



Onondaga County Legislature

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COUNTY EXECUTIVE'S 2015 BUDGET PRESENTATION TO THE ONONDAGA COUNTY LEGISLATURE September 15, 2014

MEMBERS PRESENT: Mr. May, Mr. Dougherty, Mr. Corl, Mrs. Tassone, Mrs. Rapp, Mr. Plochocki, Mr. Liedka, Mr. Ryan, Dr. Chase, Mr. Holmquist, Mr. Kilmartin, Mr. Knapp, Mr. Shepard, Mr. Jordan, Mr. McMahon, Ms. Williams, Mrs. Ervin

Chairman McMahon called the meeting to order at 11:12 a.m. and introduced County Executive Mahoney.

The County Executive provided the following and gave a PowerPoint presentation:

Thank you Chairman McMahon for opportunity to present the 2015 Onondaga County Budget. Thank you also to Majority Leader Pat Kilmartin and Minority Leader Linda Ervin and all of you for being here today and for the work I know you have ahead of you.

I'd like to give a special thank you to Dave Knapp who chairs the Ways and Means committee and the entire Legislature staff. It takes an extraordinary amount of work to plow through the budget and schedule presentations and hold hearings. I thank you in advance.

Thank you also to Steve Morgan and Tara Venditti, the Management and Budget staff, the Law department, the deputies, department heads and all of the county employees whose hard work contributed to the preparation of the budget I present to you today.

Onondaga County government has a proud history as a careful steward of taxpayer dollars and this 2015 budget is no exception. What I present to you today is a balanced budget which calls for no property tax increase and moves us forward in terms of improving our efficiency so that we may continue to meet our responsibilities without asking taxpayers for more.

Spending is down:

This \$1.245 billion dollar all funds gross budget is down by \$6 million. Our billion dollar net budget is down 1%. By keeping spending down we are able to keep the property tax levy flat at \$141 million dollars...well within the Property Tax Cap which is now state law.

With modest growth in assessed values, which is good news for homeowners, no increase in the levy means that once again the property tax rate will be reduced. We are continuing to drop the rate in a careful, responsible way and the \$5.17/1000 rate in this budget is a 1.2% drop, a new historic low.

This budget also continues what we've done in the past to modernize county government. There is a lot of conversation about consolidating outside of county government but there is still more to do inside county government. It is not efficient for every single department to have its own financial administrator, its own personnel administrator and its own facilities supervisor with maintenance staff. Last year's budget began the move with facilities employees moving to the facilities department and finance and personnel people moving to their respective departments. This budget continues those moves and you will see that Library staff and Health department staff are moved to their appropriate departments. The change allows us to deliver services better and at the same time positions us for cost savings down the road.

I'm pleased to report that the changes to the Human Services Departments that you approved last year have been very successful. By continuing to break down the silos, not only is it easier for people to cut through red tape but the outcomes are far better for people.

The human services reorganization was a lot of work and we are already reaping great benefit; Our new Department of Children and Families recognizes that many of the same families are active in child welfare, mental health, juvenile justice and healthy families in addition to the school based services they receive. In the past, it has been nearly impossible to pull all these separate services together so that all providers are working together to help the family. As part of the new department, we now operate the ACCESS team that cuts through the red tape and improves connections between families and services.

There are thousands of moving pieces in the budget as you will see when you dive into the details but there are a few major drivers I will touch on for you this morning;

As you know, Sales Tax makes up the majority of local revenue available to fund county operations. As I already mentioned, the total amount of property tax collected for this budget is \$141 million. Sales tax is \$257 million. The reliance on sales tax is the reason why I am constantly reminding people that we need economic activity in the county to keep up with our infrastructure obligation, especially if you want to keep property taxes low. We can't keep property tax low and still pave our roads and replace our water pipes unless we create jobs and encourage economic activity. On some level it becomes a simple math equation.

The \$257 million dollars is an increase of \$5.3 million over last year's budget.

There is an increase of \$2 million in the budget from prior year property taxes, PILOTS and deferred and uncollectible taxes. Those increases are due to an improving economy as well as effort from the City, the county and the Towns to collect property tax which is owed. I will caution you however, that although it's too early to say for sure, it does appear that in the first seven months of 2014 the effect of the more aggressive collection in the city appears to be tapering off.

As an aside, I would say, too that this is a good example of why you, as the Legislature, should continue to explore moving your budget calendar out later in the year when you can have a more clear picture of what revenue will be and can lessen your guesswork. The prime case for moving the calendar out continues to be what happened in October of 2008 when the Legislature approved the 2009 budget the day the United States economy collapsed. Had you the benefit of a few more weeks, we would not have had quite the hole we did to dig out from.

Every one of your partners in the big counties all around the state consider their budgets later in the fall.

Another of the major drivers in this budget is the decrease in pension cost. We knew the reduction was coming because the rate is based on the 5 year average returns from the pension fund investments and that means our contribution in 2015 will be \$3.1 million dollars less than it was this year.

The net effect of these three changes, the \$5.3 million in sales tax, the \$2 million in prior year property tax collections and the \$3.1 million reduction in pension cost is \$10.4 million.

Just as there are a few big drivers on the positive side of the ledger, there are also a few big drivers on the other side,

The first is WAGES:

- 1. This budget includes an increase of \$3.5 million in wages, including*
- 2. Step increases and overtime of \$600K*
- 3. The OCSPA award of \$900K and*
- 4. The \$2M value of the CSEA negotiation which was agreed to by union leadership but rejected by members. It is included in this budget in good faith.*

The second is REVENUE LOSSES and I will highlight 3.

- 1. Jamesville Penitentiary continues to operate at capacity which means that we are unable to house federal inmates. This budget reflects a decrease of \$1.9 million in federal revenue as a result. We have had informal briefings for the courts and the District Attorney and done our best to mitigate the issue with our own Probation department but perhaps the time has come for you to more formally explore potential solutions.*

2. Preventive funding for juvenile justice services and the state takeover of Medicaid administration. They combine for a decrease of \$2 million in state revenue (although we are not complaining because the hard cap on Medicaid means no additional expenditure for the Medicaid program this year.)

3. Fewer youth from other counties means a loss of \$1 million in revenue for Hillbrook.

The total lost revenue is \$4.9 million

AND THE LAST BIG BUDGET DRIVER IS USE OF FUND BALANCE:

The 2014 budget included a \$7M appropriation of fund balance, which you all know is not a recurring form of revenue and should be used cautiously. The 2015 budget calls for a reduction of fund balance appropriation to \$4M.

I have proposed increases to the sewer unit charge as well as the water rate. As you may recall, we are in year 3 of a 5 year plan to gradually increase user fees to ensure our continued success meeting our obligation to the next generation. Onondaga County maintains its infrastructure. It's what we do. And it's one of the things we do best. If you haven't had the chance to go up to the Metropolitan Water Board to see the massive project which Holly Rosenthal and her team completed I urge you to make the trip. The open reservoir which posed both health and security risks has been successfully replaced with a new state of the art closed system.

Before I move on to talk briefly about the Amphitheater Project, I'd like to show you a couple slides which illustrate the budget pretty simply: The first is where our local dollars come from: It's a billion dollar budget but "local dollars" means the money we collect from taxpayers locally as opposed to what we use in State and Federal dollars. You can see here that Sales Tax far outweighs Property tax.

The second slide is an illustration of where our local dollars go:

Of the \$407 million in local dollar spending proposed by this budget, 43%, or \$173 million goes to support mandated programs; Medicaid, temporary assistance, Child Welfare programs, Special Children Services, Legal Aid and a few others.

Of those mandates—our Medicaid costs alone are \$102 million or 25% of our entire local dollar budget---and 73% of our entire property tax levy.

32% of our local dollars, or about \$131 million are allocated to support public safety.

And the largest single portion of that, some \$60 million, goes to support the cost of incarceration—the Justice Center, the Jamesville Pen, and Hillbrook.

12% of our local dollars pay for our physical services departments including transportation, parks, and Facilities. The largest portion of that being transportation at \$29 million.

And that leaves 13% of the property and sales tax dollars we bring in to pay for everything else in our budget: health, OCC, authorized agencies, finance, purchasing, law and many more.

Roughly 55 cents of every local dollar we collect through property and sales tax goes to just four functions: Medicaid, incarceration, sheriff police/civil, and road maintenance.

So, the bottom line is that:

- **Spending is down**
- **It's a responsible budget which meets our obligations,**
- **It's a budget which further modernizes county government and**
- **There is no property tax increase---which means that we continue to have a historically low property tax rate in the County.**

This budget will make it possible for us to improve our service delivery, responsibly maintain our water and road infrastructure and position us to enjoy continued growth.

I have very good news to share with you. **Dr. Indu Gupta** has accepted my offer to become

Onondaga County's new Health Commissioner.

Dr. Gupta is a Medical Doctor with a Masters in Public Health, a Masters in Public Administration and is a Fellow of the American College of Physicians. She is relocating to Onondaga County from California where she is currently employed as both a professor and a physician in the UCLA School of Medicine.

Dr. Gupta has strong ties to CNY having lived here while practicing as a private physician at St. Joseph's Hospital. Dr. Gupta also has experience with the Onondaga County Health Department where she served as Director of Preventive Services about 10 years ago.

I am thrilled that Dr. Gupta will be joining us as our new Health Commissioner and I look forward to introducing you all very soon. I am also delivering to you a request for a bond authorization for the West Shore Revitalization Project, including the proposed Amphitheater on Onondaga Lake.

I urge you to carefully review the documents. As is the case with many things, there is a lot of misinformation associated with the project and I am committed with my team to provide you with good information upon which to base your analysis. In an effort to start the review, I'd offer a few key points:

1. First and foremost, the site is safe. A few good people with good intentions (and probably a few without...) have expressed concern about that. As I hope you all know by now, we are continuing to put every bit of information we have on our website for folks to read for themselves. If you go to the Ongov.net homepage you will see a tab for the amphitheater and it includes everything we have...including the Human Health Risk Assessment. When you spend a few minutes with it you will see that the site has been studied extensively for several years and that the EPA weighs in clearly. We anticipate a report from the State DEC very soon and expect no surprises. We intend a robust remediation plan.

And on a personal note, I met one-on-one with the Regional Administrator for the EPA and I told her that I am a mother of four boys and they will likely frequent a new amphitheater and I want to make sure that everyone will be safe and she assured me that it is, indeed okay to remediate and build an amphitheater. As I said, there is a lot of misinformation out there but you can all rest assured that we will err on the side of caution.

I would also remind you that the landfill exists. Unfortunately, some of those who came before us left a mess...but it exists. And while it is relatively easy to say that the land mass should be removed, I would respectfully ask where we might put it? My guess is that you would be hard pressed to find any neighborhood willing to accept the land and you would just have to remediate it in its new location. It is safe where it is. We will cap it. We will err on the side of caution and we will have a much better ending to our story.

2. My second point is a high level look at cost. I am requesting a bond authorization in the amount of \$49.5 million. With a 30 year amortization, the annual payment can be covered with the annual payment we now receive from the Turning Stone Casino. We have begun to receive payment from the casino and I am pleased to report that the payment exceeds our projection. It is a good opportunity to do something great for our community without having to ask for taxpayer dollars.

As you know, the state has committed \$30M to the project.

The project also includes road work and the designs for Bridge Street and Milton Ave in Solway are exciting. There is also work being done to address business facades, streetscapes and housing. I'd like to acknowledge the work Bob DeMore and the Community Development have done to prepare for the Solway project.

And finally, a big part of the project is the sewer work we will do which will increase capacity and allow for economic growth. The total price tag, including the state grant, will be within our original estimate of \$100 million.

3: The third point is about the ongoing operation of the new Amphitheater. Onondaga Lake has been cleaned in large part with public dollars. I believe the right thing to do is to make sure that the public has access and this facility will be a public park. Members of our team have toured other facilities. We've met with local and national concert promoters and facility managers. As part of your review, you will hear directly from facility managers to learn what we have about operating the Amphitheater.

This project is coming together quickly and I owe great thanks to everyone involved. Hundreds of hours have been spent planning with great detail. An RFQ was issued and the RFP will be going out in the next week.

I don't think people are used to government moving quickly. I assure you that we are careful and deliberate and I think you will be amazed to see what we have accomplished. I have an unbelievable team working tirelessly on this project.

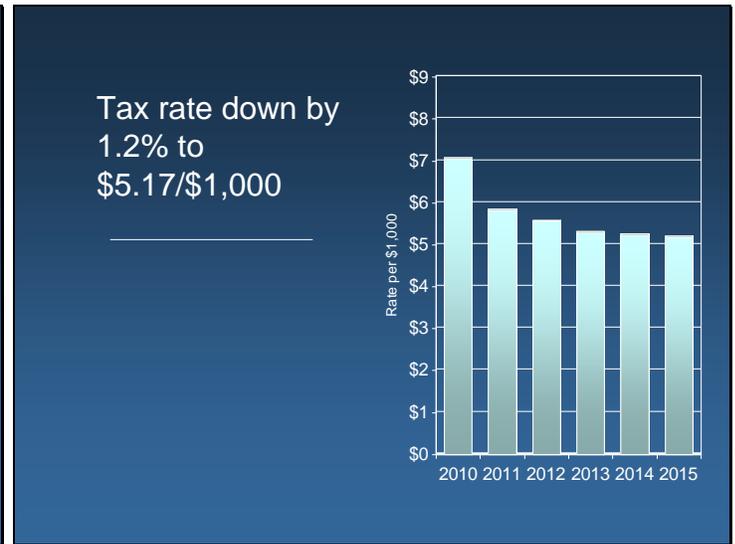
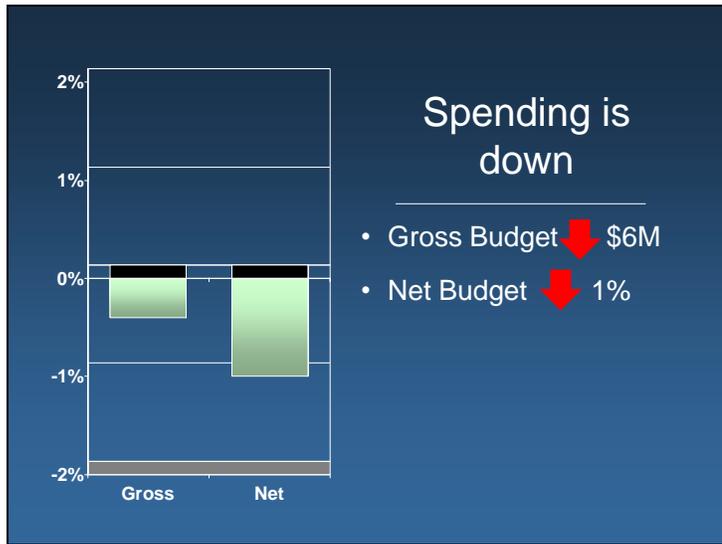
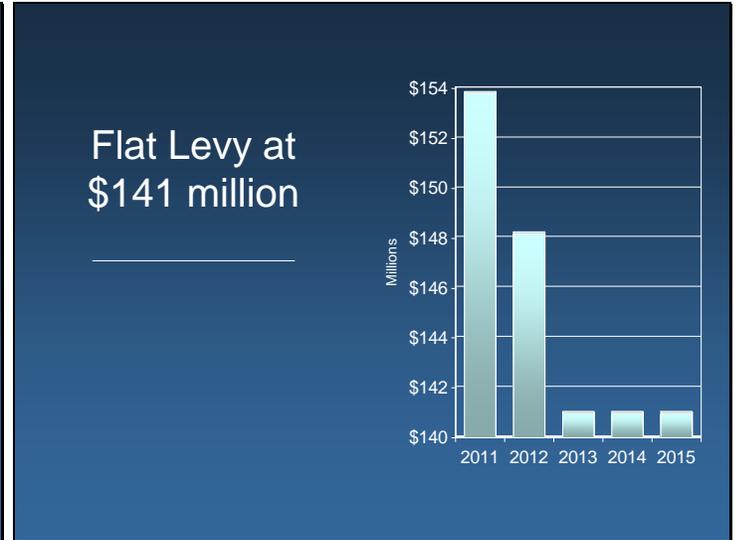
Doing nothing is easy. Maintaining the status quo is easy and just saying NO is easy. I didn't ask for this job because I thought it would be easy. I asked for an opportunity to make my hometown a place my kids might choose to live. There was a brain drain and our best and brightest were leaving for better opportunity and I knew we could do better.

Our deputies and department heads are visionary. They aren't taking the easy way out. They look ahead and seize opportunity and are willing to do the hard work it takes to make things happen. And for continuing to make Onondaga County a better place, I am forever in their debt. Thank you for your attention. I wish you luck as you plow through this budget and we stand ready to answer your questions during the next several weeks and help in any way we can.

Thank you.

The 2015 Executive Budget

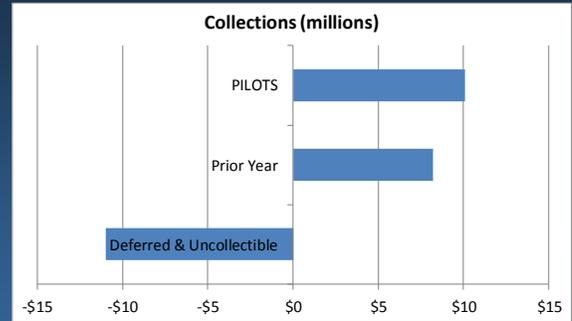
Onondaga County



Modernize County Government

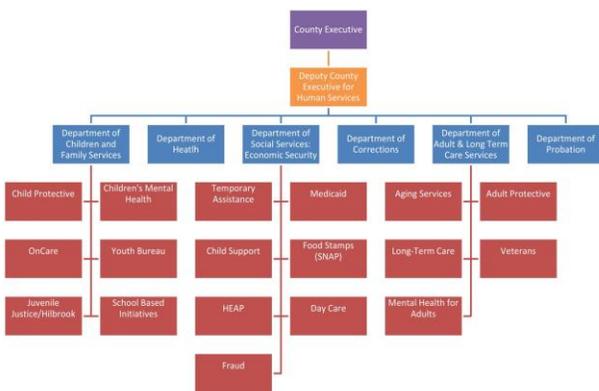
- Continue to centralize support infrastructure to be more efficient and effective
- Propose to transfer Health and Library administrative infrastructure to Finance, Personnel, Facilities and IT

Property Taxes

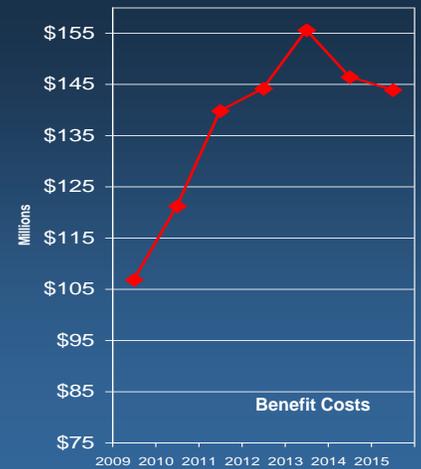


\$2 million increase since 2014

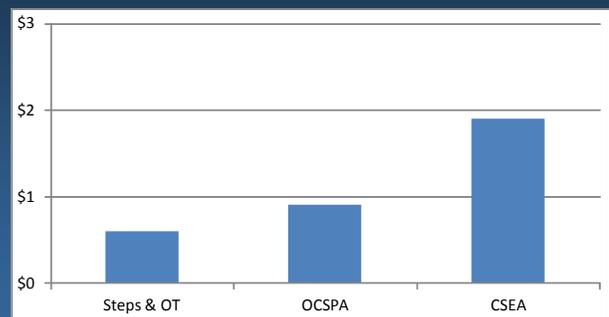
Onondaga County - 2014



Benefits



Wage Growth (millions)



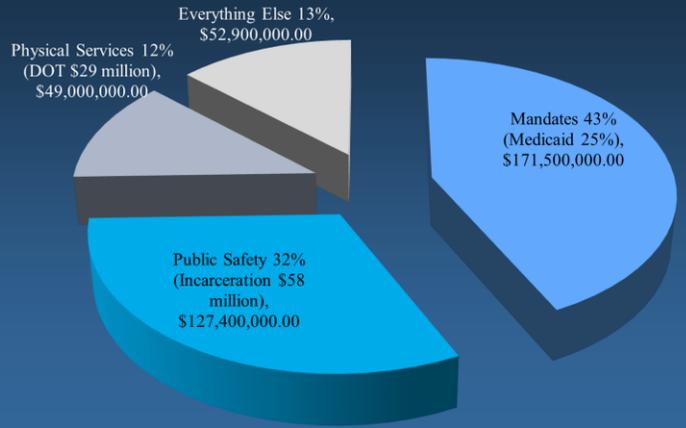
\$3.5 million increase

2015 Budget Revenue Losses

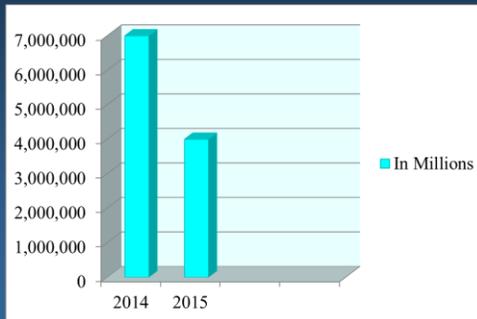
Federal Inmate Revenue	\$1.9 million
Medicaid Admin	\$1.0 million
Juvenile Justice Funding	\$1.0 million
Hillbrook	\$1.0 million

Total Losses **\$4.9 million**

Local Dollar Spending by Function



Fund Balance used to balance budget



BD2

Local Dollar Spending by Function

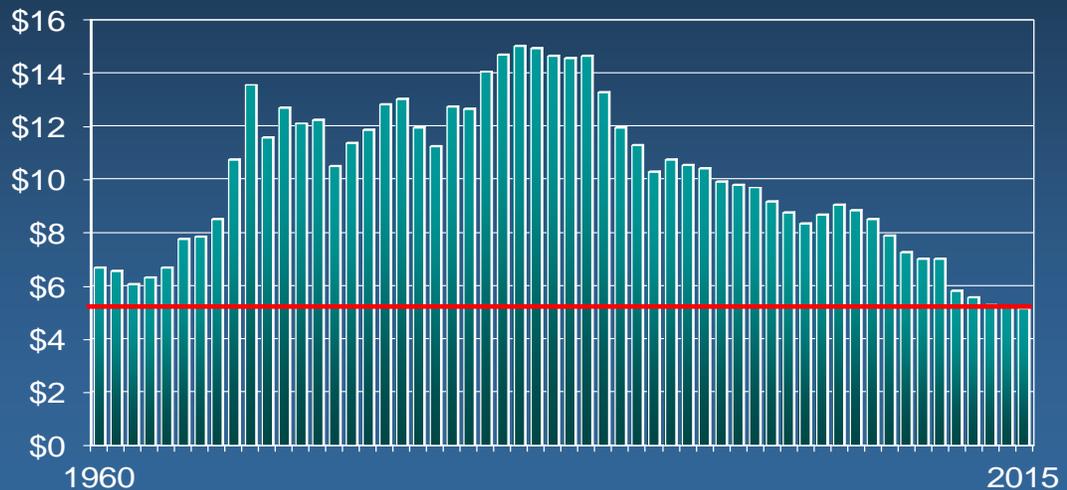


Where local taxes come from

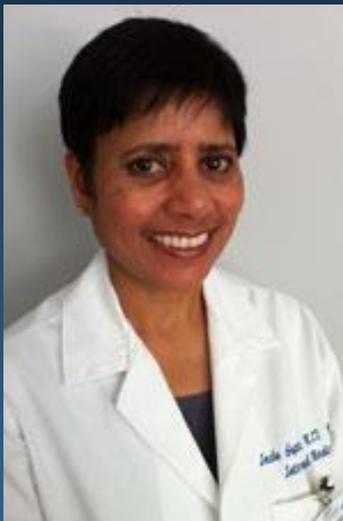


- ✓ Spending is down
- ✓ Responsible budget
- ✓ Further modernizes county government
- ✓ No property tax increase

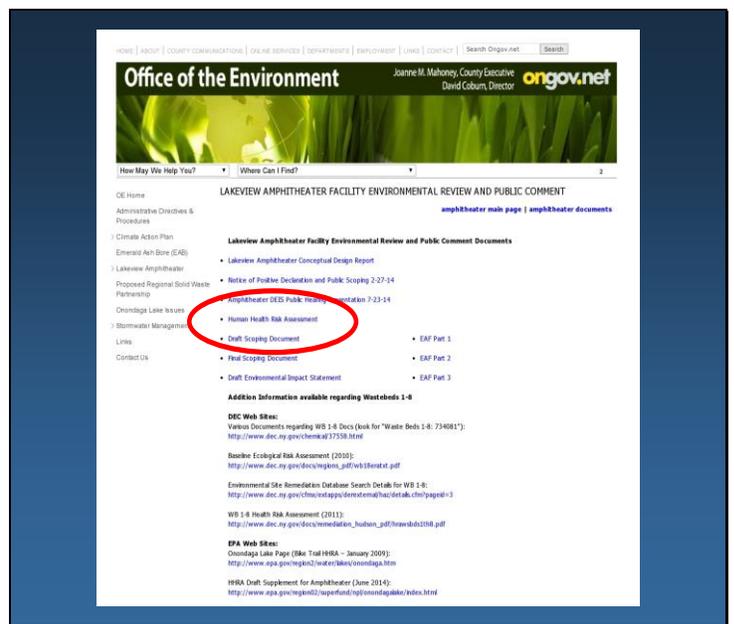
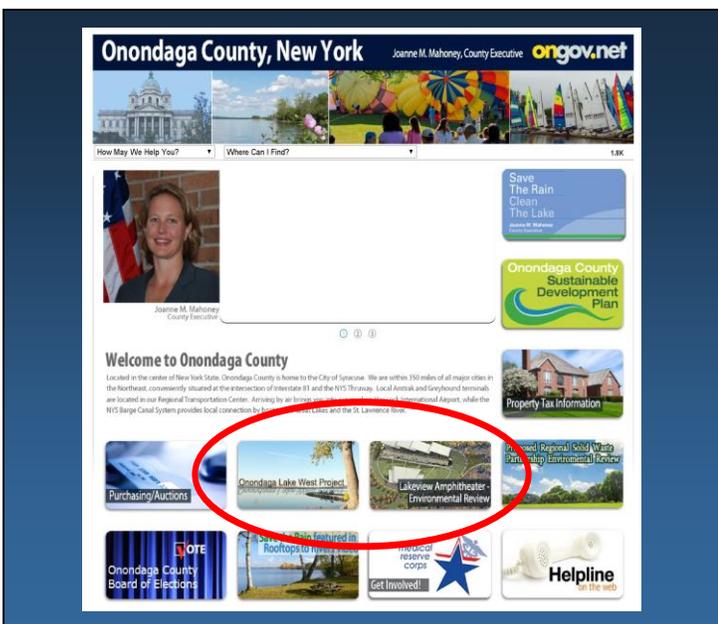
Lowest Tax Rate in 50+ Years



Dr. Indu Gupta, MD, MPH, MAPA, FACP



- Graduate of Syracuse University's Maxwell School and Johns Hopkins Bloomberg School of Health
- Long-time staff member and attending Physician at St. Joseph's Hospital in Syracuse
- Assistant Professor and Hospitalist Physician at UCLA's David Geffen School of Medicine
- Director of the Neurosurgical Co-Management Service at Santa Monica UCLA



From the EPA's June, 2014 Human Health Risk Assessment

Draft Final

06/02/2014

pedestrian bridge from State Fair Boulevard. Additional water-based access is also anticipated in the future through use of a seasonal (removable) docking system. Construction is anticipated to occur in multiple phases, beginning in the late fall/winter of 2014 and concluding in the fall of 2015. The Lakeview Amphitheater Facility will be owned by Onondaga County (Onondaga County, 2014). Figure 2 shows the location of the proposed amphitheater, the nearby vendor area, and associated support facilities.

This evaluation supplements information in the Site baseline Human Health Risk Assessment (HHRA) (O'Brien & Gere, 2011) for the purpose of evaluating potential human health risks to populations which would access the Site to either attend events or be employed as maintenance or construction workers at the proposed amphitheater to be located on the Site.

For this evaluation, EPA reviewed existing information to assess potential risks and hazards to populations that may access the Site. Specifically, EPA considered two human health risk assessments, the Site baseline human health risk assessment which was conducted to assess exposures to various media for current and reasonably foreseeable future land uses, and the other one conducted to assess exposure to surface soil contamination from the use of a portion of the Site for a recreational bike trail.

1.1 Site Overview

The Site includes former Solvay wastebeds which extend into the lake at Lakeview Point and cover roughly 315 acres (O'Brien & Gere, 2006). The wastebeds are composed of a series of perimeter dikes that were filled in with waste materials (primarily Solvay waste) consisting largely of calcium carbonate, gypsum, sodium chloride and calcium chloride. These wastes were generated at the former Main Plant as part of soda ash production. Solvay waste was hydraulically pumped into the wastebeds from approximately 1916 to 1943. The Crucible Landfill covers roughly 20 acres on the northwestern portion of the Site and contains both hazardous and non-hazardous waste. The landfill was closed in 1988 in accordance with a New York State Department of Environmental Conservation (NYSDEC)-approved closure plan. As shown on Figure 3, the Site includes the Lakeshore, Parking Lot, and Upland Successional Areas. The Amphitheater Facility is located primarily in a portion of the Upland Successional Area that is characterized as having generally very low levels of contaminants in surface soils. Contaminants at the Site include benzene, toluene, ethylbenzene and xylene (BTEX), naphthalene and assorted polycyclic aromatic hydrocarbons (PAHs), polycyclic aromatic hydrocarbons (PAHs), and inorganics. Surface soil contaminants in the Lakeshore Area include BTEX, PAHs and inorganics.² Surface soil contaminants in the Parking Lot and Upland Successional Areas include PAHs, dieldrin, 4,4'-DDT, inorganics and volatile organic compounds. (These areas are depicted in Figure 3.) Subsurface soil contaminants include BTEX, acetone, naphthalene and PAHs, phenolic compounds, and inorganics (O'Brien & Gere, 2006). Organic contaminants were detected more frequently and at the highest concentrations in subsurface soil between the central and southeastern portions of the Site. Polychlorinated biphenyls (PCBs) were also detected in subsurface soils. The majority of these detections were in or near the Biosolids Area in the southeastern portion of the Site where the City of Syracuse and Onondaga County disposed of sewage sludge from 1925 to 1978 (O'Brien & Gere, 2008). The Site is currently owned by the State of New York and Onondaga County.

In accordance with a 2011 decision document issued by the NYSDEC and EPA, an interim remedial measure (IRM) to prevent the continued migration of contaminants into Ninemile Creek and Onondaga

² The New York State Department of Health considers surface soil as encompassing the top two inches only. However, surface soils considered in the 2011 HHRA and this evaluation included soil 0-2 feet below ground surface.



“The Amphitheater Facility is located primarily in a portion of the Upland Successional Area that is characterized as having generally very low levels of contaminants in surface soils.”

From the EPA's June, 2014 Human Health Risk Assessment

Draft Final

06/02/2014

is also expected that potential risks or hazards to the Amphitheater Maintenance Worker would be within acceptable risk ranges and targets.

For the Amphitheater Construction Worker, potential exposures to this receptor are expected to be similar to potential exposures to the Construction Worker as evaluated in the HHRA. In the HHRA, potential estimated excess cancer risks for the Construction Worker were within the acceptable risk range. However, potential estimated excess non-cancer hazards to the Construction Worker exceed the threshold value with the primary constituents being attributable to manganese, nickel, and benzene, and the primary exposure media being shallow groundwater and outdoor air. Therefore, it is also reasonable to expect that the potential estimated excess cancer risks for the Amphitheater Construction Worker would be within the acceptable risk range, but that non-cancer hazards for this receptor may exceed EPA's threshold value. Consequently, an Amphitheater Construction Worker can and should employ measures (e.g., use of personal protective clothing and equipment) in accordance with Site-specific Health and Safety plans to ensure worker protection while engaging in on-Site construction activities.

It is also important to note that the HHRA and this supplemental evaluation assumed no remediation, nor access or use controls such as fencing or signage. The current remedial schedule for the Site, however, calls for remedial activities to be implemented prior to or concurrent with construction of the proposed amphitheater and related facilities. The remedial activities will likely include measures which will limit and reduce potential exposures to humans and wildlife. Access or use controls for the area may also be incorporated as part of the construction of the Lakeview Amphitheater Facility. Once these remedial measures and controls are implemented, it is anticipated that there will be reduced potential for human exposure to Site contaminants relative to the conditions which were assumed in the HHRA and in this supplemental evaluation.



“...this supplemental evaluation assumed no remediation, nor access or use controls such as fencing or signage. The current remedial schedule for the Site, however, calls for remedial activities to be implemented prior to or concurrent with construction of the proposed amphitheater and related facilities.

Once these remedial measures and controls are implemented, it is anticipated that there will be reduced potential for human exposure to Site contaminants relative to the conditions which were assumed in the HHRA and in this supplemental evaluation.”

The Future Home of the Lakeview Amphitheater



Onondaga Lake West Revitalization Program

\$49.5 million bond
\$5 million in casino revenue
\$30 million State Grant
\$15 million from WEP

\$99.5 million for Solvay, Geddes
and Onondaga County

How to build an Amphitheater without tax dollars

Total needed: \$49.5 million

Solution: Issue a 30 year bond

Annual bond payment paid for with annual
\$2.5 million payment from NYS after
Turning Stone Casino revenue sharing

= no tax dollars to pay the bond



A short video the proposed amphitheater was shown.

Chairman McMahon adjourned the meeting at 11:40 a.m.

Respectfully submitted,

DEBORAH L. MATURO, Clerk
Onondaga County Legislature