



OFFICE OF THE MAYOR

MAYOR BEN WALSH

Joint Hearing on the State Budget February 10, 2020

Thank you, Chair Weinstein, Chair Krueger, and members of the joint committee, for the opportunity to speak to you today. This is my third time in front of this body, and I am pleased to report that the City of Syracuse continues to make forward progress, despite continued fiscal challenges.

Some highlights of our recent momentum include:

- Syracuse was the only large city in New York to grow its population in 2018. During that time, Syracuse had the third-highest rate of millennial population growth in the nation;
- Monthly job growth outpaced statewide numbers in all months measured in 2019;
- One of the world's top financial ratings firm recently upgraded our fiscal outlook;
- We have been named New York State's flagship smart city, and Microsoft has committed to establishing its third smart city hub in the nation, and first in the northeast, in Syracuse.

A year ago, I was here describing a new plan called the Syracuse Surge – our strategy for inclusive growth in the New Economy. Since then, we have moved forward with multiple major initiatives, including an ambitious proposal to create a state of the art, regional Science, Technology, Engineering, Arts, and Mathematics high school in downtown Syracuse. I want to thank this body and, in particular, Assemblyman Magnarelli and Senator May for their sponsorship and Assemblywoman Hunter and Assemblyman Stirpe for their support of the STEAM School legislation. We are excited that Governor Cuomo has now expanded the project to include SUNY Empire State College as a partner in workforce development training and is proposing this as part of his Executive Budget this

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year. I once again ask for your support of this proposal and corresponding funding for this transformational project.

While there are many signs of progress, Syracuse still has a long way to go. Poverty levels are far too high and our infrastructure needs far exceed our capacity to address them. In my first two budgets, we have been able to steadily reduce the City's projected deficits and improve our financial position. We have done so by keeping our department operating expenses nearly flat, and using data and innovation to deliver services as effectively and efficiently as possible. Working closely with our regional partners, we are implementing shared service initiatives that include savings in our retiree benefits, prescription drug plans, and cybersecurity protections. We are also in the process of implementing recommendations received last year from the State Financial Restructuring Board for Local Governments.

The sales tax agreement extended in 2019 with Onondaga County secures the formula for our largest source of revenue through 2030. The upcoming budget in 2021 will present significant challenges due to modest revenue growth and the growing cost of attracting and retaining our City workforce. Despite these challenges, however, we remain committed to achieving a fully balanced budget in the coming years.

Aid to Cities:

As you know, the Governor has proposed to keep aid and incentives to municipalities (AIM) funding flat in his Executive Budget, which I appreciate given the very difficult budget year. That said, I cannot overstate how important AIM funding is to the City of Syracuse.

Our city budget, not including special funds and the Syracuse City School District, is approximately \$250 million. Our three largest revenue sources are sales tax, AIM, and local property taxes. Property taxes amount to \$37 million dollars or only 15% of the total revenue to operate the City. A 2% increase on the tax levy would net less than \$1 million dollars. Sales tax generates approximately \$92 million and State AIM is \$72 million, together representing 66% of our total revenue.

The AIM funding provided to Syracuse is critical to day to day operations. I ask once again that you consider an increase in Unrestricted Aid to cities, helping to mitigate the inflationary growth of operations.

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Any reduction in AIM funding would be devastating to cities, forcing us to cut services, reduce investment, and restrict growth. It would mean fewer police officers and firefighters; unfinished work by our road, sanitation, and parks crews; and less investment in critical technology infrastructure.

On a related note, I respectfully ask that you reconsider last year's decision to restore cuts to AIM funding for towns and villages by using internet sales tax revenue. While I fully support restoring AIM funding for towns and villages, it should not be done on the backs of other local municipalities.

Lastly, on the topic of revenue, I ask that any decision relative to the legalization of cannabis allow for the collection and sharing of tax revenue to local municipalities to account for any potential impacts on public safety.

Infrastructure funds:

I would like to turn now to another important topic relevant to many of my fellow mayors – aging infrastructure. We have been increasing our investment in infrastructure across the board, but it is an uphill battle. Restoring and maintaining our roads and underground infrastructure will take decades of consistent and focused investment. For too many years, Upstate cities have not been able to keep up with deteriorating infrastructure, so I am asking for your partnership to catch up. We need a steady stream of funding so we can plan multi-year efforts and create economies of scale in the procurement process.

I ask that you consider adding funding in the budget to provide for longer-term capital that goes beyond the one road at a time, and one pipe at a time approach. A comprehensive, long term solution requires comprehensive, long term funding. I propose you consider a model under which large municipalities, in order to receive their additional infrastructure allocations, would be required to match the funding with local dollars. The approach would double the impact of the state's investment, create more jobs, and more quickly bring our infrastructure up to modern standards. Working together, we can create a new and better way to maximize investment in the infrastructure we all need to compete and grow.

Our roads and bridges are also in need of significant investment, which is why I am pleased to see funding included in the Executive Budget for the CHIPS, PAVE-NY, and BRIDGE-NY programs. Unfortunately, Extreme Winter Recovery (EWR) funding was not included this year,

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and I, respectfully, ask that the Legislature consider restoring it. Given the increase in extreme weather associated with climate change, the EWR program will continue to grow in importance in the coming years.

Housing Quality and Stability:

In my State of the City address, I announced the launch of the new Syracuse Resurgent Neighborhoods Initiative (RNI). The RNI is the result of the collective feedback we received over the course of more than 90 “kitchen table talks” with neighborhood stakeholders throughout the City. We also conducted an 8-month analysis of several of our primary commercial corridors. As a result, we are working on an ambitious infill housing project to construct 50 new single-family homes and 75 two-family homes to fill gaps in our neighborhoods left by vacant and abandoned properties. Moving forward, we will have dedicated planners for each of the city quadrants who will work to align the data and stakeholder needs with on the ground activity in specific commercial corridors and adjacent residential neighborhoods.

This initiative requires support from the State through a variety of funding sources including the Affordable Housing Corporation, Empire State Development, Downtown Revitalization Initiative, and the Brownfield Cleanup Program. Another State program that has been helpful in the past, Restore NY, would also support these efforts. I respectfully request you consider funding future rounds of Restore NY as we continue our collective efforts to revitalize our urban core neighborhoods.

I have spoken about lead as an issue in our City’s aged housing stock since I took office two years ago. This is a terrible legacy facing older cities like Syracuse, but unlike so many other issues facing us, we know exactly what to do about it. If we exercise our legislative and executive authority, commit our resources, and follow through with testing and remediation, together we can reduce the lead hazard risk for all of our children.

Lead poisoning is dangerous to anyone, but children are disproportionately impacted due to their small size and developing brains. Studies have shown that even small levels of lead can affect a child’s IQ, ability to pay attention, and academic achievement. Statistics in Syracuse reflect our need to more aggressively address remediation and prevention.

In Syracuse, 10% of children under the age of 6 have elevated blood levels for lead. This is unacceptable. Lead exposure is something we know we can reduce. We can make all of our housing lead-safe.

Last month, in partnership with the Common Council, I announced the introduction of a new lead ordinance in Syracuse that is modeled after our neighboring City of Rochester. The law will protect our most at-risk children by investing in proactive inspection of buildings, rather than reactive enforcement after children have been poisoned. The expanded law will set the standard to clear a unit for residency and require recertification every 3 years in high-risk areas.

This law will take additional inspectors, training, and equipment. We will fund the initial setup in these high-risk areas in our City operating budget with about \$600,000. I would encourage the Legislature to consider enacting a state law that would mandate testing in properties built before 1978, and provide funding for properties that test positive for lead. The short term cost of lead abatement will be far less than the long term cost of services associated with lead poisoning, including special education, health care, criminal justice, and poverty.

In closing, I'd like to thank each of you for the support the Legislature has provided to the amazing city I have the privilege to serve. While we face significant challenges in Syracuse, including budget deficits, aging housing and infrastructure, and persistent poverty, I am more confident than ever that we are well on our way to achieving our vision of being a growing city that embraces diversity and creates opportunity for all.

Thank you again for your partnership and support.

Sincerely,



Ben Walsh
Mayor

