

2016 Broome County Budget Message
Broome County Executive Debbie Preston
Thursday, September 10th, 2015

Good afternoon.

Thank you Chairman Marinich, Majority Leader Reynolds, Minority Leader Garnar and Legislators.

I'd like to welcome our Employees, Department Heads, Municipal Leaders and Broome County residents to this 2016 Broome County Budget Address.

One year ago, I stood here and explained how the 2015 budget was crafted by making some very difficult decisions.

While those decisions were tough to make, the result was a budget that best served the citizens of Broome County.

I'd like to say that developing this year's budget was an easier task, but unfortunately, that's not the case.

This year, the choices were even tougher.

I want to start out by thanking each and every one of our department heads for working with us, for bringing to the table thoughtful budget proposals and for working through disagreements, spirited discussions and debates.

Your cooperation and innovation is greatly appreciated.

Many of the tough decisions we were forced to make were based on rising costs, federal and state mandates and obvious revenue challenges.

The decisions were difficult, were not made lightly and I know that some of you may disagree with them. But in the end, I had to do what was best for the almost two hundred thousand residents who call Broome County home.

As a team, we have worked together to put forth this budget and now we need you, the county legislature, to join in that spirit of cooperation for the people of Broome County.

As you all know, the Governor of New York has instituted a tax cap that municipalities must stay below in order for our residents to receive a rebate check.

This year, the cap for property taxes for Broome County is about 2.3%, which equates to approximately \$1.6 million dollars.

That means our property tax levy can increase by no more than that amount.

That may sound like a lot of money, but with unfunded and underfunded mandates along with rising contractual and operating costs, most of that amount is swallowed up rather quickly.

Therefore, with the tax cap increase all but gone, we need to operate our organization at the same financial level as last year, which is nearly impossible.

However, the taxpayers of Broome County deserve a rebate and because this budget falls below the cap, they will receive a rebate.

The steps we've taken over the last few years have allowed us to do more with less.

Unfortunately, unfunded and underfunded mandates total almost \$212 million dollars. That represents 68% of our entire budget and includes a host of mandated services, which I won't enumerate here but would be happy to share with you. What this means is that we control only 32% of our total budget of \$367 Million dollars.

That said, we've spent many hours coming up with the most reasonable budget possible.

Will this budget make everyone happy?

Probably not.

But we have done what we believe is best for the people in Broome County.

After months of analysis and debate, we have come up with a responsible budget that calls for a tax levy increase of 2.21%.

Remember this, \$708,000 represents one percent of our property tax funding.

I would love to tell you that there is no tax increase in this budget, but for the reasons I have outlined that's not possible.

And, given the circumstances, I am proud of the result. We have worked hard to put forth a reasonable, responsible and realistic budget for 2016.

The way that we do business has shifted throughout the years.

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

In the past, we were able to rely on property taxes alone to run the day to day affairs of the County.

However, now we must rely on sales tax as our largest revenue source while coming up with creative ways to save money.

Some have used one-shot gimmicks or overstated revenues.

I refuse to do that!

We are making the difficult decisions and will continue putting an emphasis on providing the services that our bosses, the County taxpayers, have come to rely on.

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

But that's not the responsible thing to do.

After all, we work for all of the people in Broome County and we have to make difficult decisions each and every day to make sure everyone is considered.

I would have preferred to allow the addition of positions as certain department heads have requested.

Unfortunately, most of those requests had to be denied.

We must continue to provide required services to our residents with the resources at hand.

And we will continue that fight, but we will have to find other innovative ways to do it.

Sales Tax Sharing:

Another difficult decision deals with sharing sales tax with municipalities.

A few years ago, I made a pledge to return sales tax with municipalities to a 50/50 split over a period of years.

After making that pledge, we returned ten percent for each of two years.

Last year, we had to forego an increase due to our financial challenges. While that decision may have helped the county, it hurt our local municipalities.

This year, we had plenty of reasons to do the same thing.

However, I am determined to achieve the 50 / 50 split as promised and as a result, I am proposing raising the split by another 10% in 2016.

That decision makes things more difficult for us.

We sure have plenty of important uses for these funds at the county level.

But I made a promise, our local municipalities need help, and we are going to give it to them.

Funding for Contract Agencies:

Last year, we made the difficult decision to move the Finch Hollow Nature Center and associated programs from our Parks Department to Cornell Cooperative Extension.

I am happy to report that quality programming has been enhanced without skipping a beat, which is a clear example of how such moves can and do work.

The county provides support to a number of contracted community agencies.

Some have called for elimination of this funding.

Could we eliminate funding to some of these contract agencies, funding that some of them rely on to operate?

We could, but that would not only hurt the community but also several organizations, such as the Binghamton Zoo at Ross Park, Discovery Center, Arts Council, the Historical Society, our local libraries and more.

It would hurt some to the point that they might have to close their doors so their funding will stay the same.

Studies:

Sometimes, we have to spend money to save money or even make money in the long run.

Over the past couple of years, we've commissioned outside studies to improve the way we do business here in Broome County.

We've put together a Comprehensive Plan with ideas on how to make Broome County an inviting place to live, work and raise a family.

We also put together a continuity of Operations/Continuity of Government (COOP/COG) plan, so we can spring right into action in the case of an emergency.

This plan is important so time isn't wasted trying to figure out our next step when a crisis arises.

If and when that plan is put into use, we'll all know it was money well spent.

We also commissioned a study of the operations of Willow Point Nursing Home to guide us on long-term decisions.

There are some that continue to say that I want to privatize.

That is simply not true.

Kevin Carey, our new Administrator at Willow Point is doing a great job coming up with innovative

ways to improve this facility and its operations. Using the Toski study as a guide, Kevin has identified a number of revenue enhancement opportunities as well as cost saving measures, which I applaud.

Sometimes a plan will not call for cutting staff but for adding staff in order to increase revenue or decrease overall costs.

We plan to expand our therapy wing into an unused section of the Nursing Home, which will require the addition of 7 new positions.

Adding to head count seems counterintuitive. However, the revenue increase from this expansion will far exceed the costs, leading to an overall reduction in financial support.

As I've said on many occasions, we need to explore every option available to us before any decision is made as to the long-term future of Willow Point.

Speaking of studies that produce real results, earlier this year we engaged TransPro, a transportation

expert to help us improve the productivity of our transit system.

Nobody benefits from empty buses driving around – and I have been determined to do something about it.

And now we are.

Over the years, Broome County has spent millions of dollars on its Transit System, with little to no focus on how this system actually operates.

My goal has been to turn that around and make transit the best in the state and in the Country – and invest in a transit system that provides measurable value to our taxpayers, while at the same time improving the quality of the customer experience.

Unlike too many studies that just sit on a shelf --- this plan is actionable --- and will provide real results.

Over the next several months, look for improvements in the way we deliver our transit service, improvements that will make the bus service

more productive, improvements that will make the bus service more frequent in some areas and less so in areas with minimal riders, and improvements that will save the taxpayer money.

In fact, as a result of this commitment to productivity we are anticipating a savings of nearly \$441,000 of taxpayer support for B.C. Transit in 2016 and years to come.

Less cost to taxpayers – higher quality experience for customers without an increase in fares.

That's what productive government services look like, that's how to turn a study into real results, and that's how to provide our taxpayers with a measurable return on investment.

The work we are doing at BC Transit is symbolic of the comprehensive work we are doing in County government to provide taxpayers with better service at lower costs.

In May, we retained a consultant to help us evaluate the County Clerk's various departments to identify

areas for potential savings, given the changing nature of his business units. By following the recommendations of this study, which was completed in July and which has been budgeted, we anticipate additional revenue as well as expense reductions of approximately \$150,000 annually.

Jail:

Another project we undertook this year was construction of the new medical unit and expansion at the jail. We were criticized by some for initiating this expansion, but the state forced our hand on the medical unit, saying we could no longer kick this can down the road.

Rather than developing a medical unit and face an expansion a few years from now, we decided to complete both using present dollars. This project, when completed at the end of 2016, will eliminate the need for a new J-Pod, saving the County well over \$10 million dollars.

Again, sometimes you need to spend money now to save a lot more in the long run.

Unions:

I want to take a moment to thank several of our union partners who have negotiated with us in good faith to save the County taxpayers money.

We know that our dedicated employees understand the tough choices that we are forced to make, and they understand that everyone needs to make compromises.

These unions are our business partners and we will continue to work with all of them to make sure their members are getting what they deserve without breaking the backs of our taxpayers.

Central Foods:

One of the toughest decisions we had to make dealt with our Central Foods Department.

This department currently prepares and provides food for our jail, our nursing home and our Meals on

Wheels program. The employees of Central Foods do wonderful and important work.

However, through an RFP Process, we have concluded that the economics of being in the food service business no longer makes sense. As a result, we are proposing to turn over the food service operation to an outside professional organization that has a long history of providing meals to jails, nursing homes and congregate programs.

This decision will affect the employees at Central Foods. However, all of our Central Foods employees will be interviewed and we believe the vast majority will be hired by the new company.

And we will have a full time manager, who is a Broome County employee, to oversee the operations of this contractor to ensure the highest quality and compliance.

The new company will provide good quality food, and fresh meals to our elderly, our inmates and more.

This was a very tough decision, but one that had to be made as this change anticipates a savings of approximately \$1.6 million dollars per year. That equates to 2.3% in real property taxes, while continuing to provide high quality services.

Economic Development:

As I've said many times over the last few years, the only solution to our economic problems is to make jobs and economic development a top priority.

I'm proud to say that our strong partnership with The Agency is showing real results.

I'd like to acknowledge Kevin McLaughlin and his team for working with us on many different and exciting projects.

Our partnership with The Agency led to the recent expansion announcement of Modern Marketing Concepts, which is expected to result in 600 new jobs over the next several years.

Not only will that put people back to work in our community but will stimulate additional economic growth like housing purchases, which will add to our tax base.

Investment by local companies like Modern Marketing is the only way for real long-term growth in our tax base, which will help to offset a rising cost structure.

Not only did The Agency help with the Modern Marketing expansion, they also brokered a deal to turn old, dilapidated factories in Johnson City into new housing space, further increasing our tax base.

The project to bring water, sewer and natural gas to the airport corridor is also expected to pay off soon in a big way.

We are working with the Agency to bring other new companies to that area of our community and hope to announce details on one deal in the near future.

Hundreds of new jobs over the next few years would have a positive impact on our property tax base.

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

That is the only way for Broome County to turn its financial situation around.

We have found savings in many areas, but economic development is the long term solution, which is why so much of our effort goes towards bringing real jobs and real businesses to Broome County.

Medical Marijuana:

We are also excited about potential revenue from a medical marijuana dispensary that is expected to be developed soon in Johnson City.

We would have welcomed the growing and research center as well, but we expect this dispensary to bring significant money from throughout the region to our community in the form of excise tax.

Casino:

Another major boost for our community should come from the proposed casino.

Although this is something we can't count on at this point, we are hoping the state makes the right decision and puts the 4th casino in the true Southern Tier at Tioga Downs.

I want to take this opportunity to again call on the Governor and the state Gaming Commission to do the right thing and bring that Casino to Tioga Downs!

Closing:

I want to thank everyone who helped to put this budget together.

Each year, we have to do more with less in order to keep property taxes as low as possible, while continuing to maintain the services our residents expect and deserve.

I have given highlights of the 2016 budget.

I'm quite sure that many of you will take a careful look at this budget and some will even start criticizing it before any thoughtful analysis is done.

But I urge you to go through this budget line by line and ask questions to gain a full understanding of the difficult decisions that we made.

None of these decisions were made lightly and I would love to have produced a budget that had no negative impact on even one person in our community.

But unfortunately, that's just not possible.

This is an honest and responsible budget that keeps all of our almost 200-thousand Broome County residents in mind.

Chairman Marinich and legislators, I want to thank you in advance for the work that you and your group will be undertaking to pass this year's budget. We stand ready to discuss this with you in greater detail in the coming weeks.

Thank you for your consideration.

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