

BOARD OF FINANCE

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TOWN HALL
238 Danbury Road
Wilton, Connecticut 06897

Warren Serenbetz, *Chairman*
Lynne Vanderslice, *Vice Chairman*
James Meinhold, *Clerk*
Al Alper
Jeffrey Rutishauser
Richard Creeth

**BOARD OF FINANCE
PUBLIC HEARING ON
BOARD OF EDUCATION BUDGET**

March 24, 2014

7:30 p.m.

MIDDLEBROOK SCHOOL AUDITORIUM

BOARD OF FINANCE PRESENT: Lynne Vanderslice, Richard Creeth, Jeffrey Rutishauser, Jim Meinhold **ABSENT:** Warren Serenbetz, Al Alper

BOARD OF EDUCATION PRESENT: Dr. Gary Richards, Bruce Likely, Christine Finkelstein, Laura Schwemm, Lory Rothstein, Glenn Hemmerle, Chris Stroup

OTHER: Sandy Dennies, members of the public

Board of Finance Vice Chairman Lynne Vanderslice called the Public Hearing to order at 7:30 PM.

Ms. Vanderslice introduced the Board of Finance and gave an overview of the Board of Education's budget with mil rate calculations for FY15. (attached). Board of Education Chairman, Bruce Likely then introduced the members of the Board of Education and gave a slide presentation overview of the proposed FY15 Schools Budget.

Ms. Vanderslice opened the floor to public comment.

Mr. Alex Ruskewich - 22 Calvin Road – Recommends cost containment – suggests combining/sharing teachers for more unusual programs or courses (such as Mandarin Chinese) or offering online courses. Feels there should be

more outsourcing of some of the functions between the Board of Ed and Board of Selectmen – used HR and IT as examples. Also the athletic budget is too high and the taxes are too high.

Mr. Ed Papp – 28 Walnut Place

Feels we are over the top with salaries for teachers. Not offering new programs just offering higher salaries. Wants Town to have quality education at a lower cost.

Mr. Joe Brenner - 72 Indian Hill Road

Believes schools are not the primary asset in Wilton – children are. Has been recommending hiring an independent, internal auditor which he feels will return 10 times the salary. The audit would be valuable to see why Special Ed is increasing so fast. Since it is the most costly it should be the most transparent.

Mr. Michael Graupner - 91 Signal Hill Road

People came to Wilton years ago because there were homes you could afford. The older people are paying taxes but they get nothing out of it. The Town has not done much for the older people who want to stay here. If people feel that more money should be spent on education or Town services they should write a check. Would like to know what the Board of Ed is doing about being held hostage by the teachers unions. Suggests looking into Charter Schools.

Pamela Carlson – 20 Appletree Lane

Supports the Board of Ed Budget. The mandates are real. SVAC testing that has to be done at the library because school doesn't have enough computers.

Carolina Corrigan – Pine Road

Supports school budget. She has three girls one of whom is receiving special service. Disappointed at division of special needs vs regular needs, sports vs non-sports, these are all kids.

Mary Jane Reis – 52 Kent Road

Said that she is part of Special Needs group. Is sad to hear what people think of special needs. Reason it is growing is because of the large rise in autism. Also, years ago kids on feeding tubes would have died. Asked the amount that the Wilton Education foundation has raised and was told \$150,000.

Rebecca LePage - 34 Pheasant Run Road

Part of the Special Ed group her eldest daughter has significant special Ed needs. Would not have made all the progress that she has made without the help she has received at the school. She is also a pediatrician in Fairfield County. Feels the Board of Ed is doing the best they can for our kids.

Chris Stroup - 119 Middlebrook Farm Road

Believes we are under spending on education. Feels teachers are doing an excellent job and are underpaid. Supports increasing tax credits and tax benefits for the elderly.

BOARD OF FINANCE
FY 15 BUDGET - PUBLIC HEARING
MARCH 24, 2014

AGENDA

- **Introduction**
- **Overview and Preliminary Mil Rate Projection**
- **Budget Presentation - Board of Education**
- **Public Comment**

BOARD OF FINANCE
FY 15 BUDGET - PUBLIC HEARING
MARCH 25, 2014

AGENDA

- **Introduction**
- **Overview and Preliminary Mil Rate Projection**
- **Budget Presentation - Board of Selectmen**
- **Public Comment**

BOARD OF FINANCE BUDGET PROCESS

| • March 24 & 25 | Board of Finance Public Hearings |
|----------------------------|--|
| • April 1 | Board of Finance begins deliberations on budgets and mil rate |
| • May 6 | Annual Town Meeting |
| • May 10 | Adjourned vote |

BOARD OF FINANCE DELIBERATIONS



The **Town Charter** governs the Board of Finance's actions

The BOF must consider the following when developing the Mil Rate

- The **views of the voters**
- The **financial resources** of the Town
- Whether the BOE and the BOS can find **savings** in their respective budget requests
- The **appropriateness** of revenue, debt service and general fund balance amounts

FY 15 PRIMARY BUDGET DRIVERS



**Operating Funds Required are budgeted to increase by \$3.6 million
with a corresponding Mil Rate increase of 3.61 %**

Increase is driven by:

- **BOE requested 3.95% increase or \$3.011 million**
- **BOS requested 3.74% increase or \$1.158 million**
- **Prior year's surplus available to reduce Mil Rate (Fund Balance Adjustment) decrease of (44%) or (\$1.166) million**

Offset by:

- **Revenue 9.81 % budgeted increase of \$.532 million**

HOW THE BOARD ASSESSES RESOURCES & FINANCIAL CONDITIONS



- **Revenue Sustainability:**

Grand list Growth..... FY15 reflects **small growth**, consistent with the last 3 years. 1/3 lower than prior to recession

Tax Collection Rate.....remains **consistent at 99.3%**

State Grants and Funding.....**small increase**, though important to note the State bonded the Municipal Grant funds we received

Interest Income and Fees.....**growth** in interest income due to **rates** and an increase in fees due to **improvement in real estate market**

- **Factors Impacting Future Sustainability:**

Real Estate Market..... improvements each year, but still below pre recession levels in terms of volume and price

Wilton's Employment Data.....number of employed is at 99.4% of 2008 levels, but the unemployment rate of **5.6%** is higher than 2008's rate of 4% due to a larger labor pool

State Budget Uncertainty & Fiscal Health.....Despite expected **State surplus for FY 2014**, the State is projecting a **\$1B deficit in FY15**

HOW THE BOARD ASSESSES RESOURCES & FINANCIAL CONDITIONS continued



- **Debt...General Fund Balance...and Pension Fund Levels:**

Impact of projected bonding needs.....\$ 68.9 million of new debt projected through 2019, which is a \$ 29 million net increase in debt resulting in approx. \$2.3 million of additional debt service in 2019 vs 2014

Opportunities to refinance.....No current availability, as we have exercised opportunities in previous years
Maintaining AAA rating.....This is a priority of the BOF, requires minimum 10% Undesignated General Fund Balance.
Rating reaffirmed in February 2014
Unfunded Pension liabilities.....\$9.8 million as of 6/30/2013

- **Operating Expenses:**

Requests versus prior actual and budgeted expenditures

Accumulated deferrals of repairs and maintenance

Board of Selectmen

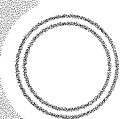
Proposed Bonded Capital Expenditures

FY 2015-2019

\$ Thousands

| <u>Town Projects</u> | <u>FY 15</u> | <u>FY 16</u> | <u>FY 17</u> | <u>FY 18</u> | <u>FY 19</u> | <u>Total</u> |
|----------------------------|--------------|---------------|---------------|---------------|---------------|---------------|
| - Police Station | | | | 250 | 6,330 | 6,580 |
| - Fire Station 2 Remodel | | 600 | 400 | | | 1,000 |
| - Engine 3 Replacement | 595 | | | | | 595 |
| - Road Restoration Program | 1,709 | 1,755 | 1,805 | 1,303 | 957 | 7,529 |
| - Comstock Renovations | 3,915 | 5,985 | | | | 9,900 |
| - Ambler Farm- | | | | | | |
| White House Renov. | 125 | 125 | | | | 250 |
| Town Total | 6,344 | 8,465 | 2,205 | 1,553 | 7,287 | 25,854 |
| <u>School Renovations</u> | | | | | | |
| Districtwide Security | 500 | | | | | 500 |
| - Middlebrook | | 875 | | 500 | | 1,375 |
| - Cider Mill | | 25 | | 1,450 | | 1,475 |
| - Miller Driscoll | 2,250 | 7,260 | 15,769 | 11,094 | 2,816 | 39,189 |
| - High School | 60 | 400 | 30 | | | 490 |
| - School Total | 2,810 | 8,560 | 15,799 | 13,044 | 2,816 | 43,029 |
| GRAND TOTAL | 9,154 | 17,025 | 18,004 | 14,597 | 10,103 | 68,883 |

5 YEAR HISTORICAL CHANGES IN ACTUAL SPENDING



BOS

BOE

5 YR AVG ACTUAL INCREASE

3.43%

3.15%

5 YR AVG VARIANCE TO BUDGET

(4.81%)

(.18%)

FY 2015 BUDGET SUMMARY

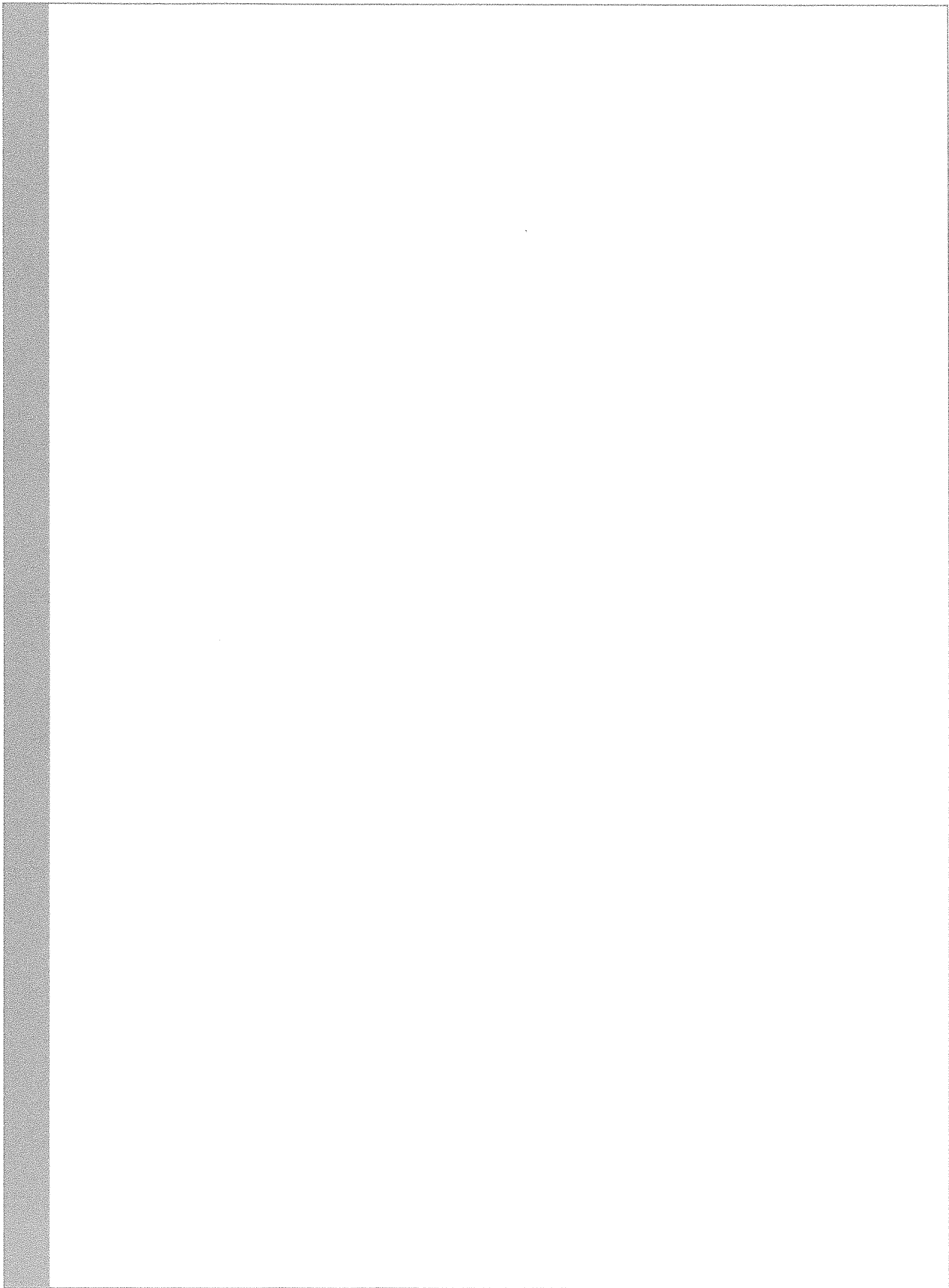
\$ Thousands

| | FY 14 ADOPTED BUDGET | FY 15 REQUESTS | % FROM ADOPTED |
|--|----------------------------|-------------------|-------------------|
| Education | 76,140 | 79,151 | 3.95% |
| Selectmen's Operating & Capital | 30,947 | 32,105 | 3.74% |
| Debt Service | 9,150 | 9,102 | (.51%) |
| Charter Authority | 1,162 | 1,204 | 3.55% |
| Tax Relief for Elderly & Disabled | 1,133 | 1,123 | - |
| TOTAL OPERATING REQUIREMENTS | 117,399 | 121,563 | 3.55% |
| Non-tax Revenue | 5,424 | 5,956 | 9.81% |
| Drawdown of previous year's ending fund balance | 3,800 | 2,634 | (44.26)% |
| TOTAL TO BE FUNDED FROM PROPERTY TAX | 109,308 | 114,095 | 4.3% |

FY 2015 PRELIMINARY MIL RATE

\$ Thousands

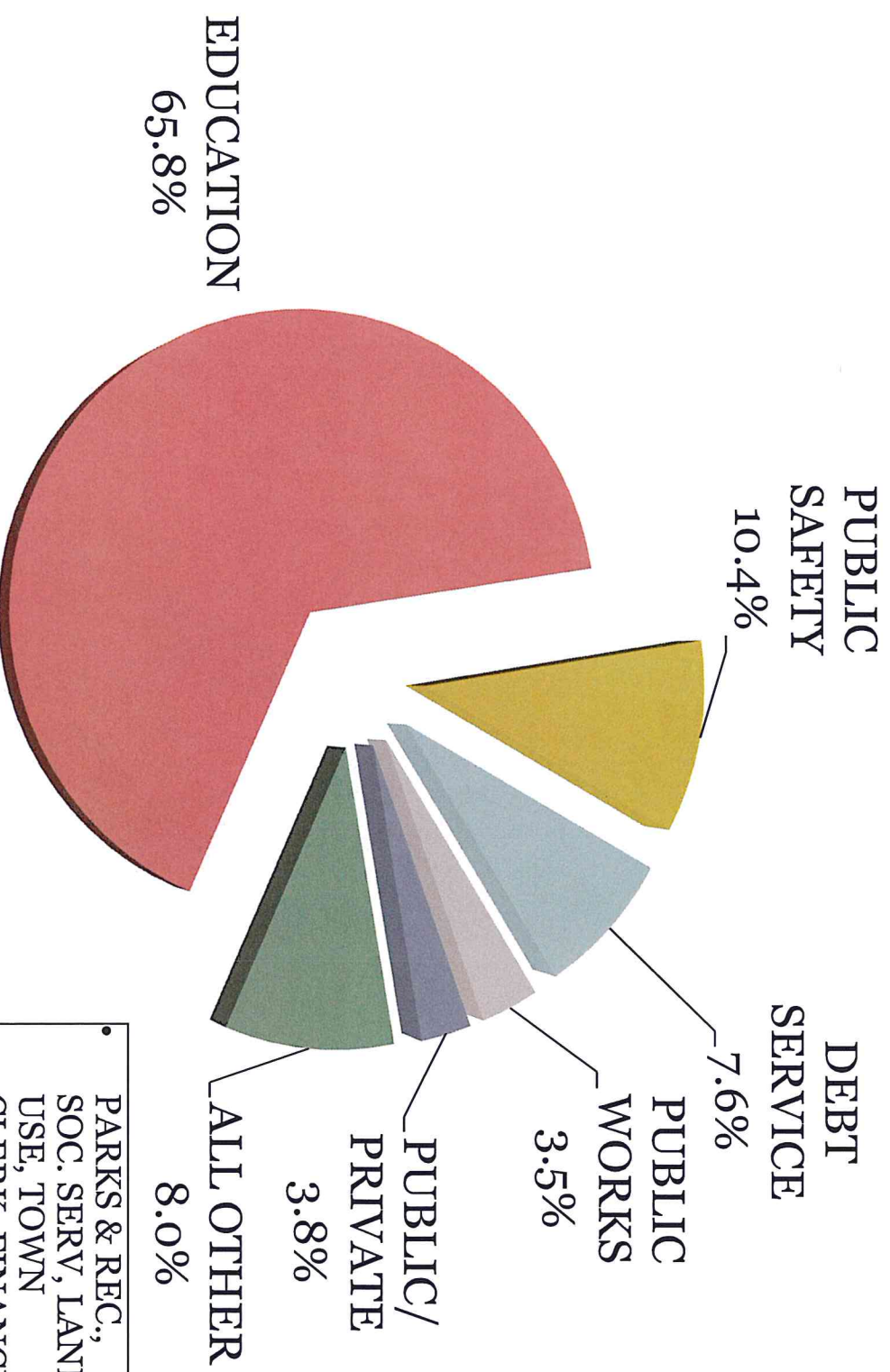
| | FY 14 ADOPTED BUDGET | FY 15 REQUESTS | % FROM 14 ADOPTED |
|-------------------------------|----------------------------|-------------------|----------------------|
| Property Tax Revenue Required | 109,308 | 114,095 | 4.38% |
| | | | |
| Grand List | 4,235,479 | 4,266,865 | .74% |
| | | | |
| Collection Rate | 99.3% | 99.3% | -- |
| | | | |
| Required Mil Rate | 25.9898 | 26.9284 | 3.61% |



TOWN OF WILTON

PROPOSED FY 15 BUDGET DISTRIBUTION

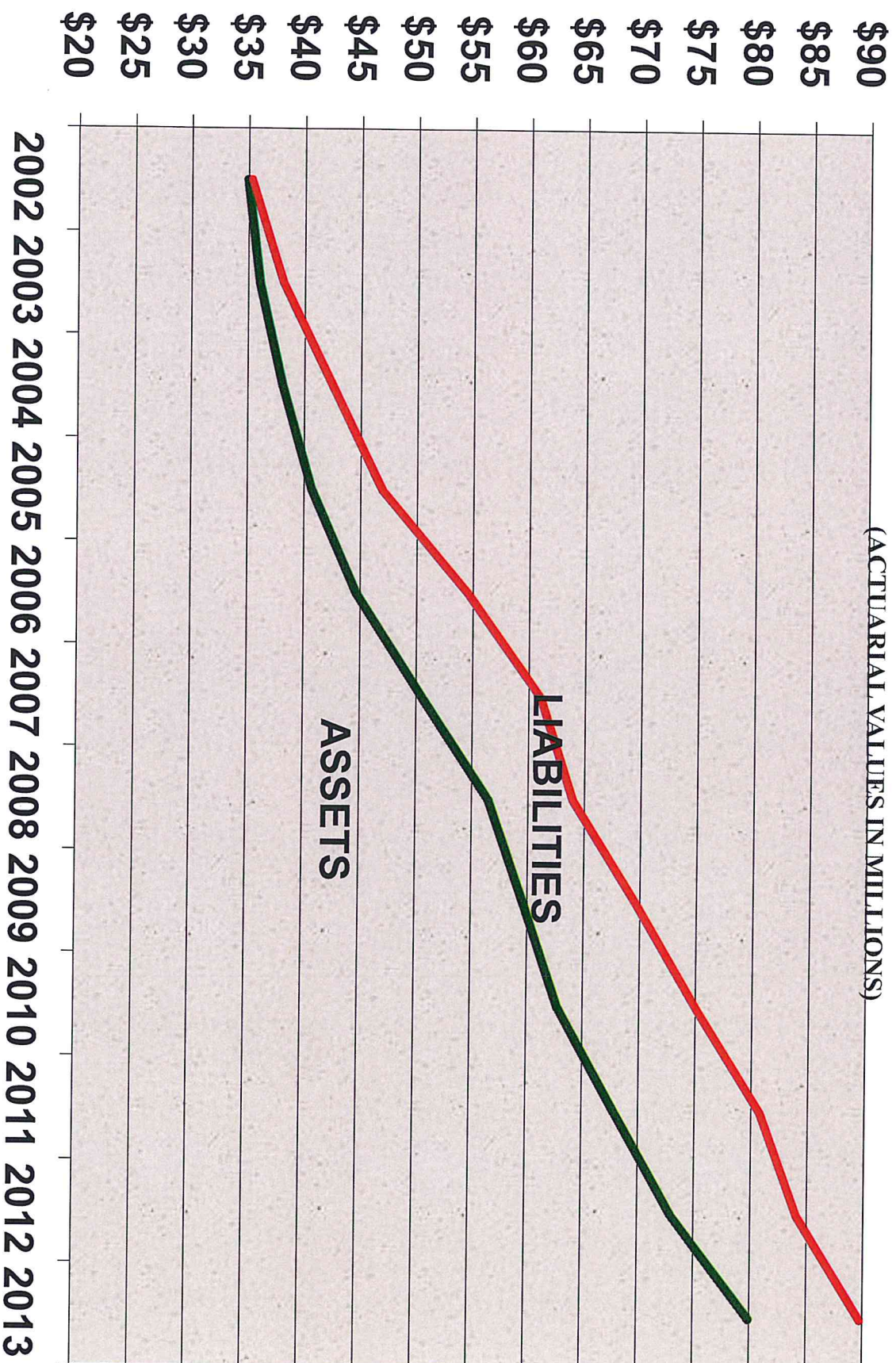
(All categories include operating capital expenditures)



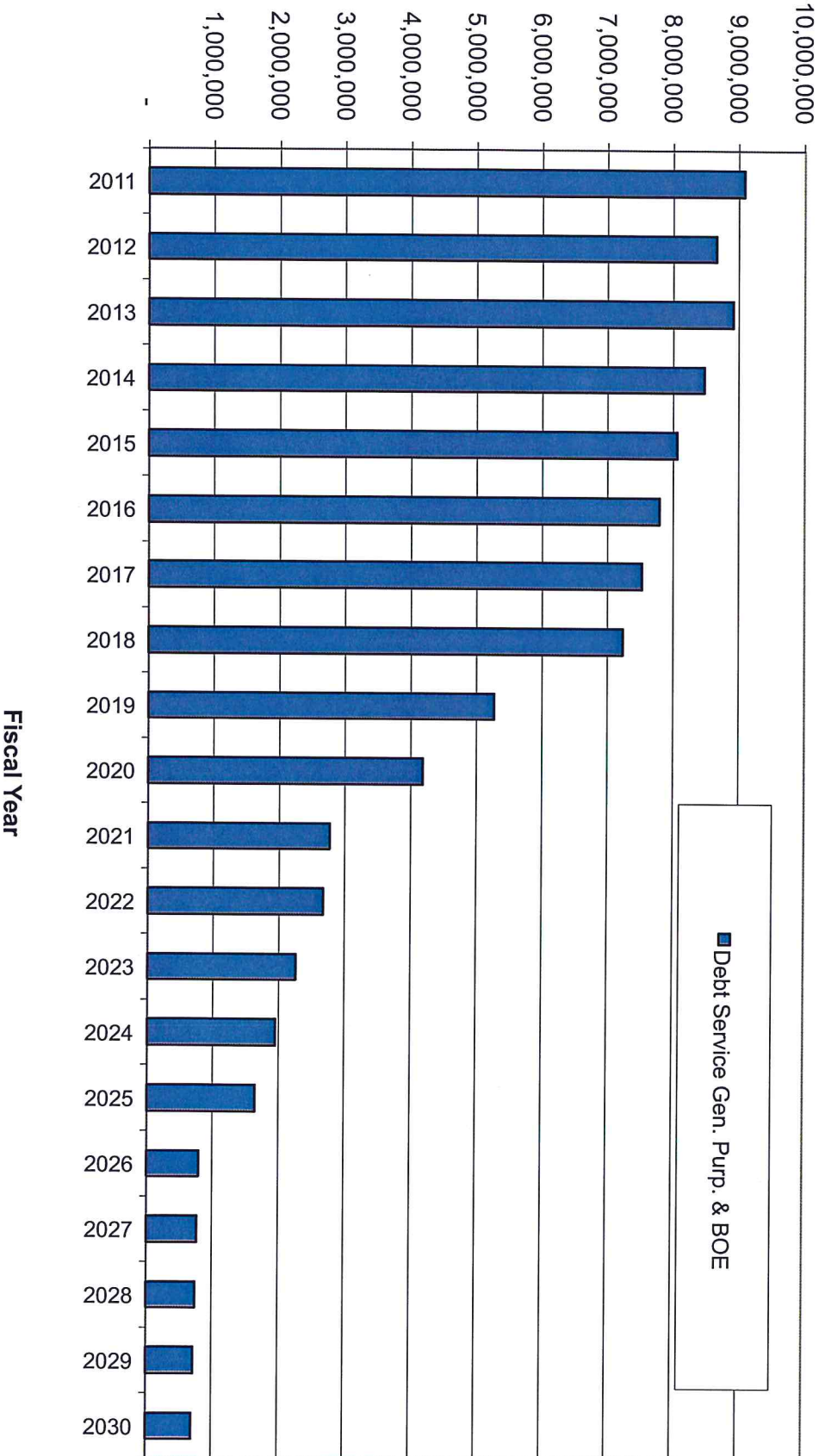
- PARKS & REC., SOC. SERV., LAND USE, TOWN CLERK, FINANCE, TAX, IT ASSESSOR, ETC.

PENSION PLAN FUNDING STATUS FY'S 2002-2013

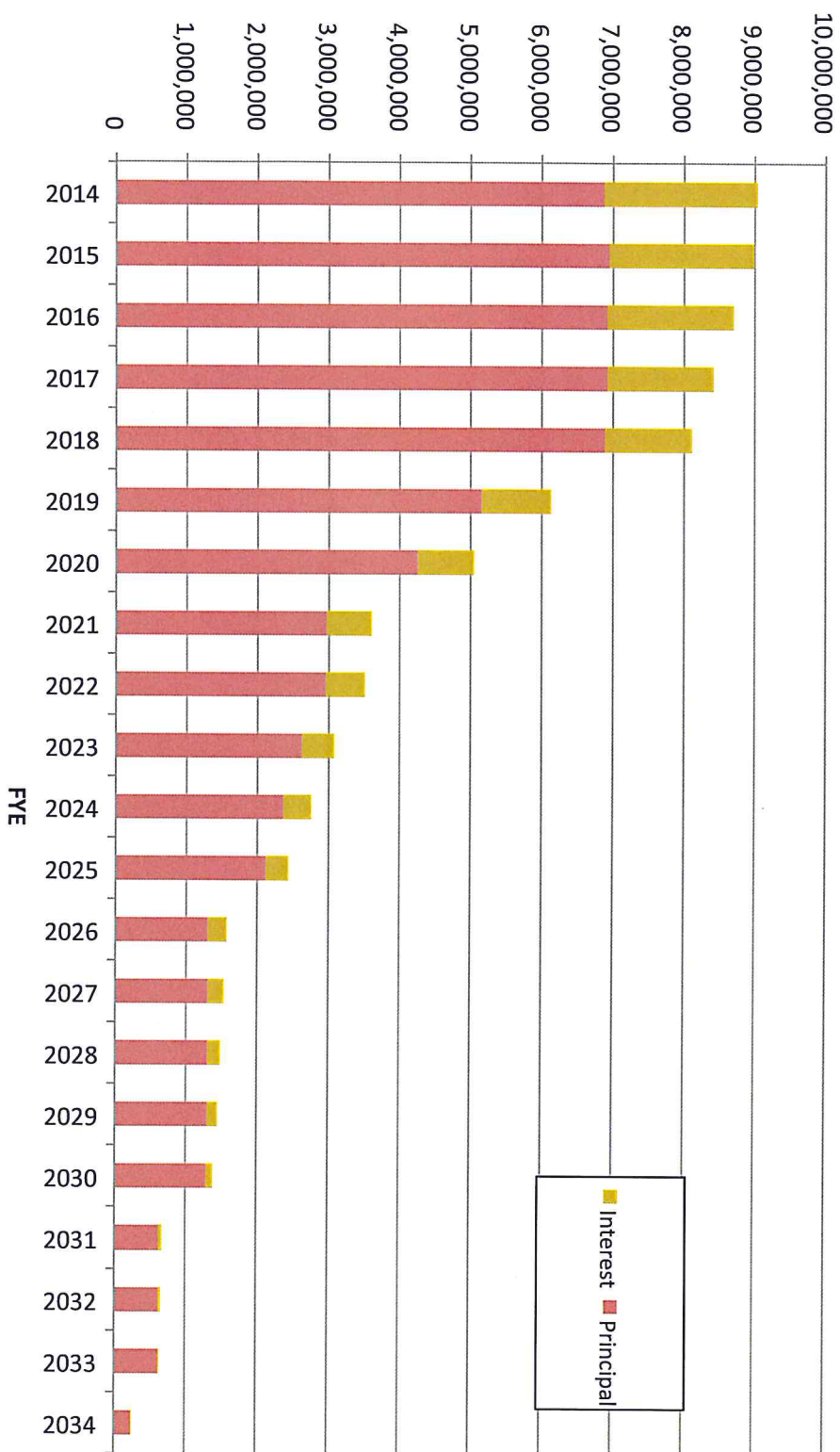
(ACTUARIAL VALUES IN MILLIONS)



Town of Wilton, CT **Bonded Debt Service**



Town of Wilton *Outstanding Debt Service*



DEBT SERVICE AS A % OF TOTAL BUDGET



Wilton CIP Debt Analysis

