To provide an opportunity for interested electors and/or taxpayers* to express their views regarding the Town Manager’s Proposed Budget for Fiscal Year 2019-2020

Mayor Zartarian called the Public Hearing to order at 6:00 p.m.

Overview of Budget

- Town Manager Lane stated this meeting is one of two such meetings. It is mandated by Section 605 of our Charter. This is a summary of the manager’s proposed budget, it shows anticipated revenues by major sources, it shows expenditures by departments and the amount proposed to be raised by taxes. On March 25, the Council will set a proposed budget. On April 2 the Mayor will hold a public hearing to discuss the Town Council’s proposed budget and on April 16 the Town Council will adopt and set the mill rate. The Town Manager’s proposed budget for fiscal year 2019-2020 totals $124,241,442, an increase of approx. $5 million or of 4.7%. Appropriations are comprised of Town Government Operations of $37.6 million, an increase of $1.1 million or 2.9%. Next is the BOE at $75 million, an increase of $2.2 million or 3%. MDC Sewer Assessment of $4.5 million, an increase of 2.7% or $117,000. Debt Service, made up of principal and interest payments, for a total $1.5 million, an increase from last year of $739,000. Capital Improvements of $5.5 million, an increase of $1.5 million. Contributions to the Employee Leave and Liability Reserve Fund is $92,500, the same as last year. Due to uncontrollable increases in expenses, the appropriations are expected to increase by 4.7%. There are no new initiatives included in this budget. The actual negotiation increases for AFSCME are included in department budgets. IPBO negotiations were completed last spring and those are also included in the department budgets. Contribution amounts for pension and OPEB, as determined by our actuary, increased by $415,000. The TIP fee for trash removal services is increasing from $70 to $86 per ton for a budget increase of nearly $213,000. There are two positive improvements, there were no increases to the contribution to our self-insured medical fund and facility expenses have decreased in anticipation of the Community Town Hall Building project. CIP is a mechanism where we can make larger purchases without having to take out any bonds. Since 2006, the CIP policy threshold has been maintained at $6.3 million for capital improvements and debt payments. This year we will transition to an upgraded approach of earmarking 5.8% of the budget allowing for an aggressive pay as you go program to address the capital needs of the town in a comprehensive fashion. The Town Managers proposed plan includes the CIP committee’s recommendation of $5.5 million. A more in-depth discussion of CIP will be held on March 19th. Estimated revenues of nearly $123.1 million; first source is taxes from properties and liens of $2 million; state aid of $16.4 million an increase of $2.2 million. The Town expects to raise $1.5 million from locally generated revenues. This budget applies $1.1 million from the General Fund Balance. The largest portion of revenue comes from the motor vehicle and property tax levy; for the 2019-2020 fiscal year, motor vehicles will be taxed at the current levy. This year the

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expected revenue is $102.9 million. The Grand List totals $2.64 million, this is an increase of only 0.062% from last year. The fiscal budget applies $1.1 million from the fund balance. This still allows us to maintain a 10% cushion for expenditures, which is consistent with the Town’s policy and credit rating. It is critical that we maintain a robust fund balance to overcome any potential future cuts from the state. We must be cautious when using the fund balance to balance our budget because it could have a potential impact on our credit rating as we prepare to borrow for the Town Hall Community Center project. Increases for pension contributions, OPEB contributions and contractual wage increases, and the increase in TIP fees for trash removal are all factors outside or our control. CIP funding for 2018-2019 was adopted way below the $6.3 million target at just $4.9 million including debt payments. As we move to implement our new target amount of 5.8% of the budget, an additional $734,000 over the $6.3 target is making this year’s increase look even larger. This year we looking to fund $7 million in CIP, which includes debt payments, is $2.2 million over last year. Town appropriations increased $1.1 million, school appropriations increased $2.2 million, MDC increased $117,000, CIP increased $2.2 million, and this means we need to raise $5.6 million more in taxes than last year. We are lucky that the increase in municipal aid and change in the grand list generates almost $2 million and offsets the $5.6 million, leaving a balance of $3.6 million to be covered by an increase of the mill rate of 3.02%. The proposed mill rate for 2019-2020 is 39.66 mills, an increase of 1.16 mills or 3.02%. There is a link on the Town Website under News and Announcements for people to ask questions regarding the proposed budget.

(Presentation available on Town’s Website)

• Mayor Zartarian asked the town manager that the increase in TIP fees is the disposal end, not the pickup end. The problems at MIRA and the impact to member municipalities.

I. PUBLIC PARTICIPATION ON TOWN MANAGER’S PROPOSED BUDGET FOR FISCAL YEAR 2019-2020 (IN PERSON/VIA TELEPHONE: 860-665-8506)
(3 MINUTE TIME LIMIT PER SPEAKER ON ANY ITEM)

• Rose Lyons, 46 Elton drive stated that she is disappointed, but not surprised, that there are not many people here, hope they will take advantage of asking questions via the website. Just send me the bill, I will dig in to my savings and do the best I can to stay in this town. I love it. It is a good town.

II. ADJOURNMENT

Mayor Zartarian adjourned the public hearing at 6:20 p.m.

Respectfully submitted,

Susan Gibbon
Council Clerk

*Pursuant to §805 of the Town of Newington Charter*