



WITHIN RANGE

The City of Bridgeport is under financial siege. Bureaucrats are battling. David E. A. Carson, city godfather, banker and actuary, forces a vote and saves the city for another year.

April 6, 1989, Bridgeport, Connecticut: Mayor Thomas W. Bucchi was being squeezed. It would be a lot easier to take if the man across the table was a low-life city councilman sticking him up for a raise in exchange for a vote, or a greedy contractor leaning on him for cost overruns for mega campaign donations. The person performing the constriction in the Hilton Hotel's meeting room was Connecticut State Treasurer Francisco Borges, a cold-blooded taskmaster wielding his statutory sledgehammer.

The City of Bridgeport's budget – destroyed by decades of sagging grand lists, generous pension plans, accounting shorthand, and state and federal funding cutbacks — had gone completely bust in 1988. Out of the morass came shackles: a state oversight board, a group of nine state, city and business leaders called the Bridgeport Financial Review Board. David Ellis Adams Carson, the distinguished chief executive of People's Bank, was one of the nine.

Connecticut had allowed Mayor Bucchi to use state bonding powers to borrow a cool \$55 million to pay bills, meet payroll and buy time to plug holes in Bridgeport's leaky municipal ship. By

legislative decree, the financial review board had been created. Its primary task, among a myriad of financial challenges, was to keep the city's budget in balance. Bucci, a Democrat, was under siege from people within his own party.

Democratic Gov. Bill O'Neill, who could have handled the financial matter administratively, had thrown the mayor to the legislative sharks. Bucci would never forget the day he went to legislative friends for help at the state Capitol in Hartford. Bucci's city was hemorrhaging cash and he needed to keep this quiet until a financial package was worked out.

"Sure, no problem," said William DiBella, a Democrat and the powerful Senate chairman of the Finance, Revenue and Bonding Committee. By the time the meeting was over and Bucci was headed to Bridgeport, the news was all over the radio. The city was broke and needed a bailout. Instead of tossing Bucci a life jacket, DiBella had thrown him an anchor.

The legislative act that created the financial review board placed Borges, a Democrat, at the helm of an oversight panel that included a cross section of government bureaucrats and business leaders. Handsome, charming, and a skillful public speaker, Borges had an eloquent dispassion about him. A graduate of the University of Connecticut School of Law, he wasn't going to let the city's bleeding budget get in the way of his future. If the budget was out of whack, he'd push the city to make cuts and more cuts. Borges was tough medicine in the budgetary process.

But the city had reached bone.

Bucci had already consolidated Bridgeport's financial infrastructure and pink-slipped hundreds of workers. He brought in a nationally recognized municipal consultant, Jack Ukeles, to reposition the city's financial future.

Financial review board meetings at the Hilton, featuring Borges' bureaucratic accountant Donald Kirschbaum and Bucci's bean counters, were cruel conflicts between scalpel and sanity. Bucci, in an election year, was facing a sour electorate. Privately, he'd say of Borges and company, "The bastards are killing me."

INTRODUCTION

In discussions of the current budget year, Borges and his accountant maintained the budget was out of balance by \$825,000. Bucci and his chief numbers man, Steve Sasala, were protesting the math. Kirschbaum, the blood-sucking accountant, kept changing the rules. One day he asked for a set of figures this way, the next day he asked for them that way. Borges was adamant – cut, even if it means a five percent, across-the-board furlough of municipal workers. Bucci was beside himself. He'd done enough of that. He wasn't going to close parks and lay off cops. "Take me to court!"

Into the fray stepped the one financial review board member the mayor was allowed to appoint by legislative act: David Carson.

Carson, a Republican, was the soft-spoken statesman of the business community – the man with the biggest bank and easily the biggest bow ties. Carson marinated in numbers. He studied them as part of his major at the University of Michigan. In the U.S. Army, as a test analyst, he had calibrated the fuse efficiency of hand grenades. As a young businessman in his 30s, he cut his teeth as chief actuary and senior vice president of The Hartford insurance company. Now he was CEO of People's Bank, the largest bank headquartered in America's wealthiest state. Bank employees were always nervously mindful that if the numbers they handed him were incorrect this immigrant from Birkenhead, England would most assuredly remind them.

Carson understood economic crisis. Why, just 18 months earlier, October 19, 1987, Black Monday brought Wall Street to its knees, the very day – talk about rotten timing – Carson was scheduled to take his bank public.

In a neat sidestep around Kirschbaum's figures, Carson urged adoption of the city's revenue and expenditures for the rest of the year, with the addition of a \$2 million contingency mandated in the next budget year, to cover possible shortfalls.

Borges would not have it. "There is no discretion in the language, no latitude," in the legislative act to do that, Borges protested. "This is a bunch of legalism, not operationalism," Carson

fired back, never one to blow a cork unless absolutely necessary. “There are other interpretations of the law.”

“The law says,” Borges responded, “if the city is out of balance, we’ve got to...”

Carson, turning crimson, leaned forward. “Accept the goddamn plan and stop trying to manage the city in a hotel room! You can’t do that!”

In the next instant Carson moved a motion to accept the city’s financial position. In a 5-4 vote the financial review board sided with Carson, ordering the city to begin presenting data for the next fiscal year.

After the meeting Carson talked with Bridgeport Light newspaper reporter Jim Callahan. Actuarial scales are developed in “ranges,” Carson pointed out, stressing the city’s figures were within range of providing a balanced budget. The bank executive explained it was more important to move on to next year’s budget to make positively sure that one worked.

“I’m a businessman,” Carson explained. “I never believe anybody’s figures. So I don’t believe Don’s (Kirschbaum) either.”

In David Carson’s pragmatic world, life wasn’t just about numbers.