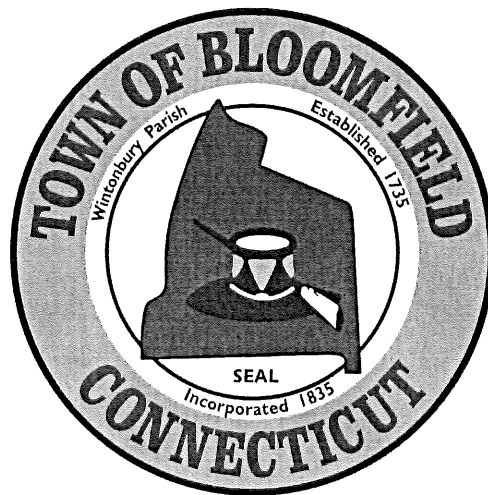


2019-2020
TOWN COUNCIL
RECOMMENDED BUDGET
FOR THE FISCAL YEAR

Beginning July 1, 2019 and ending June 30, 2020



TOWN OF BLOOMFIELD
CONNECTICUT
May 6, 2019

TOWN COUNCIL

Suzette DeBeatham-Brown, Mayor
Rickford R. Kirton, Deputy Mayor

Patrick A. DeLorenzo, Jr.

George Kevin Gough

David M. Mann

Jennifer A. Marshall-Nealy

Kenneth L. McClary

Joseph P. Merritt

Elizabeth A. Waterhouse

TOWN MANAGER

Philip K. Schenck, Jr.

FINANCE DIRECTOR

Keri Rowley

EXPLANATION OF THE CALCULATION OF THE MILL RATE

The following explains how the 2019-20 mill rate is calculated using figures presented on the adjacent page.

The Town Manager’s proposed Town budget appropriation, including the Board of Education, Capital Expenditures and Debt Service, for FY 2019-20 is \$91,847,821, an increase of 2.60% over the adopted 2018-19 fiscal year budget. If adopted by the Town Council, this budget would require a mill rate of 37.46, a tax rate decrease of 0.06 mills or 0.16%. The budget includes expenditures to provide the following municipal services as authorized in the Town’s Charter: public safety, library, debt service, parks and recreation, solid waste services, street construction and maintenance, health and human services, community development, education, public improvements, general administrative services and capital expenditures.

These appropriations will be financed by four sources of revenues:

Non-tax Revenues	\$ 10,858,604
General Fund Balance Appropriated	\$ 1,400,000
Debt Service Assigned Fund Balance	\$ 520,114
Residual Fund Balance Transfer	\$ 325,000
Tax Revenues (Amount to be Raised by Current Taxes)	<u>\$ 78,744,103</u>
Total	\$ 91,847,821

Included in Non-tax Revenues are State of Connecticut grants (principally the payment-in-lieu-of-taxes (“PILOT”), Education Cost Sharing (“ECS”) grant, the Town Aid Road Grant (“TAR”), the Pequot Grant and the Municipal Stabilization Grant) and locally-generated revenues such as prior year taxes, interest earnings, charges for services, rental income, licenses and building permit fees.

Non-tax revenues total \$10,858,604 which reflects a decrease of \$78,569 from the adopted FY 2018-19 levels; this recognizes a decrease of \$100,000 in the building permit revenue projection due to an anticipated reduction in volume of new building projects in Bloomfield. Also reflected in this decrease is a reduction in ECS funding of \$78,000. This is partially offset by an increase projection in interest on investments due to anticipated strong returns on investments.

The 2019-20 budget also applies \$1,400,000 from the General Fund Unassigned Fund Balance to help finance the budget. This assignment remained consist with the budget appropriation in FY 2018-19 budget. As the audited General Fund Balance at June 30, 2018 was at 19.9% of the proposed FY 2019-20 budget, utilizing additional Fund Balance will still leave the Town within the acceptable levels as set forth by the credit rating industry and is also consistent with the Town’s policy of maintaining a reserve level between 15-20% of expenditures.

There is an appropriation of \$320,114 from the Debt Service Assigned Fund Balance. At fiscal year-end 2018, there was a \$421,000 assignment of fund balance to fund future debt service. In the proposed FY 2019-20 budget, a portion of this was used to offset the increase in debt service expenditures. Also, there is \$325,000 of revenue from residual fund balance that is included in the revenue for the fiscal year 2019-20 budget.

The largest category, Tax Revenues, is calculated on a residual basis; that is, whatever appropriations are not financed through Non-tax Revenues and Appropriated Fund Balance are financed by the “Amount to be raised by Current Taxes.” The 2018 Net Grand List increased by 1.98%. The reserve for appeals, corrections and exemptions remained unchanged from prior year at \$16 million to account for potential assessment challenges. The Estimated Tax Collection Rate of 98.5% takes into account the estimated amount of taxes to be received during the year they are levied; this estimate is held consistent with the prior year.

The calculation of the mill rate takes into account the “Amount to be Raised by Current Taxes” and the following:

October 1, 2018 Net Grand List	\$ 2,150,082,605
Less: Appeals, Corrections, Exemptions	16,000,000
October 1, 2017 Net Adjusted Grand List	\$ 2,134,082,605
Estimated Tax Collection Rate	98.5%

The “Amount to be Raised by Current Taxes” of \$78,744,103 divided by the estimated collection rate of 98.5% for an Adjusted Levy of \$79,943,252. This is divided by the Net Adjusted Grand List (Net List less reserve of \$16,000,000) of \$2,134,082,605. The result of this calculation is a Mill Rate for the FY 2019-2020 of 37.46 (tax levy per \$1,000 assessed value) or a decrease of 0.06, down 0.16% from FY 2018-19 levels. The value of one mill equates to about \$2,134,083.

REVENUES

The Town Council approved 2019-20 budget of \$91,847,821 is financed from a current property tax levy of \$78,744,103, non-tax revenue of \$10,858,604, applied General Fund Balance of \$1,400,000, Debt Service Assigned Fund Balance of \$520,114 and Residual Fund Balance transfer of \$325,000. The mill rate of 37.46 mills (taxes per \$1,000 of assessed value) is a decrease of 0.06 mills or 0.16% over the 2018-19 fiscal year. An estimated tax collection rate of 98.5% has also been incorporated in the calculation of the levy. The current property tax levy comprises about 85.7% of the 2019-20 budget.

The non-tax revenue side of the budget totals \$10,858,604 which is comprised of all revenue other than the current property tax levy and includes: state aid, delinquent taxes, interest and liens, service charges, building permits, licenses, rental income and investment earnings. The non-tax category is down from the 2018-19 levels by \$78,569 due primarily to a \$100,000 decrease in the projected revenue for building permits and a reduction in ECS funding of \$78,000. This is partially offset by an increase in projected revenue for interest on investments of \$85,000.

As to state aid, the proposed FY 2019-20 revenue incorporates Governor Lamont's proposed budget which illustrates little variation from FY 2018-19. In total, the Town is expected to receive just over \$8 million. In FY 2019-20, the Town will retain \$5.4 million of a total ECS grant of \$6.4 million. The difference of \$982,000 is the Alliance Grant which goes directly to the Board of Education as required by the State Department of Education.

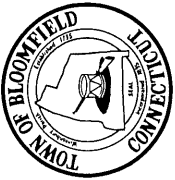
The FY 2019 budget incorporates a planned draw from the Town's Unassigned General Fund balance of \$1,400,000, remaining consistent with prior year's adopted budget. At June 30, 2018, the Town's Unassigned General Fund Balance was \$18.4 million or approximately 19.9% of the proposed FY 2019-20 budget. This level is at the high end of the Town's Fund Balance Policy of maintaining a reserve level between 15-20% of expenditures and therefore continues to provide the Town flexibility to assign General Fund Balance to mitigate the mill rate increase.

Finally, the Town Council's proposed budget includes the use of \$520,114 of Debt Service Assigned Fund Balance. At the end of FY 2018, an assignment of fund balance to fund future debt service was made. The FY 2019-20 proposed budget incorporates this assignment to offset increased debt services expenses. Also included in the proposed budget is the use of residual fund balance of \$325,000. This revenue will be transferred in from a capital fund that received unanticipated revenue from the State as reimbursement for a completed project. This transfer must be used to offset corresponding debt service principal payments for the completed project.

General Fund revenues for the 2019-20 Town Council's proposed budget are provided below from the following major categories (assigned fund balance of \$1.4 million, Debt Service assignment of \$520,114, and residual fund balance use of \$325,000 are excluded):

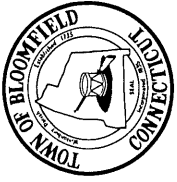
CATEGORY	ACTUALS 2017-18	ADOPTED 2018-19	PROJECTED 2018-19*	TOWN COUNCIL 2019-20
Taxes & Assessments	76,337,987	78,943,384	80,491,698	80,454,103
State Education Grants	5,361,199	5,526,644	5,457,564	5,457,565
State Property Tax Relief	634,092	571,006	689,377	580,918
Other State and Federal Grants	447,941	463,873	467,142	466,671
Use of Assets	543,369	213,000	608,000	288,000
Miscellaneous Receipts	258,566	145,000	315,000	170,000
Licenses & Permits	1,105,210	976,200	989,989	877,350
Fees & Service Charges	1,391,132	1,281,450	1,638,725	1,308,100
Total Revenue	86,079,496	88,120,557	90,657,495	89,602,707

*Projections as of March 31st, 2019



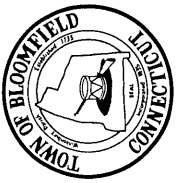
TOWN OF BLOOMFIELD
ANNUAL BUDGET - REVENUE
FY 2019 - 2020

FY 2017 - 2018		FY 2018 - 2019		FY 2019 - 2020	
ACTUAL RECEIPTS	ORIGINAL BUDGET	8 MONTH RECEIVED	ESTIMATED TOTAL	Manager Recommend	Council Approved
TAXES & ASSESSMENTS					
74,321,192	77,183,384	78,100,709	77,183,384	83,614,634	78,744,103
527,904	485,000	392,946	485,000	485,000	485,000
892,965	750,000	676,235	750,000	700,000	700,000
595,926	525,000	701,904	525,000	525,000	525,000
76,337,987	78,943,384	79,871,794	78,943,384	85,324,634	80,454,103
STATE EDUCATION GRANTS					
5,317,993	5,489,084	2,705,172	5,489,084	5,410,345	5,410,345
43,206	37,560	47,220	37,560	47,220	47,220
5,361,199	5,526,644	2,752,392	5,526,644	5,457,565	5,457,565
STATE GRTS/PROPERTY TAX RELIEF					
13,651	13,330	13,651	13,330	13,651	13,651
149,114	94,314	62,876	94,314	94,314	94,314
1,381	1,300	1,159	1,300	1,300	1,300
110,126	107,502	110,126	107,502	110,126	110,126
290,578	280,060	291,027	280,060	291,027	291,027
58,200	64,000	84,449	64,000	60,000	60,000
11,043	10,500	10,955	10,500	10,500	10,500
634,092	571,006	678,389	571,006	580,918	580,918
336,373	336,373	168,085	336,373	336,171	336,171
8,085	10,000	6,453	10,000	8,000	8,000
0	17,500	25,059	17,500	17,500	17,500
103,484	100,000	106,071	100,000	105,000	105,000
447,941	463,873	305,668	463,873	466,671	466,671
USE OF ASSETS					
376,677	130,000	533,286	130,000	150,000	215,000
164,192	80,000	61,897	80,000	70,000	70,000



TOWN OF BLOOMFIELD
ANNUAL BUDGET - REVENUE
FY 2019 - 2020

FY 2017 - 2018 ACTUAL RECEIPTS	FY 2018 - 2019		FY 2019 - 2020		
	ORIGINAL BUDGET	8 MONTH RECEIVED	ESTIMATED TOTAL	Manager Recommend	Council Approved
2,500	3,000	1,500	3,000	3,000	3,000
<u>543,369</u>	<u>213,000</u>	<u>596,683</u>	<u>213,000</u>	<u>223,000</u>	<u>288,000</u>
MISCELLANEOUS RECEIPTS					
239,121	145,000	309,400	145,000	135,000	170,000
19,445	0	0	0	0	0
0	0	0	0	0	325,000
<u>258,566</u>	<u>145,000</u>	<u>309,400</u>	<u>145,000</u>	<u>135,000</u>	<u>495,000</u>
LICENSES & PERMITS					
9,724	10,000	8,105	10,000	10,000	10,000
1,051	1,100	1,120	1,100	1,100	1,100
651	500	225	500	400	400
1,072,189	950,000	938,929	950,000	800,000	850,000
2,812	2,500	-851	2,500	2,500	2,500
276	300	1,289	300	350	350
11,532	3,000	15,573	3,000	5,000	5,000
6,570	8,000	8,410	8,000	7,500	7,500
405	800	405	800	500	500
<u>1,105,210</u>	<u>976,200</u>	<u>973,205</u>	<u>976,200</u>	<u>827,350</u>	<u>877,350</u>
FEES & SERVICE CHARGES					
-344	500	-86	500	250	250
125,000	150,000	0	150,000	175,000	175,000
523,957	480,000	332,824	480,000	450,000	480,000
16,151	18,000	10,565	18,000	12,000	12,000
107,088	115,000	89,140	115,000	105,000	105,000
541,138	450,000	876,244	450,000	400,000	475,000
23,447	15,000	22,923	15,000	15,000	15,000
8,325	5,500	6,830	5,500	5,000	5,000
21,106	15,000	12,222	15,000	16,000	16,000
11,610	9,000	10,378	9,000	9,000	9,000
5,434	5,500	4,815	5,500	5,200	5,200
250	1,500	3,443	1,500	1,500	1,500



TOWN OF BLOOMFIELD
ANNUAL BUDGET - REVENUE
FY 2019 - 2020

FY 2017 - 2018	FY 2018 - 2019			FY 2019 - 2020		
	ACTUAL RECEIPTS	ORIGINAL BUDGET	8 MONTH RECEIVED	ESTIMATED TOTAL	Manager Recommend	Council Approved
92	150	14	150	48888	150	150
7,688	15,000	6,522	15,000	48895	8,000	8,000
190	1,300	185	1,300	48899	1,000	1,000
<u>1,391,132</u>	<u>1,281,450</u>	<u>1,376,019</u>	<u>1,281,450</u>		<u>1,203,100</u>	<u>1,308,100</u>
<u>86,079,497</u>	<u>88,120,557</u>	<u>86,863,550</u>	<u>88,120,557</u>	TOTAL REVENUES	<u>94,218,238</u>	<u>89,927,707</u>

EXPENDITURES

The Town Council's proposed 2019-20 General Fund Budget, including the Board of Education request, totals \$91,847,821 a 2.60% (\$2,327,264) increase over the 2018-19 adopted budget.

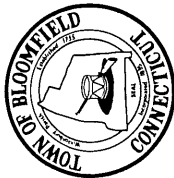
The Fixed Charges category, which has increased \$829,336, includes among its major accounts: reserve for accruals (\$165,034 increase due to accost of living for employees), health benefits (including contribution to the OPEB Trust which increased by \$412,000 and health insurance increase of \$198,313), solid waste disposal (up by \$43,456) and insurances (relatively small increases). The MDC ad valorem tax increased 7.55% (\$254,771) this year. Debt service has increased \$614,505 from the initial issuance of bonds and short-term anticipation notes for the building projects approved at referendum in November 2016.

Town government operations, which include salaries, supplies, materials and contract services for all departments increased by \$222,804 or 0.97%.; this includes proposed additions of new positions in Information Technology and Police (partially offset by the reallocation of funding of a vacant position). The Board of Education's requested increase of 10.98% or \$4,629,406 was reduced by the Town Council to \$1,264,865 or 3.00%. The General Fund contribution to the Capital Improvement Program decreased by \$859,017. This contribution will be supplemented by funds from state capital grants. The guidelines below are presented so that the public will have an idea of the Town's approach to budget management:

- The Town is actively pursuing economic development as a means of improving the tax base of the Town in order to achieve long-term benefits for all the citizens of Bloomfield.
- Grants have been sought where they are sensible and financially feasible for the Town.
- Emphasis is placed upon the maintenance of the Town's facilities, including parks and recreational areas.
- User fees and charges for services are examined as one source to improve the fiscal viability of a service or program, while still maintaining a fair cost for our citizens.

The Town Council's proposed 2019-20 General Fund Budget, by function and compared to current year and prior year actual, is as follows:

CATEGORY	ACTUALS 2017-18	ADOPTED 2018-19	PROJECTED 2018-19	TOWN COUNCIL 2019-20
Administration	3,158,732	3,496,528	3,496,528	3,527,833
Boards & Agencies	159,696	171,412	171,412	167,449
Planning & Development	1,102,342	1,202,556	1,202,556	1,309,113
Public Safety	7,407,908	8,187,760	8,187,760	8,172,646
Public Works	3,092,636	3,336,462	3,336,462	3,360,348
Leisure Services	731,767	815,679	815,679	816,188
Library Services	1,628,248	1,750,555	1,750,555	1,734,931
Human Services	1,558,112	1,645,642	1,645,642	1,711,921
Facilities Maintenance	1,689,696	1,853,363	1,853,363	1,882,320
Fixed Charges	16,168,272	17,247,042	17,247,042	18,331,158
Miscellaneous Charges	132,236	445,500	445,500	445,500
Debt Service	5,666,166	5,887,820	5,887,820	6,502,326
Board of Education	41,338,845	42,162,165	42,162,165	43,427,030
Capital Improvement Program	1,152,000	1,318,074	1,318,074	459,057
Total Expenditures	84,986,655	89,520,557	89,520,557	91,847,821



TOWN OF BLOOMFIELD
FY 2019 - 2020 BUDGET

	FY 2018			FY 2019			FY 2020		
	Actual Expenditure	FY 2019 Original Budget	FY 2019 8 Month Exp.	FY 2019 Curr Yr Estimate	FY 2020 Manager Recommendation	FY 2020 Council Approved	FY 2020 Percent Change		
ADMINISTRATION	3,158,732	3,496,528	1,981,478	3,496,528	3,597,105	3,527,833	0.90		
BOARDS & AGENCIES	159,696	171,412	117,803	171,412	169,802	167,449	-2.31		
PLANNING & DEVELOPMENT	1,102,342	1,202,556	720,773	1,202,556	1,315,357	1,309,113	8.86		
PUBLIC SAFETY	7,407,908	8,187,760	4,692,191	8,187,760	8,215,196	8,172,646	-0.18		
PUBLIC WORKS	3,092,636	3,336,462	1,750,834	3,336,462	3,380,142	3,360,348	0.72		
LEISURE SERVICES	731,767	815,679	462,778	815,679	818,305	816,188	0.06		
LIBRARY SERVICES	1,628,248	1,750,555	1,089,829	1,750,555	1,736,921	1,734,931	-0.89		
HUMAN SERVICES	1,558,112	1,645,642	1,054,780	1,645,642	1,696,800	1,711,921	4.03		
FACILITIES SERVICES	1,689,696	1,853,363	848,237	1,853,363	1,882,320	1,882,320	1.56		
FIXED CHARGES	16,168,272	17,247,042	11,180,756	17,247,042	18,505,654	18,331,158	6.29		
MISCELLANEOUS CHARGES	132,236	445,500	142,475	445,500	395,500	445,500	0.00		
Subtotal	36,829,644	40,152,498	24,041,932	40,152,498	41,713,104	41,459,409	3.25		
DEBT SERVICE	5,666,166	5,887,820	5,193,729	5,887,820	6,502,326	6,502,326	10.44		
BOARD OF EDUCATION	41,338,845	42,162,165	27,458,711	42,162,165	46,791,571	43,427,030	3.00		
CAPITAL IMPROVEMENTS	1,152,000	1,318,074	1,318,074	1,318,074	931,353	459,057	-65.17		
Grand Total	84,986,655	89,520,557	58,012,446	89,520,557	95,938,353	91,847,821	2.60		

