

Remarks from William M. Mooney, Jr.
President, The Westchester County Association
County Budget Hearing- 12/10/09

Good evening. I'm Bill Mooney, President of the Westchester County Association, a business membership and advocacy organization. As most of you know, the members of our Association have been making recommendations for the last 2-3 years about reducing the burden placed on the taxpayers in our community. As evidenced by recent stories in the media, we are continuing to see a departure of companies from our County, citing the high cost of property taxes as a major driver.

The proposed 2010 County Budget includes a tax levy increase of close to 5%. From our perspective, anything more than 0% is unacceptable. Every business and household in this nation has adjusted their expenditures in response to lower revenues and government needs to do the same.

My comments reflect input we have received from members of the Westchester Chapter of the New York State Society of CPAs who volunteered their time over the last two weeks to provide input on the underlying assumptions and process that are part of the County budget. I would like to publicly thank them for volunteering their time and professional expertise.

I am not here to offer up specific line item reductions that should be made to the proposed budget. While I am more than happy to do so, we feel the more important issue is for the legislative body to undertake the fiscal oversight mission that the voters charged them with and come up with a budget that responds to the needs of the taxpayers. We want to re-iterate our call for a more transparent and timely process for review of the budget. To basically allow the public a 2 week window to review 700 pages of numbers is unrealistic, especially when this timeframe is routinely over the Thanksgiving period.

When a question is raised by the public, insufficient time exists during the budget evaluation process to properly study and respond to these questions. In fact, many of these areas should be the focus of inquiry during the year, rather than just at budget time. In addition, we believe that the county should follow the best practices of the private sector when it comes to the budget process-such as zero based budgeting, multi-year forecasting and a much greater internal control function.

We believe there should be a fiscal oversight function that has responsibility to report directly to the legislators. This should not be an incremental portion but a reallocation of resources in the legislative staffing.

The one area that continues to be left out of the discussion is the cost of compensation for public sector union employees. What most people fail to recognize is that public sector employees now earn on average more than private sector employees in almost every county in New York State outside of New York City. Add in benefits and pension costs and it is not even close. Just to give you an order of magnitude- Statewide, pension contributions by every level of government have increased tenfold in past decade: from \$991 million in 2000 to \$10.1 billion in 2009. Recently, the NYS Comptroller Tom DiNapoli predicted that local governments outside NYC will be forced to triple their contributions to public pensions over next six years to make up for declines in the stock market. Wouldn't it be nice if our employers made up the hole in our 401 (k) investments?

And why do taxpayers in our State consistently pay these outrageous public sector compensation costs? Unlike private sector unions, public sector unions have influence on both sides of the bargaining table: Campaign contributions and voter drives are held to elect politicians who then control the negotiations over their pay, benefits and work rules. Within our County, the CSEA contract as currently written bears no apparent correlation to current economic conditions. Employee contributions to their health plan are currently zero. An increase to only 10%, which is far more generous than most private sector employees have, would result in significant taxpayer savings. Given that a 1% tax increase equates to approximately \$5.5 million of spending, this has a hypothetical potential of generating approximately \$7 million of savings in the first 12 months of implementation.

While we applaud yesterday's announcement by several legislators to recommend specific savings, there is much more that needs to be done to bring the budget in line with today's economic realities. It seems a little unbelievable that on a budget of \$1.8 billion, that only \$7.5

million dollars in savings was identified. With a Social Service budget of \$500 million and \$200 million in fringe benefits, there should be some way to find significant savings. We would hope that the use of technology and other efficiencies can result in providing needed services in a more efficient manner.

It is incredulous to hear Chairman Ryan respond to Tuesday's cost cutting suggestions by stating that the proposals "lacked analysis" and that this shouldn't be rushed through just days before the budget is due. My question to him and his fellow legislators is where has their analysis been for the last two years? Where is the focus on a proactive economic development strategy as a way to attract and retain business? The economic crisis we find ourselves in is hardly a surprise and our legislators should have taken the fiscally responsible decisions long before today. We only hope they do so before it is too late.

Thank you.