

# ANNUAL BUDGET 2019-2020

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## EXECUTIVE SUMMARY

The Fiscal Year 2020 Recommended Budget includes appropriations for the Town's General Fund for the Town and Town's Public Schools.

### **Budget Process**

The budget process for the Town of Clinton is guided by Sections C4-1; C4-4; C5-4 through C5-7 and C10-2 of the Town Charter. The Charter requires the Annual Budget Meeting convened to referendum to take place not less than seven or more than 14 days thereafter, on a day to be set by the Annual Budget Meeting. Further the Charter states, said Budget Meeting to be held no later than the first Wednesday in May. Therefore, the 2020 Budget Meeting will be held on May 1, 2019 and the budget will be presented at referendum on May 8, 2020. (Should the budget fail it will be reviewed by the boards and presented again every two weeks until it passes.)

The budget deliberation process begins when the Selectman's recommended budget based on Department requests, are submitted to the Board of Selectmen in January. The major milestones in the budget process, with dates for 2020, are as follows:

- Department requests submit to the First Selectman, throughout December 2018
- First Selectman presents budget to the Board of Selectmen February 5, 2019 through February 12, 2019
- Board of Selectmen recommend and forwarded the budget to the Board of Finance, February 20, 2019
- Board of Finance finalize budget at a special meeting on approved, 2019
- Board of Finance Public Hearing April 10, 2019
- Board of Finance vote on budget April 10, 2019
- Annual Budget Meeting May 1, 2019
- Budget Referendum May 8, 2019

### **General Fund**

The General Fund is the main operating fund for the Town. The total 2020 Recommended Expenditure Budget is \$18,606,312 for the Town and \$36,509,956 for the Public Schools. This is an increase of \$571,213 for the Town and \$985,901 for the Public Schools or a total Town and Public School of \$1,547,113 a 2.89% over the 2019 approved budget.

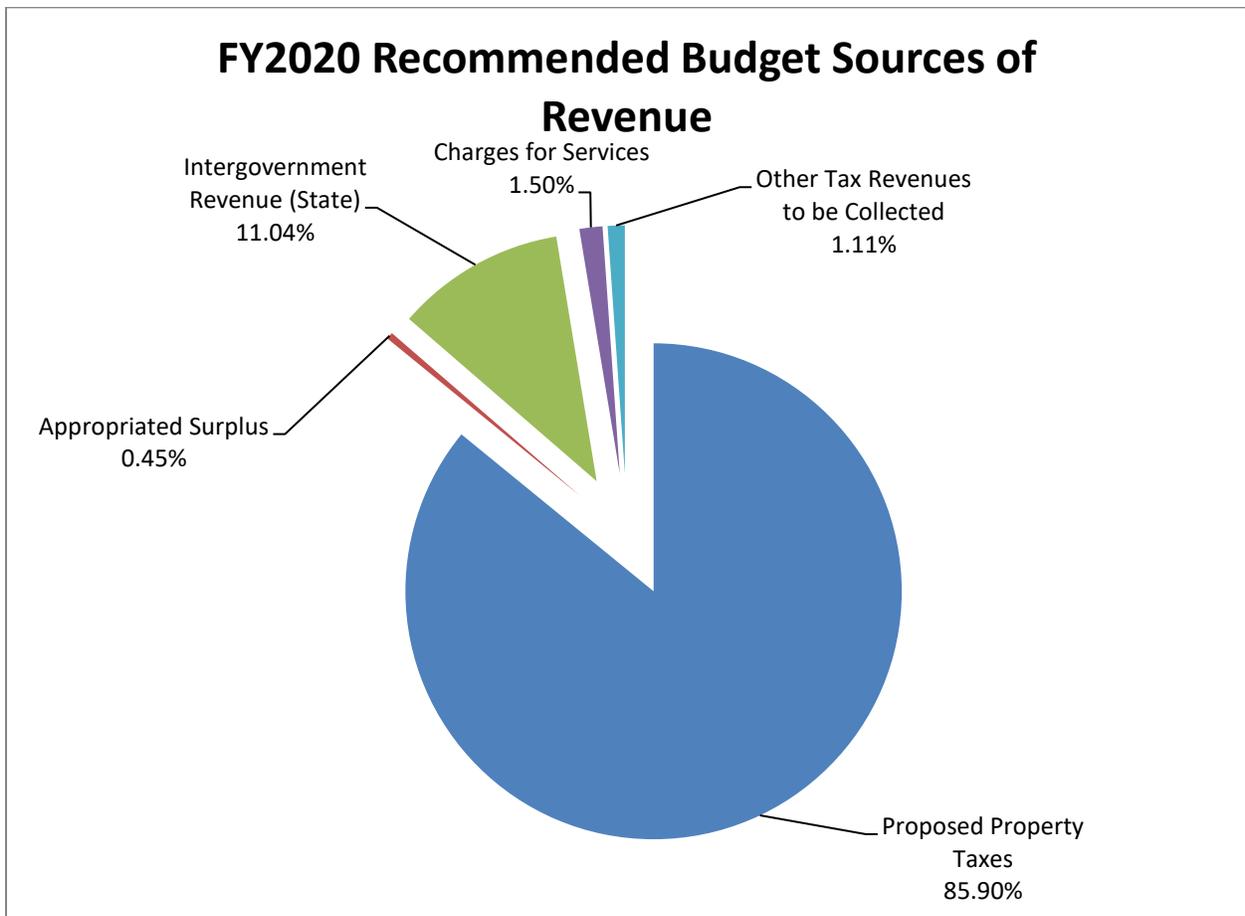
### **Revenues**

# ANNUAL BUDGET 2019-2020

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Property taxes are the primary funding source for the General Fund. Other funding sources include intergovernmental aid, collection of back taxes, and non-tax revenues such as the sale of permits and licenses, other charges for services, reimbursements and refunds, and other minor revenues. A contribution from the Town's fund balance has been recommended again this year in order to reduce the amount to be raised through the tax levy. This contribution has been decreased to \$250,000 for FY2019-20 from a contribution of \$300,000 for FY2018-19.

In the 2020 Recommended Budget, intergovernmental revenues (State funds) account for 11.04% (\$6,126,339) and other revenues account for 2.61% (\$1,446,200) of all General Fund revenues. The remaining 85.90% (\$47,668,729) would be funded through the property tax levy.

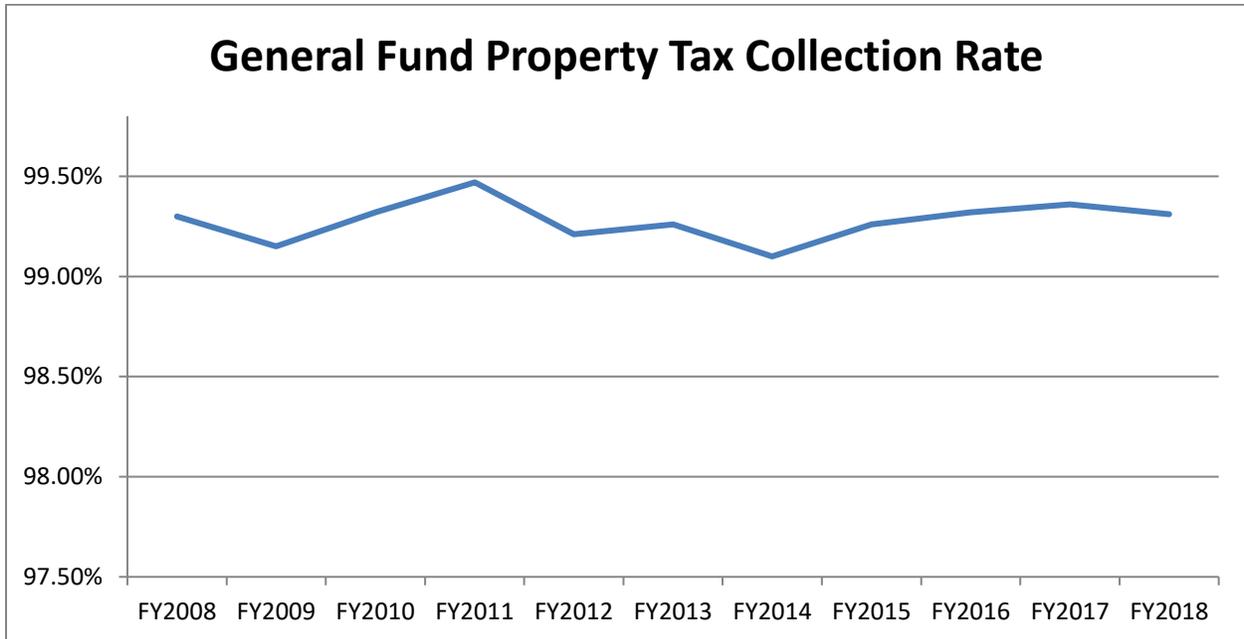


Historically, the Town has collected slightly more than 99% of current year taxes. The budgeted collection rate is 98.8%. The difference between the budgeted and actual

# ANNUAL BUDGET 2019-2020

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collection rates for a given year is a reserve for uncollectible taxes that minimizes the potential of total revenues falling significantly short of budget.



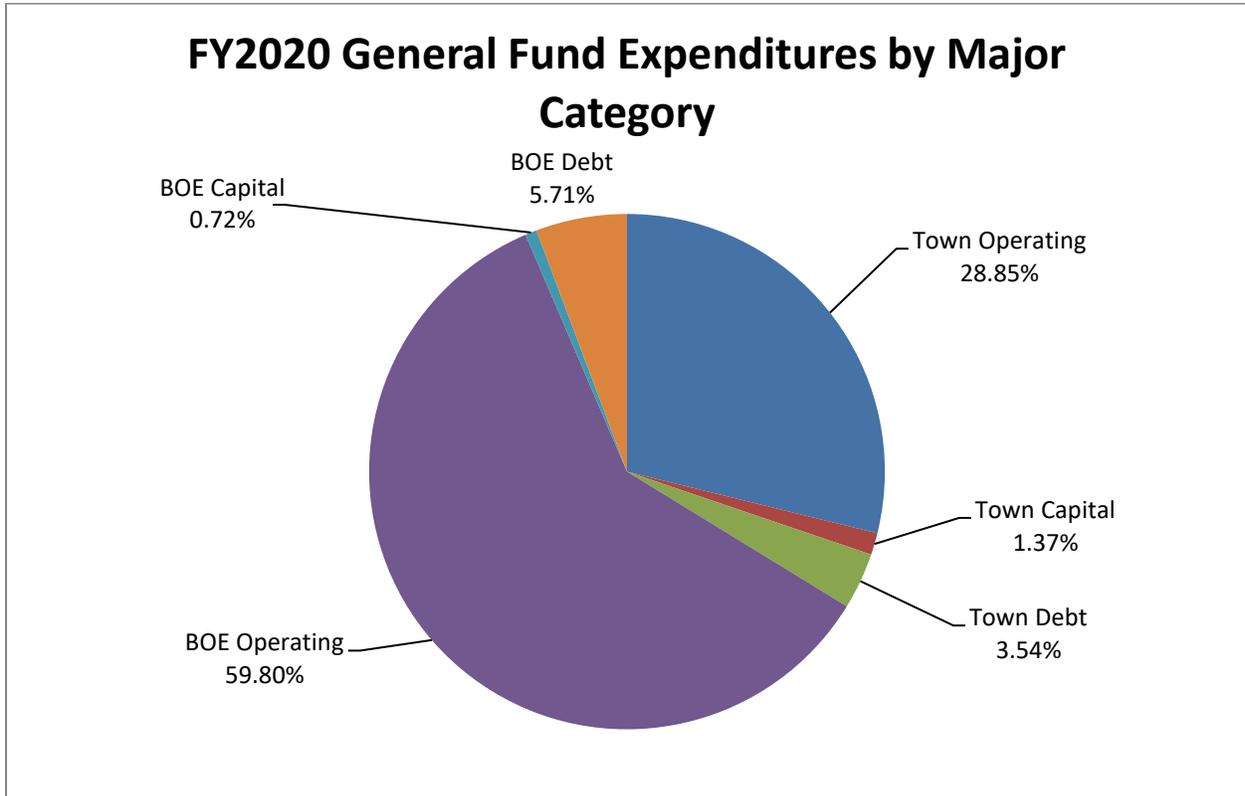
## ***Expenditures***

The \$55,116,268 million Recommended Budget can be divided among major spending categories.

Public Schools operations are the largest single section in the budget. The full request, adding both operating, capital and debt (without a reduction for anticipated grant revenue) is \$36.5 million and accounts for 66.24% of the budget. The Town operations plus capital and Town debt is a budget of \$18.6 million and accounts for 33.76% of the total recommended budget.

Displayed by category is shown in the below graph. The Clinton Public Schools operations of \$32.9 million, is 59.8% of the budget. The Public Schools debt of \$3.1 million, or 5.71% of the budget. The Public Schools capital is \$399 thousand, or .72% of the budget. On the Town side, operations of \$15.9 million are 28.85 % of budget. Town debt of \$2 million is 3.54% of budget and Town capital of \$755 thousand, or 1.37% of the budget.

# ANNUAL BUDGET 2019-2020

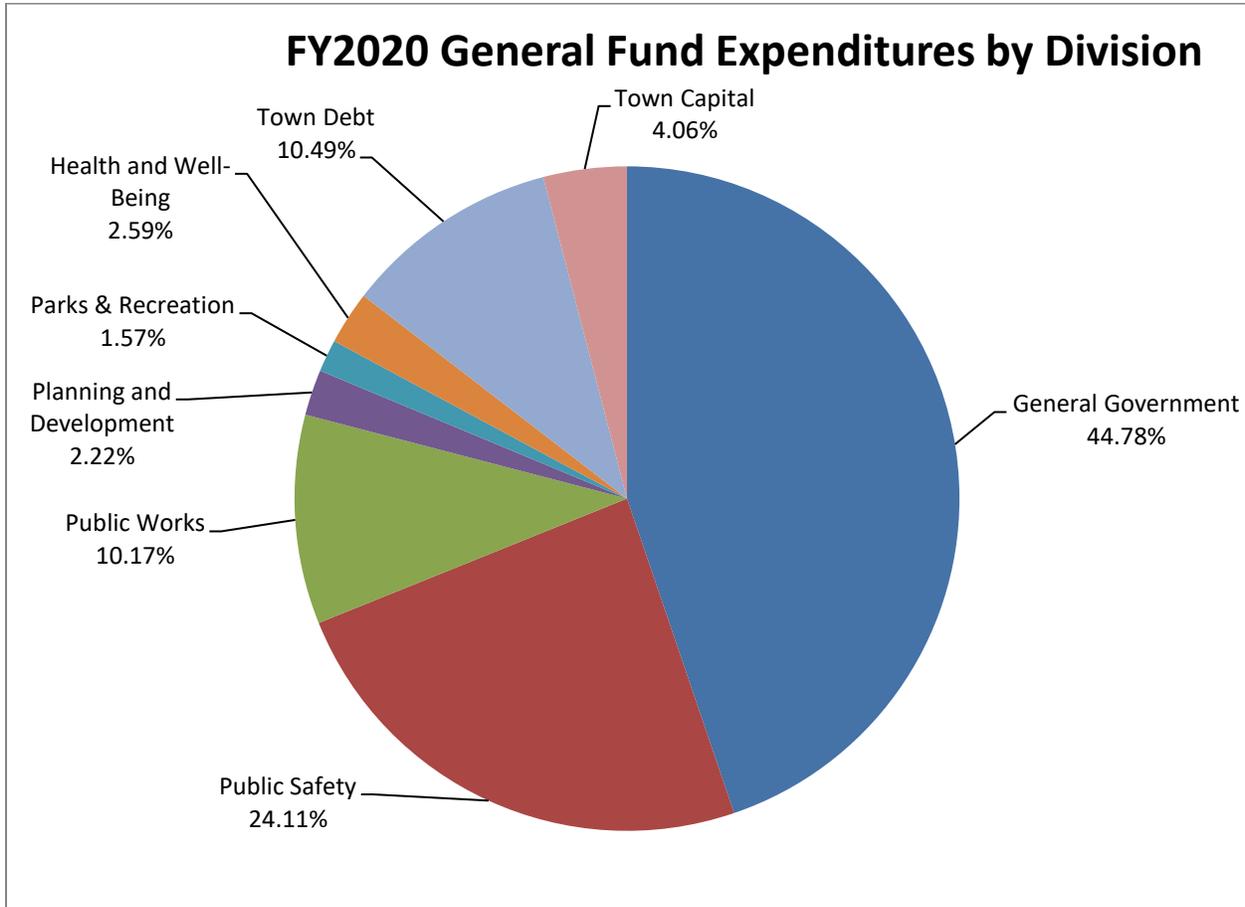


### *Budget vs Prior Year Budget: Year-Over-Year Changes*

Significant 2020 budget increases in the Town's budget over 2019 have to do with contractual obligations including salary and pension related costs, insurance, and preparation for a new Town Manager. The Town's currently has four (4) collective bargaining agreements in negotiations. Employee health insurance was budgeted at a 10% increase over 2019. Liability insurance was increased 10% as well for contractual renewals.

Debt expense increased \$421 thousand over all. An anticipated increase of \$604 thousand was reduced \$184 thousand with a refunding of various older issues.

# ANNUAL BUDGET 2019-2020



Town Operations	
General Government	\$ 8,331,559
Public Safety	4,486,401
Public Works	1,893,028
Planning and Development	413,345
Parks & Recreation	292,493
Health and Well-Being	482,293
Town Debt	1,951,913
Town Capital	755,280
<b>Grand Total</b>	<b>\$ 18,606,312</b>

Above is a graph of the proposed budget for fiscal year 2019-2020 as displayed by major division for the Town. In review of current proposed expenses vs. last years approved expenses, overall, General Government increased \$451 thousand mainly due to increases in insurance both employee health and liability. Public Safety's increased \$314 thousand with the main increase of \$185 thousand in the Police department. Public Works increased just slightly by \$60 thousand over all. Planning and Development decreased over prior year by \$11 thousand with the main decrease due to outside professional services costs transferred to the General Government department.

## ANNUAL BUDGET 2019-2020

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Parks and Recreation increased slightly over all by \$27 thousand and Health and Well-Being decreased by \$12 thousand. Town Debt was reduced from the prior year by \$111 thousand mainly due to the cost savings refunding issue. Capital in this proposed budget was reduced by \$157 thousand, as many of the projects originally proposed will be brought back to the Town later for possible approval using the current general fund balance to cover the expense.

In Summary, Town operating is 28.85% of the overall budget requested and the Clinton Public Schools operating is 59.80% of the overall budget requested. Total debt (Town and Public School) is 9.26% of the total budget request and total capital (Town and Public School) is the remainder 2.09% of the total ask. Total overall expenditures for this proposed budget is \$55,116,268 up \$1,557,114 or 2.91% over prior years approved budget.

### *Summary for first referendum:*

For the first referendum vote, the overall Town expenditure request is \$18,606,312 a \$571,213 increase over prior year or 3.17% increase.

For the first referendum vote, the Clinton Public Schools overall expenditure ask is \$36,509,956 a \$985,901 increase over prior year or a 2.78% increase.

### *Conclusion / Disclosure:*

The increases contained in the Fiscal Year 2020 Recommended Budget described in this document, is based on reductions of expenditures after all boards have thoughtfully reviewed and determined the most frugal request of tax payer funds, needed for the operations of Town services.