

Business leaders praise county savings plan

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Mar-12-10,

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Westchester business leaders were quick to praise County Executive Robert P. Astorino for pledging not to raise property taxes as a solution to the county's projected budget deficit of at least \$166 million in 2011.

The deficit could grow to \$266 million by 2012 and \$355 million by 2013 if dramatic cuts in government spending are not made, Astorino said last week before meeting with county employees to brief them on his office's deficit projections and possible steps to avoid those shortfalls.

The Democratic chairman of the county Board of Legislators, which must approve many of the long-term cost-cutting measures proposed by Astorino, called his deficit projection "premature" and said the Republican county executive's management strategy is based on "fear and manipulation."

Adding it up

Astorino's office has projected county spending to increase by about \$116 million in 2011 from this year, while revenue is projected to decline by about \$50 million.

"I know cuts are painful," Astorino said in a statement, "but I will not close this hole by asking our overburdened taxpayers to come up with more money." He said his proposed measures protect essential public services and will result in no increase in the county's property tax levy.

Acting on recommendations from department heads, Astorino said he will take steps to save \$16 million this year, including \$2.1 million in savings from the refinancing of bonds. Additional savings will be realized in part by temporarily not filling vacant positions and cutting overtime in the information technology, public safety, transportation and parks departments.

A long-term solution requires significantly reduced personnel costs for the county, Astorino said. Salaries and health care and pension benefits account for \$601 million in the county budget this year and are projected to rise to \$655 million in 2011, he said. He said he expects to meet with the county's union officials to discuss some possible measures.

Among those, budget officials calculated that layoffs would save the county \$160 million if 1,600 positions were eliminated. The average annual cost of a county employee with fringe benefits is \$100,000, Astorino said.

If the county's major unions agreed to a pay freeze next year, the county would save \$20.5 million in salary and fringe benefits, he said. A 5 percent pay decrease would save \$23.8 million and a 10 percent decrease in county employees' pay would save \$47.6 million.

Astorino said the county could save \$22.3 million if the unions agreed to a 15 percent contribution to the cost of their county health plan.

A five-day furlough for all county employees would save \$5.1 million, while a pay incentive for employees to voluntarily leave their county jobs would save an estimated \$7 million in personnel costs in 2011, he said.

"These changes will hurt, but not as much as denial that they are needed," Astorino said. "The time for acting responsibly has come."

Calls for action

William M. Mooney Jr., president of the Westchester County Association, said Astorino's call for cost cuts and change in county operations while holding taxes stable "took a lot of courage and leadership on his part. It's not more of the same. To me it's the first time we've seen some leadership and political will to really change the paradigm of politics."

"I think the challenges are huge," Mooney said. "Is the legislative group up to the challenge and are the public sector unions up to the challenge?"

"I think the community has really got a challenge here too. The community should support what the county executive is doing. If we don't, we're going to miss the opportunity" to change how government operates, he said.

Mooney said numerous other cost-cutting measures can be implemented before resorting to layoffs, including consolidating operations and leveraging technology for greater cost efficiency. "Nobody wants to see people get laid off," he said.

At The Business Council of Westchester, President and CEO Marsha Gordon in a statement said Astorino "has acted responsibly in acknowledging the difficult financial environment that confronts Westchester's residents and that these challenging times require hard choices. We commend him for his bold promises not to raise property taxes and to protect essential services while closing the budget shortfall."

His proposed cost-saving options will require "buy-in" from stakeholders, she said.

'Fear and manipulation'

The Business Council called on county legislators to move expeditiously on Astorino's proposals, noting that implementing a budget reduction plan is time-sensitive.

Board of Legislators Chairman Kenneth Jenkins said the county has no deficit in its 2010 budget. He called Astorino's deficit projection for 2011 "premature, given that the 2009 fiscal year hasn't closed yet, we have not received actual revenue data for the first three months of 2010 and the administration has no idea how cuts in our state aid will impact the county, as the state budget has yet to be adopted."

Jenkins also noted legislators began planning the 2010 budget with a \$120 million deficit projected by former County Executive Andrew J. Spano, "which was resolved without creating frenzy or panic." Unlike previous county executives, Astorino "has decided to base his management strategy on fear and manipulation," he said.

"Although we recognize the need for the county executive to take a proactive approach towards resolving the county's future fiscal issues, we believe that it should be addressed in a smart and responsible way that doesn't evoke knee-jerk responses to genuine economic challenges facing our communities," he added.