

---

# Welcome

Town of Plymouth

# Public Hearing

on

General Fund Budget

for

Fiscal Year 2017-18

April 20, 2017

7:00pm – Town Hall

---

---

# HEARING AGENDA



- **Call to Order/Pledge of Allegiance**
  - **Legal & Fire Exit Notification**
  - **Presentation of the General Fund Budget**
  - **Public Comment / Q&A**
  - **Adjourn to Joint Meeting of Town Council, Boards of Finance & Education**
-

---

# Bd. of Finance Members

- **Vicky Carey – Vice Chair**
- **Jay Dorso**
- **Jim Zalot**
- **Jim Kilduff**
- **Pattie DeHuff**
- **Ralph Zovich - Chairman**
- **Ann Marie Rheault – Finance Director**





Plymouth Board of Finance  
April 20, 2017



# BUDGET PRESENTATION

- 1. Critical Issues & State Budget Deficit*
- 2. Summary of Revenues & Expenses*
- 3. Tax Impact & Closing Comments*

**Plymouth Consolidated General Fund \***

**Fiscal Year beginning July 1, 2017**

\* Operating budget details of all town departments and public schools system, not including Special Revenue, LT Capital Projects, Sewer, Trust or Proprietary Funds.



## Budget Goals



***To prepare a balanced, responsible budget under the current economic conditions.***

1. Proposed budget must be reasonable, accurate & transparent.
2. Implement effective cost saving measures to reduce discretionary spending and maximize revenues by focusing on delinquent taxes.
3. Meet all legal/contractual obligations, state and federal mandates to provide the basic services that citizens expect.
4. Minimize the impact on property taxes and promote long-term capital investment and economic growth. (increase tax base)
5. React to uncertain revenue projections due to state budget crisis.



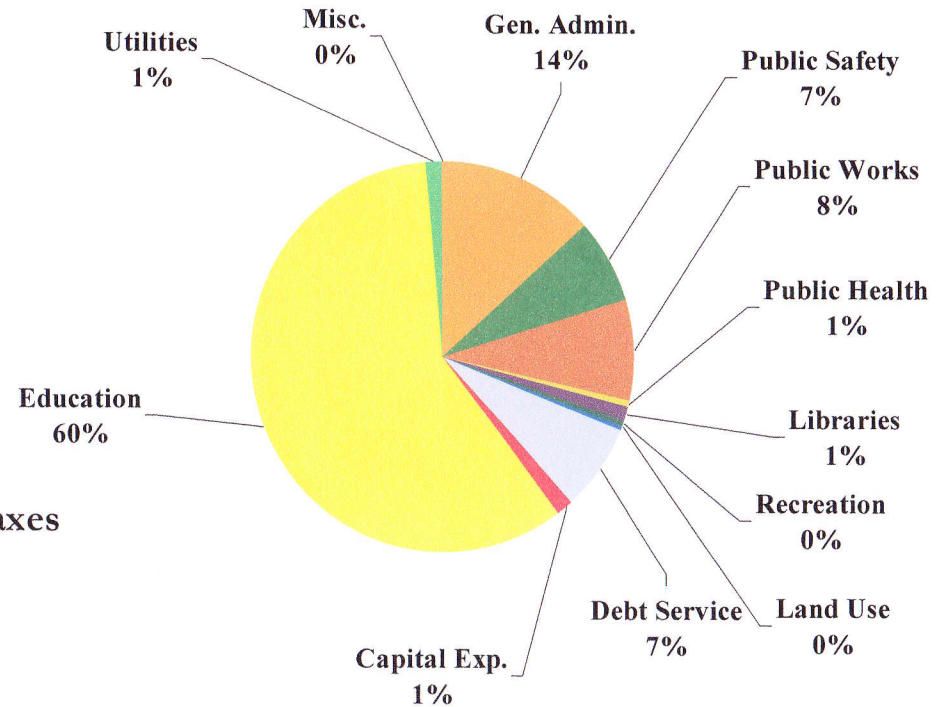
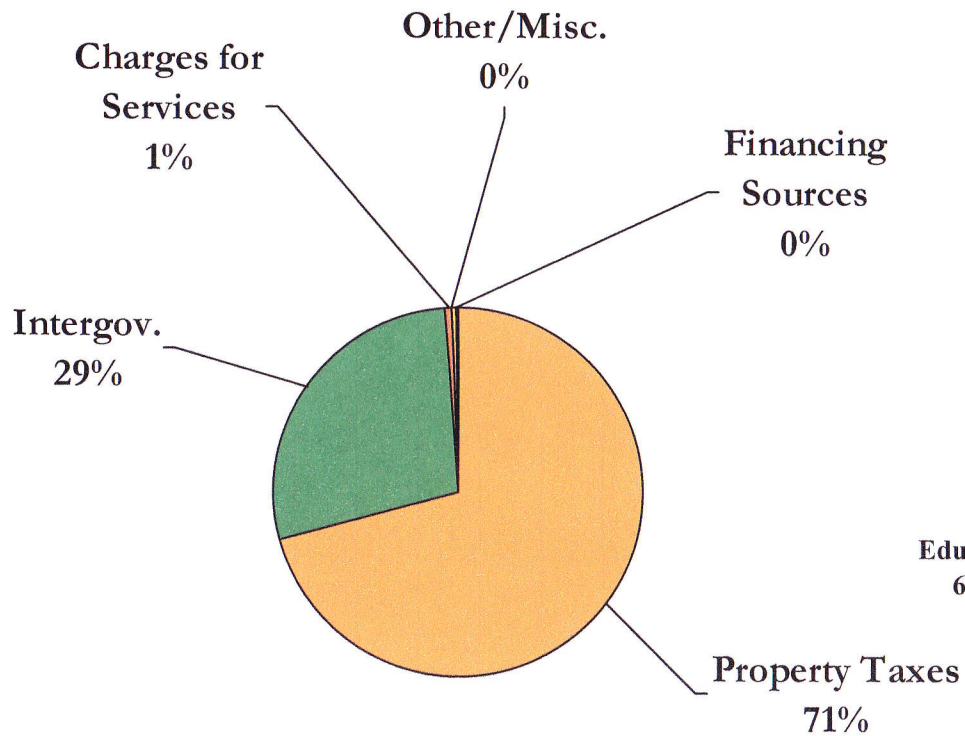
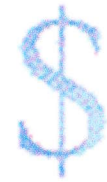
## Critical Factors



***“A budget is a financial plan that reflects the assumptions and conditions under which it is prepared.”***

- **Declining Revenues** – Potential loss of state grants, reimbursements, property foreclosures and 32 mill cap on motor vehicle taxes.
- **Property Revaluation** – Impact on residential property owners depends upon individual circumstances; i.e. location, condition, age, acreage, etc.
- **Depleted Fund Balance** – Unaudited net operating deficit over \$1.2 M from FY 15-16 reduces Town’s ability to absorb loss of state revenues.
- **Contractual Salary Adjustments** - Four of seven municipal contracts pending settlement, non-union average wage rate increase of 1.5%
- **Rise in Unfunded Pension liabilities** and other post-employment obligations (OPEB) according to actuarial report, requires action; re-establishment of Pension Oversight Bd. & rebalance portfolios.

# Revenues & Expenditures



Where does the money come from?

Where does it all go?

## Consolidated General Fund

### Summary of Total Revenues:

REVENUES SOURCE:	FY2015/16 ACTUAL REVENUES	FY2016/17 AMENDED BUDGET	FY2017/18 Bd. of Finance ESTIMATE	CHANGE \$ Incr./ (Dec.)	CHG % Incr./ (Decr.)
CURRENT PROPERTY TAX LEVY	\$ 25,905,484	\$ 24,017,695	<b>\$ 25,247,670</b>	\$1,229,975	5.1%
MOTOR VEHICLE TAXES @32 mills	0	<b>2,930,277</b>	<b>2,650,951</b>	(279,326)	N/A
PRIOR YEAR DELINQUENT TAXES	422,702	600,000	500,000	(100,000)	-16.7%
INTEREST & LIEN FEES	259,535	225,000	250,000	25,000	11.1%
SUPPL. MOTOR VEHICLE TAX	314,381	275,000	300,000	25,000	9.1%
P.I.L.O.T - PROPERTY & EQUIPMENT	82,221	50,600	15,599	(35,001)	-69.2%
<b>TOTAL PROPERTY TAXES</b>	<b>\$26,984,323</b>	<b>\$28,098,572</b>	<b>\$28,964,220</b>	<b>\$865,648</b>	<b>3.1%</b>
FORECLOSURE SALE PROCEEDS	30,950	200,000	10,000	(190,000)	-95.0%
TOTAL FEES, PERMITS & LIC.	342,028	290,677	272,000	(18,677)	-6.4%
<b>TOTAL DEPT. REVENUE</b>	<b>\$372,978</b>	<b>\$490,677</b>	<b>\$282,000</b>	<b>(\$208,677)</b>	<b>-42.5%</b>
TOTAL GRANTS, REFUNDS & E.C.S,	11,003,904	10,614,108	10,768,649	\$154,541	1.5%
SALES TAX & M.V. REVENUE SHARE	0	255,581	634,452	378,871	N/A
<b>TOTAL STATE &amp; FEDERAL GRANTS</b>	<b>\$11,003,904</b>	<b>\$10,869,689</b>	<b>\$11,403,101</b>	<b>\$533,412</b>	<b>4.9%</b>
<b>INVESTMENT INCOME</b>	<b>\$1,329</b>	<b>\$35,000</b>	<b>\$10,000</b>	<b>(\$25,000)</b>	<b>-71.4%</b>
<b>TOTAL OTHER MISC. REVENUE</b>	<b>\$42,934</b>	<b>\$92,312</b>	<b>\$87,500</b>	<b>(\$4,812)</b>	<b>-5.2%</b>
CANCEL PRIOR ENCUMBRANCES	\$0	\$0	\$0	\$0	N/A
APPROPRIATION of FUND BALANCE	0	140,000	0	(140,000)	N/A
NOTE PREMIUMS	0	0	0	0	N/A
OPERATING TRANSFERS IN	60,000	105,324	110,500	5,176	4.9%
<b>OTHER FINANCING SOURCES</b>	<b>\$60,000</b>	<b>\$245,324</b>	<b>\$110,500</b>	<b>(\$134,824)</b>	<b>-55.0%</b>
<b>GRAND TOTAL REVENUES</b>	<b>\$38,465,468</b>	<b>\$39,831,574</b>	<b>\$40,857,321</b>	<b>\$1,025,747</b>	<b>2.6%</b>



# Highlights of Revenue Changes \*

## ■ TAX COLLECTIONS:

Loss on MV Collections 95% @32mills	<b>-279,326</b>
Decline in Delinquent Tax Collections	<b>-100,000</b>
Foreclosure Sale Proceeds	<b>-190,000</b>
Appropriation of Fund Balance	<b>-140,000</b>

## ■ STATE GRANTS & FEES:

Education Cost Sharing (?)	<b>-2,337,574</b>
New Special Education Funding (?)	<b>3,066,765</b>
Reduced P.I.L.O.T. Payments	<b>- 18,677</b>
Sp.Ed. Outplacement Reimbursement (?)	<b>-570,000</b>
MV & Sales Tax "Revenue Sharing" Grants (?)	<b><u>634,452</u></b>
<b>Net Effect of Changes</b>	<b>\$ + 65,640 (?)</b>

\* Lost revenues must be offset by spending cuts and/or increases in property tax collections!

## Consolidated General Fund

### Summary of Total Expenditures

EXPENDITURE TOTALS	FY 2015/16 ACTUAL EXPENDITURE	FY 2016/17 AMENDED BUDGET	FY 2017/18 Bd. of Finance PROPOSED	CHANGE \$ Incr./ (Decr.)	CHANGE % Incr./ (Decr.)
GENERAL GOVERN. ADMIN.	5,549,455	5,417,425	5,733,104	315,679	5.83%
TOTAL PUBLIC SAFETY	2,898,099	2,836,163	3,186,313	350,150	12.35%
TOTAL PUBLIC WORKS	3,208,072	3,247,813	3,371,238	123,425	3.80%
TOTAL HEALTH & SOC. SERV.	207,146	204,919	219,935	15,016	7.33%
TOTAL LIBRARIES	485,880	491,120	495,268	4,148	0.84%
PARK & RECREATION	\$183,985	\$195,302	\$202,034	\$6,732	3.45%
TOTAL LAND USE BOARDS	\$190,098	\$179,744	\$179,744	\$0	0.00%
DEBT SERVICE (TOTAL P.& I.)	2,867,847	2,863,152	2,890,146	26,994	0.94%
MISC. EXPENSES	0	0	0	0	N/A
CAPITAL OUTLAYS & N.R.E	582,000	483,146	466,749	(16,397)	-3.39%
BOARD OF EDUCATION	22,797,866	23,912,790	24,112,790	200,000	0.84%
<b>GRAND TOTAL EXPEND.</b>	<b>\$38,970,448</b>	<b>\$39,831,574</b>	<b>\$40,857,321</b>	<b>\$1,025,747</b>	<b>2.58%</b>

Unassigned Fund balance \$ 400,000 as of 06/30/16 (audit pending)

# Highlights of Spending Changes

## ❖ GENERAL ADMINISTRATION:

Establishment of R/A to restore Fund Balance (p.12)	<b>\$ 100,000</b>
Consolidation of Town Hall Clerical staff (net)	<b>6,715</b>
Liability Insurance & Worker's Comp. (p.13)	<b>67,775</b>
Increase in Municipal Pension obligations (p.14)	<b>107,676</b>

## ❖ PUBLIC SAFETY:

Police Dept. Salaries & Overtime -24 FT (p.15)	<b>136,347</b>
Communications – Salaries, Antenna & Tech.(p16)	<b>106,252</b>

## ❖ PUBLIC WORKS:

Snow Removal & Utilities (p.18)	<b>92,000</b>
---------------------------------	---------------

Combined Public Health, Libraries & Recreation	<b>25,896</b>
--	---------------

## ❖ BOARD OF EDUCATION:

**200,000**

**Net effect of Proposed increases/decreases = 1,025,747**

# Capital Outlays/NRE

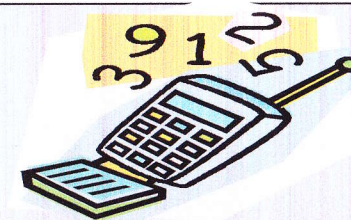


Department Requested	Bd. of Finance Approved	General Fund	Town Aid Grant	LOCIP Grant	Municipal Grant	Short-Term Lease Finance	Total Cap. & Non-Recurring
4,017,000	1,132,500	466,749	260,626	177,125	-	228,000	1,132,500

## SHORT-TERM FIN./LEASE

Original Cost	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Total Principal	Description
126,549	41,663					41,663	TRUCK #12
173,958	34,792	34,792	34,792			104,376	TYCO SECUR.
100,545	33,515	33,515				67,030	ENGINE #7
236,000	47,196	47,196	47,196	47,216		188,804	SWEEPER
228,000	45,600	45,600	45,600	45,600	45,600	228,000	RADIO SYSTEM
<b>865,052</b>	<b>202,766</b>	<b>161,103</b>	<b>127,588</b>	<b>92,816</b>	<b>45,600</b>	<b>629,873</b>	<b>TOTALS</b>

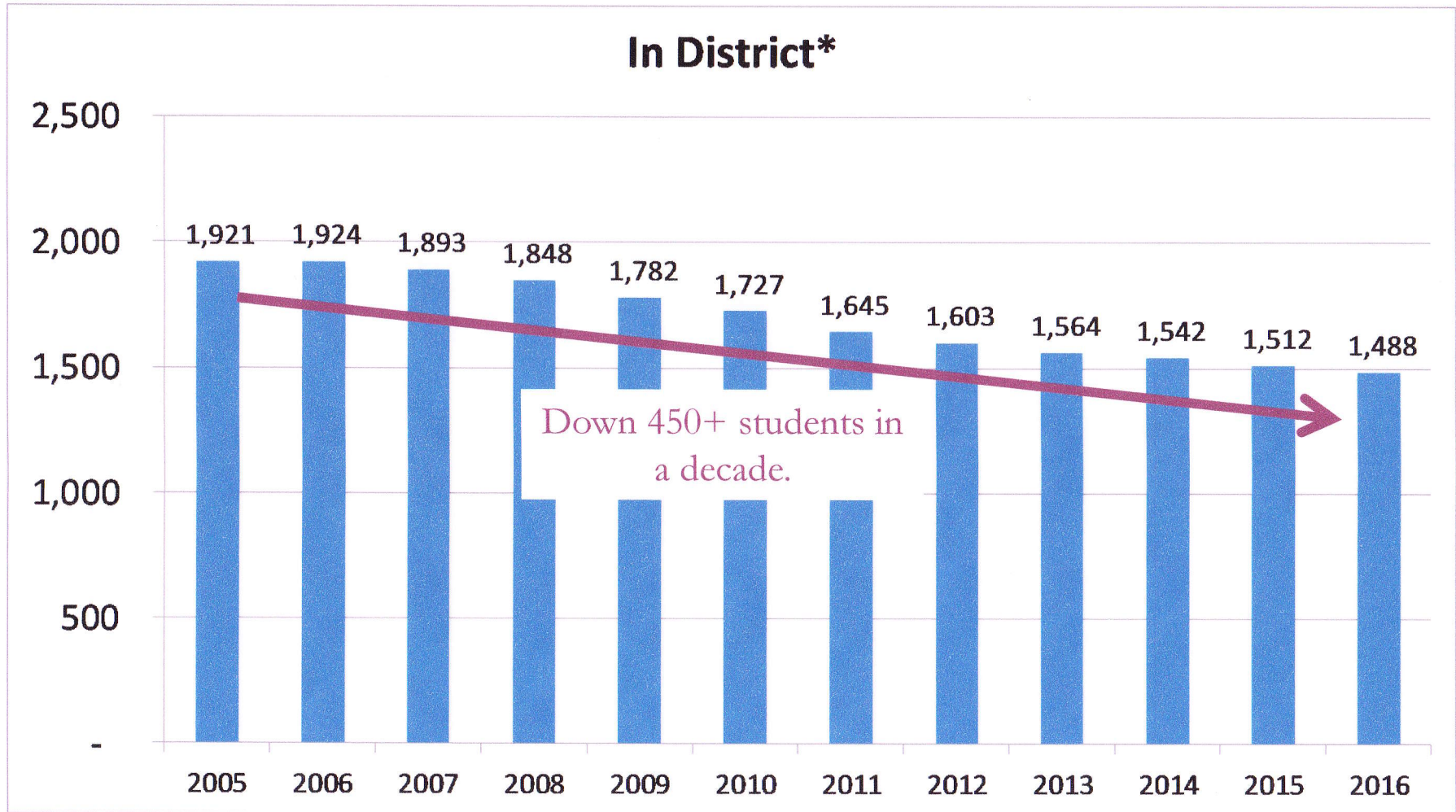
# School Budget Issues



## ➤ Summary of Issues & Factors affecting Education Costs:

1. Pending changes to the ECS formula not finalized by Legislature. May be affected by declining enrollment & taxable wealth factors.
  2. Unfunded/under-funded mandates from State of Connecticut; SRBI program, new curricular standards, implementing Teacher Evaluation requirement and undetermined Special Education reimbursement.
  3. Rising employee benefit costs of Healthcare, Pensions and Other Post-Employment Benefits.
  4. New funding requested for facilities/capital projects, STEM curricular program, technology equipment and 5<sup>th</sup> year foreign language offering.
-

# Historical Enrollment



\* October 1, 2016 official enrollment

# BOE Budget Summary

(as of 3/16/17)

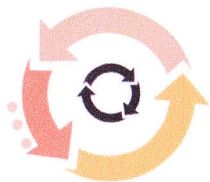


<u>Site/Department</u>	FY16-17 Budget	FY17-18 Proposed	Incr./ (Decr.)	
Main St. School (BOE Office)	\$ 50,650	\$ 51,000	350	+0.07
Plymouth Center School	1,883,649	1,859,780	(23,869)	-1.27%
HSF Elementary School	2,177,095	2,185,137	8,042	0.36%
Eli Terry Middle School	2,906,741	2,795,246	(111,495)	-3.83%
Terryville High School	3,557,132	3,623,477	66,345	+1.87%
School Facilities & Maint.	477,180	481,734	4,554	+0.95%
Student Services / Sp.Ed.	5,074,678	5,209,670	134,992	+2.67%
Health Services	246,048	250,612	4,654	+1.89%
Sys-Wide Technology	484,144	564,958	80,814	+16.69%
Sys-Wide Libraries	92,397	78,986	(13,411)	-14.51%
Sys-Wide Serv. (Ben./Trans.)	5,979,537	6,301,298	312,752	+5.38% *
Central Office & Curriculum	885,590	940,991	55,401	+6.26%
Board of Education	97,950	112,200	14,250	+14.55%
<b>TOTALS</b>	<b>\$23,912,791</b>	<b>24,455,080</b>	<b>542,289</b>	<b>+2.27%</b>

*Bd. of Fin. reduced proposed School budget to \$ 24,112,790*

# Potential BOE Cost Savings\*

■ Bd. Of Education Requested Increase	\$542,289
<b>Budget Shortfall</b>	<b>– 342,289</b>
■ Elementary Grade Consol. / Reconfiguration	\$ 250,000
■ Return 1 or 2 Sp.ED outplacement in district	100,000
■ Eliminate S.R.O funding from school budget	66,000
■ Freeze Technology Equipment at current level	<u>45,000</u>
<b>Total Recommended Savings</b>	<b>\$ 461,000</b>



\* Net of Implementation Cost –T.B.D.



# Calculation of Tax Rate



Net Grand List (as of Oct. 1, 2016) = \$741,298,769  
subtract MV Assessment capped at 32 mills = 87,202,320  
Net Taxable Property = 654,096,449

(1 mil of gross taxation = .001 x NTP = \$654,096)

**Amount of Current Property Taxes in Budget = 25,247,670**

**(based on 100% Collection rate)**

**Adjustment for Gross Taxation @ 98.5% = \$25,632,152**

**Add back tax credits/exemptions + 153,539**

**Total Taxation Required = \$25,785,691**

**Tax Rate = Total Required/Mill of Taxation**

**= \$25,785,691/654,096 = 39.43 mills**

---

# Effect of Property Revaluation\*

■ Fiscal Year 2017-18

Net Grand List (as of Oct. 1, 2015) = \$767,110,569

Net Grand List (as of Oct. 1, 2016) = 741,298,769

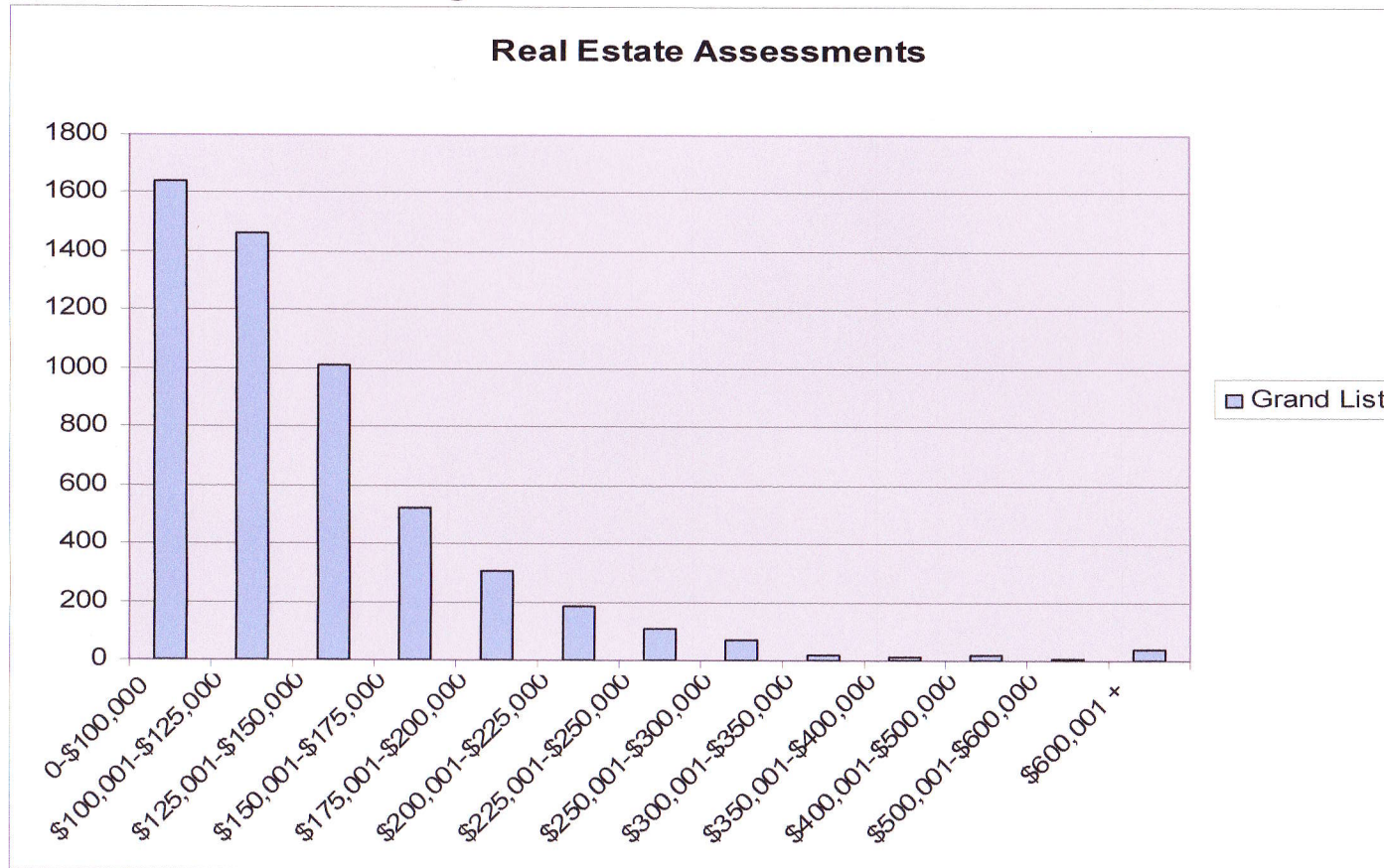
**Change in Net Grand List                    \$ -25,811,800**

\* A loss of \$929,250 in Tax Revenue at current mill rate!

---

# Impact of Tax Increase

Based on Averages from Latest Revaluation Oct. 1, 2016



*Average Property Tax (current)*

$$\$130,452 \times .03602 = \$4,699/\text{yr}$$

*Average Property Tax (new)*

$$\$121,213 \times .03943 = \underline{\$4,779/\text{yr}}$$

**Net Tax Increase**

**+ \$ 80/yr**

---

# Commentary & Observations

State Budget Crisis – Sen. Henri Martin & Rep. Whit Betts

Municipal Budget – David V. Merchant, Mayor

School Budget – Dr. Martin Semmel, Supt. of Schools

Diverse Perspectives – BOF Members



---

# Public Comment



## “Ground Rules”

1. State your name/address for the record, speak clearly into the microphone. Fill out sign-in sheet.
  2. Please be succinct and limit questions/comments to 3 min. during first round. (You will have more time for follow-up .)
  3. Address questions/comments to the Bd. of Finance. Every effort will be made to provide the information if available.
  4. Questions/comments must pertain to the budget or town’s finances. Focus on the issues & positions, not individuals.  
(no personal attacks!)
  5. Be courteous and follow the “Golden Rule”.
-

---

# PROPOSED BALLOT QUESTION

1. Shall the Proposed General Fund Budget for FY 2017-18 in the amount of \$40,857,321 be approved?

YES

NO

2. If NO in Question #1, please advise your reason below:

BUDGET TOO HIGH

BUDGET TOO LOW

\*\*\* THANK YOU FOR YOUR INPUT \*\*\*

---

---

## Conclusion of Public Hearing

**“A Federal Government which is great enough to provide everything its citizens want, is also great enough to take everything they have.”**

*Thomas Jefferson*

**Please Remember to Vote at  
Referendum**

**On or before May 3, 2017**

**Thank you for your patience and participation!**

---