

Testimony of Waterbury Mayor Neil M. O'Leary on HB 6825 before the Legislature's Appropriations Committee, April 21, 2015

Chairwoman Bye, Chairwoman Walker, Vice Chairwoman Hartley, Vice Chairwoman Porter, Vice Chairman Genga, Ranking members Senator Kane, Representative Ziobron and members of the Appropriations Committee: Thank you for allowing me to speak before you this afternoon. My name is Neil O'Leary and I'm the Mayor of Waterbury.

I come before you to address House Bill 6825 – specifically the portion of the bill that would eliminate the state's requirement to release \$12.7 million in Municipal Revenue Sharing Account (MRSA) funds to cities and towns.

Recently our Budget Director Ofelia Matos released the monthly financial status report for March 2015. We were pleased to learn that with three-quarters of the 2014-15 Fiscal Year in the books, we were projecting a modest surplus of \$12,000.

Now I know that's nothing to write home about. But given the \$1.83 million that we've had to spend for this past winter's 32 snow events alone, we were generally excited at the prospect of any budget surplus – no matter how small.

If this portion of House Bill 6825 comes to pass, Waterbury will be looking at the potential loss of \$673,000 in revenue this year. These are funds we expected to receive and ones we built into our budget.

If they are taken away, it would have a devastating impact. I'm not sure how we could make it up with just two months remaining in the Fiscal

Year. We could be forced to cut programs that make real differences in the lives of our most-vulnerable residents – something we want to avoid.

We understand the state is struggling financially. But I implore you not to jeopardize the financial stability of cities like Waterbury if you were to eliminate these funds.

The MRSA funds, created in 2011, were designed to provide additional aid to municipalities like us and reduce our reliance on property taxes.

As I have said, we have already budgeted for these funds. To take them away so close to the end of the Fiscal Year would affect the current year budget and have a detrimental effect to the City's Fund Balance if we were unable to make up the shortfall at this late date.

If this cut were to happen, Waterbury would not be the only big city affected. Hartford would lose \$1.2 million. New Haven, \$1 million and Bridgeport \$896,000.

While Waterbury's share is slightly smaller, it would nonetheless hamper our ability to provide basic services to our taxpayers.

We acknowledge the difficult task before you – and we certainly appreciate your efforts.

We ask that you to keep us in mind as you consider this bill.

I appreciate opportunity to speak before this committee. Thank you.