

Why and why not – property tax concerns

To the Editor:

We simply can't continue to absorb and sustain annual property tax increases in excess of five percent. Since 2001 our taxes have gone up nearly 65 percent - the taxes continue to go up BUT the level and amount of the services go down.

We have not seen any tax relief but we have seen significant erosion in the quality and amount of services – we lost the leaf collection costing many homeowners \$150 to \$400 out of pocket – a hidden tax. Even Hartford, which our state taxes support, still has a leaf collection – WHY?

We take in over 110 Open Choice students from Hartford – that is the right thing to do. BUT WHY does Hartford only reimburse us about \$3,000 per student when Hartford receives over \$13,000 from the state for that very same student? The \$10,000 lost per student amounts to over \$1,100,000 revenue lost to our budget and we need money – WHY not collect this debt???

West Hartford now has the lowest test scores in our District Reference Group and the BOE continues to assert that we spend too little per student. Interestingly, the BOE's own budget presentation included a PowerPoint slide that showed that as West Hartford's per student expenditures dropped – the test scores actually went up a bit – How about that??

Real Estate values – towns/cities are judged by a number of factors including the quality of education and the level of property taxes. As property taxes increase real estate values tend to decrease and in the case of commercial real estate, investor's net return also decreases which discourages further local investment and business move-ins due to higher rents. A number of real estate studies (Univ. of Cincinnati comes to mind) found that as property taxes rise, the market value of the underlying real estate declines. The study suggested that every \$200 property tax increase increment; there could be a resultant \$1,200 to \$1,800 decline or loss in the market value of that real estate.

Add to the real estate tax model, declining test scores and our town is stepping onto a slippery economic slope. In the past we had some equilibrium between taxes, education and other factors – we no longer do. High taxes and declining test scores are not a sustainable town model and can combine into a downward spiral ultimately impacting

both property values and educational quality, West Hartford unfortunately has both trends going and it bodes poorly for the future of West Hartford.

Too many town employees don't live in town – WHY – when asked, they say that they can't afford to. A surprising number of employees across the board reside outside of town especially safety employees. It would be in the best interests of the town for these employees to reside in the very town that pays their salaries. For the past several years numbers of young people testified that they can't afford to move back to town. That was not the case in the past.

Folks – the cupboard is bare. This budget is beyond our means – we can't afford it. We are building a financial house of cards – we simply can't keep kicking the budget can down the road. It is time to aggressively plan and manage our financial future – not just go along, get along.

Broad based, non partisan, aggressive financial planning and management is desperately needed now to ensure West Hartford's future. Let's face it – West Hartford has become a city with a large very complex budget, changing demographics and revenue demands that the property tax model was never designed to support as Mr. Davidoff himself said last year... And I expect that Connecticut towns/cities can expect ever decreasing financial help from the state.

THIS IS PRECISELY THE REASON THAT THE WHTA HAS BEEN RECOMMENDING FOR SEVERAL YEARS THAT THE TOWN COUNCIL ESTABLISH A FINANCIAL ADVISORY BOARD. The budget problem is large, getting larger and no Town Council has the depth and experience to solve it. You our elected leaders need to do some introspection and the question that you should ask is – “What is best for our town, not necessarily for my political future?”

The Budget increase can be and should be approved by the Council with a zero percent (0 percent), anything more than zero will not be fair to taxpayers, future taxpayers and employees.

George Kennedy

President, West Hartford Taxpayers Association