

## Board of Selectmen

# Proposed Budget 2015-2016

- Major Public Policies
- Overarching Budget Goals
- Critical Needs and Fiscal Policy Priority
- The Bottom Line



# Major Public Policies

- 1. Newtown must be a safe and secure place in which to live and do business.
- 2. Newtown must be a community that actively supports and promotes recreational, cultural, and social opportunities for all citizens.
- 3. Newtown's physical appearance must be the best it can be. This includes roads, sidewalks, strict enforcement of public safety, zoning, housing, environmental and health codes to prevent the appearance of neglect or unsafe conditions.
- 4. Newtown schools must continue to pursue excellence while being focused on efficiencies and economies.
- 5. Newtown must provide superior customer service.
- 6. Newtown must incorporate the market forces of competition while being mindful of public accountability.

# Overarching Budget Goals

## 2015-2016

- Continue current level of services
- Address critical needs (roads and tech support) and fiscal priority (capital non-recurring)
- **No Tax Increase**
- **Reduction in Mill Rate**



# Critical Needs and Fiscal Priority

- Increase Capital Road account by \$250,000;
- Add Information Technology support person – cost \$55,000;
- Restore funding to Capital Non-Recurring – additional \$100,000

# The Bottom Line

- Proposed budget asks for an increase of \$483,058 = 1.22% over fiscal 2015 (amended);
- Priorities add up to \$405,000;
- Budget goals can be met;
- Predicated upon growth in the grand list, favorable bond refunding, and stable state aid.



# Overarching Budget Goals

## 2015-2016

- Continue current level of services
- Address critical needs (roads and tech support) and fiscal priority (capital non-recurring)
- **No Tax Increase**
- **Reduction in Mill Rate**

# IT Staffing Levels



# Technology Department Mission

- 7x24x365 technological support to all departments within the town.
- Strategic planning for the IT infrastructure and applications
- IT vendor management, desktop purchases and PC deployments while maintaining the daily operation of all application and system programs.
- Data and network security
- Protected the town system from hackers, viruses and other cyber malicious intent.
- Staff also provides help desk support to nearly 200 town employees
- Work with the Police Department to maintain Mobile Device Terminals (MDTs) used in patrol vehicles during traffic stops and other patrol activities.
- Works with 911 dispatchers, who receive approximately 6,500 emergency calls annually
- Fire Department - the technology staff maintains the KNOX box codes
- GIS maintains the database of all town properties that include detailed information on residential homes, property boundary lines, wetlands, sewer lines and fire hydrants.
- This database is used by the Police Department and Dispatch to verify caller location to help ensure that emergency services arrive directly to the location of concern.

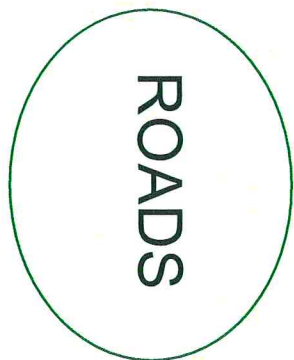


# IT Responsibility Summary Hours

• IT Equipment					2273
• System Software Support					1388
• Application SW Support					725
• Security	Working Days per year	240			581
• E-mail	Hours per day	7.5			175
• Telephone	Annual Hours				100
• Projects	1 Person	1800			955
• Disaster Recovery Testing	2 people	3600			100
• Total	3 people	5400			6297

**CAPITAL ROAD IMPROVEMENT**

<u>BUDGET</u> <u>YEAR</u>	<u>BUDGET</u> <u>AMOUNT</u>
1997-98	1,800,000
1998-99	1,800,000
1999-00	2,000,000
2000-01	2,000,000
2001-02	2,000,000
2002-03	1,900,000
2003-04	1,750,000
2004-05	1,750,000
2005-06	1,800,000
2006-07	1,800,000
2007-08	1,610,000
2008-09	1,400,000
2009-10	850,000 *
2010-11	1,000,000 **
2011-12	1,000,000
2012-13	1,000,000
2013-14	1,000,000
2014-15	1,250,000
2015-16	1,500,000



\* Includes separate bridge amount of \$450,000 for a total of \$850,000  
 Prior to 2009-10 bridges were funded from the capital road account.  
 After 2009-10 bridges were taken out of the general fund and funded thru the CIP.  
 Also, in 2009-10 received road stimulus funds of \$600,000+

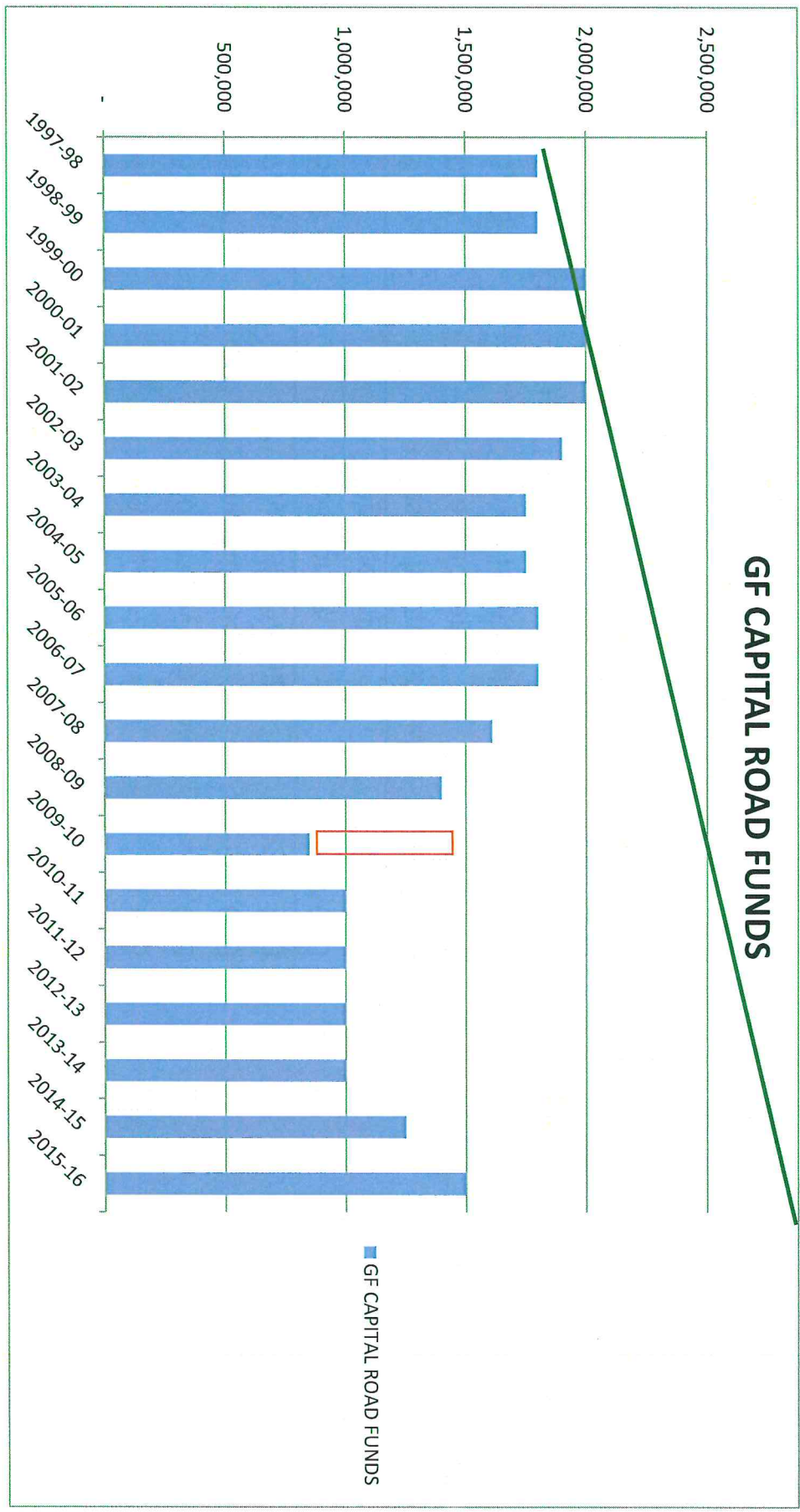
\*\* Starting in 2010-11 the State grant "Town aid roads" was budgeted in general fund revenues.  
 Prior to 2010-11 this grant was available for Public Works in a separate fund.  
 Average annual grant = \$225,000. About 50% of it was spent on roads.

## Bridges

03/04	* Elm Drive	250,800
04/05	* Hopewell	294,400
05/06	* Old Hawleyville Road	225,000
06/07	* Sawmill Bridge 1	300,000
07/08	* Sawmill Bridge2	305,960
08/09	* Coldspring Engineering	317,000 170,420
09/10	Castle Meadow Bridge	220,000
10/11	Warner Dam	270,000
11/12	Boggs Hill Road	238,000
12/13-13/14	Poverty Hollow Road	376,000
14/15	Meadow Brook Road	406,000

\* Included in road account

# GF CAPITAL ROAD FUNDS



stimulus funds

**PUBLIC WORKS - MEASURES & INDICATORS:**

	Actual			Estimated		Planned	
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Planned**</u>	
Miles of roads *	3.79	3.35	2.92	5.82	6.41	9.56	
Linear feet of pipe installed	5,870	18,290	8,927	6,090	8,369	12,022	

\* Includes paving and reconstruction (does not include crack sealing)

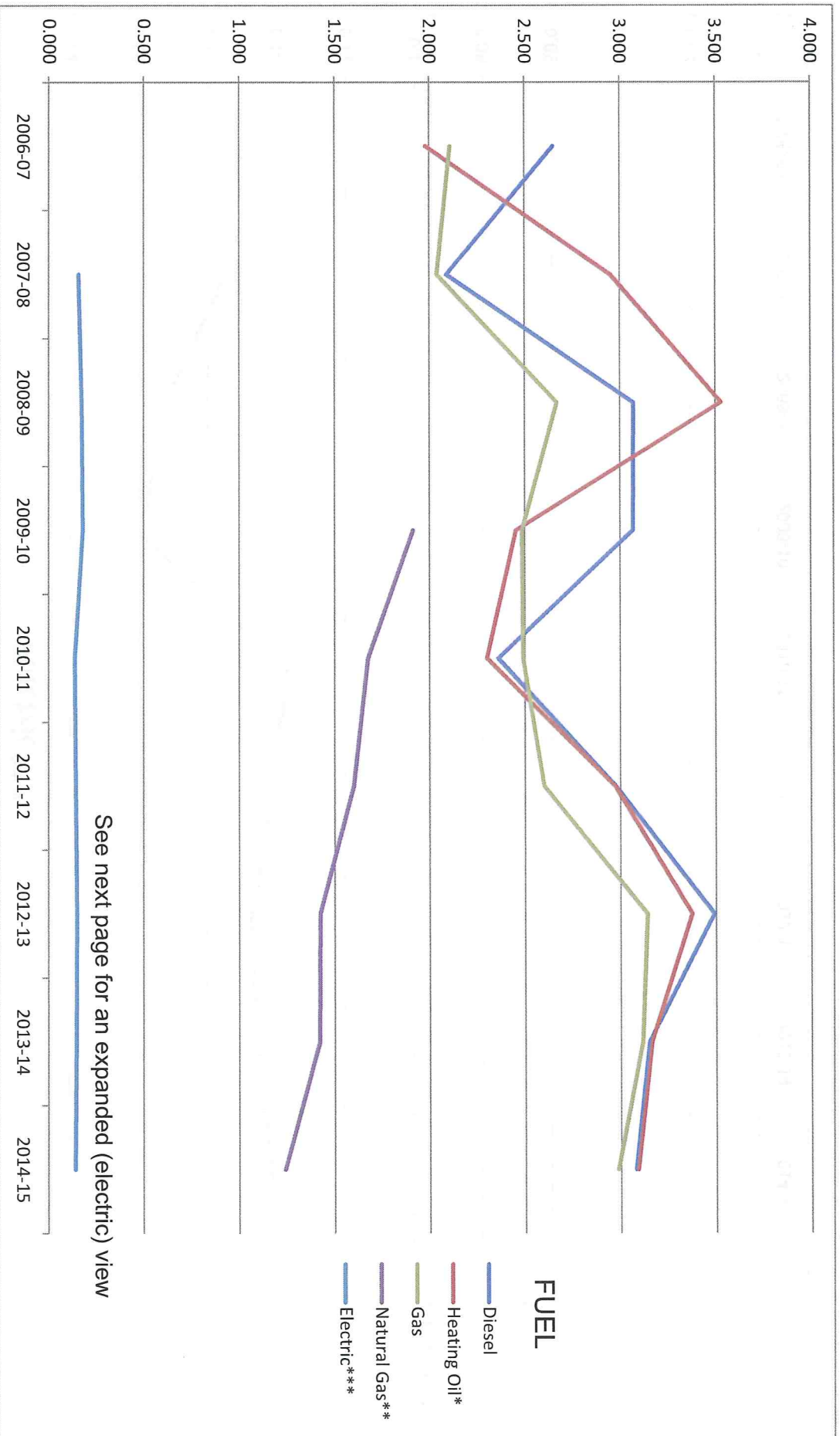
\*\* Planned with an additional \$1,000,000 from the CIP (what if)

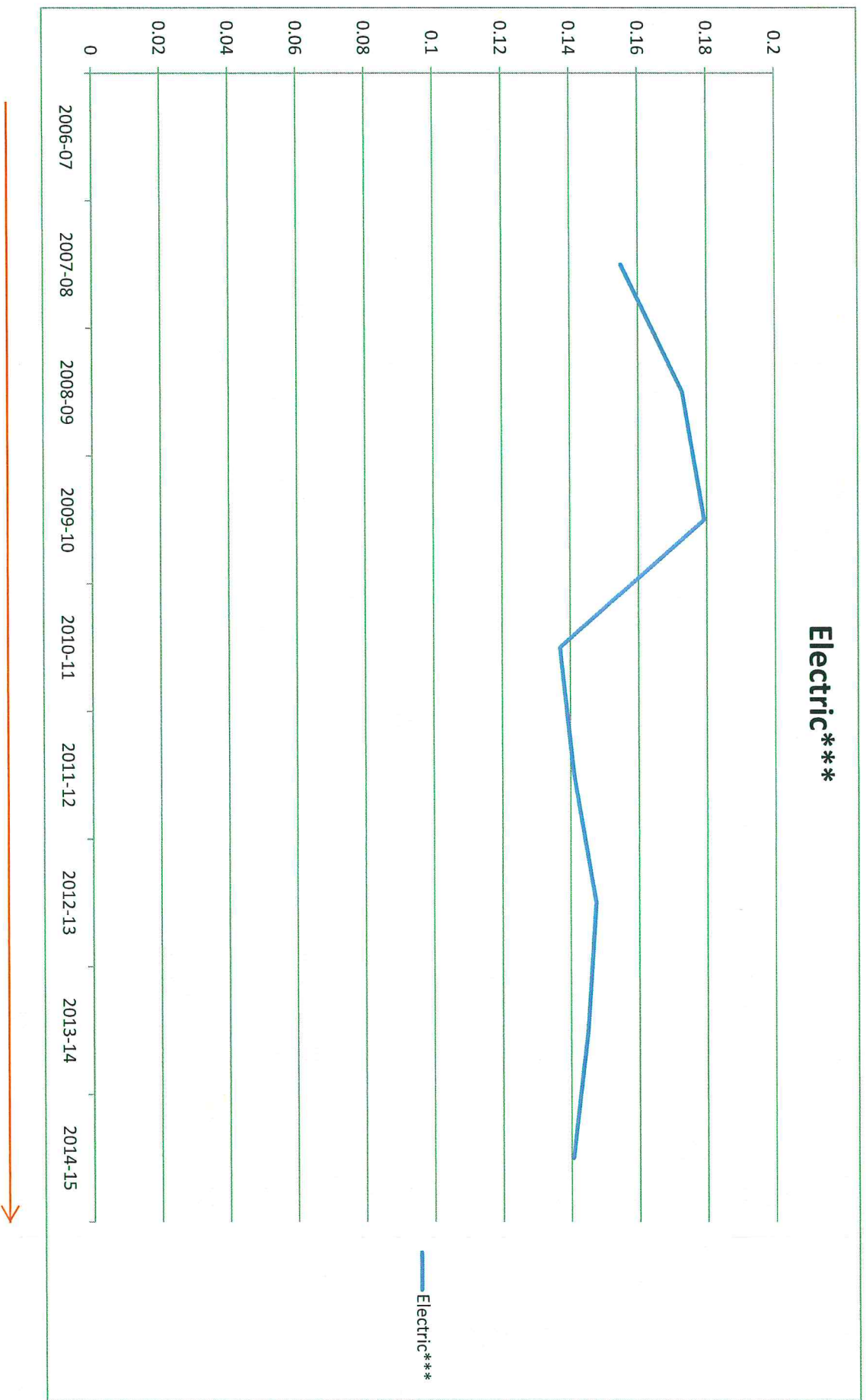
TOWN OF NEWTOWN - PUBLIC WORKS - HISTORICAL FUEL PRICES

<u>FUEL</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Diesel	2.650	2.090	3.070	3.068	2.360	2.975	3.490	3.149	3.080
Heating Oil*	1.980	2.950	3.530	2.453	2.300	2.972	3.375	3.162	3.090
Gas	2.110	2.040	2.670	2.486	2.490	2.600	3.140	3.115	2.986
Natural Gas**				1.913	1.676	1.601	1.424	1.420	1.240
Electric***		0.155	0.173	0.179	0.137	0.141	0.147	0.145	0.141

\* Heating Fuel 07/08 Market Price average  
 \*\* Natural Gas-PD average  
 \*\*\* Electric - PD average

# HISTORICAL FUEL PRICES







**ACCOUNT DETAIL**

**DEPARTMENT: RESERVE FOR CAPITAL NONRECURRING**

**Reserve Cap & Non Recurring:** The requested \$250,000 comprises the following (in bold print):

**Fire Equipment. The planned replacement of fire tankers in 2016-17**

2011-2012 appropriation	\$75,000
2012-2013 appropriation	\$75,000
2013-2014 appropriation	\$75,000
2014-2015	-0-
<b>2015-2016 request</b>	<b>\$75,000</b>
2016-2017 planned	<u>\$100,000</u>
	\$400,000

**Town Pooled Vehicle Replacement Program (annual request)**

<b>2015-2016 request</b>	<b>\$50,000</b>
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**Assessor Grand List revaluation on 10/1/2017**

<b>2015-2016 request</b>	<b>\$75,000</b>
2016-2017 planned	\$125,000
2017-2018 planned	<u>\$100,000</u>
	\$300,000

**Public Works grader**

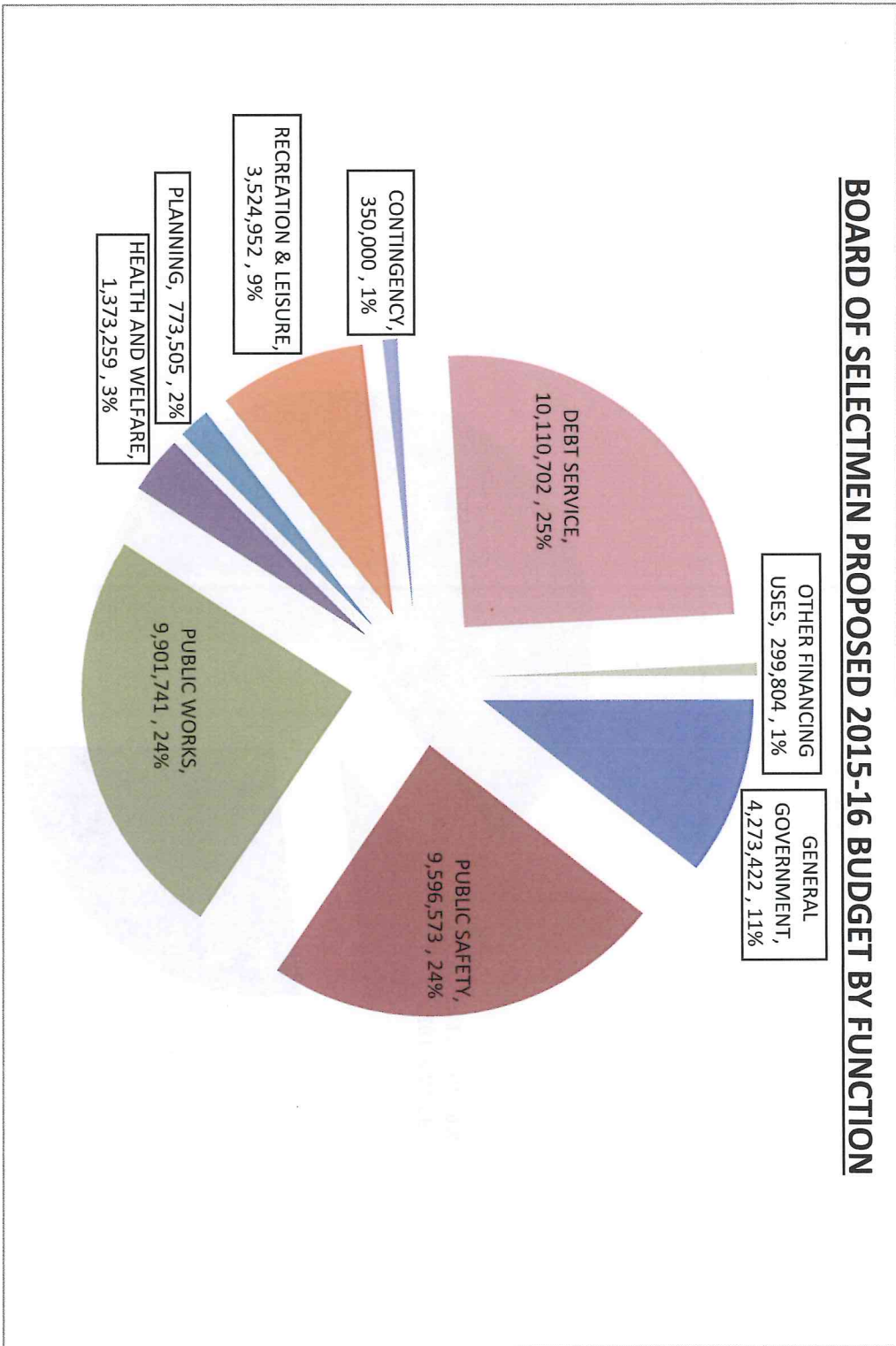
<b>2015-2016 request</b>	<b>\$40,000</b>
2016-2017 planned	\$60,000
2017-2018 planned	<u>\$100,000</u>
	\$200,000

**Parks & Recreation – Court recoating (annual request)**

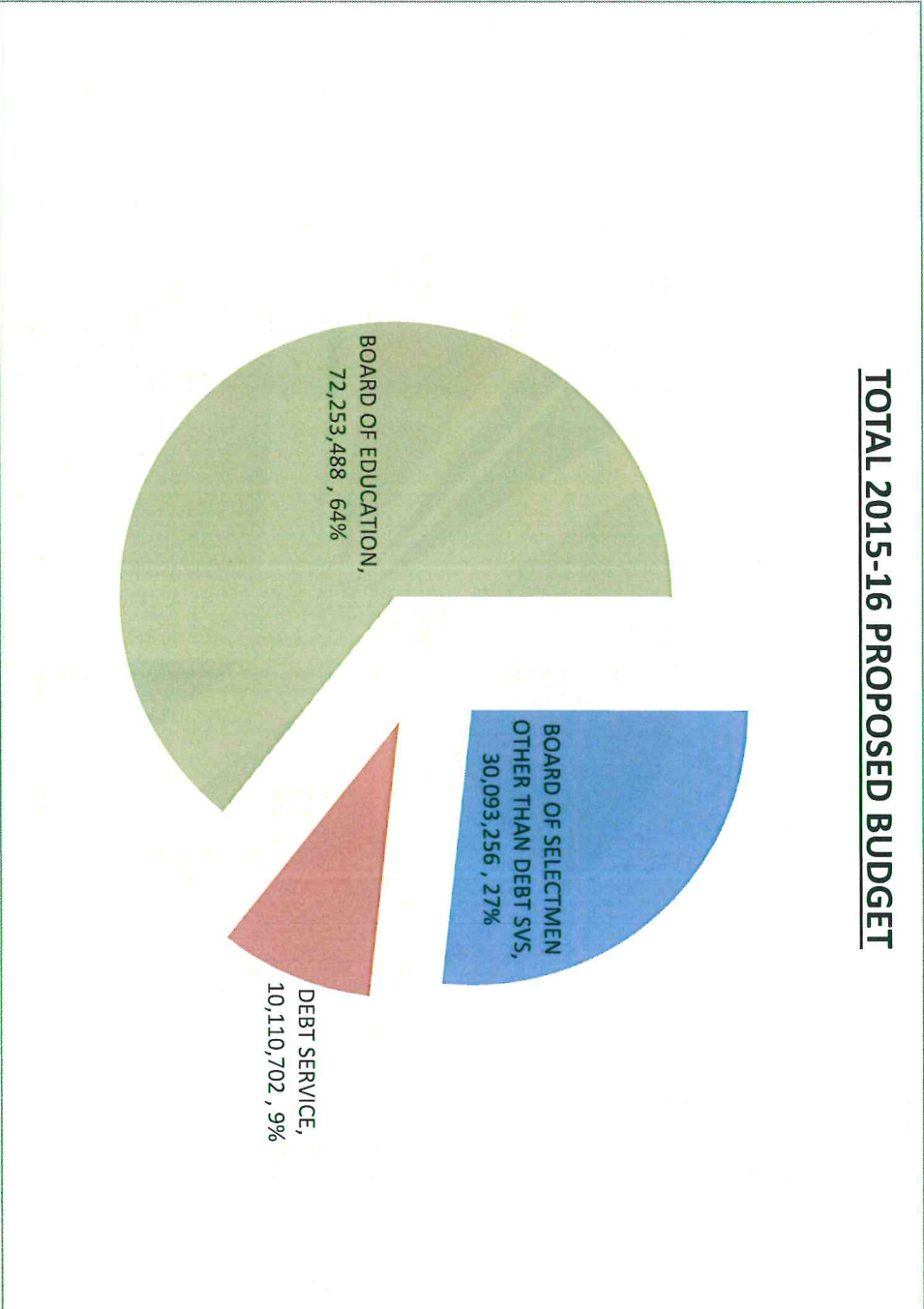
<b>2015-2016 request</b>	<b>\$10,000</b>
2016-2017 planned	\$10,000
2017-2018 planned	\$10,000
2018-2019 planned	\$15,000
2019-2020 planned	\$15,000
2019-2020 planned	\$15,000

## BUDGET SUMMARY - TALKING POINTS

# BOARD OF SELECTMEN PROPOSED 2015-16 BUDGET BY FUNCTION



**TOTAL 2015-16 PROPOSED BUDGET**



TOWN OF NEWTOWN  
BOARD OF SELECTMEN BUDGET PROPOSAL FOR 2015 - 2016  
SUMMARY OF EXPENDITURES BY OBJECT

	2014 - 2015 AMENDED	2015 - 2016 BOARD OF SELECTMEN PROPOSED	Increase / (Decrease)	Percent Change
<b>BOARD OF SELECTMEN BUDGET:</b>				
<b>MUNICIPAL SERVICES:</b>				
WAGES & SALARIES	11,406,091	11,552,676	146,585	1.29%
FRINGE BENEFITS	5,091,722	5,087,541	(4,181)	-0.08%
INSURANCE	1,019,550	1,025,000	5,450	0.53%
OPERATING EXPENSES	7,306,966	7,383,807	76,841	1.05%
CAPITAL	2,240,524	2,539,929	299,405	13.36%
CONTINGENCY	144,063	350,000	205,937	142.95%
CONTRIBUTIONS TO OUTSIDE AGENCIES:				
TOWN AGENCIES	2,080,155	2,065,460	(14,695)	-0.71%
OTHER AGENCIES	88,835	88,842	7	0.01%
<b>TOTAL MUNICIPAL SERVICES</b>	<b>29,377,906</b>	<b>30,093,256</b>	<b>715,350</b>	<b>2.43%</b>
<b>CAPITAL FINANCING - DEBT SERVICE</b>				
	10,342,994	10,110,702	(232,292)	-2.25%
<b>TOTAL BOARD OF SELECTMEN BUDGET</b>	<b>39,720,900</b>	<b>40,203,958</b>	<b>483,058</b>	<b>1.22%</b>

Half of this increase is for the additional amount in roads and capital non-recurring

**BUDGET TALKING POINTS (refer to budget summary on prior page)**

**\*\* BOS PROPOSED 2015-16 BUDGET = \$40,203,958; REPRESENTS AN INCREASE OF \$483,058 (1.22%) OVER 2014-15 AMENDED BUDGET\*\***

• **WAGES & SALARIES – increase of \$146,585 or 1.29%**

- 1.90% general wage increases for parks & recreation and non-union employees (wage increases page 5).
- No contract for 4 unions (communications, police, town hall & public works).
- Three unfilled positions remain unfunded in this budget proposal.
  - 1 – Communications; 1 – building maintenance; 1- senior aide.
- Major Components of \$146,585 increase (rounded nearest thousands):
 

▪ Non union 1.90% increase	\$52,000
▪ Parks & recreation 1.90% increase	22,000
▪ New IT position – Police dept/town server/network specialist	55,000
▪ School Security Officer (SSO) extra hours	33,000
▪ Communications overtime increase due to open position	25,000
▪ Police savings due to new hires resulting in lower salary steps	(21,000)
▪ Economic development reorganization savings	(19,000)
	<u>\$147,000</u>

• **FRINGE BENEFITS – decrease of (-\$4,181) or (-0.08%)**

- Major Components of (-\$4,181) decrease (rounded nearest thousands):
  - Medical benefit contribution stayed the same (0%). This is due to the favorable medical claims experience in the medical self-insurance fund.
 

▪ Social security contributions increased due to salary increases	\$11,000
▪ Retirement contributions (pension) decreased due to actuarial calculation	(10,000)
▪ Fire – other employee benefits decreased	( 4,000)
▪ Other misc decreases	<u>( 1,000)</u>
	(\$4,000)

TOWN OF NEWTOWN - BOARD OF SELECTMEN BUDGET - POSITION SAVINGS

DEPARTMENT	FISCAL YEAR - GENERAL FUND BUDGETED (FUNDED) POSITIONS										notes	
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10					
SELECTMEN	2	2	2	2	2	2	2	3				(a)
HUMAN RESOURCES ADMIN.	1	1	1	1	1	1	1	1				
SOCIAL SERVICES	2	2	2	2	2	2	2	2				
TAX COLLECTOR	5	5	5	5	5	5	5	5				(b)
TOWN CLERK	4	4	4	4	4	4	4	5				(c)
REGISTRAR	2	2	2	2	2	2	2	2				
ASSESSOR	4	4	3	3	3	5	5	5				(d), (e)
FINANCE	5	5	5	5	5	5	5	5				(f)
TECHNOLOGY	4	3	3	3	3	3	3	3				(g)
SENIOR SERVICES	3	3	4	4	4	4	4	5				(h), (i)
COMMUNICATIONS	10	10	11	11	11	11	11	11				(j)
POLICE	49	49	49	50	50	51	51	52				(k), (l)
FIRE	6	6	6	6	6	6	6	6				
ANIMAL CONTROL	3	3	3	3	3	3	3	3				
BUILDING DEPT	5	5	5	5	5	5	5	6				(m)
LAND USE	7	7	7	8	7	7	7	8				
HIGHWAY	40	40	40	40	41	41	41	42				(n), (o)
TRANSFER STATION	3	3	3	3	3	3	3	3				
PARKS & RECREATION	17	17	17	17	18	18	18	18				(p)
BUILDING MAINTENANCE	2	2	3	3	3	3	3	3				(q)
ECONOMIC & COMMUNITY DEVELOPMENT	1	1	1	1	1	1	1	1				(r)
GRANTS ADMINISTRATION	0.5	0	0	0	0	0	0	0				
FAIRFIELD HILLS	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5				
GRAND TOTAL	176	174.5	176.5	178.5	181.5	182.5	182.5	189.5				

15 POSITION DECREASE

**CUMMULATIVE SALARY SAVINGS**

**NOTES:**

- (a) A staff secretary position was taken out in 2009-10
- (b) Replaced a full time position with a part time position
- © Eliminated seasonal clerk position
- (d) Eliminated administrative assistant position
- € Eliminated part time field technician for two years.
- (f) Reduced the hours of the accounts payable position
- (g) Requesting an additional IT position
- (h) A part time receptionist position was taken out in 2009-10
- (i) A senior aide funding was taken out of the budget
- (j) A supervisor position was eliminated; a telecommunicator position was added  
Also a telecommunicator position was left unfilled (2014-15) with no savings  
Overtime was used to cover shift.
- (k) One police officer position eliminated  
One police officer position eliminated
- (l) Office assistant position eliminated
- (m) One assistant housing inspector position eliminated
- (n) One truck driver position eliminated in 2009-10
- (o) Tool crib manager position eliminated
- (p) Two operations supervisor positions merged into one
- (q) Head maintainer position not funded
- ⊙ Position changed from a director to an administrator (under Land Use)

The salary savings paid for the new part time grants administrator.

**TOTAL CUMMULATIVE SALARY SAVINGS**  
 SOCIAL SECURITY SAVINGS  
 PENSION SAVINGS  
 HEALTH INS SAVINGS

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
(a)	(39,090)	(38,361)	(37,701)	(37,071)	(36,433)	(35,895)	(35,895)
(b)	(23,393)	(23,393)					
©	(3,850)	(3,850)	(3,850)	(3,850)	(3,850)	(3,850)	
(d)	(37,598)	(37,598)	(36,951)	(36,262)			
€	(23,754)	(23,754)	(23,754)	(23,754)			
	20,219	20,219					
(f)	(6,347)	(6,347)					
(g)	55,000						
(h)	(12,925)	(12,925)	(12,925)	(12,925)	(12,925)	(12,925)	(12,925)
(i)	(27,995)						
(j)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
(k)	(63,361)	(63,361)	(63,361)	(62,179)	(61,050)	(60,000)	
	(60,000)	(60,000)	(60,000)				
(l)	(37,867)	(37,867)	(37,161)	(36,468)	(35,841)		
(m)	(53,672)	(53,672)	(52,749)	(51,765)	(50,875)	(50,000)	
(n)	(54,153)	(54,153)	(53,221)	(52,229)	(51,255)	(50,373)	(49,629)
(o)	(54,951)	(54,951)	(54,006)	(52,999)			
(p)	(47,164)	(46,284)	(45,488)	(44,728)			
(q)	(52,966)	(52,966)					
⊙							
<b>TOTAL CUMMULATIVE SALARY SAVINGS</b>	<b>(528,866)</b>	<b>(554,263)</b>	<b>(486,168)</b>	<b>(419,231)</b>	<b>(257,229)</b>	<b>(218,043)</b>	<b>(98,449)</b>
SOCIAL SECURITY SAVINGS	(40,458)						
PENSION SAVINGS	(37,197)						
HEALTH INS SAVINGS	(190,000)						
	(796,521)						



**Self-Insurance Fund Analysis:**

TOWN OF NEWTOWN		MEDICAL SELF INSURANCE FUND ANALYSIS @ JANUARY 31, 2015		TOWN OF NEWTOWN		MEDICAL SELF INSURANCE FUND ANALYSIS @ JANUARY 31, 2015	
FISCAL YEAR 2014 - 2015 FORECAST		FISCAL YEAR 2015 - 2016 FORECAST		FISCAL YEAR 2015 - 2016 FORECAST		FISCAL YEAR 2015 - 2016 FORECAST	
FUND BALANCE @ JULY 1, 2014		2,210,990		ESTIMATED FUND BALANCE @ JULY 1, 2015		3,328,315	
<b>ESTIMATED REVENUES</b>				<b>ESTIMATED REVENUES</b>			
EMPLOYER CONTRIBUTIONS:				EMPLOYER CONTRIBUTIONS:			
MUNICIPAL	2,967,280			MUNICIPAL	2,967,280	0%	
EDUCATION	8,267,309	11,234,589		EDUCATION	8,267,309	0%	11,234,589
EMPLOYEE CONTRIBUTIONS:				EMPLOYEE CONTRIBUTIONS:			
MUNICIPAL	301,000			MUNICIPAL	319,060		
EDUCATION	2,034,000	2,335,000		EDUCATION	2,125,163		2,444,223
RETIREE/COBRA/AGENCY CONTRIBUTIONS:				RETIREE/COBRA/AGENCY CONTRIBUTIONS:			
MUNICIPAL	265,000			MUNICIPAL	265,000		
EDUCATION	350,000	615,000		EDUCATION	376,313		641,313
INTEREST EARNED ON INVESTMENTS		5,000		INTEREST EARNED ON INVESTMENTS			10,000
<b>TOTAL REVENUES</b>		<b>14,189,589</b>		<b>TOTAL REVENUES</b>		<b>14,330,125</b>	
<b>ESTIMATED EXPENSES</b>				<b>ESTIMATED EXPENSES</b>			
CLAIMS/NAF:				CLAIMS/NAF:			
MUNICIPAL				MUNICIPAL			
EDUCATION		11,932,264		EDUCATION		12,886,845	8%
ADMINISTRATIVE FEES:				ADMINISTRATIVE FEES:			
MUNICIPAL				MUNICIPAL			
EDUCATION		1,085,000		EDUCATION		1,200,000	
CONSULTANT FEES		55,000		CONSULTANT FEES		55,000	
<b>TOTAL EXPENSES</b>		<b>13,072,264</b>		<b>TOTAL EXPENSES</b>		<b>14,141,845</b>	
<b>ESTIMATED FUND BALANCE @ JUNE 30, 2015</b>		<b>3,328,315</b>		<b>ESTIMATED FUND BALANCE @ JUNE 30, 2016</b>		<b>3,516,595</b>	
25% OF TOTAL CLAIMS =	2,983,066			25% OF TOTAL CLAIMS =	3,221,711		

- **INSURANCE** – increase of \$5,450 or 0.53%
  - General liability & workers compensation insurances are estimated to increase 5%. This has been offset by saving in a new fire apparatus insurance policy.

- **OPERATING EXPENSES** – increase of \$76,841 or 1.05%
  - Major Components of \$76,841 increase (rounded nearest thousands):
 

▪ Increase in legal expenses based on past experience	\$50,000
▪ Increase in fire operations (maintenance & repair items)	25,000
▪ Increase in building maintenance dept for energy and contractual	28,000
▪ Increase in parks & recreation dept for maintenance and contractual	12,000
▪ Increase in winter maintenance operations	15,000
▪ Increase in emergency communications equipment rental	15,000
▪ Savings in new police system computer software fees	(75,000)
▪ Other misc items	<u>7,000</u>
	<b>\$77,000</b>

- **CAPITAL** – increase of \$299,405 or 13.36%
  - As planned, due to an aging road system, the capital road account was increased \$250,000 bringing that line item to a total of \$1,500,000. The plan is to bring the capital road line item to at least \$2,000,000 (increasing the line item \$250,000 each budget year).
  - The capital non-recurring line item was decreased by \$100,000 in the prior year’s budget (from \$250,000 to \$150,000). The capital non-recurring line item has been restored to its original amount in this budget representing a \$100,000 increase. The capital non-recurring fund is the Town’s “pay as you go” vehicle. It enables the purchase of some capital items thus avoiding bond interest costs.

- **CONTINGENCY**
  - The contingency line item covers wage increases not yet negotiated, emergency building repairs not budgeted for, additional referenda and primary costs, and other unforeseen items. The contingency account has been increased \$100,000 over last year’s adopted budget mainly because of the four outstanding employee union contracts (police contract will be for two years). The difference between the current request and the prior year’s amended budget represents, for the most part, permanent commitments paid thru contingency in the prior year (union contract impacts):
 

▪ Emergency communications contract	\$21,000 (net)
▪ Parks & recreation contract	23,000
▪ Land use contractual line item (federal gov’t contract)	23,000
▪ Life insurance renewal	14,000

- **CONTRIBUTIONS TO OUTSIDE AGENCIES** – overall decrease of (-\$14,688)
  - Decrease is mainly due to the elimination of the Town contribution to the Board of Managers Edmond Town Hall special revenue fund of \$50,000. The BOM ETH fund is currently able to run its operations without any help from the Town. The Town has major commitments to the BOM ETH for major capital improvements thru the Town CIP.
- **CAPITAL FINANCING – DEBT SERVICE** – decrease of (-\$232,292)
  - Decrease is due to a planned bond refunding in February 2015. Also there is no planned bonding for capital projects (usually every February).

**Note:**

Currently, as proposed, the **Municipal Services** part of the Board of Selectmen budget has increased 2.43% (this does not include debt service budget – total BOS budget has increased 1.22%).

If you take out the requested additional commitment for capital roads (\$250,000) and the restoration of the capital non-recurring budget (an additional \$100,000) the **Municipal Services** part of the BOS budget would increase 1.24% and the total BOS budget would increase 0.33%.

TOWN OF NEWTOWN  
 GENERAL WAGE INCREASE HISTORY  
 FOR THE FISCAL YEARS 2005-06 TO 2015-16

**MUNICIPAL UNIONS**

<u>FISCAL YR</u>	<u>PUBLIC WORKS</u>	<u>POLICE</u>	<u>TOWN HALL</u>	<u>DISPATCH</u>	<u>PARKS &amp; REC</u>	<u>NON UNION</u>	<u>SOC SEC COL (CPI)</u>
2005-2006	3.50	3.75	3.50	3.50	3.50	3.50	2.70
2006-2007	3.75	3.75	3.75	3.75	3.50	3.75	4.10
2007-2008	3.75	3.50	3.50	3.50	3.75	3.50	3.30
2008-2009	3.50	3.00	3.50	3.50	3.50	3.00	2.30
2009-2010	0.00	0.00	0.00	0.00	0.00	0.00	5.80
2010-2011	1.50	3.00	1.50 (a)	1.50	2.80	0.00	0.00
2011-2012	1.75	1.75	1.75	1.75	1.80	1.50	0.00
2012-2013	1.90	1.85	1.75	1.75	1.90	1.75	3.60
2013-2014	1.90	1.90	1.90	1.90	1.90	1.70	1.70
2014-2015	1.75		1.75	1.90	1.90	1.75	1.50
2015-2016					1.90	1.9	1.70
<b>Yearly Avg.</b>	<b>2.33</b>	<b>2.50</b>	<b>2.29</b>	<b>2.31</b>	<b>2.40</b>	<b>2.03</b>	<b>2.43</b>

(a) 2% July 1; 2% Jan 1

 To be negotiated

## FISCAL POLICY AND TRENDS EXCERPT

The excerpt discusses fiscal policy and trends, mentioning the impact of the COVID-19 pandemic on government revenue and the need for fiscal stimulus. It highlights the challenges of balancing the budget and the importance of maintaining fiscal discipline. The text also touches upon the role of the government in providing social safety nets and the impact of fiscal policy on economic growth and employment. The excerpt concludes by emphasizing the need for a long-term fiscal strategy to ensure sustainable economic development.

**FISCAL POLICY AND TRENDS**

The constrained economic climate in the world, country and the state continue to be the dominant influence on the annual operating budget. The Town has responded to the need to reduce spending with initiatives starting in fiscal year 2009 – 2010, continuing thru fiscal year 2014 – 2015. Starting in fiscal year 2013 – 2014 additional amounts were added for school security.

Union wage concessions in 2009 – 2010 resulted in 0% wage increases. The non union employees also received 0% for fiscal years 2009 – 2010 and 2010 – 2011. This resulted in an annual savings of approximately \$150,000. Since then wage increases have been kept at a minimum (see page 48 for current contracted wage increases).

In 2010 – 2011 the Town switched to a self insured medical benefits plan from a premium based plan. As a result the medical benefit budget amount effectively did not increase in 2010 – 2011 (the premium base plan was due to increase at least 10%) and in 2011 – 2012 the budget amount actually decreased. The annual savings for the Town and Education plan is between \$500,000 and \$1,000,000. The medical benefit budget continues to have good experience as far as costs are concerned.

The times were right for the refinancing of our bonds. From 2009 up till now the Town has refinanced bonds five times for a total cash savings of around \$4,750,000. The last refinancing was February 2015.

During the last six years 15 full time positions have been eliminated at an annual savings greater than \$786,000.

Opportunities to maintain programs at a lower cost have been implemented. Landscaping at the Fairfield Hills Campus has been combined with the Parks & Recreation landscaping contract resulting in a savings of \$75,000. The Fairfield Hills Campus security contract administration was given to the Police department. Both these items helped eliminate the need for a campus property manager resulting in a savings of \$25,000. Also Eichler's Cove management was taken over by the Town. It was managed by a private manager. This resulted in savings.

We continue to find ways to contain costs, for instance two years ago we put out an RFP for medical benefit administration and we also restructured some positions in Parks & Recreation and in Public Works. This year we leave unfilled three positions.

**FISCAL POLICY & TRENDS**

**TAXABLE NET GRAND LIST**

A key aspect of Newtown’s financial well being is the taxable net grand list. In order for Newtown to prosper the net taxable grand list has to grow consistently into the future. Growth in the net taxable grand list represents new home construction and more importantly new businesses. Growth in the net taxable grand list enables Newtown to invest in capital assets and maintain the current infrastructure (capital assets such as parks, roads, sewers, bridges, new municipal building, etc.) without having to create an extra tax burden on Newtown residents. A 1/10% increase in the net taxable grand list brings Newtown \$100,000 in new taxes, taxes that current residents do not have to bare. A 1% increase in the net taxable grand list brings Newtown \$1,000,000 in new taxes. In prior decades the growth in the grand list enabled Newtown to invest in capital assets without putting an extra tax burden on the residents. Due to the recent economic downturn the grand list growth has slowed down significantly and at times has declined. This has placed an extra pressure on the budget process and on capital investments the Town can make. Below is the grand list growth for the last nine years:

TOWN OF NEWTOWN			
NET TAXABLE GRAND LIST			
LIST YEAR	FISCAL YEAR	NET ASSESSMENT *	% CHANGE
2014	2015-16	3,076,448,594	0.75%
2013	2014-15	3,053,619,090	0.54%
2012	2013-14	3,037,213,803	REVAL YR
2011	2012-13	3,950,412,514	0.66%
2010	2011-12	3,924,524,807	0.42%
2009	2010-11	3,908,204,114	-0.08%
2008	2009-10	3,911,449,143	-0.04%
2007	2008-09	3,912,900,563	REVAL YR
2006	2007-08	3,042,109,216	1.80%
2005	2006-07	2,988,375,396	-
* State of CT M-13 Report			
** As of 01/12/2015 (before Board of Assessment Appeals)			

NOTE: A 1% increase in the net taxable grand list creates approximately \$1,000,000 in new taxes.  
 A 0.1% increase (one tenth of one percent) creates approximately \$100,000 in new taxes.





**FISCAL POLICY & TRENDS**

**\$780,000 from increased grand list**  
**\$100,000 from prior yr taxes and interest**  
**\$250,000 from senior tax credit savings**

**SUMMARY OF REVENUES**

	2014 - 2015 AMENDED BUDGET	2015 - 2016 ADOPTED BUDGET	Increase / (Decrease)	Percent Change
<b>REVENUE TYPE</b>				
PROPERTY TAXES	100,592,522	101,726,767	1,134,245	1.13%
INTERGOVERNMENTAL	8,136,394	8,215,879	79,485	0.98%
CHARGES FOR SERVICES	1,985,938	2,162,550	176,612	8.89%
INVESTMENT INCOME	125,000	125,000	-	0.00%
OTHER REVENUES	104,350	105,250	900	0.86%
OTHER FINANCING SOURCES	122,000	122,000	-	0.00%
<b>TOTAL REVENUES &amp; OTHER RESOURCES</b>	<b>111,066,204</b>	<b>112,457,446</b>	<b>1,391,242</b>	<b>1.25%</b>

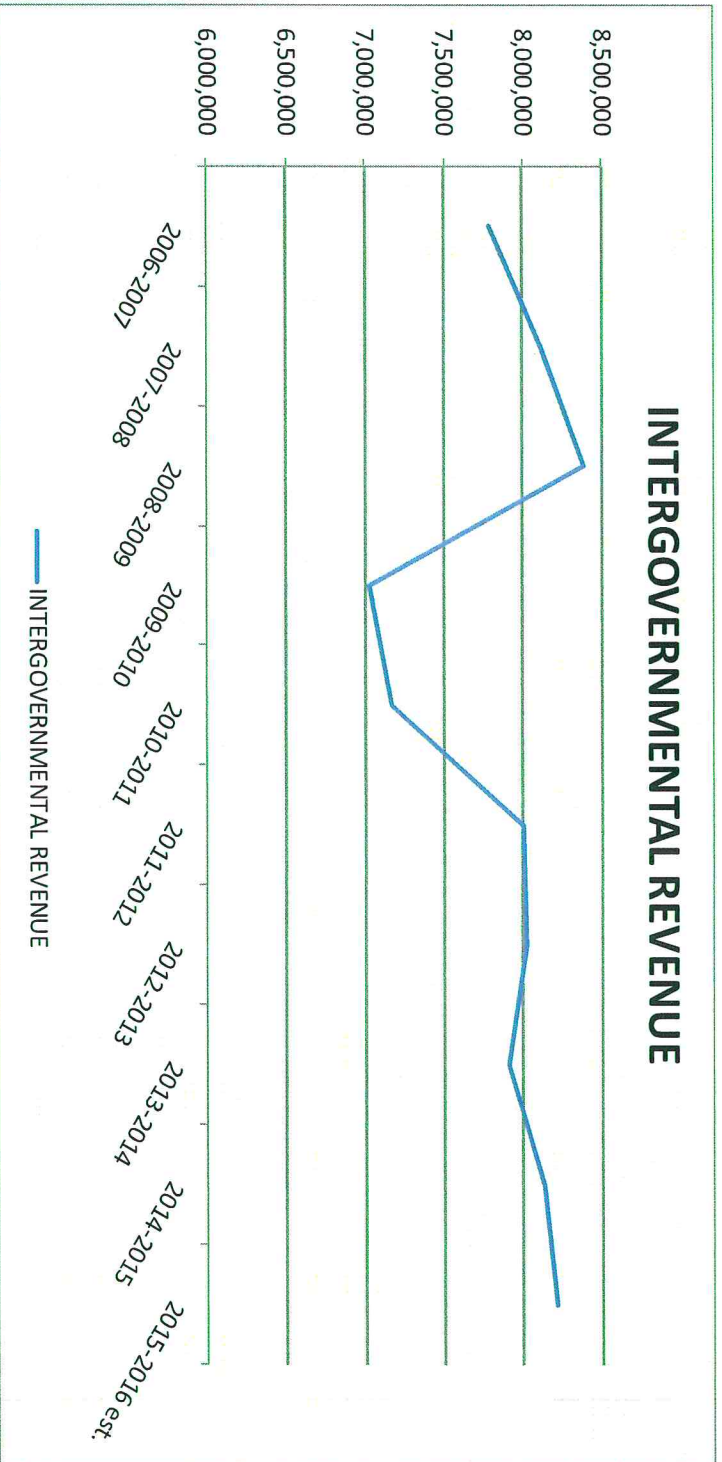
**Property Taxes**

- Approximately 89% of the general fund budget is financed by current year property tax revenue. This is up from 85% experienced in the 2006-2007 budget. The increasing role of property taxes in funding the general budget is due to reductions in “other” revenue. Intergovernmental revenues (mainly revenues from the State) have been gradually decreasing, as have ‘local’ revenues tied to the economy, such as town clerk conveyance fees; building permit fees and interest from investments. See the following graph: the closer the two lines come, the higher the percent of current year taxes to total revenues.
- Increases in property tax revenue are created by the growth in the Town’s taxable grand list (taxable property) and increases to the tax rate (mill rate). **No mill rate increase in current proposed**
- The successful collection of current year property taxes is important in determining property tax revenues. The Town historically collects over 99% of the current year taxes levied. The Town has assumed a 99.0% collection rate, for current taxes, for fiscal year 2015-2016. A one-tenth change in the collection rate estimate equates to \$100,000 (rounded) in tax revenue (see page 49 for the calculation of the mill rate).

**FISCAL POLICY & TRENDS**

**Intergovernmental Revenue**

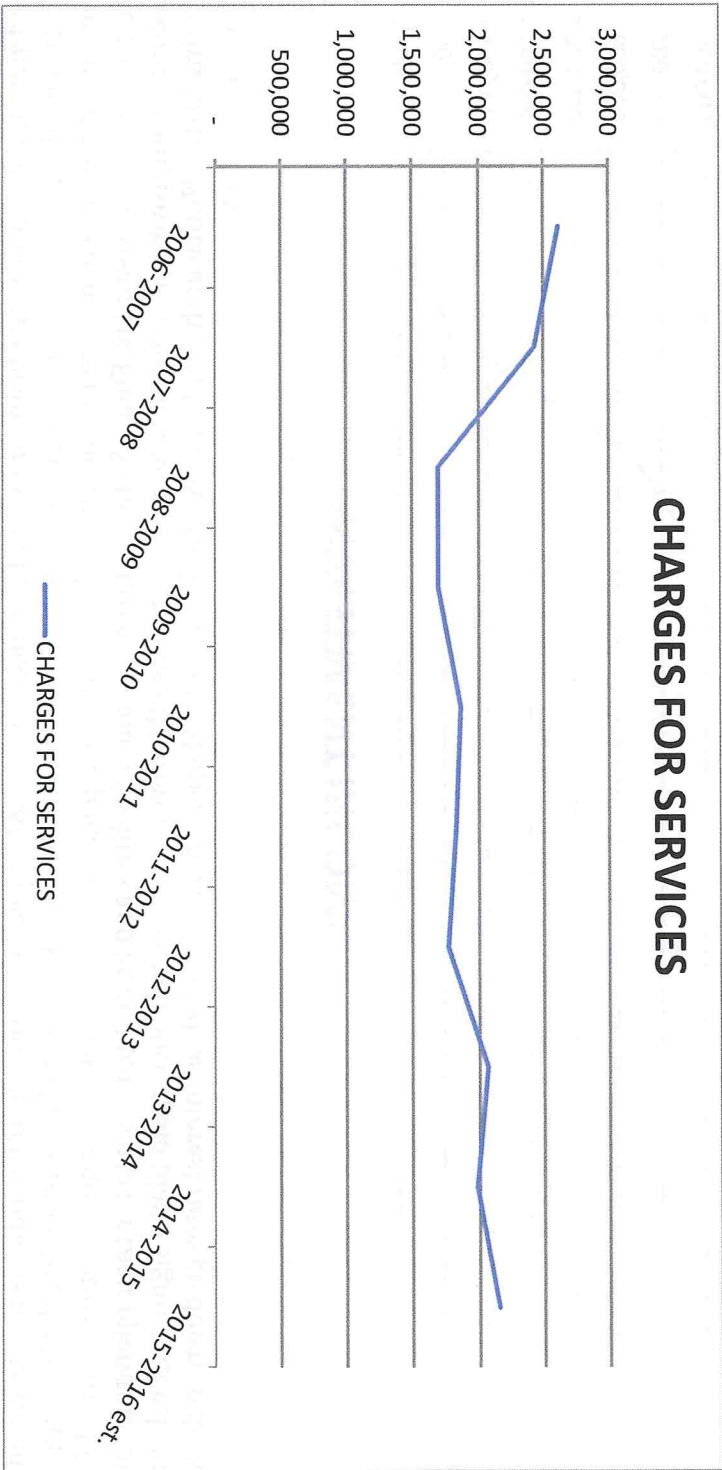
Intergovernmental revenue estimates are taken from the latest “Estimates of State Formula Aid to Municipalities” prepared by the (State) Office of Policy and Management ([OPM WEBSITE](http://OPM.WEBSITE)). The State General Assembly can and has changed these estimates over the years. These changes are typically after the Town budget has been adopted. From the chart below you can see that intergovernmental revenue has not kept up with inflation over the years. A sharper decline is evident in 2009-2010 when the economic down turn occurred. The second peak in 2011-2012 is due to a onetime grant for education.



**FISCAL POLICY & TRENDS**

**Charges for Services**

The decline in charges for services fees relate to accounts tied to the economy. Active development in the earlier years brought about higher revenues in the town clerk conveyance fees and building permit fees accounts. The difference in these accounts between 2005-2006 and 2014-2015 is about \$600,000. As the economy improves charges for services will gradually increase. The estimates for 2015-2016 have increased a small amount.



**FISCAL POLICY & TRENDS**

**Investment Income**

Investment income was a significant amount of non tax revenue. At its peak in 2006 – 2007 income from investments was over \$1.6 million. For the last few fiscal years it has barely exceeded \$150,000. It is not surprising that the investment income chart below matches the rate of return chart on the next page. That chart shows the rates of returns earned from the State’s Short Term Investment Fund (STIF) that so many municipalities and State agencies use for their operating funds. As the economy improves and interest rates start to increase this revenue source will once again play a significant role in offsetting taxes. Notice both graphs are relatively the same shape. This is expected, as interest rates go down so does investment income.

