

Carefully manage our fiscal future; prioritize needs aligned with a long-term plan and vision; control spending and get more for every dollar through increased use of technology, cooperation and collaboration by both town and school agencies. Improve the annual process for budget development and capital improvement planning so that resource allocation is justified and aligned with established priorities.

The Llodra/Rodgers team sees the town's financial health and security as the most significant issue facing our town now and into the future. Effective management of our fiscal future requires examination of all existing practices and a willingness to make those changes that will lead to greater stability in the mill rate and less reliance upon residential property taxes.

What are those changes and how can we begin to rebalance the revenue and expense sides of the accounting ledger?

First of all, everything has to be on the table and everyone has to come to the discussion with a commitment to delivering the best services in the most cost-efficient and effective way possible. We must establish a new, shared, community financial philosophy.

Our choices are clear: it's about getting greater value for every dollar we spend and it's about the realities of revenue possibilities and limitations. Essentially, our revenues come from three sources: federal funds, state funds, and local taxes. It is unlikely that federal and/or state funding for municipalities such as Newtown will increase. We should not plan on more; but just the opposite. We are reliant on our own capacity to generate revenue required for the delivery of core services valued and needed by our community. Right now, the commercial/industrial sector contributes about 7.7% to our total grand list. Greater contribution from the commercial/industrial sector would help to offset reliance on residential property tax. That growth has to be smart and controlled, consistent with our cultural and societal values. Streetscape projects such as the one in Sandy Hook have returned \$8.00 for every dollar invested. Continuing investment in that project makes good economic sense. The same streetscape approach can be applied to other districts such as Hawleyville and Botsford. Further, such well planned and economically beneficial development provides a tool for us to control our growth as we move toward build-out. Poor planning will result in more residential sprawl and increasing reliance on individual taxpayers. So too, investment in open space provides a value-added return of 300% and helps to define the landscape of Newtown as we continue to grow. Both of these initiatives will be high on the priority list of a Llodra/Rodgers administration.

Insurance costs account for more than 13% of our total town/school expenditures. Cost-containment measures applied at the local level are marginally effective. More towns are moving to self-insurance for medical coverage and we, too, should be evaluating that option for potential cost savings. The town was self-insured years ago for much the same reasons we should consider today. So, too, should we evaluate the potential economic gain of changing our pension plan from a program of fully defined benefits to defined contributions. This change provides greater stability and predictability in budget development and reduces the impact of unexpected costs in legacy payments. And we should implement better risk avoidance strategies to reduce our exposure to worker

compensation liabilities. Our goal is not to decrease coverage or support for employees but to develop systems that enable the employer to better control and predict costs.

It is important to reduce debt. Every dollar we give the bank to repay a loan is one dollar more that we have to raise in taxes and/or one dollar less to support a program or initiative. Disciplined savings for expected capital expenses through planned use of our capital non-recurring fund benefits the taxpayer. Our planning for capital expenses will be disciplined and will use every opportunity to pay as you go. We believe that we cannot spend our way out of economic stress and that debt needs to be managed very carefully in its total impact on available revenues and on the burden placed on taxpayers. We support a planned and gradual reduction in our debt limit from the current 10% to a more beneficial 8%. Less debt equals more available resources and greater capacity to meet needs and deliver services. We believe that taxpayers are willing to accept a more patient and moderate approach to spending for capital purchases, particularly as an effective planning process will be in place and its communication to our residents is improved.

Expanding regional cooperatives for services and purchasing is a worthy objective that offers the potential for cost reduction. The State of Connecticut rightly identified in this last legislative session that interlocal compacts benefit participating municipalities. Greater attention is being paid to these possibilities by municipalities across the state. Among the options we will consider are regionalizing contracts for energy, common supplies, and services such as revaluation and even dispatching of emergency services. Our commitment is to pursue every opportunity that makes financial sense for Newtown, while maintaining a high quality of service and goods.

Collaboration and cooperation across town and educational agencies can no longer be viewed as optional; it is our responsibility to every taxpayer. We will increase the sharing of resources such as personnel, tools, equipment, and technology and expand collaboration on purchasing, capital expense planning, and annual budgeting. We support further examination of restructuring or consolidating town/school maintenance departments and programs as is happening in other CT districts. We support greater consolidation of purchasing of some goods and services across town and school systems to increase buying power. Much of this new synergy is especially possible now that most affected departments are housed in the same municipal building. We will take advantage of the opportunity with a planned program to increase collaboration in order to reduce costs and increase effectiveness.

Finally, expenses related to Fairfield Hills will be integrated into the spending plan and subject to the same public scrutiny and approval processes as are all other aspects of the operating and capital budgets. More so than even other spending areas, costs related to development of Fairfield Hills must be justified and should be on a pay as you go schedule as much as is possible. The concept of using commercial investments to help offset the cost of maintaining the campus was a critical component of that original plan. Economics and financial impacts will be a factor in the discussion as we move forward with public forums to assess that plan.

In conclusion, our commitment to every voter and resident of Newtown is to maintain the quality of services and goods needed by our community while aggressively implementing cost-containment measures and seeking greater value for every dollar spent. We recognize that we, as leaders and taxpayers, cannot continue to conduct our business in the same fashion as always if we are to abate the constant creep of increasing taxes without commensurate improvements in municipal services.

To this end, change is good. Not revolutionary change, but evolutionary changes to bring more bang for our tax dollars to ensure that we and future citizens do not have to pay for our reluctance to evolve our financial philosophy.