

WATERBURY

General Fund

	<u>Total Fund Balance</u>	<u>Percent of Budget</u>	<u>Unassigned Fund Balance</u>	<u>Percent of Budget</u>
FY 15 Actual	22,635,000	5.8%	19,635,000	5.0%
FY 16 Actual	22,661,000	5.8%	19,661,000	5.0%
FY 17 Estimated	23,161,000	5.7%	20,161,000	5.0%
FY 18 Projected (based on adopted municipal budget)	23,161,000	5.6%	20,161,000	4.9%

Supplemental Information - Fund Balance, Mill Rate & Recalibration of State Aid:

The City's issuance of special reserve deficit financing bonds in 2002 came with an IRS bond covenant working capital restriction limiting the City's accumulation of Unassigned Fund Balance to the equivalent of 5% of Budget. The working capital restriction will sunset in 2022 with full redemption of the 20-year deficit financing bonds, issued when the City was on the verge of bankruptcy. It has been a long and difficult process, full of sacrifice with a continued heavy property tax on Waterbury's residents & businesses to be where we are today. Being able to maintain an unassigned fund balance of 5% of budget is critical to the financial stability of the City and is certainly tied to the City being able to maintain a good bond credit rating. Maintaining the 5% fund balance and continuing to responsibly budget for the amortization of significant past liabilities has come with sacrifice in many other areas. For over 15 years the City has maintained very controlled growth in its General Fund Budget through detailed budget analysis & development, staff reductions and deferring capital renewal & replacement investments out of necessity to maintain the lowest possible mill rate. All wants & many operational needs for a large urban City, that would be funded from local property tax dollars, are passed on from year-to-year in order to hold the line in the face of increased financial burdens. A particular financial burden for Waterbury comes with the cost of providing education to a large & growing student population and a large & growing special education student population. The mill rate set for this past fiscal year exceeded 60 mills being set at 60.21 mills. This high mill rate is a financial stress on residents & businesses, many with very low income levels and additionally creating a significant barrier to generating growth & investment within the City. Substantial relief was provided to Waterbury residents & businesses with adoption of the motor vehicle mill rate cap at 37 mills last fiscal year. The City's current 2018 Budget was adopted with anticipation that the State's motor vehicle reimbursement CAP would be set at 37 mills. As you are aware, the City of Waterbury is the most underfunded district through ECS funding contributing to the City having the highest to second highest equalized mill rate in the State of Connecticut year-after-year. Waterbury's residents and businesses have carried the burden of this inequity for decades. The City of Waterbury strives to be a strong asset for the State of Connecticut serving as one of the largest urban centers in the State with a population of 110,000 residents and responsible for educating nearly 19,000 students. We are classified by the State as a distressed municipality. The recalibration of State aid resulting in a more equitable distribution & investment in Waterbury is critical to our City and certainly to other large urban centers throughout the State.

General Fund Budget - Education Funded Expenditures

Please refer to subsequent table which shows a \$32.7 million increase in the City's General Fund spending on Education. This represents the costs funded by local tax payers net of State Aid accrued to the City's General Fund.

School Enrollment

Please refer to the subsequent table which shows a 617 student enrollment growth over the past 10 years with the majority of that increase occurring in the last 5 years. Included in the student enrollment growth is an increase of 731 special education students representing a 26% increase over that period of time, again with most of that increase occurring in the last 5 years.

Cash Flow Projections - Delay in State Aid

The City of Waterbury is in a stable cash position as of 8/16/2017 due to real-estate & personal property tax collections from the July first installment. Cash reserves drawdowns to fund salaries, benefits and other operational costs without receipt of State Aid is estimated at \$25-\$30 million per month. Under this scenario the City would estimate that it would reach a critically low cash reserve position during the middle part of October 2017.

GENERAL FUND BUDGET - EDUCATION FUNDED EXPENDITURES
Fiscal 06/07 to 15/16

FISCAL YEAR	SCHEDULE 1	SCHEDULE 4	SCHEDULE 9	Regular Ed, Special Ed & InKind Expenditures
	In-Kind Services Expenditure	Special Education Expenditure	Regular Program Expenditures*	
15-16	\$70,462,121	\$60,531,780	\$154,608,682	\$225,070,803
14-15	\$68,827,268	\$58,782,516	\$154,482,019	\$223,309,287
13-14	\$64,074,169	\$57,560,617	\$154,748,163	\$218,822,332
12-13	\$65,458,696	\$57,337,073	\$153,337,424	\$218,796,120
11-12	\$61,672,190	\$55,832,333	\$155,183,920	\$216,856,110
10-11	\$62,485,052	\$56,625,986	\$153,686,291	\$216,171,343
09-10	\$54,497,541	\$54,813,778	\$154,033,680	\$208,531,221
08-09	\$54,385,617	\$50,931,701	\$153,897,393	\$208,283,010
07-08	\$55,804,804	\$48,557,874	\$147,356,282	\$203,161,086
06-07	\$50,748,815	\$45,374,521	\$141,624,296	\$192,373,111

* Includes Special Ed

**CITY OF WATERBURY
STUDENT ENROLLMENT
2007-2016**

Year	Total October 1 Student Enrollment*	Total October 1 Special Education Enrollment
2016	18,901	3,559
2015	18,752	3,518
2014	18,797	3,435
2013	18,622	3,278
2012	18,358	3,122
2011	18,062	2,980
2010	18,150	3,038
2009	18,140	3,078
2008	18,316	2,973
2007	18,284	2,828

*** Includes all students
Regular Ed and Special Ed**