

## 2011 State of the County

In opening this State of the County address, I would like to acknowledge Chairman Wadnola, Majority Leader Hansut, my good friend Minority Leader Provenzano, as well as all of the esteemed County Legislators. Most importantly, I would like to recognize the extraordinary citizens of Ulster County, the people we all serve.

I believe it is essential that we have a frank discussion tonight to examine the challenges that confront us and to review the progress we have made so that we can continue on the pathway to a brighter future. Ladies and gentleman, let there be no mistake, as a county, as a state, and as a nation, we are moving through uncharted territory. The challenges we face are escalating and in many ways are unprecedented.

The Governor's recent budget proposal includes 9,800 potential layoffs and will undoubtedly impact local governments all across our state. Simply put, there isn't enough money to support the status quo. This "new" financial paradigm isn't new; we have been acting on it for over two years. It should not be shocking news in Albany, but in some corners it is. It's not news for American families, and I can assure you, it's not news for my administration. This is why we have fought to cut costs, to provide help to local businesses and to streamline county government wherever possible. We have done it without regard for partisan politics because I have a responsibility to represent each and every one of the 181,000 people of Ulster County, on both sides of the aisle.

As we work to reposition our community to thrive in the future, we must all recognize the necessity for change. The good news is that with our new charter form of government, we have grown accustomed to change. In many ways Ulster County is a model in the reform movement that is sweeping across our state. This experience will serve us well, because resting on our laurels is not an option.

It is important that we reflect on the significant accomplishments of the past year. I am most proud of the fact that Ulster County families were protected when their County taxes did not go up. In addition to no tax increase, County government now better serves the people, because we did not shy away from tough choices.

There are more tough choices ahead. We have seen recessionary times before, but somehow, what is happening now feels different. On the national level, the beginning stages of a recovery have been tempered by the reality that serious job growth has not yet followed. And on the state level, Albany's long history of over promising, over spending and over mandating has finally caught up. The unfortunate part is that Albany alone will not pay the price. As the state struggles with its \$10 billion budget gap, local governments and citizens everywhere will be forced to pay for Albany's years of dysfunction.

Everybody hopes times are changing. In his inauguration speech, Governor Cuomo said, "The state is at a crossroads" and "the decisions we make this year will define the trajectory of the state for years to come." In fact, I believe the very same thing can and should be said about Ulster County. Yet I also know that our county has had a head start. We have already taken steps toward independent election redistricting and made major changes to government operations, something they can only dream about in Albany.

We should also note that the Governor has been blunt about the need for a tax cap and a version has already passed the New York State Senate. This law will force local governments

everywhere to make difficult choices because increases to state mandated programs are happening at a pace far greater than any tax cap would allow. Without real mandate relief, a tax cap alone is disingenuous. Ulster County government, just like every other county government, is on the front lines of protecting property taxpayers. That's why I urge everyone to shout from the rafters to your State officials, "remove the mandates."

New York State mandates do not drive up state taxes; they drive up local county property taxes. Nine state mandates eat up 90% of the property tax levy statewide. That is over \$4 billion annually. As I said earlier, for a tax cap to work it must include genuine mandate relief.

Inside county government, as we look to partner in helping the people of Ulster County, it is important for residents to know that the County Legislature and the County Executive are more than just different branches of government. The truth is that we are next door neighbors. My office sits less than 100 feet from this very spot. So just like one close neighbor can sometimes hear another, I often hear interesting, colorful and sometimes loud disagreements coming from these chambers.

They usually occur, like clockwork, on the second and third Tuesday of every month. Now this type of behavior can appear troubling or even disheartening to those unaccustomed to the legislative process. In fact there are some in our community who have said that this Legislature is spending most of its time either fighting or avoiding major policy issues. However, I urge everyone to reserve their judgment and remember that strong, vigorous and thoughtful debate is actually an essential part of a vibrant democracy. I also caution that the final chapter for this 33 person Legislature has yet to be written.

I have faith that both individually and collectively County Legislators, regardless of their party, have courage. They have proven it by allowing Ulster County to become the only county in over a quarter century to change its form of government. I am glad because courage is something this body will need in abundance if we are to face the issues that have been avoided for far too long.

I am inspired by the words I heard at a recent Martin Luther King Jr. memorial program, words that were simple yet profound. They described remarkable civil rights leaders and they resonated deeply within me. The pastor said that "real change is real hard." He said real change is real hard and as a result, courage is a prerequisite for progress. How true those words seem to be when public policy debates begin. Real change is real hard, but our county is uniquely prepared to transform for the future. I believe we will continue to change. I believe in the greatness of our citizens and I believe in the courage of the people in this room. I believe real change is possible, because as I have often said, Ulster County is the one place on earth where the impossible is possible. We have seen it.

Who would have thought that any place in New York could change its entire form of government, but Ulster County did. Who would have thought that any government could take a dysfunctional county Health Department, completely restructure it, expand its focus and deliver such a dramatic turn around in such a short period of time, but we did. Who would have thought a troubled county Highway Department, with a decades old reputation for overstaffing could be restructured to coordinate with other municipalities and could save \$2.3 million in the process, but we did. And who would have thought, in the face of serious economic challenges, an Ulster County government could or would take the difficult steps to not raise taxes, but we did. In fact, with increased productivity from our amazing workforce, we are delivering more services with less people. The county payroll is now \$3.3 million less this year than last.

Throughout my term as County Executive, we have consistently created budgets that put the interests of our citizens first. They were not partisan budgets. They were not gimmick budgets. They were responsible spending plans, recognized by independent analysts for both the Democrats and Republicans. Who would have believed it?

For decades it was inconceivable that any local government could take on the mighty New York City DEP and force it to change, but we did. DEP was polluting our water, endangering our farms and showing a total disregard for our pristine environment! Not only are we unified in this battle (a battle that is far from done) with the State Attorney General, EPA, DEC, area officials and environmental groups, but we will continue to put enormous pressure on the DEP because we are making them change. Who would have believed it?

In fact, I would like to take this opportunity to announce that the New York State DEC has agreed with us, and just yesterday served a Complaint and a Notice of Hearing to the NYC DEP. Among other things, it would prohibit any future releases without DEC approval and county consultation. Plus, the independent damage assessment we have been demanding all along. Lastly, DEC is seeking \$2.6 million in civil penalties.

This is a testament to the amazing people of Ulster County. I am proud of the many citizens and individuals within county government who have made this possible. I want to stress, again and again, even with everything that has been accomplished, we are far from done.

Whether it is giving free flu shots to our most vulnerable residents or delivering grant money to a manufacturer in Ellenville to help expand his business, we are not done. Whether it is providing a cutting edge anti-bullying webinar to protect our school children or installing solar panels at a highway substation to save money and the environment, we are not done. Whether it is working in partnership with County Clerk Nina Postupack to say thank you to the brave men and women who have served our country, by providing them with a discount card at local stores or fighting to keep families in their homes with our "Taxpayer First" initiative, we are not done.

Whether it is eliminating entry fees at the Sojourner Truth County Park, making it easier for parents to take their children there during these difficult times or acquiring grant money to provide handicap accessibility to that very same park, opening it up for everyone, we are not done. We are not done because there are still many challenges in front of us.

What is clear is that even entrenched bureaucracies can be changed. For countless years people talked about merging the City of Kingston fire dispatch with County 911, but it was never done. I am pleased to say that working together we got it done and service did not suffer. We saved Kingston an estimated \$400,000 over 5 years and generating \$375,000 in revenue for the county over that same period. That is over three quarters of a million dollars of taxpayer savings. Saving money and generating revenue are essential components to producing budgets that do not raise property taxes. During these challenging times, not raising property taxes is one of the best things we can do, not only for our residents but for our businesses too.

Even though Ulster County's unemployment statistics compare favorably to surrounding counties, the fact remains that far too many people are experiencing economic anxiety. That is why we must continue to focus on helping businesses as they create and maintain much needed jobs. Over the last year we have made it easier for Ulster County businesses to receive assistance. In the past, while business owners were striving to grow their business, competing in a global environment, and struggling to make payroll, they also had to figure out how to access a

complicated maze of UCDC, the Small Business Development Center, the IDA and many other parts of the economic development system in order to get help. Now, since we have launched the website [www.ulsterbizhelp.com](http://www.ulsterbizhelp.com) and the phone number 855-BIZ-HELP, Ulster County businesses have real solutions at their fingertips.

We have also taken major strides to ensure that county government does our part by buying locally more often. To further enhance this “buy local” effort, we held a successful “Doing Business with Ulster County” forum right in this Chambers. We offered business information summits at Bellayre and in Phoenicia, and we are maintaining a constant dialog with chambers of commerce throughout our county. We are also part of an innovative collaborative “Ready to Go” program with the IDA and Central Hudson to make locations more attractive to site selectors as we compete in a worldwide economy. With all of this, one thing has become clear: Ulster County government is now business friendly.

One of our largest industries is tourism. The county’s tourism operation is continuing to transform in order to best serve this \$400 million plus part of our economy. We are now using Google Analytics to measure the impact of print, radio, T.V. and internet advertising. We are utilizing Facebook, Twitter and other new media to promote Ulster County. And for the first time ever, we are sharing this valuable market data with local tourism businesses, to help them maximize their own advertising efforts.

It is encouraging to hear that as a result of [ulstercountyalive.com](http://ulstercountyalive.com) and the efforts of our Tourism Department, independent research now shows significant increases to our tourism numbers. Plus this exciting news: there were multiple weekends over the past year when you could not find a room at a major property in Ulster County.

In addition to tourism, agriculture plays a pivotal role in our economy. That is why we continue to fund Cornell Cooperative at over \$370,000 annually. This organization provides endless essential services to area farmers. To further help our farmers continue to evolve, we helped access a \$230,000 state grant for the creation of “Farm to Table,” a commercial processing kitchen located at Tech City. This business is dedicated to turning raw agricultural products into value added products, generating significant additional profits for local farmers. Lastly, our farmers now know that I will stand up for them against NYC’s DEP if their farmland is ever in danger or their family’s livelihood is at risk.

In the field of renewable energy, we continue to partner with TSEC and many others as we establish an entirely new industry in our region. Multi-million dollars projects like Solar Tech Renewables and Precision Flow have developed, with even more on the horizon.

In a global economy that continues to struggle, success is now measured in increments. So in addition to multi-million dollars deals, sometimes economic development happens on a much smaller scale. For example, helping a company like Canal Street Cutlery, a fantastic corporation that is continuing a historic tradition in Ellenville. This company rose from the ashes of Shrade. We helped them with a \$75,000 Empire State Development Grant that allows them to expand their product line, better compete as a manufacturer and hire eight more people. That is eight more people bringing in a paycheck in an area that has seen far too much economic hardship. This deal may seem small to some, but it was not small to the owners, it was not small to me, and I can assure you it is not small for the people who are now employed.

Whether it is to those eight people or any one of the other 181,000 people we serve, we all have a responsibility to do our jobs. To continue to protect taxpayers and to prepare for the

future, there are serious policy issues that must be addressed. As the policy making board, I stood before you last year and outlined what my administration viewed as some of the major policy issues confronting the people of Ulster County. Unfortunately, these issues have not gone away and none have been resolved.

I would like to take a moment and discuss one of these concerns, the very same concern Chairman Wadnola highlighted in his own address last year. For as long as I can remember, the discussion surrounding Golden Hill has focused on “either public or private.” But there is a growing concern apart from the fiscal problems: there is a mounting fear that a major infrastructure failure could occur at this 40 year old facility. Since the health and safety of our residents must always come first, we have to understand that a major infrastructure failure could force the emergency transfer of some of our residents. This would be more than just disruptive; it would be irresponsible and unthinkable, because it is avoidable.

Regardless of your perspective, everybody really wants the same basic thing: we all want people in need within our community to have access to high quality care. As County Executive, I believe people deserve this, regardless of their ability to pay. But the questions before this Legislature still remain: does County government need to operate a nursing home to accomplish this goal and can county taxpayers afford the \$70 to \$80 million build or renovate price tag, plus the multi-million dollar operating increases?

Quite frankly, we all know there is a longstanding problem that the new proposed State cuts to Medicaid will only exacerbate. One thing is becoming unavoidably clear; not making a decision has the potential to expose this facility and the county to dire consequences. It ultimately comes down to this: what do you want to do and how do you propose to pay for it?

That said, I have great respect for the current Golden Hill Taskforce. Legislator Frey and the entire bipartisan committee have done an incredible amount of work that has been both essential and in many ways thankless. In addition to all their hard work, I remember many past efforts designed to address the exact same problem. Whether it is this taskforce, the previous blue ribbon commission, the multiple architects’ reports, countless statewide independent studies, or even the New York State Association of Counties summit held right in this Chambers entitled “County Nursing Homes in Crisis,” this Legislature has no shortage of information to make this critical policy decision this year.

In light of this, I would like to share with you the real world story of the richest county in all of New York State, Nassau County. Nassau is a county with a budget in excess of \$2.6 billion. That is \$2.25 billion more than Ulster County’s budget. This is not a matter of opinion or politics, but rather a statement of fact and a cautionary tale. The fact is, it was determined by a State Oversight Board that the government of Nassau County was not making responsible choices in the face of clear financial data. As a result, this board has now taken over for Nassau County government. That means the people of Nassau and their duly elected Legislators, within a democracy, have actually lost their voice.

Let us set aside the irony of New York State judging fiscal responsibility. The fact remains that Nassau County forgot two basic principals:

1. Governments must live within the boundaries of the people’s ability to pay, and
2. Failing to make difficult decisions, in an attempt to avoid political fallout, ultimately fractures the very foundation of a democracy.

The saddest part is that it was avoidable. If it can happen in Nassau County, the richest county in all of New York State, it can happen anywhere.

We are seeing serious trouble in places like Erie County and locally in places like Newburgh. Every municipality is facing growing concerns. Yet here in Ulster County we have reduced payroll, cut costs and changed operations, all in an effort to proactively address these challenges. We must continue with our strategy of innovating, rooting out duplication and waste, and providing help for the very engine of our economy, small business, as we prepare for the future. As we do this, more tough choices lie ahead.

Since we have been making tough choices all along, it has been rewarding to have major bond rating agencies reaffirm that we are doing the right things. As a result, our bond rating has remained strong while others have seen theirs plummet. In fact, while evaluating Ulster County's management team, Standard and Poor's said, "In recent years, the county's financial position has improved and remains solid" and "The county has continued to cut spending by eliminating 100 fulltime positions, imposing a hiring freeze, making cost-saving changes in its health insurance and controlling expenditures." I want to stress, none of these decisions were easy, but then again nowhere in Standard and Poor's evaluation did it mention that the choices were going to be easy.

Although these independent evaluations are encouraging, Ulster County still faces the very same unsustainable cost drivers that plague all New York counties. Pension fund contributions are \$15 million and rising, and have increased over 3000% in the past five years. Employee health care expenses, even with our move to self insurance, are a \$23 million expense and rising. Plus skyrocketing mandates are growing at a rate far in excess of any tax cap. All of this is happening while the percentage of State aid continues to fall.

The challenges we face are great. So great that I believe cooperation provides the only honest pathway for our community to succeed. I am extremely optimistic as I ask you to partner with me to build a better Ulster County. As we face these issues head on, I know it can be difficult to see past them. But I am asking you to do exactly that, to look beyond today, to look beyond next month and even beyond next year. I am asking you to look at the extraordinary potential of Ulster County. To a time when our tourism, agriculture and renewable energy industries are thriving, to a time when our small businesses are expanding, to a time when our state and local governments have realigned with our citizens' ability to pay and to a time when we protect our environment without crushing development under years of bureaucratic delays. And lastly, to a time when we have become the healthiest county in all of New York State. Working together, we can do this.

As a county and as a nation, we stand at a moment of great transition. We should be strengthened by the fact that the United States has faced moments of great transition before, times when our hearts and our wills were tested, times when the future of our nation actually hung in the balance. But each time the character, bravery and ability of the American people to adapt has helped forge a new chapter in our nation's history.

Make no mistake, the challenges we face as a county and a country are real and so are the dangers, but as Americans we are amazing people, a beacon of freedom for an entire world. We are strong, diverse, and full of innovation. These times are challenging but it is no time to shy away. It is time to embrace change and to see it for what it is: the next great opportunity to

reshape our county and our country into a new and better version of what it has always been, the greatest place on the face of this earth.

Ladies and gentleman, the people of our county are counting on us. I want to thank you for your time tonight. God bless you. God bless Ulster County and God bless the United States of America.