

State of the Town Annual Address
Mayor John A. Harkins
March 23, 2010
Oronoque Country Club, Stratford, CT
*****Media Embargo Until 12:30PM, March 23, 2010*****

Thank you all.

It is an honor to be here today not only as the Mayor of Stratford, but as someone who for years has had the pleasure of working with the Rotary, Bridgeport Regional Business Council, and the Chamber of Commerce. As a business-owner myself, I cannot tell you how important you are to the economic future of this community. Keep up the good work.

You've asked me to provide an update as to the state of our town. Stratford is strong, and it will ALWAYS be strong because of the people who call it home. No problem or obstacle will ever hold us back because this is Stratford- and we hold our heads up high.

But those obstacles, though not insurmountable, are daunting.

The state of our town is strong, but the state of our town's finances is weak- and the choices we make today will forever alter our economic fortunes.

When I sought this office I made a promise to all the residents of Stratford that I would be honest and forthright with them. So here is the truth, one that we must first address to get our house in order and lay the foundation for a better future.

Our town's operating expenses are unsustainable. In this year alone, the municipal side of our budget saw fixed costs rise by nearly four million dollars in employee benefits, pensions, and healthcare. From the Board of Education came equally bad news of a nearly five million dollar increase in contractually obligated health care costs.

We spend two million dollars a year in worker's compensation and another two million in legal bills to defend lawsuits borne out of poor management. Sometimes, we are our own worst enemy when it comes to containing avoidable costs.

That means to fund the obligations previously made, we must spend nine million more than we did the previous year, without providing a single additional service to residents.

Add to this the collapse in the real estate market, which through state-mandated revaluation robbed our Grand List of 57 million dollars in value. Accounting for contingencies and settlements, that's \$4.2 million less in tax revenue.

Our expenses, contractually obligated by previous officials, went up while our Grand List collapsed. I walked into office facing the perfect storm, and that storm has hit Stratford taxpayers dead on.

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There are basic services we must provide to preserve the quality of life in this community and make it a desirable destination for economic development. However, what good does it do to provide these services if fewer and fewer residents and businesses can afford to enjoy them?

The budget I have submitted to the Council does “less with less”. I have proposed over \$1.6 million in reductions to discretionary spending: reducing the size of our workforce, closing a fire engine company, requiring non-union employees to take two unpaid furlough days, and doing without convenient, but unnecessary, services in Town Hall.

These reductions will not come without consequence. However, we cannot afford to fund the government of years past under the economic realities of today.

In spite of these reductions, our balance sheet has become overwhelmed by the sins of the past. Many of our costs are fixed, and there are wide swaths of our budget that I cannot contractually alter... YET.

In the upcoming fiscal year, Stratford’s history of failure to adequately fund or fully realize its long term obligations will come to a head. Rather than kick the can down the road once more, I have chosen to address these costs and begin the long process of reform. Pretending these commitments don’t currently exist, when they were put in place by a long line of leaders from both parties, will only hurt our bond rating and financial outlook to investors.

The numbers contained in my budget may be painful, but they are real. Increased contractual costs for healthcare, pensions, and workers compensation are paid for in this budget. Anticipated settlements and expenses for outstanding legal matters are brought to light rather than hidden. Right now, these costs are not a choice, and I will not perpetuate a shell game on the taxpayers by treating them as such.

To fund these contractual obligations will require a mill rate increase in spite of the reductions I have recommended on the discretionary side of the budget. I am not pleased by this fact. It makes me as angry as each and every person in this room and across our community.

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That is why I pledge to you now, I will work night and day to reform the system and fix the problems we have been left. I will not lay down and accept what we must confront this year as the way of the world.

This year's budget has been handcuffed by a history of poor decisions. I will fight until Stratford taxpayers are free from the shackles that years of overspending, high taxation, and poor management have placed upon them.

We have not gotten to where we are in a single day or a single year. Our problems will not be solved in this budget, nor maybe even in my term in office. But I will not use that as an excuse to do nothing. I will set the ball rolling in the right direction and leave Town Hall in a better, more affordable condition than I found it.

In fact, we've already started.

We have made some important reforms in these few short months. At-will employee benefits have been reformed so that we will never again be forced to pay outrageous "cash outs" to departing appointees.

The Town Attorney and Human Resources Director have implemented important risk management controls to reduce this town's legal exposure and liabilities.

The Chief Administrative Officer will soon begin a comprehensive review of overtime policy at the Police and Fire Departments.

We are contracting the services of a financial auditor to address our pension system.

Most importantly, Town Attorney Tim Bishop is crafting a long-range plan to overhaul that office with a goal to cut operating expenses by half over the next several years. Resources are scarce, and are put to better use investing in Stratford than defending it in a courtroom.

Yet we must do more.

I am actively seeking proposals to privatize certain town departments to provide better service to the people of Stratford at a lower cost. There are some things only government can do, but there are others that government should not do.

Let's stick to what we're good at.

I have added the position of Economic Development Director to my Administration to give businesses who wish to move to Stratford, expand in Stratford, or just stay in Stratford, an enhanced level of service from Town Hall.

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This year, my Administration will negotiate new contracts with all six bargaining units in Town Hall. If we are to build an efficient and sustainable government with a mill rate that encourages economic development, we must use this opportunity to rationalize employee costs with taxpayers' ability to pay.

We cannot go back and change history, but we can write a new chapter for tomorrow.

I want to make clear: we have excellent people serving this community. I am not seeking to scapegoat the people who make town government function.

However, we cannot continue to sustain contracts that are far more generous than the average taxpayer enjoys. From work rules that decrease efficiency and drive up costs, to healthcare plans that discourage personal responsibility, to a defined benefit pension system that has gone extinct in the rest of society, my Administration will negotiate in good faith to provide compensation and benefits that are fair to both our valued employees and the taxpayers who pay for them.

Yes, we face significant challenges in the near term. And yet in times of crisis, we are given opportunity. I, for one, am optimistic about Stratford's future.

Never before has this town been afforded a chance to fundamentally reform how we do business and make government work for the people of this community.

By taking advantage of the opportunities we've been presented, we can right the wrongs, restore the pride, make government affordable, reduce our tax burden, and encourage growth.

I am not content to let the greatness of Stratford be overshadowed by the challenges we face.

And I hope you are not either.

Doing what's right is seldom easy, and there will be tougher days ahead. You, as citizens and business-owners, have a choice to make.

You can pick up and leave or you can stand up and fight.

So I'll leave you with a simple request- **DON'T GIVE UP!**

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Be part of the solution. Too many times I hear the phrase, “well, the problem is”, without a solution to follow. It’s time for us all to work together not simply to identify problems, but to SOLVE them.

We can do this. Progress is within reach.

I won’t give up, so don’t quit on me now. Join me in the fight to make Stratford better for all of us, because Stratford is worth fighting for.

Thank you, God bless you, and God Bless the Town of Stratford.