Overview

Plattsburgh is located in the northeast corner of New York State on Lake Champlain about 30 miles south of the Canadian border. The City’s population, at just fewer than 20,000, constitutes nearly a quarter of Clinton County’s total residents.

Plattsburgh serves as the county seat and is home to about 6,350 students at the State University of New York. The City has various manufacturing, health care and government offices, and is a center for outdoor recreational activities. Plattsburgh’s financial condition has benefited from this diverse economic base, as well as from its proximity to larger cities in Canada and Vermont. Largely through the addition of new apartment and condominium-type residential projects to the tax roll, the full value of Plattsburgh’s real property continued to climb during the recession, while other New York cities’ property values declined and have yet to recover. The City has ongoing phases of residential development, expansion of the Bombardier Transportation manufacturing plant, and recreational developments that will further add to the City’s tax base.¹

- Plattsburgh collected $47.4 million in revenues in 2012, 29 percent more than in 2002, for an average annual increase of 2.6 percent over that period, compared to 3.3 percent for all cities. City expenditures increased by 2.1 percent a year over this period, compared to the annual growth rate of 3.3 percent for all cities in New York.

- The City’s median household income ($36,021) is just under that of the median city ($38,913). Over 28 percent of Plattsburgh’s children live in poverty, comparable to the median city, but higher than the statewide average of 21 percent.

- Plattsburgh’s median home value of $139,000 is higher than that of the median city ($102,300). Between 2002 and 2013, total property value rose 65 percent, growing even during and after the recession, when most cities’ property values declined. The taxable full value of Plattsburgh’s real property averaged a 2.1 percent annual increase from 2008 to 2013. Unlike most upstate cities, Plattsburgh’s population has remained fairly stable since 1960.

- The Plattsburgh Municipal Lighting Department (PMLD) owns and operates an electric transmission and distribution system that serves residents and businesses within the City limits. This arrangement allows the City to charge its customers lower rates than the regional power company would.
Population and Economic Factors

The City of Plattsburgh, population 19,989, is located in Clinton County. The City experienced nearly continuous population growth from the time it was founded as a City in 1902 until 1960. The population has fluctuated since then but not significantly, decreasing just one percent overall from 1960 to 2010. Cross-border economic activity with greater Montreal, along with Plattsburgh’s position as the primary U.S.-based rail car manufacturing plant for the Canadian transportation company Bombardier, have helped shield the City from the population losses seen in many other New York cities.

The U.S. Bureau of Labor Statistics does not calculate an unemployment rate for Plattsburgh. However, Clinton County’s 2013 rate was 8.6 percent, compared with the State unemployment rate of 7.7 percent. The City’s median household income ($36,021) was much less than the State median household income ($57,683), but near the median city’s household income ($38,913). The rate of poverty among children under the age of 18 was 28.4 percent, the same as the median for New York cities, but much higher than the statewide rate of 21 percent.
**Tax Base**

The taxable full value of property in Plattsburgh increased by a total of 65 percent from 2002 to 2013, surpassing the 53 percent growth in full value for all cities aggregated. In the period between 2002 and 2008, cities across the State saw a significant increase in taxable full value, and Plattsburgh also gained, albeit more slowly. However, as other cities' full values began to fall in 2009 and have continued to decline through 2013, Plattsburgh's full value, bolstered largely by the development of apartments and condominiums, continued to climb at 2.1 percent on average annually from 2008 to 2013.

Although the homeownership rate in Plattsburgh is below the median for New York cities (40.1 percent vs. 49.9 percent), Plattsburgh's median home value ($139,000) is higher than the median city's ($102,300), and Plattsburgh's vacancy rates are lower than for the median city (7.7 percent vs. 10.5 percent). The percentage of tax-exempt property is slightly higher than in the median city (35.7 percent vs. 33 percent). Finally, Plattsburgh had exhausted only 39 percent of its constitutional tax limit (CTL) in 2013, slightly lower than for the median city (45 percent). All of these factors contribute to the City's ability to generate revenue through property taxes.

**Fiscal Stress Monitoring System**

OSC's Fiscal Stress Monitoring System (FSMS) uses a number of financial and environmental stress indicators to create scores for every municipality and school district in the State.

For fiscal year 2012, Plattsburgh received a fiscal score of 9.6 percent and an environmental score of 16.7 percent. The threshold for the lowest level of fiscal stress is a score of 45 percent, while the lowest level of environmental stress starts at a score of 30 percent.

For additional information and a description of the categories that comprise the FSMS, please access the OSC report located at: [www.osc.state.ny.us/localgov/pubs/fiscalmonitoring/pdf/fiscalstressmonitoring2013.pdf](http://www.osc.state.ny.us/localgov/pubs/fiscalmonitoring/pdf/fiscalstressmonitoring2013.pdf).
Revenues and Expenditures

Plattsburgh collected $47.4 million in revenues in 2012, 29 percent more than in 2002, for an average annual increase of 2.6 percent over that period. This compares to a 3.3 percent annual average growth rate for all cities in the State.

Charges for services accounted for 54.3 percent of the City's revenues in 2012, significantly higher than for all cities in the State (20.9 percent). These charges largely relate to the Plattsburgh Municipal Lighting Department (PMLD), the City-owned and operated electric transmission and distribution system that serves City residents. By purchasing energy directly from the New York Power Authority (NYPA), the PMLD can offer its residents and industries lower rates than the regional power company.

The property tax accounted for 20.7 percent of the City's revenues in 2012, compared to 27.5 percent for all cities in the State. Plattsburgh received 9.3 percent of its revenues from the sales tax, much lower than the 21.7 percent for all cities in the State. Sales tax revenue grew at a 1.7 percent average annual rate from 2002 to 2012, less quickly than the 3.6 percent annual average increase for all cities. Plattsburgh does not impose its own sales tax, but receives an allocation and distribution from the County's sales tax revenue. This means that the City gets a share of any increase in sales tax collections for the whole County, but is unable to directly affect its sales tax revenue.
The City relies on State aid for 7.5 percent of its revenues, much less than the 18 percent share for all cities in the State. State aid to Plattsburgh increased at only a 2.2 percent average annual rate from 2002 to 2012, while the increase for all cities was 4.3 percent. Like other cities in New York, Plattsburgh receives significant funding from the State through the Aid and Incentives for Municipalities (AIM) revenue sharing program. AIM is the primary source of State aid for most cities. In recent years, AIM funding has declined or been stagnant as the State has worked to address budget gaps during the recent recession. Between 2008-09 and 2013-14, AIM payments to cities (excluding New York City) decreased by $49.5 million. Plattsburgh’s AIM funding dropped from $2.9 million to $2.6 million during that period, and the City is slated to receive $2.6 million again in 2014-15. In sum, Plattsburgh’s State aid equals $178 per capita, which is below the statewide median for cities of $197.

Plattsburgh’s expenditures grew at an average annual rate of 2.1 percent between 2002 and 2012, compared to 3.3 percent for all cities. Utilities and sanitation comprised 32.8 percent of all expenditures, with the largest share of those due to the purchase, transmission and administration of electricity for the PMLD. These costs have decreased and flattened for Plattsburgh since 2008, after the electricity provider (NYPA) deferred electricity rate increases until after the recession. Public safety (police and fire services, etc.) and employee benefits costs (health insurance, retirement contributions, etc.) together make up a large portion of expenditures, about 40 percent of the whole, compared to 54 percent for all cities.
**Current Budget Condition**

Plattsburgh built up a significant available fund balance between 2006 and 2010, peaking at $5.2 million in 2010 (25.1 percent of general fund expenditures). Since then the City has appropriated fund balance to minimize annual property tax rate changes. Although this is a welcome change for long-term residents who had faced some tax increases in previous years, including 31 percent in 2006, the rapid drawdown of fund balance since 2010 will have an impact on the future financial condition of the City if it is not addressed. In 2011, the available fund balance declined by $1.8 million; it then declined an additional $1.5 million in 2012 to $1.9 million (8.3 percent of expenditures). This percentage of expenditures is slightly lower than that of the median city (9.0 percent). The $1.9 million general fund balance shown for 2012 already excludes $2.3 million appropriated for 2013 expenditures. In Plattsburgh’s 2014 adopted budget, the City projects a surplus at the end of 2013 and has plans to appropriate another $2.2 million of fund balance to balance 2014 general fund expenditures.

Another measure of budgetary health is the percentage of cash and investments a city has on hand compared with its net current liabilities, or put another way, its ability to pay its bills. This is known as the “cash ratio.” Plattsburgh’s cash ratio was 859 percent in 2012, much higher than the 199 percent ratio for the median city.

**Bond Ratings and Debt**

In September 2011, Moody’s Investors Service upgraded the City of Plattsburgh’s rating on its long-term general obligation debt to Aa3 from A1. The rating reflects the City’s strong financial operations marked by operating surpluses in 2010 and 2011, modestly sized but growing and diverse tax base, and healthy reserve levels. However, Moody’s analysts also noted the City’s high proportion of tax-exempt properties, weak socioeconomic measures due to a large student population and high debt burden as threats to the City’s financial condition.

Plattsburgh has debt service costs of 6.5 percent of total revenue, compared to 8.7 percent for the median city. Outstanding debt as a percentage of the full value of real property is 3.6 percent, the same as for the median city, and debt per capita ($1,600) is higher than for the median city ($1,479). Plattsburgh’s debt outstanding has been increasing in recent years, from $25 million at the end of 2008 to $32 million at the end of 2012.
Endnotes


2 Throughout this report, references to all cities or to the median city exclude New York City.

3 This discussion uses taxable full value instead of taxable assessed value, which varies among jurisdictions. Full value is determined by dividing assessed value by the equalization rate.


5 The Constitutional Tax Limit caps the total amount of property tax a city can levy at two percent of the five-year average of its full value with certain exclusions.

6 At the time of this report, final 2013 revenue and expenditure data was not available for most cities in New York, so 2012 data was used for comparative purposes. Revenue and expenditure data exclude the capital projects fund, and proceeds of debt and other sources/uses (interfund transfers).

7 For the purposes of this revenues and expenditures analysis, “all cities” does not include the Cities of Amsterdam, Ithaca, and Mechanicville (for which 2012 data was not available) or New York City.


10 Revenues from property taxes and related items in cities include: real property taxes, special assessments, gains from the sale of tax acquired properties, interest and penalties, miscellaneous tax items, and payments in lieu of taxes.


13 For this purpose, “available fund balance” is all fund balance that is not restricted, committed, or appropriated.

14 The NYS Government Finance Officers’ Association’s recommends a fund balance of no less than one to two months of regular general fund operating expenditures (about 5-15 percent).


16 Moody’s Investors Service, September 12, 2011.
## Demographic Statistics

<table>
<thead>
<tr>
<th></th>
<th>City of Plattsburgh</th>
<th>All Cities (excluding NYC)</th>
<th>New York State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage Change in Population, 1950-2010</td>
<td>13%</td>
<td>-20%</td>
<td>-25%</td>
</tr>
<tr>
<td>Median Household Income, 2012</td>
<td>$36,021</td>
<td>$38,913</td>
<td>N/A</td>
</tr>
<tr>
<td>Child Poverty Rate, 2012</td>
<td>28.4%</td>
<td>28.4%</td>
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<tr>
<td>Unemployment Rate Annual, 2013</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
</tbody>
</table>

## Property Value Statistics

<table>
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<tr>
<th></th>
<th>City of Plattsburgh</th>
<th>All Cities (excluding NYC)</th>
<th>New York State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Home Value, 2012</td>
<td>$139,000</td>
<td>$102,300</td>
<td>N/A</td>
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<tr>
<td>Owner-Occupied Housing Units, 2012</td>
<td>40.1%</td>
<td>49.9%</td>
<td>46.8%</td>
</tr>
<tr>
<td>Property Vacancy Rate, 2012</td>
<td>7.7%</td>
<td>10.5%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Percentage of Property Value that is Tax Exempt, 2012</td>
<td>35.7%</td>
<td>33.0%</td>
<td>34.2%</td>
</tr>
</tbody>
</table>

## Revenue and Tax Statistics

<table>
<thead>
<tr>
<th></th>
<th>City of Plattsburgh</th>
<th>All Cities (excluding NYC)</th>
<th>New York State</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid per Capita, 2012</td>
<td>$178.33</td>
<td>$197.06</td>
<td>N/A</td>
</tr>
<tr>
<td>Available General Fund Balance as a Percentage of Expenditures, 2012</td>
<td>8.3%</td>
<td>9.0%</td>
<td>6.8%</td>
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<tr>
<td>Constitutional Tax Limit Exhausted, 2013</td>
<td>39%</td>
<td>45%</td>
<td>N/A</td>
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<tr>
<td>Cash Ratio, 2012</td>
<td>859%</td>
<td>199%</td>
<td>120%</td>
</tr>
<tr>
<td>Debt Service as a Percentage of Revenues, 2012</td>
<td>6.5%</td>
<td>8.7%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

(a) For these purposes, available fund balance is all fund balance that is not restricted, committed, or appropriated.

(b) Cash Ratio is combined funds cash and investments divided by current liabilities.

Source: U.S. Census Bureau; New York Department of Taxation and Finance; New York State Labor Department; Office of the State Comptroller.
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