I want to thank the RMA for inviting me here today. I appreciate the opportunity to share some insights on my first year in the House of Representatives serving the 150th district of Greenwich.

The boundaries of my district make up approximately 1/3 of Greenwich. It goes from Forest Avenue in Old Greenwich to the border with Port Chester in Byram and from the Post Road to the water. For those who don't know me or my background I would like to take a minute to explain who I am and where I came from.

I was born in the Bronx, one of five children. I attended Fordham University for my undergraduate studies, where I received a B.A. in economics and Spanish. I speak Spanish and Portuguese fluently. I subsequently applied and attended the Lubin School of business at Pace University and received an MBA in finance in 1983. After my studies, I applied and was accepted into the officer training program at the Irving Trust Company. At the time, the 13th largest bank in the United States of America. The bank in 1983, held large positions in Latin America debt and the emerging markets in general and I was assigned to work in the Latin American Department. As you may remember, at that time, there was a fair amount of restructuring and workouts going on. Latin America was in crisis. The Latin American debt crisis of the 1980s was brought on by excessive borrowings and the high rate of inflation in the United States. That high inflationary environment in conjunction with the collapse in the commodity markets triggered a major financial meltdown . The commodities that Latin America was exporting tumbled in price and the interest rates they were paying on their debt soared as the United States sought to control its domestic inflation.

The 30 year treasury rate in the United States at that point reached levels of approximately 13 or 14%. So, I spent my early career in Latin America, first in the midst of a crisis of debt workouts and refinancing through much of the 1980's and part of the 90's . Then, in the middle of the 1990s, a Renaissance occurred, the markets recovered and I was fortunate to still be working in the emerging markets. The markets took off like a rocket and I was doing some loan trading originally qnd later I became an institutional bond salesman, engaged selling sovereign and corporate emerging market bonds to US institutional investors like Fidelity, or Pimco, or Loomis Sayles .

That experience provided me with a background in macroeconomics and corporate finance it also fosters an understanding of the regulatory environments in Third World countries. I had the benefit of a seat at the table with skilled macroeconomists and portfolio managers from the largest institutions in the United States and the cheif financial officer of major global corporations. At these investor meetings I learned about the complexity of regulatory policy, macroeconomic policy and corporate governance, all of which have provided me with the skill sets to evaluate and discuss the fiscal issues facing our state. I developed a working understanding of credit and learned to analyze how policies will and can affect economic activity.

During my working career I served on the RTM for 14 years. After my retirement, I wanted to paint my fence and work around the house for a bit, but I was approached to run for office. I

had only recently stopped a 35 year career and was enjoying avoiding a 5:35 am train to New York and sleeping in! So... truthfully, I wanted to wait, but you know the saying, when opportunity knocks… I knew I wanted to serve my community. So, I decided to run for office in the 150th, my home district. I campaigned vigorously, went door-to-door, I spoke to residents and I learned a lot. It was an such an amazing experience. As luck, and a lot of hard work would have it, I was elected. Now I am the first Democrat elected in 107 years to this seat. Some of you will be pleased by that, some of you won't be, but if you are unaware, I am a moderate or what I call, fiscally responsible and socially liberal person so I hope that will ease the concerns of many here in this room. I am not looking to either empty your wallet, or turn this state into an exit ramp for Florida. I love this community and I will try to do my best for it.

So now, on to the topics that I wanted to talk about. As your Representative, I was appointed to three crucial committees in the House of Representatives. I joined the Bonding Revenue and Finance Committee, the Energy and Technology Committee and the Aging committee. All three committees have interesting roles to play in in Hartford. The bonding revenue and finance committee is essentially the revenue raising arm of the state. They review the revenue projections of the state, evaluate tax policy, and they review funding needs as in relates to levels of borrowing thru bonding issues.

For those of you who are interested in how the sausage is made, here it is in a nutshell. All committees have a large schedule of public hearings for the bills that are raised for consideration. We meet with consumer groups, business owners, individual residents, and lobbyists. These public hearings allow the general public to testify about the policies under consideration. Subsequently, the committee will hold a vote to either endorse or veto the proposed bill, if passed by committee the bill goes on to the general assembly. Each bill will generally receive further debate and possibly a vote. If the bill is approved by both houses and then signed by the Governor it becomes law.

The first issue I would like to talk about today is tolls or rather the state financing of our transportation system. No one disagrees that our infrastructure is in bad shape. Depending on who you read we need approximately an additional $500-$700 million a year in infrastructure investment investments. The Republican Prioritize Progress plan acknowledges that fact and recommends an investment of 60 to 65 billion over the next 30 years or roughly 2 billion to 2 1/2 billion a year. Our current funding leaves us shy that 700 million. Their plan recommends we borrow 750 million dollars annually in general obligation bonds to cover these needed expenditures. Under thatplan, in ten years, we will have added 7.5 billion dollars to our balance sheet or our credit card . This increased indebtedness will surely jeopardize our credit rating and it will increase our cost of borrowing and scare off new businesses. Something we can ill afford. Remember, the Business Council of Fairfield County, a bipartisan group of business leaders, have come out in support of Tolling. So, this is not a question of whether we need it, it is a question of how we pay for our roads. As your representative, I am against higher taxes and I am against borrowing more money to fix our roads. I also strongly object to giving out of state travelers a free ride in our state. We just cannot afford it. Our current plan of tolling at roughly 4 cents a mile is projected to bring in

about 800 million dollars a year. About 250 to 300 million would come from non-residents. That's a lot of money to turn away. More importantly, that's a lot of money to borrow or to cut from school budgets or housing for the homeless or programs for the disabled. Given the fragile economic status of our cities, what do you think a cut in social spending will do to New Haven or Hartford or Bridgeport? There is an added benefit to infrastructure spending. It raises economic activity and puts money into the economy at a pretty fast pace. If we fund our infrastructure with tolls I am fairly certain we will see an upgrade in our credit ratings and our overall borrowing cost will decline. Think about the message that sends to the greater business community. It moves us to a sounder financial footing. When the federal government finally approves an infrastructure package, you hear the conversation all the time, we will be in a solid position to make the matched funding required to qualify for those federally approved projects and we won't have to borrow to do it.

The second issue I would like to discuss is probably our greatest obstacle. I am talking about the rising cost of health care. I outlined my concerns in a letter to the editor in the Greenwich Times this past week. I will summarize it for you now :

The single largest cost in our State and Municipal budgets is healthcare. The citizens of this state need relief from ever higher drug prices. We as taxpayers are paying ever larger sums for our healthcare.

Mindful of my responsibility to my electorate, I have called upon the legislature to take up this issue in our summer session. We need relief from overpriced drugs. This issue was raised during our normal session and an bipartisan bill was passed overwhelmingly in the House. For some reason no vote was taken in the Senate Unbelievably during our session just before the vote I received a pathetic and misleading form letter from a fake concerned citizens group claiming that counterfeit drugs were rampant in Canada. The claim is laughable and absurd. I resent getting lobbied by non existent consumer groups trying to disseminate a false narrative.

Our most important responsibility as elected officials is to wisely spend our tax payers hard earned dollars. This singular issue goes to the crux of responsible government. Healthcare costs are driving us all to ruin. It crushes families financially, ruins municipal budgets and overwhelms the State's fiscal balance.

Moving forward with a plan to import drugs from Canada will inevitably improve our state's competitive position and ease the costs of healthcare to both our residents and employers. I will be advocating that we need to get ahead of this issue with a measure in our upcoming session.

The final topic I would like to discuss with you today concerns third party energy suppliers. I have learned of this issue from my position on the Energy and Technology Committee. They are the companies that send solicitations by mail or phone to convince you to change from Eversource to another electric supplier.

Since I have been elected, I have made it my business to learn about these third-party energy suppliers. The background research on ownership and pending litigation in other States on the Eastern Seaboard was sobering. I was less than impressed by the business model. Our consumer counsel estimates that the average surcharge to our residents is 50 million a year versus the base rate. The most galling part is that they seem to be targeting residents who receive energy assistance with your tax dollars. So, the assistance we give our most vulnerable residents is being siphoned off. There is no credible reason not to tighten market regulation especially when the market looks more like a game of three card monte.

"The state's consumer counsel Elin Swanson Katz estimated that over three years, from 2015-2017, an excess of $7.7 million was paid by Liberty Power customers. Again, $7.7 million dollars over what they would have paid for standard-offer rates from Eversource or United Illuminating.... PURA (for those of you who aren't policy wonks, that stands for Public Utilities Regulatory Authority) notice comes on the heels of calls by Katz and Connecticut Attorney General William Tong to bar electricity billers from auto-renewing customers contracts in Connecticut, on grounds companies have repeatedly violated state rules. In February, PURA indicated its intent to impose a $1.5 million penalty on Houston-based Direct Energy after similar complaints."

Electricity is a basic commodity, if you are not providing better prices to our Connecticut residents what value do you bring to the table? There is a lot of work needed in this area and I intend to follow up in our next session.

You know I've worked in finance for 35 years and although I am new to the budget process in Hartford, I have spent a considerable amount of my time analyzing the state budget. As many of you know, we have outstanding levels of debt and now a slightly improved credit rating. I am not in favor of adding more debt to our balance sheet. In the previous session the state legislature enacted both a bonding cap and a volatility cap. Those two measures placed a limit on our debt level (the amount we can borrow) and they increased the reserve in our rainy day fund. They had the additional effect of improving the state's balance sheet which has led to an upgrade in our rating's outlook from the Credit Agencies. All good things.

In this session, we continued to be faced with a looming deficit from unfunded pension liabilities and a lawsuit from hospitals due to a hospital tax that was enacted in the prior session. We seem to be working through these two issues so the deficit looks like it will be closed out during the summer as an agreement is reached on both a re-amortizing of our teachers' pension obligation as well as an agreement with the hospital association.

I applaud the efforts of the Governor on that front and look forward to working with him in the coming session.

I want to thank the Retired Men's association for giving me this opportunity to speak to you I thank you for your attention and I will open the meeting up to questions.