

Good Afternoon Ladies and Gentlemen,

It is my pleasure to report on the State of the City this afternoon. I want to thank the Lockport Rotary Club for hosting this event and thank you for your continued service to our community.

I am here today to talk to you about our City, our past, our present, our future, our successes and our challenges. Considering the extraordinary economic times that our state and country have faced over the past few years, the state of our City remains strong.

A key barometer for analyzing the financial stability of a municipality is bond rating. I am proud to report today that our bond rating continues to be the strongest possible. In fact, it's at the highest level that the City of Lockport has ever had. As I travel across the state and talk to other mayors, I realize that things are not the same with other municipalities. In fact, they are quite different.

I hear horror stories of cities with no fund balances and cities forced to raise water and sewer rates by 30, 40 and sometimes 50 percent to offset their growing deficits. It is not common to be as financially sound as we are, and these things don't happen just by luck. In our case, they've happened because of responsible planning by the Common Council and our department heads. I commend them for their good work. As we move forward, we must continue to monitor our surpluses, as they are approaching levels that we need to watch closely, and we must continue to keep a very watchful eye on spending.

As we move forward into 2012 and beyond, these are clearly uncertain times. I'm concerned that the leadership at both the state and national levels will shift a considerable amount of the burden onto the backs of local government through unfunded mandates.

There are projects that must be done and we will do them, but we will move carefully and cautiously and will do only the projects that are of extreme importance to our City. Some others will have to wait.

The Common Council and I understand that the City taxpayers cannot afford additional tax increases. We understand that times are tough, and we are proud of the fact that the tax rate decreased the last two years. However, the fact of the matter is that our operating budget goes up every year and the overwhelming majority of this increase is directly attributable to health care, pension, and legacy costs for employees. I applaud the good work that our employees have done and continue to do for our City. I know that you've all heard the phrase that "we must do more with less". In the City of Lockport, we are. There are 23 less employees working for the City than there were just 18 months ago. Our staffing levels are at the lowest point that they have been at in decades. Our employees are working harder than they ever have before. So it's not a staffing issue, it's a healthcare issue and it must be addressed. This year the City of Lockport's healthcare bill will approach six million dollars. While I understand that our employees want the best coverage possible, it's pure economics.

This year all five union contracts are up, and healthcare will be the focus. We must find a common ground that is acceptable to both the unions and the taxpayers, and I'm confident that we will. I am asking the leadership of the City's unions to reflect on the world today, and ask them to work with me to be reasonable and open to new ideas so we are not forced to look at the alternative.

The news seems very bad these days. The newspapers, television stations, and Internet are inundating us with somber and difficult news each and every day.

But in light of all that, some great things are happening in our City, and that's where I'm going to focus the rest of my time with you, on the progress that we continue to make. Despite all the negative news, great things are happening in our City, and we must be grateful to all of those who have worked so hard to make them work.

Since the first year that I was elected Mayor in 2004, I promised to bring to our City a comprehensive curbside recycling program. In 2011, we did do that but we went a step better; we made the unprecedented move to privatizing garbage. And while it made for an interesting election, we stuck to our belief that this is what was best for the City. Since we made the transition from public to private hauling and added recycling as a new service, overall costs have been reduced by \$113,000 compared to this time last year. This figure is consistent, and will likely exceed, the projected \$428,000 savings for 2012.

As of January 31st, 600 tons of recyclables have been collected, which exceeds the total volume collected in all of 2011. City residents are recycling 22% of their household waste volume. Overall, total waste generation, which includes both garbage and recyclable, is down 12%. Compared to years past, one-third (34%) of the City's garbage is not being sent for disposal.

This program is a savings machine. The City generates revenue from the sale of recyclables, pays substantially less for private curbside service, diverts 34% of waste from disposal, and those numbers will only get better with time. In early spring, Modern will launch its Recycling Rewards Program that will provide residents with incentives to recycle more material, which is a win-win for residents.

Our model is, I believe, one of the best in the nation. Several local communities, Wheatfield, North Tonawanda and Wilson, are now looking to implement our program into their communities to enjoy the benefits that we are.

I must thank and congratulate Niagara County Environmental Coordinator Dawn Timm, City Clerk Richelle Pasceri, City resident Jeff Tracy, City staff and the Common Council for having the courage to do the right thing in the wrath of election year politics. After much ado about nothing, our program is working exactly how we knew it would, and the City will benefit from it for decades to come.

Over the past several years, I have been working to make Lockport a tourist destination by accentuating the Erie Canal. It's working. The Molson Canal Concert Series, combined with other City attractions, has brought almost 250,000 people to the City. A recent economic feasibility study done on the Flight of Five projects 230,000 visitors a year to visit the site. This remains one of the priorities of my administration to complete during this term. Last month, I took information gathered from a meeting in the Council Chambers from all the tourism related businesses in our City and formed a Tourism Task Force.

It will be the responsibility of the Task Force to take all those ideas and formulate a plan to take our City to the next level, and to make sure that we are getting the full benefit of all these new visitors to our City. There was a time that these types of things weren't needed in the City of Lockport, but I think that we can all agree that the City of Lockport was a different place years ago. We've worked hard, all of us, to bring these people here. It's important to our City that we get this right. This Task Force, which includes David Kinyon, Ann McCaffery, Doug Farley, Heather Peck and Chuck Bell, has a very important role in this and I have confidence in their ability to do it.

I strongly believe that this same energy can take place with the Lockport Ice Rink Project in the old Jubilee building on Chestnut Street. I am grateful to Senator George Maziarz for obtaining the funding necessary to purchase the building, and for the committee's hard work and persistence in moving this project forward.

Recent developments have given us reason to believe that this project will become reality, and I am committed to making it happen.

On a Citywide basis, the Common Council and I will maintain a strong emphasis on improving our housing stock and will continue to support our Building Inspection Department in addressing housing code violations. We are excited that the long awaited Lockport Canal Homes Project by Housing Visions is underway. The multimillion-dollar project on Genesee Street will have a tremendous impact on that neighborhood and the City as a whole.

The Historic Preservation Board, under the leadership of Bob Hagen, has marked their first Historic District in the city, which will help property owners make needed repairs on their homes and save money by doing so. The Lockport Mainstreet Program under the leadership of Heather Peck is having a profound impact on our business district by helping businesses to become more successful and profitable.

And soon, under the plan brought forward by Alderman Ken Genewick, City residents will be able to pay their bills online, which is something that people have wanted the ability to do for a long time.

In conclusion, the state of our City is strong. That being said, we must continue to be financially prudent during these challenging economic times. With the proper balance between effective budgeting, efficient delivery of services, and continued dialogue with other municipalities to find ways to share services, I am confident that our best days lie ahead.

Once again, thank you to the Rotary Club for hosting this event and to the Lockport Town and Country Club for the great accommodations.

Thank you.