

2025 Budget Address

In accordance with the terms of the Oneida County Charter, I come before you today to present the proposed operating budget and capital plan for 2025.

I thank the members of the Board of Legislators for being my valued partners, especially Chairman Gerald Fiorini, a colleague and a friend who has been instrumental in helping us move this county forward.

I want to take a minute to recognize all my department heads and my budget team of Tom Keeler, Dmitry Sidorevich and Anthony Carvelli and his staff for putting in the work on this budget. It is never an easy task. I also want to thank Comptroller Enessa Carbone for her work on this budget.

To my other partners in government, Clerk Mary Finegan, Sheriff Rob Maciol and District Attorney Todd Carville. Thank you for all the great work you do.

As I have said many times, this budget is the blueprint for how we accomplish our tasks day in and day out. It is a plan. Well, plans change, and never was that more evident than on July 16th.

The tornado that devastated Rome and the outlying areas was unlike any disaster we have seen in my time in this office. That isn't to say we haven't faced emergencies before. We have. We have seen flooding and snowstorms and have responded. But those responses, while costing millions of dollars and spurring long-term solutions like flood mitigation and emergency management changes, have been smaller in comparison to the size and scope of this tornado.

It caused unprecedented damage and needed an unparalleled response.

Nearly 20,000 people were without power for almost a week. Over 80 structures were condemned. Dozens and dozens of streets needed to be cleared. People needed food, water and shelter. The necessities. With the City of Rome, we immediately responded. We worked hand-in-hand, and I would like to thank Mayor Lanigan, the Police and Fire Departments and the Department of Public Works for the excellent job they did. I'd also like to recognize the tireless work of our own County DPW, DFCS, Health & Mental Health Departments, the Oneida County Sheriff's Office and the State of New York emergency personnel who joined the City of Rome and hit the ground running to respond to this disaster.

The rest of our community stepped up like I've never seen before. Connected Community Schools, Community Foundation, Red Cross, National Grid, numerous municipalities that offered and provided assistance, our churches and many other organizations all answered the call. And let's not forget the residents who gave their time, their dollars and their effort to assist those who needed it. We are always stronger when we work together in the most trying times.

We moved \$5 million from fund balance to begin to address needs. Together, with our partners, we set up temporary shelters and began to put hundreds of thousands of dollars' worth of food replenishment cards into the hands of people just 48 hours after the tornado. We bought a myriad of supplies for impromptu food banks and our mobile units. We put \$300,000 towards business recovery. Most importantly we have put nearly \$1.4 million into the hands of over 450 residents whose properties were wrecked by this tornado.

In addition to size and scope, what made this situation unique was that in other emergencies our role has been to help smaller municipalities through emergency management, shared resources, funding and long-term solutions. This emergency had those components, but our government buildings and employees were also in the path of the storm. This adds another layer of response and expenses.

Both our main DFCS Rome office and our DMV and Family Court offices were severely damaged, as were structures at our airport. We had to lease temporary office space in a matter of days and will need to pay for that space for the foreseeable future. We then set that office up for staff, including accommodations and technology to be able to serve the public.

Those costs right now, sit at over \$23 million. More than \$10 million in damage to our buildings alone.

There is a severe fiscal and economic impact to this tornado that goes beyond the hard costs and brick and mortar.

To better understand that impact, we commissioned a study with Camoin Associates. Their findings estimated:

- A \$13 million reduction to the taxable property value to Oneida County, the City of Rome and the Rome City School District.
- A loss of \$1.4 million in County property tax revenue, \$1.8 million for the City of Rome and \$3 million for the Rome City School District.

Meanwhile, the estimated economic impact shows an even starker reality for the long-term recovery.

- A projected reduction in annual sales of \$28.6 million.
- A \$13.5 million drop in annual direct and indirect earnings that is equivalent to 191 jobs.

In these emergency moments this budget matters. This fiscal foundation we have created is what allows us to respond.

Our fiscal realities today are much different than they were in 2007 when I first took office. The County looks different physically, demographically and economically. County government needed to change to meet the challenges of the past and be ready for the challenges of today. More on that later...

We made hard choices early on. Our sales tax was at 9%. It needed to come down and we dropped it a quarter point. We also needed to find a way to bring our spending in line. We created new models for doing business. We streamlined operations. We implemented much needed internal consolidations. Of course, we also needed to find ways to increase revenue without increasing the tax burden on our residents. We did that, in the most spectacular way possible. We entered into a partnership with the Oneida Indian Nation, that now in its tenth year, has generated \$200 million.

However, the most important fiscal consideration for any government is the fund balance, our money in the bank. In 2007, this government had a \$7 million fund balance. That is barely enough to run the government day in and day out, let alone meet the challenges of this community. We started 2024 with a fund balance of \$90 million.

Without a healthy fund balance and a strong fiscal position, this government's ability to help in the immediate aftermath and long-term recovery of the tornado would have been limited. Because of the work we've done year in and year out, we were able to lead the way through this emergency and make a real difference in the lives of those affected.

This fiscal foundation isn't just about emergencies. It's about facing down long-term challenges like flooding, broadband access, childcare accessibility, youth violence, the opioid epidemic, healthcare, food insecurity, homelessness and mental health.

It's also about strategically investing in our future through our healthcare systems, workforce development, tourism and economic development.

And let's not put on the back burner what we do every single day that no other government has to do.

- Child protection
- Family Court
- Criminal prosecution
- Criminal defense
- Probation
- Care for the aging

- Temporary assistance
- Supplemental Nutrition Assistance
- Rental assistance
- Medicaid
- Housing the homeless
- Childcare
- Emergency services
- Animal abuse
- Weights and Measures
- Pistol permitting
- Administering elections
- Workforce Development
- Operating a correctional facility

And to be clear, we still have to do all that every other government also has to do.

- Maintain our roads and bridges
- Plow our streets
- Manage our buildings and grounds
- Public safety
- Maintain vital records
- Youth services
- IT
- Purchasing
- Civil Service
- Planning
- Economic development

And finally, we are and continue to be the major funding source for an assortment of our partner agencies that deal with human services, economic development, education and agriculture.

We could not address any of these issues if we didn't have the financial wherewithal to invest, impact and improve.

To that end, the proposed 2025 operating budget stands at \$549,872,906 an increase of \$20,251,254 million from 2024.

As always, let me explain the increase, because I know it can get lost in translation. County governments are faced with the same pressures any other large organization faces and one big one they do not face. Utilities cost more and salaries go up, everyone deals with that. On top of that, 90% of this budget is state mandated, same as every year. Ten percent is discretionary, same as in every other county in New York State.

This year, we had increases in cost that were essential to how this government functions and were long overdue. Salaries and benefits are up \$30 million. All union contracts are settled. For the first time, we made five-year agreements that consolidated steps and increased pay for all our employees. As this Board knows, we were not competitive in the marketplace. Not competitive compared to other governments and certainly not compared to the private sector. We couldn't recruit and we couldn't retain. Positions we needed filled, sat empty. Hundreds of vacancies in child protective services, social welfare, corrections officers and 911 dispatchers, just to name a few.

We were not set up for long-term success and a comprehensive approach was necessary and is reflected in these contracts.

This budget also cuts costs where possible. We are restructuring the Office of the Civil Defender. That doesn't mean we won't be providing that function; we have to by law. We are just doing it differently. Through our assigned counsel program, we will fill the role. This will allow us to move some of those lawyers to positions of a different need that cannot be assigned in the same fashion, like in child welfare for example. This saves us salaries and benefits and allows us to reassign administrative staff. This move will achieve a 50% savings in that cost center.

We are going to continue to look at innovative ways to use our assets to turn cost burdens into revenue generators. Nowhere is this more necessary than at the Griffiss International Airport. The model we have employed there has not worked as we had hoped, and we need to move forward in a new way. To that end, we will explore the feasibility and costs of repurposing the uses of our large hangars.

We will be using our purse strings to address destructive issues in our community. We have proposed laws to regulate illicit marijuana, smoke shops and crackdown on flavored vapes. These are issues in our community, and they must be addressed. The licensing and penalties associated with offenders of these local laws will be used to offset costs and continue our enforcement efforts.

Sales tax is projected to be up \$3 million from the year before and we have budgeted our sales tax projections at \$151 million for 2025, an increase of 1.5%.

Oneida Indian Nation revenue continues to be a boon to this government's finances and the County. This unique partnership continues to be the best in the State and country for tribal nations and governments. I'm proud of it and you should be too. Ten years ago, our baseline for slot machine revenue for the County was \$12 million a year. In 2025, that number is estimated at \$23 million.

Our capital budget continues to invest wisely while keeping our debt burden low. This year's capital budget requests came in over \$60 million. I reduced that number to \$21.6 million and we will retire just over \$19 million in debt. It strategically invests in our infrastructure, educational institutions and modernization and efficiency of government.

I want everyone to understand a hard reality. Our revenue streams fluctuate. Sales tax will not go up forever. Nation revenue won't always increase at the same pace. We have to be cognizant of those potential outcomes. This government cannot continue to be everything to everyone with the financial structure the way it is.

When preparing a budget, you must take a hard look at everything. We make tough calls of wants vs. needs. Initial departmental requests came in at \$471 million. We originally reduced that figure to \$457 million. Up until Monday, I was considering a modest property tax increase. I decided against it. It was a hard call that was only made possible by the past 17 years of a sound fiscal foundation. After taking that action, we then made a final cut from discretionary spending across all departments, reducing the requests another \$9 million.

On the strength of those numbers, I am proposing, for the 12th year in a row, that this budget carry no increase to the property tax levy.

For 12 years everyone has clapped when I read that line, wouldn't kill you guys to clap at some of this other stuff, but OK.

The times they are a changing.

In 2025, we have hard choices to consider. Questions that will need to be answered.

- Can we continue the choice of keeping villages whole on their property tax collection?
- Can we continue to provide engineering work to assist and facilitate local municipalities in their large infrastructure projects for free?
- Can we continue to share Nation revenue with local governments?
- Can we continue to fund successful programs like flood mitigation?
- Can we continue to aid municipalities through programs and initiatives that don't require them to have any skin in the game?
- And most importantly, can we continue to use an outdated sales tax formula that doesn't meet the requirements of this government?

I know what you are all thinking. I have been singing this song for 18 years. We have tried it every other way, and while it has enabled many local municipal governments to avoid making hard choices, it leaves this government with nothing but hard choices.

Well, many of you know, I'm a big Frank Sinatra fan, and to slightly paraphrase *that* Chairman of the Board: Now, it's time to do it *our* way.

Together, we have taken bold steps to make this county look better, feel better and most importantly *be* better. All of us have heard it over the last few years and it cannot be denied: Oneida County is vastly different than it was 10 years ago.

We recently produced an ad for the World Lacrosse Box Championships held at the Adirondack Bank Center and Nexus. It stated:

“Right now, in the very center of Upstate New York, there’s a region that’s bustling with new opportunity, state-of-the-art industry, education and innovation, with history, world class cuisine and new and exciting things to do. This is Oneida County, New York and we’re just getting started!”

We have had hard times over my years here. An economy that took a major dive, flooding and storms five times in a 10 year-span, a worldwide pandemic and a major tornado. And you would never know it. Why?

Because our people are resilient. Our businesses continue to grow. This government continues to be the catalyst for new ideas and new investment, all while protecting and serving our community.

We are Oneida County, and we are definitely just getting started.

Thank you and God Bless Oneida County, the great State of New York and the United States of America.