

PUBLIC HEARING BEFORE THE LABOR COMMITTEE

RAISED SB 560

MARCH 9TH, 2006

TESTIMONY OF FINANCE BOARD CHAIRMAN

TOWN OF GRANBY - MICHAEL GUARCO

GOOD AFTERNOON TO YOU, CHAIRMEN PRAGUE AND RYAN..... AND MEMBERS OF THE COMMITTEE. I SUBMIT TESTIMONY TODAY AGAINST SB560 WHICH WOULD EXTEND THE COSTLY AND INEFFICIENT IMPLICATIONS OF PREVAILING WAGE REQUIREMENTS TO WORK THAT CURRENTLY DOES NOT FALL UNDER ITS SHADOW.

IT GOES WITHOUT SAYING THAT THE MUNICIPALITIES...AND TAXPAYERS... ARE FINDING IT VERY HARD TO MAKE ENDS MEET...EVEN WITH PROPERTY TAX RATE INCREASES THAT ANNUALLY AVERAGE GREATER THAN INFLATION. CCM HAS REPORTED THAT WHILE OVER THE PAST FEW YEARS THE AVERAGE INCREASE IN TAX RATE HAS BEEN RUNNING AT NEARLY 5%..... THIS HAS BEEN IN AN ENVIRONMENT WHERE THEY ALSO REPORT THAT OVERALL MUNICIPAL EMPLOYMENT HAS BEEN FALLING..... AND THAT THE REJECTION RATE OF LOCAL BUDGETS HAS BEEN RUNNING AT DOUBLE WHAT IT WAS EIGHT AND TEN YEARS AGO.

THE MUNICIPALITIES RECOGNIZE THE DIFFICULT FINANCIAL STRAITS THE STATE GOVERNMENT IS IN, AND KNOW FULL WELL THE LONG LIST OF FINANCIAL COMMITMENTS TO THE TOWNS FROM THE STATE THAT GO UNMET YEAR AFTER YEAR . WE RECOGNIZE ALSO THE PERENNIAL INHERENT STRUCTURAL DEFICIT YOU FACE..... WHICH SHOULD INDUCE STEPS ON YOUR PART TO HELP RESOLVE IT ON A LONG-TERM BASIS.

SB560 WOULD DO NOTHING BUT EXACERBATE THE FISCAL CRISES FACED AT THE STATE AND LOCAL LEVELS.....AND SHOULD BE DEFEATED. THE STATE SHOULD BE TAKING STEPS TO HELP REDUCE THE SLOPE OF THE MUNICIPAL – AND STATE - COST CURVES GOING FORWARD..... AND THIS BILL IS A STEP IN THE OPPOSITE DIRECTION. IT IS THE EQUIVALENT OF THROWING GASOLINE ON A FIRE THAT YOU SHOULD BE ENDEAVORING TO BRING UNDER CONTROL.

FOR THOSE WHO TOUT THE NEED FOR PROPETY TAX REFORM, IT BEGINS WITH THE END OF STATE ACTIONS WHICH INFLATE COSTS, BOTH AT THE LOCAL LEVEL AS WELL AS AT THE STATE LEVEL. THE IMPLICATIONS TO THE TOWNS BECOMES CLEAR – MORE PRESSURE ON LOCAL TAXES....

REDUCED CAPACITY TO BUILD AND BOND..... GOOD PROGRAM
SQUEEZED OUT OF LOCAL BUDGETS..... AND REDUCED AID ABILITY AND
CAPACITY TO BOND AT THE STATE LEVEL FOR CONNECTICUT (WHICH
ALREADY HAS THE HIGHEST PER CAPITA DEBT IN THE NATION).

ACROSS OUR STATE, SINCE INCEPTION A YEAR AGO IN JANUARY, SOME
138 TOWN BOARDS – RANGING THE FULL GAMUT FROM TOWN COUNCILS
AND BOARDS OF SELECTMEN TO THOSE OF FINANCE AS WELL AS
EDUCATION – REPRESENTING 91 CITIES AND TOWNS – HAVE JOINED IN
ENDORING THE CONNECTICUT MUNICIPAL CONSORTIUM FOR FISCAL
RESPONSIBILITY. THIS BIPARTISAN GRASSROOTS COALITION EFFORT
LOOKS TO ENCOURAGE STATE ACTIONS THAT HELP US BETTER MANAGE
OUR LOCAL MUNICIPAL FISCAL AFFAIRS..... AND FOCUSES ON REDUCING
THE NEGATIVE IMPLICATIONS OF STATE ACTIONS ON OUR LOCAL
BUDGETS... TAXES... AND PROGRAM.

SB 560 IS A STEP IN THE WRONG DIRECTION.....AND SHOULD BE
KILLED.

Connecticut Municipal Consortium for Fiscal Responsibility

The genesis of the Consortium – a broad alliance of duly elected town boards from a host of municipalities throughout Connecticut – comes in response to the growing wave of taxpayer discontent and local budget defeats we have witnessed over the past couple of years. The rate of rejections remains high while local property tax rates increase at around 5% per year. At the same time, overall municipal employment declines and existing program is squeezed out of budgets in town after town, victims of unbridled compensation and other state interventions into our local budgetary affairs.

Our focus is primarily on the cost-management side of the equation. Our mission is to press for return to the local level of a greater ability to manage key elements in our own municipal budgets.

The platform planks are all common threads of the legislative agendas of the three major municipal advocacy organizations – CCM, COST, and CABE – and call for leveling the playing field under binding arbitration, raising the cost thresholds on capital projects under prevailing wage laws, and prohibiting new mandates placed on towns until state government meets its own existing funding commitments to the towns under current law. Very simply, our joint message to the Capitol is to untie our hands so that we are more able to better and more efficiently manage our own local affairs.

These themes reinforce our view that our cause is pro-local government... pro-education... and pro-taxpayer. Then our growing group of town boards, and board chairmen, representing a broad and diverse group of municipalities throughout Connecticut, seeks to deliver a common message with a unified voice to legislators and the legislature... a message that truly is across-the-boards... across-the-parties... and across-the-state.

We encourage the governing authorities in every town and city - Boards of Selectmen, Education, Finance, Alderman, and Town Councils - to join us by endorsing the Consortium effort and by participating in pressing state lawmakers for change.

Has your town joined with the Consortium yet?

We may be reached through the following members:

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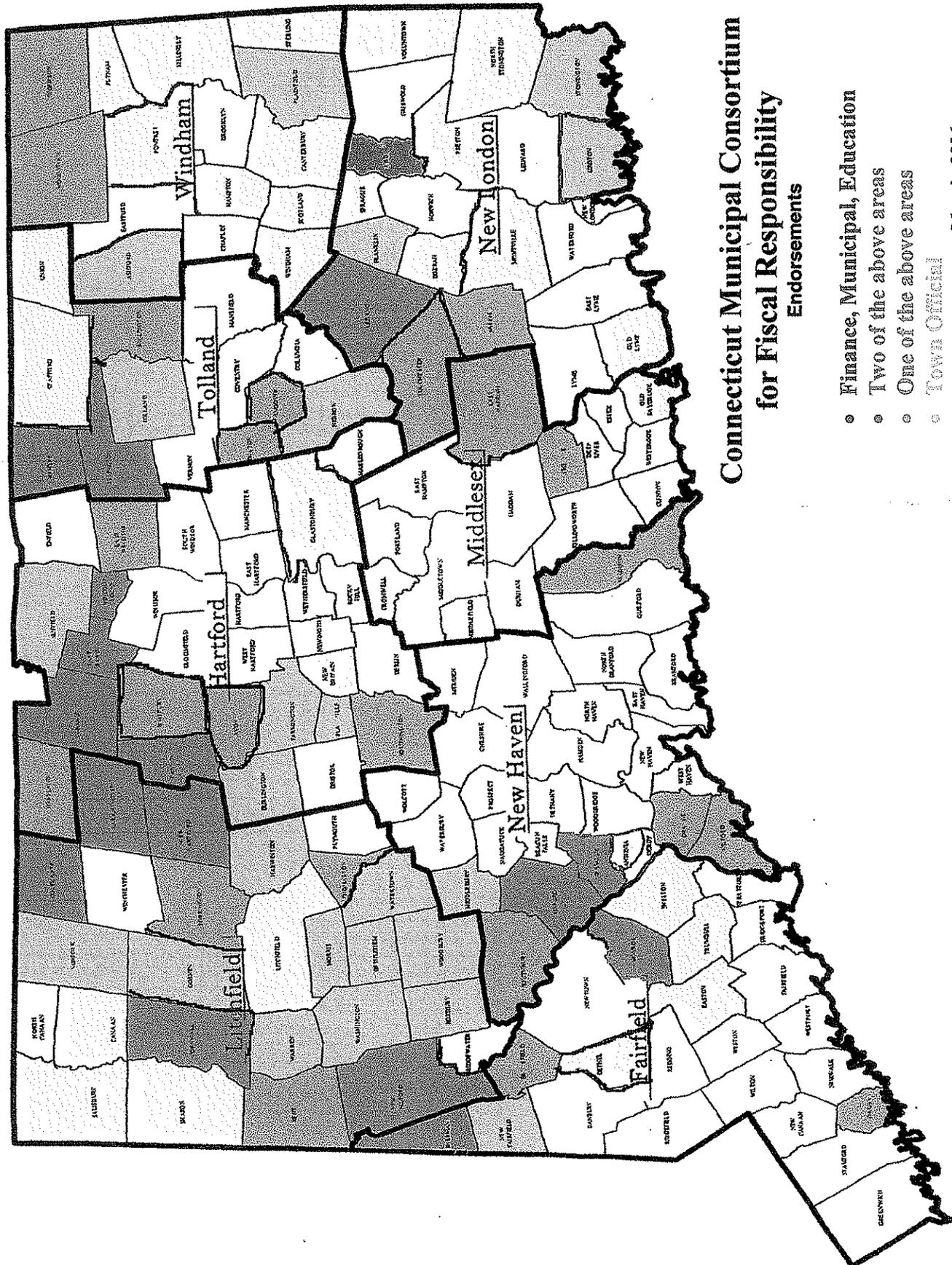
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Connecticut Municipal Consortium for Fiscal Responsibility Endorsements

- Finance, Municipal, Education
- Two of the above areas
- One of the above areas
- Town Official

March, 2006