

# **TOWN OF CHESTER PROPOSED 2016-2017 BUDGET**

**PUBLIC HEARING    MAY 12<sup>TH</sup>, 2016**

**TOWN MEETING    MAY 31<sup>ST</sup>, 2016**

# ANTICIPATED 2016-2017 REVENUE SOURCES

## STATE OF CONNECTICUT

	<u>2015-2016</u>	<u>2016-2017</u>
• EDUCATION	\$679,889	\$652,069
• GENERAL	\$394,081	\$418,419
• TOWN TAXES AND FEES		
• PROPERTY TAXES	\$10,964,454	\$11,222,110
• PRIOR YEAR TAXES/INTEREST/FEES	\$135,000	\$140,000
• LICENSES/PERMITS	\$81,800	\$67,200
• GENERAL REVENUES	\$452,050	\$429,870
• FROM FUND BALANCE	\$200,000	\$200,000
• ESTIMATED TOTAL REVENUE	\$12,907,274	\$13,129,668

Increase of \$222,394 or 1.72%

# STATE REVENUE

- State revenue of \$1,070,488, which currently represents 8.2% of the budget, is uncertain at best.
- In the last 30 days, estimates of anticipated revenue for the next fiscal year have changed 3 times and varied by as much as \$101,000.
- This is not expected to improve over the next few years as the State struggles with reducing its own budget deficit.

# SUMMARY OF PROPOSED EXPENDITURES 2016-2017

	<u>2015-2016</u>	<u>2016-2017</u>
• TOWN GENERAL GOVERNMENT	\$3,829,956	\$3,905,015
• INCREASE 75,059 (1.96%)		
• CAPITAL BUDGET	\$419,000	\$498,096
• INCREASE 79,096 (18.88%)		
• CHESTER ELEMENTARY SCHOOL	\$4,224,986	\$4,379,332
• INCREASE 154,346 (3.65%)		
• REGION 4 SCHOOL DISTRICT	\$4,433,332	\$4,347,225
• DECREASE 86,107 (1.94%)		
• SPENDING INCREASE OF 222,394 OR 1.72% OVER CURRENT YEAR BUDGET.		

**A SIGNIFICANT PERCENT OF OUR GENERAL GOVERNMENT INCREASE IN 2016-2017 CAN BE ATTRIBUTED TO NON-DISCRETIONARY ITEMS AND ITEMS OUTSIDE OUR DIRECT CONTROL:**

- 1. INCREASED TOWN RESPONSIBILITY FOR COST OF RESIDENT STATE TROOPER PROGRAM. (\$82,000)**
- 2. INCREASE IN FEES FOR DISPOSAL OF BULKY WASTE (\$20,000)**
- 3. REDUCED STATE REVENUES (??? – UP TO \$101,000 LESS)**
- 4. CONTRACTUAL OBLIGATIONS FOR TEACHERS AND OTHER UNION EMPLOYEES AT 3%**
- 5. UNFUNDED STATE MANDATES**

# TOWN GENERAL GOVERNMENT:

- Expenses are growing faster than the grand list, but are in line with overall inflation levels (currently just under 2%). The Town is in good shape financially, with no surprises overall.
- Increased costs:
  - Inflation (costs of supplies, equipment and services)
  - Contractual increases (teachers and union employees)
  - Unfunded state mandates, such as increased registrar training
- Decreases in utilities, especially cost of heating oil, and a mild winter saved in snow removal costs

# CAPITAL BUDGET:

- The Capital Budget allows the town to set aside funds for major purchases and maintenance of infrastructure. Underfunding the Capital Budget means deferring this maintenance and can lead to higher and unexpected repair or replacement costs.
- The Board of Selectmen and the Board of Finance have conducted an exhaustive survey of infrastructure needs for the next ten years to ensure sound planning for the future. Areas investigated include:
  - Scheduled Replacement of Town and Hose Company vehicles and equipment
  - Repairs and upgrades of Town Buildings including major mechanicals
  - Protection and maintenance of the watershed and natural resources
  - Energy and money saving projects
  - Road paving and drainage issues

### Capital Budget Updated 4/30/2016

	Balance							
	4/30/2016	Proposed	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	
<u>Capital Project Title</u>	<u>2015-2016</u>	<u>Transfers</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>Total</u>
Assigned	\$ 133,742.00	\$ (133,500.00)						\$ 242.00
Town Hall - Computer Replacement	\$ 17,917.00		\$ 15,000.00	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ 160,917.00
Cedar Lake/Watershed			\$ 6,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 38,000.00
Revaluation	\$ 20,000.00		\$ 10,000.00	\$ 8,000.00	\$ 10,000.00	\$ 10,000.00		\$ 58,000.00
Highway Equipment	\$ 185,668.00		\$ 54,000.00	\$ 52,000.00	\$ 57,000.00	\$ 50,000.00	\$ 50,000.00	\$ 448,668.00
Main Street Project I	\$ 319,846.00	\$ (314,846.00)						\$ 5,000.00
Main Street Project III		\$ 314,846.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 689,846.00
Energy Efficient Projects			\$ 75,000.00					\$ 75,000.00
Road/Sidewalk Repairs	\$ 242,002.00	\$ 123,500.00	\$ 101,500.00	\$ 275,000.00	\$ 275,000.00	\$ 275,000.00	\$ 275,000.00	\$ 1,567,002.00
Firehouse Roof	\$ 29,390.00							\$ 29,390.00
Town Building - Repairs/Code Compliance	\$ 25,967.00		\$ 60,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 205,967.00
Town Building Emergency Generators	\$ 20,001.00	\$ (20,001.00)						
Ambulance Replacement (2003)	\$ 60,007.00		\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 210,007.00
Truck Replacement	\$ 346,473.00		\$ 50,000.00	\$ 75,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 771,473.00
Equipment Replacement	\$ 24,837.00	\$ 38,404.00	\$ 6,596.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 249,837.00
Cruiser Replacement	\$ 937.00	\$ (937.00)						
Mobile Radio Replacement	\$ 532.00	\$ (532.00)						
Oil Tank Replacement			\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		\$ 60,000.00
HVAC Replacement	\$ 18,767.00							\$ 18,767.00
Fire Code/Safety Compliance	\$ 6,934.00	\$ (6,934.00)						
	<b>\$ 1,453,019.00</b>	<b>0</b>	<b>\$ 498,096.00</b>	<b>\$ 645,000.00</b>	<b>\$ 677,000.00</b>	<b>\$ 670,000.00</b>	<b>\$ 645,000.00</b>	<b>\$ 4,588,115.00</b>

# PROPERTY TAXES

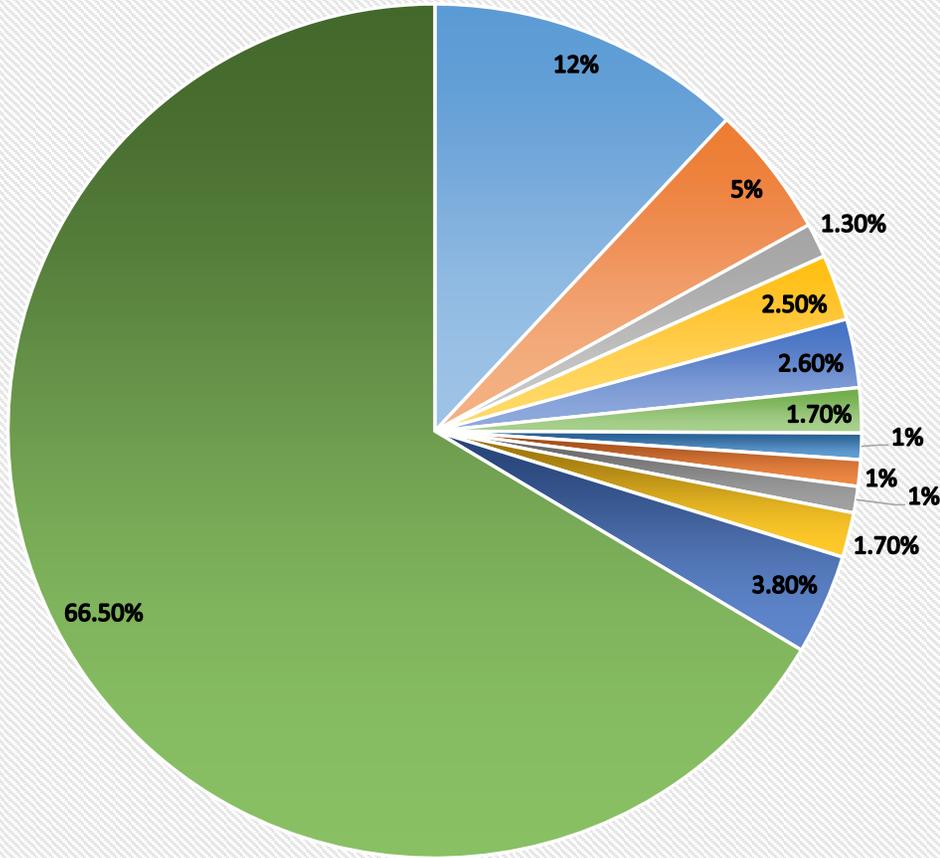
	<u>October '14</u>	<u>October '15</u>
• GRAND LIST	\$438,516,768	\$441,256,899
• MIL RATE	Current \$25.32	Proposed \$25.75

**1 MIL = \$435,741**

# WHAT IS A MIL?

- A mil represents \$1.00 of tax paid on \$1,000 in property assessment. The current mil rate is \$25.32, meaning that each property owner is taxed \$25.32 on each \$1,000 of assessed property.
- The proposed new mil rate for 2016-2017 is 25.75 (increase of .43 mils)
  - \$123,500 is being transferred from this year's surplus to prefund capital for 2016-2017.
  - A .43 mil increase is suggested to provide approximately \$189,000 in additional revenue.
- This represents a tax increase of about \$90.30 on a property with a market value of \$300,000, \$150.00 on property valued at \$500,000, and \$226.00 on property with a value of \$750,000 (or \$43.00 additional per 100K assessed).

# What do your mils buy?



- General Government 12%
- Public Works 5%
- Bulky/Hazardous Waste 1.3%
- Police 2.5%
- Fire Department 2.6%
- Other Safety 1.7%
- Park & Rec 1%
- Library 1%
- Health & Welfare 1%
- Debt Services 1.7%
- Capital 3.8%
- Education 66.5%

# ACCOMPLISHMENTS

- Main Street Project (East) – from Laurel Hill Cemetery to Middlesex Avenue
- Pratt Street – drainage and paving
- Main Street Bridge – CONNDOT project with town design coordination
- Energy Efficient Projects – Town Hall insulation

# Looking Ahead:

- Funding (grant applications) and Preparation for Main Street III (between the bridge and Laurel Hill Cemetery). 2017-2018?
- North Quarter Park/Possible Library Project
- Planning for management of the Cedar Lake Watershed
- Repair/restoration of Meeting House – what is needed?
- Energy and Money Saving Projects
  
- Look for ways to grow our grand list or reduce/share expenses – more sustainable and self sufficient – not as dependent on state for revenue. Keep taxes stable.