

**TOWN OF HAMDEN  
MAYOR'S RECOMMENDED 2010-2011 BUDGET**

**Overview**

The following is the Mayor's Recommended 2010-2011 Operating Budget for the Town of Hamden. This budget includes all spending and programming for the Fiscal Year that is supported by property taxes and state and local revenues. As required by the Town Charter, the budget pages for each Department contain line item detail of the actual revenues and expenditures for the prior year, budgets and projections for the current year, the Department's request for 2010-2011 and the Mayor's Recommendation for 2010-2011.

The recommended budget was developed in consideration of the economic realities facing Hamden, and the nation, with special focus on firm plans for improving our internal financial deficits that have grown unsustainable and were noted by the Town's independent auditors. It also attempts to balance the need to avoid large tax increases to address these growing problems, while continuing to provide all essential services. The recommended budget is a responsible, expenditure driven budget that contains realistic, conservative revenue estimates. Every attempt has been made to reduce expenses in order to minimize the impact on taxpayers, including department reorganization, recommendations for alternative management of several town operations and a reduction in Town staffing levels. The Recommended 2010-2011 budget increases spending by only .68% from the Adopted 2009-2010 budget. This increase includes a recommended increase of 1.92% on the Town side (driven by medical insurance increases), .97% for the Board of Education, 28.92 % for *Medical/Pension/Workers compensation* and a decrease of 82.11% for Debt Service.

	APPROPRIATION 2009-2010	MAYOR'S RECOMMENDED APPROPRIATION 2010-2011	\$ CHANGE FY10 to FY11	% CHANGE FY10 to FY11
Town	48,290,761	49,216,627	\$925,866	1.9%
Board of Education	77,500,000	78,250,000	\$750,000	1.0%
Debt Service	13,239,343	2,368,780	(\$10,870,563)	-82.1%
Medical/Pension/Workers Compensation	35,880,000	46,255,402	\$10,375,402	28.9%
<b>Grand Total</b>	<b>174,910,104</b>	<b>176,090,809</b>	<b>1,180,705</b>	<b>0.7%</b>

The mill rate required to meet the recommended expenditures is 30.89. This is a 5% increase from the 2009-2010 adopted mill rate of 29.41. The mill rate has been calculated assuming a collection rate of 98.75%. State revenues in the recommended budget are based on the Governor's Proposed Budget. The proposed mill rate could be decrease dramatically if, prior to the adoption of the budget, the Governor and the Appropriations Committee agree to increase State Aid to Municipalities.

If adopted as proposed, the recommended budget will have the following impact on property owners:

<b>Impact of Mill Rate on Median Assessed Values</b>				
	<b>Single Family</b>		<b>Residential Condo</b>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>
Median Assessed Value	189,000	189,000	122,700	122,700
Mill Rate	29.41	30.89	29.41	30.89
Taxes	5,558	5,838	3,609	3,790
Total % Increase		5.03%		5.03%
Total \$ Increase		279.39		181.38
Monthly Increase		23.28		15.12

The Town has experienced an increase in the Grand List of .090% from October 1, 2008 to October 1, 2009.

## **Grand List**

<u><b>Property Assessments</b></u>	<u><b>October 1, 2008</b></u>	<u><b>October 1, 2009</b></u>	<u><b>\$ Increase</b></u>	<u><b>% Increase</b></u>
Real Estate	3,881,601,747	3,885,230,564	3,628,817	0.093%
Personal Property	144,770,460	143,849,415	-921,045	-0.636%
Motor Vehicles	280,400,620	281,584,719	1,184,099	0.422%
<b>TOTAL</b>	<b>\$4,306,772,827</b>	<b>\$4,310,664,698</b>	<b>\$3,891,871</b>	<b>0.090%</b>

## **Major Budgetary Changes:**

### **Medical Self-Insurance Fund**

#### *Active Employees*

- Total medical expenses include self-insured claims, premiums for few remaining retiree fully-insured plans, required Medicare Part B reimbursements for certain retirees, payment to employees who “opt-out” of the medical plan, Network Access Fees, Stop-Loss insurance and includes recommendation funding of 97% of the actuarial derived expected cost for self-insured claims, NAF, retention and stop-loss.
- Recommendation includes \$546,000 of savings from a planned change in prescription provider. The coverage would be equal to or better than the current coverage provided by BC/BS. We anticipate additional savings from plan administration changes being worked on by our financial and insurance personnel.
- Employee cost shares continue to increase each year.
- Focus for this fiscal year will be on reducing the overall cost of medical insurance through a variety of potential changes, small and large.

#### *Retirees*

- In accordance with GASB 45, the Town completed a valuation of Other Post Employment Benefits as of July 1, 2008. At that time, the Actuarial Accrued Liability was \$366,234,442.
- Recommended budget creates a new account to show the cost of retiree medical benefits. This amount will be funded into an OPEB trust fund with retiree benefits paid from the fund. If costs exceed budgeted contribution, we will supplement. If costs are less than budgeted contribution, begin building up a reserve in the fund.

#### *Deficit Elimination*

- The Recommended Budget includes a one-time contribution to the self-insurance fund in order to eliminate a deficit that has accumulated over several years. This number was derived by the audit reported deficit of \$6,669,785, plus an additional \$2,000,000 to help address further deficit anticipated from this year's costs.
- The deficit elimination is made possible by a debt restructuring plan that significantly reduces the required FY 2010-2011 debt service payments.

## **Personnel**

### *Reduction in Force*

- This budget recommends not funding 28 filled positions and 8 vacant positions, which saves \$2,179,350 in salaries and approximately \$20,000 per filled position (\$560,000) in medical and other benefits. Additionally, reduction in force of any employees who are not vested in the Town's Pension plan will result in a decrease in the Pension liability.

### *Reorganization*

- Reorganization of the Parks & Recreation and Public Works Departments. This reorganization places responsibility for Park maintenance under the direction of the Public Works Department. Recreation programming remains under the Recreation Director.
- Identified some positions (Community, Elderly and Youth Services Coordinators, Economic Development Director, Administrative Assistant to the Finance Director, Jobs Counselor) that could have a portion of salary paid from either grants or capital projects.
- Budget recommends Youth and Community Services sharing one Clerk Typist to streamline Keefe Center service delivery.

### *Management/Operations Changes*

- Recommends transferring management/operations of Hamden Transfer Station and Hamden Ice Rink. Both changes will dramatically reduce cost to the Town and deliver additional revenue, while continuing to provide services to our residents.
- This budget recommends enhancing our elderly bus service program through a contract with the Greater New Haven Transit District, which will result in additional weekday hours when rides will be available and new Saturday morning service. This will result in the elimination of all of the Town's mini-bus drivers, saving salaries and fringe benefits such as medical and pension. It also saves the Town the need to purchase, fuel and maintain mini-buses. These changes are reflected in the recommended Elderly Services budget.

### *Union Contracts*

- FY 08-09 budget included concessions from Town unions. Many of the increases in personal services line items are attributable to contractual increases for employees.
- Dispatchers agreed to forgo payment of 13 holidays.
- Several unions (Town Hall, Library, Parks & Recreation, Supervisors and Public Works) agreed to defer contractual wage increase from 7/1/09 to the last week of June 2010 and take five furlough days. The amount shown as "Current Salary" is what the employee's salary will be on June 30, 2010. the recommended budget includes contractual increases for 7/1/10.
- Police agreed to forgo 13 paid holidays, \$300 per member for Uniform Purchase Allowance and \$100 per member for clothing allowance. The 2010-2011 recommended budget funds these lines as required by the current union contract.
- Fire agreed to a 1.5% raise in July 2009 and 1.5% in January 2010, non-payment of six holidays, five-month deferment of continuous operations pay and deferment of uniform cleaning allowance.

- Contractual wage increases for FY2011 are as follows:

<b>Union</b>	<b>2010-2011 Wage Increase (%)</b>	<b>Contract Expiration Date</b>
Dispatchers	2.75	06/30/13
Fire	3	06/30/12
Library	2.75	06/30/13
Parks & Recreation	2.75	06/30/13
Police	3	06/30/12
Public Works	2.75	06/30/13
Supervisors	2.75	06/30/13
Town Hall	2.75	06/30/13

**Electricity Savings**

- In FY2010, completed energy efficiency upgrades at HHS, Westwoods Elementary and Center One. Also did a blend and extend for electricity generation. Since completion of the upgrades at Center One and the extended generation contract, the Town has reduced expenditures an average of 14.67% over the previous fiscal year.
- The FY2011 budget includes savings from the planned energy efficiency upgrades at Miller Memorial Library. The recommended budget reflects a full year of savings for the upgrades at Center One and at Miller Library.
- The 2010-2011 has a decrease of \$100,000 for building electricity.
- In the fall of FY2010, the Town completed the relamping of streetlights. This project reduced the wattage of streetlights. Since the completion of the project and the extended generation contract, the Town's monthly electricity costs have been reduced by approximately 21.66%. Also an impact from blend & extend.
- The FY2011 recommended budget reflects a full year of savings from the relamping project.
- The 2010-2011 Streetlight budget is an increase of \$50,000 over the 2009-2010 adopted budget, but a decrease of \$70,000 from the projection for 2009-2010.
- Additional savings will be realized with a Town-wide energy efficiency upgrade program, which the Town hopes to begin before the end of the FY2010.

### **Insurance and Loss-control**

- Throughout FY2010 the Town has focused resources on loss control activities such as training sessions and review of practices and procedures. Loss control can have a significant impact on insurance premiums and claims costs for LAP and Comp.
- The FY2011 recommended budget continues this focus on loss control.
- Second year of CIRMA LAP 3-year rate guarantee.

### **Operating Capital**

- As part of the effort to minimize any tax increase, reviewed all Departments for items that could be funded through the annual Capital Improvement Program. Identified approximately \$350,000, ranging from new police vehicles to Town Clerk records to non-routine building and facility repairs. A list of items removed will be supplied.

### **Summary**

Approximately 44% of the total recommended expenditures is for the Board of Education. Another 28% is for Pension and Fringe Benefits and Medical (for both Town and BOE). The remaining 28% is for Public Safety, General Government and Debt Service.

Tax revenue accounts for approximately 75% of the 2010-2011 revenues. State revenue accounts for approximately 18% of revenues. The remaining revenue is from non-tax sources such as permit and user fees.

Revenues and expenditures, by Department, are detailed on the following pages.

## Operating Budget Revenue Summary

Department	Budget 2009-2010	Mayor's Recommended 2010-2011	\$ Change FY10 to FY11	% Change FY10 to FY11
Animal Control	3,500	3,500	\$0	0.0%
Assessor's Office	426,400	71,000	(\$355,400)	-83.3%
Board of Education	2,663,695	1,685,000	(\$978,695)	-36.7%
Building Department	2,763,000	1,417,000	(\$1,346,000)	-48.7%
Elderly Services	6,000	3,000	(\$3,000)	-50.0%
Engineering Department	29,630	25,870	(\$3,760)	-12.7%
Finance Office	3,552,700	2,991,500	(\$561,200)	-15.8%
Fire Department	101,000	125,500	\$24,500	24.3%
Library	32,000	40,000	\$8,000	25.0%
Miscellaneous	2,829,602	1,736,091	(\$1,093,511)	-38.6%
Parks & Recreation	948,200	549,000	(\$399,200)	-42.1%
Personnel	0	2,500	\$2,500	-
Planning & Zoning	93,500	84,500	(\$9,000)	-9.6%
Police Department	115,150	110,800	(\$4,350)	-3.8%
Public Works Department	90,000	40,000	(\$50,000)	-55.6%
State of Connecticut-General	5,415,940	5,248,873	(\$167,067)	-3.1%
State of Connecticut-Education	27,500,486	26,500,828	(\$999,658)	-3.6%
Tax Office	126,724,801	133,862,247	\$7,137,446	5.6%
Town Clerk's Office	1,611,000	1,590,000	(\$21,000)	-1.3%
Youth Services	3,500	3,600	\$100	2.9%
<b>Grand Total</b>	<b>\$174,910,104</b>	<b>\$176,090,809</b>	<b>1,180,705</b>	<b>0.7%</b>

## Operating Budget Appropriation Summary

Department	Budget 2009-2010	Mayor's Recommended 2010-2011	\$ Change FY10 to FY11	% Change FY10 to FY11
Animal Control	113,430	125,496	\$12,066	10.6%
Arts Commission	124,643	129,904	\$5,261	4.2%
Assessor's Office	354,472	387,717	\$33,245	9.4%
Board of Education	77,500,000	78,250,000	\$750,000	1.0%
Board of Ethics	500	400	(\$100)	-20.0%
Building Department	328,863	353,336	\$24,473	7.4%
Community Services	285,781	239,292	(\$46,489)	-16.3%
Debt Service	13,239,343	2,368,780	(\$10,870,563)	-82.1%
Economic Development	154,929	149,782	(\$5,147)	-3.3%
Elderly Services	408,058	452,898	\$44,840	11.0%
Elections/Registrar of Voters	138,714	195,893	\$57,179	41.2%
Engineering Department	506,900	507,352	\$452	0.1%
Finance Office	3,955,945	3,858,402	(\$97,543)	-2.5%
Fire Department	10,138,193	10,685,515	\$547,322	5.4%
Fringes	2,619,139	3,714,990	\$1,095,851	41.8%
Town/BOE Medical Insurance	22,300,000	37,405,402	\$15,105,402	67.7%
Town/BOE Pension	12,830,000	7,350,000	(\$5,480,000)	-42.7%
Legislative Council	2,123,805	1,674,948	(\$448,857)	-21.1%
Library	1,702,033	1,757,386	\$55,353	3.3%
Mayor's Office	562,455	580,250	\$17,795	3.2%
Mental Health	164,934	166,881	\$1,947	1.2%
Parks & Recreation	1,782,877	717,431	(\$1,065,446)	-59.8%
Personnel Office	216,492	239,606	\$23,114	10.7%
Planning & Zoning	455,960	453,923	(\$2,037)	-0.4%
Police Department	10,866,396	11,701,230	\$834,834	7.7%
Probate Court	6,500	8,000	\$1,500	23.1%
Public Works Department	9,292,886	9,876,403	\$583,517	6.3%

<b>Department</b>	<b>Budget 2009-2010</b>	<b>Mayor's Recommended 2010-2011</b>	<b>\$ Change FY10 to FY11</b>	<b>% Change FY10 to FY11</b>
Purchasing Department	699,000	686,876	(\$12,124)	-1.7%
Quinnipiac Valley Health	299,742	300,594	\$852	0.3%
Review of Assessments	3,600	3,600	\$0	0.0%
Tax Office	461,979	496,895	\$34,916	7.6%
Town Attorney	322,108	346,258	\$24,150	7.5%
Town Clerk's Office	481,519	416,743	(\$64,776)	-13.5%
Traffic	204,765	203,342	(\$1,423)	0.0%
Visiting Nurse Association	69,613	69,613	\$0	0.0%
Youth Services	194,530	215,672	\$21,142	10.9%
<b>Grand Total</b>	<b>\$174,910,104</b>	<b>\$176,090,809</b>	<b>\$1,180,705</b>	<b>0.7%</b>