

CHAUTAUQUA LAKE ASSOCIATION, INC.
PRESENTATION TO CHAUTAUQUA COUNTY LEGISLATURE
MAY 25, 2011

My purpose this evening is to communicate a 2011 perspective in regard to the Chautauqua Lake Association. To do this I need to comment briefly on the larger picture so that the focused remarks can be placed in a context that exhibits the whys and realities.

Chautauqua Lake requires annual maintenance. It has for the 65 years that the CLA has existed, for many years before then and will forever going forward. Maintenance needs vary from year to year and always will although as the lake ages maintenance needs will increase. Many efforts are occurring to mitigate the accelerating needs. Nonetheless some form of maintenance will always be required.

Chautauqua Lake is the largest inland waterway highway in Chautauqua County. It is a public highway. We know what the significant expense is to maintain highways. We should not expect to encounter lesser expense to maintain waterway highways. The lake is owned and regulated by the State of New York. It is used by the residents and visitors to Chautauqua County and the county's related towns and villages. The state, county, towns and villages all benefit from tax revenue generated by Chautauqua Lake. As the maintainers of highways, the public looks to the state, county, towns and villages to maintain the highway that is Chautauqua Lake. The Chautauqua Lake Association has existed as a maintenance entity to perform the work for the community and does such in an acknowledged economical manner thus saving the various governments significant expense by combining public, private and foundation funding into an efficient and generally affordable maintenance program. No other entity performs Chautauqua Lake maintenance services. If we become unable to perform the services, the responsibility will fall back upon government. It is widely acknowledged that our funding methods and payroll expense are both less expensive than would be government's.

Times change and the current experience is no different. Financial resources are strained and this is affecting lake maintenance. The 2011 result will be significant if change does not come quickly. The CLA Board has had to make some very difficult decisions that you and the public need to know about. That's why Randy and I are here today and why other board members have been presenting this case to other governments, foundations and citizens.

The financial information that I am about to share was presented to the Planning & Economic Development Department staff this past winter as the first public notice effort once the CLA Board had made its summer program decisions. That office is our formal and regular contact with Chautauqua County and we visited there first, especially since the county serves such an integral role in lake maintenance funding and planning. Last week we visited with your Planning & Economic Development Committee to share this information.

In making its decisions, the Lake Association board reviewed the financial data, program implementation options and its perceptions of likely public expectations. The bottom line was that the budget must be a balanced budget. Having operated for many years with three crews (South, Mid-Lake and North) and for some recent years with a second shift shoreline maintenance crew, the 2011 financial realities quickly pointed to the fact that a balanced budget could support only one crew. This would result in a monumental reduction in services and leave many communities not serviced. The board considered this to be an untenable situation, both for 2011 and for the perceived impact of such going forward. The board concluded that it must work to find a way to service each community at least once and set a goal accordingly. By reducing crew size and by shortening the length of the summer operation the board determined that it could meet this minimum service goal if it could raise an additional \$50,038. Efforts are underway to raise this funding. At its June meeting the board may have to make further program reductions.

If we can raise the shortfall funds, we will have two crews, one each North Basin and South Basin, on the lake for 12 weeks instead of for 14 weeks. The Shoreline Maintenance Crew will be reduced by a laborer and the accompanying Roving Shoreline Crew will be eliminated as will be the Second Shift Shoreline Crew and the Dredge/Debris Machine Crew. Work will concentrate on navigational lanes and likely not address other needs. If a tornado or storms or another fish kill visit us, we will reorganize the two crews to do what we can for clean-up thereby stopping harvesting services. These crews will likely not be able to meet the clean-up need as experienced in the past, including last summer's tornado aftermath.

The public will see half of our harvesting fleet dry-docked on land. Half of the maintenance barges will also be dry docked as will the dredge/debris removal machine. A third of our trucks will be parked. If it is a bad summer, people will call asking why this equipment is not in service. Be prepared to receive the calls.

These service reductions are directly attributable to governmental funding reductions. State funding is absent. We have low expectations that it will be reinstated although we certainly have Senator Young and Assemblyman Goodell's support. Chautauqua County's participation has been reduced by 68%, not including the elimination of funding for Management Plan recommended

monitoring and scientific research – the Cornell University related program. Town and village governments have held the line and in some instances increased their participation. Private donations are staying stable.

The job required is no longer an inexpensive experience. We predict that to have the full service program that the community expects will cost \$534,602. Given current income predictions, we would have a shortfall of \$244,752. Raising that amount of money is unrealistic in today's economy. If we were to provide last year's program which was a reduced level of services, the shortfall would be \$147,312. Raising those funds is unrealistic. We think that this year's \$339,886 program has a good chance of raising the \$50,036 shortfall if governments can step up with additional assistance which would then be combined with results of our private sector initiatives. In the best of all of today's situations, if additional funds can be raised in the next month we would increase our services further. All of our equipment is serviced and ready. It can be launched if the needed funds are raised. Time is running out, however. We only have a month left to go before summer starts. Securing and training staff after that date will be very problematic.

Chautauqua County's funding of lake maintenance was reduced by \$100,000 in 2011's budget from 2010's budget, not including the \$36,000 monitoring and research elimination. That's a \$136,000 reduction. What would be the impact upon the Department of Public Facilities' program if their budget were reduced by 68% as was the CLA's? What would the highways be like? What will Chautauqua Lake be like?

Whenever we ask for donations, the very first response that we receive is that citizens expect that when they pay their taxes that a portion is going for lake maintenance. Property owners who are taxed higher because they live near the lake expect that a major portion of their tax payment goes for lake maintenance. They are quick to point out what the Lake Management Commission noted several years ago about the area's contribution to the county tax base: figures that as recently as this year county officials have confirmed to be consistent through 2010 assessments. 2011 assessments are still in the process of being finalized. The area between the outer belt routes 394 and 430 and the lake comprises less than 1%, actually 0.8%, of the total area of the county. It contains 13% of the total number of tax parcels within the county. Yet its total assessed valuation is slightly over 25% of the total assessed valuation of all county tax parcels. That's right, residents who live along the lake underwrite 25% of the county's property tax. And of course this then affects other taxes such as mortgage taxes and sales taxes. Yet the reality of the situation is that zero general fund dollars are directed to Chautauqua Lake waterway maintenance. Citizens are aghast when they learn this. All lake maintenance funds come out of the 2% bed tax pot which many of the same property tax payers also pay towards. For 2011, \$45,000 of Bed Tax funds will go towards a reduced level CLA program of \$339,886 or in the best of all worlds a full services program of \$534,602. That \$45,000 is helping to provide the second crew but at the same time is totally inadequate for the need. We should all expect to hear public conversations about this situation. Equipment will continue to be parked.

So that's the situation. Now where do we go from here?

Randy and I are here today to inform you of the facts and to request additional funding to help us overcome the \$50,036 shortfall. I'm also here to ask that you re-visit the Bed Tax Distribution Formula for future years to allow for a realistic level of Chautauqua Lake maintenance funding.

Other initiatives have been presented to local foundations for special one time funding. \$27,000 was received for wintertime maintenance work that brought our shortfall down to the \$50,036 level. Additional requests are being made of other governments. And, I am gratified to report that the Chautauqua Region Community Foundation awarded a grant to the CLA that will match, dollar for dollar, up to \$10,000, any increased support received from governmental entities. Thus, funds that you can make available to us this year above the \$45,000 figure will be matched up to \$10,000.

Requests are being made of private citizen donors. A board committee is being formed to revisit our program by visioning future years' needs, income opportunities and operational methods so we can adapt to likely realities going forward.

The Chautauqua Lake Association Board is committed to doing the best that it can to keep this efficient and less expensive program going forward for the benefit of the community. Local foundations have provided the CLA with a \$7,062,400 replacement valued capital assets inventory of equipment and property for the benefit of the community. This is a significant investment in equipment that local governments would otherwise have to fund. The board wants to continue the various collaborations to protect and enhance our important community resource – Chautauqua Lake. We cannot do it alone. Not funding lake maintenance needs can in the end become more expensive than funding the work. Chautauqua County's involvement is critical to this endeavor regarding this public waterway.

Thank you for your time.

Douglas Conroe
VP, Chautauqua Lake Association