

TESTIMONY BEFORE APPROPRIATIONS COMMITTEE

ROOM 2C 1PM MARCH 20, 2009

MICHAEL GUARCO – CHAIRMAN

BOARD OF FINANCE – TOWN OF GRANBY

HONORABLE CHAIRPERSONS, VICE-CHAIRS, RANKING MEMBERS AND MEMBERS OF THE APPROPRIATIONS COMMITTEE, I AM MIKE GUARCO....CHAIRMAN OF THE BOARD OF FINANCE FOR THE TOWN OF GRANBY FOR SOME 20 YEARS NOW, AND A MEMBER SINCE 1982. I AM ALSO A FOUNDING MEMBER OF THE CT MUNICIPAL CONSORTIUM FOR FISCAL RESPONSIBILITY - A BROAD ALLIANCE OF SOME 208 BOARDS AND BOARD CHAIRMEN FROM 118 TOWNS AND CITIES STATEWIDE WHO BELIEVE THAT MORE EMPHASIS NEEDS TO BE PUT ON LETTING TOWNS MORE EFFECTIVELY MANAGE THE EXPENDITURE SIDE OF THE BUDGET EQUATION. WHILE TYPICALLY MY APPEAL IS FOR MANDATE RELIEF FOR THE MUNICIPALITIES, I TODAY AM HERE TO ADVOCATE FOR MEASURES THAT WOULD HELP PROVIDE LONG-TERM BUDGET STABILITY FOR THE

**STATE...WHICH THEN TRANSLATES INTO FOR THE TOWNS
AS WELL. SPECIFICALLY I REFERENCE
SB156...157...AND172....HB 5096...5098...5305.**

**I MYSELF AM HERE TODAY TO SUPPORT
BILLS WHICH WOULD HELP FLATTEN YOUR COST CURVE
GOING FORWARD....AND HELP BUFFER AGAINST HARD
TIMES BY HOLDING ONTO SURPLUS MONEY FROM GOOD
YEARS TO HAVE AVAILABLE FOR USE WHEN A FISCAL
CRISIS LOOMS...LIKE TODAY. SURPLUS RETENTION IN
GOOD TIMES COMBINED WITH DEBT PAYDOWN TO
PRESERVE CAPITAL CAPACITY ARE
APPROPRIATE USES OF ONE-TIME MONEY..... AS OPPOSED TO
BUILDING ITS USE INTO THE BUDGET IN WHAT IS
ESSENTIALLY A STRUCTURAL DEFICIT. AS WE SEE,
BETWEEN THE LACK OF FORTITUDE IN RESTRAINING
SPENDING AND FAILING TO HOLD ONTO SURPLUS IN GOOD
TIMES TO BUFFER SEVERE OR MODEST ECONOMIC
SLOWDOWNS, THE NET RESULT TRANSLATES INTO THE
FOOL'S GOLD OF RAISING TAXES AT THIS LEVEL WHICH**

DAMPERS ECONOMIC ACTIVITY... OR CUTTING MUNICIPAL AID WHICH FURTHER ACCERBATES THE RECESSION BY INDUCING MUNICIPAL LAYOFFS AND PUSHING THE LOCAL PROPERTY TAX BURDEN HIGHER. MEASURES TO REDUCE THE RATE OF GROWTH OF GOVT EXPENDITURES GOING FORWARD ARE IMPORTANT IN KEEPING A SEMBLANCE OF BALANCE IN CT... AND IN KEEPING US COST-COMPETITIVE SO THAT WE AND NEW ENGLAND DON'T BECOME ANOTHER RUST BELT.

I WOULD ALSO ADVOCATE FOR THE CONCEPT BEHIND HB5143 – HAVING THE STATE ADOPT THE MUNICIPAL AID PORTION OF THE STATE BUDGET BY MARCH.... SO THAT TOWNS CAN PLAN. AS WE ALL STRUGGLE TO HOLD THE LINE ON SPENDING AND TAXES, WE FIND OURSELVES SIMPLY GUESSING WHAT WILL COME OUT OF THIS BODY.....AND IN THE WORST EXAMPLE OF BRINKMANSHIP, FIND MANY UNIONS UNWILLING TO PLAY BALL WITH MODERATING COST GROWTH LOCALLY.... WAITING TO SEE IF MONEY FROM HEAVEN APPEARS TO PREVENT LAYOFFS AND FUND THEIR 3 AND 4.5% RAISES. WHAT I SEE IS

**AN OPPORTUNITY FOR LABOR TO HAVE THEMSELVES SEEN
AS PART OF THE SOLUTION.....INSTEAD OF STANDING OUT
AS THE PROVERBIAL PIG AT THE PUBLIC TROUGH. IF WE
ALL KNEW NOW WHAT WAS COMING....AND ITS IMPACT ON
HOLDING OR LOSING PEOPLE AND PROGRAM... THE
CLARITY WOULD INDUCE COMPROMISE AND RESOLUTION.
THE SYSTEM IS UNBALANCED..... AND THE FIRES ARE
BURNING.**

THANK YOU FOR YOUR CONSIDERATION.....