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To the Honorable Members of the Onondaga County Legislature:

I am pleased to present my proposed 2009 County Budget.

The proposed 2009 budget, my first, comes at an uncertain time in our economy. Inflation is running at an annual rate of 5.6%. Gasoline prices are volatile, hovering slightly below \$4 per gallon. Energy costs have skyrocketed, as have many of the commodities we use to run government: water treatment chemicals, salt, food, and building materials. This new economic reality is not only a challenge to government budgets; it is a source of financial stress to already overburdened families and businesses within our County.

Therefore, I am proud that the County's 2009 budget holds spending to just 1.4% over this year.

The number of funded County positions in 2009 is up by just 13. Not coincidentally, that is the same number of positions added by the Clay police merger. In fact, the number of positions supported by this budget, as measured by full time equivalencies, is *down* by 17 positions from the 2008 level adopted by the Legislature last October.

While we can tighten our belt to restrain spending, we cannot raise the interest rates paid on our deposits. We cannot tell the State to rescind cuts in aid made to balance its budget. And there is nothing I can do to reverse the decision made last year to use \$8 million in one-shot revenue to balance our own budget, thereby creating an \$8 million structural deficit I must deal with this year. These three revenue factors—lower interest rates, state aid cuts, and our self-imposed structural deficit—alone combined to produce a \$12 million reduction in revenue available to balance our 2009 budget.

Still, by exercising spending restraint and joining other counties in maximizing non-property tax revenue sources, the budget before you contains the lowest countywide property tax rate since 1964—the year before the State sent us our first Medicaid bill. In fact, the property tax rate is half of what it was 20 years ago.

Within the limitations of restrained spending growth and property tax rate relief, this budget also reflects the priorities that I believe we all share:

- Improving our environment;
- Marketing for Jobs and Economic Activity;
- Maintaining public safety;
- Diversifying our workforce;
- Providing help to people who need it;
- Maintaining our infrastructure;
- Cost containment and addressing long-term threats to our fiscal condition; and
- Reducing our reliance on the property tax

As you well know, large organizations such as ours do not turn on a dime. Change of direction occurs slowly and deliberately. This budget respects and builds on a very strong and stable foundation of effective, efficient programs and policies that has been built over the years by this Legislature and my predecessors. However, as a statement of policy direction and priorities, this budget also reflects the beginning of changes that I believe respond to the changing needs and aspirations of our community.

Improving our Environment

Over the course of a single generation, the entire world has awakened to the harm we have caused to our fragile environment and of our obligation to heal what has been damaged. Change demands leaders, and I believe this County has a leadership role in finding new, environmentally-responsible ways to conduct the vital work of our government.

More than a decade ago, a federal judge ordered Onondaga County to cease discharging untreated sewage into Onondaga Lake and its tributaries which caused violations of water quality standards and contributed to the loss of a natural resource and amenity. Using engineering principles and technology that were then state-of-the-art, our County committed enormous public resources to turn Onondaga Lake from a cautionary tale of environmental tragedy to a shining example of how even grave environmental harm can be healed through human intervention.

The work that has been done at our Metropolitan Syracuse Sewage Treatment Plant has already produced results in the Lake that surprise even the most skeptical critics. It is an incredible success story that all of us should be proud of.

As time has passed, however, new thinking and new technologies have emerged that I believe will allow us to approach the problem of combined sewer overflows along the tributaries of Onondaga Lake in a much more environmentally-responsible and sustainable way than a series of regional treatment facilities that have grown prohibitively expensive.

Given the effect of this single project on our community's environment and fiscal health, there is no higher priority than a thorough, objective review of lower-cost, sustainable alternatives to the Clinton and Harbor Brook RTFs.

My staff and I have spent countless hours on this issue. We have halted nearly a quarter billion dollars of construction work at the Midland, Clinton, and Harbor Brook CSO sites, making sure that we do not find ourselves forced by the powerful momentum of a construction project to keep going along a path that may not be the right course. In fact, one of the influences on the 2009 budget is the avoidance of debt service for the Midland, Clinton, and Harbor Brook projects.

Over the past several months, we have worked with all parties to the Amended Consent Judgment to negotiate an extension of our completion deadlines to give us time to carefully analyze our alternatives. We have listened to regulators, to people who may have different ideas than ours, and to those who are expert in new techniques, technologies, and thinking that didn't exist a decade ago. Now, we are poised to engage engineers who can give us a clear, dispassionate, and precise understanding of our alternatives—gray and green—that will fulfill our commitment to a clean Lake and tributaries in the most environmentally and fiscally responsible manner. I am proposing funding two positions in WEP to coordinate all of this work and help us chart our new course, with the taxpayers' interest ably represented throughout the process of conception, design, and implementation.

Although the Lake project will always be the most visible reflection of our commitment to a cleaner environment, this budget includes a number of initiatives that will help establish this County as a leader in environmental quality.

Across the nation, nearly every local government in or near an urban area is now subject to mounting federal and state regulations requiring the control and management of water quality associated with storm water. The criteria for compliance with these regulations are extensive, and include such challenges as inventorying all storm water discharge locations, monitoring those locations for signs of pollutants and identifying and eliminating the sources of harmful discharges.

My 2009 budget not only ensures that the County meets its regulatory responsibilities, but proposes the County take a central role in responding to this expanding mandate by helping to reduce the burden faced by municipal governments within the County that choose to participate in a County sponsored storm water assistance program. By stepping into that role, I believe the County can reduce costs, improve program quality and help local communities achieve permit compliance. The 2009 Budget proposes the creation of a full time position within WEP to ensure that the County is in compliance with its permit, to fund seasonal employees who will conduct the outfall inspection and monitoring activity, and to coordinate assistance efforts with other local communities facing similar permit compliance challenges.

In addition, and in response to the Legislature's August 5, 2008 resolution, I have included funds in our Health Department's 2009 budget to support a study to measure the carbon footprint within Onondaga County. The study will provide us with a hands-on tool, a carbon footprint calculator, to identify critical problem areas, ensuring that our priorities and interventions are focused on the area of greatest need and opportunity.

As a part of our contribution to the national goal of reducing our dependence on foreign oil, my 2009 budget includes the first-time use of flex fuel vehicles that can run on either gasoline or E-85 ethanol based fuel.

Our ability—and the ability of other local governments and school districts—to take advantage of current, affordable flex-fuel technology is hampered by the lack of a fueling facility.

To open the door to maximum use of the high-content ethanol fuel by local government fleets, I have included \$100,000 in the budget to construct the area's first E-85 fueling facility. The facility would sell E-85 gas to local governments and schools, eliminating the barrier that has blocked wider use of flex vehicles among public sector agencies.

Although the budget is unaffected, I will be creating an internal committee with representatives of every County department to review and develop cost-effective ways to incorporate green principles, products, and processes into everything we do. I fully expect that the 2010 budget will reflect a number of initiatives that will come out of this monthly forum.

Finally, I have recommended the addition of a position in the Facilities Management Department to allow our energy expert, Tom Ferrara, to focus full-time on ways to conserve energy and increase our use of environmentally-friendly alternative fuels, including bio-mass. As one of the region's largest energy consumers, we have an obligation to provide leadership in energy management and conservation, including the use of sustainable, alternative energy sources.

Marketing for Jobs and Net Wealth Generation

It is hard to separate our commitment to a clean environment and our commitment to grow the regional economy. To this County, "green" is more than a concept or slogan. It is the shorthand name for an emerging industry that will create jobs, wealth, and community prosperity. We must be in front of that curve.

I am determined to compete for these new jobs, and those in other, more conventional sectors, as well.

To be effective, however, we cannot simply talk to each other about our desire to grow the economy, assist new and existing businesses, and restore our place as a center for industry, commerce, and conventions.

We have to get out and tell our story.

For my entire life, I've heard people say that Syracuse and Onondaga County are the best kept secrets in America.

I think it's high time to let the secret out. My 2009 budget proposes a significant increase in the resources devoted to marketing our community to employers, prospective residents, convention planners, and tourists.

The budget recommends continued funding for our \$250,000 economic development marketing program. However, over the course of the next several months, I intend to work with the Legislature to evaluate the effectiveness of the current program and to make whatever changes are necessary to ensure the program hits its target of attracting businesses and jobs to Onondaga County. We need to make sure this is a high horsepower campaign that leads to job creation.

In this era of \$4 per gallon gasoline and the advent of "stay-cations", our central location in New York State and the northeastern United States gives us a tremendous advantage in competing for conventions and tourism. That advantage will be expanded further with the opening of the spectacular new Westin Convention Center Hotel in 2010.

To build on that strength, my 2009 budget recommends allocating \$295,000, or one-third of last year's Room Occupancy Tax surplus, to continue and expand the Convention and Visitors Bureau's destination marketing initiative, allowing additional media buys aimed at attracting more events and visitors to the County. To provide opportunities for sustained funding into the future, I am recommending instituting a revenue sharing plan with the CVB that would continue to allocate one-third of the prior year's Room Occupancy Tax surplus to the CVB for the enhanced marketing program. As our sales force, the CVB should receive a portion of the benefits of their sales success—not to feather their own nest, but to plow back into additional marketing of our area.

The third leg of our marketing initiative lays the groundwork for a strong, successful opening of the Westin Convention Center Hotel. We are now just weeks from the long-awaited groundbreaking of the Westin. My goal, which I am sure you share, is to make sure our headquarters hotel fully and quickly realizes its promise to draw major conventions and events to the Oncenter. With that in mind, I have allocated \$250,000 in Room Occupancy Tax revenue for a one-time, major marketing program focused on the Westin and the Oncenter. I will work with this Legislature to develop a first-class, results-oriented campaign that aims for nothing less than the restoration of Onondaga County as "convention central" for New York State.

On a much smaller financial scale, I am proposing the creation of a dedicated work crew, supervised by our Department of Transportation, charged with cleaning and maintaining the public areas surrounding our major hotel and convention facilities. I am sure I'm not alone in feeling a little embarrassed when I drive into an event catering to out-of-town visitors and see sidewalks and medians with tall weeds, trash and debris, and just general clutter. First impressions really do count, and ours isn't always good. I've recommended a small \$25,000 allocation of Room Tax Revenue to hire two half-time positions to address that problem.

My budget provides a ten percent, \$209,000, increase in our subsidy of the Oncenter. Our award-winning convention complex is facing the same kind of budget pressures due to energy and commodity costs as other County operations, and should be provided with resources necessary to keep this great County asset in good repair. The increase also reflects the use of one-time Oncenter reserves to balance its 2008 budget—reserves that are not available for 2009.

Early Childhood Literacy

There is no question that literacy is an essential pre-requisite to an independent, successful, engaged life. Our \$1.2 billion dollar budget, and \$179 million property tax levy, would certainly be much smaller if every child began life with a love of reading and basic literacy skills.

The proposed 2009 budget contains a modest appropriation of \$50,000 to support an Early Childhood Literacy Initiative. The program, housed in the Youth Bureau, will work as a grant fund, supporting both internal and community-based efforts to instill literacy skills among the very young. Funds will be allocated to provide seed capital for new programs, pay for annual literacy training for children's librarians and maternal and child health nurses, and to support promising programs such as the 100% Literacy campaign coordinated by the Community Foundation, the Literacy Volunteers of Greater Syracuse, Discovery Syracuse, the Worlds Largest Bedtime Story, and many others.

I have asked Deputy County Executive Edward Kochian, whose deep passion for early childhood literacy has elevated this issue throughout our community, to take a direct hand in administering this important initiative.

Maintaining Public Safety

Achieving our economic development and quality of life goals requires a safe, secure community. The largest increase in spending in the 2009 budget is in the area of public safety. In 2009, we propose investing almost \$138 million in our public safety and criminal justice programs, an increase of \$7 million over 2008. Nearly \$5 million of the increase is funded with local dollars.

The largest source of this increase is salary adjustment for the 237 members of the Onondaga County Sheriff's Police Association—our road patrol deputies. Through the process of binding arbitration, a long-term and equitable plan is in place to gradually reduce the disparity between the salaries of Sheriff's deputies and officers employed by other police agencies within the County. The sharp increase in 2009 reflects the fact that road patrol deputies had not received a pay increase since 2005.

I have also recognized that the Sheriff's commitment to Operation Impact has become a permanent 30-week deployment and producing important results. Funds need to be provided to pay for the nine-person Impact team. As you recall, last year the positions were added but additional funds withheld. I have included \$600,000 in the proposed budget to support this effective collaboration with the Syracuse Police Department. However, the Sheriff has been advised the current scheduling arrangement that results in approximately \$90,000 per year in guaranteed overtime is not funded in this budget and should be changed.

I am very pleased to report that another collaborative public safety venture, the consolidation of the Clay Police Department, is going very well. The 2009 budget includes a grant account that captures all costs and revenues associated with the Clay deployment. As you know, Jim Rowley, who was the architect of this significant and well-conceived police consolidation has accepted my offer to become the County's Chief Fiscal Officer. I am elated to have someone of Jim's

skills and creativity managing the County's finances and participating as a member of my senior staff.

The Sheriff also requested additional Deputies to staff the Justice Center to manage a population that has again risen to near-capacity levels and to address a growing number of direct supervision cases. I have not added those positions, preferring instead to work with all participants in the criminal justice system—including the judiciary, DA, Probation and the Sheriff--to reduce the jail population rather than hiring more deputies or building more jail cells. The budget does reduce the Sheriff's salary savings target to allow him to maintain close to a full roster throughout the year.

Last year, a plan to civilianize clerical elements of the booking function in the Justice Center was proposed by the Sheriff and enacted in the Budget. Ten Data Equipment Operator positions were created, and several were filled. However, the plan was successfully challenged by the DSBA and the plan abandoned. This year's budget reflects the status quo ante, with Data Entry Operators who are still on the payroll being slotted into other funded vacant support staff positions in the Sheriff's Office.

In light of a pending request for an estimated \$2 million in funding for a new hanger for the Sheriff's Air One helicopter, I have placed \$25,000 in the Division of Management and Budget's accounts to pay for an independent, third party analysis of the benefits and costs of the Sheriff's Aviation program. We now spend upwards of \$1 million annually to keep the helicopter aloft for some 500 hours a year. I know this is a frequent source of debate within the Legislature and believe we should take an objective look at the efficacy of the program.

In 2009, the new \$34.7 million countywide interoperable radio system will begin operation. This state-of-the-art system will provide a critical added layer of protection to first responders who now suffer with gaps in coverage and the inability to talk to other agencies responding to an emergency.

Earlier this year, we suffered a major setback in the financing of the radio project. Governor Paterson vetoed State legislation authorizing us to raise the 911 telephone surcharge by 65 cents per month to pay for radios used by local police, fire, and EMS agencies. Without the surcharge, we will have to charge each of these agencies for the annual debt service cost of their radios.

I am not ready to give up the fight for the surcharge, and am attempting to meet with the Governor's staff to understand and address the technical problems he referenced in his veto message. Therefore, it is premature to either increase County taxes or assess municipalities and agencies for radio costs in 2009. Instead, we will draw on our "reserve for bonded debt" funds to cover the 2009 cost. My goal is to secure State approval of the surcharge in early 2009, and to apply the proceeds of the surcharge to pay for the radios.

However, to make sure everyone is fully advised of the effect of another veto, I will forward an estimated bill to each of the participating public safety agencies to make sure everyone is clear about the bottom-line impact of another Albany veto.

Public safety is, by its very nature, a labor intensive business. However, we have learned that when our public safety forces are provided the right tools and technology, they can become more productive, effective, and secure.

Our Probation Department has gained a national reputation for creative, cost-effective programs. Commissioner Mary Winter has received national recognition for her work and was just appointed to a blue ribbon panel on juvenile justice by Governor Paterson. This year, the Department instituted a new initiative program to equip Probation Officers in the field with laptop computers. The program, which will grow from 20 to 40 computers in 2009, allows Probation Officers to complete and file reports from the field, eliminating the time wasted coming into the office to do paperwork.

Finally, I have asked you to approve a pay raise for the District Attorney. As you are well aware, the DA has gone without a raise since 1999—caught in a stand-off between the Governor and State Legislature over judicial salaries which, in turn, is tied to other issues that only Albany-insiders can fully understand. Enough is enough. I have recommended the DA's salary be set at \$165,000 beginning on January 1, 2009. That is the equivalent of a 3% annual increase since his last adjustment ten years ago.

A Diverse Workforce

The commitment to create a workforce as diverse as the community it serves has become a common pledge by leaders at every level of government. However, fulfilling that commitment in a civil service environment has proven time and again to be a vexing task.

My 2009 budget proposes two initiatives aimed at increasing the representation of minorities in our 4,200-person government.

First, I have added \$75,000 to the Personnel Department's budget to pay for a minority recruitment initiative. The funds will be used to contract with an individual or firm to assist us in reaching out to the minority community, and to work with prospective employees to help them prepare for, and navigate, the civil service process. I would like to begin work on a test-prep program, similar to SAT Test-preparation programs, to help people who have not taken a civil service test understand what to expect and how they can improve their performance. A targeted marketing program will be launched in conjunction with the recruitment initiative. I envision our efforts serving all local governments and school districts that are a part of the civil service system administered through the County's Personnel Office.

Second, I have requested an expansion of our very successful Administrative Intern program that has already attracted so many bright, young people to careers with Onondaga County since its creation in 1999. There is no longer any doubt that this is an effective way to bring people from very diverse backgrounds with graduate degrees into County government. As hoped, we have also found that once they are here, most choose to stay. I believe the Internship program can be an effective means to attract minority professionals to the County. The budget seeks to double the number of interns from six to twelve. As you know, these positions are not funded. If a department wants to hire an intern, it must keep another position vacant to pay for it.

Services to Help People in Crises

My 2009 budget strengthens the safety net of services available to people in need. Particularly now, at a volatile time of great economic uncertainty, our residents need to know that if they need help, we will be here to provide it.

Our County has made remarkable progress in helping people make the transition from welfare to work. Our welfare caseloads remain at record-low levels. That transition from dependence to independence is a verb, not a noun. It is a process that takes time and support but, when those two ingredients are added, it can lead to a productive and independent life.

Last May, I authorized a small 4% cost of living increase in day care subsidies we provide to day care providers. The local cost of this change was slightly more than \$10,000.

The budget I am presenting today also reduces the parent fee to make day care more affordable to low income families. Parents are currently expected to pay 35% of their household earnings above the poverty level to offset day care costs. My plan calls for a reduction of that obligation to 30%. We have been able to fully fund that initiative with grants and aid, without additional local dollars.

Together, these items represent a very small cost to ensure day care providers remain financially stable and that mothers working in low wage occupations can afford to send their children to safe and well-run day care facilities.

We are also proposing a three percent increase in the stipend paid to foster families, raising the average payment to \$28.66 per day. We must fairly compensate families who have opened their homes to youth often traumatized by abuse and neglect. Looking only at the rapid rise of food and energy costs, it is clear that an adjustment is warranted. Clearly, with the cost of alternative care costing as much as \$100,000 per year, it is in our own financial interest to encourage local families to become foster parents.

In fact, one of the largest local dollar cost increases in the 2009 budget is the cost of Foster Care. The \$1.1 million local dollar hike reflects aid cuts enacted by New York State this year and the continuing trend of children staying longer in residential care, and being placed in expensive alternatives to local foster homes because of the child's emotional, social, or physical challenges.

Our policy focus is being sharpened to help children and families effectively resolve crises that lead to placement.

We are using a new approach to the way we address child welfare cases. The approach, called Family Assessment Response, first ensures that a child is safe and secure, but then engages families to connect them with services that can help improve the family environment. This model has proved very successful in several other states.

Obviously, the effectiveness of the Family Assessment Response will depend on quick and appropriate follow-up. To ensure an effective and flexible response, our departments of Social Services, Mental Health, and Probation have collaboratively developed a plan to integrate mental health, juvenile justice, child welfare, and educational services to better serve families and

children. The result, which we call the High Fidelity Wrap Around program, is an individualized care management process for children and youth with serious and complex needs. Its goal is to offer a more agile array of services based on what families need to work through a crises and stay together. Our response begins with what the family needs rather than what a regimented program can provide. The process is directed by the family and supported by a team of professionals and natural supports such as family, friends and neighbors, and civic and faith-based groups. The Wraparound team implements services and supports in the most inclusive and least restrictive settings possible to safely promote child and family integration into home and community life. The proposed budget allocates \$750,000 in grant funding to support the High Fidelity Wrap Around initiative.

I believe that the combination of these initiatives will significantly improve our ability to assist children and families in crises, and to reduce the enormous social, emotional, and financial costs of long-term residential care.

We are also adding \$60,000 to our funding of Family Place, an enhanced family visitation program intended to reunite families and reduce the number of children in care.

In the Mental Health Department, we've had to trim back on funding for a number of our contract provider agencies to offset the loss of State aid imposed a few weeks ago. We are also continuing to assess the most effective, responsive way to deliver Student Assistance program services to young people, and are filling vacancies with temporary appointments until that assessment has been completed.

The proposed Budget continues to draw down \$615,000 in State funding to support the Westside Community School Strategy, a school-based program that provides easily accessible services that strengthen families and improve the learning environment for students. Success on these fronts will have a profound effect on our community and, more parochially, future County budgets.

As you know, I have proposed an off-budget plan to enhance our contribution to the Westside Community School Strategy and the exciting Say Yes to Education initiative by directing 30%, or \$900,000, of the \$3 million we have earmarked for the mitigation of the Harbor Brook regional treatment facility to these programs.

Maintaining our Infrastructure

The proposed 2009 budget maintains the County's commitment to a quality infrastructure that serves as the foundation for our quality of life and economy. Our challenge is to maintain necessary levels of maintenance in spite of vastly higher costs of the commodities we use to perform that maintenance: gasoline, road salt, asphalt, building materials. The price of gasoline alone added \$1.2 million to our budget. Salt another \$130,000—and then only after we switched from ClearLane treated salt to the less expensive untreated salt.

The 2009 budget earmarks \$3.11 million for pay-as-you-go road paving—the same cash commitment as this year. As we approach the 2009 paving season, we will need to evaluate the cost of asphalt and decide at that time whether we borrow enough to maintain our goal of 38 miles of paving, or whether the cost of asphalt is still so high that we may need to compromise our mileage goal. I'm hopeful we can maximize the number of miles we can afford to pave

through the new Intermunicipal Agreement with the City to purchase paving material from its new asphalt plant.

Later this year, I expect to begin a new and more efficient approach to snow plowing that will use plows manned by a single driver rather than a driver and wing-operator on a select portion of the County's plowing routes. The one-person plow method has been used safely and effectively in other New York State counties and, in fact, by the State itself. By training and certifying our drivers for one-person plowing, and then switching to one-person plows on routes that are the most straightforward and navigable, we can re-deploy the second person to cover other routes, shifts, and ordinary gaps in coverage. Our goal goes beyond reducing overtime. We are also trying to reduce driver fatigue and stresses on families that can grow to overwhelming levels during a long plowing season.

Our budget also includes an \$118,000 increase in payments to towns that plow County roads, one of our oldest and most successful examples of shared services. Last month, we proposed a new payment methodology to the towns that establishes a reasonable and fixed cost of living adjustment for a portion of the payment that supports the cost of ordinary items such as labor and vehicle maintenance and, in recognition of the volatility of gas and salt prices, adjusts that portion of the payment in accordance with actual gas and salt prices. Although more costly than the now-expired prior plan, I believe it is a fair approach that protects the towns from hyperinflationary costs and provides value to the County.

In keeping with my commitment to maintain and improve essential infrastructure, I have recommended a 20% increase in pay-as-you-go preventive maintenance funding for the Metropolitan Water Board, with the additional \$100,000 funded by a draw on the Water Board's \$1.3 million fund balance. In addition to capital needs, the Water Board has been hard hit by sharp increases in the price of chemicals used to treat our Lake Ontario Water and energy costs tied to a number of pump stations and storage facilities. The budget proposes a 3.2% increase in wholesale water rates to support these higher on-going costs.

While we have been able to avoid sizable increases in debt service costs for the final phases of the Midland project and the Clinton and Harbor Brook RTFs, the cost to maintain an extensive wastewater treatment system to serve a large community and economy is high and growing with the cost of energy and commodities used in the treatment process. WEP's energy costs are expected to rise by \$500,000 next year. Chemical costs alone are up by \$318,000.

We are continuing the strategic application of WEP reserves to smooth the increase in sewer rates associated with the Lake project. The proposed budget uses \$3.9 million in Sewer Fund Balance to reduce the proposed rate hike to 6.5%

Our Parks system is second to none in New York State. Soon, work will begin on the series of Parks for Tomorrow II projects enacted by this Legislature last year, improving and expanding a number of existing facilities. As you are well aware, the cost to maintain a world-class system of parks is not small.

I know that the legislature has long-advocated an initiative to promote philanthropic and corporate giving to our parks system. This year, I am proposing we finally implement that idea.

My budget proposal creates a new self-funded development officer who will be charged with raising money for the full spectrum of parks projects and activities. I am recommending we secure the services of a professional, working on contract rather than placed on the County payroll, whose fundraising target will include enough money to cover his or her own salary.

Cost Containment

Much like the creation of a development officer, we are thinking creatively about ways to lower costs throughout County government. This budget includes some of our early and most promising initiatives.

Over the past several years, we have outsourced the maintenance of our substantial inventory of personal computers. Our new Director of Information Technology, Ken Beam, has put forward a plan to “in-source” that work in a manner that will save money and improve responsiveness. The cost of new positions added to the Information Technology Office will be offset by savings in payments to outside vendors. Our IT department will also be competing with outside firms for the contract to develop a new Records Management System for the law enforcement community—a system that will replace the CHAIRS system that has been in place for a generation.

Over the years, many County departments have either hired data processing specialists or, more often, tagged an employee with a knack for computers to be the in-house IT person. Over the past few months, and continuing in this budget, we have reassigned a number of these positions to the Information Technology Department. Positions once housed in the Central Library, County Clerk’s Office, Health, and Van Duyn have been transferred to IT. By locating the positions in the central Information Technology department and then embedding the person back within the operating department, we can ensure common training, policies, and protocols as well as an opportunity for IT staff throughout the County to exchange knowledge, tips, and solutions.

Sixteen years ago, responding to a fiscal crisis, the County eliminated most take home cars. The policy begins at the top. I do not have a take home car, nor does any of my senior staff. The very restrictive take home car policy extends to almost every County department. Today, most of our take home vehicles are concentrated in two departments: the Sheriff’s Office and WEP. In the recent OCSA arbitration, the Sheriff secured additional control over the assignment of vehicles and, I am assured, intends to scale back the number of take home cars. With this budget, I intend to put WEP on the same footing as all other County departments by reducing the number of take home vehicles to as close to zero as our collective bargaining agreements allow.

Finally, over the course of 2009, my Office and the Division of Management and Budget will establish a Performance Evaluation Team, comprised of two existing employees, to undertake very focused reviews of County programs. Our goal will be to identify ways to improve the performance and lower the cost of County programs.

Arts and Culture

My proposed 2009 budget provides \$2 million in funding for arts, cultural, and community organizations. I am proud that our County remains a staunch supporter of the arts, and believe that a vibrant arts and cultural community is at the core of our great quality of life.

My recommended budget provides additional \$50,000 in grant support to the Syracuse Jazzfest. At a time when corporate contributions to the arts and community events have waned, it is ever more important for us to support a world-renowned music festival that is free to the community.

I have also proposed a \$65,000 increase in our support for the Syracuse Symphony, including a \$50,000 contribution to help the Symphony bridge a one-time hurdle.

The budget seeks first time funding for the Redhouse near Armory Square, a unique urban venue for new and emerging art and artists. The Redhouse is not only a wonderful cultural asset, it is an anchor and a beacon for the efforts to renovate the abandoned warehouses that litter the West Street Arterial.

The budget includes \$20,000 to the Syracuse International Film Festival to support its work to draw film productions to Onondaga County, creating a new local industry that holds the prospect of generating net new wealth for the community.

Finally, I am proposing a careful funding strategy for the Cultural Resources Council that will provide a second year of \$50,000 in supplemental funding above its \$66,000 traditional grant, but with the \$50,000 held in a contingency account controlled by the Legislature. This is substantially less than the \$197,000 requested by the CRC, and is intended to provoke a serious discussion about the future of the CRC and alternative ways or means of supporting artists and organizations within the County.

Challenges

We continue to struggle with financial uncertainty at Van Duyn.

Last month, Governor Paterson dismantled the financial plan for public nursing homes enacted by the State only a year before, leaving a gaping hole in Van Duyn's budget. In accepting the Governor's cuts, the State Legislature was assured by the Governor that there would be offsetting aid coming from the federal government, and that all would be well. However, that aid comes with a very long and tangled string. For every dollar we receive in federal Intergovernmental Transfer Aid (IGT) we must come up with a dollar of our own.

For many counties, this is manna from heaven. They provide hefty, multi-million dollar subsidies to their nursing homes that can be used as the match for multi-million IGT grants.

Our county, on the other hand, has always tried to keep Van Duyn's budget in balance and had whittled Van Duyn's deficit down to just \$1.55 million in 2009. Our projections still pointed to a break-even operation by 2010. Therefore, we do not have a large property tax subsidy already in our baseline budget that can be used to match federal dollars to a level sufficient to offset the cuts in State aid.

We have been told that Van Duyn is in line for as much as \$10 million in retroactive federal IGT aid for 2006 through 2008, as long as we come up with \$10 million of new money of our own to give to Van Duyn. Our budget staff is working with Van Duyn and the County Comptroller to explore ways to realize at least some of that retroactive windfall without reaching into our

pockets for additional property tax subsidies. Based on these discussions, it appears that we can draw at least \$2 million in IGT funding by using our 2008 property tax subsidy as a match.

We have also been told that approximately \$3 million in annual IGT money will be available, as long as the County continues to subsidize Van Duyn by the same \$3 million.

Given this uncertainty and new set of financial circumstances, my goal in the 2009 budget is to provide a property tax subsidy to Van Duyn no larger than would have been required prior to the State cuts and take the first quarter of 2009 to examine our options.

In keeping with this approach, the budget proposes allocating \$1.6 million in property tax support to Van Duyn, triggering a \$1.6 million release of federal IGT money. Because of the nuances of the IGT program, the subsidy will be included in the Medicaid budget in DSS Programs.

The remaining \$2.1 million of the budget gap created by the State's cuts is filled by applying \$2.1 million of Van Duyn's \$3.3 million fund balance.

I know you share my frustration with the current state of affairs. The perpetual state of financial crises, created and now compounded by the State, is not fair to the residents or employees of Van Duyn. The lack of a long-term sustainable plan for public nursing homes is intolerable. In light of Albany's current fiscal environment, I do not believe we can count on much help from the Capitol.

It is time, again, to analyze our alternatives, including the transfer of Van Duyn to a not-for-profit organization with the same safety net mission as ours. As we conduct this analysis, we will have to be mindful of the fact that if Van Duyn is transferred, we will still be responsible for approximately \$3 million in stranded post-retirement health costs and contributions to County overhead now made by Van Duyn.

Reducing our reliance on the property tax

Earlier this year, we ended the sales tax exemption of gasoline sales over \$2 per gallon. As predicted, our gas prices didn't shoot up beyond Rochester, Buffalo, and Albany, just as they didn't drop below those communities when the cap was imposed. It is now clear that the millions of dollars of tax relief our County hoped to provide to working families through the gas cap was instead finding its way to someone's pocket along the gasoline supply chain.

Our budget staff projects the restoration of the tax will generate an estimated \$12.8 million in revenue next year--\$12.8 million that would otherwise have to be raised through a 7% increase in property taxes.

Some have expressed a concern that the money we recovered by reinstating the tax will be spent on new programs. In fact, nearly all of the recovered revenue will simply address the structural deficit created by the decision last year to use one-shot revenues to cut property taxes, cuts in State aid for mandated programs, and the loss of interest income resulting from sharp reductions in interest rates.

With much of the sales tax used simply to address these revenue issues, the question turns to the best way to fund the small amount of growth that is in our budget—through property taxes or alternative revenues.

I am proposing the local enactment of two new revenue sources in order to shift the burden off of the County's property tax base.

The first is an increase in legal document recording fees from \$5 to \$20 and an increase in the cover page fee charged by the County Clerk from \$3 to \$5 as authorized by the State in April. A few counties have already implemented the change, and several more are considering the increase as a part of their 2009 budgets. The increase is expected to generate \$2.16 million in new revenue.

The second is a vehicle use tax, levied by the State Department of Motor Vehicles, which levies a charge of \$5 per year for vehicles weighing less than 3,500 pounds and \$10 per year for vehicles weighing more than 3,500 pounds. Because the fee is assessed bi-annually when the vehicle is registered the actual payment will be \$10 or \$20 each time the vehicle is registered. Currently, 29 upstate counties and the City of New York levy the Vehicle Use tax. We estimate the fee will result in \$2.2 million in additional revenue.

Combined, these revenue initiatives will shift \$4.3 million from the property tax to alternative revenues.

Conclusion

The proposed 2009 budget maintains the fiscal discipline and restraint that has served this County well.

Spending is up by just 1.4% at a time of 5.6% inflation. Beyond fighting the pressures of inflation, we have had to address a structural deficit, revenue losses tied to a sluggish national economy, and a State budget that is collapsing under its own weight. I have delivered you a budget that addresses those challenges without raising property taxes, and still provides new direction and programs that reflect the needs and aspirations of a changing community.

I look forward to working with you in the coming days as you review our fiscal plan.

Sincerely,

Joanne M. Mahoney
County Executive