

## **CBC Annual Dinner 2010**

### **The Mayor's remarks as delivered**

“Thank you, and good evening everyone. It really is a pleasure to be here, and also to join you in welcoming Larry Summers to New York City. Larry: I believe I speak for everyone here in saying we're very fortunate to have someone of your remarkable talents advising President Obama. In fact, Henry Kissinger said that you should be made a permanent White House advisor to every President. That's certainly a great compliment, and also might be cruel and unusual punishment if it was ever carried out.

“For those of you that don't know Larry – and I have known him for more years that we both care to remember. As a matter of fact, we don't call each other old friends, just friends of long duration.

“Larry once put forth what has become known as “Summers' Law” in economics: It is a simple statement he once used to begin a research paper. I quote: “There are idiots. Look around.” And the amazing thing is that Larry came to that insight even before he worked in Washington!

“Because of the policies Larry has helped shape, the U.S. economy is thankfully showing signs of recovery. Nevertheless, as we all know, the lingering effects of the national recession continues to present New York City with very difficult budget choices this year. And while our tax revenues are improving, they certainly remain well below what they were before the recession began in 2008. So at City Hall, we are very aggressively reining in spending, and directing our agencies to operate more efficiently. Everybody says that's great unless it's your agency, or an agency that provides a service to you. But that's just the way it is.

“Yesterday, for example, we launched a consolidation of the City's information technology infrastructure. We're going to modernize as well as centralize it – and Carole Post, whose job it is to do it –Carole, life expectancy, job security, forget about it. We are going to modernize and centralize all of our IT infrastructure and we think that will save taxpayers something like \$100 million over the next five years, but more importantly it will let us do things down the road across agencies. And in this day and age, certainly true in the private sector and in the public sector, you have to go across agencies, across product lines, across political and geographical divisions to get things done and to meet an ever changing, competitive, globalized world.

“Despite our belt-tightening we're ordering agencies to make in the coming fiscal year, I can promise you we will continue to improve our essential services. I think we've demonstrated time and again that we are able to do that over the last eight years. For example, in the teeth of the worst economy in over 60 years, we achieved record lows in homicides, in fire deaths, and in traffic fatalities. Life expectancy in New York City has gone up one year and seven months in the last eight years. Just think about that.

“Our public schools continue to improve dramatically. I think we have no bigger fans than President Obama and Arne Duncan in the reforms that we have been carrying out. Today crime is down, attendance is up, test scores are up, particularly among minority kids who have been left out of our system for so long. We are not going to rest until we make sure that our public school system helps every child in this city, no matter what their economic background, no matter where they come from, no matter what the language is that they speak at home, no matter what handicap they have. Everybody has a right to a first rate education, and while it may be difficult to think that we will get there, I can only promise you for the next 1,400 days – who’s counting – for the next 1,400 days we will do everything we can do continue to improve our public school system.

“In tough times it is very easy to walk away from some things that have long term affects on our lives, and say, ‘Well we’ll do those when times get flush again.’ But we all know you can’t do that. The time to really face the crises is when you don’t have the money. All the great things are done when you have to decide which things to focus your resources on and we made major strides over the last few years on our PlaNYC goal of improving New York City’s long-term sustainability, and we are not going to walk away from that. We will continue to improve the environment that we are going to leave our children, and the air that we breathe and the water that we drink. And we’re proving, I think, that the quality of services doesn’t depend necessarily on the quantity of spending, rather on the quality of what you use that money for and that’s what we will continue to do.

“In the process, we will continue to rely on the Citizens Budget Commission and your always thoughtful and well-researched recommendations – generally I think correct. Not always, but every once in a while. Always nice to know that you are fallible and we’ll live with that. Seriously, we have gotten an awful lot of good recommendations from the Citizen Budget Commission and we do take every one of them seriously and in many cases they’re incorporated as proposed or they’re part of things that we use to continue to make this city a place that is going to have a future, and that includes everybody.

“We need your leadership in pushing State action on reform of pensions and government employee health benefits – two areas that are going to bankrupt this City unless we do something. Salaries in New York City for the municipal workforce in the last eight years have gone up something like a combined 70%. Pensions have gone up something like 350%. It is the pension system that is the one thing we really don’t control, we totally depend on Albany. And unless they do something, it is really hard to see if you do the projections down the road how we’re going to be able to continue to keep our tax rates somewhat reasonable, although high, and making sure that we have enough monies to provide the services that the public has come to expect and deserves.

“So we need your support to make sure that while Albany is in enormous trouble, we just have to make sure that the City is not disproportionately hurt in the attempt to balance Albany’s budget, caused by profligate spending. We’re not the only ones that will suffer, but we shouldn’t be the only one that suffers. And New York State’s budget, as proposed by the Governor, really did hurt New York City as opposed to the rest of the state. It was

just totally unfair. 57 counties had their revenue sharing cut between two and five percent. Five counties – they were Richmond County, and New York County, and Kings County, and Queens County, and Bronx County – had their revenue sharing cut by 100%. We just can't let that go on. We are the economic engine of the state, and we have to have enough money to make sure that we continue to generate the revenues that are supporting the rest of the state.

“In good times we send an awful lot of money to Albany, and in bad times we've got to make sure that we continue to do so, and the only way we're going to do that is if we get our fair share coming back. The State certainly should not penalize us for what we've done. We take better care of the people that need help in this city than virtually any other city in the country, and we should not get penalized by Washington or by Albany for the fact that New Yorkers reach into their pockets and take care of them.

“I'll give you one number. I always try to look for one number that exemplifies how well or poorly we're doing. In the case of public safety and the environment, it is life expectancy. In the case of how good our social services are, just think about the following: we have roughly 2,500 people – two thousand, five hundred people – that sleep in the streets or in the subways. And every one of these people we have interface with. We try to counsel them, but they all have substance abuse or psychiatric problems and they've been a very difficult cohort to deal with. Nevertheless that's down about 40% over the last eight years. And the question is on a base of eight million, four hundred thousand people, what percentage of the people live on the streets of New York City? It's one out of every 3500 if you want to do the math. And how does that stack up compared to other cities? I can just tell you that Los Angeles has one in 96 people sleeping in the streets. We have one in 3500. There is no major city in the country that comes close to our record of helping those who need help the most. We should all be very proud of it. We have more to do.

“Now what we need – and my job is to present some awards, so I'm going to do that. What we need, in our city and in Albany, is the kind of even-handed and far-sighted leadership CBC has provided this city for nearly 80 years. And tonight, I have the honor of presenting CBC's 'Medal for High Civic Service' to five of CBC's former chairs, whose guidance has added to CBC's reputation for integrity and insight. A sixth, Dick Levine, can't be with us but he and the five men on stage with me represent, seriously, the best traditions of this great organization, and the highest caliber of civic service.

“A number of them are friends of mine for a long time, and all of them have provided guidance to this city, to myself and to my predecessors. And all of you will continue to do that in the future. So in chronological order, so that nobody gets their nose out of joint, first, Larry Huntington, the former president and CEO of Fiduciary Trust, who is now the chair of Continuum Health Partners, and who was the chair of CBC from 1980 to 1984. Congratulations.

“The second, a man who truly needs no introduction: the Lieutenant-Governor of the State of New York Richard Ravitch. Dick, who led the 1970s turnaround of the Metropolitan Transportation Authority, and chaired CBC from 1991 to 1994.

“Third, Larry Buttonweiser, one of our city’s finest corporate attorneys and civic leaders, who has served on CBC’s board for 20 years and who chaired CBC from 1995 to 1998.

“Fourth, Gene Kalin, who as the executive director of the Municipal Assistance Corporation helped steer New York City out of the fiscal crisis of the 1970s, and who chaired CBC from 1999 to 2002.

“And last Dale Hemmerdinger, a leader in our city’s real estate community, a former chair of the MTA, and the chair of CBC from 2003 to 2006.

“How about a nice round of applause for all of them. They really have made a difference.”