

From: Jennifer Sperduti, Stamford Taxpayers Political Action Committee

April 9, 2009

Board of Finance of the City of Stamford
888 Washington Blvd. 10th Floor
Stamford, CT 06904-2152

Re: Smith House Options- Restructure, Sell or Close

Dear Members of the Board of Finance:

A nursing home is a business, and like all business, it needs strong, entrepreneurial leadership, something rarely found in municipal government. The Smith House has been running deficits for eight years in a row, and this Administration's only solution is to just throw more money at it. The City's Administration fails to perceive the major economic realities confronting the City because its attention is devoted to an agenda that benefits itself and not the people it serves.

The response to the Mayor's request –“Please let me know the intent of the action taken by the Board of Finance”- is simple. The annual \$2.5+ million dollar loss at the Smith House is excessive and must be dealt with. Running a nursing home for Stamford and neighboring towns is not a core function of our city government. Pre medicare and medicaid, it was important for towns to operate nursing homes to take care of its senior citizens. Since medicare and medicaid, private industry has taken over this responsibility, and has done a much better job.

Greenwich and Stamford are the only two municipalities that operate nursing homes in the state. Greenwich successfully re-negotiated its union contracts and made other changes so that today its nursing home is profitable. Stamford must do the same thing. If restructuring the business, including labor concessions, cannot be achieved then the facility should be sold or closed.

By reducing the budget by only \$750,000, the Board of Finance has appropriated funds that will subsidize the losses at the Smith House for nine months. In other words, the Smith House has almost nine months to get its house in order. During this nine month period, the taxpayers expect that a plan will be put in place so that the Smith House provides quality service, functions at near capacity and operates on a break-even basis. Reach out to Greenwich for help in identifying savings and appropriate restructuring alternatives. Taking these entrepreneurial steps will in the long run benefit everyone, including the employees, who will be more secure in their employment.

The financial condition and care at the Smith House will only deteriorate unless corrective action is taken. Do not let the Mayor's lack of leadership on this issue, his weak management team and loss of focus deter this Board from holding management accountable and arriving at the proper outcome for the Smith House.

Sincerely,