

To: The Honorable Board of Finance  
From: Benjamin G. Blake, Mayor  
Date: January 20, 2014  
Subject: GENERAL BUDGET for the fiscal year from July 1, 2014 to June 30, 2015.

In accordance with Article VI, Section 1 of the Charter of the City of Milford, I respectfully submit, herewith, the general government portion of the City budget for fiscal year 2014-2015.

In 1639, the very first town meeting was held in Milford by Peter Prudden, Thomas Tibbals, William Fowler, and other forefathers. The first order of business was to "establish the settlement's government...assigning voting power, dividing land into home lots, and taking timber for buildings." (See Only in Milford, p 11.)

Even though much has transformed over Milford's 375 year history, we still find ourselves fine-tuning our governing policies to accommodate a world that is continually changing. Indeed, over the past century, our government has assumed responsibilities which would be difficult for our founders to imagine. Sanitary sewers, 240 miles of center-lane roads, reliable public safety, weekly garbage collection, a comprehensive library, neighborhood parks, and a robust primary and secondary education system are just some of the basic services provided to the 2014 residents of Milford.

While the core City services which taxpayers have come to expect and rely upon are maintained in this 2014-2015 budget, no new programs or personnel are being proposed. This budget is mindful of today's economic reality and ad-

dresses only the basic and essential needs of our residents.

Despite every effort to hold the line and reduce the costs of operations through thrift and through streamlining the business of the City, our overall expenditures are unfortunately not flat. Expanding health care costs, rising pension contributions, increases to debt service, and mounting contractual wage obligations have challenged us by placing tremendous pressure on this budget.

These four cost drivers represent almost all of the additional spending contained in this proposal. Given this truth, the City is hyper-focused on controlling these costs. At the same time that we look to mitigate these existing liabilities on the spending side of the budget, we are also working hard to expand the funding side of the budget with non-taxpayer sources of income. I am happy to report that this year's budget will include several new funding streams which will help to ease the burden on taxpayers.

In the end, this budget preserves core City services while meeting our obligations to taxpayers. I am proud of our City's 375 year history of exceptional government and believe this budget keeps Milford's financial future on a prudent path. I hope you share the priorities reflected in this proposal, and thus, I respectfully request your consideration.

Pursuant to Article IV, Section 8 of the Charter of the City of Milford, the Board of Finance ("BOF") herein presents its recommended 2014/2015 Budget to the Board of Aldermen.

The BOF has approved, for Fiscal Year 2014/2015, a Total Budget of **\$199,352,102.00** resulting in a recommended new mill rate of **27.79**. The approved mill rate is **1.51** higher than the current fiscal year mill rate of **26.28**. The BOF is optimistic that the actual increase in the mill rate will be less as it is anticipated that additional revenue sources will be identified by the Mayor and included in the budget adopted by the Board of Aldermen.

In regards to the Mayor's Proposed Budget ("Mayor's Budget"), the BOF has essentially approved the Mayor's Budget as presented except for certain technical corrections and other matters that were requested by the Mayor and Department Heads during the BOF hearings on the Mayor's Budget.

The following are of particular note in the BOF's Recommended Budget.

First, as stated in last year's BOF message, the Finance Department has for the last few budget years made strong presentations in support of an additional position, i.e., an Accountant. Given the increased demands facing the Finance Department, the BOF has determined that there exists a justifiable need for this position. However, the BOF has been concerned that any new positions should be evaluated in the larger context of the changing nature of the City's operations so that personnel are employed in those positions with greatest need and which provide the greatest benefit to the residents of the City of Milford. Given this context, the BOF approved the Finance Department's request to fund the new accountant's position. Additionally, the BOF approved the Mayor's request to fund an additional building inspector, and to eliminate funding for the Assistant Animal Control Officer and the Assistant City Planner. In conjunction with these changes, the funding of the "Seasonal/Temporary" line item in the Permitting and Land Use Department was reduced by the sum of \$20,000.

Additionally, the BOF approved the Mayor's request to fund the position of an Open Space Manager. While the Mayor and members of the public did establish the immediate need for this position, the BOF's approval of this funding was made with significant reservations about the long term rationale for this position. Accordingly, it is anticipated that the BOF may revisit the funding for this position in future budgets.

Secondly, the BOF's 2014/2015 Recommended Budget contains \$10,000 for Ni-

trogen Credits in the Wastewater Account. This amount represents a significant reduction from the \$376,431 included in the 2012/2013 Wastewater Account for the purchase of nitrogen credits. The BOF has historically expressed concern about the cost of nitrogen credits as it had been anticipated that the City would actually "earn" nitrogen credits which could potentially generate income through the transfer of these nitrogen credits or at the very least eliminate the cost of the nitrogen credits. The Wastewater Department has been particularly responsive to these concerns and has consistently taken steps to improve the efficiency of our wastewater treatment plants in an effort to eliminate the need to purchase nitrogen credits. The BOF is again pleased by these efforts and remains hopeful that the new plants will not only continue to improve the water quality of Long Island Sound, but also result in future income to the City from the sale of nitrogen credits.

Thirdly, the BOF has recommended that the Beth El Shelter's request be fully funded and accordingly, increased the Mayor's recommendation by the sum of \$5,000. The services provided by the Beth El Shelter are critical to the needs of our community and the BOF unanimously agreed that the additional funding was warranted.

Finally, the Milford Board of Education's ("BOE") Budget for Education Operations ("EO") submitted to the BOF proposed an increase of only .754% over the 2013/2014 approved levels. The BOF voted to approve the BOE's request and thereby, recommend an increase in the BOE Budget of approximately \$669,948 in EO funding. The BOE was able to successfully limit this increase by offsetting its increased costs with significant reductions in certain areas, including a decrease in staff levels that resulted in approximately \$1,361,904 in savings. The BOF recognizes that the BOE is taking the appropriate measures to address the continued decline in student enrollment. However, the BOF vote was not unanimous as one member did express concerns that the BOE's funding request could be reduced in light of the declining enrollment and other factors. Indeed, all of the members of the BOF would encourage the BOE to continue its long range planning efforts and to find additional cost savings so that future BOE funding levels reflect the continued reduction in enrollment, while continuing to meet the needs of our students.

Respectfully submitted,

Brian A. Lema, Chairman