

CITY MANAGER'S MESSAGE
"Status of the Administration"
(Delivered to the Corning City Council on February 2, 2026)

INTRODUCTION

This is my twenty-ninth annual Status of the Administration address presented to the City Council in accordance with the City Charter. As in prior years, this report is intended to provide context and perspective on the issues and opportunities before us. Many of the matters discussed are interconnected, and how they are addressed collectively will shape the City's long-term financial stability, operational capacity, and effectiveness.

The City's finances, which remain central to our operations, are stable. Long-standing financial planning practices have positioned the City to manage periods of uncertainty and disruption. The staff and I also appreciate the City Council's continued investment in modernizing our financial systems, including the computerized accounting system implemented in 2021, which has strengthened transparency, accountability, and internal controls.

Key Fiscal and Operational Considerations:

Despite this progress, the City continues to operate within several structural constraints. State revenue sharing remains a significant long-term challenge. Aid and Incentives to Municipalities (AIM) funding was reduced 7.5% approximately 15 years ago and has never been restored. While the Governor's Proposed Executive Budget again includes Temporary Municipal Assistance, this funding is non-recurring and has not increased. Similarly, arterial reimbursement rates for State highways local governments maintain have not been updated since 1987.

At the same time, the City faces ongoing cost pressures. While inflation has moderated from recent peaks, costs for wages, health insurance, supplies, vehicles, and infrastructure components remain elevated relative to historical norms. Successor labor agreements with CSEA and the Crystal City Police Benevolent Association, along with upcoming negotiations with the Fire Department, will also influence future budgets as the City works to remain competitive in the labor market. These pressures are compounded by the State's two percent property tax cap, which increasingly does not reflect the impact of actual cost drivers facing local governments.

Workforce Capacity and Project Delivery:

Staffing levels continue to limit the City's operational capacity. In 1990, the City employed 167 full-time employees. By 2003, that number had declined to 131, and today the City operates with only 101 full-time employees. While these reductions have

contributed to long-term financial stability, they have also limited the City's ability to absorb additional responsibilities amid increasing regulatory requirements, aging infrastructure, more complex technology systems, and heightened public expectations.

A related challenge is the City's capacity to implement an expanding portfolio of grant-funded projects. While external funding opportunities remain essential, they also bring increased project management, compliance, and reporting demands. In a organization with limited capacity, these responsibilities fall to department heads, reducing the time available for daily operations, workforce development, and long-term planning. This underscores the importance of aligning project scope and pace with internal capacity to deliver projects effectively while sustaining core services and meeting our statutory and regulatory obligations.

Maintaining Financial Stability:

Maintaining our financial stability requires the continued ability to generate sufficient revenue to support local services through fair taxation and fees, supplemented by State aid, while exercising discipline on the expenditure side. Since adopting a professional form of government in 1995, the City has made sustained improvements in financial management, long-range planning, transparency, and the growth of fund balances and reserves.

2025 HIGHLIGHTS AND OPERATIONAL UPDATES

Despite economic pressures and staffing limitations, 2025 was a successful year. We completed a number of important projects while also positioning ourselves for more complex initiatives moving forward.

We secured long-term collective bargaining agreements with our two largest unions: the CSEA Local 8702 and the Crystal City Police Benevolent Association. These agreements included wage adjustments above typical annual increases to remain competitive in today's labor market, along with additional measures to help moderate the growth of employee health insurance costs.

We also continued our long-standing commitment to infrastructure reinvestment. Among the numerous capital projects, the City's annual paving program was completed for approximately \$2.1 million, resurfacing 39 blocks of streets. Prior City Council decisions to embed paving funding into the base of our budget have produced a lasting impact on roadway conditions and long-term cost control.

In public safety, we continued to implement new technologies such as rebuilding and expanding our video surveillance system which includes a new video management system, replacement of aging cameras, and expanded coverage to now include the commercial area of Bridge Street and our Senior Citizen Center.

The City Council updated the 2002 Comprehensive Plan, providing direction to guide land use, housing, infrastructure, and economic development decisions for the next 15-20 years.

We also worked closely with neighboring municipalities, Steuben County and Corning Community College to maintain essential transit services through interim measures. And, we coordinated with the Department of Environmental Conservation to advance remediation planning in key park areas and at the Fire Department site; work that will support future capital decisions tied to our Parks Strategy and long-term facility needs.

These are only a few examples, but they reflect the steady progress made in 2025. Looking ahead to 2026, we are now facing a pivotal moment where converging financial and organizational decisions will define the City's ability to sustain services and manage risk in the years ahead.

LOOKING AHEAD TO 2026

As the City enters 2026, the year ahead presents an opportunity to build on recent investments and move from planning to execution. Several major initiatives are now aligning, requiring thoughtful sequencing and coordinated decision-making. Effectively managing these efforts will strengthen City operations, improve infrastructure reliability, and preserve long-term fiscal stability. Our focus in 2026 will be on translating preparation into measurable results.

Centralized Human Resources:

As you know, the absence of a centralized Human Resources (HR) function presents ongoing challenges given the complexity of the organization and the volume of regulatory, labor, and personnel issues that arise daily. The position of Labor Relations Administrator was eliminated in FY04 due to budget constraints, and related responsibilities have since been dispersed among staff, making consistent and accurate decision-making more difficult.

To address these challenges, we included funding in the current budget to engage Matrix Consulting to conduct a comprehensive Human Resources analysis. Their findings are now guiding our transition toward a more centralized HR system, which is expected to include the addition of a full-time HR specialist in the FY28 budget year.

The preparatory work underway during this transition period is going very well and will help mitigate risk, clarify expectations, strengthen compliance, and ease the financial impact of moving to a full-time role. The first round of improvements being implemented this fiscal year with Matrix's assistance includes:

1. Personnel file audit
2. HR software review
3. FMLA policy and procedures review and update
4. Civil Service classification of a full-time HR position
5. Labor posting compliance review and update

The Police and Fire Departments are also in the process of updating their policies and procedures through the Lexipol platform. This effort will establish a centralized, computer-based system with mobile application access, ensuring that policies remain current, accessible, and consistently applied. Importantly, Lexipol provides ongoing updates as new legal mandates are issued and best practices evolve, reducing organizational risk and supporting compliance. The platform also includes accountability features that document policy review and acknowledgment, strengthening training, supervision, and operational consistency across both departments.

Succession Planning:

As staffing levels decline and institutional knowledge becomes more concentrated, succession planning has taken on increased importance. We have filled the positions of Deputy Fire Chief and Police Captain, strengthening our command structure and reducing organizational risk during periods of transition. Across departments, continued attention to training, mentoring, supervisory development, and cross-functional exposure is essential in small organizations where the departure of a single experienced employee can have outsized impacts. To this end, we have recently commenced our operational management planning efforts in our administrative departments which will include succession planning discussions, staff capacity, and cross-training. This work will have long-term benefits to ensure better operational stability as additional staff retire over the next few years.

Information Technology (IT) Support:

As the City continues to rely more heavily on technology across all departments, the need for adequate information technology support has become increasingly apparent. Core functions including financial systems, public safety technology, records management, cybersecurity, and remote access depend on reliable, secure, and well-maintained IT infrastructure. Limited IT support capacity increases operational risk and places

additional strain on department heads and staff who are required to manage technical issues outside their primary responsibilities and areas of expertise.

To address these needs, the City recently transitioned to a new IT service provider with extensive municipal experience, including familiarity with the City's surveillance system upgrades. The transition is going well and will provide the City with time to better organize and evaluate long-term IT staffing and service options.

Infrastructure

We have several infrastructure projects ready for implementation in 2026. The Wastewater Treatment Plant boilers, installed in 1994, have exceeded their service life and failed inspection. Replacement was estimated at \$1.23 million; the City secured \$984,000 in federal funding, significantly reducing required bonding. The City is also converting disinfection at Water Well #9 from chlorine gas to a safer alternative and proceeding with hydrant and valve replacement in the Houghton Plot area in coordination with remediation work by Corning Incorporated. We also anticipate investing over \$2 million in street and parking lot improvements continuing our efforts to improve road conditions, and enhancing both pedestrian and vehicular safety.

CEATS System:

Public transportation remains one of the City's more complex operational responsibilities, but it also presents an important opportunity to support residents as the cost of vehicle ownership continues to rise. In 2026, we will continue working with neighboring municipalities, Steuben County, and Corning Community College to advance a more sustainable regional transportation model.

The New York State Department of Transportation is supportive of these efforts and is conducting a Transit Integration Pilot Study to further evaluate regional service demand and alternative operating models.

Separately, the City has been awarded more than \$400,000 in grant funding to replace three buses. While procurement and delivery will take time, this investment represents a meaningful step toward improving fleet reliability and long-term system stability.

Parks & Recreation – Remediation:

Environmental remediation led by the New York State Department of Environmental Conservation (NYSDEC) is expected to begin in several City parks during 2026, positioning the City for future improvements beginning in 2027. Remediation activities are anticipated at McKinney Park, West William Street Park, Hillvue Park, and parts of Denison Park. While this work may temporarily affect access and programming, it is a

necessary step in addressing legacy contamination and preparing these sites for much needed improvements.

In parallel, the City is working with design professionals to begin outlining future park facilities and amenities that can be implemented in phases once remediation is complete. Coordinating remediation schedules, public access, design decisions, and capital funding will require careful planning, but it also presents an opportunity to align future park improvements with the City's Parks Strategy and long-term sustainability goals.

Parks & Recreation – Aquatics:

The newly updated Comprehensive Plan has provided us with further direction on the future of the City's aquatics program. The pools at Denison and Stewart Parks are aging facilities that require significant ongoing maintenance and capital investments. We are evaluating the replacement of these pools with splash pads, which offer more flexible recreational use, lower operating costs, and improved long-term sustainability while still providing the public with an outdoor experience.

At the same time, we have commenced discussions with the school district regarding the use of the high school pool for swimming lessons without the financial and operational burden associated with maintaining aging outdoor pools.

Parks & Recreation – Green Infrastructure Initiative:

In 2026, the City will also be advancing implementation of a National Fish and Wildlife Foundation grant in the amount of \$632,000 for green infrastructure improvements in Denison Park. The project includes bioretention features, permeable pavement, and conservation landscaping designed to improve stormwater management and environmental protection. While the grant provides an important opportunity to pilot green infrastructure in a high-visibility public space, it also requires careful coordination with NYSDEC remediation activities, parks programming, and long-term maintenance planning.

Parks & Recreation – Ice Rink:

In 2026, the City will also be implementing Phase III improvements at the Ice Rink through a \$337,000 State grant. These improvements will include ADA-compliant restroom upgrades, electrical system improvements, and selective replacement of deteriorated brick pavers. The rink is popular and heavily used for a variety of programming and gatherings.

Economic Loan Program:

As part of implementing the City's Economic Development Strategy, we are also evaluating the transition of our underutilized economic loan program to the Regional Economic Development Corporation (REDEC). This change is intended to better align the program with regional economic development expertise, underwriting capacity, and existing business support networks. While the transition reduces administrative burden on City staff, it will require careful coordination to ensure accountability and alignment with local policy objectives. Successfully completing this transition in 2026 will allow the City to focus more of its limited internal capacity on core municipal functions while continuing to support business investment and redevelopment through an experienced regional partner.

Property Reassessment

The City has begun the 2026 cyclical reassessment following the 2023 revaluation. With assessment levels at approximately 95 percent of market value, changes are expected to be modest for most property owners. The reassessment reallocates tax burden; it does not raise taxes. We will again focus considerable attention on keeping the public informed about this process and working with property owners needing individual assistance to understand their valuations and the appeals process if they do not believe their new assessments reflect market value.

Zoning:

With the adoption of the updated Comprehensive Plan, the City now has a long-term framework to guide future growth and land use decisions. The City's zoning code will need to be reviewed and updated to ensure consistency with the Comprehensive Plan. Portions of the current code predate modern planning practices and do not fully reflect current housing needs, market conditions, or development patterns. Targeted zoning revisions will be necessary to support appropriate redevelopment, encourage housing diversity, and promote reinvestment while maintaining neighborhood character. These updates will require sufficient administrative capacity to ensure that policy objectives are implemented in a practical and sustainable manner. We intend to apply for funding to support the technical expertise needed to assist staff in drafting these updates.

Pro-Housing Community and Downtown Revitalization Initiative:

The City will also continue evaluating participation in New York State's Pro-Housing Communities Program and the Downtown Revitalization Initiative (DRI). These programs present opportunities to align local planning goals with State funding priorities. However, participation carries policy, zoning, and administrative implications that must be carefully assessed. I anticipate our staff review will be completed in the next couple of

weeks and resolutions for the City Council's consideration to participate in these programs will be on the agenda for the City Council meeting in March.

CIDMA and the Gaffer District: Over the past year, the Corning Intown District Management Association (CIDMA) and the Gaffer District have undergone important leadership and organizational changes. I am encouraged by the direction of the District and the progress that has been made, particularly over the past few months, under the leadership of Board Chair Jenn Miller and Executive Director Catherine Price, who brings valuable downtown management experience from her work in Geneva. We are seeing improved communication, stronger engagement, and a renewed focus on collaboration with the City and downtown stakeholders. These changes strengthen our public-private partnership and support our shared goal of a vibrant, well-managed downtown that remains responsive, transparent, and accountable.

CONCLUSION

Taken together, the issues and initiatives outlined this evening reflect a City that is financially stable and positioned to move from planning to execution. Over many years, we have made disciplined decisions that strengthened our financial foundation, modernized core systems, and preserved essential services despite changing economic conditions and declining staffing levels. The progress achieved in 2025 demonstrates the professionalism of City staff and the value of consistent policy direction from the City Council.

At the same time, the scope and complexity of the City's responsibilities continue to expand. Implementing the Comprehensive Plan, advancing major capital and infrastructure projects, maintaining public safety and core services, and managing an increasing number of regulatory and grant-driven requirements will require sufficient administrative capacity and support.

I thank the City Council for your support, and the City staff for their continued professionalism, adaptability, and commitment to serving the community with very limited resources often under challenging circumstances.