

2012 Executive Budget

The 2012 Executive Budget was created in a financial environment unlike any in our County's history and in the aftermath of our worst natural disaster. As a result, this budget will be different. The issues we face are unprecedented and demand that County leaders prepare to make profound changes.

We start with the same long list of challenges facing all New York counties:

- Employee pension costs are \$16.8 million, an increase of almost 3,700% since 2001
- Employee healthcare costs are \$25 million and rising, which is totally unsustainable
- State aid is down
- The impact of the Federal "debt ceiling deal" in Washington is still unknown
- Mandates now make up over 70% of our budget, and that number is growing.
 - One example is the County's heavily mandated DSS expenses. This year alone, they have increased by over \$6.3 million, putting the County's share of DSS at over \$49 million.

This does not count the ongoing shifting of costs that has historically taken place from the state to the counties.

In New York State, times are changing and I am hopeful. Governor Cuomo has delivered an initiative that caps property taxes on all local governments. I fully support this action. But if this initiative is to reach its full potential, mandate relief must also take place this upcoming year.

What this has done is magnify the fact that innovation and change must take place in the roughly 30% of the County budget that is not-mandated. The major non-mandated areas include:

- Sheriff Road Patrol
- Mental Health
- SUNY Ulster
- Golden Hill
- Department of Public Works

I think many folks believe there must be so much government fat and waste to cut, that any budget can be easily balanced with it. But at the county level that is just not true. As County Executive, my administration scours the budget for savings on a daily basis and we have already cut millions. The Legislature has its own Budget Analyst plus an independent auditor to double check. And let's not forget, we also have an elected County Comptroller whose job it is to look for savings. So the fact is we run a very lean organization.

The real question is, with all the challenges confronting us, how can we deliver essential services without breaking our taxpayers? The only answer: government must change!

In the midst of all these fiscal challenges, just over a month ago and from out of nowhere, came Hurricane Irene, our worst natural disaster ever. And then, a week later, came Tropical Storm Lee. Both of these events only served to complicate an already difficult situation.

Countless families were affected. Many lost their homes and still others have suffered untold long-term damage. Local businesses have taken a hit and some of our farmers have lost everything. As a County, our government now faces up to \$15 million dollars of additional infrastructure work.

Even with all these challenges, after seeing what I have seen and speaking with family after family, the truth is that I feel lucky. Thank God no one in our County lost their life. I want to say a special thank you to our Emergency Management personnel, our Sheriff's Office and DPW workers, as well as all of the amazing first responders from fire departments and EMS all around Ulster County.

The fact is, with all the challenges in front of us, it is no longer an issue of what we would like to do, or what we want to do. It has now become much more about what we must to do, especially if we are to continue delivering essential services. We have reached the moment that my administration has cautioned the County legislature about for over two and half years. The moment when powerful outside forces converge and the very idea of continuing the status quo is not even an option.

Despite all the reforms we have already instituted, local governments face very serious issues, most of which we do not control. The new State Tax Cap, though very necessary, has severely limited the options. In Ulster County we must add yet another factor to this volatile mixture. In spite of the valiant efforts from individual legislators, the Ulster County Legislature as a whole has been either unable or unwilling to address the major policy issues before them. When you combine this fact with all of the other challenges, you arrive at a point where something has to give.

If we are to understand just why major changes are needed now, we have to be honest with ourselves about how we got here. For years critical but controversial policy issues have gone unaddressed. County government was allowed to grow out of control into the largest employer in the entire County. As a community we are still paying the price: over \$6.8 million annually for the grossly mismanaged jail project. I know that to some this evaluation may seem harsh, but unfortunately, it is also true.

Thankfully Ulster County also has a track record of courageous leaders on both sides of the aisle: legislators who have transformed county government by passing a new Charter and strengthening our democracy with independent redistricting. For this, they should forever be commended.

But the fact remains, our work is far from done. We cannot stop with historic changes in the past or attempt to use temporary "Band-Aid" like approaches that mislead the public. In this year's budget, our legislators will have yet another opportunity to truly reshape County government. To help, we have created an innovative and transformational budget with real solutions but unfortunately, one that does not include easy answers.

Through it all, I promise straight talk and a commitment to leadership, because as a reformer, I know that answers exist. I do not believe in fear based political gridlock or pretending that everything just will magically work out. For Ulster County to thrive people of courage must now step forward, difficult decisions that have been avoided for years must be made, and as a community we must rekindle that very same spirit that lead us to restructure our entire form of government.

Even after all the streamlining we have done, New York continues to have some of the highest property taxes in our nation. This is why there is a tax cap. It is of no use dwelling on the fact that many of the forces that impact taxes are completely out of our control. That is beside the point. The point is to protect our taxpayers, to deliver essential services and to create an environment to compete in global economy.

This is why I am here to discuss much more than just the 2012 County budget. I am here to discuss a detailed plan that:

- Transforms County government
- Makes it more sustainable
- Acknowledges the fact that there is less money with which to do more work.

The cold hard truth is, in an era of decreasing State and Federal aid, plus an increasing demand for services, if we do nothing then a 30% tax increase would be required to fund operations. I will not allow this to happen, especially since I know we can design solutions. While some politicians may run from tough choices, I can assure you I am not that kind of elected official. I will do what is necessary to deliver essential services and protect our taxpayers. So, this budget is nothing short of transformational.

Before we discuss these changes, since this is the first year of the State Tax Cap- let's quickly review it. First, it is important to note that the tax cap is not going away, nor should it. Taxpayers in New York need protection. Our business owners also need the level of certainty that comes with a tax cap, especially if they are to invest, expand and create more jobs. The only thing that is missing to make this tax cap sustainable is fundamental mandate relief from the State.

There is a common misconception that the tax cap is actually 2%. According to State legislation, the tax cap is set using a complex formula. Ulster County's tax cap for 2012 is 3.08% or \$2.36 million on a budget of \$363 million. These details are included in your packets.

To put the \$2.36 million dollar tax cap into context: the required County contribution for DSS expenses alone have increased by over \$6.3 million, or almost three times the allowable tax cap. That will only cover one of the long list of State mandated services. You can clearly see why fundamental mandate relief is needed if the tax cap is to succeed in the long run.

As the County Executive, in addition to my ongoing commitment to taxpayers, I now have a legal obligation under the tax cap to deliver a budget at or below the cap. Therefore, reductions in other areas are now a must.

The tax cap law does have a provision by which the County Legislature can override it. With this provision they can dramatically raise your property taxes. I will not support this. After the recent hurricane our taxpayers are even less able to handle a big tax increase, not more. I believe we have an obligation to protect them.

Overriding the tax cap would require the passage of a local law, the conducting of multiple public hearings, and a 60% super majority vote of the County Legislature. This process was designed to be onerous on purpose, because property taxes in New York State are out of control. Even though I will remain open to alternatives and honest compromise, I will not be open to, in any way, shape or form, taxing people out of their homes.

To be clear from the outset, I will veto any attempt to override the tax cap. I will also veto any attempt by the Legislature to kick the can down the road. Ladies and gentleman, it is time for leaders to lead. The property tax increase for 2012 has been held to 2.49% and is .59% under our tax cap.

The main questions that remain are: with all of our challenges, how do we stay under the tax cap and how do we make sure essential services can continue? The answers to both of these questions are actually the same: County government must change!

The hard working men and women of Ulster County are fighting to make their mortgage payments, fighting to put food on their table, and now many of them are fighting to recover from a hurricane. All they are asking is for their government to make the same tough decisions that they are. The very idea of overriding a property tax cap, so politicians can cling to a status quo that they all know is unsustainable just does not make any sense.

My administration has already:

- Consolidated County departments
- Expanded shared services
- Maintained our strong bond rating
- Reduced the size of County government
- Lowered payroll by millions

while delivering more services today than ever before. The fact remains, it is not enough. Even though County operations have become extremely lean, the problems we face now demand fundamental changes.

To underscore the need for action, let's review the size and scope of what is in front of us. None of this is news; the details have been regularly reviewed with the Ways & Means Committee. The Legislature's own auditors told them of these challenges last year and there have been countless updates provided to various committees throughout the course of the year.

I want you to see the enormity of the gap between what is mandated by the State and Federal governments and how much less they actually provide in aid. Only 21.8% of the County's revenue comes from them, and that number is falling. Yet they mandate over 70% of our expenses, and that number is climbing.

In addition, to keep the Legislature fully informed, my administration completed an exhaustive review of these mandates at the request of the Legislature. We provided this data on November 5, 2010 and then updated it on March 8 of this year. Unfortunately, this valuable information has been ostensibly ignored by the very people who requested it.

Even though there are many wonderful legislators on both sides of the aisle, there are a troubling few who believe we are immune from the fiscal realities impacting every other county. They assume that finances just magically work out and tough decisions can be postponed indefinitely, without consequences. Those few legislators are completely wrong. Failure to take action in government can actually cost taxpayers a lot of money and result in the loss of critical services.

The good news is, in this budget taxpayers are protected, services will be delivered and County government will become more sustainable. To do this will demand both policy and operations-based decisions. Areas the County's Charter clearly defines. Our Legislature establishes policy and the Executive handles day to day operations. There is one major time during the course of the year that these two distinct roles intersect, at budget time. There is a simple and very practical reason for this, each and every policy must be paid for. Therefore, during the budget process policy and operations absolutely converge.

I would like to discuss some of the initiatives included in the 2012 Executive budget. First, I believe that the safety of our citizens must always be our number one priority. For this reason, included in this budget is funding for an additional criminal prosecutor, specifically dedicated to battling drug and gang crimes within the City of Kingston.

I want to be clear. My administration will not sit back and let criminals take over our streets. I have always believed that if our County is to thrive, the City of Kingston must also thrive. If the City of Kingston is to thrive, it has to be safe. That is why, in addition to adding this prosecutor and even with all of our financial challenges, we have also provided sufficient funding to make sure that not one Sheriff's Deputy is laid off. I am committed to supporting safe streets, whether in the City of Kingston or any other part of this amazing County.

Additional good news is the fact that sales tax revenues in Ulster County appear to be stabilizing. We have conservatively projected sales tax for 2012 at \$85.2 million (\$85,215,842). This increase of only 2% is in recognition of the serious national economic conditions.

From a fund balance perspective, as you can imagine, we have identified 2012 as a period of significant need. As we transform to a more sustainable organization and to protect our property taxpayers in the process, we have allocated \$10.85 million from the general fund balance to offset expenses. This is \$1.15 million less than last year.

The estimated general fund balance for 2011 started at \$22.99 million. As a result, there is now \$12.1 million left, or only 4.28% of the general fund. As I said at the beginning, our 2012 budget was created in a fiscal environment unlike any in our County's history. I am firmly committed to rebuilding our County's fund balance through continued multi-year planning.

To create these future savings that will multiply, we have to embrace innovative solutions to existing problems. I firmly believe that shared services will play a pivotal role in the evolution of government. As a County, we have been working hard to expand these in the areas of

snowplowing and road maintenance. For shared services to reach their full potential, they have to expand. In this budget I would like announce savings from an agreement with the New York State Attorney General's office.

There has been a certain level of duplication between the Attorney General's Consumer Fraud Bureau and the County's Consumer Fraud Bureau. To eliminate this, the State Attorney General's office has agreed to handle all of the consumer complaints from Ulster County. We will transition this entire function to the Attorney General, which they have already done in other counties.

To ensure continuity, the current phone number will remain unchanged and my administration will continue to coordinate with the District Attorney's office when required. With this action we have cut department spending by over \$162,000 a year without significantly impacting our citizens.

I would like to discuss the operation of our Mental Health Department. In this budget, we continue with our realignment of the Health Department and Mental Health operations. An important fact to understand is that finances in the field of mental health have been dramatically changing. Third party payers like Medicaid and Medicare, as well as private insurance companies, are no longer paying for anything but medically necessary services.

Around the State, Medicaid rates for county operated mental health clinics are being reduced while the rates for private not-for-profit providers are being increased. As a result, many county-owned clinics around the State have closed. Though our current model is unsustainable, I have been able to shield both the majority of the workforce and our clients from the complexities of a major transition, for now. To control costs, this budget does make other much needed changes.

In this environment I would like to offer some serious words of caution: unless the New York State Legislature advances fundamental mandate relief, they will be placing critical, but non-mandated community services in grave jeopardy. In the long run, a tax cap without fundamental mandate relief is nothing short of irresponsible.

Since I always believe in streamlining government operations, there are actions that I can and will take: cuts that do not negatively impact clients, but do make County operations more efficient. As we continue aligning the Mental Health and the Health Departments, we will reduce some overlapping administrative positions over the course of 2012. On top of this, 11 previously funded but vacant positions will be eliminated from our Mental Health Department.

Ulster County government will also no longer directly provide chemical dependency services. We are fortunate to have other options. The "Bridge Back" at Kingston Hospital can expand its services and meet any additional demand. This action removes \$1.12 million in payroll this year, with absolutely no drop off in services. These actions impact eight employees in the chemical dependency area. They will be placed on a "preferred list" for future County employment, a process we have successfully utilized in the past to help mitigate the situation.

We should also remember that these types of programmatic changes are not only needed as we transform to a more sustainable organization, they are not without precedent in Ulster County. We have already done the exact same thing earlier this year.

We ended the direct delivery of services by Ulster County's CHHA or Certified Home Health Agency. We did this because there were excellent outside organizations providing the exact same service. My administration appreciates that taxpayers can no longer afford for every single service to be delivered directly by County government, especially when there is an alternative.

That philosophy is exactly why my administration proposed the sale of our CHHA. It is also why our Legislature agreed. We are selling our license for \$1.4 million, plus- our taxpayers now save almost three quarters of a million dollars more per year, since that is what it previously cost to run the program. The best part is that access to high quality care for people in need has not changed one single bit.

As we respond to the new financial paradigm plus insure that we can still invest in our future, one thing has become glaringly obvious: government must continue to change. I would like to discuss the very sensitive subject of Golden Hill. I want to begin by making one thing crystal clear: my administration is fighting to keep Golden Hill open.

The debate, for as long as I can remember, has focused on whether Golden Hill should be public or private. The reality is, with growing fiscal problems, infrastructure issues and Legislative inaction; we are now at the point where, if a solution is not implemented quickly, the discussion will no longer be about public or private but instead about open or closed. The inaction of the Ulster County Legislature has taken us to the brink of closure. I want to repeat, my administration is fighting to keep Golden Hill open.

I believe everybody on all sides of this issue really want seniors in need to have access to high quality care regardless of their ability to pay. Unfortunately, this emotionally charged debate has often been misrepresented, sometimes intentionally, as some sort of litmus test of whether or not you care about seniors. That is ridiculous. This inaccurate and irresponsible framing of the question is precisely why political gridlock has surrounded this issue for years.

The real question before the Legislature, which has always been the question: does County government need to own and operate a nursing home for seniors to get high quality care or are there other options?

During this discussion we must acknowledge that many are deeply concerned about loved ones at Golden Hill. And hard working employees are understandably anxious about their jobs. As County Executive, and as a human being, I understand. As someone whose grandmother spent her last days in a nursing home, I understand. It is with all this weighing heavily on my mind that I face my responsibility to keep this nursing home open. Now let's take a look at the issues before us.

Golden Hill has skyrocketing and completely unsustainable projected operating losses for the next five years. Add to this total the debt service and bonding costs on a \$60-90 million capital project, and that is assuming the State reimbursing us for 75% of our construction costs which is not guaranteed. If we do not get that reimbursement, then the five year total could jump to a staggering- \$79.2 million. That is just for five years.

What all this means is that regardless of the set of figures you use, not only is our facility deteriorating but without major changes now Ulster County taxpayers are looking at astronomical property tax increases or the elimination of countless essential services. I cannot and will not allow that to happen.

The urgency of this problem is being magnified by the fact that individuals 65 years and over now make up the fastest growing part of our population and will double in size in the next twenty years. It is for this reason my administration believes we actually need more skilled nursing home beds and more senior services, not less. To help in this effort, I have issued a letter of support to the State Department of Health calling for more nursing home beds to be located right in Ellenville. Not at the expense of beds in Kingston, but in addition to them. If we do not act quickly, we are running the risk of not having any of them at all.

We should also note that we are not alone. Orange County is struggling with an extraordinary \$19 million budget subsidy. As a result, they recently announced the end to all taxpayer funding for their nursing home by July of 2012. This means the potential lay-off of over 425 employees and the potential displacement of 325 residents.

Our neighboring counties of Dutchess, Delaware and Greene no longer have their nursing homes and Westchester has closed its nursing home. There are many more. My biggest concern as County Executive is that our nursing home, because of legislative inaction, could end up closing. As a result, our community would lose much needed nursing home beds.

To anyone who does not think that is a possibility, I want to point out the most frightening example of all: Suffolk County. Its almost new facility is now slated for closure. Suffolk County offers a particularly cautionary tale since their legislature balked at a \$36 million sale. Now there is not enough money to keep the facility open. That is unconscionable.

Suffolk County residents could lose access to those nursing home beds and it did not have to happen. The taxpayers did not have to lose this revenue, workers did not have to lose jobs and residents and their families did not have to be impacted. This happened because supposed leaders refused to accept financial reality.

Remember, I have given the Ulster County Legislature over two and a half years to take action and up until now they have decided nothing. In fact, in Ulster County some have said we need to stay in the nursing home business no matter what the cost. There are still others who have said that the county has a moral obligation to run a nursing home.

I can appreciate the sentiment, but if that is true then we have an even bigger problem because there are 1099 skilled nursing home beds in Ulster County and 819 of them are not run by County government. The vast majority of these residents, in both public and private facilities, are paid for through Medicaid. If we have a moral obligation for the 280 government run beds, then why don't we have a moral obligation for the other 819 people living in other nursing home beds all around Ulster County?

The fact is that Golden Hill is the only facility that Ulster County taxpayers now have to pay for twice: once through the taxpayer funding of Medicaid (the same as every other nursing home)

and then again through the salaries and benefits of a government staff. Plus we have to maintain the facility.

Since this is one of the most serious issues we will ever face, I believe it is too important to be decided by or manipulated by the special interest group that yells the loudest. Therefore, before we proceed I would like to take a moment and discuss just some of the myths I've heard surrounding Golden Hill.

Myth #1

If the county nursing home is sold our current residents will be displaced.

Fact

This is simply not true. I want to reassure every resident and their families that no resident will ever be displaced as long as we are able to keep the facility from closing.

Myth #2

Any sale would result in all the employees being out of work and local unemployment skyrocketing.

Fact

This is not true. I would only support an agreement in which the vast majority of the workforce would remain employed. Also, in the event of a sale, current workers have the right to organize under New York State Law. The truth is, as long as we can keep it open, not one worker at Golden Hill is slated for layoff in 2012.

Myth #3

People on Medicaid will not be able to get into a non-government run facility.

Fact

This is not true. In New York, it is actually illegal to discriminate entry into nursing homes based on payment method. The surprising truth is, there are actually more combined Medicaid residents at Ulster County's private facilities than at Golden Hill.

Myth #4

Residents would somehow receive lower quality care at a non-government run facility.

Fact

This myth is particularly offensive. The New York State inspection records for nursing homes in Ulster County do not support this claim at all and neither do the Federal records. I encourage you to view them yourself.

Public and private nursing homes must meet the same high standards. The myth that quality care is only available at Golden Hill is a huge insult to both the workers at the other facilities, most of whom are Ulster County residents by the way, but worst of all, it is an enormous insult to the families of the 819 residents not staying in Golden Hill. As if somehow they would place their loved ones in jeopardy at a facility with substandard care. There is no question that the staff at Golden Hill does a tremendous job, but so do the staffs at other facilities.

And there is one more myth, that everything can stay the same. As I said earlier, I'm fighting to keep Golden Hill open. With that in mind, we have explored countless options.

Option #1 - We examined ways to partner with our towns, especially since a few towns, as well as the City of Kingston weighed in on this "County" issue by passing local resolutions calling for the continuation of the status quo. Unfortunately, these same boards did not offer any monetary assistance.

A partnering option would involve a per-resident charge to each municipality where the individual originally lived. The charge would be used to help offset the County's nursing home expenses. When we ran this scenario we quickly saw the magnitude of the problem. Many towns, roughly seven, would pay nothing since they do not have any residents at Golden Hill. But a few municipalities would see massive additional expenses. In this scenario, the Kingston government would be charged roughly- \$2.5 million annually, resulting in an additional 11% added to Kingston's taxpayers' bills every year.

Since I am committed to protecting all of our taxpayers throughout Ulster County and the State Tax Cap applies to all municipalities, this option is simply not viable. As such, it is not included in this budget.

While we were analyzing this option, we discovered a curious fact: when compared to all of our towns, the third largest users of Golden Hill's beds are individuals who are not even from Ulster County, even though these beds are directly subsidized by Ulster County taxpayers.

Option #2 - The next alternative we explored was givebacks from the CSEA union to offset taxpayer costs and maintain the status quo. This too does not address the underlying issues at Golden Hill and salary and benefit give backs would need to be so substantial that it is not practical. (See chart in presentation.) I do not support this option either.

Option #3 - The third option is to continue operating the facility and approve a massive capital project. The truth is that this is not even a viable alternative. It would not only create an \$8 million budget shortfall this year, this problem would be multiplied by millions of dollars every year going forward. And it would require the elimination of a long list of critical but non-mandated programs in Ulster County. This means that it is not a realistic option either.

Option #4 - The fourth option would be to significantly raise your property taxes. Not just this year but for many years to come. I would not even consider this.

None of these options actually solve the underlying issues at Golden Hill. That is the reason why every unbiased evaluation has ended in the exact same place. Whether it is The League of Women Voters; Professor Gerry Benjamin, the author of our Charter; Jonathan Drapkin of Patterns for Progress; or the editorial boards of virtually every daily newspaper in our area, the fact is the taxpayers of Ulster County can no longer afford to own and operate a nursing home, especially when there are other high quality options.

To protect our residents, keep the facility open and make sure that these jobs remain in our community, we have designed a two phase plan that transitions Golden Hill from an under-

funded, government-operated nursing home with no clear plan for the future into a non-government run private community facility, just like the other 819 nursing home beds throughout Ulster County.

This innovative plan has been vetted by a highly qualified team to insure that our residents are protected. It also overcomes one of the biggest challenges associated with transitioning out of a government-run facility: the 20 to 24-month State licensing process. It does this through the creation of an LDC or local development corporation. This financial vehicle is one of the only tools available that allows County government to protect our taxpayers now and realize the savings associated with a multi-year plan.

It allows for specific bonding that acts as both a shock absorber for our taxpayers and it functions like a bridge until future savings from this and other budgetary actions can kick in. Once a sale has been finalized all of the bonds are paid off by the purchaser, not the taxpayers.

Additionally, any excess proceeds from the sale go directly to the County to help offset future property taxes. Not only is there current benefit and future benefit, there is also no long term bonding obligation for the people of Ulster County.

Now as hard as this decision is, this plan is by far the best way to keep Golden Hill open. We should make no mistake; the future of this facility is at risk. The only thing that could force the closure of Golden Hill now would be if the Ulster County Legislature fails to adopt this plan.

Phase one of this plan involves the creation of the LDC, LDC bonding and a lease back to the County to do operations. This entire process will take over a year and will be seamless to both the residents as well as our employees. All parts of phase one are completely seamless because no change in operations takes place. Golden Hill remains fully funded for 2012. This includes the \$5.6 million County contribution, a figure that is growing fast. It is also critical to point out, Golden Hill's future funding is completely contingent on the LDC option.

Phase two involves the LDC identifying a buyer for the facility, which would need to be approved by the State, then ultimately a sale. Following the completion of this transaction, the LDC would then be dissolved. I expect the board of the LDC to include appointees of the County Executive plus appointees of the County Legislature.

There are handouts available that detail this plan and provide a significant amount of additional information. I will also provide access to experts in the field for everyone to ask questions. But to summarize, this plan will most importantly:

- Keep Golden Hill open
- Keep these jobs in our community
- Guarantee access to quality care for everybody, regardless of their ability to pay
- Eliminate the need for a taxpayer funded \$60-\$90 million capital project
- Eliminate millions of dollars of ever-increasing annual subsidies
- Provide a major source of additional revenue to the City of Kingston during this time of great need, since the property will likely go back on the tax roll
- Create significant additional construction jobs for our local economy when the new owner ultimately builds a new facility or renovates the current one

- Protect taxpayers and greatly help with long term sustainability.

There are actions the current County Legislature must take in order to make this a reality.

- They must vote to transfer the facility to the LDC so taxpayers will be protected against any state licensing delays, and
- They must vote to complete the lease-back agreement that continues operations seamlessly for both employees and residents.

Included with this budget are all the pieces of legislation required to do exactly that.

Because the times we are in are so serious, I want to be extremely clear about the consequences of gridlock or inaction. If this current Legislature fails to take the necessary steps to fully implement this plan:

- First, taxpayers would face a huge and completely avoidable tax increase, with the Legislature having to override the tax cap as well as my veto.
- Second, Golden Hill's operating losses will continue to spiral out of control and our facility will continue to deteriorate, inevitably placing our residents at risk.
- Finally, if this Legislature chooses to do nothing, since there is not enough money to keep Golden Hill open without the LDC option, the Ulster County Legislature through its inaction would be bringing the closure of Golden Hill into play. That is totally avoidable.

But there is more, if the Legislature fails to act there would be such a loss of revenue that draconian cuts would then be required to non-mandated areas like

- The road patrol
- The community college
- And other valuable programs.

I am imploring the Ulster County Legislature to avoid this and join me in both saving Golden Hill and transforming County government for the future. To insure there is no confusion, there are only three choices left for the current County Legislature:

1. Vote for a big tax increase that does not solve Golden Hill's problems
2. Do nothing, which will result in a major loss of revenue and the unnecessary closure of Golden Hill, plus devastating cuts to the road patrol and our community college or
3. Join me in saving Golden Hill, protecting our residents and keeping these jobs in our community.

There is no fourth option.

I would also like warn anyone who would consider draining our already tight fund balance in order to cling to the status quo for just one more year.

- First, this would not address the structural problems facing the County's finances
- Second, this type of move would eliminate future savings included in this budget and cause our bond rating to plummet

- Third, and maybe most importantly, you would be virtually guaranteeing the closure of Golden Hill, the end of the road patrol, as well as crippling cuts to our community college and many other operations in 2013.

Legislative inaction may have brought us to this point but there is still time for this Legislature to make tough decisions, rewrite their legacy and save Golden Hill. Because even though there is no question this decision will be difficult, it is nothing compared to how difficult and deeply personal the decision is for families- who must transition a loved one into a nursing home. And I believe we have a duty to create certainty for those families, especially if we are to show the kind of respect that our seniors so richly deserve.

It is with our seniors in mind that I ask; Can we please put an end to the inflammatory rhetoric that has surrounded this issue for years and take action? The only question remaining is, Will the Ulster County Legislature bow to the political pressure of special interests and harm the very people they are supposed to serve or will they have the courage, vision and political will to do the right thing? I have faith that they do. While some may talk about saving Golden Hill, the truth is that this plan is the only one that actually does.

In conclusion, I would like to go back to where we started. In spite of everything, taxes are too high in New York State and the only way to fix that is: Government- must change!

- Sheriff Road Patrol (If cut the service will be gone.)
- SUNY Ulster (If cut the service will be gone.)
- DPW (Cut \$2.3 million last year and more streamlining done this year.)
- Mental Health (Cut over \$1.12 million in payroll and services continue.)
- Golden Hill (With the LDC plan, the services will continue.)

With this budget, services in all of these areas will continue and the vast majority of the jobs will remain in our community. In this budget:

- Strengthen our fight against both drugs and gangs with an additional prosecutor
- Save money by expanding shared services with the Attorney General Office
- Assure chemical dependency services are available for people in need
- Further streamline our DPW
- Provide a compassionate alternative that makes sure Golden Hill stays open.

Ladies and Gentleman, dramatic changes are happening everywhere because taxpayers cannot afford government as unusual. Simply put, this budget better positions our County to compete in an ever changing global economy, something that is crucial if we are to attract more businesses and create more jobs.

What is needed now is a frank discussion. Is this really about caring for our seniors? Or is it about the County remaining the largest employer around? Is this really about jobs? Or is it about government jobs? And is it really about delivering high quality care or is it about clinging to the status quo no matter what the cost?

In the end, assuming our Legislature acts responsibly, the nursing home is going to stay open, services are going to continue, taxpayers are going to be protected and the vast majority of our employees are going to remain employed.

When you leave here today I ask that you remember not only that government must change but why government must change: the old system was broken, completely unaffordable and we can do better. This much-needed change does not only have to mean fear and anxiety, it can actually mean opportunity and improvement.

Let's not forget, we are the United States of America, and the way we became the greatest country on the face of the earth was through the combination of bravery, innovation, hard work and change. As a nation, we have been reinventing ourselves for over 235 years. It is what we do. Why wouldn't we continue?

If Ulster County is to remain the finest place anywhere to live, work and raise a family, and our nation is to deliver on the promise of a brighter future, then it is time for all of us to embrace the idea that it is not about Democrats or Republicans. It is about all financially responsible people standing as one and it can start right here and right now in Ulster County New York.

Thank you very much.