



NEW YORK STATE SENATOR

George M. Borrello

Senator Borrello Introduces Legislation to Establish Financial Control Board for City of Dunkirk

[George M. Borrello](#)

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DUNKIRK, NY — In response to the worsening financial crisis facing the City of Dunkirk, Senator George Borrello has introduced legislation ([S.7497](#)) to establish the City of Dunkirk Interim Finance Authority, a financial control board tasked with stabilizing the city’s finances and restoring long-term fiscal health.

“Dunkirk is at a financial tipping point,” said Senator Borrello. “With structural deficits, escalating debt, delayed audits, and a property tax increase of 84%, urgent action is needed. This legislation provides the structure and oversight necessary to ensure transparency, accountability, and a path forward for the city’s recovery.”

Borrello noted that the 2015 closure of the NRG power plant created a structural imbalance between the City of Dunkirk’s revenues and expenditures. To ease the transition, the state provided millions in mitigation funding over seven years, with the amounts gradually decreasing, to encourage long-term budget adjustments. Despite the ‘soft landing’ provided by the state, the city failed to adequately adjust finances to compensate for the revenue loss.

Once the problems became apparent last year, Senator Borrello sponsored legislation with former Assemblyman Andy Goodell authorizing up to \$18.5 million in bonding to close multi-fund deficits. However, the City’s liabilities now exceed \$20.5 million, according to a November 2024 audit by the State Comptroller.

“The City’s challenges are not just about numbers—they're about maintaining essential services, protecting taxpayers, and restoring confidence in local

government. This legislation gives Dunkirk the tools to meet those challenges head-on while maintaining its independence as a municipal entity,” Borrello said.

The effective date of the legislation establishing the Finance Authority is June 30, 2025. The authority will:

- Provide fiscal oversight, approve financial plans, and monitor budgetary compliance.
- Issue bonds to finance city-related costs, including refunding existing obligations and addressing tax certiorari claims.
- Have the power to provide financing at the city’s request for eligible expenses, subject to agreements between the authority and city officials.

The control board will consist of nine members, including:

- Four members appointed by the Governor, with at least two required to be Chautauqua County residents.
- One member each appointed based on the recommendation of the Senate Majority Leader, Senate Minority Leader, Assembly Speaker, Assembly Minority Leader, and the State Comptroller, all of whom must be residents of Chautauqua County.

Members will serve without compensation but will be reimbursed for actual expenses incurred in the course of their duties.

The Authority will have the ability to issue up to \$800 million in bonds to finance specific costs, particularly tax certiorari settlements initiated after June 1, 2025. Starting in 2031, the city may request bond issuances of up to \$15 million annually to cover such liabilities, decreasing to \$10 million in 2032. The authority will dissolve once its responsibilities are complete, with all rights, assets, and property transferring back to the City of Dunkirk, ensuring a smooth return to local control.

“This isn’t about taking over Dunkirk’s government — it’s about giving the city the tools and support it needs to regain financial stability,” Borrello said. “We’ve seen this model work in Buffalo and Nassau County. It provides strong oversight while still keeping local leadership in the driver’s seat.”

The Senate bill has been referred to the Senate Corporations, Authorities and Commissions Committee. Assemblyman Andrew Molitor (R-Westfield) is introducing companion legislation in the Assembly.

“This is a critical step to restore fiscal integrity, protect taxpayers, and position Dunkirk for a stable future,” said Assemblyman Molitor. “Our constituents deserve responsible governance and sustainable solutions.”

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