

Agenda for January 5 Capitol News Conference

Presenting municipal priorities in upcoming state budget debate

Wednesday, January 5, 12 noon
Room 1C, State Legislative Office Building, Hartford.

1. Opening remarks

- *Elizabeth Paterson, Mayor of Mansfield and President of CCM*

2. -- Perspectives from the Urban Centers:

Options for Service Continuity and Holding the Line on Property Taxes

- *John DeStefano, Mayor of New Haven*
- *William Finch, Mayor of Bridgeport*
- *Eddie Perez, Mayor of Hartford*

3. -- Perspectives from Mid-Size Communities:

Options for Relieving Spending Pressures on Local Governments

- *Scott Slifka, Mayor of West Hartford*
- *Melody Currey, Mayor of East Hartford*
- *Sebastian Giuliano, Mayor of Middletown*

Options for Improving State-Local Partnership for Economic Development

- *Wade Hyslop, Mayor of New London*
- *Richard Moccia, Mayor of Norwalk*

4. -- Perspectives from Small Towns:

Options for Increasing Government Efficiency Through Greater Cooperation

- *Mary Glassman, First Selectman of Simsbury*
- *Susan Bransfield, First Selectman of Portland*
- *Laura Francis, First Selectman of Durham*

5. -- Conclusion

- *James J. Finley, Jr., CCM Executive Director and CEO*

6. – Questions/Discussion

Opening remarks

Elizabeth Paterson, Mayor of Mansfield and President of CCM

Connecticut faces tough economic times.

Yet these challenging times present opportunities for significant changes. Changes that will, over the long-term, improve the quality-of-life and the business climate of our state.

This is the time to reinvigorate the State-Local partnership – because our hometowns and the State now need each other more than ever.

We remind the governor and state legislators that Hometown Connecticut is not a special interest group.

The temptation to cut state aid to towns and cities must be rejected.

Such cuts would be a false economy, merely transferring the state financial crisis to the local level. It would result in a tax shift to already overburdened property taxpayers.

Local government and state leaders must work together to:

- Reinvent and **make government more efficient at all levels;**
- **Ensure the continuity of local public services;** and
- **Set the stage for significant property tax relief** as the state economy improves.

This must be a two-track effort:

- First, we need to take action to **ensure that towns and cities get through the brutal economic situation of the next few years without slashing local public services and causing spikes in already sky-high property taxes.**

- Secondly, we need to make **structural changes to set the stage for more efficient delivery of government services and real property tax relief.**

The mayors and first selectmen who follow me

– represent a wide range of large cities, mid-size communities and small towns –

They will discuss what underlies this two-track approach as well as highlight the tough decisions they have made and will have to make in their hometowns due to the recession.

Suggested talking points:

John DeStefano, Mayor of New Haven

William Finch, Mayor of Bridgeport

Eddie Perez, Mayor of Hartford

As well as highlight specific retrenchments, cutbacks in your local government

Service Continuity and Holding the Line on Property Taxes

- On a pilot, or trial, basis allow municipalities to **levy local-option taxes** (e.g., hotel tax, “land value” tax, sales tax, “piggyback” income tax, etc.). Connecticut lags behind the nation: 34 other states allow at least some municipalities more than one other significant revenue source such as sales taxes, income taxes or both. Make permanent the present rates of the municipal real estate conveyance tax;
- **Allow municipalities broader authority to, at local option, increase and assess fees for municipal services and fines for violations;**
- Continue progress towards increasing the **State’s share of K-12 public education to 50%**, on average;
- Identify a state revenue source where future growth will allow the State to **phase-in state assumption of the fiscal and administrative responsibilities for special education;**
- Identify a permanent funding source to restore the **Town Aid Road Grant to pre-2003 levels, plus inflation**. For example, allowing municipalities to establish and collect a \$10 surcharge on registered motor vehicles could raise as much as \$30 million if applied statewide;
- Earmark Native American gaming revenues for **future property tax relief by dedicating any increase in revenue above expected FY 08-09 levels (\$387 million)** to fully fund **PILOT** reimbursements and increase Pequot-Mohegan grants; and
- Use the State’s **Rainy Day Fund** to prudently maintain or, if circumstances allow, increase state assistance to towns and cities in order to prevent a tax shift from the state to the local level.

Suggested talking points:
Scott Slifka, Mayor of West Hartford
Melody Currey, Mayor of East Hartford
Sebastian Giuliano, Mayor of Middletown

As well as highlight specific retrenchments, cutbacks in your local government

Relieving Spending Pressures on Local Governments

Repeal or defer, for the duration of the economic crisis, many of the existing unfunded and under-funded state mandates on municipal general governments and boards of education, including:

- Enact a Constitutional amendment or statutory prohibition to **prohibit the passage of unfunded or underfunded state mandates without a 2/3 vote of both chambers of the General Assembly**;
- Provide relief from the **municipal responsibility to collect and store the possessions of evicted residential tenants**, and new **FOI web-posting requirements**;
- Allow towns and cities that meet certain thresholds of fiscal distress to **re-open negotiations** on existing labor contracts;
- Repeal, or delay until adequate state funding is available, **newly enacted mandates** concerning police treatment of **16 and 17-year olds as juveniles** (now effective 01-01-10) and requiring that all **school suspensions** be done in-school (now effective 07-01-09);
- **Temporarily suspend**, as a way to stimulate infrastructure investment for the duration of the downturn, application of laws that require higher pay for workers on state-funded capital projects (the so-called 'prevailing wage'). This will boost the economic power of state and local tax dollars
- **Allow municipalities to defer revaluations** to (a) provide savings from the cost of conducting them, and (b) provide a measure of relief to hard-pressed residential property taxpayers.

Suggested talking points:
Wayne Hyslop, Mayor of New London
Richard Moccia, Mayor of Norwalk

As well as highlight specific retrenchments, cutbacks in your local government

Improving the State-Local Partnership for Economic Development

- **Assign a “municipal ombudsman”** in each state agency that interacts regularly and directly with local governments to improve coordination for economic development, planning, transportation, etc. Such an initiative would increase efficiency in economic development, while designation of an existing employee would avoid the need to add staff to perform this function.
- Create **state-local economic development teams** -- including appropriate state agencies, regional and municipal officials -- to work jointly and simultaneously on permit applications for development projects.
- Allow municipalities to utilize licensed professional engineers to certify that work on economic development projects is being done in conformance with state permit requirements, to reduce permit-approval backlogs in state agencies. (A good model is the “licensed environmental professional” program within DEP), or otherwise create an expedited approval process for the duration of the economic slump;
- Use federal stimulus allocations and state bond funding to **make strategic investments in local infrastructure**. Infrastructure investments are proven to generators of economic development, and energy efficiency projects will result in long-term savings. Provide that 60% of all federal stimulus funding go directly to regions and municipalities. Establish expedited regulatory review and approval processes so that needed capital investments are not delayed by bureaucratic red tape.

Suggested talking points:

Mary Glassman, First Selectman of Simsbury

Susan Bransfield, First Selectman of Portland

Laura Francis, First Selectman of Durham

As well as highlight specific retrenchments, cutbacks in your local government

Increasing Government Efficiency Through Greater Cooperation

- Increase **state financial and other incentives for intermunicipal and regional cooperation**. For example, encourage the formation of Councils of Government (COGs) in each region and create incentives for consolidation of the regions. Empower them to:
 - ❖ **share future growth in state sales tax revenue** and distribute it on a regional basis. Also, increasing the state sales tax to 7% and sharing half of the increase would spur regional cooperation while also increasing state revenue;
 - ❖ **levy their own regional taxes** (sales, hotel, etc.) and distribute the proceeds for use on regional infrastructure and economic development projects;
 - ❖ **deliver services** and pool health insurance costs on a regional basis;
 - ❖ **negotiate multi-municipal master contracts** with municipal employee and teacher unions; and
 - ❖ **make land use decisions** on regionally significant projects.
- Reallocate existing personnel to increase the staff of the **State Office of Responsible Growth** so that it can meet its potential for providing technical and financial assistance to municipalities and better coordinate the actions of state agencies. This will bring about more efficient government and regions overall; and
- Establish a broadly representative (state, local, private sector) **blue ribbon commission to discuss and develop alternative service-delivery models and cooperative ventures** to achieve greater overall governmental efficiency.
- Immediately establish the capability for the State to undertake **tax incidence analyses**. This capability, delayed far too long, would allow CT to understand the real impacts on individuals, families, and businesses of federal, state, and local taxes and of proposed tax changes.

Conclusion: A Plea to the Governor and the General Assembly

James J. Finley, Jr. CCM Executive Director and CEO

Business as usual no longer cuts it in Connecticut. Tough times require tough decisions and decisive actions.

Municipal leaders from across Connecticut are eager to rebuild a partnership with state officials to get the job done. It's time to reinvent state-local government in Connecticut. We're all in this together, and the long-term wellbeing of our citizens, our businesses and our quality-of-life depends on the ability of towns, cities, regions and the State to work as one.

The Mayors and First Selectmen will now open the floor for any questions. Thank you.