

**2015 Broome County Budget Message
Broome County Executive Debbie Preston
Monday, September 15, 2014**

Good afternoon.

Thank you Chairman Marinich, Majority Leader Keibel, Minority Leader Garnar and Legislators. I'd like to welcome our Employees, Department Heads, fellow Municipal Leaders and Broome County residents to this 2015 Broome County Budget Address.

To provide insight on our future, we must reflect on our past as well as the present state of affairs.

This past year has been a very difficult one, not only for me personally, but for the entire County. We had a brutal start to the year, with an unusually cold winter and the lingering effects of a recession that affected our sales tax collections, our mortgage tax collections and our Clerk fees in a major way!

We've recovered, some, from the horrendous first and second quarters, but unfortunately, we will still fall short of forecast.

While sales tax fell short of projections, our hotel/motel tax exceeded our expectations and the additional unanticipated revenue from that will only help offset some of our shortfalls.

As a result, putting together this 2015 Budget has been a challenge, to say the least. Before I get into the numbers, I'd like to tell you that this process has been filled with difficult decisions, arguments, disagreements, spirited discussions and debate. I'd like to thank each and every one of our department heads for presenting us with a responsible budget plan for next year.

Many of the tough decisions we made were based on our rising cost structure, unfunded mandates from the state and obvious revenue challenges. I've always attacked problems head on and this challenge was no different. As I've said on many occasions,

it's my job to make the tough choices that affect the two hundred thousand residents we serve.

Earlier this year, Governor Andrew Cuomo announced incentives for municipalities that cap taxes at less than 2% growth. And while our Governor and the folks in Albany will undoubtedly tout their success keeping state taxes low, what they won't tell you is they are continuing to pass the buck to the local municipalities through unfunded mandates. Many of the services that we are required to provide originate in Albany with no plan for sustainable funding, which results in a burden shift to you and me.

One of the major programs in Broome County that will no longer be funded by New York State is the Juvenile Delinquency program.

The cost of running this mandatory program now falls under our probation department and will cost us an additional \$573,000 dollars this year.

So while Albany says its cutting costs, you can see they are actually just passing the buck to local municipalities.

After months of analysis and debate, we have come up with a budget that calls for a tax levy increase of 2.49 percent. But I want to make clear that this proposal is well below the tax cap rate of 3.93%.

Could we have delivered a 0% increase for the coming year? Sure. No problem. However, I will not put in place a budget using one-shot gimmicks, overstating our revenues or kicking the can down the road.

Many difficult choices were made in crafting this budget, with the overall emphasis on continuing to provide the services that our bosses, our County residents, have come to rely on.

Last year, Broome County sent out 86-thousand tax bills.

And while many wonder why their money should go to pay for things they don't use, please know that

there are thousands of people in our community who rely on Social Service Programs, the B.C. Transit System, our County Parks System and more.

It would be easy to say let's eliminate these services to keep our taxes low.

But that's not the responsible thing to do.

After all, we work for 200-thousand people in Broome County and we have to make difficult decisions each and every day to make sure those less fortunate are taken care of.

Sales Tax Sharing:

When I took office, I promised to restore the sales tax sharing formula with municipalities to a 50/50 split, over a period of years.

We've been steadily moving toward that goal, giving back 10% in each of the last two years.

To help save money for Broome County, we could reverse that approach like other counties throughout the state are doing now

But I won't do that. I refuse to pass the buck to our local municipalities, like Albany is doing to us.

Although there is no proposed increase in 2015, we remain committed to restoring the original split over the stated period as our economy improves.

We have spoken with the municipalities and explained our position to them. They understand they won't be receiving any more sales tax, but they won't be receiving any less either.

Contract Agencies:

Another difficult choice is whether we should continue funding of the County's contract agencies.

These agencies include organizations such as the Greater Binghamton Chamber of Commerce, Cornell Cooperative Extension, Binghamton Zoo at

Ross Park, Discovery Center, Arts Council, the Historical Society, local libraries and more.

We've helped to fund these agencies throughout the years.

Remember this; \$691,000 represents one percent of our property tax funding.

Last year, we provided these agencies more than \$1 million in total funding.

We could stop funding them and lower the tax rate, by nearly 1.5 percent.

But these groups rely a great deal on this funding, and some may close their doors without it.

Many of these organizations are the fabric of the County's cultural well-being.

Could these be cut?

Yes.

But I made the difficult choice to continue funding them because they are organizations that are strongly relied on by many of our residents.

Parks/Arena/En-Joie:

The same thing can be said for our County parks.

Currently, Broome County operates many parks throughout our community at a cost to taxpayers of over \$2.1M dollars a year.

These parks are enjoyed by a majority of Broome County residents as nearly 2 million people visit them annually.

The parks are often filled with summer camps, softball tournaments, events like the Spiedie Fest, concerts, triathlons, fishing competitions like the Crappie Derby, racing championships, fundraising walks and runs, educational opportunities and more.

We could close a couple of these parks to save money, but we've made the difficult choice to keep

them open because they are a valuable resource to our community. They regularly bring in hundreds of thousands of people who spend money at our local establishments.

The same thing can be said for the Forum and the Floyd L. Maines Veterans Memorial Arena.

We could sell or privatize these venues and save taxpayers in excess of \$800 thousand annually.

But where would people go to watch hockey in the winter? Or to watch a Broadway level show, a big named concert act, a family friendly show such as Disney on Ice, and more? These venues add to the fabric of our community and act as a catalyst for people to visit Broome County, spending money in our hotels and restaurants, local stores and more.

Yes, we could close these facilities or sell them to save a couple of million dollars a year, but we would also lose out on the millions of dollars of economic development that these venues bring to our community and pieces of our community's fabric.

Willow Point/Transit:

Two big expense drivers for the County are the Willow Point Nursing Home and the B.C. Transit system.

Many people ask us why they have to pay for these services, when they never use them.

My response is and has always been, unless we find a better way, we will continue to maintain our commitment to these important divisions.

We've made progress over the last couple of years, improving the operations in both.

We commissioned a study to find better ways in which to operate the nursing home from both a revenue and expense perspective. I want to know what can be done to run it more effectively not only from a service perspective for our residents, but also a cost perspective for the taxpayers of Broome

County. We are awaiting the results of that study, which we expect to see in the near future.

In 2015, we estimate that nearly \$3 million in local tax dollars will be invested to run the nursing home.

Our transit system is in a similar situation. In 2015, we estimate that nearly \$2 million will be invested to run our transit system.

We were handed an aging fleet of busses and we are slowly replacing this fleet over a period of years.

Old busses use more fuel and are often harder to fix, costing additional dollars.

I don't have a magic wand to wave to replace the entire fleet, but we are doing what is fiscally responsible and replacing them over a period of years.

We are planning to initiate a complete route analysis in the next few months, which will evaluate the entire B.C. Transit system to identify how to run this service in a more efficient and cost effective manner.

The goal is to deliver the service to those that rely on it in the most efficient manner possible.

Could we sell or privatize the Transit system or Willow Point and save taxpayers millions of dollars?

Sure.

But I've made the difficult choice not to do that.

We need to improve our operations in both divisions and insure that the residents of Broome County have these services when they need them.

I've said since the beginning, things didn't happen overnight and they can't be fixed overnight.

We are taking steps to correct things one day at a time.

Looking Forward:

Things aren't all doom and gloom in Broome County.

Our Employees and Union Negotiations:

We've begun productive discussions with several of our unions who appear to recognize the difficult situation that we're in and seem willing to work with us to help solve our budget problems.

I am very thankful that they understand our current situation and I greatly appreciate their willingness to work with us in fixing this issue.

We continue the trend of replacing only essential personnel. This policy starts in my office where I have decided not to fill the vacant Deputy County Executive position, saving nearly \$100,000 a year. In this upcoming year, every little bit helps.

Another positive note is the cost of retirement for County employees continues to decline saving money for the taxpayers.

Medicaid costs have finally been capped and in some cases are actually on the decline which has saved a great deal of money.

We will also see a dramatic savings in our health insurance.

Even with the Affordable Care act, based on a strong health insurance fund balance, we were able to decrease our budget by \$650-thousand dollars, while allowing us to keep premiums flat.

This is not only a major savings for County taxpayers, but also County employees.

Economic Development:

As I've said many times over the last few years, the only real solution to our economic problems is to make jobs and economic development a priority. I'm proud to say that our strong partnership with the Broome County Industrial Development Agency is beginning to show real results.

I'd like to acknowledge Kevin McLaughlin for working with us on several projects.

ADEC Solutions, a global provider of data and document management solutions will be expanding operations and moving into the Broome Corporate

Park, which will result in the creation of 200+ jobs in the next few years.

Tool Room Express, a leading provider of custom plastic injected molded parts located here in Broome County, will be expanding operations and creating a minimum of twenty six new manufacturing jobs.

Engineering Manufacturing Technologies, which manufactures critical precision parts, will be purchasing a new building to expand their operations in Endicott and create over 20 new manufacturing jobs.

These three companies will invest more than \$6,000,000 in Broome County and create over 240 jobs in the next 2-3 years.

Not only will these companies bring in jobs and new investments, they will increase our property tax base. And we anticipate they will certainly help increase our sales tax revenue.

These are just a few examples of how my office is working hand-in-hand with our leading economic

development agency to provide real jobs and opportunity in Broome County.

The Arena:

We've made major upgrades at the Floyd L. Maines Veterans Memorial Arena.

On top of bringing in revenue for the naming rights, we've installed new seating, new lighting, we will be installing a new scoreboard and more to make the Arena one of the premier places in the entire country to watch AHL hockey games.

I want to thank Senator Tom Libous for all of his efforts because without him and the grants he secured, none of this would have been accomplished.

Our efforts at the arena were noticed by the Ottawa Senators, who just signed a new 5 year deal to keep their minor league hockey team in Binghamton.

I can't wait for October to roll around so I can get back there to watch our Binghamton Senators in action.

SUNY Broome:

At SUNY Broome Community College, brand new dorms recently opened.

These dorms are bringing students into our community who will spend money in our stores and restaurants which add to our sales tax collections.

The new science center will be opening on campus shortly that will certainly attract more students to start their college careers at a great school like SUNY Broome.

Energy Development:

The Office of Energy Development continues to help reduce costs in the County by instituting energy efficient programs and obtaining grants to help do just that.

I am proud of the great successes of that office.

Through their efforts, the Office of Energy Development saved the County over \$100-thousand dollars by installing energy efficient lighting in the parking garages under Government Plaza.

We are getting ready to announce a joint project with the Office of Energy Development and NYSERDA that will help lower our energy costs at the Broome County Public Library, saving thousands more a year.

These are just two examples of ways the Office of Energy Development is helping keep costs low for the County taxpayers.

IT Department:

Over the last couple of years the Information Technology department has been rolling out a new Cisco Voice over IP system to replace our existing phone system. This project is just about complete.

As a result, this implementation has already saved the County thousands of dollars with hundreds of thousands more to follow.

This technology has opened the door to future possibilities in communication advancements. Technologies like online meetings and video conferencing are now available which save travel time and expenses while keeping pace with the daily demands of County business.

These are just a few examples of the good things that are happening in Broome County.

Closing:

When I delivered my State of the County speech earlier this year, I told you that running the County is like putting together a puzzle.

This budget is another piece of that puzzle.

We've made some very difficult choices this year and are delivering what I believe is an honest, responsible budget, which is mindful of all of the residents of Broome County.

Chairman Marinich, you have been a great partner during this budget process and I really appreciate working with you and your team over the last several.

I've said before that I can't do this by myself; we need to work together for the benefit of the people who sign our paychecks, the 200,000 residents of Broome County.

I'd like to thank Minority Leader Garnar for coming to meet with me on a different topic. Working together, we can accomplish great things for the people of Broome County.

I know this is an election year and I ask one thing of all of you. Be open and honest with the people. Don't use fear mongering. Give the residents the truth. They can accept the truth, though they may not like it.

I thank you all and look forward to continuing this partnership with any legislator who wants to discuss this budget in greater detail.

My door is always open.

Thank you for your consideration.

God Bless you, God Bless Broome County and God Bless America!

One more thing.

Congratulations to the Binghamton Mets for bringing home their first championship in 20 years. You have brought a sense of pride not only to the people of Binghamton but to all Broome County residents.