

County must change way it does business

By PAUL HANEY

In June, Monroe County released its audited financial statements for 2006. Neither county executive nor county Legislature held a press conference, alerted the media or exhibited any of the fanfare that usually accompanies the release of important county news. It's hardly any wonder, considering the bleak state of the county's finances, but this change in PR tactic is also telling of an administration and Legislature majority that have increasingly demonstrated an unwillingness to acknowledge the county's dire financial condition.

In 2006, county assets shrank by \$8.8 million, while liabilities increased by \$65.5 million. If you read the previous sentence quickly, go back and read it again and do the math: The county's net assets shrank by \$74.3 million! The unrestricted net assets of the county's governmental activities (which exclude self-sustaining operations such as Pure Waters and the airport) plummeted by \$90.6 million to *negative* \$217.5 million. Monies that should be available for potential emergency situations, and for filling gaps in future budgets (the General Fund unreserved fund balance) dropped by \$17.7 million—from \$9.8 million in 2005 to a *negative* \$7.9 million in 2006.

In Monroe County the cupboard is bare and the cookie jar is overdrawn! In 2005 the county borrowed \$55 million to cover year-end operating expenses and in 2006 it borrowed \$85 million. This is the type of condition that bankrupted the city of Buffalo and portends financial doom for Monroe County unless something is done quickly to change it.

This grim news may have gone unannounced locally, but it was noticed on Wall Street as Monroe County's

credit rating was lowered, again, by Moody's Investment Services, and the county was given a "negative financial outlook" by both Fitch Ratings and Standard and Poor's. Maggie Brooks' administration made excuses for the county's near junk bond rating by claiming to defend the interests of property taxpayers against the interests of "Wall

Street" and, in effect, used its standard trick of waving the "taxpayer protection" banner in the hopes of distracting the public from a sinking ship with Republicans at the helm.

Much of this should have been expected. Last fall, when the Republican majority in the legislature voted to allow the county executive to present her budget *after* Election Day in 2007, it was perfectly clear that Republicans were aiming to avoid a discussion of the county's grave financial problems during election time. But, as its 2006 financial statements and abysmal credit rating show, Monroe County faces serious problems that need to be addressed immediately with legitimate solutions, not blame games, diversionary tactics and partisan politics.

The Republican majority in the Legislature continues to stonewall Democratic proposals to change the way the county does business. Sadly, this partisan approach only exacerbates the problem, leaving local businesses to question the prudence of investing in a county that is unwilling to keep its own financial house in order. Our economy in Monroe County is changing and county government needs to adapt. Fresh ideas and a change in the way we do business could help, but sticking our head in the sand is simply not going to solve our fiscal problems.

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