

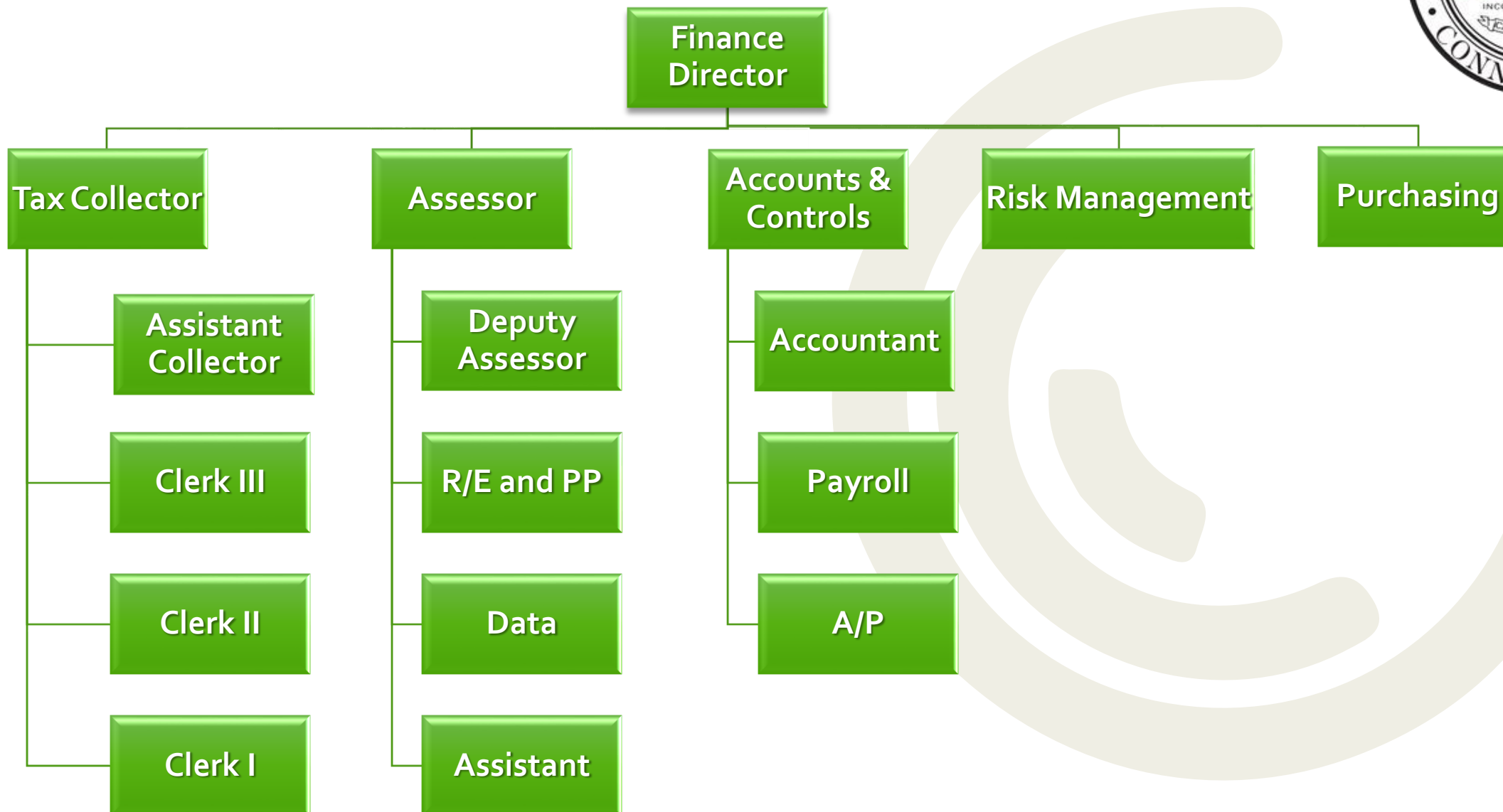


Finance Department BUDGET PRESENTATION

FY 2019-2020



➤ ORGANIZATIONAL CHART





➤ DESCRIPTION/MISSION

To provide the Mayor, Town Council, taxpayers and town departments with efficient and effective financial management services



➤ HOW DO WE DO THAT?

- Labor and Pension Contract Negotiation Proforma
- Medical Benefit Delivery
- Worker's Compensation Administration
- Preparation of the Mayor's Budget and 5-Year CIP
- Investment of Town assets
- Liaison to the Retirement Board
- Financial Reporting
- Payroll and Vendor Payments, Federal and State reporting



➤ HOW DO WE DO THAT?

- Tax Collection Oversight
- Tax Liens/Tax Sales
- Assessor's Office Grand List Oversight
- Purchasing Administration
- Insurance Placement or SIR analysis
- Respond to Litigation Issues and then Adjust Risk Policies
- Debt Issuances
- Lease Administration



➤ **FINANCE ACCOMPLISHMENTS**

- **Production of the Annual Budget and CIP**
- **Labor Negotiations – recent Teacher's contract**
- **Medical Insurance Marketing**
- **Successful Bond OS, Sale, Premium, Rating Upgrade**
- **Clean audit, solid FY 18 Year-end results**



➤ **FINANCE ACCOMPLISHMENTS**

- **Pension and OPEB valuations**
- **Attention to Senior Center/Wickham renovations**
- **Pratt Revaluation Lawsuit administration**
- **CONN-OSHA Inspection and Compliance efforts**



Financial Strengths

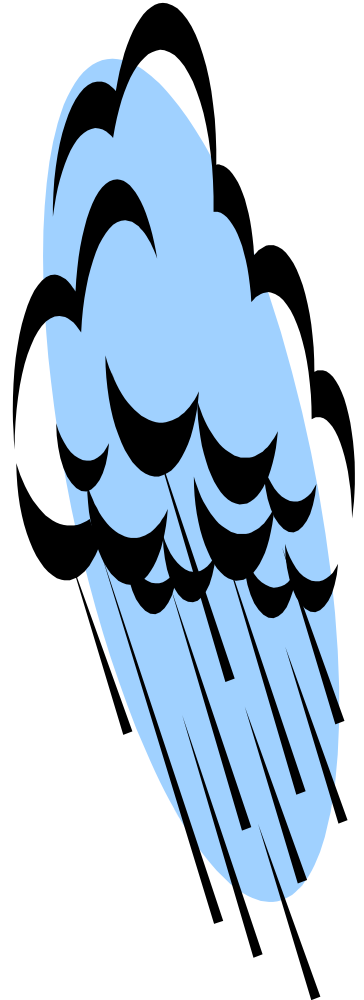
- **Fund Balance is at 10% (competitively weak)**
- **We bond over 10 years and have manageable debt**
- **We hit our budget targets annually**
- **We fund the pension based on the ARC**
- **We have an OPEB Trust**
- **Our Medical Reserve is appropriately funded**
- **Our Other Reserve Funds are adequately funded**
- **Our tax base is concentrated yet becoming diversified**





Financial Weaknesses

- We fund our pension using a 7.65% discount rate
- We have a \$204 million unfunded pension obligation @ 7.65%
- We have a \$254 million unfunded pension obligation @ 6.65%
- We have a \$79 million unfunded OPEB obligation
- Our wealth and other indices are below average





FY20 BUDGET *REVENUE* DRIVERS

\$3.1 M REQUESTED INCREASE

Mill Rate Increase	47.66 to 49.28	\$2,472,194
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Other revenue items of note:

- **\$2.2M Pratt Hqtrs. revenue lost to the EZ**
- **\$629K revenue reduction - Special Education**
- **State aid is projected as flat**
- **ECS Alliance - \$2.2M/\$750K unallocated**



FY20 BUDGET *REVENUE* DRIVERS

\$3.1 M REQUESTED INCREASE

One-time Revenue Sources:

FY 19 Unbudgeted PILOT	\$ 584K Recorded FY 20
MIRA Rebate	\$ 120K Recorded FY 20



FY 20 BUDGET EXPENSE DRIVERS

\$6.7 M *REQUESTED* INCREASE

BOE Increase (\$2M medical/\$1.4M contractual)	3,391,200
Pension (to 7.5% discount rate/no change to amortization)	1,339,044
Debt Issuance	743,102
Contractual Settlements	672,567
IT increases (licensing true up and shared CIO)	282,959
MDC (Clean Water bond issuance)	237,700
H and H (new Ordinance - unfunded amortization)	220,000
Golf Course (lower MDC due to well/no lease payments)	(100,000)
CIP (No lease issuance in FY 19, others leases closed)	(200,953)
AL/GL (can lower this due to new ordinance)	(250,000)

FY 20 BUDGET EXPENSE DRIVERS

➤ **\$3.1 M *RECOMMENDED* INCREASE**
\$1.5 M INCREASE FROM *REVISED*



BOE Increase (new ECS \$750k, delay \$1.7m OPEB)	971,200
Pension (to 7.6% discount rate/no change to amortization)	939,044
Debt Issuance (use Bond \$745k of Bond Premiums)	-0-
Contractual Settlements	672,567
IT increases (licensing true up and shared CIO)	282,959
MDC (Clean Water bond issuance)	237,700
H and H (new Ordinance - unfunded amortization)	220,000
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➤ THE AVERAGE TAXPAYER

	2017	2018		
	Grand List	Grand List		
	<u>FY 19 Budget</u>	<u>FY 20 Budget</u>	<u>Diff.</u>	<u>% Chg.</u>
Total Assessed Value	\$ 114,310	\$ 114,310	-	
Mill rate	<u>47.66</u>	<u>49.28</u>	1.62	
Tax	<u>\$ 5,448</u>	<u>\$ 5,633</u>	\$ 185	3.4%
Market Value - Information only		\$ 163,300		
Car 1 Assessed Value	\$ 10,000	\$ 10,000	-	
Car 2 Assessed Value	<u>5,000</u>	<u>5,000</u>	-	
Total Value	\$ 15,000	\$ 15,000	-	
Mill rate	<u>45.00</u>	<u>45.00</u>	-	
Tax	<u>\$ 675</u>	<u>\$ 675</u>	\$ -	
Total Taxes	\$ 6,123	\$ 6,308	\$ 185	3.0%



THANK YOU!
