

Testimony at the New York State Budget Office's Public Hearing

Presented by Kenneth Mokrzycki

Director of Administration of the City Of Syracuse

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Good afternoon. My name is Ken Mokrzycki and I am the Director of Administration for the City of Syracuse. On behalf of Mayor Driscoll, I am pleased to welcome you to City Hall.

I would like to thank you for giving residents of the Syracuse and Central New York area such a convenient opportunity for community input as you prepare the proposed 2008-09 State budget.

Decades ago, the large Upstate cities were places where one found the concentrations of a region's wealth and population. Over time, however, demographic trends have left these cities smaller and less affluent, with

- concentrations of the region's poor who have very limited means to contribute to the paying for municipal services and**
- concentrations of tax-exempt institutions which by law are not required to pay for municipal services.**

At the same time, the cost of operations increased as roads, bridges, sewers and water lines age, as the cost of labor increases, and as the needs of the population place greater demands on service delivery systems.

Many do not realize how critical the State as a funding source has become in addressing this resource imbalance.

Indeed, this year, of our combined City and School District budget of \$581 million, \$315 million – or 54% of our revenues – comes in the form of State aid.

It is only because of this level of assistance that the City of Syracuse and its financially dependent school district are able to continue to deliver the broad range of day-to-day municipal and educational services.

It is this assistance that makes it possible to pay for our teachers, our police officers, our firefighters, our sanitation workers and to cover all of the ever-increasing bills such as gasoline, heating fuels, and road salt, which an organization of this nature must incur.

We are very grateful for this level of State support, particularly because our other major sources of revenue are small in comparison, and are very limited in growth potential.

For example, the majority of our sales tax income is subject to a growth cap imposed by Onondaga County. And our property tax base has been historically relatively stable and does not generate any additional operating income unless property tax rates are increased.

As we look to the future, Governor Spitzer has made clear that any increases in State assistance must be tied to accountability and performance.

Mayor Driscoll wholeheartedly endorses this approach. Indeed, this Administration has undertaken several initiatives to minimize the property tax burden, to promote economic development and to invest in technology, reducing operating expenses.

For example this we have:

- Implemented the SyraStat accountability management system, which requires City Department heads to review performance indicators on a regular basis**
- Negotiated innovative terms for economic development projects that provide new streams of revenues to the City's general fund**
- Invested in energy saving initiatives that will more than pay for themselves over the years**

Because of these management efforts and others, in the short term, the City has generated a safety net in the form of successive operating surpluses. These funds can assist in addressing some near term budget gaps. But using such non-recurring revenues is at best a short-term solution.

Your office has been supplied with our budget projections for the next four years. During this period, we will need your additional assistance to help us meet the magnitude of the challenges still before us.

We pledge that we will do our share and continue to be guided by the Governor's accountability mandates.

In closing, I ask that you continue to identify municipal and education aid as high priorities as you finalize your 2008-09 budget.

Thank you.