



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 2019-2020 Budget for consideration and discussion.

BUDGET HIGHLIGHTS, PRIORITIES, AND ISSUES

The focus of the 2019-2020 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. 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 adjustments. The process began with the budget summit and the First Selectman communicating his expectations to the Town departments and Board of Education.

The proposed mil rate is even at 36.00. Taxpayers will have no change to their property taxes except for property revaluations.

The Town, and in particular the Board of Education, is dependent on funding in many areas from the State of Connecticut. Given the fiscal crisis being dealt with currently at the Capitol, our budget includes what we hope are conservative estimates of the ongoing funding the Town usually gets. Much has been talked about regarding municipalities being responsible for a portion of teacher pension contributions which historically have been 100% funded by the State. The governor has proposed Town pension contributions to be \$114,309 (FY2020) and \$236,059 (FY2021). Our budget at this time does not include any provision for such contributions, as we believe it is too early in the State's budget process to make a commitment. It is our hope that all municipalities, including the Town, will not have to shoulder these costs. Any other significant adjustments, which the State might make to their funding for the Town are unknown at this time.

Breakdown of Increasing Expenditures and Declining Revenues

Expenditures:

- Final expenditures for the 2019/2020 budget amounted to \$57,375,610.
- The Town's capital plan is in place with a proactive road program and Town building program for a combined \$528,026.

- There was reclassification of energy costs and building maintenance cost for better accounting of those costs.
- Healthcare insurance costs remain significant to the Town and we are currently working with our carrier to arrive at a reasonable amount for them.

Revenues:

- Property tax revenues have increased \$434,414 or 01.02% due to increased property values.
- The grand list increased \$8,168,021.
- Educational Cost Sharing Grant has a budgeted increase of \$671,750 per the governor's budget. The final amount of the ECS grant is determined by the State of Connecticut. As of this meeting, the State has not made its decision.
- The Town is at the mercy of the Connecticut legislature in Hartford who have not set a state budget which contains aid to cities and towns.

Strategies used in balancing the 2019-2020 Budget:

- Department Heads were asked to submit a budget, if possible, between zero and one to two percent which would cover the necessary and vital services to be provided by each.
- Healthcare cost provided a challenge with a 17.4% premium/claim cost increase. Total cost increase was estimated at 8% for this budget and we continue to work on this area.
- The Town continues to develop and implement fiscal policies to keep the Town's bond rating strong at AA+.
- The Fund Balance reserve is a forecasted 11% and the rating agencies recommendation is 10 - 15% reserve.

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,

William D Sawicki
Chairman