

# Somerset 2020

- A safe community in which to live, work and raise families
- Services delivered courteously and professionally
- Fiscal responsibility and accountability
- Convenient opportunities for recreation and culture
- Pro-business atmosphere
- Job opportunities through economic development
- High quality public education

# Somerset Core Values

- **Collaboration**
- **Integrity**
- **Vision**
- **Innovation**
- **Compassion**

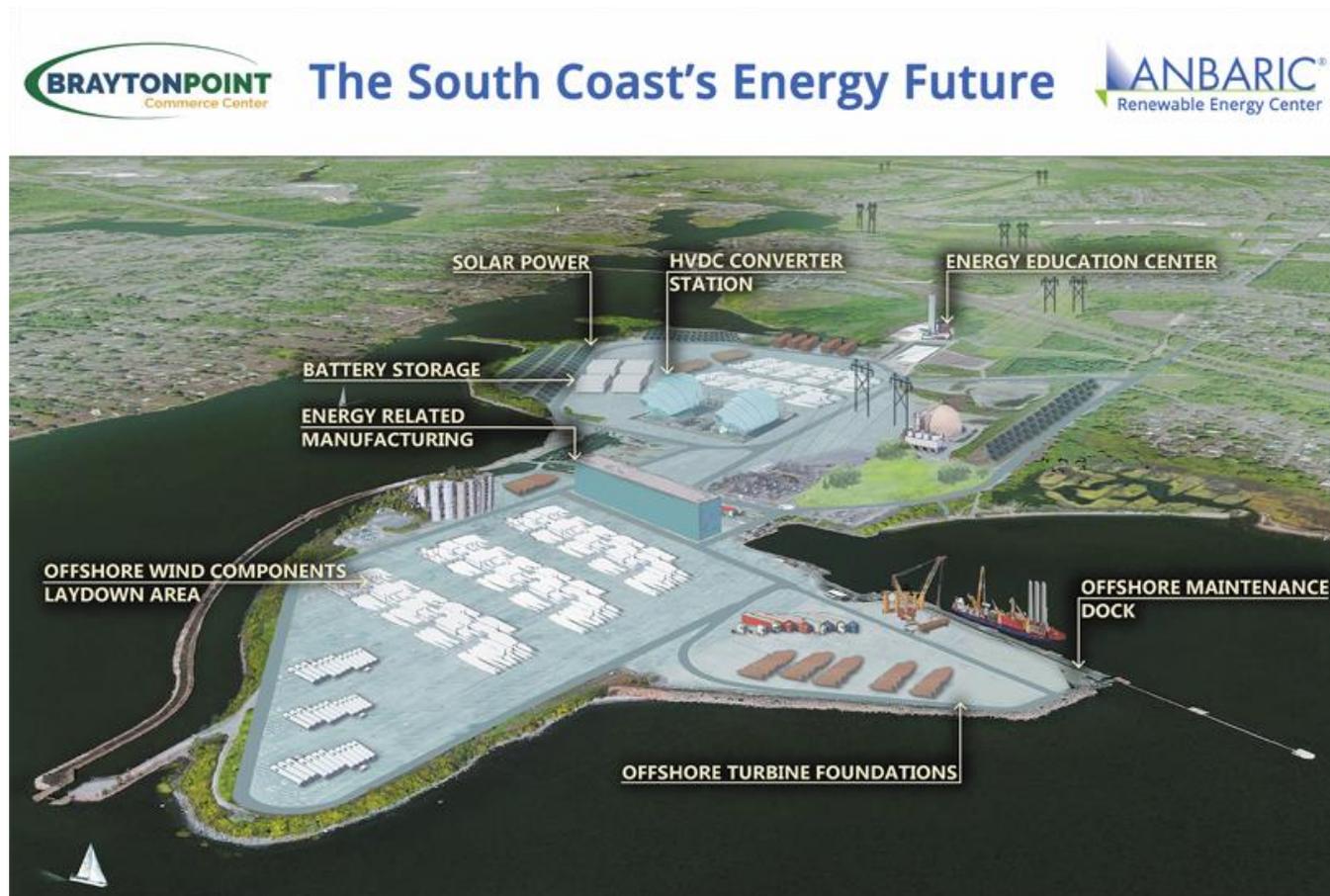
April 27, 2019



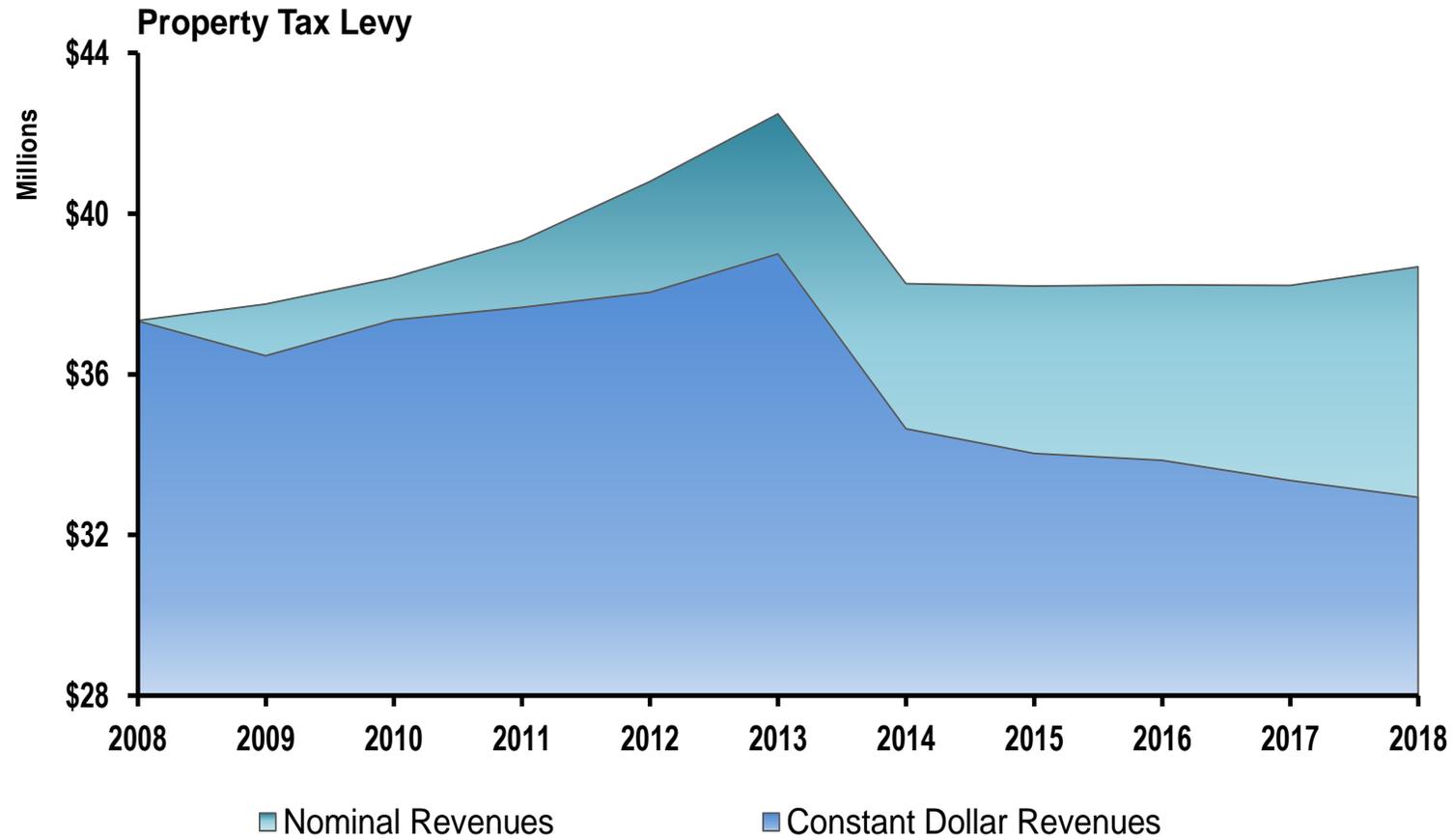
# Brayton Point Power Plant

• Year	Taxes
• 2012	\$15,942,386
• 2013	\$11,906,168
• 2014	\$7,000,004
• 2015	\$5,500,000
• 2016	\$4,250,000
• 2017	\$4,264,236
• 2018	\$3,952,780
• 2019	\$1,011,228

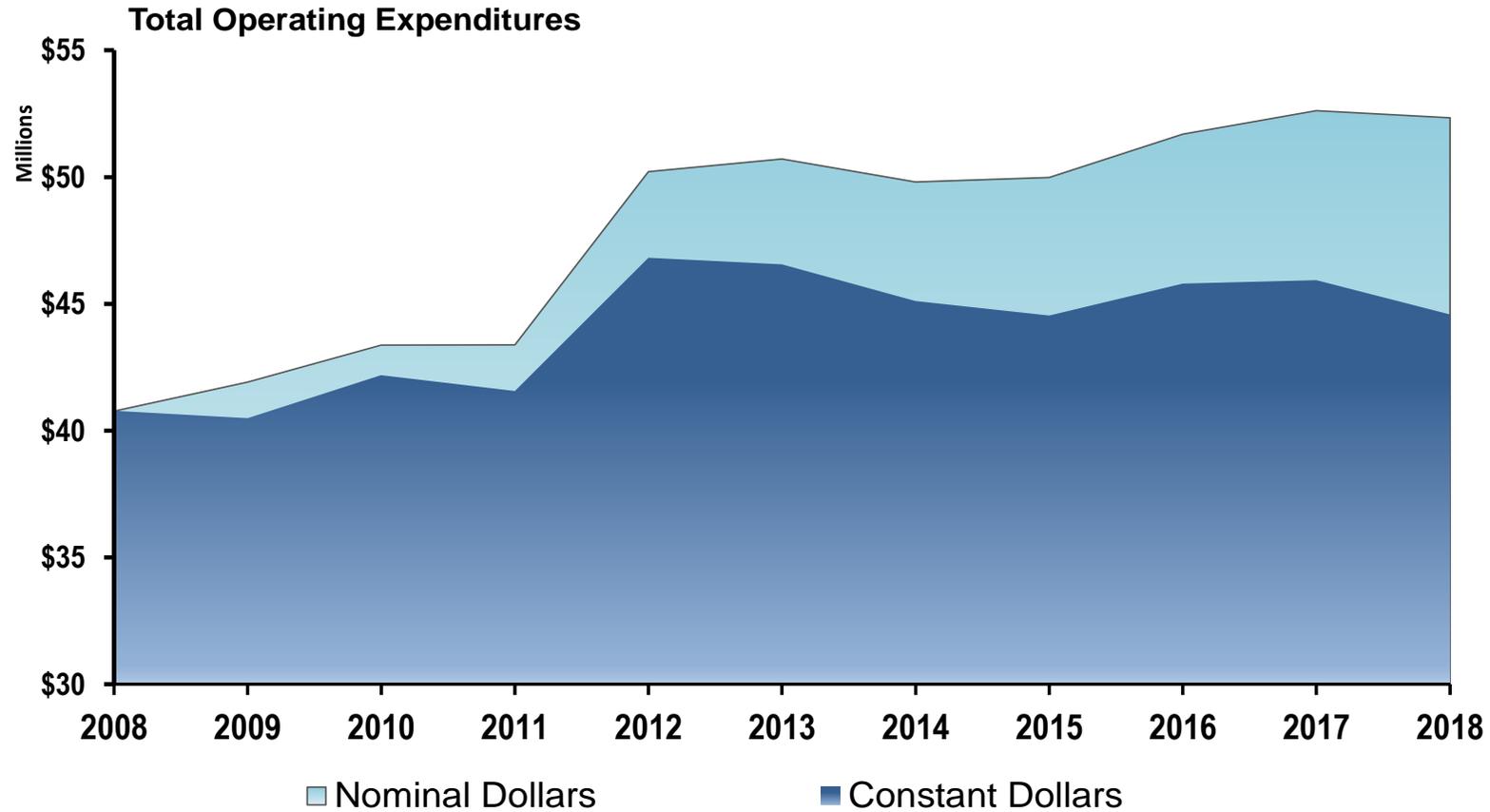
# Future Development



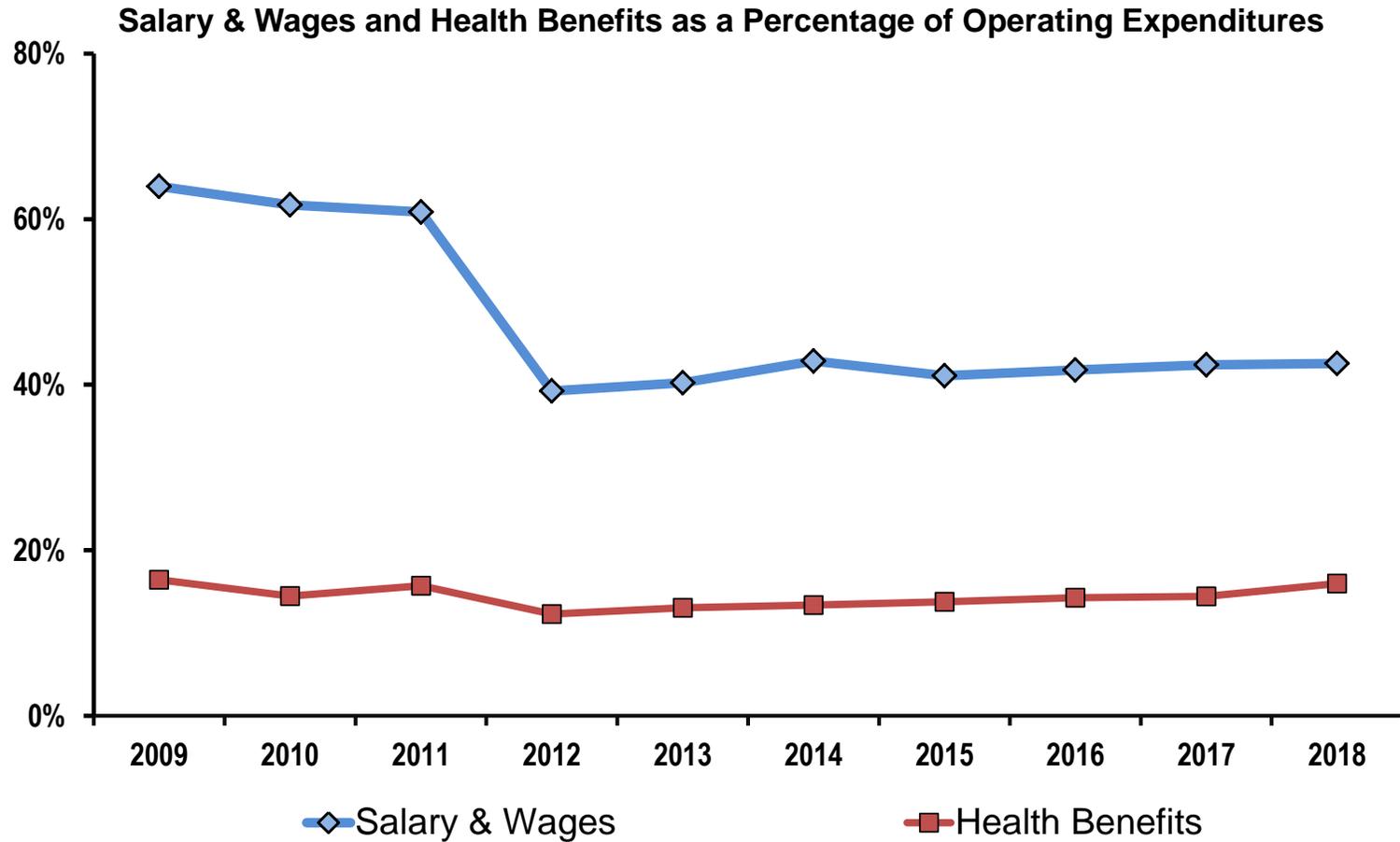
# Property Tax Revenue



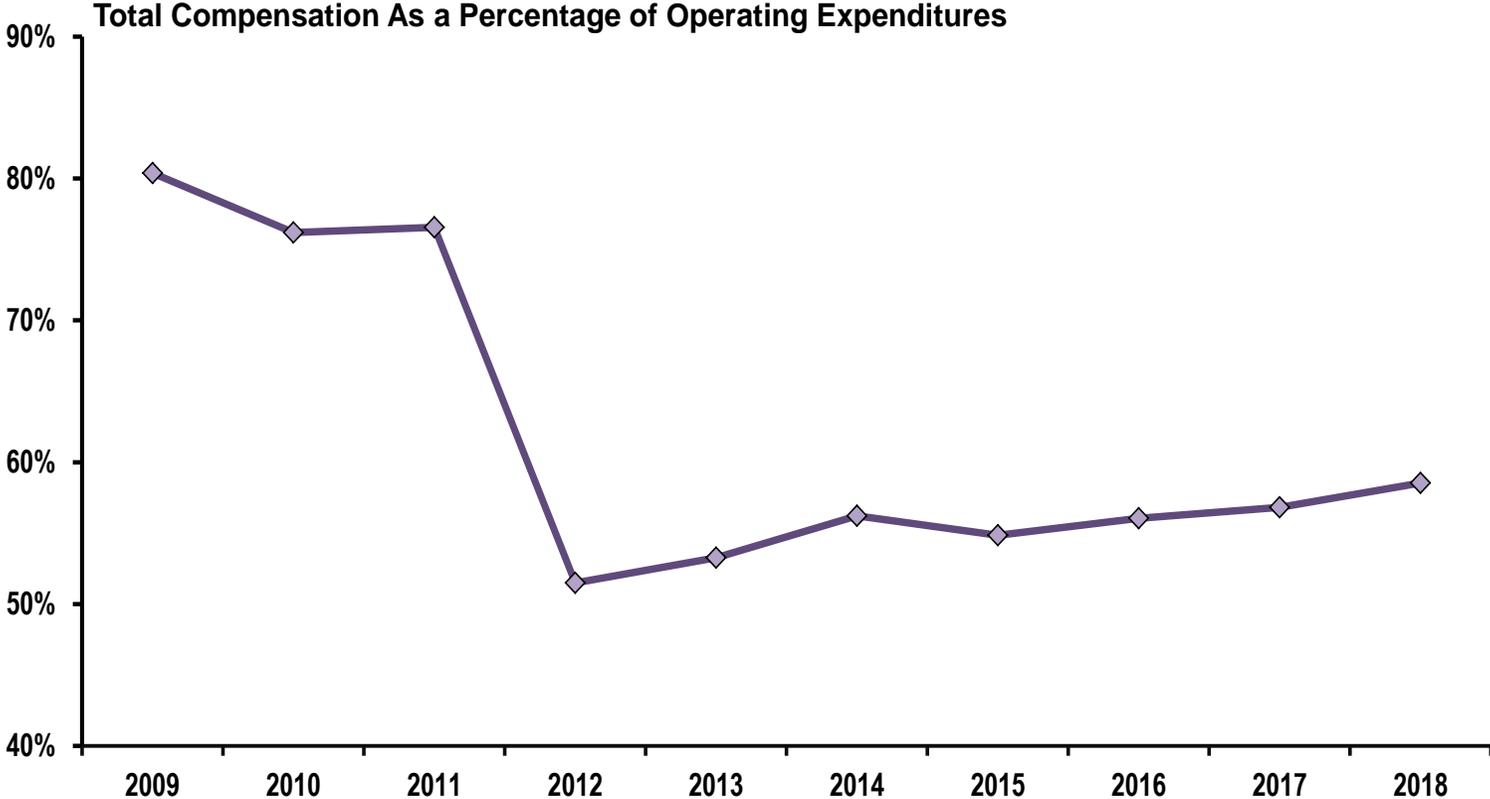
# Operating Expenditures



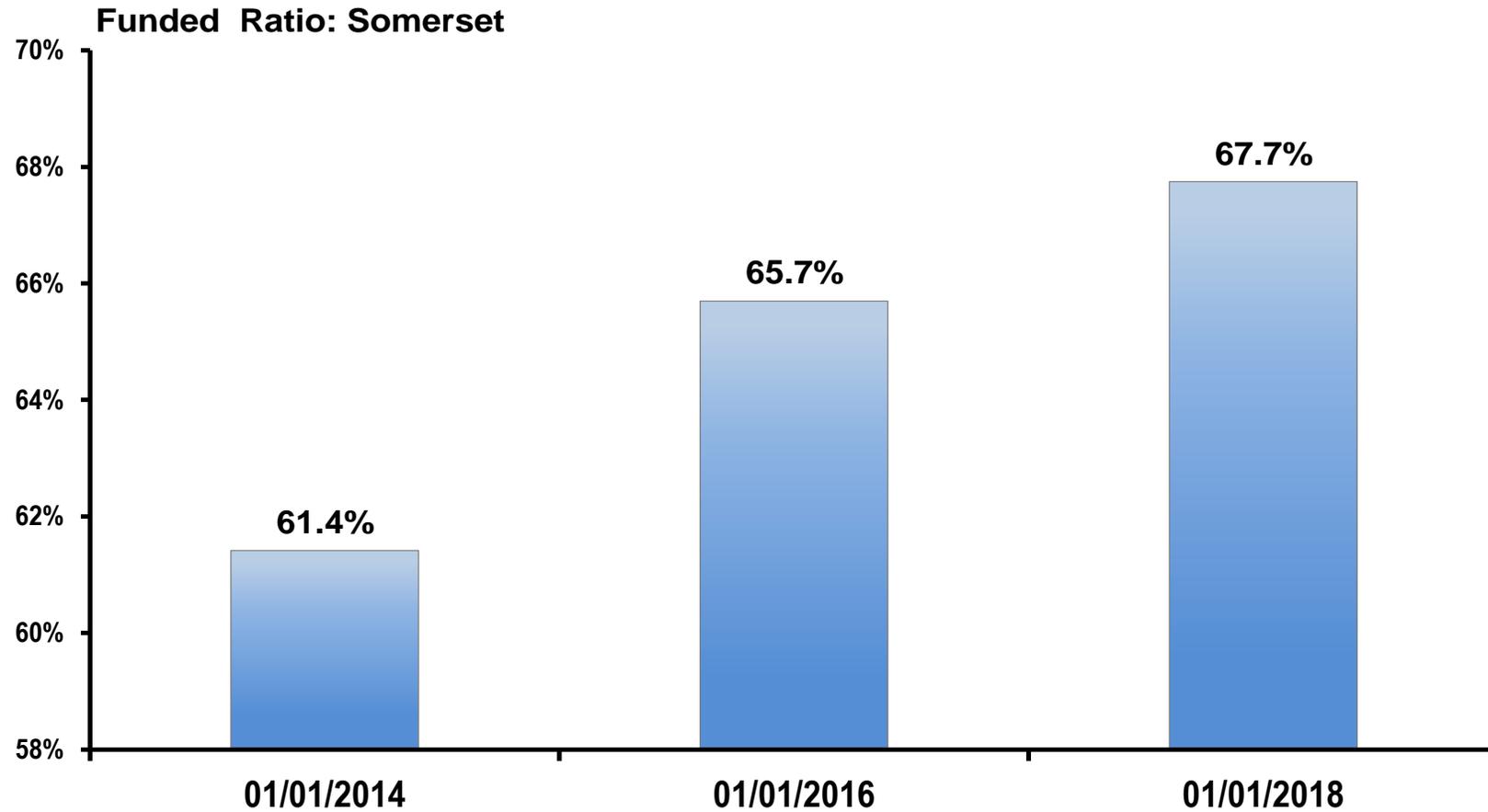
# Personnel Costs % of Operating Expenses



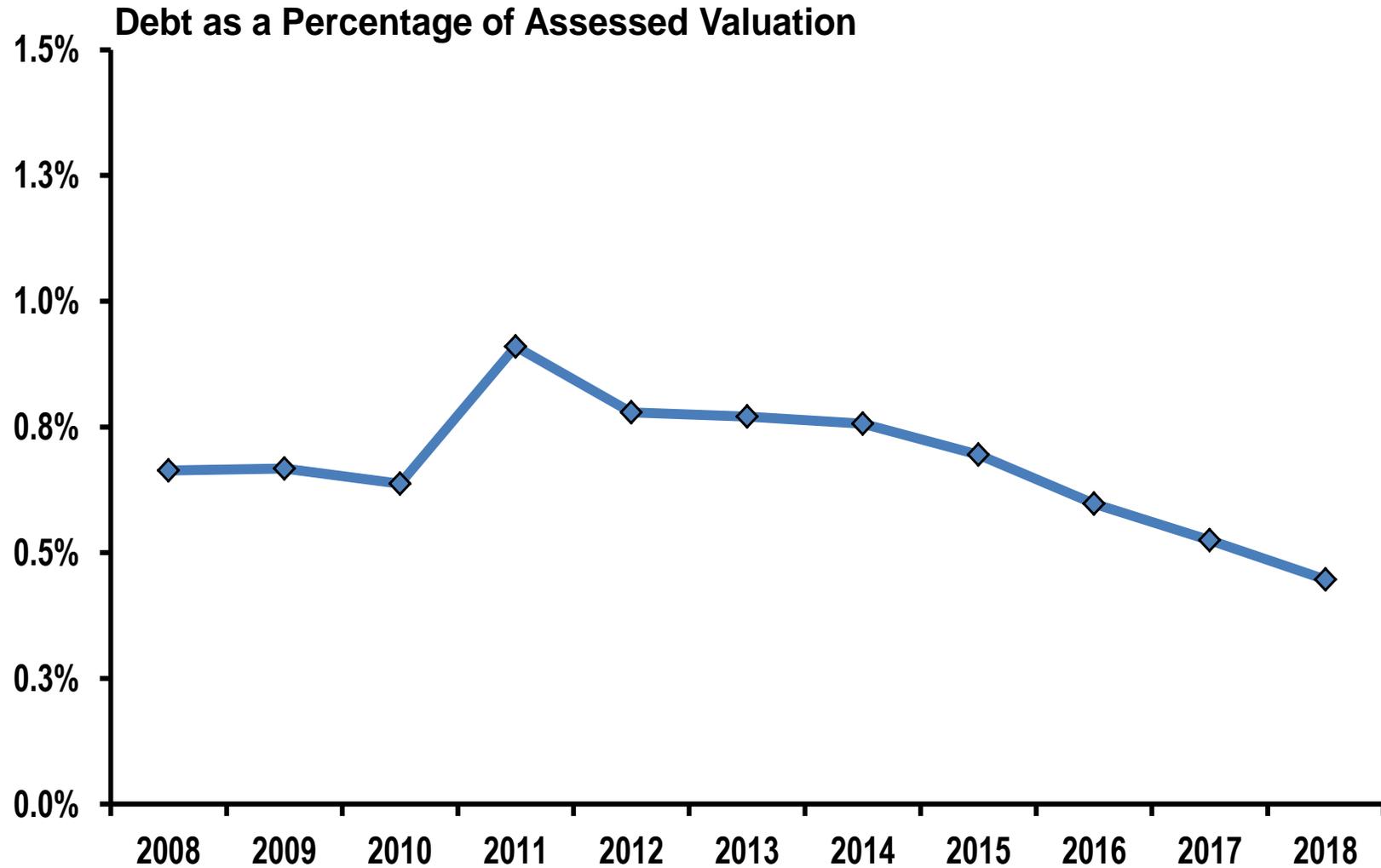
# Total Compensation % of Operating Revenues



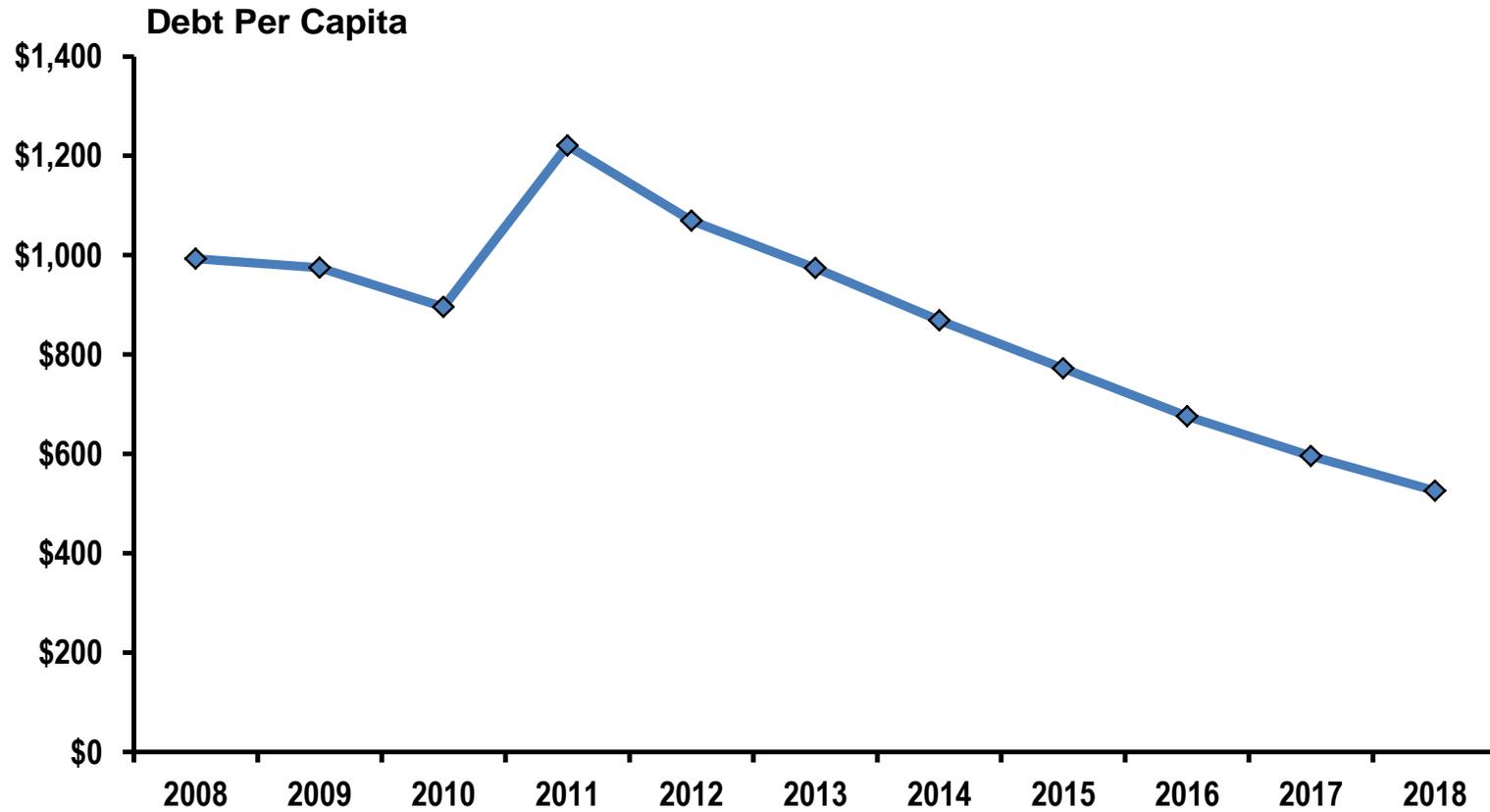
# Funded Pension Liability



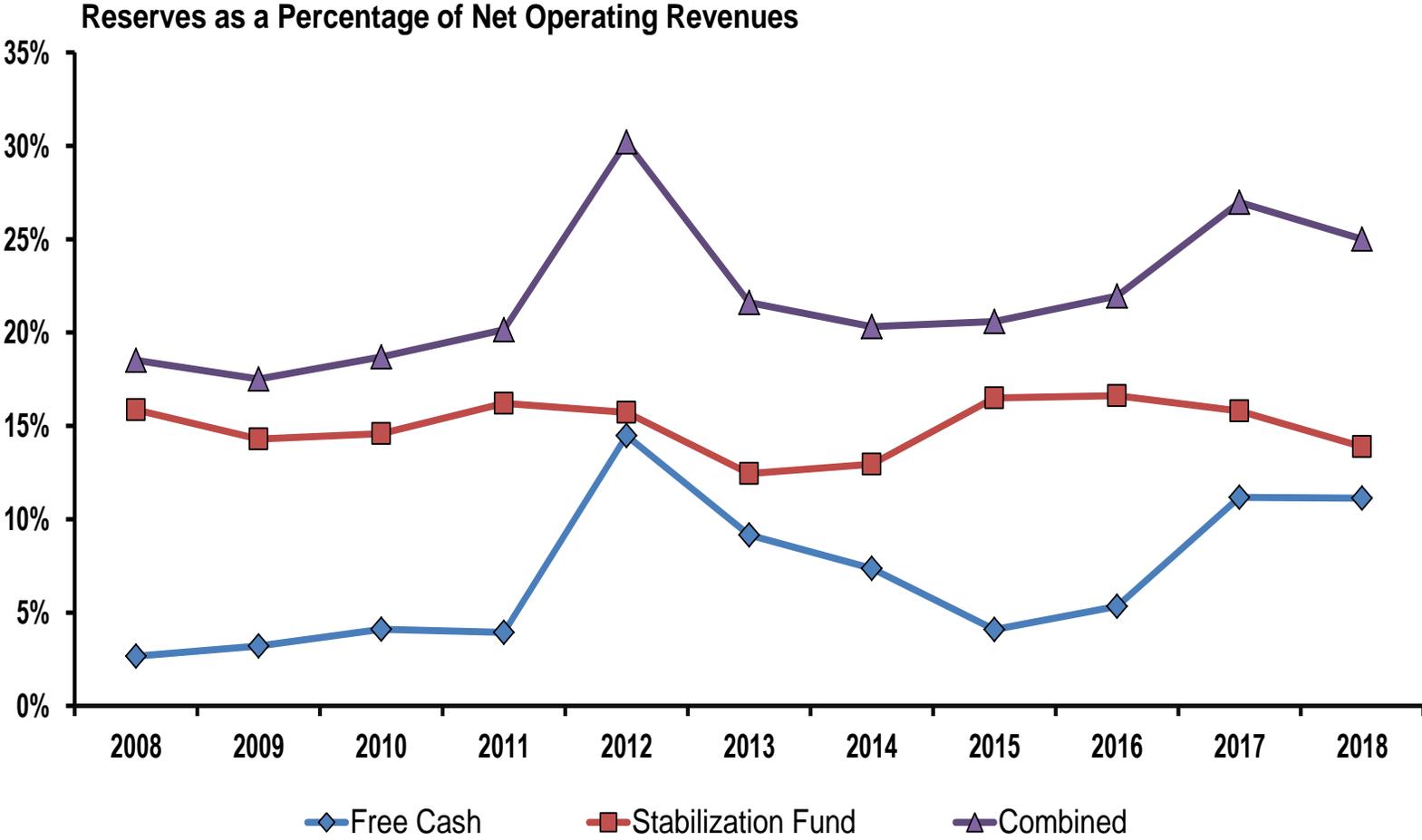
# Debt as a % of Assessed Valuation



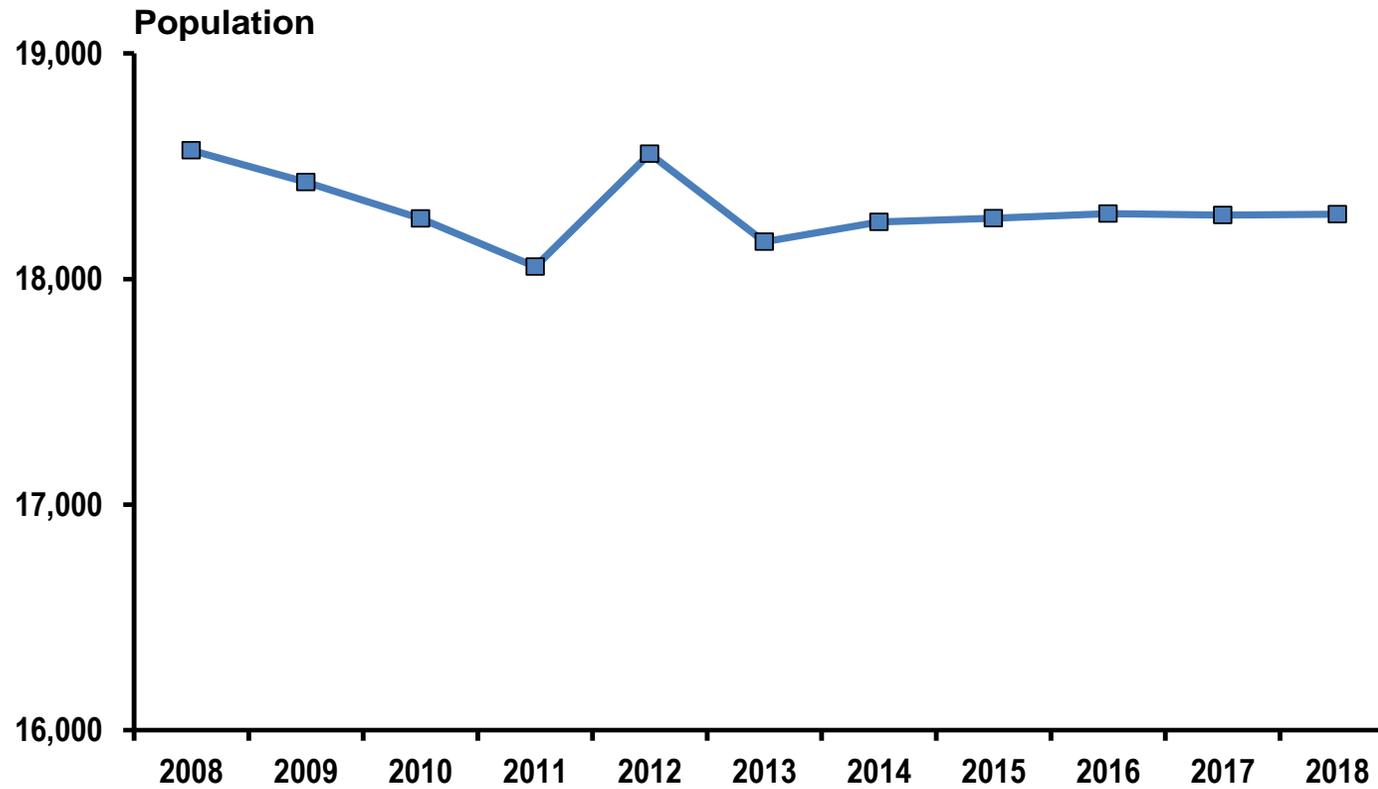
# Debt Per Capita



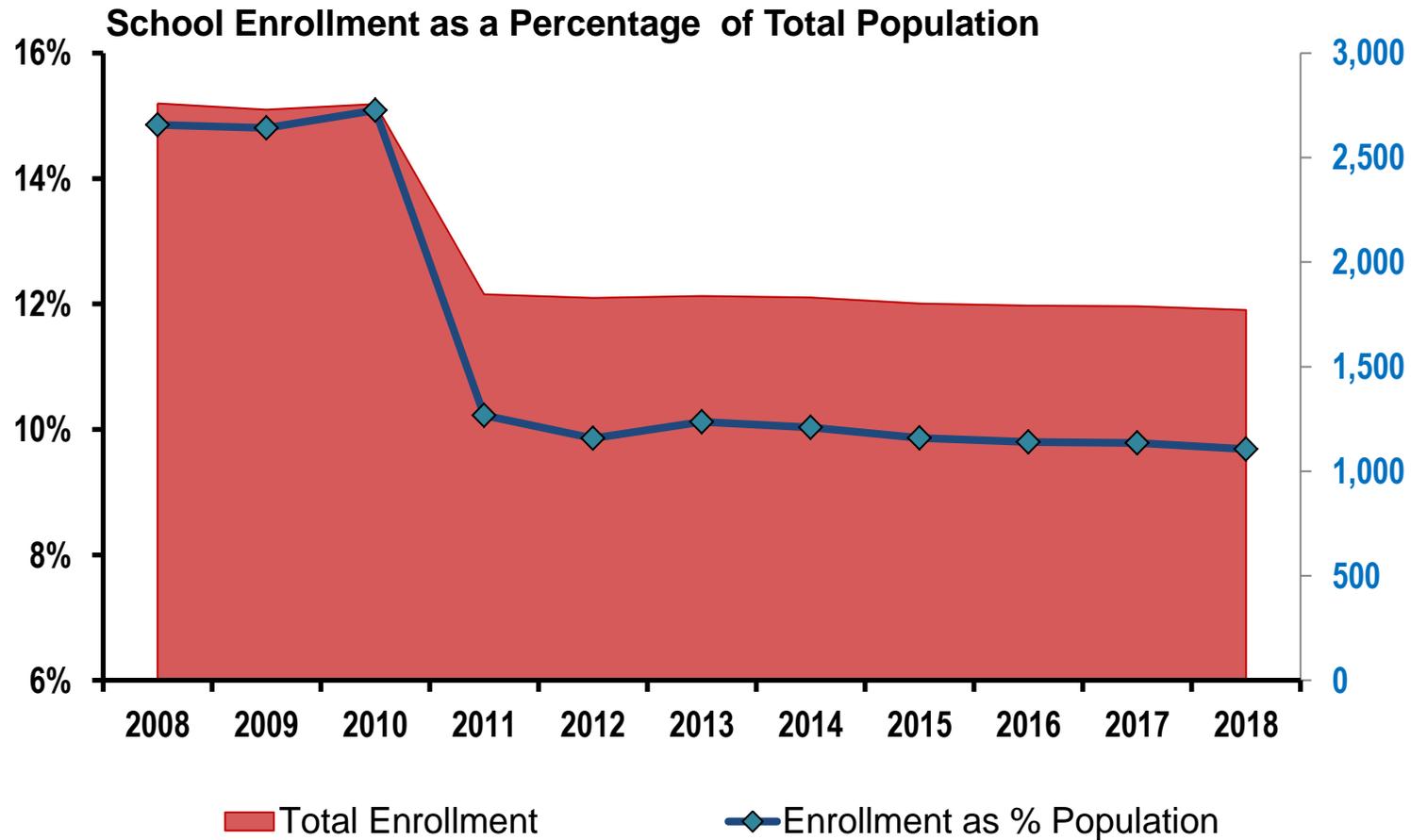
# Reserves as a % of Net Operating Revenues



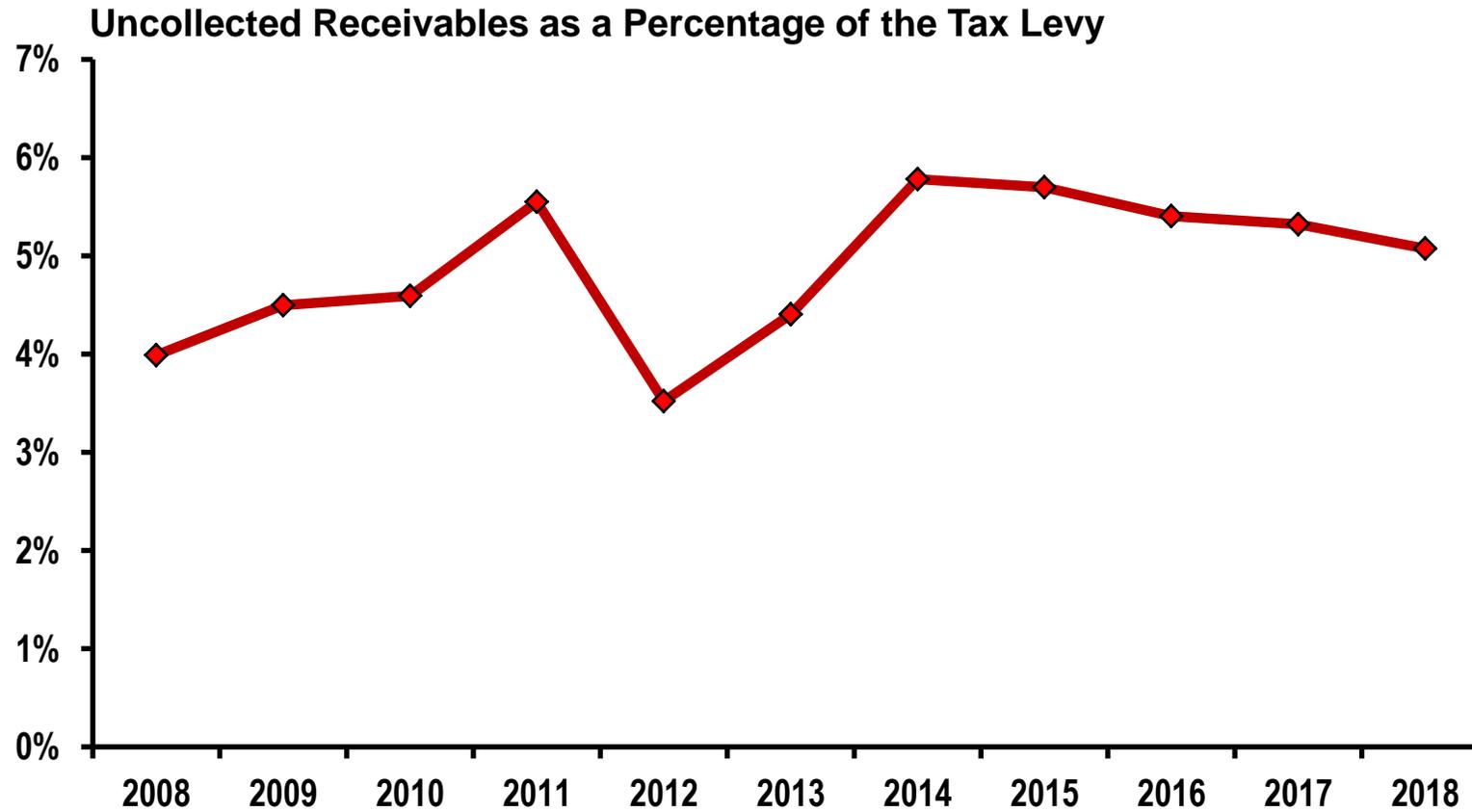
# Population



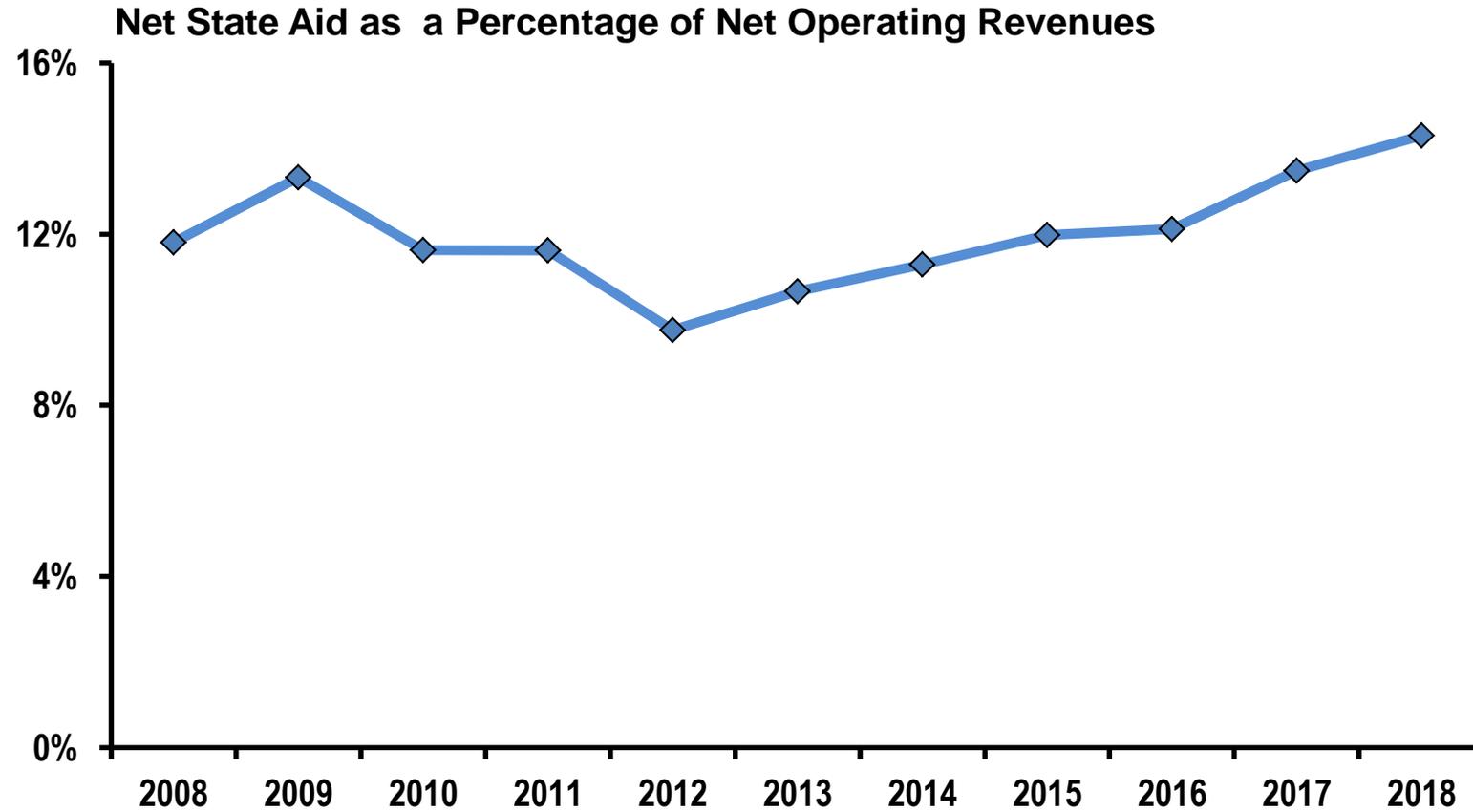
# School Enrollment % Total Population



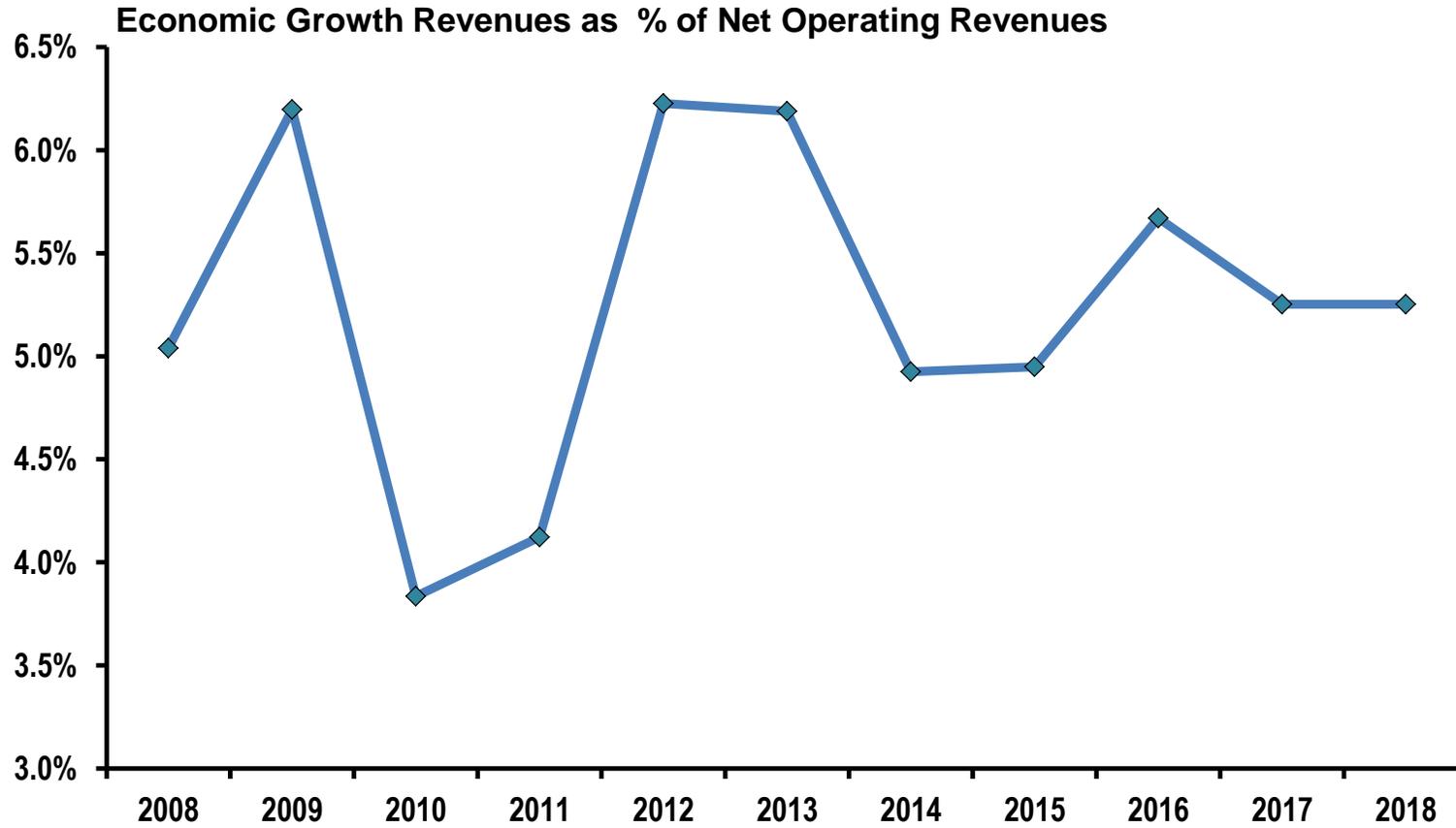
# Uncollected Receivables % Tax Levy



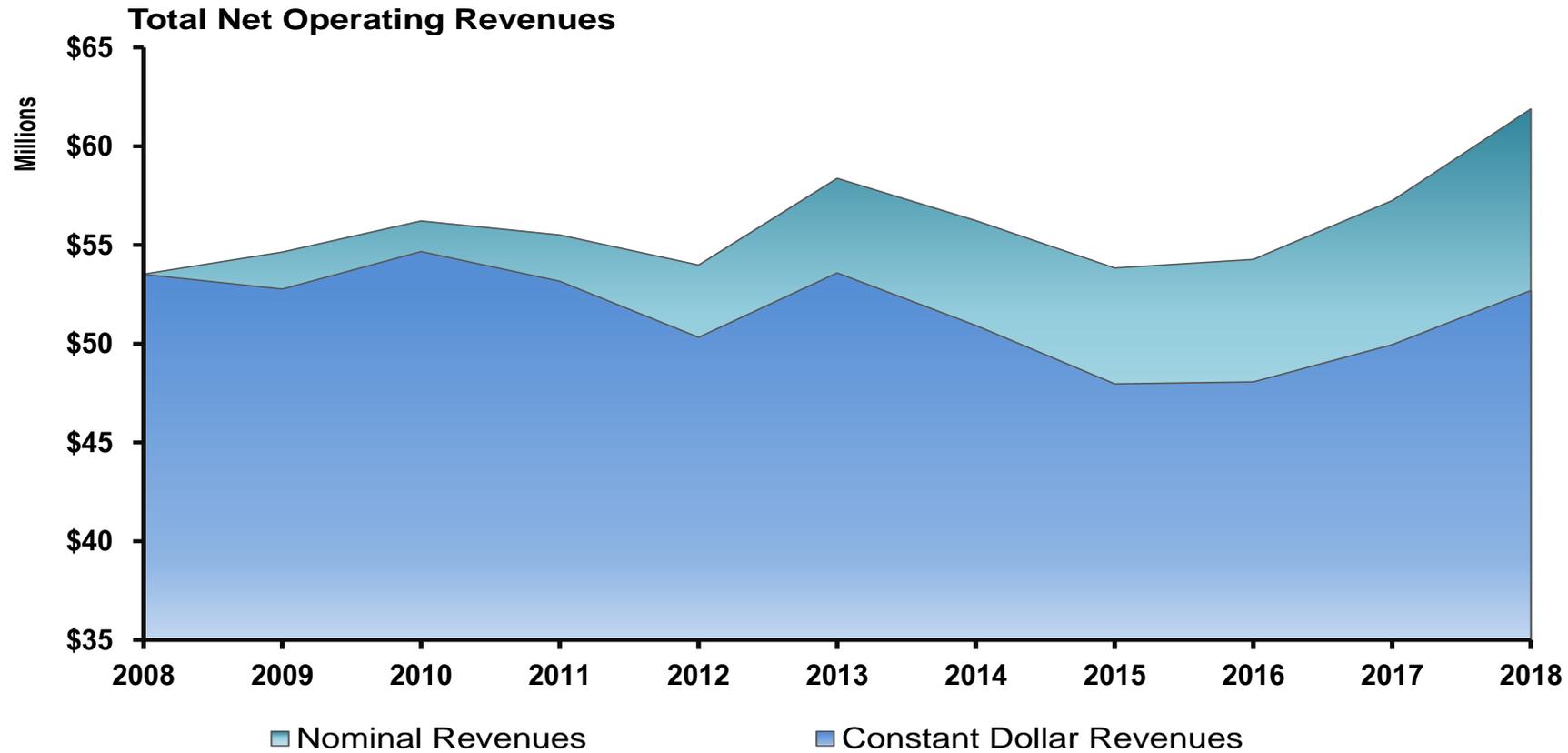
# New State Aid as a % of Net Operating Revenues



# Economic Growth Revenues as a % Of Net Operating Revenues



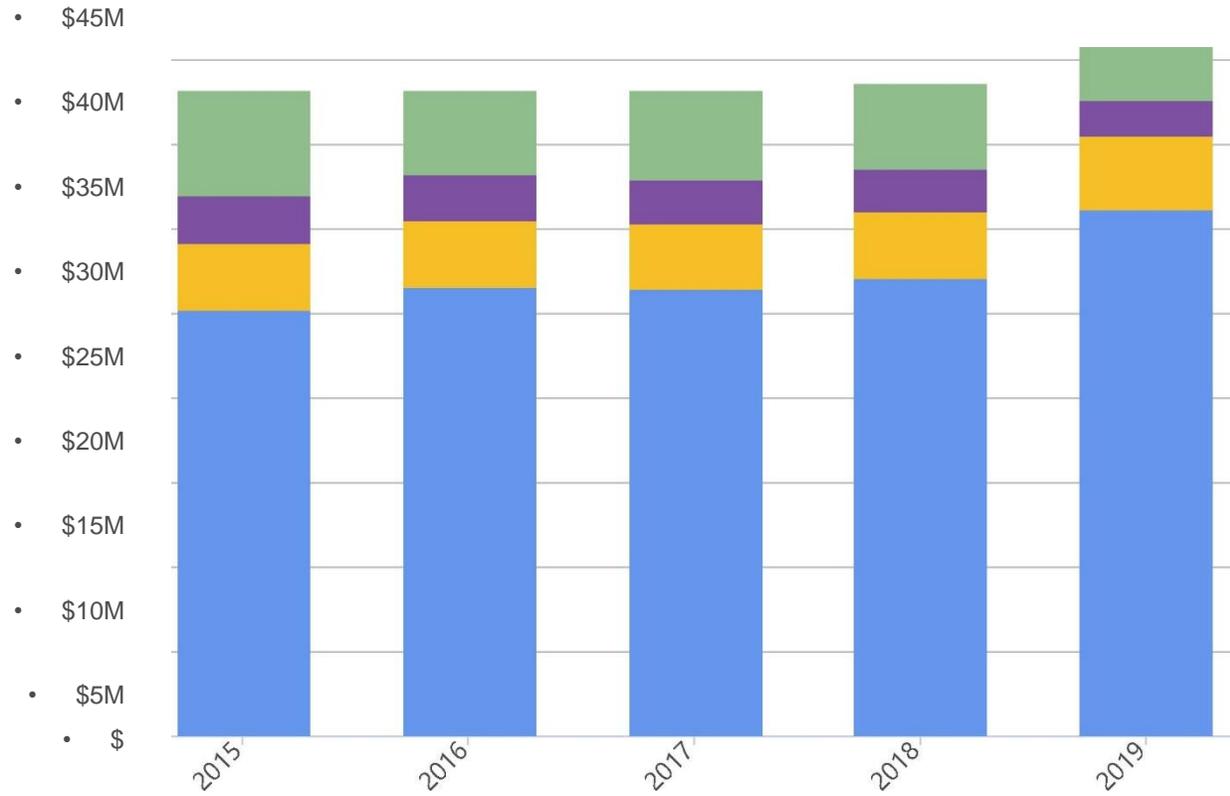
# Net Operating Revenues



# Tax Levy by Class

CLASS	2015	2016	2017	2018	2019
Residential	25,190,643	26,612,833	26,472,762	27,044,165	31,116,816
Open Space	0	0	0	0	0
Commercial	3,996,433	3,907,488	3,887,128	3,952,936	4,388,912
Industrial	2,768,239	2,684,165	2,531,625	2,559,007	2,089,571
Personal Property	6,243,047	5,021,246	5,324,334	5,122,176	3,506,270
Total	38,198,362	38,225,732	38,215,849	38,678,284	41,101,569

# Tax Levy By Class



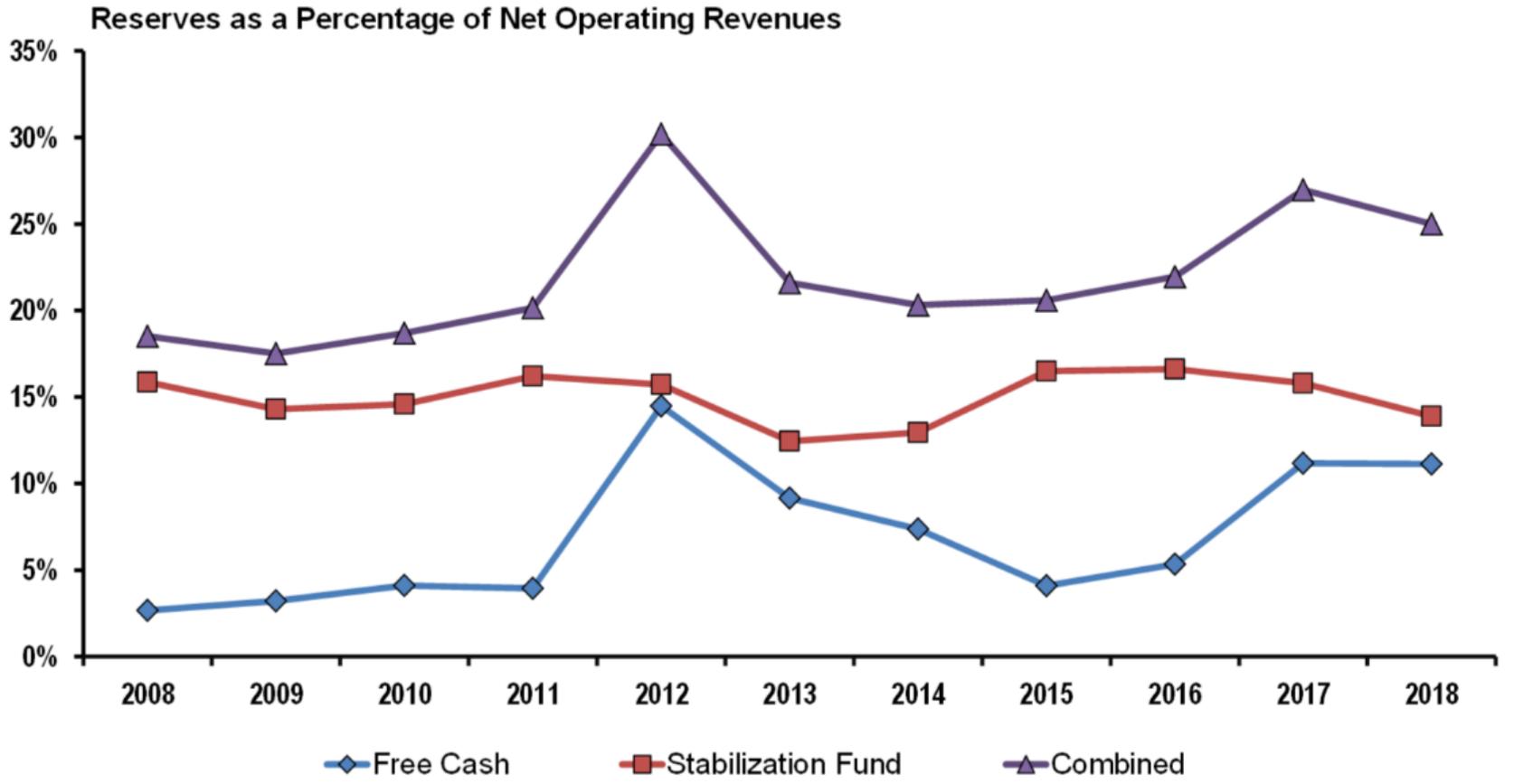
# Reserves

As a % of Net Operating Revenues

Fiscal Year	Free Cash	Stabilization Fund Year-End Balance	Combined Reserves	Net Operating Revenues	Free Cash	Stabilization Fund	Combined
2008	\$ 1,424,808	\$ 8,485,770	\$ 9,910,578	\$ 53,514,920	2.66%	15.86%	18.52%
2009	\$ 1,750,612	\$ 7,813,307	\$ 9,563,919	\$ 54,629,345	3.20%	14.30%	17.51%
2010	\$ 2,308,569	\$ 8,195,106	\$ 10,503,675	\$ 56,207,832	4.11%	14.58%	18.69%
2011	\$ 2,190,311	\$ 8,998,426	\$ 11,188,737	\$ 55,507,124	3.95%	16.21%	20.16%
2012	\$ 7,815,504	\$ 8,485,936	\$ 16,301,440	\$ 53,978,778	14.48%	15.72%	30.20%
2013	\$ 5,342,655	\$ 7,266,478	\$ 12,609,133	\$ 58,371,781	9.15%	12.45%	21.60%
2014	\$ 4,141,212	\$ 7,278,359	\$ 11,419,571	\$ 56,224,833	7.37%	12.95%	20.31%
2015	\$ 2,205,514	\$ 8,877,149	\$ 11,082,663	\$ 53,829,867	4.10%	16.49%	20.59%
2016	\$ 2,896,689	\$ 9,014,905	\$ 11,911,594	\$ 54,258,128	5.34%	16.61%	21.95%
2017	\$ 6,396,907	\$ 9,043,090	\$ 15,439,997	\$ 57,233,072	11.18%	15.80%	26.98%
2018	\$ 6,883,789	\$ 8,592,175	\$ 15,475,964	\$ 61,878,813	11.12%	13.89%	25.01%

Data Source: [DLS Municipal Finance Trend Dashboard](#)

# Reserves as a % of Net Operating Revenues



# Tax Rate Estimate

- Proposes using \$3.5 million to offset the levy increase
- Eliminate the residential & commercial exemptions

	Residential	Commercial	Personal Property
FY18	16.96	29.02	28.76
FY19	18.25	32.61	32.28
<b>FY20</b>	<b>15.74</b>	<b>29.06</b>	<b>29.06</b>

# Municipal Expenses

	FY 19 Budget	FY 20 Budget
• Public safety	\$5,383,772	\$5,665,730
• Public Works	\$4,028,005	\$4,127,309
• Education	\$29,788,534	\$30,138,444

# Public Safety

	FY 19 Budget	FY 20 Budget
Police	\$2,925,104	\$3,150,968
Fire	\$1,866,362	\$1,889,646
Police/Fire Complex	\$142,297	\$144,930
E-911 Dispatch	\$450,009	\$453,483

# Public Works

FY 19 Budget

FY 20 Budget

• Highway	\$814,254	\$797,448
• Water Pollution	\$2,733,051	\$2,887,282
• Vehicle Maintenance	\$440,710	\$442,579

# Education

## FY 19 Budget

## FY 20 Budget

• K-8	\$19,783,404	\$20,486,756
• SBRHS	\$8,898,111	\$8,500,743
• Diman Tech	\$1,060,679	\$1,102,288
• Bristol Agricultural	\$46,340	\$48,657

# Additional K-8 Expenses FY 18

# Concerns

- Spending has been based on Brayton Power revenues
- Depressed salaries and spending over time
- Sewer Plant upgrades & NPDES Requirements
- Municipal infrastructure needs major maintenance spending
- Middle School renovations/upgrade
- Elementary School renovations
- School Finance Reform may increase local minimum expenditures

# New Growth

- Fairfield Inn
- Solar Therapeutics
- National Grid Substation
  
- This is new growth that partially funds current budgetary increases.
- Not significant to allow lower taxes

# Un/Under Funded

- OPEB
- Building Maintenance Supervisor
- On Site IT Support
- Cyber Security
- GIS
- Clerical Support in Various Departments
- Sidewalk and Pavement Repair
- Affordable Housing Mandate

# OPEB

- Unfunded Liability (6/30/2019) = \$155,746,174
- Full funding by 2045 requires \$2,682,688 for FY20 &
- 3% increase to the funding amount each year
  
- Change from Medex III to Medex II (\$1,000,000)
- Move non Medicare eligible retirees to Medicare

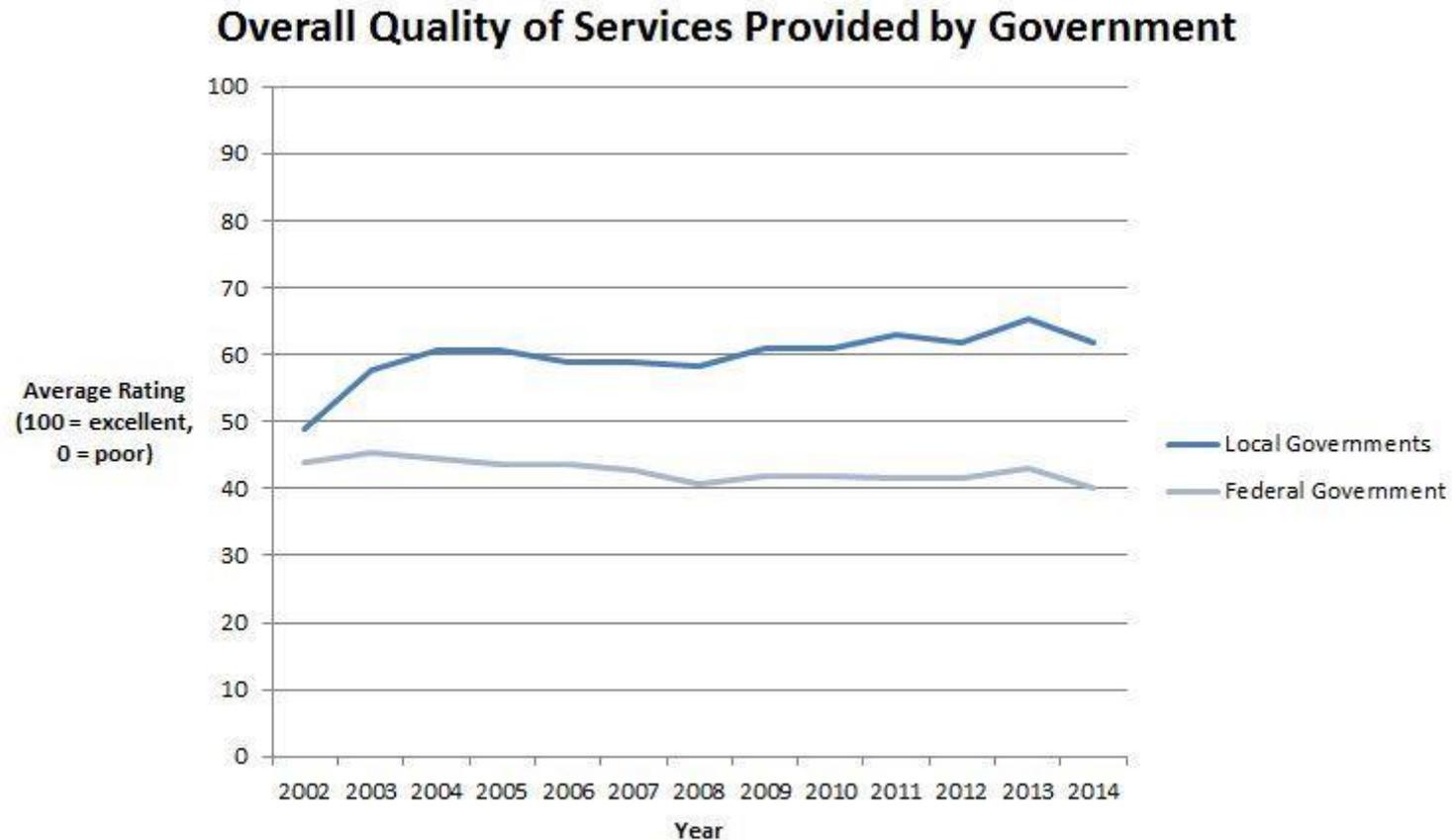
# Ideas to Consider

- Regional Dispatch
- Police/Fire Consolidation
- Sub-Contract Water & Sewer Operations
- Show Full Costs of Education
- Eliminate Residential Exemption >> Single Tax Rate

# On-Going

- RT 138 Corridor Study
- Slades Ferry Mixed Use Redevelopment Implementation
- Municipal Vulnerability Preparedness Plan
- Open Space Plan
- Integrated Water Resource Management Plan
- I-195 Exit 4 Plan
- Solar @ Landfill
- Economic Development Assessment and Process Improvement

# Local Government Gets Things Done



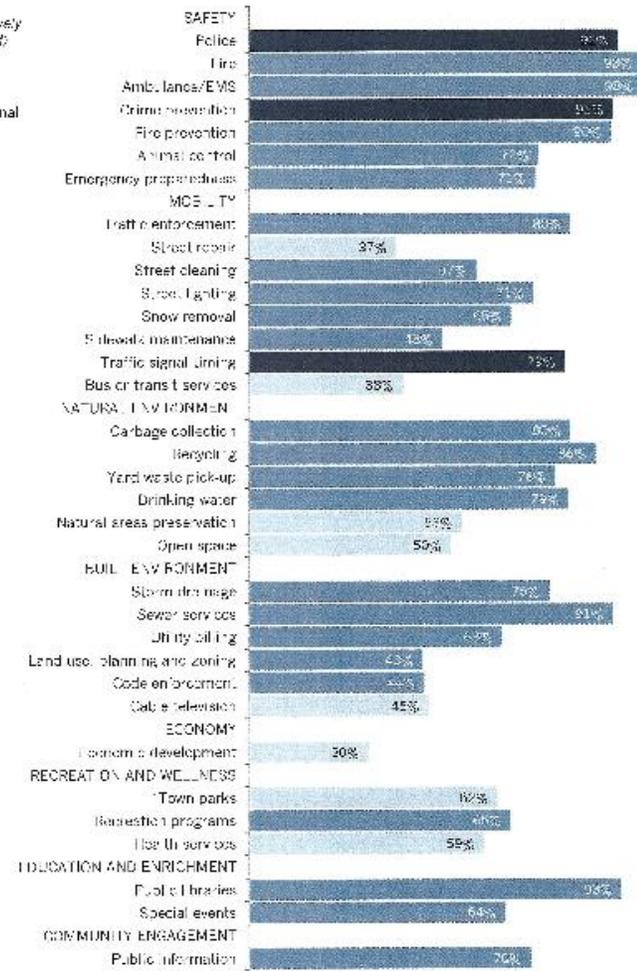
The National Citizen Survey™

Figure 2: Aspects of Governance

Perceived rating positively  
(e.g., excellent/good)

Comparison to national  
benchmark

- Higher
- Similar
- Lower



We Know a Thing or Two Because  
We've Seen a Thing or Two

