Town of Seymour

FINANCE DEPARTMENT

TOWN HALL
1 FIRST STREET, SEYMOUR, CONNECTICUT 06483

BOARD OF FINANCE CHAIRMAN'S BUDGET MESSAGE

TO THE CITIZENS AND TAXPAYERS OF SEYMOUR:

As Chairman of the Board of Finance, it is my privilege to propose the 2016-2017 Budget for consideration and discussion.

BUDGET HIGHLIGHTS, PRIORITIES, AND ISSUES

The focus of the 2016-2017 Budget is to preserve the current level of services while trying to improve upon the Town's financial condition. Our first responsibility is to our citizens and taxpayers in coming up with a budget.

During the budget process, Town department and Board of Education needs were considered, but only after the Town's revenues were evaluated. This was a first in Seymour. Typically the process has been to listen to the wants and needs of departments, then review what Seymour might be able to afford, and then make cuts. The process began with the First Selectman communicating his expectation to the Town departments and Board of Education of no more than a 1% increase within their respective budgets. All departments were receptive to the challenge and either met or came very close to the request.

The proposed mil rate increase has gone from 34.59 to 36.00, an increase of 1.41 mils. This is due to the property revaluation. Most taxpayers have experienced a decline in their property valuations resulting in a need for a somewhat higher mill rate to maintain services in the town. . Even with the mill rate increase, the revaluation will result in lower property taxes for most Seymour residents, depending on individual revaluation amounts. Board of Education budget increased 0.06% and the Town Government increased 1.23%. Town Government increase is due to full staffing of the Police Department, contractual benefit increases, establishing a Town Building fund, Roads fund and Mill Rate Stabilization fund.

Breakdown of Increasing Expenditures and Declining Revenues

Expenditures:

- The Board of Finance had to bridge a revenue drop of $1,317,490 due to revaluation and a departmental requests increase from prior budget of $1,233,790 for a total of $2,551,280.
- Requests totaled $57.1 million from the Town and Board of Education. This was a $1,233,790 increase over the current budget.
- The Board of Education approved budget increased $18,968 or 0.06%.
- General Government approved budget totaled $287,070 or 1.23% increase.
- The Town's capital plan is in place with a proactive road program and Town building program for a combined $600,000.
- Most other small departments came in with a 0-1% increase.

Revenues – keeping pace with expenditures:

- Property tax revenues have decreased $43,056 or 0.10% due to lower spending.
- The grand list decreased $38,088,740 or $1,317,490 in tax revenue based on 2015-2016 mill rate and revaluation.

- Educational Cost Sharing Grant stayed flat vs. a cost increase of 0.06% or $18,968. This is a $18,968 under funding of the education cost sharing leaving the burden on the municipality.
- The Town is also at the mercy of the Connecticut legislature in Hartford who have yet to set the state budget which contains aid to cities and towns.

Strategies used in balancing the 2015-2016 Budget:

- Department Heads were asked to submit a budget between zero and one percent.
- Cost savings through bidding our Health insurance carrier. Resulting in a no increase, in cost premium.
- Refunding of 2007 and 2010 bonding with an interest savings of $600,000.
- Continue to develop and implement fiscal policies to keep the Town's bond rating strong.
- The Fund Balance reserve target has been increased to 8.5% as opposed to 6.5% based on the rating agencies recommendations to aim for a 10% reserve.
- Develop a plan to prioritize Capital spending in a way that spread these costs over time to minimize the tax impact.

Summary:
The Town of Seymour's finances have strong financial management from the First Selectman, Board of Finance, and the Finance Department. We are in the midst of creating a 10 year plan, have made improvements to the communication of the budget, and are striving to bring Seymour up-to-date. In closing, we are trying to achieve both effectiveness and efficiencies to build a stronger foundation for future budgets and secure the wellbeing of our residents.

ACKNOWLEDGEMENTS

I personally want to recognize every member of the Board of Finance for your numerous hours of work on behalf of the citizens of Seymour. Thank you to Doug Thomas, Seymour's Finance Director, First Selectman Kurt Miller, and Board of Finance Secretary, Monica Dimon, for assisting the Board in the process. Thank you to all of the Town Departments and Board of Education for working with us and a most gracious thank you to the community for allowing me a chance to serve and represent you.

CONCLUSION

The annual budget process is a time of year providing the Town of Seymour with the opportunity to review where the Town is doing well and where it needs improvements, which then allows us to evaluate our goals and objectives. Everyone this year came together as a team to address and meet the challenges of the economy and our Town's needs, and we will continue to address the same throughout the year

Respectfully submitted,