Section 1. (a) The city of Troy, Rensselaer county, is hereby authorized to issue serial bonds on or before December 31, 1995 in an aggregate principal amount not to exceed four million two hundred fifty-five thousand dollars for the specific object or purpose of liquidating the cumulative deficit of four million two hundred fifty-five thousand dollars in its general fund at the close of its fiscal year ended December 31, 1993, including any tax anticipation notes which may be part of said deficit. In anticipation of the issuance of the serial bonds authorized to be issued in this subdivision, bond anticipation notes are hereby authorized to be issued, subject to the provisions of subdivision (a) of section two of this act.

(b) Further, the city of Troy is hereby authorized to issue serial bonds in an aggregate principal amount not to exceed fourteen million three hundred seventy-five thousand dollars for the purpose of liquidating a projected deficit to be incurred in its general fund during the 1994 fiscal year, together with preliminary costs, due to overestimates of revenues and underestimates of expenditures. In anticipation of the issuance of the serial bonds authorized to be issued in this subdivision, bond anticipation notes are hereby authorized to be issued, subject to the provisions of subdivision (b) of section two of this act.

(c) Further, the city of Troy is hereby authorized to issue serial bonds or term bonds in an aggregate principal amount not to exceed $40,000,000 for the purpose of acquiring or causing to be acquired, all or a portion of real property leased by the city of Troy pursuant to one or more lease agreements between the city of Troy and the Troy local development corporation, including the payment of any judgments or compromised or settled claims against the city relating thereto and together with preliminary costs plus such amount of serial bonds or term bonds necessary to fund the bond reserve fund required by the corporation. In anticipation of the issuance of the serial bonds or term bonds authorized to be issued in this subdivision, bond anticipation notes are hereby authorized to be issued.

(d) Further, the city of Troy is hereby authorized to issue serial bonds or term bonds in an aggregate principal amount not to exceed six million seventy-six thousand dollars for the purpose of liquidating a projected deficit to be incurred in its general fund during the 1995 fiscal year, together with preliminary costs, due to overestimates of revenues and underestimates of expenditures. In anticipation of the issuance of the serial bonds authorized to be issued in this subdivision, bond anticipation notes are hereby authorized to be issued, subject to the provisions of subdivision (b) of section two of this act.

(e) Whenever this section establishes a limit on the principal amount of bonds or notes that the city is authorized to issue, there shall not be counted against such limit (i) amounts determined by the city to be used to pay the costs of issuing such bonds or notes, (ii) the amount of bonds or notes that would constitute interest under the Internal Revenue Code of 1986, as amended, and (iii) the portion of any bonds or notes issued to accomplish the purposes described in subdivision (c) of this section to the extent necessary to pay interest to the date of redemption or maturity, redemption premium, if any, or other similar costs relating to the accomplishment of such purposes.

(f) Notwithstanding the bond authorizations contained in this section, the city shall not issue any bonds in excess of the amount authorized by section 104.00 of the local finance law.

§ 1-a. Definitions. As used in this act, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent.

(a) "Available funds" means at any date the amounts in the supervisory board fund which are then available, as determined by the supervisory board, to be applied to the purposes stated in subparagraph (ii) of paragraph (d) of section eight of this act after provision has been made for the application of amounts in the supervisory board fund for the purposes stated in subparagraph (i) of paragraph (d) of section eight of this act.

(b) "Chief executive officer" means the chief executive officer of the city of Troy as defined in paragraph 5-a of section 2.00 of the local finance law.

(c) "Covered organization" means any governmental agency, public authority or public benefit corporation which receives or may receive moneys directly, indirectly or contingently, (other than moneys received for the sale of goods or the rendering of services or the loan of moneys to the city of Troy) from the city of Troy but excluding the municipal assistance corporation for the city of Troy created pursuant to title 4 of article 10 of the public authorities law.

(d) "Emergency period" means the period of time from the effective date of this act until the date when (a) the board shall determine, based on annual audit reports furnished in accordance with this act, that for each of the three immediately preceding fiscal years, the city has adopted and adhered to budgets covering all expenditures the results of which did not show a deficit when reported in accordance with generally accepted accounting principles subject to the provisions of this act and (b) the comptroller of the state and the chief fiscal officer jointly shall certify that securities sold by or for the benefit of the city during the fiscal year immediately preceding such date and the then current fiscal year in the general public market satisfied the financing requirements of the city during such period and that there is a substantial likelihood that such securities can be sold in the general public market from such date through the end of the next succeeding fiscal year in amounts which will satisfy substantially all of the capital and seasonal financing requirements of the city during such period in accordance with the financial plan then in effect. The board shall reimpose an emergency period upon a determination at any time that any of the following events has occurred or that there is a substantial likelihood and imminence of such occurrence: (i) the city shall have failed to pay the principal of or interest on any of its bonds or notes when due or payable (other than notes held by the municipal assistance corporation for the city of Troy to the extent that such corporation has evidenced its intention not to present such notes for payment during the fiscal year in which the determination is made), (ii) the city shall have incurred a budget deficit of one percent or more during its fiscal year in the results of operations covered by a budget covering all expenditures as reported in accordance with generally accepted accounting principles, subject to the provisions of this act, (iii) the city shall have otherwise violated any provision of this act and such violation substantially impairs the ability of the city to pay principal of or interest on its bonds or notes when due and payable or its ability to adopt or adhere to a budget covering all expenditures balanced in accordance with this act or (iv) the comptroller's and the chief fiscal officer's joint certification at any time, at the request of the board or on the comptroller's and the chief fiscal officer's joint initiative, which joint certification shall be made from time to time as promptly as circumstances warrant and reported to the board, that on the basis of facts existing at such time they could not make the joint certification described by clause (b) of the preceding sentence. The board shall terminate any such reimposed emergency period when it determines that none of the conditions which would permit the board to reimpose an emergency period exist. After termination of an emergency period the board shall annually consider items (i) through (iv) above and determine whether, in its judgment, any of the events described in such items have occurred and the board shall publish each such determination. Each such joint certification made by the comptroller and chief fiscal officer hereunder shall be based on their separate written determinations which shall take into account a report and opinion of an independent expert in the marketing of municipal securities selected by the board as well as any other information which may be available to each comptroller and each such separate written determination by the comptrollers shall have annexed thereto the report and opinion of such expert and any other information taken into account and shall be made public when delivered to the board. Notwithstanding any part of the foregoing to the contrary, in no event shall any emergency period continue beyond (a) January 1, 2030 or (b) the date when all bonds and notes are refunded, discharged or otherwise defeased.

(e) "Financial plan" means the financial plan of the city of Troy and the covered organizations to be developed during any emergency period pursuant to section six of this act, as from time to time amended.

(f) "Revenues" means all taxes, federal and state aid, rents, fees, charges, payments, all proceeds from borrowings and other income and receipts paid or payable to or for the account of the city of Troy or any of the covered organizations.

(g) "Supervisory board fund" means the supervisory board fund for the city of Troy established pursuant to subdivision (a) of section eight of this act, as from time to time amended.

(h) "Fund" means the general debt service fund established pursuant to section eight-a of this act.

(i) "State financing agency" means the municipal assistance corporation for the city of Troy or its successor.

§ 1-b. Legislative declaration of financial emergency. The legislature hereby finds and declares that a state of financial emergency exists within the city of Troy.

§ 1-c. General rights and prohibitions. (a) Neither the city of Troy nor any covered organization shall borrow or expend any moneys, or in any way, directly or indirectly, expressly or implicitly engage its credit during any emergency period except in compliance with the provisions of this act.

(b) Nothing contained in this act shall limit the right of the city of Troy or any covered organization to comply with the provisions of any existing contract with or for the benefit of the holders of any bonds or notes of the city of Troy or such covered organization.

§ 1-d. Power of city of Troy or covered organization to determine the expenditure of available funds. Nothing contained in this act shall be construed to limit the power of the city of Troy or a covered organization during any emergency period to determine, from time to time, within available funds for the city of Troy or for such covered organization, the purposes for which expenditures are to be made by the city of Troy or such covered organization and the amounts of such expenditures, consistent with the aggregate expenditures then permitted under the financial plan for the city of Troy or such covered organization.

§ 2. (a) Notwithstanding anything in this act to the contrary, the city of Troy, Rensselaer county, shall not authorize the issuance of any bonds or bond anticipation notes for the purpose of liquidating the cumulative deficit in its general fund at the close of the fiscal year ended December 31, 1993 until the amount of such deficit is determined by the state comptroller. The city shall prepare a report detailing the amount and cause of such deficit within thirty days from the effective date of this act and shall submit such report to the state comptroller. Within thirty days after receiving such report, the state comptroller shall perform such reviews as may be necessary to determine the amount of such deficit. Bonds or bond anticipation notes to liquidate such deficit shall not be issued in an amount exceeding the amount of such deficit as determined by the state comptroller.

(b) Notwithstanding anything in this act to the contrary the city of Troy, Rensselaer county, shall not authorize the issuance of any bonds for the purpose of liquidating the projected deficit to be incurred in its general fund during the fiscal year ending December 31, 1994 until the existence of such deficit is identified and the amount of such deficit is determined by the state comptroller. The city shall prepare a report detailing the amount and cause of such deficit within thirty days after the end of its fiscal year ending December 31, 1994, and shall submit such report to the state comptroller. Within thirty days after receiving such report, the state comptroller shall perform such reviews as may be necessary to determine the existence and amount of such deficit. Bonds to liquidate such deficit shall not be issued in an amount exceeding the amount of such deficit as determined by the state comptroller. Nothing herein provided shall prevent such city from authorizing the issuance of bond anticipation notes in an amount not to exceed fourteen million three hundred seventy-five thousand dollars for the purpose of liquidating such deficit prior to a determination by the state comptroller of the amount of such deficit. In the event that bond anticipation notes are issued in an amount in excess of the amount of such deficit as determined by the state comptroller, such city shall redeem, from funds other than the proceeds of bonds or bond anticipation notes, such bond anticipation notes in the amount by which the amount of such bond anticipation notes exceeds the amount of such deficit as determined by the state comptroller.

§ 3. The state comptroller shall not confirm the amount of any deficit unless and until the chief executive officer, as such term is defined in paragraph 5-a of section 2.00 of the local finance law, of the city of

Troy, shall have provided an independently-audited financial statement for the applicable year for which the associated deficit is being financed to the state comptroller. The state comptroller shall then certify the deficit amount and notify such chief executive officer, chief fiscal officer, the city council, the supervisory board as established pursuant to section ten of this act, the director of the budget, the chair of the senate finance committee, and the chair of the assembly ways and means committee of the certified amount.

§ 4. (a) It is hereby determined that the financing of the deficits hereinbefore described in section one of this act is an object or purpose of said city of Troy which is a public purpose which the city of Troy is hereby authorized to accomplish and for which indebtedness may be incurred, the period of probable usefulness of which is hereby determined to be twenty-five years, computed from the date of such bonds or from the date of the first bond anticipation notes issued in anticipation of the sale of such bonds, whichever date is earlier.

(b) It is hereby determined that the acquisition of all or a portion of real or personal property leased by the city of Troy pursuant to one or more lease agreements between the city of Troy and the Troy local development corporation, including the payment of any judgments or compromised or settled claims against the city relating thereto, described in subdivision (c) of section one of this act, the closure of the city's landfill and funding of capital projects are objects or purposes of said city of Troy which are public purposes which the city of Troy is hereby authorized to accomplish and for which indebtedness may be incurred, the period of probable usefulness of which is hereby determined to be thirty years, computed from the date of such bonds or from the date of the first bond anticipation notes issued in anticipation of the sale of such bonds, whichever is earlier. Such bonds and/or bond anticipation notes shall be general obligations of the city of Troy, to which the faith and credit of the city is pledged, and such city shall make an annual appropriation sufficient to pay the principal of and interest on such obligations as the same shall become due.

(c) In lieu of issuing its general obligations, the city of Troy may enter into one or more agreements for any municipal assistance corporation created on behalf of said city pursuant to article 10 of the public authorities law to pay all or a portion of the cost of accomplishing any purpose described in subdivisions (a) and (b) of this section or in section 3057 of the public authorities law. Any such agreements shall provide that any payments from the city of Troy to said municipal assistance corporation not represented by general obligation bonds or notes shall be subject to annual appropriation by the city council of the city of Troy in an amount corresponding to the scheduled principal and interest payments on the corporation's bonds or notes issued to provide the amount paid by the corporation to the city of Troy pursuant to such agreement.

(d) (i) If an authorization for the issuance of obligations to finance the purpose or purposes accomplished pursuant to an agreement would have been required by law to be subject to a permissive or mandatory referendum, then the authorization to enter into such agreement shall be subject to a permissive or mandatory referendum, as the case may be, in the same manner as provided for such referendum on the issuance of obligations.

(ii) If the authorization for the issuance of obligations to finance the purpose or purposes accomplished pursuant to an agreement would have been required by law to be subject to:

(A) a certain supermajority vote of the governing board,

(B) a mandatory or permissive referendum, or

(C) both,

then the authorization to enter into such agreement shall be subject to such vote, referendum or such referendum and vote, as the case may be, in the same manner as provided for such vote and/or referendum on the issuance of obligations.

(iii) If the authorization for the issuance of obligations would have been subject to a referendum only if the obligations had a maturity of more than five years or not less than some other minimum period, then the authorization to enter into the agreement shall be subject to referendum only if the term of the contract is equal to or more than such minimum period of maturity.

Provided, however, that the provisions of this subdivision shall not apply to any agreements for repayment of amounts paid to the city in accordance with paragraph (d) of subdivision one of section three thousand fifty-seven of the public authorities law.

(e) Any resolution of the city council of the city of Troy authorizing the chief fiscal officer (as defined in the local finance law) of the city of Troy to execute and deliver such an agreement may delegate to such chief fiscal officer the power to prescribe the terms, form and contents of any such agreement and any amendments or replacements thereof.

§ 5. Except as hereinafter provided, all proceedings in connection with the authorization and issuance of such bonds and/or bond anticipation notes authorized to be issued pursuant to this act shall be had and taken in accordance with the provisions of the local finance law, except that any resolution or resolutions authorizing the issuance of such serial bonds shall not be subject to either a permissive or mandatory referendum and the provisions of section 107.00 of the local finance law shall not apply to the issuance of such bonds or bond anticipation notes.

§ 6. (a) For each fiscal year occurring during the time bonds and/or bond anticipation notes issued pursuant to this act are outstanding, the chief executive officer and the chief fiscal officer, as such terms are defined in paragraphs 5 and 5-a of section 2.00 of the local finance law, of the city of Troy, shall monitor all budgets and, for each such budget, such chief fiscal officer shall prepare a quarterly report of summarized budget data depicting overall trends of actual revenues and budget expenditures for the entire budget rather than individual line items. Such reports shall compare revenue estimates and appropriations as set forth in such budget with the actual revenues and expenditures made to date. All quarterly reports shall be accompanied by a recommendation from the chief executive officer or the chief fiscal officer to the city council setting forth any remedial action necessary to resolve any unfavorable budget variance including the overestimation of revenues and the underestimation of appropriations. The chief fiscal officer shall also prepare a quarterly trial balance of general ledger accounts. The above quarterly budgetary report and trial balance shall be prepared in accordance with generally accepted accounting principles and shall include the general, water, sewer, and general debt service funds. These reports shall be completed within sixty days after the end of each quarter and shall be submitted to the chief executive officer, each member of the city council, the supervisory board, the state comptroller, the director of the budget, the chair of the assembly ways and means committee and the chair of the senate finance committee.

(b) The state comptroller shall examine such quarterly reports in a timely fashion and make recommendations thereon to the chief executive officer, the chief fiscal officer and the city council. The state comptroller shall be required to submit a copy of any such recommendations to the director of the budget, the chair of the senate finance committee, the chair of the assembly ways and means committee, and the supervisory board. The chief executive officer shall be required to submit, within fifteen days, a written response to any recommendations made by the state comptroller, to the city council, the state comptroller, the director of the budget, the chair of the senate finance committee, the chair of the assembly ways and means committee, and the supervisory board. If the city of Troy does not provide any report as specified above, or respond to the recommendations made by the state comptroller, the state comptroller shall notify the chief executive officer, the chief fiscal officer and the city council of such noncompliance. If said report or response is not submitted to the state comptroller within fifteen days after such notification, the city of Troy shall not issue any bonds or notes until such information is provided.

(c) Except during an emergency period, for each fiscal year occurring during the time bonds and/or bond anticipation notes issued pursuant to this act are outstanding, the chief fiscal officer shall submit a tentative budget to the supervisory board within five days after its preparation, and shall submit the adopted budget to the supervisory board within five days after its adoption. During an emergency period, a financial plan shall be submitted to the supervisory board in accordance with subdivision (d) of this section.

(d) Pursuant to the procedures contained in this subdivision, each year during any emergency period the city of Troy shall develop, and may from time to time modify, with the approval of the supervisory board, a four year financial plan covering the city of Troy and the covered organizations. Each such financial plan and financial plan modification shall conform to the requirements of paragraph (i) of this subdivision and shall provide that the operating and capital funds of the city of Troy will be balanced in accordance with generally accepted accounting principles. The financial plan shall be developed and approved, and may from time to time be modified, with the approval of the supervisory board, in accordance with the following procedures:

(i) Commencing with the city of Troy's fiscal year beginning January 1, 1996, and not later than fifty days prior to the beginning of such fiscal year and each fiscal year thereafter during any emergency period, or such other date as the supervisory board may approve at the request of the city of Troy, the city of Troy shall prepare and submit a financial plan to the supervisory board covering the four year period beginning with such fiscal year. On such dates, the chief executive officer shall also submit to the supervisory board the city of Troy's proposed operating and capital budgets for the ensuing fiscal year and a certificate of the chief executive officer stating that such budgets are consistent with the financial plan submitted therewith and that operation within the budgets is feasible.

(ii) Not more than forty-five days after submission of a financial plan or more than thirty days after submission of a financial plan modification, the supervisory board shall determine whether the financial plan or financial plan modification is complete and complies with the provisions of this subdivision and shall approve or disapprove the financial plan or financial plan modification in accordance with the provisions of this subdivision.

(iii) If the supervisory board determines that the financial plan or financial plan modification is complete and compiles with the standards set forth in this paragraph, the supervisory board shall approve the financial plan or financial plan modification. Upon making such determination, the supervisory board shall make a certification to the city of Troy setting forth revenue estimates approved by the supervisory board in accordance with such determination.

(iv) The supervisory board shall disapprove, by resolution, the financial plan proposed by the city of Troy if, in the judgment of the supervisory board, such plan:

(A) is incomplete;

(B) fails to contain projections of revenues and expenditures that are based on reasonable and appropriate assumptions and methods of estimation;

(C) fails to provide that operations of the city of Troy and the covered organizations will be conducted within the cash resources available according to the supervisory board's revenue estimates; or

(D) fails to comply with the provisions of this subdivision;

(v) In disapproving a financial plan or financial plan modification proposed by the city of Troy, the supervisory board shall direct that the aggregate expenditures in any period conform to the revenue estimates certified by the supervisory board to achieve the objectives set forth in this subdivision.

(vi) In the event that the city of Troy shall, for any reason, fail to submit a financial plan, as required pursuant to paragraph (i) of this subdivision, or to adopt a financial plan approved by the supervisory board, or in the event that the supervisory board has not, for any reason permitted under this act, approved a financial plan submitted by the city of Troy, the supervisory board, after enactment of a resolution so finding, shall formulate and adopt a financial plan to be effective until the supervisory board approves a financial plan submitted by the city of Troy. All budgets and operations of the city of Troy or a covered organization shall be in conformance and compliance with the financial plan then in effect.

(vii) After the initial adoption of the financial plan, the revenue estimates certified by the supervisory board and the financial plan shall be regularly reexamined by the supervisory board in consultation with the city of Troy and the covered organizations and the city of Troy shall provide a modified financial plan in such detail and within such time periods as the supervisory board may require. In the event of reductions in such revenue estimates, or in the event the city of Troy or a covered organization shall expend funds at a rate that would exceed the aggregate expenditure limitation for the city of Troy or covered organization prior to the expiration of the fiscal year, the city of Troy shall submit a financial plan modification to effect such adjustments in revenue estimates and reductions in total expenditures as may be necessary to conform to such revised revenue estimates or aggregate expenditure limitations. If, within a time period specified by the supervisory board, the city of Troy fails to make such modifications after reductions in revenue estimates, or to provide a modified plan in detail and within such time period required by the supervisory board, the supervisory board, after enactment of a resolution so finding, may formulate and adopt such modifications to the financial plan, such modifications to become effective on their adoption.

(viii) The city of Troy may, from time to time, submit financial plan modifications for review by the supervisory board. The supervisory board shall approve such modifications unless, in the judgment of the supervisory board, such modifications would constitute grounds for disapproval of a financial plan pursuant to paragraph (iv) of this subdivision.

(e) The financial plan shall be in such form and shall contain such information for each year during which the financial plan is in effect as the supervisory board may specify, and shall include the city of Troy and all the covered organizations, and shall, in such detail as the supervisory board from time to time prescribe, include statements of all estimated revenues and of all expenditures and cash flow projections of the city of Troy and each of the covered organizations.

(f) The financial plan shall, except to the extent waived by the supervisory board with respect to any limited period, include any information which the supervisory board may request to satisfy itself that (i) projected employment levels, collective bargaining agreements and other action relating to employee costs, capital construction and such other matters as the supervisory board may specify, are consistent with the provisions made for such obligations in the financial plan, (ii) the city of Troy and the covered organizations are taking whatever action is necessary with respect to programs mandated by state and federal law to ensure that expenditures for such programs are limited to and covered by the expenditures stated in the financial plan, and (iii) adequate reserves are provided to maintain essential programs in the event revenues have been overestimated or expenditures underestimated for any period.

(g) For each financial plan and financial plan modification to be prepared and submitted by the city of Troy to the supervisory board pursuant to the provisions of this section, the covered organizations shall submit to the city of Troy such information with respect to their projected expenditures, revenues and cash flows for each years covered by such financial plan or modification as the city of Troy shall determine. Notwithstanding any other provision of law limiting the authority of the city of Troy with respect to any covered organization, the city of Troy, in the preparation and submission of the financial plan and modifications thereof, shall (except for debt service or for other expenditures to the extent that such expenditures are required by law) have the power to determine the aggregate expenditures to be allocated to any covered organization in the financial plan and any modifications thereto.

§ 7. To facilitate the marketing of such bonds and/or bond anticipation notes authorized to be issued pursuant to this act, the city of Troy may, notwithstanding any limitations on the private sales of bonds provided by law and subject to the approval by the state comptroller of the terms and conditions of such sales: (a) arrange for the underwriting of such bonds and/or bond anticipation notes at private sale through negotiated fees or by sale of such bonds and/or bond anticipation notes to an underwriter at a price of less than the sum of par value of, and the accrued interest on, such obligations; or (b) arrange for the private sale of such bonds and/or bond anticipation notes through negotiated agreement, with compensation for such sales to be provided by negotiated agreement and/or negotiated fee, if required. The cost of such underwriting or private placement shall be deemed a preliminary cost for purposes of paragraph a of section 11.00 of the local finance law.

§ 8. Establishment and application of supervisory board fund for the city of Troy. (a) There is hereby established a fund designated the supervisory board fund for the city of Troy. Commencing on the effective date of the initial financial plan approved by the supervisory board and for the duration of the emergency period, all revenues received or to be received by the city of Troy or any covered organization shall, unless exempted by order of the supervisory board be revenues of the supervisory board fund and shall be for the account of the city of Troy and the appropriate covered organizations, but disbursement from the supervisory board fund shall be made by the supervisory board in accordance with the approved financial plan, except to the extent expressly prohibited by federal law or where such revenues are pledged to the payment of any outstanding bonds, notes or other obligations of covered organizations. Notwithstanding the foregoing, the supervisory board shall authorize the city of Troy to make all disbursements of city of Troy revenues from the supervisory board fund, which disbursements shall be made in accordance with the approved financial plan; provided, that the supervisory board may withdraw such authorization if it determines that (i) any disbursements made or to be made by the city of Troy have not been or are likely not to be in compliance with the approved financial plan, (ii) the city of Troy has violated any other provisions of this act, or (iii) the city of Troy has violated an agreement with any holder or guarantor of bonds or notes issued by the city of Troy or a state financing agency. Commencing on the effective date of the initial financial plan approved by the supervisory board, and for the duration of any emergency period, all funds and accounts established or thereafter established by the city of Troy of the covered organizations shall, unless exempted by order of the supervisory board, thereafter be funds and accounts of the supervisory board fund except to the extend expressly prohibited by federal law or to the extent prohibited by covenants or agreements relating to any outstanding bonds, notes or other obligations of covered organizations. All such accounts of the supervisory board shall have such captions and entries as the supervisory board shall determine to be necessary to credit the foregoing revenues and receipts to the supervisory board fund. The moneys of the supervisory board fund shall not be deemed to be money of the state or money under its control.

(b) The deposit of revenues into the supervisory board fund and the investment or deposit of moneys therein shall be made in accordance with and pursuant to procedures established by the supervisory board.

(c) In order to assure compliance with the financial plan, the supervisory board shall from time to time adopt procedures controlling the disbursement of moneys from the supervisory board fund.

(d) If at any time the supervisory board determines that the amount then held in the supervisory board fund or the amount estimated by the supervisory board to be held in the supervisory board fund is or will be insufficient to meet the expenditures in the amounts and at the times required by the financial plan, the supervisory board shall require disbursements from the supervisory board fund to be made in the following order or priority unless otherwise required by law of the United States of America: (i) to the payment of debt service requirements on all bonds and notes of the city of Troy and the covered organizations whose money are included in the supervisory board fund, (ii) to the payment of other liabilities having statutory or contractual priority over remaining liabilities of the city of Troy and the covered organizations whose moneys are included in the supervisory board fund, and (iii) to the payment of other obligations on an allocated basis as specified by the city of Troy for expenditures in accordance with the financial plan provided that, in the event that the city of Troy fails to so specify, the supervisory board may withhold payment of any of such other obligations or may direct their payment pro rata.

(e) Notwithstanding anything to the contrary in subdivision (a) of this section, so long as any bonds or notes issued pursuant to this act are outstanding, all revenues pledged as additional security for any bonds or notes in accordance with subdivision (a) of section nine of this act shall be revenues of the supervisory board fund and shall be for the account of the city of Troy, but disbursement shall be made by the supervisory board to the municipal assistance corporation for the city of Troy or to such other person in accordance with the terms and conditions of any pledge of such revenues to the payment of principal of and interest on any bonds or notes as permitted by subdivision (a) of section nine of this act.

(f) The supervisory board shall cause to be performed such pre-audit and post-audit reviews of the supervisory board fund and disbursements therefrom as it may determine.

§ 8-a. Establishment and application of a general debt service fund.
(a) The city shall establish a general debt service fund for the purpose

of paying debt service due or becoming due in the then current fiscal year and in subsequent fiscal years and for making payments to the county of Rensselaer in accordance with section eight-b of this act. All monies in the fund shall be held by the comptroller, who shall administer and maintain the fund in accordance with the provisions of this section and section eight-b.

(b) All payments of or on account of real estate taxes or assessments collected by the city on its own behalf or on behalf of the county of Rensselaer shall be immediately upon receipt deposited in such fund. On or before the fifth business day of each month, the city shall certify to the comptroller the amount of deposits during the immediately preceding month that constitute collections of or on account of real estate taxes or assessments on behalf of the county of Rensselaer. Except as otherwise provided in section eight-b of this act, the comptroller shall retain, disburse and apply monies in the fund during each month as follows:

1. During the first month of each fiscal quarter, there shall be retained in the fund, subject to the provisions of subdivision (c) of this section, all real estate tax payments deposited in the fund until there shall have been retained from monies so deposited during such month an amount equal to the total monthly debt service, computed as of the date of any disbursement of money from the fund, for the second and third months of such fiscal quarter; provided that such amount shall be reduced by any amount already on deposit in the fund which may be used to pay the monthly debt service for such months.

For purposes of this section, fiscal quarter shall mean the three-month period beginning January first, April first, July first or October first, and monthly debt service shall mean, as of any date of computation, the amount of monies equal to the aggregate of (i) all interest payable during such month on bonds and notes of the city, plus (ii) the amount of principal (including payments into sinking funds) maturing or otherwise coming due during such month on all bonds of the city (excluding principal payments made from sinking funds required by the terms of certain city bonds), plus (iii) the amount of principal to be paid on notes of the city during such month from sources other than the proceeds of bonds or renewal notes (exclusive of revenue anticipation notes and tax anticipation notes or renewals thereof issued less than two years prior to the date of computation).

2. During the second and third months of each fiscal quarter, there shall be retained in the fund, subject to the provisions of subdivision (c) of this section, all real estate tax payments deposited in the fund until there shall have been retained from monies so deposited during such month an amount equal to the total monthly debt service, computed as of the date of any disbursement of monies from the fund, for the first month of the next succeeding fiscal quarter; provided that such amount shall be reduced by any amount already on deposit in the fund which may be used to pay the monthly debt service for such month.

3. The city may at any time pay into the fund any monies required by law to be used to pay monthly debt service and any other monies available for such purpose.

(c) The board may approve, subject to agreements made with the holders or guarantors of outstanding notes or bonds issued by or for the benefit of the city after the effective date of this act, criteria for calculating a proportion of real estate tax receipts to be retained in the fund in order to provide for the retention of amounts required by the provisions of subdivision (b) of this section in lieu of the retention of all initial receipts as required by such subdivision; provided, that if the board at any time determines that retentions in the fund pursuant to the provisions of such subdivision are or are likely to be insufficient to provide for the payment of monthly debt service when due, in order to ensure that the amounts on deposit in the fund will be sufficient to pay monthly debt service when due, the board shall require (i) that real estate tax receipts be retained in the fund in greater amounts or at earlier dates than the provisions of such subdivision require, or (ii) that other revenues or cash resources of the city be paid into the fund. Prior to the issuance by the city of any bonds or notes, the board shall review any criteria then in effect which determine the proportion of real estate tax receipts to be retained in the fund to determine whether the proposed debt service schedule for such bonds or notes is consistent with the monies which will be available therefor or whether such criteria should be revised. The board shall from time to time take such action as it determines is necessary, including disapproval of a proposed issue pursuant to paragraph (vi) of subdivision (g-1) of section 10 of this act, so that the monies in the fund shall be adequate to meet debt service requirements.

(d) The board may approve criteria for calculating a proportion of real estate tax receipts to be retained in the fund in order to provide for the retention of amounts required by section eight-b of this act, but only in accordance with the real property tax law, the charter of the city, and any agreement concerning such matters between the city and the county of Rensselaer.

(e) The comptroller shall invest the monies in the fund in permissible investments under sections 98 and 98-a of the state finance law, subject in all respects to any agreements made with holders or guarantors of outstanding notes or bonds issued by or for the benefit of the city after the effective date of this subdivision. Any earnings accruing on such investment shall inure to the benefit of the city. At least one business day prior to the beginning of each month the city shall provide the comptroller with a detailed schedule of cash flow requirements from the fund under this section and section eight-b of this act for the ensuing three month period. Notwithstanding any other provision of law to the contrary, the decisions of the comptroller as to the investments purchased from monies in the fund shall be conclusive.

(f) Notwithstanding any other provision of this section, the city may, at any time, subject to approval by the comptroller, designate a trust company or bank having its principal place of business in the state of New York and having the powers of a trust company in the state of New York to hold all or any part of the monies in the fund and to administer and maintain the monies so held in accordance with the applicable provisions of this section and any agreements made pursuant thereto.

§ 8-b. Certain taxes collected by the city of Troy on behalf of the county of Rensselaer. (a) As long as the municipal assistance corporation for the city of Troy shall exist, the county of Rensselaer shall have a statutory first lien upon all monies paid as or on account of taxes or assessments on real property collected by the city of Troy on behalf of such county. Such lien shall not require any segregation of funds, physical delivery or any other action, filing or agreement in order to evidence, perfect, or preserve its priority and shall be valid, binding, and perfected as against all parties, with or without notice thereof, having claims of any kind in tort, contract or otherwise against such city.

(b) In addition to amounts retained in the general debt service fund pursuant to section eight-a of this act for the payment of debt service, monies in the fund constituting real property taxes or assessments collected on behalf of the county of Rensselaer shall be retained in the fund until paid to the county in accordance with the following procedure: not less than five business days prior to the date required by the real property tax law, the charter of the city, or an agreement between the city and the county for the payment to the county of real property taxes and assessments collected on behalf of the county and deposited pursuant to subdivision (b) of section eight-a of this act, the city shall certify to the comptroller the amount of the payment due and owing to the county. On the date such payment is due, the comptroller shall pay to such county:

(i) the amount certified as due and owing to the county, or

(ii) in the event no such certification has been made by the city, an amount equal to the payment which was due for the equivalent period one year prior to the date for which no certification was made. In such event, upon subsequent certification by the city, not less than five business days following the date of such certification, the county shall pay to the comptroller for deposit into the general debt service fund the positive remainder, if any, resulting when the amount certified as due and owing to the county is deducted from the amount paid to the county pursuant to this paragraph or, the comptroller shall pay to such county the balance of such payment due and owing to the county.

No certification by the city shall be deemed conclusive and binding upon the county.

(c) Failure by the city to provide the comptroller with any certification required by this section or by section eight-a of this act shall, except in extraordinary circumstances determined by the comptroller and for not more than sixty days, preclude the comptroller from releasing any amounts in the fund which may be available to the city, after amounts retained for debt service and amounts paid to the county pursuant to the provisions of subdivision (b) of this section, pursuant to such section eight-a, until such certification is provided.

(d) Nothing in this section or in section eight-a of this act shall be deemed to affect any right of the county of Rensselaer to receive interest from the city of Troy related to any payments of or on account of taxes or assessments on real property collected by such city on behalf of such county and not remitted to the county when due.

(e) Nothing in this section or in section eight-a of this act shall be deemed to alter, modify, amend, change or supersede any term, provision or condition of any agreement between the city and the county for the collection of real property taxes.

§ 9. (a) As additional security for any issue of bonds and/or bond anticipation notes authorized to be issued by the city of Troy in accordance with the local finance law or pursuant to this act or pursuant to title 4 of article 10 of the public authorities law and issued prior to December 31, 1999, the city council of the city of Troy, is hereby authorized to irrevocably pledge to the payment of the principal of and interest on such bonds and/or bond anticipation notes (i) the city's share of the net collections, as such term is defined in section 1262 of the tax law, from taxes imposed by the city or by the county of Rensselaer pursuant to the authority of section 1210 of the tax law, as amended, or any successor law thereto, and (ii) the city's share of any moneys received by such city from payments authorized by subdivision (c) of section 1262 of the tax law made by Rensselaer county pursuant to a written agreement by and between the city and said county, or such portion of such net collections or moneys determined by said city council with the approval of the board at the time of issuance of said bonds and/or bond anticipation notes to be necessary to so additionally secure such bonds and/or bond anticipation notes, subject to the following limitations and conditions: (i) any such pledge shall become effective on the date of issue of any bonds and/or bond anticipation notes the payment of which is secured by such pledge, (ii) any such pledge may be made subject to such terms and conditions, not inconsistent with this act, as may be determined necessary or appropriate by such city council, subject however, to any prior rights to holders or owners of outstanding bonds and/or bond anticipation notes secured by a pledge of such net collections or moneys, and (iii) any such pledge shall not be authorized by such city council unless such city council shall have determined that such pledge is necessary and in the public interest and such determination by such city council shall have been approved by the board. Moneys to be received by the city pursuant to paragraphs (i) and (ii) of this subdivision shall be deposited, prior to receipt by the city, in the special account established in the municipal assistance tax fund pursuant to section 92-d of the state finance law. Notwithstanding the previous sentence, any bond anticipation notes outstanding as of the effective date of this act which have the irrevocable pledge of moneys received by the city pursuant to paragraphs (i) and (ii) of this subdivision for the payment of principal and interest shall continue to have first lien on such notes until principal and interest have been fully paid.

(b) Any pledge made pursuant to this section shall be valid and binding from the time when such pledge takes effect, and the net collections or moneys so pledged and thereafter received by the city shall be deposited in a segregated account in the debt service fund established in section eight of this act and shall immediately be subject to the lien of such pledge without any further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the city irrespective of whether such parties have notice thereof.

(c) The state does hereby pledge and agree with the holders or owners of any issue of bonds and/or bond anticipation notes secured by such a pledge that the state will not limit or alter the rights hereby vested in the city to fulfill the terms of any agreements made with said holders or owners pursuant to this act, or in any way impair the rights and remedies of such holders or owners or the security for said bonds and/or bond anticipation notes until such bonds and/or bond anticipation notes, together with the interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such holders or owners are fully paid and discharged; provided however, that this pledge shall be subject to the reserved right of the state to alter the base, rate, method of taxation and exemptions from taxation or the method of distribution of the taxes which may be imposed by the city of Troy or by Rensselaer county and the net collections or moneys from which may be pledged pursuant to this act, as additional security for any issue of bonds and/or bond anticipation notes of such city. The city is authorized to include this pledge and agreement of the state, subject to the state's reserved right, in any agreement with the holders or owners of such bonds and/or bond anticipation notes.

§ 10. (a) Supervisory board; created. There shall be created for the city of Troy a supervisory board for the purpose of reviewing, directing and supervising the financial management of the city of Troy during any emergency period and following termination of any emergency period for the purpose of overseeing and advising the chief executive officer and the chief fiscal officer, as such terms are defined in paragraphs 5 and 5-a of section 2.00 of the local finance law, of the city of Troy and making recommendations regarding the city's budget. The supervisory board shall continue in existence until the later of (i) the date on which all the bonds or bond anticipation notes authorized by this act no longer remain outstanding or (ii) the date on which the municipal assistance corporation for the city of Troy created pursuant to article 10 of the public authorities law is terminated.

(b) The supervisory board shall consist of five members who shall be initially appointed not later than sixty days after the effective date of this act; one appointed by the city council, one appointed by the chief executive officer, as defined in subdivision 5-a of section 2.00 of the local finance law, of the city of Troy and two appointed by the governor. The state comptroller shall also serve on the supervisory board as its chair. The state comptroller shall be entitled to designate a representative to attend meetings, vote or otherwise act in his behalf. The supervisory board members shall have knowledge and expertise in financial matters. Each member of the supervisory board shall serve at the pleasure of the appointing official. The board shall act by majority vote of the entire board. The board shall maintain a record of its proceedings in such form as it may determine, but such record shall indicate attendance and all votes cast by each member. The supervisory board shall convene as frequently as it deems necessary to accomplish its purposes, but no less than quarterly.

(c) Notwithstanding any inconsistent provisions of general, special or local law, no officer or employee of the state or of any political subdivision of the state, any governmental entity operating any public school or college or other public agency or instrumentality which exercises governmental powers under the laws of the state, shall forfeit office or employment by reason of acceptance or appointment as a member, representative, officer, employee or agent of the board, nor shall service as such member, representative, officer, employee or agent of the board be deemed incompatible or in conflict with such office or employment.

(d) The members of the supervisory board and all representatives designated to serve on the supervisory board shall serve without salary or per diem allowance but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties under this section, provided however, that such members and representatives are not, at the time such expenses are incurred, public employees otherwise entitled to such reimbursement.

(e) The supervisory board may delegate to one or more of its officers, employees or agents, such powers and duties as the board may deem proper, except any duties inconsistent with the duties and functions prescribed by any other office or position any such person may hold.

(f) Expenses of the supervisory board shall be a charge of the city of Troy and shall be reimbursed by the city pursuant to an agreement signed by the state comptroller and the chief executive officer of the city.

(g) The supervisory board shall so long as no emergency period is then in effect: (i) conduct public meetings at least annually whereby minutes shall be taken of such proceedings and the chief executive officer shall provide for public access to such minutes within two weeks from the date of such meeting, and copies of such minutes shall be submitted to the city council, the state comptroller, the director of the budget, the chair of the senate finance committee, the chair of the assembly ways and means committee and the supervisory board established pursuant to this section;

(ii) receive from the city all information required pursuant to this act, and such other financial statements and projections, budgetary data and information, and management reports and materials as the supervisory board deems necessary or desirable to accomplish the purposes of this section;

(iii) recommend to the city such measures relating to their operation, management, efficiency and productivity as the supervisory board deems appropriate to reduce costs and improve services so as to advance the purposes of this act;

(iv) consult with the city in the preparation of the budget of the city;

(v) review the terms and comment, within thirty days after notification by the city of Troy of a proposed borrowing, on the affordability of each proposed issuance of bonds or notes to be issued by the city of Troy during the time the supervisory board is in existence and no such borrowing shall be made unless first reviewed and commented upon by the supervisory board. The supervisory board shall provide such comments within thirty days after notification by the city of Troy of a proposed borrowing to the chief executive officer, the chief fiscal officer, each member of the city council, the director of the budget, the state comptroller, the chair of the senate finance committee and the chair of the assembly ways and means committee. The supervisory board shall consult and coordinate with the state comptroller with respect to any borrowing by the city of Troy and shall consider any reports from the state comptroller detailing the state comptroller's review of such borrowing; and

(vi) have the ability to perform such audits and reviews of the city of Troy and any agency thereof as its deems necessary and such findings shall be a matter of public record.

(g-1) In carrying out the purposes of this act, the supervisory board shall during any emergency period:

(i) As set forth in subdivision (d) of section six of this act, the supervisory board shall (A) consult with the city of Troy and the covered organizations in the preparation of the financial plan, and certify to the city of Troy the revenue estimates approved therein, (B) prescribe the form of the financial plan and the supporting information required in connection therewith, and (C) exercise the rights of approval, disapproval and modification with respect to the financial plan, including but not limited to the revenue estimates contained therein.

(ii) The supervisory board, to the extent it deems necessary or appropriate in order to accomplish the purposes of this act, shall establish and adopt procedures with respect to (A) proper maintenance of the board fund, (B) the deposit and investment of revenues in such fund, and (C) the disbursement of moneys from the supervisory board fund.

(iii) The supervisory board shall, from time to time and to the extent it deems necessary or desirable in order to accomplish the purposes of this act, (A) review the operations, management, efficiency and productivity of such city of Troy operations and of such covered organizations or portions thereof as the supervisory board may determine, and make reports thereon; (B) audit compliance with the financial plan in such areas as the supervisory board may determine; (C) recommend to the city of Troy and the covered organizations such measures relating to their operations, management, efficiency and productivity as it deems appropriate to reduce costs and improve services so as to advance the purposes of this act; and (D) obtain information on the financial condition and needs of the city of Troy and the covered organizations. Nothing herein shall diminish the powers of the state comptroller otherwise provided by law and the supervisory board may request the assistance of the state comptroller in the performance of the above functions.

(iv) The supervisory board shall (A) receive from the city of Troy and the covered organizations and from the state comptroller, and review, such financial statements and projections, budgetary data and information, and management reports and materials as the supervisory board deems necessary or desirable to accomplish the purposes of this act, and (B) inspect, copy and audit such books and records of the city of Troy and the covered organizations as the supervisory board deems necessary or desirable to accomplish the purposes of this act.

(v) All contracts entered into by the city of Troy or any covered organization during any emergency period must be consistent with the provisions of this act and must comply with the requirements of the financial plan as approved by the supervisory board. With respect to all contracts or other obligations to be entered into by the city of Troy or any covered organization during any emergency period and after July 1, 1995, requiring the payment of funds or the incurring of costs by the city of Troy or any covered organizations:

(A) Within twenty days from the effective date of this subdivision, the chief executive officer shall present to the supervisory board proposed regulations respecting the categories and types of contracts and other obligations required to be reviewed by the supervisory board pursuant to this subdivision. Within thirty days from the effective date of this subdivision, the supervisory board shall approve or modify and approve such proposed regulations or promulgate its own in the event that such proposed regulations are not submitted to it within the twenty days as provided for herein. Such regulation may thereafter be modified by the supervisory board from time to time on not less than thirty days notice to the chief executive officer and the chief executive officer may from time to time propose modifications to the supervisory board. Unless expressly disapproved or modified by the supervisory board within thirty days from the date of submission by the chief executive officer, any such proposed regulations or modifications shall be deemed approved by the supervisory board;

(B) Prior to entering into any contract or other obligation subject to review of the supervisory board under its regulations, the city of Troy or any covered organization shall submit a copy of such contract or other obligation to the supervisory board accompanied by an analysis of the projected costs of such contract or other obligation and a certification that performance thereof will be in accordance with the financial plan, all in such form and with such additional information as the supervisory board may prescribe. The supervisory board shall promptly review the terms of such contract or other obligation and the supporting information in order to determine compliance with the financial plan;

(C) The supervisory board shall, by order, disapprove any contract or other obligation reviewed by it only after enactment of a resolution determining that, in its judgment, the performance of such contract or other obligation would be inconsistent with the financial plan, and upon such order the city of Troy or covered organization shall not enter into such contract or other obligation;

(D) If the supervisory board approves the terms of a reviewed contract or other obligation, the city of Troy or covered organization may enter into such contract or other obligation upon the terms submitted to the supervisory board. Failure of the supervisory board to notify the city of Troy or covered organization within thirty days (or such additional time, not exceeding thirty days, as the supervisory board shall have notified the city of Troy or covered organization that it requires to complete its review and analysis) after submission to it of a contract or other obligation that such contract or other obligation has been disapproved shall be deemed to constitute supervisory board approval thereof;

(vi) The supervisory board shall review the terms of each proposed long-term and short-term borrowing by the city of Troy and any covered organization to be effected during any emergency period after July 1, 1995, and no such borrowing shall be made during any emergency period unless it is approved by the supervisory board. The supervisory board shall consult and coordinate with the state comptroller with respect to the borrowings of the city of Troy and any covered organization and shall receive reports from the state comptroller on his review of borrowings by the city of Troy. Neither the city of Troy nor any covered organization shall be prohibited from issuing bonds or notes to pay outstanding bonds or notes.

(vii) The supervisory board shall receive quarterly reports from the state comptroller setting forth the debt service requirements on all bonds and notes of the city of Troy and covered organizations for the following quarter, which reports shall be in such form and contain such information as the board shall determine.

(viii) The supervisory board shall issue, to the appropriate official of the city of Troy and the covered organization, such orders as it deems necessary to accomplish the purposes of this act, including but not limited to, timely and satisfactory implementation of an approved financial plan. Any order so issued shall be binding upon the official to whom it was issued and failure to comply with such order shall subject the official to the penalties described in section ten-b of this act.

(ix) The supervisory board shall coordinate with the municipal assistance corporation with respect to the performance of its review and monitoring of the revenues and expenditures of the city of Troy and covered organizations.

(x) The supervisory board may employ such consultants as it may deem necessary to assist it in performing its functions required under this act.

(xi) The supervisory board shall have the authority to make and execute agreements and all other instruments which the board deems necessary for the exercise of its powers and functions including, in connection with any agreement to guarantee the payment of the principal of or interest on bonds or notes issued by the city or by a state financing agency.

(xii) The supervisory board may appoint qualified individuals to participate as members of such audit, productivity or similar committees or councils as the city may from time to time establish in consultation with the board. Such individuals, however, shall not be deemed to be officers, employees or agents of the board. The board shall review and report on, not less than annually, the development and implementation of methods for enhancing the productivity of the city's labor force proposed by any such committee or council.

(xiii) Not later than January 1, 1996 the city shall issue a report to the board on its program designed to enable the city (i) during its fiscal years ending December 31, 1996 and December 31, 1997, to minimize its dependence upon the state financing agency to the extent that it shall be prudent to satisfy the city's financing needs by the sale of obligations of the city or its agencies in the public markets, and (ii) thereafter to satisfy its financing needs entirely by the sale of such obligations. The report shall describe such actions that the city proposes to take, in addition to those actions required by law, to implement the program and shall contain such further information as the board may reasonably specify. After the issuance of such initial report, the city shall report to the board at least semi-annually through December 31, 1996 and thereafter at least quarterly on the actions it has taken to implement the program and on the results thereof. The city may revise the program from time to time but shall promptly describe any revisions and the reasons therefor to the board. The city may comply with the requirements of this subdivision by submitting the necessary information as supplementary material to a financial plan or financial plan modification in accordance with the standards and procedures of this act.

(h) Within thirty days after the board has communicated recommendations or findings to the city of Troy, the chief executive officer shall respond in writing to such recommendations. A copy of such response shall be distributed to the chief fiscal officer, all members of the city council, the supervisory board established pursuant to this section, the state comptroller, the director of the budget, the chair of the senate finance committee and the chair of the assembly ways and means committee. The supervisory board shall have the power to require all officers, employees or agents of the city or any agency thereof to respond to all inquiries made by the supervisory board.

(i) For any instance in which the city of Troy or any officer, employee or agent thereof does not respond to an inquiry made by the supervisory board, the supervisory board shall notify the chief executive officer, the chief fiscal officer and the city council of such city of such noncompliance. If such response is not submitted to the supervisory board within fifteen days after notification, the city of Troy shall not issue bonds or notes until such information is provided.

(j) No officer, employee or agent of the city of Troy shall take any action in violation of any valid request of the board or shall fail or refuse to take any valid action requested or shall prepare or present any information (including any projections or estimates) or report for the board or any of its agents that is false or misleading, or, upon learning that any such information is false or misleading, shall fail to advise the board or its agents thereof in a timely manner.

(k) Authorization for wage freeze. 1. During an emergency period, upon a finding by the supervisory board that a wage freeze is essential to the adoption or maintenance of a city budget that is in compliance with this act, the supervisory board, after enactment of a resolution so finding, may declare a fiscal crisis. Upon making such a declaration, the supervisory board shall be empowered to order that all increases in salary or wages of employees of the city and employees of covered organizations which will take effect after the date of the order pursuant to collective bargaining agreements or other analogous contracts, now in existence or hereafter entered into, requiring such salary increases as of any date thereafter are suspended. Such order may also provide that all increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan and step-ups or increments for employees of the city and employees of covered organizations which will take effect after the date of the order pursuant to collective bargaining agreements or other analogous contracts requiring such increased payments as of any date thereafter are, in the same manner, suspended. For the purposes of computing the pension base of retirement allowances, any suspended salary or wage increases and any suspended other payments shall not be considered as part of compensation or final compensation or of annual salary earned or earnable. The suspensions authorized hereunder shall continue until one year after the date of the order and, to the extent of any determination of the board that a continuation of such suspensions, to a date specified by the board, is necessary in order to achieve the objectives of the financial plan, such suspensions shall be continued to the date specified by such board, which date shall in no event be later than the end of the emergency period, provided that such suspensions shall terminate with respect to employees who have agreed to a deferral of salary or wage increase upon the certification of the agreement by the board pursuant to paragraph two of this subdivision.

2. This subdivision shall not be applicable to employees of the city or employees of a covered organization covered by a collective bargaining agreement or an employee of the city or a covered organization not covered by a collective bargaining agreement where the collective bargaining representative or such unrepresented employee has agreed to a deferment of salary or wage increase, by an instrument in writing which has been certified by the supervisory board as being an acceptable and appropriate contribution toward alleviating the fiscal crisis of the city. Any such agreement to a deferment of salary or wage increase may provide that for the purposes of computing the pension base of retirement allowances, any deferred salary or wage increase may be considered as part of compensation or final compensation or of annual salary earned or earnable.

3. The supervisory board may, if it finds that the fiscal crisis has been sufficiently alleviated or for any other appropriate reason, direct that the suspensions of salary or wage increases or suspensions of other increased payments or benefits shall, in whole or in part, be terminated.

(l) 1. Notwithstanding the provisions or limitations of any law, general, special or local, including the charter of the city of Troy, an impasse panel, arbitrator, collective bargaining board, fact finding or similar type of panel, body or individual which is authorized to recommend or award an increase in wages or fringe benefits to any employee of the city or covered organization shall, in addition to considering any standard or factor required to be considered by applicable law, also take into consideration and accord substantial weight to the financial ability of the city or covered organization to pay the cost of such increase in wages or fringe benefits.

2. Any determination pursuant to article 8 of the labor law or any agreement or stipulation entered into in lieu thereof which provides for an increase in wages or fringe benefits of any employee of the city or covered organization shall, in addition to considering any standard or factor required to be considered by applicable law, also take into consideration and accord substantial weight to the financial ability of the city or covered organization to pay the cost of such increase in wages or fringe benefits.

3. Any party to a proceeding before a panel, body or individual as described in paragraph one or two of this subdivision may commence a special proceeding in the appellate division, third department, supreme court, state of New York, to review the determination as to the city or covered organization's financial ability to pay. Such proceeding shall be commenced not later than thirty days after the final determination has been made by the panel, body or individual. Such proceeding shall have preference over all other cases in such appellate division, other than cases relating to the election law.

4. The court shall make a de novo review of the record solely for the purpose of determining whether an award of an increase in wages or fringe benefits was within the city's or covered organization's financial ability to pay. The court's findings as to such issue shall be based upon a preponderance of all the evidence set forth in the record. Unless the parties stipulate otherwise, arguments or submission shall be had within fifteen days after commencement of the special proceeding and

the court shall render its decision within fifteen days thereafter. All questions, other than the question relating to the determination, shall be reviewed by the appellate division in the same proceeding in the manner provided by article 75 or 78 of the civil practice law and rules as may be appropriate, notwithstanding that the issue would otherwise have been cognizable in the first instance before a special or trial term of the supreme court. If an appeal shall otherwise lie from such determination of the appellate division to the court of appeals, notice of such appeal shall be filed within thirty days after the entry of the final order or judgment of the appellate division if such appeal is of right or within ten days after entry of an order granting leave to appeal, and such appeal shall have preference over all other appeals other than appeals relating to the election law.

5. At any stage of any proceeding under paragraph one, two or three of this subdivision or any appeal from an order or judgment therefrom the supervisory board may intervene as a party on the issue of the financial ability of the city or covered organization to pay the cost of an increase in wages or fringe benefits.

6. For the purposes of this subdivision, financial ability to pay shall mean the financial ability of the city or covered organization to pay the cost of any increase in wages or fringe benefits without requiring an increase in the level of city taxes as approved in the financial plan of the city in effect at the time of the commencement of a proceeding under paragraph one or two of this subdivision.

§ 10-a. Prohibition; penalties. (a) During any emergency period (i) no officer or employee of the city of Troy or of any of the covered organizations shall make or authorize an obligation or other liability in excess of the amount available therefor under the financial plan as then in effect; (ii) no officer or employee of the city of Troy or of any of the covered organizations shall involve the city of Troy or any of the covered organizations in any contract or other obligation or liability for the payment of money for any purpose required to be approved by the supervisory board unless such contract has been so approved and unless such contract or obligation or liability is in compliance with the financial plan as then in effect.

(b) No officer or employee of the city of Troy or any of the covered organizations shall take any action in violation of any valid order of the supervisory board or shall fail or refuse to take any action required by any such order or shall prepare, present or certify any information (including any projections or estimates) or report for the supervisory board or any of its agents that is false or misleading, or, upon learning that any such information is false or misleading, shall fail promptly to advise the supervisory board or its agents thereof.

(c) In addition to any penalty or liability under any other law, any officer or employees of the city of Troy or any of the covered organizations who shall violate subdivision (a) or (b) of this section shall be subject to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office by order of either the governor or the chief executive officer; and any officer or employee of the city of Troy or any of the covered organizations who shall knowingly and willfully violate subdivision (a) or (b) of this section shall, upon conviction, be guilty of a misdemeanor.

(d) In the case of a violation of subdivision (a) or (b) of this section by an officer or employee of the city of Troy or any of the covered organizations, the chief executive officer or the chief executive officer of such covered organization shall immediately report to the supervisory board all pertinent facts together with a statement of the action taken thereon.

§ 11. If any clause, sentence, subdivision, paragraph, section or part of this act be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.