

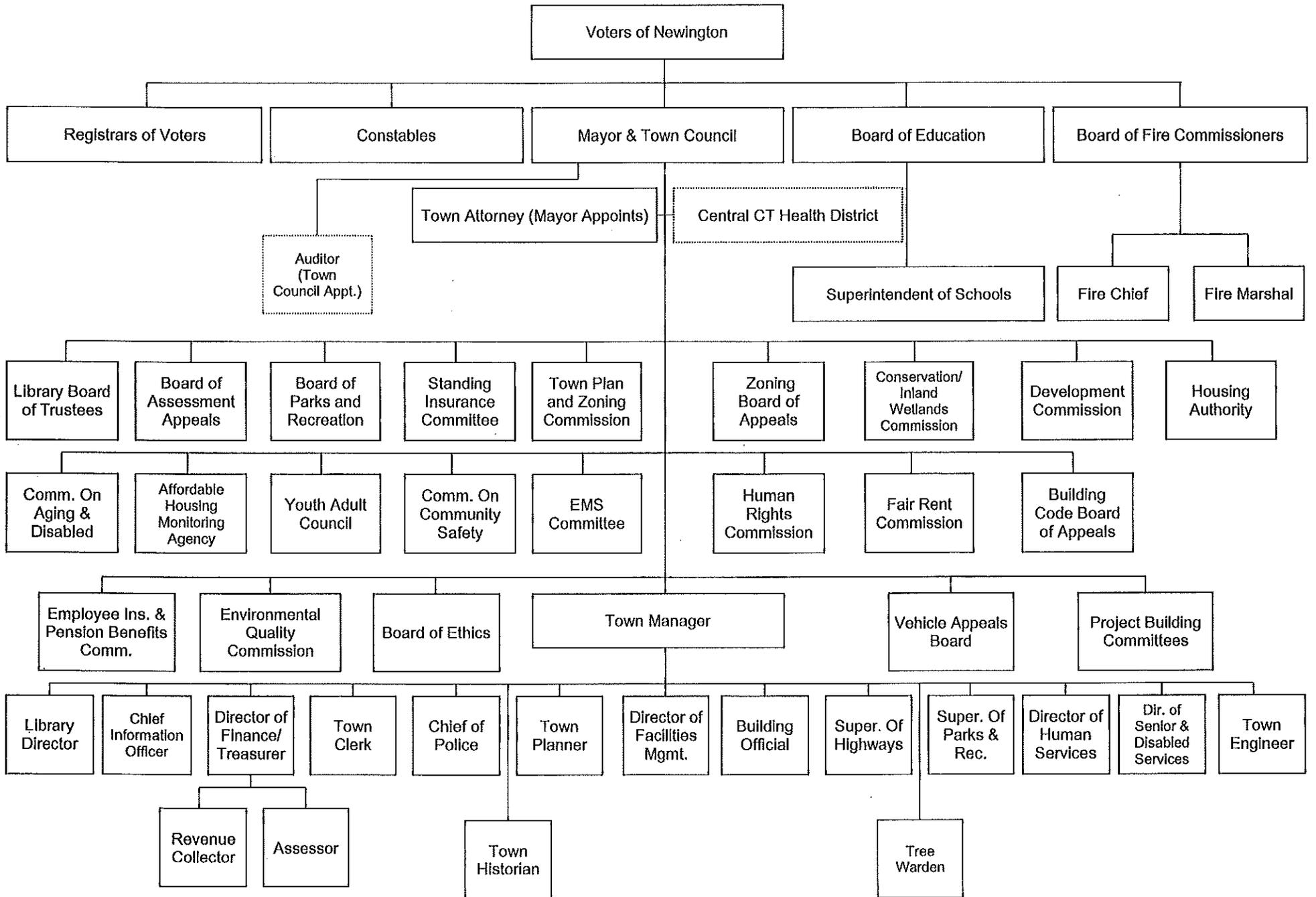
TOWN OF NEWINGTON ANNUAL BUDGET

Summary

Town Manager's
Proposed Budget



2014-2015



March 3, 2014

Honorable Mayor and Members of the Newington Town Council:

On behalf of the Town of Newington, I present the Town Manager's Proposed Fiscal Year 2013-2014 budget for the General Government operations and the Board of Education. This budget is no different than others I have presented to you in that we are faced with increased costs with limited revenue growth.

	FY 2013-14	FY 2014-15	\$ Change	% Change
Total Town Budget	\$106,058,696	\$109,751,896	\$3,693,200	3.5%

Budget Overview

The 3.5% budget increase and the proposed fiscal year 2014–2015 budget is one of the lowest proposed increases by the Town Manager in recent years. The adverse theme of limited grand list growth and no state aid growth places most of the burden on maintaining town services and educational priorities strictly on an increase in the tax rate. As illustrated below, the town's tax base grew less than 1%. Although, this is a small growth, it is significant in that it is the first growth in the grand list in three years.

TOWN OF NEWINGTON 2013 NET GRAND LIST				
CATEGORY	2012 Grand List	2013 Grand List	PERCENT CHANGE	DOLLAR CHANGE
REAL ESTATE	\$2,188,702,373	\$2,197,055,035	0.4%	\$8,352,662
PERSONAL PROPERTY	\$134,889,100	\$136,146,200	0.9%	\$1,257,100
MOTOR VEHICLE	<u>\$213,855,277</u>	<u>\$216,032,070</u>	<u>1.0%</u>	<u>\$2,176,793</u>
TOTAL	\$2,537,446,750	\$2,549,233,305	0.5%	\$11,786,555

MANUFACTURING EQUIPMENT EXEMPTION				
	2012 Grand List	2013 Grand List	PERCENT CHANGE	DOLLAR CHANGE
GROSS PP	\$203,070,880	\$205,421,100	1.2%	\$2,350,220
MFG & OTHER	<u>\$68,181,780</u>	<u>\$69,274,900</u>	<u>1.6%</u>	<u>\$1,093,120</u>
NET PP	\$134,889,100	\$136,146,200	0.9%	\$1,257,100

General Government Expenditures

The proposed Town Government Operations budget for FY 2014-2015 is \$32,295,725, an increase of \$1,505,208, or 4.9% from FY 2013–2014. Of the 4.9% increase, approximately \$1 million is for medical cost and pension increases. This leaves only approximately \$500,000 for all other increased costs; including utilities, fuel, wage increases, and maintaining of programs.

Board of Education

I have recommended an increase in the Board of Education budget of \$1,802,601 or 2.7%. The charter and state law does not permit me to specify where these reductions in the budget may occur. I would note however, that the final estimated cost for employee benefits including medical insurance has not been finalized and it is possible that savings will occur in that account.

Metropolitan District Commission (MDC)

The Town of Newington is a member of a regional authority that provides water and waste water (sewer) service to the Town of Newington and seven other regional entities. The MDC funding for FY2014-15 is \$3,216,800, an increase of \$114,550 or 3.7%. In comparison to the 5% increase for FY 2013-14, this funding is a slight decrease in the growth of this budget by approximately \$35,000.

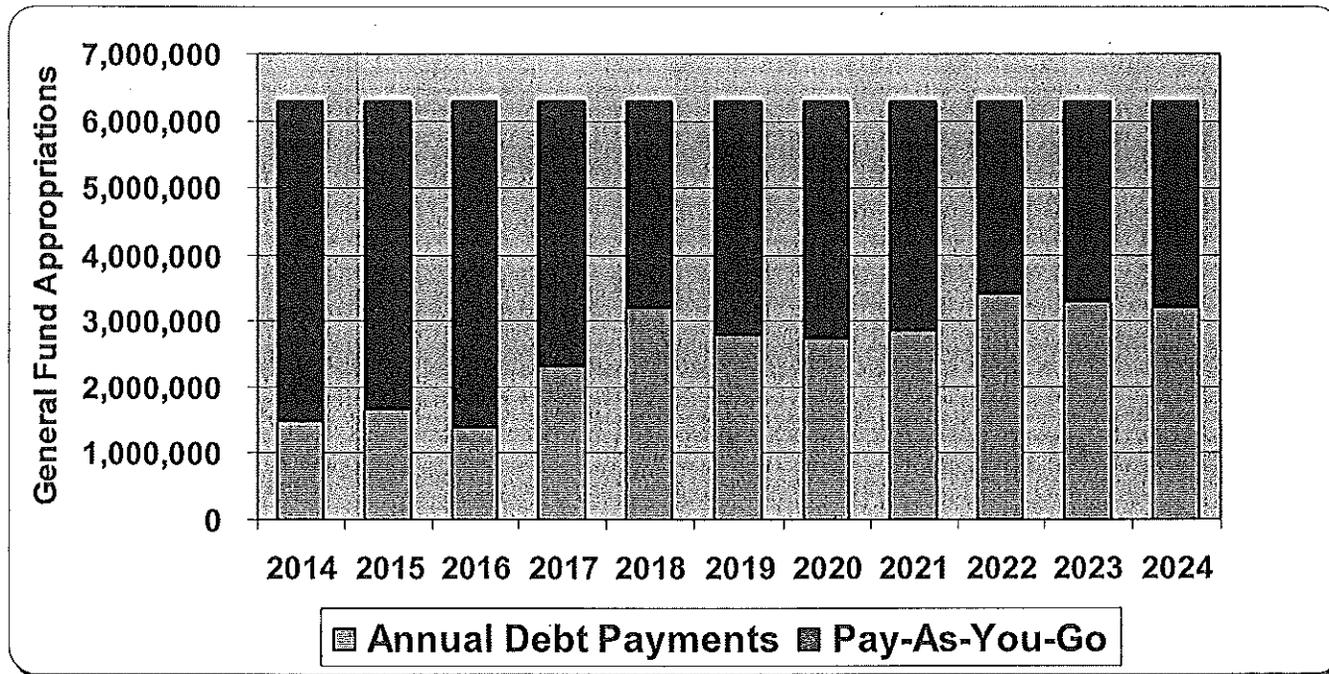
Debt Service

Last fiscal year the town had a significant decrease in debt service. This was due to a one time financing of our long – term debt with favorable borrowing interest rates. This one-year reduction was approximately \$760,000 in savings. The Town must now revert to its regular debt service schedule and the increase in that service for next year is approximately \$201,175 or 13.6%. The Town Council must put this number in perspective though. Our total debt service is less than 2% of our operating budgets. This is one of the lowest debt ratios in the State.

Capital Improvement Program (CIP)

In fiscal year 2007–2008 the town instituted an aggressive Pay-As-You-Go program for capital replacement and construction. Since then, the town has been able to fund its capital projects and equipment consistently over the last six years. This year I am proposing from the Pay-As-You-Go funding in the Capital Improvement Program \$4,570,069 or a 1.5% increase.

The chart below illustrates that future borrowing will not increase the budget. In addition to the Pay-As-You-Go projects, Newington will be working on a long-term plan for the Town Hall and Mortensen Community Center renovations. It must be emphasized that the additional debt service has already been incorporated into our budget from previous years and will not increase the tax rate.



Capital Improvement Program Proposed For Fiscal Year 2014–2015

(Note that the final recommendations from the Capital Improvements Program (CIP) Committee have not been finalized and this recommendation is based solely on the Town Manager's projects.)

Project Title	\$
General Property Improvements	100,000
Town Buildings Mechanical Reserve	35,000
Town Hall Emergency Generator (critical systems only)	187,000

Information Technology Reserve	231,200
Revaluation 2015	110,000
Police Records Management and CAD Replacement	100,000
Radio Replacement Reserve	40,000
Fire Company 1 Shingled Roof Replacement	50,000
Fire Company 1 Heating System Replacement	37,000
Garfield Street Realignment	750,000
Road Resurfacing and Reconstruction	78,852
Drainage Improvements	55,000
Sidewalk and Stone Wall Repair	60,000
Volunteer Ambulance Sidewalks, Drainage & Site Improvements	38,000
Public Building Resurfacing Program	75,000
Single Stream Recycling Containers Lease Payment	111,594
Traffic Signal Replacement Reserve	25,000
Marcap Property Acquisition	554,188
Library Automated Collection Management System Phase II	70,300
Park & Playfield Improvements	75,000
Recreation Software	66,935
Equipment Replacement Reserve	395,000
Total Town Share	3,245,069
Public School Capital Improvement Project Reserve Fund	125,000
John Wallace PCB Remediation – Wing 7	900,000
NHS Career/ Technical Program Renovations	300,000
Total Education Share	1,325,000
Grand Total	4,570,069

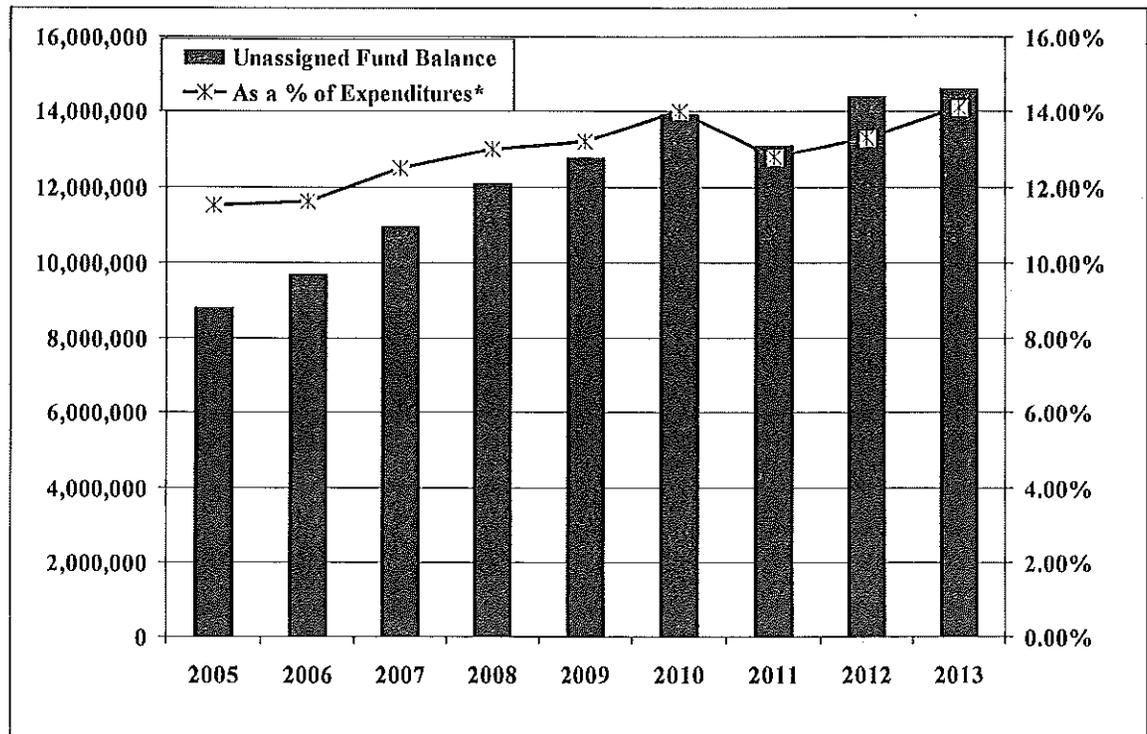
Revenues

As in previous fiscal years the proposed 2014–2015 budget contains little in the way of non-tax revenue increases. Although the state budget is projected to contain a surplus this year, no new municipal aid has been proposed in the Governor's budget. The following chart represents the major revenue sources:

Type	\$	%
Property Tax	87,048,951	79.3
Non-Tax Revenue	20,452,945	18.6
General Fund Balance	2,250,000	2.1
TOTAL	109,751,896	100.0

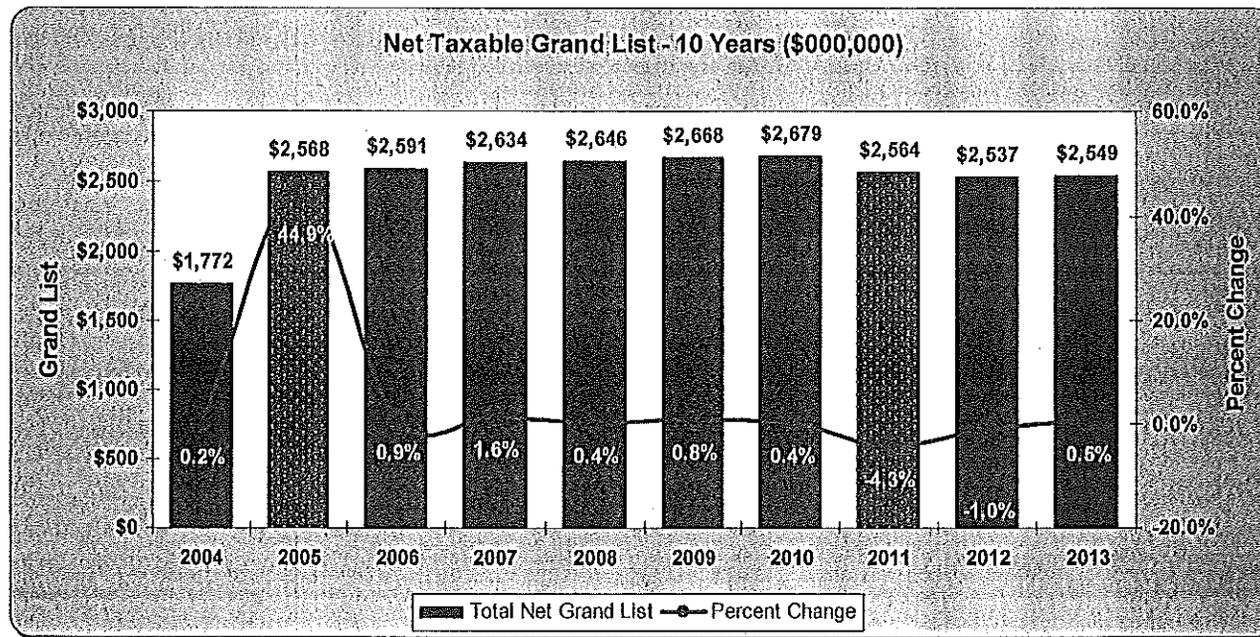
Fund Balance

The fiscal year 2014–2015 budget applies \$2,250,000 from the general fund balance, the same amount as in fiscal year 2013–2014. This will leave an estimated unassigned fund balance as of June 30, 2014 of approximately \$13.7 million, or approximately 12.5% of the fiscal year 2014–2015 total appropriations. This level is consistent with sound fiscal policy and is within the criteria established by the credit rating industry.



Grand List

October 1, 2013 grand list for Newington shows a net increase of \$11,786,555 or a 1/2% increase. Although this is a very slight increase, it is the first increase since before the Town underwent revaluation three years ago. There are some moderate size housing projects under construction as well as commercial projects that may start construction this fiscal year. If the Town of Newington can sustain even modest growth of 1% over the next few years it would increase non-tax revenue from \$400,000–\$700,000 per year. This may not be enough to balance the budget without a tax increase but the increases would certainly be less in the upcoming years. This would help counterbalance proposed tax increases in the next few fiscal years.



Real Estate

The net real estate grand list increased from \$2,188,702,373 to \$2,197,055,035, an increase of \$8,352,662 or 0.4%. This is the first increase in the real estate grand list since October 1, 2010. The increase is due to significant new construction that occurred in Newington. The changes to real estate sector of the grand list are illustrated in the table below:

Summary of Significant Real Estate Changes to 2013 Grand List			
<u>2013 Grand List Increases</u>		<u>2013 Grand List Decreases</u>	
Brown Development LLC	\$3,808,238	Board of Assmt. Appeals	-\$827,065
Harvest Village LLC	\$2,324,310	Court & Other Reductions	-\$1,468,022
Victory Gardens Housing LLC	\$2,310,000	Increase in Exemptions	-\$999,264
Properties with Building Permits	\$2,046,063		-\$3,294,351
Wex - Tuck Realty LLC	\$1,158,402		
Increases	\$11,647,013		
Decreases	-\$3,294,351		
Net Change	\$8,352,662		

Motor Vehicles

The 2013 motor vehicle component of the grand list increased by approximately \$2.2 million dollars, which is 1% over the 2012 grand list. The motor vehicle grand list for 2013 is \$216,032,070.

Personal Property

The personal property component of the 2013 grand list experienced an increase of \$1,257,100, or 0.9% above the 2012 grand list on a net basis. There were 648 accounts that increased by \$19,679,510 while 671 accounts decreased by \$13,600,982. Additional manufacturing exemptions offset the increase in asset value for this grand list.

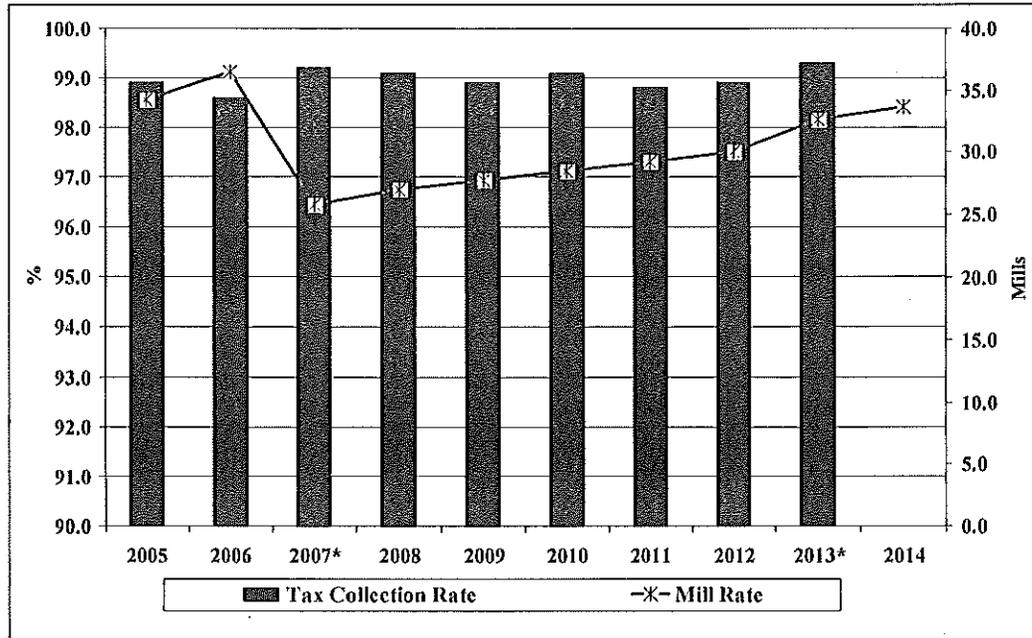
**TOWN OF NEWINGTON, CT
TOP TWENTY FIVE TAXPAYERS - 2013 GRAND LIST**

<u>RANK</u>	<u>TAXPAYER</u>	<u>DESCRIPTION</u>	<u>GROSS</u>
1	CONNECTICUT LIGHT & POWER CO	UTILITY	\$37,283,380
2	GKN AEROSPACE NEWINGTON LLC	MANUFACTURING	\$22,872,680
3	IREIT NEWINGTON FAIR LLC	SAMS	\$20,840,428
4	NEWINGTON VF LLC	WALMART	\$19,941,215
5	TLG NEWINGTON LLC	STOP & SHOP / BOB'S / MIC-	\$17,840,487
6	CENTRO GA TURNPIKE PLAZA LLC	PRICE CHOPPER/DICKS	\$17,360,000
7	NEWINGTON GROSS LLC	STEW LEONARDS	\$17,150,000
8	MANDELL PROPERTIES LLC	PRINTING/MAILING	\$14,000,100
9	HAYES KAUFMAN NEWINGTON	RETAIL	\$12,903,881
10	SCELZA/ CAMBRIDGE/LANDMARK/BALDWIN	APARTMENTS	\$11,787,839
11	TARGET CORPORATION T 1802	RETAIL	\$10,829,620
12	BALF/TILCON CONNECTICUT INC	MANUFACTURING	\$10,377,980
13	RENO PROPERTIES II LLC	MANUFACTURING	\$10,020,606
14	LOWES HOME CENTERS INC #623	RETAIL	\$9,870,000
15	FURNITURE EXECUTIVES NO 4 L P	RETAIL	\$9,800,000
16	HARTFORD HOSPITAL	APARTMENTS/LAB	\$9,621,137
17	SUNBELT RENTALS INC	RENTAL	\$8,710,600
18	NEWINGTON 2007 LLC	MANUFACTURING	\$8,094,191
19	KOHLER MIX SPECIALITIES LLC	MANUFACTURING	\$7,096,100
20	BRE SELECT HOTELS PROPERTIES LLC	COURTYARD MARRIOTT	\$7,083,013
21	SPX CORP	MANUFACTURING	\$6,759,570
22	GRISWOLD HILLS OF NEWINGTON LTD PARTNE	APARTMENTS	\$6,668,424
23	CONNECTICUT NATURAL GAS CORP	UTILITY	\$6,549,780
24	EDAC TECHNOLOGIES CORP	MANUFACTURING	\$6,318,490
25	BERLIN NEWINGTON ASSOCIATES LLC	RETAIL	\$6,300,000

This list reflects the gross assessment for the properties. Some accounts receive manufacturing exemptions which reduce the actual tax paid.

Mill Rate

Effective with the October 1, 2013 taxable Grand List, the proposed mill rate for FY 2014-2015 is 34.91 mills, an increase of 1.28 mills or 3.8%. The chart below shows the Town's history of gradual mill rate increases over the past ten years:



Conclusion

My appreciation goes to all who assisted in the preparation of the budget proposal. Particular thanks go to Ann Harter, Lisa Rydecki, Jaime Trevethan and Jane Kallinich. It's a complicated document that always gets prepared on time and it is the result of the tireless work from staff that makes this possible. I look forward to working with the Town Council as we move forward to approve the budget for the Town of Newington.

Very truly yours,

John Salomone
John Salomone
Town Manager

MAJOR ASSUMPTIONS

1. Projected heating fuel, motor fuel and utility costs:

Energy costs are budgeted by using a percentage decrease or increase from the revised 2013-14 amount expected to be spent by June 30th.

	FY 2014-2015	
Postage	\$0.49	Per first class letter; \$0.03 increase over 2014 rate
Telephone	0.2%	Decrease from 2014 rate & usage
Electricity	0.6%	Increase over 2014 usage
Water	\$2.53	Per ccf; \$0.03 increase over 2014 rate
Special Sewer Service	\$2.90	Per ccf; \$0.50 increase over 2014 rate
Natural Gas	9.8%	Decrease from 2014 usage
Heating Fuel Oil	13.8%	Increase over 2014 rate & usage
Unleaded Gasoline	11.6%	Increase over 2014 rate
Diesel Fuel	8.7%	Decrease from 2014 usage

2. The actual negotiated increases for both the IBPO Local 443 and AFSCME Local 2930 employees are included in the departmental budgets.
3. Administrative salaries and part-time wages included in the departmental budgets are based on FY 2013-14 rates. Potential increases for FY 2014-15 are included in the Town Council Contingency account (10962).

EXPLANATION OF THE CALCULATION OF THE MILL RATE

The following explains how the mill rate is calculated using figures presented on the adjacent page.

The total budget appropriation for FY 2014-15 is \$109,751,896 which represents the estimated expenditures for FY 2014-15. It includes expenditures to provide the following municipal services as authorized in the Town's charter: public safety (police, fire and emergency medical services), library, parks and recreation, solid waste services, street construction and maintenance, health and human services, community development, education, public improvements, and general administrative services. The budget includes operating and capital expenditures.

These appropriations will be financed by three sources of revenues:

Non-tax Revenues	\$ 20,452,945
Appropriated Fund Balance	\$ 2,250,000
Tax Revenues (Amount To Be Raised by Current Taxes)	\$ 87,048,951

Included in Non-tax Revenues are State of Connecticut grants, principally PILOT and education grants, and locally-generated revenues such as interest earnings, charges for services, licenses and permit fees. Non-tax revenues in FY 2014-15 total \$20,452,945 which reflects an increase of \$125,067 from the adopted FY 2013-14 levels. State Aid estimates for FY 2014-15 are based on Governor Malloy's 2014-15 proposed budget as submitted to the General Assembly in February 2014.

The FY 2014-15 budget applies \$2,250,000 from the General Fund balance, the same amount as FY 2013-14. This will leave an estimated, projected unassigned fund balance as of June 30, 2014 of approximately \$13.7 million, or approximately 12.5% of the FY 2014-15 expenditure budget which is the acceptable level as set forth by the credit industry standards.

The last category, Tax Revenues, or the "Amount To Be Raised by Current Taxes," is calculated on a residual basis; that is, whatever appropriations are not financed through Non-tax Revenues or Appropriated Fund Balance are financed by the Amount To Be Raised by Current Taxes. The calculation of the mill rate takes into account the Amount To Be Raised by Current Taxes and the following:

October 1, 2013 Net Grand List	\$2,549,233,305
Estimated Legal Tax Deductions and Exemptions	\$20,000,000
Estimated Tax Collection Rate	98.6%

The Net Grand List is prior to the review of the Board of Assessment Appeals and represents the taxable property in the Town on October 1, 2013 which includes real estate, personal and motor vehicle properties and subtracts exemption values for State-mandated exemption programs for the elderly, local exemptions for veterans, legal deductions by the court and estimated corrections by the Assessor's office. The State of Connecticut reimburses the Town for the revenues lost from some exemption programs. The Estimated Tax Collection Rate of 98.6% takes into account the actual amount of taxes estimated to be received during the year they are levied.

Taking the Net Grand List (before review by the Board of Assessment Appeals), subtracting the Estimated Legal Deductions & Exemptions, and multiplying the resulting figure by the Tax Collection Rate of 98.6% yields an amount of \$2,493,824,039, the "Net Adjusted Collectible Grand List." This figure is then divided into the "Amount To Be Raised by Current Taxes" the quotient of which is then multiplied by 1,000. The result of this calculation is a Mill Rate for the FY 2014-15 of 34.91 (tax levy per \$1,000 of assessed value) or an increase of 1.28, up 3.8% from FY 2013-14 levels.

2012-2013 REVISED BUDGET	2013-2014 REVISED BUDGET	TOWN OF NEWINGTON GENERAL FUND BUDGET SUMMARY	2014-2015		\$ CHANGE FROM PREVIOUS BUDGET	PERCENT CHANGE FROM PREVIOUS BUDGET
			DEPT REQUEST	MANAGER PROPOSED		
		BUDGET APPROPRIATIONS:				
30,461,256	30,790,517	Town Government Operations	32,938,871	32,295,725	1,505,208	4.9%
63,347,585	66,096,870	Board of Education Operations	69,399,471	67,899,471	1,802,601	2.7%
2,952,000	3,102,250	Metropolitan District Comm. Payment	3,216,800	3,216,800	114,550	3.7%
556,559	232,943	Debt Service - Town's Share(1)	768,291	593,291	360,348	154.7%
1,668,113	1,242,813	Debt Service - Education's Share(1)	1,083,640	1,083,640	-159,173	-12.8%
2,590,328	2,602,755	Capital Improvements & Equip. Res. - Town's Share(2)	3,928,134	3,245,069	642,314	24.7%
1,775,000	1,897,648	Capital Improvements - Education's Share(2)	2,025,000	1,325,000	-572,648	-30.2%
68,300	69,700	Empl. Leave Liability Res. Fund (3)	69,700	69,700	0	0.0%
<u>22,800</u>	<u>23,200</u>	Empl. Leave Liability Res. Fund - Education's Share(3)	<u>23,200</u>	<u>23,200</u>	0	0.0%
103,441,941	106,058,696	TOTAL APPROPRIATIONS - TOWN AND BOARD	113,453,107	109,751,896	3,693,200	3.5%
		LESS:				
20,238,603	20,327,878	Estimated Revenues from Non-Tax Sources	20,452,945	20,452,945	125,067	0.6%
		LESS:				
2,250,000	2,250,000	General Fund Balance Applied	2,250,000	2,250,000	0	0.0%
80,953,338	83,480,818	AMOUNT TO BE RAISED BY CURRENT TAXES	90,750,162	87,048,951	3,568,133	4.3%
2,554,128,581	2,537,446,750	NET GRAND LIST	2,549,233,305	2,549,233,305	11,786,555	0.5%
36,500,000	20,000,000	LESS: Est. Value of Legal Corrections & Exemptions	20,000,000	20,000,000		
2,517,628,581	2,517,446,750	NET ADJUSTED GRAND LIST	2,529,233,305	2,529,233,305	11,786,555	
2,479,864,152	2,482,202,496	NET ADJUSTED COLLECTIBLE GRAND LIST	2,493,824,039	2,493,824,039	11,621,543	0.5%
		(\$ VALUE OF ONE MILL = \$2,491,295)				
32.64	33.63	MILL RATE	36.39	34.91	1.28	3.8%

(1)Total Debt Service appears on page 11 of Gen. Govt. operations summary

(2)Total CIP appears on page 11 of Gen. Govt. operations summary

(3)Total ELLR appears on page 11 of Gen. Govt. operations summary

TOWN APPROPRIATIONS SUMMARIES

EXPLANATION OF THE APPROPRIATION PAGES

The following is a definition of each of the columns on the appropriations pages:

2012-2013 Actual:	These figures are the actual funds spent during FY 2012-2013.
2013-2014 Original Budget:	These figures equal the original budget adopted for FY 2013-2014.
2013-2014 Revised Budget:	These figures equal the original budget adopted for FY 2013-2014, plus all interdepartmental and intradepartmental transfers.
2014-2015 Department Request:	These figures represent the departments' requests for FY 2014-2015 based on criteria set forth by the Town Manager.
2014-2015 Manager Proposed:	These figures equal the Department Request amounts with any adjustments made by the Town Manager.
Change from Previous Budget:	These figures compare the FY 2013-2014 Revised Budget column to the FY 2014-2015 Manager Proposed column.

FUNCTION	ACTIVITY	PROGRAM
Town Government Operations	Summary	

2012-2013 Actual	2013-2014 Original Budget	2013-2014 Revised Budget	BUDGET APPROPRIATIONS	2014-2015 Manager Proposed	Change from revised budget		% of Total Change
					\$	%	
<u>Object Summary</u>							
14,237,757	14,637,210	14,902,655	100 Personal Services	15,287,698	385,043	2.58%	25.58%
13,684,049	13,906,949	13,550,359	200 Contractual Services	14,776,089	1,225,730	9.05%	81.43%
1,410,122	1,546,109	1,632,107	300 Materials and Supplies	1,583,726	-48,381	-2.96%	-3.21%
447,843	338,486	343,633	400 Capital Outlay	366,712	23,079	6.72%	1.53%
65,163	361,763	361,763	500 Transfers to Other Funds	281,500	-80,263	-22.19%	-5.33%
29,844,934	30,790,517	30,790,517	TOTAL	32,295,725	1,505,208	4.89%	100.00%
4,297,849	4,516,605	4,597,968	100 General Government	4,646,753	48,785	1.06%	3.24%
7,515,867	7,685,402	7,770,605	200 Public Safety	7,996,199	225,594	2.90%	14.99%
4,515,451	4,809,501	4,965,249	300 Public Works	5,006,430	41,181	0.83%	2.74%
457,096	458,079	473,577	400 Community Planning & Development	513,723	40,146	8.48%	2.67%
134,319	144,355	144,355	500 Public Health	144,355	0	0.00%	0.00%
926,828	992,719	1,007,890	600 Community Services	1,001,939	-5,951	-0.59%	-0.40%
1,633,151	1,688,808	1,678,692	700 Public Library	1,718,923	40,231	2.40%	2.67%
1,510,017	1,556,474	1,601,773	800 Parks & Recreation	1,661,386	59,613	3.72%	3.96%
8,854,356	8,938,574	8,550,408	900 Insurance-Miscellaneous	9,606,017	1,055,609	12.35%	70.13%
29,844,934	30,790,517	30,790,517	TOTAL	32,295,725	1,505,208	4.89%	100.00%

2012-2013 Actual	2013-2014 Original Budget	2013-2014 Revised Budget	BUDGET APPROPRIATIONS	2014-2015 Manager Proposed	Change from revised budget		% of Total Change
					\$	%	
0100 General Government							
48,887	51,096	51,230	0110 Town Council	29,700	-21,530	-42.03%	-0.58%
384,631	386,058	397,426	0120 Town Manager	397,616	190	0.05%	0.01%
30,856	35,305	35,305	0130 Courts	37,009	1,704	4.83%	0.05%
141,143	117,334	119,899	0140 Elections	130,793	10,894	9.09%	0.29%
1,135,439	1,188,617	1,220,454	0150 Finance	1,217,788	-2,666	-0.22%	-0.07%
159,880	130,200	162,200	0160 Town Attorney	130,200	-32,000	-19.73%	-0.87%
169,418	175,481	178,940	0170 Town Clerk	180,029	1,089	0.61%	0.03%
59,211	49,206	49,206	0180 Personnel	49,206	0	0.00%	0.00%
2,168,384	2,383,308	2,383,308	0190 General Services	2,474,412	91,104	3.82%	2.47%
4,297,849	4,516,605	4,597,968	TOTAL	4,646,753	48,785	1.06%	1.32%
0200 Public Safety							
6,309,949	6,465,500	6,551,685	0210 Police Department	6,775,621	223,936	3.42%	6.06%
817,247	802,932	809,100	0230 Fire Department	804,758	-4,342	-0.54%	-0.12%
302,186	325,000	313,000	0250 Street Lighting	315,000	2,000	0.64%	0.05%
0	50	50	0260 Emergency Management	4,050	4,000	8000.00%	0.11%
24,915	30,000	30,000	0270 Emergency Medical Services	30,000	0	0.00%	0.00%
61,570	61,920	66,770	0280 Hydrants	66,770	0	0.00%	0.00%
7,515,867	7,685,402	7,770,605	TOTAL	7,996,199	225,594	2.90%	6.11%
0300 Public Works							
254,083	265,686	275,275	0310 Engineering	284,931	9,656	3.51%	0.26%
2,410,825	2,519,359	2,664,461	0320 Highway Department	2,674,044	9,583	0.36%	0.26%
1,850,543	2,024,456	2,025,513	0350 Solid Waste Services	2,047,455	21,942	1.08%	0.59%
4,515,451	4,809,501	4,965,249	TOTAL	5,006,430	41,181	0.83%	1.12%
0400 Community Planning & Development							
215,769	216,784	227,244	0420 Planning and Development	211,861	-15,383	-6.77%	-0.42%
16,407	17,379	17,379	0430 Town Plan and Zoning	17,367	-12	-0.07%	0.00%
1,321	2,833	2,833	0440 Zoning Board of Appeals	2,662	-171	-6.04%	0.00%
171,365	172,649	177,019	0450 Building Department	205,369	28,350	16.02%	0.77%
8,852	3,825	4,426	0460 Conservation Commission	4,988	562	12.70%	0.02%
43,382	44,609	44,676	0470 Economic Development	71,476	26,800	59.99%	0.73%
457,096	458,079	473,577	TOTAL	513,723	40,146	8.48%	1.09%

FUNCTION	ACTIVITY	PROGRAM
Total Appropriations - Town and Board		
	Summary	

2012-2013 Actual	2013-2014 Original Budget	2013-2014 Revised Budget	BUDGET APPROPRIATIONS	2014-2015 Manager Proposed	Change from revised budget		% of Total Change
					\$	%	
			0500 Public Health				
134,319	144,355	144,355	0510 Health Services	144,355	0	0.00%	0.00%
134,319	144,355	144,355	TOTAL	144,355	0	0.00%	0.00%
			0600 Community Services				
407,007	444,366	453,311	0610 Human Services	454,330	1,019	0.22%	0.03%
511,761	538,969	545,195	0640 Senior and Disabled Center	538,270	-6,925	-1.27%	-0.19%
8,060	9,384	9,384	0670 Boards and Commissions	9,339	-45	-0.48%	0.00%
926,828	992,719	1,007,890	TOTAL	1,001,939	-5,951	-0.59%	-0.16%
			0700 Public Library				
1,633,135	1,688,778	1,678,662	0710 Library Operations	1,718,893	40,231	2.40%	1.09%
16	30	30	0730 Hubbard Book Fund	30	0	0.00%	0.00%
1,633,151	1,688,808	1,678,692	TOTAL	1,718,923	40,231	2.40%	1.09%
			0800 Parks & Recreation				
344,071	319,288	328,162	0810 Parks & Recreation Administr.	329,830	1,668	0.51%	0.05%
1,165,946	1,237,186	1,273,611	0830 Grounds Maintenance	1,331,556	57,945	4.55%	1.57%
1,510,017	1,556,474	1,601,773	TOTAL	1,661,386	59,613	3.72%	1.61%
			0900 Insurance - Miscellaneous				
753,512	1,080,360	1,080,360	0910 Municipal Insurance	1,046,910	-33,450	-3.10%	-0.91%
2,930	2,930	2,930	0930 Greater Hlfd. Transit District	2,930	0	0.00%	0.00%
7,937,361	7,172,941	7,172,941	0940 Employee Benefits	8,155,377	982,436	13.70%	26.60%
20,000	20,000	20,000	0950 Special Community Activities	30,000	10,000	50.00%	0.27%
140,553	662,343	274,177	0960 Contingency	370,800	96,623	35.24%	2.62%
8,854,356	8,938,574	8,550,408	TOTAL	9,606,017	1,055,609	12.35%	28.58%

FUNCTION	ACTIVITY	PROGRAM
Total Appropriations - Town and Board		
Summary		

2012-2013 Actual	2013-2014 Original Budget	2013-2014 Revised Budget	BUDGET APPROPRIATIONS	2014-2015 Manager Proposed	Change from revised budget		% of Total Change
					\$	%	
			1000 Debt Service				
289,558	232,943	255,756	1010 Interest Expense	231,931	-23,825	-9.32%	-0.65%
1,935,000	1,242,813	1,220,000	1020 Principal Payments	1,445,000	225,000	18.44%	6.09%
2,224,558	1,475,756	1,475,756	TOTAL	1,676,931	201,175	13.63%	5.45%
			1050 Metropolitan District				
2,952,000	3,102,250	3,102,250	1051 MDC Assessment	3,216,800	114,550	3.69%	3.10%
2,952,000	3,102,250	3,102,250	TOTAL	3,216,800	114,550	3.69%	3.10%
			1100 Capital Improvements				
3,962,961	4,198,455	4,198,455	1100 Capital Improvements Program	4,175,069	-23,386	-0.56%	-0.63%
3,962,961	4,198,455	4,198,455	TOTAL	4,175,069	-23,386	-0.56%	-0.63%
			2000 Equipment Reserve				
402,367	301,948	301,948	2500 Equipment Reserve CIP	395,000	93,052	30.82%	2.52%
402,367	301,948	301,948	TOTAL	395,000	93,052	30.82%	2.52%
			3000 Employee Leave Liability				
22,800	23,200	23,200	3100 ELLF-Board of Education	23,200	0	0.00%	0.00%
68,300	69,700	69,700	3200 ELLF-Town Operations	69,700	0	0.00%	0.00%
91,100	92,900	92,900	TOTAL	92,900	0	0.00%	0.00%
			4000 Board of Education				
63,346,877	66,096,870	66,096,870	4000 Board of Education	67,899,471	1,802,601	2.73%	48.81%
63,346,877	66,096,870	66,096,870	TOTAL	67,899,471	1,802,601	2.73%	48.81%
102,824,797	106,058,696	106,058,696	GRAND TOTALS	109,751,896	3,693,200	3.48%	100.00%

GENERAL FUND REVENUES

EXPLANATION OF GENERAL FUND REVENUES

5000 Taxes

The current levy for FY 2014-15 is based on the Net Grand List (prior to the Board of Assessment Appeals review) of all taxable property located in the Town as of October 1, 2013. The amount to be raised by taxes of \$87,048,951 is equal to budget appropriations for Town Government and Board of Education operations less estimated receipts from non-tax sources and appropriated fund balance. The mill rate (taxes per \$1000 of assessed value) is then calculated using the October 1, 2013 Net Grand List of \$2,549,233,305, less estimated legal exemptions and deductions of \$20,000,000, and an estimated tax collection rate of 98.6%. The mill rate for FY 2014-15 is 34.91, an increase of 1.28 mills from the FY 2013-14 mill rate of 33.63, or 3.8%. The calculation of the mill rate is presented on page 1 and explained on page xii.

Supplemental motor vehicle taxes are based on vehicles expected to be registered in Newington during the interim period of October 2, 2013 to August 1, 2014; i.e., after the Grand List of October 1, 2013 is set. This account is up slightly by \$17,000 as it is anticipated that the Town will experience the same vehicle purchases with the current supplemental list. Property categorized as prorated during the interim period will be reflected in the October 1, 2013 Grand List and included in the current levy for the next fiscal year. Prorated real estate taxes are paid on new construction receiving a Certificate of Occupancy after October 1, 2013. It is estimated \$50,000 will be received from this source in FY 2014-15. As with prorated motor vehicles, these properties will be fully reflected in the October 1, 2013 Grand List.

Prior year taxes are the anticipated collections of delinquent taxes due from previous fiscal years. Revenue from delinquent taxes is expected to remain the same as FY 2013-14 estimates. Interest payments and liens collected are related to the amount of prior year taxes collected. The related interest rate is charged on outstanding balances at 18% per year in accordance with State Statutes.

5100 Payments in Lieu of Taxes (PILOTs)

PILOTs are designed to partially replace tax revenues that were once received or would have been received if the property were taxable. Examples of State-administered PILOTs include general hospitals in Newington, State property in Newington, and tax exemptions for low-income elderly and disabled residents.

The reimbursement for State-owned real property is in the amount of \$688,546. The reimbursement for State-owned real property is declared by Statute to be 45% of the 2012 Grand List exempt value of the real estate.

The private hospital reimbursement is calculated at 77% by Statute but contains an incremental reimbursement factor of 77% which is applied to the 2012 Grand List exempt value of real estate.

Overall the Town expects to receive approximately \$168,983 less revenue in FY 2014-15 in total for this category.

Estimates of these State grants and others utilize Governor Malloy's proposed FY 2014-15 budget.

2012-2013 Actual	2013-14 Council Adopted	2013-14 Estimated	Revenue Source	2014-2015 Manager Proposed	Change from estimated budget	
					\$	%
TAXES						
81,920,786	83,480,818	83,678,836	5001 Current Levy	87,048,951	3,370,115	4.0%
768,446	680,000	757,783	5002 Prorated Motor Vehicles	775,000	17,217	2.3%
7,405	50,000	-	5003 Prorated Real Estate	50,000	50,000	***
710,874	440,000	440,000	5004 Prior Year Tax Levies	440,000	0	0.0%
505,726	320,000	320,000	5005 Interest & Liens	320,000	0	0.0%
83,913,236	84,970,818	85,196,619	SUBTOTAL	88,633,951	3,437,332	4.0%
PILOTS						
639,581	-	688,546	5101 State-Owned PILOT	639,581	(48,965)	-7.1%
8,000	8,000	6,000	5104 Elderly Freeze Exemption	6,000	0	0.0%
5,568	5,568	5,285	5105 Disabled Exemption	5,285	0	0.0%
266,627	255,307	273,333	5106 Elderly Circuit Breaker	273,333	0	0.0%
27,985	27,808	28,376	5107 Add'l Veteran's Exemption	28,376	0	0.0%
1,390,113	1,754,064	1,753,757	5109 Tax Exempt Colleges & Hospital	1,633,739	(120,018)	-6.8%
2,337,874	2,050,747	2,755,297	SUBTOTAL	2,586,314	(168,983)	-6.1%

5200 Assessments

Assessments replace tax revenues that would have been received if the property were taxable similar to PILOTs in the previous category (#5100) but this income source is derived from the property owner rather than the State of Connecticut. The Assessor for the Town has determined that the New Meadow Elderly Housing, Inc. entity is exempt from property tax in accordance with Connecticut state statutes. This property is leased from the Town to New Meadow to operate a 32 unit subsidized elderly residential housing complex. On July 8, 2008 The Town and New Meadow signed a PILOT (payment in lieu of tax) agreement whereby New Meadow contracted to make an annual payment of 4% of gross rental income. This PILOT is the product of that contractual calculation.

5300 Licenses and Permits

The largest item under the Licenses and Permits category is building permits. Building permit income is estimated at \$280,000, a slight decrease from the estimated level in FY 2013-14 due to the lack of large projects to be inspected in FY 2013-14.

5400 Rentals

This category reflects revenues the Town receives from rental payment for use of its property including the Town Hall, the Senior and Disabled Center, the Newington High School cell tower land lease agreement and the Indian Hill Country Club. Income at IHCC of \$98,872 reflects the PILOT on the property.

5500 Investment Income

The Interest Earnings category reflects income earned from temporary investments made when the Town's cash in a given period exceeds the Town's immediate disbursement needs. Due to actions of the Federal Reserve, short term interest rates are forecast not to increase causing the estimate for FY 2014-15 to increase slightly over the FY 2013-14 revised estimate of \$45,000.

5600 Fines

This revenue category includes revenues received from parking fines and false alarms. Income from these sources is estimated at \$40,000.

2012-2013	2013-14	2013-14		2014-2015	Change from estimated budget		
Actual	Council Adopted	Estimated	Revenue Source	Manager Proposed	\$	%	
			ASSESSMENTS				
-	-	8,059	5201 New Meadow Housing	8,059	0	0.0%	
-	-	8,059	SUBTOTAL	8,059	0	0.0%	
			LICENSES & PERMITS				
372,544	250,000	290,000	5301 Building Permits	280,000	(10,000)	-3.4%	
510	700	2,070	5302 Vendor's Permits	700	(1,370)	-66.2%	
15,250	5,025	12,000	5305 Gun Permits	10,000	(2,000)	-16.7%	
260	500	500	5306 Raffle & Bingo Permits	500	0	0.0%	
11,478	7,500	11,000	5308 Work Within Rights of Way	10,000	(1,000)	-9.1%	
1,920	1,500	1,500	5310 Refuse Handling Licenses	1,800	300	20.0%	
401,962	265,225	317,070	SUBTOTAL	303,000	(14,070)	-4.4%	
			RENTALS				
3,434	3,600	3,600	5402 Town Hall Rental Receipts	3,600	0	0.0%	
95,962	101,254	98,872	5403 Indian Hill Country Club	98,872	0	0.0%	
47,317	40,000	44,000	5404 Other Town Property	44,000	0	0.0%	
146,713	144,854	146,472	SUBTOTAL	146,472	0	0.0%	
			INVESTMENT INCOME				
38,725	30,000	45,000	5501 Interest Earnings	46,350	1,350	3.0%	
38,725	30,000	45,000	SUBTOTAL	46,350	1,350	3.0%	
			FINES				
34,688	25,000	25,000	5602 Parking Tickets	25,000	0	0.0%	
13,563	15,000	15,000	5603 False Alarms	15,000	0	0.0%	
73,500			5604 Ambulance Response Overages		0	***	
		319	5605 Blighted Premises		(319)		
121,751	40,000	40,319	SUBTOTAL	40,000	(319)	-0.8%	

5700 Charges for Services

This revenue category includes fees and charges for various services as outlined in the Newington Code of Ordinances. It includes items such as library overdue fines, Dial-a-Ride trip fees, fees collected for the family counseling program, Police Department fees, application fees to various Town commissions and recording fees of the Town Clerk function.

The largest revenue source in this category are the Town Clerk fees estimated at \$475,000 which include fees collected for land conveyances, deeds recorded, and vital statistics. Estimates for conveyance tax revenue, the main source for this account, are based on the \$2.50 per thousand rate. This source is \$19,000 higher than FY 2013-14 estimates due to Public Act 13-247, which provided for a substantial recording fee increase when filing a segregated class of documents (MERS) on the land records. All other revenues in this category remain constant with FY 2013-14 levels.

5800 Refunds and Reimbursements

The Refunds-Town line item includes miscellaneous reimbursements for Town expenditures. Refunds-Schools includes miscellaneous reimbursements for school expenditures. Due to the vendor change for recyclables, it is anticipated the Town will receive a rebate for 3,000 tons of recyclables at a rate of \$22.50 per ton.

5900 Sale of Town Property

This category includes proceeds from the sale of Town-owned property. No increase in revenue is estimated in this account in FY 2014-15.

2012-2013 Actual	2013-14 Council Adopted	2013-14 Estimated	Revenue Source	2014-2015 Manager Proposed	Change from estimated budget	
					\$	%
CHARGES FOR SERVICES						
12,490	3,500	6,000	5702 Conservation Commission	6,000	0	0.0%
75	500	500	5703 Zoning Board of Appeals	500	0	0.0%
12,960	9,000	9,000	5704 Town Planning & Zoning	9,000	0	0.0%
475,855	445,000	456,000	5705 Town Clerk Fees	475,000	19,000	4.2%
7,144	8,000	8,000	5706 Police	8,000	0	0.0%
12,842	25,000	25,000	5707 Human Services-Counseling Fee	25,000	0	0.0%
26,007	28,000	28,000	5708 Library - Overdue Fines	28,000	0	0.0%
5,331	4,700	4,700	5709 Dial-A-Ride Tickets	4,700	0	0.0%
1,624	1,000	1,000	5711 Engineering Fees	1,000	0	0.0%
20,300	25,000	25,000	5712 Scrap Metal Curbside	25,000	0	0.0%
68	100	100	5714 Senior & Disabled Center Fees	100	0	0.0%
113	150	150	5718 Library-out-of state loans	150	0	0.0%
574,809	549,950	563,450	SUBTOTAL	582,450	19,000	3.4%
REFUNDS & REIMBURS.						
31,813	10,325	10,325	5802 Refunds-Town	10,325	0	0.0%
8,840	10,000	10,000	5803 Refunds-Schools	10,000	0	0.0%
3,099	-	-	5821 Library-Lost/Replaced Bks.	-	0	***
28,441	67,500	67,500	5822 Recycling Rebates	67,500	0	0.0%
72,194	87,825	87,825	SUBTOTAL	87,825	0	0.0%
SALE-TOWN PROPERTY						
		255	5902 Other		(255)	***
236	200	200	5904 Library-Sale of Diskettes	200	0	0.0%
236	200	455	SUBTOTAL	200	(255)	-56.0%

6000 State Aid

As previously noted, estimates of grants from the State were obtained from the Governor's 2014-15 proposed budget. The State Aid category includes all General Fund revenues from the State that are not included in the State PILOT category (#5100). This category shows an overall decrease of \$266,004 from FY 2013-14 estimated levels.

Significant fluctuations include the elimination of the Municipal Revenue Sharing Grant a decrease of approximately \$200,000 from FY 2013-14 estimated levels. The entire amount of the Town Aid Road Grant reverts to being reflected in the Special Revenue as was the practice in previous years to be used for costs associated with capital road projects. This loss is partially offset by the inclusion of a new source of municipal aid, Grants for Municipal Projects in the amount of \$863,254. This grant compensates towns for labor and material costs associated with road maintenance including the plowing of snow, the sanding of icy pavements, installation and maintenance of traffic signs.

The Education Cost Sharing (ECS) Grant is based on a State distribution formula. This grant increases by \$58,842 to a level of \$13,028,321 as provided in the Governor's budget.

In FY 2014-15, \$400,000 is expected from School Building Grant revenues for projects such as the Newington High School Code Compliance Project, Newington High School Music Wing and Martin Kellogg S.T.E.M. Academy.

6100 Federal Aid

Revenue to the Town from the federal government is estimated to decrease by approximately \$301,349. This is due to one-time revenue sources for storm related expense reimbursements.

2012-2013 Actual	2013-14 Council Adopted	2013-14 Estimated	Revenue Source	2014-2015 Manager Proposed	Change from estimated budget	
					\$	%
			STATE-AID			
1,249	1,250	1,250	6003 Public Library	1,250	0	0.0%
240,525	-	280,251	6005 Mashantucket Pequot Fund	255,213	(25,038)	-8.9%
22,875	22,875	22,875	6006 Youth Services Bureau	22,875	0	0.0%
4,500	4,500	4,500	6007 Alcohol and Drug Abuse	4,500	0	0.0%
1,011,544	-	199,238	6011 Municipal Revenue Sharing	-	(199,238)	-100.0%
98,217	65,937	65,937	6013 Telecommunications Tax	70,900	4,963	7.5%
5,167	14,610	14,610	6015 Emergency Management Grant	4,500	(10,110)	-69.2%
1,100	-	133	6016 Controlling Interest Tax	-	(133)	-100.0%
35,000	416,275	415,969	6021 Town Aid Road Grant	-	(415,969)	-100.0%
-	561,102	622,779	6022 Grants for Municipal Projects	863,254	240,475	***
5,178	5,137	5,137	6052 Transportation-Non-public	4,232	(905)	-17.6%
252,282	-	216,733	6053 Transportation-Public	224,800	8,067	3.7%
35,001	35,278	35,278	6054 Adult Education	33,319	(1,959)	-5.6%
161,820	325,000	325,000	6056 School Building Grants	400,000	75,000	23.1%
23,109	16,526	17,515	6058 Health Services	17,515	0	0.0%
155,653	-	-	6060 Special Education-Excess Costs	-	0	***
12,901,499	13,623,576	12,969,479	6062 Education Cost Sharing Grant	13,028,321	58,842	0.5%
14,954,718	15,092,066	15,196,684	SUBTOTAL	14,930,679	(266,005)	-1.8%
			FEDERAL AID			
10,923	9,000	9,000	6101 Senior Citizen Trans Aid	9,000	0	0.0%
10,912			6113 Education Jobs Fund Program	-	0	***
129,892	115,000	187,077	6114 FEMA Storm Assistance	-	(187,077)	-100.0%
-		114,272	6115 FHWA Storm Assistance	-	(114,272)	-100.0%
151,727	124,000	310,349	SUBTOTAL	9,000	(301,349)	-97.1%

6200 Miscellaneous

This category includes revenues that are not easily classified in the above revenue categories. The other major accounts in this category are application fees from the police recruit class that offset the Town's recruitment costs and closeout of prior year purchase orders. In FY 2014-15, \$18,500 is estimated to be received from these two accounts.

6300 Donations

Income for United Way (\$1,333) is shown here.

7000 Transfers from Other Funds

This category represents transfers of funds to the General Fund from Other Funds. The transfer from the Cemetery Special Revenue Fund (\$115,722) offsets operating expenses reflected in Cemeteries program #832. Transfer from Cemetery Trust Funds reflects interest earnings of \$70 from several cemetery trust funds. Transfer from Hubbard Book Fund represents interest earnings of \$30 in a Library Trust Fund and offsets the Library appropriation #730. This category reflects a decrease of \$322,500 due to balances from capital projects accounts which are not anticipated for FY 2014-15.

2012-2013 Actual	2013-14 Council Adopted	2013-14 Estimated	Revenue Source	2014-2015 Manager Proposed	Change from estimated budget	
					\$	%
			MISCELLANEOUS			
20,225	8,500	8,500	6201 Other-Miscellaneous	8,500	0	0.0%
132,461	10,000	10,000	6203 Cancelled PY Encumbrances	10,000	0	0.0%
152,686	18,500	18,500	SUBTOTAL	18,500	0	0.0%
			DONATIONS			
2,768	1,333	1,333	6302 United Way (Human Services)	1,333	0	0.0%
2,768	1,333	1,333	SUBTOTAL	1,333	0	0.0%
			TRF FROM OTHER FUNDS			
48,237	322,500	322,500	7001 Transfer from CNRE Fund	-	(322,500)	-100.0%
116,270	110,578	110,578	7012 Transfer from Cemetery Fund	115,722	5,144	4.7%
34	70	70	7021 Transfer From Cemetery Trust	70	0	0.0%
16	30	30	7022 Transfer from Hubbard Fund	30	0	0.0%
164,557	433,178	433,178	SUBTOTAL	115,822	(317,356)	-73.3%
103,033,955	103,808,696	105,120,610	TOTAL	107,501,896	2,389,345	2.3%

FUNCTION	ACTIVITY	PROGRAM	CODE
CAPITAL IMPROVEMENTS	SUMMARY		1100

EXPLANATION

Summaries of FY 2014-15 capital projects are listed below and further descriptions of these projects are in a separate document, the Town's Long-Range Capital Improvements Plan FY 2014-2015 Through 2018-2019.

-----STATE AID-----

	Project Title	Department Request	Town Manager Proposed	LoCIP	Town Aid Roads	Other Grants	General Fund Budget	
General Government	General Property Improvements	100,000	100,000				100,000	
	Revaluation 2015	110,000	110,000				110,000	
	Town Hall Emergency Generator	187,000	187,000				187,000	
	Town Buildings Mechanical Reserve	35,000	35,000				35,000	
	Highway Garage Bldg Addition - Mechanics Bay	200,000					-	
	Information Technology Reserve	231,200	231,200				231,200	
Public Safety	Radio Replacement Reserve	40,000	40,000				40,000	
	Police Records Mgmt & CAD Replacement	100,000	100,000				100,000	
	Fire Co 1 Shingled Roof Replacement	50,000	50,000				50,000	
	Fire Co 1 Heating System Replacement	37,000	37,000				37,000	
Public Works	Road Resurfacing/Reconstruction	700,000	700,000	212,179	408,969		78,852	
	Sidewalk and Stonewall Repair	60,000	60,000				60,000	
	Public Building Resurfacing Program	75,000	75,000				75,000	
	Drainage Improvements	55,000	55,000				55,000	
	Volunteer Ambulance Sidewalks, Drainage, Site Impr.	38,000	38,000				38,000	
	Single Stream Recycling Containers	111,594	111,594				111,594	
	Garfield Street Realignment	825,000	750,000				750,000	
	Town Hall New Main Entrance Citizen Parking	75,000					-	
	Landfill Conversion to Transfer Station	100,000	100,000			100,000	-	
	Traffic Signal Repair & Replacement Reserve	25,000	25,000				25,000	
	Community Development	Marcap Property Acquisition	554,188	554,188				554,188
	Library	Library Automated Collection Mgmt System	70,300	70,300				70,300
	Parks And Recreation	Community Center Furniture & Furnishings	250,000					-
Synthetic Turf Replacement Reserve		25,000					-	
Park and Playfield Improvements		125,000	75,000				75,000	
Recreation Software		75,000	66,935				66,935	
Anna Reynolds Little League Field		200,000					-	
Education	Appr. To Public School CIP Reserve	125,000	125,000				125,000	
	NHS Career Tech Program Renovations	300,000	300,000				300,000	
	J.Wallace PCB Remediation - Wing 7	1,600,000	900,000				900,000	
Subtotal Capital Improvements		6,479,282	4,896,217	212,179	408,969	100,000	4,175,069	
Equipment Replacement	Equipment Replacement Reserve	395,000	395,000				395,000	
Annual Debt Service Payments							<u>1,676,931</u>	
GRAND TOTAL							<u><u>6,247,000</u></u>	