



# TOWN OF SOMERS

## Public Hearing Proposed Annual Budget FY 2016-2017

April 19, 2016

# PROPOSED 2016-2017 BUDGET PUBLIC HEARING

## Presentation of the Proposed Budget

Introduction

James Persano

Moderator

Joseph Tolisano

Overview

Michael Marinaccio

Town Government

Lisa Pellegrini

Board of Education

Dr. Maynard Suffredini

Public Comments

Audience

# PUBLIC COMMENT SESSION

## GUIDELINES

- ❖ Only one person speaks at a time.
- ❖ State your name and address prior to presenting your comments.
- ❖ Limit comments to 5 minutes. Once everyone has been heard you will have the opportunity to speak again.
- ❖ Please be respectful - Everyone has the right to be heard.
- ❖ Thank you for your cooperation.



*Michael Marinaccio*

*Chief Financial Officer*

# **TOWN BUDGET OVERVIEW**

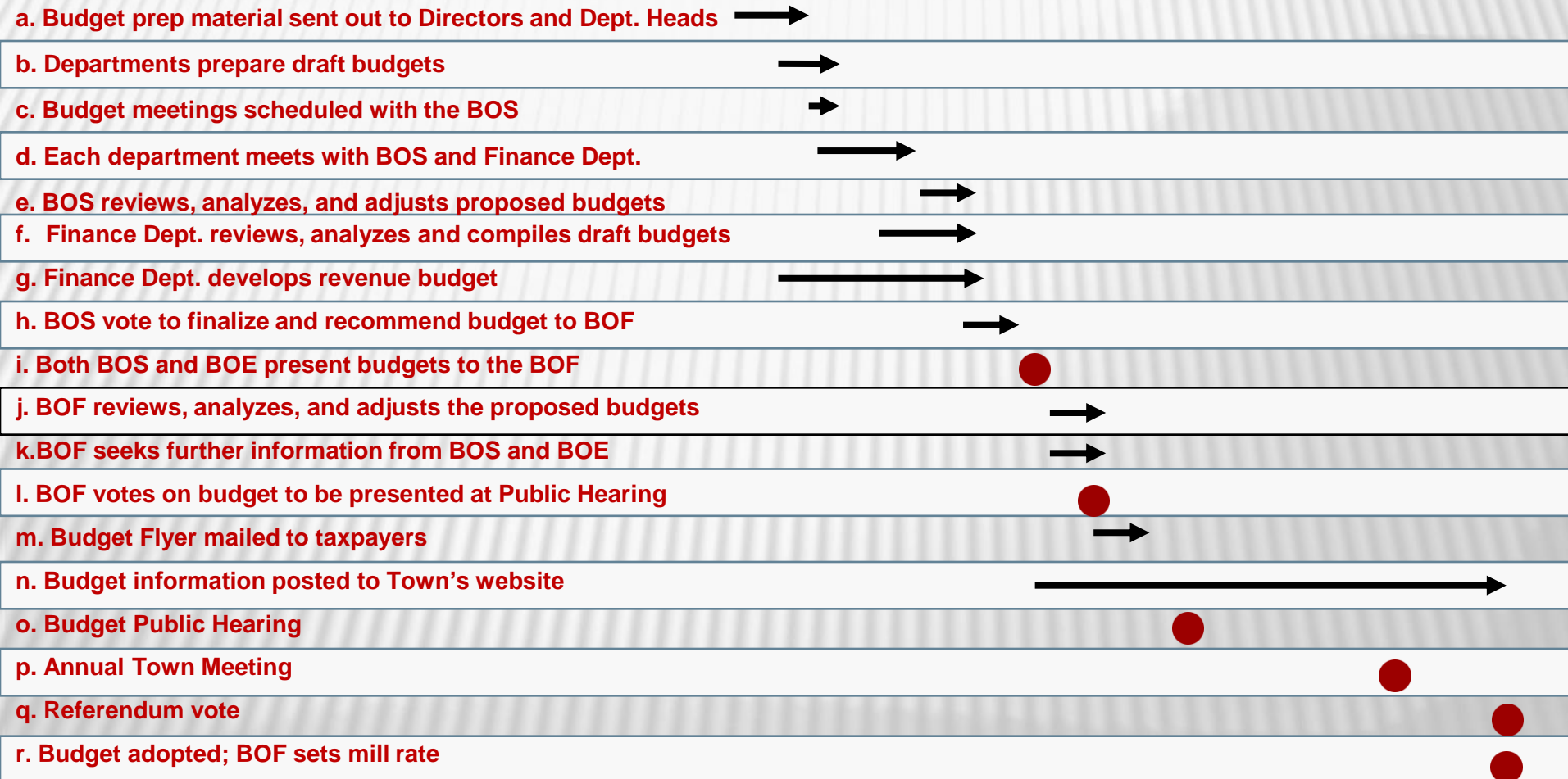
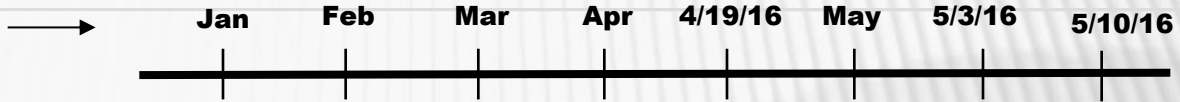


# BUDGET PROCESS FLOW AND TIMELINE

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## Milestones

2016  
Timeline



BOS = Board of Selectmen  
BOE = Board of Education

BOF = Board of Finance

# BACKGROUND

- ❖ Grand List decline of approximately \$20 million or (2.31%) less than the prior year.
- ❖ The decline in the Grand List results in a shortfall of revenue needed to support the existing level of municipal and education services in FY 2017.
- ❖ Inclusion of the Governor's FY 2017 proposal for State Aid.
- ❖ Legislature in the process of enacting further Municipal Aid cuts for FY 2017 and likely will approve additional cuts.
- ❖ Maintains current services with no program eliminations or reductions.

# BACKGROUND

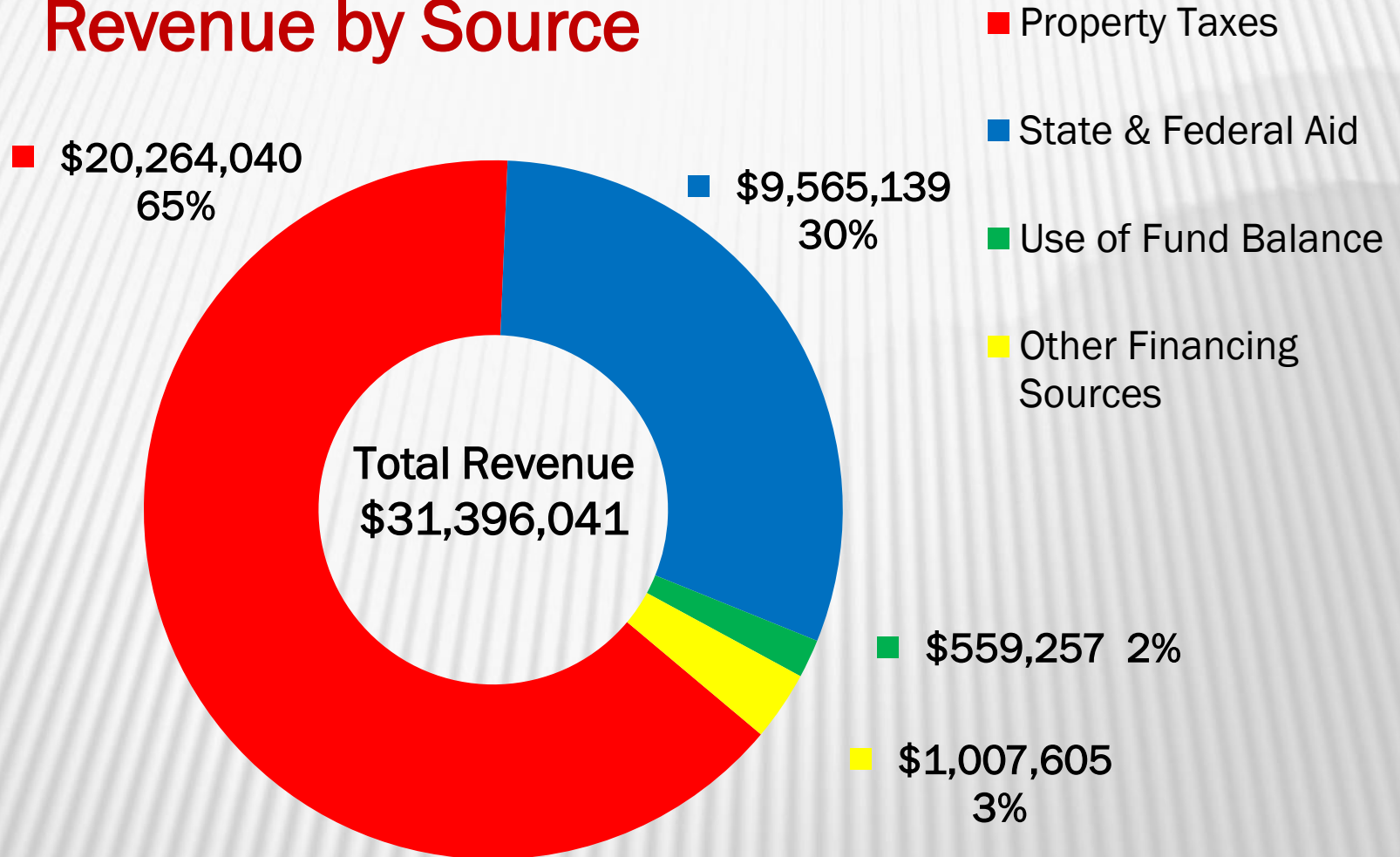
- ❖ Net zero staffing impact of adding three 0.5 FTE positions in Police, Human Services and Recreation while eliminating 1.5 FTE's through the reorganization of the Fire Department.
- ❖ Full funding of the actuarially determined employer contribution (ADEC) to the Town's Pension and the Volunteer Firefighter's Pension Plans.
- ❖ Use of \$559,257 of unassigned fund balance as revenue.
- ❖ Use of \$99,005 of bond proceeds to fund increase in debt service.
- ❖ A mill rate of 24.22 is recommended to generate property tax revenue, representing an increase of 0.85 mills from the current mill rate of 23.37.

# REVENUE BUDGET

	<u>FY 2015-16 Adopted</u>	<u>FY 2016-17 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Property Taxes	\$19,851,127	\$20,264,040	\$ 412,913	2.08%
State/Federal Grants	9,428,593	9,565,139	136,546	1.45%
Use of Fund Balance	524,984	559,257	34,273	6.53%
Other Financing Sources	891,399	1,007,605	116,206	13.04%
<b>Total</b>	<b>\$ 30,696,103</b>	<b>\$31,396,041</b>	<b>\$ 699,938</b>	<b>2.28%</b>



# Revenue by Source



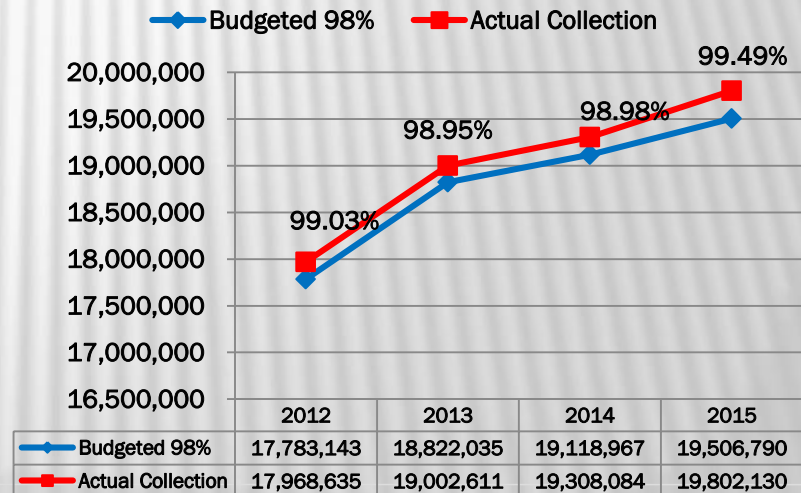
# PROPERTY TAXES

**TOTAL \$20,264,040**

- ❖ The Grand List declined approximately \$20 million or (2.31%) less than the prior year.
- ❖ That decline equates to a tax revenue loss of \$467,974 at the current mill rate of 23.37.
- ❖ Property Taxes account for 65% of the FY 2017 Revenue in the Budget.
- ❖ Board of Finance is proposing a 24.22 mill rate; an increase of 0.85 mills from the current mill rate of 23.37.
- ❖ At the proposed 24.22 mill rate, Property Taxes total \$20,264,040; an increase of \$412,913 or 2.08% over last year.
- ❖ Based on prior collection history we have assumed a 98.5% tax collection rate.
- ❖ Expect modest increases in delinquent tax revenue collections.

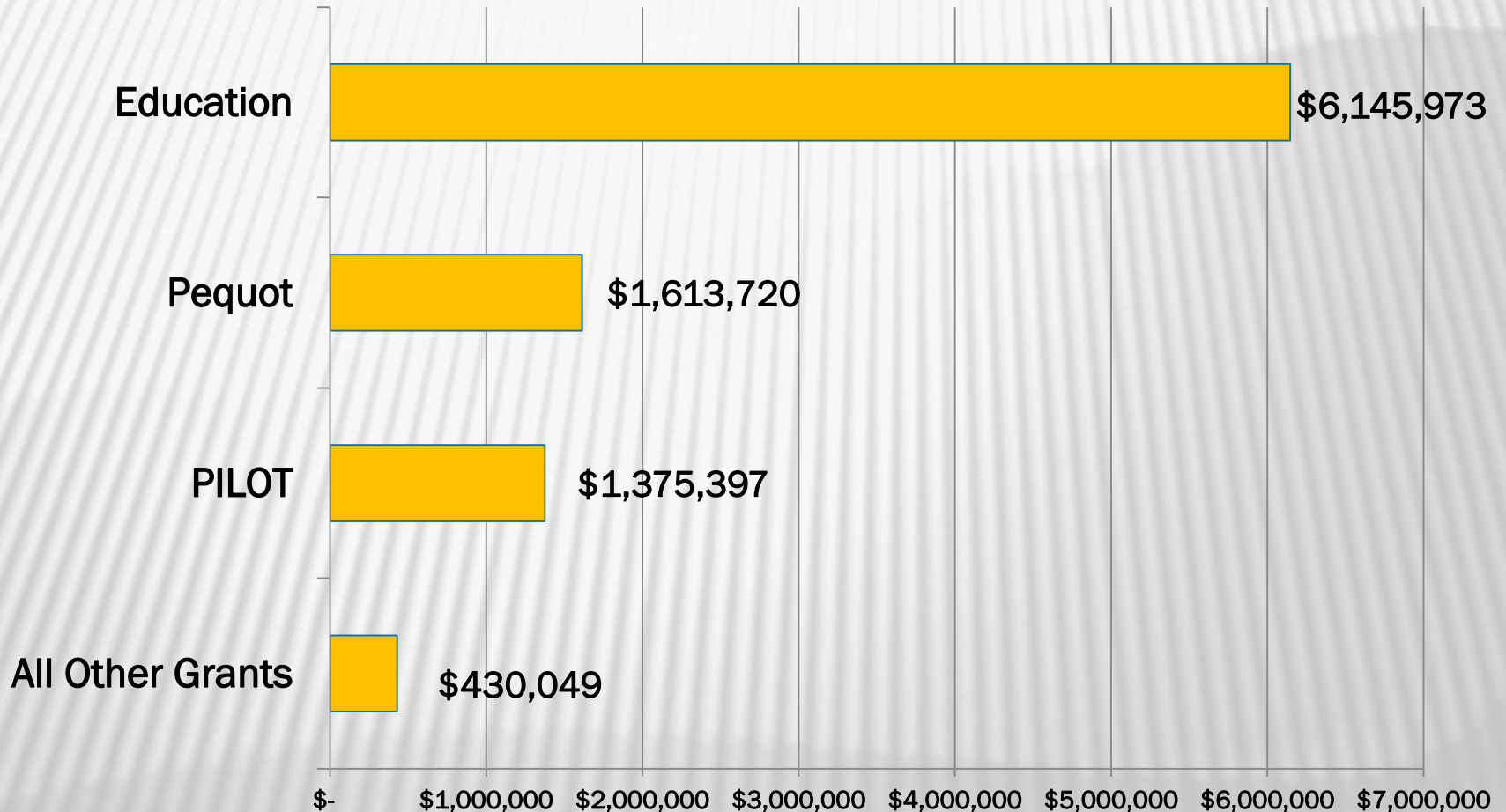


## TAX COLLECTION RATES



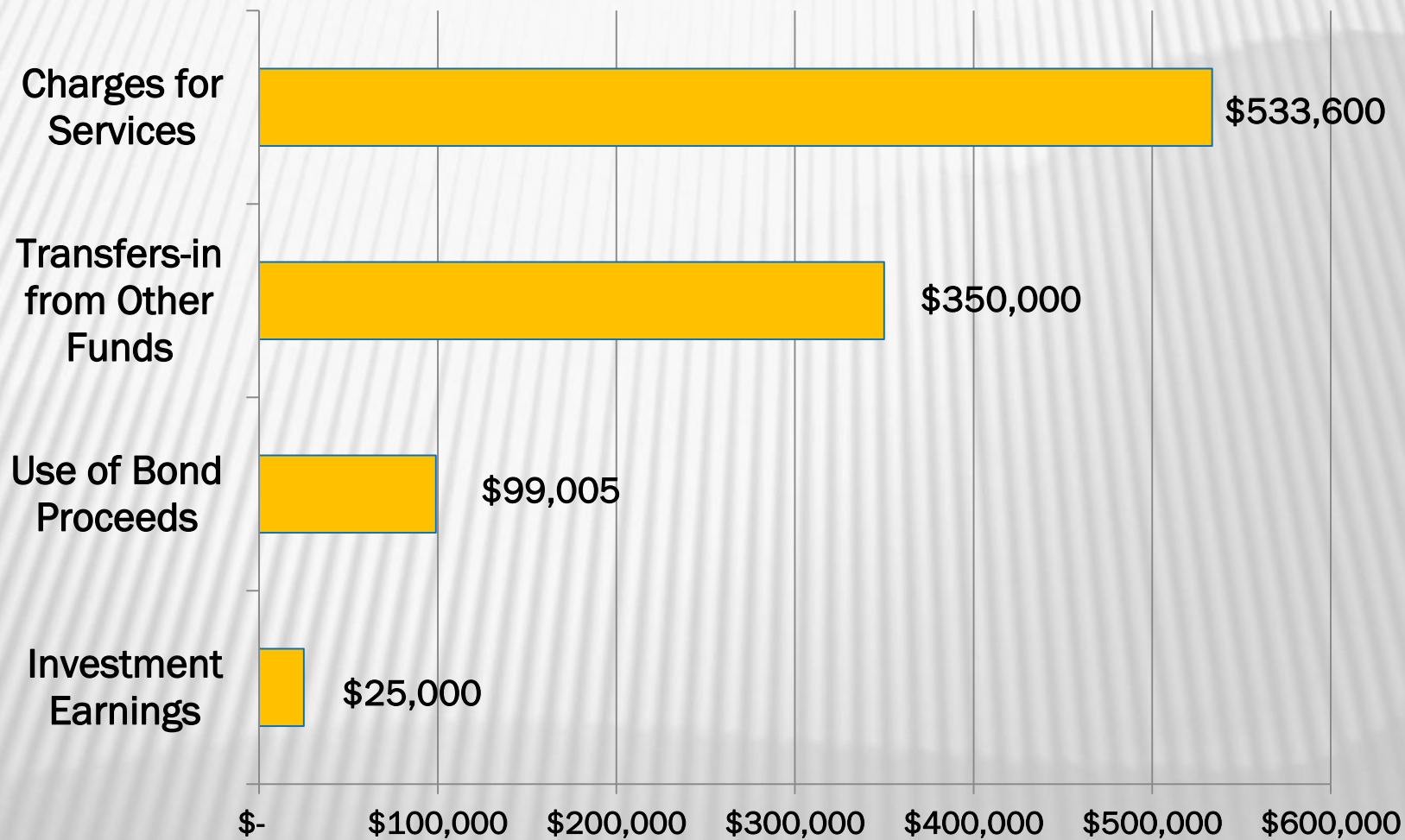
# STATE & FEDERAL AID

**TOTAL AID \$9,565,139**



# OTHER FINANCING SOURCES

**TOTAL \$1,007,605**





# USE OF FUND BALANCE

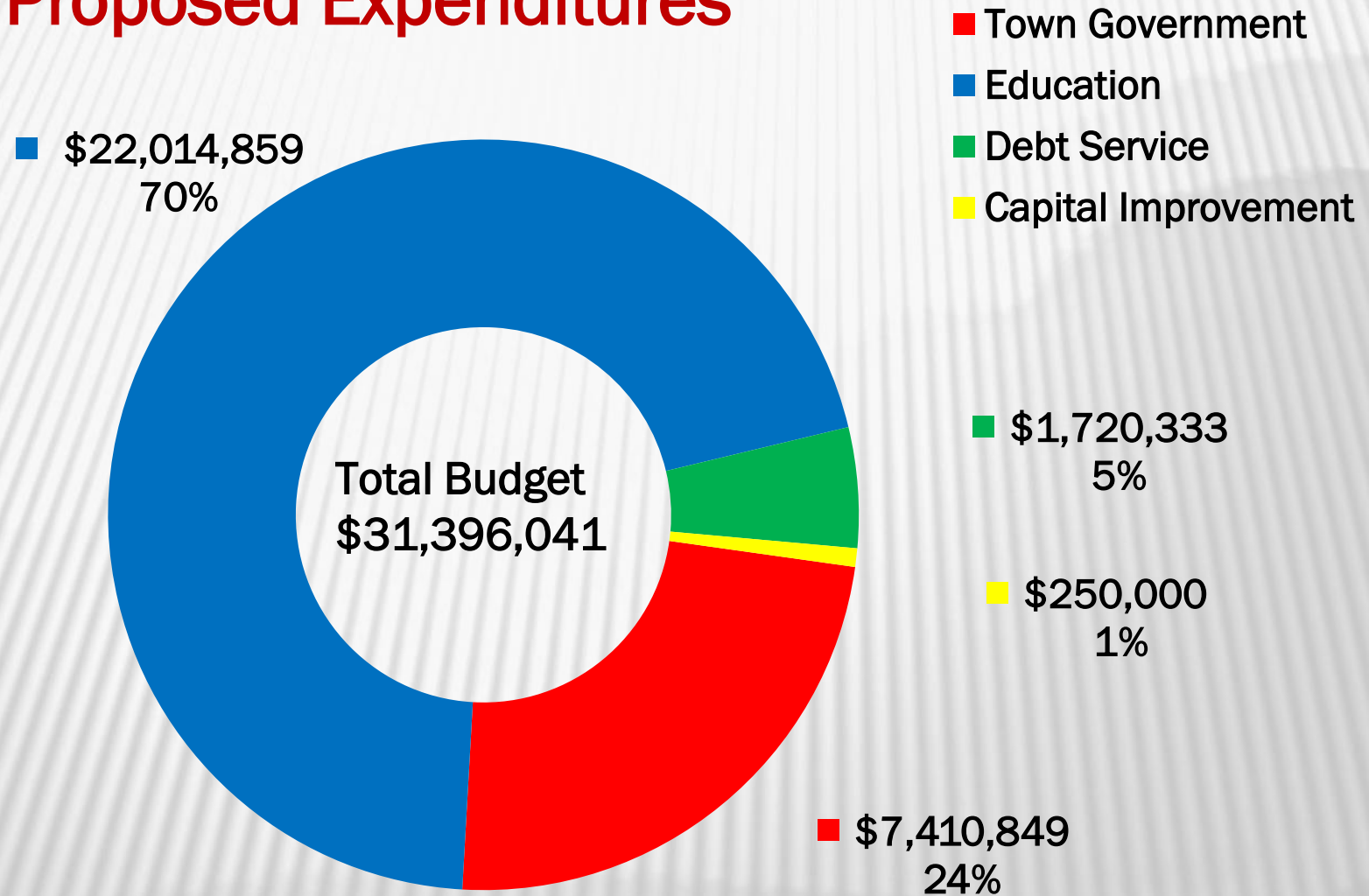
FY2017 General Fund Contribution	\$ 559,257
FY2016 General Fund Contribution	\$ 524,984
Total for two years	\$ 1,084,241
Increase	\$ 34,273

Fund balance is cash that the Town has accumulated from prior year budgets when revenues exceeded actual expenditures. At the close of FY 2015, \$1,087,000 was returned to Fund Balance. These funds are being used in FY 2016 and proposed for use in FY 2017.

# EXPENDITURE BUDGET

	<u>FY 2015-16 Adopted</u>	<u>FY 2016-17 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Town Government	\$ 7,410,849	\$ 7,410,849	\$ 0	0.0%
Board of Education	21,463,926	22,014,859	550,933	2.57%
Debt Service	1,621,328	1,720,333	99,005	6.11%
Capital Improvements	200,000	250,000	50,000	25.0%
<b>Totals</b>	<b>\$ 30,696,103</b>	<b>\$ 31,396,041</b>	<b>\$ 699,938</b>	<b>2.28%</b>

# Proposed Expenditures



# DEBT SERVICE

Principal	\$ 1,310,000
Net Interest	\$ 410,333
Debt Issuance Costs	\$ none
FY2017 Debt Service	\$ 1,720,333
FY2016 Debt Service	\$ 1,621,328
Increase	\$ 99,005



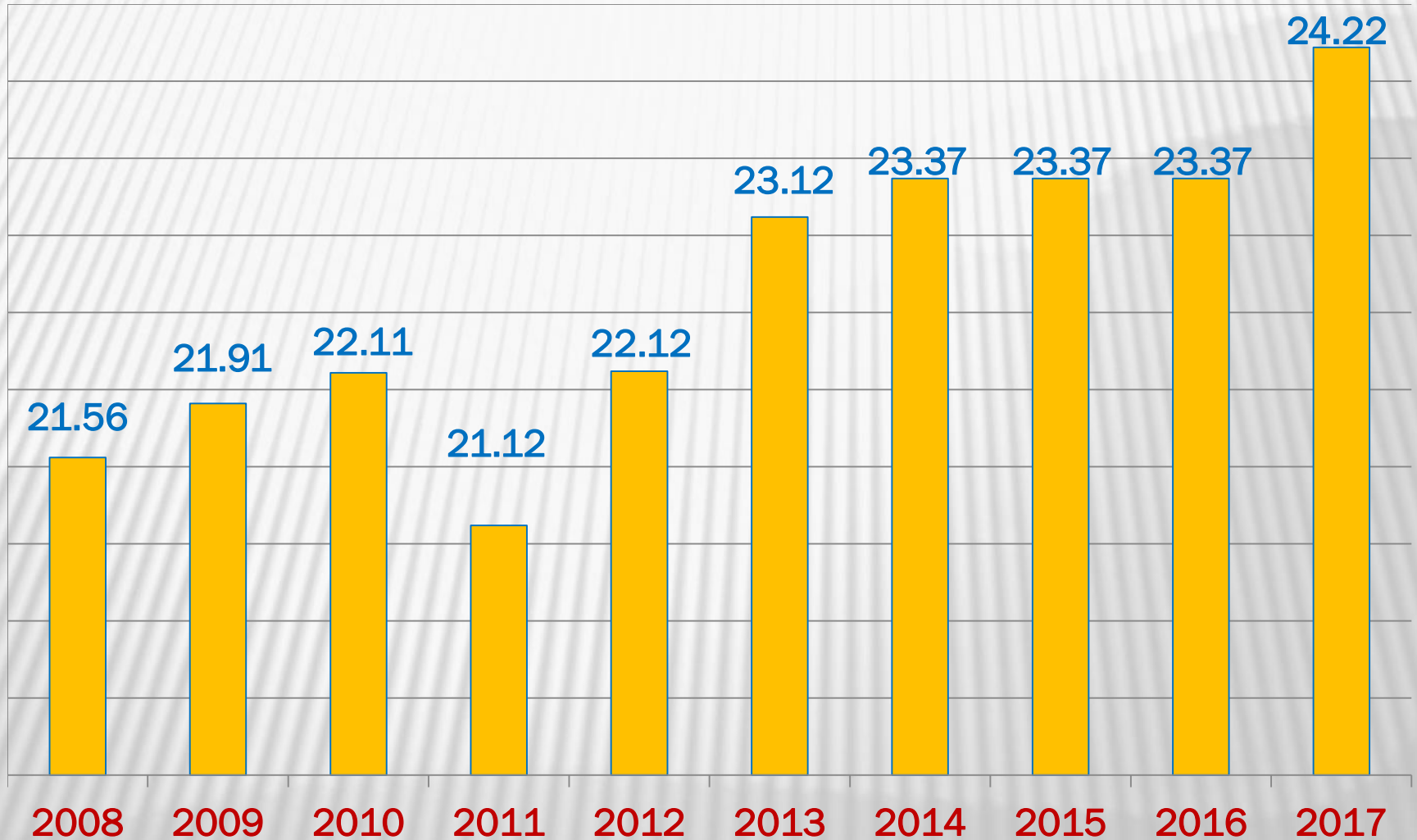
# CAPITAL PROJECTS

FY2017 General Fund Contribution*	\$ 250,000
FY2016 General Fund Contribution	\$ 200,000
Increase	\$ 50,000

Purchases being proposed by the CIP include items in the following equipment categories: heavy duty vehicles, light duty vehicles, infrastructure improvements, and technology improvements.

*\* Represents the general fund contribution to the capital equipment fund and not the cost of the proposed capital items.*

# HISTORICAL MILL RATE



# MILL RATE COMPARISONS

## Surrounding Communities

<u>Town</u>	<u>Prior Year Mill Rate FY 2013-14</u>	<u>Previous Year Mill Rate FY 2014-15</u>	<u>Current Year Mill Rate FY 2015-16</u>	<u>Proposed Mill Rate FY 2016-17</u>	<u>Tax on \$200,000 Assessed Value FY 2015-16</u>
<b>Somers</b>	23.37	23.37	23.37	24.22	4,674
<b>Suffield</b>	25.16	27.12	27.78	Not Available	5,556
<b>Ellington</b>	28.40	28.70	30.50	Not Available	6,100
<b>Union</b>	24.37	29.00	29.60	Not Available	5,920
<b>Enfield*</b>	29.26	29.13	29.89	31.88	5,978
<b>East Windsor</b>	29.78	29.78	30.31	30.62	6,062
<b>Stafford</b>	33.06	33.03	33.37	33.37	6,674
<b>Tolland</b>	30.19	31.05	33.36	34.34	6,672

*\* Does not include Fire District Tax ; Car tax is 28.80*

# EFFECTS OF REVALUATION

*An Increase in Mill Rate Doesn't Necessarily Mean a Tax Increase*

<u>Same Property</u>	<u>Assessed Value</u>	<u>23.37 Current Tax Rate FY 2015-16</u>	<u>24.22 0.85 Mill Tax Increase FY 2016-2017</u>	<u>Annual Tax Increase/ (Reduction)</u>	<u>Actual % of Properties that Declined</u>
Property Value*	\$200,000	\$4,674	\$4,844	\$170	
0 - 2% Decline	\$196,000		\$4,747	\$73	18.0%
5% Decline	\$190,000		\$4,602	(\$72)	17.8%
8% Decline	\$184,000		\$4,456	(\$218)	15.7%
10% Decline	\$180,000		\$4,360	(\$314)	10.2%
Over 10% Decline	n/a		n/a	(\$314)+	16.4%

***70% of properties declined in assessed value***

*\*Hypothetical property - represents an appraised value of \$285,714.  
After revaluation median assessed value declined \$11,600 (6.2%) from  
\$199,400 to \$187,800*



# POST REVALUATION IMPACT TAX COMPARISON

## ACTUAL PROPERTIES ASSESSED VALUES

Assessed Value Prior to Revaluation	Assessed Value After Revaluation	% Increase/ (Decrease)	Tax with Mill Rate 23.37	Tax with Mill Rate 24.22	More/ (Less) Tax Difference
188,300	170,900	(9.2%)	4,401	4,139	(262)
212,800	186,100	(12.5%)	4,973	4,507	(466)
235,100	226,500	(3.7%)	5,494	5,486	8
307,100	285,400	(7.0%)	7,177	6,912	(265)
312,000	328,600	5.3%	7,291	7,959	668
321,600	305,600	(5.0%)	7,516	7,402	(114)
428,300	428,300	0.0%	10,009	10,373	364
890,690	873,230	(2.0%)	20,815	21,150	335

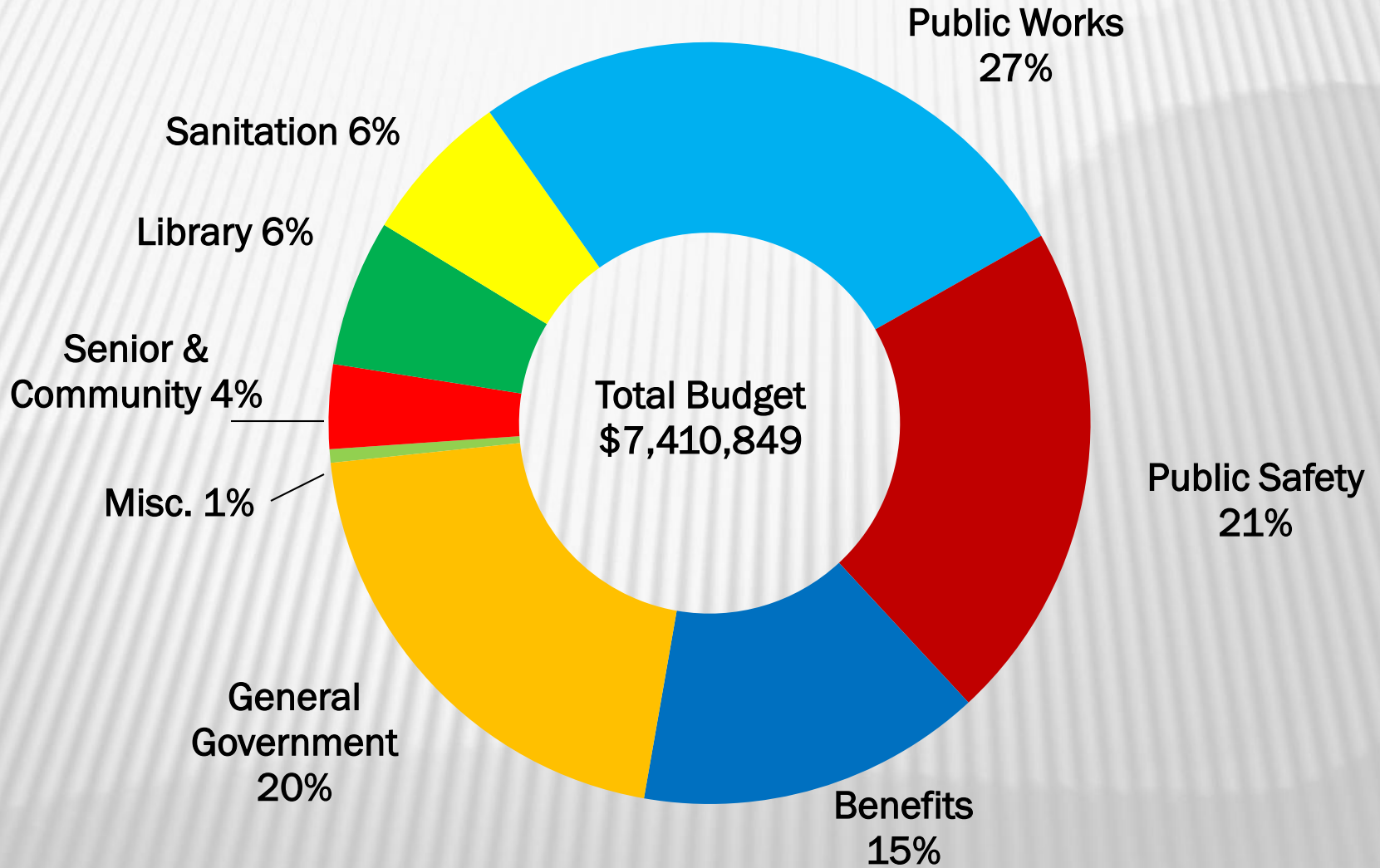
*Assumes a 0.85 mill tax increase*



*Lisa Pellegrini*  
*First Selectman*

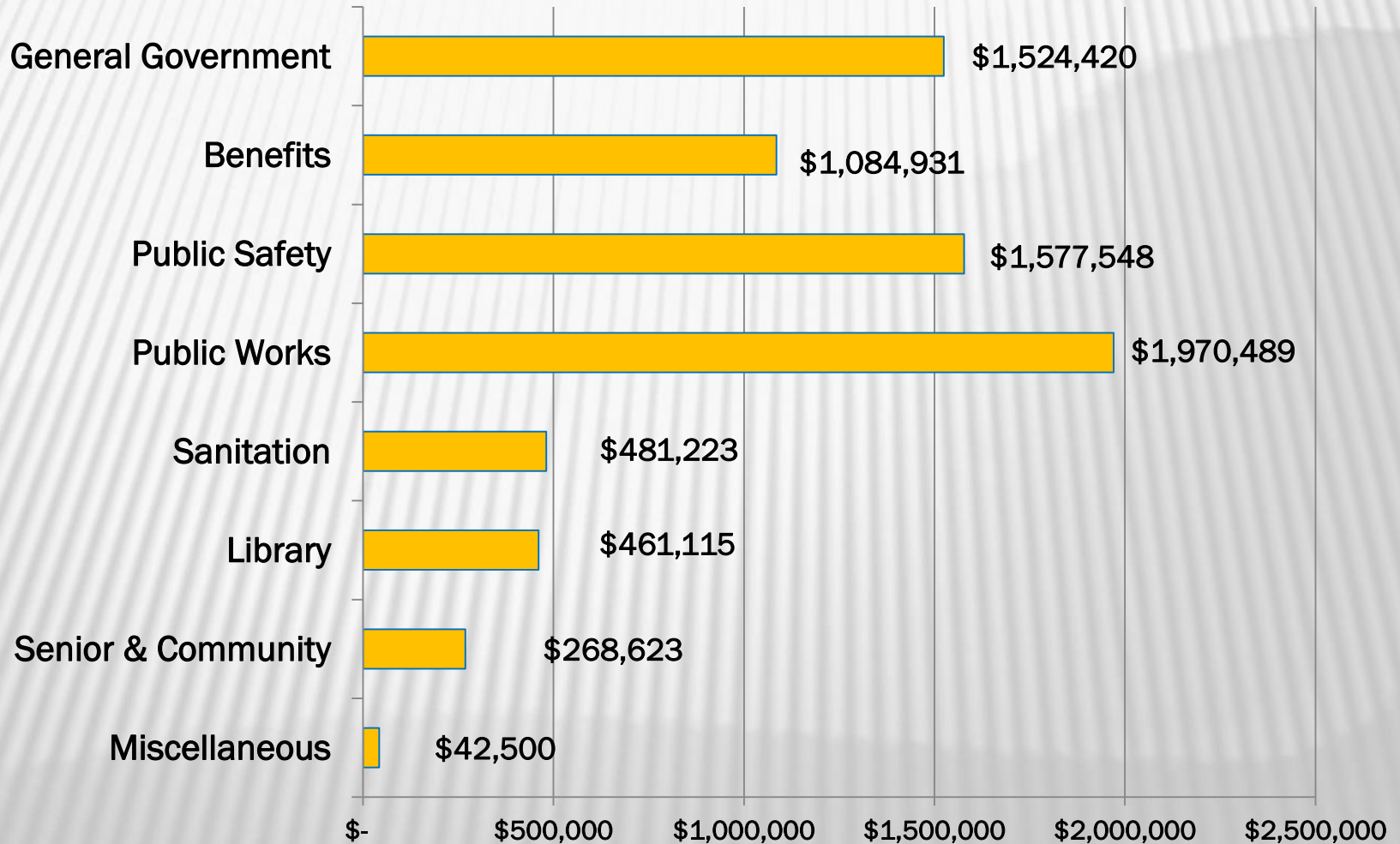
# **TOWN GOVERNMENT**

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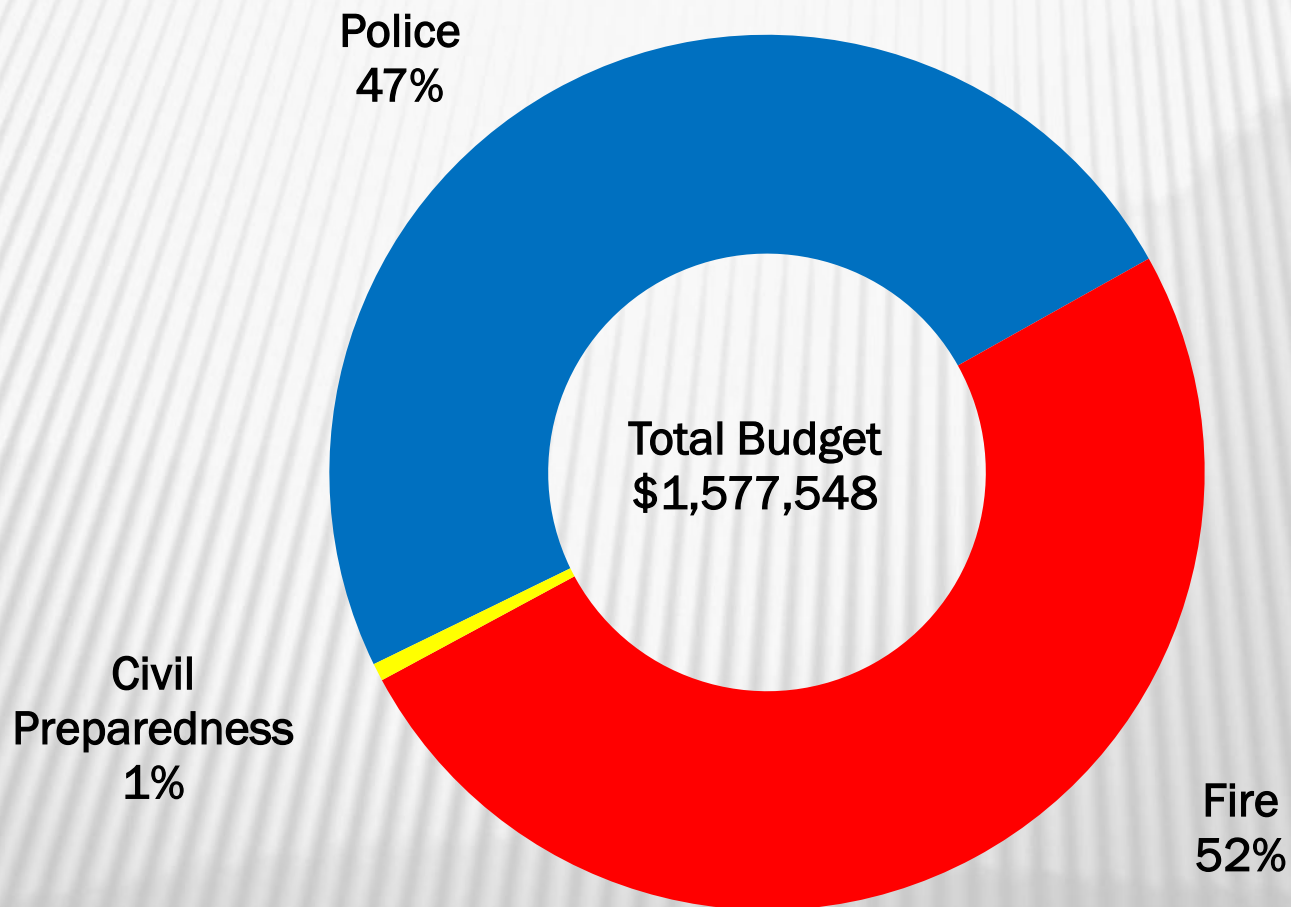


# TOWN GOVERNMENT

**TOTAL BUDGET \$7,410,849 – 0% INCREASE**

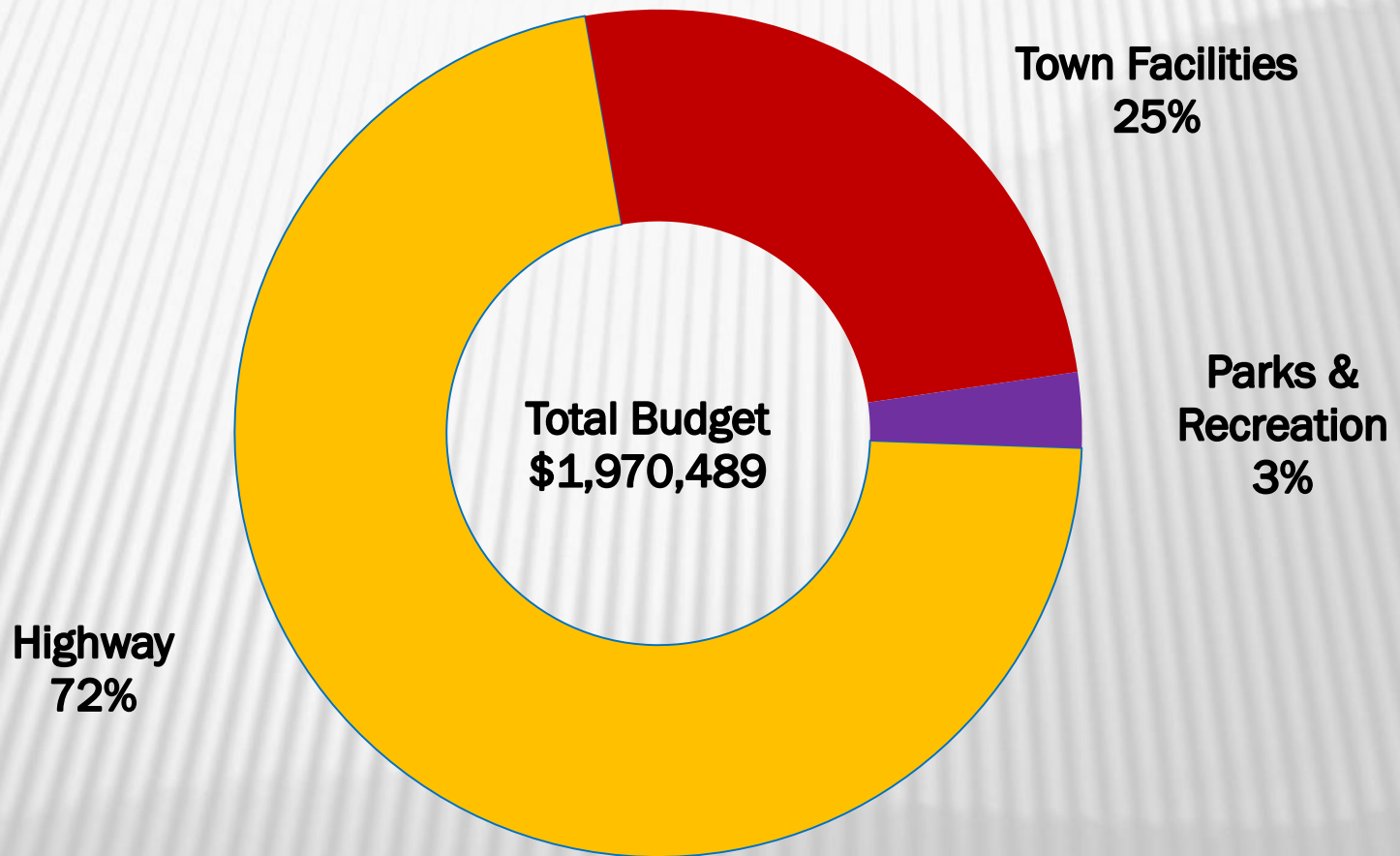


# PUBLIC SAFETY



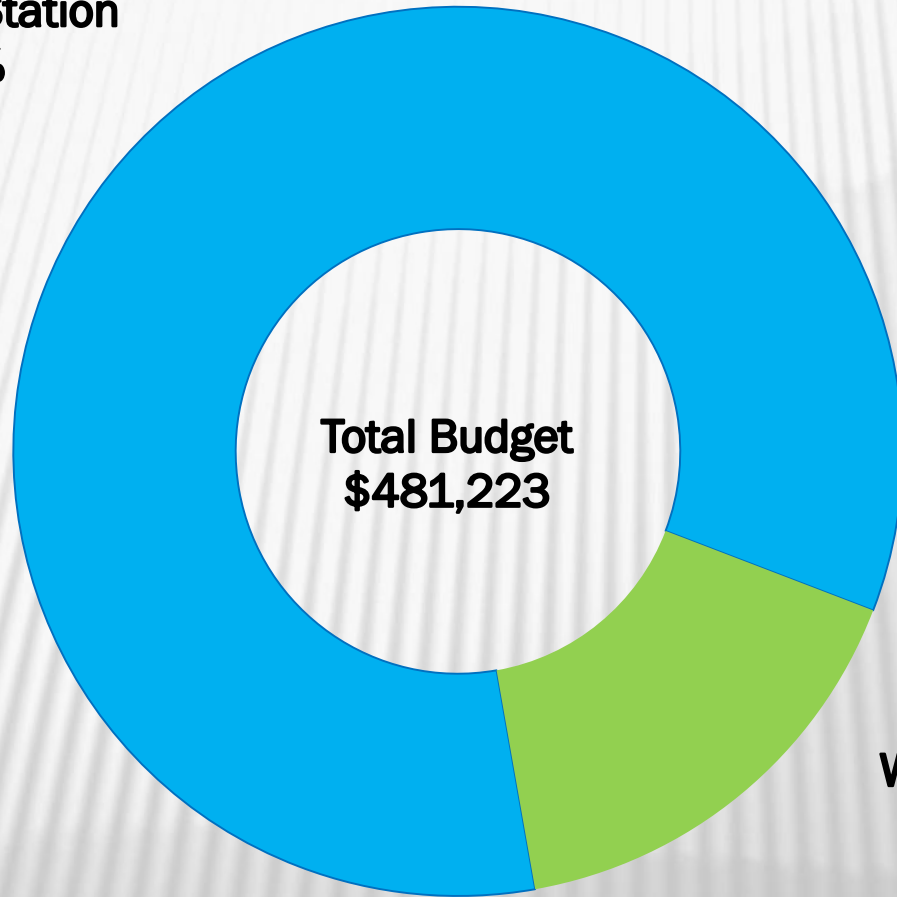


# PUBLIC WORKS



# **SANITATION**

**Transfer Station  
84%**



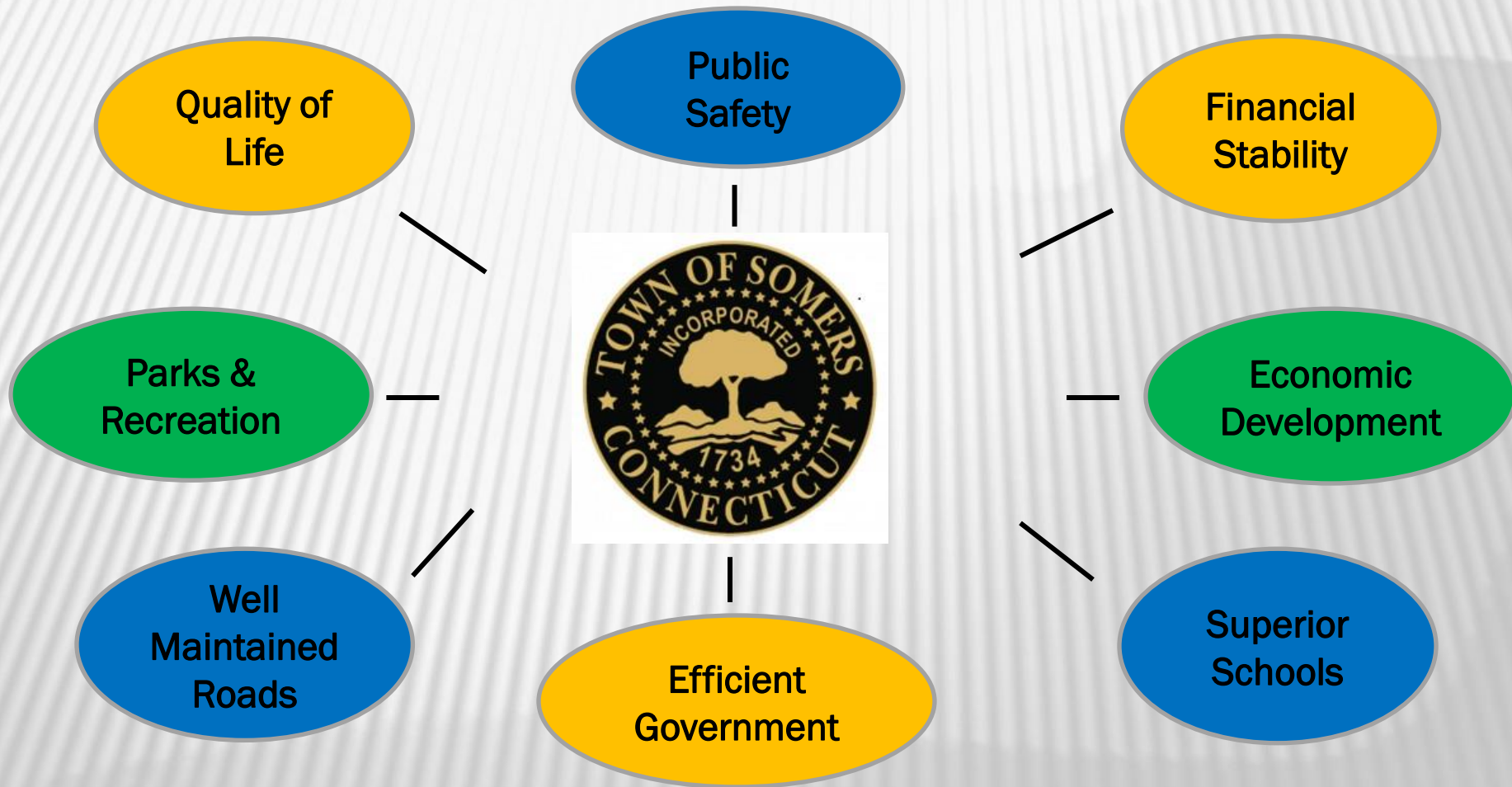
**Total Budget  
\$481,223**

**WPCA  
16%**

# **FY 2017 INITIATIVES**

***“Translating Our  
Vision into Reality”***

# FY 2017 INITIATIVES



***“A Healthy Community”***



*Dr. Maynard Suffredini*  
*Superintendent of Schools*

# **BOARD OF EDUCATION**