

**CITY OF MIDDLETOWN
2019-20
MAYOR'S BUDGET ADDRESS**

In the past eight years unemployment has dropped, Middletown's bond rating increased from AA to AA+ to AAA, crime is down, and economic development is increasing. We are already starting to see results from the superintendent's detailed strategy to close the achievement gap in the public schools, and our infrastructure is being rebuilt at an unprecedented rate.

Standard & Poors just awarded our fourth consecutive AAA bond rating. In a recent debt issue we achieved the second-lowest interest rate in the city's history and one that was significantly lower than average market rates. S&P – again – described Middletown's economy as “very strong” and we saw growth of over 3 percent this year with more than \$100 million worth of property having been added to the tax rolls. That makes several years running in which our growth exceeds inflation. This means that more people than ever – not just a select few – are sharing in Middletown's prosperity.

This excellent news is particularly relevant given the background of financial difficulties at the state level. Like any town or city in Connecticut, these troubles have an impact on our operations given that approximately one-fifth of our revenue comes from the state depending on the year. Notwithstanding that reality, we are awaiting state budget numbers that will make clear whether we receive all of the aid we have been getting in recent years.

This has left me – like last year and the year before it – in a position of relative uncertainty in deciding how to propose the budget to the Common Council. I have taken the approach I did in the last several years in that I have preserved our current levels of service while awaiting the information that will be relevant as the state finalizes its own budget and the amount of state funds coming to us comes into relief. Our municipal aid from the State of Connecticut is still \$4 million lower than what it was last year. I don't believe it would be wise or responsible to present you with a budget loaded with draconian cuts while the legislature is deliberating and our delegation works to get for us the funds to which our taxpayers are entitled.

I am presenting to you today what is essentially a level services budget. Growth on the municipal side of the budget is limited primarily to contractual obligations, additional law enforcement personnel, the additional park maintenance staff the Council committed to during deliberations over the parks bond in 2015, and level services staffing elsewhere.

The additional growth rests in the proposed appropriation for the Middletown Public Schools. I have proposed for the school system the request made by them less the \$900,000 Alliance District grant, which can be directed toward implementation of the superintendent's strategic operating plan, which is already bearing fruit according to available data. I would like to thank and recognize Dr. Conner for providing my staff and I with an unprecedented level of transparency and budgetary detail in their presentation. The information they provided to us included information about other revenue sources the board received and showed where all of their funds would go.

The general fund budget proposed here is \$170,321,438. This represents an aggregate 5.73 percent change over last year's budget. Of that, \$89,808,377 is proposed for operations of the school district (aside from other grants and state/federal subsidies they receive). The remaining \$66,349,253 funds general government operations – proposed increases of 7.75 percent and 3.94 percent, respectively. The remaining funds are appropriated throughout the other five special services budgets such as the Middletown Fire District, Downtown Business District, Sewer District and others.

Middletown is one of the strongest cities in Connecticut. Perhaps the greatest indicator of this strength is not solely the AAA rating of which our community is so proud, but viewing it in conjunction with a lower average per capita income than other AAA communities. As with your personal credit score, it's relatively easy to be rated well when you are wealthy. The real hallmark of this community's health and economic endurance is achieving all of this despite not being inherently wealthy.

Success for Middletown is not some mythical, future achievement toward which we are striving. Middletown is succeeding fabulously right now.

Sincerely,

Mayor Daniel Drew