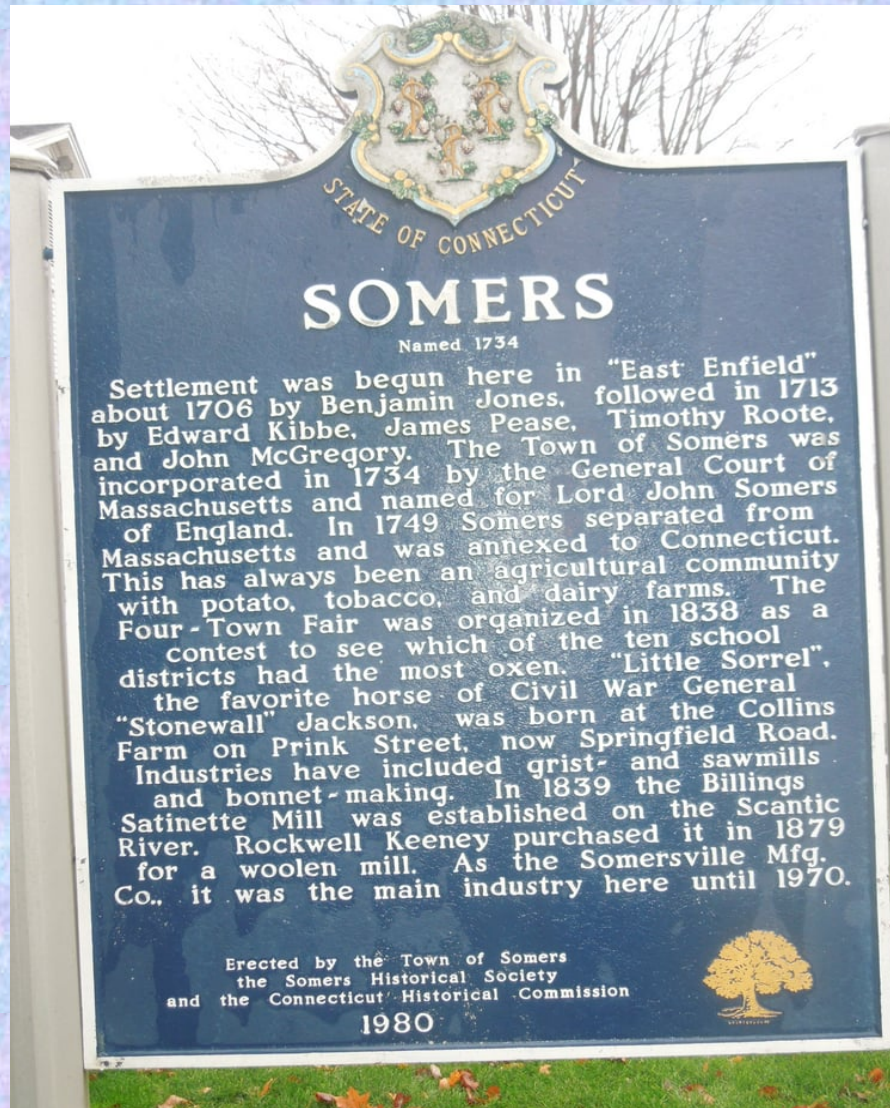


# PUBLIC HEARING

## PROPOSED ANNUAL BUDGET - FY 2019-2020



April 23, 2019

# PROPOSED 2019-2020 ANNUAL BUDGET PUBLIC HEARING

*The Board of Finance thanks you for attending this evening's annual budget public hearing. We recognize that good, responsive, government depends on your interest and involvement. This evening's program will include the following:*

## AGENDA

Welcome	Board of Finance, Chairman	James Persano
Board of Education	Superintendent of Schools	Brian Czapla
Board of Selectman	First Selectman	Bud Knorr
Overall Budget	Chief Financial Officer	Michael Marinaccio
Public Comments and	Board of Finance, Member	Joseph Tolisano
Wrap Up		



# WELCOME

*Jim Persano*

*Chairman, Board of Finance*

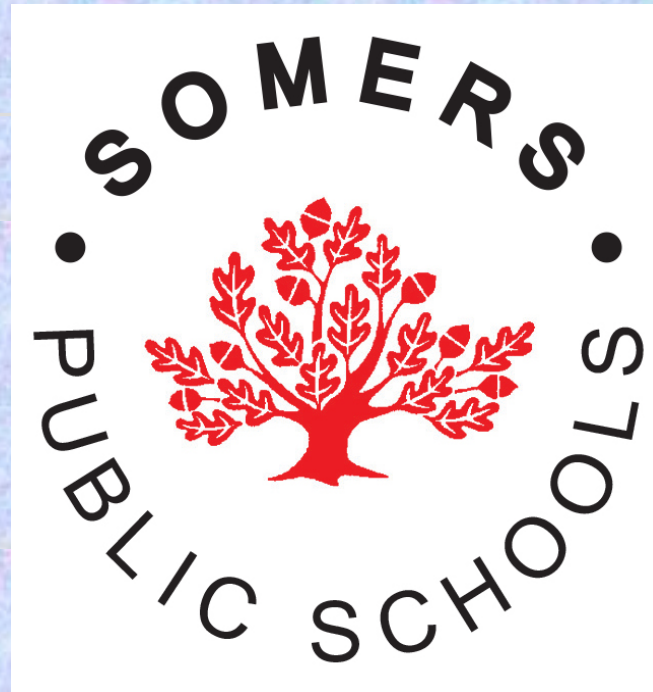




# **BOARD OF EDUCATION SCHOOL BUDGET**

*Brian Czapla*

*Superintendent of Schools*



**2019-20**  
**Board of Education**  
**Budget**

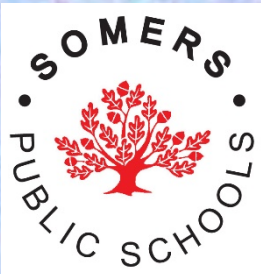


# Agenda

Challenges and Priorities

Proposed Budget & Impacts

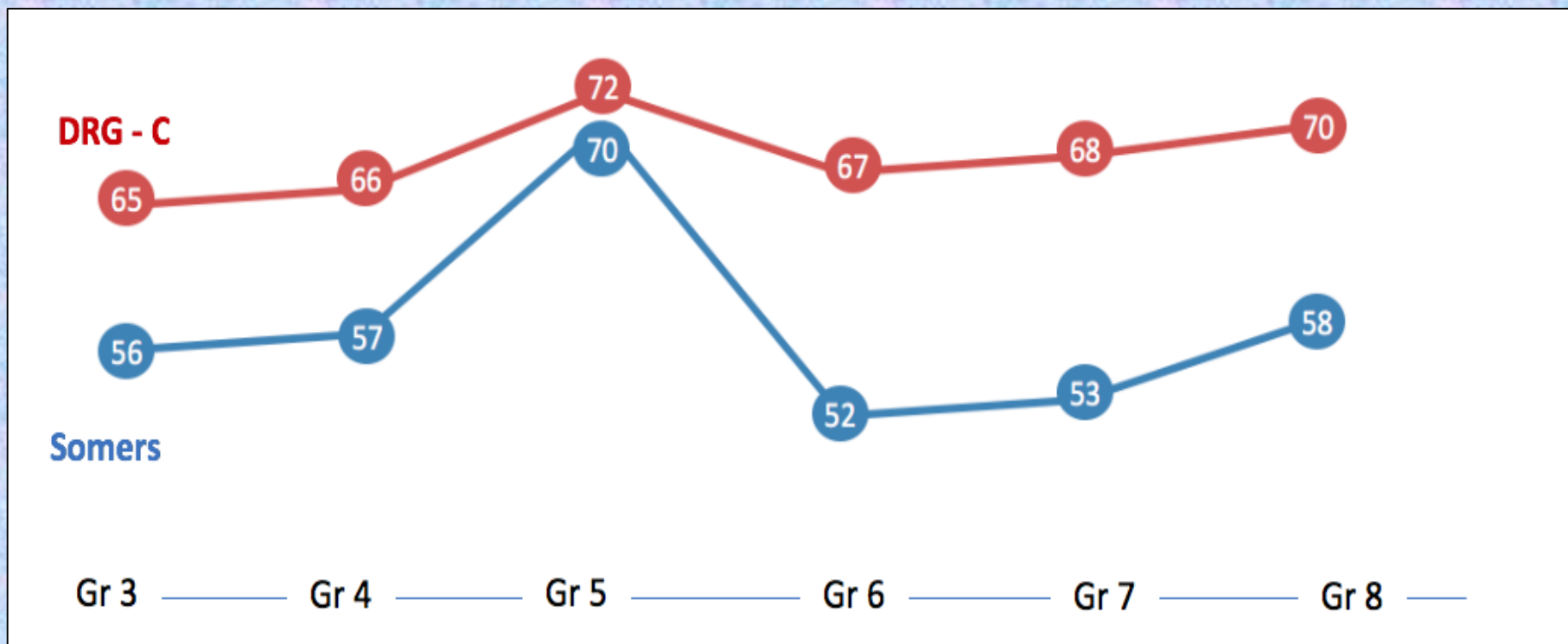
Comparisons

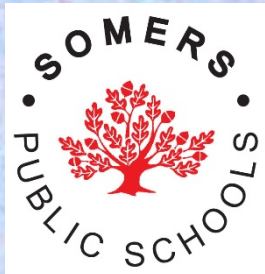


# Challenges and Priorities

Academic Achievement  
2018 Smarter Balanced Assessments

## English Language Arts

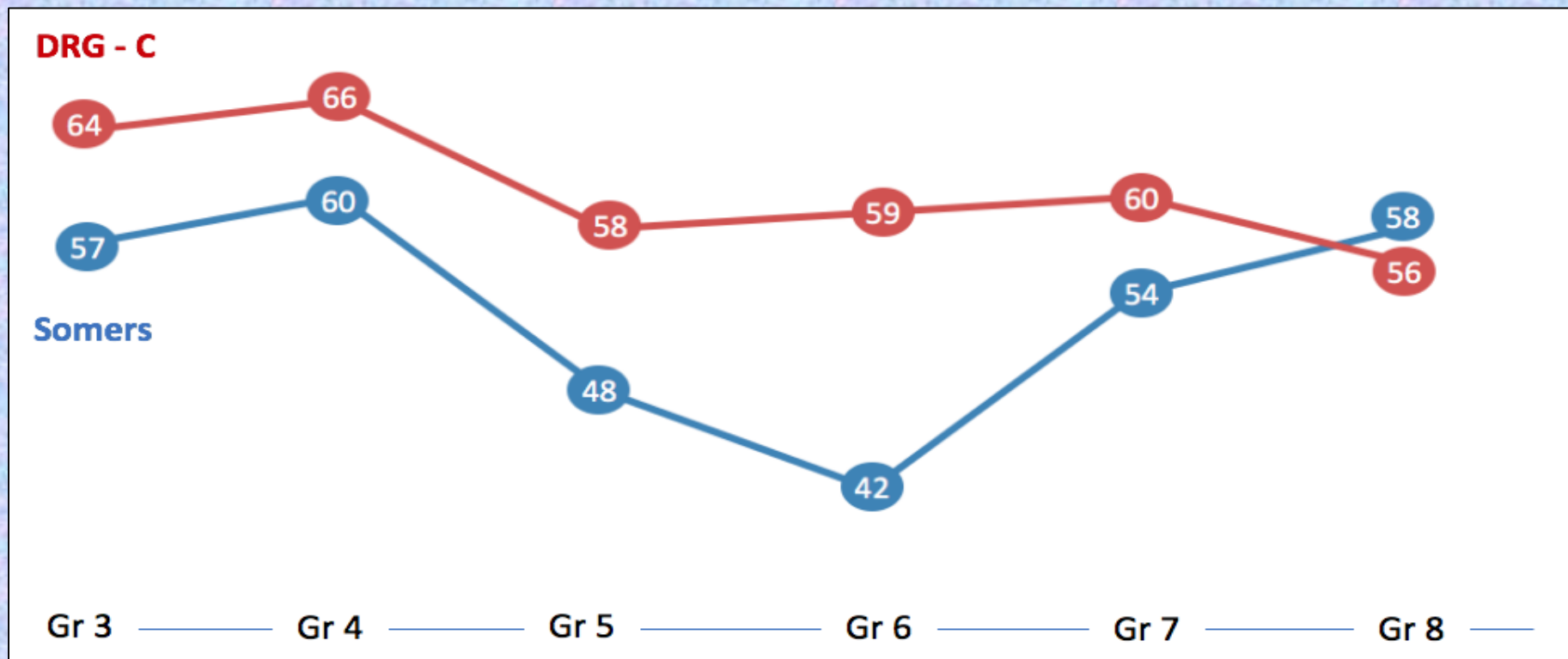




# Challenges and Priorities

## Academic Achievement 2018 Smarter Balanced Assessments

### Mathematics







# Challenges and Priorities

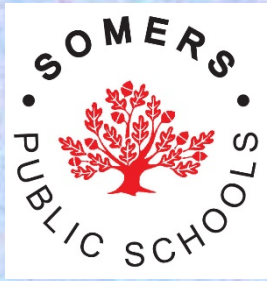
## Mental Health

### NATIONALLY

- Mental Health: 20%
- Mood disorders: 11%
- Anxiety disorders: 8%
- Conduct disorders: 10%

### SOMERS

- 504 Caseload: 74% increase (since 2015-16)
- Special Education (since 2009-10):
  - ADHD: 370% increase
  - Autism: 93% increase
  - Emotional: 69% increase
- DCF/ Foster Placements
- Homeless Students

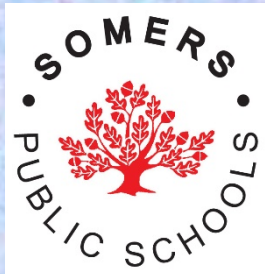


# 2019-20 Proposed Budget

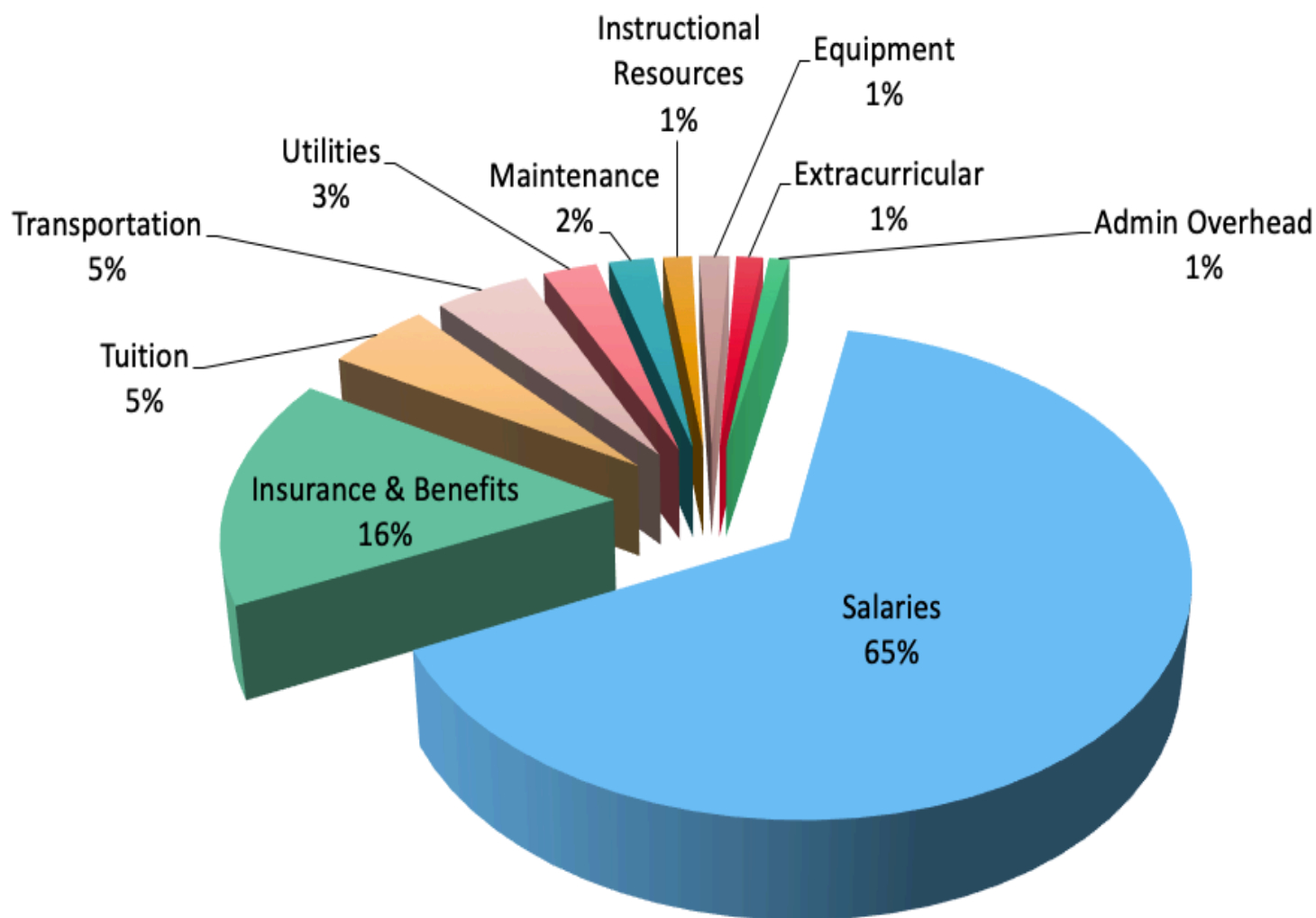
**Proposed Budget: \$23,884,137**

**Increase: \$1,061,626**

**% Change: 4.65%**



# Budget Summary by Category



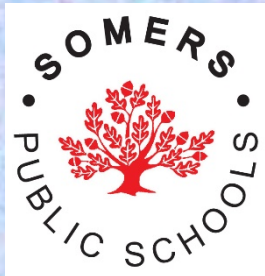


# Budget Breakdown

Nondiscretionary	Proposed Budget	% of Budget
Salaries	\$15,684,432	65.7%
Insurance & Benefits	\$3,823,025	16.0%
Tuition	\$1,206,200	5.0%
Transportation	\$1,100,480	4.6%
Utilities	\$615,300	2.7%
Subtotal	\$22,115,093	94.0%

Discretionary	Proposed Budget	% of Budget
Maintenance	\$529,215	2.2%
Equipment	\$349,340	1.5%
Instructional Resources	\$337,750	1.4%
Administrative Overhead	\$238,395	1.0%
Subtotal	\$1,769,044	6.0%

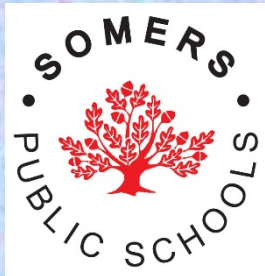




# Significant Impacts

## CONTRACTUAL OBLIGATIONS

Salaries	\$467,716
Insurance & Benefits	\$232,700
Tuition	\$121,700
Transportation	\$44,000
Utilities	-\$6,300
<hr/>	
TOTAL	\$859,816



# Significant Impacts

## INSTRUCTIONAL RESOURCES

(\$54,000 reduction in 2018-19)

**\$71,790**

## ADMINISTRATIVE OVERHEAD

(\$25,000 reduction 2018-19)

**\$56,375**

## EQUIPMENT

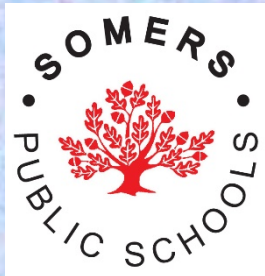
(\$71,000 reduction in 2018-19)

**\$49,830**

## MAINTENANCE

(\$20,000 reduction in 2018-19)

**\$23,815**



# Significant Impacts

## Summary

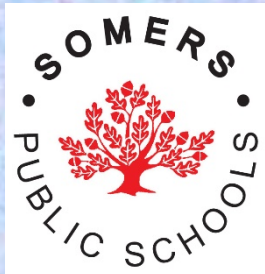
Obligations	\$859,816	3.80%
Instructional Resources	\$71,790	0.30%
Admin Overhead	\$56,375	0.24%
Equipment	\$49,830	0.21%
Maintenance	\$23,815	0.10%
<b>TOTAL</b>	<b>\$1,061,626</b>	<b>4.65%</b>



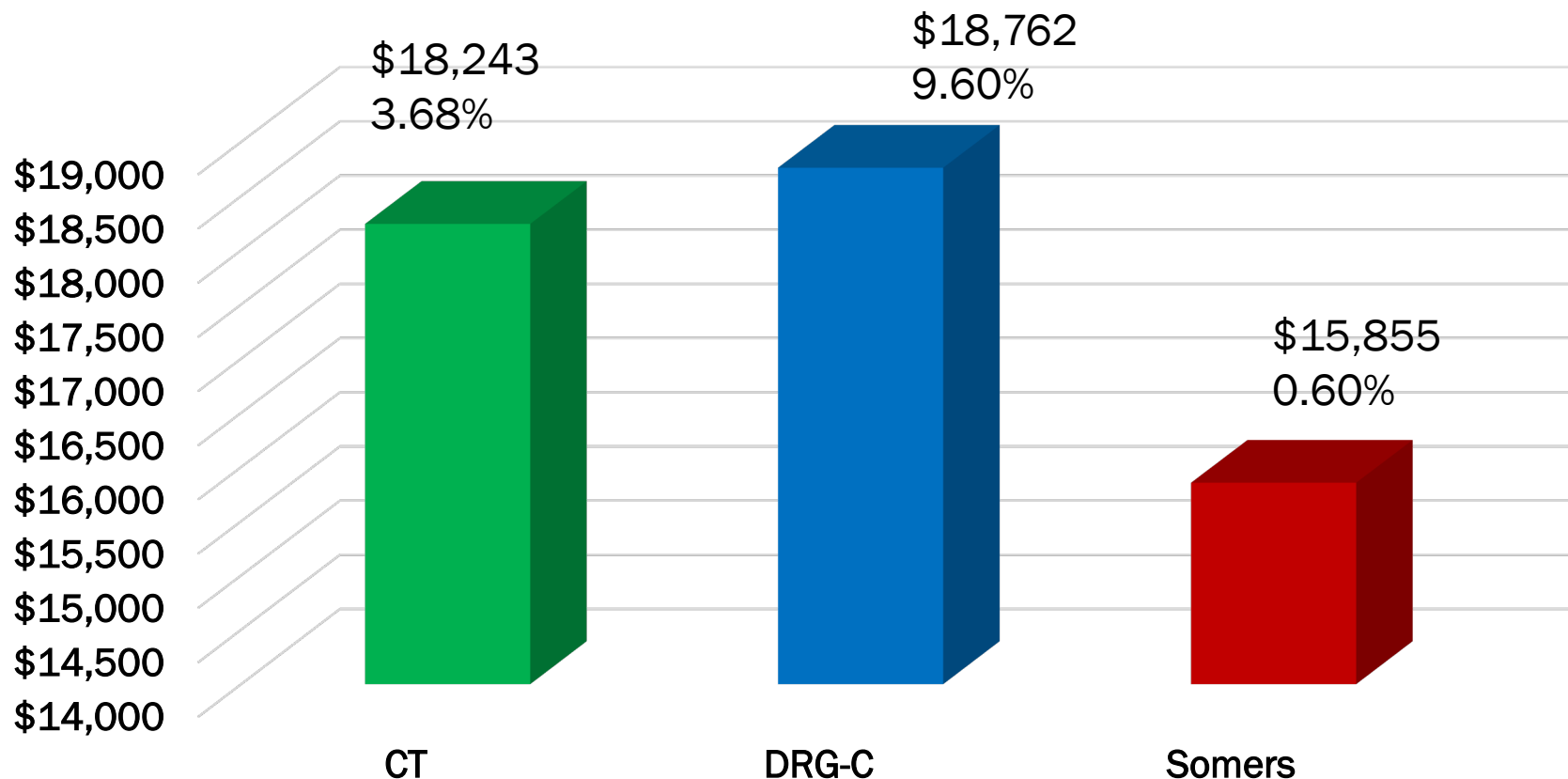
# Requests Not Funded

Items Requested	Amount
Math Interventionists (2)	\$152,000
District Wide 504 Coordinator	\$76,000
Grade 5 Teacher	\$76,000
SES Reading Consultant	\$76,000
School Counselor	\$76,000
Safety and Security Officer	\$55,000
Part-time Kindergarten Paraeducators	\$50,000
Maintenance & Security Projects	\$25,000
SES Furniture Needs	\$10,000
Team Leader Positions	\$6,000
<b>TOTAL</b>	<b>\$602,000</b>





# Per Pupil Expenditures (PPE) Comparisons

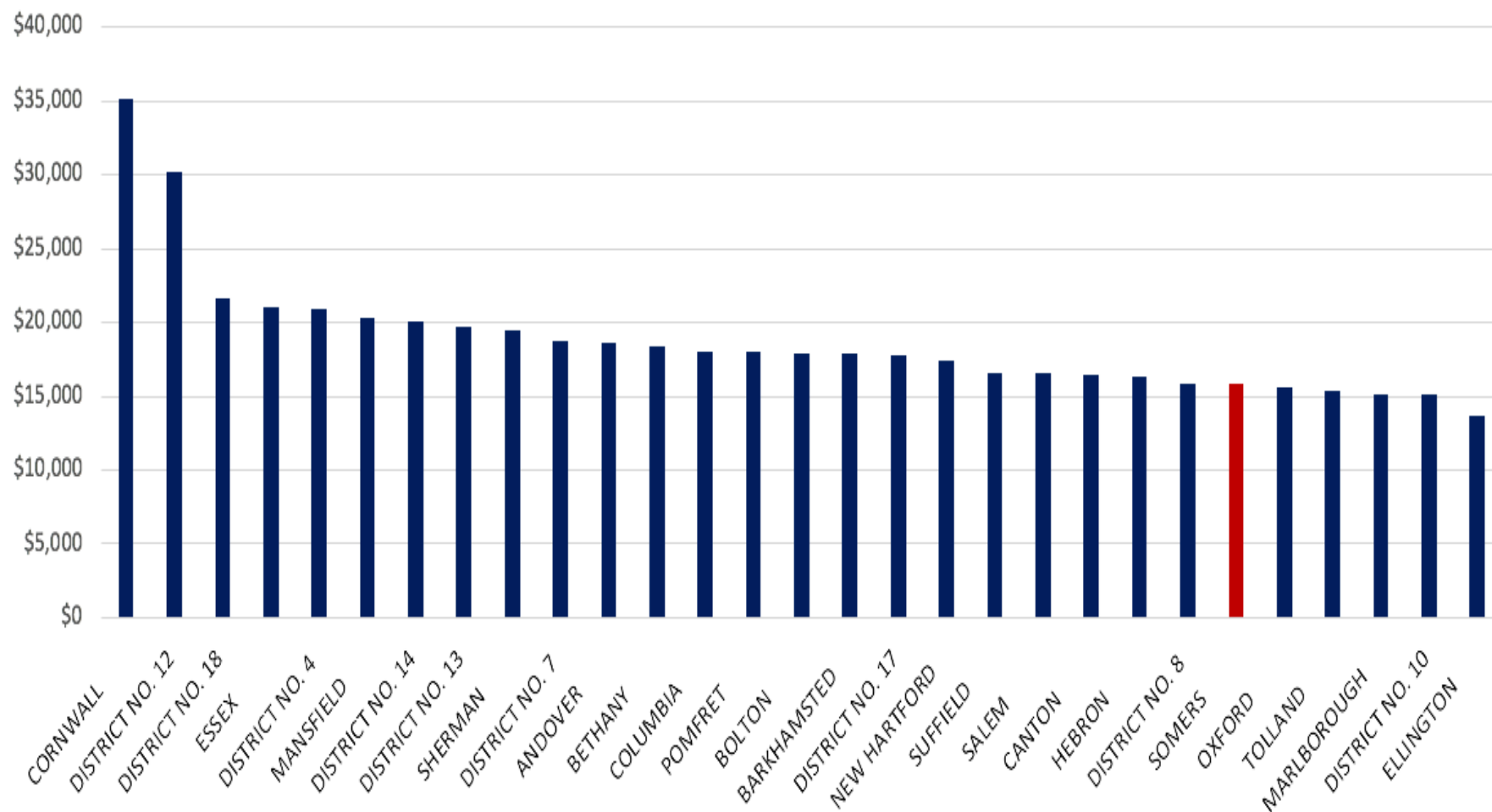


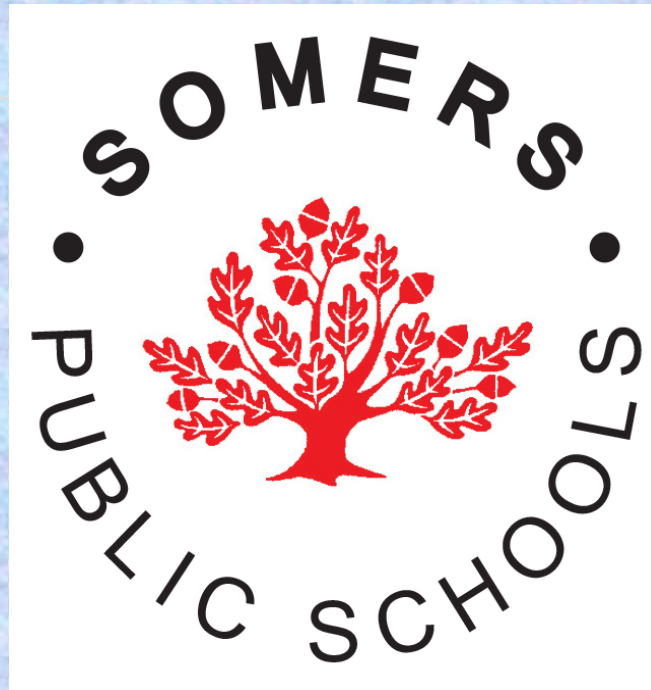
*Source: Connecticut State Department of Education, 2017-18 Net Current Expenditures Per Pupil*



# DRG - C

## Per Pupil Expenditure Comparisons





# **2019-20**

## **Board of Education**

### **Budget**



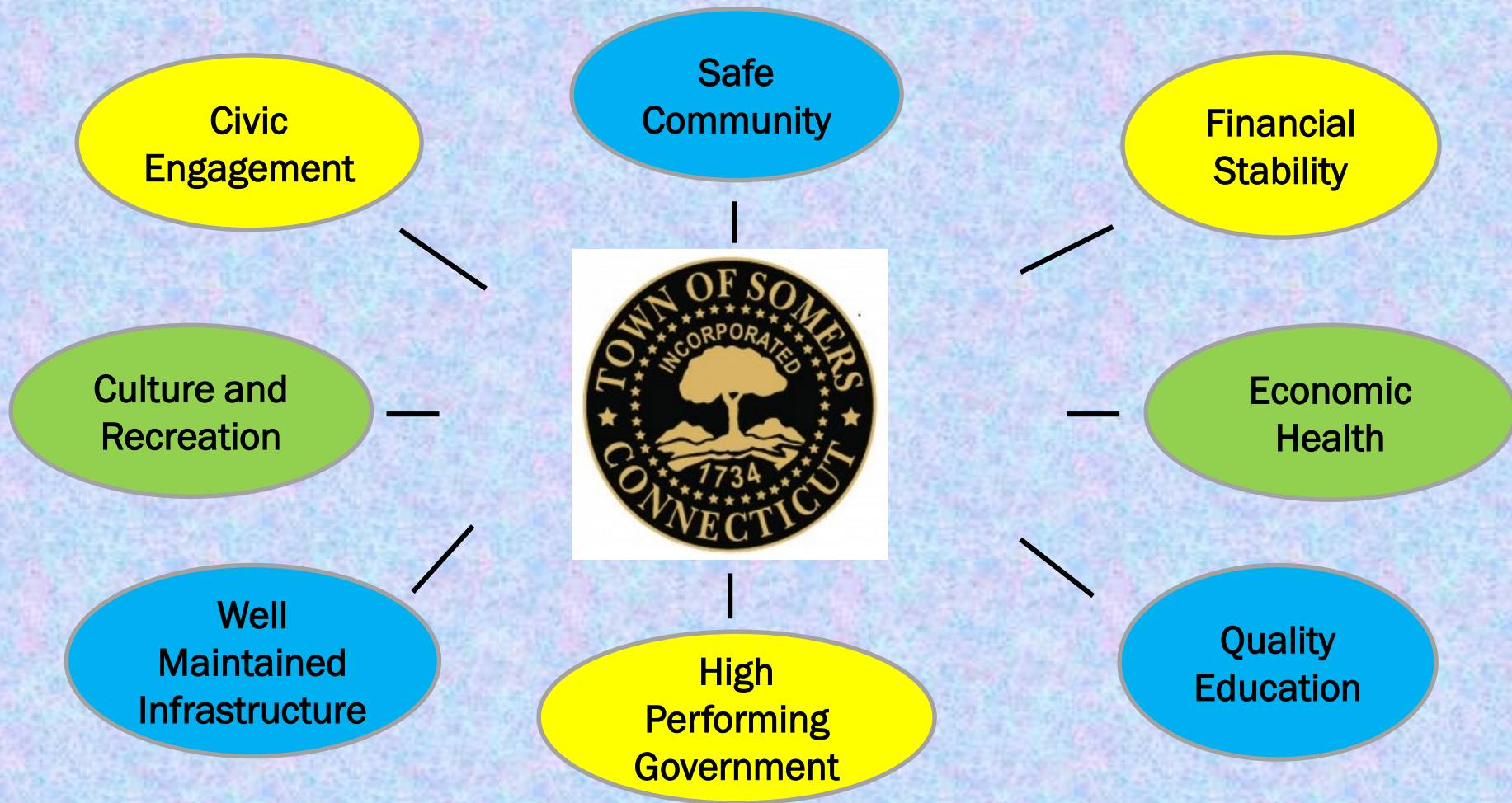
# **BOARD OF SELECTMEN TOWN GOVERNMENT BUDGET**

*Bud Knorr*

*First Selectman*



# FY 2020 PRIORITY ISSUES

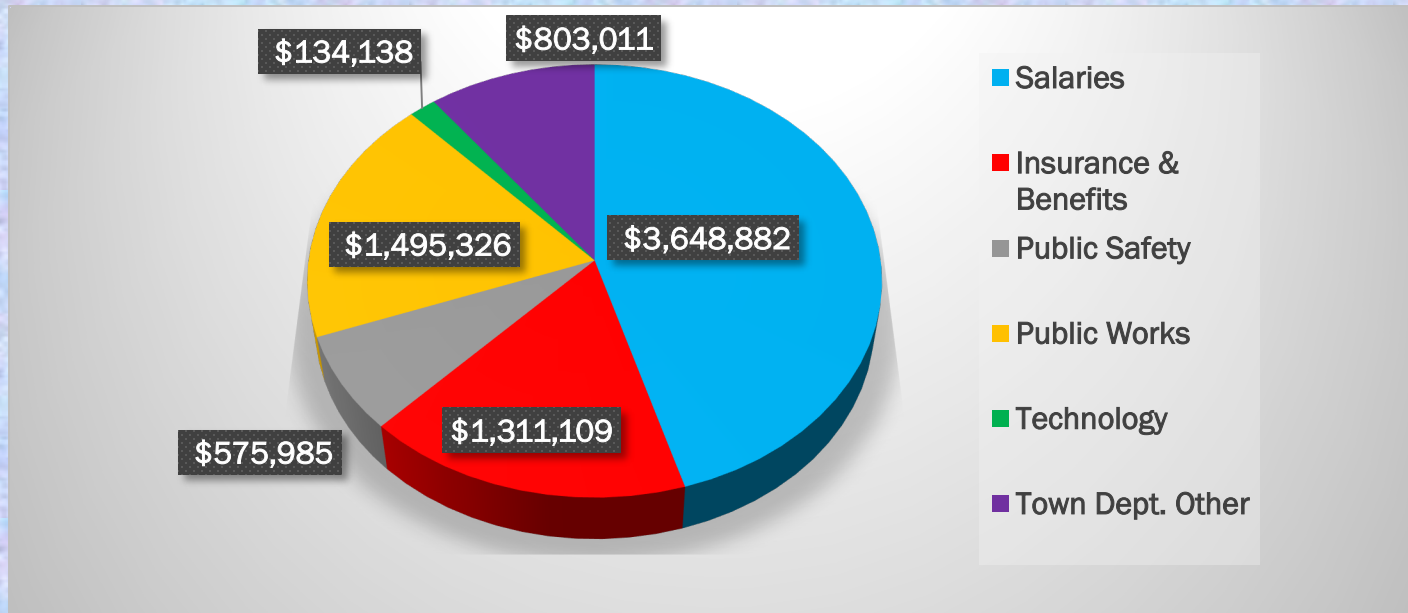


***“A Healthy and Vibrant Community”***

# SELECTMEN'S BUDGET

## SUMMARY BY CATEGORY

Category	18-19 Budget	19-20 Budget	Change	Percentage
Salaries	\$3,401,352	\$3,648,882	\$247,530	7.28%
Insurance & Benefits	\$1,221,765	\$1,311,109	\$89,344	7.31%
Public Safety	\$562,605	\$575,985	\$13,380	2.38%
Public Works	\$1,479,250	\$1,495,326	\$16,076	1.09%
Technology	\$118,955	\$134,138	\$15,183	12.76%
Town Departments Other	\$735,376	\$803,011	\$67,635	9.16%
<b>TOTAL</b>	<b>\$7,519,303</b>	<b>\$7,968,451</b>	<b>\$449,148</b>	<b>5.97%</b>



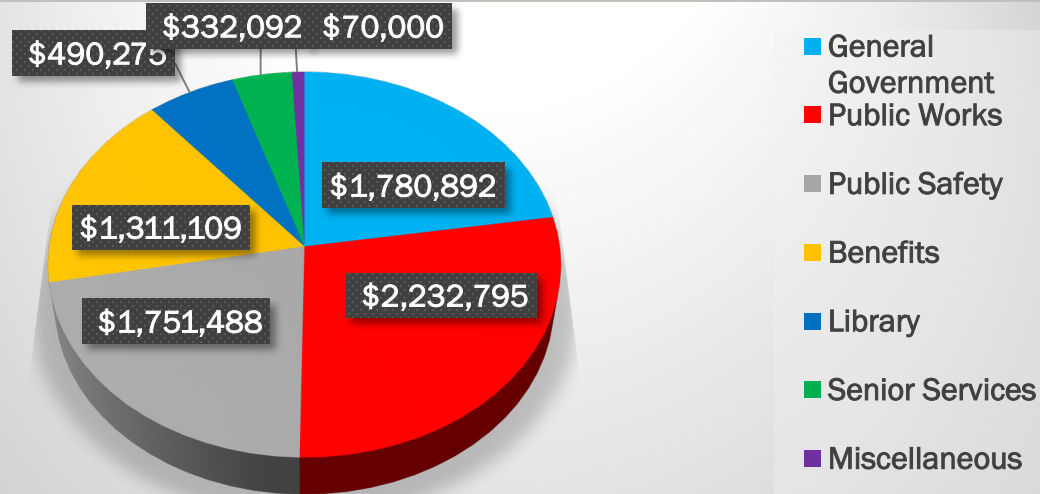
# BUDGET INCREASE – COST DRIVERS

<b>Salaries:</b> Fire is adding 1.5 FTE Paramedics; Recreation is adding 1 PT employee; Transfer Station FT Employees Full-Year; Police restructured the SRO schedule and added 1 PT officer; General Salary Increase Allotment average 3%. Negotiated pay increase for all Firefighters.	Increase: \$247,530
<b>Insurance &amp; Benefits:</b> Health Insurance premiums are up 7.9%. New employees projected to be on, health insurance. FICA, Medicare withholding.	Increase: \$89,344
<b>Public Safety:</b> ALS program officially starting in FY20, the cost of medical supplies on hand has risen. Third party dispatch service's cost have increased.	Increase: \$13,380
<b>Public Works:</b> As buildings age, increase in building maintenance. Public Works has taken over Vehicle Maintenance for the Senior buses. Increased cost of road salt.	Increase: \$16,076
<b>Technology:</b> With new cyber security measures in place over the Town's data, the software and service costs have increased. FY20 also assumes 10 computer replacements.	Increase: \$15,183
<b>Town Departments Other:</b> This grouping includes the entire Town Government's budget for supplies, professional dues & fees, legal fees, services, and advertising. Also includes the contribution for real estate Revaluation services and an increase in LAP insurance,	Increase: \$67,635

# SELECTMEN'S BUDGET

## SUMMARY BY DEPARTMENT - *SAME BUDGET DIFFERENT VIEW*

Department	2018-19 Budget	2019-20 Budget	Change	Percentage
General Government	1,721,616	\$1,780,692	\$59,076	3.43%
Public Works	\$2,161,304	\$2,232,795	\$71,491	3.31%
Public Safety	\$1,592,883	\$1,751,488	\$158,605	9.96%
SSI, Benefits & Insurance	\$1,221,765	\$1,311,109	\$89,344	7.31%
Library	\$471,008	\$490,275	\$19,267	4.09%
Senior & Community Services	\$308,227	\$332,092	\$23,865	7.74%
Miscellaneous	\$42,500	\$70,000	\$27,500	64.71%
<b>TOTAL</b>	<b>\$7,519,303</b>	<b>\$7,968,451</b>	<b>\$449,148</b>	<b>5.97%</b>





# STAFFING

Actual Staff FY 2019	(FTE's)	58.5
Full-time employees		44.0
Part-time employees		29.0 (14.5 FTE's)

\*\*\*\*\*

Proposed Staff FY 2020	(FTE's)	61.0
Full-time employees		45.0
Part-time employees		32.0 (16.0 FTE's)

\*\*\*\*\*

Net Change		2.5
Fire Paramedic		1.5
Police		0.5
Recreation		0.5

\*\*\*\*\*

Total FY 2020 Salaries	\$3,648,882
Total FY 2019 Salaries	\$3,401,352
Increase	\$ 247,530
<i>Percentage</i>	<i>7.3%</i>

# PUBLIC SAFETY STAFFING

## Fire Staff FY 2020

11.5 FTE's

Fire Chief	1.0
Full-time firefighters	4.0
Para-medics	3.0
Part-time personnel	7.0 (3.5 FTE's)

\*\*\*\*\*

## Police Staff FY 2020

8.0 FTE's

State Police Resident Trooper	1.0
Administrator	1.0
Full-time town officers	4.0
Part-time town officers	2.0 (1.0 FTE)
PT School resource officers	2.0 (1.0 FTE)

\*\*\*\*\*

# **SELECTMEN'S BUDGET TOWN GOVERNMENT SUMMARY**

- Budget is \$7,968,451, an increase of \$449,148 or 5.97% over last year
- An increase of \$212,030 over FY2018 for a combined two year increase of 2.73%. 2-year average annual expense growth of 1.37%
- Increased cost drivers predominantly compensation, benefits, and insurance premiums
- Recovering from deep expense cuts and items deferred in Fiscal 2019 (3.7%) decrease
- 2.5 FTE increase in employee count (from 58.5 to 61)
- Full funding of the employer contribution to the Pension Plans
- Transfer from General Fund to Capital Fund of \$250,000; level funded from last year
- No cutbacks in service levels





# **TOWN BUDGET SUMMARY**

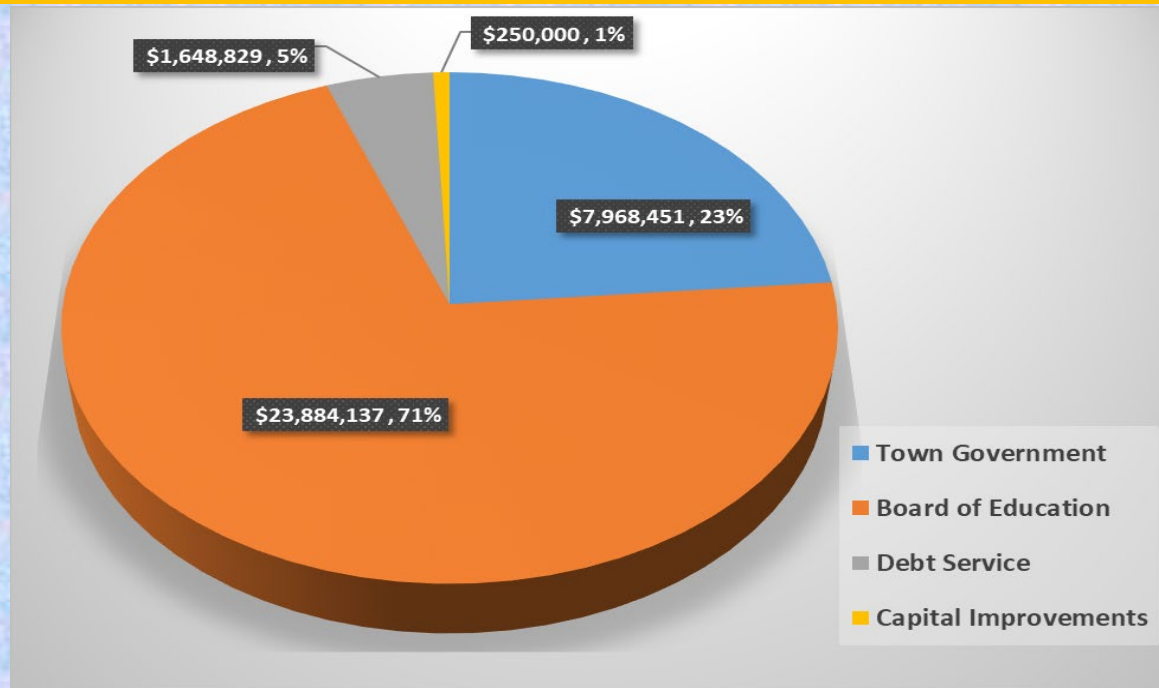
## **EXPENDITURES, REVENUE, AND IMPACT**

*Michael Marinaccio*  
*Chief Financial Officer*



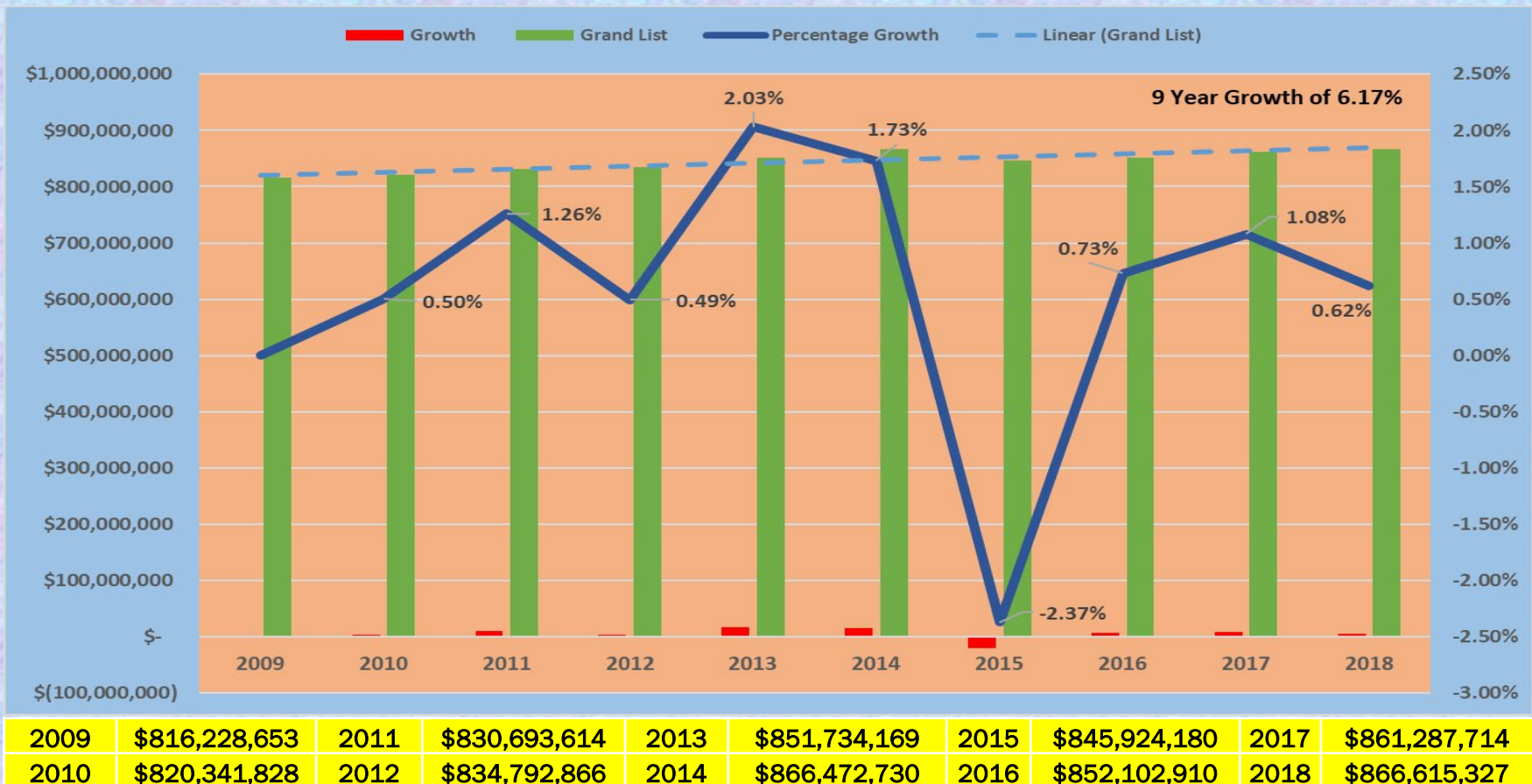
# TOWN BUDGET

<u>EXPENDITURES</u>	<u>2018-19 Adopted</u>	<u>2019-20 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Town Government	\$ 7,519,303	\$ 7,968,451	\$449,148	5.97%
Board of Education	22,822,511	23,884,137	1,061,626	4.65%
Capital Improvements	250,000	250,000	0	0.0%
Debt Service	<u>1,716,421</u>	<u>1,648,829</u>	<u>(67,592)</u>	<u>(3.94%)</u>
<b>Totals</b>	<b>\$ 32,308,235</b>	<b>\$ 33,751,417</b>	<b>\$1,443,182</b>	<b>4.47%</b>



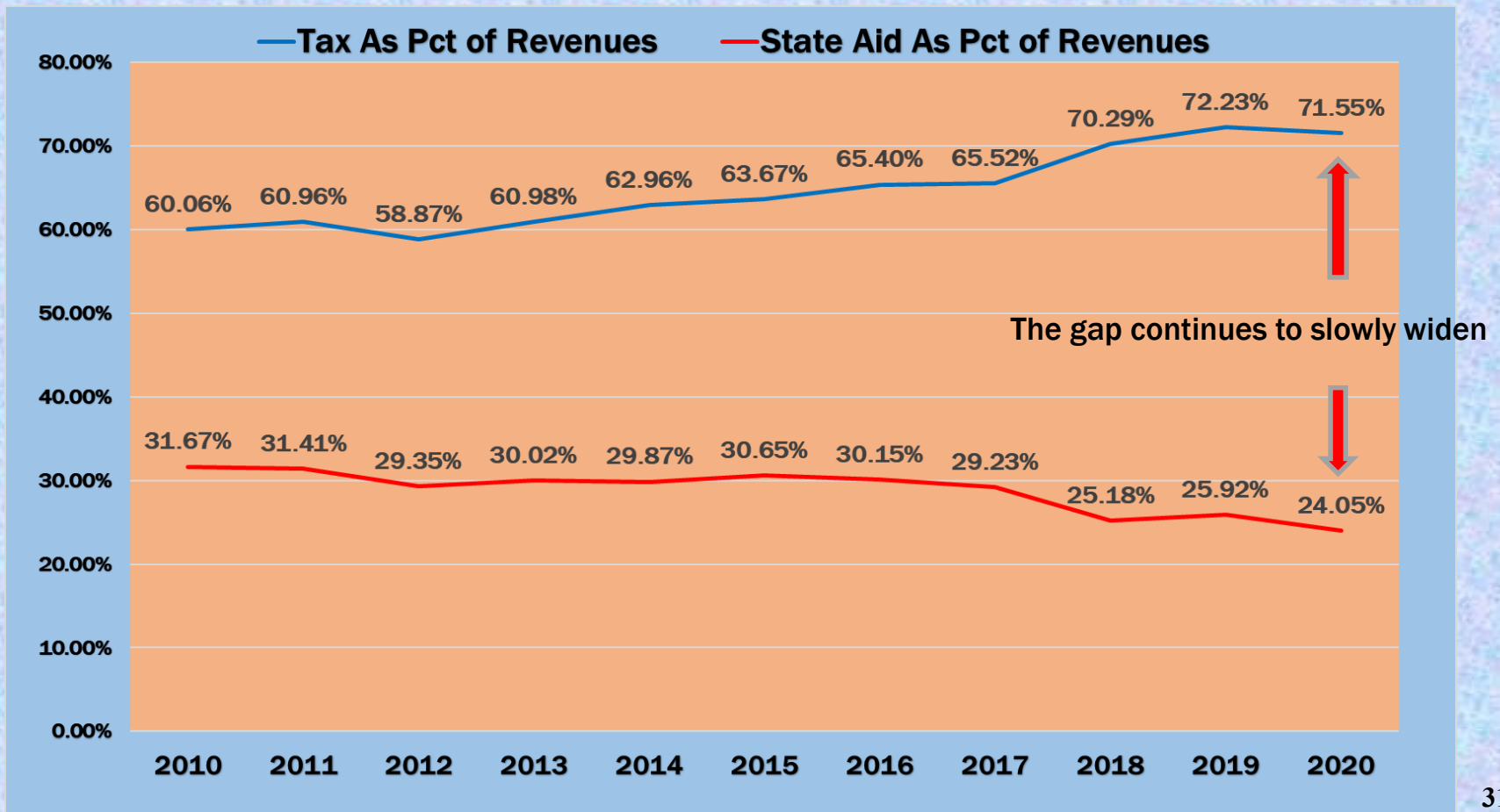
# REVENUE BUDGET SUMMARY

- Town's Net Grand List increased \$5.3 million or 0.62% higher than last year (\$866.6 million vs. \$861.3 million)
- That flat growth results in a slight increase of additional local tax revenues of about \$130,000



# REVENUE BUDGET SUMMARY

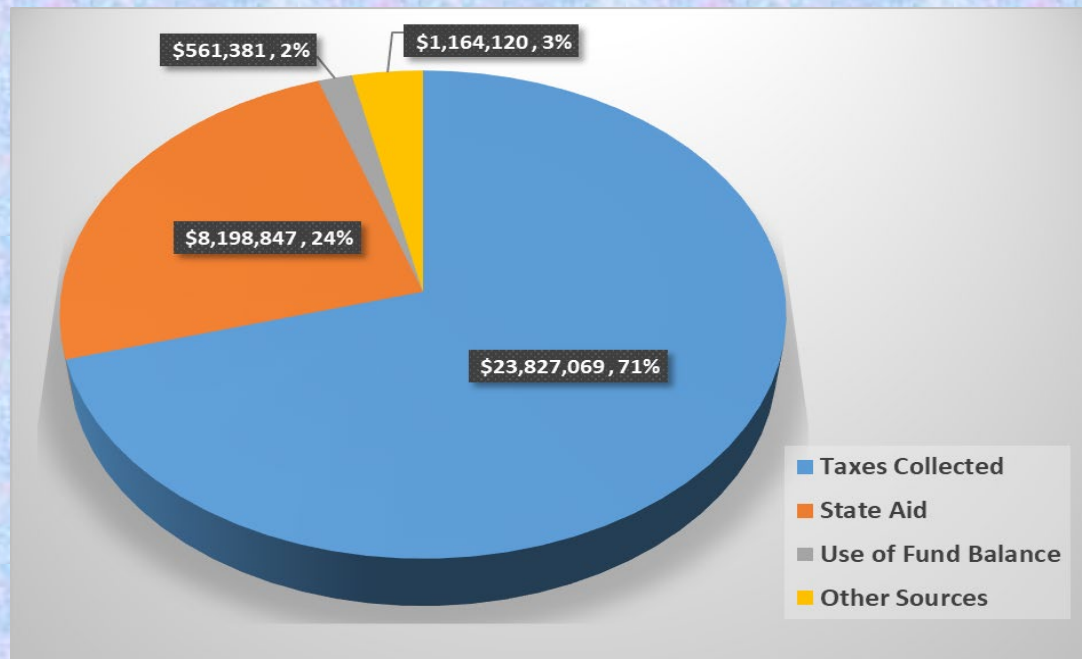
- Property Taxes provide for 71% of the revenue in the budget; State aid 24%
- Out of 169 Towns, Somers still ranks 157<sup>th</sup> in property tax revenue per capita (Low); Statewide average/ Town \$2,932; Somers \$1,841
- Based on prior collection history, budgeted tax collection rate set at 99.0%
- As State aid shrinks, the local tax burden increases





# TOWN BUDGET SUMMARY

<u>REVENUES</u>	2018-19 <u>Adopted</u>	2019-20 <u>Proposed</u>	Increase/ (Decrease)	%
Property Taxes	\$23,530,333	\$23,827,069	\$ 296,736	1.26%
State Aid	7,717,753	8,198,847	481,094	6.23%
Use of Fund Balance	49,658	561,381	511,723	1030.49%
Other Financing Sources	<u>1,010,491</u>	<u>1,164,120</u>	<u>153,629</u>	<u>15.20%</u>
<b>Totals</b>	<b>\$ 32,308,235</b>	<b>\$ 33,751,417</b>	<b>\$1,443,182</b>	<b>4.47%</b>





# REVENUE BUDGET SUMMARY

- Revenue contributions to the General Fund are being made from other Town funds (ambulance, recreation) totaling \$320,000
- General Fund contribution to Capital Improvement Projects remains the same as last year at \$250,000
- In addition to Education and Statutory Formula Grants, the State also provides Capital Improvement grant allotments

	<u>2018-19 Adopted</u>	<u>2019-20 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Town Aid Road (TAR)	\$266,819	\$266,819	\$ 0	0.0%
Municipal Projects Grant	82,324	82,324	0	0.0%
Local Cap. Improve. (LoCIP)*	<u>101,904</u>	<u>87,346</u>	<u>(14,558)</u>	<u>(14.29%)</u>
Total	\$451,047	\$436,489	\$(14,558)	(3.23%)

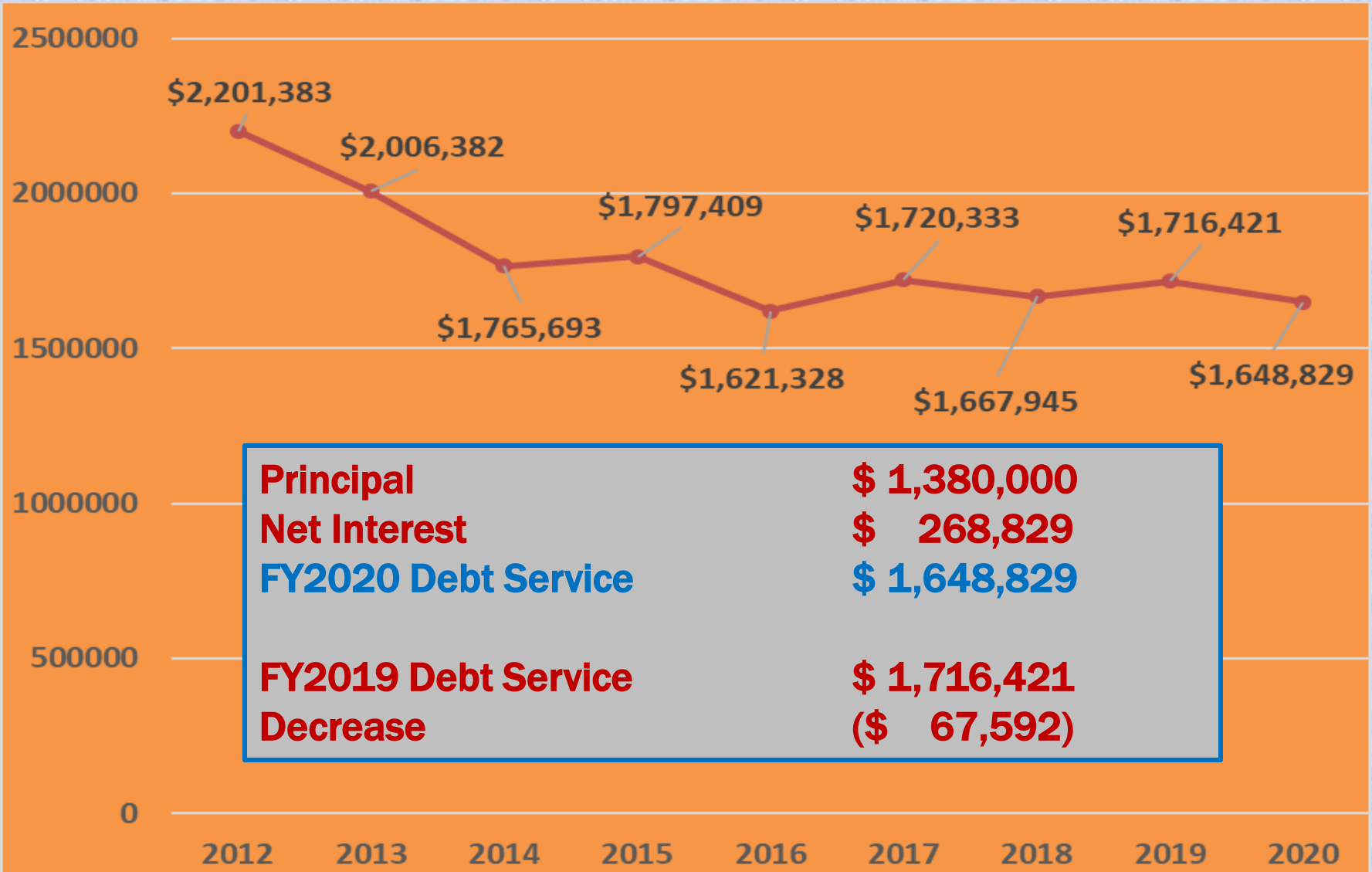
*\*Reimbursable funds with State pre-approval of project*

# USE OF FUND BALANCE - HISTORY

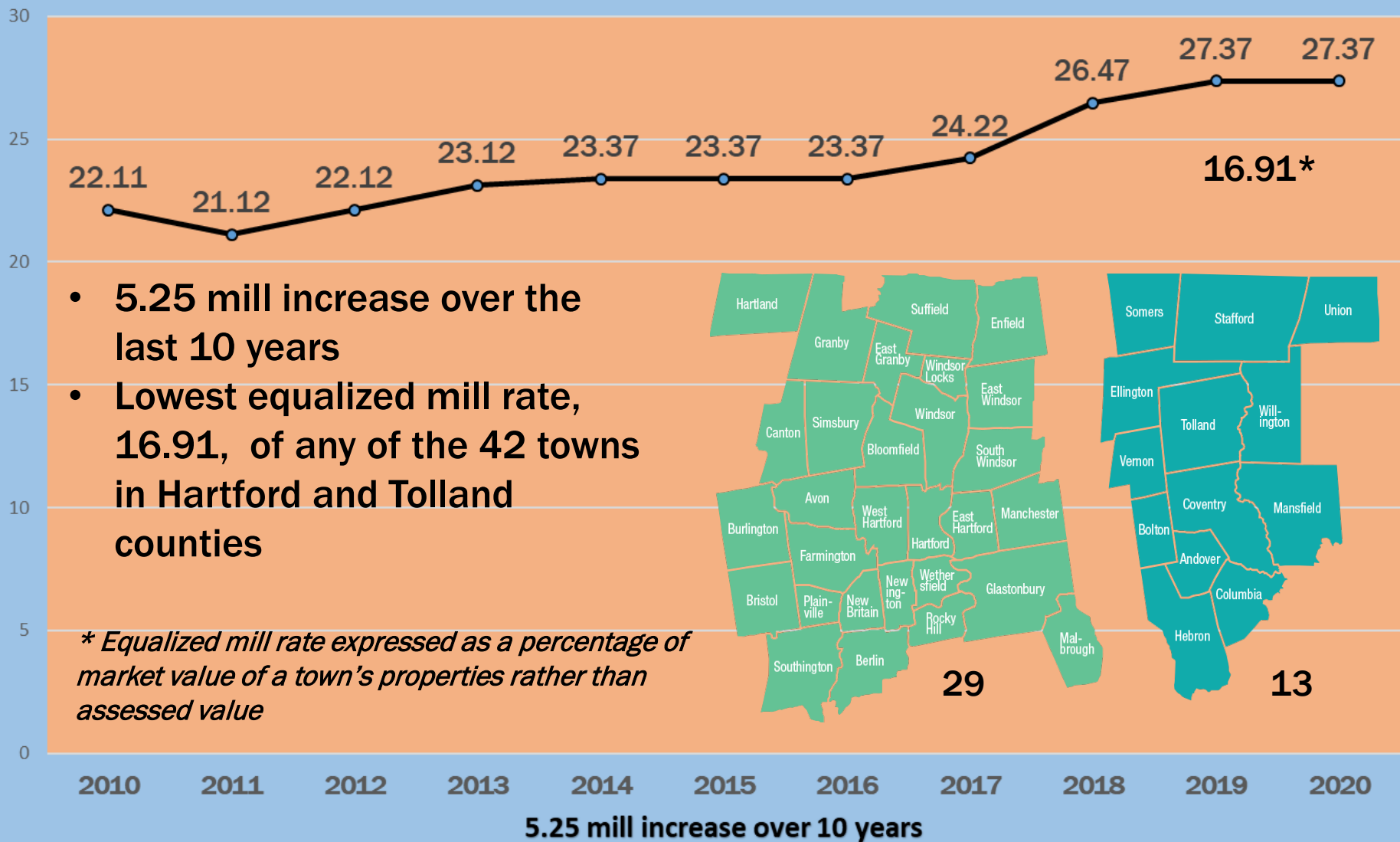
FY2020 General Fund Contribution	\$ 561,381
FY2019 General Fund Contribution	\$ 49,658
FY2018 General Fund Contribution	\$ 803,174
FY2017 General Fund Contribution	\$ 559,257
Fund balance use for last 4 years	\$ 1,973,470

*Utilized for tax stabilization providing revenue to offset property taxes equal to 2.30 Mills over the 4-year period*

# DEBT SERVICE PAYMENTS



# SOMERS HISTORICAL MILL RATE





# PEER COMPARISONS – MILL RATES

*Somers continues to have significantly lower property taxes than its neighbors*

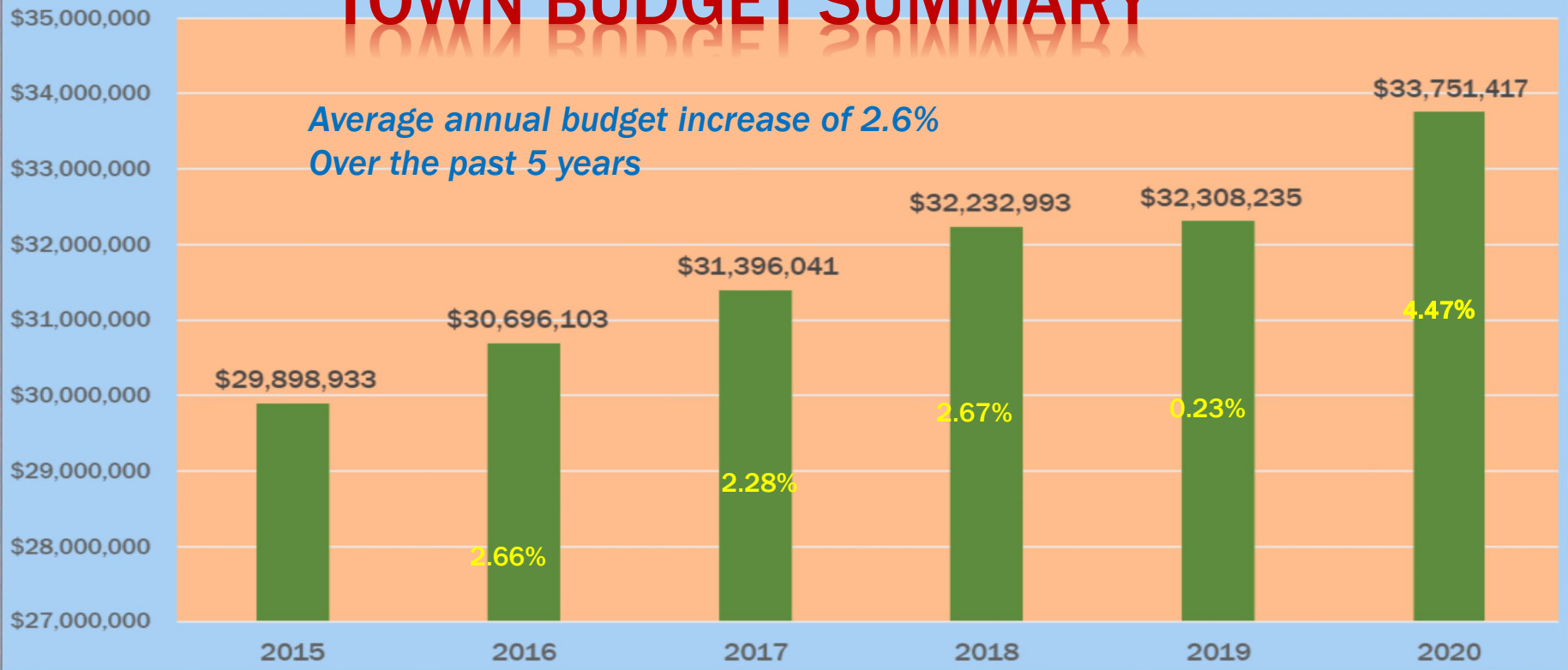
<u>Town</u>	<u>Mill Rate FY 2019</u>	<u>Proposed Mill Rate FY 2020**</u>	<u>\$200,000 Assessed Value FY 2020</u>	<u>Paying More Than Somers</u>
Tolland	35.00	36.90	\$7,380	\$1,906
Stafford	34.26*	unknown	\$6,898	\$1,424
Ellington	31.70	33.20	\$6,640	\$1,166
E. Windsor	33.90*	unknown	\$6,554	\$1,080
Suffield	29.32	unknown	\$5,778	\$ 304
Enfield	33.40*	34.40*	\$6,880	\$1,406
Union	31.10	unknown	\$6,220	\$ 746
Somers	27.37	27.37	\$5,474	\$0

*\* Does not include additional mills associated with separate taxing districts.*

*\*\* Most towns are currently in the process of drafting their FY2020 budgets. For some, it is too early to determine their proposed FY2020 mill rates.*

# TOWN BUDGET SUMMARY

*Average annual budget increase of 2.6%  
Over the past 5 years*



- Proposed Annual Town budget is \$33,751,417, an increase over last year of 4.47%; a combined 2-year increase of 4.70% over FY2018 for a 2-year average annual expense growth of 2.35%
- Selectmen's budget increased 5.97% over last year; a combined 2-year increase of 2.73% over FY2018 for a 2-year average annual expense growth of 1.37%
- Board of Education budget increased 4.65% over last year; a combined 2-year increase of 5.88% over FY2018 for a 2-year average annual expense growth of 2.94%

# TOWN BUDGET SUMMARY

- No cuts in services
- No changes to operating hours
- No proposed lay-offs
- No increase in Capital Improvement funding
- Debt Service payments decrease \$67,592, (3.94%)
- Proposed use of \$561,381 unrestricted fund balance to provide revenue to offset the need for a mill increase
- Mill rate will remain unchanged at 27.37
- No tax increase



# CONTINUING BUDGET CHALLENGES

## *STATE ISSUES AFFECTING MUNICIPALITIES*

- State's revenue deterioration remains a growing concern – Connecticut's money is moving out
- Governor and Lawmakers continue to seek additional and new sources of revenue
- The gradual shift of the State's financial burden to the cities and towns continues
- Trend is for more aid to cities and less aid for small towns; revamping of aid formulas to favor needy and distressed communities
- Teachers Retirement Contribution proposed by the Governor did not make it out of legislative committee this year; expect it to reappear down-the-road
- Message to municipalities is clear: need to be prepared to reduce reliance on state aid funding
- Town will need to promote initiatives to expand its local revenue base





# PUBLIC COMMENT SESSION

*Joe Tolisano*

*Board of Finance Member*

# **PUBLIC COMMENT SESSION**

## **GUIDELINES**

- Only one person to speak at a time
- State your name and address prior to presenting your comments
- Please speak directly into the microphone
- 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
- All comments and questions will be recorded
- Answers to questions will be provided and posted on the Town's website
- Thank you for your cooperation

# WRAP UP

## Remaining Budget Schedule

*Annual Town Meeting  
Town Hall Auditorium  
May 7, 2019, 7:00 p.m.*

*Budget Referendum Vote  
Town Hall Auditorium  
May 14 2019  
6:00 a.m. to 8:00 p.m.*

# WRAP UP

On-line versions of the budget booklet, along with this evening's presentation, questions and answers will all be available at:

[www.somersct.gov](http://www.somersct.gov)

*Budget booklets are also available at the Town Clerk's Office, Senior Center, and Library*