

BUDGETS

Towns Scrambling to Make Ends Meet

By Jan Ellen Spiegel

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WHEN state legislators ended their session in early May, municipal leaders who had been hoping for extra money from Hartford to cover their rising costs this year learned that there would be no help. Legislators, facing a \$67 million deficit by July 1, decided they could not afford to make any additions to the two-year budget they approved last year, which increased aid to cities and towns by \$131.5 million to \$2.88 billion.

Even so, with higher fuel costs and other prices escalating, officials in many of the state's 169 cities and towns were left scrambling to find other ways to make budget ends meet by the start of the new fiscal year July 1. From Bridgeport to Windsor, municipalities are considering a variety of measures, from higher, though unpopular, property taxes and user fees, to installing timers on streetlights or ending loose leaf pickups.

"I don't think any town in Connecticut isn't feeling some pinch," said Raymond G. Baldwin Jr., first selectman of Trumbull.

When the legislative session began in February, the state comptroller, Nancy S. Wyman, was predicting a \$281.2 million surplus, which many municipal leaders hoped would mean more funds. But three months later, only days before the session ended, Ms. Wyman's revised numbers showed the state would end up with a deficit that keeps inching upwards. For next year the governor's budget office already is predicting a \$150 million deficit.

The fallout has been painful for municipalities used to upward tweaks in the second year of the biennial budget. Other than state aid, municipalities are only allowed to use property taxes and user fees to raise revenues.

In many of the more than 70 communities that allow budget referendums, voters already stressed by the declining economy have been refusing budget increases in the last few weeks if they mean higher property taxes. In Windsor, the vote was nearly two-to-one against the budget with a small tax increase.

“People felt they can’t always say no to Exxon or a major utility, but they do have a clear voice to say ‘no’ at the local level,” said Peter P. Souza, town manager. Last week, voters approved another budget that had no increase.

In East Haddam, First Selectman Mark Walter actually urged voters to turn down his proposed budget, because the economy had deteriorated so badly in the two months from the time it was proposed and the vote. Both communities, along with many others, are left to cut services and in some cases lay off workers.

Trumbull’s Mr. Baldwin, a Democrat, faulted the Republican governor and Democratic legislature for doing “absolutely nothing to stimulate the economy in Connecticut in any appreciable way to help cities and towns.”

He has avoided making layoffs, but fees for school sports will increase, travel for anything other than essential training will be cut, as will road paving, and loose-leaf pickups will end. Mr. Baldwin already bid out the town’s electricity contract to get cheaper rates, and the town has some alternative-fuel vehicles. The town is considering buying its own computer server to reduce the cost of e-mail.

“Creativity borne out of necessity,” Mr. Baldwin said.

But some municipalities are running out of ideas.

“When you only have one way by law to raise your money, that limits your options,” said Mayor Scott Slifka of West Hartford. “Mayors across the state are dying to express their creativity but there’s no way to do that.”

The West Hartford budget, with a 6.9 percent spending increase, was forced to a vote for the second year in a row by a petition circulated by the West Hartford Taxpayers Association, which opposed the increase. The vote is scheduled for later this month.

Last year the vote resulted in no spending increase, though taxes rose because of revaluation, and 17 city jobs were cut. Mr. Slifka said the city had to make up for that and deal with rising costs. "Every day gas prices go up, the chances of the budget passing goes down," he said.

The taxpayers association suggested reductions like installing timers on streetlights, outsourcing school department printing and consolidating personal assistants for school officials.

"I work with 18 people and we have one person to work with us, that's how it goes in the real world," said the association president, Chris Torino, whose own taxes would go up about \$400. "I don't care if it only saves \$50,000. That's \$50,000 more saved."

In the state's biggest cities, cutting the budget has been a tortured process of negotiations and chipping away. Union contracts often make it difficult to alter the biggest cost: personnel.

In Bridgeport, Bill Finch, a first-term mayor and a Democrat, discovered a \$16 million deficit left by his predecessor that compounds the current economic difficulties.

"We really sharpened the pencils," Mr. Finch said. "When you're squeezed you become more efficient. When you're squeezed you go back to basics police, fire and schools."

But that has meant lost jobs, cuts to libraries and finding a more cost effective way to run school-based health clinics, a popular service for the city's large low-income community. Mr. Finch, a former state senator who is among those who would like to see an alternative to the property tax system, is trying out a program called CitiStat, which other cities are using to track cost effectiveness.

After the legislative session, New Haven found itself nearly \$12 million short for a \$466 million budget. Aldermen, citizens and business people wrangled over cuts for police substations, senior centers, Tweed Airport and homeless shelters.

“To think the homeless are just going to disappear just because the money gets taken out of the budget is ludicrous,” said Andrea Jackson-Brooks, a member of the Board of Aldermen’s finance committee.

Jeffrey Kerekes, 35, a New Haven psychotherapist who helped found New Haven Citizens Action Network more than a year ago, said his group compiled 20 pages of budget savings that included using security personnel instead of more highly paid police officers to handle traffic duties and take minor police reports. And he suggested getting rid of the \$350,000 New Haven trolley. “It’s nice and quaint and it’s free but no one rides it,” he said.

Mayor John DeStefano Jr., a Democrat, said even with cuts and union concessions, property taxes are likely to go up an average 10 percent, mainly because of revaluation. He said the city has opted for user fees for services like waste-water treatment and solid waste, but there are so many universities and hospitals that about half the city’s property is tax-exempt.

“You’re really left with little ability to raise revenue and you’re left with most of the requirements to provide services.” Mr. DeStefano said. “And what it means for everybody who’s left paying taxes, you pay higher taxes.”

Windham voters turned down a 4 percent budget increase, so First Selectwoman Jean de Smet, a Green Party member, invited taxpayers to a meeting last month to offer suggestions.

“Overwhelmingly people are saying they cannot afford a budget increase of any type,” Ms. de Smet said. “Food and medicine, fuel bills, basics of life. They seem to be at a point where people will lose their houses over taxes.”

Mayor Dannel P. Malloy said Stamford took advantage of a commercial real estate boom to do a revaluation and reap tax benefits. “We were a little lucky and a little smart,” he said. Still, with a decrease in state aid, taxes did go up, though commercial properties absorbed the brunt.

In Weston, First Selectman Woody Bliss, a Republican, said he has generally been able to keep property tax increases below 3 percent by constantly updating a 10-year spending and revenue plan. “Very little right now had to be adjusted,” he said. “Adjustments for this we made 12 years ago. Right now we’re working on problems in 2010-2011.”