



NEW YORK STATE SENATOR

Catharine Young

## City of Salamanca Receives Emergency Aid From NYS for 2011-12 Fiscal Year

CATHARINE YOUNG July 26, 2011

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**SALAMANCA, NY** –Senator Catharine Young (R,C,I-Olean) announced today that the state has provided \$5 million in emergency funds to tide over the City of Salamanca during its fiscal crisis.

“By working closely with Governor Andrew Cuomo, Assemblyman Joe Giglio, and city officials, we have developed a plan to address the city’s budget shortfall and continue to provide essential services to the citizens of Salamanca. This zero interest loan will be repaid once Casino payments are resumed being made to the state,” Senator Young said.

“The city was at a point of crisis because financial obligations are due and action needed to be taken. This situation has been very difficult for the people of Salamanca because of the uncertainty, and the reduction of basic services. Cuts to public safety especially have been of deep concern to me. For example, the response time on an ambulance call has gone from about five minutes to 35 minutes in some cases. That’s unacceptable,” Senator Young said.

“By pulling together, we have come up with a short term solution. The Governor has been extremely responsive in formulating a plan, and we all are very grateful for his strong leadership and attentiveness. City officials also deserve kudos for their work,” Senator Young said.

The state loan consists of \$3.5 million to continue current staffing levels and a basic level of services under the city’s austerity budget that was adopted in March 2011. That \$7.2 million spending plan was based on anticipated tax levy revenues of nearly \$1 million, sales tax and other miscellaneous revenues of nearly \$2.7 million, plus \$3.5 million in “emergency State aid” in place of the traditional funding the city receives from the state as a Casino host community. The remaining \$1.5 million of the loan will satisfy a Bond Anticipation Note (BAN) that is due this fall.

City revenues were sharply curtailed, and deep cuts in personnel and services were made when the State and Seneca Nation came to an impasse over gaming compact exclusivity payments in September 2010.

As a host community, Salamanca provides essential police, fire, infrastructure, utility and other municipal services. Complicating the city’s sustainability is the ever eroding tax base, as properties become immune from taxation when they are purchased by enrolled members of the Seneca Nation. The city is located almost entirely on the Seneca Nation’s Allegany Territory.

Said Mayor Jeff Pond, “Thankfully, Governor Cuomo, Senator Young and Assemblyman Giglio worked hard to make this funding available. With their bi-partisan leadership, they have developed an alternative that works for us. We still are responsible for providing services despite the loss of the Casino revenues, and as we move forward, the city will be working closely with them for a long term solution.”

According to Assemblyman Giglio, “This is a very important issue that affects all of the residents of Salamanca as well as those living in surrounding areas. The city and its employees have worked diligently to maintain a basic level of services, and I am pleased that all parties came to an agreement on a resolution. It was great to be a part of this effort because it demonstrates how government should work.”

Senator Young said that the loan is a beginning, but much more needs to be accomplished to shore up the city’s finances in the future.

“The Casino has been an important economic asset to our region, and the Seneca Nation has successfully worked hard to make it an outstanding destination. It has provided jobs to many people, and income to the state, city, Cattaraugus County and Salamanca City School.

“The State and Seneca Nation share many areas of mutual concern, including the economy. I am hopeful that the State and the Seneca Nation can come together soon to work out their differences about the gaming exclusivity agreement and other issues. Good communication is the key, and I continue to urge everyone to sit down to have a productive dialogue about positive solutions,” she said.

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