



OFFICE OF THE MAYOR

Ben Walsh, Mayor

February 5, 2018

Hon. Catharine M. Young, Chair
Senate Finance Committee

Hon. Helene E. Weinstein, Chair
Assembly Ways and Means Committee

Members of the Legislative Fiscal Committees

Good afternoon,

Thank you Chair Young, Chair Weinstein and members of the Legislative Fiscal Committees for inviting me to these joint hearings to discuss the 2018 New York State Budget.

My name is Ben Walsh, and I am the Mayor of the City of Syracuse. I am grateful for this opportunity to speak with you today on behalf of the people of my city. I am also appreciative of the ongoing support Syracuse receives from the State of New York and the Legislature. I look forward to building on past cooperation and creating strong partnerships with our State partners as my administration puts in motion the necessary policies to move our community forward.

Like many other mayors across New York, I delivered my State of the City Address last week, and I outlined a series of initiatives that will strengthen the City of Syracuse.

Fundamentally, the people of Syracuse must feel safe and secure, which is why I affirmed my commitment to ensuring our police and fire departments have the resources they deserve.

We must have infrastructure that is reliable, which is why we are investing in innovation while also maximizing capital for long overdue maintenance and upgrades.

We must make sure that everyone in our city has access to quality education and the opportunity to participate in economic growth and prosperity, especially in those initiatives originating in the public sector.

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I also talked about the transformational opportunity Syracuse has in the coming years surrounding the I-81 viaduct project. As I continue to advocate passionately for the removal of the viaduct in favor of the community grid option, we have begun the process of engaging our partners in an effort to connect this multi-billion dollar project with job readiness education programs, along with redevelopment strategies that will reunite and reinvigorate our city and the region in ways not seen since the Erie Canal.

I am here today to ask for your continued support as we embark on a journey to lead our city into its next great era.

Syracuse has faced consistent budget deficits in recent years and has relied on its fund balance to close the gap each year. Continuing on this path could lead to insolvency in a little more than two years. Broadly there are three reasons. It's a story facing many other cities like Syracuse across the state and throughout the country.

First, the city's ongoing revenue base is stagnant. We have not experienced growth.

Next, the city's second largest revenue source - State Aid and Incentive for Municipalities - AIM - which is \$71.8 million dollars, has not increased since 2010. Based on the inflation rate in the same time period, city costs have gone up about 12 percent. We appreciate the Governor and the Legislature keeping AIM steady in recent years, but the challenge remains.

And third, the major areas of cost the city incurs are very difficult to control. Labor costs, health care, pension, utilities, waste and trash fees all continue to go up.

When you look ahead, the prospect is daunting.

Syracuse is at a crossroads, and I am choosing the direction of cooperation and partnership to find solutions to the challenges we face. Of course, we will do our part. My administration is working with our State, County, and local partners to seek cost cutting shared service opportunities. We will work with our partners in labor to find ways to save money and slow the growth of costs in our union contracts. I have convened a Fiscal Summit Advisory Committee in partnership with the Maxwell School at Syracuse University. We will bring the best minds and ideas to the table to attack our fiscal woes. And we are working very hard to make Syracuse an even more attractive place to do business, so that we can generate growth – for greater city revenue and for prosperity for all in our city and our region.

I am here today because Syracuse needs your help. More than ever before, we need our partners in State government to stand by our side.

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I ask that you consider an increase in AIM this year, with a goal of returning to 2009 levels over the next few years. That would mean about \$13 million more for the City of Syracuse as we work to stabilize our fiscal shortfalls and provide the core services our community needs.

As we attempt to grow our way out of our fiscal challenges in the long run, one of the most effective state programs in supporting economic development in recent years has been the NYS Historic Tax Credit Program. When combined with the federal tax credit, the state program has supported some of Syracuse's most transformational redevelopment projects, including the historic Hotel Syracuse. I ask that you reauthorize and extend the program through December 31, 2024 and decouple it from the federal program to ensure maximum predictability and flexibility going forward.

We all are aware of the opioid epidemic across our country, and Central New York and Syracuse are not immune to this trend. The Syracuse area has the highest rate of opioid overdose deaths in the six county Central New York region with more than 27 deaths per 100,000 population. Onondaga County ranks third in the state for Newborn Drug-Related Diagnosis Rate. Our police, fire, and paramedics stand on the front lines battling this epidemic, and our schools, hospitals, and non-profit organizations see the tragic results of this scourge on our community every day. I support the effort put forth in this budget to institute a surcharge on opioid prescription drugs, making that revenue available to fight the epidemic. I also ask that you consider sharing a portion of the Opioid Epidemic Surcharge with local municipalities. Revenue from this surcharge would help to offset the costs our City incurs everyday as we fight for the lives of our citizens and their well-being.

Before closing, I would also like to take this opportunity to express my support for NYCOM's 2018 legislative priorities which include, but are not limited to the following:

- The property tax cap should be a true 2% cap, as opposed to being tied to inflation; it should not include public infrastructure expenditures; and, it should not be included business improvement districts.
- Increase state funding for water and sewer infrastructure.
- Increase state funding for local highways through the consolidated highway improvement program (CHIPS), PAVE-NY, and BRIDGE-NY programs.
- Allow local governments to initiate legal proceedings to force mortgage holders to complete the foreclosure process or release their mortgage rights for abandoned properties.

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In closing, the City of Syracuse is in a precarious situation with looming deficits and stagnant revenues, but as I said at my inauguration, the outcome is not predetermined. We will change course and work to put the city on a healthy fiscal path, but we also need your help. I look forward to working with all of you to ensure the City of Syracuse and the State of New York's best days are still ahead of us.

Sincerely,

Ben Walsh
Mayor, City of Syracuse