



Court of Common Council

CITY OF HARTFORD
550 MAIN STREET
HARTFORD, CONNECTICUT 06103

OFFICE OF COUNCILWOMAN WILDALIZ BERMUDEZ

Testimony of Councilwoman Wildaliz Bermudez

*In Opposition to
SB 464 An Act Establishing the Hartford Financial Sustainability Commission*

Finance, Revenue & Bonding Public Hearing
March 28, 2016

Good afternoon Senator Fonfara, Representative Berger, and members of the Finance, Revenue and Bonding Committee. My name is Wildaliz Bermudez, and I am the Minority Leader of the Hartford Court of Common Council. Hartford residents cast votes for me on the Working Families Party ticket in November 2015, and these voters elected me to represent their interests in City Hall. SB 464 would revoke that election and vest far too much power over the City of Hartford's finances in the hands of the executive branch. As such, I am here to testify against the passage of SB 464.

We all acknowledge that the City of Hartford is in dire financial straights. But 60 percent of other towns in Connecticut also run deficits.¹ The problem Hartford faces is not unique to it, so we must ask why Hartford is the only town coming to the General Assembly seeking over-reaching powers for its newly-elected Mayor?

I enter this hearing skeptical about SB 464 for many reasons. Aside from the roll back of workers rights in SB 464, I am concerned about the process involved in creating SB 464. Three weeks ago, Mayor Luke Bronin called the entire Hartford legislative delegation and Council leadership, including myself, into his office to discuss the idea of a bill like SB 464. What Mayor Bronin suggested in that meeting and what was raised days later was contrary to what the Mayor informed us he would be proposing. This bill keeps

¹ "Which Towns Can Actually Afford Their Public Services?" Andrew Ba Tran, March 24, 2016 <http://trendct.org/2016/03/24/which-towns-can-actually-pay-for-their-public-services/>



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changing. I've now seen four iterations, and I am told any bill that may leave Finance, Revenue and Bonding could still be different. So despite the assurances in the latest revision that SB 464 does not change the City of Hartford Charter and does not revoke the power of Court of Common Council, I do not trust those representations.

I am concerned that this is too much, too soon, and a social experiment we do not need to try. When I met with Mayor Bronin and he showed my colleagues and me projections of a \$50 million deficit in 2019, we were never shown the source of these projections. We have not seen enough data to justify this kind of a power grab. Mayor Pedro Segarra assured us he left the books of the City balanced. I have no doubt that the baseball stadium jeopardized our City's finances, but I do not think that the Mayor's office needs this kind of re-structuring.

This newly-established Hartford Financial Sustainability Commission would have the ability to do small things like exempt itself from the provisions of the Connecticut Uniform Administrative Procedures Act (see Section 3(b)), which is setting itself up as an unaccountable branch of government. We cannot allow fiscal crisis to abrogate the very structure of democracy.

Rather than bankruptcy and receivership, which would jeopardize pensions and negotiated contractual agreements, there are alternatives to SB 464. I have suggested an increase in taxes on surface parking in the City of Hartford.² Mayor Bronin liked the idea

² One root of the City's financial problems is that for decades, suburban car culture has dominated City land use policy, and thus the city's ability to collect revenue from that land. Where property tax generating buildings once stood, we now have cars parked there eight hours a day (or less). Hartford has an infrastructure built to handle 180,000 residents, instead, we now have a society where 120,000 of the state's poorest residents live here, and 60,000 middle class and upper middle class people come in to the City, collect a paycheck, and spend their tax dollars in other municipalities. Any legislation that seeks to address Hartford's financial future must confront this weight around our necks. People who work here expect the roads to be plowed, but want nothing to do with paying for them. That is an unfair burden placed on the City of Hartford.



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of a parking surcharge, but said such a surcharge could take two years to implement, and that may not be enough time. But I think we need to exhaust all options before we eliminate our representative government.³

This bill seeks to weaken the collective bargaining provisions for City unions. This commission will negotiate directly with the unions, if that fails, then the contract will be sent into binding arbitration and gives the commission the power to be the binding arbitration panel. I don't think it to be fair for the commission to be judge, jury and executioner. Workers should be part of the solution. The membership of the commission, as it stands now, only gives one seat out of nine to unions, who will be hit hardest by SB 464.

Some provisions in SB 464 merit examination. For example, Section 4, subsection 4(A) creates a SEBAC-style bargaining unit for all city employees and consolidating health plans. We could take it a step further and obtain more cost savings by entering Hartford's employees into the state employee health insurance pool.⁴

I sit on the Operations Management and Budget Committee and on Monday, March 21st, we received a presentation on behalf of Hartford's Tax Task Force. The 2014 Hartford Tax Task Force identified a number of long and short-term solutions to Hartford's dilemma of 51 percent of the properties in the City being tax-exempt. SB 464 seeks the power to force some of these tax-exempt properties to make payments, but we need to look at lost tax revenues. For example, owners of certain Hartford apartment buildings have begun to turn their buildings into condominiums with the intention of reducing the amount of taxable property. These new condo units are not being sold to tenants to create

³ If the TrendCT.org story in footnote 1, supra, is correct, when it states "the Equalized Net Grand List has declined for 145 out of 169 towns since 2011," then Hartford is indeed a bellweather for what other towns will soon confront. The solution cannot be executive branch power grabs to fix our forms of self-governance.

⁴ Of course, single payer health care would provide massive cost savings for all governmental units.



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home ownership, but are being quit-claimed to the property owner to avoid taxes. One condo conversion by one company has cheated Hartford out of a million dollars in annual tax revenue. Legislative solutions to this are essential.

One of the 2014 Tax Task Force solutions seemingly ignored by SB 464 is simple: Authorize the CT Department of Revenue Services to withhold, from State tax refunds, delinquent taxes owed to the City and to transmit such taxes to the City of Hartford. This should be an easy fix.

Instead, SB 464 asks for measures seemingly unlimited in scope. For example, Section 8(b) seeks to give the Commission the ability to obtain a mandamus or a temporary or permanent injunction through the Attorney General's office to force City officials, employees and agents to comply with Commission mandates. So, if the Commission decides to cut school lunches, and the Superintendent of Schools disagrees, the Commission can obtain a court order, using the Office of the Attorney General. Who will represent the Superintendent of Schools? This seems to make the Commission into a de facto state agency without being subjected to the confines of the Uniform Administrative Procedures Act (Conn. Gen. Stat. Chapter 54).

The sunset provisions in SB 464 for the commission have changed drastically in the days since it was first introduced. In the beginning, Mayor Bronin wanted the commission to remain until the City had three years of positive revenue. Now, we are told that the commission will remain through at least December 31, 2017, provided a majority of City Council vote for it, and the Mayor approves it. Again, this disrupts the delicate checks and balances of power between legislative and executive branches of government.

The extensive problems with SB 464 demand, from my perspective, that it not be voted out of the Finance, Revenue and Bonding Committee. For these reasons, I implore this Committee to vote it down.