

**BOARD OF FINANCE
PUBLIC HEARING ON
BOARD OF SELECTMEN BUDGET
March 29, 2016
7:30 P.M.
MIDDLEBROOK SCHOOL AUDITORIUM**

PRESENT

Board of Finance: Jeff Rutishauser, Warren Serenbetz, Richard Creeth, Peter Balderston, John Kalamarides, Walter Kress

Board of Selectmen: First Selectman Lynne Vanderslice, Second Selectman Michael Kaelin, Richard Dubow, David Clune, Lori Bufano

ALSO PRESENT: Anne Kelly-Lenz (Wilton CFO), town department heads and members of the press and public

Board of Finance Chairman Jeff Rutishauser called the Public Hearing to order at 7:32 p.m.

Mr. Rutishauser introduced the Board of Finance and welcomed those in attendance. The slides (attached) included one additional slide for clarification of a comment from the previous night's hearing and presented a Budget Summary and Preliminary Mill Rate overview. He stressed the important role of expanding the grand list to offset budgetary expense growth so as to ease tax burden on the rest of the community. Mr. Rutishauser recognized the efforts by both the BOS and BOE with the budgets they have presented, saying that most of this year's deficit was due to negative conditions elsewhere – not in those budgets. This will necessitate revisiting both operating budgets in an effort to close the deficit so that it doesn't roll into a large tax increase. His comments concluded at approximately 7:51 p.m., at which time he turned over the podium to First Selectman, Lynne Vanderslice.

Ms. Vanderslice introduced the members of the Board of Selectmen and thanked those in attendance. Her presentation (attached) reviewed the FY17 Budget request, including future initiatives impacting future expense growth, bonded capital requests, current projects, and current or future non-bonded initiatives. The requested budget is a decrease from the FY16 budget, and Lynne explained variances between the two years. Her summary statement emphasized a flat Budget, the town is pursuing cost saving initiatives, is focused on efforts to grow the grand list, and is focused on improving taxpayer perception of value for their dollar.

At 8:10 p.m. Mr. Rutishauser opened the floor to public comment. Approximately 15 citizens spoke and expressed their opinions on the BOS budget and other concerns.

The hearing adjourned at 9:24 p.m.

Respectfully submitted,

Kris Fager
(from video recording)

Att: Board of Finance slide presentation
Board of Selectmen slide presentation

BOARD OF FINANCE
FY 17 BUDGET - PUBLIC HEARING
MARCH 29, 2016

AGENDA

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

FY 17 BUDGET HIGHLIGHTS

- Net Taxable Grand List is up 0.19%
- BOS budget request is a 0% increase
- BOE budget request is up 1.27%
- Debt Service is up 8.1% (\$854,750) primarily due to bonding for Miller-Driscoll and Comstock construction
- FY17 General Fund balance is set at 11.2%
- Prior to Board of Finance deliberations, total funds required is up 2.4%
- Budget Shortfall of \$2.6 million (2.27%) – Requires Budget Cuts or Tax Increase to close

FY 17 BUDGET HIGHLIGHTS

(CONT'D)

- Pension is funded at 96.5% of liabilities, leaving only a \$3.6 million shortfall (July 1, 2015)
- Other Non-Tax Revenues are \$5.8 million , a slight decrease from last year
- Tax Relief for Elderly/Disabled remains at \$1.1 Million
- Moody's reaffirmed Wilton's AAA bond rating – March 2015

THE ROLE OF THE BOARD OF FINANCE IN THE TOWN BUDGET

The Town Charter governs the Board of Finance's actions

- The BOF is required to hold public hearings on both the BOE and BOS budget requests
- The BOF must consider the following when developing the Mill Rate:
 1. The views of the voters expressed at the town hearings and in direct communication (*boardoffinance@wiltonCT.org*)
 2. The financial resources of the Town
 3. Whether the BOE and the BOS can find savings in their respective budget requests
 4. The appropriateness of revenue, debt service and general fund balance amounts

HOW THE BOARD OF FINANCE ASSESSES RESOURCES AND FINANCIAL CONDITION

Revenue Sustainability

- Grand List Growth – Slowing, Wilton maturing
- “Real Growth” Needed – Priority on Commercial Development
- Commercial Property Value Improvement – Lease-up Vacancies
- State Grants and Funding – Increasingly Uncertain in Future

HOW THE BOARD OF FINANCE ASSESSES RESOURCES AND FINANCIAL CONDITION

Debt, General Fund Balance and Pension Fund Levels

- Impact of New Bonding for Miller-Driscoll and Comstock
- Maintaining AAA rating – Minimum 10% General Fund Balance
- Unfunded Pension Liabilities – \$3.6 Million; 96.5% Funded (7/1/15)

Operating Expenses

- Evaluate budget requests versus prior actual expenditures
- Focus on Efficient Staffing and Headcount Control

FY 2017 BUDGET SUMMARY

\$ Thousands

	FY 16 BUDGET	FY 17 REQUESTS	\$ FROM FY 16	% FROM FY 16
Education	79,956	80,973	1,017	1.27%
Selectmen's Operating & Capital	32,432	32,415	(17)	(0.05)%
Debt Service	10,616	11,471	855	8.05%
Charter Authority	1,230	1,249	19	1.51%
Tax Relief for Elderly & Disabled	1,121	1,121	--	--
TOTAL OPERATING REQUIREMENTS	125,355	127,228	1,873	1.49%
Non-tax Revenue	(6,013)	(5,847)	(166)	(2.77)%
Drawdown of previous year's ending fund balance	(4,829)	(4,049)	(780)	(16.15)%
TOTAL TO BE FUNDED FROM PROPERTY TAX	\$114,513	\$117,332	2,819	2.40%

FY 2017 PRELIMINARY MILL RATE

\$ Thousands

	FY 16 BUDGET	FY 17 REQUESTS	\$ CHANGE FROM FY16 BUDGET	%CHANGE FROM FY16 BUDGET
TOTAL TO BE FUNDED FROM PROPERTY TAX	114,513	117,332	2,819	2.40%
Grand List	4,293,815	4,302,071	220	0.19%
Collection Rate	99.4%	99.4%	--	--
REQUIRED MILL RATE	26.8302	27.4379	2,599	2.27%

WILTON TAXPAYER IMPACT -- \$1.3 MILLION HOMEOWNER

	<u>Current</u>	<u>Next Year</u>	<u>Tax Incr.</u>
Real Estate Tax	24,415	24,968	553
Personal Property Tax*	2,146	2,195	49
TOTAL TAX	26,562	27,164	602

* \$80,000 of Personal Property

BOARD OF FINANCE BUDGET SCHEDULE

March 28 & 29	Board of Finance Public Hearings
April 4 & 5	Board of Finance completes deliberations on budgets and mil rate
May 3	Annual Town Meeting
May 7	Adjourned vote of ATM

March 29, 2016

Board of Selectmen

FY2017

Budget Request

Board of Selectmen
FY2017 Budget Request

Wilton Demographics

- **Ages of Adult Population**

○ 19 to 29	8%
○ 30 to 54	49%
○ 55 and up	43%

- **Home Market Values**

○ Under \$500,000	16%
○ \$500,000 to \$999,999	64%
○ \$1,000,000 and above	20%

- **Household Adjusted Gross Income**

○ Under \$100,000	35%
○ \$101,000 to \$199,999	23%
○ \$200,000 plus	42%

Board of Selectman
FY2017 Budget Request

Overview

- **The Board of Selectmen is requesting a budget of \$32,414,880**
 - Operating expenditures of \$31,018,191
 - Operating capital of \$1,396,689
- **The budget represents a \$(17,315) decrease versus the FY2016 budget**
 - Operating expenditure decrease of \$(60,787)
 - Operating capital increase of \$43,472
- **The budget represents a \$(113,811) decrease versus the FY2016 forecast***
 - Operating expenditure increase of \$258,733
 - Operating capital decrease of \$(372,544)

*forecast as of March 3/16/16 including capital appropriation carryovers

Board of Selectman
FY2017 Budget Request

Major Variances FY2017 vs. FY2016 Forecast

- Increase in Wages due to GWI and Step Increases
- Increase in Wages due to FY2016 Short-Term Vacancies Filled for FY2017
- Decrease in Budgeted Retirement Costs due to increased number employees on defined contribution plan and a good number of long term employees whose retirement is fully funded
- Decrease in Legal Expense Budget due to Efforts to Minimize Litigation

Board of Selectman
FY2017 Budget Request

Initiatives Impacting Future Expense Growth

Prior changes impacting FY 2017:

- Retirements and employee turnover have a favorable impacted on the budget as new employees are hired at a lower wage
- Adoption of a high deductible health plan and defined contribution retirement plan have also favorably impacted the budget

Ongoing initiatives for FY 2017 and beyond:

- Vacancies are being examined to ensure justification for replacements
- Formation of an IS advisory working group comprised of IS professionals
 - Began with a review of the structure of the department
 - Reviewing the need to replace existing communication lines between the BOS and BOE
 - Next will be reviewing disaster recovery
- Outreach to facilitate the formation of a Public Private Partnership to fundraise and develop new revenues to fund future enhancements to athletic facilities
- Discussions with BOE to identify future joint cost savings
- Discussions with area First Selectmen to identify future joint cost savings initiatives

Board of Selectmen
FY2017 Budget Request

Operating Capital Requests

- Public Works--sweeper and dump truck \$ 394,000
- Assessor--2017 revaluation \$ 208,500
- Police--vehicles, protective, radar and medical equipment
and scheduling software \$ 187,190
- Fire--radio equipment, defibrillators, vehicle, protective
clothing rack, Hazmat meter \$ 173,875
- Transfer Station--backhoe \$ 125,000
- Park and Grounds--dump truck, utility cart, quad equip. \$ 120,000
- Information Systems--software, yr 5 or 5 installments \$ 66,290
- EMS--vehicle and garage work \$ 54,834
- Animal Control--vehicle \$ 25,000
- Dispatch--radio \$ 22,000
- Health--vehicle \$ 20,000

Board of Selectman
FY2017 Budget Request

Bonded Capital Requests

- Year 5 of the five year road restoration project.....\$1,800,000
- Replacement of the 10+ year old Stadium crumb rubber infill turf with a new coconut husk infill turf plus concussion padding.....\$ 650,000
- Both projects would be bonded with a 10 year payback period

Board of Selectmen
FY2017 Budget Request

Current or Potential Bonded Projects

- ***Comstock Renovation***
 - Substantially Completed
 - Full Programming Scheduled for the Summer
- ***Miller Driscoll Renovation***
 - \$5 million in Contract Savings
 - Closely Watching \$3.4 million in Contingency
- ***Fire Station II Renovation***
 - Newly Formed Committee
- ***Police Station***
 - Initial Planning to begin before year end

Current or Future Initiatives

- ***Norwalk River Valley Trail***
 - Due to mild winter, assisted with Horseshoe Pond Trail and Parking Area
- ***Schenck's Island***
 - Proposal for Invasive Species Removal
 - Planned Evaluation of Additional Uses
- ***Evaluation of Merwin Meadows***
- ***Evaluation of Senior Tax Relief Program***
 - Deferral Program is under utilized and declining
- ***Assessment of Town Owned Land and Properties***
 - Are we maximizing value
 - Town Hall energy inefficiencies

Board of Selectmen
FY2017 Budget Request

Initiatives to Grow the Grand List

- Initiate Proposals for Zoning Regulation Changes
- Meet with and Encourage Prospective Developers
- Efforts to Encourage Public Support for New Office or Alternative Housing Projects
- Revitalization of and Support for the Economic Development Commission
- Improving Access to Information for Prospective Residents
 - Improvements to Town Website—on going
 - *Thinking of Moving to Wilton* link—in development

Board of Selectmen
FY2017 Budget Request

Summary

- Flat Budget
- Pursuing Cost Saving Initiatives
- Focused on Efforts to Grow the Grand List
- Focused on Improving Taxpayer Perception of Value for their Dollar