

## STATE OF THE CITY ADDRESS - January 11, 2011

Approximately one year ago, in this room, I was sworn in as Mayor of this fine City. Recalling that day, I remember thinking to myself...my God...what have I gotten myself into?

I was not thinking that with regrets, fear or second thoughts...just having a pretty good understanding that what was ahead of me was daunting to say the least.

The country was still reeling from the worst economic crisis since the great depression, our state continued to suffer extreme reductions in revenues...and our city had seen 3 years of successive state funding reductions while still maintaining its high levels of service.

I was facing many things:

- The Medical Insurance Trust issue
- Statistics that show North Adams as one of the poorest communities in the state with all of the urban issues that come with that
- One of lowest cash reserves in the state
- Significant housing and blight issues
- A disengaged business community
- A detached north Berkshire county
- The need to reduce reliance on state aid and the over-utilization of reserves to balance our budgets
- No formal planning process for close to 40 years

There was much to do...and I didn't wait long to begin.

Immediately, I called for an independent audit of the Medical Insurance Trust and committed myself to resolving this issue. The audit confirmed that the city's portion of insurance had not been adequately funded for the previous two fiscal years. Additionally, internal documentation going back a third year indicated some \$2-3 million in total underfunding.

After the audit, I began meetings with all city unions to rectify this situation. In the end, the city and its employees agreed to a settlement that effectively reduced the employee share of insurance premiums for a period of three years.

The settlement will cost the city close to \$1 million over the three years, well below the \$2-3 million in exposure. I took great pride in settling what I maintain might have been the largest and most grossly underreported fiscal fiasco North Adams has ever encountered. This City will feel the effects from this for several more years to come.

In February, I requested that the State come into City Hall and do a Financial Management Review....basically a procedural audit of all city fiscal departments. The audit was performed

and completed in May and revealed 30 areas in which the city can improve through policy, procedures, implementation of technology and staffing.

As we began to develop our FY2011 budget, I found out just how valuable the Fiscal Team at City Hall truly is. And while I feared the worst, I began to realize just how bad the city's financial condition truly was.

We developed this budget in a very open, transparent and TEAM orientated way. We utilized the expertise of many to help us not only with our numbers but with our processes. I took a very practical approach to the budget. In order to maintain expected level of services, we needed to look at our entire budget to include revenues. In years past, the budget (as presented to council) was an expense only based document.

I needed to bring to Council, a document that showed both sides of the fiscal equation...income and expenses. In doing so, we analyzed all expenses as well as sources of revenue. We cut where we could and while painful, made decisions on the revenue side to ensure continuity of services.

I did not do this in a vacuum but rather met extensively with our fiscal TEAM and the City Council's Finance Committee. Additionally, I presented the budget to the public on two different occasions. As you all know, we raised water rates, established a sewer fee and raised taxes to our levy limit.

In doing so, we were able to balance our budget, continue to ensure public safety and public services and most importantly, continue to fund our schools at a very high level. I thank and commend this Council for having the courage to make those difficult decisions with me.

While the process was difficult, it was complicated by the fact that to balance the budget, not only did we need these expanded fees and taxes, but we also needed to use our remaining reserves of \$1.2 million dollars. To do this, I worked with our legislative delegation to enact special legislation to allow the use of this money. This decision would save the year but would set the table for a very difficult FY2012 budget to come.

I take great pride in the fact that the Commonwealth's Financial Management Review stated that "the current budget processes should be written into ordinance". That statement alone brought tremendous credibility to our Financial TEAM and the processes we used to formulate the FY2011 budget.

We spent many hours managing projects such as the Airport Runway project which I am very happy to say was completed this past October. We all suffered through months of the paving of our main corridor roads and all the while I kept telling folks that it will be great when completed... they certainly are.

We have seen downtown improvements with the StreetScape project that brought sidewalk repairs, new traffic signals, additional period lighting and ADA compliant ramps to most of our downtown core. We utilized chapter 90 money to repave 10 or so city streets as well as significant sidewalk repair on those and other streets. We continue to see progress on the Hadley Bridge and it is my understanding that the project may be a little ahead of schedule. The vast majority of this work was done with Federal and State money with very little burden on the taxpayers.

This administration worked to help support and establish Develop North Adams. This groups mission is to help to attract small business, be a resource for small business, work on marketing and promotional activities and was instrumental in bringing together:

- a downtown merchants group
- benches on main street (that by the way...were purchased in full by private donations)
- worked together with MoCA to be certain that our downtown was lit, open and accessible during the WILCO weekend
- and created the pocket park on Eagle Street.
- They with others have been responsible for the growth and additions to the Food Festival, Eagle Street Beach Party, Downtown Night, Fall Foliage Craft Fair and the most recent Holiday events.

I worked hard to strengthen relationships with our neighboring North County towns. In doing so, we worked to establish the state approved Northern Berkshire Regional Veterans Office at City Hall. This joint venture with Adams and Williamstown fostered collaboration while providing great benefit to our local veterans. The result was that all three communities saved money and extended hours of service.

In the wake of a contract renewal with United Water, the company that operated our water treatment plant, I analyzed and evaluated the contract to conclude that we could manage the plant in house, utilize the staff at the plant to maintain water quality as well as bring additional human resources and expertise to the city while realizing a projected annual savings of \$35,000.

We hired 3 new reserve police officers through the utilization of the Verizon 911 grant, shifting the cost of dispatchers to the grant freeing up precious dollars in the budget for the reserve officers. In doing so, we are hoping that this summer, we will have more community policing efforts as well as cops on bikes.

We continue to progress with our School Building studies. As many of you know, the city was approved for 80% reimbursement on a renovation and/or expansion of existing school buildings. Currently, architects are drawing plans that will lay out the alternatives in front of us. These alternatives will determine the physical plant structure of our school system for at least the next 25 years. This portion of the process is being funded by a \$680,000 borrowing approved in 2009 by the city council. The city's portion of this phase is 20%.

I did a thorough review of Massachusetts General Law as it pertains to city health insurance benefits for board and commission members, elected officials and surviving spouses of city retirees that were receiving health insurance benefits. After analysis and consultation with legal counsel, I made the difficult decision to follow state law and in doing so, adjusted percentages paid by certain participants and removed non-eligible participants at a savings to the city of approximately \$75,000.

I worked to appoint and re-appoint some very qualified individuals to boards and commissions. We have expanded the city website to include agenda information as well as meeting minutes for most of those groups.

I take great pride in the appointment of the Youth Commission as it truly gives our young people a voice in government and will hopefully groom future leaders.

I am equally proud of filling the vacancies in both the Commission on Disabilities and Human Services Commission, creating entities that will make certain our most at need and at risk residents are well represented.

Throughout my campaign, I stressed that there was no money to spend but plenty of time to plan. North Adams is a beautiful place with wonderful community assets. As a community, despite all that we have going for us, we have not grown. All indicators will show that despite the growing arts and cultural community and venues, this fine city has continued to decline and with that decline has come every urban issue that you might find in city's many times our size. Nothing will change until we begin to grow our economy in all sectors.

With that said, last spring, after several meetings with Berkshire Regional Planning Commission, we were very pleased to be awarded a District Local Technical Assistance (DLTA) grant. I decided that the best use for the money was to give the Regional Planning Commission all of the plans that we had from prior years that had been gathering dust.

The city of North Adams has not had a master plan or formal planning process since 1973.

I saw this as an opportunity for the Regional Planning Commission to look at all of our plans and come up with a new document that would be the catalyst for the city to reengage in the planning process, with our residents and with our north county neighbors.

When the Super Walmart debates began shortly after I took office, I truly realized that while many people were against Walmart...many more seemed to be against the idea we had no formal plan that discusses community growth and community needs. I heard this message loud and clear and as promised during my campaign, I took action.

Knowing that I could not accomplish this on my own, I re-appointed the Community Economic Development Advisory Board (CEDAB). This group of North Adams residents is an advisory group to my office and will be helping me lead next steps in the planning process.

The group is very diverse and is representative of many sectors of our community and economy. Our next round of funding, hopefully this month, will be utilized in part, to begin community visioning exercises and will allow us to align ourselves with the Regional Planning Commissions regional master planning process.

CEDAB will be at the forefront of these next steps as we move towards the development of a master plan. In addition to that, I intend to use a portion of our Community Development Block Grant (CDBG) administrative money to hire or contract a part time planner to help keep this process moving along.

I will be holding a joint meeting of the city council, planning board and zoning board in February to introduce the “North Adams Long-Range Planning Strategy”. This is the document that resulted from the first round of DLTA funding and will be the springboard for next steps as well as further involvement in the regional master planning process.

We did so many other things....

- We are ready to install the solar array on Drury High School in the spring
- We have issued a Request for Qualifications for a solar array on our landfill and expect that project to begin this year
- We are working on selling many city owned parcels and will have an auction before the end of the fiscal year with the hopes of putting many of these parcels back on the tax roles.
- We are continuing our efforts towards Green Communities status and will be applying for that status soon
- We seem to be very close to a Super WalMart commitment that will hopefully lead to additional development in that corridor, bringing jobs and once again, growing our tax base
- I am working on a very viable and sustainable plan for the Mohawk Theater and hope to have an announcement within the quarter
- The StreetScape project will come to a close in June
- Through citizen involvement and in cooperation with our Public Safety Department, we are working with Northern Berkshire Community Coalition on our Crime Watch efforts
- To help further reduce costs, we have partnered with National Grid for energy audits with work completed in several municipal buildings including City Hall and the DPW garage
- I hired a new Treasurer, Assessor and DPW Commissioner
- I have worked with the local delegation and community groups to retain Transitional Assistance and Juvenile Court services in the city.

The upcoming fiscal year looks bleak at best. As we begin our FY2012 budget preparation with a \$1.2 million structural deficit, we are also cognizant of possible 8-10% cuts in state aid. These two things combined could result in a \$2 million dollar deficit.

I will once again approach the budget process as I did last year. The reality is that we are taxed to the max and we do not have the ability to raise revenues much beyond what we already have. I will be looking at every department and every service to see where we can cut and I will continue to look for ways to create efficiencies.

The challenge of meeting increasing fixed expenses with somewhat flat revenues and very little in reserves will be great and I am certain that I will once again be faced with tough and sometimes unpopular decisions.

Last year, many speculated that I was not tough enough to be mayor of this fine city...I would argue that in just one short year...I've earned my stripes.

So what is next and what gives us hope that things are getting better.....

- I will continue to aggressively move our planning processes forward to be certain we are well positioned for what the future might hold
- We will continue work at the Armory
- We will continue to grow community events
- I will continue to work with community groups such as NBCC, BCAC, Brien Center, UCP and others to ensure that those most in need will not feel disenfranchised.
- I will continue partnerships with MCLA, MoCA, DNA, BRPC, Berkshire Chamber, BEDC, the private sector and anyone else that can help us continue to plan for our future
- I will continue to work with our Governor, state leaders, our local delegation, our Congressman and Senators and our surrounding community leaders to collaborate on issues and find opportunities for growth. I met yesterday with Congressman Olver and will be meeting tomorrow with Senator Brown.
- I will continue to visit local businesses to discuss what the city can do to help them grow
- I will continue collaborative discussions with our North Berkshire neighbors
- I am very much looking forward to the beginning of the Center for Science and Innovation at MCLA. And I very much value and appreciate the relationships that I have built with President Grant, MCLA administration, staff and students
- We are looking forward to the coming of a Super Walmart and the opportunities that project can bring
- I secured funding for improvements at Windsor Lake and the Campgrounds
- We will react to the Department of Justices' ADA audit performed in November

- We are all looking forward to another Wilco concert....as well as continued growth in festivities to include more “Parties in the Park” at Joe Wolfe Field Complex, the concerts we began through the generosity of radio WUPE & WNAW
- And I am VERY excited to be part of the recently announced Partnership for North Adams...a public and private sector effort that will work to enhance the economy and secure the future of this City as a center of culture, education, and tourism.  
This exciting initiative will over time, spur growth, create jobs, revitalize vacant space and very importantly....grow our tax base.

I am very pleased to begin this partnership with three such proven community leaders, John DeRosa, Mary Grant and Joe Thompson

Three topics will dominate my agenda for this year as I think these three can have significant impact on our future and on our ability to grow....they are Planning, Branding & Marketing and Fiscal Management:

I want to be certain that the momentum we now have with respect to planning continues. Planning for the city in conjunction with regional efforts could bear significant fruit over time. We cannot step back from this process...we owe it to ourselves to continue to entertain ideas and welcome input. To do so, we must become a player in the game at a very high level. I think what we have started and what I assure we will continue will be beneficial.

We have applied for a small grant to begin a new branding effort for the City. I have stated and maintain that we do not market ourselves well and that we need to do more to get the word out that North Adams is a destination. To do this, we need (despite the economy) find a way to invest in a very creative, wide reaching and comprehensive branding and marketing strategy. I intend to use this first small grant to begin this process in earnest.

I will continue to bring a very high level of fiscal oversight to the city. I will do this once again through an open and transparent process....much like I did last year. This year will not be pretty but we will have many discussions, find solutions, make adjustments and continue to move forward.

We cannot continue to sell ourselves short by saying that we can't afford this or that.

There are communities all over the country that are doing unique and interesting things to grow. I truly understand that people in the city are hurting...that people are losing their homes...that many are out of work...but for all of those things and for all of those people, we should be making every effort to find ways to stimulate growth and investment.

We hear our Federal and State leaders stating over and over again that jobs and growth are their priority. I pledge to be out in front of this fine city, selling its attributes and engaging economic and growth conversations at a very high level to be certain that we are well positioned as opportunities arise. And despite our economic problems, we need to remember that we provide the same services, at virtually the same levels as the City of Newton...one of the most wealthy in the state.

- Full time fire and police
- A great school system with one of the only free pre-K programs in the state and extensive after school programs
- Public water and sewer systems
- Full time highway department
- A great public library

All at a remarkably low price.

My vision as I hit this second year is simple, and that is to continue to find ways to help this city “turn the corner”. By engaging in my three priorities in their broadest sense, we will begin to see progress on our biggest problem, the lack of a sustainable economy.

This year will truly be one of vision as our entire community comes together to discuss next steps and possibilities.

On December 31<sup>st</sup>, John Mitchell wrote in the Transcript the following: “The year began with new local leadership, and some would say that energy translated well into maintaining and building the arts economy of the city and the region.” Key words, “that energy”.

Well that energy has been shown in many other sectors and by many people in this community and it is incumbent upon me to keep the energy level high.

Let me simply say that despite all of the challenges, I have very much enjoyed my first year as mayor. I am very proud of the fact that I have been able to energize, excite, motivate and open up the democratic process for so many in this city.

I have and will continue to encourage a community where people feel it is important to participate and believe their opinion matters where it most counts...in their government.

It has been said that one cannot run a city through consensus. I would suggest that with strong leadership, you can.

I want to thank my wife Michelle and my children Casey, Paul, Matt and Ashley...and of course my mom...for their overwhelming support.

This is not an easy road for a family and I am blessed to have their love and confidence.

I have very much appreciated the support of this council, the commitment of all of our boards and commissions, the guidance of my neighboring town leaders, our local delegation, the wonderful employees of our City and school system, and I am very thankful for the patience and support of the people of this great city.

There is an old saying “The wheels of government grind slowly” and **THAT THEY DO!** But with your continued support and patience, we will continue to grow and make **OUR City**, nestled here in the palm of God’s hand, a place of pride for all of us.

I am truly looking forward to this coming year and please remember, my mind is always open and my door is never closed.