

2010 State of the County
Ulster County Executive Michael P. Hein

I would like to thank Chairman Wadnola, Majority Leader Hansut, Minority Leader Provenzano, Majority Whip Ronk, Minority Whip Sheeley and the entire Ulster County Legislature for the privilege of the floor tonight.

As we discuss the state of the County it is imperative we acknowledge the serious financial conditions facing Ulster County and all of upstate New York. In addition, as we build upon the foundation of this new form of government, it is essential we reflect on the first year of the Charter. And most importantly, as we look ahead, it is crucial we discuss the path to a brighter future so Ulster County can remain the finest place anywhere to live, work and raise a family.

Tonight, I would like to begin by sharing with you some of my favorite words from Dr. Martin Luther King Jr., which seem so perfect in times like this. These words help guide me and inspire me on a daily basis. Dr. King said that the ultimate measure of an individual is not where they stand in moments of comfort and convenience, but rather where they stand at moments of challenge and controversy. Ladies and gentlemen, we are standing at a moment of great challenge and controversy, a moment that will require courage, cooperation and provide great insight into who we are as people.

The people around our nation and especially in New York State are profoundly frustrated. They are frustrated about jobs and they are frustrated about taxes. They are frustrated about multiple levels of government they see as expensive and inefficient and they are frustrated about public officials they see as more concerned about themselves than results. As a lifelong resident of Ulster County, not only do I understand these concerns, I agree with them.

I have heard people say, “Why can't I get a health permit on time unless I know somebody?” Or, “Why do snowplows drive over my unplowed road with their plow up?” As a reformer, I found these questions troubling because to a large degree they were true. As County Executive, I am not willing to accept that. I am not willing to accept the status quo. I am committed to doing everything in my power to make a better government and protect the taxpayers of Ulster County. We have already delivered major reforms and I am looking forward to working with this Legislature to accomplish even more.

Before I go on, I would like to express my great respect for the Legislature and the important policy and appropriation role it plays within the Charter form of government. I also have great respect for the essential role of our Comptroller, Elliott Auerbach. As County Executive, I too have specific responsibilities. I have been elected to

run the day-to-day operations of a \$350 million dollar organization and to serve all 181,000 people during the most serious financial crisis since the great depression. This is a responsibility I take extremely seriously.

I also want to acknowledge the many Legislators who were instrumental in creating our Charter. The fact that no other government in New York State has accomplished a similar feat in over a quarter century truly speaks to their courage. But ultimately it was the people of Ulster County who said they wanted a change to a more accountable and efficient government. They wanted a government of separate and equal branches to serve them and not special interests. It is for all those reasons that I have such great respect for those Legislators who set aside their personal interests and fought for this Charter.

I want to be very clear, regardless of your political party, if you are here to address the serious issues at hand, protect taxpayers and move Ulster County forward, you will find an incredible partner in the County Executive's office, something many Legislators can already attest to. However, I caution any individual whose real intention is to erode the Charter or drag this government back into the dysfunctional past: you will find no greater opponent, because I will always side with the people of Ulster County.

Because no administration is without fault, I will continue to strive for constant improvement within County operations. For all of the citizens

of Ulster County as well as any County Legislator, we are but a phone call away and with our enhanced County website we now provide greater access than ever before to information, personnel and all aspects of County government.

As we look to continuously enhance cooperation, I was pleased to see Majority Leader Hansut request a Charter training session for incoming Legislators, one we have gladly provided through the County Attorney's office. In addition, I have also requested regular meetings with the majority and minority leadership to maximize communication between the branches of government, a request Chairman Wadnola and Minority Leader Provenzano have graciously agreed to.

As we look back on the first year of this Charter, it is important to remember the very active debate that existed during the formation of the Charter. The Charter Committee always contended that real payroll savings could occur with an Executive and the ability to act swiftly, but there were detractors who insisted "the Charter was just another layer of government and payroll expenses would skyrocket."

Well the first year has passed and the results are in: payroll expenses are actually down compared to last year. And more significantly, without the actions we implemented in 2009, payroll would have gone up over \$2.7 million dollars. In fact, with my team fully committed to protecting taxpayers, we also saved over \$6 million dollars from the

County budget during the course of 2009. The simple fact is the creators of the Charter were right.

This new form of government has allowed my administration to deliver many improvements over a very short period of time, but none more important than the total transformation of the Ulster County Health Department.

My goal is clear: to make Ulster County the healthiest county in all of New York State. This is about much more than just health. It is about addressing the quality of life issues important to our residents. It is about insuring a place where people want to live and a place where parents want to raise their children. This complex undertaking involves many stakeholders and has already incorporated some of the valuable work of the previous Health Committee.

It is important to note that fixing this long broken department involved far more than just replacing one public health director with another. First we had to restructure the entire organization and improve internal controls. We then strengthened the Board of Health by adding more physicians, including an Ob/Gyn to focus on women's health issues and, in this era of H1N1 and Lyme Disease, we added the chief infectious disease specialist in our area to the Board.

It was then, and only then, that we added Dr. LaMar Hasbrouck, a physician with extensive CDC experience, as the new Director of Public Health. This overhaul has provided the citizens of Ulster County with what they so richly deserve, a health department they can be proud of. This Health Department has been acknowledged as one of the finest in our region.

I would also like to note that during the recent Legionnaire's scare at Golden Hill, it was reassuring to have such highly skilled physicians on the Board of Health and as the Director of Public Health.

And I would be remiss if I failed to acknowledge the new Health Committee Chair, Walter Frey and his cooperation as we worked to transparently address the Legionnaire's situation.

And though many of the issues we face as a government impact thousands of people, sometimes what we do is help just one; like clearing away unnecessary bureaucracy for a mother with cancer, so her series of treatments would not be interrupted. Another example is something as basic as getting a phone company to re-install a pay phone in a remote area so emergency phone calls could be made where no cell service exists. You see, I never forget that for the person in need all of these issues are important.

In addition to the Health Department, last year I spoke of the need for governments to work more closely together. Because all levels of

government are supposed to serve the exact same taxpayers, today we are well on our way to the largest shared service initiative in the history of Ulster County – reshaping how highway services are delivered. Though Ulster County is one of the only counties in upstate New York not already doing this to a significant degree, I believe shared municipal services, in general, are the future of government. There is no question that roads have to get plowed. The real question is, do our collective taxpayers have to over pay to get it done? I look forward to working with Legislator Fabino and the entire Public Works Committee on completing this initiative. As we strive to identify 5, 6 and 7 million dollar solutions, this is the type of reform that can actually save taxpayers millions.

Last year, I also promised we would hire a Fleet Manager. Working with Legislator Provenzano and her former committee, we have done so. Not only is the Fleet Manager hard at work beginning to tackle this decades old problem, but the addition of an Automated Vehicle Locator system on virtually all County vehicles will add a level of accountability never before seen. This AVL system, by the way, was funded almost entirely with grant money we secured from the NYS Secretary of State.

Last year, I also spoke of the need to focus on job retention, an issue that was particularly raw since the County was still reeling from the loss of Colony Liquor. My administration fully understands this and following individual meetings I had with the head of Empire State

Development, we were able to secure \$600,000 to avert another tragedy. We kept Gillette Creamery here and did not lose them to Vermont. This move saved over 60 jobs and insured an over \$5.7 million dollar investment by Gillette, filling vacant, industrial real estate right here in Ulster County.

This is just one example. To date, through aggressive retention efforts, we retained countless jobs. We have helped create over 440 new private sector jobs and over 267 of these jobs are already filled.

These results are positive but there is still a long way to go. To put this in perspective, the Ulster County unemployment rate is 1.2 % less than the State average and over 2% less than the national average. From a regional perspective, it is either at or better than our surrounding counties and in some cases, it is significantly better. But the bottom line is that there are still far too many people struggling to find work. So we must re-double our efforts to grow jobs in our community.

As Gillette exemplifies, our efforts with Empire State Development have yielded results. In addition to Gillette, since taking office we have secured millions of dollars in offers from ESD to attract new businesses to Ulster County. By comparison, this activity from ESD is more than that of the last seven years combined.

The fact that the Charter provides for a strong single voice to advocate on behalf of the people of Ulster County is very beneficial. But there is another critical piece to economic development: since UCDC falls under the purview of this Legislature, I am requesting you thoroughly examine the current UCDC and IDA structure and determine if it is really the best model to deliver economic development services. Simply put, if it works then let's fund it, but if it is broken, then let's fix it.

There is also a problem facing too many existing small businesses, and that is the ability to access capital. If a quality small business cannot access capital, it cannot keep its doors open. This is about saving jobs. Until recently, only big business had access to multiple banks working together to help them. Small businesses were left on the sidelines. The banking consortium we initiated will provide this type of help to small businesses all across Ulster County, and we will do so at no cost to County taxpayers. Though it is gratifying to see Senator Schumer embrace this idea and expand it across upstate New York, and now potentially even nationwide, the best part of all is helping businesses and people right here in our own backyard.

Last year I also advocated for major reform of the Empire Zone program. Taxpayers statewide were too often being abused by companies making fictitious job promises in return for big tax breaks. Companies that never delivered the jobs they promised. Companies that gave a bad name to honest companies in the program.

I am pleased to see a proposal in Albany to replace Empire Zones. And at the local level, I am pleased to see the Ulster County Comptroller undertaking a review of the IDA. These types of abuses must end. Not only are they wrong, they cost local taxpayers money and worst of all, they betray the public trust.

Part of being the County Executive is striving to make things right. Last year, I was pleased to ask for Ulster Landing Park to be re-named in honor of famed abolitionist Sojourner Truth. We did it because it was the right thing to do. I issued an anti-nepotism order because it was the right thing to do. And we are working everyday to tear down the walls of inefficiency because it is the right thing to do. That has always been, and will always be, my administration's measuring stick. Is it the right thing to do for the people of Ulster County?

As we examine the first year of this Charter and the first year of my administration just imagine the extraordinary changes we are talking about:

- Ulster County's high quality Health Department
- Real spending controls
- Governments working together better than ever to better serve taxpayers
- Saving jobs / growing jobs

- Better accountability
- And real innovations, like the banking consortium.

Had it not been for the crisis caused by the deep global recession, these accomplishments would be the prime focus of our discussion. But the fact remains: a global crisis is far from over. People everywhere are struggling. In New York, where our State is facing an over \$7 billion dollar budget gap, with even larger out-year deficits, the compound effect of lost sales tax and growing unfunded and under-funded mandates is putting intense strains on all local budgets.

When we talk about looming issues, it is imperative we address the Golden Hill Healthcare Facility, a place I hold so dear. I want to start by commending Legislator Rob Parete for his efforts to draw attention to this issue. Though we may differ in our opinions regarding this facility, the importance of the debate is clear. The longstanding needs of the structure can no longer be ignored.

Compounding this problem is a State government that should be ashamed because for 27 years it has reimbursed Ulster County at 1983 rates for Medicaid patients. The residents of Ulster County now must pay over \$3.4 million dollars a year to keep Golden Hill open. This number will quickly exceed five to six million dollars if Inter Governmental Transfer (IGT) funding is not restored. I believe that with

its current reimbursement method, only slightly above the 1983 rates, the State is quietly trying to put us out of business.

The recent Legionnaire's scare at Golden Hill only further highlights the need for a major policy decision. As a Legislature you must decide: What are your plans to insure Golden Hill's long term viability?

This is only one of the many challenges facing Ulster County in 2010. Like the vast majority of other New York counties, we are facing a serious budget gap of our own, caused by reductions in sales tax, the crushing burden of growing unfunded and under-funded mandates and a sharp increase in the demand for service. This multi-million dollar budget gap will force choices that will make last year's pale by comparison.

Though it may not seem fair, this body will face multiple controversial policy issues all at once this year. These issues will include, but not end with examining equitable funding methods for police protection and as Legislator Loughran has long advocated, a full review of DSS laws and policies to protect recipients and taxpayers against fraud, waste and abuse.

Since I believe with every fiber in my being that proactive solutions are better than a reactive government, as of today I have issued a moratorium on spending. Anything but the most bare bones of

spending across County departments will be held back to protect taxpayers. I have directed all department heads to evaluate every aspect of their 2010 budget and develop a plan to hold off on expenses not mandated by law or essential to the public's health and safety. This action will undoubtedly have consequences, but the consequences for not acting would be far worse.

Unfortunately, it will take much more than this moratorium to solve the problem. Ulster County government must continually re-invent itself. We cannot afford to be the largest employer in Ulster County. Not only does it strain already overburdened taxpayers, it is fundamentally not a sustainable model. We must continue to make the same hard choices American families are making every single day. And whether it is through attrition, internal transfers, early retirements or other reductions in personnel, part of being County Executive is making tough choices that you know are needed but still weigh heavily on your mind.

That is why last year we reduced County government by over one hundred positions. This process was both gut wrenching and essential. I firmly believe, especially during times like these, that we as leaders must lead. We must make the hard decisions and not fall into the trap of inaction or political pandering.

With that in mind, I do find it more than a little disingenuous whenever I hear elected officials talk tough on taxes and then, with their very next

breath, oppose any hard choices needed to actually affect taxes. Do I wish we were not forced to establish this new government during the most difficult financial times in generations? Of course, but that is the reality.

Over 40% of the County budget is personnel and over 70% is mandated. To cut 1% from the taxes requires a budget change of over \$769,000. Those are the facts. As we work together to address the many challenges that confront us, I ask everyone to please stay focused on results and to please refrain from unproductive, empty rhetoric and petty partisan politics.

At its core, this year will be about jobs and taxes and this body's willingness to work with my administration to address a multi-million dollar budget gap with much needed policy decisions. The stakes are high because a failure to act is much more than a lost opportunity. A failure to act will negatively impact the people of Ulster County. I can assure you, my administration will do everything in our power to protect the people of Ulster County. We have shown the willingness to make tough decisions and the ability to bring forward innovative solutions. We will continue to do it, because it's the right thing to do.

Conclusion - I hope you see tonight as much more than a typical "State of the County" address. I hope you see it for what it is meant to be: a call to action for all branches of government to set aside partisan politics

and focus on the issues at hand. This body must address the tough policy issues that will define your tenure as Legislators. I am reaching out to you. I am asking for you to join me in a fight for the future of Ulster County. I am asking this Legislature to embrace its policy role and decide once and for all:

- Is it right that New York State under funds Golden Hill? And will you make the definitive policy decisions associated with Golden Hill?
- Is it right that taxpayers from towns with a police force pay the same as taxpayers from towns with none?
- Is it right that DSS laws and policies are not reviewed locally to protect recipients as well as the rights of taxpayers against fraud, waste and abuse?
- Is it right that business owners must wonder if the economic development model established by this Legislature is the most effective one available?
- And last but not least, is it right that taxpayers pay too much to get their roads plowed? The studies are clear, and taxpayers in over 30 other counties are already benefiting. The Ulster County taxpayers need you to encourage your towns to participate in the highway shared services program.

I am confident you can and will address these difficult policy issues and do so quickly because in times like these every minute counts.

When I look to the future, what I see is a spectacular Ulster County. A County with a strong, sustainable economy, and an alternative energy center with high quality tech firms. I see a thriving tourism industry and vibrant family farms. I see tourists enjoying historical sites, world class resorts and quaint B&B's. I see families experiencing the breathtaking "Walkway over the Hudson" and our many farmers markets. Ladies and gentleman, what I see is the healthiest county in all of New York State. And finally, I see a government that recognizes that it is it that serves the people and not the other way around. That is the Ulster County I envision, and I need your help to make it a reality.

We can do this. We can get there. We have come so far and made so many significant changes. But, for the people of Ulster County to fully benefit from the Charter form of government, all branches of government must stand up and deliver during this moment of great challenge and controversy.

Thank you very much for your time tonight, God bless you and God bless the people of Ulster County.