

State of the Town Annual Address
Mayor John A. Harkins
March 22, 2011
Oronoque Country Club, Stratford, CT
*****Media Embargo Until 12:30PM, March 22, 2011*****

Thank you all.

It's good to be here today among so many others who share my passion for our town, and perhaps most importantly, what we can collectively do for our town's future. As I look across the room I recognize many familiar faces. Faces of people who are involved with the town or who conduct business right here in Stratford. I would like to say thank you for attending today and for you Rotarians, you do get credit for today's meeting.

I come before you today to talk about the state of our town. Despite the signs of the times, I believe Stratford is poised to launch into a promising future.

First, I'd like to talk a little bit about where we are today. It seems like we have been in an economic recession forever. While we may not be sinking any further into the recession, there have been very few signs that recovery is near.

Unemployment is high, peaking at 10.2% in Stratford, while revenues and state government funding continue on a downward trend.

Across the world, tragedy in the form of a natural disaster in Japan has led to a set of almost unthinkable circumstances. Unrest in Egypt and Libya has ripped those two countries to their very core. In the face of all this news, it's easy to lose faith, but we must stay strong and hold on to our instincts for hope of a better tomorrow.

Here in Stratford, I recently released my proposed budget for the 2012 fiscal year. The challenges in crafting the proposal were many. How do we maintain our most critical services, without breaking the backs of our residents and business owners?

The proposed budget increase of 2.43 percent represents long-term structural costs that need to be addressed through continued discussions with labor unions and operational review and restructuring. While the proposed budget does include some program changes and position eliminations, in essence, this budget is aimed at maintaining the service level the town currently provides to its residents.

Increases in structural costs such as education, pension, debt service, health insurance costs and workers' compensation are the major components of the increase in overall operating expenditures.

Employee benefits represent a significant increase in the proposed budget. This is a fixed cost that must be controlled moving forward. I remain committed to working with our

municipal labor unions to reach mutually beneficial solutions for the betterment of all town residents. Successfully coping with a difficult economic environment will require sacrifice from all quarters.

My budget proposal does come with difficult choices, but these are difficult times. My job is to look out for the best interests of the town as a whole, and that is what drove me when putting together my budget proposal.

One of our biggest challenges in all levels of government is getting back to doing necessary things to help our economy grow. Government can not be all things to all people, and it must stop trying to do so.

Economic development is a term that is often thrown around by many, both in and out of government. “Many may ask, “How is anyone to do economic development in a state that is no longer considered competitive?” To compare our state to surrounding states like Massachusetts and New York truly puts us at the lowest rung of the ladder for any hope of improving our job market in Connecticut. This means we must become smarter and more aggressive in utilizing our resources right here at home.

Economic Development will be conducted out of my office in a proactive fashion and is my priority over the upcoming years. Economic development **IS** the key to our future as a town. But it’s not just the bricks and mortar that matter. It’s really all about **PEOPLE**.

It’s about the people in this room, who choose to get involved in our community to try and make a positive difference. It’s about our families, friends and neighbors working for a better Stratford for future generations.

Former President Ronald Reagan once said, “There are no such things as limits to growth, because there are no limits to the human capacity for intelligence, imagination, and wonder.” Those words can help guide us to a better tomorrow.

We are well underway in working to get Stratford moving ahead once again. Over the last several months, my office and various town hall staff have been working hard to bring businesses and jobs to Stratford.

Despite the economic conditions that have persisted primarily in the financial market, the commercial marketplace in Stratford enjoyed a strong growth spurt in economic activity last year.

The commercial, industrial, retail and office building permits closed out last year with the 3rd highest growth since 1997. For the past three years, Stratford has enjoyed a positive growth of investment in the business community.

2010 also included construction of an 113,700 square-foot facility by Stratford Land Development, which completes their West Campus. Federal Express will occupy the

facility and add over 100 jobs. A new 16,000 square foot medical facility is under construction on 495 Hawley Lane.

Sikorsky Aircraft received over \$4,500,000 in permit values, which includes two new buildings --12,000 square-feet and 5,000 square-feet, respectively -- as additions to their Main Street facility.

The Stratford Army Engine Plant continues to be a point of interest to developers. My office has spoken with a number of interested parties in the last several months. My administration continues to work with the federal government in an effort to revitalize and jump-start what can be a key part of our town's economy.

The commitment to holding government accountable is starting to bear fruit for the taxpayers.

We've reformed benefit packages for appointed positions in town government, and are undertaking a comprehensive review of the town's pension system. The budget that we have proposed includes a re-funding of our current Pension Obligation Bonds that will aid the town in saving money by availing ourselves of historically low rates of interest. This will result in a savings of \$4.7 million over the remaining seven years of the bond. This is in addition to over \$1,058,000 we were able to save by refunding existing General Obligation Bonds in our current fiscal year.

The town's Finance Department continues to look at cost-saving options at a time when revenues are scarce. This past December Moody's held the town at a "Aa2" bond rating with a stable outlook. Standard and Poor's rated us at a "AA-", also with a stable outlook. Among the initiatives the rating agencies cited as positive for the town was the rightsizing of our work force, restructuring of internal policies and procedures, tightening salary and benefit structure, and reducing risk management and legal expense.

We have changed business as usual in our Human Resources Department. An audit of human resource files identified increases in health insurance premiums were not being passed on to retirees for past years. This practice has changed along with who we insure. This budget includes health care insurance for town employees only. No longer will part-time employees, grant employees or any non-town employee receive health care insurance subsidies. Grant employee expense will be paid for out of grants and not the general fund. Taxpayers of Stratford can no longer afford to subsidize benefits for anyone other than a fulltime employee.

We have been working with our unions in an attempt to negotiate fair contracts for the taxpayers in town, and yes for our employees. Two contracts have successfully been negotiated and approved.

My thanks to both the police department and our dispatchers for negotiating in good faith while recognizing the tough economic time we are in. Our new police contract will place new hires in a 401a retirement plan versus a defined benefit plan and includes increased

health insurance premium cost sharing. Contract negotiations continue with our four remaining unions which we hope to have agreements on this year.

Reforms in our town attorney's office are ongoing in an effort to save taxpayers money while providing a high level of service. This past year with town council approval our town attorney is able to settle claims up to \$50,000 in an attempt to rein in cost for frivolous claims. We are also looking at how we conduct business and will seek innovative methods not to handle legal matters in a business as usual approach.

This budget includes an investment in technology which quite frankly is ridiculously overdue. Systems are not coordinated and frequently breakdown. For too long, town government has made virtually no investment in computer technology in any department. When budgets are tight, IT always seems to take a hit, particularly in an election year.

While the number of town employees has been reduced, it is time to recognize the benefits of a modern IT system that will better serve the public and provide an efficient and responsive customer service experience residents expect and rely upon. My proposal is for an investment of \$350,000 in IT upgrades over the next year. This funding compliments the \$500,000 we committed in the current fiscal year. Any Human Resource professional will tell you that the key to reducing personnel levels is having up to date technology.

This technology will be the foundation for a leaner, more cost effective government. Stratford is a town that is unique in many ways. We have a nearly 400-acre forest on one side, and some of the best beaches and waterfront views you have ever seen just on the other side of town.

We are home to an active Chamber of Commerce, Rotary, church groups, vibrant schools and a number of other charitable and community-oriented organizations.

So it is plain to see that in many ways, the stage has been set, but it will take all of us working together to foster an economic recovery. I'd like to personally challenge each and every one of you to take a stand and help make Stratford a better place to live, work and raise a family. Join me in the effort, and together we will reap the reward of a better tomorrow.

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