



**SULLIVAN COUNTY LEGISLATURE**  
**SULLIVAN COUNTY GOVERNMENT CENTER**  
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Good evening. Welcome to the 2011 State of the County Address. I would like to begin tonight by recognizing my fellow Legislators seated behind me, County Manager David Fanslau, Assemblywoman Aileen Gunther, the supervisors and mayors present, as well as representatives from the offices of Senator John Bonacic, Congressman Maurice Hinchey, and our honored guests. I would also like to thank my family and friends for being here as well. Thank you all for coming.

I would also like to thank the Sullivan County Sheriff's Deputies for providing tonight's honor guard and the members of Mamakating American Legion Post 1266 for posting tonight's colors. Your continued service to our country is exemplary. I would also like to take a moment this evening to recognize those serving our country away from home. Our thoughts and thanks go out to you and your families this evening.

As I prepared to write this year's State of the County Address, and pondered the State of our County, I admit it- I was discouraged by the reality we find ourselves in. Our friends and neighbors continue to feel the stress and frustration of the prolonged recession. With unemployment, and more importantly underemployment, at historic highs, gas prices climbing north of \$3.50 per gallon and the price of home heating rising sharply with oil approaching \$4 per gallon, our families are being forced to make some very difficult choices yet again this year. We in government have also been put in the unenviable situation of trying to balance budgets with sharp drops in revenues and increased demands on services. Our residents have weighed in loudly that ever-increasing property taxes are just unacceptable.

As I stand here tonight I fully recognize the harsh reality we find ourselves in, but I also know the resilience of this county. I also know the commitment of the people of this county and their "can do" attitude.

Before I discuss our divisions, their accomplishments and the challenges they face, I would like to take a moment to recognize the men and women who care for the sick, protect the innocent, make our roads safe and passable, and they are the ones who truly make a difference in the lives they touch- our County employees. We have asked those that work in the County to continually do more with less, and they have responded by continuing to serve our communities to the best of their ability.

During the 2011 budget process, in the interest of holding the line on property taxes, we passed a difficult budget that ultimately resulted in a second year of layoffs, and while the discussions about the budget were often heated and at times hostile, I must commend the County Manager and Finance Commissioner Josh Potosek and those from organized labor for continuing a dialogue. I wish I could stand up here and report that our labor issues have been resolved with finality; however the true reality is they have just begun. Employee costs are at an all-time high, and are simply unsustainable. Insurance costs, which have risen from \$9.5 million in 2003 to \$17.7 million in 2011, and are projected to increase to over \$20 million in 2015, are crippling. Couple these increases with pension costs, which have risen by 180% in the past 8 years resulting in a \$5 million increase in the budget, can simply not be absorbed by the property tax payers. Now add rising

employer taxes and workman's compensation rates to create an additional expense of approximately 70% above each worker's rate of pay, none of which the employee nor the County can control but must accommodate. To put it in real numbers, in 2005, an employee making \$40,000 cost the County an additional \$11,500 in benefits. Just eight years later, an employee making \$40,000 costs the County an additional \$25,500 in benefits, with no end in sight. These are very serious and difficult issues and can only be solved by all parties coming together and finding new and innovative solutions. I refuse to believe that these issues are insurmountable or that our only options are layoffs or rising taxes. I implore our union leaders to join my colleagues in the Legislature and I to sit down and work together constructively, leaving egos and posturing at the door, committed to do whatever it takes to achieve success. Our employees and fellow taxpayers deserve nothing less. With that goal in mind, I am proposing the creation of a County Workforce and Labor Taskforce, comprised of labor officials, management, elected officials, and members of the public, to examine these issues and file a written report with recommendations, if applicable, by no later than September 1st. Collectively, I am confident we can find solutions that allow for the county to continue to deliver essential services and minimize our already enormous tax burden.

During these trying economic times our public's safety is an important area of service Sullivan County works hard to deliver to our residents. I would like to take a moment and recognize those members of our volunteer fire and ambulance services whom give freely of their precious time and energy, so the rest of us can have the peace of mind that in the event of an emergency, the response will be timely and with compassion and professionalism. These men and women are continually required to update their training often having to give up nights and weekends to stay up-to-date, not to mention regular weekly drill nights. We have made substantial investments in our state-of-the-art emergency training center and I am happy to report the additional classroom space is completed, allowing for training to occur in-county. On behalf of my fellow board members and the public at large I offer our heartfelt thanks for your continued volunteer service. Commissioner Richard Martinkovic leads this Division, which includes our Emergency Services, E-911 and Probation Department, and works with the Office of Sullivan County Sheriff Mike Schiff, and District Attorney Jim Farrell, all whom deserve our thanks and praise for their tireless efforts to protect our friends, neighbors and children.

Our Emergency 911 center fielded nearly 105,000 inbound calls in 2010, these calls resulted in over 30,000 police, medical and fire dispatches. Our 911 center is in the process of being upgraded to handle the Sheriff's patrol dispatches, which allows for an additional deputy to be on the road each shift instead of answering phones, and consolidates the process for when any emergency is dialed into 911. Communications issues from our E-911 center to our first responders, due to limited cell phone signal, have been an issue that has plagued our county for years, especially in the towns and hamlets of the river corridor. We have completed our initial survey of the communication needs of the county, which were issued in the "Blue Wing Report." We are working with Motorola Corporation, the NYS-approved vendor, to secure the proper equipment and are working on obtaining the required tower space to upgrade our communications to ensure a system that will meet the needs of today and well into the future. I commend all who have worked diligently on this project to make it a reality.

Our Probation Department supervised more than 1000 probationers in 2010, and collected over \$125,000 in restitution for crime victims of Sullivan County.

While we remain steadfast in our commitment to maintaining the public safety of our residents and visitors through cops on the streets and dedicated district attorneys, we also recognize that \$1 in prevention saves us \$10 down the road. That is why we continue our commitment to programs like Alternatives to Incarceration and our partners that educate and better the lives of disadvantaged and at-risk juveniles. We are extremely fortunate in Sullivan County to have programs like Judge Josephine Finn's Project D.R.E.A.M. Tank, a very active Boys and Girls Club, and YMCA, to name a few. As we find it more and more difficult to balance budgets, our

investments in these programs time and time again prove their return to our youth and their families.

And no conversation about public safety could be had without discussing the situation surrounding the Sullivan County Jail. Though the dedicated efforts of our DPW and jail administrator, we have survived the year without significant issue. I must commend those that show up to work in that facility day in and day out. We have secured property for the new jail and are in the process of completing final design specifications for the jail. The old facility won't last forever. Realistically speaking, it won't last much longer, and a more permanent solution needs to be identified. Our current fiscal realities make it impossible to undertake a capital project of that nature, so we will continue to lobby for funds to be made available to offset the enormous cost of this project.

The Division of Public Works encompasses our road and bridge crews, our county airport and our solid waste operations. The Division continued to maintain the 400 plus miles of county roads and more than 100 bridges within the County, and the Division once again was called on to respond to flooding in the county, an emergency that has become an all-too-frequent situation. In our continued efforts to address flood mitigation in a proactive manner, we have renewed our financial commitment with the SC Soil and Water District and have put the contract's administration under the Commissioner of Public Works, to maximize the limited resources we have and allow for more seamless operations.

My colleagues and I all agree that even in difficult economic times, we cannot ignore the basic infrastructure of our county. In 2010 we accelerated our capital plans for 2010 & 2011 to take advantage of \$8 million dollars of ARRA bonding power, which allowed us to pave nearly 80 miles of County Roads, perform needed maintenance on several bridges and upgrade several critical pieces of equipment. These projects were achieved at historically low-borrowing rates, as well as taking advantage of the competitive pricing available in the summer of 2010. I applaud my colleagues who joined with me to see these critical infrastructure projects were funded and for Commissioner Bob Meyer and his staff for leveraging every dollar to its fullest extent.

In 2010 a taskforce of legislators, County staff and community leaders got together to review the financial model for financing of the County's Solid Waste operations. The group met for several months, and made recommendations to the Legislature that were incorporated into this year's financing model. Our construction of a central transfer station and new materials recycling center in Monticello is complete and awaiting permits from the DEC to begin operation. This state-of-the-art transfer station will allow for the processing of our solid waste for transport out of the county and the increased efficiency of this operation will reduce the costs associated with the exportation of our waste. The system does however have excess capacity, and we need new and innovative ways of increasing the tonnage through the facility to maximize the system's efficiency and minimize the costs. One initiative the new facility will allow is for the greater intake of construction and demolition debris. We will be looking to reduce the tipping fee on C & D waste to a more market competitive rate. The second initiative is proactive outreach by Commissioner Meyer and County Manager Fanslau to collect the waste that is currently being generated in the county, but not flowing through the system. The Solid Wastes System was built to handle the County's waste stream, to drive the costs of the system down we need all those in the county to use the system. The MRF building, along with our recently executed contract with Hudson Baylor Corporation, will afford Sullivan County residents the ease of single streaming their recyclables, and in our continued efforts to "go green," we have continued our policy of free recycling in Sullivan County. Under the dedicated direction of our Recycling Coordinator Bill Cutler, we continue to improve our rate of recycling and ask each member of the public to do their part.

There has been much attention paid to our "mandated" programs, those programs whose operations are mandated by either the state or federal government. These programs have, over time, become oppressively expensive to county government and property taxpayers across the State. We

have pointed out over and over again that only two states in America ask county property taxpayers to fund part of the Medicaid obligation, New York and North Carolina. In Sullivan County this obligation represents over \$20 million a year and growing by \$500,000 a year. While the County is ONLY responsible by 25% of the total costs associated with Medicaid, we at the county level have no say in the guidelines or the operation of the program. We are required to be, in effect, merely an extension of the State government and then handed a bill for 25% of costs.

There is no more room for reform to the broken Medicaid model, New York State needs to repeal the 25% mandate and redesign the program in the best interest of the residents. Many of our social service programs fill a vital need for our residents and have extraordinarily good results, but so long as the state is only responsible for 50% of the costs, the system will never serve our residents to the best of its ability.

I believe the delivery of social service programs is ripe for regionalization: why is some invisible line on a map the defining criteria for how services are delivered? Why not work with our neighboring counties to serve our residents more quickly, efficiently and cost-effectively? I will be asking our neighboring counties, to sign onto to have the issue reviewed by Hudson Valley Pattern for Progress. Without a change in the mandates or a dramatic improvement of the economy, Sullivan County will be simply in business to provide State mandated programs and will no longer to be in a financial position to provide the “unmandated” services of public safety and public works.

As the recession deepened through 2010, the demand for services and programs delivered by the Division of Health and Family Services increased sharply. Commissioner Cunningham and his staff have dealt with 5822 HEAP applications, and from 2008-2010 a 46% increase in food stamp cases, a 23% increase in family’s needing temporary assistance, and an 30% increase in Medicaid cases. The dedicated men and women whom work in these areas are to be commended for their compassionate dedication to delivering essential services to our friends and neighbors throughout the County.

Public Health Services was also very busy this year. Our Women, Infants & Children, or WIC, program provided over 2,000 residents with nutritional education and healthy food vouchers. Our Long Term Health Care Program, which goes a long way in allowing our seniors stay in their homes, provided more than 23,000 home visits. The Certified Home Health Agency made nearly 23,000 home visits throughout the County, serving residents needing short-term care. While our CHHA operated in 2010 with little to no current county share, the looming weight of the unfunded costs of retiree health insurance will become a reality sooner rather than later. The services provided by the CHHA are vital to the social fabric of the County, but we must consider other avenues that do not include county dollars, to ensure this program is available for County residents. Many other counties around the state have sold or are exploring selling their CHHA Licenses for significant sums of money to companies who can provide the CHHA services to more residents with less overhead expense, and we would be remiss in not at least looking at the same. Make no mistake, it is not a discussion centered on the need or the performance of the unit, but rather an exploratory endeavor to see if there is an opportunity to have a more efficient delivery of services coupled with a financial relief to the taxpayers of the County. I envision an open and objective RFP process centered on the fundamental issues of essential service delivery balanced with the financial implications.

Another area that I believe warrants study is the County’s delivery of mental hygiene services. The County provides an array of “unmandated” services, and while the services are not mandated by the State they provided critical treatment to over 7600 at risk individuals in 2010. This is another area in which there may be an ability to have services provided to those in need via a different delivery model. We cannot and will not just abdicate our responsibility to serve those in need, but we must look to collaborate with key stakeholders in the public and nonprofit sectors to find the most efficient, cost-effective solutions. With our current economic position, we simply do not have enough revenues available to continue the status quo. Therefore, I am proposing the

creation of a working group to meet and craft an RFP for comprehensive mental health services. I am proposing a group made up of the County Manager, Community Services Director Joseph Todora, members of the Legislature, members of organized labor and any others the group deems helpful. I am requesting the group begin meeting immediately, and that an RFP be made available to the Legislature no later than August 1, 2011.

Our Office for the Aging was very active again this year and with many new faces. The Retired Senior Volunteer Program volunteers logged over 56,000 hours of volunteer service and received over 1800 requests for medical trips for other seniors. These dedicated volunteers continue to provide an invaluable service to our county. I would also like to thank the former director Carol Kelly for her many years of dedicated service, and who has come back to lend her expertise and serve on the RSVP Board in her retirement. My colleagues and I continue to be amazed at the selfless giving of time by these volunteers and can't thank you enough for all you do.

Our Adult Care Center continued to operate at a high occupancy rate in 2010 with nearly all of the residents coming from Sullivan County. We are very grateful for the efforts of James Galligan whom graciously came out of retirement to serve as the Home's Administrator after the retirement of Pam Hurley. Jim is currently mentoring an employee to succeed him later this year and we thank you for all your hard work this past year. The Center continued to find ways to contain costs while trying to maintain the standard of care the residents require. We recognize the Adult Care Center is a vital part of our county. However, as the costs of care continue to rise, we need to monitor the actions of the State very closely; our current economic position would likely be unable to sustain our current operations if there are significant reductions in State Aid for the facility. We have an extremely dedicated Family Council and internal staff that are meeting regularly with members of the Legislature to explore any and all available options that will allow for our residents that need the ACC to have it available to them in the future.

Last year I spoke of the need to take stock in where we are economically and where we want to be. The Sullivan County Economic Development Corporation has officially become a reality and has taken up the task of formulating a Comprehensive Economic Master Plan. All the stakeholders in the area of economic development have been working closely with Planning Commissioner Luiz Aragon to provide a common sense approach to economic development activities throughout the county. We unveiled our Economic Development portal this year, and if you haven't visited it yet, I encourage you to do so at [www.catskillsedc.com](http://www.catskillsedc.com). It's a very informative site that provides a one-stop introduction for business attraction and expansion. Economic development has proven very challenging for Sullivan County in the best of economic times and even more difficult in this nationwide recession, but it is important to note that through the dedicated efforts of the SC Partnership, IDA, Chamber of Commerce and SCVA we are seeing success. Our core business sectors in the tourism, agriculture and human services weathered the economic storm, and I believe they will only continue to grow from here.

The county's commitment to promoting our natural beauty and wide array of year round activities through our contract with the Sullivan County Visitors Association once again proved itself a fruitful partnership. In 2010, a matching funds program proposed by County Manager Fanslau and adopted by the Legislature provided dollars generated from the room tax for reinvestment back into the promotion of the county. This innovative program administered by the SCVA was extremely successful for our local businesses and was even recognized with an award from State Tourism Association. The amounts collected under the County's room tax program grew in 2010 even in the face of the continued recession, proving the need to continue our marketing efforts.

Our hallmark economic development project Bethel Woods Center for the Arts had another successful season and continues to climb the list of most recognizable Outdoor amphitheater venues in the US. Their attendance at the concerts and at the museum was up again and the lineup provided diverse cultural experiences for our residents and visitors. The 2011 schedule has been expanded to start before Memorial Day and go through late September. The Memorial Day weekend

Phish shows are expected to sell out, and camp grounds and hotels are already filling quickly. The Bethel Woods team continues to work in a collaborative way to leverage their operations for the benefit of the surrounding areas and other projects have benefited from their proximity to the world-class venue. One example is Stacey and Monty Sach's Dancing Cat Distillery, which will take locally grown grains and corns and create a variety of whiskeys less than a mile from Bethel Woods.

The Monticello Gaming and Raceway has put forth a very exciting and achievable expansion plan. They continue to provide meaningful employment and entertainment opportunities alike. Our largest resort property, the Villa Roma, once again returned to full operations in 2010. The Monticello Motor Club had another successful season bringing thousands of visitors to our county. The re-development of the former Apollo site with two exciting projects has finally begun. As part of our economic development strategy, I cannot stress enough the importance of promoting our tourism industry, as it drives meaningful employment and critical County Sales tax dollars. We have a critical shortage of hotel rooms in the county and I have asked our economic development partners to make this a priority for 2011.

Our agricultural sector continues to be an integral part of our economic base. The umbrella of farming covers a diverse group of businesses. From our dairy farms to our micro farms to our maple syrup producers, we continue to strive for new and innovative ways to support our agricultural community. I am glad to report that our Red Meat processing plant is on schedule to break ground this spring after much awaited anticipation. We remain committed to the concept of developing a demonstration farm incubator program and have an impressive group of stakeholders working to advance this worthwhile project. Several sectors of the Ag-Industry are banding together like never before and I believe that the time is now to bring all the groups together to map out the future of agriculture in Sullivan County. Much the same way we brought the non-profit community together just last week, I am proposing an Ag Summit be held this spring to begin the process creating a road map for the future of agriculture and Sullivan County's place in it. In order for the Summit to be successful, it needs to be a collaboration of all levels of stakeholders, and I am pleased that Catskill Mountainkeeper President Ramsey Adams has graciously volunteered to assist in the organizing efforts. Thank you, Ramsey, for stepping forward.

The Healthcare sector remains a strong component of our economy. Crystal Run Health Care, the Center for Discovery, Sullivan ARC, New Hope and Catskill Regional Center collectively account for the major employment in the county, and not only provide meaningful services but quality salaries and benefits for their employees. Vital to the economic success of the County is access to quality medical care. With expanded specialties available at Crystal Run and the expansions of the Catskill Regional Medical Center's emergency room and Callicoon campus, we have just that. The collaboration of Catskill Regional with Orange Regional has proven successful and is a model that I believe can be replicated in many other areas.

This year has not been easy, nor have the past few years been kind to Sullivan County's economy. Yet, in the face of economic hardship, we have found something I believe will carry us through the storm and prepare us for success in the post-recession world: we have found Sullivan County residents and business owners ready to work together to help each other. Whether it is joint marketing efforts fostered through the SCVA, healthcare agencies sharing resources, or even not-for-profit agencies offering each other meeting space, Sullivan County residents are ready to lend each other a hand. It's County employees going above and beyond their job description, volunteer first responders giving extra hours, or school children collecting food for the local food pantry, all to ensure someone else has a safe roof over their head and food in their stomachs.

And so, while it would be easy to be discouraged and lose faith in these turbulent times filled with finger pointing and political rhetoric. In those moments of doubt, I encourage you to look in your own communities, neighborhoods and your own homes, and take hope from the good will that grows there.

Thank you, Goodnight and God Bless.