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## OFFICE OF THE MAYOR

**Stephanie A. Miner, Mayor**

**Mayor Stephanie A. Miner**  
**January 27, 2014**  
**2014 Joint Budget Hearing**  
**Local Government Officials / General Government**  
**Hearing Room B—Legislative Office Building**

### *I. Syracuse Overview*

Good morning. I want to thank Senator John DeFrancisco and Assemblyman Denny Farrell, the committee chairs Senator Jack Martins and Assemblyman Bill Magnarelli holding this hearing; the ranking minority members of the committees, Senator Terry Gipson and Assemblyman Christopher Friend; and all the members of both the Assembly Ways and Means Committee and the Senate Finance Committee for this opportunity to testify today.

Syracuse's population has stabilized, which is unique among Upstate cities. While Syracuse is the smallest of the Big 5 cities, it is the anchor of Central New York, which stretches from Lake Ontario to Pennsylvania.

Syracuse is unique among cities. We were the first city in the nation to implement the Say Yes to Education program city-wide. Say Yes provides a whole host of academic, social, economic and health and family supports to the students of the Syracuse City School District. Starting with after school programming for 5,000 elementary school students, to providing academic assistance and free college tuition to City School graduates, Say Yes has sent over 2,000 graduates to college tuition-free. Our community understands the value of a holistic approach and early intervention in childhood education. To that, we applaud the work of New York City Mayor Bill de Blasio's advocacy and Governor Andrew Cuomo for including universal pre-kindergarten in his budget.

Syracuse is a city on the move. Record numbers of construction permits issued and cranes in the air signal strong economic development. A number of the projects in Syracuse and Central New York have been made possible thanks to the awards by the Regional Economic Development Councils. Thank you for your support in this program.



Syracuse is a center of innovation. We have tremendous workforce and intellectual capital in the clean energy, healthcare and higher education fields. We have recently received national recognition for the exciting work taking place:

- Syracuse was the only city in New York State to be designated as one of IBM's Smarter Cities
- The US Environmental Protection Agency (EPA) chose Syracuse as one out of ten cities nationwide to be recognized as a "Green Infrastructure Partner" based on our success in implementing green techniques to manage storm water and in our progress in creating a more sustainable, livable community.
- The US Green Building Council (USGBC) awarded the County Executive, Syracuse University Chancellor and myself its "Global Community Leadership Award" for our collective commitment to greening the Syracuse community.

Syracuse is on the forefront of government modernization. We have already consolidated our Planning Department and mail services with Onondaga County, and we are in the midst of transferring our attendance and payroll systems from pen-and-paper to a 21<sup>st</sup> Century data platform used by Onondaga County. City of Syracuse has also partnered with the County to conduct a consolidation study to look at every level of government to see where we can save money and improve efficiencies. I look forward to working with the County Executive on this important initiative to find opportunities to deliver services in a more streamlined and cost effective manner to the taxpayer.

Thanks to our State leadership for authorizing the Land Bank, the City of Syracuse has increased its collection of delinquent property taxes and fees by more than 69% in 2013. The Land Bank, in addition to being a mechanism for the much needed renovation and repairs of dilapidated vacant properties, also serves as a real revenue generating tool, and we have only begun to see the benefits.

## ***II. Fiscal Crisis***

Despite these exciting accomplishments and initiatives, we are in the midst of a fiscal crisis like all governments. It is a sign of the times we live in. Unlike other government levels, however, cities bear the direct responsibility for providing vital services on which our residents, workers and visitors rely on every day. Police and Fire protection, water, trash and snow removal are obligatory functions of any healthy city. Frankly, all of the transformative economic development investments would fundamentally wither away should the City be forced to discontinue the delivery of these services.

As a City, we are doing our part to cut costs and boost our revenues. We have tightened our belt, consolidated services and pressured our tax-exempt institutions to pitch in for the cost of City services. We have made tough choices like closing a fire house, reducing our workforce by about 10% and requiring management confidential employees to contribute more to their health care on a sliding scale. Just recently, a letter went to all City Police retirees requiring those who are eligible to enroll in Medicare to relieve the City of their healthcare expenses. We are doing all we can without State help (Appendix A).

### ***III. “Crowding Out” Our Infrastructure Needs***

The city has non-controllable expenses that cripple our ability to save ourselves from what appears to be impending insolvency. Employee costs have skyrocketed and comprise approximately 73% of the City’s overall expenses. In the past ten years, the City’s pension costs have grown by 400%, 71% of which belong to Police and Fire. In order to pay the City’s pension and health care bills, many necessary capital projects have been put on hold. This is an example of the “crowding out” effect: the skyrocketing spending on public employees, particularly their pensions and healthcare, which reduces a local government’s capacity to make investments and deliver needed services. Crowding out is especially tough on cities that have experienced big declines in property values because property taxes are a mainstay of its income.<sup>1</sup> With over 51% of properties having tax exempt status in the City of Syracuse, much needed infrastructure repairs have been “crowded out” to pay the obligatory pension and health care costs.

In a recent letter to the Governor (Appendix C), I requested emergency funding for the City’s most dire capital needs. These capital projects, totaling \$16.4 million, cover what should be routine repairs so the City can continue to deliver its most basic and essential services to City residents. Police vehicles, water infrastructure maintenance, road reconstruction and parks facility repairs are hardly enticing economic development projects—but without addressing our crumbling infrastructure, these multi-million dollar construction and economic development investments cannot reach their potential. In addition, 57 vacancies in the Police Department compounded by the demands of an urban population require these vacancies to be filled. Salaries and benefits for 25 police officers would cost about \$2.3 million. Safe streets, clean water and plowed roads are the foundations of successful economic development.

### ***IV. Education Needs***

The Governor’s budget includes several components that will provide much-needed support for education. I would like to highlight, specifically, the proposals for Universal Full-Day Pre-Kindergarten, P-TECH expansion, and a general state aid increase. These educational initiatives will have a positive impact on students in my district and across the state.

The City of Syracuse appreciates the Governor’s proposal to increase State educational aid. An increase is particularly important for Syracuse, where the school district serves over 21,000 diverse students, including thousands of high-need students: students living in poverty, English Language Learners, refugees, and students with disabilities. For just that reason, however, the proposed increase is inadequate. Superintendent Contreras and the Syracuse Board of Education are implementing an ambitious five-year strategic plan aimed at significantly increasing student achievement in all of our schools in alignment with the State’s education initiatives. We do not

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<sup>1</sup> “Government Crowded Out: How Employee Compensation Costs Are Reshaping State and Local Government.” Daniel DiSalvo. Manhattan Institute Civic Report No. 77, April 2013, p. 13.

ask for more funding just for the sake of funding; however, these extremely important initiatives do require a more significant increase in State aid. The overall State aid increase for Syracuse does not do enough to ensure our schools have the funding they need. I urge you to provide our students with their fair share of State aid.

One essential initiative of the proposed budget is Universal Full-Day Pre-Kindergarten. The proposed 100 million dollar initial investment in universal Pre-K is commendable. Knowing the potential positive long-term academic effects of full-day Pre-K, especially for children living in poverty, our city has made a commitment to gradually increase the number of full-day Pre-K seats. We currently have 1,400 Pre-K seats across school district classrooms and classrooms in outside agencies working with the school district. However, many of these seats are not full-day and the school district has hundreds of students on waiting lists to receive Pre-K services. So that cities like Syracuse can provide a high-quality education to more students in these ever-important early years, I am excited that the Governor chose to support and fund full day Pre-Kindergarten.

I also want to voice support for the additional NYS P-TECH funding in the Governor's budget, which represents a truly exciting opportunity for the Syracuse City School District to continue work to align high school education directly to local career opportunities in advanced manufacturing. The Syracuse City School District is partnering with The Manufacturers Association of Central New York (MACNY) and Onondaga Community College (OCC) to implement the P-TECH program on our Institute of Technology @ Syracuse Central High School campus. Syracuse P-TECH is both an education and economic development initiative, and the new investment included in the Governor's budget can help expand this important initiative.

## ***V. Conclusion***

As Mayor, have an obligation to deliver services to the people of the City. While I welcome economic development projects, it is incumbent upon me to make sure our basic needs are taken care of first. With AIM remaining flat for the past three years, that is becoming increasingly difficult despite the sharing of services and belt tightening. I ask that you continue to look at the economic model for cities and provide assistance for local governments, as New York State is only as strong as its cities.

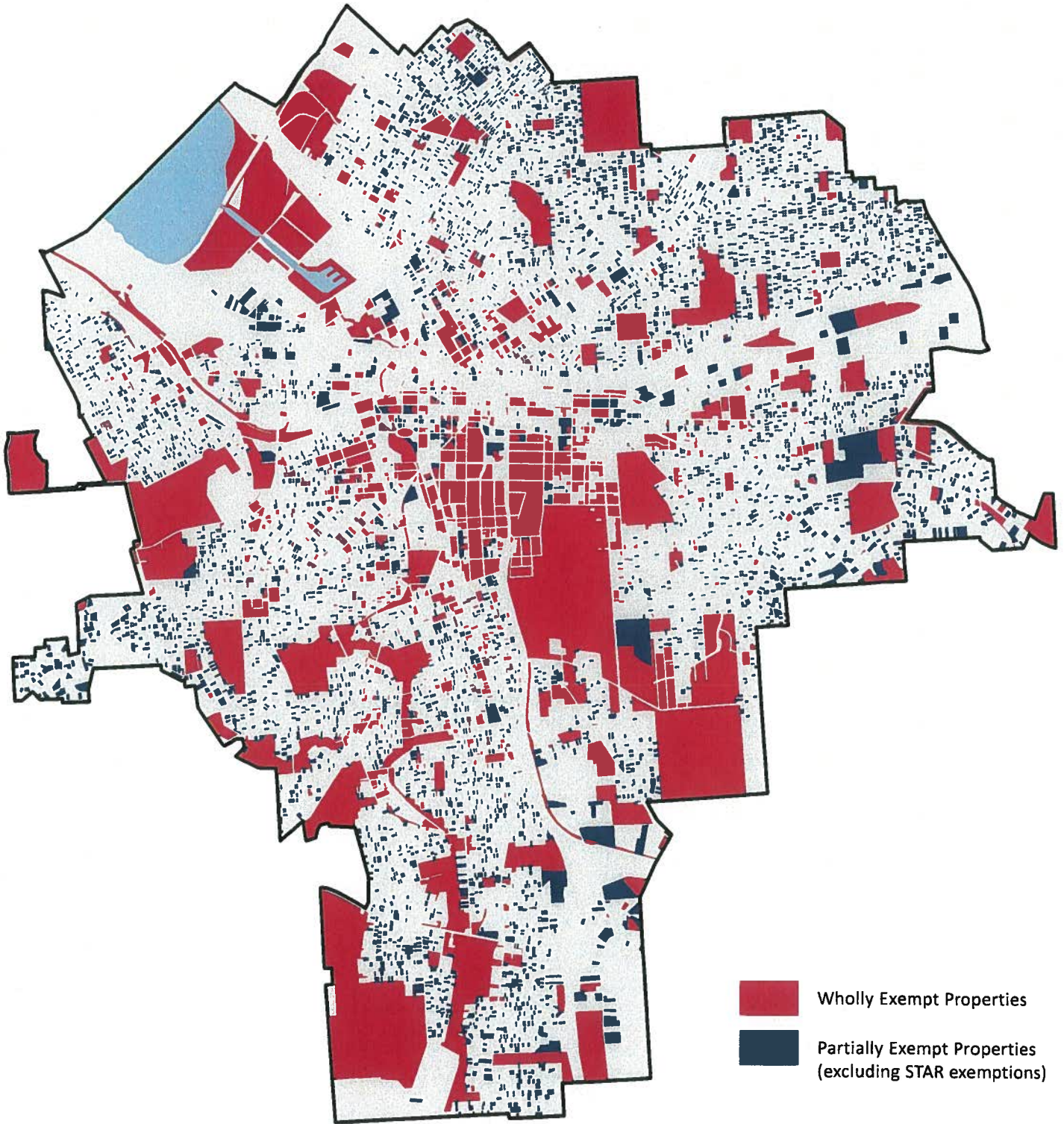
# *Appendix A*

## **City of Syracuse Cost Cutting Measures**

<b>Item</b>	<b>Savings</b>
Closed a fire station	\$1.5M + ongoing operating costs
Merged Planning Department with Onondaga County	TBD
Requiring eligible Police retirees to enroll in Medicare	TBD
Negotiated healthcare savings with not-for-profit hospitals through POMCO, our healthcare provider	\$995k (est)
Negotiated services agreement with Crouse Hospital	\$50k/yr revenue
Reduced Police and DPW overtime costs	\$1.9M
Reduced workforce by 10% from December 2009 to April 2011	\$7.0M
Consolidated City and County mail services	\$28k/yr
Privatizing airport security services	\$2.5M/yr
Tier VI savings- City has only hired 24 employees (replacements) since April 1 <sup>st</sup>	\$38k
Combined Purchasing Departments with County	\$220K
Negotiated Zero increases with six labor contracts	\$1.6M/each possible % increase
Relocating Senior Center	\$175k
Elimination of City Department (SyrStat)	\$150k
Closing of City parking garage due to structural repair issues	\$15M
Delayed infrastructure repairs (public works, water, buildings and firehouses)	\$30M (est)
Negotiated services agreement with Syracuse University	\$500k/yr revenue
Increase health care contributions for management/confidential employees (153 active employees) from 3% to 10%	\$100k revenue

# Appendix B

## Tax Exempt Properties in the City of Syracuse



Data Source: City of Syracuse Assessment Roll, August 2013.







# Appendix C

## OFFICE OF THE MAYOR

**Stephanie A. Miner, Mayor**

December 26, 2013

Gov. Andrew M. Cuomo  
Executive Chamber  
State Capitol  
Albany, NY 12224

Dear Governor Cuomo:

I hope this holiday season finds you happy and healthy. The purpose of this letter is to bring to your attention several emergency capital needs in the City of Syracuse. As any chief executive knows, there is always pressure to underfund long-term capital needs to assure a balanced operating budget. This, of course, is a profoundly unwise strategy.

The City of Syracuse is well-managed, has a balanced budget, and maintains good credit ratings. Despite this, the City, as all other cities across the country, faces long-term difficulties. Many important and necessary capital projects have been put on hold to cover other immediate costs. As a result of unexpected emergencies, Syracuse's capital needs far exceed the City's ability to responsibly fund those projects. It has been widely reported the State has the capacity to fund important capital projects. Given the importance of these projects to the people of the City of Syracuse and the role it serves as a central economic hub for New York State, it is essential these projects get done in a timely manner. I respectfully request that you provide emergency funding for these items listed below:

DEPARTMENT	ITEM	DESCRIPTION	COST
Police	Transportation Facility (garage and uniform rooms)	There was a fire which caused major damage to a central police facility.	\$2.6M
	Motor Vehicles	Police vehicle purchases are being delayed to every 5 to 7 years instead of every 3 years. We are stretching the useful lives of these vehicles as far as we can, causing concerns over safety.	\$1.6M

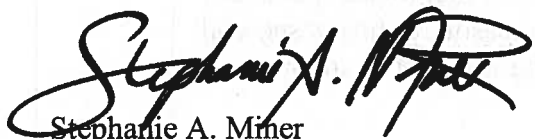


Water Infrastructure	Water Main Replacement	Syracuse's water system is well over 100 years old. In previous years, water main breaks occurred in the winter months with the shifting of temperatures. This past summer, emergency crews were out every night for a three week period fixing water main breaks. What were once seasonal repairs are now becoming year round repairs. We are on the "pay as it breaks" approach. Replacing water mains costs in the millions. For example, it costs approx. \$150,000 to replace 350 ft. of 8" water main. Water projects have strict regulations and are mandated by the federal government.	\$2M
	UV Disinfectant Project	In order to maintain its filtration plant waiver from the DEC, the City needs a UV disinfectant to avoid investing in a multi-million dollar filtration plant.	\$1.2M
Public Works	Road Reconstruction	The annual needs for road reconstruction are approximately \$5.5 million, where we only are able to fund between \$2 to \$3 million. This has been the case since 2007.	\$5M
Parks	Parks Office Building	The Parks Department office building suffers from structural deterioration that threatens the overall use of the facility and safety of employees. As a result of foundation settlement, the roof is caving in and is a major safety concern for the winter season, as heavy snowfall could cause the flat roof to collapse.	\$500k

Parks Cont'd	Repair Pools	The Thornden and Onondaga Park swimming pools both suffer from aging infrastructure, including 25-year-old aluminum liners and water supply lines. Both pools need the liners and spray pads replaced, water line upgrades and locker room improvements.	\$2M
	Ice Rink Repair	The Meachem Ice Rink is now 30 years old and runs on a soon to be obsolete refrigerant. The typical lifecycle of Syracuse ice rinks is 16-19 years, making this repair long overdue. The facility has been plagued with pipe corrosion and subsequent loss of refrigerant. The concrete ice rink floor, sub-surface piping and refrigeration chiller need to be replaced. The cost of these repairs continues to increase and is now up to \$1.5 million to update it to EPA standards.	\$1.5M

Since taking office, I have advised all City departments to prudently prioritize all capital projects and do their best to deliver essential services on a bare bones budget. These capital projects are long overdue, and costs continue to increase as the projects are delayed. Accordingly, I am asking you for \$16.4 million—anything less would jeopardize the vitality of the City of Syracuse. Emergency funding for these items will ensure the City of Syracuse continues to deliver essential services both to its residents and as a major economic hub of New York State. Thank you for your attention to these requests, and I look forward to a timely response.

Sincerely,



Stephanie A. Miner  
Mayor, City of Syracuse