

## A budget discussion submitted from the desk of the First Selectman

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Each budget year starts with an assessment of anticipated expenses, weighed against an assessment of anticipated revenue, this year is no exception. This year was actually more difficult because we not only had a decrease in revenues we also had the revaluation applied. In the revaluation most of you saw that the value of your property decreased significantly. The valuation is a direct result of the economy and the breaking of the housing market. **There will be a mill rate increase but your tax burden should not increase, and fortunately with the recommended restructuring there will be no discernible difference in services.**

In the operating budget the Town of Sprague is slated to receive \$3,190,350 in state grants for fiscal year 2013/2014 (this is the anticipated grant revenue). It should be noted that this is approximately \$200,000 less than we received in the 11/12 fiscal year just 2 short years ago. It is noted on our tax bills that without these grants the mill rate would be over 45.05 mills, instead of our current mill rate of 26.75 mills. The largest two grants are known as the ECS (Education Cost Sharing) and the Hold Harmless grant which replaced the MME (Machinery and Manufacturing Equipment); these are apportioned out to municipalities for different reasons. The ECS grant is apportioned out to municipalities using a formula that in part is based upon the income of residents. The Hold Harmless grant was set up to replace the MME and is only tied to the previous year's grant amounts, this grant is in jeopardy each year of being eliminated or decreased.

The Town receives other funds from the State for education. Some of the funds received are targeted to offset public and non-public school transportation. The school also receives funds applied for, and/or netted against, additional programming costs such as: Title I, Title II, IDEA, Adult Education Reimbursement, Health Grant, and Special Education Excess Cost, to name a few. In the last fiscal year the Town received \$454,758 in education funding above and beyond ECS.

There are several smaller grants on the general government side of the ledger that the Town receives. Some of them are used to replace tax exemptions the State has enacted such as those for veterans, elderly homeowners, and those with disabilities. In addition, the Town receives a portion of the slot revenue that the State collects; funds to assist in off-setting Town road clean-up or repair; and, a portion of what would be the taxes due on in Sprague State owned property.

The Governor, again facing a daunting state budget, is remaining committed to protecting municipal aid but is weighing in on where and how it should be allocated. As a former mayor, the governor is aware that a cut in municipal aid directly impacts residents. I also am committed to staying vigilant in maintaining our current levels of funding relative to operating budget grants and fight for the competitive grants which allow us to increase services or work on our aging infrastructure.

We fight to receive some grants on a competitive basis; generally these are for infrastructure improvements. Some towns receive these grants as a result of being "entitlement communities". One such grant, called CDBG (Community Development Block Grants) is funding the State of Connecticut receives from the Federal Government. Twenty-two communities in our State, including New London and Norwich, are direct non-competitive recipients. We, in the Town of Sprague, must apply for these funds on a competitive basis. As a point of interest, the State received a total of \$38 million in CDBG funds in 2011. Of this amount, only one-third was made available to the non-entitlement communities (147) in the State, all of whom had the ability to apply. The Town of Sprague did not receive a CDBG grant this last year but we did receive a SHARP (State Housing Authority Restoration Program) grant for \$2,200,000. This grant will allow us to complete the upgrades to our senior/disabled housing known as Shetucket Village.

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We have also received grants from USDA, STEAP, Historic Preservation, Connecticut Commission on Culture and Tourism, all of which were applied for on a competitive basis against other municipalities and other states. These grants were used mainly on water and sewer and road infrastructure but they also helped with improvements to Town buildings, and necessary equipment.

Some of the projects completed with these competitive grants have been the Baltic Heights Road and Potash Hill Road Bridge restoration projects. Also, the Upper High Street renovation; the Main Street, West Main St, Park Drive and High Street sidewalks; and the Grist Mill renovations. During past administrations the Town purchased the senior bus which we are replacing this year with a different grant from the Department of Transportation.

It is clear that here in Sprague our fight for grants have augmented our financial resources. These grants have allowed us to become the community we are, and the community we are so very proud of!

While we have fought so hard to maintain services and upgrade infrastructure, the Board of Finance has asked that we always look for opportunities to decrease expenses. It is both the responsibility of the First Selectman and the Board of Finance to weigh cost increases against the Town's citizens' ability to pay.

Each of the years that I have been your First Selectman I have sought ways to diminish expenses. **In fiscal year 08/09 (my first budget) the operating budget was \$2,080,055 and is today for the fiscal year 13/14 slated to be \$1,981,599.** We have lowered costs related to purchasing, insurance and utility costs to name a few. This certainly helped us contain expenses.

This year however in order to not impact services and again contain expenses we needed to restructure how we delivered those same services. I then had the more difficult task of containing costs by evaluating each position. It was determined through analysis that we could eliminate or decrease hours in the following positions and still deliver the same quality services.

### **Assessor:**

I observed the assessor, realized that the revaluation was complete thereby freeing up time requirements for this position. The continued regional revaluation system not only helps with any ongoing revaluation work it remains a more cost effective method moving forward with future revaluations. In addition the Assessor will now work a full day on Tuesdays rather than Mondays eliminating the days off which happen as a result of the Monday holidays. Therefore I believe that the full day on Tuesdays is the best avenue for us to proceed on with negligible loss in service to the Town.

### **Public Works:**

**Just to be clear all employee pay is determined by union contract and no one receives less or MORE than anyone else.**

We currently have 4 full time and 2 part time positions in public works; also there are two transfer station positions attributed to public works. Currently, the senior transfer station attendant is not in the union; however, the Saturday transfer station attendant is in the union. All future transfer station attendant(s) will be part of the unionized workforce.

Over the last 2 years I have been asked by members of the Board of Finance to assess the public works department **as compared to other area towns. Sprague is staffed at a much higher level** (for example both Scotland and Franklin which are of similar size only have 2 full time employees). The Town's greatest need is in the spring, summer and fall, thus higher staffing is applicable in these months.

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It was determined that the Town could successfully make 1 full time position into a part time position without any loss of service. I did this by monitoring all work done for the last 2 years. Each month reporting to the Board of Selectmen on work accomplished. These reports included roads swept, mowed, vehicles maintained i.e., oil changed, greased, cleaned; signs installed; outside buildings painted; roofs replaced; to name a few.

I then calculated how long it took to mow and sweep and plow our roads. As two thirds of the roads have been improved it now takes less time to sweep and plow the roads. The roadsides also take less time to maintain in regards to mowing as we have cut them back sufficiently.

I also monitored winter storms calculating in three years of storms. We had more snow this year than the last 2 years; however the foreman was directed to only call out 2 or 3 workers of his choosing on each storm using his knowledge of 30 years as a guideline. This worked out very well with no complaints at all concerning road conditions. Even during the blizzard, we were able to scale up or increase our workforce by calling in the water and sewer workers, and part timer help. This would continue with the recommended new system allowing the Town to increase staffing when necessary thereby ensuring roads are safe, cleaned in a timely fashion, and cost savings are also realized.

### **Senior Director:**

I was asked by the Board of Finance to assess the work and services offered by the Town for senior services. I consider this area vital to the Town and we do have a growing senior population. I am recommending that we reduce this position from 32 hours to 20 hours= 4 hours per day, 5 days per week. This recommendation would allow us to continue (support to) the most important part of the senior center (as well as provide) transportation, meals, and heating assistance (to those in need). The drivers set up their own routes and times assuring that everyone is picked up correctly. These changes will result in **no loss of services**. Mealtimes result in a greater demand on time, but the entire process is handled by the food service attendant. All extra activity meals except for 2 in the last year were planned by the Smilers group (our senior volunteers). In addition, they handle the chorus planning caroling and other trips themselves. The current senior director will be better able to focus his time on completing necessary reports and the bi-monthly newsletter during the new hours from 10am to 2 pm. **There will be NO loss in services to any senior or disabled person in Town.**

### **Facilities Manager:**

I recommend an elimination of this position. I completed an assessment of the job requirements to determine what could or could not be done with this position. This position was introduced in 2006 as a way to address the computers and Town's website. Additionally the position handled permit applications necessary for the Town to operate, and completed the fixed assets report required by the Board of Finance and the auditor.

In March of 2012 the duties were reallocated as they related to the development, and upkeep of the Town website. The website continues to operate as efficiently as a result.

In May of 2012 the duties were removed relating to computer upgrades, upkeep and monitoring. We have now replaced computers and upgraded software (and ensured standardization throughout the Town Hall). Today, all computers in the Town Hall can be fixed remotely. Previous to this it was not possible to share software. This is now being done.

The next addressed issue was permits which are now being handled by the Town's engineer because of the State requirements related to permit applications and necessary reports.

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The fixed assets program requires just data entry of the approximately 100 items or less necessary to be added in every year. We do not need a position for this one item the work will be handled internally using other staff.

I am recommending, where possible, we combine services with the school. This combination position will order supplies, oversee projects, maintain contracted services such as fire alarm services, elevator upkeep, boiler and generator inspections, and oversee buildings in every way to include cleaning. The grist mill janitor position will be part of this transfer. Once more there will be no visible loss to the Town (but rather) a more comprehensive oversight.

The budget I recommended was additionally **lowered** by the Board of Finance. The submitted draft budget contained higher than average increases for the grant writer, the library director and the book keeper. Both the Board of Finance and I agreed to an increase just lower than my initial request (which was to bring the salaries up to industry standards, and to reward the quality of work produced). Other changes were made as we were still researching said numbers, it is the purpose of a draft budget to be put forth and have another set of eyes look at it, review it and approve it.

As you can see all of the choices made in this budget were thoroughly thought out. All decisions were about math not politics. **My salary as your First Selectman is today less than the previous First Selectman made 6 years ago. I have taken a raise only once during my tenure after having the position cut 15% by the Board of Finance when I first started.** I always thought if others were sacrificing than the person at the top must lead by example.

In closing I am including several documents which provide more detailed explanation on the general government operating budget, the school budget, and the capital plans along with salaries. These are included in what will be called volume 1. Back-up documentation for the revaluation and the school's actuary report on post-employment benefits are included in volume 2.

Don't forget to come to the budget hearing on **April 18<sup>th</sup>, 2013 @ 7pm in the senior center.** Your opinion and comments are important to the process.