



## STATE OF THE CITY ADDRESS

**MAYOR SAM TERESI**

**JANUARY 31, 2011**

Mr. President, Members of the City Council, Department Heads, Guests and my Fellow Jamestowners.

In accordance with Article IV, Chapter 31-C of the Jamestown City Charter, it is my pleasure to present to you this evening the annual State of the City Address.

As was the case in the prior year, 2010 continued to be a time of great challenge, frustration and economic hardship across our state, the nation and around the world.

While many positive signs began to emerge on several fronts throughout this past year, progress during 2010 and even today continues to be slow and in many respects, inadequate to pull our nation completely out of what has easily been the worst economic calamity since the Great Depression eighty years ago.

Despite the continuing economic challenges, there was much more to the story of 2010 than the gloom, doom and despair reported on the nightly news and beaten like a dead horse by the all knowing pundits on cable TV and national talk radio shows.

Through the joint efforts of this City Council, our very capable Department Heads, the best public work force one can find anywhere and a community filled with caring volunteers and competent business people, numerous examples of solid, sustainable progress can be found throughout our overview of the year just completed.

- During an era in which most cities are running chronic annual deficits and local governments and school districts at every level are experiencing severe financial distress, it is projected that Jamestown will once again end the previous fiscal year in the black...for the tenth consecutive time!
- After working off the 1.4 million accumulated deficit, racked up during the late 90's, the City's General Fund is now sporting a positive reserve of \$3.1 million, of which \$2.15 million is unrestricted and available for legal and appropriate uses.

- **Wall Street financial agencies have improved the City's all-important bond rating by two positions, from Baa3 to Baa1. This represents the first upgrade granted to the City in two decades.**
- During 2010, we restructured and executed a new Tax Collection and Foreclosure Agreement with Chautauqua County that clarified, built upon and resolved numerous issues of contention contained within the original 1996 document.
- We retained the Lawley Benefits Group from Buffalo, New York, and initiated a Labor-Management Process with the City's five bargaining units, the goal of which is to streamline the delivery of and contain costs within our unsustainable employee and retiree Health Care Benefit Plans.
- Utilizing a \$400,000 grant from the State's Local Government Efficiency Program, we initiated with the County an effort to determine the feasibility of and develop an implementation strategy to merge the City's Police Department and Chautauqua County Sheriff's Office.
- We successfully concluded contract negotiations and implemented multi-year labor agreements with the Kendall Club PBA and the Jamestown Professional Firefighters Local 1772. As a result, all five City employee units simultaneously operated under approved Collective Bargaining Agreements during 2010.
- The Police Department successfully completed the rigorous State Reassessment and Department Accreditation Process. In achieving this designation and distinction, the JPD maintained its status as one of New York's elite law enforcement agencies.
- During 2010, an effort was launched with both private and public sector representatives to review the redundant system of providing Emergency Medical Services (EMS) within the City of Jamestown. Thus far, the working Task Force has developed modifications and new approaches designed to significantly reduce pressure on the Jamestown Fire Department (and cost to City taxpayers), while maintaining the high quality of initial response and transport services for legitimate emergency situations.
- Our Department of Public Works crews, once again completed a record level of neighborhood and downtown street, sidewalk and storm water drainage improvements. In addition to more than 100 resurfacing, nova chip and storm sewer improvement projects, comprehensive reconstruction efforts were completed on Church Street, Cole Avenue, Charles Street, English Street, Palmer Street, South Avenue and Mechanics Alley.
- Our very capable staff worked with the NYS DOT and Union Concrete and Construction Company from West Seneca, New York to complete the replacement of the 48-year old Washington Street Bridge. This \$18 million project also included the total rebuilding of the arterial approach and exit ramps, along with improvements to various adjacent streets and the Chadakoin Riverwalk.

- We greatly accelerated the level of curb and intersection improvements to bring the City one step closer to full compliance with the Americans with Disabilities Act (ADA).
- Through the City’s Board of Public Utilities (BPU), we continued to operate the Residential and Small Business Energy Efficiency Programs and also launched a new energy savings effort directed at residential rental properties. These programs reduced annual electric consumption by 2,398,200 kwh, saving enough energy to power 218 homes for an entire year and offsetting the emission of 1,284 tons of climate changing carbon dioxide into the atmosphere.
- Utilizing \$2.55 million in federal ARRA funding, we advanced the \$3.5 million Wastewater Treatment Plant Upgrade Project. This initiative is replacing the 54-year-old digester covers and will allow the capture and reuse of the methane gas by-product for the production of electricity.
- And 2010 also saw the launch of a \$3 million project to install a new, clean, natural gas-fired generator for the City’s hot water District Heating System.
- On the housing and neighborhood front, with the assistance of the JRC and the SPPC, 2010 brought a new Neighborhood Revitalization Strategy entitled “Jamestown New York: A Livable Community”. And, through the efforts of the Planning Commission and City Council, this plan became the official neighborhood improvement catalyst for our community.
- Our streamlined Department of Development/JURA staff :
  - Initiated 2,016 new housing code enforcement cases and resolved most without court intervention.
  - They revived the Neighborhood Impact Residential Inspection Program and completed the first phase with the evaluation of 2,465 residential properties in the southeast quadrant of the City. In conjunction with this effort our four inspectors cited 793 structures for violations of the City’s Property Rehabilitation and Conservation Code.
- Our Department of Development/JURA staff also worked to renovate and bring twenty (20) housing units into code compliance via the investment of \$358,000 in Federal grant resources, which resulted in \$511,868 in total private/public investment into the housing stock of the City; demolished fourteen (14) vacant and abandoned homes, with another twenty-four (24) in the demolition preparation process; they completed \$45,000 in emergency repair projects to properties owned and occupied by low-moderate income seniors and single parents; and conducted inspections on 119 properties which were slated to be sold by the County at foreclosure auctions.
- And finally, in the Neighborhood Revitalization area, during 2010, City Development staff also assisted New Appleyard Terrace, LLP to secure \$8,123,643 in private and public

funding for the Appleyard Phase III housing development on the former VFW site at East Second and Winsor Streets.

- 2010 was another very active year for our Parks and Recreation crews as they expanded and enhanced the City's nationally acclaimed Urban Forestry Program, obtained Tree City USA status from the National Arbor Day Foundation for the 29<sup>th</sup> consecutive year, undertook numerous park improvement efforts, assisted a Northside Community Group (Partners at Play) with their efforts to upgrade playground equipment at Roseland Park, and planned, supported and implemented dozens of community festivals, events and activities.
- During 2010 construction was finally commenced on the \$9.9 million Gateway Station and Riverwalk Connector Project at the historic Erie Railroad Station.
- City Staff assisted with the successful efforts to develop a new heat treatment operation at SKF Aero Engine, Inc. in Falconer; an initiative which will retain nearly 700 SKF production and administrative jobs for the Greater Jamestown area. Construction activity on the project, which commenced during 2010, is expected to be completed by late 2011 or early 2012.
- During 2010 construction activities were launched on the \$7,418,383 Wellman Building Redevelopment Project in Downtown Jamestown. When restored, this long vacant, historic landmark will provide 45 market rate apartments and 10,446 sq.ft. of new commercial rental space. The Project was financed in part with a \$1,200,000 RESTORE NY grant secured by the City's Department of Development, \$1,672,726 in private Tax Credit induced financing, \$145,000 in CDBG assistance, and \$105,000 in local private foundation resources.
- Utilizing a \$1 million RESTORE NY grant obtained by the Department of Development, planning continued on the demolition of the vacant, unstable and unusable portions of the former Dahlstrom Complex to make way for new business investment and development activities.
- During this past year, staff worked with local developer Jody Peterson to launch the several hundred thousand dollar redevelopment of the former Westbridge Building on Third Street into the new Westside Professional Center. Our staff also worked with the County IDA to market and redevelop the former Sysco Distribution Center on Allen Street Extension and assisted the County IDA and Town of Ellicott to develop a plan and secure funding for the environmental remediation of the Anderson Cleaners property on Hunt Road.
- And finally, during 2010, the City executed three Flex Rate Electricity Agreements, which helped to drive the significant investment and manufacturing expansion plans at Truck Lite Inc., Titan X, and SKF Aero Engine, Inc.

My friends, Nice Work!

All things considered, this is quite an impressive list of achievements for a time in which "only pain and despair" were supposed to prevail in our daily lives.

As has been my practice in recent years, I have prepared and attached to this report a more complete accounting of our most notable efforts during 2010 and would strongly encourage everyone to take the time to review in detail and digest the significance of the accomplishments contained on this list.

I also ask that you stop to realize and appreciate the thousands of hours of effort and the tremendous investment of both private and public resources that made these milestones possible. Every year, when I undertake this assessment, I never cease to be amazed by, and am always in awe of, the efforts put forth by the members of the City's outstanding workforce and the hundreds of concerned and dedicated volunteers from throughout the Greater Jamestown Region. Tonight, on behalf of our entire community, I sincerely say...thank you!

During the coming year, despite having to deal with all of the challenges...a struggling national and regional economy; a state government on the verge of fiscal collapse; the destructive impact of a series of unfunded and unfair State mandates...despite all of these shackling challenges, I still believe that we have the potential to continue building upon the accomplishments of the past year and defy the obituaries that will once again be written by the worst of the doomsdayers and naysayers.

- While we may have little control as to what will be coming out of Washington, Albany or the far away halls of private business, I know that in this City Government, we will remain true to our principles of crafting and operating a budget that is honest and truly balanced.
- I have no doubt in my mind that we will redouble our efforts to reign in and curtail our day-to-day operating expenses, while continuing to find ways to smartly invest in the types of things that over time will reduce costs and improve services to the people we serve.
- We will also be building on the transformative restructuring efforts of recent years which, as outlined in the attached summary report, now totals 45 different initiatives, small and large alike, that have a recurring savings value of more than \$4.4 million to our local taxpayers, each and every year.
- As documented by the attached employment comparison report, our efforts to significantly streamline our work force (which have in recent years, resulted in the elimination of half of the top-level appointed officer positions in City government, along with a nearly 18% across-the-board reduction in the total full-time work force)...these efforts clearly demonstrate that we are merely not in the taxpayer-funded job preservation and creation business. Rather, we are and should be in the business of preserving and providing the highest level and quality of services that we can responsibly afford.
- During 2011, we will also remain committed to working with our valued and talented staff to reduce the pressure and workload on our Fire Department through the implementation of a less redundant EMS response and transport system in our City. We will also continue to find ways to reduce the adverse impact of the service and job killing legacy costs that were built into our labor agreements long ago. This must and will include building upon the

recently launched labor/management initiative designed to find ways to reduce costs in our current Health Care Benefit system.

- As every member of our workforce fully realizes and every person in this chamber intuitively knows, the exorbitant costs associated with a circa 1986 health care benefits program continue to crowd out other important day-to-day needs and opportunities in our budget...namely, our ability to maintain an adequate workforce, provide for better, safer and more efficient operating equipment and the item that all in labor and management alike, are fully committed to: providing the highest level of service possible to the people of this still great City. Bottom line, there is only so much money in the vault. And, **we can either continue to drop more of it on needlessly expensive benefits, OR, we can smartly invest more of it in the people who do the work, modern equipment and ultimately, better services for all. But, simply put, there is clearly no longer enough money left in the pockets of the taxpaying public to do both.**
- Our commitment to encouraging private sector job creating investment in our City and throughout the region will be redoubled during 2011.
- While external forces beyond the control of a local government, (for instance Federal and State tax and trade policies, private international business trends and market driven decisions made in corporate board rooms hundreds or even thousands of miles away from our community)...

while these external forces can and do often determine the economic and employment picture here on the home front, there are many things that we at the local level can and must do to provide the most inviting and affordable environment possible for the base of businesses already here and for those from outside our region considering new locations in which to invest.

- During the coming year, we will continue to use the tools at our disposal, including our low cost and reliable utilities, our wide array of public and private development financing tools, our outstanding education system and our high quality of life, to put our best foot forward and build upon the private development strides of the past year.
- And finally, we must remain engaged, vocal and supportive of Governor Cuomo and other courageous state leaders in their drive to bring the difficult, sometimes unpopular but very necessary change to our crippled State Government...the much-needed change which will ultimately reduce pressure not only on New York's books, but also help struggling local governments and school districts across the Empire State.

Included amongst the most significant reforms, from the perspective of challenged local governments, are the following:

- Reform of the State's Taylor and Civil Service Laws - In particular, the 1974 amendment to the original 1968 Taylor Law, which provides **EXCLUSIVELY** for Police and Fire Unions a system of binding arbitration to resolve contract negotiation impasses, should not be

renewed or, at the very least, it must be substantially overhauled to provide more transparency in the process and to put Police and Fire Unions on more of an equal footing with the rest of the public and private labor organizations throughout our state.

- Reform of the Disability Retirement Process – As one example, under Section 207-A of the General Municipal Law, injured firefighters **and only paid firefighters**, can obtain under special legislative authority, amongst other benefits, full pay (including annual salary increases) and benefits, tax free, until the age of 70.5. While the State does contribute a fixed portion of this mandated cost, growingly, the burden falls on local taxpayers to foot this incredible bill.

In the case of our 2011 Budget, the City taxpayer share to meet just the salary portion of this onerous State mandate for our nine (9) disabled 207-A retirees, will be at least \$231,000. This equates to about \$.40 per thousand of assessed value on our tax rate, with absolutely nothing in services being delivered in return.

The 207-A disability system exclusively for firefighters, like many other things our State has done to us over the years, may be defensible in concept, but is excessive and destructive in practice...and needs to be re-thought, scrapped, or rebuilt from the ground up and then, paid for by the State.

- Overhaul of the State Retirement System – The bloated and unsustainable fixed benefit retirement program, in which Jamestown and every other public employer across the State is mandated to participate, must be restructured and made more affordable to those who ultimately spring for the cost; our property taxpayers.

Two numbers illustrate this point from the perspective of a Jamestown taxpayer: 67,980 and 2,975,000. These are the dollar amounts required of the City General Fund Budget for retirement payments to the State (not including BPU employees) during 1999 and 2011.

This represents a 4,276% increase...and this is not a misstatement. It truly does represent a 4,276% increase.

The recent revision to the retirement system establishing a Tier 5 for new hires is a long overdue step in the right direction but, in and of itself will not provide any measurable relief at the local level for at least 6 – 8 years. Clearly, however, more must be done within the retirement system to drive much needed local government property tax relief throughout the Empire State.

Across the board, something needs to be done and I think we all understand that New York State and Local Governments need to change and start acting and operating more like the public we serve and the people who pay the bills.

As Governor Cuomo said two weeks ago, right here in Jamestown, change, while absolutely necessary, is never an easy thing for people to accept. As the Governor so eloquently noted,

“everyone recognizes the need for change...they just think it should be everyone else’s exclusive responsibility.”

Well my friends, there is only one thing less attractive than tackling the host of reform efforts that we all know intuitively or through real experience, need to be implemented...and that’s maintaining the status quo, which clearly is not working. And, there is only one thing worse than reforming the types of budget-busting, unfair mandates to which I previously spoke...and that is choking off revenues through a tax cap and other means and doing absolutely nothing to eliminate or reform existing mandates and the cost drivers leading to New York State’s unbearably high property taxes.

It clearly should not have to come to gutting education, healthcare, public safety, quality of life services and necessary investments in our roads, parks and facilities (and the jobs of the good people who do all of the work). But, unfortunately, that can and likely will happen if or when revenues are slashed and we do nothing in return.

The choice before us is very clear. We can either in a planned, smart and orderly fashion restructure, reform and update regulations from bygone eras, and all share in the change and pain, **OR** we can helplessly sit back and watch as a slash and burn, “Scorched Earth” approach is inevitably taken...that will destroy everything that is good and right about our state and local communities.

My friends, to me, doing and changing nothing is a guarantee for disaster and is **not** an option.

Our current situation reminds me of a story that our good friend Stan Lundine has shared with some of us over the years. Early in Stan’s tenure as Mayor of Jamestown, he encountered an older gentleman just outside of City Hall that greeted him with a simple question: “Mayor, why do you look so down today?”

Stan then went on to explain to the man that he had just learned that another one of Jamestown’s long-time manufacturing giants had abruptly closed down all of its operations.

The man then said, “Cheer up, Mayor. It’s not all that bad.”

Puzzled, the young Mayor said, “Not bad, how can you possibly say that? More than a thousand people have just lost their jobs, their health benefits and their pension program was entirely wiped out. Don’t you realize how devastating this is to the families involved and the terrible ripple effect it will have throughout the local economy?”

Trying to reassure Stan, the old man responded: “Yes I do, Mayor. But this is a good town, with good people, that has always defied the odds and manages to bounce back no matter how bad things get. Just look at history.”

“The early settlers proved all their skeptics wrong by successfully clearing the land, taming the harsh environment and setting up thriving hard woods and pearl ash industries. When that went away, the English settlers adapted and brought the textile business. When that started to slow, on came the Swedes and our famous wood furniture business. As the wood furniture business started

moving from our area, the hard working Italians came along to provide the muscle for necessary public works projects, hand tool businesses and metal industries”

“So you see, Mr. Mayor, Jamestown always bounces back and despite the odds, always finds a way to land on its feet!”

And just as Stan started nodding his head in hopeful understanding, the old man said...

“Now Mayor, all you have to do is figure out what we are supposed to replace the metal industry with!”

There is absolutely no doubt that the challenges before us today are difficult and daunting, especially when one considers that most of the factors are out of our direct control. And while some might argue that our current day problems are not of the same magnitude of those conquered by our ancestors, **our** contemporary challenges will nonetheless test the limits of our resolve and abilities. As the story reminds us, every generation throughout history has had its crises and moments of the truth that ultimately determine how good and exactly who they are.

This, my friends, could turn out to be one of our defining moments and how we respond, how we choose to either work together or allow ourselves to fall apart, may have implications, either positive or negative, for generations to come.

The story with Mayor Lundine and the old man also reminds us that this has always been and still **is** a good town with good people and that when we pull together and work in the interests of others and not ourselves, there is literally nothing that we can't accomplish. And, as I have said on many occasions, there is still more that is good and right about Jamestown than what could possibly ever be wrong. And I truly believe that the best examples of what is right with our community may be found in its caring, talented and hard working people...including and starting with the folks in this room tonight.

Unlike the spectacles that we have grown all too accustomed to seeing in Washington, Albany and occasionally even in the halls of some local governments, the deliberations in this chamber are always conducted in a civil fashion and with only one goal in mind...how do we do the most for the least possible cost for the people we serve.

While mindless partisan political bickering, finger pointing and name calling may make for great headlines and juicy news copy, it also results in bad policy and never serves the taxpayers well. Although some may confuse the lack of fireworks and endless drama with a lack of legislative effort...I know better. I know exactly the time and attention that all of you put into your service to our city. I know better than most, because I work with you every day. I appreciate what you do, I realize what you and your families have to sacrifice and endure, and I understand that to you, it is certainly not about a paycheck or a pension or the pursuit of power. It is simply about a passion for the community we all love and have **chosen** to call home.

We may not walk into this chamber and always agree on every issue brought before us. But the one thing I am certain about is that every person here, and every Council Member I have ever worked

with – Republican, Democrat or Independent – has done their best, according to their abilities, for all the right reasons.

Our citizens, your constituents, and sometimes even your friends, neighbors and family members may not readily recognize this and rarely, if ever, say thank you. So, tonight, I will.

Thank you for your time and indulgence this evening.

Thank you for your past volunteer efforts and service to our community, which helped make possible the amazing list of accomplishments from the past year.

Thank you in advance for your time during the coming year to help drive this ambitious agenda at both the local and State levels.

And, thank you for your commitment to once again prove that the old man was right. This **is** a good town with good people that despite the odds and the depths of the challenges before us, Jamestown always bounces back and once again is proving that its best days are yet to come.