



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 2018-2019 Budget for consideration and discussion.

BUDGET HIGHLIGHTS, PRIORITIES, AND ISSUES

The focus of the 2018-2019 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 First Selectman communicating his expectations 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 is even at 36.00. Taxpayers will have no change to their property taxes except for property revaluations. The 2018/2019 budget in total is \$50,533 LESS than the 2017/2018 budget.

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. Our budget at this time does not include any provision for such contributions, as we believe it is way too early in the State's budget process to make a commitment for that amount, which is estimated currently to be \$1.7 million dollars. 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 is unknown at this time.

Breakdown of Increasing Expenditures and Declining Revenues

Expenditures:

- Requests totaled \$57.6 million from the Town and Board of Education. This was a \$1,356,908 increase over the current budget. Final expenditures for the 2018/2019 budget amounted to \$56,193,975.
- The Town's capital plan is in place with a proactive road program and Town building program for a combined \$250,000. Additionally, the Mill Rate Stabilization fund is \$260,000.

- Most other departments came in with a 0-1% increase.

Revenues:

- Property tax revenues have increased \$364,392 or 0.86% due to increased property values.
- The grand list increased \$6,631,940.
- Educational Cost Sharing Grant reflected a budgeted decrease of \$603,492. 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 2018-2019 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 low increase of 5%, in cost premium.
- Debt restructuring and refunding of 2005 and 2015 bonding, resulted in a \$900,000 debt payment reduction.
- The Town continues to develop and implement fiscal policies to keep the Town's bond rating strong at AA+.
- The Fund Balance reserve target has been increased to 9% as opposed to 6.5% based on the rating agencies recommendations to aim for a 12% 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