

# **PRESS RELEASE**

**October 13, 2022**

## **City of Watervliet Receives Positive Fiscal Report from NYS Comptroller's Office**

Mayor Charles Patricelli announced the city earned a No-Designation score from the New York State Comptroller's office, which signifies the city is in sound fiscal shape. This announcement came from Director of Finance, Amanda Austin. The major factor in the upgraded score is the city has replenished the Watervliet Fund Balance from \$600,000 in 2017 to \$1.8 million in 2021.

“Of all the great things this administration has been able to accomplish in the past 34 months, fiscal responsibility is by far the utmost importance,” Mayor Patricelli said. “The key for an organization to survive and run properly is to make sure that its finances are in sound, working order. We had to make some difficult decisions that weren't popular to everyone, but this ranking from the State Comptroller shows we made the right decisions and what was best for the City of Watervliet in some trying times.”

The city received the No-Designation score for 2019, 2020 and 2021. That is quite a turnaround from 2015, when the State Comptroller's Office sent the city an early warning notice of Moderately Fiscally Stressed. The following year the city recorded the second highest Fiscal Street score in the state, 75.8% based on the 2016 financials.

The city at that time of the stressful scores was in the process of annually using \$300,000 from the city fund balance to help balance the budget to keep the city in the black. This process was used to keep taxes low, so taxpayers would continue to receive property tax credit checks. That practice caused the city a stressed financial rating because the fund balance was depleted to \$200,000 in 2016, which forced the city to sue short-term financing in the form of Revenue Application Notes in 2016 & 2017.

Starting with the 2018 budget, at the behest of Mayor Patricelli, who was a councilman at the time, the practice of appropriating Fund Balance stopped. Instead, the city council opted to pass fiscally responsible budgets, while appropriating zero fund balance. City department heads and administration have been working tirelessly, resulting in an annual surplus. This was true, even in 2020 with a pandemic when the city ended with a \$700 surplus despite lower-than-expected sales tax revenue. This success formula has increased both operating Fund Balances and Reserve Balances.

“We collectively instilled **R**esponsible **B**udget **M**anagement (RBM) process,” Mayor Patricelli said. “The city manager meets with department heads weekly, discussing needs and wants along with maintenance and repairs and planning for major projects ahead. Within the RBM, tightening of our approval processes helped guide our fiscal path.”

The city has also decreased the use of overtime and have held up city projects while in search of contractors and businesses who provide a fair price for the work, all while increasing the Fund Balance and Reserve Balance in case of an emergency.

“All the hard work that has gone into a responsible financial approach has allowed the city to maintain its staffing level for the Police Department, purchase new vehicles for the DPW and police department and to continue working on improvements around the city – and all this during a pandemic and without an increase in city taxes,” Mayor Patricelli said. “We have a way to go and some serious fiscal challenges that are not only facing our city, but all cities around the country. Inflation, increase borrowing rates, the rise in fuel prices are only a few of the conditions we are all facing as well as the individual residents. We recognize that residents are facing the same challenges. We have and we will continue to work on providing services to the residents in the best way we can.”