

**Budget Address to Town Council
May 5, 2009**

I want to begin by thanking you Mr. President, and all the members of the Town Council for the spirit of cooperation in which we have worked this past year. While we may occasionally disagree, on every issue we have addressed, we have consistently worked to find common ground and to put the best interest of Braintree before all other considerations. The importance of this courtesy, this cooperation and this commitment to our town's best interest cannot be overstated. I thank you for it.

Winston Churchill once said that, "there is no worse mistake in public leadership than to hold out false hopes soon to be swept away."

The budget that I present for your consideration adheres to Churchill's sentiments. It is founded not on false hopes but on facts and figures that are sustainable.

The \$87 million operating budget that I am offering is a prudent fiscal plan that recognizes the current economic conditions, nationally and in our Commonwealth, and the reality that local aid (state assistance) to the Town of Braintree is currently scheduled to be reduced by \$2.4 million for fiscal year 2010. In order to offset this reduction we have developed a workable plan of action for the days ahead.

Times are tough. We see it every day. Cutbacks in business operations and cutbacks in the operations of government are not pleasant, but they are necessary when the money to fund them is lacking. But tough times cannot serve as excuse. They provide

a challenge that must be met with energy and resolve. The steps we began last year have left us better equipped than most communities to sustain our services at the level our citizens expect.

As a quick refresher, last year at this time we were preparing a budget that cut 30 fulltime and part-time positions out of the government – and created other cost savings with tighter management on the usage of municipal vehicles, cell phones, and expenditures exceeding \$250. We reduced department heads from 23 to 10 and began weekly meetings so that each department has information and “required communication” of what other departments are doing. With your cooperation and support, we, “Braintree’s New Government”, reduced the cost of operating our government by nearly \$1 million.

Over the past year, we have taken positive steps to consolidate departments, create efficiencies, introduce technology to a paper driven operation, establish a program based budget, which documents expenditures of each department by specific line items and squeeze every nickel to operate with a commitment towards strong financial management.

I spoke last year of creating measurable goals for each department and the need to use statistical information as a way to guide our decision making today and make smarter choices for tomorrow. We are sharing our data with other communities to compare our performance and learn from shared experiences.

I can stand before you today and announce that we are a stronger government financially and an improved operating model by any objective analysis... but, before I cite some specific positives... let me acknowledge that we have only begun to see the benefits of the difficult steps that we needed to take in order to reform the operations of Braintree's government. Our town employees – both new and seasoned – have made excellent efforts to meet our financial challenge. Their ideas, talent and commitment are a major factor in the success we have experienced thus far.

The implementation of a true DPW and the realignment of our financial offices have not been easy assignments ... getting the administrative functions of our Water and Sewer Division properly managed – with the help of Braintree Electric Light personnel – continues to be a focus and needed for proper and timely billing which is paramount to the success of that enterprise account.

There are many other daily challenges that continue to confront us as we move forward with our new government ... The tasks are not simple and the load not any lighter, yet it is exciting and I am encouraged by the work we have accomplished as we enter our 17th month of operation.

Our local financial strength is stronger this year than last despite the economic turmoil that surrounds us. We have new revenue growth of \$850,000 in large part from

the South Shore Plaza redevelopment with Nordstrom's and I am pleased to announce that another national retailer - Target - is working with the owners of the South Shore Plaza to locate as an anchor tenant. Our building permits for the year exceeded our estimates and our collections of excise tax and other municipal revenues remains steady in all areas with the exception of interest on our investments – which all municipalities and individuals are feeling.

Our budget last year and this year will not be balanced on one time infusions – as it was for many years in Braintree and our stabilization and free cash accounts will grow slightly which is a good sign to Wall Street and allows us to retain our AA3 bond rating as we prepare to go to the municipal bond markets in mid-May for the permanent financing of the new BELD Watson Power Plant. The town is offering our superior bond rating to aid in the financing for this new state of the art facility which will save BELD rate payers – residential and commercial – millions of dollars over the life of the project. This is a significant action and could not have been realized without the town's strong fiscal health and the performance of BELD. In return, we receive an enhanced PILOT payment of \$500,000 beyond the \$1 million we currently receive – bringing the total PILOT payment to \$1.5 million annually.

As pleased as I am with how hard we have worked to improve our fiscal situation, I acknowledge the possibility that fiscal health conditions can change rapidly. That is why we need to remain vigilant on fiscal management issues. For it is our fiscal discipline which has, thus far, been the cornerstone of our success.

For this FY10, the quick snapshot of Braintree's revenue sources are as follows:

\$10.6 million net local aid

\$12 million – Local Receipts

\$1.6 million other sources

\$64.6 million – Tax Levy (39 res/25.6 com/pers)

TOTAL \$87.8 million – Operating Budget

The budget that I propose is a strong fiscal plan using appropriately conservative and realistic revenue estimates that allows our town to move forward and continue the progress we have made.

As you review this budget, I welcome your oversight and your constructive analysis of this document. As you do your job, I ask that you be appreciative of the economic conditions that we find ourselves currently in and that you recognize that the steps we have taken in formulating this budget is to prepare our town for today's economic realities and tomorrow's unknowns.

I can state with confidence that we have taken no shortcuts to generate fast results, instead, we continue to face reality-even when it is unpleasant- in order to plan our budget properly. That is why this proposed budget includes seven layoffs and leaves 12 positions unfunded. It is further reduced by over \$160,000 worth of wage and benefit

concessions made by over 130 town employees. The Braintree Professional Managers Association, Local 920 of the International Association of Firefighters and the town's senior managers made these sacrifices to save the jobs of their co-workers. Their actions are evidence of their commitment to Braintree's best interest and I am grateful for their assistance in meeting our fiscal challenge. Make no mistake, without their actions more jobs would have been lost.

The term that I would use to best describe the theme of this budget proposal is sustainability. By that I mean – how do we – entrusted with the obligation of operating our municipal government – address the many issues that we face, issues of public safety, public education, town services, and meaningful management during a period of economic distress that is unprecedented.

We have had to make tough decisions – many of which I have considered and reconsidered as we have monitored and measured the financial constraints that we must live with in.

Every department is affected.

I have reduced the Town's operating budget for our schools by \$250,000 from \$45,203,204 to \$44,953,204. I have offset the impact of this decision by recommending to Superintendent Kurzberg that we access federal stimulus monies for education by \$250,000. This will bring the total of federal dollars for education to \$1.2 million out of

the \$2.8 million that the town recently received – which is to be spent over 27 months. This action will allow our town to continue to provide educational excellence for which we have come to be recognized.

In the area of public safety we are maintaining our current staffing levels of sworn personnel. Specifically, to the police budget, I have asked Chief Frazier to review his deployment of personnel in the best way possible to maximize our street presence and to ensure the safety of our citizenry.

Chief Frazier has done an admirable job during difficult times and I thank him and the members of the police department for their commitment to our town. While we are not financially able to fill seven vacant positions, I am committed – if additional revenues are realized through new revenues and/or grants – to restore these vacancies as soon as possible.

Moreover, if the state acts to increase revenues and restore local aid funding that is now planned for reduction; I will be back to the Council to explain how we would look to replenish some of these required cuts.

For, while we may face formidable fiscal challenges, it is important to continue to aim high. We must aspire to higher achievements and not use reduced resources as an excuse for mediocrity. We must sustain not only the services our government provides, but our own commitment to find ways to improve them. Working together and basing

our budget on facts and not false hopes, I am confident that we will not only endure this current crisis but emerge from it with a sustained commitment to excellence.

Goals for the Year Ahead – (there are many but, I shall only cite a few)

1. Maintain fiscal stability by focusing on management, further introduction of technology, and being smart in the stewardship of town finances.
2. Begin construction of a new state of the art water treatment facility for Braintree, Holbrook, and Randolph. More information on this project will be forthcoming for your review and assistance.
3. Increase our “single stream” recycling program. You will recall that last year we established a regional agreement on curbside trash disposal with our neighbors Quincy and Weymouth. This program provided \$200,000 in actual savings and cost avoidance. We also began “single stream” recycling. Our household recycling has increased from 13% to 30% and our goal is 50% by next summer.
4. The 100 Roads Program was started last year. With your help, we established a comprehensive, geographically balanced, neighborhood oriented \$16 million, 3 year program to fix our roads. We completed 41 of these projects in the first year and we have now begun our second year.

5. South Middle School Renovations – this \$3 million upgrade – in partnership with the state – will start this summer. It is an important project for us to demonstrate to the Commonwealth School Building Authority and our town’s people that we can rehab one of our school facilities in a cost-effective manner.
6. Beautification efforts remain a focus with our second annual Beautify Braintree Day this Saturday and in maintaining my commitment to plant 500 trees over the course of my term. To date, we have planted 128 trees throughout town, with another 100 plus trees planned for this year.
7. The improvements that we seek for the Braintree / Weymouth Landing area – in partnership with Weymouth – is a sizeable challenge that we will strive to achieve in the year ahead.

We in Braintree are fortunate in many ways. Our quality of life remains strong with a stable tax rate, good town services, and lower costs in the necessities of water and energy than any surrounding community. Our schools are good, our recreational programs abundant, and you feel safe in any neighborhood in town.

So despite the economic uncertainties that surround us, I ask that we – as a community – remain mindful of the positives that Braintree offers: Mindful of the

attributes that differentiate us from many others. Mindful of what it is to live in Braintree and to care about our community. Our past has brought us here – the steps we take – today and beyond – will lead us to a bright future for Braintree.