

OFFICE OF THE NEW YORK STATE COMPTROLLER



**DIVISION OF LOCAL GOVERNMENT SERVICES
& ECONOMIC DEVELOPMENT**

City of Schenectady Financial Review

2004M-5



ALAN G. HEVESI

State of New York Office of the State Comptroller

Division of Local Government Services and Economic Development

February 2004

Dear City Officials:

One of the Office of the State Comptroller's top priorities is to identify areas where local governments can improve their operations and provide guidance and services that will assist local officials in making those improvements. Further objectives are to develop and promote short-term and long-term strategies to enable and encourage local officials to reduce costs, improve service delivery and to account for and protect their governments' assets.

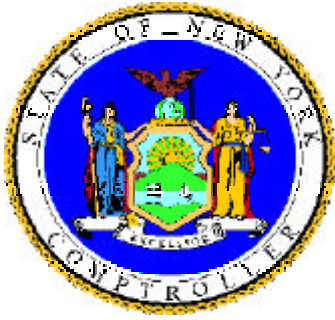
The reports issued by this Office are an important component in accomplishing these objectives. These reports are expected to be a resource and are designed to identify current and emerging fiscally related issues and provide recommendations for improvement. The following is our Financial Review of the City of Schenectady.

This service was conducted pursuant to Article V, Section 1 of the Constitution, and further authority vested in the State Comptroller by Article 3 of the General Municipal Law. This report contains opportunities for improvement for consideration by City officials.

If we can be of assistance to you or if you have any questions concerning this report, please feel free to contact the local regional office for your county listed at the back of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government Services
and Economic Development*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

In response to a request from Schenectady officials, we reviewed the overall economic condition of the City as well as various financial operations, including an analysis of the proposed budget for the 2004 fiscal year. The purpose of this study was to provide City officials with information for making both short-term and long-term decisions as they deal with the significant issues facing the City. The demographic and economic issues facing the City (population, poverty and property value trends, and economic development activity) have as much of an effect on the City's current financial situation as detailed decisions about the 2004 budget. This report provides City officials information on these issues and alternatives that they need to consider as they move forward. In addition, this report provides information on specific operations requested by City officials. It is not our intent to offer comments on public policy decisions such as the type and level of services to be provided.

The City's current fiscal problems must be viewed in the context that Schenectady, along with other Northeastern cities, has seen a decline in its population and tax base, a slow growth economy, an increase in services for a high demand population, and escalating costs in providing taxpayers with services to ensure their health, safety, and welfare. The long term effects of increased suburbanization, an economy shifting from manufacturing to services, limited development sites, and minimal regional population growth, have forced cities such as Schenectady to deal with daunting circumstances.

Schenectady has experienced significant losses in population and wealth since at least 1990 and has a significantly poorer population than the communities that surround it. From 1990 through 2000, the City lost 5.7 percent of its population. During the same period, New York State's population grew by 5.5 percent and the United States grew by 13.2 percent. The Census estimates that the City's population has declined another 0.6 percent through 2002. Future projections for Schenectady compiled by the Capital District Regional Planning Commission are that the City will lose nearly 1,000 residents for each decade through 2040.

Schenectady's property values have declined along with its population. From 1997 to 2002 the average property value for cities in New York increased 6 percent. However, Schenectady's total assessed property value actually declined 22 percent during this time period, the third largest decline among New York State's cities. According to the 2000 Census, over 13 percent of Schenectady's housing is vacant, the 8th highest total among New York's cities. This decline can be seen in the selling prices of homes in the City. For example, in 2002, single-family homes sold for 12 percent less than they did in 1994.

Overall, while Schenectady's average income is generally comparable to other New York State cities, it is much poorer than all the other localities in Schenectady County. The City's median income as reported in the 2000 Census is \$29,397. All the towns in Schenectady County that surround the City of Schenectady have much higher median incomes, as follows:

Niskayuna	\$70,607
Duanesburg	\$57,311
Princetown	\$56,818
Glenville	\$52,532
Rotterdam	\$46,125

Our review of Schenectady's current financial condition shows that the City has had operating deficits for the past three years and anticipates another one for the 2003 year. Only the issuance of short-term debt, the improper use of legally restricted funds, and the acceleration of state aid payments have provided the City with a sufficient cash flow to operate.

The City of Schenectady is in severe financial stress. In November 2003, Moody's Investor Services again downgraded the City's bond rating, already at "junk bond" status, from Ba1 to Ba2. The accumulated deficit in the City's general fund is expected to be about \$5 million at December 31, 2003. If the pending sale of the parking operations is completed, the general fund must absorb the parking fund deficit of \$3 million, bringing the total deficit in the City's general fund to approximately \$8 million. The negative financial condition also impacts the City's cash flow requirements. To meet cash flow shortfalls, the City issued Tax Anticipation Notes (TANs) of approximately \$12 million at 2003 year-end. Unless changes are made, Schenectady faces the very real possibility of running out of cash to fund operations as early as May 2004. In June 2004, the City could have expenditures that exceed available cash by as much as \$500,000. At year end the City will have to refinance the \$12 million in outstanding TANs and fund an additional \$1.3 million cash shortfall.

In October 2002, we issued an audit report on Schenectady that identified the City's significant level of financial stress and resulting cash flow problems. We stressed the need to prepare an orderly financial plan and then carefully monitor operations to assure compliance with the plan. City officials did not implement such changes and the City's financial condition has deteriorated and the chronic cash flow problems have continued.

The City has taken years to get into this situation and will not get back to fiscal health overnight. City officials need to develop a multi-year financial plan that shows how they are going to deal with their accumulated deficit, establish a positive cash flow and fund necessary operations in as efficient a manner as possible. City officials should establish some financial benchmarks as standards by which the City's performance can be judged. We recommend that living within their annual budget and reducing their reliance on year-end borrowing for cash flow purposes should be two of the benchmarks that the City establishes. If City officials fail to meet these basic benchmarks, it will further weaken the City's position in the financial markets.

A primary cause of the City's fiscal problems is the lack of control over expenditures for the City. The City has overspent appropriations every year since fiscal year 2000. For example, in 2002 over 30 appropriation accounts were overspent by more than \$2.9 million. The Mayor and the City Council have to adopt a realistic budget, diligently review reports that compare actual expenditures to budgeted amounts, establish policies to keep expenditures within budget, and then enforce those policies.

We also found that Schenectady has many organizations working on economic development issues within the City and has a variety of activities underway to address some of the issues that the City faces. However, much of this activity is uncoordinated. The City does not have a comprehensive plan that links all of these efforts and articulates the vision of where the City is today and where it would like to be in the future. The City should establish such a plan that: coordinates the many organizations that are working on economic development initiatives, such as Metroplex, the business improvement district and Industrial Development Agencies; provides formal structure to the City's outreach to encourage new residents to the City; and incorporates its efforts to deal with the significant number of brownfield sites in the City.

Only after City officials have done all that they can to get control of their financial operations and pursue a coordinated and aggressive economic development program should they explore potential revenue increases. Such an approach will allow City officials to demonstrate that they have done all they can to control the expenditure side of their fiscal equation, which should help to build support among the various constituencies (State legislators, County officials, taxpayers, etc.) who will need to approve revenue increases. As Schenectady addresses its fiscal problems, it will be very hard pressed to develop more local revenue. Schenectady is approaching its constitutional tax limit. It currently is at 83.6 percent, leaving very little margin for increasing local property taxes. A case could be made that Schenectady does not receive an appropriate amount of state aid. Schenectady receives about \$71 per capita of General Purpose Local Governmental Aid while smaller cities such as Lackawanna, Utica, Niagara Falls, Amsterdam and Rome all receive more than \$80 per capita. In the Supplemental Municipal Aid category, Schenectady receives \$21 per capita, while cities such as Rome, Troy and Utica all receive more than \$75 per capita.

The City could also explore user fees for certain services as a way to generate additional revenue. For example, the City provides weekly curbside sanitation pickup and disposal for residential housing units. Financing sanitation collection and disposal operations with a user fee could provide an alternative to paying for this service with property taxes and could be more equitable since certain tax-exempt properties in the City receive the curb-side sanitation service. A user fee for sanitation collection and disposal would result in a shifting of the costs from just real property taxpayers to all property owners who utilize the sanitation services.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
DEMOGRAPHIC OVERVIEW	2
FINANCIAL CONDITION	5
Accumulated Deficits	6
Cash Flow and Overspending	6
Police Overtime	8
Health Insurance	10
Collecting Property Taxes	11
Payroll Processing	12
Controls Over Certain Expenditures	12
PLANNING	15
Population Initiative	16
Economic Development Activities	18
Brownfield Initiatives	20
REVENUE	23
APPENDIX A How to Obtain Additional Copies of the Report	26
APPENDIX B Local Regional Office Listing	27

Introduction

In response to a request from Schenectady officials, we reviewed the overall economic condition of the City as well as various financial operations, including an analysis of the proposed budget for the 2004 fiscal year. The purpose of this study was to provide City officials with information for making both short-term and long-term decisions as they deal with the significant issues facing the City. The demographic and economic issues facing the City (population, poverty and property value trends, and economic development activity) have as much of an effect on the City's current financial situation as detailed decisions about the 2004 budget. This report provides City officials information on these issues and alternatives that they need to consider as they move forward. In addition, this report provides information on specific operations requested by City officials. It is not our intent to offer comments on public policy decisions such as the type and level of services to be provided.

The City's current fiscal problems must be viewed in the context that Schenectady, like other cities in New York State, has seen a decline in its population and tax base, a slow growth economy, growing poverty levels, and escalating costs to provide necessary services. The City has had operating deficits for the past three years and anticipates another one for the 2003 year. Only the issuance of short-term debt, the use of legally restricted funds, and the acceleration of state aid payments have provided the City with sufficient cash flow to operate.

Demographic Overview

Schenectady has been experiencing a steady population decline. From 1990 through 2000 the City lost 5.7 percent of its population, or 3,745 residents. The City's population in 2000 was 61,821. During the same period New York State's population grew by 5.5 percent and the United States grew by 13.2 percent. The Albany-Schenectady-Troy Metropolitan Statistical Area (MSA), which includes Albany, Schenectady, Rensselaer, Saratoga and Schoharie counties, grew by 0.3 percent during that decade. Schenectady County's population declined by 1.8 percent during the 1990s but would have actually had a small population growth if the City's decline is factored out. Six of the other seven cities in the Albany-Schenectady-Troy MSA also declined in population during the 1990s with the exception being the City of Saratoga.

The U.S. Census Bureau estimates that the City's population has declined another 0.6 percent through 2002, although with a slight increase of 79 residents in 2002. While the rise in population in 2002 is small, it is the first estimated yearly growth since at least 1991. Nevertheless, future projections for Schenectady compiled by the Capital District Regional Planning Commission are that the City will lose nearly 1,000 residents for each decade through 2040.

According to the 2000 Census, 15 percent of Schenectady residents are over the age of 65, which ranks 37th out of the 61 cities in New York, excluding New York City. Of those residents 65 or older, 9.6 percent are below the poverty level. The percentage of the population age 17 and under is 24.3 percent, with over 31 percent of this population below the poverty level. In total, the percentage of all residents below the poverty level is 20.8 percent for Schenectady, 21.7 percent for Albany, and 19.1 percent for Troy. Schenectady has the 16th highest percentage of persons below the Census poverty level among the State's 61 cities.

Schenectady's property values have declined along with its population. From 1997 to 2002 the average property value for cities in New York increased 6 percent. However, Schenectady's total assessed property

value actually declined 22 percent during this time period, the third largest decline among New York State's cities. According to the 2000 Census, over 13 percent of Schenectady's housing is vacant, the 8th highest total among New York's cities.

This decline is reflected in the selling prices of homes in the City. According to information from the Greater Capital District Association of Realtors, the median price of a single-family home in Schenectady was \$64,900, 12 percent less than the median price in 1994. The median price of a two-family home in 2002 was nearly 17 percent less than it was in 1994.

The good news is that property values in Schenectady appear to have bottomed out in 2000. Median sales prices have increased 24 percent for single-family houses and 64 percent for two-family houses since 2000, although neither type of housing has yet returned to their 1994 values. Schenectady's total assessed property value actually increased slightly, by 1.3 percent, from 2000 through 2002.

Overall, while Schenectady's average income is generally comparable to other New York State cities, it is much poorer than all the other localities in Schenectady County. The City's median income reported by the 2000 Census is \$29,397. This is comparable with \$30,042 for Albany and \$29,841 for Troy. Statewide, Schenectady ranks in the middle, 33rd out of 61 cities in per capita income. However, all the towns in Schenectady County that surround Schenectady have much higher median incomes, as follows:

Niskayuna	\$70,607
Duanesburg	\$57,311
Princeton	\$56,818
Glenville	\$52,532
Rotterdam	\$46,125

Schenectady's unemployment rates are far better than Troy and Albany. The 2000 Census listed Schenectady's unemployment rate at 7.5 percent, far better than Albany's 12.7 percent and Troy's 11.7 percent. Global Insight projects that the unemployment rate will stay fairly stable for the Albany-Schenectady-Troy MSA through 2005.

In short, Schenectady has experienced significant losses in population and wealth since at least 1990 and is left with a significantly poorer population than the communities that surround it. This is a situation that Schenectady shares to one degree or another with most of the other 61 cities in the State.

Financial Condition

We were asked by City officials to analyze Schenectady's current financial condition and the proposed 2004 budget. They also requested that we look at certain expenditure categories and operations in an effort to identify improvement opportunities. After our analysis was completed we related our specific concerns about the 2004 proposed budget to the Mayor and members of the City Council so they could consider them as they finalized the budget. Our goal was to provide City management with information to assist them not only in the 2004 budget process but also to suggest cost containment measures.

The City has consistently incurred operating deficits for the last several years. This has occurred primarily because City officials have not exercised fiscal discipline – expenditures have consistently exceeded established budgets. The result has been a growing accumulated deficit and a bond rating that is the lowest in the State. In November 2003 Moody's Investor Services again downgraded the City's bond rating, already at "junk bond" status, from Ba1 to Ba2. The City has had to borrow \$12 to \$14 million at the end of the last two years just to have enough cash on hand to keep operating.

In October 2002, we issued an audit report on Schenectady that identified the City's significant level of financial stress and resulting cash flow problems. We stressed the need to prepare an orderly financial plan and then carefully monitor operations to assure compliance with the plan. City officials did not implement such changes and the City's financial condition has deteriorated and the chronic cash flow problems have continued. We cannot stress strongly enough the need to adopt and then follow a financial plan to fund operations and begin to reduce the deficit over the next several years.

The City has taken years to get into this situation and will not get back to fiscal health overnight. City officials need to develop a multi-year financial plan that shows how they are going to deal with their accumulated deficit, establish a positive cash flow and fund necessary operations in as efficient a manner as possible. City officials should establish some financial

benchmarks as standards by which the City's performance can be judged. We recommend that living within their annual budget and reducing their reliance on year-end borrowing for cash flow purposes should be two of the benchmarks that the City establishes. If City officials fail to meet these basic benchmarks it will further weaken the City's position in the financial markets.

Accumulated Deficits

The City's Annual Financial Report showed an unreserved, unappropriated deficit fund balance in the general fund at December 31, 2002 of \$2,350,000. The City's independent auditor identified a \$1,575,000 adjustment, \$1,455,000 of which resulted from overspent capital projects. This adjustment resulted in a deficit fund balance of \$3,925,000 in the General Fund at the beginning of 2003.

The City's 2003 budget of \$52.9 million planned for a \$1 million surplus to be used to reduce the accumulated general fund deficit. However, it now appears that the City's finances will fall approximately \$2 million short of this plan, turning the projected \$1 million operating surplus into a \$1 million loss. This will increase the general fund deficit to approximately \$5 million as of December 31, 2003.

In addition, City officials are now planning to sell its parking operations to Metroplex because the parking operation loses about \$500,000 a year. Regardless of the outcome of the planned sale, there has been no provision in the City's budget to cover the accumulated deficit in this fund that as of the end of 2003 could exceed \$3 million. The sale of the parking garage would relieve the City of having to subsidize the parking operations losses by \$500,000 annually. However, the general fund will have to absorb the parking fund deficit, thereby increasing the City's general fund deficit by an additional \$3 million. This will bring the general fund's total accumulated deficit to approximately \$8 million.

Cash Flow and Overspending

The City's growing deficit, which has resulted in severe cash flow problems, is primarily the result of a pattern of consistent overspending by City officials. For the three years ending with 2002, the City overspent appropriations by \$500,000, \$600,000, and \$2.4 million, leading to operating deficits of \$657,000, \$1.9 million and \$1.14 million respectively.

The general fund's chronic cash flow problems have, in the past, been addressed in a number of ways. The City utilized accelerated state aid payments, inappropriately used restricted moneys that had been borrowed for capital projects, and issued Tax Anticipation Notes (TANs) to generate cash. In December 2002, after our previous audit report identified the inappropriate use of capital funds to pay for operating expenses, the City issued \$14.4 million in TANs to both repay the capital fund and to provide additional available cash for ongoing operations. In December 2003, the City repaid the TANs but needed to issue another \$12 million of TANs because of continuing cash flow problems.

Unless changes are made, Schenectady faces the very real possibility of running out of cash to fund operations as early as May 2004. In June 2004, the City could have expenditures that exceed available cash by as much as \$500,000. At the end of 2004 the City will likely not have enough cash to retire the outstanding TANs and would have to refinance the \$12 million outstanding and fund an additional \$1.3 million to cover cash shortfalls.

A primary cause of the City's fiscal problems is the lack of control over expenditures for the City. In some cases there were policies that had been adopted but not followed. In other areas there were no policies or oversight of expenditures. The City has overspent appropriations every year since fiscal year 2000. For example, in 2002 over 30 appropriation accounts were overspent by more than \$2.9 million, in amounts ranging from \$62 to in excess of \$500,000. Some of the larger overexpenditures are shown in the following table.

2002			
	Modified Budget	Actual	Difference
LAW DEPARTMENT	\$330,500	\$881,456	(\$550,956)
POLICE – INVESTIGATIONS	\$2,735,151	\$3,169,003	(\$433,852)
WORKERS COMPENSATION	\$625,000	\$1,035,298	(\$410,298)
STREET LIGHTING	\$1,375,000	\$1,644,424	(\$269,424)
HEALTH INSURANCE	\$6,860,000	\$7,104,414	(\$244,414)
POLICE – SUPPORT SERVICES	\$593,435	\$835,732	(\$242,297)
JUDGMENTS AND CLAIMS	\$125,000	\$333,852	(\$208,852)
UNALLOCATED INSURANCE	\$350,000	\$504,938	(\$154,938)
SOCIAL SECURITY	\$1,907,860	\$2,056,062	(\$148,202)
BOND/NOTE ISSUE EXPENSE	\$35,000	\$160,471	(\$125,471)
WASTE DISPOSAL	\$1,828,350	\$1,940,183	(\$111,833)
POLICE – FIELD SERVICE BUREAU	\$6,393,802	\$6,447,439	(\$53,637)

There were similar overexpenditures again in 2003. Since the records for the year were still being posted as we completed our fieldwork, we don't know the exact number of accounts overexpended, but in total, the budget was overspent by more than \$1 million. The Council had planned to have \$1 million to reduce the deficit but instead overspent the budget by more than \$1 million, a \$2 million deviation from the plan established by the adopted budget.

Each year City officials adopt a budget, the financial plan for the year. But if operations are not monitored and kept within budget, the plan becomes pointless. The Mayor and the City Council have to adopt a realistic budget, diligently review reports that compare actual expenditures to budgeted amounts, establish policies to keep expenditures within budget, and then enforce those policies.

Police Overtime

City officials asked us to study and provide recommendations on police department costs. Based on our review, Schenectady's total police expenditures per capita do not significantly differ from other cities.

	Total Police Expenditures Per Capita	Police Personal Service Expenditures Per Capita
ALBANY	\$355	\$330
NEWBURGH	\$290	\$254
SCHENECTADY	\$265	\$248
TROY	\$212	\$192
UTICA	\$220	\$200
All NYS Cities Average (not including NYC)	\$226	\$256

However, in recent years, the department's overtime costs have exceeded budgets, causing a significant financial strain on the City.

Fiscal Year	Mayor's Proposed Budget	Council's Adopted Budget	Modified Budget	Actual *	Over Expenditures
1999	\$961,000	\$560,000	\$595,193	\$1,223,524	\$628,331
2000	\$675,000	\$675,000	\$697,500	\$1,207,709	\$510,209
2001	\$618,000	\$593,000	\$815,060	\$1,324,907	\$509,847
2002	\$882,830	\$882,830	\$903,080	\$2,070,653	\$1,167,573
2003	\$728,868	\$853,868	\$888,370	\$1,465,223	\$576,853
2004	\$1,203,368	\$953,368	N/A	N/A	N/A

* = 2003 Actual is through 10/31/03

We found that a good deal of overtime costs seem to be the result of desired service levels established by department officials. We selected the month of May 2003 for a detailed analysis of overtime activity. We reviewed the detailed overtime report for May 2003 for the 10 officers paid the highest amount in overtime. Total overtime for the month of May totaled \$139,017 and for the selected 10 officers, \$10,764. The primary cause of the overtime these officers worked was due to filling “minimum staffing requirements.”

These minimum staffing standards are established by officials in the department based on prior activity and current call volumes. Once the standards are established, the department has some flexibility but generally uses overtime to reach the desired staffing levels. We reviewed the minimum staffing levels and compared them to available staffing for each shift and found that the department does not have enough officers to cover the established staffing levels. For example, for the month of May 2003, the established staffing standard called for 84 more hours of patrol officer time and 76 hours of sergeant hours than was available through regular shifts. This is overtime that is built into the system even before overtime that will be caused by such events as officers calling in sick; large, unexpected investigations; public events such as parades or demonstrations; and necessary court time.

If City officials want to change their overtime expenditures they will need to determine whether they want to adjust the desired level of service or whether hiring more officers would be less expensive than filling existing shifts with overtime. Minimum staffing requirements are established for the Field Services Bureau (patrols and all uniformed officers) of the department. The other three bureaus, Administrative Services, Support Services and Investigations (vice, intelligence, and detective and juvenile divisions), do not have minimum staffing requirements.

The Mayor and the City Council should determine the level of police service they require and decide how it will be funded. If the desired service level requires additional personnel, the Mayor and the City Council must determine whether this will be accomplished by overtime or hiring of additional police officers. The City’s adopted budgets should then provide funds for the desired level of coverage.

Health Insurance

The City should make a greater effort to promote their employee health plan's pre-tax benefits to increase the number of employees electing this option. It has become a common practice for local governments to offer employees a payment in lieu of health insurance when insurance coverage for the employee is available from another source (i.e. their spouse). Such an arrangement is beneficial to both the government and the employees involved as the government realizes savings by paying an employee an amount less than the cost of health insurance premiums and, at the same time, the employee increases their income. The City should also investigate offering a higher health insurance buy-out amount to increase the employee participation rate and lower overall costs.

In accordance with current practices and labor agreements, the City provides health insurance coverage to employees, retirees, and surviving dependents. For the period of our review, 558 active employees had the option of choosing from three providers or opting out of receiving this benefit. Cost for active employees for fiscal year end December 31, 2003 is projected to approach \$3.3 million with total health insurance costs, including retirees, approaching well over \$7 million. Total cost rose approximately 26 percent during fiscal year 2003.

The City offers a cafeteria benefit plan pursuant to Section 125 of the Internal Revenue Code. This section of the IRS Code also provides that employees may have their contribution taken out of their salary as a pre-tax item. This option facilitates the City's savings on the Medicare and Social Security payroll taxes, and more importantly from the employee's perspective, increases discretionary income and reduces taxable income.

We calculated that if the City actively pursued this option by making a concerted effort to inform employees about the benefits of a pre-tax option, based solely on the number of employees contributing, the City could currently save approximately \$10,500 in payroll taxes. Since the amount of contributions fluctuates each year due to the number of employees contributing and the amount of the contribution, we cannot project beyond one year.

In addition to providing the benefit of health insurance, the City provides employees the option not to be covered by the health insurance program if they already have coverage from another source, such as their spouse.

Buyout premiums, paid in quarterly installments, range from \$1,000 to \$3,000, depending on the union contract. As of December 31, 2003, 43 employees, or 7 percent of the City's workforce receive this benefit totaling approximately \$100,000.

We computed the potential savings to the City if it offered to employees, through contract negotiations, a more attractive buyout for health insurance. Presently there are 371 employees with family coverage plans. We propose that the City establish an across the board buyout of 50 percent of the premium cost, thereby saving the City 50 percent. We computed savings of approximately \$85,000 the City could achieve in one year, based on current premiums and a participation rate of 50 employees (approximately 10 percent).

These types of incentives are advantageous to both the City and employees because they are voluntary on the part of the employee and do not involve any additional costs to the City. It also is important to note that these incentives are susceptible to negotiation and approval by the various collective bargaining groups. Because of the great importance of health insurance coverage, employees should be encouraged to consider the impact of electing a cash payment in lieu of coverage only after comparing the health insurance benefits provided by the city with those provided by the alternative source. Additionally, employees should realize payments in lieu of health insurance coverage would represent taxable income to them, but such payments would not be reportable for New York State and Local Employee Retirement System purposes.

Collecting Property Taxes

The City of Schenectady collects the property taxes levied by the City, County, and School District. The City pays any uncollected taxes to the County or School District and then the City enforces the tax liens. That means that any property tax shortfall of the County or the School District is paid by the City that then has to try to collect the delinquent taxes. As of December 31, 2002, the City reported \$10.7 million in unpaid taxes.

The large unpaid property tax balance adds to the cash flow problems of the City. The County enforces taxes on properties outside of the City and has collection procedures in place. Some New York State counties assume responsibility for enforcement of taxes within cities and City officials should consider negotiating with the County to do so for

Schenectady. City officials should also consider selling its tax liens either individually or as a package and use the additional cash to reduce the need for short-term borrowing.

Payroll Processing

The City of Schenectady utilizes a weekly payroll period that consumes approximately 175 staff hours summarizing information and generating approximately 650 to 700 payroll checks each week. Projected to an annual basis, the City's staff spends 9,100 hours to perform the payroll function.

During our review we observed payroll procedures in the Finance Office. We found the office staff to be proficient in carrying out the responsibilities of processing payrolls and filing the required monthly, quarterly, and annual employer reports. We also noted that the City utilized an efficient computer system to process its payrolls and related reports. From our experience with other local governments throughout the State, many localities contract for payroll services, or two or more localities jointly perform payroll related functions. For some localities, it is more cost efficient to contract out for payroll services as opposed to performing the procedures in-house.

The Mayor and the City Council, through contractual negotiations, should propose to change the City's weekly payroll period to bi-weekly. By changing the payroll period to bi-weekly, the City would reduce costs attributed to payroll processing, as well as the number of payroll checks issued.

We believe that the City should consider consolidating payroll operations (and possibly other financial operations) with the County and other nearby localities. Based on the City's capabilities in the area of payroll processing, this payroll consolidation could be accomplished by the City being paid to perform this service for other localities, thereby generating additional revenue for Schenectady.

Controls Over Certain Expenditures

At the request of City officials, we reviewed the City's use of cell phones and vehicles.

The City provides approximately 130 cellular telephones for use by employees at a cost of approximately \$70,000 per year. The police department has 60 cell phones and 70 phones are used by other

employees. The City has no policy to determine which employees are provided cell phones or to establish what is acceptable use. We were informed by officials that, after signing an affidavit of receipt of a phone, there were no other specific guidelines for employees to follow. Written guidelines, which could benefit not only the City but also the employee, should include provisions for:

- determining the criteria for assigning a cellular telephone to an employee and restrictions as to its use;
- requiring each employee to keep a record of any long distance calls that would be reconciled to the monthly invoice of charges; and
- requiring each employee granted the use of a telephone to certify that charges for calls were made in the course of the employee's job and in accordance with the adopted policy.

The City has approximately 200 vehicles, most of them for public safety, but over 70 are for other purposes. Yet there is no officially adopted vehicle use policy that specifies criteria for assigning vehicles, conditions for use, and procedures for accountability. Without such policies, City officials have limited ability to control usage and costs in this area.

In addition, it might be more cost effective to pay employees mileage to use their own cars rather than providing City cars. However, the City does not maintain vehicle mileage records and does not maintain information about the maintenance costs of City vehicles. Therefore, we could not perform an analysis to determine whether this approach would be cost effective. However, we have found that such an approach is more cost-effective in our audits of other municipalities in the State.

Written guidelines for the use of City vehicles should include provisions for:

- determining specific criteria for assigning a vehicle to an employee and restrictions as to its use;
- requiring each employee to keep a record of all mileage incurred in the process of performing business that would be reconciled annually; and

- requiring each employee granted the use of a vehicle to certify that mileage was incurred in the course of the employee's job and in accordance with the adopted policy.

An up-to-date history of a vehicle provides the cost of maintaining that vehicle. This cost information should be used to decide if a City vehicle is more efficient than paying mileage and when to replace City vehicles.

Planning

Schenectady has many organizations working on economic development issues within the City and has a variety of activities underway to address some of the issues that the City faces. However, much of this activity is uncoordinated. The City does not have a comprehensive plan that links all of these efforts and articulates the vision of where the City is today and where it would like to be in the future.

The City has not compiled a comprehensive city-wide Master Plan since 1984. The City does have a Downtown Schenectady Master Plan that was created in 1999. A very extensive plan, it concentrates on 10 strategies:

- Arts and Entertainment Development
- Office Development
- Small business retention and attraction
- Retail development
- Residential development
- Civic events and festivals
- Cultural education
- Parking and transportation infrastructure development
- Downtown management
- Public improvements

In preparing the plan, the City hired four consulting groups. The two primary firms were an urban planner and an urban designer. The other two were architectural firms brought in to assess specific structures. The plan has an extensive market research section, thorough documentation of downtown physical conditions, block-by-block analysis, and adaptive use potentials. It offers three alternative futures for downtown and the City combined elements of each into its adopted plan. The plan also includes an entire section devoted to design guidelines showing how to implement its proposals. Best practices from other cities are also cited. Many of the suggestions and improvements called for in the plan have been implemented. The plan has an implementation schedule, and some cost estimate information. However, the City's current financial difficulties may hamper its completion.

The City also has a 2000 Federal Consolidated Plan, which constitutes a strategic vision for housing and community development in the City. The City of Schenectady is classified as a Federal 'Entitlement Community,' and is required to complete this plan every five years to maintain this status. The City will need to have a new version prepared for 2005 and plans to develop it during 2004. The Consolidated Plan functions as:

- a planning document which builds on a participatory process at the lowest levels;
- an application for federal funds under HUD's formula grant programs;
- a strategy to be followed in carrying out HUD programs; and,
- an action plan that provides a basis for assessing performance.

The City of Schenectady has not merged these various plans into one comprehensive plan that addresses all areas and activities in the City. A piecemeal approach to planning can lead to the plans determining the direction, rather than a clear sense of direction determining the plans. The existing plans do not contain a link to an overall vision or strategic plan for the City addressing not only where the City is today, but also where they would like to be in the future.

The Mayor and the City Council should develop a strategic plan incorporating community, economic, organization and financial development. Benchmarks and performance measures should be established to gauge the progress of the adopted plan.

The following is an overview of some of the activities and organizations that Schenectady should include in any overall plan.

Population Initiative

We attempted to assess Schenectady's well-publicized efforts to recruit people of Guyanese origin to buy homes and live in the City. It is important to note that there is no official City program in place for this recruiting effort; it was largely an individual initiative on the part of the former Mayor.

As of the 2000 Census, approximately 360 people of Guyanese descent resided in Schenectady County. Estimates now range anywhere from

2,000 to 5,000 residents of Guyanese descent live in the Schenectady area. The Guyanese have opened a Hindu Temple and a Pentecostal Church within the City limits in former churches of other faiths which had been vacant. The pastor of the Pentecostal church owns a home he uses to let new Guyanese arrivals live rent-free until they find housing and employment. The Guyanese have also opened new businesses in the City such as grocery stores and restaurants selling native food items and cuisine.

How much of an impact the influx of Guyanese has made on Schenectady's real estate market is difficult to determine. At the beginning of 2001, Schenectady had 90 houses on its demolition list. In 2002, the number on the list was down to 40 and in 2003 it was down to 6. Over 40 of the houses sold from the demolition list went to someone of Guyanese descent. Since 2001, the City has not demolished any buildings and has not budgeted any money for building demolition in 2004. The City's Housing Rehabilitation Supervisor stated that building inspector fees have increased.

Another indicator of the positive influence of the influx of Guyanese residents could be home sales in the City, although low interest rates in the past few years have also caused increases in the number of home sales. In the City of Schenectady, the volume of housing sales has increased annually from 1997 to 2002, according to information from the Greater Capital Association of Realtors. The median price of single- and two-family houses increased in 2001 and 2002. Two-family houses in neighborhoods such as Mont Pleasant, Hamilton Hill, Vale and Central State Street all sold for a higher median sales price in 2001 and 2002 than they did in 2000. This reversed a steadily declining trend. The City's Housing Rehabilitation Supervisor mentioned two specific blocks in the Hamilton Hill neighborhood that he felt were previously among the City's worst and have now been transformed to respectability through the efforts of some Guyanese families.

The large influx of residents of Guyanese descent into the City of Schenectady in 2002 and 2003 appears to have created many positives for the City. Newspaper reports expressed the opinion that City officials making the newcomers feel welcome played a considerable role in convincing some to relocate to Schenectady. The City should consider

implementing formal outreach efforts into the future to help build on the positive trends seen to date. City officials should also develop tools for monitoring the impact of these activities.

Economic Development Activities

The City of Schenectady has many organizations working on economic development issues that should be incorporated into an overall plan for the City. The plan should include performance benchmarks with which to evaluate the performance of these various economic development efforts. These benchmarks would allow City officials to expand successful efforts and redirect or discontinue activities that are not successful. Such a plan and benchmarks should include such organizations as:

- **Schenectady Metroplex Development Authority**, a public benefit corporation created through state legislation in 1998. Its mission is to enhance the long-term economic vitality and quality of life in Schenectady County by investments within designated areas with particular emphasis on Schenectady's downtown. Funding for Metroplex comes from an additional 0.5 percent to the County's sales tax rate that began September 1, 1998, and is authorized until August 31, 2028. Metroplex's stated goals are to expand the County's property tax base and sales tax revenue, and create and retain jobs. Projects that Metroplex has been involved with that have been completed in recent years include the MVP building, the Parker Inn, CONTEC and Cyclics Corporations, and the Center Sportsplex. Metroplex is currently participating in the Canal Square Redevelopment and State Street Streetscape projects.
- **Downtown Schenectady Improvement Corporation (DSIC)**, a nonprofit organization dedicated to the revitalization of downtown Schenectady and representing more than 600 property owners within its defined boundaries. The organization is primarily funded through a special assessment on properties within downtown Schenectady, from contributions through the Schenectady Metroplex Development Authority, and by fundraisers organized by DSIC. DSIC manages and carries out many programs: sidewalk and public parking lot maintenance; landscaping improvements; public safety initiatives; a facade improvement program; and business promotion and marketing.

- **Upper Union Business Improvement District**, whose objective is to revitalize Upper Union Street through a program of upgrades to the streetscape and increased consumer awareness of the merchant services available.
- **Schenectady/Glenville Enterprise Zone**, created under New York State's Empire Zone program. It includes most commercial properties located in the City of Schenectady, as well as some commercial properties in the Town of Glenville. It provides various tax credits to businesses within its defined area.
- **Schenectady Local Development Corporation (SLDC)** promotes economic development in the City of Schenectady by making loans to small businesses.
- **City of Schenectady Industrial Development Agency (City IDA)** provides capital financing for development projects. Projects are eligible for sales tax exemptions on material and equipment used in completing the projects.
- **Schenectady Economic Development Corporation (SEDC)**, a countywide organization that prior to Metroplex took the leadership role in shaping City and county economic development policies. The SEDC administers a revolving loan program for non-retail businesses.
- **Schenectady Industrial Corporation**, which owns the former American Locomotive Company (ALCO) facility on Erie Boulevard and **Schenectady Community Development Corporation**, the property management firm for the ALCO site, now known as the Nott Street Business Center.
- **Schenectady Employment Training Development Corporation**, administered by SEDC, has a loan fund for businesses that train their employees in marketable skills.
- **Schenectady 2000**, a network of volunteers carrying out improvement projects in downtown Schenectady.

- **Schenectady County Community Business Center**, a county business incubator started in 2000. The Center, made possible with \$1.2 million in funds appropriated by the Schenectady County Legislature, provides a full range of small business assistance services to its tenants as well as to other businesses. The Center has 20,000 square feet of space for lease.

Brownfield Initiatives

Left untouched, a brownfield site poses environmental, legal and financial burdens on a community and its taxpayers. A wide variety of sites can be classified as brownfields such as current and former manufacturing and industrial facilities, abandoned gas stations, dry cleaners, residences with lead paint, former mining sites, and dumps and landfills. Many of the tainted properties were contaminated before current tougher environmental standards were in effect. Re-use of these properties becomes complicated when issues such as current ownership, responsibility for cleanup costs, and future potential liabilities come into play. For a city such as Schenectady, which has a very limited number of previously undeveloped sites available, remediated brownfield sites can be used to lure potential new economic development. This has multiple benefits to the City, such as creating jobs, returning abandoned, under-used properties to the tax rolls, and ridding the community of potential or real environmental hazards.

In June 1999, the U.S. Environmental Protection Agency (EPA) selected the City of Schenectady as a Brownfields Assessment Demonstration Pilot. This pilot was the forerunner to the current site assessment grant programs now being operated by the EPA and New York State's Department of Environmental Conservation (DEC). DEC is a member of the Federal Inter-Agency Work Group on Brownfields, and worked in conjunction with the EPA, Schenectady, and a consultant hired by the City on the pilot. As part of Schenectady's overall plans for both economic and community development, the City's brownfields strategy seeks to reclaim older abandoned and underutilized industrial sites for a variety of public uses including industrial development, commercial development, housing, and public open space. Schenectady's brownfields program is carried out from the City of Schenectady's Department of Engineering and Public Works. Schenectady County has no sites listed on the EPA's National Priorities List.

The City has increased community involvement through the implementation of a Community Involvement Plan (CIP). The objective of the CIP was to identify, organize, and involve the affected communities and citizens in the site selection, assessment, and cleanup process. The City also created a Brownfields website to further enhance communication with the community and other interested spectators.

The City began the assessment process by working with government, private and community organizations to identify potential sites. The City of Schenectady has formed partnerships with over 15 government, private, and community organizations. These organizations include: DEC, General Electric, Union College, Schenectady Economic Development Corporation, and Schenectady 2000, a grassroots organization formed by business and community leaders. A preliminary list of sites was established and from that list, 281 properties were selected to be evaluated for potential brownfield pilot sites. Because some of these parcels were too small for significant redevelopment, they were grouped together to form larger parcels. The City currently owns (primarily through tax foreclosures) over 250 potentially contaminated commercial or industrial zoned sites, over 200 of which are located in low to moderate-income neighborhoods. The City owned sites were all included in the preliminary list.

Information was collected for these potential sites to conduct the preliminary site screening. Screening information collected included site ownership, past uses, potential benefits to the community or neighborhood, known or suspected contamination, and physical health and safety concerns. Three sites were then selected for Pilot Assessment in March 2001:

- A nine-acre assemblage of properties on Broadway. The properties were formerly utilized as junkyards and a bulk oil distribution center;
- The former Allied Locomotive (ALCO) maintenance facility;
- A ten-acre assemblage known as the Big N Retail Center Site, which was formerly used by ALCO and the Atomic Energy Commission.

These three sites were then put through the assessment process, during which site-specific cleanup plans were developed. Activity to date includes:

- Broadway Assemblage: Site will be capped and paved for storage space. Plank Construction has an option to purchase the property; they currently are leasing the space from the City. A Dunkin Donuts is planned to use a piece of this assemblage.
- ALCO site: Union College has purchased the site and will clean-up and build student housing and playing fields on the site.
- Big N Retail site: No movement as of yet. There is possible YMCA site interest, but nothing definite.

The State of New York passed new legislation in October 2003 which created enhancements to the previous Clean Water / Clean Air Act of 1996, which is primarily administered by DEC. One of the highlights of the enhancements is the end of continued liability to the owner of the site who completes the remediation and gets a signoff from the EPA and DEC. The three main components of DEC's program are as follows:

- Brownfield Cleanup Program (successor to the Voluntary Cleanup Program) - Developed to enhance private-sector cleanup of brownfields and to reduce development pressure on unused green space.
- Environmental Restoration Program - Provides municipalities with financial assistance for site investigation and remediation at eligible brownfield sites.
- Brownfield Opportunity Area Program - Provides technical and financial assistance to municipalities and community based organizations to conduct redevelopment planning for designated areas containing brownfields.

DEC is holding informational sessions on the new legislation and is encouraging representatives from municipalities to attend. Schenectady's Engineer attended the October 2003 session.

One of the challenges facing Schenectady in participating in programs funded by the new legislation would be the required financial commitment. Most of the funding vehicles require a 10 percent commitment from the participating municipality. With the City's current fiscal crisis, that may be a difficult financial commitment to meet. However, a municipality can apply for hardship status to cover its required contribution. Community Development Block Grant monies can also be used for brownfield work. Other State and Federal Agencies can also be sought out as funding sources. Real Estate Investment Trusts and Tax Increment Financing are other funding suggestions presented by the EPA.

Revenue

Only after City officials have done all that they can to get control of their financial operations and pursue a coordinated and aggressive economic development program should they explore potential revenue increases. Such an approach will allow City officials to demonstrate that they have done all they can to control the expenditure side of their fiscal equation which should help to build support among the various constituencies (State legislators, County officials, taxpayers, etc.) who will need to approve revenue increases. As Schenectady addresses its fiscal problems, it will be very hard pressed to develop more local revenue, although a case could be made that Schenectady does not receive an appropriate amount of state aid. The City could also explore user fees for certain services as a way to generate additional revenue.

Property Taxes - During this period of decline in population and property values, and despite the relative poverty in the City, Schenectady officials have raised their local property tax rate substantially in recent years. During the period 1998 to 2003 there was only one year that the tax increase was less than 6 percent. In 2003, the rate was raised 25.2 percent; in 2001, the increase was 14.2 percent. From 2000 through 2003 Schenectady's tax rate increased 53 percent. A house worth \$50,000 in 2000 would have paid \$601 in City property taxes in 2000. Taxes on the same house increased to \$920 in 2003. These increases occurred while at the same time Albany and Troy's tax rates remained relatively stable. Albany's tax rate increased 4 percent and Troy's 3 percent. From an economic development standpoint, Schenectady officials should be cautious about letting its rate deviate too far from other nearby communities as it could be a competitive disadvantage

In addition, with the 2004 tax rate increase of 8 percent, Schenectady reports that it is now at just over 83.6 percent of its constitutional tax limit.

Sales Taxes - The sales tax rate in Schenectady County is 8.25 percent, which is currently allocated as follows: 4.25 percent goes to the State, 3 percent is divided among the County, the City of Schenectady, and the towns in Schenectady County, 0.5 percent is kept by the County and

0.5 percent is used to fund Metroplex and other economic development in the towns. The 3 percent that is shared uses a formula based on relative assessed values, but the City has an agreement to receive an \$11 million annual payment in lieu of its formulaic amount. The City would lose approximately half of its current sales tax revenue if the assessment method was utilized for determining the City's share. If population was used for allocating the 3 percent shared amount (a standard method used in other counties), the City would receive approximately \$2 million less in 2002 than the contractual distribution of \$11 million.

If the City wants to pursue a course of action to try to receive more sales tax revenue, the focus probably should be on the portion of the sales tax that the County does not currently share. There is an overall threshold amount that is required to be exceeded before the County is obligated to share a portion of that remaining 0.5 percent. Overall County collections are now close to this threshold. The City could argue for lowering the threshold amount, or wait until overall economic activity in the County increases enough to exceed the current threshold.

State Aid - We also looked at the state aid the City receives and compared it to the amount of aid received by other cities. In the 2003-04 state fiscal year, Schenectady received General Purpose Local Governmental Aid of \$4,381,122, or about \$71 per capita, and Supplemental Municipal Aid of \$1.3 million, or \$21 per capita.

Schenectady ranks 23rd among the 61 cities in General Purpose Local Governmental Aid on a per capita basis, behind such smaller cities as Lackawanna, Utica, Niagara Falls, Amsterdam and Rome, that all receive more than \$80 per capita. In the Supplemental Municipal Aid category, Schenectady ranks 39th, with cities such as Rome, Troy and Utica all receiving more than \$75 per capita compared to Schenectady's \$21 per capita. In general, there is much more disparity in amounts received by cities in the Supplemental Municipal Aid category. The City of Schenectady could possibly make a case that it should receive more in both General Purpose Local Governmental Aid and Supplemental Aid based on the above comparisons.

There are two other state aid categories, Eligible Municipalities and Certain Cities, that Schenectady does not receive funds from. The only cities receiving funds from these categories are Buffalo, Yonkers, Rochester, and Syracuse, which get aid from both, Niagara Falls, which is slightly smaller than Schenectady but gets \$3.3 million in Eligible Municipality Aid, and Albany, which receives \$1.5 million in Certain Cities Aid.

User Fees - One area where the City could explore potential new revenue sources is through user fees. For example, the City provides weekly curbside sanitation pickup and disposal for residential housing units. This function is paid for from the City's general fund. Financing sanitation collection and disposal operations with a user fee could provide an alternative to paying for this service with property taxes and could be more equitable since certain tax-exempt properties in the City receive the curb-side sanitation service.

We reviewed the expenditures for sanitation services for the years 1998 through 2002 and found that expenditures ranged from \$3.5 million in 1998 to \$3.78 million in 2002. Based on approximately 20,500 units in the City receiving the service, an annual user fee of \$200 would generate approximately \$4 million annually, an amount sufficient to cover the cost of providing the service. In a previous study by the Office of the State Comptroller, we found that residents of a sample county who contracted with private refuse haulers paid approximately \$278 annually per household.

A user fee for sanitation collection and disposal would result in a shifting of the costs from just real property taxpayers to all property owners who utilize the sanitation services.

APPENDIX A

HOW TO OBTAIN ADDITIONAL COPIES OF THE REPORT

To obtain copies of this report, write or visit our web page:

Office of the State Comptroller
Public Information Office
110 State Street, 15th Floor
Albany, New York 12236
(518) 474-4015
<http://www.osc.state.ny.us/localgov/>

APPENDIX B

OFFICE OF THE STATE COMPTROLLER DIVISION OF LOCAL GOVERNMENT SERVICES AND ECONOMIC DEVELOPMENT

Anthony R. Nanula, Deputy Comptroller
Steven J. Hancox, Assistant Comptroller
John Clarkson, Assistant Comptroller

LOCAL REGIONAL OFFICE LISTING

BUFFALO REGIONAL OFFICE

Robert Meller, Chief Examiner
Office of the State Comptroller
1050 Ellicott Square Building
295 Main Street
Buffalo, New York 14203
(716) 847-3647 Fax (716) 847-3643
E-Mail: Muni-Buffalo@osc.state.ny.us

Allegany, Cattaraugus, Chautauqua, Erie,
Genesee, Niagara, Orleans, Wyoming

SYRACUSE REGIONAL OFFICE

Debora Wagner, Chief Examiner
Office of the State Comptroller
State Office Building, Room 409
333 East Washington Street
Syracuse, New York 13202
(315) 428-4192 Fax (315) 426-2119
E-Mail: Muni-Syracuse@osc.state.ny.us

Herkimer, Jefferson, Lewis, Madison, Oneida,
Onondaga, Oswego, St. Lawrence

GLENS FALLS REGIONAL OFFICE

Karl Smoczynski, Chief Examiner
Office of the State Comptroller
One Broad Street Plaza
Glens Falls, New York 12801
(518) 793-0057 Fax (518) 793-5797
E-Mail: Muni-GlensFalls@osc.state.ny.us

Clinton, Essex, Franklin, Fulton, Hamilton,
Montgomery, Rensselaer, Saratoga, Warren, Washington

HAUPPAUGE REGIONAL OFFICE

Allan S. Cohen, Chief Examiner
Office of the State Comptroller
NYS Office Building, Room 3A10
Veteran's Memorial Highway
Hauppauge, New York 11788-5533
(631) 952-6534 Fax (631) 952-6530
E-Mail: Muni-Hauppauge@osc.state.ny.us

Nassau, Suffolk

ROCHESTER REGIONAL OFFICE

William W. Campbell, Chief Examiner
Office of the State Comptroller
The Powers Building
16 West Main Street - Suite 522
Rochester, New York 14614
(585) 454-2460 Fax (585) 454-3545
E-Mail: Muni-Rochester@osc.state.ny.us

Cayuga, Chemung, Livingston, Monroe, Ontario,
Schuyler, Seneca, Steuben, Wayne, Yates

BINGHAMTON REGIONAL OFFICE

Patrick Carbone, Chief Examiner
Office of the State Comptroller
State Office Building, Room 1702
44 Hawley Street
Binghamton, New York 13901-4417
(607) 721-8306 Fax (607) 721-8313
E-Mail: Muni-Binghamton@osc.state.ny.us

Broome, Chenango, Cortland, Delaware,
Otsego, Schoharie, Sullivan, Tioga, Tompkins

ALBANY REGIONAL OFFICE

Thomas J. Kelly, Jr., Chief Examiner
Office of the State Comptroller
22 Computer Drive West
Albany, New York 12205
(518) 438-0093 Fax (518) 438-0367
E-Mail: Muni-Albany@osc.state.ny.us

Albany, Columbia, Dutchess, Greene, Orange, Putnam,
Rockland, Schenectady, Ulster, Westchester