

# City of Newburgh

## Press Release

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**For immediate release**

**July 1, 2010**

### **Acting City Manager Richard F. Herbek Issues Statement on Senate Approval of City of Newburgh Fiscal Recovery Act**

The City of Newburgh Fiscal Recovery Act, which will help restore the City's financial integrity, has been unanimously approved by the New York State Senate. The bill, S.8367 has moved to the Assembly Ways & Means Committee, where it is designated as A.11558. In order for the bill to be approved by the full Assembly, it must be reported out of the Ways & Means Committee.

At an emergency meeting on Friday, June 25, the City Council, also by unanimous vote, passed a resolution authorizing the submission of a home rule request for this legislation to the State Legislature. The measure will authorize the City of Newburgh to issue bonds to liquidate its deficits, and it will also impose requirements for budgetary operations and fiscal management.

According to Acting City Manager Richard Herbek, the City is currently facing a deficit in excess of \$10 million. The City's bond rating is currently "below investment grade," which makes its ability to issue bonds at an affordable interest rate extremely difficult.

"Without this legislation, the City will continue to be in dire financial straits. Its operations will be affected on all levels," he said. "The measure will allow the City to institute deficit financing and will also provide for increased State oversight of City finances.

"We are very grateful for the support of the State Senate, and we are hoping for a favorable outcome as we await the bill to be reported out by the House Ways & Means Committee," he added. "This legislation is absolutely crucial to the financial recovery and the future fiscal stability of the City of Newburgh."