



TOWN OF SOMERS

Public Hearing
Proposed Annual Budget
FY 2017-2018

April 18, 2017

PROPOSED 2017-2018 BUDGET PUBLIC HEARING

Presentation of the Proposed Budget

Introduction

James Persano

Budget 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

OVERVIEW

- Provide background
- Cover Town budget highlights
- Look at Expenditure budget summary
- Cover Debt Service and Capital Projects
- Revenue budget overview
- Use of fund balance
- Mill rate growth and comparisons
- Tax impact

BACKGROUND

- Town's Grand List increased approximately \$6 million or 0.68% higher than last year (\$852 million less \$846 million)
- That slight increase results in additional tax revenue of about \$141,000
- Budgeted State aid based on the Governor's FY 2018 proposal for municipal aid (nothing else to go on)
- Legislature in the process of reviewing the Governor's budget. Deadlines: April 27th – Appropriations & April 28th – Finance. Session ends June 7th
- However, budget does not include the proposed Town contribution to the State Teachers' Retirement Fund of \$1,157,222 (Potential Board of Education Expense)

TOWN BUDGET HIGHLIGHTS

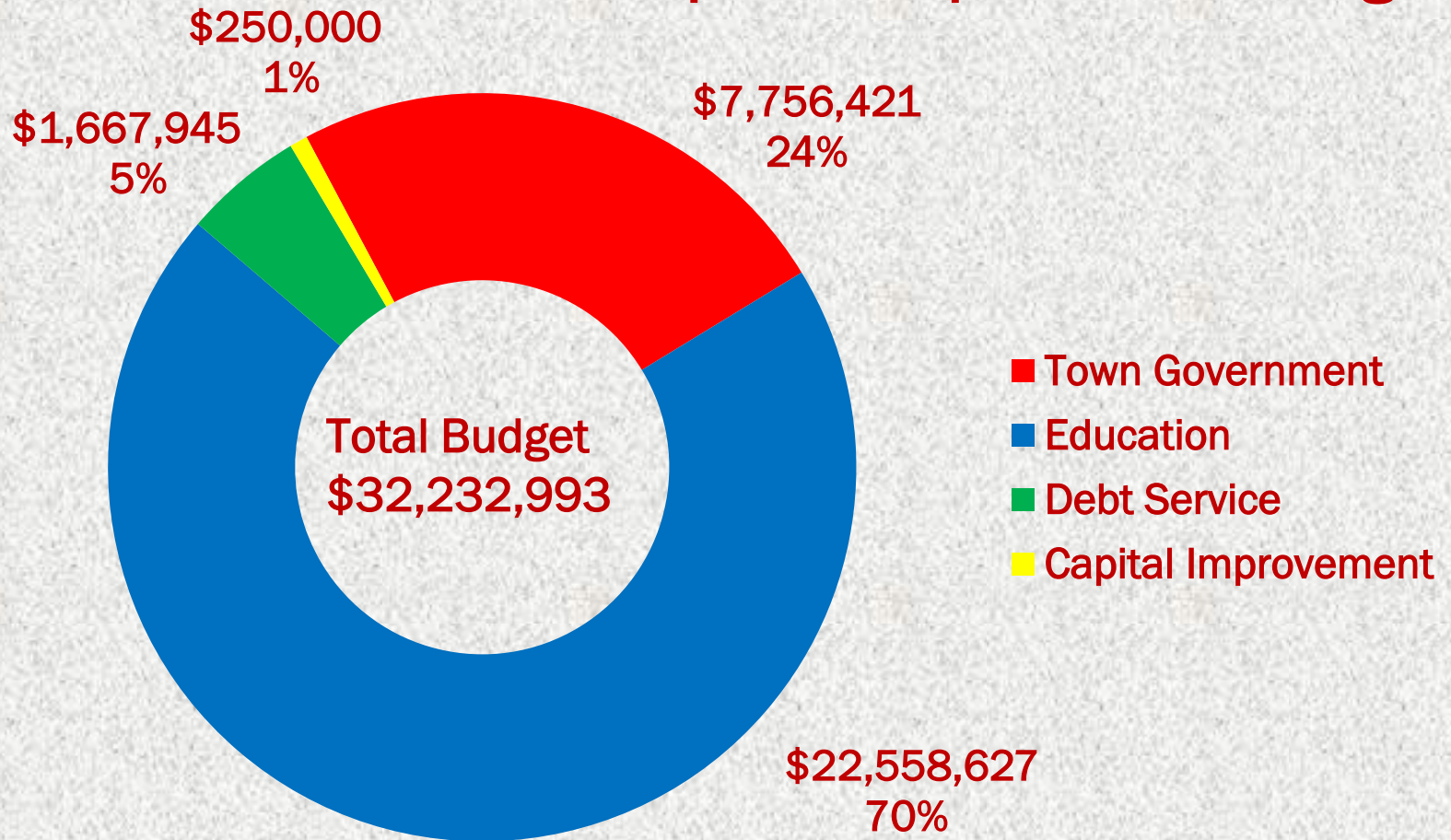
- Have attempted to hold the line on budget growth while balancing the negative effects of State aid cuts
- Proposed Town budget is \$32,232,993, an overall increase of 2.67% over last year
- General Government (Selectmen's budget) increased 4.66% over last year
- Board of Education budget increased 2.47%
- In an effort not to negatively impact our community, proposing both use of fund balance in the amount of \$803,174 and a 1.25 mill increase

EXPENDITURE BUDGET

	<u>2016-17 Adopted</u>	<u>2017-18 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Town Government	\$ 7,410,849	\$ 7,756,421	\$ 345,572	4.66%
Board of Education	22,014,859	22,558,627	543,768	2.47%
Debt Service	1,720,333	1,667,945	(52,388)	(3.05%)
Capital Improvements	250,000	250,000	0	0.0%
Totals	\$ 31,396,041	\$ 32,232,993	\$ 836,952	2.67%

WHERE DO YOUR TAX DOLLARS GO?

Proposed Expenditure Budget



DEBT SERVICE

Principal	\$ 1,305,000
Net Interest	\$ 362,945
Debt Issuance Costs	\$ 0

FY2018 Debt Service	\$ 1,667,945
FY2017 Debt Service	\$ 1,720,333
Decrease	\$ (52,388)

#	Year	Principal	Interest	Total
1	2018	\$1,305,000	\$362,945	\$1,667,945
2	2019	\$1,400,000	\$316,421	\$1,716,421
3	2020	\$1,380,000	\$268,829	\$1,648,829
4	2021	\$1,375,000	\$221,671	\$1,596,671
5	2022	\$975,000	\$185,588	\$1,160,588

CAPITAL PROJECTS

FY2018 General Fund Contribution*	\$ 250,000
FY2017 General Fund Contribution	\$ 250,000
Increase	\$ 0

Purchases being proposed by the CIP include heavy and light duty vehicles, infrastructure improvements, technology updates and ongoing lease payments.

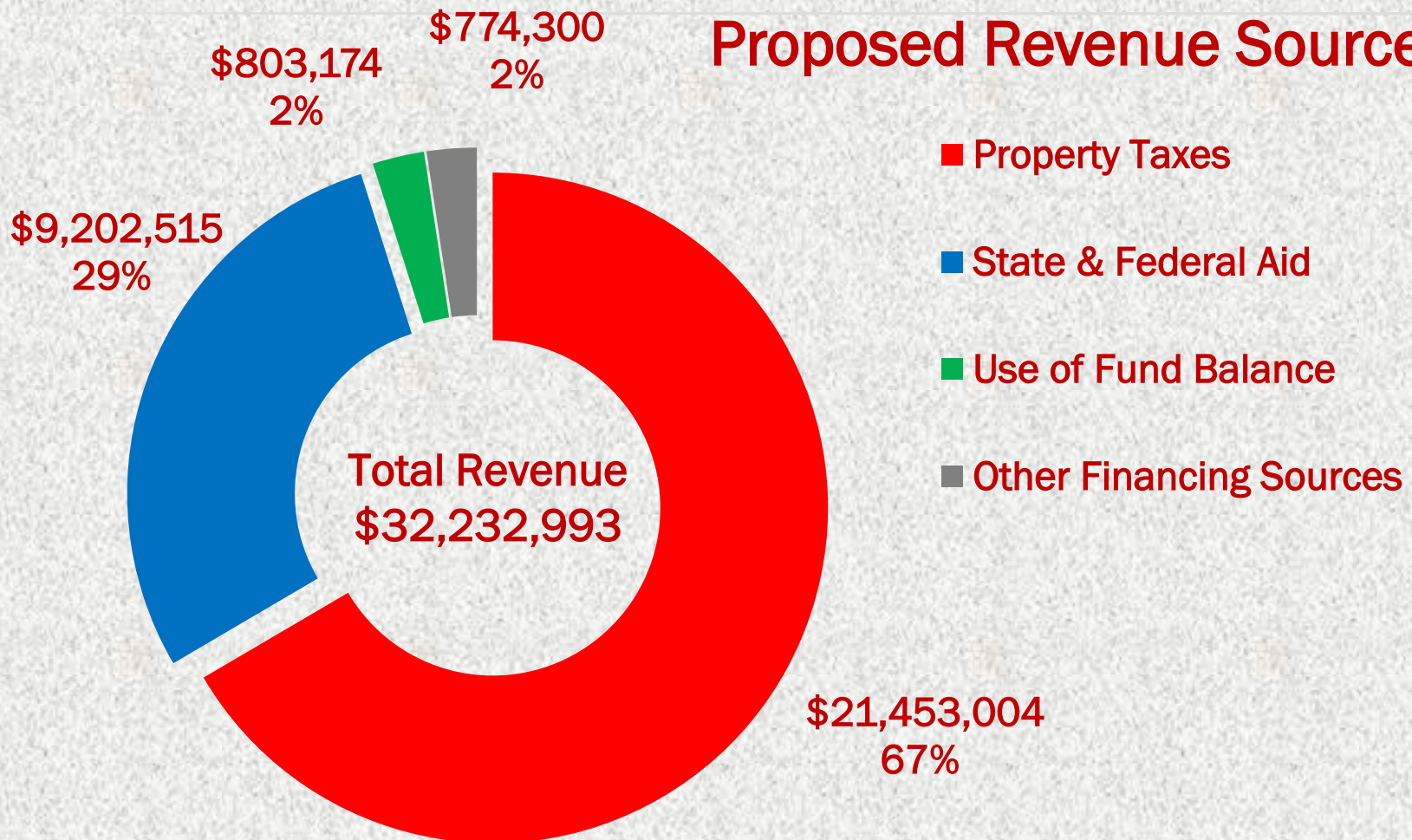
** Represents the general fund contribution to the capital equipment fund and not the cost of the proposed capital items.*

REVENUE BUDGET

	<u>FY 2016-17 Adopted</u>	<u>FY 2017-18 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Property Taxes	\$20,264,040	\$21,453,004	\$1,188,964	5.87%
State/Federal Grants	9,565,139	9,202,515	(362,624)	(3.79%)
Use of Fund Balance	559,257	803,174	243,917	43.61%
Other Financing Sources	1,007,605	774,300	(233,305)	(23.15%)
Total	\$31,396,041	\$32,232,993	\$ 836,952	2.67%

WHERE DO THE FUNDS COME FROM?

Proposed Revenue Sources



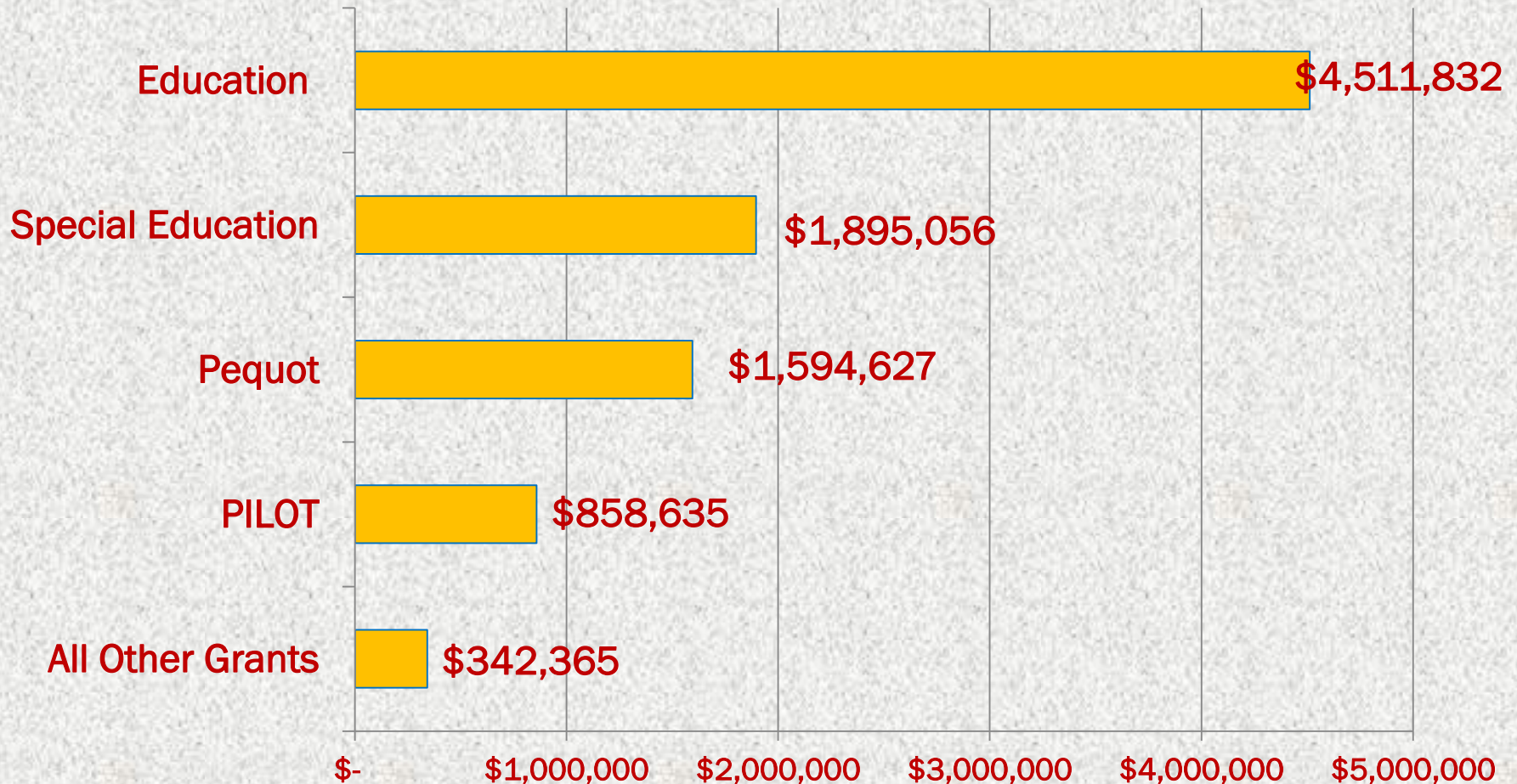
PROPERTY TAXES

TOTAL BUDGET \$21,453,004

- Increase of \$1,188,964 or 5.87% over last year's budget
- Property Taxes account for 67% of the FY 2018 Revenue in the budget
- Based on prior collection history we have assumed a 98.5% tax collection rate
- Continue to expect modest increases in delinquent tax revenue collections

STATE & FEDERAL AID

TOTAL BUDGET \$9,202,515



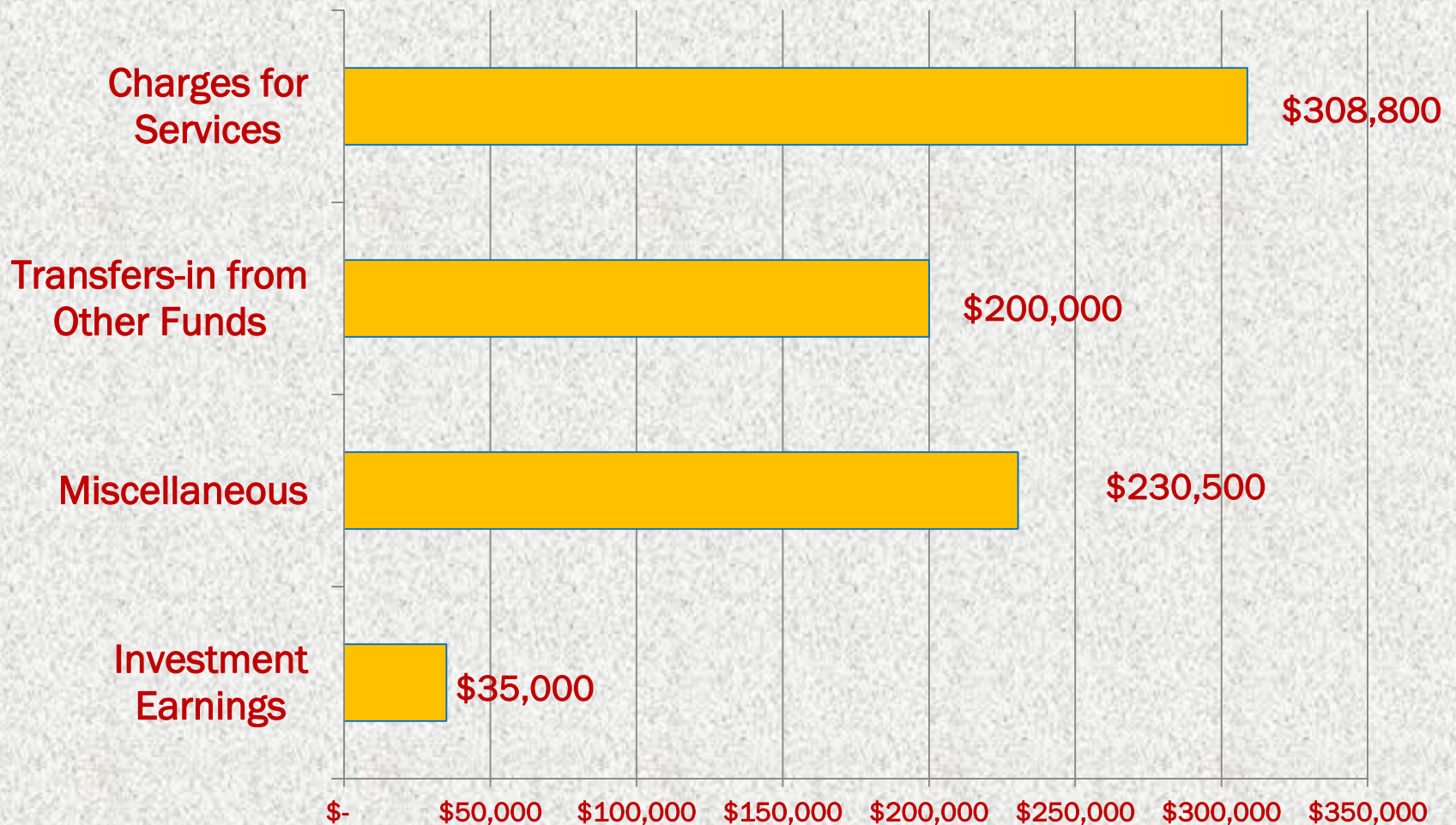
USE OF FUND BALANCE

Fund balance is the cash that the Town has accumulated from prior year budgets when revenues exceeded actual expenditures.

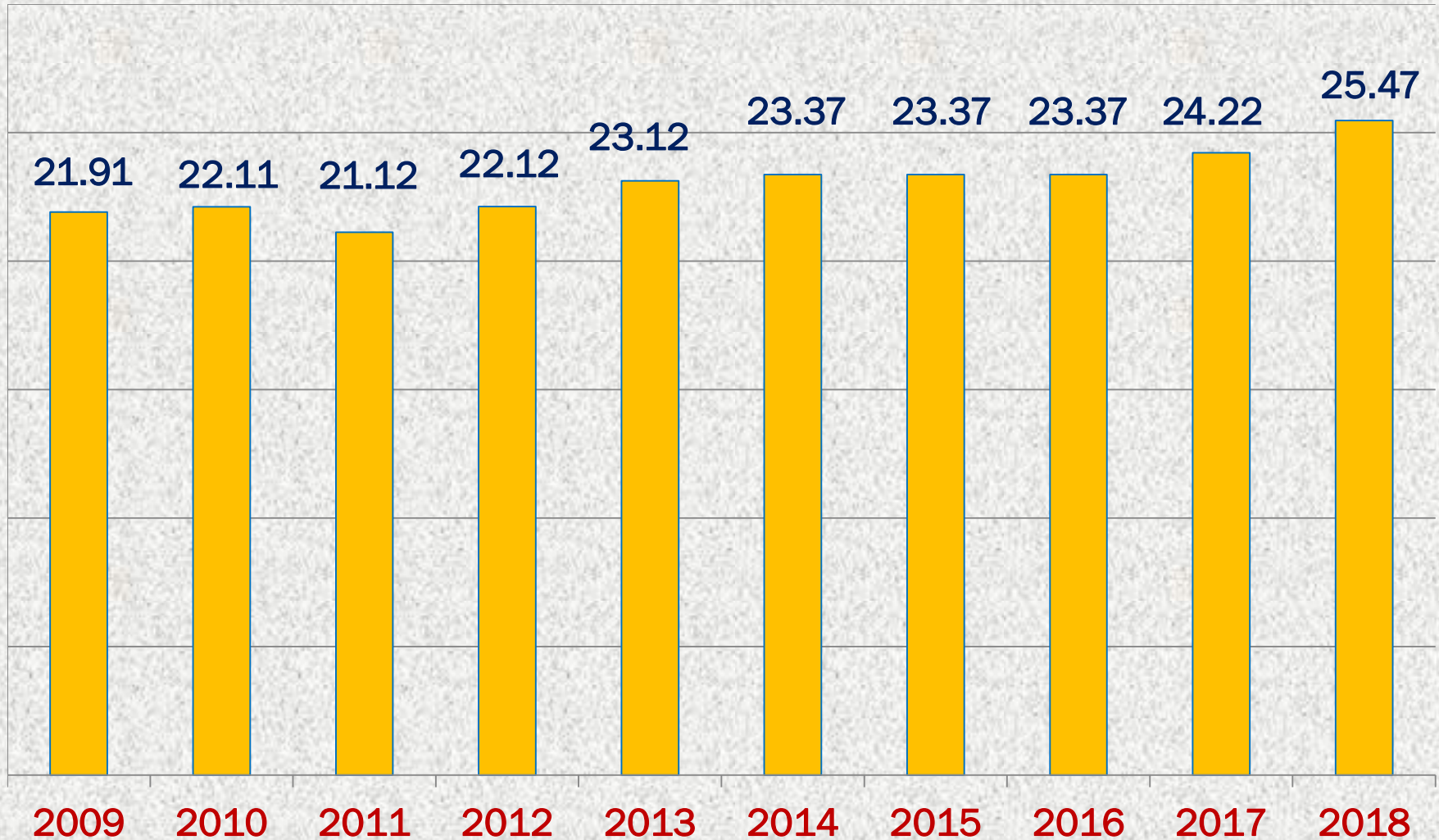
FY2018 General Fund Contribution	\$ 803,174
FY2017 General Fund Contribution	\$ 559,257
Increase	\$ 243,917
Unrestricted fund balance	\$6,144,025
Less: reserves	\$4,834,949
Available for use	\$1,309,076

OTHER FINANCING SOURCES

TOTAL BUDGET \$774,300



SOMERS HISTORICAL MILL RATE



Since 2013 (5 years) will be only a 2.35 mill rate increase

MILL RATE COMPARISONS

Surrounding Communities

<u>Town</u>	<u>Prior Year Mill Rate FY 2014-15</u>	<u>Previous Year Mill Rate FY 2015-16</u>	<u>Current Year Mill Rate FY 2016-17</u>	<u>Proposed Mill Rate FY 2017-18</u>	<u>Tax on \$200,000 Assessed Value FY 2017-18</u>
Somers	23.37	23.37	24.22	25.47	\$5,094
Suffield	27.12	27.78	28.20	Undecided	\$5,640 (17)
Ellington	28.70	30.50	30.50	33.80	\$6,760
Union	29.00	29.60	30.27	Undecided	\$6,054 (17)
East Windsor	29.78	30.31	30.93	31.78	\$6,356
Stafford	33.03	33.37	33.51	Undecided	\$6,702 (17)
Tolland	31.05	33.36	34.19	40.07	\$8,014

Other towns are experiencing significant mill rate increases

TAX INCREASE IMPACT

PROPERTIES AT VARIOUS ASSESSED VALUES

Assessed Value	Tax with Mill Rate 24.42	Tax with Mill Rate 25.47	Annual Tax Increase	Monthly Equivalent	Weekly Equivalent
\$100,000	\$2,442	\$2,547	\$105	\$8.75	\$2.02
\$188,900*	\$4,613	\$4,811	\$198	\$16.50	\$3.81
\$200,000	\$4,884	\$5,094	\$210	\$17.50	\$4.04
\$250,000	\$6,105	\$6,368	\$263	\$21.92	\$5.06
\$300,000	\$7,326	\$7,641	\$315	\$26.26	\$6.06
\$400,000	\$9,768	\$10,188	\$420	\$35.00	\$8.08

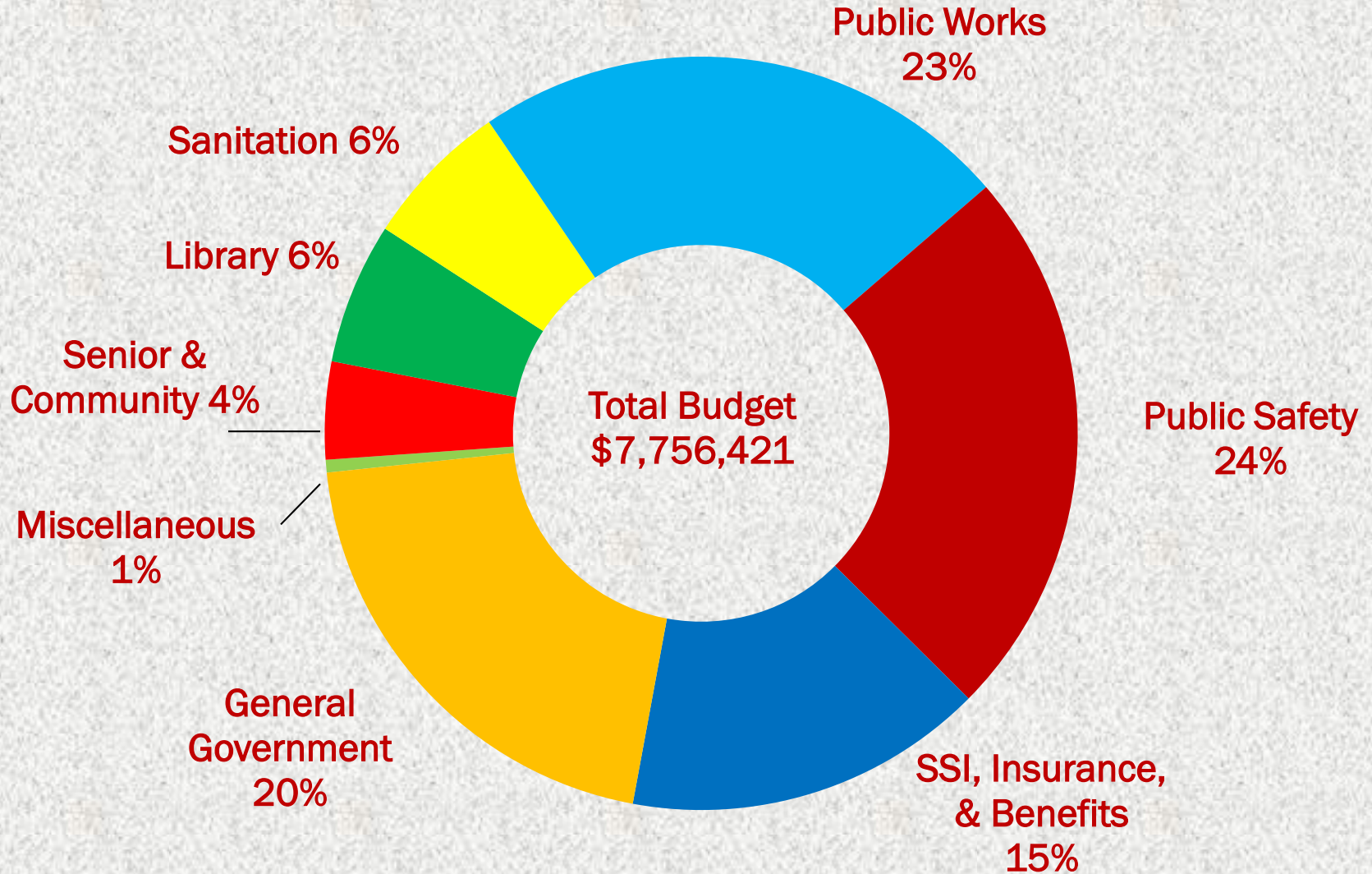
* Median assessed value



Lisa Pellegrini
First Selectman

TOWN GOVERNMENT

TOWN GOVERNMENT



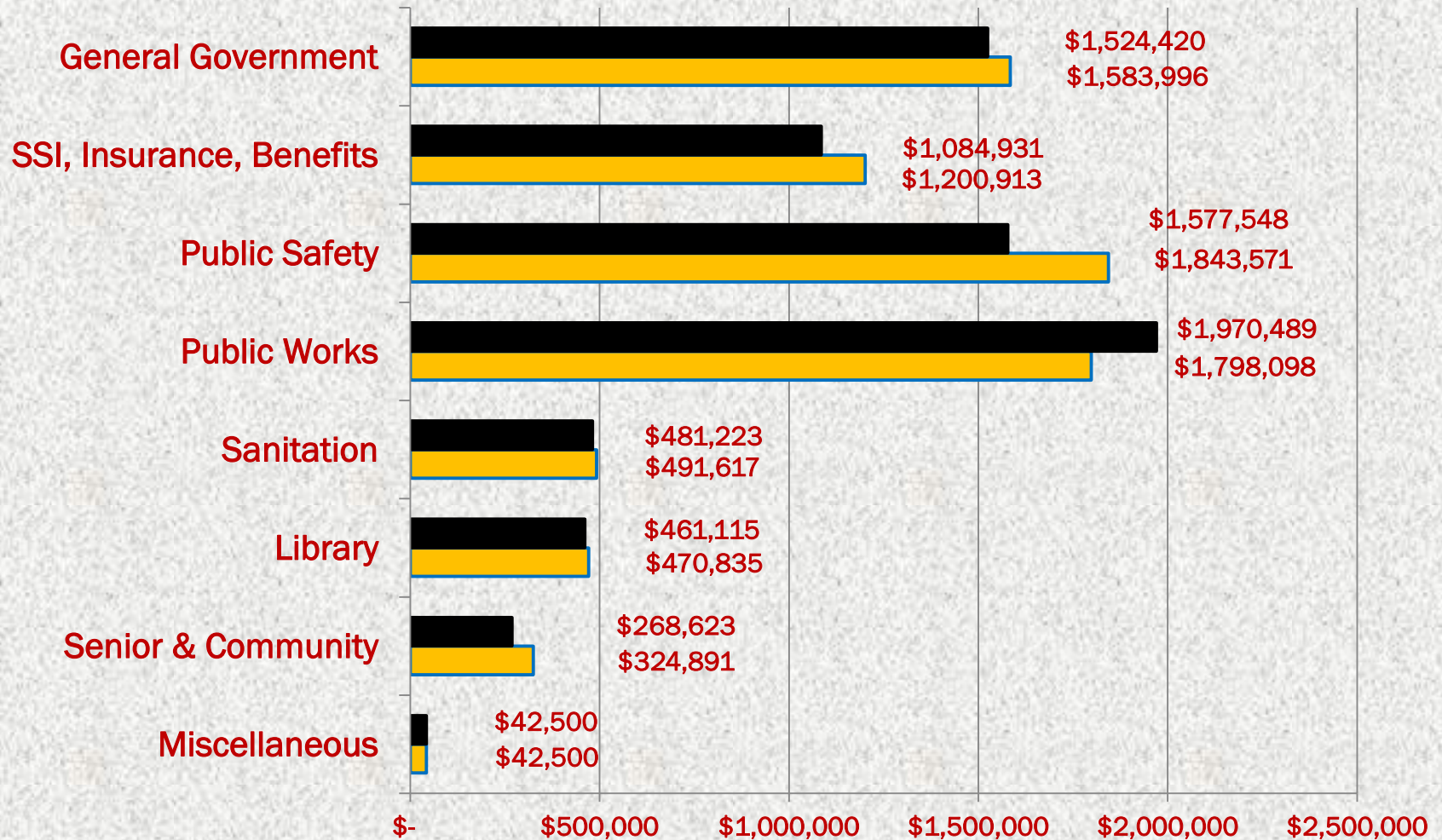
TOWN GOVERNMENT

2017

FY 2017 BUDGET \$7,410,849

2018

FY 2018 BUDGET \$7,756,421 - 4.66% INCREASE



BUDGET IMPACT TO SOMERS

PROTECTING OUR COMMUNITY

- Towns are now responsible for 100% of costs associated with the Resident State Trooper program
- Also, an additional \$750 surcharge for each constable supervised by Trooper
- Somers Police budget up 33.5% or \$252,914
- 98.8% of increase related to Resident Trooper line item

BUDGET IMPACT TO SOMERS

PROTECTING OUR COMMUNITY

- Considerable discussion among Selectmen and Police Administration regarding:
 - Budget options and course of action (various proposals)
 - Police Department make-up (Constables & Troopers)
 - Managing resources
 - Weighing cost of policing and associated benefits
 - Potential future issues

STAFFING CHANGES

Total staff FY 2017	57.5
<i>Additions:</i>	
✦ Recreation Coordinator	1.0 FTE
<i>Decreases:</i>	
✦ DPW Maintainer	2.0 FTE
✦ Recreation Assistant	0.5 FTE
Net Change/Decrease	(1.5)
Proposed Staff FY 2018	56.0

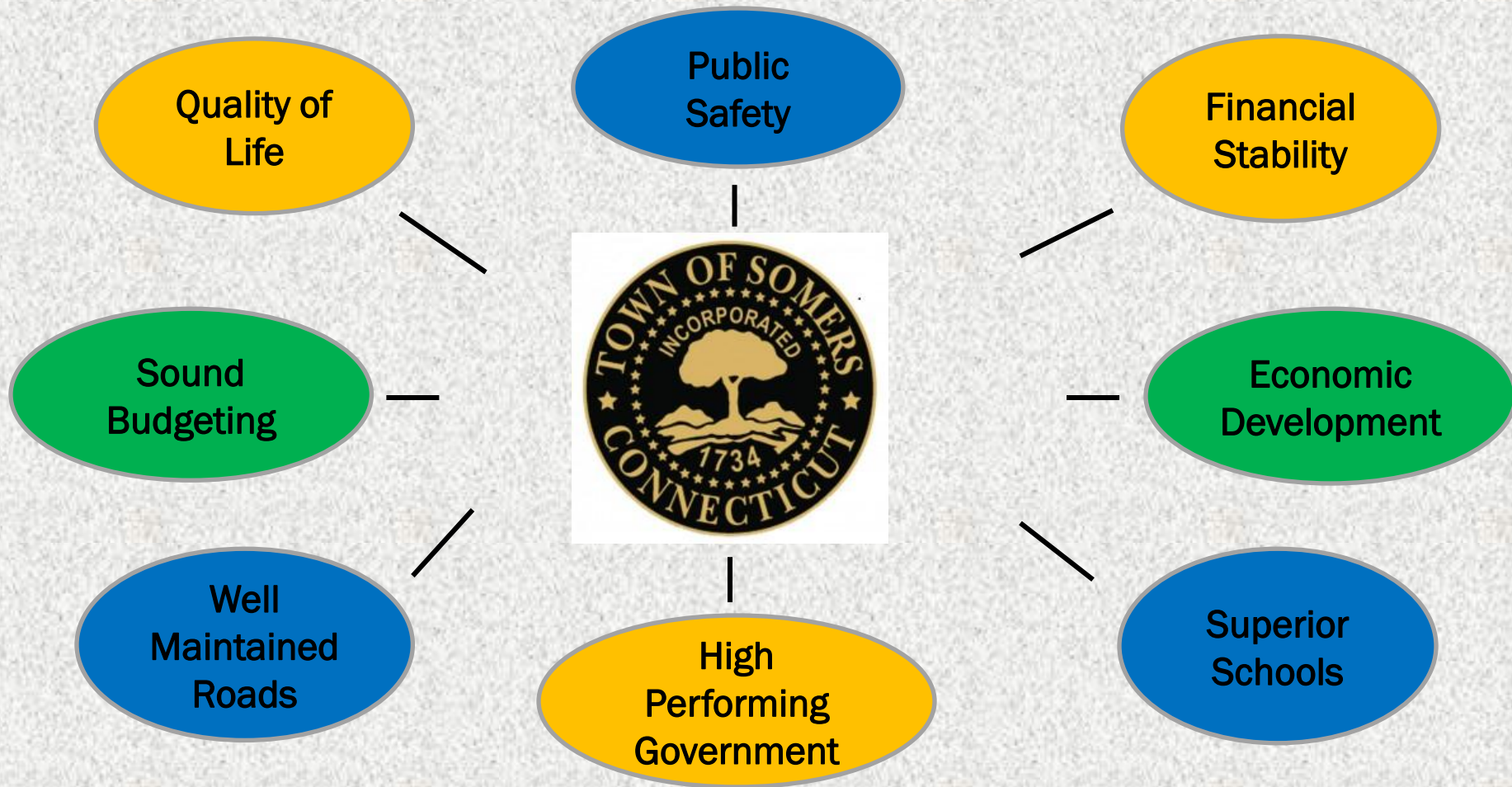
SELECTMEN'S BUDGET HIGHLIGHTS

- Total Selectmen budget 4.66% increase over last year
- Cost drivers include health insurance premiums and cost of policing
- Without the policing increase, the budget increase would have been 1.23%
- Staffing reduction of 1.5 full time equivalent positions
- Assumes the resurfacing of 3.5 miles of Town roads
- As previously mentioned, will require both the use of fund balance as revenue and a 1.25 mill rate increase

FY 2018 CHALLENGES

“Hold the line on our budget growth while balancing the negative effects of State aid cuts”

FY 2018 BUDGET OBJECTIVES



“A Healthy Community”

SELECTMEN'S PROPOSED BUDGET

***Thank you to Town Department Heads,
Finance Department, and Chief Financial
Officer for their help in preparing the
Selectmen's Budget.***

TOWN'S PROPOSED BUDGET

**Budget Documents Available
Online at:**

www.somersct.gov

***Binders also available at the Town Clerk,
Library and Senior Center***



Dr. Maynard Suffredini
Superintendent of Schools

BOARD OF EDUCATION