

**STATE OF THE CITY**

***Speech by Mayor James L. Richetelli, Jr.***

**MILFORD CHAMBER OF COMMERCE  
MAY 14, 2010**

Good Afternoon,

I would like to thank the Legislative Action Committee and the Chamber of Commerce for, once again, sponsoring this event and for giving me the opportunity to deliver this “State of the City” address - to recap the past year in Milford, to offer my thoughts about the future, and to take some of your questions.

First, I would like to thank all of the Chamber’s members – the individuals, business partners and organizations. Under the direction of your President and CEO Kathy Alagno, the staff, and Board of Directors, this is one of the strongest and most active Chambers in the State. I know that each of you provides jobs and economic support that are vital to the health of our community.

And congratulations to all of the scholarship winners - their advisors, dedicated teachers, and most of all, their parents and family supporters. I wish these bright, hard-working students continued success in the next level of their education, and I salute you for all that you have achieved. In recognizing these outstanding students, I also need to thank the Education Committee for devoting the time necessary to select these deserving winners.

Now, to the point of my speech – what is the state of our City?

Thankfully, Milford is weathering the economic storm better than most municipalities. Our stability, our sound financial status, and our tax rate are truly the envy of many communities around our state. Yet the gloomy economic times overshadowing the United States cannot be underestimated or ignored. Economists report that recovery is underway, however slowly and unevenly it is proceeding.

I do not need to remind you that no one has been spared in this economic downturn. Across the country and in our community, individuals have been unemployed, underemployed, or just plain fearful about their employment. Many businesses have had to take radical steps to try to maintain their productivity and prosperity or, in some cases, just to survive. Charitable organizations have squeezed every nickel from their precious dollars to service more people with less money. Likewise with government.

Milford is no different. We have adjusted the way we budget, the way we do business, and how we plan for the future.

An example of how this is working locally has played out very publicly over the last few weeks. Michael Cummings, Acting Superintendent of Schools, has applied a fresh perspective and innovative thinking to a familiar problem: How to deliver quality service with less money. His recommended solution – restructuring the elementary education system – promises to

yield an efficient, effective educational alternative at an estimated annual savings of more than \$2.2 million.

This change, most importantly, also promises to improve the quality of education for our students. Saving money and improving the system at the same time.

This type of thoughtfully constructed change has been occurring throughout City government this past year, as we have continued to deliver the services taxpayers expect as affordably as possible. We have converted older energy technology to more economical alternatives, which last year netted the City a \$485,000 incentive payment from UI. We have restructured our land use permitting offices into the new Department of Permitting & Land Use, resulting in a more efficient process that is more inviting to local investment and business, and we continue to improve customer service and efficiency.

Although changes to meet challenges are taking place, I'd like to highlight some of the things that have remained UNCHANGED here during the past year.

I am pleased, once again, to report that the financial state of the City is strong, solid and stable.

Since we gathered here a year ago, the City has, once again, received stellar reviews by the three bond rating agencies – Fitch, Standard & Poors, and Moody's. The City continues to receive high marks for its strong financial management and prudent practices.

Last October, Fitch reaffirmed our outstanding AA bond rating and, in fact, during a recalibration this month upgraded Milford to AA+! Fitch notes that Milford's "history of positive financial operations and adequate reserve levels bode well for the City in a challenging revenue-raising environment."

Standard and Poors, meanwhile, has reaffirmed our AA+ bond rating. They attribute Milford's strong financial position to "a demonstrated trend of consistent operating results and strong reserves" as well as the City's low debt burden...and fully funded pension system.

Moody's this month also upgraded our rating from Aa2 to Aa1, noting that they "expect the City to maintain a sound financial position given its historic trend of tight fiscal controls."

Last month, we took advantage of our excellent bond rating when we sold \$21 million in Bond Anticipation Notes. We received an interest rate of .3285% - one of the lowest in Connecticut this year. We also refinanced much of our long-term debt and, as a result of the low rates, saved more than \$500,000 in borrowing costs over the life of the bonds.

These excellent bond rates – combined with a critical eye toward municipal expenditures – have enabled our City to borrow cautiously, as needed, for important capital

improvements. During the last year alone, we broke ground on the third phase of much-needed renovations at Jonathan Law and Foran high schools. The state-of-the-art Housatonic and Beaverbrook wastewater treatment facilities are now complete and on-line. The new equipment at these facilities has already paid off by decreasing our nitrogen output. The resulting nitrogen credits saved the City \$400,000 this year, and will yield actual payments to the City in the years to come.

Speaking of revenue, I must also mention that the GenConn power plant in Devon is scheduled to be fully operational next month, adding tax revenue to our City and contributing clean energy to the entire region. We are currently in negotiations for a long-term tax stabilization agreement that should add more than \$2 million per year in additional City revenue.

In this year's budget, taxes in Milford continue to remain reasonable and level. While neighboring municipalities are experiencing deficits and double-digit tax increases, Milford will have another healthy surplus and a stable tax rate. As

other communities experience shrinking grand lists, Milford's Grand List increased \$53 million last year. Our undesignated fund balance – or rainy day fund – will remain at a solid 6.5% of our budget, which is viewed very favorably by the financial rating agencies.

We do, however, see a few bumps in the road ahead. One is the continuing, drastic decrease in State aid. There will be repercussions locally on our ECS grant when the federal Stimulus money, which partially funded it last year, ends.

As you know, our City employees last year were asked and agreed to be part of the budgetary solution by accepting a wage freeze. I remain grateful for that decision. We will, however, be at a critical juncture next year as we begin new negotiations. Looking far down the road at our ability to pay, we must consider drastic changes in benefits we offer new City employees. These changes are necessary, and will benefit our City in the long run. So I look forward to productive, realistic,

innovative negotiations with our City unions in the year ahead.

So before closing today, I'd like all of us here to take a moment to reflect on why we choose to live and work in Milford, why we stay here, and why we love this community.

Is it the stable tax base? Excellent schools? The beautiful natural resources? Our outstanding neighborhoods that complement a mix of industrial and commercial areas? Our well-maintained – and breathtaking – natural resources? Our vibrant and charming downtown?

As I have said many times before – and I will continue to say - our greatest asset of all is our citizens. People like you here today who see the beauty of our community, appreciate its strengths, and work to make it even better. Our City reaps the benefits of all that you give. I am grateful to each and every one of you.