

## FACTS ABOUT SOMERS FISCAL 2019 BUDGET

The following information is provided to educate the reader about unsubstantiated claims made by those advocating to vote down the Town's proposed FY 2019 Annual Budget. It answers point-by-point statements made in the "Vote No" flyer posted on social media and handed out at Town meetings.

### 1) CLAIM IN FLYER:

The budget expenditures are reasonable – no cuts

#### FACT:

Agreed, the budget expenditures in the total proposed annual budget have increased 0.08%. The Board of Selectman's budget declined (3.7%) and the Board of Education's budget increased 1.17%. The FY 2019 proposed budget rolls back the spending levels 3 years to FY 2016.

### 2) CLAIM IN FLYER:

The budget income is flawed

- Proposed State aid is understated by 0.8 million dollars (1 .0) mills
- Town surplus is 11.5 million, none is used in the budget
- State aid amount is undetermined, until a State budget passes. (How can you have a Town budget if income is unknown)

#### FACT:

The budget income is flawed

Disagree, it is accurate and supported

- Proposed State aid is understated by 0.8 million dollars (1 .0) mills  
This claim is based on the flawed assumption the State aid for capital projects should be included in the General Fund budget. These include Town Aid Roads and Municipal Projects both of which are deposited in the Town's Town Aid Road Fund and a State LoCIP allocation which is not revenue, but a reimbursement allocation.
- Town surplus is 11.5 million, none is used in the budget  
The \$11.5 million being referred to represents the sum of all of the Town's fund balances including the Pension Trust fund, Library Trust fund, the Cemetery Trust fund, etc. These amounts have a restricted use and it would be illegal to use them to fund the annual operating budget of the Town. This demonstrates a lack of understanding on their part of the "Vote No" flyer. If they possess the financial acumen they claim to have they can easily verify this in the Town's audited financial statements posted on its web site.

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- State aid amount is undetermined, until a State budget passes. (How can you have a Town budget if income is unknown)

**This is untrue. The State aid allocation amounts are known.**

**Since the State passed a 2-year budget in October 2017 the state aid estimates for FY 2019 have been available to all municipalities. In February, the Governor reduced from that estimate, Education (ECS) funding across the board for all towns. As of this writing, with the exception of ECS funding, the State Budget aid to Somers in the Town's proposed budget is exactly the same as the State's FY 2019 estimates of town aid with the exception of ECS which the Governor reduced. In the Town's proposed budget, we chose to use the Governor's proposed amount because even if lawmakers subsequently override his reductions, he can potentially veto and nullify their action. The Town receives its State aid estimates from the Office of Policy and management (OPM). We further verified these amounts with Senator Kissel's office as the authors of the flyer have claimed to do. If the writers of the "Vote No" flyer believe there is an understatement of State aid, it is either because they are confused or they have made the wrong assumptions. They have been unable to reconcile the two amounts: theirs versus the Towns.**

### **3) CLAIM IN FLYER:**

**Budget increases taxes 1.9 mills in addition to 1.0 mill Supplement (sic) Tax in Feb  
2.9 mills increase in 2018  
\$870 increase in 2018 per \$300,000 of property tax assessment**

#### **FACT:**

**Budget increases taxes 1.9 mills in addition to 1.0 mill Supplement (sic) Tax in Feb  
2.9 mills increase in 2018**

**The proposed FY 2019 annual budget that is before the voters, if passed, has an estimated mill increase of 0.9 mills associated with it. It would result in a property tax increase directly proportionate to the reduction in State aid to the Town. Any other mill rate numbers cited by the authors are related to the current budget year FY 2018. Your vote will not change what is already in place in FY 2018. The Supplemental Tax levy was needed to cover a significant shortfall in State aid. If you take a broader view, in FY 2017 and FY 2018, \$1.4 million of General Fund reserves were used to offset what could have been further tax increases due to State aid cuts. This use of reserves equated to a 1.6 mill rate savings to taxpayers.**

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### 4) CLAIM IN FLYER:

Town can meet expenditures with a mill rate of 26.2 mills. Budget proposes 27.37 mills

#### FACT:

Town can meet expenditures with a mill rate of 26.2 mills. Budget proposes 27.37 mills

**This claim is totally false and made based on conjecture rather than documented support. The proposed tax rate of 27.37 is what would be needed to generate the revenue in FY 2019 to cover the proposed expenditures. If you agree that the "Budget Expenditures Are Reasonable – No Cuts" as stated in Claim #1 above, then you will require the mill rate proposed by the Town at 27.37 mills to fund that level of expenditures. The 26.2 mill rate offered by the authors of the flyer is not supported by a sound analysis and would result in revenue shortfalls. If we had the proposed 26.2 mill rate, the Town would experience a revenue shortfall of \$993,255. This deep of a cut on top of an already lean expenditure budget would negatively impact education and Town service levels. Also, further Town budget education cuts could possibly bring us to a point where we would be in violation of the State's Minimum Budget Requirement (MBR) for education. This would be considered breaking the law and would further reduce State education funding by imposing penalties and reductions in the Town's ECS funding.**

#### FINAL WORD:

The Town has taken every prudent and responsible step to balance the effect of State aid cuts and mitigate tax increases. Over the past 6 years the Town's mill rate has gone up 3.1 mills. That is an average increase of 0.5 mills per year. In that same timeframe the Town has used the equivalent of 1.6 mill worth of reserve fund balance to stabilize and defer tax increases. We have been fiscally responsible in the management of the Town's finances. However you choose to vote make sure it is based on factual information. Thank you.