

2010-11 Budget Message: "Austere" and "Historic"

(The following is the text as prepared for delivery of First Selectman Gordon F. Joseloff's 2010-11 budget message delivered to the Westport Board of Finance on March 3, 2010.)

Members of the Board of Finance, members of the Representative Town Meeting, and members of the Board of Education, fellow Westporters, it is my pleasure and privilege to present to you the Town of Westport budget for the fiscal year beginning July 1, 2010.

This is budget No. 5 for me as First Selectman and perhaps the toughest one yet. Last year, I called the budget then a "gloomy one." This year I'll characterize the budget as an austere one and at the same time, an historic one.

It's historic because as we enter the second decade of the 21st century, Westporters are being called on to make some very difficult choices, choices that could well decide how Westport will fare not this year but for many years down the road.

Our real time view of what is happening in Westport tells us there's no question that the economic pain continues. But while there are many out of work and we are all doing with less, we are at last beginning to see signs of stabilization. Indeed, we are even seeing some faint signs of recovery.

We feared that people could not and would not pay their property taxes. That has not happened. We feared that foreclosures would soar. There has been an increase in foreclosures but not as many as might have been expected.

So the basic question comes down to whether the economic pain is so great that we need to sacrifice those very things that make Westport such an attractive place to live, those very things that keep up our property values even in these difficult times.

Do we sacrifice those things that have made Westport so special, a place where people still come because of our top-rated schools, a place where people come for top recreation facilities, a place where people do all they can to remain in their retirement years. That is the dilemma we all face and must answer together.

Let me take a moment to praise Superintendent Elliott Landon, the Board

of Education, our principals and our teachers for the work they have done in continuing to provide excellent schools for our children in these difficult times. A day does not go by that we are not reminded about how well our schools have prepared our students to be top achievers in our country. We must do all we can to maintain that excellence.

New York Times columnist Tom Friedman a couple of weeks ago had a great column which he called “The Fat Lady Has Sung.” It began by citing a news item in Tracy, Calif., reporting that residents there will have to pay every time they call 911 for a medical emergency. They can sign up for a \$48 voluntary fee for a year, which allows unlimited 911 calls. Or they can not sign up for the annual fee and pay \$300 if they make a call for help.

Subsequently, Tracy city officials clarified that what Friedman wrote was not exactly the case. They said the \$300 is only charged if a firefighter or other first responder provides medical aid on a call.

In any case, Friedman went on to quote one policy expert as saying it feels as if we are now entering a new era “where the task of government and of leadership is going to be about taking things away from people.” Added Friedman: “Indeed, to lead now is to trim, to fire or to downsize services, programs or personnel.”

I quoted these words to the Westport Rotary Club last week. I said then and I say now, Shelly Kassen and I did not run for office in 2005 and again in 2009 to take things away from people. But the reality is that we are undergoing some much needed belt tightening and that will impact services.

This budget obviously reflects my priorities for the Town of Westport. At the top of the list is keeping our town safe. We have worked hard to improve our public safety departments and in bad times, that is more important than ever. We are also prioritizing efforts to protect our environment.

Our town and Board of Education employees are the greatest—many of them are here tonight—and I take this opportunity to salute them. Day in and day out they seek to achieve those efficiencies that enable us to deliver quality services that Westporters have come to expect at reduced cost.

We’ve made great strides introducing technology to deliver those improved services. You’ve heard me talk of the digital telephone system that is now paying off for both the town and the Board of Education. But that’s just one of many examples of introducing technology to make us

more efficient.

We've finally got our Parks and Recreation Department online system up and running. Many of you received an e-mail this morning outlining the new online procedures. But this comes at a cost of devoting a full-time employee to overseeing it. We hope to make reductions in other areas to balance out this staffing requirement.

In our Police Department, in addition to maintaining our manpower at the authorized level after last year's retirements, we've introduced the CodeRed emergency telephone notification system. It's a modest expense but makes our town safer.

We're introducing a program that will enable citizens to file their own police reports on minor matters—loss of a cell phone, a dented fender or door in a parking lot. We've made it easier for citizens to track crimes in their neighborhoods through crimereports.com.

Our Fire Department continues to be one of the finest in the nation despite severe budget constraints. We've improved our town fire insurance rating that hopefully will result in a slowing of insurance policy premiums for our residents. We have two of our four engine companies operating with three men instead of two, improving efficiencies and the chances of saving a life in case of a fire in your home. Our response times to emergencies continue to improve, vitally important in saving lives and property.

Our EMS staffers and volunteers are responding to more calls with improved efficiencies following some changes implemented after a months-long study—thanks to Board of Finance member Ken Wirfel who headed that task force.

Across the board in all departments we have made sacrifices and are doing more with less. Our Public Works Department, which took the biggest hit in this current year, is in for a large increase in the 2010-11 budget. But it's not as large as it should be, or was even a week ago.

If we don't maintain our roads on a regular schedule, the economic bump in the road will be literally something every Westporter will experience every day. We must resume funding our capital and nonrecurring fund so we can make the long range investments in fire trucks, public works vehicles, drainage improvements, maintenance of our buildings, and infrastructure needs that cannot be neglected.

I don't have to remind you that this board a year ago decided that there would not be a tax increase despite continuing increasing costs. This year,

as much as we would like to repeat that, a zero percent tax increase is not possible without further drastic reductions across the board that I believe are simply not practicable.

As 80 percent of our budget is personnel, the major cost increases are personnel related. These include contractual salary increases, and contractual health and pension costs. On health costs we are facing a more than 23 percent increase in the medical insurance line.

We are currently negotiating three labor contracts and without divulging any details, we have made very clear to the unions that today's economic realities simply do not allow us to continue to offer the kind of salary increases and benefits we once did.

We have four pension plans and only one is up for negotiation this year—public works. As you know, we have long offered excellent pension plans for our employees, but obviously today's economic times require major changes as we move to defined contribution plans.

While we seek changes to one pension plan this year, we'll have to wait until 2014 and 2016 to effect changes in the three other plans.

In the current year, we are contributing about \$4 million to our pensions. As you know, based on June 2009 calculations, our actuaries have recommended we essentially double that contribution to \$8 million in the 2010-11 budget. To do so at that level, together with increased medical costs, would result in a double digit municipal budget increase. Clearly that is not something we can afford at the moment.

So I am recommending that we fund next year's pension contribution at about the \$5.24 million level. That's almost a 26 percent increase over the current year. This will keep our pension funding level at among the highest of our neighboring municipalities, much better than the State of Connecticut, and allow us to maintain reserves at a prudent level.

This recommended figure is about \$1 million more than we discussed in our budget workshop last week. We have chipped away at the municipal budget to find another \$1 million in savings. I pushed back on department heads and came up with additional cuts. It was not easy.

As I mentioned earlier, I further cut back on the road paving budget of Public Works. I reduced our contribution slightly to the capital and nonrecurring fund. We eliminated a planner position in Parks and Rec. We eliminated two vehicle purchases for the Fire and Building Departments. We further reduced police overtime, and took some money out of the

capital budget for Information Technology. But there was pain in doing all this.

Talking numbers, I am requesting an overall town and education budget of \$174.8 million, a 3.88 percent increase over the current year. That's a combination of an education budget requested increase of 2.09 percent, or \$111.1 million, and a municipal increase of 7.6 percent, or \$63.7 million.

In these difficult economic times, I think these numbers are realistic. They maintain our services and they go a long way to funding our obligations. To those who insist on a zero increase, I welcome your recommendations which services you want us to reduce. And make no mistake—there will be a reduction in services. If this board makes cuts that I believe are unacceptable, I will not hesitate to seek restoration from you and possibly the RTM.

To those Westporters who want to maintain Westport as we know it today and as we want it to be tomorrow, I urge you to familiarize yourself with what's at stake here and make your views known to me, the Board of Finance and the RTM in the days ahead. We have our work cut out for us.

Thank you very much.