

Mayor Craig Henrici  
State of the Town Address  
March 8, 2007

Good afternoon ladies and gentlemen. It is my honor to deliver to you my second State of the Town address and I thank the Hamden Chamber of Commerce and its members for affording me this opportunity.

Since I took office in November of 2005, I have done my best to tackle problems head-on, to put in place a team capable of inspiring the very best work from Town employees, and to ensure that above all, Hamden's government is responsive to the needs of its residents and business leaders. I am proud to say that these principles have resulted in a leaner yet more efficient local government.

Make no mistake about it: Hamden's fiscal position is improving. Our commitment to tackling problems responsibly, including a fair and gimmick-free implementation of a painful property revaluation, earned the Town a Positive Outlook from rating agency Standard and Poor's after only seven months in office. The recently-completed audit of the 2005-2006 Fiscal Year, in which nearly all findings from previous audits of the Town's practices had been corrected, verifies the Town's commitment to the bedrock principles of good government and sound finance.

In their review, Standard and Poor's did express two lingering concerns: first, the status of many Town labor contracts, which had been expired for up to three years, and second, the chronic underfunding of the Town pension fund. I am happy to report that Standard and Poor's will have no concerns about the labor contracts this year, as the Town has negotiated in good faith to sign seven of seven expired contracts. Even more remarkable is that only one of these contracts was decided in arbitration instead of at the bargaining table. As it is with residents, my administration has been up-front and honest with Town's labor unions. The long-expired contracts were having a negative effect on morale and productivity, which can be particularly harmful in a government doing more with less. Fair negotiation and fair treatment of workers saves money in the long run. It fosters an environment where we can truly focus on what matters most: providing world-class service to the citizens of Hamden.

The other concern expressed by both our auditors and Standard and Poor's is the status of our Pension fund. For years, the Town shortchanged the fund as a way to artificially lower Town expenditures. I spoke at length about this issue last year and the threat it poses to the Town. This year, I'm pleased to report real progress on the path to resolving this underfunding issue.

In reality, the problem has three components, each of which must be addressed. The first is ensuring that the Town appropriately fund its annual pension contribution. The second is to address the spiraling costs of employees who, due to increased life spans, may collect a Town pension for thirty or forty years. And the third is to ensure that there is enough money in the fund to generate significant gains in capital.

To address the first issue, the Legislative Council approved increasing the amount of the

Town's contribution in the current year's budget. We are still below the levels recommended by our actuary, but we are coming closer to meeting that threshold.

Second, we have worked with some of our unions to change the retirement benefit for new employees. Instead of receiving a Town pension, we can begin to transition some of our new employees to the State of Connecticut's Municipal Employee Retirement System. This assures that, over time, Hamden's unsustainable pension plan will simply go away. The level of mutual trust engendered during the contract negotiation period is directly responsible for this key development, and stands as another example of the benefits of a straightforward approach.

The third and final component of resolving the pension funding problem is the issuance of Pension Obligation Bonds, otherwise known as POBs. We are preparing a bonding package for the Legislative Council that would offer an immediate infusion of \$55 million into the fund. This is a step that demands much consideration and analysis, and one of the critical steps was a good faith response by the labor unions that they would accept a wholesale change in the way the Town offers benefits to new employees.

Another benefit of the POB package is that, by law, municipalities that issue POBs must fully fund their actuary's recommendation for pension fund contributions. POBs do not only solve the problem today, but guarantee that the Town will meet its pension obligations for the next thirty years.

It is my sincere hope that, by addressing Wall Street's two concerns in these practical, realistic, and tangible ways, the Town will receive an upgrade in its bond rating in the upcoming year.

We are hard at work now finalizing a budget for presentation to the Legislative Council. Increases in that budget are generally line items over which we have little control: the increased cost of electricity that is affecting all budgets; the increasing cost of health care; a previously-determined increase in debt service based on our bonding schedule; the insurance of new property like the new Hamden Middle School; and new salaries settled in the recent round of contract negotiations. On the other side of the ledger, the Town has seen a growth of 1.14% in the Grand List, promises of increased state funding, and has the potential to achieve up to \$2.1 million in savings based upon current vacancies. Clearly, achieving greater organizational efficiencies—or doing more with less—will continue to be the order of the day in the next fiscal year. The old ways of doing business no longer apply. From hiring, to the size of our automobile fleet, to rejecting Purchase Orders for non-essential items, the Town is no longer doing things today simply because we did them yesterday.

In order to successfully do more with less, we must continue to prioritize Town needs based on a combination of experience, expert advice, and citizen requests. For years, both the auditors and citizens have expressed that moving Board of Education offices into Government Center would offer the opportunity for greater transparency and better lines of communications between the Town and its biggest department. With the support of the elected members of the Board of Education and the administration at Central Office, my office has spearheaded this move. We have hired a planning consultant to transform vacant space in Government Center into the new Board of Education office. While a project of this scope cannot happen

overnight, I am pleased with the progress we have made that will allow the Board of Education to move seamlessly into the building that is our home. The Board of Education will maintain its independence, but we will all benefit greatly from sharing critical resources.

Like the move of the Board of Education, my administration's focus on issues relating to Quinnipiac University also stems from citizen concerns that had reached a critical mass. I give credit to those citizens as well as to the administration at Quinnipiac for their willingness to participate in an open and public dialogue that lead to realistic solutions. From the simple roadway changes that protect our neighborhoods, to university assistance in pursuing student housing issues, we have seen a dramatic improvement in Town-Gown relations. We must all recognize that Quinnipiac University is a tremendous asset to the Town, just as the university must accept its role as a good neighbor to residents and businesses alike. While we may not always agree, I am deeply encouraged by Quinnipiac's availability and responsiveness to Town-Gown issues over the past year.

Quinnipiac University became such a hot topic in town because its development was impacting the quality of life for local residents. One of the great things about this Town is that so many citizens are lifetime residents and can remember a time when there was less development. While we cannot and we should not go backward, we should recognize that there are strategic pieces to Hamden's past that we must preserve. The purchase of Johnson's Pond as Open Space, my administration's early opposition to the proposed gravel pit in Northern Hamden, and preservation projects beginning at Memorial Town Hall, the Rectory Barn, and the historic Lockkeeper's House are examples of efforts to maintain links to Hamden as it was. My administration has issued requests to our delegation in Washington to assist us in procuring funds for a wholesale renovation of Memorial Town Hall as well as a fund to speed up the purchase of open space.

But even old Hamden had its problems, and I am pleased to report this afternoon that we are very close to finalizing a global settlement to a thorny issue that has plagued both Hamden and North Haven for more than 20 years: the State Street tire pond. Where legal action failed, a negotiated settlement is about to bring an end to this longstanding and acrimonious dispute. As part of this global settlement, the parcel will change ownership, a closure plan for the tire pond will be filed with the State, and the parcel's new owners will remove, at no cost, the stockpile of soil near the new Hamden Middle School for use as fill at the tire pond. Again, straightforward talk and honest dialogue are the hallmarks of good government and the backbone of realistic solutions.

The same holds true for the remediation project in the Newhall neighborhood. My administration inherited a history of rancor and mistrust between the Town and neighborhood residents. Our response was not to cloak ourselves within the legal language of state law, but rather to discuss the issue frankly and openly with both residents and the State of Connecticut. We are looking forward to a final remediation decision from the Department of Environmental Protection this year, as well as a citizen-directed redevelopment plan for the entire neighborhood. Again, we have asked our representatives in Washington for federal funds to implement the redevelopment plan endorsed by Newhall residents.

As the tire pond and Newhall remediation effort play out toward their conclusion, much like other longstanding projects including the construction of the new Hamden Middle School, the completion of Phase I of the Whitneyville Streetscape, and improvements to Borgnine Park, we are also at the beginning stages of several new, exciting projects. The Town's purchase of D'adio Farm offers us the opportunity to construct a new fire facility to replace the outdated fire station on Circular Avenue as well as serve as "home base" to the ambulance service we are proposing to the State of Connecticut. The purchase also allows the Town to generate additional revenue through an expansion of our industrial park. The business community has expressed concerns about the relative lack of industrial and manufacturing lots in Town, and we have responded.

The Town Center Park Committee has selected an architect and can look forward to a farmer's market and other exciting features. The Legislative Council has given my office the authority to proceed in soliciting a vendor to provide wireless internet access first in the Town Center, then across Hamden. Like well-maintained roads and recreational opportunities, municipal wifi will be a signal to the business community that Hamden is a town ready to meet their infrastructure needs.

Another less tangible piece of infrastructure involves the very machinery of government. As you may know, I consolidated the coordination citizen questions and complaints within my office's Help Desk. As Mayor, I am ultimately responsible for making sure the Town works for the people who make it strong. Through constant monitoring of Help Desk logs, I am better able to gauge what is working, what is not working, and the priorities of Hamden residents. Policy decisions like spending more money on road and sidewalk repairs, and targeted action like resolving a flooding problem on Franklin Road, all had their genesis in complaints issued to the Help Desk. The Help Desk also works proactively by issuing items like the *Citizen's Guide to the Budget* and the Town's *Annual Report* to give residents the tools they need to be more active and engaged consumers of government services.

Since taking office, I have spoken frequently about Hamden's need to turn the corner. We have so many assets, including a strong business and commercial base, active citizen groups, dedicated Town employees and a world-class university, that really only organization and the will to change stand between this Town and the Hamden we know that it can be.

I based my administration on three principles: financial responsibility, straightforward dialogue, and stakeholder input. Both Standard and Poor's and the Town's auditors have confirmed the rebirth of financial responsibility in Hamden. Straightforward dialogue has resulted in significant progress in issues as diverse as Quinnipiac expansion, labor contract negotiation, and an end to a generation of battles over the tire pond. The value of the Help Desk in parsing the needs, desires, and wishes of Town stakeholders versus the limited funds available, is immeasurable.

I am proud to report that this three-fold approach to good government has worked. The state of the Town is strong. Hamden has, my friends, turned the corner. Thank you.