

To: The Honorable Board of Finance

From: Benjamin G. Blake, Mayor

Date: January 25, 2016

Subject: GENERAL BUDGET for the Fiscal Year July 1, 2016 to June 30, 2017

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 2016-2017.

In Milford, there is little disagreement on the resources we aspire to achieve and maintain for our residents. We all want successful schools, reliable roads, and safe sidewalks. We want a superb senior center and a sound and balanced budget. We all want the best bond ratings and our operations to be more effective and efficient than ever. Whenever and wherever possible, we look to generate real revenue to help offset the cost of City operations. We want the character of our neighborhoods protected and our downtown vibrant and bustling. We want a safe and secure place to raise our children and grandchildren with beautiful green open spaces and stellar parks and beaches. What we really want here in Milford is a city that we are proud to share with visiting family and friends who are so wowed by all that Milford has to offer that they consider moving here too.

With such a common interest in what we all want for Milford, our local budget debates focus on how to realize our goals and prioritize our resources. There is a balance that must be struck between the need to provide quality services and the cost of those same services.

During this budget process, we must ask ourselves: how we will maintain and invest in our infrastructure, our schools, our police, our fire, and our senior center without placing an undue tax burden on our residents? Do we really need a particular product or service and what is it truly worth? What can we afford and how can we be sure we are getting the most out of our tax dollars? Are there better models in other municipalities? These are the questions that will challenge us as we review, discuss, and ultimately adopt our annual budget.

As we ready for the budget work that lies ahead, we can take some comfort that we stand on the footing of a fiscally firm foundation. Milford has an enviable mill rate - far less than any of our neighboring communities. Our prestigious bond rating, prudently managed fund balance, and sound pension fund are all products of Milford's conservative budget approach.

Going into the 2016-2017 Mayor's Budget, I'm happy to report that the spending-side of this request reflects one of the lowest increases in over a decade. While cost drivers like debt service and pension contributions continue to grow, we are working hard and making changes that will limit these liabilities. At the same time, the recent adjustments we have made to the administration and plan-design of our health care program – the City's largest expense after wages - are beginning to yield real results and we continue to focus on managing health care costs.

On the revenue side of this budget, we are projecting a positive trend. With the rise of new businesses locating to Milford, coupled with an increase in residential and commercial construction, the City's Grand List, which had remained relatively flat since the national financial crisis of 2008, is now beginning to expand. Moreover, we are in the process of implementing several new revenue streams to ease the burden on local taxes.

While this initial proposal reflects a conservative starting point, your board, the Finance Board, as well as the Board of Aldermen will ultimately have an opportunity to further improve upon this budget. As you review this financial plan, prioritize resources, and adopt your own recommendations, I ask that you reflect on our collective vision for Milford – a small city with lots of New England charm that continues to prosper in the 21st Century. Your work over the next few months will help us to realize this vision and foster a community we are all proud to call home.

Thank you for your time, your diligence, and your consideration.