
**BROOME COUNTY LEGISLATURE
REGULAR SESSION
TUESDAY, MARCH 1, 2005**

The Legislature convened at 5:00 p.m. with a call to order by the Chair, Daniel A. Schofield. The Clerk, Louis P. Augostini, read the fire exit announcement and called the Attendance Roll, Present-17, Absent-2 (Shafer, Whalen).

The Chair, Mr. Schofield, led the members of the Legislature in the Pledge of Allegiance to the Flag.

ANNOUNCEMENTS FROM THE CHAIR

Chairman Schofield introduced County Executive Barbara J. Fiala presenting the State of the County Address for 2005.

March 1st, 2005
State of the County

"Good afternoon, Chairman Schofield, members of the Legislature and distinguished guests. I would like to thank you for this opportunity to address you today to talk about the state of our County, a place we all love and want to see succeed. This is my first State of the County and I am very pleased to be in this chamber presenting this status report as well as my vision for Broome County.

We have been placed in these positions by the people of Broome County because they believe we are going to work for them to make their County and their lives better. "As County Executive, I cannot do it alone." As lawmakers, you cannot "do it alone." We need to work together. We need to find common ground for the common good. I hope we can. I believe we can.

We have many reasons to be proud, but we also have many challenges to face. This by no means is going to be an easy year. It is not going to be an easy couple of years. But if we seize the opportunity for change, real change and reform, we can make a difference in the short term that could have positive long term effects for County government and the people of Broome County.

Voters in Broome County and across New York State sent a very strong message this past November. They want politicians to put politics aside and start putting the taxpayer's interests ahead of their own. That is what I pledge to do, and I hope you will join me in taking that pledge. I have worked 40 years in the public sector. I am a public servant. I work for the people of Broome County. I pledge at this time that every decision I make as County Executive will be made with the people of Broome County in mind, first and foremost.

It has been few short weeks since I took the oath of office but we are already extremely busy. While I am disappointed in the issues I have had to tackle so soon into my administration, I am glad we are addressing them and fixing county policies so these problems do not happen again. I do not want to spend too much time on the missing files or the sick time overpayments, but I do feel they need to be discussed at this time. Both were wrong. We are addressing them, and I assure you, it will never happen again. While I am disappointed we could not move forward more quickly on changing county policies, I am putting my faith in you that you will do the right thing and tighten up the county's payroll system and incorporate a more effective checks and balances.

We look forward to the New York State Comptroller's report on our payroll procedures. I also look forward to working with you on implementing some of the Comptroller's recommendations. I also want to inform you that we have handed the payroll and file issue over to the District Attorney's office. We felt it was important to get a second, independent review of the matter.

While these payouts and missing files have been somewhat of a distraction, they have not kept us from our main objective which is getting a true handle on Broome County Finances. While that has been difficult in these short 8 weeks, a pretty clear picture is emerging. We have got our work cut out for us if we are going to keep Broome taxpayers from facing a huge tax increase next year.

I want to recognize Budget Director Don Freed and Assistant Budget Director Nathaalie Maxwell for all of the work they are doing, to give us a perspective on the county's finances. We kid Don about always being the bearer of bad news, but I am very glad he has come out of retirement to help Broome County. I trust his analysis, and I trust his recommendations. Now for the tough news:

The County appropriated almost twenty-million dollars in various fund surpluses to pay for the 2005 expenses. Without these "surpluses" the County tax rate would have been 38% higher! Since we cannot produce similar annual surpluses in the future, the property taxes will be affected dollar for dollar for any shortfall. The potential negative effect of these shortfalls will make our Medicaid problems seem minor in comparison.

And speaking of Medicaid, in 2006, Governor Pataki is proposing to cap Medicaid increases to counties at 3.5 percent over the 2005 actual costs. The cap in 2007 would be 3-percent. In 2008 the Governor proposes that the State take over Medicaid costs completely in exchange for the equal amount of our sales tax. While that plan may ease the Medicaid burden, it does not solve the problem entirely for the County because starting in 2008, we would simply trade away a dollar of our sales tax revenue for every dollar the state spends on our Medicaid costs. In addition, the governor proposes to cut reimbursements to nursing homes and hospitals across the State. Bottom line, those cuts will negatively impact our Willow Point Nursing Home revenues by an estimated \$1.2 million dollars.

That is money, we as a County, will have to make up in the end. Just so we are all clear on this, the proposed cap, will under no circumstances reduce our expenses. The caps will simply reduce the amount by which our costs will increase.

Not to add more bad news to this picture but if the recent court decision requiring New York State to provide an additional \$14 billion dollars for New York City schools is not overturned or modified, it is unlikely that the State will have any additional resources. And it will not be possible for them to deal with our local Medicaid problems. Suffice it to say we cannot wait around for the State to answer our problems. We have got to roll up our sleeves and start reducing "controllable" costs.

My discussions with Don also lead us to believe that the County needs to review its definitions of "fund balances", "fund equity", "net assets" and "retained earnings". And we must study how they impact future budgets and tax rates. An example of why this is needed; in 2002 the County authorized \$4.4 million dollars in budget notes to cover an anticipated shortfall of this amount. However, during the same month the County adopted the 2003 Budget with an appropriated surplus of nearly \$5.6 million in the same fund. It is a mystery to Don and me how the administration could project a deficit and surplus in the same month for the same fund. But that is exactly what the previous administration did.

I bring this up only to emphasize the fact that we need to do some major reform in the budgeting process as well. We must all get on the same page about where the County is financially. We cannot have any surprises when it comes to budget shortfalls or budget surpluses. These types of practices lead to unstable tax rate changes and will eventually undermine the financial stability of the County if it is not contained. In technical language, the County has a structurally unbalanced budget.

I commend our lawmakers for taking important steps last year to move towards a more stable budget. Your foresight in creating a tax stabilization fund is exactly the kind of reform I am talking about. It took a lot of courage but it needed to be done. Our sales tax formula is another difficult issue. Our towns and villages are very vocal about the fact they want a larger share.

During my campaign I made an issue of the fact that if the previous administration had a so called surplus, why was it holding back sales tax revenues from the towns and villages? It made no sense. It made no sense because there was no surprise surplus. There is no surprise surplus!

I have already explained to representatives of the Broome County Council of Governments and the Association of Towns and Villages that there can be no re-configuration of the sales tax formula until we, the County, can get a handle on our finances. I tried to explain that while we are not insensitive to their needs, it is simply too early to have this discussion. But the discussion needs to take place. We are not sounding a crisis alarm, we are also not throwing up a white flag of surrender.

We have our work cut out for us and once again I ask for your cooperation this budget season so that we can get a better handle on our county budget. This is where I believe Shared Services can help.

As we already know, shared services like, 911 dispatching, police patrols, fire response, and highway maintenance, are already taking place between the County and our towns and villages. We have to take this concept one step further. That is why I proposed the Shared Service agreement with the Village of Endicott. I was disappointed that this was held over in the last Legislative session. I only hope you will see that it can be a win-win for the County and Endicott. And it can set the example for similar agreements in the future.

In addition to proposing the Shared Services resolution, my administration is also reviewing County leases to make sure we are getting the best return on our investment. According to the County Comptroller's recent audit, it appears we are not. County Attorney Joe Sluzar has already been in contact with a number of landlords to make sure they are keeping up their end of the bargain. We will also review whether paying year long leases up front is really in the best interest of the County.

Another looming problem for our County is the funding of our library system. I want to take a moment to commend Chairman Dan Schofield for the leadership he has demonstrated on the library issue. I agree with the Chairman that consolidation is the right course, and I look forward to working with you all on a plan that will lead to a more efficient and cost effective library system for all of Broome County.

It is no secret that Broome County's budget pressures could be eased quite a bit if our local economy was stronger. I believe the economic forces that have negatively impacted our community are not just the result of lagging national and state economies, they are the result of missed opportunities on the local front. While we cannot directly create private sector jobs, Broome County Government does have a responsibility to foster an environment that allows jobs to be created. And they must be jobs that families can live on.

My economic development director John Serino brings a unique perspective to our economic development efforts, and I am looking forward to his contributions. John is a Binghamton native who spent most of his professional career with IBM. He has also been a consultant for large and small businesses. John's private sector business background in the global arena and his knowledge of the Broome County area will be a tremendous asset to our local business development efforts. John and I have talked about what needs to be done to take some of these efforts that are already under way, to the next level.

As with most operations in Broome County we have come to the conclusion, there are just too many layers and too many entities dealing with economic development in Broome County. We would like to take the same shared service philosophy that we plan to implement within Broome County and its City, towns and villages and try to apply it to the economic development arena. We must come together and work towards the same goal or we will continue to miss opportunities. We are anxious to get working with the Greater Binghamton Coalition and the Broome Tioga Workforce Investment Board. We are also looking forward to working closer with our Broome County Industrial Development Agency and with you, our Broome County lawmakers.

We would like to begin stripping away some of the layers and start focusing our efforts more directly on identifying economic opportunities, preferably those that already exist in Broome County. I think we all agree that we cannot sit around waiting for a large, well funded corporation to blow into town and answer all of our problems. We need to nurture the companies we already have here in Broome County and do all that we can to help them grow. This area has a long history of entrepreneurship. IBM, E-J, Link, Maines, Universal, the list goes on and on. They started with one person with an idea. It can happen again. There are thousands of new business certificates filed in the Broome County Clerk's office. These are people turning to entrepreneurship to make a living and support their families. They need help and we want to be the place they turn for that help.

One way we are preparing for future opportunities is by assembling a Rapid Response Team. This will allow for immediate action on any local, regional or national economic development opportunity. We are already talking with local groups to make this happen.

We are also talking about creating a one stop-shop for economic development. We have contacted Senator Charles Schumer's office and Senator Hillary Clinton's office to see if we can get some federal money to rehabilitate a local historic building for this venture.

And finally John Serino is meeting weekly with small and large businesses to find out what their obstacles to expansion are and find out how we can assist in removing these obstacles.

Our employment and training center is a clearing house for all kinds of information related to workforce development and training grants. Nearly a thousand people go through the doors of the center every month. That agency has accomplished quite a bit since its creation but we need to do more. Our employment training center has already made contact with Lockheed Martin to see how we can help them in their efforts to hire and train the right employees for the right jobs.

We are so thrilled for Lockheed Martin and their hard working employees. This Marine One contract can have a huge impact on this entire community, and we need to be poised for whatever may come our way. This contract for Lockheed Martin could provide the kind of momentum this area has not seen in quite a few years. I, for one, want to be ready when these opportunities present themselves.

While I have talked about the many economic development challenges we face, that is not the whole story. We have so many things to be grateful for. We have such beautiful natural resources. We are the population center for what potentially could be millions of people if you take into account downstate New York, Pennsylvania, Upstate New York and even Canada.

We are truly at a crossroads. We have highly skilled and educated workers. If planned and marketed properly we can capitalize on all of these positives. What we are lacking is a workable economic delivery system. And that is what we plan to work on.

Moving on to other economic development efforts, two big projects on the horizon include the proposed renovation of the George Harvey Justice Building and the construction of the Inter-Modal Transit Terminal. The Justice building has been out of commission for several years now and it is deteriorating quickly. It is a historic building and we need to preserve it. But we also need to use it for County purposes.

The proposed terminal will serve Greyhound, Coach USA, Shortline and BC Transit. We are able to move forward on this because of funding secured by Congressman Maurice Hinchey. When the terminal is finished it will provide an inviting Gateway to the city. It will also mean BC transit riders will no longer have to cross busy streets dodging cars and they will not have to wait outside in bad weather.

Our County departments are working on a number of exciting projects for 2005 and beyond. We cannot talk about all of them this evening but you can read more about their accomplishments in the full State of the County document which we will pass out in a few moments, and you can also read it on the County's website hopefully later this evening.

We just talked a little bit about BC Transit, and we have a special announcement about the transit drivers we would like to make before we wrap things up. They are a dedicated hard working bunch of men and women who are serving this community no matter what the weather or traffic conditions. They are all excellent drivers but each year BC Transit singles out two drivers for special recognition as BC Transit Drivers of the Year. And if you can indulge us for a moment, I would like to take this time to introduce the Fixed Route Driver of 2004, Mark Hutcheson. And the BC Country Driver of 2004, David James. If they could both stand so we can see who they are. Mr. Hutchison has been with B-C Transit since 1989. Mr. James has been with B-C Transit since 2002. When you are on a bus driven by one of these two gentlemen, you know you are in good hands. Thanks gentlemen and congratulations!

In addition to our transit drivers, Broome County has a number of very dedicated and hard working employees. I want to take a moment to say thank you to the hundreds of County workers who do their jobs day in-day out, with no regard to politics. Most do their jobs well and as a County they make us proud. We may get all of the attention but they are doing yeoman's service, and we cannot move forward without them.

We have a very exciting year ahead of us. Broome County will be celebrating its Bi-Centennial next year. We have a lot of things to do to get ready for the big celebration. I look forward to working with our County lawmakers, our County employees, our local service organizations and our City, towns and villages to make sure this is one anniversary celebration to remember.

My pledge to the people of Broome County is that this will be a more open, more responsive County Government. I believe this is your government. We are your employees. You deserve to know how we are spending your money. I have put the Broome County Budget summary on the Go-Broome-County web site so you can see for yourself. In our first 8 weeks on the job, I believe I have been very open about our problems and how we plan to fix them. I pledge that this idea of open government will continue.

I want to thank my staff; Deputy County Executive Patrick Brennan, my assistant, Tammy Kocak, my Executive Assistants, Colleen Wagner and Darcy Fauci and our support staff, Carolyn Penna.

I look forward to reporting back to all of you in one year about the many successes of the proposed ideas outlined today. I thank you for your time and attention this evening.

Now let's get to work!"

Because of the voice, we did the abbreviated version. I'm sure none of you are going to shed a tear about it, but we do have copies here for all the lawmakers and as many people that want them. As I said, it will be on the website. Again, thank you very much.

Mr. Howard made a motion to adjourn, seconded by Mr. Materese. **Motion to adjourn carried,** Ayes-17, Nays-0, Absent-2 (Shafer, Whalen). The meeting was adjourned at 5:26 p.m.

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