

Mayor's Column
February 7, 2017

It is that time of year again when Mayors across New York State hold their collective breath as the proposed State Budget is rolled out.

From our perspective, it unfortunately always appears same old same old as the underlying cost drivers and needed reforms are never addressed. We sadly joke that we just need to type last year's request/reform initiatives in a different font and resubmit.

Chief on our list is relief from over 200 state laws that require local funding, the need for capital improvement monies to be exempted from the tax cap as they are for school districts, relief from the strangle hold of costly regulations for public infrastructure projects and most importantly, increased state aid to cover all the unfunded mandates they send our way.

However, as state aid to municipalities remains flat, aid to school districts significantly increases, municipal aid will now be tied to a "consolidation plan" created by the Governor. In essence, every County Executive must put together a countywide consolidation of services plan and then subject it to the electorate for approval in November. Any local aid is then contingent on a vote in the affirmative.

The Governor stated that the initiative is "proposed because local officials do not and will not work together to share services." This is patently untrue with evidence of intermunicipal collaboration at an all-time high.

The only one positive to this proposal is that it has united elected officials of every political party against the concept and its false premise.

As an overriding principle, state aid should be allocated as a responsibility to local communities to offset the costs of over 200 unfunded laws that are sent our way from Albany. It should never be tied to gubernatorial policy agendas.

Rather than picking at the lowest hanging fruit and the budgets least likely impact one's tax bill significantly, the Governor could exhibit leadership from the top and address the real cost drivers of one tax burden including the elephant in the room, the unsustainable pension obligations.

Two scenarios are so illustrative of the problems in Albany:

We are the only state that passes the cost of Federal and State Social Services directly to the Counties through property taxes instead of paying for them with State revenues.

For Westchester, this equates to a yearly tax burden of \$225 million added to your local tax bill. It's so much easier to balance a state budget when you offload obligation to someone else!

As to pension provisions and future sustainability, currently a private sector employee who retires at age 60 with 20 years of service would need to accumulate a nest egg of \$1.3 million to replicate the pension benefits of a state employer of identical age and tenure and this doesn't even factor in the generous health care plan.

It is also worth noting that aid to school districts will actually increase significantly with no corresponding consolidation plan tie-in even though at the very least school costs account for 60 plus percent of one's local taxes.

If one were cynical, it could be noted that local elected officials are not a special interest lobby, rather leaders of constituents of diverse and often unorganized views and causes. Conversely, the teacher's union is a very powerful, united political force that can affect one's future state and national ambitions. The consolidation plan also exempts all five boroughs of New York City.

This whole concept of "consolidation" mirrors the tax cap mantra in its seemingly political appeal and simplicity of message.

In his proposed budget rollout, Governor Cuomo targeted Westchester County in particular and its County Executive and leading gubernatorial challenger Rob Astorino for our multiplicity of governments and duplication of services.

The Governor cited 435 governments in our County, even including libraries, fire departments, school districts and sewer and refuse districts as "governments." Elected officials agree that there are only 185 municipal entities and 45 actual governments. When queried, the Governor's office could not document the additional 242 entities.

Regardless of numbers, there is actually no correlation between the number of governmental units and a lower tax burden. Oklahoma and New Hampshire have the most municipal entities yet rank near the bottom in state taxation. In contrast, New York and New Jersey have less “government” but higher local taxes primarily due to the “trickle down” of State obligations to the local level.

Some of Westchester County’s governments are also specially created districts to share the costs of lighting, road repair and refuse pickup. They allocate the cost of these improvements based on a “user” fee so all beneficiaries including tax exempt entities share in the costs, thus actually lowering the burden on the property tax payers.

My colleagues and I are headed to Albany next week to voice our opposition to this state aid and consolidation tie in proposal. The irony is that we at the local government level have been in the forefront of cost savings through consolidation of services and joint purchasing. We buy collectively blacktop, curbing, specialized sanitation equipment, legal and phone services and even combine tactical SWAT teams to name just a few of our collaborations even though our budgets are actually the smallest drivers in your overall tax burden.

We are now regretfully forced into an adversarial role with our Executive Branch instead of the much more productive collegial partnership we should have to move forward together. The Mayors’ guiding principle is and shall remain that the best interests of our communities will always trump personal political agendas.