

Rosenson, Valerie

From: Gilden, Lorraine C
Sent: Wednesday, April 02, 2014 9:16 AM
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Cc: Martin, David; Rosenson, Valerie
Subject: FYI: Taxpayers Deserve Relief!

Lorraine

Please distribute this email on my behalf to the members of the Board of Finance, the Fiscal Committee of the BOR, and the Mayor. It includes a complete version of the comments I had planned to make at the recent Public Hearing on the Mayor's proposed Budget, were it not for the restrictive 2-minute time constraint.

Thank you.
Fred Flynn

Letter to the Editor: Taxpayers Deserve Relief!

As one of many retirees living in Stamford, I'm writing to encourage taxpayers to join me in objecting to the Mayor's excessive proposed 5% Budget increase. This large increase fails to adequately consider the already highly-taxed plight of Stamford's taxpayers. Such a lofty increase is also not fiscally responsible, given the continuing challenging economic environment. For over 5 years now, the local unemployment rate has been 7%+ and many residents are still either out of work or are "under-employed". To make matters worse, the recent property Revaluation--which resulted in an unprecedented average reduction in residential home values of 26%--poses a significant additional financial burden on Stamford property owners.

If there was ever a time for tax relief, now is the time for the City's elected fiduciary officials--including the Board of Finance and Fiscal Committee of the Board of Representatives--to impose some much needed fiscal restraint on the Mayor's proposed record-spending Budget of over \$515 Million!

Reducing the proposed 5% increase to a "more affordable" 2.5% increase (in line with inflation rate) only requires about \$10 Million in reductions in proposed costs or increases in projected revenues. Fortunately, there is ample time and there are numerous ways to accomplish this relatively small (less than 2%) Budget change.

Overtime: For example, Overtime is budgeted at a record \$12.5 Million (including Police, Fire, Operations, Smith House, and BOE). This substantial Overtime cost is in addition to many surprisingly high salary and wage levels plus extraordinarily lucrative and costly employee benefits. Through improved workforce planning, better resource utilization, and more effective cost controls, a \$2.5 Million (20%) reduction in this record budgeted Overtime amount seems prudent and doable, and therefore should be actively pursued.

Structural Costs: For years the City has done a poor job planning, analyzing, and negotiating its many union contracts. As a result, taxpayers are bearing the constantly increasing burden of rising "structural costs" --including contractual wages, pension, insurance, and questionable post-retirement healthcare benefits. These costs should not simply be accepted as "fixed" or "mandated" costs as some elected officials contend. Major cost reductions in these areas are possible by "privatizing" various non-strategic, costly, labor intensive, low "value-added" functions such as garbage collection, transfer station operations, facilities management/maintenance, and school janitorial/mechanical services. Several million dollars in recurring annual cost savings should be achievable by doing so, all without negatively impacting public safety, the quality of education, or public health and welfare. Furthermore, demonstrating the willingness and ability to "outsource" these types of basic yet costly activities and services should also help strengthen managements' future position at the bargaining table with the City's unions. With the right financial leadership and management emphasis, a \$3.0+ Million spending reduction annually should be possible, ideally beginning in fiscal 2015. In addition, by simply reducing excess staffing and "civilianizing" (i.e. staffing with less costly yet better trained non-uniformed personnel) the Emergency Communications Center (as recommended by the Matrix Consulting study over 2 years ago), an estimated annual cost savings of nearly \$1.0 Million appears possible!

Contingency: The City's proposed record \$7.5 Million Contingency amount, which by itself equates to nearly a 2% tax increase, needs to be thoroughly scrutinized. From a "transparency" standpoint, taxpayers should be told what specific risks and costs are included in this unprecedented amount. More importantly, the fiscal boards need to demand that well-defined, actionable "risk mitigation" plans are in place by the Administration (including clearly defined accountability for

such plans) to ensure that this substantial amount is not spent unnecessarily. By applying such an approach, a \$1.5 Million reduction in the proposed record Contingency amount seems reasonable and manageable. If a large Contingency is also included in the proposed BOE Budget, it should be subject to the same scrutiny and rigor.

Non-Tax Revenues: Non-Tax Revenues represent an important funding source which supplements the money raised from property taxes. While its disappointing that the Mayor's proposed fiscal 2015 Budget projects flat Non-Tax Revenues of \$52 Million, with increased attention and appropriate management emphasis, achieving a 4% or \$2.0 Million increase in this important area should not be difficult. For example, the real estate Conveyance tax rate (a transaction-based fee on real estate sales) of 0.35% hasn't been increased in several years and the rate is below that charged by many other CT municipalities (including Norwalk, Hartford, and New Haven). Increasing this fee slightly to the allowable 0.50% rate could increase budgeted Non-Tax Revenues by over \$1.25 Million in 2015. Furthermore, budgeted revenues pertaining to reimbursed Police Extra Duty costs of \$0.8 Million appear understated by about \$0.5 Million, particularly since phase two of the large SUT project has begun (which generated about \$1.5 Million in such reimbursed costs during phase one). In addition to carefully reexamining the economic adequacy of various user fees charged by the City as a possible source of additional Non-Tax Revenues, the Administration should proactively seek to develop some possible new "value-added" taxpayer services and charge appropriate fees for them on a user-basis. For example, the Town Clerk's office is uniquely qualified to issue passports and should seriously consider doing so, since it was previously estimated that this service could potentially generate incremental annual Non-Tax Revenues of about \$0.25 Million.

So, there are obviously many ways --not limited simply to these suggestions and examples-- to reasonably reduce the Mayor's proposed record-spending Budget to achieve a more palatable tax increase. All that's required from the City's elected boards is more-deliberate fiscal discipline and the political will to do so