

**AN ORDINANCE AMENDING ORDINANCE 1749 AND APPROPRIATING
ADDITIONAL FUNDS FROM THE UNRESTRICTED FUND BALANCE OF THE
CITY CONSOLIDATION DISTRICT**

WHEREAS, on June 12, 2017, the Council of the City of Norwich appropriated \$311,000 of unrestricted fund balance (“UFB”) of the City Consolidation District (“CCD”) for the purpose of mitigating the CCD tax levy; and

WHEREAS, upon the appropriation of this \$311,000 of UFB of the CCD, there was no longer an adequate amount of UFB available for purposes of making an additional contribution to the Firefighters portion of the City of Norwich Retirement Plan; and

WHEREAS, the projected costs of overtime, replacement cost, and negotiated salaries and benefits for fiscal year 2016-17 increased to \$374,000 higher than anticipated compared to the adopted 2016-17 budget.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORWICH THAT Ordinance 1749, adopted June 19, 2017, be amended as set forth herein effective retroactive to June 19, 2017.

**Ordinance 1749 - 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~~ \$374,000 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~~ \$374,000 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

<u>80012</u>	Employees	<u>\$34,000</u>
<u>80014</u>	Overtime	<u>30,000</u>
<u>80017</u>	Replacement Cost	<u>268,000</u>
<u>89999</u>	Fringe Benefits	<u>42,000</u>
	Total	<u>\$374,000</u>

~~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.

John L. Salomone

Purpose: To amend Ordinance 1749 to only 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.~~