

## **TOWN MANAGER'S REPORT**

**To: Members of the South Windsor Town Council**

**From: Matthew B. Galligan, Town Manager**

**Subject: Town Manager's Report for 5/16/16 Town Council Meeting**

**Date: May 13, 2016**

### **State Budget Impact**

At the time of this memo, the State budget is still in disarray. The Senate passed the budget on Thursday, May 12, and the House will be reviewing it on Friday, May 13. I do not have much new information at this point. Most of the budget communication will have to be done through email over the weekend or on Monday morning. Currently, for the 2016-2017 budget I have taken out all new positions, various equipment, reduced the Police fleet by one, and also readjusted all of the Board and Commission budgets to reflect some reductions. It is my understanding that, to this date, the motor vehicle cap tax will be at 37 not 32. There may be some funds coming back to the towns for sales tax, which is not the original \$804,000, but we may be in the \$500,000 range. ECS funding has been mostly restored, but we will be losing about \$49,000 in that account. School public transportation has been eliminated which will amount to a \$200,000 hit in the Town's budget.

Overall, expenditures between the Board of Education and the Town have increased by 3.45% over last year. This includes about \$1.5 million in cuts from my budget, but I did have to add \$10,000 for the Human Services Home Management Program and \$17,000 for the Tax Assistant to remain part-time. If this goes through, this would equate to a real estate mill rate of 37.42 or a tax increase of 2.53%. A mill rate of 37 would be an increase of 1.26%. If for some strange reason the State pushes the cap until 2018, then the overall budget, if prepared normally, would be a tax increase of 2.28%. Last year, the tax increase was 2.90%.

I have not listed any of the total budgets and mill rates as those will need to be determined on Monday when we get more information regarding the State budget numbers. I may have to make some last minute changes.

### **Capital Stabilization Fund**

In order to keep the budget down, I have taken \$135,000 from the Capital Stabilization Fund to use for the 2017 revaluation. The Capital Project Committee did not want the revaluation put into the Capital Improvements budget. Also, the \$77,000 for the High School fencing and the \$88,000 for EOC furniture were removed from the 2016-2017 budget and moved into the Capital Stabilization Fund. I am requesting a Public Hearing for the next meeting, and if we move forward with this, we can start installing the fence and barrier at the high school and quickly go out to bid on the EOC furniture and fixtures.

### **MRSA Payment**

For the current 2015-2016 budget, we did not receive the \$1,338,190 MRSA payment in February for the old manufacturing equipment tax program. It is my understanding that in May, this issue will go to the Bond Commission, and that there is an indication that we may receive this money for 2015-2016. I have put everything on hold in the 2015-2016 budget for the past few months until this payment becomes a reality. That same MRSA payment for \$1,338,190 is supposed to be in the 2016-2017 budget as well, but I have not seen any town-by-town analysis yet. We are following this issue closely to see if the payment will stay intact, but again, I may have to make some last minute adjustments.