

## 2015 Ulster County Budget

Ladies and gentleman, good afternoon and thank you for joining us. I know a highway garage may seem like an unusual place to host a County budget presentation, but I can assure you our reasons for being here will soon become very clear. In fact, with investments in our infrastructure, our people and the future, the 2015 Ulster County budget has the potential to be truly transformative. I am pleased to stand before you as the County Executive able to say that this budget:

- Puts hard earned money back in the pockets of our taxpayers;
- Improves access to the American dream for our citizens;
- Helps level the playing field by providing even greater opportunity;
- Creates more jobs and helps our economy; and
- Moves Ulster County's financial condition much closer to sustainability, something that for most local governments may seem inconceivable right now.

Because my administration has been able to deliver major reforms while still ensuring more services than ever before, and protecting our taxpayers in the process, by any measure of any organization anywhere, the reform agenda we collectively began back in 2009 is working. As a result, Ulster County is quickly becoming a model of good government around the entire State of New York. Having said that, I want to be clear, we still face enormous challenges and irresponsibility now could undo all of the progress we have made so far. But the fact remains, by partnering with our Legislature and with the support of our amazing citizens, together we have moved County government light years from where it was prior to our Charter, when we were teetering on the brink of bankruptcy.

What is just as important to me is that you know exactly why my administration is so focused on fiscal responsibility. At its core, it is about helping people. If the government isn't managed well or it wastes your tax money, then there won't be enough money to provide essential services and help people in need. To avoid this problem, my administration has chosen to reinvent county government and not shy away from the tough choices, just because they may be controversial. As a result we have saved millions.

In the 2015 budget we are able to expand critical programs that can help people in need like never before, programs like domestic violence prevention, with more counselors to help victims at a time when they need it most. Plus a 30% increase in funding for Special Advocates to help children during traumatic Family Court cases. We are able to fund critical winter warming centers for those who have no place to turn and we are also providing more case workers for our senior population that is growing every day.

In fact, by being fiscally responsible, we are also able to expand on our tradition of environmental stewardship with electric car charging stations, plus a pilot program for hybrids as well. On top of that, we are investing in efforts that move high-speed broadband closer to reality for everyone. By being fiscally responsible, we also have the money to invest in top priorities like doing right by our Veterans with greatly enhanced services, plus the "Patriot's Project" and a long overdue monument to Ulster County's fallen heroes. Last but definitely not least, because Ulster County government has chosen to be more fiscally responsible over the past six years, we have been able to protect our taxpayers with a series of property tax cuts while still ensuring more services than ever before.

My administration has always viewed the County budget as so much more than just numbers on a page. We see it as a critical road map that helps our community set its priorities and fund valuable programs for everyone, especially those among us most in need. Whether it is a mother trying to feed her child, or a homeless Veteran looking for a safe place to lay his head at night, it has always been about helping people. Whether it is our Meals on Wheels program that for many seniors may mean their only human contact of the day or our commitment to ensure quality mental health care for those in need in spite of State aid cuts totaling over \$8 million, we know that Ulster County budgets done right can make a huge difference in the lives of our citizens. Together with our amazing workforce, we are delivering on the promise of our Charter.

I find it remarkable that together with the great people of Ulster County we have accomplished so much while still overcoming obstacles like the largest financial crisis since the Great Depression; the worst natural disaster in our history; and the unnecessary loss of \$5.4 million in State sales tax revenue, something that would have crippled most other governments.

I can assure you, in Ulster County we are not like most other governments. And we know full well that reforming a government is not supposed to be easy. There will always be a few politicians in any community who will undermine responsible budgets for political gain. When I think of our challenges, I do not think of the politicians or even how unfair the challenge may be, instead I think about the great people of Ulster County and their opportunity for a better future. That provides all the motivation we need.

With this budget we have ensured all the essential services our citizens both need and rightfully expect to be available, plus we have designed creative and powerful initiatives to address critical areas like

- Education and job training to improve access to the American dream for everyone;
- A \$10 million dollar infrastructure overhaul called Building a Better Ulster County that helps address a looming national crisis, before it is too late and while it grows our local economy; and last but definitely not least
- A comprehensive Taxpayer Protection Plan that reduces the burden on hardworking Ulster County families now and long into the future.

Let's take a moment and talk about education and job training. First, I believe we as a nation must come to terms with the uncomfortable truth that access to the American dream is not always equal. For some the hope of a better job, a better education and a better way of life for both themselves and their children remains exactly that: only a dream. For this reason, in this year's budget we have included a number of actions designed to improve access to higher education for everyone, plus provide valuable job training and real jobs for people in need.

To begin with, exorbitant college tuition costs and crushing student debt are blocking far too many Americans from accessing higher education. But the one shining exception has always been our community colleges. Unfortunately, New York State has woefully underfunded its financial obligations to community colleges. In the process they have placed a growing burden on county governments and worse yet on our students and their families. Last year, working with our Legislature, we designed a creative solution that offset potential tuition increases with County rent reductions and the net effect was that there was no tuition increase at our community college this year.

Unfortunately, as we approach 2015, New York State has continued to underfund its obligation. In order to protect SUNY Ulster's students and their families, we have brought forward yet another solution. I have

included in the 2015 County budget an additional \$120,000 for SUNY Ulster which virtually guarantees there won't be a tuition increase for our students again next year. I also want to take this moment and urge our State officials to match our overall contribution. Together we can lower tuition costs for our students and their families and provide even greater access to the American dream for everyone.

For those of you who may not know, Ulster County already provides over \$6 million to our community college annually. In fact, we are one of the top contributing counties in the entire State. With our new STRIVE Project designed to further enhance access to higher education for inner city youth, Ulster County has demonstrated that we are deeply committed to education.

I know that for others, the American dream still remains elusive. Even though Ulster County's unemployment numbers are down and we have recently ranked as high as number one in the State for private sector job growth, for some the recession has not ended. We must continue to design new solutions. For those who receive public assistance from DSS and who may be chronically unemployed and seeking greater opportunities, we have designed a pilot program called the Career Ladder. This is a greatly expanded program with significant County funding to fill in the gaps between State and Federal dollars and truly provide a hand up to those in need.

Each participant will be provided a 91-day, 100% paid real work experience at participating local businesses as a precursor to full-time employment. They will also be receiving training and financial literacy skills, as well as have barriers like childcare and transportation removed. This is all done through a partnership with local employers that can lead to a better future and permanent employment, with the ultimate goal of helping our neighbors-in-need into the workforce and out of the system.

I believe that as a County we have an obligation to lead by example, which means being honest about problems and being committed to real solutions, especially the ones that move the government workforce closer to resembling the demographics of our entire County. When I first took office there was a grossly disproportionate gender gap within management positions in County government. In fact, leadership positions were simply dominated by men. By eliminating cronyism and running an administration that values what you know over who you know we have shattered a glass ceiling that had existed for decades. In fact, today there are more women in decision making positions within Ulster County government than men.

It is also important to me personally that each and every citizen in Ulster County views municipal employment as a viable career path available to everyone whether they choose that path or not. To do this we must ensure that the members of Ulster County's minority communities also see opportunity where invisible but very real barriers may have existed in years past. So in this budget I have provided significant funding, specifically dedicated to expanding our recruitment and retention efforts within Ulster County's minority communities, not just to impact County government today but also to impact the hiring pool for all government employees within our civil service region for decades to come.

Leading by example also means that we have an obligation to do everything in our power to ensure high quality living wage jobs are available within our community. With this budget, we will include legislation providing apprenticeship language for all bridge construction projects over half a million dollars. This language will ensure that responsible contractors bidding on qualified County bridges will help train the next generation of high skilled local tradesmen. This action will help ensure enough well-trained local workers are available to take on the monumental task of rebuilding Ulster County's infrastructure and the infrastructure across our great nation.

As we all know, well maintained and regularly upgraded roads and bridges are essential if we are to keep America great. Unfortunately, this critical infrastructure is deteriorating across our great nation and as we speak, instead of passing the traditional five-year Federal Transportation Bill, the United States Congress instead settled for a grossly insufficient one year band aid. At a time when we need this investment most, the Federal government's infrastructure spending has now fallen to its lowest level in relation to GDP in the last 20 years. The real problem is, we cannot wait any longer.

The incredible infrastructure built in the 50s and 60s is now approaching the end of its design life. The truth is, America's roads and bridges are failing at a rate faster than they are being fixed. We have all seen the consequences, with horrific tragedies like failing levies in New Orleans and a bridge collapse in Minneapolis that killed or injured over 150 people. Closer to home, we have seen this on our own New York State Thruway, when a bridge collapse in Montgomery County killed ten innocent people and virtually shut off upstate New York.

In Ulster County, we have seen this too, with the Herbert Poppel Bridge in the hamlet of Kerhonkson. This particular project was costly and would have required tough choices, so it kept being postponed, not once or twice but for 14 years until one day a State bridge inspector had no choice but to red flag it and suddenly it was closed. This wasn't just an inconvenience; it was nothing short of a full blown crisis for the people of Kerhonkson. Their fire and EMS facilities were on one side of the bridge and a large number of the population was on the other. This bridge closure created a potentially deadly delay in emergency response times and it was completely avoidable. The people's safety had been compromised because government didn't work.

One of the first things my administration did when I came into office was immediately design a solution that fixed this critical community link. I am very pleased to say that the great people of Kerhonkson now have a well-engineered, beautiful new bridge that will last for generations. Our goal was to fix it once and fix it right, and thanks to our DPW we did.

Since I have taken office, in an effort to avoid situations like this, we have partnered with our Legislature to address a number of desperately needed projects. Our DPW has been nothing short of extraordinary: delivering project after project ahead of schedule and under budget, including rebuilding critical infrastructure after Hurricane Irene, Tropical Storm Lee, Super Storm Sandy, and some of the toughest winters ever.

The truth is there is still so much work left to do. In addition to DPW's great accomplishments we have also partnered with other contractors to create a multiplying effect. We should note infrastructure projects also act as a major economic engine. In fact, our infrastructure spending over the past five years is responsible for the growth of over 100 high quality jobs and millions of dollars in positive impact on Ulster County's economy.

Even with all the work we have done, there is still an overwhelming amount left to do and massive amounts of hard-to-find dollars are needed to pay for it. Let's take a moment to look at the gravity of the situation. Did you know that Ulster County is responsible for the maintenance and replacement of over 423 miles of County roads? That is the equivalent of driving from New York City to Buffalo plus 50 miles more. We are also responsible for 158 bridges and hundreds of box culverts. Though you may never notice these box culverts, they are extremely important as they move large amounts of storm water under our roadways.

What you see on the slide are the remnants of what were previously a quiet country road and a single box culvert. When Hurricane Irene hit, it tore a 30 foot deep and 50 foot wide canyon into County Route 47,

requiring us to install an entirely new bridge where a box culvert had previously been, at a cost of almost three quarters of a million dollars.

In fact, the cost for fully maintaining our infrastructure is astronomical. But the cost for avoiding this responsibility is even higher. What is dramatically increasing our level of concern is the fact that our typical bridge's lifespan is 50 years and the average age of an Ulster County bridge is now over 42 years old. Add to that the fact that we need upgrades in our road systems to support greater traffic loads, increased pedestrian usage, and the care and replacement of those hundreds of box culverts. The fact is, if we are to begin reversing this troubling national trend and avoid costly and dangerous breakdowns in the future that undermine our economy, we have to dramatically increase infrastructure funding right now.

I would like to take a moment and discuss an unprecedented initiative in this year's budget, one we are calling Building a Better Ulster County, a multi-million dollar infusion of money to greatly expand, repair, upgrade and replace. This is a plan that will super charge infrastructure across our great County while it grows our local economy and a plan that will help us better prepare and protect our valuable infrastructure from the next natural disaster, though we pray it never comes.

With our Building a Better Ulster County initiative, we are utilizing significant one-time revenues to create a much needed \$3.5 million "Special Infrastructure Investment Program" to leverage and jumpstart over \$10 million in critical infrastructure projects across Ulster County in 2015 alone. This will allow us to take important steps towards turning around this local portion of the huge national infrastructure crisis before it is too late. While most other counties are only beginning to worry about their deteriorating infrastructure, in Ulster County we are doing something about it.

Our history of fiscal responsibility has put us in the unique position to provide a critically necessary and unprecedented infusion of County funds. Though it is not enough to complete the job, it will make a significant dent in the problem. But our infrastructure needs are massive and the unavoidable truth is our County's recent loss of \$5.4 million in sales tax revenue has hindered our ability to address all the infrastructure needs that now face our citizens. We are not alone. I am sure the City of Kingston's infrastructure needs could have greatly benefited from the \$600,000 they lost as well.

While we address these issues with the resources that we do have, we are also committed to protecting taxpayers and not taxing them out of their homes. The last budget initiative I would like to discuss today is our comprehensive, multiyear, multi-government Taxpayer Protection Plan. It has a number of facets that together are designed to deliver real and meaningful property tax relief for the great people of Ulster County. These components include:

- Qualifying Ulster County taxpayers for New York State rebate checks;
- A County property tax cut for 2015;
- The creation of a Property Tax Stabilization Reserve to protect our taxpayers now and in the future;
- A commitment to a 2016 County property tax cut;
- The real potential for a town property tax cut from the \$13 million of Safety Net relief we provided, including \$7 million in this year's budget alone; and
- An exciting election cost rebate plan for town and city governments.

Now I would like to discuss exactly how we have helped qualify Ulster County property taxpayers for rebate checks from the State of New York. This year, Governor Cuomo's administration designed legislation with an exciting taxpayer relief component, one that would provide tax rebate checks directly to qualified New York property taxpayers. But with this legislation there was also a catch, rebate checks would only be made available to residents who live in municipalities that meet certain criteria and raised their property taxes only to the tax cap limit. In effect, that meant counties that raised property taxes up to the limit would be eligible for rebate checks, but counties that either held the line or lowered property taxes were ironically not eligible.

Unless the legislation was altered, our taxpayers would not have qualified for these tax rebate checks. I went to Albany and advocated for change on your behalf. I want to thank State Budget Director Robert Megna for being so open to our concerns and for redrafting this legislation to allow counties like Ulster to qualify. As a result, our residents are now eligible for both a local property tax cut and a property tax rebate check from the State as well!

By embracing innovation, constant belt tightening and an amazing workforce we have once again been able to reduce County spending by \$1.67 million in the 2015 budget to help our people, while still ensuring more services than ever before. Because of that and with a deep appreciation and respect for our homeowners and small business owners too, I am proud to say that we have once again designed a budget that provides the great people Ulster County with a real property tax cut of over three quarters of a million dollars or one full percent for 2015.

That means because the reform based agenda is working, your County tax levy has been reduced again! That means more money in your pocket, more money to pay the food bill, more money to help a senior stay at home, and maybe a little extra money to help offset your heating bill this winter too. We have done all this and using strong management, we have also rebuilt our general fund balance to the level recommended by the New York State Comptroller's Office.

The 2015 Executive Budget also establishes, for the first time in Ulster County's history, a responsible \$1.5 million Property Tax Stabilization Reserve to protect County residents from unpredictable fluctuations in County taxes. On an annual basis or as required, funds will be placed into this Reserve for the sole purpose of guarding taxpayers against unforeseen increases like escalations in unfunded State mandates or even the impact of another dangerous sales tax blockage.

In fact, these tax stabilization reserves are precisely the kind of responsible "best practice" that the State Comptroller's Office and our bond rating agencies have recommended for all county governments, but that so few are able to achieve. Because of our actions, not only have we earned a bond rating upgrade, but in the Fiscal Stress Test Report issued by the State Comptroller's Office that examines the financial stability of all municipalities, they have ranked Ulster County as the number one most financially stable County in our entire region.

Because of our multi-year strategies, we are also able to announce an unheard of component in our Taxpayer Protection Plan: assuming this budget remains intact, and that is a big assumption, there is an unprecedented second year property tax decrease commitment not just for 2015 but for 2016 as well. That means for four years: 2013, 2014, 2015 and 2016 the County property tax levy - the amount we actually collect from our hardworking taxpayers - has decreased for the great people of Ulster County. It is hard to find any government anywhere that is able to say that.

As exciting as these efforts are, there are still three unpredictable factors that could stand between you and a multi-year property tax decrease:

1. The County Legislature must maintain its current spending restraint and continue to partner with my administration;
2. The State of New York cannot drastically increase mandates or block future sales tax revenue; and
3. We must be spared from devastating natural disasters and emergencies.

Barring issues like these, what this plan does is, assuming we can all work together, the taxpayers of Ulster County can now count on a reduction in their County property taxes for the next two years in row. That is just the beginning. All of our hard work, belt tightening and reform now has the potential to reduce your town taxes too.

Today is a special moment in time in which we celebrate the culmination of a \$13 million Safety Net relief plan that my administration designed back in 2012. It was created to help our town and city governments, but more importantly, it was created to help our shared taxpayers. This three year phased in plan I am proud to say also solved decades of gridlock within our County Legislature. What made the Safety Net takeover such a success was not the fact that it was phased in over three years. It was the difficult internal spending choices that freed up the \$13 million needed to pay for it. Plus the structural changes needed to cover the \$7 million in annual relief we will provide to our towns and the city now and long into the future.

I urge our town officials, especially those who have received the most, to use this enormous financial windfall to help lower town property taxes for our shared constituents. Unfortunately, to date far too few have been able to do so. I am sure there are a multitude of reasons, but sadly, there is even a report of a Supervisor repurposing this relief to give himself a raise.

To ensure maximum transparency on the information insert that is included with your property tax bill each year, we have created a special section specifically dedicated to highlighting just how much Safety Net relief your town has received to help hold down your property taxes. That way all property taxpayers can be fully informed.

What you see here is a sample showing the County providing slightly over a million dollars in Safety Net relief to this particular town over a three year period. That means the town government's Safety Net expense in this case has been reduced by over a million dollars. But it does not mean the town's property taxes went down proportionally. It is important for taxpayers to know that going forward the city and all town governments will no longer have any Safety Net expense at all. And I am sure that will make a huge difference.

It is my great hope that a large part of this huge financial windfall will be dedicated to taxpayer relief and returned to the people who actually paid the bill: the great taxpayers of Ulster County. To make that easier, we have also designed a multiyear County takeover of yet another unfunded State mandate that impact our towns, a three year County takeover of elections costs. This is often referred to as HAVA or the Help America Vote Act.

Simply shifting a major expense like this from one government to another doesn't do anything to help our taxpayers so we have included a taxpayer safeguard in the process. I will require in this legislation that our County Comptroller's Office deliver to my office, the County Legislature and the public a report detailing the actual benefits to taxpayers associated with these unprecedented shifts in State mandates from the towns to our County.

We have done this taxpayer protection because my administration understands and never shies away from the basic fact that combined property taxes in the State of New York are still too high! They have been driving people and small businesses away, and most of all they have been harming working families at every level of the socio-economic spectrum. I believe with our management strategies real relief can be accomplished for the people of Ulster County, and we can still ensure more services for our citizens than ever before.

As we have restructured County government and protected our taxpayers, we have cut spending, become leaner, more efficient and 32% smaller. With nepotism and cronyism gone, and the days of bloated County government a thing of the past, our taxpayers now have every right to be proud of the hardworking County employees who do amazing work for them every single day.

While many counties are struggling to enter into contract agreements with their workforce, I am honored to say that in this budget we have also included funding for a 2% annual cost of living increase as part of brand new contracts for the 840 members of CSEA and NYSUT, as well as the vast majority of our other County workers through the end of 2016. That means as a result of these tentative agreements 95% of Ulster County's unionized workforce will continue to have the safety and security that comes with a labor contract for the foreseeable future. All this has been done with great respect and recognition for our hardworking taxpayers as well as our committed workforce, employees who for a number of years have graciously accepted no pay increases to help close budget gaps and protect taxpayers. On top of this, I am pleased to say that in this budget there are also absolutely zero layoffs.

How did we pay for this? After hearing about all these important initiatives as well as new labor contracts and a series of greatly expanded programs to help people in need, plus providing unprecedented relief to our town governments while facing the loss of \$5.4 million in sales tax, you may be asking yourself: how could we accomplish all this and still lower your property taxes?

The answer is, we have been reinventing county government for six years and we have not stopped. We have made the hard choices that others either could not or would not make, solving important but gut wrenching issues that had been avoided for decades. We have consolidated, restructured and streamlined over 14 different County departments, reshaping the majority of Ulster County's government in the process. And my office has been vigilant in addressing fraud, waste and abuse aggressively. As a result, we have reduced the County's spending by over \$25.5 million in just the last two years alone, all while still ensuring more essential services than ever before.

In fact, Ulster County's \$334 million 2015 budget is only made possible by a combination of all these changes and there is more reform left to do. Of all the cost reductions that have occurred within County government over the last six years, Executive-controlled departments have been responsible for 113% of all the savings. The extra 13% we have saved as a result of these reforms has been used to offset increased spending in other areas not overseen by the administration. That ratio is completely unsustainable.

With all the progress we have made so far, I must caution that we are far from done. There are serious issues that could block property tax relief, undo all the reforms that now benefit our citizens and irreparably separate our County from stronger infrastructure and sustainable services: Fiscal dangers like:

- Cuts in State aid;
- Rising State mandates;
- Increasing Safety Net;
- Future pension / healthcare costs;
- More natural disasters;

- Increasing demand for services;
- Infrastructure breakdowns; and unfortunately
- Potential future blockage of sales tax revenue.

Individually and collectively these are all serious concerns, but perhaps the most dangerous concern of all is a convenient misperception that can sometimes permeate the thinking of elected officials, a mistaken belief that as a result of our previous hard work we must now be flush with money and should spend it as fast we can to curry political favor. That kind of thinking could be catastrophic.

The truth is, over the past six years my administration has made a constant series of complex and interconnected financial decisions that are working. They are working to provide a once in a lifetime opportunity for the people of Ulster County and not for the politicians. What you see here is the trajectory of Ulster County's pre-Charter government. This represents exactly the direction we were headed. If we hadn't made such massive changes it would have required a shocking 115% cumulative property tax increase over the last 6 years to support that status quo.

Instead we instituted some of the most sweeping reforms in our history and without losing access to services our County taxes are still going down. Because of responsible budgets, our spending levels are now at below pre-Charter levels. For helping make this a reality I want to truly thank our partners in the County Legislature.

Our actions as a group have created a unique moment in Ulster County's history, a chance to move past annual financial crisis, to protect important programs from deep cuts, to make our critical infrastructure strong. If we are responsible and not political we can push away the dangers of crushing property tax increases for years. I remind our elected officials: irresponsibility now could not only ruin a multi-year tax reduction and harm services for those among us most in need, it could also send Ulster County irreversibly down a hole it has taken us six years to climb out of.

We live in an amazing place and working together extraordinary things are possible. This \$334 million budget better helps the victims of domestic violence while holding the perpetrators accountable. It helps our children in Family Court and it helps ensure warming centers to save people from the coldest winter nights. This budget provides more services for Ulster County's deserving Veterans and while curbing the growth still provides over a million dollars in additional funding for our Sheriff's Office, because our citizens have a right to feel safe in their homes.

I am pleased to say it provides even greater access to the American dream for everyone with job programs for people in need and meaningful actions that promote living wage jobs and greater diversity across our entire municipal workforce. With this 2015 budget we are also committed to Building a Better Ulster County by investing in our infrastructure at historic levels, by investing in our people, and by investing in Ulster County's future too. We are doing all this while we still protecting our property taxpayers because I never forget that they are the ones who actually pay the bills.

Though we still face very serious challenges, in Ulster County we now have more essential services than ever before and our property taxes are actually going down. This is a fact that is only made possible because we don't run a typical government. We have embraced innovation and change and we have listened to the great men and women of Ulster County at diners and at farm stands, at churches and at synagogues, at their kitchen tables and at the corner store too! Everywhere I go I meet hardworking and caring people who just want their government to work for them and not waste their money.

Because the great people of Ulster County have every right to live the American dream that they want, working together, we can help make that American dream come true. Ladies and gentleman, thank you and God bless.