Opening Slide:

First, I’d like to thank the Board of Finance along with all of the department heads who sat with that Board and reviewed my initial budget recommendations.

I’d also like to thank our Finance Director, Paul Rizza. Mr. Rizza works incredibly hard throughout the budget process and he’s worked very hard with this team for the past eighteen years helping to keep our community on the right track. How about a round of applause for Paul Rizza.

I’d also like to thank Rob Becker, who is part of the technology team here at the High School. Each year, he helps us coordinate our presentation here and we appreciate his hard work and dedication.
1. With that said, I’d like to begin my budget presentation by summarizing the Town’s outstanding performance since 2011 in three key budget areas: Our fund balance, our debt position, and our credit rating.
2. Just nine years ago, East Haven ended the 2009-2010 fiscal year with a staggering $5.19 million dollar deficit in its fund balance (or rainy day fund). The deficit marked a dramatic decline for the fund which, during my team’s 4-year absence from office, deteriorated significantly.
3. Since resuming office in 2011, our team has produced seven straight budget surpluses including a modest surplus of approximately $322,000 in the ‘17-’18 fiscal year.

As a result, our fund balance now stands at a healthy $5.8 million dollars, which marks an $11 million dollar swing in just nine years.
4. As I’ve indicated in the past, credit rating agencies like Moody’s and Standards & Poor’s strongly recommend that the Town have a minimum savings account equal to 5% of its operating budget. Five percent of our proposed budget is about $4.6 million dollars.

We presently enjoy a fund balance of $5.81 million dollars, which we project will grow to $6.21 million dollars in this current budget year. As a result, I’m proud to project that East Haven’s fund balance will meet and exceed the minimum recommendations of the national credit agencies for the fourth straight year in a row.
5. In addition to the Town’s fund balance, debt is another key factor that affects our budget and our taxes. Like you and I, the Town has long term debt.

Page 11 of the ’17–’18 audit confirms that the Town ended the ’17–’18 fiscal year with $24.4 million dollars in debt, down from a staggering high of $53.8 million dollars (or 54.6%) just ten years ago.

With scheduled principal payments in the current fiscal year and in my proposed budget, our debt is projected to drop approximately $3.81 million (or another 15.6%) to $20.57 million dollars at the close of the ’19–’20 budget year.

In other words, at this time next year, we will have reduced our debt by $33.2 million dollars - an incredible 61.7% from where it was just ten short years ago.
6. By increasing our rainy fund to meet the minimum recommendations of the major credit rating agencies and by reducing our debt to historically low levels, we’ve earned two increases in our bond rating: an increase from “BBB+” to “A-” in 2014 and an HISTORIC, two-tier increase from “A-” to “A+” in 2016. This past fall, Standard and Poor’s reaffirmed our “A+” rating and laid out a road map for future credit rating increases.
7. Now that I’ve given you a summary of how we closed the last fiscal year and the progress we’ve made since 2011, I want to talk briefly about how we compare to our neighbors. In particular, I want to explain how our conservative, responsible fiscal policies have stabilized East Haven’s mill rate and allowed our community to remain an affordable, quality place to live, work, and raise a family.
8. Each year, the State’s “Office of Policy and Management” publishes the mill rates of every municipality in the State. We compiled that data with respect to East Haven and several of our neighbors. As you can see, between 2012 and 2018, mill rates across the region have risen anywhere from 14.8% to 41.8% (anywhere from 3.7 mills to 10.8 mills depending on the municipality).

In contrast to most of our neighbors, the mill rate in East Haven since 2012 has risen only 1.5 mills – or 4.8% - or an AVERAGE of .6% per year.

As I’ve noted in the past, we were able to accomplish this by significantly reducing our debt, allowing us to lower our yearly debt payments and return that savings to the taxpayers in the form of **LOW, STABLE taxes**.
9. One of the biggest falsehoods I often hear and read is that East Haven keeps it taxes low because it doesn’t invest in its infrastructure – like roads, schools, and public safety. This couldn’t be further from the truth.

**Since 2012, we have invested $12.7 million dollars into 161 separate annual initiatives at an average of $1.81 million dollars per year.**

For example, since 2012, we’ve invested $3.2 million dollars into our Police Department for new vehicles, radios, and dispatching equipment (not including the $2.5 million we bonded for DOJ compliance). We’ve spent $1.67 million dollars upgrading equipment at our Public Works Department. Finally, since 2012, we’ve allocated $1.82 million dollars for new roads and sidewalks across Town.

Most impressively, we’ve made these $12.7 million dollars in capital investments **WHILE KEEPING OUR MILL RATE LOW AND STABLE.**
Looking ahead to the 2019-2020 budget year, I am proposing revenue and expenditures totaling just over $92 million dollars – this represents an increase of $406,334 dollars (or .44%) over the last year. My budget includes $50,000 in new funding for the Board of Education and utilizes savings of $354,230 dollars to offset increases to fire, police, and employee benefits.
11. Education is one of the most important services our Town provides. Since 2011 alone, my administration has appropriated over $3.5 million dollars in new funding for the Board of Education. This year, I am proposing an increase of funding to the Board of Education of $50,000 dollars. Admittedly, this may not seem like a lot. However, on a per-pupil basis, and in light of the loss of 124 students over the last year, this represents an allocation of $16,380.00 per pupil – an INCREASE of $681.00 per student over the past fiscal year and an INCREASE of $2,640 per student since 2011 (19.21%).

To give this further context, the most recent data suggests that the average allocation nationally to educate a child is $11,672 dollars. Here in East Haven, we are allocating nearly $5,000 dollars in excess of that average.
11. In the end, every budget address always comes down to one question: “What’s going to happen with taxes?”

A quick sample of local newspapers across the region suggests a common theme—“major” tax increases, spending hikes, and in some cases, cuts in services.
12. My proposed budget calls for a mill decrease of .03 mills – from 32.45 to 32.42 mills.

Under my proposed budget, with a mill rate of 32.42 mills, 63.7% of homes (6,402 homes) would continue paying an average of $503 less in taxes than they were paying prior to my resuming office in 2011.

Admittedly, the mill reduction is modest – although it is significant when compared to the mill hikes being proposed across the region. However, this mill rate is meant to send a clear and powerful message: **My team and I refuse to burden our taxpayers with additional taxes here at home at a time when the State is looking to enact the largest tax hike in the State’s history.**
13. To see how this mill rate plays out, let’s look at a 3 Bedroom, 2 Bath cape on Lenox Street – it has a full value of approximately $217,000 dollars (right around the median home in East Haven).

Under my proposed budget, the owner of this 3 bedroom, 2 bath cape will pay $553 dollars less (13.7%) than he or she was paying prior to my resuming office in 2011.
14. As another example, the owner of this 3 bedroom, 2 bath waterfront home located on Cosey Beach Avenue will pay $396 dollars less than he or she was paying prior to my resuming office in 2011.
15. Looking ahead to the 2019-2020 budget year, our goal is to keep taxes in check to the best of our ability while providing all that we can to boost education and funding for local services and programs. I am proud that my budget proposal reduces taxes, keeps spending in check, and provides the funding necessary to maintain and expand local programs and services.
Closing Slide:

I’d like to thank everyone for coming out tonight and I encourage you all to participate in the budget process as it heads to the Town Council for approval.

Thank you, and good night.