



Office of the Mayor

Stephanie A. Miner, Mayor

**2011 State of the City Address
Everson Museum – Hosmer Auditorium
Jan. 27, 2011**

Good evening. Thank you for joining me for my second State of the City Address.

Thank you Councilor Kessner for such a warm introduction. Jean has been an excellent addition to the Council this year, particularly in her advocacy for neighborhood preservation and for the homeless and housing vulnerable.

I am also pleased to recognize our colleagues on the Common Council: President Van Robinson, Majority Leader Kathleen Joy, Minority Leader Ryan McMahon, Majority Whip Tom Seals, Councilors Pat Hogan, Lance Denno, Nader Maroun and Matt Rayo.

I would be remiss if I didn't recognize Utica Mayor David Roefaro, who has joined us this evening. He has been a solid partner as a fellow member of Mayors Against Illegal Guns and in advocating for reform that will benefit Central New York. And of course, it doesn't hurt that he makes delicious Chicken Riggies. My staff still talks about them.

Chancellor Cantor could not join us this evening as she has business with the SU Board of Trustees in Florida, but she sent her husband Steve Brechin and Dean Doug Biklen from the School of Education on her behalf.

I would also like to thank the members of our state and federal delegations and their representatives for attending tonight.

The County Executive, Joanie Mahoney, is here with her senior leadership team. It has been a pleasure to work with the County Executive and her team this year and I am confident the spirit of cooperation and collaboration we fostered in 2010, particularly in charting a new course with a historic sales tax sharing agreement, will continue in the months and years to come because we both have the same goals in mind – a strong Syracuse and a vibrant Onondaga County and region.

And of course, I thank Steven Kern and the Everson Museum staff for hosting us here tonight in this wonderful venue, the Hosmer Auditorium. The Everson really is a one-of-a-kind architectural masterpiece.

Last year, I ended my address talking about the fiscal storm approaching the City of Syracuse. And this year that is where I begin. As we all know, our country is in the midst of a fundamental economic change. As a result of that, and long-standing economic trends, Syracuse today is facing unprecedented fiscal challenges – rapidly rising costs which are out of our control, stagnant property tax revenues, and declining aid from the federal and state governments.

New York Times columnist Thomas Friedman recently aptly described the situation when he wrote: "We are leaving an era where to be a mayor was, on balance, to give things away to people. And we are entering an era where to be a leader will mean, on balance, to take things away from people. It is the only way we'll get our fiscal house in order before the market, brutally, does it for us."

Yes, we will have to, by necessity, and by design, change the culture of our government through shared sacrifice, innovation and investment to ensure a bright future. Tonight I give you my solemn word that we will use our

challenges to seize the opportunity that inevitably goes to the bold. If we work together, and you stand with me, I promise you we will look forward – and move forward – together.

I think it most appropriate to start with our own fiscal decisions. Even prior to the announced State budget deficit, I was aware of the financial challenges facing our City. To that end, since day one of my term, I have made it a priority to cut costs.

Since January of last year, I have reduced the number of funded City positions by nearly 200. More than 90 positions were eliminated in the budget for the fiscal year that began July 1st. In addition, 94 positions have been vacated as a result of the recently implemented early retirement incentive program. While some small number of these positions will have to be refilled due to operational needs – (and refilled at a lower salary, I might add) – these two initiatives will result in a permanent salary savings of approximately \$7 million per year.

Another area of savings that has been reviewed from day one, and has received a great deal of media attention, has been overtime. Let me be abundantly clear: across non-uniform departments, we were able to save \$1.1 million – nearly a 30 percent decrease – in overtime costs in 2010 versus 2009 due to the diligence of our department heads. DPW alone, despite record snowfall, reduced its overtime costs by nearly 44 percent, saving more than \$800,000. The Syracuse Police Department has also reduced its overtime costs – \$1.1 million in non-reimbursed overtime. And while the Fire Department’s overtime increased, it did so because we held a number of vacancies open. This has resulted in a net savings because we did not have to pay salary costs for these positions.

As a result of this hard work, I am happy to report to you that for the 2009-2010 budget year, while we were projecting the use of \$24.9 million in fund balance, we used just \$9.6 million of our “rainy day” reserves – a savings of \$15.3 million – because of our fiscal diligence.

Additionally, while others have given lip service to consolidation, or even fought against consolidation, my administration has suggested it, fostered it, and accomplished it. We have entered into cooperative relationships with other levels of government, resulting in permanent savings for the City taxpayer: from entering into an agreement with the County to handle our mailing services, to sharing the costs of an arborist, and agreeing to merge our purchasing departments. So after years of talk about consolidation, we’ve done it.

We also initiated, and are now in the midst of, a pilot project to merge management of the City and School District’s information technology departments. By doing so, we reduced administrative costs, eliminated the City’s IT Director position, and shared resources with the School District. Again, all with the result of realizing savings for City taxpayers.

Despite the aggressive steps my administration has taken to cut costs, we are beholden to Albany to help us right our fiscal ship. Because of Albany’s unfunded mandates and irresponsible spending decisions, we face multi-million dollar deficits for years to come. The day of reckoning is not coming; it has arrived.

We all know local governments and school districts throughout the State are heavily dependent on State aid to fund their operations. Syracuse is no exception. Of our combined 2010-2011 City and School budget of \$633 million dollars, \$339 million comes from Albany. This amounts to 53% of the City’s total revenues.

So when Governor Cuomo and Legislative leaders warn about a \$10 billion dollar budget gap facing the State, the City and the School District must brace for what appears to be inevitable significant cuts.

On the City side of our budget, addressing these State aid reductions will not be our only task. These reductions will be overlaid upon other structural multi-million dollar budget challenges facing us in the upcoming year. Some of the most severe include:

- An unresolved structural revenue gap in this year’s budget, in which current expenditures outpace current revenues by \$16 million.
- The short-term loss of \$10 million in local sales tax revenues in 2011 as a result of the new sales tax distribution formula – though, we will reap the benefits of the new formula for many future years.
- A \$3.8 million increase for previously negotiated employee and retiree health benefits, based on a projected 8.8% increase in local health care costs.

- And a \$9.4 million increase in pension billings from New York State between now and 2012, with some contribution rates increasing from 55% to 88%, depending upon the specific plan.

Increasing property taxes to solve these challenges in this time of national economic downturn is not an acceptable answer. Moreover, all one needs to do is see that Syracuse's average assessment for a single family home is \$69,906 and you immediately understand that our families cannot afford any further increases. Therefore, we must find ways to cut expenditures to bring our spending plan into balance.

However, the ability of our City – or any City in the State – to address financial challenges of this magnitude on its own is limited by constraints of the State laws under which we operate.

Our City – again, like other cities in the State – is burdened by State laws which hamstring efforts to reduce costs in what might seem to some to be a large “controllable” expense – namely, the salary and benefit packages for City employees. These costs are substantial and typically account for about 70-75 percent of all municipal expenditures. However, for these labor costs to be reduced, fundamental changes must be made in the rules that govern the labor negotiations between public employers and municipal employees.

Recently, I served as a member of the New York State Conference of Mayors Task Force on Mandate and Property Tax Relief, which was charged with developing a set of recommendations to address soaring property taxes and to reduce the cost of government. The major cost-saving recommendations of the Task Force sought to bring public sector salary and fringe benefit packages in line with those offered in the private sector. Specific recommendations include:

- a temporary freeze in public sector wages so we can manage through the fiscal crisis;
- reforming the current pension system;
- and amending the compulsory arbitration law to balance the needs of public sector workers with the taxpayers' ability to pay.

Given the magnitude of the financial challenges before us, unless these types of proposals are implemented, municipalities across New York will have no choice but to dramatically reduce their workforces and cut services. We need only to look to what is happening in Camden, New Jersey to understand how real these cuts can be. Camden recently laid off nearly half of its police force and one-third of its firefighters.

So we ask Albany to hear our cries and not waste this crisis: give us the reform we so desperately need so we have the tools to bring local spending under control.

We understand how serious the situation in Albany is. We are not asking Albany to spare us from cuts, but instead of hamstringing us with unfunded mandates, give us the ability to responsibly manage our finances. I have already started meeting with our state legislative delegation and my message has been consistently clear: use the crisis to implement long overdue reforms allowing us to manage ourselves. Let us capitalize on the reform agenda that Governor Cuomo has so forcefully and articulately brought to Albany and make sure that Syracuse is a beneficiary of reform too.

Clearly, money is tight, but we must not forget the important lessons of our past – if we stop investing in the future, we will have no future. Progress is not inevitable. It's up to us to create it.

In these difficult economic times, we find not just intense challenge, but also extraordinary opportunity. And while the harsh financial realities are sobering, we must not allow anxiety and apprehension to stifle our thirst for innovation and creativity. Indeed, without embracing innovation we will not successfully navigate this fiscal storm to a brighter future. Sure, we could choose a path of austerity without vision, and fiscal prudence devoid of inspiration, in a vain attempt to survive.

You see, Syracuse has a choice: bend to the forces of derision and self-pity, or boldly innovate for progress. In many ways, the biggest challenge we have is not financial or structural, but rather the challenge of our ingenuity. It is the vexing challenge to use the obstacles in front of us as tools to imagine and create a stronger, brighter future for all of us.

I submit to you tonight that I believe Syracuse will never give in, will never relent, and will never stop fighting for the better future we know we can have. As your Mayor, you have my promise never to give up that fight.

As President Obama told us in his State of the Union address, “The future is ours to win. But to get there we can’t just stand still.” Here in Syracuse, we are not standing still. Instead, as you are about to hear, we are changing and innovating to seize our future.

In the first year of my administration, we set a new example for the Community Development Block Grant program – CDBG – by taking money from bureaucracy and putting it into bricks and mortar. We cut the former CD administrative budget from 44 percent of our federal allocation to 20 percent. That translated into \$1 million in additional funds for housing.

A half million dollars of those savings leveraged the \$8 million investment in new housing on Prospect Hill near St. Joseph’s Hospital and \$250,000 was used in partnership with Home Headquarters to provide low-interest loans for home improvements to more than 100 individuals and families throughout the City.

We’ve applied that results-oriented approach to this year’s process to select CDBG allocations for more than \$8 million in federal funds. Traditionally, the City administration allocated funding to dozens of organizations without articulating priorities or an expectation of measurable results. Working with the Council, this year we are changing the process to make it more professional, transparent, and results-oriented. We sought applications for funding targeted in four categories – housing rehabilitation of the City’s vacant homes, improvement to neighborhood business corridors, homelessness prevention programs, and special needs of seniors and teens.

A committee composed of several members of my Citizens Cabinet, neighborhood TNT groups, volunteers from foundations, and members of the Council evaluated submissions. Members of my Citizens Cabinet have joined me on stage tonight. Please give them a round of applause for taking on this important work. With the focus on the categories and our goals, they chose proposals that were objectively the best and solved some of our most entrenched problems. Contrast this with the traditional process which simply handed over funds year after year to support these agencies’ administrative costs. With our new process, proposals were evaluated by a cross-section of the leadership of our city, and chosen with a focus on actual production, quantifiable outcomes, and attention to our priorities.

Next month, we will take this new approach to the Council for approval and we’ll work with the Council to adopt this more accountable and strategic approach to CDBG so we can maximize the federal dollars available to us to invest in our neighborhoods.

Another area of City operations that has required a new way of doing business is our Division of Code Enforcement. In the past Codes has routinely used thousands of pieces of paper a day in an attempt to assign officers to cases around the City. At the beginning of the day officers are given their case load on paper, throughout the day they complete their case review on paper, and when their day is done they submit that paperwork to be entered into a computer system by a clerk. This time consuming and paper intensive process has lacked strategic priorities as well as the ability to access and update information in a manner that can keep pace with the ever-changing dynamics of our neighborhoods.

This year, the Division of Code Enforcement is instituting new software, called CityView, which will automatically generate case loads, will use e-mail to deploy officers and update cases, and will allow code enforcement officers to access and update case information from the field using tablet PC’s – in real time. This means code complaints will be collected, prioritized, cited, and moved through the legal process with less wasted time and less wasted paper, generating better results in our neighborhoods and cost-savings to the tax-payers.

We will also pursue changes to Project Site Review. Project Site Review is a zoning process that applies to some commercial and residential projects with exterior modifications. This process is in place to ensure appropriate design for the surrounding neighborhood. And while I believe we need a mechanism to protect the character of our neighborhoods, Project Site Review can sometimes present unnecessary administrative burdens for business people and homeowners. I intend to work with the Common Council to amend the Project Site Review process to exclude small projects like painting, replacing windows and doors, and resurfacing roofs. It makes no sense to stifle our citizens in their efforts to improve their properties by holding them up in a lengthy and cumbersome review.

Another technological investment will help us modernize our current City Line operation, 448-CITY. City Line, while a long-time tool of city residents and City government, is a mismatch for the speed at which our neighborhoods require action. To date, City Line has involved multiple phone calls and faxes between DPW, Codes, the Water Department, Police, and other City departments in order to get citizens' problems solved. With multiple points of entry and no centralized distribution system for myriad tasks, most citizen complaints go untracked, both by City staff and by residents, even when the problems are eventually solved.

The new system – Active Network - will allow constituents to enter complaints online for automatic response, or to call City Line with issues to be resolved and entered by a City representative. The online console provides information about City services and policies to constituents, and automatically routes concerns to the proper departments for response. Service requests are on a timer, ensuring they are addressed in a timely manner. Each case is catalogued and tracked, and Active Network creates a database for the analysis of strengths and weaknesses of different City services.

Now, we know the tools of the digital age give us the power not only to receive information from citizens, but also to directly communicate what their City is doing. And beginning tonight, the City of Syracuse Facebook page and YouTube channel will go live - posting news releases, project information and updating City initiatives - complete with pictures and videos. This will mean citizens can get instant information about water main breaks, trash pick-ups, video from a community event or read a posting about a new City program.

Over the past year, we have also looked toward innovation as a way to prevent crime. One of our City's most challenging problems is our struggle with youth violence and gang violence. It is a plague on certain neighborhoods and a psychic wound for our entire community. We saw tremendous tragedy strike this year with 17 homicides in our city, and though this figure is down from 2009, the victims seemed to be younger than ever this year as our community mourned the losses of former Henninger star Kihary Blue and 20 month-old Rashaad Walker, Jr. In the face of the plague of violence, we have implemented innovative new law enforcement strategies that have focused first on preventing crime. We know the best way we can prevent crime from occurring is listening to community members. This year we have made great strides toward repairing and improving the relationship between the police department and our City residents. We have done that through open and consistent dialogue with neighbors and activists. Not only do we do this on an ad-hoc basis, but I have instituted a monthly meeting with the faith-based leadership to talk about issues impacting our community, including violence prevention. I want to thank them for their unwavering support and commitment to a peaceful Syracuse.

Additionally, we have worked closely with and supported the Trauma Response Team. The Trauma Response Team's mission is to intervene and break the chain of violence by dealing with the trauma that comes from violence. The Trauma Response Team, working with the SPD, has become an invaluable outreach tool in times of crisis. This includes assisting hospital staff and families affected by violence, often serving as a buffer between large crowds that gather outside hospitals in the aftermath of a violent incident and the professional staff at the hospitals. The Trauma Response Team has conducted community walks throughout the City to establish relationships in neighborhoods most affected by gun violence, going into schools and community centers to talk about and most importantly prevent violence. Mothers Against Gun Violence, an important part of the Trauma Response Team, does follow-up sessions with families to expose them to resources they may need after experiencing a traumatic incident.

And, of course, Police Chief Frank Fowler has done a tremendous job this year in implementing community policing strategies, seeking to instill a culture change in the police department, as well as to improve the relationship between the police department and the community. And he has done so under severe fiscal constraints.

To that end, Chief Fowler created the Youth and Adult Chief of Police Advisory Groups, made up of dozens of community members. These groups met for the first time this month and will serve as think-tanks for Chief Fowler and the SPD and help foster two-way communication between the SPD and the community.

And, in an effort to provide the community with an outlet to help get illegal guns off the street, we launched an anonymous gun tip line through the "Raise Your Hands, Raise Your Voices" campaign. With the help of Lamar Outdoor Advertising, Clear Channel and through the distribution of flyers and posters throughout the community, we were able to promote the tip line. In the first three weeks of operation, the tip line received 19

calls leading to eight actionable investigations.

Chief Fowler has also been a leader in utilizing technology to focus our public safety resources where they are most needed. In 2011, we will install nine cameras on the Near Westside, where the data has shown we have our highest concentration of shots fired in the City. We believe the installation of the cameras on the Near Westside will lead to measurable results in preventing and solving gun-related crimes.

The Police Department too is investing in technology to change processes. IA Pro is a system used to track complaints against police officers as a means to help change the culture within the police department. The data will identify repeated problems or patterns with officers' demeanor so an intervention and training can happen sooner rather than later. The Department began the implementation of IA Pro in August and hopes to have IA Pro implemented department-wide by March of this year. This will help supplement the efforts of the SPD and the law department in establishing a new EEO Sexual Harassment and Retaliation Policy, with training for officers to be completed by Spring.

And while we work on prevention, the reality we face is that we must also zealously enforce the law. This year, the Syracuse Police Department recovered 303 illegal guns and arrested 225 individuals for illegal gun possession. Together, with the Chief, we have requested and received assurance from the Northern District's United States Attorney's Office that the office will increase the prosecution of the eligible gun crimes as federal offenses. Additionally, they have assured us they will work with us to strengthen the vital partnership with our public safety officers.

While we continue to seek innovative solutions, changing systems and infrastructure and seeking savings, we must also invest our finite resources in those things most important to delivering a better future for our City. A fiscal crisis should not be an excuse to settle for mediocrity or mere survival. Staff reductions and cost-cutting measures will only help foster a stronger community if we are concurrently visionary and intentional in how we expend City resources. History is not kind to those who do not recognize turns in the road. So while every community in the state gets ready to face the same fiscal realities we will, we must separate ourselves and make significant investments.

Hancock Airport is a gateway for millions of visitors to our region and more importantly, a vital tool for businesses across our region. This year, we will install new leadership and a management structure to put Hancock on a level playing field with the airports we compete with across New York. A search committee is now soliciting resumes as we seek to attract a career airport professional to manage Hancock. Concurrently we are seeking state approval to establish a regional authority, the management structure used by all the other major airports in New York State. This approach has earned bipartisan support. I want to acknowledge Assemblyman Magnarelli and Senator DeFrancisco for both agreeing to shepherd the creation of the authority through the state legislature.

Our efforts to cut costs and make the airport more competitive have already started. Last month, I authorized the Department of Aviation to seek proposals from private firms to deliver security in portions of the airport where that service is allowed by the federal government. We are doing this to cut into a staggering security and overtime cost of about \$3.7 million annually. These costs are passed on to airlines and become part of the high cost of doing business for airlines at Hancock. To put this in perspective, Hancock's security costs are nearly double what they are in Albany even though the two airports handle about the same number of passengers annually.

So in the coming months I will review the proposals that come in and seek Council approval for a new approach that slashes overtime security costs and send a further message to airlines that we are committed to reducing overhead. Change is never easy. There's an old saying that "Everybody likes to complain about the weather but nobody does anything about it." As a community we can't continue to complain about the high cost of airfare if we are not willing to finally break with old practices that drive up costs unnecessarily.

Part of our transformation must be to become a more sustainable city. In building a more environmentally, economically and socially sustainable city, and by leading the way in green-collar jobs and clean technology, Syracuse and Central New York can take its rightful place as a national and world leader in the new green economy. But without a clear, strategic vision for what sustainability means, what a sustainable community looks like, and what the associated goals and actions are, we will not be able to achieve meaningful results.

That is why we will complete a comprehensive sustainability plan for the City of Syracuse in 2011. This plan will enumerate strategies related to greenhouse gas emissions, urban forestry, alternative energy, green building, environmental justice, smart growth, and environmental education. We look forward to working closely with our partners in government, academia, business and in the larger community to make this plan a reality.

One notable area of this plan will be an attention to stormwater management issues and the impact they have on Onondaga Creek and Onondaga Lake. The City and County have worked very closely together over the last year, as part of the County's Lake cleanup efforts, to build projects that retain stormwater and prevent it from entering our sewer systems and in turn the Creek and Lake. Many of these projects, broadly referred to as green infrastructure, help meet the County's environmental goals while transforming our community into a greener, more beautiful place. This visionary approach by the County Executive will lead to a cleaner Onondaga Lake while avoiding the construction of sewage treatment plants in city neighborhoods, including one previously planned for Armory Square.

The County is also funding porous surfaces we've designed into Phase One of the Creekwalk project. This 2.2-mile continuous walking and biking route, connecting from behind the MOST in Armory Square, north through Franklin Square, the Inner Harbor and on out to the lakeshore, will be completed this year. The Creekwalk is a signature project for our community, and I believe that by coming together around the Creek and treating it like the waterfront amenity it should be that it will be a catalyst for economic investment, tourist attraction, recreational activity and environmental awareness.

And while the Creekwalk will foster connections throughout our community, we must push ahead for responsible investment in the anchors of our neighborhoods – our schools. In the first phase of the Joint Schools Construction Board program – or JSCB – we have made a commitment to green building standards.

Designs were completed for four schools at LEED Silver standards in 2010 and in 2011 construction will finally begin on Fowler and the Institute of Technology. By making this commitment to green building, we will set an example for our children that an environmentally responsible investment in our schools is an investment in their education, their future and the future of our planet.

If there is one investment that is central to all our hopes, it is education. We may share a common dilemma with every other city and county as we deal with the consequences of the state budget crisis. But what brightens the picture here in Syracuse is the promise offered to every family and every child through Say Yes to Education. If the key to the jobs of the future is an education, then that future is in Syracuse New York.

Last weekend our community took a giant step in our ongoing effort to expand Say Yes and put it on a permanent financial ground. The \$5 million gift from SRC, Inc. toward the Say Yes endowment was a bold statement that the health of our region depends on the health of our city. On behalf of all Syracuse residents I want to thank SRC and other businesses and community organizations that have stepped forward to make the Say Yes promise a lasting one. The roster of students seeking the benefits of Say Yes grows every day. Consider this – there are 992 graduates of city high schools attending college today – tuition free – at 64 public and private colleges. In our elementary and middle schools, there are 4,100 students in Say Yes after school programs. 150 students from SU are providing additional academic and social support as mentors to high school students. 2,000 initial families a year enroll their children in Say Yes summer programs to build academic skills and emphasize the importance of completing their education. And Say Yes supports go beyond the classroom. Students are being signed up for free health insurance and families are being provided with free legal assistance to remove the disruptions that can cause students to miss or drop out of school.

I want to acknowledge the pioneering support of Chancellor Cantor and thank Mary Anne Schmitt-Carey and Gene Chasin of Say Yes for their tireless work to get this program established and develop the broad-based collaboration that is essential to our individual and collective success. Thanks to their leadership, the gateways to our City can now proudly declare that we are the first Say Yes to Education City in the nation.

I look forward to welcoming the next school superintendent this year. One of the first orders of business will be for us to discuss how we continue to expand Say Yes this year and in years to come.

The imperative of supporting Say Yes reminds us of the responsibility we have to our community and its future. The children of our city epitomize both the vulnerability and the boundless potential of our city. They remind us of the risks, the strength, the perils, and the promise. They remind us of how high the stakes really are.

We do know that things will continue to get harder before they get easier. The financial news from Albany and Washington will continue to be grim, and the challenges we face here in our own community will further test our resolve and resilience. But to coin a phrase, nothing worth doing is ever easy. History rarely judges a people by what they do when times are good, and seldom forgives those who choose wariness instead of boldness, and evasion over leadership. Now is not the time for excuses.

It is our choice to either be consumed by this fiscal fire, or emerge from it steeled against the forces of decline, and forged stronger – together – braced by necessity and poised to reach for a brighter future.

Tonight you have my renewed commitment never to give up this fight, to always be honest about the challenges we face, and to stand with those among us who resolve to overcome those challenges and strive for a stronger Syracuse. I know I am supported in my commitment by an enormously talented and dedicated staff, for which I am constantly grateful.

I thank you for joining me in this mission, and I thank you for joining me here this evening.

Goodnight.