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Mayor Finds \$6M, Halves Tax Increase

BY **Thomas MacMillan** | MAY 17, 2010 4:36 PM

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THOMAS MACMILLAN PHOTO

No new cops. “Talented and Gifted” and summer athletic programs slashed. No more holiday tree on the Green or Fourth of July fireworks.

Those are among the money-saving ideas Mayor John DeStefano (at center in photo) announced on Monday as part of a plan to cut \$6 million out of his \$471 million budget for the next fiscal year. The mayor also announced details of \$8.8 million in revenues and savings that had been predicted but not detailed. The budget restructuring is laid out in an amendment submitted to the Board of Aldermen’s Finance Committee.

The amendment would result in a reduction of a planned tax hike that would have hit residential taxpayers with an average increase of 8.8 percent. Under the mayor’s amendment, the residential tax bill increase would be 4 percent, or an average of an extra \$18 per month, according to an official release.

The Finance Committee will consider the mayor’s amendment at its next meeting, Tuesday night.

The mayor’s new budget plan represents a victory for angry taxpayers, including the budget watchdog group New Haven Citizen’s Action Network (NHCAN). NHCAN had called for the mayor to rework the budget and eliminate the planned tax increase—and made some of the suggestions DeStefano ended up adopting Monday. [Hundreds of New Haveners showed up to City Hall two and a half weeks ago](#) to blast the tax hike.

But Gary Doyens of NHCAN said he still isn’t satisfied. While the new amendment is a good step, it “doesn’t go deep enough,” he said.

Mayor DeStefano also announced changes Monday to his budget's [controversial parking meter monetization deal](#), which would sell off 25 years of parking meter revenue in exchange for five years of cash up front. Under a companion amendment submitted on Monday, the budget allocation from the first year of the deal would be lowered from \$10 million to \$5 million. The implementation of the plan would be deferred for several months to give lawmakers a chance to study the deal and look for other ways to find cover the \$5 million in the budget. Also, if the deal is implemented, it would be done in two sections, instead of one lump sum, which would allow the city to opt out of the second section if the financial picture changes.



DeStefano made his announcements Monday on the second floor atrium at City Hall, flanked by the police chief, the president of the Board of Aldermen, fire chiefs, and the superintendent of schools.

The budget revision process has been a collaborative one and the new budget would “keep kids at its center,” DeStefano said. Then he listed the proposed changes, which include:

- The Board of Education budget would be cut by \$1.5 million, including cutting the Talented and Gifted program by \$800,000, eliminating all contract employees who are collecting pensions (so-called double-dippers), and eliminating non-academic summer programs.
- No new police officers would be hired. That means delaying the start of the next police academy class until the end of the fiscal year, which would result in no new city police for about two years. The police force would see a net reduction of 30 officers, since some are set to retire.
- A reduction of \$300,000 in police overtime. District Managers would no longer attend Community Management Team meetings. The mounted police unit would be eliminated.
- Fourth of July fireworks and the holiday tree on the Green would be eliminated.
- The subsidy to Tweed airport would be cut in half, a savings of \$225,000. Subsidies to the Shubert theater, Market New Haven, and Pilot Pen would also be reduced (not eliminated).
- Cable TV connections in City Hall would be shut off.
- Executive management would see 0 percent raises.

Mayor DeStefano also announced the details of \$8.8 million in [planned Innovation Based Budgeting savings](#). The savings would include a redesign of the Board of Ed’s custodial services contract, expected to save \$1.5 million; the creation of a Storm Water Authority, expected to save \$1 million; and “Performance Budgeting,” expected to

save \$2.2 million. The capital budget would be reduced by 28 percent. Two school construction projects would be delayed.

In sum, city agencies would spend less under the new amendment, DeStefano said. The budget would nevertheless be 1.64 percent bigger than last year's. That's largely because of contractual costs that the city is locked into, DeStefano said.

As for property taxes, the phase-in would be frozen, but residential taxes would still go up 4 percent overall, the mayor said. That's because other revenues, like state aid, are falling. The tax increase under the proposed amendment would be less than half the 8.8 percent average residential tax increase proposed in the mayor's original budget.

Anticipating that budget activists may continue to call for more cuts, the mayor presented a dire picture of what that would mean for the city. A cut of 1 percent more would close all libraries and homeless shelters, eliminate all crossing guards, eliminate overtime for all police walking beats, cut policing districts from 10 to five, close all senior centers, and end all summer camps, DeStefano said.

People tell you to make cuts, the mayor said, "but they never tell you where they'll take it from."

Under the proposed amendment, the budget, "gets done what must be done," DeStefano said.

Impact on Police and Schools

Throughout the budget season, Mayor Destefano has repeatedly said that public safety and education are his budget priorities. The proposed amendment includes cuts to both of those areas.

Police Chief Frank Limon (at right in photo) said the cuts to the police department would mean an increase in response time. It would "reduce our ability to respond to calls quickly," Limon said.

After the press conference, Limon said the cuts would also mean the School Resource Officers would need to work other beats.

What do the cuts mean for community policing, which Limon pledged to bring back? "It's going to hurt us," he said. A key component of community policing—district managers at monthly Community Management Team Meetings—will have to end.

After the press conference, Reggie Mayo (at left in top photo), superintendent of schools, spelled out the cuts to the Board of Education. The Talented and Gifted (TAG) program would be cut in half, by \$800,000. Five or six teachers would be laid off from that program. But New Haven would still be the only city in Connecticut with a TAG program, Mayo said.

Non-academic summer programs, such as those run by non-profit Solar Youth, would be cut by \$300,000. There would be a \$200,000 cut to the school districts athletics department.

"It could be worse," Mayo said. "I'm just praying that it stops right there."

NHCAN Responds

Gary Doyens, a founder of NHCAN, watched as the mayor laid out his amendment. Afterward, Doyens said it was a good step, but "doesn't go deep enough." Lawmakers are still not looking at the budget with the kind of "critical thinking" they should, Doyens said. "They've nicked and dined this stuff."

The amendment includes no big changes to the Board of Ed and no investigation of city departments like the Livable City Initiative, and the city still has a chronic debt problem, Doyens said.

The service cuts the mayor warned would be necessary with more budget cuts are all taken from just 20 percent of the budget, Doyens said. The other 80 percent—comprising the fire and police departments and Board of Education—are still largely untouched, Doyens said. The proposed \$300,000 cut to police overtime is still just a fraction of the \$3.3 million total police overtime budget, Doyens said.

Monetization Deal

After the meeting, Board of Aldermen President Carl Goldfield (at right in top photo) explained how the companion monetization amendment would work.

The original deal called for New Haven to pay a private company, Gates Capital Partners, \$120 million over 25

years in return for getting short-term cash—\$50 million—to spend over the next five years.

The amendment would reduce the amount to be borrowed through the deal and take it in two steps, rather than all at once, Goldfield said. The budget would still include a monetization element, but it would be delayed, to give lawmakers time to find other ways to fill the \$5 million budget hole the monetization money is aimed towards.

That plan received positive reviews from two aldermen who have been critical of the parking meter deal. Hill Alderman Jorge Perez said the new amendment would be better than the alternative—taking the meter deal as it was proposed. Aldermen will now have more time to look at other options, Perez said.

“That sounds reasonable,” said West Rock Alderman Darnell Goldson, when told about the new monetization amendment. He said he’s still opposed to monetization in principle. It’s a short-term solution to a long-term problem, he said. The city needs to look at decreasing costs by reducing the size of government, Goldson said.

“We need to reduce the size of the monster,” he said. “Stop feeding it.”

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