

Weston's Response to State Fiscal Crisis

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This First Selectman's report is a response to the State's fiscal crisis and its pending impact on Weston.

The State's fiscal crisis and the Governor's proposed budget for Fiscal Year 2017-18 already are having a devastating effect on our community. Not only does the poorly performing State economy depress Weston home values, the "solutions" under consideration in the Legislature to correct problems of poor job growth, out migration, declining revenue to State's coffers, and other negative economic indicators serve only to exacerbate the problems and propel us on a downward spiral toward State bankruptcy. Many people think we are already there.

Weston residents pay hefty State income and sales taxes, corporate and conveyance taxes, death taxes, and so on without a proportionate return in State aid for our schools and municipal needs. In fact, our Education Cost Sharing grant from the State is expected to be zeroed out; two years ago, the grant was \$948,000. Worse, the Governor's newly proposed shift of the burden for teacher pension costs onto the local property taxpayer would skyrocket taxes, depress real estate values and/or erode local government services. Since communities like Weston did not cause the State's fiscal crisis, the correct solution is not to penalize selectively our smaller, suburban or rural towns. It is a question of fairness and competent management of all our resources, lest we continue to drive residents out of Connecticut.

At this point, the Governor's proposal to shift \$2.3 million of teacher pension obligations annually onto the Town of Weston has not yet been voted upon by the State Legislature. Unfortunately, our three State elected officials, Representative Adam Dunsby, Senator Tony Hwang and Senator Toni Boucher, have advised us that "Weston should prepare for the worst case scenario." Therefore, representatives of the Board of Selectmen, Board of Finance and Board of Education, along with key administration leaders, will begin meeting to craft a strategy to deal with the fiscal challenges Weston now faces.

For decades, the State has failed to follow the fiscally responsible path of controlling spending, taxation and indebtedness. We all can now see how that course of action was a prescription for disaster. Weston should endeavor to do precisely what the State has not done, that is, we must continue to control spending, avoid further indebtedness, stabilize taxes, and maintain our AAA bond rating.

In my opinion, should teacher pension costs be passed onto Weston and/or State revenue be further reduced, then the town and the school district must substantially reduce spending. This could be done through a reduction of discretionary spending, personnel costs, and implementing shared services. Shared services between the town and schools already have been successfully instituted (eg. Informational Technology), and future attrition may provide new opportunities for savings.

As First Selectman, I have begun working on a contingency Selectmen's budget that strives to be flat. This goal will be difficult to accomplish due to the burden of unfunded mandates. One-third of the currently proposed Town budget increase is due to an unfunded mandate for Storm Water

Management. Although we will demand relief from unfunded mandates, we must budget under the assumption that relief may be denied.

In closing, I will continue the “good fight” with our State representatives against further reductions in State aid and unfunded mandates, especially the shifting of teacher pension costs onto the Weston property taxpayer. While we monitor the State's deliberations and formulation of its 2017-18 budget, we will prepare for the worst.