

# STATE OF THE COUNTY



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**Chautauqua County Executive**

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## State of the County 2007

Legislature Chairman Ahlstrom, Minority Leader Croscut, members of the Legislature, fellow County employees, friends, special guests and taxpayers of Chautauqua County:

I appear this evening to present my second State of the County address. Just last April, I stood before this august body to review the status of the County of Chautauqua and I commented that time passes quickly when we are engaged in meaningful, serious work. That continues to be my feeling this evening and I am here to relay to you some of the meaningful and serious work that has taken place in the last 12 months and that which is likely to occur in 2007.

In response to the calls from the taxpayers of Chautauqua County to find more ways to avoid unnecessary spending and less taxes, this address has not been prepared in the same manner as it has been historically. Instead of printing 20-30 copies with binders this address was placed on the County web page at [www.co.chautauqua.ny.us](http://www.co.chautauqua.ny.us) just prior to my entering the Chamber this evening so that all of these remarks could be available at no cost to all the taxpayers in our County. A few hard copies have been printed to comply with the statutory requirements of delivery of this address to the Clerk of the Legislature and others however, should there be someone who would be unable to copy this message from the internet they can call my office and I will provide them with a copy.

In April of 2006 I presented an aggressive and challenging vision and agenda for our County. I continue to believe that we will achieve what we focus our considerable energy

upon and I am pleased to relay to you that we have already moved aggressively toward the goals that were set just nine months ago. I spoke that night of my desire to create economic development in our County, stabilize our finances, confront the property tax issue that we all face, local management of Medicaid, save money on our energy consumption, improve our infrastructure, develop a more engaged citizenry, promote and improve CARTS, and our Veterans services, work toward a financially stable County Home and encourage and motivate our workforce. I mentioned that it would take intestinal fortitude and that I would not run from the difficult decisions necessary to move us closer to these goals. Some of those tough decisions were made this past year and we have shown some guts in making them.

None of the results would be possible without the support and leadership that the managers of our departments provide to all of the team that work with me on behalf of the taxpayers of Chautauqua County. I would like to begin by identifying some of these key team members.

Over the last 12 months I have been successful in retaining talented leaders who continue to work for our County. Many of you know and have enjoyed close working relationships with these leaders:

*Dr. Robert Berke  
Pat Brinkman  
George Spanos  
Tim Hellwig  
James Hurley  
Julius Leone  
Kirk Maurer  
Joe Porpiglia*

I would now like to identify the new and exciting leaders who have accepted positions with the County since January of 2006:

Darin Schulz, Finance Department Director  
Bill Daly, Economic Development, Planning and CCIDA Director  
Jon DeAngelo, Chief Information Officer  
Stephen Abdella, County Attorney  
Mary Ann Spanos, Office for the Aging Director  
Dave Sanctuary, Airport Manager  
Kitty Crow, Budget Director

These individuals all gave up lucrative opportunities in the private sector or rewarding careers in the public sector to join the team that is committed to improving the lives of each and every individual and business in our County.

I will soon give you real dollars and cents analysis of the work that a number of these leaders have accomplished to save the taxpayers extraordinary amounts of money through innovation, analysis and tough decisions, but first I would like to have you join me in recognizing the work of one individual in particular.

There are many tough jobs in county government and this leader has not only survived but thrived in this environment. His contributions were recently recognized by a National organization for the quality and innovative work that he has done right here in Chautauqua County. On February 1, 2007 George Spanos received the Western Region Public Works Director of the Year award by the American Public Works Association at a

ceremony in Buffalo, NY. This organization recognized the outstanding career achievements of our own public works professional.

I am a firm believer that we need to take more time to celebrate the excellent work of our fellow employees and I would like all of you to join me in standing and recognizing George Spanos for receiving this significant award.

The close of the year 2006 is cause for review and celebration for the significant accomplishments that have been achieved and for the sober analysis of the challenges that remain for our County and most other Counties in the State of New York.

First the accomplishments:

Over the last month I reviewed the goals and results for each department within County government. While all have been committed to the improvement, and enhancement of the services the County delivers for the taxpayers I will highlight three of them who exemplify what can happen with the right focus and energy:

The first is Darin Schulz and the members of the Finance Department. As I told this body in April of last year, Darin immediately set out with a goal of restructuring the Insurance and Finance departments. I projected that this would decrease costs, and increase efficiencies. This is precisely what has occurred under Darin's leadership. The County Insurance Department has been eliminated. This resulted in the elimination of one of the

department head positions that existed when I took office and the merger of the balance of the department into the Finance and Human Resources Departments.

In addition the Finance Department has increased the return on investment of the taxpayer's money and reduced expenses resulting in an annualized savings to the County taxpayers of over \$613,000.00 each and every year going forward. \$613,000.00! Not only has this hard work saved the taxpayers hundreds of thousands of dollars, Chautauqua County is likely to be one of the few Counties to fully fund the County's GASB 45 obligations. This will secure our ability to meet these crucial funding requirements and further drive down our cost of doing business while securing the financial future of our retirees. Additionally Darin developed and implemented a Request for Proposal for mandated actuarial services that is now being used as a model RFP for the rest of the counties in New York.

Next, Jon DeAngelo, our new Information Technology Services Director has continued the work that Interim Director Julie Schaffer began this past year and with his team has delivered savings to County taxpayers of over \$500,000.00. These savings were achieved by eliminating unnecessary or duplicative technology, aggressive negotiation of existing services, changing the course of previously determined upgrades in technology, and moving away from costly leases to the purchase of equipment for less money and longer useful lives. Jon and his team will continue to move the County away from costly less efficient technology and toward the future of delivering our services and information in an increasingly sophisticated technology driven world.

The final department that I have elected to highlight this evening is the work of Bill Daly as the Director of Planning and Economic Development and the County of Chautauqua IDA. For the past year I have been focusing on retaining our existing businesses where ever possible, promoting their growth, and recruiting new businesses to our County. Bill has been a capable partner in these efforts and has produced measurable and dramatic successes, by working with the outstanding staff he has developed, in an environment where excellence is expected every day and the results speak for themselves.

The IDA has revived the monthly Team Project Meetings where all county organizations that are involved in economic development come together to support development across the county, pooling their talents and resources, and collectively maximizing the use of investment dollars.

The AI Tech Revolving Loan Fund has been returned to our County and we now have local control of the loan portfolios and cash for lending to our businesses. Currently there are over \$7,600,000.00 in loans and \$3,800,000.00 cash available to be loaned. In the last 12 months Bill and his team have loaned over \$1,800,000.00 and now have over \$2,100,000.00 in loan applications pending. When we were negotiating with the Economic Development Agency of the State of New York for the return of this money, with the assistance of Bill Parment, we were told by the EDA that we might never be able to put this money out in loans". I anticipate that not only will this money be loaned in the next 12 months, but we could be applying to the EDA for additional money to lend

through this program. This is solid evidence of the work that is being accomplished, and the growth that is taking place in our County's businesses. The loans that were made by the CCIDA supported approximately \$8,000,000 of new investment in our County that helped preserve approximately 358 jobs and may lead to the development of 66 new jobs by these businesses.

As a result of my initiative that all appropriate and available property owned by the County should be on the tax roles, not sitting idle, the IDA is having professional appraisals completed for all IDA owned properties. This will result in the marketing and sale of these parcels to get them into productive use, on the tax roles, helping our businesses grow and generate tax revenue to help lower property taxes for the rest of us. This has been long overdue. All transactions will require a formal Request for Proposal (RFP) to assure that the projects proposed for the land are appropriate and that a competitive price is obtained for the property.

This effort has already resulted in the sale of 3 industrial parcels in the last 12 months, returning \$170,000.00 to the IDA, and putting these properties back on the County tax rolls. Also, there is a sale pending of a 44 acre parcel in Ripley and a proposal to construct a multi-million dollar project that will add jobs, and revenue to the County, the Town of Ripley and the Ripley Central School.

The work that was the most astounding and troubling at the same time was that Bill and the professional staff he has assembled reviewed the past IDA practices, procedures and contracts. During a review of pre-existing contracts they uncovered approximately

\$150,000.00 of unbilled and uncollected PILOT payments that should have been received and distributed by his predecessor. These were tax dollars that should have been billed by the IDA and paid by the businesses after receiving these bills. This included over \$30,000.00 owed to the City of Dunkirk. After a full review of this situation the IDA has been working to collect and distribute this tax revenue to the appropriate taxing entities.

The Department of Planning has put together a task force to outline what needs to be done to prepare a comprehensive plan for our County, something that has not been done since 1977 . This ambitious endeavor will result in the development of a vision for our future to guide us for years to come. Also the Geographic Information System (GIS) was opened for public use in July as promised after years of investment and delays.

The Department of Planning is also serving as an advisor to the Chautauqua Lake Management Commission helping to guide them through the process of contracting for and dispersing County taxpayer dollars and grant funds for the protection of Chautauqua Lake and the surrounding watershed.

In addition to the work within the departments Bill and I have also been personally meeting with and visiting businesses throughout our County. The reception that we have received has been wonderful, and has opened doors for accelerated delivery of assistance and support for the further growth of our local businesses. 2007 will include continued outreach to our existing businesses.

The three Departments I have singled out have been serious about our commitment to the goals stated in April however, they are not alone. Virtually all of the Departments in County government have embraced the need for change and are seeking ways to better serve our taxpayers. A good friend once told me that elected officials should tell taxpayers what they intended to accomplish and then report back on a regular basis. Well, Dick Erickson was right and the following is the report I am pleased to deliver on our progress toward the goals I stated in April of 2006 which included the following:

**Create Economic Development:**

I do not believe that any more proof is necessary after just reviewing what has been accomplished by our IDA and the Departments of Planning and Economic Development. However, we will continue to work aggressively to promote our local businesses as we develop new opportunities and incentives to attract new business and jobs to our County.

**Stabilize County Finances:**

Much work has been done by the Finance Department under Darin Schulz's direction to gain control over the County finances. Through his work and that of Budget Director, Kitty Crow, the 2006 year end finances appear to be in the best condition that this County has seen for a number of years. The undesignated fund balance has been returned to the minimum levels as contained in the Legislature's own Financial Policy, and investment of those monies has resulted in significant additional revenue for the County. The budget for 2007 was completed on schedule resulting in the submission of the Executive Budget

without the need for significant overtime and all night printing the day before the budget was due for the first time in many years, saving the taxpayers from unnecessary expenses. The budget for 2007 is balanced, fundamentally sound, and contains investments in the future of our County. Unfortunately, the 2007 budget required an increase in spending as a result of increases in the cost of delivering the mandated services for the State, and the increasing costs for our workforce, insurance and materials. Much more work needs to be done, and real commitment must be made to reduce expenses where appropriate along with reduction in our property taxes to stimulate more growth in our tax base.

**Confront Property Tax:**

In the 2007 budget we were able to reduce the County property tax rate despite increased expenses in State mandated programs; however our overall property tax levy increased. Significant sales tax reductions were passed by the Legislature in 2006 reducing the revenue from sales taxes like the clothing and footwear, gasoline, and general sales tax. This resulted in savings of over \$1,800,000.00 to our taxpayers, but unfortunately limited my ability to drive down the oppressive property taxes. I remain committed to having the reduction of our property taxes as the focus of my tax reduction initiatives and hope that additional support can be generated for this effort.

**Local Management of Medicaid:**

During 2006 we made great strides to gain more local management of our Medicaid expenses. A new position of Medicaid Specialist has been approved. 2007 will see a person operating in this capacity working closely with our Human Services Department

controlling costs and improving services. Our Veterans Services Department was approved for a demonstration project that should reduce our local Medicaid costs. The firm of DeProspero, Petrizzo, & Longo was selected to begin pursuing, prosecuting and returning money to the County from waste, fraud and abuse. This is the same firm hired by Erie County, Rockland County, Nassau County and others. We are also filing other requests for demonstration projects with New York State to gain even more control over our local expenses for Medicaid.

**Alternative ways to save the County Money on Energy Costs:**

The County is in the final stage of contract negotiations with Innovative Energy Services, the company that we are partnering with to use the methane gas emitted from the landfill to generate electricity. The building cycle is scheduled to begin this Spring with generation anticipated for late 2008. This is a method to reduce the use of energy at the landfill and generate significant revenue for the County to be used to drive down property taxes.

Also, Wendel Energy has been hired by the County to finish an energy study, to develop the means to reduce our consumption of energy and ultimately reduce our need for property taxes to pay for these expenses.

**Improve Infrastructure:**

Despite the fact that 2006 was one of the wettest years in the history of our Region the County benefited from the hard work and ingenuity of our workforce to complete a number of programs aimed at improving our infrastructure.

Work has begun to improve the access to and services available at the Chautauqua County Airport and the Dunkirk Airport. Numerous bridges and a significant number of roads all received necessary and appropriate improvements.

The 2007 budget increased our commitment to our infrastructure development and even more impressive work will be completed supporting and increasing our infrastructure capacities.

**Develop a more engaged Citizenry:**

I have worked hard to make myself and those who work with me in County government available for formal and informal communications with the taxpayers of our County. In an effort to open lines of communication I entered into regular appearances on local media outlets and personally appeared over 140 times in 2006 to meet and speak with taxpayers one and one. In addition I met with taxpayers at 3 Town Hall meetings, a public meeting on the GIS system, Churches, Rotary clubs, League of Woman Voters, Zonta Club and other groups. Every time I have been able to meet with taxpayers I have come away with renewed enthusiasm to stay focused on working on behalf of the people of this County.

### **Promote and Improve CARTS:**

I have completed an in depth review of the CARTS system and found that despite the challenges presented this transportation operation is serving a critical need in our County. The management team at CARTS has developed an aggressive, promotional program including power point presentations made to groups throughout the county, advertising campaigns, and new maps and brochures to increase the number and financial contribution of riders. We were also successful in partnering with the businesses in Mayville, Westfield, and the Chautauqua area to develop and launch a new seasonal bus route to improve access to transportation and help local businesses grow. Also I have met with leaders in the Dunkirk area to investigate the opportunity for CARTS to play a role in the revitalization of the Downtown and Waterfront areas of Dunkirk through enhanced public transportation.

### **More financially sound County Home:**

The Chautauqua County Home has gained significant ground on the goal of becoming more financially sound. The rebasing of the Medicaid rate was finally approved after appeal by NYSDOH. The retroactive payments have begun to improve the finances of the Home. Early in 2006 I agreed with Director Timothy Hellwig that the previously unfilled positions in the Business Office had hurt the institution much more than the reduction in the salary saved. This was clear from the backlog of billable claims that were not submitted in a timely manner resulting in lost revenue. An action plan which included the use of a consultant to train and advise staff was effective and revenues generated quickly

offset costs and all billings are current and accounts receivable are now within normal parameters. The clinical training of the staff at the Home has been enhanced to include IV therapy. Improved marketing of the rehab wing for use by the Therapy Department has increased the use of the Home for rehabilitation by our County residents. Increased revenues resulted from each of these efforts. The County Home remains in critical need of appropriate reimbursement for the services rendered and at meetings of NYSAC over the last year efforts have been made State wide to secure sufficient funding for county nursing homes.

**Encourage and Motivate our Workforce:**

In 2006 we increased the use of the County Intranet by my office to relay information to our workforce. Examples of the beneficial use of this existing technology are when it was used to advise the workforce of important events affecting the County during the Ralph Phillips incident, inclement weather situations, and other events. An electronic suggestion box was added to the intranet resulting in numerous suggestions and ideas that have been implemented to improve the opportunities for our workforce to be more productive, save taxpayers dollars, and help people throughout the County. I have been traveling throughout the County visiting with members of the workforce to better understand where and how our people deliver these essential services to our taxpayers and a management conference is scheduled for March where focus will be placed on how we can improve our communications and interaction as a workforce.

**Promote and Improve Veterans Services:**

James Hurley and the members of the Veteran's Service Agency have risen to the challenge I made to them to improve the delivery of services to the Veterans in and from our County. Over the last 12 months that department has had contact with 2000 more veterans than last year, increasing the contacts from 3754 in 2005 to 5761 contacts in 2006. They have also increased essential transports of veterans by over 280, increasing the van rides for veterans from 1462 in 2005 to 1749 in 2006. While they were exceeding expectations in these areas they were also out in the community visiting with veteran's organizations on 48 separate occasions, an additional 15 visits were made to Nursing homes and countless special interest events like the Employment Expo for veterans, the Pearl Harbor Memorial Ceremony, parades and ceremonies. I am thrilled with their work and I am confident that this year will bring even more services to our Veterans.

Soon the Veterans Service Agency will begin the implementation of the Medicaid demonstration project to identify and qualify every Veteran in a skilled nursing facility that should be receiving Veterans Administration benefits instead of Medicaid benefits. Also the Veterans Service Agency is partnering with the County Historian to secure the return of valuable records of our County veterans, some dating back to the Civil War, and properly preserve these records and implement a new more efficient filing and storage system to make these and other important documents assessable to the staff of the office and to our Veterans when needed.

In addition to continuing these efforts in 2007, there are also new initiatives that are scheduled for this year.

**Countywide Green Focused Development:**

It continues to be my goal to foster growth in our tax base through investment in our infrastructure and the businesses that we now have and we are recruiting to our County.

At the same time I have been consciously pushing for the maintenance of what makes our County special and that is our commitment to our environment. What has happened is that over the last year these twin goals have resulted in significant accomplishments in preserving and promoting environmentally beneficial development. As a result I will provide the following as evidence of our commitment to stay "Green".

We will soon be the first County in NYS to operate a methane plant using the gas discharged from our County owned landfill to create a viable source for the generation of electricity. This energy will be sold on the open market to create a non-tax source of revenue that can be used to drive down property taxes. This removes the gas from both the air and the landfill and improves our environment.

The County completed the construction and installation of a pipeline to transport leachate from the County landfill to the Jamestown BPU. By partnering with the BPU in this project the waste is now transported at a reduced expense and with greater security than by tanker truck as in the past, reducing the use of fossil fuels and the risk for spills. This improves our environment and saves taxpayer dollars.

The County sponsored a public meeting in Westfield to review the opportunities available to Towns for the development of wind generation capacity. I am pleased to note that the Town of Arkwright is aggressively pursuing this opportunity and the leaders and residents of that Town should be commended for their efforts. I am confident that other Towns who have been working on this type of initiative will be encouraged by these events and further development, if appropriate, will continue to be pursued.

An energy audit and physical review of the County owned buildings has been conducted by Wendel. This is the first step to designing a study to determine which properties can be involved in a NYSERTA program to reduce energy use and costs County wide. This type of approach will likely result in significant energy efficiencies at little or no cost to the taxpayers with a return on investment of about 10 years. All savings derived after that date is yet another way that we can act today to drive down the cost of government for years to come while improving our environment.

My office is currently investigating the potential to introduce a non-automotive battery recycling effort. Other governmental entities across the country have found ways to accomplish this worthwhile goal. With the ever increasing need for batteries for personal use, recycling these batteries instead of throwing them away can have significant positive impacts on our environment.

The Chautauqua County Brownfield Committee continues to be a leader in the State. This committee has recently completed the demolition and remediation at the former Welch's site in Brocton that is currently being marketed for sale. We have continued the remediation of the former Roblin Steel plant in Dunkirk, and completed the investigation of the former C & B Dry Cleaners in Jamestown. In addition the County has returned a tax delinquent Brownfield property in Silver Creek to the tax roles, participated in the clean up of a former gas station in Ashville, and completed the tax delinquent inventory and identification of future Brownfield program candidates.

The Department of Economic Development sponsored a Conference on the Environment at Chautauqua Institute this past year where environmentalist from across the State came to our County to learn about new and innovative means to protect and secure or environment into the future. This allowed our County to showcase our natural beauty and our commitment to our environment.

We will continue to work on behalf of all the residents of our County by supporting the work of the CLMC. I am particularly encouraged by the work of the committee and the support that we have received from Senator Charles Schumer. Just 2 weeks ago Senator Schumer sent a letter to the Army Corps. of Engineers directing that our project receive their support. He stated that he "would leave no stone unturned until this problem is resolved."

I am excited about this effort by our Senator and look forward to the results of his efforts, and the hard work of all those committed to preserving our lake and the economic benefit that this jewel has for our County. Our other watersheds need this focus also and I will be working to combine this work with the next initiative.

**County Wide Water Survey/Analysis:**

I have asked the members of our Health Department, DPF, and Planning Department to undertake a county wide water survey and study. Over the last 12 months we have experienced significant challenges to our delivery of water to our residents and businesses. Work has been done to secure our existing sources, however a comprehensive analysis and examination of this essential resource is necessary. We have virtually unlimited sources of water in our County, yet our delivery systems are aged, and as evidenced by the events in Brocton and Forestville subject to any number of environmental and physical problems. Through a comprehensive analysis, I am confident that we can secure our future access to water resources, protect our families' health, and our environment.

**Minority Business Advisory Group:**

At the Martin Luther King Jr. celebration at the Emanuel Baptist Church in Jamestown on 1/14/07 I announced that I had formed a Minority Business Development Advisory Group. Over the past year I have been working with John Hines who along with his wife, Donna are the owners of Bailey Manufacturing in Forestville. I found John to be a knowledgeable and capable owner and operator of a vibrant and growing business that

employs about 50 people and may grow to over 90 employees. I asked John if he would be willing to serve on an advisory group that would help the County support the development and growth of more minority owned businesses. I was thrilled with his immediate acceptance and encouragement. I then approached Tamera Dickey who I have worked with at WCA hospital and she too agreed to become a member of this group. Recently I met with a leader in the Hispanic community who is likely to become another member. My goal is to use the combined talent and knowledge of this group to advise me on methods to encourage and grow the opportunities for more minority owned and operated businesses in our County.

**School to Work:**

I recently toured a School to Work program with Senator Catharine Young in Dansville New York. This solidified my conviction that the young people and the businesses in our County could benefit from a county-wide School to Work initiative. I recently invited people from across the County to join me in a discussion about this opportunity. The result of this request was an outpouring of interest that exceeded any issue that I have dealt with to date. We had our first meeting where over 30 professionals appeared and committed to an analysis of our existing programs and development of resources to pursue a county-wide program. The goal will be to bring together schools, businesses and students to improve the education experience and opportunities for our young people in Chautauqua County to find work and a future and at the same time help our local business recruit high quality motivated workers right here in our County.

Tonight Chautauqua County is stronger than it was one year ago. Many changes have occurred over the last 12 months that have laid a solid foundation for the future of our County. As many of you have observed I have committed myself and the leaders who are working with me to finding new and innovative ways to analyze every opportunity for us and to better serve the taxpayers of our County. Not every decision that we have made has shown immediate results, however I believe that our efforts have sent the message loud and clear that we intend to remain focused on the needs of our County, make the necessarily tough decisions and not be deterred by those who do not share our goals.

I am confident that if we focus on making the right choices, our County will prosper, our children will find the opportunities that they need and deserve, and our quality of life will draw more and more attention and investment. I remain committed to finding other leaders who share this vision. In April I stated that we needed to shed the pervasive negativity that hung across our shoulders like a yoke and step out aggressively.

We have succeeded in that first step. We have shed that weight and our first few strides have been strong, focused and rewarding. Let us not stop, but press on to find the partners to support us in this endeavor, help us grow, succeed, and enjoy the results of our commitments.

May, God bless the men and women who are protecting us as they serve in our military, our families and Chautauqua County.

Thank you.