



NEW YORK STATE SENATOR

George M. Borrello

Statement from Senator George Borrello on the Dunkirk Mayor's Misleading Claims and the Urgent Need for Fiscal Accountability

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ISSUE:

- [Financial Control Board](#)
- [Fiscal Accountability](#)



“In recent months, it has become increasingly clear that Dunkirk residents are bearing the consequences of years of fiscal mismanagement and a troubling lack of transparency. Instead of addressing these issues head-on, Mayor Wdowiasz has chosen to deflect responsibility and issue misleading public statements that obscure the city’s true financial condition.

I want to set the record straight.

The mayor’s claim that the Comptroller’s Office is to blame for delays in issuing deficit bonds is false.

The Dunkirk Fiscal Recovery Act gave the city the authority to issue up to \$18.5 million in deficit bonds—but only after the State Comptroller confirmed and certified the actual deficits. That certification never happened because the city failed to submit the required documentation. As the Comptroller confirmed in the attached letter dated May 30, the city has yet to produce a report detailing the source and size of the deficits and has not completed its 2024 audit—both essential steps in the process.

This isn’t a one-time failure. Dunkirk has repeatedly missed deadlines for submitting required financial reports and, even when submitted, the documents have lacked critical information, including recommendations for addressing budget shortfalls. The Comptroller’s Office has raised alarms for nearly a year about the city’s

unreliable financial records. No real progress has been reported, and the city has not sought guidance on correcting these issues.

Now, instead of requiring reform, the state is offering Dunkirk a \$13 million loan at 7.75 percent interest over 15 years. This does nothing to address the city's ongoing financial dysfunction and would cost taxpayers millions more in interest.

Even more concerning is a key condition of this proposal: accepting the loan requires the city to forgo its annual Aid and Incentives for Municipalities (AIM) base payment, \$1.5 million per year, for the full 15-year repayment period. Although those funds would be redirected to cover the loan, the outcome is the same. The city will lose \$22.5 million in direct state aid that would not otherwise need to be repaid and could support core services. Essentially, the governor and mayor are conspiring to bypass the requirements of the Fiscal Recovery Act and instead drive the City of Dunkirk deeper into debt with a high interest loan and loss of critical revenue. It's a move similar to those of payday loan companies that offer cash to people with bad credit and little ability to repay their debts.

The mayor argues that the loan includes oversight. But the city already has reporting obligations under current law and has consistently failed to meet them. If those requirements are being ignored now, how can anyone expect them to be honored under a new agreement?

Dunkirk needs more than a temporary infusion of cash. It needs structure, oversight, and a clear plan to restore order. That's why I am urging the passage of legislation to establish a financial control board. A control board would provide the accountability that has been missing for far too long and help get the city back on solid ground.

The residents of Dunkirk deserve the truth. They deserve responsible leadership focused on long-term recovery, not another short-term fix that puts them further behind.

I will continue to fight for that accountability and for the people who call Dunkirk home."