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TESTIMONY BEFORE
NEW YORK STATE JOINT
LEGISLATIVE FISCAL COMMITTEES
REGARDING
GOVERNOR'S 2025/26 RECOMMENDED STATE BUDGET

SUBMITTED
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STATE BUDGET TESTIMONY

I would like to thank the New York State Legislature for this opportunity to testify before the Joint Legislative Budget Committee on the impact of the Proposed 2025-26 Executive Budget on the City of Buffalo. Senate Finance Committee Chair Liz Krueger, Assembly Ways and Means Committee Chair Gary Pretlow, Senate Local Government Committee Chair Monica Martinez, Assembly Local Governments Committee Chair Billy Jones, and all Members of the Committee, I am honored to come before you today as the Mayor of the City of Buffalo on behalf of our city's residents. I would also like to express my gratitude to Assembly Majority Leader Crystal Peoples-Stokes and the Members of the Western New York Delegation who champion the issues that are important to all of those residents every day.

I applaud Governor Hochul's focus on quality-of-life issues in her Executive Budget Proposal, and I am pleased to see additional investments in public safety, economic development, mental health, and education. For the past twelve years serving as a Buffalo Common Council Member, as Council President and now as Mayor, I have focused on improving the lives of all who live and work in the City of Buffalo. Private investment in our neighborhoods, commercial districts and Downtown is a direct benefit of strategic and targeted public safety initiatives. For that reason, I have emphasized combating quality of life crimes throughout the City of Buffalo. Too often these types of crimes harm our citizens and jeopardize our commercial districts, undermining the efforts we collaborate on to strengthen the city's economy and fortify our neighborhoods.

I support the Governor's proposed reforms that are intended to end procedural delays and prevent the automatic dismissal of criminal cases. While this will enhance district attorneys' ability to better prosecute criminals, eliminating loopholes in discovery procedures, the net effect for cities like Buffalo will be that criminal cases will have a better chance of not being dismissed on technicalities, criminals stay behind bars and our police officers can continue to provide needed public safety services to our residents without additional criminals hitting the streets.

Recidivism has been a challenge in Buffalo and across our state. I agree with Governor Hochul that these "common sense reforms" will go a long way in providing even greater protection for our law-abiding residents. I urge the State Legislature to work with Governor Hochul in making sure these proposals are ultimately implemented.

Every year, Buffalo spends more than \$100m on public safety. And the members of the State Legislature here today are no doubt aware of our city's fiscal challenges. In March, I will present to the Buffalo Common Council my Recommended City Budget. As with any major city in our state, public safety services represent a significant portion of Buffalo's annual budget. I look forward to working with both the Governor and the Members of the State Legislature in identifying funding sources that can support my administration's commitment to innovative, effective and sustainable public safety programs and initiatives that support our residents, strengthen our neighborhoods and foster continued private investment throughout Buffalo.

Toward that end, I am also supportive of initiatives designed to protect the mental health and well-being of our most vulnerable residents. We need to make certain that those who are suffering from severe mental illness are getting the care they need and that we are protecting people on our streets and in our community. I applaud the plan to spend \$1 billion to revamp care, change New York's involuntary commitment laws, and provide court-ordered outpatient options for people who are a risk to themselves or others.

We are appreciative of Governor Hochul's continued support for clean water infrastructure with a \$500 million allocation in the FY2025-26 Executive Budget proposal, as well as the \$100 million for first-time homebuyers, including \$50 million in capital for starter homes and \$50 million for down payment assistance. My administration continues to focus on ensuring all residents have access to safe, healthy, high quality housing that is affordable for families. The typical fair market rent for a one-bedroom apartment in Buffalo is \$1,400 per month. If you are earning the median household income in Buffalo (\$46,184), you would need to dedicate over 36% of your pre-tax income toward rent. This is unsustainable and much higher than the national average. My priority is to help people build generational wealth through homeownership.

Although I am pleased with many of the investments in this year's Executive Budget proposal, the City of Buffalo's needs extend beyond what has been allocated.

Buffalo will benefit from the renewal of last year's increase to Aid and Incentives to Municipalities (AIM) Program, which was capped at \$5 million per municipality. This is crucial funding, and I would

formally request that it be linked to an inflationary index in the final budget. AIM funding is the City of Buffalo's number one revenue source, and before last year's increase it had not changed since FY 2012, while City costs continue to rise year after year. This request is particularly important with the increased potential for future funding losses that would impact the State, counties and cities as the Trump Administration aggressively pursues their agenda. While there was a tremendous sense of relief last week when the memorandum pausing all federal grants was rescinded, I had already spoken with many of my colleagues who are here today, and the Mayors across New York State are unified in our belief that any potential cancellations, delays or freezes of federal appropriations would significantly impact our operations, projects and services. Therefore, I cannot overemphasize the importance of maintaining and indexing AIM funding for our cities.

Gaps also remain for critical funding that the City of Buffalo needs to accomplish its goals, which includes \$60 million for the construction of a Department of Public Works (DPW) Campus and Resiliency Center.

The DPW Streets & Sanitation Division and Mechanical Shop is currently located at 197 Broadway Avenue. It is a circa-1858 facility that was originally built as an armory before the Civil War, then was repurposed as an arena in 1913 and has served as the City's DPW facility since 1948. It is undersized and inefficient, and its physical condition poses a substantial risk to the safety of our employees and the ongoing operations of the DPW as it delivers services across the City. This historic building is showing signs of significant deterioration, the mechanical and electrical service and building systems are barely adequate to meet current operational needs and will not be able to accommodate any future electric vehicle fleet updates.

The Public Employee Safety and Health Department (PESH) of the NYS Department of Labor has performed numerous inspections of the facility, including last week, to monitor falling debris - and while nets have been installed on a temporary basis to protect equipment and city employees below, the inadequate lighting both inside and outside, improper drainage (facility capacity issues), as well as other safety concerns remain. From an operational standpoint, the site and facility are not large enough to efficiently meet the needs of the department by any standards. The residents and businesses in Buffalo - and our dedicated workforce - deserve better.

We are in the process of constructing a DPW Campus that will consolidate and house the City's municipal snow plowing, garbage collection, paving and construction vehicles, as well as administrative offices. Consolidating those functions into one facility will reduce maintenance, energy and training costs, and maximize efficiency and productivity. The sale of the ten separate assets that currently house the DPW will also generate revenue and will return these properties to the City tax rolls.

The City of Buffalo will also be seeking New York State authorization to create the Buffalo Parking and Mobility Authority (BPMA). The City seeks to transfer ownership and management of city-owned parking structures to a management Authority. This Authority will operate the parking ramps to generate revenue to invest in capital improvements and maintenance of the parking structures, while

offering better facilities for users. The City will be relieved from the responsibility of managing and maintaining parking structures while improving efficiency and generating additional income as part of the ownership contract.

The BPMA would:

- Improve cooperation and planning with stakeholders, including state and local transportation partners;
- Implement cutting-edge technology to improve customer experience and enhance overall management and agency efficiency;
- Provide leadership by partnering with private and public hospitality and tourism entities to enhance the visitor experience;
- Create a cohesive customer-focused transportation system by managing multiple modes of transportation currently overseen by city government; and
- Apply the latest technology and with continued staff development to provide the highest quality public service with maximum efficiency.

Finally, the City of Buffalo will be seeking authorization from New York State to impose a 3% occupancy tax, also referred to as a hotel or bed tax. The occupancy tax is paid by travelers staying in hotels, motels and other short-term accommodations in the City of Buffalo. As temporary residents or visitors, they rely on City infrastructure, utilize our amenities and are protected by our police and fire services. The occupancy tax is the method by which visitors contribute toward the cost of those services. The revenue generated by this tax will be used to support investments in infrastructure. For example, occupancy tax revenue will be used for road improvements, increased security and capital improvements for entertainment and cultural destinations that make Buffalo such an attractive place to visit. The tourism industry already benefits from significant public support from the City of Buffalo, and this revenue will build on those investments to ensure the long-term quality of city resources, buildings, and infrastructure that are utilized by residents and visitors.

I would like to thank the Chairs and Members of the Joint Legislative Budget Committee for this opportunity to provide testimony on the FY2025-26 Executive Budget Proposal.

In addition to the assistance I have requested, I think it is important to communicate to you that I have directed City departments to reduce their operating budgets by 10%, equating to about \$30 million in savings to better prepare for any upcoming budget constraints. I have taken a proactive approach to revenue generation and collection to ensure we maximize our own resources. With that in mind, I am prepared to make a reasonable increase in property taxes to overcome any budget shortfalls. I will do my part to ensure a bright future for the City of Buffalo, and I'm simply asking New York State to assist Buffalo with the resources and tools to help balance our budget in a manner that will ensure our continued development and progress.

Again, thank you for your time and I'm happy to answer any questions you may have.