



Onondaga County Legislature

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COUNTY EXECUTIVE'S 2017 BUDGET PRESENTATION TO THE COUNTY LEGISLATURE September 16, 2016

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

Chairman McMahon called the meeting to order at 11:15 a.m. and introduced Joanne Mahoney, County Executive.

The County Executive presented the following:

2017 Budget Message

Chairman McMahon, Majority Leader Kilmartin, Minority Leader Ervin and members of the Legislature, thank you for the opportunity to present the 2017 County Budget. I am joined here today by Deputy County Executive Bill Fisher, Deputies Ann Rooney and Mary Beth Primo, County Attorney Bob Durr and Steve Morgan, our Chief Fiscal Officer. They, along with our department heads and staff have worked hard to put together this executive budget for your consideration.

Please let me start with a brief overview of where we are. In 2008 the county levy was \$180M. Today, it is \$140M. As a matter of fact, the levy has not been increased at all since the 2010 budget seven years ago. Together with the Legislature, we have dramatically reduced the county property tax levy and we continue the proud tradition of operating a fiscally conservative administration with a high level of customer service.

We have also reduced headcount dramatically. There were 4,200 county employees when my administration began and there are 3,200 today. This budget continues that downward trend.

County employees have pitched in to help us innovate and create a more modern and efficient form of government and it pays dividends to county residents in the form of lower property tax bills.

We have consolidated internally and this budget proposes we do more of that. We have partnered with other government entities to eliminate duplication and this budget also proposes that we do more of that as well.

In addition to property tax, the county relies on sales tax revenue to operate our government. In the past several years the county saw sales tax grow rapidly and this year we are seeing it level off in large part because the cost of gasoline remains low. The budget I am presenting to you forecasts a modest increase in sales tax revenue of 1.75 percent over what we've seen in 2016.

At the same time that we are enjoying historically low property tax and a leveling off of sales tax we are also seeing increased costs for personnel and a significant increase in what we pay for healthcare. That combination makes this budget a little more difficult than others recently but we have seen tough budgets before and we have come out stronger. What I propose for you this year is no different.

The elevated salary and healthcare costs presented us with a budget gap when we began the process of putting this budget together earlier this summer.

And the first thing we looked to do was reduce costs; we rolled department budgets back to 2016 levels and in some areas we went even further. Department heads are going to be working with budgets that limit new staff, reduce working capital and eliminate new vehicle purchases.

Fortunately, we are in a position to do this because we have accomplished a lot in the recent past: county infrastructure is in very good condition. The Facilities Department has done incredible work the last several years improving our physical plant overseeing things like new roofs, asbestos removal, new windows and complete renovations of several floors in both the civic center and the Kochian office building. I encourage you to come over and take a look when you are able to.

The renovations are making it possible for us to save money in leases because we are moving more people into the building. Jobs Plus plans to relocate to the Civic Center in the next few weeks and will no longer need to rent separate office space for them. It also continues our effort to create a one stop shop for our clients.

The Department of Transportation keeps county roads in great condition and this year expects to secure \$15M in Federal Highway funds for road design and construction. It will be one of the biggest years ever for DOT and will keep the department working even harder in the next couple years.

Water Environment Protection has made significant investments in wastewater and stormwater infrastructure while continuing the rigorous program of capital investments required by the Amended Consent Judgment. They now operate in excess of 99% compliance with six rigorous permits.

The Parks system added a whole new park with the addition of Lakeview Park on the West Shore of Onondaga Lake and the Parks Department took on the job of maintaining it without adding any new funding. Along the way, Parks continues to win awards for facility and landscape design work and environmental leadership.

All of that infrastructure work result in a county that is in very good shape. When we have year like this where we need to tighten our belts temporarily we can do so without concern. Many municipalities don't enjoy that level of flexibility because years of neglect have created the need for emergency repair after emergency repair after emergency repair. I want to thank the Legislature for responsibly investing in our county infrastructure and I want to thank the hard working men and women in county government who do a tremendous job.

The other significant way we intend to reduce costs in this budget is through the retirement incentive that you agreed to offer long time county employees. You will see significant salary savings built into every department in the budget. As you know, 800 county employees are eligible to retire and we opened up the incentive program across the board. Personnel reports that every single appointment with the state pension representatives we invited here is completely booked. We will do our best to get more representatives here to advise employees.

We will not know for sure which employees decide to retire before the deadline the county has for passing its annual budget. As a result, I am asking you to consider this budget in two parts. When you pass a budget on October 11th, you will be setting the property tax levy for 2017, the single most important role you have in the budget process. That number will not be changed once the levy is set and we will operate county government within that budget.

The second part of the budget will be considered after the levy is set. Once we learn which county employees decide to retire, we will make the necessary personnel changes and bring a resolution to you for adoption before the start of the new year.

As I said, this budget continues both the internal consolidations we've steadily progressed since you made a significant investment in PeopleSoft, as well as external consolidations the biggest of which this year is a proposed merger of the county Metropolitan Water Board with the Onondaga County Water Authority. This merger is very complicated because our assets are spread across both Oswego and Onondaga counties and the water authority's jurisdiction is more limited. I want to thank Deputy County Executive Bill Fisher and the Law Department for doing many hours of work to make this proposal possible. Doing the work of recreating government so it works more efficiently is difficult. This is a clear example of what I mean when I say that it would be easier NOT to do this which is probably why it is decades beyond due for a merger.

The proposal calls for OCWA to take responsibility for the wholesale water function in addition to the retail role it currently plays. Holly Rosenthal and her team of county employees will all join the OCWA team if you support the proposal and both entities will benefit from the efficiencies gained through the merger.

In addition to the cost cutting, the retirement incentive, and the proposed consolidations, the budget you will see includes a \$3.5M payment the county received through the refunding of tobacco bonds and the suggested use of \$6M of fund balance. This fund balance use is consistent with the policy goals previously set by this legislature.

The levy set by the Legislature last year resulted in a tax rate of \$5.13/1000 an historic low. It means that a homeowner in our county with a home assessed at \$100K pays a county property tax bill of \$513. We should be proud of the fact that we

provide all the services we do at a high level, our infrastructure is in good working order and we have a healthy fund balance while maintaining low property tax rates. In the budget I am presenting to you today, I am proposing that we keep the tax rate at \$5.13/1000.

It is the careful mix of cost cutting, consolidation and a flat tax rate that enables me to present to you a balanced budget of \$1.3B that continues our tradition of being fiscally conservative while also meeting our obligations to our residents and to future generations.

The 2017 all funds expenditure growth is 1.9% over the 2016 budget. The 2017 general fund expenditure growth is only .74%, an extraordinary feat given what you will see in increasing costs for wages and health care when you dive into this budget in the coming weeks.

Before I conclude, I'd like to highlight a few of the things you will hear during budget presentations. First and foremost, thank you for your vote this morning on a new contract for CSEA. Our biggest union now has a contract through 2019 and it continues to balance our obligations to our employees with our obligations to the rest of the taxpayers in Onondaga County. I appreciate the willingness of union members to recognize the rapidly escalating health care costs we face and their decision to gradually increase their contribution over the life of the contract.

You will hear that Imagination Library, the innovative program you supported last year to support literacy, now has 10,000 children enrolled all across the county. You will hear that our Department of Social Services selfserve kiosks divert 225 people per day and have helped us reduce DSS staff by 60 employees since 2012. You will hear that the Second Chance dog shelter is going well. In my visits to the shelter I've seen inmates being productive and learning new skills and I've seen well-trained dogs in need of adoption find new permanent homes. Thank you to the Corrections staff, volunteer inmates and volunteers from the community who have all come together to make this worthwhile program successful. You will hear also about the work that the Agriculture Council is doing to keep farm land and support local farmers. Thank you to Dave Knapp for all the work to make the Agriculture Council successful.

And, you will hear that the Amphitheater had an extraordinary first season and exceeded all of our expectations. In 22 shows, over 200,000 tickets were sold and thousands of visitors came from outside our county and outside New York State. Live Nation reported ticket sales from every county in the state, every state in the Union, Washington DC, Puerto Rico and the Virgin Islands. There was a real buzz in the community all summer long as national acts that had passed us by in recent years were stopping here to play on the shores of Onondaga Lake. I saw many of you out at the Amp this summer and appreciated your ongoing support. I also very much enjoyed seeing people like our local congressman out there in a ZZTop T-shirt! Thank you for your support for the Amphitheater.

I am very much looking forward to you hearing from David Holder at Visit Syracuse tomorrow when he tells you about the economic impact we've enjoyed as a result of all the concerts. David gave us a sneak preview of what the data shows about visitors coming here, staying in our hotels and spending money at businesses in our county. It is a big win for all of us that something which so enhances our quality of life and provides an enjoyable evening outside is also a tremendous economic engine for our local businesses.

With that I will leave you to the work of plowing through the details of this budget and thank you in advance for your hard work. I look forward to continuing to work with you on behalf of the citizens of Onondaga County.

Thank you.

Chairman McMahon adjourned the session at 11:30 a.m.

Respectfully submitted,



DEBORAH L. MATURO, Clerk
Onondaga County Legislature