2022-23 fiscal year, the City received approximately \$14.1 million and is projected to receive approximately \$13 million for the 2023-24 fiscal year. Our revenue projection of \$11.3 million uses collection projections over the last six months due to a decline in housing sales. The City could potentially face a shortfall of approximately \$505,000 if revenue estimates are not realized. City officials should reassess whether this increase is achievable and, if not, lower the real estate transfer tax revenue estimate.

City and State Mortgage Tax – The 2024-25 proposed budget includes city and state mortgage tax revenues of \$6.7 million. Our revenue projection of \$6.3 million for 2024-25 uses revenue for 2023-24 with a projection of 2 percent decrease forecasted in the New York State Executive Financial Plan. The City could potentially face a shortfall of approximately \$446,000 if revenue estimates are not realized. City officials should reassess whether this increase is achievable and, if not, lower the city and state mortgage tax revenue estimate.

Housing and Buildings – The 2024-25 proposed budget includes housing and buildings revenue of approximately \$9.4 million. In the 2022-23 fiscal year, the City received approximately \$10.1 million and is projected to receive approximately \$9.1 million for the 2023-24 fiscal year. Our projection of \$9.1 million for 2024-25 is based on 2023-24 projections and 2022-23 actuals. The City could potentially face a shortfall of approximately \$279,000 if revenue estimates are not realized. City officials should reassess whether this increase is achievable and, if not, lower the housing and buildings revenue estimate.

Parking Violations Bureau – The 2024-25 proposed budget includes parking violations bureau revenue of approximately \$25.6 million. The Vehicle and Traffic Law authorizes the City to issue violations relating to owner liability for failure of operator to comply with traffic control indications. However, this law is due to expire on December 1, 2024. Therefore, the New York State Legislature will have to extend the law authorizing the use of red light cameras for the City to potentially realize this revenue estimate. If the law is not extended, the City could face a \$4.4 million revenue shortfall, as it would only receive this revenue for the first five months of 2024-25.

If the Vehicle and Traffic Law is extended, the proposed revenue is \$25.6 million. This is a \$125,000 increase over the \$25.4 million we project the City will receive in revenue for the 2024-25 fiscal year. We caution the City to be mindful of a potential revenue shortfall, as the revenue projections are based on a new school bus camera revenue with limited historical basis. The City could face a shortfall in revenue of approximately \$125,000 if revenue estimates are not realized. City officials should reassess whether this increase is achievable and, if not, lower the parking violations bureau revenue.

Hotel Room and Occupancy Tax – The 2024-25 proposed budget includes hotel room and occupancy tax revenues of approximately \$1.2 million. The New York State Tax Law (Tax Law) authorizes the City to impose a 3 percent tax upon the rent for every occupancy of a hotel room. However, this law is due to expire on September 1, 2024. Therefore, the New York State Legislature will have to extend the law authorizing the imposition of this tax for the City to potentially realize this revenue estimate. If the Tax Law is not extended, the City could face a \$958,000 revenue shortfall, as it would only receive this revenue for the first two months of the



2024-25 fiscal year.

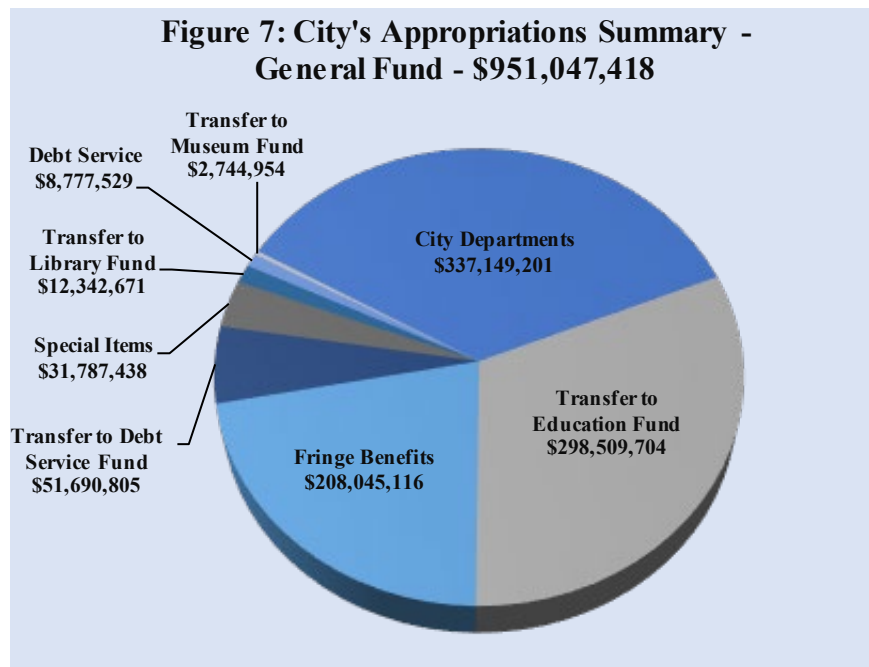
Metered Water Sales – The 2024-25 proposed budget includes metered water sales revenue of \$44.5 million, which is an increase of approximately \$7.1 million from the amount billed in the 2022-23 fiscal year. The City plans to increase rates for metered water sales by 4.9 percent. We project that the City will receive approximately \$42.9 million in the 2023-24 fiscal year. If rates are increased by 4.9 percent, we project revenues of \$45 million for 2024-25. This amount appears reasonable but requires the City Council to either raise water rates before adopting the budget or lower the estimates for metered water sales revenue.

Sewer Rents – The 2024-25 proposed budget includes sewer rents revenue of \$11.4 million, which is an increase of approximately \$2.3 million from the amount billed in the 2022-23 fiscal year. The City plans to increase rates for sewer rents by 5.3 percent. We project that the City will receive approximately \$11 million in the 2023-24 fiscal year. If rates are increased by 5.3 percent, we project revenues of \$11.6 million for 2024-25. This amount appears reasonable but requires the City Council to either raise sewer rates before adopting the budget or lower the estimates for sewer rents.

### Appropriations

The proposed budget submitted to our Office for the City’s general fund appropriations is summarized in Figure 7.

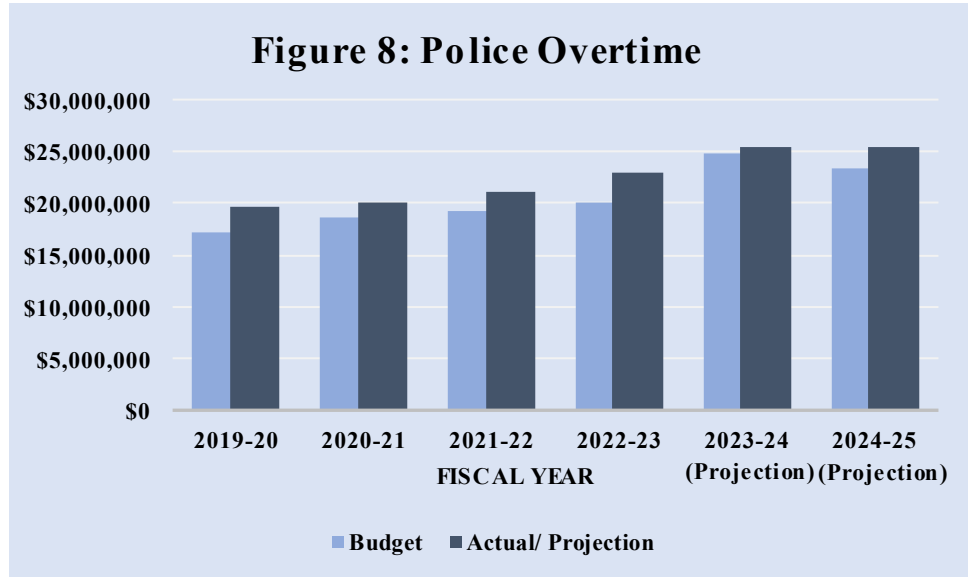
Tax Certiorari – The 2024-25 proposed budget includes \$500,000 for payment of tax certiorari claims, which is low compared to the \$2.2 million in tax certiorari payments that the City has made so far in 2023-24. The City bonded to pay tax certiorari claims in prior years and proposed



legislation to bond up to \$15 million for 2024-25 payments. The continued practice of using debt to pay for these recurring costs is imprudent. Refunds attributable to tax certiorari claims are a recurring cost of operations and should be paid from annual appropriations. The City will incur additional debt and interest costs by bonding the cost of tax certiorari claims instead of financing them through the operating budget.



Police Overtime  
 – The City’s 2024-25 proposed budget includes overtime funding of \$23.3 million for the police department. The City spent \$23 million on police overtime in 2022-23 and approximately \$17.2 million in 2023-24 (as of



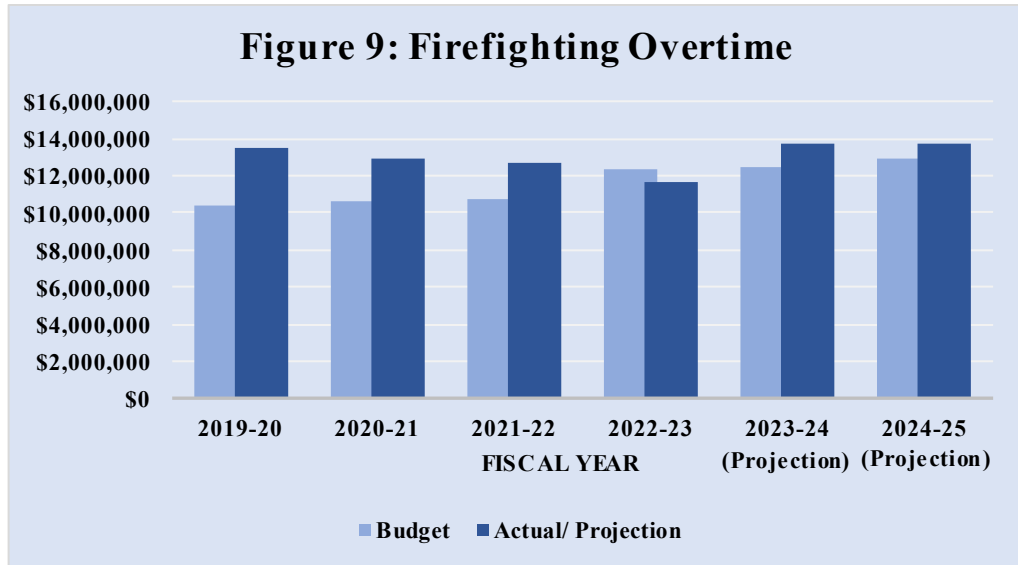
March 31, 2024). Based on our projections, the City will spend approximately \$25.4 million on police overtime in the 2023-24 fiscal year. Based on historical trends, we project the City will spend the same amount for police overtime as our 2023-24 projections, which means the appropriation for overtime is likely underestimated by as much as \$2.1 million (Figure 8).

Life/Health/Dental Insurance – The City’s 2024-25 proposed budget includes an appropriation of approximately \$98.3 million for life, health and dental insurance. The City spent \$79.8 million in 2022-23. Based on historical trends of health insurance costs with a 7 percent increase, we project the City will spend approximately \$99.3 million in 2024-25. Therefore, the City has likely underestimated life, health and dental insurance costs by as much as \$1 million.

Employee Retirement – The City’s 2024-25 proposed budget includes an appropriation of approximately \$16.9 million for payments due to the New York State Local Retirement System (NYSLRS). NYSLRS allows municipalities to amortize certain pension costs as part of a stabilization program, which spreads payments over several years, and the City elected to participate in the program. However, the minimum payment permitted under the program for 2024-25 is \$17.8 million (if paid by February 1, 2025). Therefore, the City has underestimated employee retirement costs by as much as \$968,000.

Firefighting Overtime –

The City’s 2024-25 proposed budget includes overtime funding of \$12.9 million for the fire department. The City spent \$11.6 million on



firefighting overtime in 2022- 23 and approximately \$9.5 million in 2023-24 (as of March 31, 2024). Based on our projections, the City will spend approximately \$13.7 million on firefighting overtime in the 2023-24 fiscal year. Based on historical trends, we project the City will spend the same amount on firefighting overtime as our 2023-24 projections, which means the appropriation for overtime is likely underestimated by as much as \$783,000 (Figure 9).

Social Security – The City’s 2024-25 proposed budget includes an appropriation of approximately \$21.7 million for social security payments. The City spent approximately \$20.8 million in 2022-23. Based on the estimated 2025 wages and the increase in the 2025 Federal Insurance Contributions Act (FICA) wage limit, we project the City will spend approximately \$21.9 million. Therefore, the City has likely underestimated social security costs by as much as \$208,000.

Contractual Settlements – The City’s 2024-25 proposed budget does not include an appropriation for contractual settlements. Six of the City’s eight CBAs have expired or will expire soon (Figure 10). The City could face additional expenditures when these contracts are settled. Therefore, the City Council should be mindful to ensure appropriations are sufficient for these potential liabilities when contract agreements are reached.

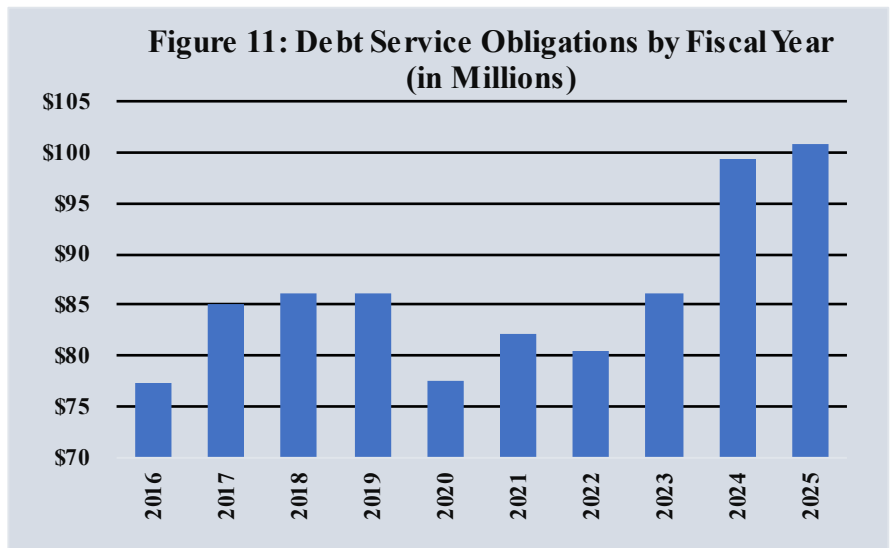
<b>Figure 10: CBA Expiration Dates</b>	
<b>Bargaining Unit</b>	<b>CBA Expiration Date</b>
Service Employees International Union Local 704	December 31, 2023
Service Employees International Union Local 704B	June 30, 2024
Teamster Local 456	December 31, 2023
Yonkers Firefighters Local 628	June 30, 2024
Yonkers Police Benevolent Association (PBA)	June 30, 2024
Yonkers Police Captains, Lieutenants and Sergeants Association (CLSA)	June 30, 2024
Yonkers Uniformed Fire Officers Association (UFOA)	June 30, 2024

Contingency – Contingency accounts are used by local governments as a means of providing funding for unexpected events. The City’s 2024-25 proposed budget does not include a contingency appropriation. Considering recent economic conditions, the significant budgetary concerns discussed in this letter and the minimal fund balance left after what is appropriated in the proposed budget, it would be prudent for City officials to have contingency funding available for unforeseen increases in expenditures or revenue shortfalls. City officials should establish a contingency appropriation at a level that would provide the City with flexibility in the event that it has to deal with unanticipated expenditures or revenue shortfalls.

## Debt

The City’s outstanding debt has grown by 28.9 percent over the last 10 years. Since 2016, the City’s annual debt service obligations have risen by \$23.4 million (30.2 percent) (Figure 11). The City will need \$100.8 million<sup>4</sup> to service its debt obligations during 2024-25.

This amount represents about 6.9 percent of the City’s annual budget. A contributing factor to the debt increases is the City’s continuing practice of bonding for recurring expenditures, such as tax certiorari costs, which should be included in budgeted appropriations.



<sup>4</sup> Excluding appropriations under GASB 87 and 96 totaling \$13.2 million.

The City's 2024-25 proposed budget includes a \$58.8 million capital budget. The City has included approximately \$10.1 million in operating costs for items such as \$5.4 million in textbooks, software and equipment previously discussed. The remaining \$4.7 million in operating costs are for purchases such as vehicles, software and equipment for City departments which are a recurring expenditure and, therefore, should be an appropriation in the annual budget. By issuing debt for these items, the City will incur additional costs of bonding and may be making debt payments for many years past the useful life of these assets if it continues to borrow for operating costs such as vehicles, software and equipment.

### **Tax Cap Compliance**

General Municipal Law Section 3-c (Law) established a tax levy limit for local governments, which was effective beginning in the 2012 fiscal year. The Law generally precludes local governments from adopting a budget that requires a tax levy that exceeds the prior year tax levy by more than 2 percent or the rate of inflation, whichever is less, unless the governing board adopts a local law to override the tax levy limit.

The City's proposed 2024-25 budget includes a tax levy of \$442,718,221.<sup>5</sup> At the time of this review, we reviewed all tax cap documentation, and it appears the City may be over the tax cap by as much as \$11.6 million; however, the City Council adopted a local law to override the limit.

### **Recommendations**

The City Council must:

1. Work with District officials to create a structurally balanced budget and eliminate the \$61.9 million gap in the District's budget request.
2. Pass a resolution to raise water rates before adopting the budget or lower the estimate for metered water sales.
3. Pass a resolution to raise sewer rents before adopting the budget or lower the estimate for sewer rents.

City officials should:

4. Work with District officials to develop a plan to fund operations and discontinue the practice of relying on one-time revenues to finance recurring expenditures.
5. Work with District officials to consider adding an appropriation for the potential exposure related to contractual settlements.
6. Work with District officials to review the estimate for teacher retirement payments and amend it as necessary.

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<sup>5</sup> Includes \$1,094,972 for Business Improvement District (BID) Levy.

7. Work with District officials to review the estimate for charter school tuition payments and amend it as necessary.
8. Work with District officials to review the estimate of contingency and adjust it to an appropriate level if needed.
9. Work with District officials to identify alternatives to borrowing funds to purchase textbooks and related software and equipment.
10. Develop a plan to fund operations and discontinue the practice of relying on one-time revenues to finance recurring expenditures.
11. Develop a plan to maintain fund balance at a reasonable level to ensure funds are available in case of unanticipated expenditures or a shortfall in revenues during the fiscal year.
12. Review the revenue estimate for police and amend as necessary.
13. Review the revenue estimate for real estate transfer tax and amend as necessary.
14. Review the revenue estimate for city and state mortgage tax and amend as necessary.
15. Review the revenue estimate for housing and buildings and amend as necessary.
16. Review the revenue estimate for parking violations bureau and amend if the law is not extended.
17. Review the revenue estimate for hotel room and occupancy tax and amend if the law is not extended.
18. Consider adjusting the appropriation for tax certiorari payments and provide a financing source for tax certiorari settlements.
19. Review the appropriation estimate for police overtime and amend as necessary.
20. Review the appropriation estimate for life, health and dental insurance and amend as necessary.
21. Review the appropriation estimate for employee retirement and amend as necessary.
22. Review the appropriation estimate for firefighting overtime and amend as necessary.
23. Review the appropriation estimate for social security payments and amend as necessary.
24. Consider adding an appropriation for the potential exposure related to contractual settlements.

25. Consider adding an appropriation for the contingency and adjust it to an appropriate level.
26. Review outstanding debt and alternatives to borrowing, in particular for operating expenditures such as tax certiorari payments, to reduce the continuous increase in outstanding debt over the last 10 years.
27. Consider identifying alternatives to borrowing funds for operating costs such as vehicles, software and equipment.

The City Council has the responsibility to initiate corrective action. Pursuant to Chapter 55 of the Laws of 2014, the City Council must review the recommendations in this report and adjust the proposed budget consistent with the recommendations contained in this report.

We request that you provide us with a copy of the adopted budget.

We hope this information is helpful as you adopt the upcoming budget. If you have any questions on the scope of our work, please contact Dara Disko-McCagg, Chief Examiner of our Newburgh Office, at (845) 567-0858.

Sincerely,

Robin Lois  
Deputy Comptroller

cc: Vincent E. Spano, City Clerk  
John Liszewski, Commissioner of Finance  
Elizabeth Janocha, Deputy Commissioner of Finance  
John Jacobson, Budget Director  
Anibal Soler Jr., Superintendent of Schools  
Dr. Rosalba Corrado Del Vecchio, President, Board of Education  
Gail Burns, Vice President, Board of Education  
Shiela Greenwald, Trustee, Board of Education  
Kevin Cacace, Trustee, Board of Education  
Dr. John C. Castanaro, Trustee, Board of Education  
Rosemarie P. Linton, Trustee, Board of Education  
Amjed I. Kuri, Trustee, Board of Education  
Felix Rios, Trustee, Board of Education  
Lawrence R. Sykes, Trustee, Board of Education  
Hon. Carl E. Heastie, Speaker of the House, NYS Assembly  
Hon. Crystal J. Peoples-Stokes, Majority Leader, NYS Assembly  
Hon. William Barclay, Minority Leader, NYS Assembly  
Hon. Helene E. Weinstein, Chair, Assembly Ways and Means Committee

Hon. Andrea Stewart-Cousins, President Pro Tempore and Majority Leader, NYS Senate  
Hon. Robert Ortt, Minority Leader, NYS Senate  
Hon. Liz Krueger, Chair, Senate Finance Committee  
Hon. Shelley Mayer, Chair, Senate Committee on Education  
Dr. Betty A. Rosa, Commissioner, NYS Education Department  
Dr. Harold Coles, Superintendent Southern Westchester BOCES  
Blake G. Washington, Director, NYS Division of Budget  
Dara Disko-McCagg, Chief Examiner, Newburgh Regional Office