

## **Mayor's Budget Address**

Mayor Scott D. Jackson

March 15, 2012

Residents, members of the Legislative Council, businesses, and other guests, thank you for coming out tonight for this presentation.

Friends, there is at play in this world a principle of convergence, of things coming together. These are very challenging times to be in government, but I think the reason the sixteen of us chose to put our names on the ballot is because we see the opportunity in this moment of convergence. There is something to be seized here.

We have a shared vision of our community space, and that vision has been ratified by others: in 2011, we were named by America's Promise Alliance as one of the Top 100 Places in America for Young People; in 2010, it was CNN who called us one of the Top 100 Places in America to live; and in 2008, Fortune Small Business Magazine identified Hamden, CT as one of the Top 50 Places to live and launch a small business. The challenge before us is to avoid resting on our laurels and, instead, assuring that Hamden continues to stand as a beacon, as that "city on a hill", long into the future.

On the wall outside of my office are photos and illustrations of all of the prior Mayors and First Selectmen of the Town of Hamden, going back to 1865 and Norris B. Mix. And in each of the days of these women and men, Hamden has faced its challenges. But after hours when Government Center is quiet, I look at those pictures and I commune with those able leaders, as I do with my contemporaries at meetings of the Connecticut Conference of Municipalities and the South Central Regional Council of Governments. I wonder if there is some fundamental difference in 2012; some conflation of mandates, financial pressure points, and yes, stakeholder expectations that makes problem-solving in this era unique. That makes us--all of us in government--have to press harder.

Because if you have not noticed, trouble is afoot and dark clouds are gathering. A 1991 *New York Times* editorial read, "When a city like Bridgeport, Conn., goes bankrupt, the failure is as much political as financial. Like many cities, Bridgeport is in deep trouble. Some of the causes are local, some not. But Bridgeport's petition for court protection is extreme. Public officials are elected to solve problems, not walk away from them."

I was in college studying government when the City of Bridgeport sought bankruptcy protection, and it sent shockwaves through the academic field.

It was unheard of. And while Bridgeport has come back from the brink, in the interceding two decades, the stories of Chapter 9 bankruptcies are coming faster and faster. Vallejo, California. Jefferson County, Alabama. Orange County, California, Central Falls, Rhode Island. Eleven municipal bankruptcies since 2010 and dozens of communities under the control of state financial control boards.

We have financial issues, but we are not there today. We can avoid that fate. We must be smarter because bankruptcy or state control carries with it tremendous immediate tax burden for all property owners, and giving up control to someone else is political failure.

But I speak to you the unvarnished truth: unless we build our own future right now, we could face the same predicament in just a few years. I do not say that to be alarmist, I say that to frame the importance of the decisions you will be tasked with over the next several weeks as you, the members of the Legislative Council, make these budgetary decisions. In response to a question about massive budget deficits in municipalities and counties across New York State, New York City Mayor Michael Bloomberg said it far more succinctly than I can: "we are really up against it."

These other communities, in large measure, have succumbed to the principle of "managed decline," the belief that the die is cast and there are no other options. I don't believe that, and this budget reflects it. But, in order for this budget to work, in order to ensure Hamden's future as the place we know and love, we need to initiate a new civic compact, one that embraces our shared values and shared vision, and begins to strategize the most efficient way to proceed. A new civic compact that acknowledges the significant issues on the horizon and provides balance and perspective to what we believe to be our immediate needs.

What do I mean by that?

As residents, as consumers of government services, we have grown accustomed to certain benefits. For example, we have unlimited trash pickup as well as a transfer station and twice annual bulk pickup, all currently funded by tax dollars to the tune of millions of dollars. We spend more for management of trash than we do for our library system, elderly services, youth services, community services, and arts programming combined. While I have not proposed a significant change to residential pickup in this budget, I can foresee a time where the Mayor, the Legislative Council, and the residents adopt a model closer to that of Wallingford, where residents pay for disposal. A model where aggressive recycling and minimization of trash has direct financial payback on a household by

household basis.

But it is not just residents who are a part of this compact. As you may recall, two years ago I proposed a budget that, as far as I can tell, included the largest set of layoffs in Hamden's history. And even knowing in advance the result of municipal layoffs--employee demoralization and confusion, shock by residents when familiar faces or services are no longer there--I proposed that series of layoffs because I honestly believed that the fiscal circumstances warranted it. Without question, that was the nadir of my relationship with labor, with the men and women who make this government work. I have worked hard to repair this relationship, and I believe that I have been successful. And I believe that I have earned, through sincere hard work and honest dialogue, the status necessary to effectively negotiate changes to employee and retiree benefit structures. The time is now.

Central Falls, Rhode Island offers an illustrative example. Over months and years, the city administration sought retiree benefit changes to reduce outflows from the pension fund, to no avail. In a vote, two out of the city's 141 retirees voted to restructure their pension to increase the pension fund lifespan. Shortly thereafter, bankruptcy was filed, which creates the authority for across the board pension cuts as part of a "prudent plan" to regain solvency. It was shortsighted and financially damaging for the retirees to remain locked in a change-resistant posture. Employees and retirees must be at the table, actively participating in the management of public funds and fully cognizant that the short-term concessions they make have long-term benefit.

Short-term, long-term. As part of this new civic compact, we must also adjust our time horizons. We cannot afford to think along the lines of a one year budget or a two-year elected term. It is going to take longer than that to address our two most significant fiscal issues: a narrow fund balance and a critically underfunded pension plan. For decades we have borrowed from fund balance or shorted the pension fund contribution or allowed internal service funds to run massive debts, because the primary metric of success for elected leaders has been year-over-year mill rate. It is going to take longer than one or two years to create a pathway for every young person in this town that guarantees ample access to opportunity. It is going to take longer than a one year budget or a two-year term to think big.

Part of the new civic compact is social. It shouldn't take a visit from the litter enforcement officer or a zoning enforcement officer to pick up trash in front of your home or business. We need to have more pride and accept more ownership of our neighborhoods. And I need to take a moment to reach out to four individuals here in town: Lemur, Fap, Shush, and 4#6. For

years, you have written graffiti on every stop sign and bridge underpass you can find. We know your names, we acknowledge your presence. You've done enough. Now it is time for you to use that energy for efforts that enhance our community, not detract from it. It is time for you to come out from behind your tag names and join us in pulling this community in the right direction. I know you can do it.

This is a community that cries out for public art. We have a thirst for it, and limitless capacity to consume it. But friends, art is not a magic marker scribbling on a stop sign. I ask you, and I ask our Arts Commission, to embark on a joint task: to rethink the implementation of public art in Hamden and develop a five year program to make it happen.

Some may find it unusual that I would try to link graffiti artists--vandals--with our Arts Commission. Obviously, I don't. We must pound the pavement seeking partnerships and joint endeavors. The days of government doing everything on its own are long gone and results are diminishing. We must be open to non-profit and commercial partnerships that help advance our mission. New ways of doing business. Government as a silo is no longer viable.

So here we have it: Hamden's future requires that we, as residents, as employees, as civic actors, take our roles seriously and suppress the instinct to interact in a strictly lateral sense along this 2012 time horizon, but longitudinally with those who will inherit this great Town. There is an old but apt saying that "generals always fight the last war." We cannot afford to make that error. The tools we must apply must be applicable to today and the future, not the rusty axes of an era gone by. We must use data unapologetically and listen more to the residents in the grocery store than the anonymous internet posters. We must have boots on the ground in all of our neighborhoods.

Employing 21st century solutions has been the guiding principle of the budget before you. Ten years ago there were no smartphones, no iPads. No hybrid or electric cars, no broadband internet. So why should we act like we still live in that world? Ten years ago there was no Facebook; today there are more than 845 million users. It is time for our people in the field, be they police, public works, or building department to have real-time data access to home base. Hamden has more than 100 less employees than we did when I graduated from high school. Public Works is 50% the size of what it was twenty-five years ago, but we have more physical infrastructure to support. The only way for this mathematics to work without completely gutting any commitment to service levels is to let technology help bridge that gap. You will see in this budget, predominantly on the capital side, an

investment in technology infrastructure necessary for us to truly do more with less.

I mentioned before year-over-year mill rate as the perceived primary measure of elected leadership. But when residents look me in the eye and say they think I'm doing a good job or a bad job, it is infrequent that they reference the mill rate. They tend to talk about sidewalks and roads. They talk about the experience of their children in the public schools. They talk about the willingness of the Mayor and the Council and the Board of Education to listen to them and to take their words seriously, without the political posturing that takes place in other communities, and far too often in Washington DC. Because when it comes down to it, we all choose to be here. We all choose to stake our claim with the Town of Hamden. And the taxes we pay are an investment in the Town that we have chosen. And like any investment, sometimes you have to ride out the turbulent times to get to the dividend. The Apple Newton failed miserably in the late 1980s. But, given what we know now, any one of us would go back in time to buy shares at the time when things seemed the darkest. Today is the day we seek investment. The time is now.

We can no longer look at taxes as transactional. We must begin to look at taxes through the prism of investing in a livable community with long-term viability.

So let's talk frankly about taxes. Let's talk about this investment. Everyone who pays taxes--and wherever you pay is irrelevant--firmly believes that those taxes are too high. But we can take a step back and analyze the pension fund and see that it has been underfunded by about \$200 million over the decades that it has existed. We have got to address this. The underfunding of the pension plan is the most significant issue jeopardizing the long-term fiscal stability of the Town of Hamden. A lack of investment in the pension fund threatens our community dividend.

The budget before you increases the size of the Town budget by \$10.5 million, and the tax levy by more than \$9 million, or 6%. For the average residential taxpayer, this budget means a tax increase of \$351 per year. The bulk of that, about \$7 million, is in retirement benefits. There is an additional \$2 million in medical benefits. There is a very small increase for the Board of Education...please remember that they very responsibly held back \$1 million of stimulus dollars from the prior year, so the Board expenditure in current year is not the \$79.1 million in the budget book, but actually \$80.1 million. This budget proposes an allocation of \$80.3 million for the Board of Education, with the reminder that the State of Connecticut's reimbursement for Special Education costs, approximately \$1.9 million over

the last several years, is not included as general revenue in the budget and is available to the Board as a dedicated fund. We are anticipating an increase in State aid--and I thank our legislative delegation and Governor Malloy--of approximately \$1 million.

This budget preserves our essential services : police, fire, public works, parks, and education. It incorporates new items for which citizens have clamored: the services of a traffic engineer and enhanced funding for road and sidewalk repair. After the two storms last year, it became apparent that our Public Works Department had shrank too much. This budget restores two maintainer positions to help that department carry out its critical mission.

It also recognizes the need for right-sizing of departmental staff, but accomplishes this not through layoff, but through funding of a retirement incentive program where we will target between twelve and seventeen employees eligible for retirement and leave those positions either vacant or filled at a significantly reduced salary scale.

Trendline analysis is critical to understanding our development as a government institution. I have mentioned the shrinking of Public Works; it was once our largest department. In 1991, 9% of our budget went to Public Works, in the current year, it has been whittled down to 5.7%. Police and Fire have been around 6% consistently, and direct education expenses have been consistent at around 43%. The fixed costs of having employees have dramatically increased, and an unbiased analysis says that, to the extent possible, those increases have been mitigated by a loss of staff in the non-public safety sectors.

But this reflects our core values as a community, and I expect these proposed retirements to fall entirely on the non-public safety side of government.

This budget proposes a \$10 million expenditure for retirement benefits, including funding for the initiation of a 401(k)-style program. I have been engaged in informal conversations with some of our unions, but with approval from the Legislative Council earlier this year, I intend to sign next week an agreement with an actuarial firm to capture the value of negotiated changes to the pension plan so that we can all move forward with greater confidence.

Not included in the budget document is an organizational plan to bring about the co-location of two important elements of local government: our Planning and Building departments. All around us we see the signs of a nascent

economic recovery, and here in Hamden, we must effectively position ourselves as the prime location in the State of Connecticut for development appropriate to available sites. By co-locating these offices, we can enhance the visitor experience for those seeking permits while simultaneously strengthening our back-office capacities.

Finally, we must discuss education issues. I have already outlined proposed funding for day-to-day operational expenses, but we must also discuss capital expenditures; infrastructure improvement requests by the Board of Education. As you may know, we are currently engaged in a multimillion dollar renovation of Ridge Hill School, and in the past decade have undergone significant renovation or reconstruction of Bear Path School and Spring Glen School. We have, in the current capital allocation, funding for a feasibility study for renovation or reconstruction of Shepard Glen School. This year, the Board of Education has requested \$4.5 million for a renovation of West Woods School.

I, like many members of the Council, have heard from many parents at West Woods about the critical needs at that facility. But we simply cannot afford to proceed with a renovation project devised outside of a rigorous planning study. We have to be aggressive with our use of data. School redistricting is challenging and disruptive. And while there may have been a time where we could afford to overpay in order to avoid those challenges and disruptions, I no longer believe that this is the case. So instead of requesting \$4.5 million for renovations to a single elementary school, renovations that are not eligible for reimbursement by the State of Connecticut, I am requesting \$1 million for the Board of Education to make some immediate and necessary improvements to West Woods, but primarily to study demographic trends in central and northern Hamden in order to devise a transparent construction plan for our children that makes sense not only today, but long into the future. And while it is possible that redistricting is not required, I believe it needs to be on the table as part of a rational master plan of construction. As the father of two small children, I understand that this will be disappointing to the parents of students at West Woods, but I truly believe it is the most responsible course.

I spoke earlier of guaranteeing ample access to opportunity for all of our children. Superintendent Rabinowitz and I have spent significant time -- and we agree--that universal preschool for students in the Town of Hamden needs to be pursued. As part of the renovation of Ridge Hill School, the architects have devised a way to establish a large preschool program on that

campus. At this time, I am not requesting funding for construction related to that endeavor either. Once again, I believe we must be diligent and transparent in our collection and use of data pertaining to such a project.

As such, I am requesting that the Board of Education and the Hamden Partnership for Young Children collaborate on a planning process that will yield universal access to preschool within five years. Building the facility is probably the easiest component. We must build our capacity and we must open funding streams that will allow all families, on a sliding scale, to obtain the preschool experience that is so intertwined with early academic success.

Friends, the budget is in your hands. I ask you to review it with your broad understanding of Hamden's history, but I ask you to take action with your broad capacity for charting Hamden's future. I ask you to be visionary, to think big and to be big, and I ask that, in this Town of great diversity, you keep at the forefront those who have the least. I ask that you employ 21st century government thinking to address 21st century government issues.

I do not envy you your challenge, just as you have not envied me mine over the last four months of crafting this proposal. But, as the *New York Times* editorial so deftly stated, "Public officials are elected to solve problems, not walk away from them."

I and my team stand ready to assist you in any way we can to make this the right budget for Hamden and its future.

The time is now.

Thank you for your time, and thank you in advance for your hard work.