

2011 County Budget Message

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County Executive

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**The 2011 Budget:**

**“Spending and Property Tax Stabilization Today:**

**The Opportunity For Change Tomorrow”**

Madame Clerk, Honorable County Legislators and Elected Officials, Department Heads, Putnam County Employees and, of course, the residents of Putnam County that we all are privileged to serve,- Good Evening- and thank you for being here tonight to listen to the 2011 County Budget Address.

In preparing this, my final budget address, I could not help but reflect on past County Budgets and the varied economic times in which they were adopted. When we began in 1991, the County was in the midst of a recession and we immediately had to make difficult decisions in order to respond to declining revenues and to put our fiscal house in order. During the 1990’s, Putnam County experienced an explosive growth in population and the need for services, and our budgets, especially in the area of public safety and health, responded accordingly.

This decade began with the technology bubble in the stock market, closely followed by the economic swoon caused by the tragic events of September 11, 2001, the day that it seemed the

world dramatically changed forever. The next few years of increased spending and increased revenue followed, fueled by double digit increases in real estate values. Then in 2009, along came the impact of the great recession as the housing market plunged, leaving us with the difficult economic times in which we live today.

I mention this not to be nostalgic about this being my final term, but to let the people of Putnam County know that their County Government has always adapted to changing economic times and will continue to do so. By controlling County spending and the property tax burden that our real property taxpayers must bear, the 2011 County Budget is a measured response to the continuing economic challenges that we all face. Let us now discuss the 2011 budget in greater detail.

### **PROPERTY TAX LEVY INCREASE – 0%**

At the State of the County Address in March, I mentioned that this Administration would embark on a listening tour throughout the County to hear firsthand what our residents want from their Government. Since then, we have visited each and every town in the County, hearing feedback both in person and online. Overwhelmingly, people expressed their concern and frustration regarding property taxes in Putnam County. Although many recognize that the smallest portion is the County portion of their property tax bill, they view the total burden from the 120 plus school, town, and special district taxing authorities as too high. We have heard them, and are presenting tonight a 2011 Budget with a **0% property tax increase.** We are freezing the County property tax levy. In 2011, the County budget will require \$ 37.4 million, the exact amount as required in 2010. In fact, we have frozen or cut either the real property tax levy or the real

property tax rate in ten of the twenty years of our Administration. We remain one of the lowest property tax funded County Governments in the State of New York. The average homeowner assessed at \$ 293,768 will pay \$ 972 in County Property taxes in 2011, the same amount as in 2010. Putnam County has the unique distinction of being ranked the second **lowest** County in the entire State of New York, both in terms of County Government spending per capita and the County tax as a percentage of the overall real property tax bill.

### **APPROPRIATIONS**

The 2011 County Budget appropriations total of \$135.7 million, is an actual **DECREASE** in spending of 1% from 2010. In fact, in the three years from 2009-2011, County Government appropriations will have been held level, despite the continued rise in the cost of Federal and State Mandated programs. This has been accomplished through difficult decisions and, frankly, our unwillingness to spend money that we simply do not have. We have significantly reduced the work force by 10% (75 FULL TIME EQUIVALENT POSITIONS) from the adopted 2009 budget, chiefly through the attrition generated from the County's Voluntary Targeted Retirement/Resignation program, and the decision made in 2010 to sell our Certified Home Health Agency (CHHA) License.

The 2011 budget, while allowing no new positions, does preserve the services provided by the current workforce, as it contains no layoffs throughout County Departments which were proposed and rejected by the Legislature last year. The only possible layoffs (with no offer of any employment) that might occur will result from the elimination of the CHHA, and are

unknown at this time. We must clear up the misconception that the elimination of the CHHA will result in the elimination of all nursing services provided by the Putnam County Health Department. Health Commissioner Dr. Sherlita Amler has prepared a report, contained as an appendix herein, detailing the services that our remaining nurses will continue to provide. Such services will include immunization clinics, such as H1N1, for both children and adults, and home visits to at-risk pregnant women and infants. They will also provide services in the area of communicable diseases to help prevent and combat outbreaks in our community. While the CHHA will soon be placed into the capable hands of the Visiting Nurse Services of Westchester, our Health Department will still have nurses working to protect the health of all citizens, keeping Putnam County among the healthiest counties in the entire State of New York.

There is level funding contained in this budget for our outside agencies such as the libraries and cooperative extension that do much to preserve our quality of life in Putnam County. There are no employee furloughs and no raises for elected officials in both 2010 and 2011. We are honoring our negotiated contracts, and have included a 4.5% across the board raise for rank and file management and confidential personnel that have gone without a raise for two of the last four years. This raise is equivalent to the raise for 2011 contained in our three union contracts. While there will undoubtedly be much debate regarding the issue of raises for managers and our confidential support staff, the reality is that if this raise is granted, management/confidential raises will have averaged 2.2% over the last five years, less than the rate of inflation, while union raises will have averaged 3.2% over the same time period. We have also increased the amount that managers pay for their health insurance over that same time period. The issue is fairness here, and we need to have our management/confidential employees work closely with elected

officials. We must address their compensation in an equitable way relative to the employees that they manage and supervise.

There is only \$230,000 in equipment funded in the 2011 operating budget, not including motor vehicles. This is a time that we must contain spending. We have undergone a thorough review of motor vehicles throughout County Government, and have eliminated all motor vehicles except for the Sheriff's Department and a 100% grant funded automobile in the Health Department. We have also reduced and/or eliminated hundreds of discretionary budget line items throughout this budget to reduce spending. Unfortunately, we continue to see growth in mandated programs forced upon County taxpayers by the Federal and State Governments over which we have no control. Community College tuition reimbursement is expected to total \$ 3.25 million in 2011, up from \$ 3 million just two years ago. More students are choosing to begin their academic careers at a Community College and then transfer to complete their education, and more people are returning to school to train for different careers.

### **DEPARTMENT OF SOCIAL SERVICES PROGRAMS**

The Department of Social Services (DSS) Budget is always of concern, especially in a recessionary economy. However, past recessions have eased as the economy began to grow, people re-entered the work force and began to spend again. In this recession, while there are some signs of growth, some economists warn of a "double dip recession". A double dip means that as the economy begins to show recovery, the bottom falls out again, and the secondary recession is deeper and more problematic than the original. These economists feel that some of

the warning signs, such as the fact that one month leading indicators look up and then the following month they shrink again, as a sign that not only will the recovery not be sustained, but that a second fall is coming. In our DSS budget we have attempted to address the possibility of a double dip recession.

One area in which we have attempted to plan for worsening economic conditions is in economic support. DSS administers Temporary Assistance to Needy Families (TANF), Safety Net Assistance (aid to single individuals without dependents) Food Stamps, Home Energy Assistance (HEAP), and Medicaid. In the development of the budget for 2011, the Administration analyzed the caseloads trends as well as the expenditure trends so that we could be in a position to handle an increased caseload in the coming year. We examined the number of people on public assistance from July of 2007 to July of 2010, a period that encompasses this recession in which we find ourselves. Ironically, there are less families receiving temporary assistance now than in 2007. There are also less individuals receiving safety net assistance including in the category of “family assistance”, that is those families that have exceeded their 60 month federal limit. On the other hand, recipients of food stamps have risen by 78% (from 1,004 to 1,783) over the same three year period.

We have addressed the issue of Medicaid on many occasions and discussed how it is no longer linked to our poorest individuals. In Putnam County, 5,092 citizens were on Medicaid in July 2010. Of these, 124 of them are on Medicaid because they are poor. The other 4,968 were eligible for Medicaid because they were disabled, sick or elderly and in nursing homes, or received personal care services or long term home health care at home so that they would not have to be in a nursing home. Even with the State Medicaid Cap, Medicaid is expected to cost

Putnam County taxpayers \$ 9.4 million in 2011, and remains the single largest appropriation in the Putnam County budget. This program is a Federal and State mandate in which your County Government has no say in eligibility. Washington and Albany make the program rules, while Putnam County real property taxpayers foot the bill.

Program categories that are also cause for concern include children in state training schools and committees on special education placements in residential schools. In these mandated programs, there is no advance notice to the County of placements, which can cost in excess of \$ 100,000 per case per year, and less reimbursement from State and Federal Governments than in other programs. These are the areas of uncertainty that cause us the most concern.

### **PUTNAM COUNTY SHERIFF'S BIKE PATROL**

Putnam County is blessed to have some of the most pristine and beautiful bike trails in all of New York State. With the completion of more sections of the Putnam County Rail Trail System and the growing popularity and usage of the trail, there is an increased need for a police presence there to keep citizens safe and to deter crime on the trails.

Many portions of the trail meander through isolated areas that are not visible to the vigilant view of patrols on the highways. For the safety of our citizens—especially our most precious resources: our senior citizens and our youth—the Sheriff has instituted a bike patrol program within the current funding of the Sheriff's patrol budget. This has been a difficult challenge, as the Sheriff has had to divert other patrol resources to purchase the bikes, uniforms, equipment

and training for seven Sheriff's Deputies who have been specially trained for bike patrol duties, while splitting their time away from car patrol duties.

The Sheriff has also noted that the bike patrols provide tactical patrol advantages both on and off the bike trails. They are very useful in patrolling villages, shopping centers, in congested traffic areas and along other narrow ways. Another added benefit of the program is that the deputies on bikes will enjoy enhanced physical conditioning, which can reasonably be expected to translate into benefits for the employer, such as fewer sick days and increased employee productivity.

It is important to note that this program has been put in place by expanding the skills of those seven Deputy Sheriffs, rather than hiring additional deputies. Because of the importance of this program, the Sheriff has requested in his 2011 budget \$ 27,000 to sustain this program over the long haul. As always, this Administration's highest priority is the safety and health of our citizens, thus a program such as this one has our full support.

### **TECHNOLOGY UPGRADE - CORE FUNCTION TRANSACTION PROCESSING**

In 1995, the County implemented, what was, at that time, a state of the art core function transaction processing system. As we all know, technology advances move rapidly, and our system is now antiquated and inefficient. Our independent auditors have recommended the replacement of these systems, and in 2009 the County began preliminary preparations to update these systems. In 2010, a Core Processing Upgrade Committee was formed from members of the Finance, Information Technology, Purchasing, and Personnel Departments, along with the County Auditor. This committee, headed by Deputy County Executive John Tully, spent many hours developing a request for proposals (RFP) required by the Putnam County procurement

policy. This RFP solicited proposals from companies capable of hosting and providing its mission critical applications such as Budgeting, Accounts Receivable, Accounts Payable, Human Resources, Payroll, Procurement and various other applications. The year 2011 will represent a transition year regardless of what product is selected to replace our current system. We expect that a new system will allow us to operate more efficiently, using the fiber-optic backbone and recently updated network infrastructure. Moving towards a new system would allow the County to experience increased departmental efficiencies and productivity in the areas of daily process, such as: employee self service, e-procurement, electronic forms processing, and productivity tools. The change is important and must be done right; therefore, we must maintain two systems for a transition period of about one year and pay our employees overtime, as needed, to transition data and tables from one system to the other. In order to accommodate the costs associated with the new system and personnel costs associated with the same, we have included a one-time capital cost and sub-contingency for overtime and temporary help of \$ 75,000.

One major benefit of the new system is it will allow us to continue our efforts to become paperless and provide opportunity savings in the area of records management. It is no secret that space is becoming scarce in the Records Center absent any modifications or forthcoming proposals from the County Clerk for modern shelving systems. It is estimated that space taken up from 7 years worth of hard copy purchase orders, vouchers and other records will be turned back over at a rate of about 15% per year starting with 2011 and 2012.

It is imperative that the County realizes the maximum return on investment for each taxpayer dollar that it spends. At this time, the County is spending approximately \$300,000 per year on a 1995 financial management technology that has had very few material changes made to it.

Simply put: the County is getting very limited return on this \$300,000 annual investment. Moving towards an innovative, new system will dramatically increase the County's return on investment for the reasons cited above and many more. The County cannot afford to continue spending 2010 taxpayer dollars on 1995 technologies – it is inefficient and wasteful.

Another major proposal contained in this Budget includes the County taking advantage of the New York State Employer Contribution Stabilization Program signed into law on August 11, 2010. This Law will allow the County to amortize \$ 1.65 million in pension costs over a ten year period at what will be a low interest rate in this economic environment. This will provide the County with more cost certainty over the next ten years, and mitigate the frustration of coping with radically changing contribution costs which drastically affect budget plans.

### **REVENUE/USE OF SURPLUS**

The 2011 Budget accounts for our continuing revenue struggle in this tough economy. As I stated before, the real property tax rate has been frozen. There is no increase in real property tax revenue contained in this budget. We have slightly decreased from 2010 our sales tax revenue estimate, the chief revenue source in our County Budget, budgeting \$47.45 million, for 2011. We are slightly behind (less than 2%) our sales tax revenue estimates in 2010, and right now we believe that this is a prudent estimate for 2011, given the economy and short term future forecasts. It is our duty to point out again that the sales tax authorization increase in the County share to 4% expires November 30, 2011. **If the State Legislature fails to reauthorize this next year, the County share will fall to 3%. This will result in the loss of over \$ 11 million to Putnam County and require double digit property tax increases, significant loss of services,**

**or a combination of both.** We hereby call upon State Senator Vincent Leibell, Assemblywoman Sandra Galef, and Assemblyman Greg Ball to enact a sales tax extension this year in 2010. This Legislation is too important to leave unaddressed until 2011. The next County Executive will have to submit a 2012 County Budget containing devastating service cuts and/or a massive property tax increase without this Legislation. Both he/she and the Putnam County Legislature need to know **this year** what the future sales tax rate will be in order to make intelligent decisions about the County Budget in a timely manner.

We have dealt with the decrease in Medicaid Stimulus (FMAP) funding in 2011. We have dealt with the elimination of a one-time debt service fund revenue of \$ 1.3 million. We have accounted for State Aid decreases that we know about, and realize that the Legislature might have to amend this budget once more details regarding the recently adopted State Budget come to light. We have instructed our Department Heads to immediately report details of Article VII State budget bills as they learn of them. We have included a contingency appropriation to deal with state aid losses, once they are known.

The 2011 budget uses \$5 million of general fund surplus, leaving \$11 million remaining, before the 2010 final audit results are factored in. By comparison, when our Administration began in 1991, the County had only \$ 1.8 million in general fund surplus.

It is important to note, that across all funds, the 2011 budget uses total surplus of \$5.7 million, the same amount used in 2010. We believe that this surplus balance remaining will help preserve the County's superior bond rating, and enable the County to continue to borrow money at historically low interest rates. We intend to continue to save our real property taxpayers hundreds of thousands of dollars in interest costs due to our strong financial condition.

## **BOARD-IN REVENUE**

The Putnam County Sheriff's Office and Correctional Facility continues to work hard to maximize jail board-in revenues by housing inmates from the Federal Government and from local municipalities whose inmate populations exceed their available jail cell space. Since 2002, the Putnam County Sheriff's Office has intensively managed its available jail cell space with a business mentality so that every available cell, in accordance with Commission of Corrections standards, are marketed to other correctional facilities that lack cell space.

Using these criteria, jail board-in revenue is essentially a function of two factors: the availability of Putnam County jail space that can be utilized by board-ins, and the lack of cell space in other correctional facilities. Putnam County's peak years for board-in revenues were 2002 through 2006, with 2002 being the highest single year when revenues reached almost \$ 2 million. Under Sheriff Donald B. Smith, this proactive business approach to enhancing board-in revenues was fostered and resulted in total board-in revenue of \$10.4 million from 2002 through 2009. In fact, total board-in revenues have actually exceeded the cost of the most recent jail expansion project. The construction project cost taxpayers \$ 12.1 million and board-in revenues since the project's completion have totaled \$ 17.4 million.

Unfortunately, because of a sharp rise in Putnam County's local inmate population over the last three years, board-in revenues have significantly decreased, as fewer cells have been available for board-ins. At the same time, because of jail expansions in some surrounding counties, there was a decrease in the number of board-in inmates available from other facilities. Thankfully,

that trend has reversed itself, with more board-in space now being available in the Putnam County Correctional Facility and other counties now seeking to board inmates in our jail.

The Sheriff and his Jail Administrator, Captain Robert LeFever, have projected total board-in revenue for 2011 at \$781,000, based on projected revenues from the Federal Government, local surrounding counties and the board-in of minors (a category of inmates for whom there is a dearth of available cell space in other facilities throughout the region). This revenue should significantly help Putnam County meet its fiscal needs in the year 2011 while providing some relief to our taxpayers.

### **OPPORTUNITY FOR TOMORROW – THE FUTURE IS JUST AHEAD!**

We have discussed the 2011 Budget, which represents our spending and property tax and stabilization plan for today. Now let us discuss the opportunities for tomorrow as our future is just ahead!

As Putnam County moves aggressively into the future with new leadership, we must pass the baton from our custodianship to the next County Executive. It is essential to recognize that change is most difficult to manage and should not be rushed to conclusion to meet political deadlines. This was apparent to all stakeholders when we began to consider the privatization of our Public Health Certified Home Health Agency. From formal start to finish, this one initiative took over three years. Recall the tension which surrounded this one idea at the outset.

Now think back and remember the privatization of Mental Health Services and the birth of Putnam Family and Community Services. Recall and add Tilly Foster Farm, Camp Wilbur

Herrlich and Putnam National Golf Club to the equation. Don't forget the Department of Data Processing, the Print Shop, our Transit Programs and our highly sophisticated Paramedic Intercept System – the first and best in the entire downstate region of the State. Each of these essential public services is presently provided by personnel not on the County Government payroll. **In fact, our total budgeted positions in 2011 will actually be five percent less than our total budgeted positions in 1990!**

All of these cost cutting efficiencies improved services. Each of these resulted from a most stressful dynamic process of change from idea to action. Each stakeholder was given their full opportunity to weigh in and in some cases delay, or attempt to derail progress. In the final analysis, the decisions can be reversed at any time in the future for any reasons the new County Executive and Legislature so desire.

Keep in mind that with just the initiatives listed above, if reversed tomorrow, there would be an increase in staffing by several hundred employees, increasing salaries and fringe benefits.

The key to Putnam County's future success may well be the continuation of this dynamic process of change. We would be remiss if we did not provide you with the initiatives which will need your full attention as you move forward. Don't forget the long term timing that will be required to achieve these accomplishments. The quick fix has never worked well for the present Administration. It remains to be seen if Westchester County and other municipalities can achieve their objectives by a single person's election.

We would like to suggest that the Legislature consider the following initiatives and direction for the future.

## **DREW LAKE SENIOR CENTER**

The historical low interest rates provide an unprecedented opportunity to construct the Drew Lake Senior Center at an affordable cost to benefit future generations. A presentation by Office For the Aging Director William Huestis citing the critical need for this center is attached as an appendix to this message.

Highlights from this report include:

- Over the next 20 years, the aged 60+ population **will increase by 132%**.
- **Every 7.5 seconds** a baby boomer turns 60 years old.
- Research has shown that by attending a social model Adult Day Care program, the recipient will remain in the community on an average of 2 years longer, thereby increasing their quality of life and saving taxpayers Medicaid money for a nursing home.
- **The average cost of a nursing home stay in Putnam County ranges from \$86,224 under Medicaid, to as high as \$127,750 per year private pay.**

The major point is that Senior Centers keep our elderly productive and in the community longer, thereby saving all taxpayers hundreds of thousands of dollars per each person put in a nursing home. In our view, the question is not how can we afford to build the Drew Senior Center, the question is, how can we afford **NOT** to build it.

Given these demographics concerning the aging baby boomers and their needs, we believe that we must seize the opportunity now to plan for the imminent future. In addition to serving as

senior centers, these facilities serve as reception centers in times of natural disaster. When the Putnam Valley Senior Center was used as a reception center this past winter it provided temporary shelter, warming, food, and shower facilities to our residents that had lost power for an extended period. People even came in to charge their cell phones, now a necessity in everyday life. We believe that we need a senior center in each town. First, to provide the services to all seniors in Putnam County that have become our trademark. Second, we need these facilities, which are equipped with generators, showers, food, and emergency supplies, to serve as reception centers in times of natural disaster.

### **SPACE STUDY**

We have recently received the long anticipated Putnam County space study in draft form. The study analyzed special operating needs, storage and parking requirements as well as the interaction between County Departments. The draft study recommends specific, prioritized, short term and long term improvements and in essence, presents a Master Plan for County owned facilities.

The study has been broken down by department and all Department Heads have been asked to review the recommendations and provide comments as needed back to my office. When all comments are received, we will submit a copy of the draft study along with the Department Head comments to the Legislature. We look forward to working with the Legislature on determining the best implementation plan that will address our long and short term space needs.

## **COMPRESSED NATURAL GAS (CNG) VEHICLE FUEL INITIATIVES**

Putnam County provides significant services to its residents using motorized vehicles. These include transit buses, police cars, highway and facility trucks and equipment and vehicles which allow our service providers to make home visits and inspections pursuant to State and Federal Law or Local Charter requirements. Approximately 400,000 + gallons of diesel fuel and unleaded gasoline are consumed each year by our extensive fleet of vehicles. These vehicles alone are responsible for a substantial amount of the contribution toward the very high air pollution concern in the Hudson Valley region. Further, the cost to keep these vehicles tuned up to meet strict emission inspection standards is even more expensive. The cost of fuel is very expensive not only to this government but to our residents who commute to far away work locations. They, the residents, must pay the even higher costs to the local gas stations which have to purchase their deliveries from major oil distributorships. As our County acquires its fuel, the impact on our residents is significant. Simply put, our 400,000 gallons purchased reduces supply for other purchasers. As supply diminishes, price tends to rise and we are indirectly causing our taxpayers to pay larger costs for their automobiles and pickup trucks.

Further, a review of our costs to purchase traditional fuels reveals that Putnam County pays out about \$1 million per year. In addition, Putnam County pays hundreds of thousands of dollars to maintain our vehicles and control emissions. The Federal and State governments tax oil and gasoline derivative fuels but does not tax Compressed Natural Gas (CNG) while it provides incentives for CNG use through tax credits which are intended to reduce the cost of installing CNG refueling stations. Tax exempt entities such as municipal governments can pass the credit

onto suppliers and take advantage of the tax credit. The alternative fuel tax credit is available to reimburse 50% of the cost of installing a CNG station up to \$50,000.

CNG is one of the cleanest fuels used by mankind. It is mainly composed of methane gas which is produced by humans and animals. It is a nonreactive hydrocarbon, meaning that the emissions do not react with sunlight to create smog. It is non-toxic and it is non carcinogenic. It is lighter than air, and will never pollute the groundwater nor will a spill trigger a DEC response. Please remember that Putnam County has been cited by the DEC in the past for its underground gasoline storage tanks and fueling stations.

CNG is a clean fuel which emits 30% less carbon dioxide than oil. It is very abundant in North America and will not be subject to the whims of Mid East oil barons. By reducing our demand on foreign oil, we are doing our share to reduce our nation's deficit and national debt. Most importantly, it is cheaper than oil. The adjusted price comparison between a barrel of oil and 1000 cubic feet of natural gas is in the ratio of 6:1! The total cost savings to Putnam County's budget of making the switch to CNG including fuel and maintenance costs could be as much as 50% at today's prices. If the drilling moratorium is ever lifted in New York State, the CNG price could drop further and the savings could be larger. The pass-along impact to the taxpayer would be even more positive as the supply increases for oil for commuting and home heating fuels. This results in a double or triple positive impact on Putnam's residents as their fuel cost will diminish.

I would be pleased to volunteer my services to the Legislature next year to guide this important initiative to fruition. Please see the attached Appendix, entitled "Business Case For Compressed Natural Gas in Municipal Fleets", dated June 2010, prepared by the United States

Department of Energy – Office of Energy Efficiency & Renewable Energy, which is most relevant to this discussion.

### **CONSOLIDATION – THE TIME IS RIGHT**

One of the conclusions that we have drawn from our listening tour is that our citizens believe that the time is right for consolidation. These unprecedented economic times require unprecedented actions. We believe that the public mood is such that everything from school consolidation to local government consolidation is on the table and merits serious consideration and implementation. Consolidation is the **ONLY** way to provide the meaningful real property tax relief sought by our taxpayers in this down economic period. Eventually, economic conditions will improve, they always do. But this economic crisis can serve as an opportunity for meaningful change in how all Government operates in order to more efficiently and affordably serve our constituents. We've done it in County Government, with positive results. We've enacted over twenty consolidations/combinations that have ultimately placed Putnam as one of the most efficient County Governments in the entire State of New York. According to data released by the State Comptroller on his website [www.osc.state.ny.us](http://www.osc.state.ny.us), **Putnam County ranked second lowest in expenditures per capita in the entire State of New York in 2008. The County spent \$ 1,409 per person, in 2008, 29% less than the statewide average of \$ 1,975 per person! We have not rested on our laurels. As I stated before, since 2009, the County budgeted workforce has fallen by 10%. We are now and have been well managed throughout the term of this Administration. In 1990, the County had 714 budgeted full and part time employees. In 2011, this number has fallen by 5% to 676, despite the many new services**

that the County has needed to provide throughout the years. There were no E-911 emergency dispatchers in 1991, no School Resource Officers, and we had a small jail that is now a much larger Correctional Facility to meet the demand of a larger prison population. In 1991, the mandated Education of Preschool Handicapped Children Budgets totaled \$ 1 Million. In 2011, they equal \$ 11 million! In 1991, the total budget of the mandated Medicaid program was \$ 22.2 million, of which \$4.4 million was funded by county real property taxpayers. In 2011, the Medicaid total is \$ 90.2 million, of which \$ 9.4 million is funded by county real property taxpayers. We have continually achieved property tax savings in the County Budget using a balanced approach. We have preserved and expanded County Government provided services where necessary, particularly in the area of Public Safety, while privatizing services such as mental health and the CHHA where the private and not for profit sectors were deemed to be able to provide more efficient and effective services.

The Putnam County budgeted property tax levy has been reduced to the point that it is the second lowest County in the State of New York in terms of our percentage of the entire property tax levy, including towns, schools, and special districts. Only 9.5 cents of every property tax dollar levied is used to fund County Government. It is now time to do more consolidations/combinations that include all Governments that levy property taxes in order to harvest significant real property tax savings. I believe so strongly in this issue that I intend to devote the rest of my term to it, and continue to promote it as a private citizen.

## **CONCLUSION**

We believe that the 2011 County budget provides the necessary property tax and spending stabilization that our citizens need today, yet still provides the opportunity for change tomorrow. We anticipate that the next County Executive will continue to look for efficiencies and cost savings within County Government. Proposals developed pertaining to such “third rail” issues regarding employee and retiree health insurance, the consolidation of dispatchers between the Sheriff and Emergency Management Departments, and the elimination of all take home county vehicles, have been proposed by this Administration but rejected by the Legislature in better economic times. Perhaps some or all may be reconsidered in due course as a result of the new economic reality.

Our office, in conjunction with both the Personnel and Risk Management Departments, continue to explore alternative health insurance solutions for our employees and retirees. Our office continues to be actively involved in seeking the provision of quality insurance for our employees and retirees but which is at a price that our taxpayers can afford. We thank CSEA for working closely with us in seeking out alternative approaches, including reviewing the feasibility of high deductible plans. It is our hope that we will have proposals for your review before the end of this year.

It is clear that our citizens desire and demand meaningful real property tax relief. It is also clear that since only 9.5 cents of every property tax dollar is raised to fund the County Government, significant real property tax savings must come from the 120+ Town, School, and special districts that levy property taxes in Putnam County. It will be up to the leaders of each of these Governmental units to effect the consolidation and spending reductions necessary to ease the real

property tax burden. All Public Services from A-Z, assessment to zoning, must be examined for new opportunities to consolidate and reduce the amount of real property tax dollars that our residents must pay.

As I stated before, I intend to devote my time as a non-elected citizen to this issue, and I hope to be joined by other elected officials who support this type of progressive change. I believe that we are in the proper economic climate to achieve meaningful change to lower the real property tax burden of our taxpayers while still providing the services that they expect and deserve.

As I close tonight, I cannot help but reflect on the many good people that I have been privileged to work with over the past 31 years. I recall with fondness my fellow Elected Officials, County Department Heads and Employees, Outside Agency Leaders, and Citizen Activists that have all tried to make a difference in improving the lives of the people of Putnam County. Although we may not have always agreed on specific issues, we have always shared the common desire to better Putnam County, and improve the quality of life for our citizens.

I would especially like to thank my office staff who have served with me over the years.

The friendships that we have forged will last my lifetime, and I thank all of you and the people of Putnam County that have allowed me the opportunity to serve them throughout these years.

Goodnight.