

April 27, 2020

To the residents of Middletown:

In the midst of these uniquely challenging times, I am grateful for the opportunity to share an overview of my 2020-21 city budget proposal, and look forward to getting your feedback. This proposal is the start of a process of which I hope your voice will be a key part. In the coming weeks, we'll hold virtual budget hearings to make sure that the Common Council and I are focusing on the right issues and planning properly for the challenging and unpredictable year ahead. For now, I want to take this opportunity to outline my budget proposal, how we came up with it, what it means for you, and how we plan to proceed from here.

First, what I am presenting today is not the final budget, but a proposal that is subject to changes should the Common Council decide to make them. As I wrote above, the Council will hold hearings over the coming weeks and my administration will work with them to settle on a final product that I hope will receive bipartisan support. During the first few months of my term, I have been gratified by the close working relationship we've had with both Democrats and Republicans on the Council, and I'm eager to continue that collaborative partnership on the budget.

The COVID-19 pandemic has made this a particularly complicated time to make budget decisions. We are only beginning to glimpse the toll that COVID-19 is going to take on our economy, and while we're hoping that most of our emergency expenditures on things like personal protective equipment will be reimbursed by FEMA, it will be a while before we know for sure. As we make our way through this process, I am prepared to work with the Council and the public to ensure the City of Middletown is playing an active role in supporting businesses and residents in order to keep our economy and our small businesses going.

In spite of all the unpredictability, I am incredibly proud of the budget we are introducing, and of the team that put it together. And while we don't know what the world holds for us in the year ahead, what we do know is that Middletown is on strong financial footing and we are well-prepared for whatever harsh winds blow in our direction. We have a growing economy, an expanding tax base, a AAA bond rating, and a low debt service. Moreover, the biggest expenditures and debts that we have taken on in the last few years are all investments that are laying the groundwork for even more economic vibrancy-- things like the water and sewer reorganization that will open up our riverfront, historic investments in parks, roads, and education, and construction of a new middle school that is on track to be the most innovative new school facility in the state of Connecticut.

It is because of all those factors, and because of the great efforts of dedicated public servants both current and former, that I am proposing a budget today with no tax increase-- the first true zero-increase budget in a generation. And even though we're not raising taxes, this is not an austerity budget; in fact, it's the opposite of that. We're continuing to invest in the future of a city that means so much to us all, and that is poised for great things in 2020, 2021, and beyond, and we're doing it while maintaining the quality of city services and managing one of the most well-run and fiscally sound employee pension programs anywhere in the United States.

At the beginning of our budget cycle, I asked each department head to present me with three things: first, a flat budget with no increase other than contractual obligations; second, a budget that cut 5% from their department; and third, a "wish list" of items that they would increase spending on. It's important to think about the budget holistically; some departments run leaner than others, and some need more in a given year but less in the next. For every year that I am in office going forward, I want to think about the budget not as a static document that gets submitted once per year, but as an ongoing process that anticipates what we will need-- and what we can afford-- in years 2, 3, and 4, and make decisions based on what those needs and wants look like, year in and year out.

On the city side, we wrote what is essentially a level services budget. We're not adding new positions, issuing new debt, or otherwise dramatically changing any structural elements of how we're spending money and on what. That being said, there are some really exciting elements that I want to highlight, because I believe they are going to lay the groundwork for the amazing progress we all want to see Middletown make over the next few years.

First, we're funding a \$209,000 capital increase to our Information and Technology Services Department, which is going to translate into a significantly more advanced and accessible city government. We're seeing in real time how important technology is to running the modern world, and this new investment will prepare Middletown for a post-pandemic future in which every resident can be more connected and informed about their community than ever before.

Second, we're providing \$27,000 in additional funding for a unique multi-year effort by the Human Relations Commission and the Middletown Racial Justice Coalition to interrogate race relations in our community and confront the ways in which both explicit and implicit racial bias contribute to inequities in economics, education, policing, and more. The money is going towards professional staff who have been leading trainings, performing research, and making policy recommendations to city leaders on how we can make Middletown a more welcoming and inclusive city for everyone.

Third, we are continuing to abide by the findings of a recent study showing that Middletown Police Department is understaffed for a city of our size, and adding funding for the addition of a new police officer this year. I'm grateful to have inherited a police department that places a high premium on hiring only the very best people, and is working hard to diversify the force in new hiring, bringing in more women, people of color, and Middletown residents to the department. I have so far had the privilege of swearing in one new officer as mayor, and I look forward to bringing on board a new recruit of the same high caliber this year.

Fourth, we are actively planning for the redevelopment of our riverfront, budgeting \$75,000 for projects and activities, preparing to hire a professional firm to develop a riverfront master plan, and using our extremely strong revenue numbers to help defray the cost of the water and sewer regionalization that was essential to opening up the former treatment plant site on the bank of the river. Beyond that, we are also continuing the funding into 2021 for the Fourth of July Festival and Middletown Pride, two signature events that, like our future riverfront, will play a huge role in bringing entertainment and economic development to our growing downtown.

Fifth, a pressing but underreported local issue in recent years has been the dieoff of our urban forest. Invasive species have been killing trees in the Forest City at four times the rate they are being replaced, which has major consequences for our air quality and our overall quality of life. The Middletown Urban Forestry Commission brought this issue to light in partnership with the Jonah Center, and I am proud to include in this budget an increase of \$50,000 to the city's tree-planting budget. New trees will contribute to our environmental, economic, and public health in myriad ways, and I'm excited to partner with the Commission to get the job done.

Sixth, we are doing right by our future. As mayor, I've benefited from the thoughtful, long-term approach that previous city leaders have taken to previous budgets. I want to do the same thing for those who come after me. That's why we are fully funding the city pension accounts, increasing funding for one-time capital expenditures to create a true capital budget that is distinct from our operational budget, and continuing the landmark investments in education that have put Middletown Public Schools on the map not just statewide, but nationwide. I am happy to share that we are recommending full funding of the Board of Education's \$2.5 million request for operational increases, as well as investing \$1 million towards a capital plan for our schools. Once that middle school is finished, we're going to need to make some real improvements at our elementary school buildings, and we're preparing today to make sure we can afford it tomorrow. I have been so pleased to work with Dr. Michael Conner and his team on this, and I am confident that continued partnership is the way to unlocking the potential in all our students.

Finally-- this bears repeating-- we're accomplishing all of that and more with no tax increase. And when I say no increase, I mean no increase, period: no revaluation adjustments, no baseless revenue projections, no gimmicks. The mill rate last year was 36.0, and the mill rate this year is 36.0. Not only that, there's no city fire tax increase, no water increase, no sewer increase, and no city sanitation increase.

When I was running for mayor, the issue I heard more than any other when I was knocking on doors was that even though people love living here, the *cost* of living is getting too high. I believe in the efficiency and efficacy of public services, and in Middletown, that's what we have. But I am against regressive taxation, and that's what our property tax system is here in Connecticut-- regressive. Our tax structure asks the most of people and towns that are least able to pay, and even with a zero increase, a Middletown resident still pays almost five times the dollar amount in taxes on their car as they would for the exact same car in Greenwich. It is a system that rests at the root of our cost of living crisis in Connecticut, and it's long past time for it to change.

We can't do it alone, of course-- and we can't do it overnight. What we can do is work hard to run our city well, doing the very best we can for our taxpayers, and that's what I believe we have done. It's been a team effort in every sense of the phrase, and I am including in that team people who are no longer in city government but whose efforts will be felt in the progress we make for a generation to come. I want to especially recognize the city's finance department, led by Carl Erlacher, Diana Doyle, and Tayna Oliver-Perry; the team in the mayor's office, especially my chief of staff Bobbye Knoll Peterson, budget analyst Rohan Manning, and the amazing Linda DeSena, who plays every role that is asked of her and then some. I also want to mention our emergency management staff, particularly Chief Rob Kronenberger and EMD budget director Tina Gomes, whose leadership has been especially critical in the present moment.

Finally, I would remiss without mentioning the contributions of all our current and former elected officials who make Middletown work, in particular our former mayor, Dan Drew, and recent council members who are no longer serving but whose efforts on recent budgets laid the groundwork for this one: Bob Santangelo, Carl Chisem, Rob Blanchard, Mary Bartolotta, Deb Kleckowski, Seb Giuliano, Vance Cotten, Gerry Daley (who laid the groundwork for Middletown's economic growth at the helm of the Economic Development Committee), and the late Tom Serra, who knew the ins and outs of the city budget better than anybody, and whose legacy will live on in the quality of life he helped to create for the city that he loved.

Thank you for reading. As I said at the top, this is just the beginning, and I will continue to post updates here about the next steps in the budget process. With so much uncertainty out there, the Council and I will need to be creative in how we get this done, but we can't do it without your help and your buy-in. I hope you'll continue to be involved.

The opportunity to serve as your mayor is the greatest honor of my life. I promise I will continue to work hard with the great team I am blessed to have as we move our city forward.

Mayor Ben Florsheim