

**BOARD OF FINANCE
PUBLIC HEARING ON
BOARD OF SELECTMEN BUDGET
March 24, 2015
7:30 P.M.
MIDDLEBROOK SCHOOL AUDITORIUM**

PRESENT

Board of Finance: Warren Serenbetz, Lynne Vanderslice, Jeff Rutishauer, Richard Creeth, John Kalamarides, Al Alper

Board of Selectmen: First Selectman William Brennan, Second Selectman James Saxe, Richard Dubow, Michael Kaelin, Deborah McFadden

ALSO PRESENT: Town department heads and members of the public

Board of Finance Chairman Warren Serenbetz called the Public Hearing to order at 7:30 p.m.

Mr. Serenbetz introduced the Board of Finance and gave an overview of the Total Budget and the mill rate calculation for FY16, explaining the Budget Drivers that are involved in developing the mill rate (attached). First Selectman William Brennan then introduced the members of the Board of Selectmen and gave the slide presentation overview of the proposed Selectmen's Budget. He went over the Operating Expenses and Capital Costs (attached)

Mr. Serenbetz then opened the floor to public comment.

Patty Temple – Drum Hill Road – She requested instead of slides that show previous years' budget with the one proposed, actuals vs. budget be presented. She would like to see how the Town has performed year over year. Ms. Temple also asked where she could find forecast information for future years' budgets.

Having no further public comment, the hearing adjourned at 7:54 p.m.

Respectfully submitted,

Kris Fager
(from video recording)

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

BOARD OF FINANCE
FY 16 BUDGET - PUBLIC HEARING
MARCH 24, 2015

AGENDA

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

BOARD OF FINANCE BUDGET PROCESS

• March 23 & 24	Board of Finance Public Hearings
• March 31	Board of Finance begins deliberations on budgets and mil rate
• May 5	Annual Town Meeting
• May 9	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 16 PRIMARY BUDGET DRIVERS



**Operating Funds Required are budgeted to increase by \$3.854 million
with a corresponding Mil Rate increase of 1.75%**

Increase is driven by:

- **BOS requested 2.06% increase or \$0.655 million**
- **BOE requested 1.98% increase or \$1.555 million**
- **Debt service at a 16.63% increase or \$1.514 million**

Offset by:

- **Prior year's surplus available to reduce Mil Rate (Fund Balance Adjustment) increase of 23.26% or \$0.983 million**

HOW THE BOARD ASSESSES RESOURCES & FINANCIAL CONDITIONS



- **Revenue Sustainability:**

Grand list Growth..... FY16 reflects **less than 1% growth**, consistent with the last 4 years.

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

State Grants and Funding.....**small decrease** due to decline in BOE grants

Fees and other income.....**small increase** over prior year

- **Factors Impacting Future Sustainability:**

Real Estate Market..... Improved, but still below pre recession volume and price levels

Wilton's Employment Data.....continued improvement with Jan @ **4.6%**

State Budget Uncertainty & Fiscal Health.....Concerns with **state deficits** and possible **grant cuts** in future years.

HOW THE BOARD ASSESSES RESOURCES & FINANCIAL CONDITIONS continued



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

*Impact of projected bonding needs.....***\$ 22.7 million of new debt** this month with an additional **\$65.6** projected through 2020. Results in additional debt service through 2018, after which prior debt retirements will cause debt service to begin decreasing

*Opportunities to refinance.....***Possible availability** of \$10 million or less actively being pursued

*Maintaining AAA rating.....***Rating reaffirmed** this month.
This is a **priority for the BOF**, requires minimum 10% Undesignated General Fund Balance.

*Unfunded Pension liabilities.....***\$8.2 million** as of 6/30/2014

- **Operating Expenses:**

*Requests **versus prior actual and budgeted** expenditures*

***Accumulated deferrals** of repairs and maintenance*

Board of Selectmen

Proposed Bonded Capital Expenditures

FY 2016-2020

\$ Thousands

<u>Town Projects</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>Total</u>
Police Station				\$12,660		\$12,660
Fire Station 2 Remodel	\$ 90	\$ 600	\$ 310			\$ 1,000
Road Restoration Program	—	\$1,805	\$ 930	\$ 960	\$ 990	\$ 4,685
Town Total	\$ 90	\$2,405	\$1,240	\$13,620	\$ 990	\$18,345
<u>School Renovations</u>						
Middlebrook	\$ 700		\$ 500		\$4,200	\$ 5,400
Cider Mill			\$1,350		\$ 200	\$ 1,550
Miller Driscoll						
High School	\$ 200	—	—	—	\$4,275	\$ 4,475
School Total	\$ 900	—	\$1,850	—	\$8,675	\$11,425
GRAND TOTAL	\$990	\$2,405	\$3,090	\$13,620	\$9,665	\$29,770

HISTORICAL CHANGES IN ACTUAL SPENDING

2010 through 2014



BOS

BOE

5 YR AVG ACTUAL INCREASE

2.26%

2.33%

**5 YR AVG FAVORABLE VARIANCE
TO BUDGET**

6.22%

1.24%

FY 2016 BUDGET SUMMARY

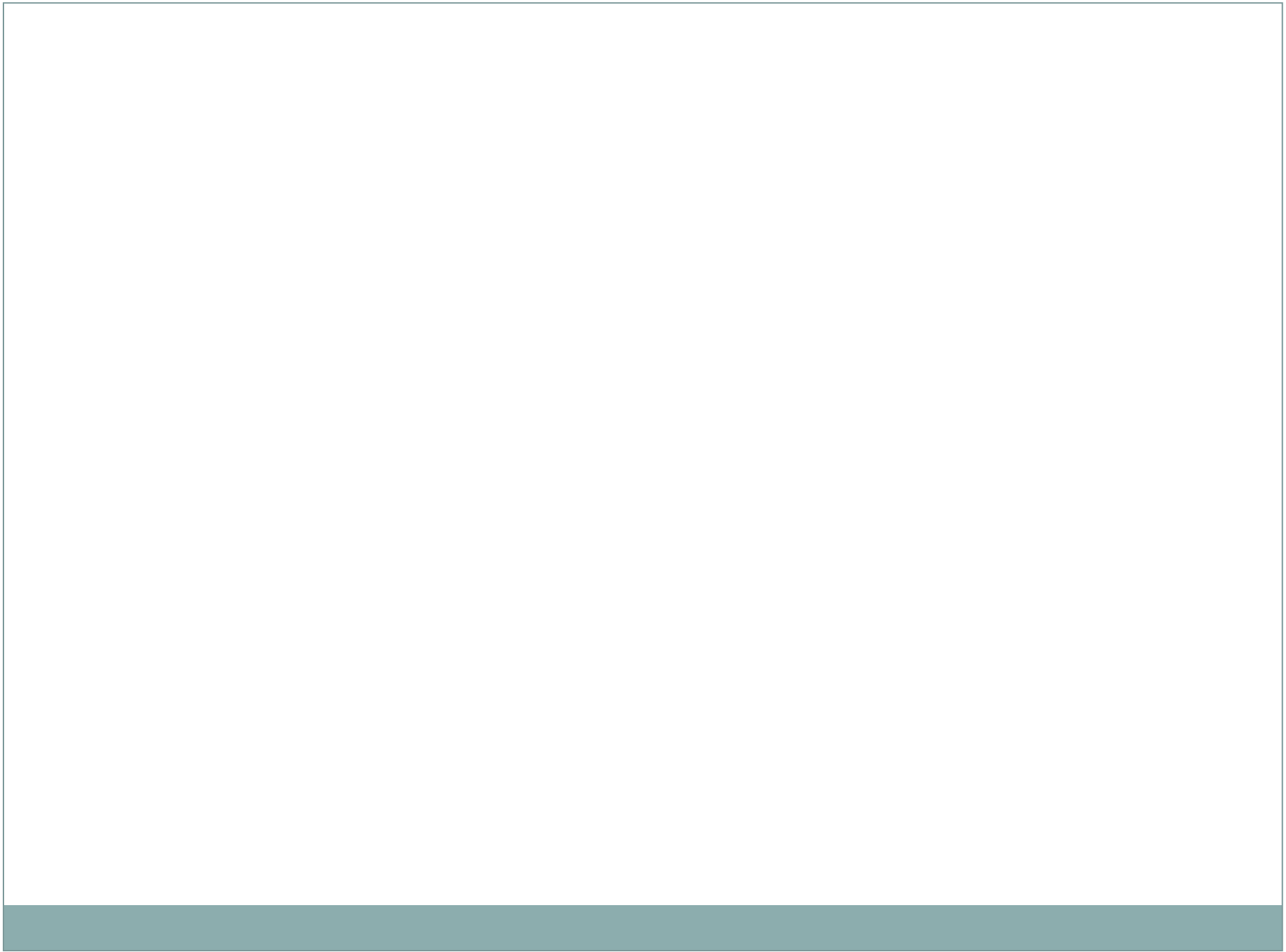
\$ Thousands

	FY 15 ADOPTED BUDGET	FY 16 REQUESTS	% FROM '15 ADOPTED
Education	\$78,401	\$79,956	1.98%
Selectmen's Operating & Capital	\$31,768	\$32,422	2.06%
Debt Service	\$9,103	\$10,616	16.63%
Charter Authority	\$1,192	\$1,230	3.12%
Tax Relief for Elderly & Disabled	\$1,123	\$1,121	(.04%)
TOTAL OPERATING REQUIREMENTS	\$121,587	\$125,345	3.09%
Non-tax Revenue	\$6,106	\$6,013	(1.52%)
Drawdown of previous year's ending fund balance	\$3,244	\$4,227	23.26%
TOTAL TO BE FUNDED FROM PROPERTY TAX	\$112,237	\$115,105	2.56%

FY 2016 PRELIMINARY MIL RATE

\$ Thousands

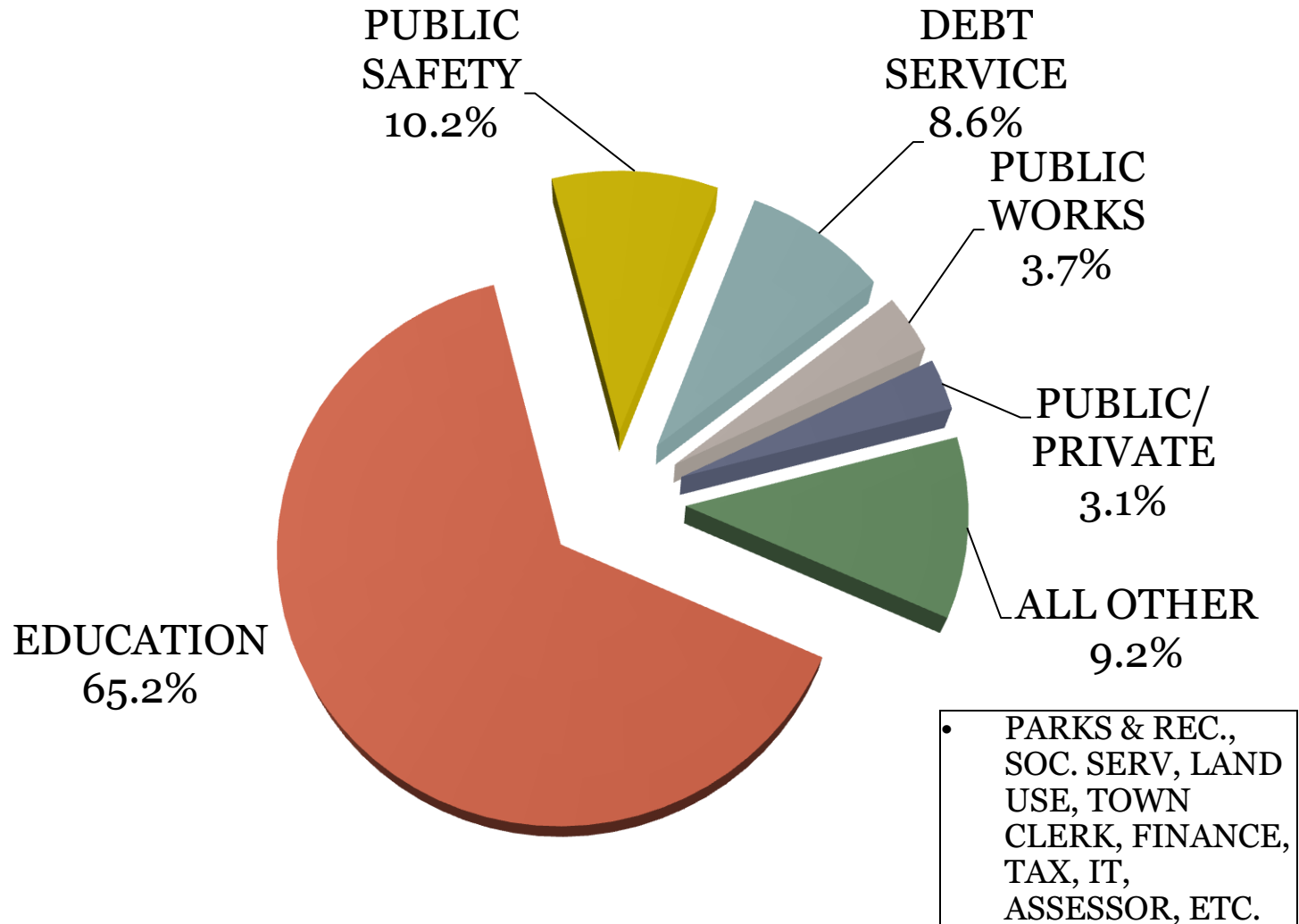
	FY 15 ADOPTED BUDGET	FY 16 REQUESTS	% FROM '15 ADOPTED
Property Tax Revenue Required	\$112,237	\$115,105	2.56%
Grand List	\$4,263,061	\$4,296,786	.79%
Collection Rate	99.3%	99.3%	--
Required Mil Rate	26.5132	26.9773	1.75%



TOWN OF WILTON

PROPOSED FY 16 BUDGET DISTRIBUTION

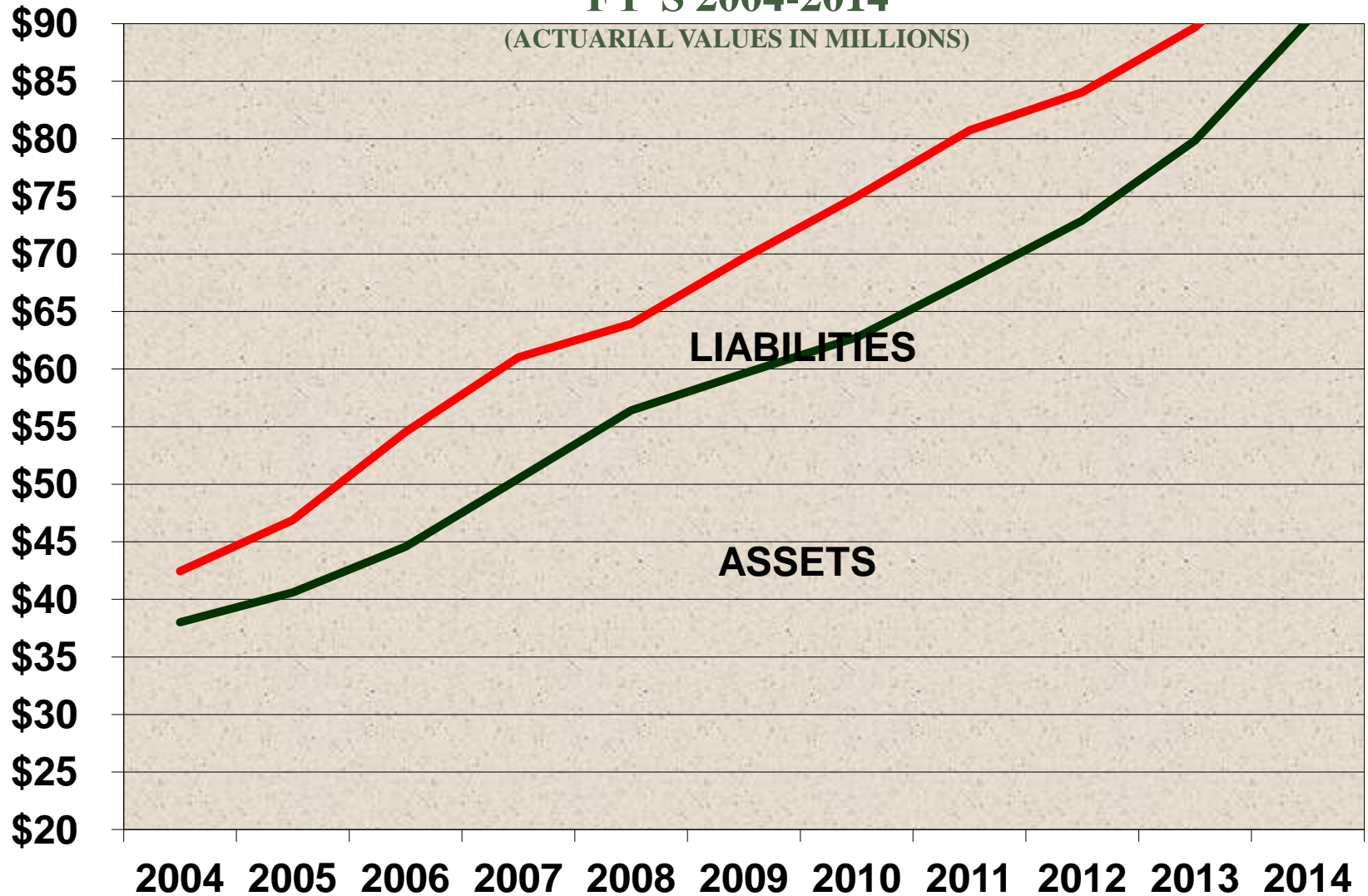
(All categories include operating capital expenditures)



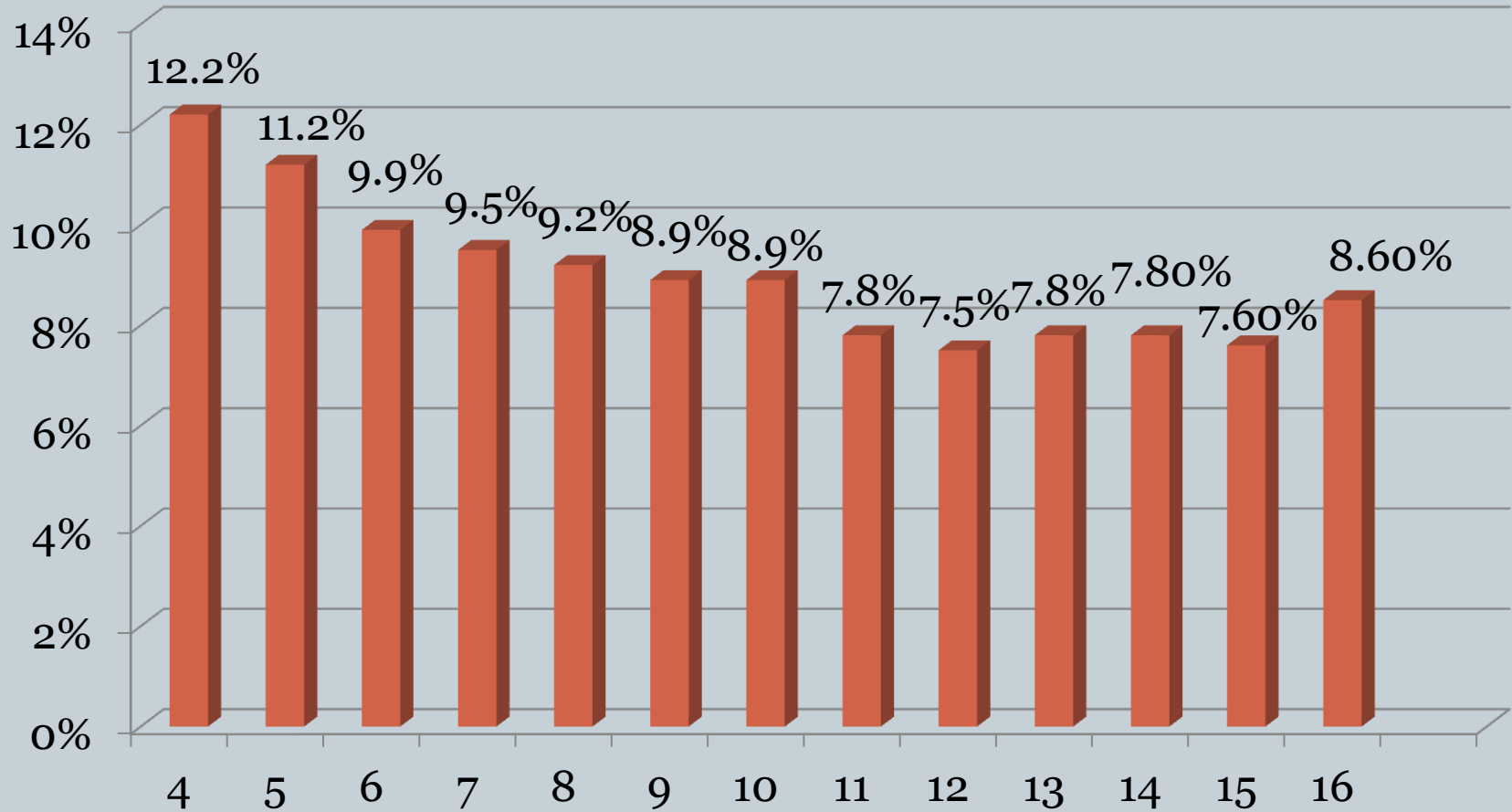
PENSION PLAN FUNDING STATUS

FY'S 2004-2014

(ACTUARIAL VALUES IN MILLIONS)

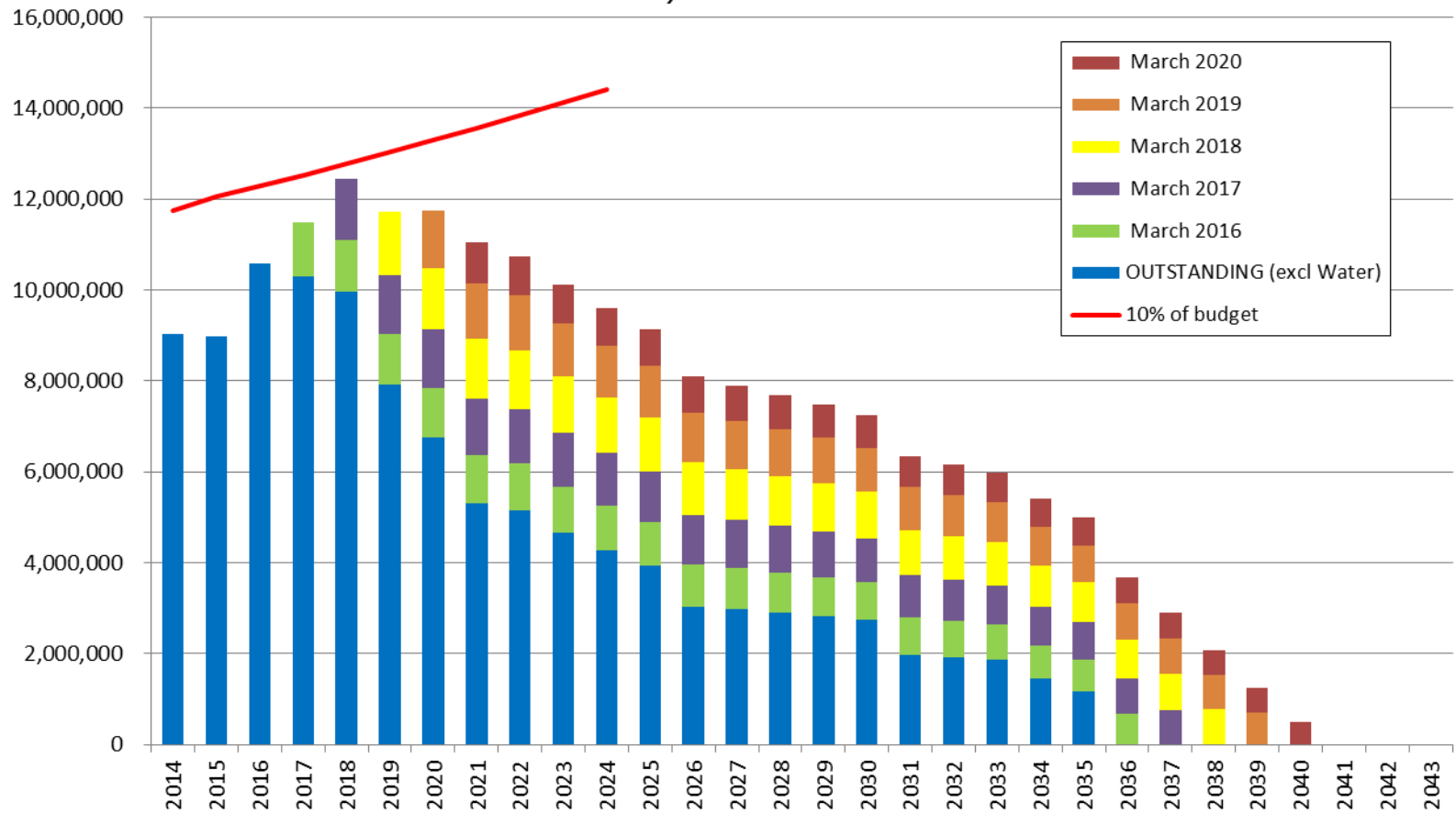


DEBT SERVICE AS A % OF TOTAL BUDGET



Town of Wilton

CIP Analysis - Debt Service



March 24, 2015

BOARD OF SELECTMEN FY 2016 BUDGET



Board of Selectmen

FY 2016 Budget

Objectives

- **Maintain essential municipal and public safety services to the community and continue efforts to enhance safety in School and Town facilities.**
- **Make required infrastructure and facility investments to preserve and maintain Town and School assets.**
- **Maintain our commitment to energy conservation and support lower cost energy efficiency initiatives and investments.**
- **Develop a cost efficient operating expenditures and capital budget to accomplish the above goals and to respond to the Board of Finance's year-over-year mill rate objective of +1.75%.**

Board of Selectmen FY 2016 Operating and Capital Budgets

Five Year Profile

	<u>FY 11 Budget</u>	<u>FY 12 Budget</u>	<u>FY 13 Budget</u>	<u>FY 14 Budget</u>	<u>FY 15 Budget</u>
Operating Expenditures	+0.28%	+ 3.1%	+ 3.17%	+3.25%	+ 1.2%
Operating Capital	+22.9%	+ 8.7%	-26.15%	-32.9%	+64.9%
Total Operating Exp. and Capital	<u>+ 1.1%</u>	<u>+ 3.4%</u>	<u>+ 1.75%</u>	<u>+1.98%</u>	<u>+2.65%</u>

- *Board of Selectmen Average annual budget increase **+2.2% per year***

Board of Selectmen

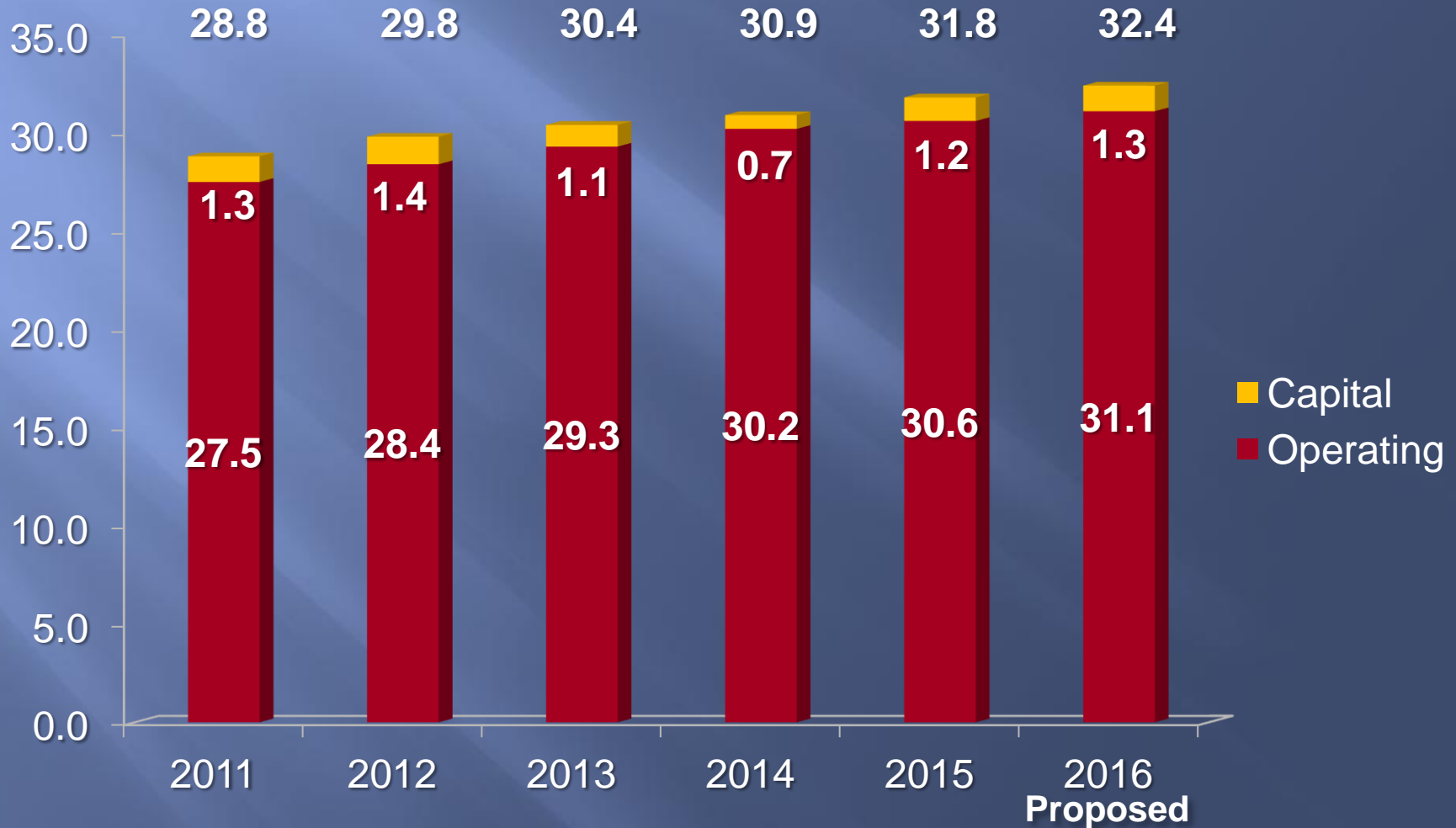
FY 2016 Operating & Capital Budgets

\$/MM

	<u>FY 15 Budget</u>	<u>FY 16 Req.</u>	<u>BOS Changes</u>	<u>Proposed FY 16 Budget</u>	<u>Variance FY 15 Budget</u>
Operating	30.6	31.2	(0.1)	31.1	+ 1.59%
Capital	1.2	1.3	(0.0)	1.3	+14.26%
Total	<u>31.8</u>	<u>32.5</u>	<u>(0.1)</u>	<u>32.4</u>	<u>+ 2.06%</u>

Board of Selectmen Operating and Capital Budgets 2011 – 2016

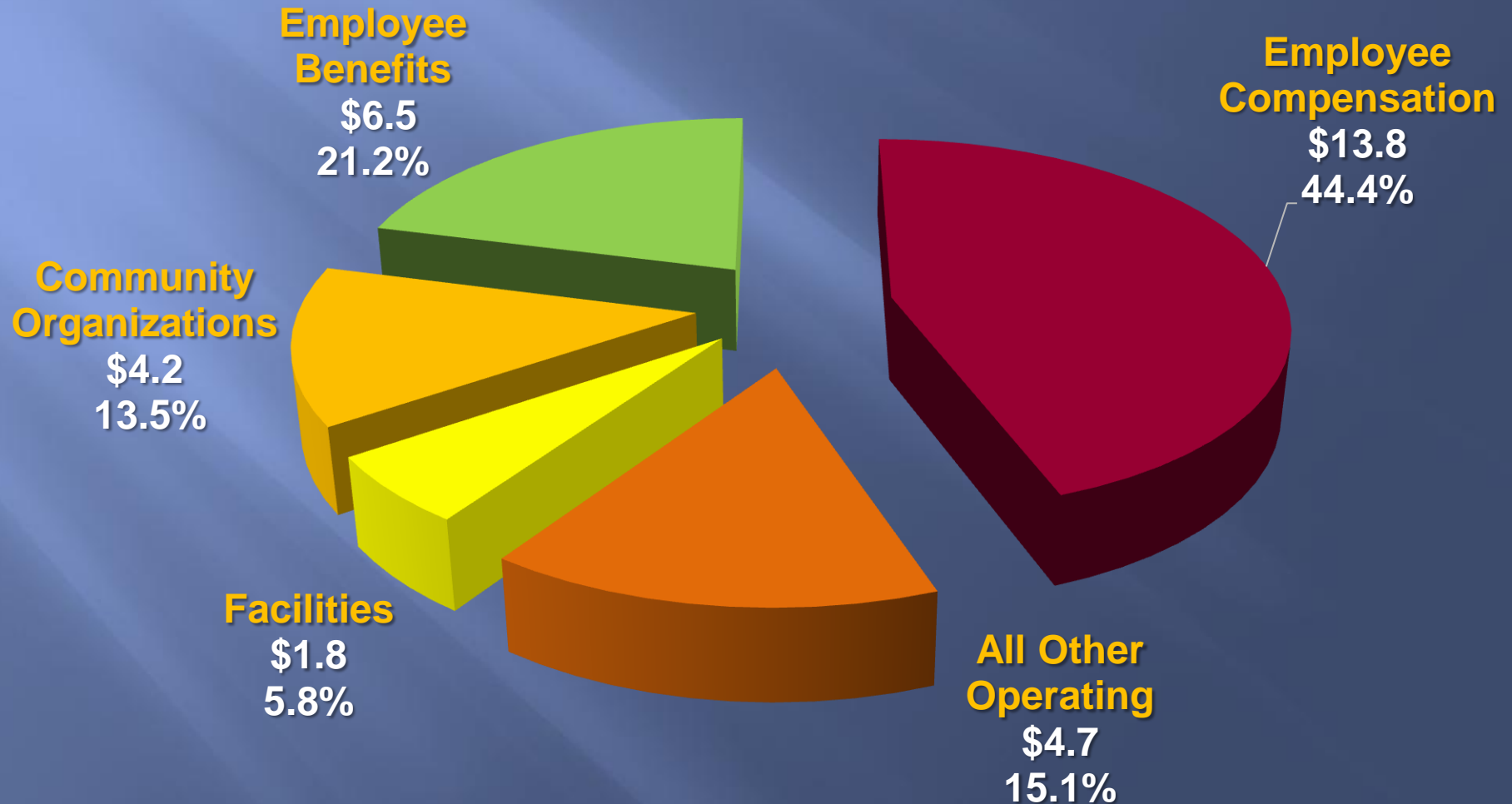
\$/MM



Board of Selectmen

FY 2016 Operating Budget By Expenditure

Total \$31.1MM



Board of Selectmen

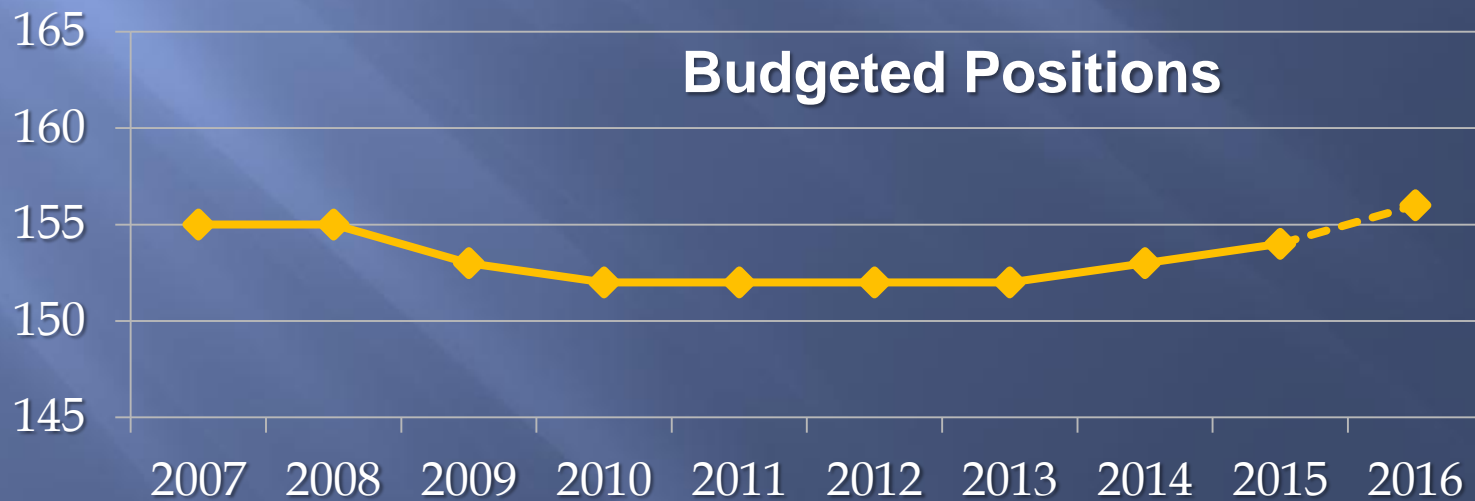
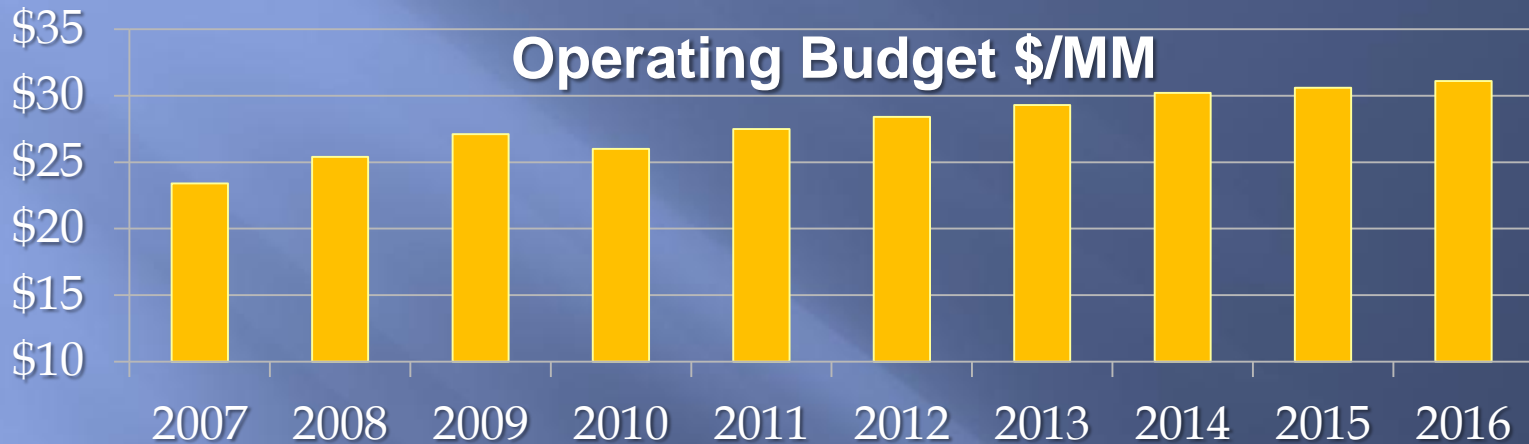
FY 2016 Operating Budget by Expenditures

Variance Analysis

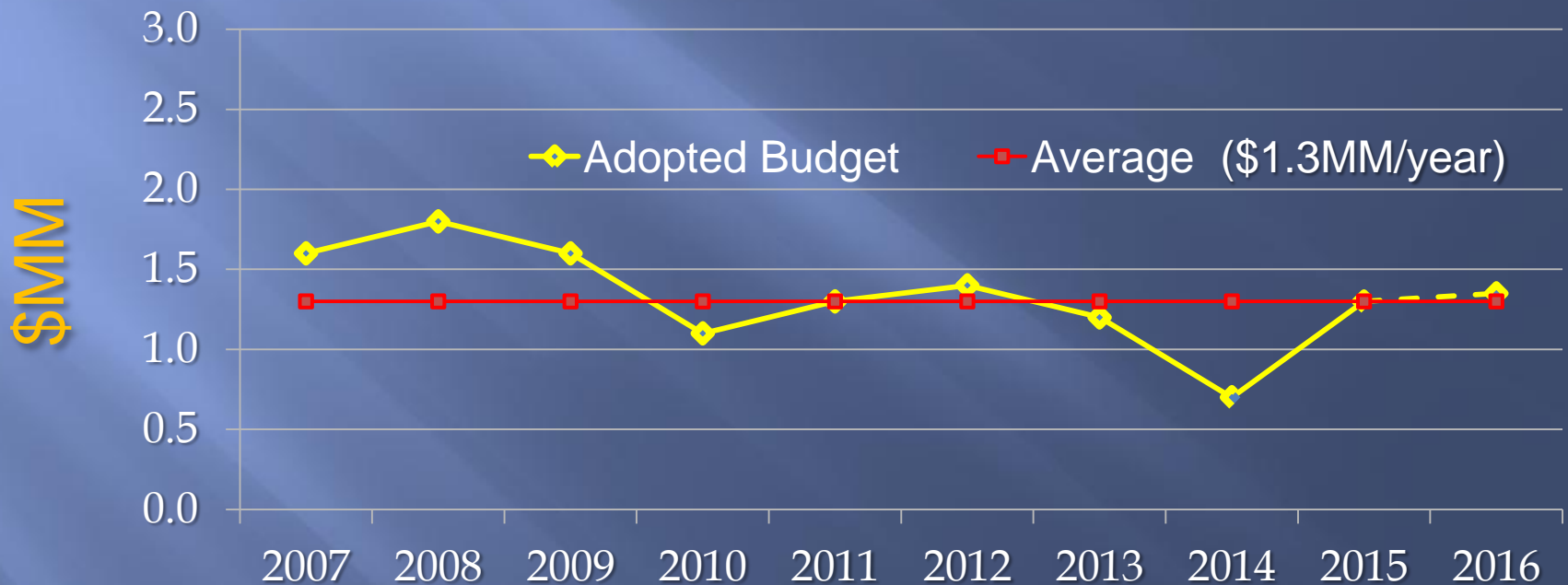
\$/MM

Variances	<u>FY 15 Budget</u>	<u>FY 16 Budget</u>	<u>Variance vs. FY15 Budget</u>		<u>Comments</u>
			\$	%	
- Employee Comp.	13.5	13.8	+0.3	+2.75%	Negotiated union contracts, non union employees' compensation, salary adjustments, plus compensation for new Director, Facility and Energy Management position.
- Employee Benefits	7.0	6.5	-0.5	-10.1%	Soc Sec/Medicare + 2.3% Pension Contrib. - 9.0% OPEB Contribution - 7.0% Medical Insurance - 3.4% Other Benefits - 8.8%
- Community Organizations	4.1	4.2	+0.1	+1.7%	Library + 3.7% F.C. Nurs./Hosp. - 1.9% WVAC - 3.2%
- Utilities, Maintenance & Fuels	1.4	1.3	-0.1	-7.2%	Utilities - 6.0% Bld./Grounds Maint. + 2.3% Heating/Vehicle Fuels -20.1%

Board of Selectmen FY 16 Budget



Board of Selectmen FY 2016 Operating Capital \$MM



FY'16 Requested Operating Capital Budget - \$1.35 MM

Board of Selectmen

FY 2016 Operating Capital Plan

\$/M

<u>Capital Projects by Category</u>	<u>FY 16 Proposed</u>	<u>Comments</u>
❖ Vehicle and Equipment Replacement	845	<ul style="list-style-type: none"> - Replace 5 Police cars, and vehicle equipment - Replace 1 Large Sander (DPW) - Replace 1 Large dump truck and plow (DPW) - Replace 1 Triaxle truck (DPW) - Replace 1 pickup truck (DPW) - Replace 1 Dial-a-Ride Van (Parks & Grounds) - Obtain 1 TRAX machine (Parks & Grounds) - Replace 3 staff vehicle (Fire) (DPW) (Building) - Replace 1 Wilton/Weston (Paramedic) Fly Car - Obtain 1 Dive truck trailer (Fire)
❖ Information Systems	458	<ul style="list-style-type: none"> - Computer hardware and software (IT) (Police) (Tax)
❖ Public Safety and Security	127	<ul style="list-style-type: none"> - Replace Ballistic Vests, Officer Handguns, Defibrillator and Mobile Data Terminal (Police) - Replace Officer Storage Lockers (Police) - Replace Mobile Radios (Police/Dispatch) - Replace FIT Testing Equipment (Fire) - Replace Hydraulic Rescue Tools (Fire) - Replace Auto Generator (WVAC)
❖ Misc. Items	<u>77</u>	<ul style="list-style-type: none"> - Property Revaluation, Merwin Meadows – Renovations, Guard Rail Replacements
TOTAL	\$1,507 - 154 * <u>\$1,353</u>	*FEMA Equipment Replacement Funds-Capital Project Fund

Proposed Bonded Capital Projects FY 2016 Budget

Summary

Projects For May Annual Town Meeting

	<u>Est. Cost</u>
- Fire Station 2 – Architectural and Engineering Services for design plan/schematics to renovate this 58 year old facility	\$ 90M
- Middlebrook School – Replace chillers	\$ 500M
- High School and Middlebrook School – Parking lot repaving	\$ 400M
Total	<hr/> \$ 990 M

Board of Selectmen

Proposed Bonded Capital Expenditures

FY 2016-2020

\$/MM

<u>Town Projects</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>Total</u>
- Road Restoration Program		1,805	930	960	990	4,685
- Police Building				12,660		12,660
- Fire Station 2 Renovations	90	600	310			1,000
<u>School Projects</u>						
- High School						
▪ Replace Elevators and Building Equipment, plus Exterior Repairs					4,275	4,275
▪ Repave parking lots	200					200
- Cider Mill						
▪ Replace Roof			1,350			1,350
▪ Repave Parking Lot					200	200
- Middlebrook School						
▪ Partial Roof Replacement			500			500
▪ Repave Parking Lots	200					200
▪ Replace HVAC Equipment					2,900	2,900
▪ Replace Building Equipment					1,300	1,300
▪ Replace Chillers	500					500
GRAND TOTAL	990	2,405	3,090	13,620	9,665	29,770

Board of Selectmen FY 2016 Budget Summary

Year over Year Increase

+2.06%

➤ Major Drivers

- Employee compensation – union and non union salary increases, plus compensation adjustments
- Facility maintenance and repair costs, increased workman's compensation insurance reserve fund and Teamsters pension withdrawal cost

Offset by:

- Reduced medical insurance costs, lower pension and OPEB contributions and lower fuel and utility costs.

➤ Operating Capital Plan

- Vehicle and Equipment Replacement
- Information Systems – Hardware /Software
- Police/Fire/Paramedic Safety Equipment