

2010
State of the City Address
by Mayor Scott T. Johnson
January 26, 2010

To my fellow Saratogians here today, welcome and thank you for coming. Your dedication to Saratoga Springs is recognized and appreciated. I look forward to continuing our work together, for a better Saratoga.

A welcome and thank you also goes out to my fellow City Council members, Commissioner Kenneth Ivins, Commissioner Skip Scirocco, Commissioner Richard Wirth and Commissioner John Franck. Welcome also to Deputy Mayor Shauna Sutton, Deputy Kate Jarosh, Deputy Tim Cogan, Deputy Frank Dudla, Deputy Michele Boxley and City Attorney Joseph Scala. By continuing with civility, professionalism and a nonpartisan approach, we can better serve the public and complete the City's business.

I also welcome and thank Saratoga County Supervisors Joanne Yepsen and Matthew Veitch, in their efforts to represent and advocate for our City at the County level.

To other elected officials here today, as well as all former members of our City Council, welcome and thank you for attending. We continue to recognize your dedication to our City.

I also thank my family, my wife Julie and son Conor, for their understanding and tolerance of what it takes to be your Mayor. Your love and support has no bounds. To my mother Jane, again thank you for always being there.

Lastly, as in the past, please join me in a moment of silence for remembrance and gratitude to those of our families, friends and fellow Saratogians who are no longer with us, but without whose contributions Saratoga Springs would have faltered.

Please join me now as we consider the State of our City.

By design, the State of the City address highlights where we have been within the past year as well as where we are now heading. Unquestionably, 2009 presented many unforeseen and unpredictable economic challenges, the depths of which are still being measured. As a destination resort, we continue to be more resilient, but not immune, to the current recession. We must also continue to brace ourselves for future uncertainty. As was stated by C. S. Lewis: "Experience is a brutal teacher, but you learn, my God, do you learn." Consequently, the charge to our City Council remains the same as last year: Fiscal conservatism, better management and improved efficiency.

Against these economic challenges remains a dedicated and talented community. The need for optimism, renewed attitude and sense of purpose is not to be underestimated. Certainly, there are tough days ahead. Therefore, we must renew our purpose as a caring community, set our priorities and, above all, work together for the common good.

Despite the current financial crisis, the state of our City remains relatively strong and dedicated as ever to preserve our quality of life. Such dedication and vitality continues to guide us in these difficult times.

Let's look at the events of 2009.

Without doubt, the biggest challenge that emerged in 2009, and unfortunately will continue through the foreseeable future, is what many have termed the Great Recession. Many leaders at the State and national level have stressed fiscal responsibility and a renewed plea for spending caps. Certainly, we have now entered the age of accountability, to control what costs can be controlled, while recognizing there are certain fixed costs of government that must be borne. We expect that certain opponents will continue with scare and threat tactics, to influence our community and challenge fiscal restraint. There is no place in a responsible community for such tactics and I call upon those opponents, today, to abandon such strategy as unrealistic and irresponsible.

As your elected officials, we must continue to recognize that many in our community are struggling everyday to make ends meet, particularly in these difficult economic times. Therefore, we must continue on the path of fiscal conservatism, while stressing government productivity, efficiencies and a willingness for both management and labor to share the burden. As such, the choices are often difficult, at times unpopular, but are part and

parcel of our duties as your elected officials. We are now at a time of reckoning, as often stated by our Governor.

Our current City budget, and last year's as well, required extremely difficult choices, resulting in lay-offs of historic proportions. On behalf of the City Council, I know I speak for all of us that no one favors mass layoffs and each and every layoff is taken to heart. These budgets have not been budgets of choice but, rather, budgets of necessity. Decades of unsustainable spending have brought us to this moment. We must ask not just whether our budget is in fiscal balance, but whether our budget is in balance with our values. Enough is enough. We need sustainable, bi-partisan solutions to better serve the taxpayer and protect essential government services. Regardless of what reforms are reached, the answer isn't limited to increasing revenue, without first getting our spending under control. If we do not fundamentally change the way we spend your tax dollars, we fail in our duty to not only solve our immediate problems but also plan a viable and sustainable future.

What can you do to assist our City? Simply join in the cause, be realistic and share your perspectives on the choices ahead, while being tolerant in recognizing there aren't black and white answers but many shades of grey. The extreme challenges facing our City are more than invitations for leadership. We need your help and ideas to find affordable solutions, to reduce the increasing tax burden and continue in our efforts to restore fiscal discipline to our budget.

Above all, we must require and maintain leadership based on common sense principles, focusing on good management, cutting spending and serving the taxpayer. In these difficult economic times, more than ever it's critical that we keep politics out of government. I'm confident that the current City Council will work better than ever to tackle the tough issues facing our City. As I have often previously stated, regardless of the issue, we must put any differences aside and do what's best for our City. With our new council, we are positioned to better serve the community and finally end the politics of dissension. As with any issue in our daily lives, success largely depends upon the willingness to listen, the art of compromise and an acceptance that we already are more united than divided in our goals. It remains true that the collective wisdom of our people is the most reliable guide in achieving our goals.

As part of a responsible budget process, I'm proud that the City Council adopted the 6 year Capital Program chaired by my office, producing one of the lowest capital budgets in years. By doing so, we recognized that we should do only what is absolutely necessary now, deferring what can be done later or even eliminated. Certainly, the issues of a new public safety building and expansion of fire services come under this category. Regardless of merit, we should only buy what we can afford, and when we can afford it.

Of course, current financial demands go well beyond just capital projects. Most notably, current labor costs are approximately \$30 million per year out of an approximate \$36 million budget. Annual increases in health care costs, retirement benefits and years of unsustainable spending have brought us to the brink of prolonged collective bargaining of City union contracts. In my effort to hold the line on unaffordable labor costs, two of the three City unions declared impasse in 2009. At this stage, efforts continue to advance negotiations in good faith to reach better solutions that serve both the short term and long term need for affordability. As I've often stated, the stakes are too high to be impatient by rushing to resolutions that ultimately do not serve the public. Fairness and affordability must be balanced in this most expensive part of our budget. I continue to invite labor to be part of the solution and not the problem. I remain confident that we will ultimately reach a reasonable resolution by better sharing the tax burden.

Last year also brought an unfortunate finality to our receipt of Video Lottery Terminal revenue from the State. In these dire economic times, the loss of almost \$4 million a year in VLT revenue, practically overnight, highlighted how dysfunctional State government has become by simply shifting, but not reducing, the tax burden. As a VLT host community bearing all costs of providing services, basic fairness has been ignored in the inability and inefficiency of New York State to balance its own budget. The change in political power in Albany hasn't served us well. To add insult to injury, the Governor now proposes expansion of VLT operating hours to 24 hours a day, 7 days a week. Such proposal can only increase the public cost of providing services, without any compensation whatsoever from the State. I have news for Governor Paterson and our State Legislature: Saratoga Springs will take all available measures to both oppose and, if passed, not comply with the proposed expansion. Also, add to that message our public outcry over the inexcusable delay in naming a VLT operator for Aqueduct,

with the continuing loss of daily revenues and threat to the very survival of the New York State racing industry.

Fortunately, there are signs of economic prosperity on the horizon. Last year brought the confirmation that Global Foundries will locate its semi-conductor plant in our County. The emergence of our region as a nanotechnology center can only result in increased productivity and prosperity for our region. This venture is presently the largest economic development project in the country, if not the world. The expansion of the tax base, creation of good jobs and the ripple effect into the creation and expansion of secondary businesses is without question. The creation of quality jobs easily translates into an improved tax base, increased disposable income and increased sales tax revenue, particularly for resort destinations like Saratoga Springs. The timing of this project couldn't be much better when contrasted with the economic downturn. However, given the projected completion date is beyond 2011, we must continue to be steadfast in examining within our own borders the necessity of affordability and sustainability.

The year 2009 also brought with it certain accomplishments, whose benefits will extend beyond the present into future generations. To highlight some examples:

- The current expansion of our City Center is the single most important step in the ongoing expansion of our year round economy, while resulting in no tax increase or burden to Saratogians. The projected completion date is still on schedule for November this year. Without question, our expanded City Center will elevate us in the competitive convention business, in return bringing more revenue to our City year round.
- The expansion of Saratoga Hospital with a new emergency department, and now focusing on radiology and orthopedic improvements, demonstrates the commitment of our community to caring for each other with the highest quality of care.
- The commitment by our City to sustainable measures continues to gain momentum and support, through the ongoing efforts of Sustainable Saratoga, the Saratoga Healthy Transportation Network and our execution last year of the Cool Cities Agreement. These

sustainable initiatives also demonstrate how effectively we can collaborate with Skidmore College, and its students, toward protection of our environment.

- Last year also saw the indoor recreation center take form and finally move toward a reality, after many years of discussion and delay. The recreation center will benefit all ages, for a variety of activities, while clearly investing in our youth as ultimately our future leaders. The projected completion date is May of this year, still coming in well under budget.
- Our Saratoga Race Course and Fasig Tipton sales also weathered the economic storm better than others in the industry by delivering a quality product second to none, highlighted perhaps by the thunderous performance of 2009 Horse of the Year Rachel Alexandra.
- On open space initiatives, this year will finally bring the construction and completion of the Spring Run Trail, paid for entirely by federal stimulus money, delivering this in-town trail network to the public at no tax increase.
- Last year also amply demonstrated how affordable housing initiatives, such as the Allen Drive apartments, do not institute the demise and devaluation of adjacent properties. Rather, these are opportunities to those less fortunate, who still deserve a decent lifestyle and chance for success. As the largest affordable housing initiative in approximately forty years, its success has inspired and resulted in current plans for construction of more units.
- In my last State of the City address, I unveiled a plan to perform a comprehensive review of our Zoning Ordinance, the first in many decades. I am pleased to report that the review has been productive and remains ongoing, identifying many deficiencies, inconsistencies and, at times, unworkable criteria that must be applied by our land use boards. We expect to soon finalize the review and report our findings.
- Hand in hand with the Zoning Ordinance review, I am pleased that we have recently given life to the long ago identified, but not addressed, issue of matching our local historic districts with those on the National Register of Historic Places. Such attention to these zoning

issues is of particular importance, given the advent of Global Foundries and its potential effect on City land use. There is no reason why preservation cannot coexist with thoughtful and balanced expansion of our tax base.

To facilitate thoughtful and balanced expansion of our tax base, to lessen the future burden on the residential property owner, I will be exploring a fiscal and tax base analysis into how new development and current land usage impacts our City revenue and expenditures. Fiscal impact analysis is an important tool that provides insight on how new development and changes to land use can benefit the fiscal condition of government. Change is inevitable and essential for a viable community. By examining vacant or underutilized but suitable parcels through building scenarios, tax base analysis, market analysis and fiscal modeling, we can better identify strategies to stimulate private investment, create employment opportunities and strengthen our tax base. I have already met with the Saratoga Economic Development Corporation to identify the potential tools in this analysis. Consideration must also be given to our land use boards, particularly the Planning Board, to address, articulate and make public all potential uses of such properties that will be entertained by the City. If we do not take action to identify potential future development under more articulated standards and guidelines, we will not be competitive in the market of the future. The issue is not overdevelopment, but simply assuring our available properties are identified with their best potential.

The issue of paid parking was also front and center in 2009. As stated in my last State of the City, we must all come to terms with and accept paid parking as a significant and realistic source of revenue as we struggle to provide future services. Since first raising this issue over a year ago, there unfortunately remains much misunderstanding and inaccurate assumptions as to what paid parking would mean in our City. Regardless of the details and nature of any objections, paid parking can only succeed if there is a comprehensive approach used to both generate revenue and increase available parking. I am not here today to state the present plan for parking will succeed. The success of that initiative is to be determined by a separate committee, already in existence under the direction of Commissioner Ivins, and that committee should be used as a vehicle to vet the process. However, bear in mind that paid parking revenue is presently a significant line item in our current budget, adopted by default under City Charter operation. One fact also remains indisputable, namely, if revenue is not generated to match that budgeted through paid parking, the City's deficit will increase and result

in more spending cuts, with less services and potentially more layoffs before year's end. These are not threats but stark realities. I believe that there still can be a compromise reached, between the needs of government and the concerns of downtown merchants, but the process does not happen overnight and is not resolved without a long term plan in place. Such compromise can and should include provision of additional parking downtown. Otherwise, we lack a comprehensive approach and have no solution to solve our long term needs. As should be obvious, a balance must be struck between the economic necessity to fund future services and the concerns of downtown businesses and our community.

Both in the anticipation of the coming of Global Foundries and to better streamline current processing in the Building Department, I will be exploring the establishment of a private option for building permit applicants. In essence, the applicant will have a choice between a public option and a private option. The public option will be the process currently in place within the Building Department for the processing of applications. The private option will allow the applicant to choose from a list of pre-approved private engineers and/or architects to process the application, which cost will be paid by the applicant. This is the result of much discussion with both the building trades and individual homeowner and commercial applicants, who have at times expressed frustration over claimed delays in processing. The solution can no longer be increasing City payroll to better handle the application process, particularly at a time when we are downsizing payroll based upon economic necessities. The City can be fully protected in this process through the appropriate insurance and hold harmless agreements with the designated private providers. Nor will revenue be lost by the City since the applicants would still pay fees to the City in addition to those they would pay directly to the private providers. In the increasingly competitive market throughout our region to expand the tax base, we must take action to better serve the public and increase efficiency.

During the balance of my second term, we will also be looking at the feasibility and projected cost savings of increased sharing of services with surrounding municipalities, including the County. The practice of sharing services is growing throughout the State, resulting in many benefits in addition to saving taxpayer money. Saving money is certainly the most important benefit because we are the highest taxed State in the nation. In these difficult times, all options must be considered and examined, despite traditionally not being considered. With our financial challenges, we must be open to all reasonable alternatives.

As with prior State of the City addresses, we cannot possibly touch on every issue presently challenging our City. I continue to stress the strong and dedicated commitment throughout our City to preserve what is uniquely Saratoga, while planning for a better future. As we have faced challenges in the past, we must be prepared to explore new solutions and alternatives in the face of economic uncertainty.

Despite our problems, we still live in a great and caring community that we can all be proud to call home. With some give and take, and working together, we can continue moving in the right direction. But we need your help, your support and your dedication to abandon the politics of dissension. Our present challenges may provide us with unique opportunities for greater efficiencies, reduction of the cost of government and better financial stability in future years. In my last State of the City address, I also stressed that responsibility and cooperation, combined, remain the cornerstone in any successful venture, whether business or government. To date, we have taken great strides toward achieving these goals, but much lies before us.

As in any time of difficulty, the best solution is not simply short term but requires realistic planning for the future. With any planning, there must be inspiration, a vision to embrace. It was Franklin D. Roosevelt who said: "When there is no vision, the people perish". We should follow the example and dedication of what our City forefathers began in the sixties and seventies, to then rescue a dying City through establishing a vision and a plan of action. The time is now for us to have vision and take action.

We can also find strength and inspiration in the words by Ronald Regan, who in advocating taking reasonable chances and expanding your horizon said: "The future doesn't belong to the faint hearted, it belongs to the brave". So today, my message to all Saratogians, and my fellow Council members, is to have the strength to develop the vision needed in our time of need and to plan for what clearly will be new economic opportunities. As Saratogians, we remain strong and must always have faith.

This year, I reiterate to my fellow City Council members, to our City and its people, this is our charge.

God Bless America, the City of Saratoga Springs and all Saratogians.