



August 31, 2009

DAVID CHALLENGES RYAN'S ASSERTION OF DEPLETED FUND BALANCE

-RYAN'S 1ST BUDGET WITH 2.6% INCREASE WAS RESULT OF SOLID FINANCES HE INHERITED-

(BINGHAMTON, NY) City of Binghamton Mayoral Candidate Rich David challenged Mayor Ryan's assertion that he was left with minimal financial resources.

“Over the course of the last four years Mayor Ryan has continued to make statements that he was left very little Fund Balance when he took office, and has implied that the previous administration did not leave the City in solid financial standing,” said David. “The facts tell a much different story.”

To illustrate his point, David highlights a quotation in the Mayor's August 28, 2009 news release. Point four in the news release specifically states: *“Last but not least is the fourth factor – the depleted fund balance we inherited in 2006. As this graph shows, the balance was nearly \$4 million in 2003, but only \$219,000 when we came into office. An unhealthy fund balance handcuffs the City and burden's the taxpayer.”*

“Unfortunately, this is not the first time the Mayor has made that erroneous statement since he took office,” continued David. “Mayor Ryan continues to say the City treasury was low when he took office and this lack of funds has contributed to the City's current financial condition. Facts and figures from the City's annual report that is filed with the State of New York detail a different story. I'm hopeful that at tonight's budget message the Mayor will provide accurate information to the public when he discusses the issue of fund balance.”

The facts are as follows. On January 1, 1994, when Mayor Richard Bucci took office, he was left with a Fund Balance totaling \$3.2 million dollars. On January 1, 2006 Mayor Matt Ryan was left a Fund Balance totaling approximately \$3.1 million dollars.

In addition to the \$3.1 million fund balance, Mayor Ryan was also left with an unbudgeted anticipated increase of \$1.4 million dollars in State Aid. The reason there was a \$1.4 million increase in State Aid was because in 2005 Governor Pataki took the unprecedented step of notifying municipalities of how much State Aid each locality would receive over a two year period. This step was the result of aggressive lobbying efforts by the New York Conference of Mayors, which Mayor Bucci was President of at the time.

Traditionally municipalities were only informed how much they would receive on an annual basis. However, in 2005 Binghamton knew how much State Aid would be allocated for 2005 and 2006. **With that information in mind, Mayor Bucci specifically did not budget the \$1.4 million dollar State Aid increase into the 2006 budget, rather he intentionally left it for the Ryan Administration to smooth the financial transition.**

To illustrate the point, David highlighted a news release from the Governor's Press Office, dated January 15, 2005, where Governor Pataki announced that his Executive Budget will increase Aid to Localities. The sub-headline of the news release was; “Includes more than \$160 million over two years in new aid for Cities, Towns and Villages.” Also included in the news release was a chart that outlines the increase to every locality in New York.

City	Aid 2004-05	\$Increase 2005-06	Aid 2005-06	\$Increase 2006-07		
Binghamton	\$5,857,157	\$732,145	\$6,589,302	\$1,464,289		

***Source: News Release Issued by Governor Pataki's Office dated January 16, 2005*

“In the fall of 2005 we again contacted the Governor’s Office for confirmation regarding projected State Aid for 2006 and 2007 and received verification on how much Binghamton would receive in 2006,” stressed David. “For Mayor Ryan to imply that he was left with a minimal Fund Balance is inaccurate and simply not true,” added David. “I grow increasingly concerned each time I hear that statement presented to the public over and over again. The facts speak for themselves. The City of Binghamton was left in a solid financial condition and there were millions of dollars in reserves.”

Mayor	Date Took Office	Fund Balance Available (Reserves)	Total
Richard Bucci	January 1, 1994	\$3.2 million	\$3.2 million
Matthew Ryan	January 1, 2006	\$3.1 million	\$4.5 million
		\$1.4 million (**Anticipated Increase In State Aid)	

*** Source: Fund Balance Reference From City of Binghamton Financial Annual Reports*

“Governor Pataki’s January 2005 news release clearly shows that the one-point-four million dollar increase in State Aid was already in place ((\$1.4 million was the projected amount in 2005, in fact the actual amount of the increase was \$1.6 million),” continued David. “As a result of the solid financial condition Mayor Ryan inherited, he was able to craft a budget with only a 2.6% for 2007. It is true that at every level of government the first budget of a new administration reflects the financial condition it inherited. That 2.6% increase had its roots in the previous administration and was the result of our proactive fiscal planning and management.”