

**TOWN OF HAMDEN  
MAYOR'S RECOMMENDED 2009-2010 BUDGET**

**Overview**

The following is the Mayor's Recommended 2009-2010 Operating Budget for the Town of Hamden. This budget includes all spending and programming that is supported by property taxes and other general 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 2009-2010 and the Mayor's Recommendation for 2009-2010.

The recommended budget was developed in consideration of the economic realities facing Hamden, and the nation, and balances the need to avoid tax increases while continuing to provide essential services. The recommended budget is a responsible, expenditure driven budget that contains realistic revenue estimates. Every attempt has been made to reduce expenses in order to minimize the impact on taxpayers. The Recommended 2009-2010 budget decreases spending by .6% from the Adopted 2008-2009 budget. This decrease includes a recommended decrease of 1.92% on the Town side, 1.75% for the Board of Education and an increase of 4.49 % for Medical and Pension.

	<b>APPROPRIATION</b>	<b>MAYOR'S RECOMMENDED APPROPRIATION</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
	<b>2008-2009</b>	<b>2008-2009</b>	<b>FY09 to FY10</b>	<b>FY09 to FY10</b>
Town	63,403,470	62,189,012	(\$1,214,458)	-1.92%
Board of Education	77,436,335	76,079,075	(\$1,357,260)	-1.75%
Medical/Pension	34,100,000	35,630,000	\$1,530,000	4.49%
<b>Grand Total</b>	<b>174,939,805</b>	<b>173,898,087</b>	<b>(\$1,041,718)</b>	<b>-0.60%</b>

The mill rate required to meet the recommended expenditures is 29.39. This is a .12% decrease from the 2008-2009 adopted mill rate of 29.42. The mill rate has been calculated assuming a collection rate of 98.5%. State revenues in the recommended budget are based on the Governor's Proposed Budget. The proposed mill rate could be decreased 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>Passenger M.V.</b>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
Median Assessed Value	188,900	189,000	7,350	7,000
Mill Rate	29.42	29.39	29.42	29.39
Taxes	5,557	5,554	216	206
Total % Increase		-0.06%		-4.87%
Total \$ Increase		-3.60		-10.54
Monthly Increase		-.30		

The Town has experienced a decrease in the Grand List growth of .81% from October 1, 2007 to October 1, 2008.

## **Grand List**

<u><b>Property Assessments</b></u>	<u><b>October 1, 2007</b></u>	<u><b>October 1, 2008</b></u>	<u><b>\$ Increase</b></u>	<u><b>% Increase</b></u>
Real Estate	3,882,063,237	3,881,767,847	-295,390	-0.008%
Personal Property	129,726,340	144,884,390	15,158,050	11.685%
Motor Vehicles	298,513,795	280,163,260	-18,350,535	-6.147%
<b>TOTAL</b>	<b>\$4,310,303,372</b>	<b>\$4,306,815,497</b>	<b>-\$3,487,875</b>	<b>-0.081%</b>

### **Major Budgetary Changes**

The Recommended Budget has few significant changes from the 2008-2009 Adopted Budget. The major changes are as follows.

#### *Reduction in Fuel Expenses*

The Town has explored new methods of obtaining fuel prices for fiscal year 2009-2010. In previous years the Town participated in consortium pricing for gasoline, diesel and heating fuel.

For 2009-2010 the Town's bidding process was utilized for to achieve the very desirable price of \$1.5873 per gallon, reducing the overall

cost of gasoline by \$55,000.

The Town participated in a bid issued through Capital Region Council of Governments (CRCOG) for the procurement of diesel fuel. As a new member, the Town immediately benefited from this resource, being offered a per gallon price of \$1.7855. Based on average consumption this will be a savings of over \$29,000 from what was previously offered through the State of Connecticut selected vendor. This year the Town will utilize their membership in the Connecticut Conference of Municipalities (CCM). Through a program offered to its member towns, CCM working in conjunction with energy consultants will afford the Town the ability to achieve the lowest possible rates. Similarly, this process has been used to procure the Towns *Electricity*.

The Towns' overall consumption of heating oil (HO) will be greatly reduced this year mainly due to changes in the volatility in the *Natural Gas* (NG) market. The volatility experienced in both the HO & NG markets, and the ability of the Town to offset the volatility by locking in to fixed price HO via State of Connecticut vendors as opposed to being exposed to the ever-changing cost of natural gas, was largely the reason for HO consumption.

#### *Continued Electricity Savings*

In 2007-2008 the Town, through the Connecticut conference of Municipalities entered into a three year agreement with a fixed rate for electricity generation for streetlights and the majority of Town buildings. Currently, the Town is avoiding approximately \$11,500 per month compared to United Illuminating generation rates. As of the end of 2008-2009 the Town will have avoided \$380,460 of electricity generation charges.

Between July and October 2009 every streetlight in town will be replaced and decreased by one step to a minimum of 50W. On an annualized basis, this one-step decrease will, by tariff, reduce consumption by 919,000 kWh. This decrease in consumption translates to a savings of \$136,000.

Early in fiscal year 2008-2009 the Town, through a Request for Qualifications, selected a firm to identify, develop and implement a comprehensive package of energy efficiency, conservation, control, management and real-time energy metering initiatives for Town and Board of Education facilities. The actual project is expected to begin in early fiscal year 2009-2010. The primary focus of the project is energy efficiency retrofits that will create a sustainable reduction of energy costs and consumption resulting in quantifiable energy savings.

#### *Pursuit of Union Concessions*

The Town has approached all bargaining units regarding concessions for fiscal year 2009-2010. The initial proposal was for all employees, including non-union positions, to have no Gross Wage Increase and five unpaid holidays. This proposal was used to calculate a target savings amount for each union. Negotiations with the unions are ongoing but a concessions amount of -\$1,330,563 has been included in the Fringes budget as account 14211-0221. The Town has reached a tentative agreement with the Police union that meets the target savings for the bargaining unit. A list of recommended lay-offs will be sent to the Town Council if agreement with the remaining unions is not reached by April 15, 2009.

The Board of Education budget has also been reduced by a concessions amount.

### *Elimination of Inter-Departmental Payments*

The Mayor's Recommended Budget eliminates inter-departmental charges for Extra Duty services. The cost of these services has been consolidated in the Finance Department. In prior years, when Extra Duty services were required by a Department, the Department was billed. The creation of a new account in the Finance Department will eliminate the need to charge individual departments. Extra Duty has been removed from the Arts Commission, Engineering and Public Works budgets.

### *Non-Tax Revenues*

One of the difficulties facing the Town in fiscal year 2009-2010 is a significant decrease in non-tax revenue. The recommended budget captures the impact of current economic conditions on State Revenues, Building Permits, Income on Investments and Conveyance Fees. The recommended budgets for the Personal Property and Motor Vehicle audits is reduced fiscal year 2008-2009. This will be the third year of the program. As such, there are diminishing returns for these programs.

### *Contribution to Pension & Medical Self-Insurance Fund*

The recommended medical contribution is based on the current fiscal year and includes expected savings resulting from the Claims and Membership audits currently being conducted. A revised medical renewal will be available at the end of March. Additional funds are recommended consistent with the plan to amortize the deficit in the medical self-insurance fund.

The recommended pension contribution is the same as the current fiscal year.

The Town has a required contribution for employees enrolled in the Municipal Employees Retirement System. Contribution rates for Police and Fire increased from 8.25% to 9.5% of eligible earnings. The Town has petitioned the State for enrollment all non-guardian employees into MERS. The recommended MERS contribution includes the Town's required contribution of 7.5% for these employees.

### *Board of Education*

The recommended budget for the Board of Education was derived through level funding of the Board of Education plus an additional \$797,930 available to the Board through the federal stimulus funds passed in the American Recovery and Reinvestment Act (ARRA). Additional specifics on the ARRA are not available at this time. The recommendation also includes a concessions amount of \$2,154,650.

### *Capital Improvement Plan*

The 2009-2010 5-Year Capital Improvement Plan is currently being developed. The Town is awaiting a presentation from Fusco Construction Company on the cost of the Memorial Town Hall project. A comprehensive CIP will be submitted to the Town Council following this presentation.

**Summary**

Approximately 44% of the total recommended expenditures is for the Board of Education. Another 21% is for Pension and Fringes (including medical). The remaining 35% is for Public Safety, General Government and Debt Service.

Tax revenue accounts for approximately 73% of the 2008-2009 revenues. State revenue accounts for approximately 19% of revenues. The remaining revenue is from non-tax sources such as user fees.

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

## Operating Budget Revenue Summary

<b>Department</b>	<b>Budget 2008-2009</b>	<b>Mayor's Recommended 2009-2010</b>	<b>\$ Change FY09 to FY10</b>	<b>% Change FY09 to FY10</b>
Animal Control	4,000	3,000	(\$1,000)	-25.0%
Assessor's Office	852,900	301,200	(\$551,700)	-64.7%
Board of Education	2,519,600	3,062,390	\$542,790	21.5%
Building Department	3,132,200	2,498,000	(\$634,200)	-20.2%
Economic Development	10,000	0	(\$10,000)	-100.0%
Elderly Services	6,000	6,000	\$0	0.0%
Engineering Department	29,475	29,630	\$155	0.5%
Finance Office	4,408,830	3,449,600	(\$959,230)	-21.8%
Fire Department	79,000	101,000	\$22,000	27.8%
Library	35,000	32,000	(\$3,000)	-8.6%
Miscellaneous	713,322	2,729,602	\$2,016,280	282.7%
Parks & Recreation	967,000	944,500	(\$22,500)	-2.3%
Personnel	1,500	0	(\$1,500)	-100.0%
Planning & Zoning	131,750	83,500	(\$48,250)	-36.6%
Police Department	80,300	96,650	\$16,350	20.4%
Public Works Department	100,000	100,000	\$0	0.0%
State of Connecticut- General	6,031,400	5,499,096	(\$532,304)	-8.8%
State of Connecticut- Education	26,728,018	26,750,486	\$22,468	0.1%
Tax Office	127,276,010	126,596,933	(\$679,077)	-0.5%
Town Clerk's Office	1,830,000	1,611,000	(\$219,000)	-12.0%
Youth Services	3,500	3,500	\$0	0.0%
<b>Grand Total</b>	<b>\$174,939,805</b>	<b>\$173,898,087</b>	<b>(1,041,718)</b>	<b>-0.6%</b>

## Operating Budget Appropriation Summary

<b>Department</b>	<b>Budget 2008-2009</b>	<b>Mayor's Recommended 2009-2010</b>	<b>\$ Change FY09 to FY10</b>	<b>% Change FY09 to FY10</b>
Animal Control	107,946	110,918	\$2,972	2.8%
Arts Commission	131,110	125,669	(\$5,441)	-4.1%
Assessor's Office	339,832	370,875	\$31,043	9.1%
Board of Education	77,436,335	76,079,075	(\$1,357,260)	-1.8%
Board of Ethics	1,000	500	(\$500)	-50.0%
Building Department	329,877	352,240	\$22,363	6.8%
Community Services	269,355	291,930	\$22,575	8.4%
Debt Service	13,100,902	13,239,343	\$138,441	1.1%
Economic Development	133,113	156,264	\$23,151	17.4%
Elderly Services	405,205	423,460	\$18,255	4.5%
Elections/Registrar of Voters	126,042	141,183	\$15,141	12.0%
Engineering Department	703,475	522,543	(\$180,932)	-25.7%
Finance Office	3,974,753	4,115,752	\$140,999	3.5%
Fire Department	10,437,806	10,539,724	\$101,918	1.0%
Fringes	2,836,790	1,586,437	(\$1,250,353)	-44.1%
Town/BOE Medical Insurance	21,500,000	22,800,000	\$1,300,000	6.0%
Town/BOE Pension	12,600,000	12,830,000	\$230,000	1.8%
Legislative Council	2,169,316	1,215,846	(\$953,470)	-44.0%
Library	1,675,284	1,755,277	\$79,993	4.8%
Mayor's Office	567,832	577,327	\$9,495	1.7%
Mental Health	164,934	164,934	\$0	0.0%
Parks & Recreation	1,859,742	1,905,446	\$45,704	2.5%
Personnel Office	253,803	224,613	(\$29,190)	-11.5%
Planning & Zoning	437,994	470,509	\$32,515	7.4%
Police Department	11,050,595	11,242,938	\$192,343	1.7%
Probate Court	6,500	6,500	\$0	0.0%
Public Works Department	9,784,161	9,825,452	\$41,291	0.4%
Purchasing Department	730,650	739,253	\$8,603	1.2%

Mayor's Recommended 2009-2010 Budget

## Operating Budget Appropriation Summary

<b>Department</b>	<b>Budget 2008-2009</b>	<b>Mayor's Recommended 2009-2010</b>	<b>\$ Change FY09 to FY10</b>	<b>% Change FY09 to FY10</b>
Quinnipiac Valley Health	299,571	299,742	\$171	0.1%
Review of Assessments	5,400	5,400	\$0	0.0%
Tax Office	486,444	460,237	(\$26,207)	-5.4%
Town Attorney	292,409	326,433	\$34,024	11.6%
Town Clerk's Office	460,027	500,911	\$40,884	8.9%
Traffic	0	222,573	\$222,573	0.0%
Visiting Nurse Association	67,842	69,613	\$1,771	2.6%
Youth Services	193,760	199,170	\$5,410	2.8%
<b>Grand Total</b>	<b>\$174,939,805</b>	<b>\$173,898,087</b>	<b>(\$1,041,718)</b>	<b>-0.6%</b>