

CITY OF NORTH TONAWANDA

Office of the Mayor

ROBERT G. ORTT

Mayor's 2012 Budget Message

In accordance with Section 5.021 of the North Tonawanda City Charter, as Mayor, I am providing to the Common Council, for their review and adoption, a copy of my General, Water, Sewer and Capital Fund Budgets, for fiscal year 2012. This budget does not raise property taxes, while cutting spending in total, over half a million dollars. This is the first City budget presented to your Honorable body in the tax cap era. We have entered a new era in municipal government. Government must and, thanks to the property tax cap, will downsize. It must re-examine and redefine its priorities. My budget is not the announcement of this new era. However it is the first budget that truly recognizes it. We must re-examine our priorities as a government and as a people. We must find new and ultimately more efficient ways to deliver services to our residents. We must shed costs wherever possible, while keeping our commitment to provide the very best in fundamental public services at the lowest possible cost. I believe that this budget does both. Tough choices have been made and tougher ones still lay ahead. But this is not the time to shrink from our role as elected leaders. This is not the time to hedge. You cannot truly govern and lead, if you do not have the stomach to do either. We must be bold. We all know what the challenges are facing North Tonawanda. It is our job to communicate those challenges to our constituents, and to explain the sacrifice needed to surmount those challenges.

My proposed General Fund budget reflects no property tax increase, freezing the current rate of \$13.16 per \$1,000 dollars of assessed valuation. I have slashed total General Fund appropriations from last year's total by \$220,000, down from \$34,871,797 to \$34,651,845. The water and sewer user rates remain unchanged. I have cut expenditures in the water fund by \$180,000, from \$3,205,022 last year, to \$3,024,900 in 2012. In the sewer fund spending is down \$100,000, from \$4,812,912 to \$4,712,582.

This budget began to take shape early this year. This is not a reactionary budget, as has been the case in years past. This budget is the result of the tough economic reality facing the City of North Tonawanda, and of the deliberate approach by my administration and this body to rein in spending. Early this year, your Honorable Body authorized me to

enter in to an agreement with Mr. Richard Rising of Harris Beach, using funds secured by Senator George Maziarz's office. The purpose of the agreement with Harris Beach and Mr. Rising were to identify areas to streamline City government and increase efficiency. It was not meant to be a one year plan, but took a multi-year, comprehensive approach to restructure City government and cutting costs. Mr. Rising will be presenting a final report of our findings and initiatives in the next 45 days. Many of them are part of my 2012 budget that is before you now and there are others that we will consider going forward into 2013 and beyond.

In August, your Honorable Body, at my request, offered a retirement incentive to all City police and firefighters, members of the American Federation of State and County Municipal Employees union, and members of the Civil Service Employees Association. In total, 13 employees took the incentive. Twelve of the thirteen positions have been cut from my 2012 budget. Over the past two years, 34 full time positions have been cut from the City workforce, representing a 13% reduction. Based on the average City salary of \$52,000, that is an estimated savings of \$1, 768,000 in salaries alone.

In my 2011 State of the City address, I spoke of the need for each and every department to stand on its own and to be self-sustaining. Each department would have to find ways to reduce costs and operate more efficiently. Nowhere is this more important or necessary than in the water and wastewater departments. For the past several years, the water and sewer funds, the operating funds of the water and wastewater department, have spent more than they have taken in. To offset this discrepancy, the General fund subsidized the water and sewer funds up to half a million dollars. In this budget, I have eliminated that subsidy in an effort to force the water and sewer funds to support themselves from the revenues that they generate. This move alone, put a half million dollars back into the general fund.

Since I took office in January of 2010, I have heard many concerns from our residents. From roads to sidewalks, to public safety and nuisance issues, one issue has risen above the rest. The ever restrictive and crushing tax burden that seems to define not only North

Tonawanda and Niagara County but all of New York State. One of the reasons for this is simple: duplication of services. There are a variety of services that are performed by both the City of North Tonawanda as well as Niagara County. Redundancies are great – if you can afford them. There can be no question that we can no longer afford redundancies or duplication of services, wherever they may be. We must look to streamline City government, and that means eliminating duplicate services and making better use our residents hard earned tax dollars that we collect. To that end, my budget calls for eliminating emergency dispatch, and transferring the service to Niagara County Sheriff's office. Over a year ago, Police Chief Szukala came to this Honorable Body requesting a new emergency phone system. Our current system is outdated and has reached the end of its serviceable life. As elected leaders, our duty is to provide fundamental services to our residents. There can be no doubt that emergency dispatch falls into the category of a fundamental service. However, as I said earlier, we must provide those fundamental services at the lowest cost possible. The initial projected cost for a new emergency phone system was \$500,000. Since then, I have received numerous quotes from the Police Chief, of varying amounts. The most recent quote, included in the 2012 Police Capital budget, was for \$150,000. However, no matter what the quote was, I kept asking myself one question, over and over: Why should we pay anything? North Tonawanda residents pay county taxes. Those taxes help to pay for 18 full-time and 4 part-time dispatchers. They help to pay for a state of the art facility and an up to date emergency dispatch phone system that is light years ahead of ours. In fact, because our current phone system cannot handle incoming calls from a mobile phone, those calls are received by one of the 22 County dispatchers *before* being transferred to an NT dispatcher. The Niagara County Sheriff already handles all North Tonawanda Fire dispatch services. There is no doubt in my mind that they can handle our emergency/police dispatch as well. It is simply a matter of political will. The cost to North Tonawanda for six dispatchers, including salaries and benefits, is \$445,207. Add in the latest figure of \$150,000 for a new phone system, and you have a total figure of \$595,207 to provide emergency dispatch services on our own. We cannot afford to do all the things we have done in the past. You cannot simply continue to ask residents to pay more taxes for the same services. We must streamline and operate more efficiently. This move does that.

My budget also proposes to restructure the Water and Wastewater department by moving the water distribution division to the Department of Public Works under the supervision of the DPW Superintendent. This division currently handles meter readings and replacement, as well as water line breaks. However we currently have a sewer maintenance division that is in the DPW. They do very similar work, and have similar equipment as the water maintenance/distribution division. My vision is for these two divisions to ultimately work as one unit, a water/wastewater maintenance division, under the supervision of the DPW. This is the first step toward that end. This will streamline resources, communication, and I believe increase efficiency. Currently the water maintenance workers are located in a separate building on Erie Avenue. By consolidating these two divisions under one department, the City would be able to vacate this building, and sell it, eliminating utility and maintenance costs, while opening up another piece of property to potential business development.

The cuts in spending are only half of the story of my 2012 budget. Revenues are down in the General Fund by \$220,000, in the Water Fund by \$180,000 and in the Sewer Fund by \$100,000. In total revenues are down by \$500,000. Like so many households and businesses in North Tonawanda, when there is less money coming in, there must be less money going out. Sadly, this fact has been lost on governments at all levels. It is not lost on me, and I trust it is not lost on you.

Earlier I spoke of a budget based on priorities, a commitment to provide fundamental public services at the lowest possible cost. While this budget does slash spending and hold the line on property taxes, it also allocates tax payer money based on a commitment to the priorities of public safety services and improvements and maintenance of public infrastructure. I have proposed to bond \$335,000 to be used toward fixing the long standing drainage problem that has existed on Witmer Road. I have been working with Niagara County, specifically legislator Russ Rizzo, the Town of Wheatfield and City Engineer Dale Marshall to come up with a workable solution that is also affordable. I believe that we have that solution, and working jointly with the County, which has

pledged funding in the amount of \$100,000, I am confident that we will bring flooding relief to the residents on Witmer Road beginning next year.

Public safety is an important part of any budget. To that end, my budget calls for spending \$65,000 for new police cruisers, as well as \$22,000 for an additional surveillance camera. This body committed to purchasing two cameras in the current budget, and I am happy to say that they have been installed in high activity areas. This additional camera will provide further surveillance and assist our police officers in keeping North Tonawanda a safe place to live and raise a family.

My budget calls for \$100,000 to be spent this year as part of a two year plan to purchase new firefighter gear. The current gear known as nomex gear, which protects our firefighters from extreme heat, has a service life of ten years. I believe that it is important for our bravest to have the very best in protective gear. This funding will ensure that they do. In total, my budget appropriates \$7,885,604 in police and fire personnel and equipment.

In 2011, the City of North Tonawanda spent \$700,000 on road repair. I believe that we have made great strides in our road repair thanks to new DPW Superintendent Brad Rowles and the hard working men and women of our Public Works department. I have once again budgeted \$700,000 for the 2012 paving season. I have also budgeted \$100,000 to be used toward new equipment, as well as \$50,000 for sidewalk repair. Repairing our aging infrastructure is a priority of my administration and we are spending sufficient tax dollars to do so.

North Tonawanda, the second largest municipality in Niagara County and the sixteenth largest city in the State of New York, continues to be an important residential, commercial and industrial center in Western New York. It is important that we maintain the services necessary to protect and assist our residents and our business community, while making the necessary changes to reduce our long term costs and ease the tax

burden on our residents. This administration is determined to get our fiscal house in order and make the tough choices necessary to achieve that. The day of reckoning is upon us. We cannot escape our duty and responsibility as elected leaders. If we do not make the necessary changes, our residents and businesses will drown in taxes and we will drive out the families and small businesses that are the backbone of our City.

I want to thank the Department Heads for the integral part they played in the formulation of this Budget. I would like to take this opportunity to offer to meet with the Common Council to discuss and work with them to finalize the 2012 Budget, as a team effort, at their workshop sessions.

Thank you for your kind consideration of my 2012 Budget.

October 3, 2011

Robert G. Ortt

Honorable Robert G. Ortt
Mayor, City of North Tonawanda