



John Salomone
Town Manager

TOWN OF NEWINGTON

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NEWINGTON, CONNECTICUT 06111

OFFICE OF THE TOWN MANAGER

March 6, 2009

Honorable Mayor and Members of the Newington Town Council:

On behalf of the Town of Newington, I present the Town Manager's Proposed Fiscal Year 2009-10 budget for General Government operations and the Board of Education.

BUDGET OVERVIEW

The fiscal situation at the local, state and federal levels has caused a decrease in revenue to the Town. Although we are fortunate not to have a decrease in State revenue, the expenses of providing vital services to the Town's residents continue to rise in many areas. Recognizing these fiscal realities, I am proposing a net increase in expenditures of 1.8% or \$1.7 million, with the General Government operations increasing 1.2%, or \$330,532, and a proposal to increase the Board of Education budget by \$1,676,164 or 3.0%. I have also proposed a capital improvement program for the Town and Board of Education of \$3,845,672 for fiscal year 2009-2010, which meets the Town's goal of funding approximately \$6.3 million of capital improvements divided between Debt Service and pay-as-you-go projects.

Although State Aid remains approximately equal to last year's budget with the Governor's proposal, the net amount of revenue compared to last year still decreases approximately \$785,000, or 3.8%. In the following pages, the details of the proposed expenditures and revenue projections will be discussed.

GENERAL GOVERNMENT

	FY 2008-09	FY 2009-10	\$ Change	% Change
General Government	\$28,134,112	\$28,464,644	\$330,532	1.2

The most notable adjustments within the operating departments include:

- Police full-time salaries are up due to the contractual raises for IBPO; overtime does not increase due to the added personnel in the Police Department.
- The lower cost of gasoline has decreased the Motor Fuel budget by 30%.
- Property, casualty and workers' compensation insurance decreased approximately 11%.

As detailed below, the major budget adjustments are salaries, MDC assessments, and employee benefits. One area of the budget which reversed the trend of decreased cost was health benefits insurance for the Town and the Board of Education. Due to a higher use rate of health benefits by employees, the Town and the Board of Education had significant increases of 10% and 15%, respectively. In total, there is approximately a \$1.3 million increase in the projected health benefits budget.

Personnel

At this point in the budget process, no salary increases have been included in Contingency for Town Government employees with the exception of personnel in IBPO Local 443 (Police Union) where there are contractual obligations. Presently I am in informal discussions with AFSCME Union leadership and will be asking those employees to forego a raise in fiscal year 2009-10. In addition, I will be asking non-union employees, including all professionals and supervisors, to forego a raise in 2009-10. I hope also to discuss with the IBPO Union foregoing their raises so that we may maintain the level of staffing commensurate with the challenges to maintaining a safe community.

Senior and Disabled Center

In the proposed FY 2009-10 budget, I am recommending that the Senior and Disabled Center not be open in the evenings. By curtailing evening hours, one Custodian position will be eliminated and utility costs reduced. This will not curtail any senior or disabled programs but will impact the community since the Senior and Disabled Center is utilized very frequently by Town groups during the year. The Town will try to accommodate these groups in the Town Hall when available, but due to the great demand of meeting rooms in the Town Hall all accommodations will not be possible. However, if the Town reaches an agreement with the AFSCME Union on no wage increase for FY 2009-10, the Custodian position will be reinstated and the Senior and Disabled Center will remain open in the evenings.

Building Department / Fire Marshal

Due to the slowing of the economy at the local level which is reflected in fewer building projects to be inspected by the Building Inspectors, I am reducing the Building Department budget by an equivalent of one-half position to reflect the downturn. In addition, I have reduced the hours of the part-time Fire Marshals to similarly reflect the reduction in new construction. This will not result in any public safety concerns, and when the economy returns to a more normal basis, we can re-examine the position reductions.

Police Department Staffing

In a continuing effort to “right-size” the department, three (3) additional Police Officers were authorized in fiscal year 2008-09 to supplement the 48 sworn officers in the Newington Police Department. Through the additional Police Officers, the Town has been able to reduce the number of hours that each officer is on duty each week, which has provided a better level of service to the community as Police Officers are better rested and able to perform at a higher level. The three new officers allowed for an officer to be assigned as a Youth Officer. In addition, it has allowed us to concentrate and develop the School Resource Officer (SRO) position in a more strategic manner. There is a lag in the hiring of the officers and the impact on the organization. It takes approximately nine months from the time an officer is hired until that officer becomes a productive member of the department

because of various training components. The new officers will have completed their field training component by April 2009 and will be fully eligible for patrol duty at that time.

Parks and Recreation

The proposed budget for Parks and Recreation reflects a decrease as a result of not filling two vacant positions - Supervisor of Parks and Grounds and a third Recreation Supervisor.

Highway Department

The Town successfully transitioned to an enhanced salt program for snow removal. Our budget for salt remains the same as 2008-2009.

Fire Department

There is no reduction in the Fire Department budget other than an adjustment in the Pay-per-call program of \$10,000 to reflect the actual trend.

General Services

In the IT Department, the Geographic Information Systems Coordinator position which has been vacant for several months will be filled and further reorganization considered accommodating the increased utilization of technology.

Library

A reduction of 5% (\$13,500) for books and other circulation materials is proposed.

CAPITAL IMPROVEMENT PROGRAM

To address the capital needs of the Town, the Town Council established a Capital Improvement Program Committee that provided a framework for planning, scheduling and financing the Town's multi- year Capital Improvement Plan. The Committee is composed of three Town Council and two Board of Education members, with the assistance of Town and Board of Education staff. The funding level, as recommended by the Committee, is \$3.8 million. I have made some funding changes subsequent to the Committee's recommendations. The proposed Town Manager's Capital Improvement budget allocates \$1.5 million for the Board of Education. The balance of the General Fund monies is allocated as follows and subject to approval by the Town Council:

- **Tax Revaluation Reserve:** An amount of \$250,000 enables the Town to enter into a contract to comply with a statutory mandate to complete the revaluation process every five years. FY 2009-10 will be the first of a multiple year funding plan for the revaluation of all properties for the October 1, 2010 Grand List. The total estimate is \$400,000 for 12,500 parcels. This is a

reduction of \$300,000 because it is anticipated the Assessor will be utilizing data mailers in lieu of interior inspection, with a quality assurance program.

- **Information Technology Reserve Fund:** An amount of \$360,000 is recommended to further enhance and supplement the existing network infrastructure and continue the replacement schedule of key components of the Town's technology hardware, as well as computer connectivity.
- **Town Hall Improvements:** An amount of \$700,000 would continue the multi-year phase-in improvements to the Town Hall.
- **Public Safety:** An amount of \$85,000 would provide for radio replacements and upgrades of the Fire Department emergency dispatch system.
- **Highway:** An amount of \$355,000 is included for road construction, traffic signal repair and salt spreader controls.
- **Town Landfill Site Improvements:** An amount of \$15,000 is included to begin the planning and design of the landfill site which is mandated by Connecticut Department of Environmental Protection to be permanently closed.
- **Park and Playfield Improvements:** This reinstated annual appropriation in the amount of \$74,000 is the major funding source for repairs, replacement and additions to all Town parks and athletic facilities.
- **Major Equipment Replacement Reserve:** Funding in the amount of \$283,089, a reduction of 5%, represents the annual depreciation for the Town's major equipment replacement program.
- **Lease Purchase Payments:** The amount of \$211,654 represents the fourth annual installment (of five) for the 2005 purchase of the Pierce ladder fire truck.

EMPLOYEE BENEFITS

Contributions to the Town's three defined benefit pension plans are up by 20% because the plan's liability side increased significantly due to the past service accrued liabilities. It is projected that FY 2010-11 contributions will be impacted more severely as negative returns are accentuated in the subsequent actuarial recommendation.

PROPERTY AND CASUALTY INSURANCE

The Town's Agent of Record has projected premium costs to decrease by 11% for automobile and general liability coverage in FY 2009-10.

METROPOLITAN DISTRICT COMMISSION (MDC) AND CONNECTICUT RESOURCES RECOVERY AUTHORITY (CRRA)

The Town of Newington is a member of two regional authorities that provide key services to their member towns. The Metropolitan District Commission (MDC) is the provider of water and waste water (sewer) services to the Town of Newington and seven other regional entities. The proposed MDC funding allocation for FY 2009-10 is \$2,592,320, or an 8% decrease. This is a significant decrease from the previous years.

The Town is also a member of the regional 68 member Connecticut Resources Recovery Authority (CRRA) which handles disposal of solid and bulky waste for its members. In FY 2008-09, the tipping fee was \$72 per ton for municipal solid waste. During the year, a Court decision reduced the tipping fee to approximately \$62 per ton. Unfortunately, the Fiscal Year 2009-10 budget estimates the tipping fee to be \$72 per ton. By 2012, the Town must make a decision whether to continue with CRRA or look for an alternative source for disposal of its municipal solid waste. Area Towns have begun this process which will be a long and detailed study of the options.

DEBT SERVICE

A slight decrease in the Town's principal and interest debt service of approximately \$70,000 is being recognized in FY 2009-10.

BOARD OF EDUCATION

The Board of Education's requested FY 2009-10 budget was \$57,942,552, or a 3.7% increase. I have recommended a 3.0% increase in the Board of Education budget. This increase, combined with the Town's increase of 1.2%, yields a tax increase of 3%.

	FY 2008-09	FY 2009-10	\$ Change	% Change
Board of Education	55,872,142	57,548,306	1,676,164	3.0

REVENUES

As noted earlier, the FY 2009-10 proposed budget includes only a minimal increase in the amount of State Aid. It is important to note that the State economy as well as the national economy are uncertain, and, therefore, the Town cannot count on additional State Aid. Other revenue sources decreased approximately \$855,000 and include Building permits, Town Clerk fees and interest which have also been affected adversely by the economy.

The revenues to finance the proposed FY 2009-10 budget come from the following sources:

Type	\$	%
Property Tax	73,350,432	77.2
Non-Tax Revenue	19,638,938	20.7
General Fund Balance	2,000,000	2.1
TOTAL	94,989,370	100.0

The FY 2009-10 budget applies \$2,000,000 from the General Fund balance, the same amount as in FY 2008-09. This will leave an estimated, projected unreserved fund balance as of June 30, 2009 of approximately 10.0% of the FY 2009-10 budget. This level is consistent with parameters established by the credit rating industry and sound fiscal policy.

GRAND LIST

The October 1, 2008 taxable Grand List totals \$2,645,518,977 (subject to Board of Assessment Appeals review) which represents an increase of 0.4 from the 2007 Grand List. The growth in the 2007 Grand List was 1.6% from the previous year. A comparison of the 2008 Grand List to the 2007 Grand List is as follows:

Category	2007	2008	\$ Change	% Change
Real Estate	\$2,295,820,555	\$2,322,407,485	\$26,586,930	1.2
Personal Property	136,320,152	128,951,261	-7,368,891	-5.4
Motor Vehicle	201,730,712	194,160,231	-7,570,481	-3.8
TOTAL	\$2,633,871,419	\$2,645,518,977	\$11,647,558	0.4

MILL RATE

Effective with the October 1, 2008 taxable Grand List, the proposed mill rate for FY 2009-10 is 28.51 mills, an increase of .83 mill or 3.0%.

IMPACT ON THE NEWINGTON TAXPAYER

Utilizing an average residential assessment of \$166,380 and a proposed mill rate of 28.51, taxes would increase by approximately \$137 or 3.0%.

CONCLUSION

My appreciation goes to all who assisted in the preparation of the budget proposal, including staff, boards, commissions and other interested parties. I especially would like to thank Finance Director Ann Harter, Deputy Finance Director Lisa Rydecki, and Executive Assistant Lori Verreault for their tireless work to produce this document. I look forward to working with the Town Council to complete a budget that is effective, fiscally responsible and will maintain quality services within the Town of Newington.

Yours truly,

John L. Salomone
Town Manager