

# Budget Overview

## FY 2018-2019

February 20, 2018



David R. Martin  
Mayor

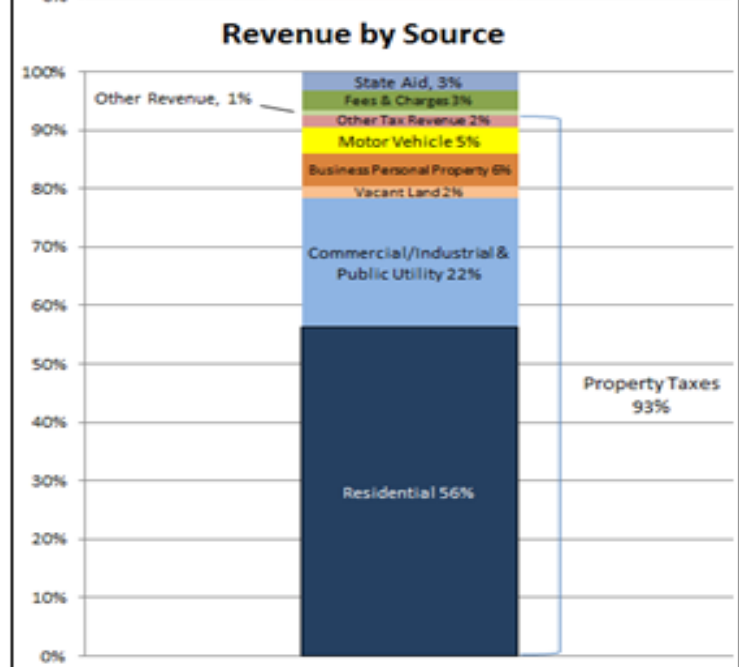
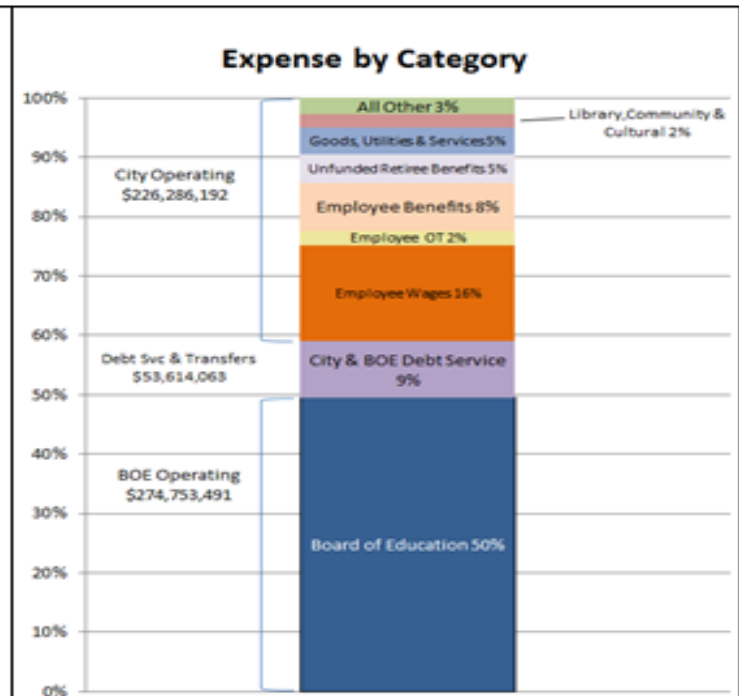
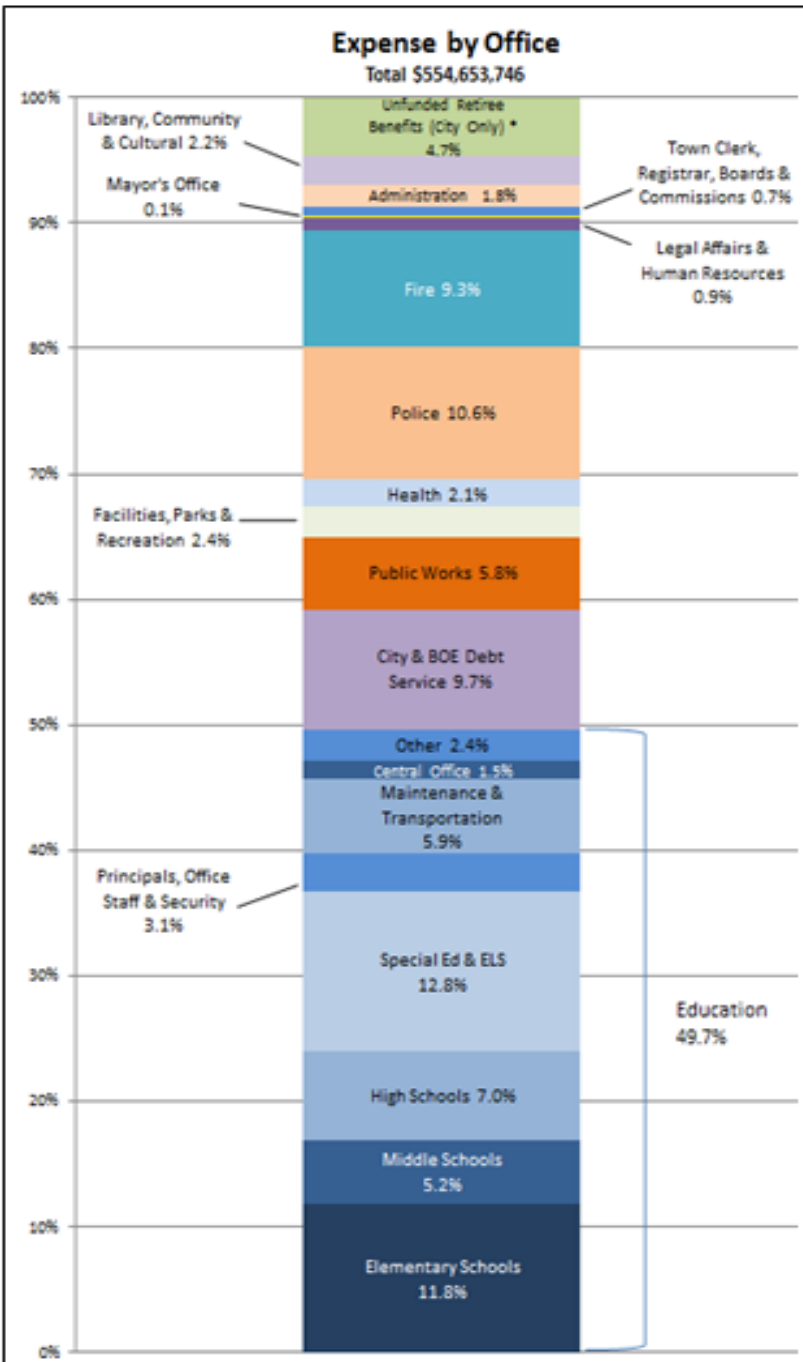
# Agenda

- Introduction
- 2017-18 Expense & Revenue Breakdown
- Where We Are with FY18-19 Budget
- Budget Balancing Challenges
- Capital Infrastructure
- Summary

# Introduction

- We are in the middle of the budget process:
  - Week of March 5<sup>th</sup> – Budget to Bd of Reps & Bd of Finance
  - April 20<sup>th</sup> – Bd of Finance transmits budget to Bd of Reps
  - May 15<sup>th</sup> – Board of Representatives adopts budget
  - May 25<sup>th</sup> – Latest date for Board of Finance to set mill rate
- Mayor's Office and Administration appreciate input from Board of Representatives members
- Will carefully consider your proposals & concerns when putting together Mayor's Proposed Budget
- We probably share many of the same desires to improve services, and to keep taxes down

# Expense & Revenue Breakdown



\* Does not include BOE retiree benefits and ongoing service costs of retirement benefits

# Where We Are Now with FY18-19 Budget

- Continued progress on fully-funding pension & OPEB obligations
- Maintaining and improving current level of operating services
- Including newly funded positions (~1-2% of City staff) for long-term vitality of city services
- Increased investment in road infrastructure
- Increased investment in systems infrastructure

Objective is a lower tax increase than prior years, with steady improvement in citizen services

# Budget Balancing Challenges

- Unfunded pension & OPEB liabilities: ~\$5MM increase (prior year increase of ~\$6MM)
- State Aid: Loss of ~\$4-5MM in promised state aid for current fiscal year
- City wage & general inflation: Over ~\$2.5MM
- Board of Education: ~\$4MM increase
- Changes to SALT tax deductions due to Federal Income Tax Law (potential impact on building permit fees)
- Impact of Revaluation
- Real increase in Grand List: Contributes ~\$7MM to offset cost increases

# Capital Infrastructure

- Gap between what we want & what we have is greater in Capital than in Operating
- Major projects like the New School & Police Station have required significant capital funds
- Need significant funding to improve infrastructure for:
  - Roads
  - Schools
  - Systems
  - ...

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