

Testimony by Michael A. Milone  
Town Manager, Cheshire  
State Finance, Revenue and Bonding Committee  
Monday, March 4, 2013  
Legislative Office Building

Re: Elimination of PILOT for State Property, Revenue Sharing Grant,  
Pequot/Mohegan Grants, and Car Tax Revenue

Honorable Committee Members, good day and thank you for allowing me to address you. My name is Michael A. Milone, I am the Town Manager for the Town of Cheshire and I am here to oppose the elimination of the following revenue items: PILOT for State Property, Revenue Sharing Grant, Pequot/Mohegan Grants, and Car Tax Revenue.

These funding eliminations proposed in the Governor's budget would have a devastating impact on our budget, as well as the budgets of the vast majority of municipalities that you represent. We urgently need your support and that of your legislative colleagues to prevent this from occurring.

The Governor's budget is not a hold harmless budget, as he professes. Cheshire would lose approximately \$2.3 million in annual municipal aid and another \$6.271 million in motor vehicle taxes if this proposed budget was adopted. Combined, this represents \$8.571 million in lost revenue, which translates into 3.08 mills; the corresponding local tax increase of 11.3% would be a substantial burden to our local taxpayers. This increase is significant when compared to Cheshire's average tax increase of 1.81% per year for each of the past four years and our aggregate four year tax increase of 7.22%.

Cheshire is home to the second largest prison in the State and as such the PILOT payment for State property is a critical revenue source for our community.

As you know, one of the Governor's proposals is to eliminate the PILOT - State Property, a program enacted in 1969. This would result in a loss of \$2.3 million for Cheshire in a program that should provide \$4.3 million if it was fully funded. This \$2.3 million revenue loss would be in addition to the Department of Correction's (DOC) unwillingness to renegotiate our prison agreement to assist in the cost of our \$31.150 million Wastewater Treatment Plant upgrade, and the DOC's refusal to pay a user charge back-billing of \$1.5 million incurred because of

malfunctioning state meters. Being a host community for a prison is not an asset or a benefit, and the elimination of this PILOT program symbolizes the destruction of the longstanding partnership that the State has fostered, and an abandonment of support for funding one of the key mandated tax exemption programs that are imposed on municipalities.

Cheshire accepts and understands the importance of the concept of change, shared sacrifice and creating efficiencies. However, the Governor's budget proposal dismantles longstanding, critically important programs, and shifts the State's problems to municipalities rather than finding real solutions. It erodes the foundation of a collaborative and responsible intergovernmental relationship, so critical to an affordable, decent quality of life for all Connecticut residents. Once this foundation is dismantled, 169 municipal entities will never regain their current standing with the state, and our communities will be irreparably harmed.

For the good of all your constituent municipalities I urge you to maintain municipal aid at current levels. I also ask you to preserve the motor vehicle tax, but form a committee to study the most rational and affordable way to address the problems with this tax in the future.

Thank you for allowing me to testify before you, and I wish you well in your deliberations during this legislative session.