



Office of the Mayor

Matthew T. Ryan

Mayor Matt Ryan's 2009 State of the City Address "Moving in the Right Direction"

*Binghamton City Council Chambers
February 25, 2009*

Each year I have the pleasure of addressing City Council and our entire community and I thank you for this opportunity tonight. The state of the city gives me the chance to share with residents the progressive values that have informed my management approach and policy decisions over the last three years. It gives me a chance to better explain the sharp breaks we've made from past practices, and how our different approach to city government has posted accomplishments, attracted record levels of private investment, and inspired more residents and community partners to be engaged in fulfilling a common vision of our city's future.

Tonight will also be a chance to assess the fiscal realities that we face in the most difficult economic times in almost 80 years. It is a time to demonstrate that any future economic gain depends on smart management of today's economic pain.

Three years ago we were entrusted with the confidence of the voters because we promised to bring change to City Hall. We promised an active, progressive style of city governance, with an accessible, transparent City Hall. We promised to make operations more efficient. We promised to invest in the tools and skills of our workforce. We promised to repair and upgrade our infrastructure for the long-term, at a cost we could afford. We promised to spur new and sustainable growth in our local economy and the arts, from the downtown core to the outskirts of town. We promised to make our neighborhoods safer, greener, and healthier for all our citizens, and that we would engage all residents in these efforts.

In essence, what voters heard from me in 2005 was a promise to end twelve years of the status quo and immediately shift priorities and practices to move in a new direction. I am proud to state tonight that we have delivered on that promise. We've carried our values forward with determination and consistency. We've faced challenges, head-on, and with honesty. We've shown the courage to make the right decisions, rather than the politically expedient ones. We've recognized the expertise and experience of our workers, and involved them directly in bold, government reforms. Together, with the support of City Council, our workforce, residents and community partners, we've achieved an impressive turnaround. And we now have momentum on our side.



Office of the Mayor

Matthew T. Ryan

Yes, today's tough economic times may slow us some, but because of our actions the last three years, because we pushed open the doors to city hall and encouraged the active involvement of community stakeholders, we are well positioned to weather these new economic challenges. And by sticking to our principles and a more active, progressive approach to local governance, we will continue to grow stronger and safer as a community.

Tonight I want to offer a snap shot of how far we have traveled in these last 3 years. I want to clearly show what we inherited, how we responded differently to old problems, and why, this new direction has put us on the right path for a prosperous, more vital city.

We came into a city hall carved into small fiefdoms, with little cooperation across departments, and no recurring meetings with department heads. From day one, we put an end to "go it alone" departments. We made it clear that, in order to better serve the constituents, we needed more cooperation throughout City Hall. We educated staff members on the principles of project team management, and for the last two and a half years, we've reserved two hours every Tuesday morning for interdepartmental activity. We chose to manage in a way that recognizes and values the innovation and experience of our entire workforce—and the results have been impressive. Our Restore NY Project Teams secured the biggest grants per capita in the entire state two years in a row. Our water billing project team devised and carried out thoughtful shut-off procedures without creating unnecessary hardship for families and tenants dealing with difficult economic times. Our capital improvement project team, under the leadership of Public Works Commissioner Luke Day, successfully managed more than 50 flood repair projects, recovered more than \$2.6 million from FEMA, assembled and submitted \$19 million in federal stimulus eligible projects, and recouped more than \$4 million in federal and state reimbursements for prior capital projects.

I could not be more proud of the way the staff first embraced this directive, and then exceeded my expectations. Their professionalism is reason for our success. This is what an effective City Hall looks like and it's exactly what a community deserves—hundreds of public employees working together to serve the constituents with competence and compassion.

Not only did we introduce a completely different and more productive management approach, but we also jumpstarted long overdue investments in our workplace technologies. We broke from years of neglect, and quickly went to work upgrading city hall technologies to 21st century standards.

[Mayor lifts the rotary phone found in the Mayor's Office on January 1, 2006]

This is an example of what we inherited January 2006: a 1970's phone system with no voicemail. The lack of 21st century technology was a big wake-up call, and since I had campaigned on the promise to improve transparency and accessibility, I knew I had my work cut out for me. Within months we had completely modernized our phone systems, and we never looked back. We continued to make smart,



Office of the Mayor

Matthew T. Ryan

wise investments to provide better service at a lower cost. We updated every workstation over the first two years. We connected all remote facilities—like the senior centers, fire stations and central garage—to the city network. We upgraded the case management software in the Law Department, the live scan finger print system in the police department, and the record-keeping software in the Clerk's Office. We streamlined internal purchasing with the use of barcode tracking. And to ensure our staff had the proper training to effectively use these new tools, we established a permanent IT training center on the second floor of City Hall.

Whenever possible, we also want to provide these workplace tools to City Council members to help them build stronger constituent relations. So next month we'll install the Code Enforcement software on the City Council computer, giving all Council members access to the database, so they can directly view and track code violations and better report updates to their constituents.

We also scrapped the old website, which was a few pages cobbled together, and within seven months of taking office unveiled a virtual city hall. For our local users, the website allows them to download almost any form and application, look up real property data, check dates for public meetings, review annual budgets, submit service requests, and even be notified of all bids and RFPs. And, the promise I made last year to add an online payment option for bills and fees has been fulfilled. Our dynamic website has not only improved service and convenience for our constituents, but also presented our City to outside visitors in a very positive light. I've met many people from other cities who say they have seen our website and been very impressed. I can smile proudly, knowing that we are creating favorable first impressions. Going forward, we will continue to enhance our website in order to meet and exceed the high expectations of the 21st century constituent, and attract outside families, investors and entrepreneurs.

Believe it or not, those were just our minor reform accomplishments. I'm proud to report that we are now in the implementation phase of two major enterprise software products that will radically improve how we conduct business and delivery services, and I think it's important to briefly touch on both.

For decades, all financial operations in the City have revolved around a patchwork of in-house programs that were custom written by our IT staff. Purchasing, payroll, accounts payable, billing, and budgeting—all of these functions involve a complex process that relies heavily on paper and pencil, requires redundant data entry, and is prone to human error. Worse, this patchwork of data systems and customized software makes real-time analysis impossible, and makes it difficult for our department heads to identify cost-savings and deploy resources efficiently. This developed not by fault of the IT staff, but from years of political leadership with no vision of the future and a penchant for inaction.



Office of the Mayor

Matthew T. Ryan

Well, we had a clear vision and the courage to act. So one month after taking office, we decided to roll up the sleeves, make the necessary investments, and get the job done. We outlined an ambitious four-year plan:

1. At my first State of the City, we pledged to consolidate all tax collection and enforcement to the County in seven months, not only reducing our costs, but also removing a whole range of financial functions from our finance and data departments in order to pursue more aggressive IT reform. That we accomplished.
2. Our second year, we pledged to conduct a complete IT survey and analysis of every data function and financial operation in City Hall, from the supply room in the basement, to the Civil Service Office on the fifth floor. That we accomplished. In fact, most of the minor reforms I already mentioned were a result of this year-long effort and based on the smart feedback from staff members.
3. Year 3 we analyzed our findings specific to financial operations. We identified deficiencies, gaps, opportunities and then researched and interviewed software vendors. Last fall, we selected M.U.N.I.S, an enterprise software that will revolutionize every one of our financial functions.
4. Our M.U.N.I.S. implementation project team has been meeting with the software's project manager since December. I've directed the team to make sure the software is implemented in a manner that advances my key management goals. The team recently announced a timeline to launch this new system on October 1, with payroll and other modules fully integrated and going live on January 1, 2010. I want to thank all the staff members who have recognized the value of this bold reform. I want to specifically thank Lori Clift and Tarik Abdelazim for providing the leadership and dedication in advancing not just this project but the entire list of successful IT reforms, many of which some of our status quo critics would have thought impossible.

Our second major software implementation this year is Cartegraph, a powerful new asset management software for public works and all its divisions.

When my Commissioner first toured the public works and its divisions in Spring of 2006, he met a workforce that took great pride in the important day-to-day work that keeps a city safe, sanitary and beautiful. But he also noticed some operational deficiencies. Well I am proud to say those days will soon be over.

Cartegraph will help us dramatically improve transparency, accountability and efficiency. The software will allow us to map out and identify more efficient sanitation and snow plow routes, measure the productivity of our different crews, coordinate different services across divisions to improve performance, identify which assets cost us the most to maintain, and track to the dollar our costs for specific services or grant reimbursements. But most importantly, Cartegraph will allow public works to develop the most cost-effective capital improvement plan, which requires balancing



Office of the Mayor

Matthew T. Ryan

preventative maintenance across all public assets—from roads, bridges, parks, municipal buildings, water/sewer infrastructure, street lights, parking ramps, vehicles, and a golf course.

Take it from the Commissioner of Public Works from Watertown, who was asked by our research team during a site visit in 2008 how the software had enhanced service delivery and financial planning. He had been using it for two years when he replied, “I can’t ever imagine how we did things before.” And that’s exactly the point—how things were done before was ineffective and costly, and we are finally making a clean break from this past once and for all.

From day one, we’ve had to tackle our inherited problems with perseverance and creativity. We’ve had to build accurate, reliable Information systems from a maze of papers, files and disjointed data sets. We’ve had to end patterns of neglect, make wise investments, and hold our staff accountable. We’ve had to ignore the politically expedient decisions and show the political will to push ahead with creative solutions—which is exactly what we did with the Regency Hotel.

The Regency’s long legacy of problems dated back more than 20 years. After the owners defaulted on payments, I decided, with unanimous support from City Council, that it was time to take control of the property.

We had two goals: to keep the hotel open for business, and eventually sell it to private investors. Tonight I am proud that both our goals have been met. We never closed the doors for a day, and the \$6.5 million sale will allow us to pay off all of the existing 108 loans owed to HUD—bringing this chapter to an end once and for all. A deep-hearted thanks goes out to all City Council members past and present who showed unanimous support during this difficult chapter in City history.

For anyone who says we should’ve taken a hands-off approach, I can only point to the community-wide benefits of being proactive. During the time the city owned the hotel, conventions headquartered at the Regency have brought \$7-10 million dollars into the Binghamton economy, according to the Greater Binghamton Convention and Visitors Bureau. We also saved the jobs of over 100 people who worked at the Regency. By being proactive, we took a hotel built by public funds for the benefit of a private owner and we turned it into a privately owned hotel for the benefit of the public.

These are the positive results of tackling challenges head-on, of talking honestly about the obstacles we face, and then engaging all stakeholders in devising the right solutions. We have taken the same approach with the twin problems of an aging housing stock and a dangerously low homeownership rate. When I came into City Hall, I knew that we would have to change strategies. I knew that it was a failure of imagination to demolish a few homes a year and call that a responsible approach to community development.



Office of the Mayor

Matthew T. Ryan

So I assigned a housing and code project team in my first few months, and the team reviewed the city code and proposed smart revisions, such as raising the fines on repeat offenders and using the lock-down law where applicable.

But it quickly became clear we needed a more comprehensive and proactive approach to turn around years of a declining house stock and a growing vacant-property challenge. So the team continued to research best practices, and in my second state of the City Address I announced our Blight Prevention Initiative, which included three key recommendations: pass a Vacant Property Registration Ordinance; commit new funds for a dedicated Vacant Property Officer, and implement organizational reform. I pledged to have them all implemented before the end of 2007. Again, we delivered. Last year, the first year the law was effective, we registered nearly 30% of all vacant properties and collected more than \$10,000 in fees and fines. Our goal is to register 50% by the end of 2009, and we pledge to continue working with those responsible owners who comply with the law, connecting them to resources and opportunities as they become available, and ultimately raising property values and building the tax base.

I'm proud of this initiative, which has also caught the attention of others. Last summer, the New York Conference of Mayors awarded our Blight Prevention Initiative first place for innovative management, the first time the City of Binghamton has ever been recognized in this category. Since receiving this honor, municipal leaders from across NYS and as far away as Virginia have called seeking advice as to how they can implement similar practices, and we're determined to revitalize our neighborhoods and make them safer and healthier, block by block.

Fortunately, we've also had a great partner at the state to advance our neighborhood safety efforts. As is probably familiar to most, the Restore NY program, announced by the State in 2006, has been one of the proudest accomplishments of my administration. Because of the teamwork we cultivated in City Hall and because of our commitment to participation and partnerships, we have successfully secured millions to demolish or rehab dozens of unsafe eyesores from all our neighborhoods, properties that for years have drained our local resources, depressed market values, and posed safety hazards to families and children. Since one of my goals tonight was to share with residents how my administration's unique approach and philosophy has led to positive outcomes and a safer community, I think it's important to touch on this program in a bit more detail.

In 2003, more than 350 city properties were delinquent with taxes when MBBA, the Municipal Bond Banking Agency, offered assistance. MBBA offered the city cash for the tax liens, and the idea was to set up a secondary Real Estate market to get these troubled properties back on the tax rolls by sale or auction. The City agreed to the deal, but when my administration took office, about 160 of the most blighted properties remained unsold with more than three years of new delinquent taxes. Due and owing. Residents at Neighborhood Assembly meetings consistently expressed frustration about these



Office of the Mayor

Matthew T. Ryan

blighted properties, and it became apparent that these MBBA properties would be a real detriment to our city without some creative thinking.

So when the Restore NY program was announced, we had the needs of our residents first in mind. We knew we had to seize this opportunity to address the MBBA problem. Fortunately, in the summer of 2006, we convinced the state agency to give us control of 13 MBBA properties to include in our Restore NY 1 application. The following year, our creative efforts convinced MBBA to hand back the remaining portfolio of 100+ properties to include in our Restore round 2 and 3 applications. Once again, we will either rehabilitate or demolish these unsafe eyesores.

This level of housing activity was way beyond our capacity. So, in keeping with our approach, we invited the appropriate community stakeholders to participate in the Binghamton Healthy Neighborhood collaboration. To develop and implement our Restore NY Round 2 grant award, we sought participation from housing advocates, realtors, developers, contractors, labor groups, workforce development agencies, youth agencies, and citizen groups. We took a simple demolition grant program from the State and turned it into a comprehensive community development initiative for the City.

So this summer, there will be unprecedented construction and demolition activity. Four different developers will start rehabbing 14 properties. More than 20 properties will be demolished. One property will serve as a training site for deconstruction, a more sustainable practice than demolition, and new affordable green homes will be constructed. We'll integrate youth training where possible, work closely with our union contractors, and prove that building green is a smart investment. And just as we did with the first Restore NY round, we'll again offer some of the vacant lots for \$1, either for green space, community gardening, or new home construction.

While an impressive 73 properties have been targeted for new investment over the first two rounds of Restore NY, it's the third round of Restore NY that has us most excited. We've since added to our collaboration representatives from BOCES, BCC and NYSERDA, the state's energy research and development agency. And we're again planning an ambitious Round 3 application, which is due May 4. But this time, we're doing it against the backdrop of President Obama's stimulus plan, which includes billions for energy efficiency, weatherization, and green collar job training programs.

See, the change that came to Washington in November was a change my administration anticipated years ago. I knew we would have to resist the tempting pull of nostalgia and instead anticipate and prepare for the economic opportunities of tomorrow. In 2007, I invested in a new position dedicated to Sustainable Development because I saw the inevitable shift from a brown-polluting economy to a green, prosperous economy. Many criticized the need for this position, but I knew it was only time before Washington dealt seriously with our energy crisis and climate change crisis. And I knew when they did, it would mean massive investments for communities ready and able to create millions of



Office of the Mayor

Matthew T. Ryan

good-paying green jobs in home weatherization work, renewable energy installation, and recycling and waste programs. I wanted Binghamton to be in a position to seize the opportunities when they came.

So over the last couple years, my administration has hosted workshops on sustainability and emerging green economy sectors that promise job creation. We've supported a Commission on Sustainable Development and Smart Growth. I've dispatched staff members to conferences on green jobs, like the one hosted last month in Washington by the Blue-Green Alliance, a powerful coalition of six-million members including unions and environmental groups that fully understand a good environmental policy is a good jobs policy. I made sure we were uprooting old paradigms of failed economic and community development and replacing them with a forward-looking sustainable developmental strategy that will bring long-term economic, social and environmental benefits.

So I was delighted to hear the President give the address I've been waiting years to hear. He articulated a national agenda that acknowledges energy and climate change as top priorities, and he has shown the willingness to back this bold agenda with substantial investments. We are ready, and the President made it clear last night that the opportunity is now.

So as Albany announces a third round of Restore NY funding and President Obama sends down new funding streams for energy efficiency and green collar job training, here we are. We are already at the table, with all our partners. We have Assemblywoman Donna Lupardo; Denny Mastro at NYSERDA; Terry Stark, Director of County Workforce Development; County legislator Jason Garner, who has shown tremendous leadership on issues of energy and sustainability; our friends in the trades unions; our educators at BCC and BOCES; and our developers, housing agencies and realtors.

So what does this all mean? Well, included in the President's stimulus bill, is \$3.2 billion for the Energy Efficiency and Conservation Block Grant, a tremendous breakthrough that, starting this summer, will result in annual allocations of hundreds of thousands of dollars directly to Binghamton. I thank our Congressman and Senators for advocating for and supporting this wise investment in our communities. Because of this new federal-local program, I'm excited to announce tonight that, with the help of our partners in the Binghamton Healthy Neighborhood Collaboration, we're going to push ahead with a bold initiative this summer that will create good-paying green jobs, lower utility bills for many of our most vulnerable homeowners, and reduce the City of Binghamton's carbon footprint. Instead of city residents handing over more of their hard-earned money for utility bills each winter, we are going to use this new funding stream to put people to work weatherizing our homes and reducing our contributions to the climate change crisis.

Assemblywoman Donna Lupardo will be hosting her second meeting in March on the emerging green economy in our region, and we will provide more details on this exciting project then and in the months to come.



Office of the Mayor

Matthew T. Ryan

Take any of the examples I discussed tonight and you'll see a consistent principle at work: that success comes from participation and partnerships. I promised residents that I would end the usual top down management style, in which decisions are made behind closed doors by a few to benefit the few. So we came into City Hall and threw the doors open. We wanted to encourage a bottom-up movement, recognizing the value in including diverse voices and stakeholders in the decision making process.

As you all know, we launched our civic engagement initiative, the Neighborhood Assemblies. Hundreds of residents answered our call to become more engaged, and over the last two years we've awarded \$20,000 of federal grant funds to Neighborhood Assembly projects across the city.

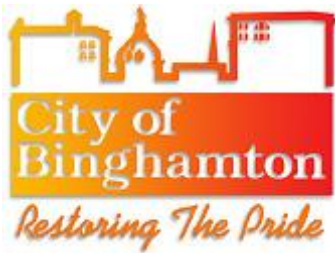
When many residents expressed a shared interest in community gardens, we provided assistance and resources to help transform dangerous, vacant lots into safe common spaces. This summer more than 3 resident-led gardens will be built with support from Binghamton University School of Management and a \$40,000 state grant.

Our Shade Tree Commission, which I reinstated in my second year after years of dormancy, won a \$20,000 urban forestry state grant last summer. This grant will help us far exceed the 10% annual increase in tree plantings I pledged in 2007, an outcome that not only helps reduce our carbon footprint, but also increases property values in our neighborhoods.

The Bike and Board Commission has raised awareness around the issues of alternative transportation and the popularity of these healthy recreational activities. They've made a convincing case of how important it is for a community to better accommodate our youths' recreational interests with safe, modern facilities, and my administration is committed to meet this need in the years ahead.

Another important recreational asset is our network of river trails, and the River Trail Commission has been instrumental in developing and improving the city's river trail experience. Tonight, I want to congratulate Mark Bowers, a recipient of a 2009 Restoring the Pride award for his vision of the Greater Binghamton Greenway, which will eventually connect all of our communities along our river corridors, and for recognizing that creative collaborations are the key to achieving our common goals.

And when we spoke honestly in 2007 about the City's financial challenges, we made sure to include residents in the discussion about appropriate solutions. The Partnership for Change I announced last year during my state of the City, a joint initiative with City Council, has involved the dedication of many. Their interim reports produced in August and their final reports expected over the next two months will help guide our decision making on personnel issues, sanitation issues, housing and homeownership issues, and Sustainable Development and Smart Growth issues. I applaud all those



Office of the Mayor

Matthew T. Ryan

who participated, and I look forward to hosting, with City Council, an open forum with Commission leaders to present and discuss their findings.

We have always valued community wide partnerships and citizen participation, but never before has it been so important to act together. Already struggling with a depleted general fund and unfunded state mandates, we were hit last year by staggering fuel prices and the reeling economy. When you consider that our major revenue sources other than property taxes are AIM payments and sales tax, the uncertain times we face at the national, state, and county levels, suggest another difficult year for the city taxpayer.

But let's be very clear to distinguish between the city's longstanding recurring financial challenges and the more recent pressures from the national recession:

\$219,000

This was the amount of unappropriated funds available in the general fund when I took office. Consider that in 2000, there was almost \$5 million. In essence, the Day of reckoning for Binghamton had already arrived before my first day in City Hall.

[Mayor references line graph of City's General Fund Balance from 1999 – 2007. Graph indicates steep, steady decline.]

This was the trend when I took office, and I want to make sure all parties understand the historical factors that produced this decline. Our tax base has remained flat over the last ten years, and our costs have outpaced our revenues. The big hit came between 2002 and 2004, when the city's payment to the NYS pension system jumped from \$300,000 in 2002 to \$4 million in 2004. This single annual payment, still at \$4 million, has wreaked havoc on our city's finances. The prior administration turned to the general fund reserves to pay for this unexpected expense, using an average of \$3.37 million a year from the city's reserve fund between 2000 and 2005. But that's obviously not a sustainable strategy, and you can see how quickly the fund balance declined, leaving me with a balance of \$219,000 in unappropriated funds.

I remember hearing Mayor Bucci's final budget address to the city and there appeared to be some hope that these pension costs could be spread over 2 years instead of only one. Eventually this idea was shot down by the State Comptroller's Office. So as I went to my first NYCOM conference in 2006 it was clear that these high pension cost burdens were hurting all cities in a big way. In 2006, we as mayors lobbied hard for extra AIM and, fortunately, the NYS assembly responded. This resulted in a \$1.6 million dollar increase, which allowed us to keep our tax increase in our first budget to a very low 2.6%.



Office of the Mayor

Matthew T. Ryan

We were led to believe that these increases in AIM would be steady over the next few years as we made a commitment to participate in a state wide accounting and analysis of the projected cost of our benefit packages for all our workers. While we did get some additional increases in AIM in 2007 and 2008, they did not keep pace with those of 2006. We've had comparatively little to no fund balance, ever increasing personnel costs, and fuel prices spiked last year. To cover our budget gap, we had to pass on some very unpleasant burdens to city taxpayers this year.

It is absolutely crucial for taxpayers and our city unions to recognize these challenges. I strongly believe that taxpayers deserve to know where every dollar is being spent, and I've done my best to be transparent and honest about these matters. Last year we introduced new budget workshops, broadcast live on Time Warner Cable, to explain major aspects of municipal finance. We've made sure to put our annual budgets and audits on the website for public review. For the first time in negotiations with city unions, we opened up our books and allowed union members to access and review any and all financial documents.

But we need to do even more to engage our residents in these difficult budget decisions. So I'm proud to announce that this April, we will unveil an online, interactive budget that will allow anyone to examine and adjust our projected 2010 budget. This will provide those who really want to understand how the budget works, a much clearer picture of the challenges we face as a city. Residents will learn more about workforce needs, what functions each department performs, and the anticipated impacts of potential spending cuts. It will also make clear that if we want to avoid a double-digit tax rate for 2010, we will need to talk honestly and intelligibly about short-term strategies that will hold us over until the progress we've been seeing in our local economy fully takes hold.

This is a very safe community. We have a police department that does an exceptional job in protecting the community, and our comprehensive strategies over the last few years have eliminated dangerous blight, attracted record levels of private investment, and set the stage for sustained growth in each and every neighborhood. Despite these positive gains, we have yet to escape a financial crisis that traces back many years. And I'm not going to continue the trend of the last 20 years, in which all departments but police and fire were hacked to the bone because that was politically expedient. To do that again would seriously compromise our ability to upgrade our infrastructure and maintain safe neighborhoods. In fact, I won't ask any department to give up its critical capacity to deliver services. But we do need to look smartly at police and fire, which together cost just as much as all the revenue we raise through property taxes.

Fortunately, research by the Commission on Personnel Costs gives us a platform to have a sensible discussion. The Commission reported that, out of ten comparable upstate NY cities, the Binghamton taxpayers fund the largest police and fire departments. In fact, the report states that we could cut ten police officers and still rank number 2 out of 10 communities in how much we spend, per capita, on



Office of the Mayor

Matthew T. Ryan

the police department. These are fair comparisons, of cities our size, dealing with the same upstate challenges.

But the question is not whether a department is too big or too small. The question is DOES IT WORK. And because of decisions by police administration and my office, the Binghamton police force now has better and smarter crime prevention tools than ever before. Last year we consolidated GIS services to the County, and the GIS Division has been providing us crime mapping tools on a weekly and monthly basis. In fact, with the help of these crime maps, Chief Zikuski saw the advantage of realigning resources to better meet needs, resulting in improved police protection throughout the city. By wisely using our Operation Impact grant from the state, we've deployed 14 security cameras to better monitor hot spots. Police administration has identified clerical work currently done by uniformed officers that can be shifted to civilian employees. And without a doubt, we have one of the most professional police forces in upstate. We can make adjustments with our police department that will produce real savings, and still have confidence that our development strategies and capital investments will continue to improve neighborhood safety.

So here is what I've done thus far. Last December, based on the interim report from the Commission on Personnel Costs, I asked both the fire and police administration to cut their budgets by 10% from their 2009 levels. I fully acknowledge this is a challenge, and I've made sure my office provides the support necessary to meet this directive. I have been very impressed with the cooperation shown by Fire Chief Dan Thomas, his administrative staff, and the fire union leadership—all parties really get our sobering budget crisis.

I have been similarly thankful for the cooperation from Police Chief Joe Zikuski. But I can only hope going forward that the police union eventually accepts my invitation to join us at the table. As executive, it's my responsibility to see the whole picture and chart a course of action. What I need from management and the staff from both police and fire is the expertise to determine how best to meet this target. With City Council's input and support, I'm confident we can reach a solution to the 2010 budget that does not burden property owners again with another double-digit tax increase.

Our city workforce is smaller than when I took office, with 6 people fewer at a savings of approximately \$450,000. I'm quite sure the 2010 budget will likely reflect an even smaller workforce. While I cannot promise that all cuts will be through attrition, that's my goal. As part of my financial strategy to carry us through this short-term crisis, I will also be asking all other departments to, at the very least, hold the line on spending for their 2010 budgets. We can weather this challenge, and we'll do it the same way we've posted our accomplishments—by working together, in service to the common good.

I also hope that these "difficult times" persuade our state and federal governments to initiate the kind of reforms that will truly help all taxpayers and not just special interests. At the state, we need



Office of the Mayor

Matthew T. Ryan

pension reform. We also need a more progressive income tax system at both the state and federal levels that asks everyone to pay their fair share. I applaud Citizen Action of New York for all their efforts in trying to impact this year's state budget and their fight for the millionaire tax and other common sense reforms. The reforms we've made locally have put us on the right path, and we will continue to build safer neighborhoods as we identify every opportunity to minimize the local tax burden.

There is no doubt that we face difficult times and hard choices. But we're on the right path, and if we've seen anything in the last three years, it's that emerging stronger requires that we emerge together. There are many reasons to be hopeful.

For instance, did you know just last month, Economy.com reported that Binghamton is one of only 13 out of 381 metropolitan areas experiencing real growth? Did you know that we have the fastest growing property values in the nation, as reported recently by MSNBC? Economists also report that the strongest sectors of the nation's economy include health care, education and government—the three sectors that anchor our regional economy. Taken together, Binghamton looks attractive – a place where small businesses can securely invest and grow—and it's happening all across our city.

Four major projects are moving forward in the First Ward, a level of activity unseen for decades. The Boys and Girls Club, the new mental health facility, the Charles Street Business Park with Emerson Power, and the Marlboro Building renovations show that developers and businesses are investing millions of dollars along a corridor that is starting to reach its potential for growth and vitality. I'm proud that we have catalyzed these investments through smart partnerships. The \$1 million we requested and received from the State's city by city program helped build-out the Charles Street Business Park in support of Emerson Network Power's relocation and expansion. Working in partnership with the IDA and Broome County, the city now has a prime location to recruit new, clean, and green industry consistent with the region's reputation for innovation. And we've partnered with First Ward Action Council to secure Restore NY funds to rehabilitate unsafe eyesores along the Front Street Gateway, continuing the beautiful Dwightsville Project that adds character and charm to an important corridor into the City. And we're always proud of working closely with Councilmember Bob Weslar to bring positive change to the First Ward neighborhood.

On the Southside, we've see a signature business expansion at McIntosh, and new businesses developing and opening, such as Walgreens, Emil's jewelry store, Old World Market, and the River Muse Cafe—all of which have received strong support from Council members Sean Massey and Charlie Kramer. Next week we will choose the design consultants for the long awaited Southside Commons project. Housing starts, such as the Susquehanna Estates off of Gates Road, is also in the final planning stages and will provide an area for new home construction in the heart of Southside East. Both of these projects have received support from our great Assemblywoman Donna Lupardo, and we thank her for advancing our vision of more vital, safe neighborhoods.



Office of the Mayor

Matthew T. Ryan

On the East Side, we have seen the successful completion of the \$3.6 million East Hills Senior Housing Project, which was completely filled before construction was even done. The developments at the Greater Binghamton Health Center, which include the expansion of the Upstate Medical Campus and the eventual location of the new Broome County nursing home facility, will mean tens of millions of dollars invested in this area. I want to thank Assemblywoman Lupardo and County Executive Fiala for helping to build on the strengths of our regional economy—education and health care. And because of the reliable advocacy and support from Council member Ed Collins, we've also seen new businesses opening along the Upper Court Street corridor in both retail and manufacturing sectors. One example is FE Webb, which completed a major construction project to open their plumbing supply business on Griswold Street.

On the West Side, Lourdes Hospital is set to begin its \$60 million dollar expansion, creating state of the art facilities that will attract highly talented medical professional and serve the needs of local patients more comfortably and efficiently. We continue to work with residents and Council members Marty Gerchman and Teri Renna to make sure one of this neighborhood's greatest assets—its historic housing stock—is preserved and protected for years to come. The West Side is also where we expect to see the federal stimulus dollars invested this summer, with a million dollar makeover of Main Street, from Court Street Bridge to the Johnson City arch.

On the North Side, we've seen a massive increase of housing and construction activity through the Restore NY grants. We've been working closely with Councilwoman Lea Webb to finally locate a grocery store in this neighborhood. And although we don't have an official announcement about a grocery store tonight, the both of us can state that we have newfound support from State Senate Majority Leader Malcolm Smith, the Governor's Office, Broome County, and BLDC to make this important project a reality in the very near future. And make no mistake—the future of the North Side is very bright. Phase 0 of the I-86 corridor project is scheduled to begin this summer, and this massive investment will more clearly put into focus how important the Chenango River waterfront properties are for the health, vitality and future of the north side.

In our center city, the typical signs of re-emerging urban cores—such as mixed use development, boutique stores, and the arts—have picked up great momentum in the last two years. Upper story residential development on a variety of scales is either recently completed or underway. Last year alone we saw the opening of many new businesses in our downtown. We have a new independent bookstore, a bakery, a bag shop, a dress shop, and many new restaurants, including the brand new sushi restaurant and the trendy Tranquil Bar and Bistro. More than **\$150 million** in public and private investments is slated for the next two years. We have over 300 new or retained office workers and many more committed to coming to our city. The Greater Binghamton Innovation Center, a public-private partnership, opened at 123 Court Street, and WH Lane relocated their corporate headquarters a few doors away. Add in free WiFi and you can see why so many are choosing to invest and grow in



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downtown Binghamton. My administration and Councilwoman Webb look forward to working with Binghamton Downtown Incorporated, our National Trust for Historic Preservation affiliated organization to further develop and promote the unique qualities of our commercial core. And we applaud the continued contributions of the Gorgeous Washington Street Association to our ongoing downtown renaissance. This group certainly deserves this year's Restoring the Pride award for Business Organizations and just this past First Friday they celebrated 60 straight events in a row. For all this and more we should be proud.

This progress is real, our local economy is buzzing, and it doesn't take a national survey to tell us that Binghamton is moving in the right direction. In 2008 the City's Building and Construction office issued permits for new construction valued at more than \$33,540,000, a 39% increase over 2007 and a 69% increase over 2006. In 2008 our building permit fees were over \$100,000.00 for the first time ever. Obviously private sector investors recognize the value of growing their businesses and building their homes in the City of Binghamton.

The Binghamton Local Development Corporation continues to see an increase in loan applications as well. Last year the BLDC participated in four projects with the private sector and its \$290,000 investment leveraged an additional \$800,000 in private funds for a total of almost \$1.1 million.

At our premier educational institution, Binghamton University is incubating important discoveries in the fields of nanomaterials, biofilms, data mining, sensors, and photovoltaics. Last fall Congressman Hinchey and Senator Schumer visited the campus to announce a \$4,000,000 investment in the BU Center for Autonomous Solar Power that will contribute to energy independence and new, green jobs in our area—and according to a report in today's newspaper, more federal research dollars are on the way. By recognizing this cutting-edge research, and by working with Southern Tier Opportunity Coalition (STOC) and the Greater Binghamton Coalition, we will continue to cultivate this gold-mine of potential prosperity right in our back yard.

The State of the City is healthy and getting healthier because we continue to embrace smart innovative management, promote sustainable development, and engage our citizens and partners in everything we do. This is what will keep Binghamton on the right track of progress and positive change.

I learned from my very wise karate teacher, Hidy Ochiai that we must all strive to look at things with fresh eyes each and every day of our lives. Embracing and believing in what is possible has always been the stuff that moves mountains. Let us all work in this spirit and we will continue to move this great city forward.