

Good evening. Thank you Chairman Donaldson, Majority Leader Cahill, Minority Leader Noonan, the entire Ulster County Legislature and thank you to everyone else in attendance. This is a very special moment. We are here tonight, just 42 days into an entirely new government. Together, my office, this Legislature and our Comptroller are building a foundation for the future while striving to deliver efficient government for the people of Ulster County. Unfortunately, these daunting tasks must be accomplished in the midst of an enormous financial crisis.

This “State of the County” address, in our new Charter form of government, is without question, historic. One of many historic firsts we will experience together. I want to publicly recognize you, the Ulster County Legislature, because without your vision in adopting the Charter, none of this would be possible. Your actions have forever shaped the future of Ulster County.

On a personal note, I was honored to be your County Administrator as you passed a great deal of significant legislation. And so now, together, we will turn to the future. A future filled with hope and opportunity but also a great deal of uncertainty.

Make no mistake, we are eye to eye with the worst economic conditions since the great depression and I fully expect it will continue to get worse before it gets better. Financial realities will force us to confront decisions, the likes of which, we have never faced before.

As we move forward, there will be controversy, detractors and cynics. But I think President Obama said it best when he said, “What the cynics fail to understand is that the ground has shifted

beneath them.... The question we ask today is not whether government is too big or too small, but whether it works.”

And now, it is our collective responsibility to make sure Ulster County government works. This is no time for highly partisan or divisive politics. It’s a time for courage and cooperation.

I look forward to working with the entire County Legislature. Historically, that is what Americans have done. During times of crisis we come together. We emerge better than before and more prepared to face the future.

However, this is a difficult road we travel and I am a big believer in facing the facts. I want to take a moment and review the main sources of revenue for Ulster County and the dangerous conditions developing:

- Sales tax, which makes up 25% of our revenues, is down and by all accounts will continue to deteriorate.
- State and Federal aid, which make up 23% of our revenues, is in jeopardy. The governor’s budget proposal delivers serious cuts to DSS, the Youth Bureau and the County’s Nursing Home. Because reimbursement formulas for Golden Hill have yet to be released, the true impact is unknown.
- Local property taxes make up 21% of County revenues.

Like you, I am firmly committed to protecting the taxpayers of Ulster County. What does this mean? It means our major sources of revenue are either declining, in danger or overburdened.

There’s some other numbers that are important for everyone to consider: \$740,000 is the amount the County budget has to change to lower property taxes by just one percent. Another critical

number is \$851,000, the amount of revenue lost every time sales tax volumes decrease just one percent.

While we are on the topic of sales tax, I would like to point out that the extension of the County's sales tax rate is up for renewal this year. A failure to act by either the State or County would result in a \$21 million dollar hole in the County budget for 2010, including a \$4 million dollar hit to the towns and the City of Kingston. To put it in perspective, this is equivalent to a 28% increase in County taxes alone, something unacceptable to anyone.

Yes, we are facing very difficult issues. But these issues pale in comparison to those facing the couple from Ellenville who lost their retirement savings or the senior in Esopus with no savings to lose. There is the Saugerties family who lost their home to foreclosure and the elderly man in Kingston who has no home at all. We are fighting on behalf of each and every one of them, including those who have their jobs and have their homes, but are just plain scared. There are no easy answers, and the truth is, making Solomon-like decisions has become our collective destiny.

As a legislative body you are committed to fiscal responsibility. You demonstrated it, in recent years, by not gutting the fund balance. This action improved our bond rating, even during difficult times. But the harsh realities remain: we are facing a financial tsunami of sales tax reductions, state aid cuts and let's not forget, the \$6 million dollars we pay every year in debt service on the Law Enforcement Center. Something I will forever refer to as the "jail tax." The previous years' commitments to fiscal responsibility simply will not be enough.

We must do more and I am committed to doing everything in my power to fight. It is my great hope that our State Representatives are also successful as they work to protect the taxpayers of Ulster County while addressing the State's serious budget problems.

I applaud Governor Paterson for his desire to take decisive action to fix the State's budget problems but I will totally oppose anything I perceive as "cost shifting." Because as all of you know, cost shifts do nothing more than force taxpayers to take from their right pocket instead of their left.

A prime example of cost shifting is a provision in the current proposal that calls for a "freeze" in property tax payments "by the State" on State owned lands. This may sound relatively harmless, until you realize that Ulster County is impacted more than any place in the Catskill Park Region. This "freeze" creates a triple hit to local taxpayers, negatively affecting towns, schools as well as the County. It burdens local taxpayers with the reductions in State aid, plus it forces our residents to pick up the State's share of any potential increases. It is wrong, it bad public policy, it is a terrible precedent and I am fighting it tooth and nail.

My administration is committed to facing our issues head on and advocating for the people of Ulster County. I am proud to say that in only 42 days we have hit the ground running.

We have worked closely with Senator Schumer and Congressman Hinchey on the Federal stimulus package and I look forward to working with Sen. Gillibrand. We are pressing for immediate job creation with infrastructure projects, plus long term job growth with alternative energy assistance, all with an eye toward transforming our County's economy. The stimulus package includes an increase to what is known as FMAP funding, the Federal government's portion of Medicaid. An increase to this percentage could provide major relief for both State and County governments.

I also take very seriously the idea of working with both sides of the isle. As Executive, I have the responsibility to make a significant

number of board appointments. In the spirit of bipartisanship, I have requested recommendations from both sides of the aisle. My goal is simply to insure the most qualified individuals are selected to serve the people of Ulster County.

In the wake of the global financial meltdown, I formed an Economic Development Taskforce to generate long and short term recommendations. Not only did this diverse group cut across party affiliations, it had representatives from labor, the environmental community, business people, the towns and this Legislature. They delivered extremely strong suggestions, many of which I included in my first 100 day agenda. I have issued an Executive Order requiring all County Departments to examine operations with an eye towards economic development and requiring those with permitting authority to immediately begin streamlining their process.

This bipartisan taskforce also recommended that Ulster Tomorrow be incorporated in the County's comprehensive plan. There is a resolution before you tonight to do just that and I urge you to support it. The work of this taskforce has provided an excellent addition to the Ulster Tomorrow Plan. I want to publicly thank both the taskforce and the hundreds of people who worked on Ulster Tomorrow. I look forward, in the future, to creating additional opportunities for community input. Having experienced and knowledgeable people work together towards a common goal makes common sense.

It also makes common sense for governments to work more closely together. I fully recognize we all serve the same taxpayer and I believe this collaboration-based model is the future of government in New York State.

- I have attended every Town Supervisors' Meeting since my election and as you know, we are conducting a Shared

Municipal Services Study to help cut costs, coordinate services and eliminate duplication.

- We are in the process of overhauling Ulster County's website, increasing functionality and providing even greater transparency. We are creating a user-friendly icon specifically designed for other municipalities. Though open to all, it will provide a centralized source of data and services to assist local governments.
- We are working to make Ulster County more competitive. We will be hosting a roundtable on February 25<sup>th</sup>. We have invited local architects and engineers, planning and zoning chairs, town supervisors, and mayors. Though it is not my intention to influence any home rule decision or in any way compromise environmental review, if we are going to compete globally, we must arrive at critical yes or no decisions more quickly.
- I am advocating for reform to New York's Empire Zones but not their elimination. Clearly there have been abuses statewide but Empire Zones still offer communities one of their best tools for attracting new companies.

In today's world, where job retention is so important and replacing jobs so difficult, I am urging you to properly fund UCDC, as they fight to save jobs, create jobs and just as importantly, to help local businesses in this time of need.

Local businesses are the backbone of our economy. Right now, many of them are hurting, and for some, access to capital has become a real problem. The credit crunch has made it harder to meet traditional lending guidelines. This situation is putting jobs

at risk. In an effort to help, we are working with local banks and the New York State Business Development Corporation on an innovative lending consortium that spreads the risk, in an attempt to keep jobs right here in Ulster County. UCDC has been instrumental in moving this forward.

Even with all of the efforts on the economic development front, we as a County, do not hold all the cards. The financial realities of a national recession demand that we become proactive. I am extremely concerned that the final State budget may negatively impact County finances. Simply put, Ulster County government will need to get smaller, we cannot afford not to. We are now looking at an aggressive attrition plan with major hiring limitations and internal employee transfers to avoid potential new hires.

Additionally, on top of the \$625,000 worth of positions we removed from the 2009 budget to make Charter personnel costs budget neutral, I am taking additional action. Upon the retirement of Commissioner of Finance, Lew Kirschner and the anticipated appointment of Paul Hewitt, I will eliminate Mr. Hewitt's previous management position, saving County taxpayers \$133,000 in salary and benefits. This is only one of the many vacant positions that will go unfilled or be eliminated. It is my great hope that through attrition and active personnel management we can avoid layoffs. Until the full magnitude of what we are facing is clear, virtually everything must remain on the table.

Cost saving measures and economic development activity are valuable but they are only part of the story. There are some very exciting and innovative items on our agenda.

- We are in the initial stages with Dr. Karnicevitz, the founder of the "Women's Health & Fitness Expo" on a countywide effort to make Ulster County the healthiest county in New York. I look forward to discussions with Legislator Rob

Parete and the Health Committee, as well as many others toward this goal.

- We are looking to significantly increase our interaction with SUNY New Paltz, Ulster Community College and BOCES.
- Internally, we are examining ways to make our facilities more energy efficient, including buying electricity from an energy consortium, saving hundreds of thousands of dollars for Ulster County taxpayers. We are eliminating non-essential travel and examining cell phone usage as part of an overhaul of County standard operating procedures. Additionally, we are taking steps towards surplus, and the eventual sale, of a vacant highway substation in the Town of Lloyd.
- There is one last thing I can assure you: we will deliver comprehensive “fleet management” to Ulster County. I look forward to discussions with Legislator Provenzano and her Committee as they reexamine this long standing issue.

Whether its economic development efforts, helping governments work together, website enhancement, increasing our competitiveness, striving to improve overall health, collaborating with our colleges or making County government more efficient, I hope what the people of Ulster County see is that I will be a tireless fighter for them, consistently pressing for reform and innovation. I look forward to partnering with each and every one of you on this mission.

Sometimes in government we also get the opportunity to address issues far greater than day-to-day finances. Recently, I requested that you consider renaming the Ulster Landing Park in honor of Sojourner Truth. This brave and visionary woman was born right here in Ulster County and dedicated her entire life to fighting for

freedom, justice and equality. It is my great hope that tonight you will turn the dream of the Sojourner Truth: Ulster Landing Park into a reality, as we strive to raise public awareness of this amazing local hero.

In closing, we are in a time of crisis but within that crisis there is an opportunity, an opportunity to reinvent ourselves, dramatically improving cooperation and leaving a strong foundation for the future.

Our many challenges can cause us to overlook what is so spectacular about Ulster County: from its awe-inspiring natural beauty to magnificent historical sites; from the freshest produce anywhere on earth to an unmatched collection of creative talent; from a burgeoning alternative energy industry to an incredible location less than 100 miles from the most vibrant city on the planet. Yes, this place is special but what makes it great is our people. They are what make it the finest place anywhere to live, work and raise a family.

Together we will emerge from this crisis. Many of you built your reputations fighting for a better Ulster County and I urge you to continue. The truth is, Ulster County's future depends on it.

Thank you and God bless the people of Ulster County.