



Published in the

Newsday

Assemblyman Calls for State Oversight of Oyster Bay's Finances

July 7, 2016

By Ted Phillips

Assemblyman Charles Lavine on Thursday called for state oversight of Oyster Bay's finances to help pull the town out of its fiscal problems.

Under legislation proposed by Lavine (D-Glen Cove), the State Comptroller would appoint a fiscal monitor who would be empowered to reject or accept budgets approved by the Town Board. It would also produce financial reports, develop financial plans and have the power to override the Town Board.

In April, Standard & Poor's downgraded the town's bond rating to junk status citing a decade of deficits and weak financial management. Downgrades increase a municipality's cost of borrowing.

"The Town Board could and should have done a much better job of managing the finances of this town," Lavine said at a news conference across from Oyster Bay Town Hall.

In response, Oyster Bay Town Supervisor John Venditto said it was "premature" to talk about a fiscal monitor to oversee the town's finances.

"Assemblyman Lavine's proposal is nothing more than political grandstanding," Venditto said. "We don't need a bill right now to correct the financial problems in the Town of Oyster Bay."

Venditto said he will announce a comprehensive financial plan for the town by Labor Day to address the town's financial problems.

"My administration is working toward developing a concrete plan that will make some very tough decisions, but decisions that are necessary to restore the fiscal integrity of the town of Oyster Bay," Venditto said.

Lavine - who said he will reach out to find a state senate sponsor for the legislation - said oversight was necessary because town officials failed to heed warnings in a 2013 report from the state comptroller's office that said budget and contracting practices were unsound, unrealistic and imprudent.

"Years have gone by and it's not solved," Lavine said. "We have to take the steps that are necessary to be responsible to the hard pressed taxpaying citizens of Oyster Bay."

A spokesman for Comptroller Thomas DiNapoli said his office was reviewing the proposal.



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Historically financial control boards, such as those in Buffalo or New York City, have been successful because they change the political dynamic, said Charles Brecher, director of research studies at New York City-based Citizens Budget Commission, a fiscal watchdog group.

In 2000, Nassau County was placed under a state financial control board, the Nassau County Interim Finance Authority, which has broad powers over its budgets.

“They are in a sense a solution to a political problem where the politics are such that elected people find it difficult to make tough fiscal decisions,” Brecher said. “They push off costs and take on debt and postpone the hard decisions and get themselves in trouble.”

A control board “lets people who are somewhat remote from the direct politics of the situation make some hard decisions,” Brecher said.

Lavine criticized Venditto’s financial taskforce that was announced following the downgrade for not bringing in outsiders, calling it “the same crew that got us into this crisis in the first place.”

The town disclosed last month in financial documents that it had developed a plan to balance the budget in 2017 and eliminate its accumulated deficit in two years. That plan includes another tax hike.

“The town is committed to adopting a tax increase to generate sufficient recurring revenues as is necessary to create surpluses in the town’s major funds,” the town stated in the disclosure.

From 2013 to 2015 the town’s tax levies have cumulatively increased by more than 20 percent, the town said in its financial disclosure.

Venditto said a tax hike would be a last resort and said the plan is a “work in progress.”

“There is a plan that has come together in my mind,” Venditto said.