

CITY MANAGER'S MESSAGE

"Status of the Administration"

(Delivered to the Corning City Council on February 3, 2025)

INTRODUCTION

This is the twenty-eighth annual report on the Status of the Administration which I have presented to the City Council as required by the City Charter.

Although we are still grappling with higher-than-normal inflation recently and reduced State aid over the past 15 years, our financial position remains stable, reflecting our ongoing strategic financial planning and a fiscally responsible approach to managing the City's resources. Sustaining this stability requires continued efforts to generate necessary revenue through fair taxation and fee structures, supplemented by external funding sources such as State aid, while maintaining a prudent approach to expenditures.

Since adopting a professional form of government in 1995, we have made significant strides in financial management, strengthening our controls, enhancing long-term planning, and increasing transparency. These improvements require ongoing diligence and discipline.

In 2024, we achieved substantial progress across multiple areas. Our Water Department adopted cutting-edge leak detection technology that utilizes sound waves to monitor our system continuously, proving invaluable in identifying leaks and safeguarding our water resources. Similarly, the Fire Department transitioned to a new Records Management System that aligns with New York State reporting standards. Moreover, we upgraded their capabilities with a new rescue boat, enhancing our response to incidents on the river.

Our ongoing commitment to infrastructure was evident in our robust street paving program, which saw the completion of approximately 42 blocks of streets and alleys, as well as 3 parking lots totaling \$1,268,181.41. We also began the process of installing a dome over the tricking filter at the Waste Water Treatment Plant to improve efficiency and replaced water and sewer mains in various areas.

Cultural developments were not left behind, as evidenced by the adoption of a city-wide Public Arts Strategy. Formulated from extensive community engagement, this strategy outlines the future of public art in Corning.

As we look forward to 2025, we remain dedicated to building on these successes.

UPCOMING CHALLENGES AND OPPORTUNITIES

Although there is much to celebrate from the past year, we have some additional challenges and opportunities ahead of us for 2025.

State Revenue Sharing: Governor Hochul has once again issued an executive Budget with no increase in Aid and Incentives to Municipalities (AIM) funding. It has been about 15 years since our funding was cut and never restored. She did propose to keep the Temporary Municipal Assistance aid that was introduced last year, but did not provide an increase. That temporary aid amounts to \$171,131 for the City of Corning. It should be noted that Governor Hochul is proposing an increase of 1.7 billion, or 4.7%, for school aid. If her budget is adopted as proposed, she will have increased school aid by approximately \$8.1 Billion, or 28%, over 4 years.

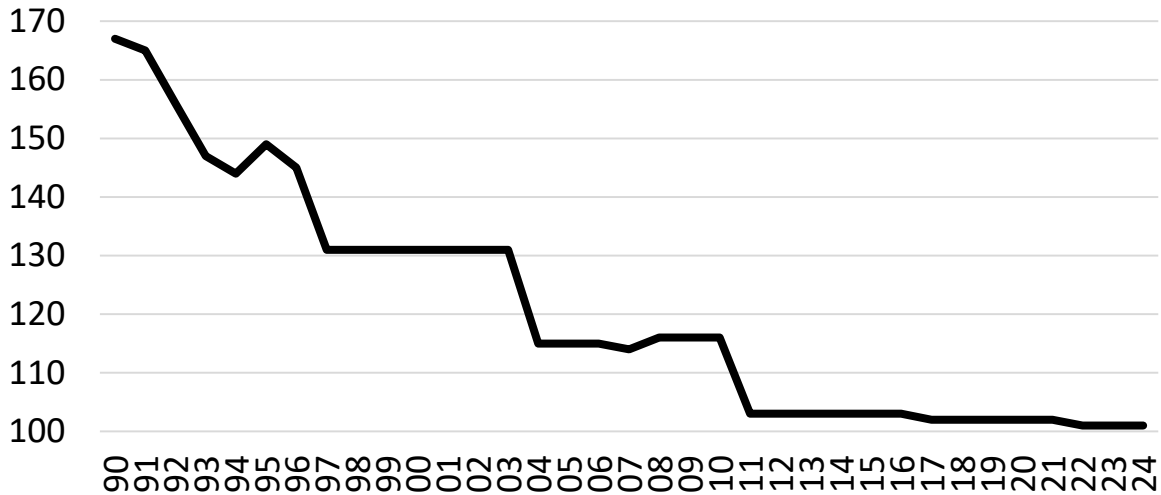
Sales Tax: We are nearing the end of our 5-years sales tax agreement with Steuben County. The agreement has been beneficial to both the Cities of Corning and Hornell. Hornell Mayor John Buckley and I have started discussions with the County administrator to extend the agreement. We hope to have an extension in place for your consideration in the next couple of months.

Inflation: We are still struggling to cope with the above normal levels of inflation we have experienced over the past few years. This is putting upward pressure on wages, goods and services. In some areas such as health insurance, vehicle prices, water valves, and chlorine gas used as a disinfectant in our water system, the cost increases have been much higher than the rate of inflation.

Trying to keep property taxes under the tax cap, without any increase in State aid is becoming unrealistic. At the very least, it will not allow for new services. Any new services, whether they be external program services or internal administrative services, will require additional revenues.

We will also need to closely watch what impact the President's use of tariffs on foreign goods and services will have on inflation. The Federal Reserve has been combating inflation over the past few years by raising the Federal Funds Rate and reducing liquidity. These measures have helped stabilize inflation and gradually bring it down, though progress has been challenging.

Staffing Levels: Over the years, I have talked about our staffing levels extensively, but it's important to always keep in mind the relatively small size of our full-time workforce as it limits our capacity to provide services. Since 2003, I have reduced the City's workforce from 131 to 101 full-time employees, a 22.9% decrease. This greatly limits our ability to provide additional services. However, it should be noted that this reduction in the workforce has helped to stabilize our finances. Even prior to the change in our form of government in 1995, the City had been losing full-time positions. In FY90, the City had 167 full-time employees, bringing the total decrease to date to 66 employees or a 39.5% reduction.



Labor Relations Administrator: The lack of a centralized Human Resources (HR) administration poses significant challenges given the complexities of our organization and the varied needs that arise daily. The importance of effective HR management in fostering a positive workplace, maintaining regulatory compliance, retaining top talent, and supporting overall organizational success cannot be overstated.

Historically, the position of Labor Relations Administrator was established to manage these goals but was eliminated in FY04 due to budget constraints. The responsibilities of the tasks associated with these goals have since been dispersed among staff, making it difficult to maintain consistent decision-making and placing employees in a position where they must handle important considerations without the specialized knowledge of an HR professional.

To address these challenges, I have engaged Matrix Consulting to conduct a thorough HR analysis to pinpoint our deficiencies and devise a strategic approach to centralizing our HR functions. Their findings are expected to guide us towards hiring a consultant for 12-24 months. This interim solution will allow us to establish the necessary administrative systems and streamline HR services, setting a solid foundation before permanently filling the Labor Relations Administrator position.

This proactive strategy will not only clarify expectations for potential candidates but also mitigate some of the financial impact on our budget, easing the transition from a consultant-based model to a full-time administrative role.

Labor Negotiations: Over the years we have been fortunate to be able to secure long-term labor agreements with our unions. This has helped to provide predictability and stability. The current contract are nearing their end and we will soon be engaging in collective bargaining negotiations. The following are when each contract expires:

CSEA	June 30, 2025
Police	December 31, 2025
Fire	June 30, 2026

We are still experiencing issues with recruitment and retention in some positions due to wage pressures, especially for licensed positions such as CDL drivers and positions at the Waste Water Treatment Plant. This will likely be the main topic of conversation when we begin renegotiating contracts this year.

Management Team Integration and Operations Management Planning: Over the past year, I have focused on integrating new department heads and my secretary into the management team while exposing team members to various aspects of our operations beyond their typical responsibilities. This approach is designed to enhance leadership development and strengthen management capacity.

In parallel, we have been implementing operations management planning initiatives across departments. Through this process within the Police and Fire Departments, we identified several key priorities, including improvements in communications, technology, human resources, and succession planning.

Regarding public safety succession planning, both Chiefs are eligible for retirement. Our command structure requires improvement to clearly define the second-in-command role, and we need appropriate incentives to encourage rank-and-file employees to seek promotion to command staff positions. In the Fire Department, the Deputy Chief position has remained vacant for several years, having been filled only intermittently. In the Police Department, we established a First Lieutenant position, but it does not carry the same authority or stature as the title of Captain.

I will be working closely with the Chiefs and union leadership to propose filling these positions in the upcoming budget. I aim to reassign existing personnel to these roles without the financial burden of hiring additional staff.

Technology Modernization: Over the past few years, we have embarked on advancing our use of technology in the workplace to improve the efficiency and effectiveness of service delivery. Staff have dedicated considerable effort to implementing new technology tools that promise to enhance our operations across multiple departments.

In the realm of urban planning and code enforcement, the Planning Department is implementing new Code Enforcement software that will transform how building permits are handled, allowing for online submissions and real-time tracking by applicants. This change not only streamlines the process but also enhances transparency. Concurrently, the department is finalizing the rollout of BuildingBlocks, a map-based application that will facilitate better data sharing across departments. This tool is expected to aid significantly in planning decisions and daily operations.

The need for modernized systems extends to our public safety departments as well. Sheriff Allard has successfully secured a grant to establish a county-wide law enforcement Records Management System (RMS) we are hopeful will be operational by the end of the year. Additionally, Chief Spaulding has procured grant funding to update the police radio system,

ensuring more reliable communication among our officers. Public Works is also upgrading its radio systems to a more cost-effective push-to-talk technology through FirstNet, which will improve coverage and reliability at a lower cost.

We will be turning our attention soon to the Fire Department's aging Land Mobile Radio System by exploring various financing options for necessary upgrades. These improvements are critical to ensure reliable communication for both routine and emergency responses and to enhance interoperability with other local agencies. Chief Davies has also sought federal funding to replace outdated thermal imaging cameras for the Fire Department, a request that is currently pending with FEMA.

On the administrative front, we are implementing new software to manage and track our personnel and operations policies. This software will store policies for easy reference and include accountability measures to ensure they are regularly reviewed and acknowledged by staff. This step is part of a broader effort to update our policies to reflect current standards and conditions.

Lastly, our Public Works Department has applied for a grant to acquire smart meters that will not only streamline utility readings but also enhance our leak detection capabilities.

As we move into 2025, these technology upgrades and new implementations will significantly impact how we serve the residents of Corning, making our operations more efficient, responsive, and transparent.

City Fleet: Over the next few years, we are going to need additional investment in the City's fleet as our vehicles begin to age. Some of the most notable priorities are replacing the Fire Department's second-line engine, various dump trucks, pickup-trucks, police vehicles, and code enforcement cars. We have been building our reserves to help offset some of these costs and the upcoming 5-year Capital Improvements Plan will outline our foreseeable needs.

Transportation System: Public Transportation continues to be a challenge for a City our size to administer given our limited capacity. We have completed a transportation study with Steuben County on the feasibility of consolidating the City and County bus systems to improve efficiency and service. We have been using these findings to begin discussing potential consolidation and they will also be used to inform the transportation section of the Comprehensive Plan.

Additionally, the New York State Department of Transportation (DOT) recognizes our challenges with running multiple systems in our county, and as result has communicated that they intend to include Corning, Steuben County, and Hornell in a DOT Transit Integration Pilot Study in 2025. Although we do not have an exact timeframe when this work will commence, we do know the DOT's process will include stakeholder outreach, analyzing market demand/needs, inventorying current services, identifying service gaps, and developing potential operational models.

Additionally, our current public transit provider, TransDev (formerly known as First Transit) has also expressed that they will be evaluating the cost of our service to see if existing funding

sources (State, federal, and farebox revenue) are covering the operational costs. For many years, we have been able to operate the bus system only on fair box revenues and state and federal funding. With the cost of inflation, this may not be feasible in the future.

Lastly, the City of Corning owns five buses that are nearing the end of their useful life. We are seeking federal funding, as we have successfully done in the past, but if aid is not available these costs will need to be borne locally.

Waste Water Treatment Plant and Water Department: In our ongoing commitment to enhance the City's infrastructure, updates are required for both the Waste Water Treatment Plant and the Water Department. These include necessary facilities upgrades and continued efforts to replace aging sewer collection and water distribution mains.

We are seeking federal funds through Congressionally Directed Spending for the replacement of the boilers at the Waste Water Treatment Plant. I anticipate we will know if federal funds are available upon the completion of the upcoming Federal Reconciliation process.

Additionally, we are progressing with plans to enhance safety and efficiency in our water treatment operations. Specifically, we are obtaining quotes to transition the disinfection system at Well #9 from chlorine gas to a safer and more efficient alternative. This upgrade is part of our broader strategy to ensure the reliability and safety of our water supply system.

Denison Park Drainage: In the fall of 2024, the City learned that we were successfully awarded a grant in the amount of \$632,635 from the National Fish and Wildlife Foundation to design and implement green infrastructure at Denison Park which will include the installation of bioretention features, permeable pavement, and conservation landscaping. We are hoping that this project serves as a pilot project for other areas in the city.

Denison Park Arch: Also, in Denison Park, Hunt Engineering has completed an analysis of the condition of the Denison Park Arch. Built in 1919, it is in a state of disrepair and needs extensive work. We will use this study to search for grant funding and to assist with our Capital Improvements Plan budgeting.

Comprehensive Plan: During 2024, significant strides were made to update the City of Corning's 2002 Comprehensive Plan utilizing a Smart Growth Comprehensive Planning Grant (\$80,000) from New York State. Stakeholder and community engagement efforts kicked off with stakeholder interviews, a public survey, and initial public workshops as well as Steering Committee meetings. During the upcoming year, there will be Public Visioning and City Council workshops. The City Council will ultimately be considering its adoption in the Fall of 2025.

St. Vincent's Church: Housing Visions has secured a \$2 million Restore NY grant for the Parish Heights project. They also submitted their funding application to NYS Homes & Community Renewal in September 2024. While we do not know when funding awards will be announced, we are hoping to hear news within the next couple of months so that construction can begin by spring 2026. Meanwhile, we did learn that the properties that are part of the St.

Vincent's campus have been added to the State Register of Historic Places and recommended for the National Register of Historic Places which will assist this project with historic tax credits.

County Courthouse: Two years ago, Steuben County relocated its operations, which were housed in the Courthouse on First Street to the Village of Riverside. The new owners are working with Johnson-Schmidt & Associates Architects on its redevelopment. The plan to convert the building into 7 market-rate residential units. A Restore NY Grant was submitted in December 2024, and it is anticipated that the City will learn whether we were successful by March.

Civic Center Plaza: The City was notified in the Fall of 2023 that we received a \$30,000 grant from the Appalachian Regional Commission (ARC) to complete a master plan and preliminary designs for an art park at Civic Center Plaza. This was an idea that was included in the City's Parks Strategy. The consultant, Fisher Associates, has been working with the Public Art Committee and various community stakeholders to determine the future use of the plaza. We anticipate this plan will be finalized next month.

Public Art Strategy Implementation: Now that the City Council has adopted a Public Art Strategy, we are moving into the implantation phase. During the next couple of months, staff will be bringing to the Code Committee a recommendation to add a Chapter in our City Code on Public Art that will define public art and most importantly, identify a process for the placement of public art on City property. Staff is in the process of identifying best practices from other communities. We will also be negotiating a partnership agreement, as envisioned by the plan, for your consideration that will establish a public-private partnership similar to the one we used for housing. If the Council decides to move forward with the partnership this year, funding for the administration will need to be added in the upcoming budget.

CONCLUSION

In conclusion, we have been making significant strides improving our infrastructure, implementing new technologies, supporting economic and community development projects and keeping our finances stable.

Looking ahead, we face challenges that will require innovative solutions and determination. Addressing rising wages and benefit costs, human resource management, and the need for investment in our fleet and infrastructure projects will require additional resources.

Despite these challenges, I am optimistic about our path forward. With the ongoing support of the City Council and the tireless efforts of our staff, I am confident in our ability to overcome obstacles and capitalize on the opportunities before us.