

2016 Budget Address
by Mayor Richard C. David

Tuesday, Sept. 15 at 7:00 p.m.
Binghamton City Council Chambers

INTRODUCTION

President Berg, members of City Council, honored guests, and fellow residents; thank you for joining me tonight as I present the 2016 Budget Message.

It was almost two years ago that I took the oath of office to become Mayor. As I approach the halfway point in my first term, tonight is an update on the progress and decisions we've made to improve the financial health of our City — decisions focused on providing essential City services and making investments to strengthen the quality of life for families and businesses. We're laying the foundation for our neighborhoods and commercial districts to thrive.

The past 21 months have been a reflection of those ideals: the lowest residential property tax increase in nearly two decades, the addition of seven police officer positions, an aggressive infrastructure improvement plan and bold strategies for transformative economic development projects throughout the City.

In preparing the 2016 Budget, we faced a property tax cap and constitutional debt limit, unfunded state mandates, union negotiated salaries and hefty contributions to the New York State Retirement System, while still working to advance a comprehensive policy agenda that takes resources to accomplish.

Tonight's budget message is not about me or City Council. It's about the taxpayers. Residents and business owners who work hard; who in the past have been disappointed with how their tax dollars were spent, watching rates skyrocket year after year. I've been vocal about the need for City Hall to put its financial house in order, and we've made great progress in that goal.

By identifying cost-saving strategies, refocusing tax dollars to the areas that matter, and making every decision based on what's best for the residents, we've structured a sound and responsible 2016 budget that will move the City of Binghamton forward toward financial success.

INITIAL FINANCIAL CHALLENGES ADDRESSED

When I took office last year, the City's mandated annual audits and other financial documents were not being filed on time. While it may seem immaterial, timely completion of these reports impacts the City's financial credibility and reputation with the global investment market.

We've caught up on previously incomplete reports and filed the 2014 annual update document, as required by New York State, on time. Our 2014 audit report is close to completion and will be ready by the September 30th deadline, which is two weeks from today.

The City's inability to file these financial documents on time is one of the reasons why the City's bond rating was downgraded several years ago. A bond rating impacts how much interest City taxpayers pay annually on capital projects. When you undertake multi-million dollar infrastructure projects annually, to give you an example, the interest alone can be massive.

So for several years now, taxpayers have been paying more money in interest rates because the City couldn't do something as simple as filing financial information on time. That was unacceptable. We've already corrected the paperwork issue and are now working very hard to secure an upgrade to the City's bond rating, which will save taxpayers money every year.

In an effort to improve the City's financial health, earlier this year I reached out to the New York State Comptroller's Division of Local Government. Over the course of the last several months, we've opened our books and members of the Comptroller's Office and city officials have been brainstorming ideas for cash management strategies, cost containing measures, shared service opportunities and overall economic improvement strategies. I expect to receive a report by the end of the year and implement many of the suggestions provided.

EXPENDITURES:

The overall city budget is comprised of the general fund, the water and sewer fund, the refuse fund, the insurance fund and the parking fund. The total budget for 2016 is \$90,436,018. The general fund budget is \$64.2 million. This is the budget that directly impacts the property tax rate and the one I'll be discussing in depth this evening.

Some of the more significant areas of spending in the general fund budget are public safety at \$22.4 million, employee benefits at \$18.8 million, \$7 million in general government operations, \$5.7 million in debt service payments, \$3.7 million for transfers to other funds, and \$3 million for parks and recreation. The remaining budget categories include transportation, economic development and planning, housing and community development.

I'd like to briefly highlight the expenditures in the 2016 budget. In essence, our expenditures are the costs associated with running the day-to-day operations of the city. The City's general fund expenses will decrease by approximately \$562,000, or 0.87 percent, in the 2016 budget. We're looking to rein in spending and reduce the size of government.

It's important to outline the common factors all upstate cities are confronted with to illustrate the significant impact they are having on municipal budgets.

An annual factor that contributes to rising expenditures is increases in union negotiated salaries. I want to touch on salaries tonight because they represent the largest expenditure in the City budget. The City is essentially a service provider, which means our budget funds salaries for those who plow streets, fight fires, patrol our neighborhoods and manage City departments.

You can see in this pie chart how personnel spending is broken down, with public safety comprising the largest part of the general fund budget at close to 64%, which is earmarked for salaries for firefighters and police officers.

The City has settled contracts with four of the five unions and we are working with the goal of having the final union contract with the Teamsters supervisors settled very soon. While we won't know the total amount until all contracts are settled, I can tell you at a minimum that salary increases will add several hundred thousand dollars to the 2016 budget.

Health Insurance

Health insurance is a relatively sizable expenditure that in the past had spiked year after year. It was an ominous trend confronting employers in both the public and private sectors. It's a moving target year-to-year, as we are self-insured.

Next year's budget includes approximately \$10 million for health insurance. During union contract negotiations, the City was able to include a high deductible new insurance plan, which netted significant savings for both members and taxpayers. As a result, in 2016, we are expecting a minimal increase in our health insurance costs, if any.

New York State Retirement System

Over the last decade, one of the primary financial obstacles the City has grappled with relates to mandatory increases in contributions to the New York Retirement System, the portfolio in which all public employees' retirement funds are invested.

2014 and 2015 were the first two years in more than a decade in which the City's pension costs actually decreased. While that decrease was only a slight one from the year before, it was a step in the right direction.

In 2016 the City's pension bill will decrease once again to \$6.4 million, which is \$410,000 less than the previous year. The New York State Comptroller sets the pension rates, which means municipalities have no control, even though it has a large impact on the budget. While we hope this downward trend will continue moving forward, we cannot rely on it.

ESSENTIAL SERVICES

As a service provider, first and foremost, City Hall must stay committed to providing the highest caliber of support for our constituents.

It all starts with public safety, and the men and women of the Binghamton Police and Fire Departments who are among the best trained and most experienced first responders in New York State. Whenever emergencies happen in our City, a police car, fire truck or ambulance is usually seconds behind.

These vital public safety services both require and deserve extensive investments in equipment, training and state-of-the-art technology to meet the 21st Century needs of protecting the community. The 2016 Budget showcases my ongoing commitment to public safety.

Binghamton Police Department

Crime and economic development go hand in hand. Residents and businesses don't want to locate or live in areas that are not safe. I'm a big advocate of the broken window theory of public safety — cracking down on lower level crimes to prevent the environment in which more serious ones will occur.

Reducing crime continues to be a primary focus of this Administration, as we devote as many resources as possible to make our neighborhoods safer.

Last year we added seven police officers positions. We've expanded the Community Response Team (CRT) by two officers, a unit which focuses on proactive engaged policing. With the police and the community working together, these collaborative partnerships have jointly identified and successfully solved many public safety issues.

We've added two School Resource Officers to East and West Middle Schools, with the Binghamton School District paying \$100,000 towards the salaries. I'm pleased to tell you the district was so happy with these officers and this new initiative they have extended the contract for next year. I thank superintendent Dr. Marion Martinez and the Binghamton City School District for again contributing \$100,000 and recognizing the role these public safety personnel play in our schools fostering relationships with you.

We've also created a police officer position as part of the Binghamton University/City of Binghamton Police Partnership Initiative. The officer patrols downtown and parts of the West Side, working on student and community related issues. The University was also so pleased with this initiative officials have also agreed to extend this agreement in 2016 and again provide \$50,000. I'd like thank Binghamton University President Dr. Harvey Stenger for his support and efforts to make the City safer for everyone.

The City was successful in securing a \$100,000 U.S. Department of Homeland Security grant aimed to develop tactical team capabilities through equipment and training that support accreditation with the New York State Division of Criminal Justice Services SWAT Team Standards. Equipment includes state-of-the-art encrypted tactical radio systems. Training will focus on tactical supervision and leadership, as well as tactical medical assistance.

The City has also applied for a grant from the Office of Community Oriented Policing Services, or COPS office, of the U.S. Department of Justice for one additional police officer position in 2016. We expect to hear from the federal government in the next few weeks, and I'm hopeful we

will secure this four-year grant which pays a significant part of the salary and benefits for one new officer.

In November, 20 new recruits will graduate from the Broome County Law Enforcement Academy. After graduation, I will evaluate the impact of these new officers once they hit the streets, which will allow us time to determine how many more police to add in the next 12 months.

These new officers will be equipped with body worn cameras. Binghamton is spending \$116,000 to purchase 93 cameras, which will be on the streets later this year to enhance transparency and accountability, while also better protecting officers, the community and City. We are also purchasing new software to streamline collection of police data. City Council has approved both these initiatives and I appreciate their support.

Council has also made a point of highlighting \$4,000 that had been allocated in previous years for diversity training for officers. In 2016, I've increased that amount to \$10,000. Through an executive order I've already committed to making sure that training takes place.

Binghamton Fire Department

The Binghamton Fire Department is one of the oldest fire companies in New York State, yet is constantly adapting to utilize the latest technology and equipment to maximize safety and service to our residents. A firefighter's equipment is his or her lifeline.

Through the Federal Emergency Management Agency, the Binghamton Fire Department secured a \$320,000 grant to purchase 122 state-of-the-art mask systems and 42 self-contained breathing airpaks. The new systems will increase oxygen capacity by 50 percent. When seconds and minutes matter in an emergency, this new equipment will buy firefighters more time to search for victims or escape a dangerous situation.

Our fire department also secured a \$29,000 U.S. Department of Homeland Security Technical Rescue and Urban Search and Rescue Grant, to fund water and rope rescue equipment and training. Resources will equip Fire Engine #2 West Side Station, with life jackets, specialized rescue suits and helmets to support its water rescue operations. Other equipment includes new inflatable rescue boats, technical ropes and rigging.

These are just a few reasons why Binghamton continues to provide police and fire forces that are among the best in the state. Grants such as these enable us to expand our umbrella of protection without significantly adding to our tax bill. I thank our partners at the state and federal level who understand the critical work of our emergency responders.

Equipment

An important part of focusing on basic City services is making sure we maintain, upgrade and invest in new equipment. This next slide shows a snapshot of some of the major pieces of equipment we're purchasing for next year.

The Police Department will receive two new patrol vehicles and a new prisoner transport van. This van will have seat belts, cameras and other safety equipment to transport prisoners without incident, and better protect our officers and the City.

We will also re-chassis one ambulance in the Fire Department, purchase one new garbage truck and snowplow for the Department of Public Works, one bucket truck for Parks and Recreation Department and two new vehicles, including a dump truck, for the Water/Sewer Department. The total cost for this new equipment shown here is \$900,000.

INFRASTRUCTURE

Neighborhood Street Reconstruction

You may have noticed a lot of activity going on this summer as crews milled, paved, and reconstructed dozens of streets across the City. Crews are currently working on the West Side. In fact, one of the compliments I hear most frequently involve the sheer number of streets we are fixing this year. I appreciate the acknowledgement.

There are 151 miles of street in the city. In 2015 more than twice as many streets are being milled and paved compared to 2013, and in 2016 we are on track to keep that break neck pace.

Binghamton's transportation infrastructure agenda is one of the most comprehensive and aggressive our region has ever seen. Major thoroughfares, gateways and neighborhood streets are all receiving upgrades. In all, \$5.6 million is budgeted for street reconstruction, mill and pave and underground utility improvements next year. We're increasing capital spending on street infrastructure by \$500,000, allowing us to improve 15 miles of streets next year, roughly 10 percent of all roadways in the City of Binghamton.

With that pace, the City should be able to improve a vast majority of its transportation infrastructure system on a 10 year cycle, which also happens to be the life span of an average mill and pave project. Many of you have told me it's been 20 or 30 years since some of your streets were upgraded. Those days are over.

Strategic Infrastructure Projects

The City of Binghamton has a successful track record in securing significant financial commitments from the New York State Department of Transportation (NYSDOT) for major bridge and strategic infrastructure projects.

I want to acknowledge and thank Jack Williams, Regional Director of the NYSDOT, for his continued support in identifying ways to secure even more state funding. The most recent

example was just last month when the state made good on a \$100,000 commitment to mill and pave a sizable portion of Prospect Street, which had taken a significant beating from the nearby I-86 Prospect Mountain conversion project.

Yesterday, we opened the Exchange St. Bridge two weeks ahead of schedule, and next year we will have several other bridge projects on the horizon.

Next year, the East Clinton St. Bridge will be fully rehabilitated. The City had secured NYSDOT and Federal Highway Administration funds to cover 95 percent of the estimated \$1 million project. During design phases, it was determined that costs will be greater than anticipated. Our team is working with these state and federal agencies to commit more dollars, as the longer this bridge remains in disrepair, the more costly it will be to fix.

Next year, the City will advance a \$1.8 million project to paint and rehabilitate the South Washington Street Bridge. State and federal funding covers roughly 80 percent of this project.

These are large infrastructure projects that are having a dramatic impact on the look and feel of our city. Without this substantial assistance, these projects would have been impossible to complete. I can assure you our efforts to work with regional transportation planners and the New York State Department of Transportation officials to secure additional funding continues to be aggressive.

Securing massive support for major infrastructure projects enables us to target our funds for neighborhood infrastructure projects, like paving streets.

Governor's Office of Storm Recovery

Next year the City will also move forward with \$1 million in flood mitigation projects as part of the Governor's Office of Storm Recovery New York Rising initiative. The grant funding will cover 100 percent of the costs to address a variety of stormwater management issues across the City. Specific projects in 2016 include upgrading storm pump stations and installing a new storm pump stations in low lying areas of the First Ward, East Side and West Side, which experience frequent flash flooding. These efforts will go a long way towards protecting our City should another flood strike.

REVENUES:

Now let's take a look at revenues. The City's largest source of revenue, property taxes, amounts to \$36.7 million. State aid for next year will be \$9.2 million. Other significant areas of revenue include departmental earnings of \$2.3 million.

Sales tax, at just over \$10 million, is also a major form of revenue for the City and I'd like to take just a moment to talk about this. About twelve years ago, Broome County changed the 50/50 sales tax distribution formula in favor of the County, which at the time was dealing with massive increases in Medicaid costs. The tax revenue shift would later burden the City of Binghamton,

and other local towns and villages, which received less revenue to deal with massive increases in health insurance and pension costs of their own. Over that twelve year period, we're talking about millions in revenue the City should have received that went to Broome County. Funds that could have prevented police cuts and massive tax increases by the previous administration.

County Executive Debbie Preston has been working annually to restore the formula to the 50/50 split. In her budget address last week, she proposed taking another step toward that goal by allocating more than \$1.1 million in additional sales tax revenue for municipalities across Broome County, which translates into a roughly \$500,000 increase for the City of Binghamton. Still, sales tax is an estimate only and we are conservatively budgeting for less, however, I want to thank County Executive Preston for keeping her word on this issue. The County could have kept that money to deal with its own fiscal challenges. Her decision to help City residents, who are also County taxpayers, is a welcome one at City Hall.

Use of Community Development Block Grant (CDBG) Funds

One of the other ways we're able to continue to improve our city is through the use of the Community Development Block Grant, or CDBG, funding provided by the U.S. Department of Housing and Urban Development to cities nationwide on an annual basis.

For the 2015-16 fiscal year, Binghamton received approximately \$1.9 million dollars in CDBG funds. We target this money creatively for economic development, code enforcement, park and infrastructure upgrades, and planning, housing and community development.

Notably, next year, \$135,000 in CDBG funds will be earmarked for infrastructure improvements to complement our capital street reconstruction funds.

During this year's State of the City Address, I announced that \$1 million dollars in unspent federal grant funds and program income had accumulated over many years. I can't begin to tell you how frustrating that is. As neighborhoods across Binghamton crumbled and taxes rose by 52 percent in eight years, this valuable funding sat idle.

I have already initiated the process to repurpose a portion of these funds, and will send legislation to City Council next week to transfer \$300,000 into this year's infrastructure plan to pave more City streets. We are also finalizing our plan to invest the remaining funds in neighborhoods across Binghamton in 2016.

Federal CDBG funds allow the City to provide enhanced services and critical programs without burdening the taxpayer. Without these funds, the alternative would be massive tax increases or eliminating these vital services altogether.

State Grants For Economic And Community Development

City of Binghamton taxpayers cannot alone finance all of our initiatives — especially when it comes to large-scale economic and community development projects meant to broaden our tax base and improve quality of life.

That's one of many reasons why last year, the City began aggressively seeking significant grants through Governor Andrew Cuomo's Regional Economic Development Council and Upstate Revitalization Initiative.

This City deserves its fair share of state funding. In the past, we've seen other cities land tens of millions of dollars for economic development projects, while Binghamton sat idly by. Since I've taken office, that's all changed.

This year, I'm very excited about three major projects that have been submitted to the state for grant funding.

Our flagship application is \$3.6 million to Empire State Development for redevelopment of a surface parking lot at 7 Hawley St. to build a mixed-use commercial, residential and parking structure. This transformative, \$20 million public-private initiative was named a priority project by the Southern Tier Regional Economic Development Council. Concepts include up to 13,000 square feet of ground floor commercial space on Washington St. and up to 362 parking spots as well as residential space either above the parking and commercial space, or in a separate attached tower.

Our growing concerns about the lifespan of the Collier St. garage mean that all options must be considered. Once a new mixed-use facility is in place and our comprehensive parking study is complete, we can refine the overall plan for redevelopment of the Collier St. garage including size, scope, parking capabilities and cost, as it is one of the most strategic sites in Downtown Binghamton.

In a unique partnership with the New York State Department of Transportation, the City is seeking funding for the \$6.6 million Rt. 434 Greenway Construction project. The project would build a dedicated pedestrian and bicycle trail between Downtown Binghamton and Binghamton University, completing a critical link in the overall network of interconnected multi-use trails which span across the Southern Tier.

NYSDOT has identified \$2.85 million for the project and the City is seeking \$3 million from the New York State Energy Research and Development Authority. I thank NYSDOT Regional Director Jack Williams for his commitment to this project, which will add to the region's quality of life and strengthen the City's economic ties to Binghamton University. Once complete, there will literally be a physical path from Binghamton University to our downtown. As our City's future is intricately tied with that of the University, it's a strong message we can send to retain college graduates and build a vibrant and connected downtown.

In building the City's recreational opportunities, we've applied for a \$500,000 grant to relocate the historic Ross Park Carousel through the New York State Office of Parks, Recreation and

Historic Preservation. The total project, costing \$748,000, would include complete rehabilitation of the carousel's interior elements and a new facility to house them near the main entrance of the park. This project will preserve a true community treasure while freeing up room for the Binghamton Zoo to implement its long-term plan to build a new entranceway and educational center. I thank Parks Commissioner Bill Barber and his team for spearheading this project and their continued efforts to improve parks facilities and recreational opportunities for residents.

Last year, the City landed a \$500,000 grant for a mixed use residential development project at 70-72 Court Street, the vacant, City-owned parcel in the heart of downtown. Just last week, the contract to purchase the property was signed and a \$75,000 check was delivered to the City. I will submit legislation at City Council's next meeting to approve the purchase of property and advance this project. I thank Mark Yonaty, project manager and soon-to-be owner of 70-72 Court St. who is in the crowd tonight, for his continued commitment to economic development projects in the City.

Even as a member of the Southern Tier Regional Economic Development Council, I cannot guarantee the outcome of these applications. However, we are working every day to advocate for these important projects, meeting with officials in Albany and around the state, and telling Binghamton's comeback story with every ounce of energy we have. Economic development is how we grow this community, create good paying jobs and increase the tax base.

It's the only way for us to succeed.

COST SAVINGS / REVENUE ENHANCEMENT STRATEGIES

One of the main goals of this administration is to reduce the cost of doing business and relieve taxpayers of any unnecessary financial burdens. To accomplish this goal, we have identified and implemented a range of creative cost-cutting strategies that save taxpayer dollars. Tonight I'd like to touch on a few ones that will yield significant savings.

The largest project to date is a \$4 million plan to replace all of the City's approximately 7,000 streetlights with LED technology. The project has been approved by City Council. Here's a photo on Hawley Street that shows three new LED lights installed compared to the City's current lighting. This morning, I gave our consulting firm an order to proceed. Crews will begin the conversion next month and should be complete by early next year.

In 2014, the City spent roughly \$1.8 million on electricity expenses. Of that, \$730,000 was spent on street lighting. This project will reduce the City's consumption and lighting bill by about one third. Not only will the City be more energy efficient, but areas of the City that have been dark for decades will have light again. Upgrading infrastructure, enhancing public safety, saving taxpayer dollars — this project has it all.

In our 2016 capital improvement plan, we budgeted \$500,000 for the purchase of roughly 50 parking kiosks which would replace our decades-old individual meters in the downtown business district, utilizing new parking technology to increase revenue and cut costs in our parking

management operation. These centralized kiosks, like you may have seen in Ithaca, Syracuse and on the Binghamton University campus, accept credit cards and aren't prone to the mechanical maintenance issues of the old meters.

While projections are still being finalized, we know from other cities and consultants performing the downtown parking study that this new technology greatly increases parking revenue. Through this increased revenue, the initial investment is expected to be recouped in a few years' time.

Last week, we also contracted with a firm to audit and survey of the City's telecommunication accounts to secure refunds, credits and cost reductions from excess charges or costs on franchise fees and surcharges. This process will begin next month, which has recently yielded hundreds of thousands of dollars for other local municipalities.

Consolidation of Services

We continue study, analyze and evaluate any proposals for consolidation and shared services in an effort to save taxpayer dollars. The City continues its collaborations with Broome County, specifically in the area of information technology. Our IT departments meet on a monthly basis to discuss software and services that can be shared to benefit both governments.

In December 2014, our shared e-mail server project was successfully implemented, and a pilot project is underway to explore cost effectiveness of expanding Broome County's phone system to the City, instead of the City replacing its current system.

Later this year, the City will begin to use the Broome County's building maintenance monitoring and project management software. An expansion of the County's document management system is underway, starting with the City's Assessment Office. In conjunction with this project, the City and County's IT department have applied for a records management grant to fund a digital scanning program of all assessment documents. We are waiting for results of that application.

Utilizing Broome County's digital infrastructure as opposed to our own, the Binghamton Police Department is the first law enforcement agency in the County to implement use of demographic data collection software. The agreement means savings of tens of thousands of dollars in server maintenance and software licensing fees.

Personnel Reductions

Another area that continues to impact our budget is personnel, which I touched on earlier. This year we are again continuing to reorganize personnel and eliminate positions in various departments throughout the City as part of an ongoing effort to streamline departments, maximize resources, and simply do more with less.

In 2016 we will eliminate eight positions: Junior Accountant, General Equipment Mechanic, Laborer, Motor Equipment Operator, Street Maintainer, Principal Clerk and Planner. We are also

eliminating a Water/Sewer System Maintainer, though this will not directly impact your property taxes, but will impact you sewer bills.

We are also reducing two-full time positions to part-time. They are: Account Clerk II in the Treasurer's Office and a Real Property Data Maintenance Assistant in the Assessment Office.

There are no layoffs in the 2016 budget.

PROPERTY TAXES: RESIDENTIAL & COMMERCIAL

Taxes affect the lives of each and every resident in this city, and it's one of the top concerns you voiced to me when I visited your homes. Your struggles guide every financial decision I make at City Hall. Who can forget this front page headline in the Press and Sun-Bulletin last year about Binghamton being the highest taxed City in New York?

This cannot continue. Addressing the issue of property taxes is never an easy task, but it's critical to ensure the long term growth and development of our community. Once again, we've taken a long hard look at the numbers and made difficult decisions that we hope will benefit the City of Binghamton and all its residents.

This chart shows how much residential taxes have increased in recent years. As you can see they've gone up more than 52 percent at time when some services, such as public safety, were drastically reduced.

In the 2015 budget, which was my first budget, residential taxes only increased a modest 0.48 percent, one of the lowest increases in decades. One of my goals is to restore tax stability and avoid wild tax swings from year to year. Let me show you what I mean. As this chart shows, going from a 7.6 percent increase in 2008, to a 14.2 percent increase in 2009 to a 3 percent increase in 2011, then a 7 percent increase in 2013 creates a sense of uncertainty and frustration. It's also very difficult for local taxpayers to bear. Instability is detrimental to the growth and development of a community.

CHOICES AND DECISIONS:

But, that was the past. Tonight, we're talking about the future.

My goal for the 2016 budget was to again provide tax stability, eliminate wild tax swings for property owners and begin to provide relief to taxpayers. I'm pleased to announce tonight that for the second straight year we have achieved, and exceeded, that goal.

In 2016, homeowners will only see a 0.41 percent increase in their taxes. This translates to \$0.09 increase per \$1,000 of assessed value. The residential tax rate will increase from \$23.37 to \$23.46 per thousand. Residents with a home assessed at \$70,000 will only see an increase of \$6.30 for the entire year.

In 2016, commercial taxpayers will see a 0.01 percent *decrease* in their taxes. What this means is that commercial taxes will decrease about \$0.01 per \$1,000 of assessed value. The commercial tax rate will decrease from \$42.33 to \$42.32 in 2016. While I understand its negligible, it's the first time since 1999 the City of Binghamton has cut commercial property taxes, and it's certainly much better news than the double-digit increase we've seen in years past.

When it comes to taxes, our strategy is to be as responsible and strategic as possible. Our first two budgets aim to stop the bleeding from years of tax hikes — increases that led to Binghamton being crowned as the highest-taxed city in New York State. I won't let this trend continue.

With a slight commercial property tax cut, it's a message for businesses that are looking to locate and expand in our region: the City of Binghamton understands how jobs are created and is building an environment for companies, large and small, to succeed. It all starts with taxes, and this year's budget is a step forward in reversing the damage of the past and building a foundation for the future.

The 2016 budget is the second-straight year of tax stabilization, the first steps in a long term strategy to cut taxes. By controlling taxes and spending, which this budget proposal does, we can set the framework for restructuring how City Hall operates and pass those savings along to residents.

LOOKING AHEAD

As I conclude tonight, I want to leave you with a few thoughts.

First, and most importantly, the City of Binghamton has stabilized tax rates for homeowners and businesses for the second consecutive year, including some of the lowest tax rates in decades.

In 2016, we're reducing our debt by paying off more principal than we borrow. While the City's bond rating was downgraded a few years ago, we have our eyes set on getting it upgraded as soon as possible. Much of the progress I've outlined tonight will help achieve that goal.

All the audits, annual reports and other financial statements are filed on time and we've tightened our belt on health insurance and personnel costs while maintaining the highest levels of service.

I want to thank many of the department heads who are here and who have worked very hard to make difficult cuts in their areas and meet the high bar I set for 2016. We worked together as a team on behalf of the residents and our work is showcased here tonight.

I want to specifically thank Comptroller Chuck Shager and Data Processing Coordinator Lori Clift for their efforts during this budget process.

Investments in public safety, infrastructure and catalytic economic development projects are improving quality of life in Binghamton, making it a more attractive place to live, work and raise a family.

This is how a financially-sound City operates.

In previous years, taxes increased significantly while some services, such as public safety, decreased. Now we are realigning our priorities and spending, and *increasing* important services for residents. The proposed 2016 tax rates put the City in a much better position to deal with the fiscal challenges on our horizon and the uncertainty surrounding unfunded mandates.

It was President Franklin Delano Roosevelt who said, “The only limit to our realization of tomorrow will be our doubts of today.”

I’ve heard some say that this Administration needs to slow down, that we’re doing too much too quickly. Whether it be infrastructure improvements, public safety initiatives or economic development projects, there are some who are not conditioned to the pace in which our local government now operates. Some people are quite good at talking about the concept of progress, but have not the first idea how to take action and achieve results.

Take a quick ride around the City — we don’t need to stop. We don’t need to wait. We shouldn’t slow down. Our City has been stuck in neutral for years and the new signs of positive momentum should not be ignored.

A few weekends ago, 20,000 people packed our downtown streets for the LUMA Projection Arts Festival, a spectacular night of arts and entertainment like we've never seen before. Those event organizers accomplished something remarkable — they brought to the community a new concept that had never been tried before. It was a risk, but it was also hugely successful. It was just the latest example that shows our community is longing for fresh ideas and excited for leadership that brings change and an optimistic attitude about our future. It was a pleasure to partner with these individuals on the project and offer our support.

We should be embracing change, not running from it. That was the old Binghamton. Tonight was a conversation about the new Binghamton.

With those thoughts in mind, I present to you, the members of City Council and the residents of the City of Binghamton, with my 2016 Budget, a plan that maintains the integrity of our broad range of municipal services and supports the continued revitalization efforts here in our community.

Thank you and goodnight!