

**MINUTES
BOARD OF DIRECTORS
BUDGET ADOPTION
APRIL 10, 2018 – 7:00 P.M.
LINCOLN CENTER HEARING ROOM**

PRESENT: Mayor Moran, Deputy Mayor Hackett, Secretary Gates,
Directors Castillo, Devanney, Eckbreth, Floyd-Cranford, Galligan and Jones.

ALSO PRESENT: General Manager Shanley and Budget and Research Officer Wolverton.

The meeting was called to order at 7:10 pm. All in attendance participated in the Pledge of Allegiance to the Flag, led by Mayor Moran.

Vice Chair Hackett read the Budget resolution for the General Fund.

**BUDGET RESOLUTION
APRIL 10, 2018
GENERAL FUND**

BE IT RESOLVED, by the Board of Directors of the Town of Manchester, Connecticut that the following be and hereby is adopted as the General Fund Budget of the Town of Manchester for the fiscal year commencing July 1, 2018, and ending June 30, 2019.

EXPENDITURES

General Government		\$6,048,567
Public Works		\$14,256,233
Public Safety		\$20,724,745
Human Services		\$3,000,120
Leisure Services		\$6,247,243
Education		
Board of Education	\$113,406,180	
Manchester Regional Academy	\$900,000	
Health-Welfare Private Schools	\$426,145	
Transitional Living Center	\$188,821	
Total Education		\$114,921,146
Retiree and Pension Benefits		\$3,293,813
Debt Service		\$11,939,245
Miscellaneous		\$288,720
Interfund Transfers		\$6,538,695
TOTAL GENERAL FUND EXPENDITURES		\$187,258,527

**BUDGET RESOLUTION
APRIL 10, 2018
GENERAL FUND**

REVENUES

General Related

Property Taxes, Interest and Lien Fees	\$144,857,327
Permits, Charges for Services and Other Income	\$4,589,185
State and Federal Sources	\$34,047,944
Interfund Transfers	\$1,764,071
Appropriation of Designated Fund Balance	\$2,000,000

TOTAL GENERAL FUND REVENUES **\$187,258,527**

BE IT FURTHER RESOLVED that where salary compression or structural issues are identified, the General Manager has discretion to address these issues within budgetary resources, including adjusting relevant salary ranges of the unaffiliated schedule.

Vice Chair Hackett made a motion to adopt the General Fund. **Secretary Gates** seconded the motion.

Director Galligan made a motion to amend the resolution for the General Fund with the following changes:

EXPENDITURES

Education:

Board of Education \$112,847,529 (from \$113,406,180)
Total Education Budget \$114,362,495 (from \$114,921,146)
Total General Fund Expenditures \$186,699,876 (from \$187,258,527)

REVENUES

Property Taxes, Interest and Lien Funds \$144,691,825 (from \$144,857,327)
Appropriation of Designated Fund Balance \$1,606,851 (from \$2,000,000)
Total General Fund Revenues \$186,699,876 (from \$187,258,527)

FAILED - MOTION TO AMEND THE GENERAL FUND AS FOLLOWS:

Galligan/Eckbreth

**3 Voted in Favor
6 Voted Against**

ADOPTED – MOTION TO APPROVE THE BUDGET FOR THE GENERAL FUND.

Hackett/Gates

**6 Voted in Favor
3 Voted Against**

Secretary Gates – 2018 BUDGET ADDRESS

Thank you, Mr. Chair. As always, your leadership throughout a very challenging budget process was appreciated.

I'd like to express my gratitude to General Manager Shanley and his team of professionals for the hard work, effective budget preparation and timely response to our questions and concerns. Developing and adopting an operating budget is the most important deliverable we have each year. For me, the challenge is to value each and every taxpayer dollar while also ensuring we continue to deliver the wide array of high quality Town services we have all become accustomed to receiving. Further, I believe one of our critical objectives is to find ways to continue moving this community forward even during challenging economic times. I believe this budget does just that.

Our use of reserves to mitigate the impact on our taxpayers is the right action to take. The decision to use reserves is not taken lightly. Our use of a portion of our reserve balance on behalf of taxpayers in these trying economic times does not compromise the overall financial health of the community. The fund balance will still be at or above target. One of the results of the financial discipline demonstrated by this Board for several terms and the effective annual management of the budget by the General Manager and his team is our fund balance. As a community we are well positioned to weather the financial uncertainty and future budget impacts resulting from financial actions taken or to be taken at both the Federal and State levels.

Thank you to Superintendent Geary for all of the information and cooperation throughout this process. The community and this Board have shown strong support for education as demonstrated by annual budgets well over \$100M and support for the funding to implement Phase 1 of the school facility improvement plan. We are starting to see the results of that investment. I believe that public schools continue to be a very high priority for this community. While this year's increase to the education budget is higher than last year, it is lower than the amount requested by the BOE and the Superintendent. But our continued demonstrated financial responsibility better positions us to approach the taxpayers again in the future for the additional financial investment to complete Phase 2 of school facility improvement plan.

Concluding, I look forward to continuing the good work of this Board. Thank you.

Director Galligan – 2018 BUDGET ADDRESS

When discussing budget impact on our residents, it's easy to fall into the trap of just looking at it as a tax increase of a couple of hundred dollars. Some have gone so far as to say that past tax hikes were modest or reasonable and offer a shrug as they've said, "it could always be worse." My caucus and I have never subscribed to that viewpoint. Let's look at who exactly is impacted by a tax hike. Manchester families, of all varieties, will be forced to relinquish to the Government more money that could go toward supporting their loved ones. This isn't just a tax hike on the rich, as many advocate

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in today's society. Roughly 55.2%¹ of Manchester school children come from families that qualify for free or reduced lunch. To qualify for such a program, a household of 4 can have a maximum pre-tax income of just under \$45,000.² That 55.2% is up 3.5% from last school year's statistics. The issue is, however, that these aren't just statistics. These are families where parents and guardians are working multiple jobs to support their children. Life is not getting easier for those whose income is lagging behind these budget increases. Our seniors, too, are not immune from the financial squeeze imposed on them by this evening's tax hike. Over the past 5 years, the cost of living adjustment to Social Security payments has been, on average, 1.1%.³ The adjustment for our seniors is rapidly eaten up by health insurance premiums, rising food prices, and the realities of fixed incomes. Those struggling financially in our town are working their hardest to make ends meet and this budget only makes their burdens heavier.

The service needs of our community are great, but the fiscal realities facing our residents demand a frugality of substantial proportions. As I've repeated throughout my four budgets on this board, top notch public services matter little when residents are taxed out of town. Our school system, for all of the progress that has been made, will have wonderful facilities, but fewer students as residents flee to more affordable communities both in Connecticut and other regions of our country. As Board of Education Chairman Pattacini stated in a Hartford Courant article on May 9, 2017, "clearly our needs in the school district are outstripping the community's ability to pay."⁴ That statement was just as true last year as it is today. Tough questions must be asked of our Board of Education, not because of any animus or any desire to gut programming, but out of a desire for a level of tax affordability that keeps families in our town and their children learning from our dedicated staff. Administration staffing, yet again, needs to be a bigger concern. When the number of households qualifying for free or reduced lunch is increasing, we need to be very cognizant of six figure salaries and the impact they have on those same families pushed to the economic limit.

During my time on this Board, I've continually commented that the funds allocated this evening are not from some pot of Government money sitting near Town Hall. What we spend is the hard-earned income of our residents and we must be stingy in what we ask of those we represent. I have heard many times that it is unreasonable to expect flat or very low taxation. What I find truly unreasonable throughout this entire process is the assumption that the taxpayers can just withstand whatever is adopted tonight. Taxpayers are simply supposed to deal with a tax increase that doesn't come close to their rise in income, if any. We can sit here and laud the hours of work that went into this budget, and rightly so, but what we cannot laud is the anxiety we'll be putting in the pits of the stomachs of our residents as they read about tax hikes in tomorrow's newspapers. I have heard the voice of the Manchester residents who lament the crushing nature of increased taxation and I am reflecting their will by voting no on the Democratic Majority's budget resolution. By pushing through spending that will indeed outstrip the public's ability to pay, we are hurting the very residents we were elected to serve and I will not support that. Thank you.

¹ BOE Recommended Budget 2018-2019, page 35 – publicschools.manchesterct.gov

² "Connecticut School Breakfast and Lunch Program" - www.benefits.gov

³ www.ssa.gov/news/cola

⁴ "No Hike In Manchester's Adopted Budget" – By Jesse Leavenworth, May 9, 2017, www.courant.com

Director Castillo - 2018 BUDGET ADDRESS

Thank you, through the Chair. To begin I would like to thank General Manager Shanley, who I find to be a tremendous Town Manager, for giving us the information we were given during the budget workshops. It was very intense being a new Board member, but it was very informative. Thank you to the Town staff who came to the budget workshops to give us the information we needed. Secondly, the opportunity to tour different Town departments was given to me. I visited the Landfill, Water and Sewer, Fire Department, Police Department, Public Works and the Library. I am very proud to be a resident of this Town. The people that are serving our community are very professional and very committed to the work they do, so thank you.

As a new member, I took my vote today very seriously and I believe this is the most important vote that I will make this year as a Board member. Our caucuses met many times and based our decisions on being very fiscally responsible, making sure that we sustained critical services to our Town and our residents and that we also saw economic growth so that it would allow economic growth. Lastly, the fund for education will allow for excellence in our public education. I am a product of public education and I strongly support them. I believe this budget will provide that for our children and the youth of Manchester. In light of the continuing budget deficit that Connecticut faces and the reduced State Aid that Manchester will receive, I am confident that my vote will definitely provide the services for our citizens of Manchester. Thank you.

Director Devanney - 2018 BUDGET ADDRESS

I have heard the voices of too many taxpayers who could not continue the quality of life on their fixed incomes while tax rates and expenses are on the rise. I need to make a stand for them. I steal this quote from a former colleague, Mark Tweedie in 2014.

I sit here 4 years later and taxes have gone up as well as expenses at a rate much higher than the majority of our taxpayers' incomes. There was one exception last year in order to not increase taxes prior to an election, only to be increased post-election.

Times have not gotten better.

I do thank all of those who have worked hard in this budget process. It was not easy and there was a lot of hard work done. I believe on the Town side that many adjustments and cuts have been made over these years. I can appreciate that. I can appreciate that the Superintendent's goal is to provide a better education system for our children. I also appreciate the amount of information that the Superintendent provided us during this budget process, which has improved every year. While looking through this information I can see that we have over 50 employees in the Manchester school system that make over \$100,000 per year and over 300 employees that bring in over \$80,000 per year.

The current structure calls for an increase every year solely based on salary requirements alone. If our taxpayers are saying that they cannot afford to pay their taxes, then how do we sustain this structure? I believe that it is time that the Board of Education to take a serious look at their personnel structure and look for possible changes.

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Over 55% of the families that are in our school system qualify for free or reduced lunch. Over 55% of families struggle to buy food. We need to not just consider the advancement of those working in the education system but we need to consider the ability of those families to survive in our community.

I vote no on this budget not only because it is not sustainable for our Town but also to represent the voices of those residents who do not believe they can sustain living here as costs increase. Thank you.

Director Jones - 2018 BUDGET ADDRESS

Thank you, Mr. Chair. I would like to start by saying that I truly appreciate, as my colleagues have expressed, the time and effort Town staff and department heads put into combing through the budgets to find savings and innovative and adaptive shifts to funding. Their work, led by General Manager Shanley and the budget office staff, ensured that our Town services remain high quality while recognizing that the tax dollars are precious and valuable. This work is aligned to our vision for the community - and our role as caretakers of those tax dollars. We know that uncertainty has become the name of the game here in Connecticut. But this has not stopped us from investing in our community, nor should it.

Very few days go by when I don't hear from a member of the public celebrating those investments, which is really important considering my colleagues across the aisle this evening about the ability to pay. While we all understand that taxes go up, there is also an opportunity for the investments that we're seeing, and we should be celebrating those. I hear about Charter Oak Park which has quickly become a treasured community asset. I hear about the new way-finding signs downtown. I hear about the ongoing construction at Waddell which is really starting to take shape. I hear about community members who have visited the Cheney Bennet complex. I hear about the access to Center Springs Park from Broad Street and I hear the relief in people's voices that finally those impediments to development on Broad Street have been removed. And to be honest, I rarely hear from people who wish we invested less. I never hear from people who think that these investments aren't worth something to our quality of life or our sense of belonging and community. And I certainly never hear that from parents of the students enrolled in our public schools. Great public schools are an essential piece of our community. Manchester has a long and rich history of investing in the public good and for providing high-quality services and facilities. This budget does just that. It continues our investments while being mindful of an uncertain future. And the difference of \$558,651 is our investment. It's our commitment to our fellow residents that this community can and should keep moving forward even in the face of uncertainty.

Lastly, I would like to thank our colleagues across the aisle for your steadfast attention to detail. And most importantly thanks to the members of my caucus for the thoughtful questions, careful deliberations and spirited debates we have had over the past six weeks in preparation for this evening. We are just a week past the 50th anniversary of Martin Luther King, Jr's assassination and I would be remiss if I did not acknowledge specifically the contributions by my colleagues of color on this board in those debates. That this is the first budget adoption that has the true voice of more than simply the white members of our community in its formal decision making is historic and I am proud to sit beside both of you. I appreciate the time that all of us put into this evening and again I thank the staff. Thank you all.

Director Floyd-Cranford - 2018 BUDGET ADDRESS

I would like to thank the General Manager Scott Shanley and all the Board members at the table regardless which way we voted. I would like to reiterate some of the things that my fellow colleague Yolanda Castillo said. I am also a new member on this Board and I would like to extend a thank you to the Town Manager for taking us on tours of all the facilities in Town. To look at the facilities close up and to really see what we're getting as citizens of Manchester really opened my eyes to a lot of things when it came time to looking at the services that we have in Town. I talked to many people where I work, within our community and in other Towns. A lot of other Towns don't have the services that we have the privilege of utilizing all the time.

This was a very difficult process. I appreciated being a part of this process. It was challenging because we were trying to balance keeping services in place that most of our Town residents rely on. Many people are coming into Manchester. We are a thriving community. We will continue to have a great quality of life. I voted tonight to continue to invest in quality public schools and the recreational programs that we have that people in other Towns don't have the luxuries of having these services. It is not a luxury in a sense because we are paying for these services because we want to continue to have the quality of services that bring people in to Manchester. Manchester continues to grow. It is not a Town where a lot of people are taking flight because we do provide a diverse community and a community where people want to continue to live. People do understand that we can't continue to live off the same economic situations that we were in twenty years ago. In order for our schools to remain competitive, and our schools are competitive, we have to invest in our schools, we have to invest in our community. I am pleased with where I stand on my vote to support the budget that we have approved.

Vice Chair Hackett – 2018 BUDGET ADDRESS

As residents of Connecticut, it is true that we are navigating economic challenges and uncertainties brought about by a number of reasons including reduced State income tax receipts. In turn, Manchester is experiencing reduced State funding and changes in formulas of all sorts that make doing business more difficult. Through a reasoned, careful and methodical approach, this budget allows us to sustain our Town's fiscal health, with a very modest mill rate increase, in conjunction with using \$2 million from our reserve fund - funds we have collected from you, the taxpayers. I wish there were not a mill rate increase. Not everyone is getting what they want from this budget. I am confident though that this budget preserves the services and assets that Manchester's families and taxpayers value and need with a minimal increase.

General Manager Shanley and Town Staff work with great agility to analyze our financials and recommend a comprehensive budget strategy. They've done a great job recommending and implementing policies to help keep us in a move forward position financially through revenue-generating and savings opportunities. Some of the key things you should know that this budget will achieve are:

1. Creating a plan to reduce mandatory overtime costs in the Fire Departments due to gaps in the authorized strength or workforce, amounting to just under \$4 million dollars of savings over the next 10 years. Overtime is typically a controllable and easily eliminated cost for an organization, but it is

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a tricky business challenge in the public safety arena. The Chief has made a sound proposal for improvement and we want to move that forward.

2. Taking advantage of a rare opportunity to make one-pay period reduction in health insurance premiums, saving over \$1 million dollars between the Town and the Board of Education.

3. Offloading road and sidewalk improvements from the operating budget to bonded improvement projects.

4. Restructuring cemetery fees which will not only generate \$27,000 of new revenue in the next fiscal year but also seriously invest in perpetual care to optimize the cemetery properties. We have also done some restructuring to food licensing and fees.

5. Creating a new revenue-generating enterprise at the new WORK_SPACE on Main Street that has become a visible and innovative business model, offering meeting and co-working space. It recently underwent a rebranding in January and it is creating a lot of buzz. Again, this is very progressive for the Town to manage a startup like this.

6. We have and will continue to analyze our funding of community agencies. These great agencies we have in Town can't always thrive on their own and they need some financial support to deliver service to our residents. We want to make sure the funds are adequately addressing our target population here in Manchester. We also want to make other Towns step up to do their share. Manchester can't do this alone. There's more work to come on this.

7. This board is keenly focused on our planned Phase 2 school modernization work. I cannot emphasize this enough. Phase 2 is the MOST critical and urgent educational investment the Board of Directors is planning and it takes priority. We see the fine work already in progress at Waddell School, and as you know, work just concluded to accommodate grade 5 at Bennet Academy. A new concern on the radar is the how the supply chain for Phase 2 construction could be impacted by a tariff on products from China. Again, it is through careful and proactive analysis that we will try to weather the unpredictability of our global economy. We are committed and ready to take on that challenge.

These are just a few highlights of the budget. We believe the investment plan we have produced for our Town is the product of careful assessment and the balancing of needs. We are making sure everyone can feel some benefit from our budget and to feel that we are working for them. We know it won't feel perfect to everyone, but it is our roadmap and plan for the next fiscal year to drive growth, improve service, and stay ahead of potentially difficult times that lie ahead. This budget will continue to move our Town forward as an attractive, welcoming, and inclusive community to live, work, and thrive.

To my fellow Board members, thank you for your dedication to the budget review. Thank you, as well, to General Manager Shanley, Administrative Services Director, Dede Moore, Budget Analyst Brian Wolverton (who continually worked the numbers for us), Superintendent Geary, and their respective staffs for building and presenting the budget, testing assumptions and concepts, researching all questions, and having all of our workshops televised. I don't say it enough, but thank you to Woodie and all the other volunteers who make this broadcast possible. Most importantly,

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thank you to all citizens and stakeholders who take great interest in being well-versed on our budget and process through their own review and attendance at our workshops.

**BUDGET RESOLUTION
APRIL 10, 2018
SANITATION FUND**

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Sanitation Fund for the fiscal year commencing July 1, 2018, and ending June 30, 2019.

EXPENDITURES

Operating Expenses	\$6,422,373
Interfund Transfers	\$345,547
Other Non-Operating Expenses	\$150,000
Total Sanitation Fund Expenses	\$6,917,920

REVENUES

Tipping Fees	\$7,500,000
Other Revenue	\$743,500
Appropriation from Net Assets	\$0
Total Sanitation Fund Revenue and Use of Net Assets	\$8,243,500

ADOPTED – MOTION TO APPROVE THE BUDGET FOR THE SANITATION FUND.

Jones/Floyd Cranford

9 Voted in Favor

**BUDGET RESOLUTION
APRIL 10, 2018
WATER FUND**

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Water Fund for the fiscal year commencing July 1, 2018, and ending June 30, 2019.

EXPENDITURES

Operating Expenses	\$5,454,524
Debt Service	\$1,334,835
Interfund Transfers	\$1,696,960
Other Non-Operating Expenses	\$85,000
Total Water Fund Expenses	\$8,571,319

REVENUES

Sale of Water	\$6,967,849
Other Revenue	\$2,032,282
Appropriation from Net Assets	\$0
Total Water Fund Revenue and Use of Net Assets	\$9,000,131

ADOPTED – MOTION TO APPROVE THE BUDGET FOR THE WATER FUND.

Devanney/Jones

9 Voted in Favor

**BUDGET RESOLUTION
APRIL 10, 2018**

SEWER FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Sewer Fund for the fiscal year commencing July 1, 2018, and ending June 30, 2019.

EXPENDITURES

Operating Expenses	\$4,889,866
Debt Service	\$3,494,305
Interfund Transfers	\$1,213,965
Other Non-Operating Expenses	\$85,000
Total Sewer Fund Expenses	\$9,683,136

REVENUES

Sewer Service	\$8,892,504
Other Revenue	\$53,500
Appropriation from Net Assets	\$737,132
Total Sewer Fund Revenue and Use of Net Assets	\$9,683,136

ADOPTED – MOTION TO APPROVE THE BUDGET FOR THE SEWER FUND.

Castillo/Hackett

9 Voted in Favor

**BUDGET RESOLUTION
APRIL 10, 2018**

FIRE DISTRICT SPECIAL FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Fire District Special Fund for the fiscal year commencing July 1, 2018, and ending June 30, 2019.

EXPENDITURES

Operating Expenses	\$15,588,397
Debt Service	\$111,500
Interfund Transfers	\$977,318
Other Non-Operating Expenditures	\$20,000
Total Fire Fund Expenditures	\$16,697,215

REVENUES

Property Taxes, Interest and Lien Fees	\$13,537,247
State and Federal Sources	\$0
Other Revenue	\$2,984,968
Appropriation of Fund Balance	\$175,000
Total Fire Fund Revenue and Use of Fund Balance	\$16,697,215

ADOPTED – MOTION TO APPROVE THE BUDGET FOR THE FIRE DISTRICT SPECIAL FUND.

Galligan/Castillo

9 Voted in Favor

**BUDGET RESOLUTION
APRIL 10, 2018**

INFORMATION SYSTEMS FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Information Systems Fund for the fiscal year commencing July 1, 2018, and ending June 30, 2019.

EXPENDITURES

Operating Expenses	\$1,837,314
Transfer to Capital Improvement Reserve Fund	\$100,000
Total Information Systems Fund Expenditures	\$1,937,314

REVENUES

User Charges	\$1,876,531
Use of Net Assets	\$60,783
Total Information Systems Fund Revenue and Use of Fund Balance	\$1,937,314

ADOPTED – MOTION TO APPROVE THE BUDGET FOR THE INFORMATION SYSTEMS FUND.

Floyd-Cranford/Galligan

9 Voted in Favor

**MILL RATE CALCULATIONS
FY 2018/19**

GENERAL FUND

A. Adjusted Net Taxable Assessment \$4,001,892,662

THEREFORE, 1 MILL = \$4,001,893

B. Tax Dollars Required \$140,157,327

C. To allow for approximately 97.8% collection rate, mill rate should be calculated on a higher requirement; divide Item B by 97.8% \$143,310,150

D. Item C Amount, \$143,310,150, divided by \$4,001,893 35.81 mills

FIRE DISTRICT SPECIAL FUND

A. Adjusted Net Taxable Assessment \$2,632,282,242

THEREFORE, 1 MILL = \$2,632,282

B. Tax Dollars Required \$13,417,247

C. Item B Amount, \$13,417,247, divided by \$2,632,282 5.10 mills

SPECIAL TAXING DISTRICT

A. Net Taxable Assessment \$24,755,660

THEREFORE, 1 MILL = \$24,756

B. Tax Dollars Required \$150,000

C. Item B Amount, \$150,000, divided by \$24,756 6.06 mills

Jones/Castillo

**6 Voted in Favor
3 Voted Against**

BUDGET RESOLUTION

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RESOLVED, that in accordance with the applicable provisions of State Statutes, 1958 Revision, and amendments thereto, the Town Charter as amended, and the Town Ordinances establishing a Fire Department Taxing District and a Special Services District, a rate of 35.81 mills on the dollar is hereby levied on the ratable estate of the Town of Manchester, as of October 1, 2017, according to the respective assessments thereon last made and completed, for maintenance and support of school, principal and interest on outstanding indebtedness and current expenses of the Town, excluding those for the two Special Districts, for the fiscal year commencing July 1, 2018, and ending on June 30, 2019; an additional tax rate of 5.10 mills on the dollar is hereby levied on the ratable estate of the Fire Department Taxing District of the Town of Manchester, as of October 1, 2017 according to the respective assessments thereon last made and completed, for payment of current expenses of the Town Fire Department for the fiscal year commencing July 1, 2018, and ending on June 30, 2019; and an additional tax rate of 6.06 mills on the dollar is hereby levied on the ratable estate of the Special Services District of the Town of Manchester as of October 1, 2017, according to the respective assessments thereon last made and completed, for payment of current expenses of the District for the fiscal year commencing July 1, 2018, and ending on June 30, 2019; each of such taxes to be due and payable, one-half on the first day of July 2018, and one-half on the first day of January 2019, provided, however, that any tax on real estate amounting to not more than four hundred dollars (\$400.00) shall be due and payable in one (1) installment on July 1, 2018; further provided that any personal property tax amounting to not more than four hundred dollars (\$400.00) and any motor vehicle tax of any amount shall also be due and payable in one (1) installment on July 1, 2018.

ADOPTED – MOTION TO APPROVE THE BUDGET RESOLUTION.

Gates/Hackett

**6 Voted in Favor
3 Voted Against**

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2018/19**

Capital Improvement Reserve Fund

Uses	Amount
RR 005 Vehicle and Equipment Replacement	\$650,000
RR 004 Facilities Maintenance Program	\$310,000
RR 002 Pools Maintenance Program	\$75,000
RR 009 Park Upgrades	\$75,000
GR 156 Adult Softball Field Upgrades	\$75,000
GR 035 Bleacher Replacement	\$30,000
RR 002 Recreation Court Upgrades	\$25,000
GR 148 Bus Shelters	\$20,000
GR NEW Passive Recreation Oversight	\$37,000
GR NEW Cheney Hall Maintenance	\$25,000
GR NEW Community Y Improvements	\$20,000
GR NEW Artificial Turf Field	\$12,000

Source	
General Fund- Fixed/Miscellaneous	\$1,354,000

Uses	Amount
GR112 Probate Capital Reserve	\$15,000

Source	
General Fund- Probate Court	\$15,000

Uses	Amount
GR 149 Underground Fuel Tanks	\$50,000
GR 144 Enhanced Pedestrian Crossings	\$25,000
GR 157 Facility Card Access Controls	\$15,000
GR NEW Retro-Commissioning Town Buildings	\$170,000
GR NEW Stamped Concrete Repairs – Downtown District	\$150,000
GR NEW Police Department Building Controls & Software	\$65,000
GR NEW Median Island Resurfacing	\$60,000
GR NEW Taser Replacement	\$55,000
GR NEW Recreation Van Replacement	\$50,000

Source	
GR000 Unallocated Reserves	\$640,000

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2018/19**

Capital Improvement Reserve Fund (cont'd)

Uses	Amount
GR 158 Downtown Mini-Grant	\$30,000

Source	
General Fund- Board of Directors	\$30,000

Uses	Amount
GR 163 Police Department Chiller	\$450,000
GR 162 LED Lights	\$250,000

Source	
Local Capital Improvement Program (LoCIP) Grant	\$700,000

Special Grant Fund

Uses	Amount
SG022 Dial-A-Ride Operations	\$140,000
SG049 Town Clerk Historic Preservation	\$7,500

Sources	
General Fund-Fixed/Miscellaneous	\$147,500

Fire Fund

Uses	Amount
FR449 Fire Apparatus Replacement Fund	\$250,000

Source	
Fire Fund Transfer to Fire Reserve	\$250,000

Uses	
FR NEW Fire Department Roof Replacements	\$145,000

Source	
Fire Fund Capital	\$145,000

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2018/19**

Information Systems Reserve Fund

Uses	Amount
IR 619 Information Tech. Replacement/Upgrades Program	\$100,000

Source	
Information Systems Fund Transfer to Reserve	\$100,000

Water Reserve Fund

Uses	Amount
WR 386 Dump Truck Replacement	\$115,000
WR 406 Abandoned Building Demolition	\$100,000
WR 386 Slope Mower	\$95,000
WR 329 Replace Motor Vehicles	\$85,000
WR 388 Tank Panting	\$75,000
WR 291 Meter Replacement Program	\$50,000
WR 392 Pump Replacement & Well Development	\$50,000
WR 413 Filter Media Replacements	\$45,000
WR 423 Pump Motor Control Center Replacement	\$30,600
WR 326 Oversize Pipe	\$15,000
WR NEW Influent Valve Replacement	\$110,000

Source	
Water Fund Transfer to Reserve	\$770,600

Sewer Reserve Fund

Uses	Amount
WR291 Meter Replacement- Sewer Fund Contribution	\$50,000
SR 374 Vehicle Replacement	\$45,000
SR NEW Jet Truck Replacement	\$190,000
SR NEW Aeration Blower Maintenance	\$75,000
SR NEW SCADA System Cybersecurity	\$45,000

Source	
Sewer Fund Transfer to Reserve	\$405,000

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2018/19**

Other Post Employment Benefits (OPEB) Fund

Uses	Amount
OPEB Trust Fund	\$6,436,717

Sources

General Fund Fixed/Miscellaneous– Retiree Medical Insurance	\$3,058,868
Fire Fund- Retirees Medical Insurance	\$736,505
Water Fund- Retirees Medical Insurance	\$355,539
Sewer Fund- Retirees Medical Insurance	\$234,592
Sanitation Fund- Retirees Medical Insurance	\$51,213
TOMIFF- Implicit Rate Subsidy	\$2,000,000

**ADOPTED – SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS AND
TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES OF ALLOCATIONS
AND TRANSFERS.**

Jones/Gates

9 Voted in Favor

Minority Leader Eckbreth – 2018 BUDGET ADDRESS

The fiscal budget woes of the state of Connecticut are straining local taxation stirring debates that are demanding solutions ranging from cutting spending, raising taxes, increasing revenue opportunities, consideration of constructing tolls, and reducing public sector jobs and benefits. The leading news story is always reporting a clash between one party’s ideas and ideologies over another, declaring incivility by all parties involved, often followed by a loud cry for bi-partisanship to solve the problems. In Manchester, our Boards have made gains in seeking bi-partisanship and finding common ground thru compromise, but compromise can sometimes become a poor substitute for principal and doing what is best for our struggling community and families.

In this year’s budget discussions, the minority found common ground in funding an increase in fire fighter staffing levels to avoid costly overtime expenditures. Bringing on three new employees is a multi-million-dollar decision, given that public safety employees will spend up to 30 years or their entire career with the town, retiring at early ages with fully funded benefit pensions. However, permitting excessive overtime creates serious budgetary concerns and places our first responders at risk for fatigue, stress and injury, and potentially could affect the level of care provided to our community. Our compromise comes with the full understanding that this is only an initial approach to ensure a decline in overtime expenditures but must also be followed by mutual training and cooperation with all of Manchester’s fire districts, and the strong management and oversight of staffing that will look at leave times in future bargaining agreements to seek to contain the multiple driving forces of overtime.

Budget Adoption Actions

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Tonight, we also join our Board colleagues in asking the General Manager to fully fund our community service agencies. There are several human service policy and system-level supports and barriers that Manchester has built that will affect the future direction, growth and practice of programs that are vital to protecting and helping the most vulnerable in our community to thrive. At a time when Non-Profit organizations are also shouldering a fiscal hit from Connecticut's deficit, we must remain the leaders in prioritizing this level of humanitarian funding and continue to create partnerships that deliver the quality of life we all want within our community.

Understanding the economic and environmental circumstances of Manchester's residents is always at the forefront of our budget deliberations and this evening is no different. That is why the Republican Minority is unwilling to compromise our principles any further knowing that many of the residents in our community are struggling to find jobs, meet housing payments, and are facing increases across the board at all levels of Government, healthcare, and utilities. While the Republican budget appears to hover around the majority's mill rate, trust me we are worlds apart in our philosophy and about \$1 million in our taxation, or what is considered a sustainable level of taxation, programming and service, given the economic climate and fiscal crisis of Connecticut.

To be clear, the Majority's budget this evening ensures that next year's budget will start at 4% before the General Manager or the Superintendent propose any new spending! The reality remains that reaching a sustainable budget given the State's funding cuts, would require layoffs and restructuring at the Board of Education if spending is not curtailed and programs are not prioritized, and performance measured. Funding our taxes with one-time allocation measures like supplemental motor vehicle taxation, rare health care savings, tax delinquent collections, counting on marginal grand list growth during a time when our highest taxpaying businesses face economic and reorganizational challenges, or earmarking millions in reserves from our undesignated funds is no more feasible or sustainable than maintaining flat funded budgets.

While the Town side of Manchester's Government has done its job to freeze and hold positions for a number of years now, we have witnessed the BOE continue to find and fund positions despite an increasing exodus of students out of the system either to neighboring towns, magnet choices or private schools, who are also Manchester taxpayers. We realize that Government mandates and special needs are increasing for our public student population, but so are the economic factors as demonstrated by a dramatic rise in the Town's free and reduced lunch. We support the BOE's and Superintendent's decisions to meet these mandates and to lessen the exorbitant cost to educate these students outside of the area. We even support the hiring of additional positions, but middle management and other positions should be addressed when these positions are filled. In a fiscal year, when an entire school was taken offline for renovation work and the students temporarily relocated, the BOE budget showed no additional cost savings beyond turning the lights out. We have enough information and statistics from the work of the SMARTR Committee and our community's endorsement to support taking more than one elementary school offline to gain a substantially positive impact for our future budgets and the opportunity to seize improved programming for all the students who are still being educated in our public schools. Yet, like this proposed budget, we fail to see the political will to make difficult or unpopular decisions for the long-term benefit of our community and its families. I hope that fiscal year 2018 brings some new vision, political will and leadership to all of these Town Boards.

Budget Adoption Actions

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In closing, I want to thank my fellow Democrats for being willing to compromise further than you had initially intended to do. We promise you, we will continue to expect even greater bi-partisan efforts in the future with the realization that the costs of Government today are unsustainable, the State deficit isn't going away, and we will continue to experience lower than expected collections. We must do our best to limit spending, make the cuts necessary to make up for all the shortfalls and re-set our levels of affordability for this community and its residents. This is the challenge that lies ahead for all of Manchester's staff and certainly our elected officials.

Special thanks to Town staff, General Manager Shanley, Brian Wolverton and the Board of Education administration who have remained transparent and diligent throughout this budget process in the face of some very challenging economic times. Over the years, I have noticed that the budget process is becoming more streamlined and clearer. One of the things that the Town side has done very well is its performance measures. It's time that we start demanding that the Board of Education return to us some performance measures, not on their students but performance measures on how their programming and staff are doing and how they are going to sustain the level of spending that is continuing despite the shortfalls that are happening at the State. The reality today is that the State of Connecticut will continue to fund Manchester Public Schools as long as we are in a failure mode. It is a very tough situation for our Superintendent to be in, for the Directors on this Board to be in and certainly for those who serve on the Board of Education when making these decisions. They are decisions that we always have to remain very conscious of. Tonight the Republican caucus was very conscious of what's happening with our community and the unsustainability of these budget levels given the environment at the State. Thank you very much.

Mayor Moran - 2018 BUDGET ADDRESS

Good evening. I would like to thank General Manager Scott Shanley, and Budget & Research Officer Brian Wolverton, as well as Chaz Plungis in the Budget office, for crafting the town budget. I would also like to thank our department heads and Town staff, as well as Superintendent Geary and his staff for their input in the budget process. The time, information, and the passion you put into your presentations were very helpful in assisting the Board of Directors understand your budget requests. I would like to thank those citizens who voiced their opinion on our Town budget throughout this process.

Before I go into my address, be it resolved that the performance-based merit increase for unaffiliated employees are authorized between 0% and 2% effective July 1, 2018 and where salary compression or structural issues are identified, the General Manager has discretion to address these issues within budgetary resources.

The task of adopting a budget is never easy and one the Board of Directors takes seriously. Over the last ten years through a recession and a slow recovery from the recession we have heard from our community to keep taxes low without cutting vital services. We have listened and have adopted budgets ranging from just over a 2% mill rate increase to just under 2% three years ago, to .5% mill rate increase two years ago to a 0% mill rate increase last year on the General Fund. During this period we have improved our infrastructure, protected important programs and services, enhanced public safety, increased financial support for education, passed substantial bond referendums, and grew our fund balance. We, the Board of Directors, along with dedicated and responsible Town staff

Budget Adoption Actions

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worked diligently to establish budgets that continued to move our Town forward through this tough fiscal climate. It hasn't been easy but we managed to navigate through rocky financial waters. That being said, we have seen significant State revenue reductions this year and the forecast on State aid is not promising. We are predicting a reduction of over \$2 million in the next fiscal year from the State. This is where the rubber meets the road! As Mr. Shanley points out, "this creates a situation where balancing the budget without a substantial increase in taxes or cuts in programs and services becomes a challenge!"

So tonight, we adopted a budget that reflects that delicate balance between a tax increase and protecting quality programs and services. We've adopted a budget that reflects a 1.31% increase to the General Fund equating to a 2.75% mill increase. It also includes 0% increase to water rate, a 2.5% rate increase on the sewer rate and a 5.2% investment in the Fire Fund to offset future costs. This budget includes \$2 million from reserves to balance it, but we have faith in our General Manager that he will use as little of the reserve allocation as possible. That is why both caucuses included fund balance in their budgets.

This budget protects the vital services important to our community such as public safety including our Police Department, our Building Inspectors and our Health Department. Of course a vibrant economy is so important and this budget supports our Planning and Zoning, our Economic Development and our downtown initiatives. The newly adopted budget is important to the continued growth and prosperity of our parks and leisure services. I know I'm biased, but I don't believe communities can compete with us here. Our community continues to grow and all indications point to Manchester becoming the largest suburb in Hartford County by 2030. The new budget supports our Human Services Department that is beneficial to our youth, our families, and our seniors. And tonight we continue to strive to keep our town healthy by approving budgets that support our health, water and sewer departments. As mentioned earlier we adopted a Fire Fund budget with a 5.2% increase. This includes a plan to add 3 additional full-time firefighters to help offset overtime costs and save several million dollars over the next 10 years. Not only will we save money but it will keep our community safer. With this commitment we are charging our local fire department to go out aggressively and recruit minority candidates to diversify its personnel. This is the same charge we expect across all departments, including the Board of Education.

Of course, the biggest portion of the general fund is the Board of Education budget, which will receive a 1.5% increase. This increase has been doubled compared to last year's increase. Education is the foundation of our community and will remain a priority. We are proud of the many educational options we provide in Manchester. Most importantly, we must continue to provide the best quality public education so that as the Board of Education states, "all of our students will get a quality education and will be prepared to be lifelong learners and contributing members of society!"

Manchester is well prepared to face the uncertainty that we are facing from the State. As stated by Mr. Shanley in his budget summary a few years ago, "Manchester is well-positioned to weather the storm. Over the years, through the combination of a responsible leadership of its Board, conscientious and conservative stewardship, and with the support of citizens, the Town has built healthy reserves, a well-maintained infrastructure, and to provide services efficiently even when major fiscal challenges present themselves."

Budget Adoption Actions

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Again, this budget process is never easy and many hours are poured into the process to get to this time of the budget. I would like to extend my gratitude to all those sitting around this horseshoe, my fellow colleagues on the Board of Directors. Thank you for attending workshops, reading materials, and asking questions. There was a lot of preparation for tonight's budget adoption. Thank you to both caucuses. Although we don't agree 100% on this budget, we are not too far apart and I personally want to thank you all for your time and commitment to our community. We are proud of the most recent distinction given to Manchester by Money Magazine, naming our town the #1 Community in Connecticut! That's something we can all agree on!

Yes we have our challenges and at times we have our differences, but I believe so much in the great spirit of Manchester. We will take on these challenges together and continue to make Manchester a great place to live, work, go to school, play and pray! I believe the future brings many challenges, but with every great challenge comes great opportunities. And in Manchester the opportunities are endless!

Thank you and May God bless the great Town of Manchester! Good night.

ADJOURNMENT:

The meeting was adjourned at 8:10 p.m. until the May 1, 2018 Regular Meeting of the Board of Directors at 7:00 p.m. in the Lincoln Center Hearing Room.

Galligan/Castillo

9 Voted in Favor

lgl

APPROVED:

ATTEST:

Secretary, Manchester Board of Directors