



2019 Ulster County Executive Michael P. Hein Budget Address

Good morning. Welcome everyone to the future home of Ulster County's Family Court. We are here today to discuss the 2019 Ulster County Executive Budget. We are also here to highlight this exciting new project, one that exemplifies much of what my administration is about. Today we are providing a sneak peek, behind the scenes, of this state of the art facility designed specifically to better serve all Ulster County residents: rich or poor, old or young, with dignity and respect.

Since life-altering decisions will take place here, I am proud we fought successfully to build it right next door to our talented team of children and family specialists at DSS because we knew that by improving access to professional help, we can fundamentally improve the life of a child. As proud as I am to have envisioned this important project, I am even more proud of the amazing people of Ulster County who showed such faith as they overwhelmingly supported the ballot proposition required to make this possible. And I am just as proud of the Ulster County Legislators who believed in this project from the start.

While this location will inevitably allow for much better service, I would also like to take a moment and highlight a major financial benefit. Instead of building the traditional \$20 million plus courthouse that almost every other county would have built when faced with a similar situation, my administration instead proposed something very different: a creative but complex strategy that could actually save our taxpayers millions. To accomplish this, Ulster County first had to complete a series of inter-connected projects, on time and in sequence.

First, we needed to retrofit a closed elementary school into a community college satellite campus and move all our existing programs there, then we needed to relocate multiple county departments to free up much needed space, and last, we needed to retrofit this strategically located County-owned space into a state of the art Family Court facility. If we could do all that then we could avoid the need to build and pay for an expensive new courthouse in the first place. I am thrilled to say we did all that and saved Ulster County taxpayers from spending over \$10 million dollars!

So, in addition to enormous cost avoidance, this union-built, government-managed project that a State court official recently called “the gold standard by which other Family Courts will be measured” will soon open six weeks ahead of schedule and a stunning \$500,000 thousand under budget.

Now ladies and gentlemen, let us turn our attention to the very exciting and impactful 2019 Ulster County Executive Budget, a critical list of priorities and initiatives designed specifically to move our County forward towards an even brighter future. With every budget, and I am proud to say we have created a number of them, our budgets have literally turned Ulster County government around, away from financial ruin and into one of the most financially sound municipalities in the entire Hudson Valley. With every budget I think of the poignant words former President Barack Obama said about government budgets, “A budget is more than just a series of numbers on a page, it is an embodiment of our values.” I could not agree more, so each year I, along with my dedicated team, strive to build a budget that truly embraces our collective humanity.

Since I personally believe that a society’s greatness is ultimately measured not by its wealth, but instead by how it treats its most vulnerable citizens, I was thrilled earlier this week to announce an extraordinary \$4 million grant through the Community Foundation of the Hudson Valley from Novo in support my “Brighter Futures Initiative.” This grant will help more children and families rise above the national nightmare of generational poverty. At a time when far too many Americans are feeling marginalized, our budget specifically funds important efforts to improve equality and address social justice.

In addition, the 2019 Budget provides critical funding for other serious issues like public health and public safety initiatives, and economic development too. With our Building a Better Ulster County initiative, we are once again funding unprecedented infrastructure work, making our roads, bridges and now our trails even better and safer than ever before. It does all this while expanding critical funding for senior citizens, our Veterans, public transportation, and it includes a major increase to our already strong commitment to the arts. Lastly, this budget helps protect Ulster County’s pristine environment in an era when far too many in the Federal government have simply lost their way.

As we face these profound challenges together, we embrace creative solutions, because we know our hardworking taxpayers have budget pressures of their own and have every right to demand results and the strongest level of financial responsibility anywhere. As the County Executive, I am proud to run a different kind of government, one that embraces creative solutions, protects taxpayers, and still understands the importance of governing with our hearts. Every step of the way, we have done it with integrity and respect, and with a strong commitment to helping our partners in local government too. So, while we have been lowering Ulster County property taxes, we have also been providing over \$30 million in relief to our amazing towns and the great City of

Kingston to help their budgets. With the growth in our economy that we have worked so hard to achieve, our towns and the City of Kingston are now scheduled to receive over \$600,000 thousand more in sales tax revenue next year alone!

Ladies and gentlemen, I am extremely excited to do away with any suspense and announce that in addition to designing one of the most socially responsible county budgets our State has ever seen, we are also accomplishing what most governments historically think of as impossible: we are cutting County property taxes once again for the great people of Ulster County, for the seventh year in a row!

The 2019 Ulster County budget has total appropriations of \$329 million and total revenues of \$244 million, creating a net County cost of \$85 million. After a fund balance appropriation of \$8.7 million, a number that is almost \$4 million less than last year, the tax levy or the amount we collect through property taxes, has now been reduced to the lowest level since all the way back in 2009, an entire decade ago! In the process, we continue to earn strong recognition from the NYS Comptroller as well as multiple independent bond rating agencies for the responsible way we manage taxpayer money.

As a result, the financial stability we have created has made it possible for us to invest in new programs that greatly benefit all the people of Ulster County. If you want to see a clear difference between the unique way we operate versus the traditional way county governments have been run for years, I ask that you take a brief look at this one slide. In the 10 years prior to my administration, Ulster County government raised your property taxes a staggering \$43 million! In stark contrast, in the 10 years since my administration, not only have we not raised your taxes, we have actually lowered County property taxes for everyone. It is worth noting that we were able to accomplish all this through the largest economic crisis our nation had seen since all the way back in the Great Depression.

As we make major progress at the county level, with a highly progressive budget and an unheard of seven years of lower county property taxes, we all face a very different kind of risk. That is the risk of becoming complacent. The mistaken belief that all of this is easy and a \$329 million county budget that lowers property taxes magically just falls into place. We can easily forget the fact that before we came into office Ulster County property taxes skyrocketed 141% in just 10 years.

It is important to note that our current challenges still remain as dangerous as ever: (1) our largest revenue -sales tax- is also our most volatile; (2) as a neighboring county, the massive casino revenue we were supposed to receive has not materialized; and (3) there is constant concern about potential Federal budget cuts. In addition to the fact that this County budget requires millions to fulfill negotiated labor contracts, with an eye toward future contracts, that will undoubtedly have significant costs of their own. On top of that, as a direct result of important changes in New York

State law, there is now a need for major staffing increases in areas like the Public Defender, the County Attorney's Office, Probation and DSS.

These and many others, including mandates, combine to apply significant upward pressure on our County budget. So, I could not be prouder of my entire team for their willingness to embrace innovation and constant change to protect our hardworking taxpayers. I want to personally thank our great County workforce, as well as my dedicated colleagues in the County Legislature, because as we all know that if delivering more services while lowering County property taxes were easy, then every other county government in America would do it, every single year!

The fact is, with all the budgetary pressures we face, it makes this next announcement even more exciting. In the wild world of healthcare costs, governments fear their insurance bill because they typically see huge premium increases every single year. As a reformer, I refuse to accept these problems as inevitable. Previously we designed a unique, multi-year solution - a hybrid, self-insurance model -to slow down the speed of these increases. But I knew we could do even more.

Even though this doesn't sound very exciting at all, I am thrilled to say that this year, by partnering with the New York State Association of Counties, we are now creating a new stop loss consortium to further control our costs. Because what is exciting is the fact that, combined with detailed prescription management and additional insurance options to better serve our employees, we have now accomplished what is often viewed as impossible. Instead of accepting those massive insurance increases as inevitable, we did something about it and now we have actually lowered healthcare costs for the exact same coverage. I want to be clear: we have lowered health insurance costs for over 1,300 hardworking County employees and their families while still lowering property taxes for all Ulster County taxpayers.

Though these kinds of results are unheard of, we must always keep in mind that even with these actions at the local level, we are not solving the fundamental underlying problems facing the deeply troubled healthcare system. As we address these and other complex financial challenges, it is important that we also never lose sight of precisely why we are saving the money in the first place.

We do it, so we can fund critical efforts that tackle major issues in the lives of real people. Some of those issues are daunting, issues like the national opioid crisis, because in my heart I know we must do everything possible to spare mothers, fathers, friends and families from the horrific pain-of too many overdoses and far too many funerals. That is why, in addition to aggressive treatment and prevention efforts, and critical programming like our Family Advocate and a dedicated phone app that provides instant access to important resources, I am pleased to fund a series of new initiatives to positively impact this crisis. They include an intense effort to identify any gaps in treatment and discharge at the Ulster County Jail with the ultimate goals of: (1) better integrating

behavioral health services; (2) preventing overdoses upon release; and (3) ultimately reducing recidivism.

In addition, I am honored to announce a valuable new partnership in our fight against heroin, a promising pilot with CEO Steve Kelley and the Ellenville Regional Hospital. This pilot program will urge first responders to transport any overdose patient in the local service area directly to that hospital, where they will be medically stabilized; provided Suboxone therapy; and linked to a professional counselor to encourage immediate treatment. All while arranging for critical follow-up care and hopefully creating a successful pathway to a life free of heroin.

I would be remiss if I did not take a moment and recognize the courageous and determined team at Ellenville Hospital. On the front lines of this opioid crisis, they were recently subjected to a terrifying moment when an angry and desperate individual took out a gun and shot the drug dispensary unit in the middle the Emergency Room just to gain access to opioids. Yet they continue to bravely press forward every day, helping people escape the nightmare of heroin abuse. Ladies and gentlemen, please join me in thanking and recognizing Steve Kelley and his entire team at Ellenville Regional Hospital for their courage and commitment to making things better for everyone.

In support of our Countywide efforts to fight back against this crisis, I am thrilled to say we have added another important tool, we successfully worked to create a valuable New York State law that will help. My idea was simple, to reduce the amount of prescription drugs on our street that far too often end up in our children, why don't we make it easier for everyone to return unused prescription medication to one of the countless chain pharmacies you find on almost every corner? To be honest, I could not believe this wasn't already a law. But unfortunately, it wasn't. For two years we fought some of the highest paid lobbyists in Albany and the multi-billion-dollar pharmacy industry too.

I am proud to say, in the end, we won. We got an important new law passed that requires all large chain pharmacies to allow everyone to return any unused medication for disposal. This law takes effect in January, so I have budgeted for an aggressive public awareness campaign to better empower all of us. As a result, we are now more prepared as a community to fight the scourge of heroin abuse together.

Unfortunately, that is far from the only challenge all counties face that on the surface can seem frightening and overwhelming. That is why we continue to fight for real change in other areas too, with exciting and promising programs like our multi-phase Brighter Futures Initiative: a series of critical projects designed to positively impact families suffering through the long standing national tragedy of generational poverty.

You may remember at last year's budget speech I stood before you in what was, at the time, a rundown Ulster County storage facility. I was there to announce an idea. I had to do something very different. The plan was to create a first of its kind project in upstate New York called the Restorative Justice and Community Empowerment Center, a place that would help both at-risk and justice-involved youth to avoid what is often referred to as the school-to-prison pipeline. In addition, it would provide innovative programs to help families and other members of our community with proven solutions designed specifically to break the cycle of generational poverty.

Fast forward just one year and I am thrilled to say that with the amazing community members on my Restorative Justice Taskforce, my dedicated staff, the hardworking members of organized labor including our very own DPW, and with the full support of our Legislature, I am pleased to report that this dream will soon become a reality. When it is completed later this year, I firmly believe that the Restorative Justice & Community Empowerment Center will literally save people's lives.

I know we are talking about extremely complex problems requiring complex solutions that do not fit easily on a bumper sticker. The answers will force us to confront hard truths about how we got here and discuss uncomfortable topics like racial inequality, social justice and the long-term impacts of generational poverty. But as a leader, I know that ignoring these issues will not make them go away. The sad truth is, right now in America, if you are born into poverty through no fault of your own, then you are virtually guaranteed to die in poverty too, almost 85% of the time. That is wrong, so we have a responsibility as a nation to do something about it.

I know that it is possible because we are a nation built on lofty ideals. Historically we are at our very best when we aspire to our highest ideals and boldly address major social issues with courage and compassion, and never by meekly looking the other way. I am proud to say that because my administration has a track record of tackling important issues, we were able to secure a remarkable \$4 million in supportive funding (that we announced three days ago) to help make our exciting Brighter Futures Initiative an even bigger success!

As a result, we will be expanding college readiness programs, tutoring, mentorship and greater access to no-cost higher education, all while removing longstanding impediments like child care, transportation and books. For those who want greater career opportunities immediately, we will be offering enhanced job training and certificate programs to assist at-risk youth and their parents move toward higher paying jobs, as we work to break the cycle of generational poverty together.

To accomplish this, we will be working with local partners like school districts, BOCES, SUNY Ulster, the Community Foundation, and NOVO, with the full understanding that these issues are occurring in both urban and rural settings. Though I am fully aware this is not a panacea, it is an unprecedented opportunity to make transformational change. Since that is precisely what happens

at SUNY Ulster each and every day, I am also glad this budget supports SUNY Ulster with almost \$6.5 million for 2019 alone, one of the largest county contributions anywhere in the State.

We also need to remember that for a society to succeed it must be convenient for everyone to get around. Whether it is going to work, going to school, doctor appointments or shopping, mobility can make a huge difference in someone's ability to succeed. For this reason, Mayor Noble and I have been working diligently to design a common sense and historic transition to a single, high quality, public transportation system to better serve our residents. We have now set a target date of July 1st of next year to get this done, knowing full well that the County Legislature and Common Council will ultimately determine if that time frame is attainable.

In preparation, I budgeted for some exciting new features. In addition to more fuel-efficient buses with free wifi and an easy to use mobile app for scheduling and real time tracking, this budget recognizes the adjustment period that will inevitably accompany any major change, like a UCAT/Citibus expansion, and includes absolutely free bus service for everyone who rides within the City of Kingston throughout the entire bus transition period. To provide greater access to higher education by eliminating potential impediments, I have budgeted for absolutely free bus service for all SUNY Ulster students anywhere in our County. Lastly, though we will never be able to repay the debt we owe them, in recognition of their service to our nation, I have proposed free bus service for all active military personnel as well as for all Veterans, regardless of where they travel in our County. Because if you have fought to protect our freedoms, you have earned the right to all the help we can possibly provide.

Since a great public transportation system is made up of multiple parts, like highly effective buses coupled with modern roads, bridges and rail trails too. There will always be a need for proper maintenance and construction. While I fully appreciate that when some see a flag person on the road they may be concerned about potential delays and inconvenience, for me it is different. I actually think it is beautiful. I know that with every project we complete, Ulster County moves one step closer to reaching our extraordinary potential.

Together we become more prepared to meet the growing demands of our residents, our economy, as well as whatever Mother Nature throws our way. Since nobody ever said it would be easy, we have had to overcome decades of under-investment and all the other problems associated with aging infrastructure that plague virtually every government in America.

But we fought hard to save millions, so we could do something about it, and make an unprecedented \$70 million multi-year investment including reimagining over \$20 million worth of County bridges. This has made an extraordinary difference including this year alone with over 157 miles of road improvements in an initiative we call Building a Better Ulster County. As a direct result, I am proud to say that we now have the best County roads and bridges Ulster County has ever seen!

As no infrastructure discussion would be complete anymore without including our growing network of rail trails, I am pleased to announce a preliminary agreement with NYC DEP that will provide Ulster County an additional \$1.88 million to further improve the parking lots and amenities at the upcoming Ashokan rail trail project. With this budget, in addition to the \$25 million worth of investments we are making in our roads, bridges and trails, in an effort to help support the incredible organizations who care for our emerging network of trails, for the first time ever I have included \$150,000 in matching funds to better ensure responsible, long-term rail trail maintenance.

Like we are rethinking trail maintenance, I am proposing a major change in the way we fund the arts. We are blessed here in Ulster County to live in a community that has long embraced the arts, and we have benefited greatly. As a direct result we have become a magnet for artists, and Ulster County has been named one of the top five places for artists to live and work in America. In return, our artists have dramatically enhanced our quality of life and fundamentally strengthened our growing economy. Unfortunately, arts funding has perpetually been at risk, both at the Federal level as the National Endowment for the Arts is habitually used as a political football, and for a very different reason here at the local level where arts funding is discussed only at the very end of the entire budget process.

As someone who knows full well the incredible value of the arts, I believe this has to change. We have to acknowledge the enormous economic engine the creative economy is in helping drive Ulster County's overall economic development. The fact is, it plays a critical role in growing multiple sectors, not the least of which is our \$587 million tourism sector, which is now up nearly 40%, or more than \$167 million since we took office.

What I am proposing today is a significant change to the County budget that will show our arts community the respect and appreciation they so justly deserve and formalize it with funding. In this budget, I have created a new division within our Office of Economic Development called the Creative Economy Development Fund. I am proposing a 100% increase in arts funding in Ulster County, including more funding for Arts Mid-Hudson, more funding for our playhouses, more funding for film and a special allocation to the fast evolving Midtown Arts District, plus much, much more!

This is just a small part of the amazing efforts our economic development and tourism teams do every single day. That is why we have increased funding for both, because they simply deliver results. With an amazing film industry that continues to explode, and more green tech and tech entrepreneurs and other local businesses that are helping to drive down our unemployment rate to the lowest level in almost 20 years, and by securing over \$40 million for our County, our economic development team has one of the best success rates in our entire State. They help local business grow and to help local communities succeed.

To further support that local success, I have created a valuable new tool, a matching County program to help our local municipalities, including our Villages, leverage greater assistance in expanding parking, wayfinding signs, master plans and other critical elements that help support smart and sustainable growth.

As we focus on the exciting things that are happening across our entire County, it is essential that we also never lose perspective. We are all part of a much bigger picture, both nationally and globally, and unfortunately there is great fear and frustration at the Federal level today. The national debate has turned sharply divisive, filled with anger, disrespect and distrust. However, I know in my heart that hope, progress and compassion for our fellow human beings can all still be found in abundance right here in Ulster County.

If we remain willing to work together towards an even brighter future, then we can and will build upon the incredible foundation that we have already created and deliver something very special, right in our own back yard. A government that respects its taxpayers by reducing their burden while never sacrificing critical services for those in need, and by choosing efficiency over waste, we are able to fund valuable programs for our Veterans, our seniors, our children and our families. We can do it all, while modernizing our infrastructure and supporting intelligent economic growth too. Every step of the way, embracing our role as a leader in environmental protection because we know it is our children's futures that are at stake.

I look forward to working with our Legislators to finalize the tax reductions we have now created, as well as the funding for critical and compassionate programs included in this groundbreaking budget. As I said last year, I believe that every parent shares the same dreams for their children, whether they are rich or poor, black or white, Christian or Muslim, we all want our children to be happy, safe, healthy and have more opportunities than we ever dreamed of.

Hope and love for our children actually transcend our differences, and in turn can truly unite us. I ask that you join me and let us stand as one in our efforts to make this bold vision for Ulster County's future a reality, not just for a select few but for everyone, as we build a beacon of hope towards what is possible, and an even brighter future for us all. Thank you. And God bless.