

AN ORDINANCE APPROPRIATING ADDITIONAL FUNDS FROM THE UNRESTRICTED FUND BALANCE OF THE CITY CONSOLIDATION DISTRICT

WHEREAS, the cost of overtime, replacement cost, and negotiated salaries and benefits for fiscal year 2016-17 are \$330,000 higher than anticipated compared to the adopted 2016-17 budget for the City Consolidation District (“CCD”); and

WHEREAS, the CCD has an unrestricted fund balance (“UFB”) which is projected to be \$926,000, or 12% of the operating expenditures of the CCD as of June 30, 2017, including the impact of the \$330,000 budget variances described above; and

WHEREAS, the UFB of the CCD fund has accumulated primarily as a result of greater-than-anticipated current and prior tax levy collections over the years; and

WHEREAS, although the City does not have a formal policy for the UFB level of the CCD fund, because the expenditures in this fund vary moderately, the Comptroller and City Manager deem a UFB level of 8% of operating expenditures, or \$615,000, to be adequate for this fund; and

WHEREAS, as of the City of Norwich Retirement Plan’s most recent actuarial valuation report dated July 1, 2015, the Firefighters portion of the Plan has an Unfunded Accrued Liability of \$15,326,208 and a funded ratio of 60.9%; and

WHEREAS, an additional contribution to the Firefighters portion of the City of Norwich Retirement Plan will have a long-term impact on mitigating property taxes for the taxpayers of the CCD.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORWICH THAT the sum of \$330,000 be and hereby is appropriated from the UFB of the CCD to increase the fiscal year 2016-17 budget for CCD expenditure line items as follows:

80012	Employees	\$44,000
80014	Overtime	25,000
80017	Replacement Cost	238,000
89999	Fringe Benefits	23,000
	Total	\$330,000

BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF NORWICH THAT \$311,000 be and hereby is appropriated from the UFB of the CCD to increase the fiscal year 2016-17 budget for CCD expenditure line item 89999 “Fringe Benefits” for the purpose of making an additional contribution to the Firefighters portion of the City of Norwich Retirement Plan.

City Manager John L. Salomone

Purpose: To appropriate funds from the unrestricted fund balance of the City Consolidation District fund for projected expenditures in excess of the adopted 2016-17 budget and for an additional contribution to the City of Norwich Retirement Plan.