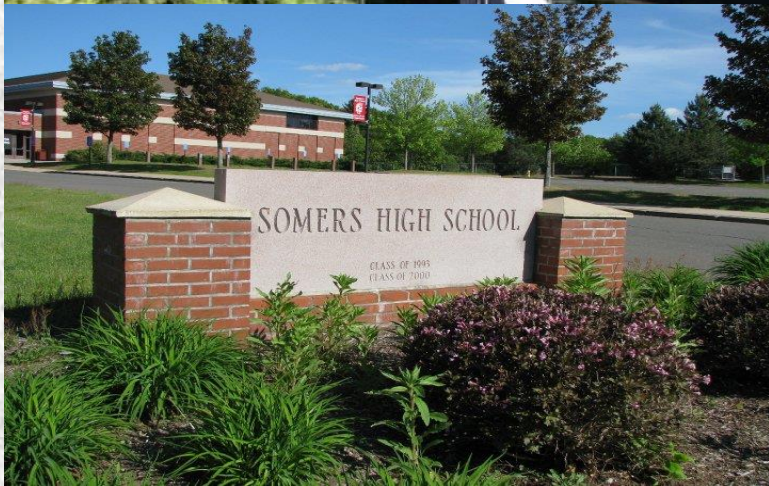


INFORMATIONAL MEETING ON SUPPLEMENTAL TAX JANUARY 10, 2018



TOWN OFFICIALS

BOARD OF SELECTMEN

Clyde G. “Bud” Knorr, Jr., First Selectman

Kathleen A. Devlin, Selectman

Timothy Potrikus, Selectman

FINANCE DEPARTMENT

Michael Marinaccio, Chief Financial Officer

Brian Wissinger, Assistant Finance Director

BOARD OF FINANCE

James Persano, Chairman

Timothy Geib, Vice Chairman

Thomas Mazzoli

Michael Parker

William Salka

Joseph Tolisano

INFORMATIONAL MEETING ON SUPPLEMENTAL TAX

Meeting Overview

Moderator

Informational Presentation

Public Comments

Board Comments

Wrap-up

Bud Knorr

Michael Marinaccio

Audience

Various Members

Bud Knorr

STATE AID SHORTFALL

State Aid by Type of Grant	FY2018 Town Adopted Budget	10/25/17 State Adopted Budget	Reduction in State Aid
Mohegan Pequot	\$ 1,594,267	\$ 1,594,267	\$ -
PILOT	\$ 858,635	\$ 715,904	\$ 142,731
Muni. Rev. Sharing	\$ 203,969	\$ -	\$ 203,969
Muni. Assistance	\$ -	\$ 614,776	\$ (614,776)
Special Education	\$ 1,895,056	\$ -	\$ 1,895,056
ECS & Transp.	\$ 4,511,832	\$ 5,643,551	\$(1,131,719)
Revenue Shortfall	\$ 9,063,759	\$ 8,568,498	\$ 495,261
Mill Rate Impact			0.59

- State aid in Town's adopted budget based on Governor's proposed budget
- Legislature reached budget compromise without Governor in October 2017
- No municipal aid estimates from legislature available prior to State final budget
- From July to October Governor runs State on Executive Order
- State adopted budget results in a revenue shortfall to Town of \$495,261
- Town initiates budget cuts totaling \$498,000 or a 0.59 mill equivalent

STATE AID SHORTFALL

State Aid by Type of Grant	FY2018 Town Adopted Budget	10/25/17 State Adopted Budget	Reduction in State Aid	11/17/2017 OPM Holdbacks	Additional Reduction in Aid
Mohegan Pequot	\$ 1,594,267	\$ 1,594,267	\$ -	\$ 1,594,267	\$ -
PILOT	\$ 858,635	\$ 715,904	\$ 142,731	\$ 655,209	\$ 60,695
Muni. Rev. Sharing	\$ 203,969	\$ -	\$ 203,969	\$ -	\$ -
Muni. Assistance	\$ -	\$ 614,776	\$ (614,776)	\$ 566,276	\$ 48,500
Special Education	\$ 1,895,056	\$ -	\$ 1,895,056	\$ -	\$ -
ECS & Transp.	\$ 4,511,832	\$ 5,643,551	\$(1,131,719)	\$ 5,152,492	\$ 491,059
Revenue Shortfall	\$ 9,063,759	\$ 8,568,498	\$ 495,261	\$ 7,968,244	\$ 600,254
Mill Rate Impact			0.59		0.72

- On 11/17/17 Governor stuns legislators and Town officials with a round of new municipal aid budget cuts
- These cuts comes on top of previous reductions experienced in the State budget adopted less than a month earlier
- Funds being withheld are known as “holdbacks” that will not be sent out
- Holdbacks result in an additional revenue shortfall to Town of \$600,254 or a 0.72 mill equivalent
- 12% reduction in State aid to Town results in a \$1.1 million revenue shortfall, to date or 1.31 mill equivalent

STATE BUDGET OUTLOOK

- State Comptroller has certified that the State budget already in a \$208 million deficit
- Even with municipal aid cuts and holdbacks already made
- State deficit estimate continues to creep upward
- State revenue deterioration a growing concern – Connecticut’s money is moving out
- Governor sends letter urging lawmakers to shrink the “gap” sooner rather than later – proposes \$300 million in options (\$189 million in revenue and \$113 million in cuts) for them to consider. To date, no action taken
- Raises concerns for further funding cuts to the Town – both in the second half of fiscal 2018 and in the next fiscal year 2019

IMPACT ON SOMERS

- Town is facing and will continue to face unprecedented budget challenges, this year and in the future
- State grant estimates have become unreliable and are often changed without notice
- Cash flow disrupted
- Further cuts in State aid anticipated
- State putting the Town into a box (cuts up to 12% in aid; surprise cuts; cuts late in the fiscal year) limiting options
- Town needs to balance spending cuts, use of fund reserves, and additional tax revenue

IMPACT ON EXPENSE BUDGET

- Potential to negatively affect and disrupt public safety, Town operations and education funding
- State aid funding shortfall forcing program cuts
- Education budget reduced \$200,000
- Town budget \$295,000 cuts in various departments including limiting overtime, reductions to pension fund contributions, capital expense funding, and road maintenance
- No layoffs at this time

IMPACT ON FUND BALANCE

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

- Already used \$1,362,431 in fund reserves in FY2017 (\$559,257) and FY2018 (\$803,174) budgets
- Action taken to minimize mill rate increases
- Currently unrestricted fund reserves total \$4,483,915, or 14% of budgeted FY 2018 expenses (\$32 million)
- Normally 15% is required to be maintained in reserve
- Recent Moody's Rating Alert placed Town on "Negative Outlook" list because of level of fund reserves
- Caution against further use of fund reserves
- Using reserves to close the gap would further deplete fund
- Doing so could result in the lowering of the Town's bond rating of Aa2
- Consensus: using unrestricted fund reserves not a viable option

FUTURE IMPACT

WHAT DOES THE FUTURE HOLD?

- Continued partisan battles and bickering in Hartford
- Lawmakers mistrust of the Governor and his administration
- Unfortunate that what's going on in State is going to have a direct negative impact on the citizens of this Town
- No easy fixes to State budget woes
- Further reduction in State aid; surprise cuts; cuts late in the fiscal year
- Municipalities shouldering a majority of the tax burden
- Need to sidestep partisan politics, look for stability and rely less on State aid
- As State aid continues to erode, corresponding increases in local tax mill rates are likely

PROPERTY TAX – PEER COMPARISONS

- Somers has a low tax rate
- State OPM database shows that out of 169 cities and Towns in the State, Somers ranks as follows:
 - High reliance on State aid as a percent of total revenue – 21st
 - Low use of property tax revenue as a percent of total revenue – 143rd
 - Unusually low property tax revenue per capita – 157th
 - Equalized Mill rate – 143rd
- State views Somers as very capable of increasing local taxes and relying less on grants to fund its operations

**Intergovernmental Revenues
as a % of Total Revenues*,
FYE 2016**

Source: State OPM Municipal Fiscal Indicators database

1 HARTFORD	49.5%	36 ENFIELD	32.2%	71 HEBRON	23.2%	106 BERLIN	15.8%	141 WILTON	9.2%
2 WINDHAM	48.4%	37 CHAPLIN	32.2%	72 WALLINGFORD	23.1%	107 WEST HARTFORD	15.6%	142 STONINGTON	9.1%
3 NEW HAVEN	45.3%	38 HAMPTON	32.1%	73 NEW MILFORD	22.9%	108 CROMWELL	15.6%	143 STAMFORD	8.9%
4 ANSONIA	44.8%	39 NAUGATUCK	32.0%	74 BOLTON	22.9%	109 MONROE	15.0%	144 WATERFORD	8.9%
5 PUTNAM	44.7%	40 BRISTOL	31.8%	75 EAST WINDSOR	22.4%	110 MIDDLEFIELD	14.9%	145 FAIRFIELD	8.6%
6 NEW BRITAIN	43.6%	41 EASTFORD	31.6%	76 NORTH BRANFORD	22.3%	111 BETHLEHEM	14.9%	146 NEW CANAAN	8.4%
7 PLAINFIELD	43.5%	42 WINCHESTER	31.2%	77 CHESHIRE	22.3%	112 ROCKY HILL	14.6%	147 MORRIS	8.4%
8 WEST HAVEN	43.5%	43 POMFRET	31.1%	78 SOUTHWINGTON	22.2%	113 DURHAM	14.5%	148 BRANFORD	8.1%
9 SPRAGUE	41.8%	44 SCOTLAND	30.2%	79 NEWINGTON	21.8%	114 BETHANY	14.2%	149 SHERMAN	8.0%
10 VOLUNTOWN	41.4%	45 THOMASTON	30.2%	80 GRANBY	21.7%	115 EAST GRANBY	14.1%	150 KENT	7.8%
11 BRIDGEPORT	41.1%	46 WINDSOR LOCKS	30.0%	81 CLINTON	21.4%	116 SIMSBURY	13.7%	151 ORANGE	7.5%
12 GRISWOLD	40.5%	47 LEBANON	30.0%	82 BEACON FALLS	21.3%	117 NORFOLK	13.6%	152 REDDING	7.5%
13 CANTERBURY	40.4%	48 WOODSTOCK	29.9%	83 NEW HARTFORD	21.3%	118 NEWTOWN	13.6%	153 GREENWICH	6.9%
14 NEW LONDON	40.1%	49 HARTLAND	29.7%	84 EAST HADDAM	20.4%	119 SHELTON	12.7%	154 HADDAM	6.8%
15 MANSFIELD	39.2%	50 COVENTRY	29.2%	85 HAMDEN	20.3%	120 FARMINGTON	12.6%	155 EASTON	6.1%
16 THOMPSON	39.1%	51 WILLINGTON	28.9%	86 PORTLAND	19.7%	121 BLOOMFIELD	12.4%	156 SOUTHBURY	5.7%
17 BROOKLYN	37.7%	52 NORTH STONINGTON	28.7%	87 EAST LYME	19.5%	122 GLASTONBURY	11.9%	157 WOODBRIDGE	5.7%
18 WATERBURY	37.5%	53 SUFFIELD	28.4%	88 STRATFORD	19.1%	123 NORWALK	11.8%	158 ESSEX	5.6%
19 MERIDEN	37.0%	54 TOLLAND	28.2%	89 WINDSOR	19.0%	124 KILLINGWORTH	11.8%	159 WOODBURY	5.2%
20 KILLINGLY	37.0%	55 EAST HAVEN	28.0%	90 BARKHAMSTED	18.5%	125 LITCHFIELD	11.7%	160 LYME	5.2%
21 SOMERS	36.6%	56	28.0%	91 SOUTH WINDSOR	18.4%	126 MILFORD	11.7%	161 SHARON	5.1%
22 STERLING	36.1%	57 TORRINGTON	27.4%	92 DANBURY	18.3%	127 NORTH HAVEN	11.4%	162 OLD LYME	4.7%
23 PRESTON	36.0%	58 NORTH CANAAN	26.8%	93 BETHEL	18.2%	128 AVON	11.3%	163 MIDDLEBURY	3.8%
24 LISBON	35.5%	59 ANDOVER	26.4%	94 PROSPECT	18.0%	129 TRUMBULL	11.2%	164 BRIDGEWATER	3.0%
25 MONTVILLE	35.2%	60 VERNON	26.3%	95 UNION	17.8%	130 GUILFORD	11.0%	165 GOSHEN	2.8%
26 WOLCOTT	34.8%	61 COLUMBIA	26.3%	96 CANTON	17.7%	131 MADISON	10.9%	166 WARREN	2.0%
27 NORWICH	34.7%	62 ELLINGTON	26.0%	97 MARLBOROUGH	17.4%	132 CHESTER	10.6%	167 ROXBURY	1.8%
28 STAFFORD	34.6%	63 BOZRAH	26.0%	98 OXFORD	17.4%	133 WESTBROOK	10.1%	168 WESTPORT	1.6%
29 GROTON	34.4%	64 PLAINVILLE	26.0%	99 DEEP RIVER	17.3%	134 BROOKFIELD	10.0%	169 WASHINGTON	1.6%
30 LEDYARD	34.1%	65 EAST HAMPTON	25.9%	100 HARWINTON	16.9%	135 SALISBURY	9.9%		
31 DERBY	33.8%	66 WATERTOWN	25.8%	101 WETHERSFIELD	16.9%	136 DARIEN	9.6%		
32 COLCHESTER	33.2%	67 SEYMOUR	25.0%	102 NEW FAIRFIELD	16.8%	137 OLD SAYBROOK	9.6%		
33 PLYMOUTH	33.1%	68 FRANKLIN	24.8%	103 BURLINGTON	16.5%	138 CORNWALL	9.5%		
34 EAST HARTFORD	32.5%	69 MIDDLETOWN	24.8%	104 CANAAN	16.5%	139 RIDGEFIELD	9.5%		
35 ASHFORD	32.4%	70 MANCHESTER	24.4%	105 COLEBROOK	15.8%	140 WESTON	9.2%		

Average: 23.2%
Median: 20.3%

* Total General Fund revenues including operating transfers in

**Property Tax Revenues as a %
of Total Revenues*, FYE 2016**

Source: State OPM Municipal Fiscal Indicators database

1 GOSHEN	94.9%	36 STAMFORD	85.4%	71 SOUTH WINDSOR	79.4%	106 ELLINGTON	70.8%	141 EAST HARTFORD	61.4%
2 WARREN	94.2%	37 SALISBURY	85.3%	72 CANAAN	79.3%	107 BOZRAH	70.8%	142 STAFFORD	61.0%
3 ROXBURY	93.2%	38 FARMINGTON	85.3%	73 BETHLEHEM	79.2%	143 SOMERS	60.7%		
4 WASHINGTON	92.8%	39 AVON	85.0%	74 BERLIN	78.9%	109 SALEM	70.5%	144 MONTVILLE	60.4%
5 MIDDLEBURY	92.6%	40 CHESTER	84.8%	75 NEW FAIRFIELD	78.7%	110 TOLLAND	70.5%	145 BROOKLYN	59.6%
6 WOODBURY	92.5%	41 GLASTONBURY	84.7%	76 WINDSOR	77.4%	111 EAST LYME	70.4%	146 LEDYARD	59.2%
7 BRIDGEWATER	92.5%	42 EAST GRANBY	84.6%	77 NEWINGTON	76.9%	112 WATERTOWN	70.1%	147 MANSFIELD	59.2%
8 OLD LYME	92.4%	43 WESTPORT	84.4%	78 PORTLAND	76.9%	113 VERNON	69.7%	148 DERBY	59.0%
9 HADDAM	91.7%	44 RIDGEFIELD	84.3%	79 DEEP RIVER	76.8%	114 WILLINGTON	69.5%	149 NORWICH	58.6%
10 SHARON	91.7%	45 SHELTON	84.3%	80 NEW HARTFORD	76.7%	115 NORTH STONINGTON	69.1%	150 MERIDEN	58.3%
11 LYME	91.6%	46 NEWTOWN	84.1%	81 HAMDEN	76.5%	116 EAST HAVEN	68.8%	151 CANTERBURY	57.8%
12 ESSEX	91.6%	47 TRUMBULL	83.8%	82 PROSPECT	76.4%	117 HARTLAND	68.6%	152 THOMPSON	57.8%
13 SOUTHURY	91.5%	48 GREENWICH	83.8%	83 NORTH BRANFORD	76.2%	118 SCOTLAND	68.2%	153 WATERBURY	57.3%
14 EASTON	89.9%	49 NORWALK	83.7%	84 DANBURY	76.2%	119 COVENTRY	68.2%	154 VOLUNTOWN	57.1%
15 REDDING	89.6%	50 SIMSBURY	83.7%	85 CLINTON	76.0%	120 THOMASTON	68.1%	155 PRESTON	56.6%
16 SHERMAN	89.6%	51 NORTH HAVEN	83.4%	86 EAST WINDSOR	75.9%	121 WOODSTOCK	67.9%	156 KILLINGLY	54.8%
17 MORRIS	89.5%	52 MILFORD	83.1%	87 EAST HADDAM	75.8%	122 MIDDLETOWN	67.9%	157 SPRAGUE	54.0%
18 WOODBRIDGE	88.7%	53 ROCKY HILL	83.0%	88 STRATFORD	75.0%	123 TORRINGTON	67.1%	158 NEW LONDON	54.0%
19 ORANGE	88.5%	54 NORFOLK	82.6%	89 BURLINGTON	75.0%	124 POMFRET	66.9%	159 LISBON	53.3%
20 BROOKFIELD	88.4%	55 MONROE	82.5%	90 BEACON FALLS	74.6%	125 CHAPLIN	66.6%	160 WEST HAVEN	53.1%
21 WATERFORD	88.4%	56 BLOOMFIELD	82.4%	91 SOUTHWINGTON	74.6%	126 WINDSOR LOCKS	66.5%	161 GRISWOLD	53.0%
22 WESTON	88.2%	57 COLEBROOK	82.2%	92 GRANBY	74.5%	127 WINCHESTER	66.2%	162 BRIDGEPORT	52.5%
23 WILTON	88.1%	58 DURHAM	82.1%	93 BOLTON	74.1%	128 HAMPTON	65.8%	163 PLAINFIELD	51.0%
24 KENT	88.1%	59 MIDDLEFIELD	81.7%	94 CHESHIRE	74.0%	129 EASTFORD	65.7%	164 NEW BRITAIN	50.3%
25 CORNWALL	87.9%	60 HARWINTON	81.5%	95 OXFORD	74.0%	130 PLYMOUTH	65.6%	165 ANSONIA	49.5%
26 OLD SAYBROOK	87.7%	61 WEST HARTFORD	81.5%	96 HEBRON	73.9%	131 SUFFIELD	65.5%	166 WINDHAM	47.2%
27 NEW CANAAN	87.2%	62 BETHANY	81.0%	97 ANDOVER	72.7%	132 LEBANON	65.0%	167 HARTFORD	46.7%
28 GUILFORD	86.5%	63 KILLINGWORTH	80.9%	98 EAST HAMPTON	72.5%	133 ASHFORD	64.7%	168 NEW HAVEN	46.3%
29 FAIRFIELD	86.4%	64 CANTON	80.4%	99 MANCHESTER	72.2%	134 BRISTOL	64.6%	169 PUTNAM	40.5%
30 BRANFORD	86.3%	65 CROMWELL	80.3%	100 WALLINGFORD	72.1%	135 COLCHESTER	64.0%		
31 LITCHFIELD	86.2%	66 WETHERSFIELD	80.3%	101 SEYMOUR	72.1%	136 GROTON	62.9%		
32 MADISON	86.0%	67 BARKHAMSTED	80.1%	102 NORTH CANAAN	71.9%	137 STERLING	62.7%		
33 DARIEN	85.7%	68 UNION	80.1%	103 FRANKLIN	71.7%	138 WOLCOTT	62.4%		
34 WESTBROOK	85.5%	69 MARLBOROUGH	80.0%	104 NEW MILFORD	71.6%	139 NAUGATUCK	61.6%		
35 STONINGTON	85.5%	70 BETHEL	79.8%	105 COLUMBIA	71.5%	140 ENFIELD	61.6%		

Average: 72.0%

Median: 76.0%

**Current Year Adjusted Tax
Levy per Capita, FYE 2016**

Source: State OPM Municipal Fiscal Indicators database

1 WESTPORT	\$6,566	36 SOUTH WINDSOR	\$3,571	71 NEWINGTON	\$3,006	106 CHAPLIN	\$2,476	141 HAMPTON	\$2,079
2 WESTON	\$6,520	37 WARREN	\$3,550	72 STONINGTON	\$3,005	107 EAST HAMPTON	\$2,474	142 WILLINGTON	\$2,056
3 NEW CANAAN	\$6,433	38 BLOOMFIELD	\$3,544	73 ROCKY HILL	\$2,985	108 PLAINVILLE	\$2,470	143 BRIDGEPORT	\$2,045
4 WILTON	\$6,199	39 BETHANY	\$3,536	74 MARLBOROUGH	\$2,976	109 MANCHESTER	\$2,470	144 WOODSTOCK	\$2,042
5 DARIEN	\$5,895	40 COLEBROOK	\$3,510	75 HEBRON	\$2,974	110 PROSPECT	\$2,468	145 EASTFORD	\$2,034
6 GREENWICH	\$5,609	41 SALISBURY	\$3,496	76 DEEP RIVER	\$2,935	111 SHELTON	\$2,465	146 GROTON	\$2,026
7 EASTON	\$5,337	42 FARMINGTON	\$3,482	77 CROMWELL	\$2,926	112 MIDDLETOWN	\$2,465	147 MERIDEN	\$2,009
8 REDDING	\$4,960	43 DURHAM	\$3,475	78 BURLINGTON	\$2,919	113 BETHLEHEM	\$2,445	148 MONTVILLE	\$1,972
9 WOODBRIDGE	\$4,856	44 GOSHEN	\$3,471	79 CHESHIRE	\$2,859	114 LEBANON	\$2,440	149 PRESTON	\$1,946
10 RIDGEFIELD	\$4,844	45 MORRIS	\$3,467	80 NEW MILFORD	\$2,854	115 SUFFIELD	\$2,440	150 NEW HAVEN	\$1,942
11 CORNWALL	\$4,417	46 SIMSBURY	\$3,458	81 KILLINGWORTH	\$2,841	116 FRANKLIN	\$2,435	151 ENFIELD	\$1,941
12 FAIRFIELD	\$4,407	47 HADDAM	\$3,456	82 TOLLAND	\$2,838	117 SCOTLAND	\$2,424	152 KILLINGLY	\$1,935
13 WASHINGTON	\$4,390	48 CANAAN	\$3,441	83 NEW HARTFORD	\$2,832	118 WATERTOWN	\$2,411	153 STERLING	\$1,927
14 ROXBURY	\$4,388	49 EAST GRANBY	\$3,440	84 PORTLAND	\$2,796	119 THOMASTON	\$2,409	154 NORWICH	\$1,880
15 ORANGE	\$4,336	50 NORTH HAVEN	\$3,417	85 OXFORD	\$2,783	120 HARTLAND	\$2,364	155 SPRAGUE	\$1,843
16 OLD LYME	\$4,316	51 BRANFORD	\$3,366	86 SALEM	\$2,781	121 COLUMBIA	\$2,355	156 NEW LONDON	\$1,832
17 WATERFORD	\$4,269	52 NORWALK	\$3,365	87 NORTH BRANFORD	\$2,779	122		157 SOMERS	\$1,819
18 OLD SAYBROOK	\$4,116	53 BROOKFIELD	\$3,362	88 NORTH CANAAN	\$2,738	123 ASHFORD	\$2,333	158 ANSONIA	\$1,795
19 BRIDGEWATER	\$4,082	54 ESSEX	\$3,346	89 EAST LYME	\$2,737	124 COLCHESTER	\$2,328	159 PLAINFIELD	\$1,716
20 AVON	\$4,059	55 LITCHFIELD	\$3,307	90 HAMDEN	\$2,721	125 BOZRAH	\$2,316	160 LISBON	\$1,698
21 MADISON	\$4,051	56 MILFORD	\$3,295	91 EAST HADDAM	\$2,715	126 NAUGATUCK	\$2,315	161 CANTERBURY	\$1,688
22 GLASTONBURY	\$4,048	57 BERLIN	\$3,244	92 HARWINTON	\$2,706	127 DANBURY	\$2,311	162 NEW BRITAIN	\$1,674
23 TRUMBULL	\$4,041	58 WETHERSFIELD	\$3,219	93 WALLINGFORD	\$2,643	128 PLYMOUTH	\$2,298	163 WEST HAVEN	\$1,646
24 NORFOLK	\$3,935	59 BOLTON	\$3,210	94 NORTH STONINGTON	\$2,635	129 LEDYARD	\$2,283	164 GRISWOLD	\$1,608
25 LYME	\$3,887	60 UNION	\$3,181	95 WINDSOR LOCKS	\$2,628	130 VERNON	\$2,256	165 BROOKLYN	\$1,589
26 STAMFORD	\$3,753	61 STRATFORD	\$3,150	96 BEACON FALLS	\$2,622	131 BRISTOL	\$2,234	166 THOMPSON	\$1,556
27 KENT	\$3,752	62 MIDDLEFIELD	\$3,134	97 CHESTER	\$2,607	132 EAST HAVEN	\$2,188	167 WINDHAM	\$1,439
28 WESTBROOK	\$3,748	63 CANTON	\$3,128	98 BARKHAMSTED	\$2,605	133 WATERBURY	\$2,184	168 MANSFIELD	\$1,161
29 MONROE	\$3,745	64 CLINTON	\$3,103	99 SEYMOUR	\$2,578	134 STAFFORD	\$2,167	169 PUTNAM	\$1,078
30 MIDDLEBURY	\$3,729	65 GRANBY	\$3,099	100 TORRINGTON	\$2,577	135 WOLCOTT	\$2,157		
31 SHERMAN	\$3,722	66 BETHEL	\$3,095	101 EAST WINDSOR	\$2,563	136 HARTFORD	\$2,133		
32 GUILFORD	\$3,678	67 WOODBURY	\$3,089	102 SOUTHWINGTON	\$2,560	137 POMFRET	\$2,127		
33 SHARON	\$3,668	68 WINDSOR	\$3,075	103 ELLINGTON	\$2,514	138 DERBY	\$2,117		
34 WEST HARTFORD	\$3,642	69 SOUTHBURY	\$3,072	104 ANDOVER	\$2,498	139 WINCHESTER	\$2,106		
35 NEWTOWN	\$3,618	70 NEW FAIRFIELD	\$3,047	105 EAST HARTFORD	\$2,476	140 VOLUNTOWN	\$2,105		

Average: \$2,872

Median: \$2,783

**Equalized Mill Rates
FYE 2016**

Source: State OPM Municipal Fiscal Indicators database

1 WATERBURY	42.58	36 MONROE	24.01	71 CANTON	20.93	106 SUFFIELD	19.11	141 WOODSTOCK	16.43
2 HARTFORD	40.47	37 GLASTONBURY	23.74	72 MIDDLEBURY	20.87	107 WALLINGFORD	19.05	142 BETHLEHEM	16.27
3 BRIDGEPORT	33.94	38 NEWINGTON	23.67	73 ORANGE	20.86	109 NEW FAIRFIELD	18.92	143 SOMERS	16.23
4 NEW BRITAIN	33.29	39 THOMASTON	23.66	74 WINDSOR	20.85	110 SOUTHURY	18.87	144 FRANKLIN	15.73
5 EAST HARTFORD	32.75	40 EAST HAVEN	23.62	75 ENFIELD	20.69	111 CLINTON	18.83	145 SHELTON	15.23
6 TORRINGTON	32.35	41 MIDDLEFIELD	23.61	76 EASTON	20.66	112 ROCKY HILL	18.81	146 WESTBROOK	15.15
7 NAUGATUCK	32.32	42 SIMSBURY	23.54	77 NEW HARTFORD	20.65	113 POMFRET	18.79	147 GROTON	15.11
8 HAMDEN	29.82	43 ASHFORD	23.48	78 NORTH HAVEN	20.61	114 WESTON	18.74	148 STAMFORD	15.06
9 WINDHAM	28.30	44 TOLLAND	23.40	79 NORTH CANAAN	20.59	115 NEW MILFORD	18.67	149 OLD LYME	14.42
10 NORWICH	27.85	45 BETHANY	23.38	80 MANSFIELD	20.55	116 MORRIS	18.64	150 STONINGTON	14.03
11 DERBY	27.42	46 SALEM	23.36	81 EAST HADDAM	20.32	117 DEEP RIVER	18.63	151 ESSEX	14.01
12 WETHERSFIELD	27.16	47 PORTLAND	23.25	82 CHESHIRE	20.15	118 GUILFORD	18.48	152 SHERMAN	13.64
13 SCOTLAND	26.79	48 STAFFORD	23.14	83 WATERTOWN	20.11	119 LITCHFIELD	18.43	153 GOSHEN	13.43
14 NEW LONDON	26.60	49 MARLBOROUGH	22.75	84 LEBANON	20.09	120 EASTFORD	18.26	154 BRIDGEWATER	13.23
15 WOODBRIDGE	26.23	50 WEST HAVEN	22.63	85 MONTVILLE	19.95	121 BROOKFIELD	18.22	155 LISBON	13.08
16 MERIDEN	26.18	51 ANDOVER	22.55	86 AVON	19.94	122 CHESTER	18.21	156 OLD SAYBROOK	13.06
17 NEW HAVEN	25.95	52 PLAINVILLE	22.55	87 KILLINGLY	19.92	123 HARTLAND	17.86	157 LYME	12.94
18 STRATFORD	25.86	53 UNION	22.53	88 BOZRAH	19.91	124 KILLINGWORTH	17.67	158 KENT	12.61
19 VERNON	25.82	54 STERLING	22.51	89 EAST GRANBY	19.87	125 WILTON	17.60	159 CORNWALL	12.52
20 BOLTON	25.72	55 HADDAM	22.47	90 REDDING	19.85	126 WATERFORD	17.57	160 PUTNAM	11.51
21 HEBRON	25.70	56 COLEBROOK	22.28	91 PROSPECT	19.85	127 BROOKLYN	17.50	161 WESTPORT	11.01
22 PLYMOUTH	25.65	57 COLCHESTER	22.18	92 WOLCOTT	19.71	128 MADISON	17.46	162 SHARON	10.74
23 ANSONIA	25.62	58 NEWTOWN	22.12	93 PLAINFIELD	19.66	129 COLUMBIA	17.46	163 NEW CANAAN	10.54
24 MANCHESTER	25.42	59 COVENTRY	21.97	94 WILLINGTON	19.61	130 FARMINGTON	17.37	164 ROXBURY	10.11
25 SOUTH WINDSOR	25.36	60 LEDYARD	21.84	95 SOUTHINGTON	19.61	131 THOMPSON	17.27	165 DARIEN	9.45
26 BLOOMFIELD	25.17	61 CROMWELL	21.72	96 VOLUNTOWN	19.59	132 OXFORD	17.04	166 WARREN	9.34
27 SEYMOUR	25.06	62 TRUMBULL	21.66	97 MILFORD	19.58	133 PRESTON	16.92	167 WASHINGTON	8.73
28 GRANBY	24.93	63 BETHEL	21.51	98 GRISWOLD	19.55	134 EAST LYME	16.85	168 SALISBURY	7.69
29 BRISTOL	24.81	64 ELLINGTON	21.48	99 DANBURY	19.50	135 RIDGEFIELD	16.83	169 GREENWICH	6.99
30 WEST HARTFORD	24.57	65 BURLINGTON	21.46	100 WINDSOR LOCKS	19.34	136 CANAAN	16.72		
31 CHAPLIN	24.48	66 BERLIN	21.34	101 NORTH STONINGTON	19.34	137 FAIRFIELD	16.67		
32 BEACON FALLS	24.48	67 HAMPTON	21.28	102 BARKHAMSTED	19.31	138 NORWALK	16.57		
33 WINCHESTER	24.32	68 SPRAGUE	21.14	103 EAST HAMPTON	19.30	139 CANTERBURY	16.45		
34 MIDDLETOWN	24.26	69 NORTH BRANFORD	21.12	104 HARWINTON	19.14	140 NORFOLK	16.45		
35 DURHAM	24.10	70 EAST WINDSOR	20.94	105 WOODBURY	19.13				

Average: 18.98

Median: 19.95

PEER COMPARISONS CAPITAL REGION COUNCIL OF GOVERNMENTS (CRCOG)



- Somers' equalized mill rate of 16.23 is the lowest of all Towns in the CRCOG
- Average equalized mill in the 38 Town CRCOG is 23.10
- Equalized mill rate used by the State as an indicator of a Town's financial health and ability to bear a greater local tax burden

PEER COMPARISONS – MILL RATES

Other Towns have experienced significant mill rate increases

<u>Town</u>	<u>Mill Rate FY 2012</u>	<u>Mill Rate FY 2018</u>	<u>6 Year Growth</u>	<u>Equalized Mill Rate</u>	<u>\$200,000 Assessed Value FY 2018</u>
Tolland	29.73	34.48	4.75	23.40	\$6,896
Stafford	28.96	34.49	5.53	23.14	\$6,898
Ellington	27.50	31.70	4.20	21.48	\$6,340
E. Windsor	24.38	32.77	7.32	20.94	\$6,554
Suffield	24.17	28.20	4.03	19.11	\$5,640
Enfield	23.88	31.43	7.55	20.69	\$6,286
Union	23.05	30.84	7.79	22.53	\$6,168
Somers	22.12	25.47	3.35	16.23	\$5,094

Somers continues to have significantly lower property taxes than its neighbors

SUPPLEMENTAL TAX INCREASE POTENTIAL IMPACT

Assessed Value	Tax with Mill Rate 25.47 Current	Tax with Mill Rate 26.22 .75 Increase	Tax with Mill Rate 26.47 1.0 Increase
\$100,000 Increase	\$2,547	\$2,622 \$75	\$2,647 \$100
\$188,900* Increase	\$4,811	\$4,953 \$142	\$5,000 \$189
\$200,000 Increase	\$5,094	\$5,244 \$150	\$5,294 \$200
\$250,000 Increase	\$6,368	\$6,555 \$187	\$6,618 \$250
\$300,000 Increase	\$7,641	\$7,866 \$225	\$7,941 \$300
\$400,000 Increase	\$10,188	\$10,488 \$300	\$10,588 \$400

* Median assessed value

SUMMARY

- Total reduction in State results in a \$1.1 million revenue shortfall to the Town (1.31 mill equivalent)
- BOS and BOE budget cuts totaling \$498,000 (0.59 mills) have been initiated
- Gap of \$602,000 remains (0.72 mills) due to holdbacks
- Further State cuts and holdbacks are very likely
- Further Town expense budget cuts at this point in the fiscal year would have a negative impact on services including potential layoffs
- Using unrestricted fund reserves not a viable option
- Current Town budget is \$32.23 million; tax rate is 25.47 mills; one mill is equal to \$839,490

PROPOSED ACTION

- Board of Finance needs to determine and vote on adjusted tax levy
- Recommend the Board of Finance implement an additional tax levy to make up for the shortfall in State aid
- The budget implementer bill passed along with the State budget permits Towns receiving less State aid than anticipated in their adopted budgets to issue supplemental tax bills
- CGS Section 7-567 permits the Board of Finance without further authority to issue supplemental tax bills
- Consider range of increase to be 0.75 -1.00 mills
- Anticipate the very real possibility of further State cuts and holdbacks
- Supplemental tax bills to be issued prior to February 1, 2018

PUBLIC COMMENTS

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**

WRAP UP

Bud Knorr

First Selectman

FISCAL CHALLENGES

- **Maintain public safety, minimize negative impacts, continue quality education**
- **Maintain adequate fund balance to preserve Aa2 Bond Rating**
- **Continue to hold the line on our budget growth while balancing the negative effects of State aid cuts**