

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 SELECTMEN BUDGET**

March 25, 2014

7:30 p.m.

MIDDLEBROOK SCHOOL AUDITORIUM

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

BOARD OF SELECTMEN PRESENT: First Selectmen Bill Brennan, Hal Clark, Dick Dubow, Ted Hoffstatter **ABSENT:** Jim Saxe

OTHER: Town employees and 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 budget process. She reviewed what the Board of Finance is thinking when they review the budgets. (Slides attached).

First Selectman Bill Brennan gave a presentation of the Selectmen's Budget. He went over the Operating Expenses and Capital Costs. (Slides attached).

Ms. Vanderslice opened the floor to Public Comment.

Mr. Curt Noel – 27 Keelers Ridge Road

Said that he was there on behalf of Marissa Lowthert who couldn't be present. He addressed the Miller Driscoll Capital Improvements and

recommends a new school instead of a renovation project that still won't provide adequate facilities.

Mr. Alex Ruskewich - 22 Calvin Road

Concerned with keeping people in Town. Said that Connecticut made top 10 in worst states to retire mostly because of high property taxes. Can we really afford to do many of the projects being proposed and still keep people in Town?

Mr. Brian Lilly – 17 Turner Lane

He wanted to focus his comments on Comstock. He said that Comstock was a good school when he was there but now needs a lot of improvement and believes that Wilton should have a decent community center.

Ms. Jane Rudolph – 61 Bald Hill Road

Agrees about renovation of Comstock and feels it should be improved particularly concerned with the seniors.

Mr. Pat Russo – 84 Old Highway

Also agrees about the need for an attractive community center. People are gravitating to Wilton because of schools, services and hopefully Comstock.

Ms. Rita Caruso – 100 River Road

Believes in renovation of Comstock. Has used the facility a lot in past several years. Improvements need to be made particularly to the bathrooms.

Ms. Phyllis Boozea – 56 Village Walk

In favor of renovating Comstock. Long time Wilton resident and uses Senior Center a lot at Comstock.

Ms. Christina Duncan – 121 Middlebrook Farm Road

Asking about the expenditure to repair the turf field at the High School. She heard that it needs to be done this year and is very expensive.

Mr. Brennan said that it is not in the Capital Projects Budget for this year. The High School is slated for 2017 and the cost associated it \$500,000 and Lilly Field is slated for 2019 and the cost is \$500,000.

Mr. Pete Balderston – 19 Collinswood Road

Wants to know if a cost benefit analysis has been done to see if a new building would be cheaper than renovating Comstock.

Mr. Brennan replied that “yes” such an analysis had been done by the Building Committee. Years ago when they looked into construction of a new building it was over \$25M. Town can’t afford a new center right now. Want to renovate it now and get 20 years out of it.

Ms. Nan Merolla – 318 Ridgefield Road

Totally supports the Board of Selectmen’s Budget as presented and supports the renovation of Comstock. Feels the plans for renovation are adequate and will make a big difference.

Mr. Ed Papp – 28 Walnut Place

Has been in the Town a long time. Was considering buying a \$1.3M house in Wilton but realized the taxes were too high. He believes the sparse turnout at the Public Hearing is because people think government “isn’t listening”. Feels Town budgets are excessive and recommends that the budgets votes be separate.

Public Hearing ended at 8:36 PM.

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

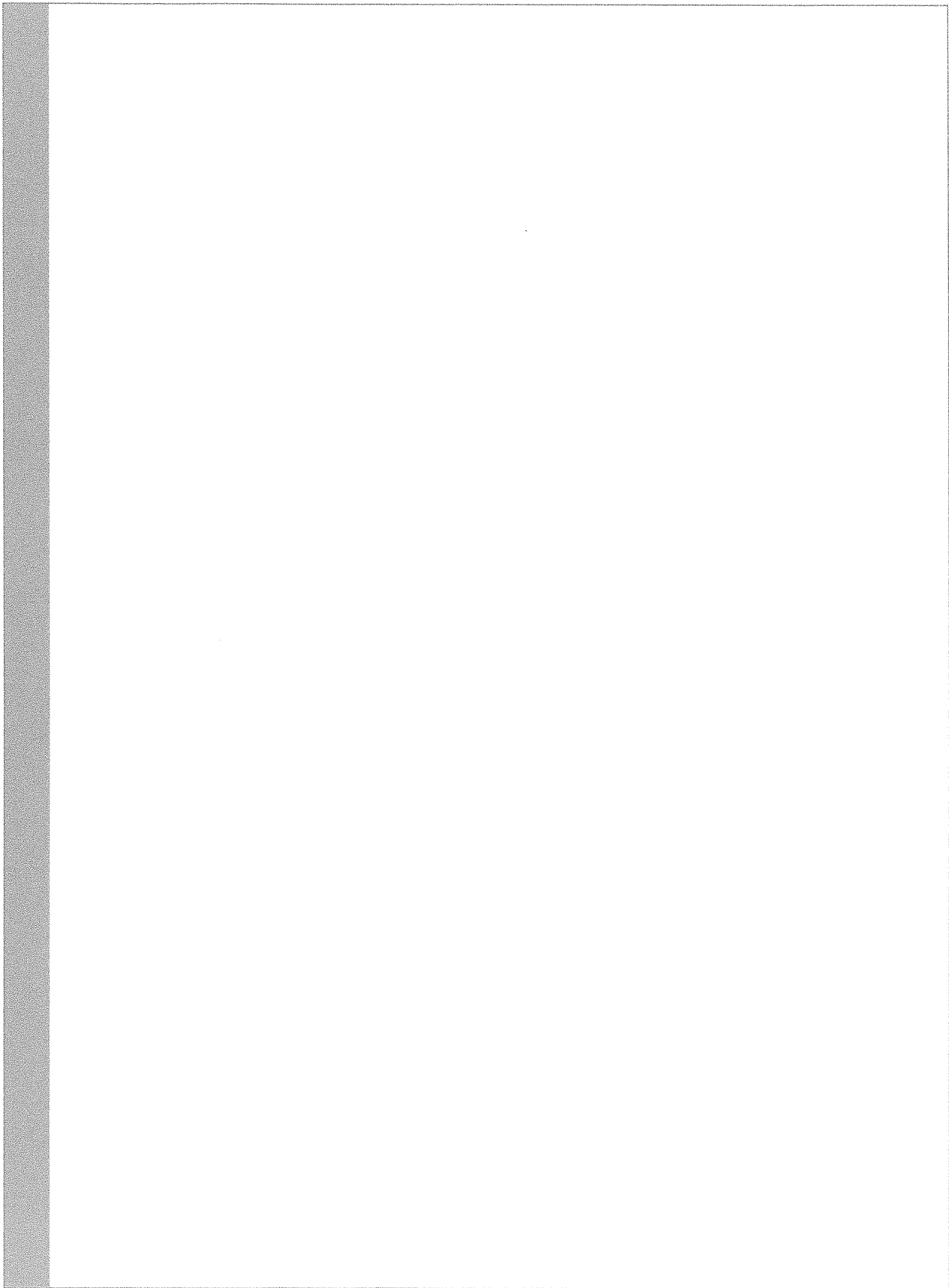
\$ Thousands

	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

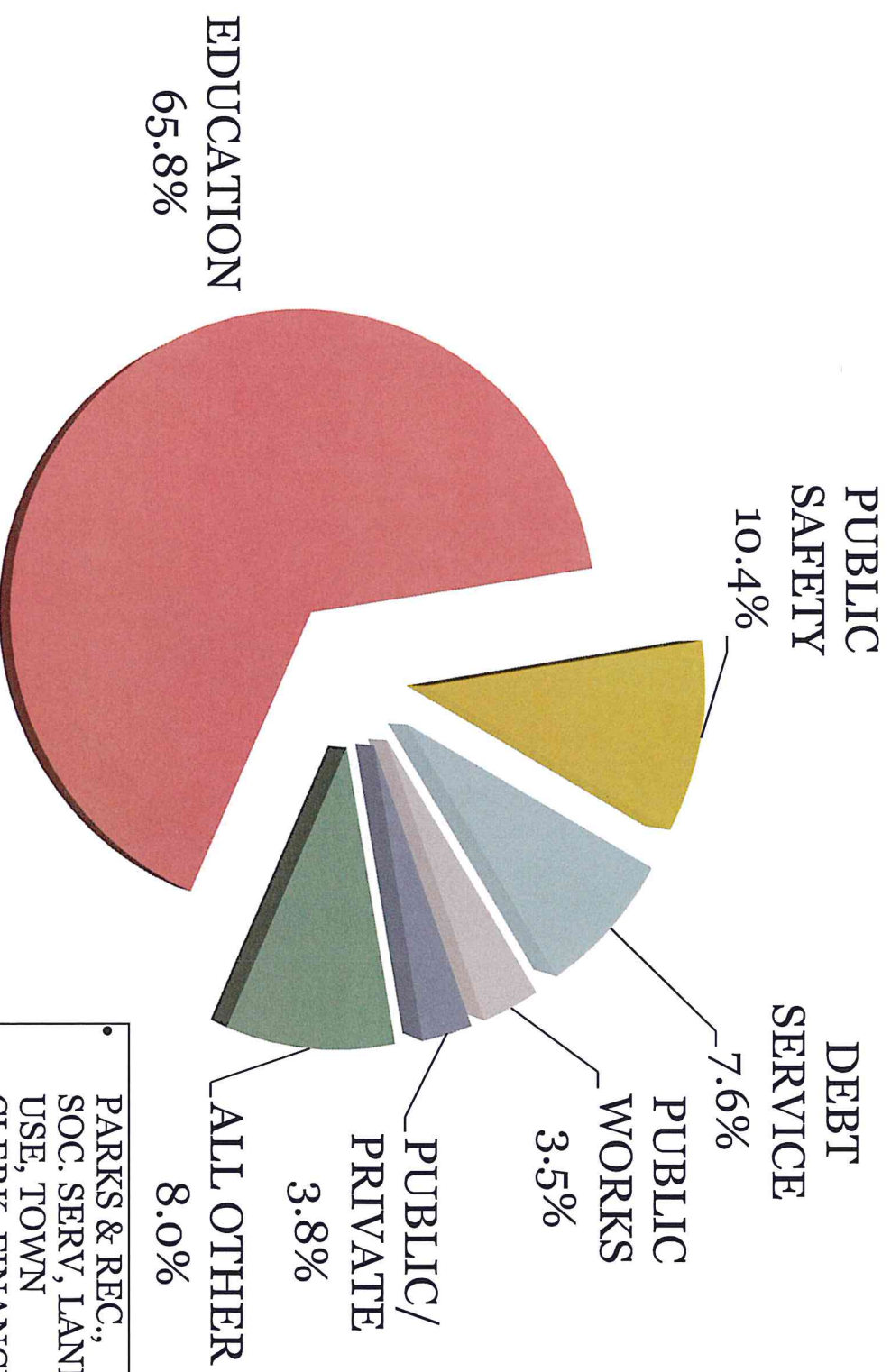
	FY 14 ADOPTED BUDGET	FY 15 REQUESTS	% FROM 14 ADOPTED
Property Tax Revenue Required	109,308	114,095	4.38%
Grand List	4,235,479	4,266,865	.74%
Collection Rate	99.3%	99.3%	--
Required Mil Rate	25.9898	26.9284	3.61%



TOWN OF WILTON

PROPOSED FY 15 BUDGET DISTRIBUTION

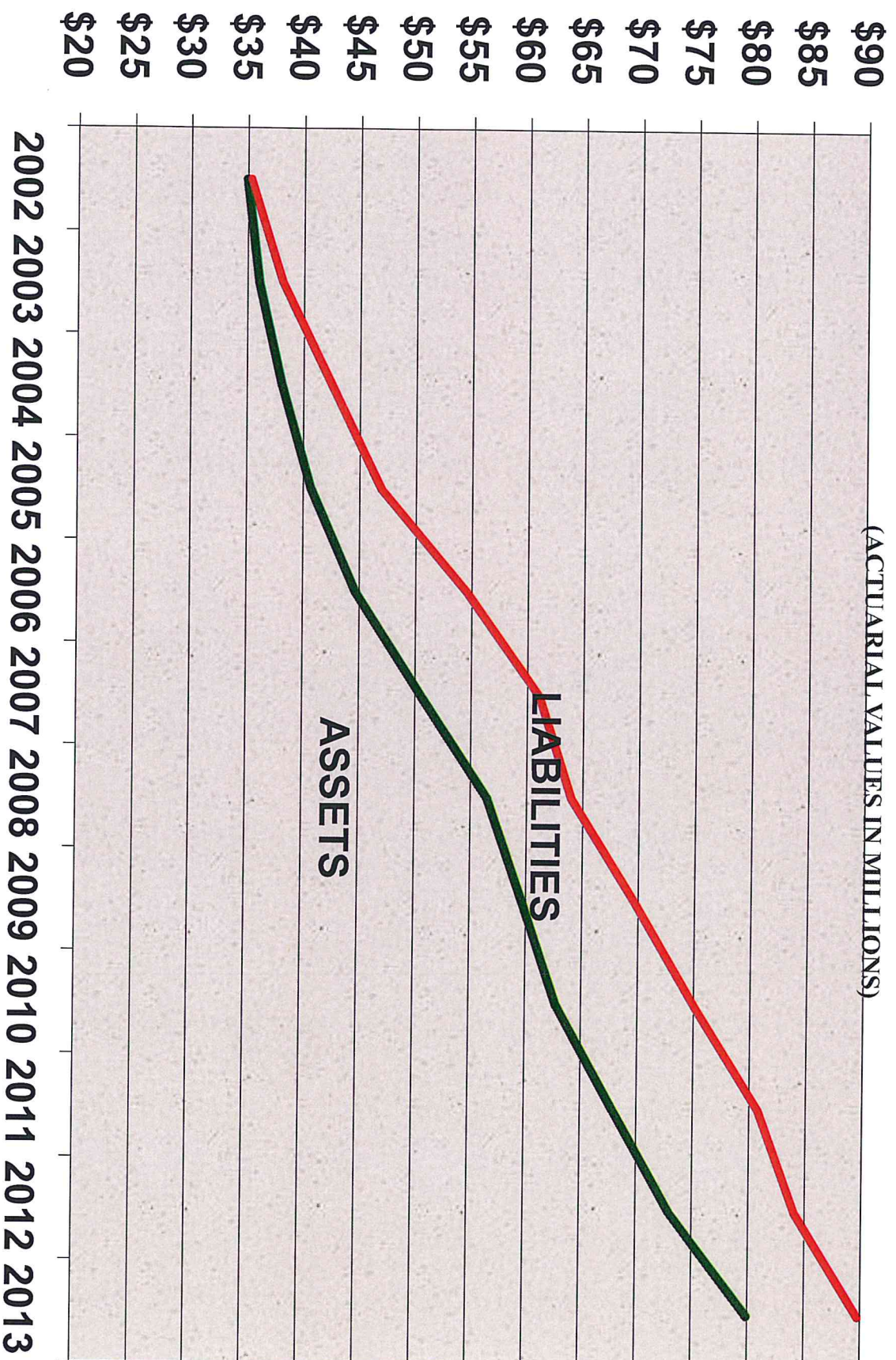
(All categories include operating capital expenditures)



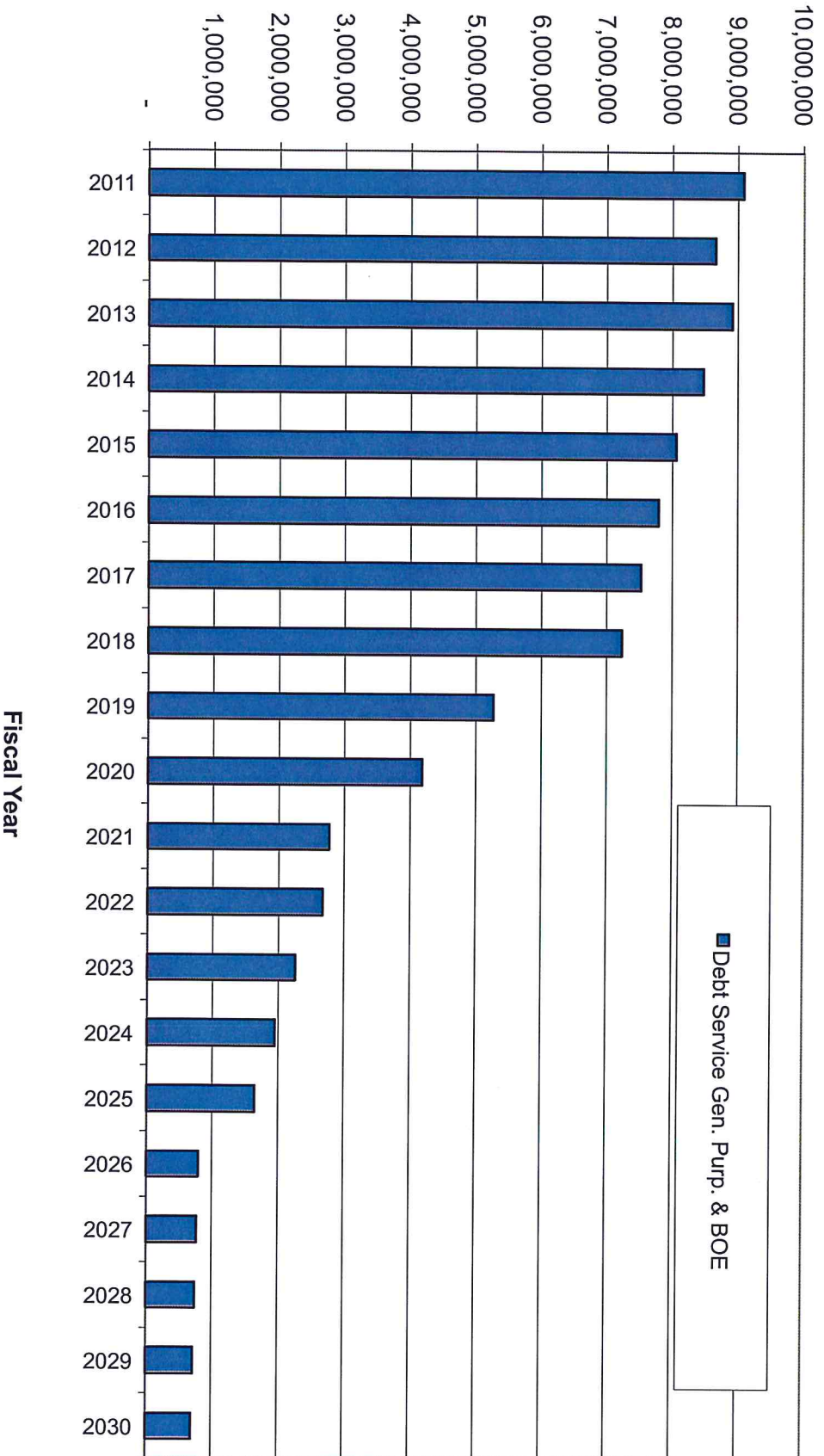
- PARKS & REC., SOC. SERV., LAND USE, TOWN CLERK, FINANCE, TAX, IT ASSESSOR, ETC.

PENSION PLAN FUNDING STATUS FY'S 2002-2013

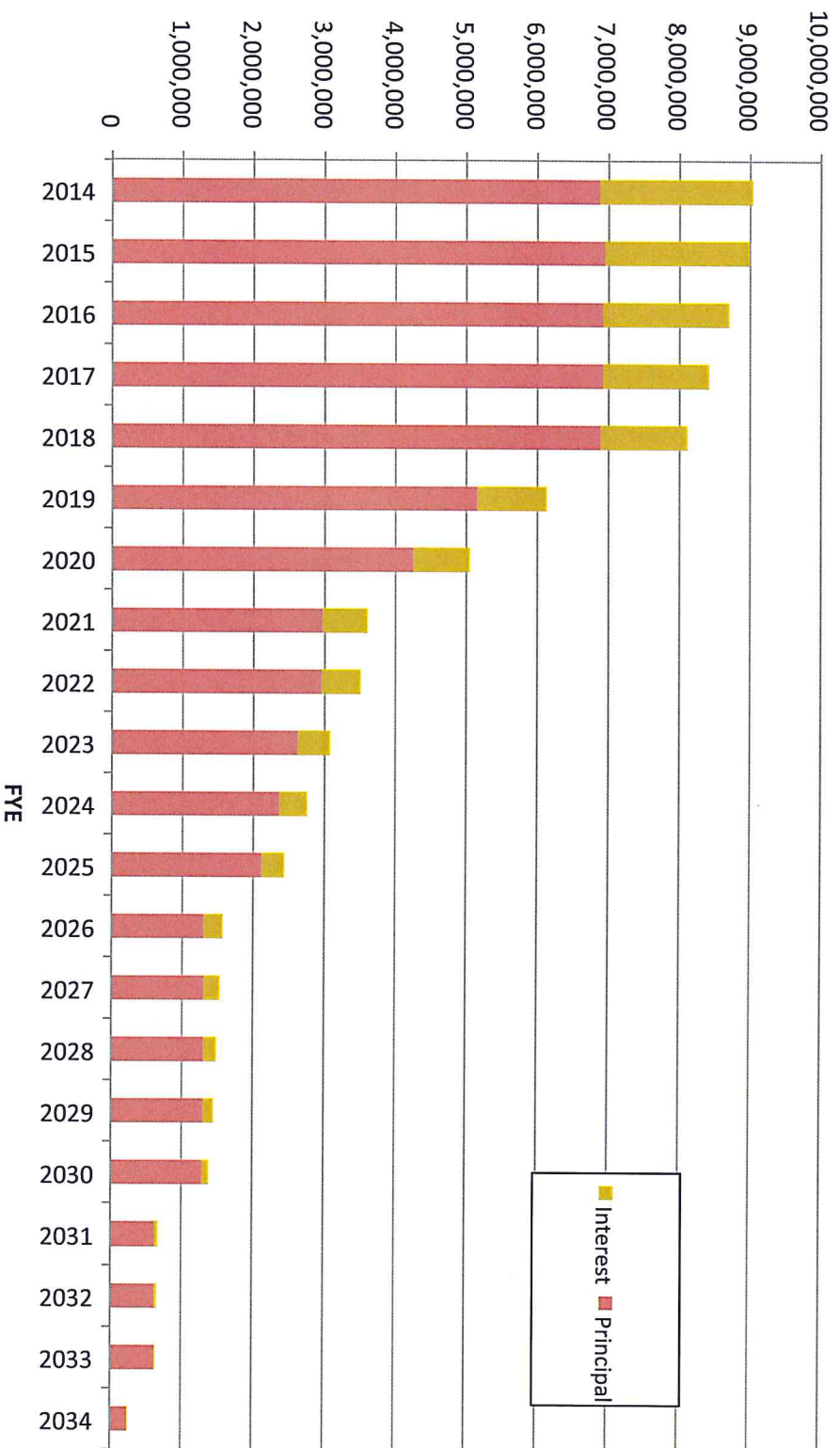
(ACTUARIAL VALUES IN MILLIONS)



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



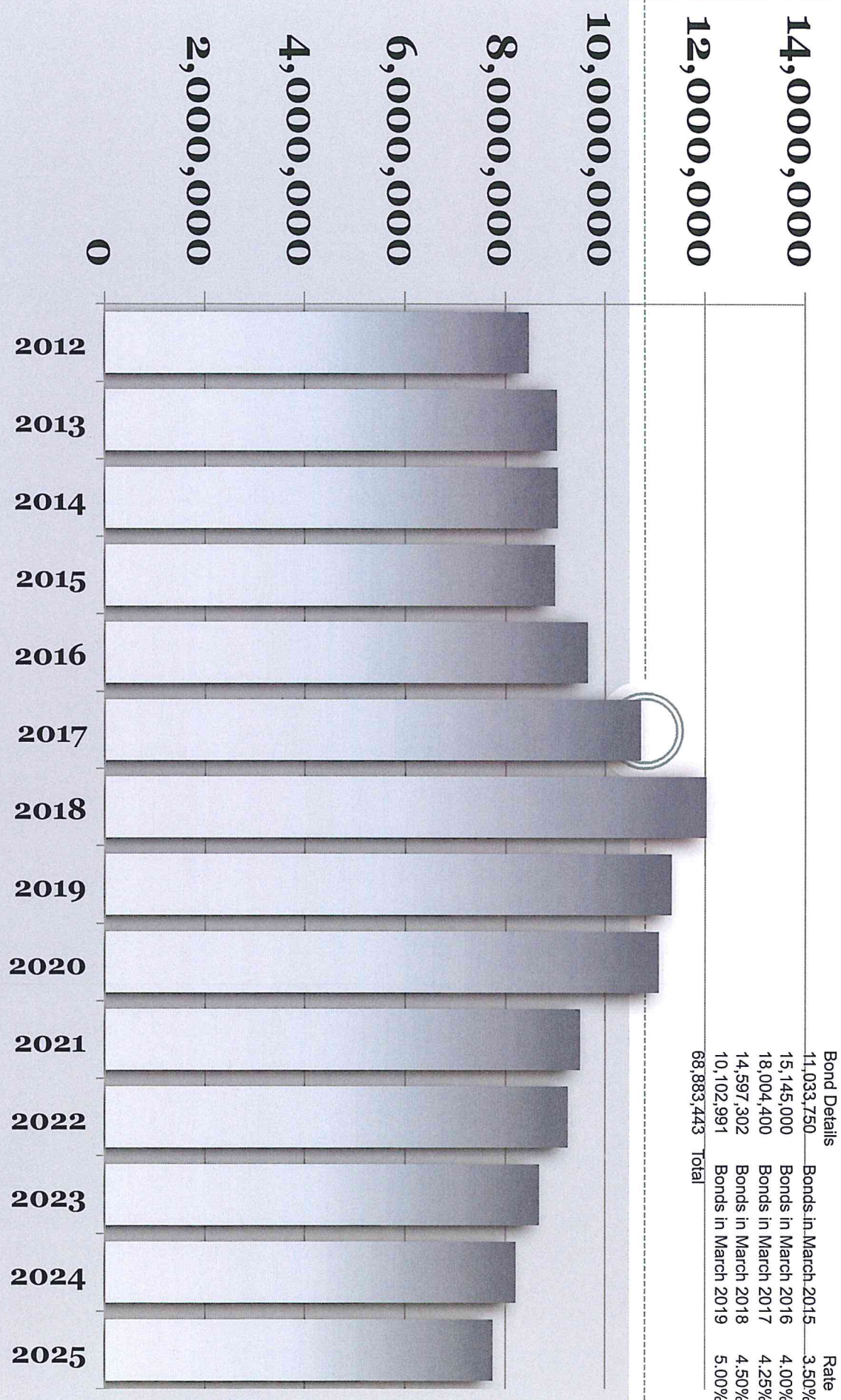
Town of Wilton *Outstanding Debt Service*



DEBT SERVICE AS A % OF TOTAL BUDGET



Wilton CIP Debt Analysis



March 25, 2014

BOARD OF SELECTMEN FY 2015 BUDGET



***A progressive community
must continue to invest in its
future.***

Board of Selectmen

FY 2015 Budget

Objectives

- **Maintain essential municipal and public safety services to the community and support 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 effective operating expenditures and capital budget to accomplish the above goals and to respond to the Board of Finance's year-over-year target expenditures' objective.**

Board of Selectmen FY 2015 Operating and Capital Budgets

Five Year Profile

	<u>FY 10 Budget</u>	<u>FY 11 Budget</u>	<u>FY 12 Budget</u>	<u>FY 13 Budget</u>	<u>FY 14 Budget</u>
Operating Expenditures	+ 1.1%	+ 0.28%	+ 3.1%	+3.17%	+3.25%
Operating Capital	-32.4%	+22.9%	+ 8.7%	-26.15%	- 32.9%
Total Operating Exp. and Capital	<u>- 0.8%</u>	<u>+ 1.1%</u>	<u>+ 3.4%</u>	<u>+ 1.75%</u>	<u>+1.98%</u>

- *Board of Selectmen Average annual budget increase **+1.49% per year***
- *U.S. Dept. of Labor-Consumer Price Increase Data +2.1% per year*

Board of Selectmen

FY 2015 Operating & Capital Budgets

\$/MM

	<u>FY 14 Budget</u>	<u>FY 15 Req.</u>	<u>BOS Changes</u>	<u>Proposed FY 15 Budget</u>	<u>Variance FY 14 Budget</u>
Operating	30.2	31.2	(0.5)	30.8	+ 2.0%
Capital	0.7	1.9	(0.6)	1.3	+77.0%
Total	<u>30.9</u>	<u>33.1</u>	<u>(1.1)</u>	<u>32.1</u>	<u>+ 3.7%</u>

Board of Selectmen Operating and Capital Budgets 2010 – 2015

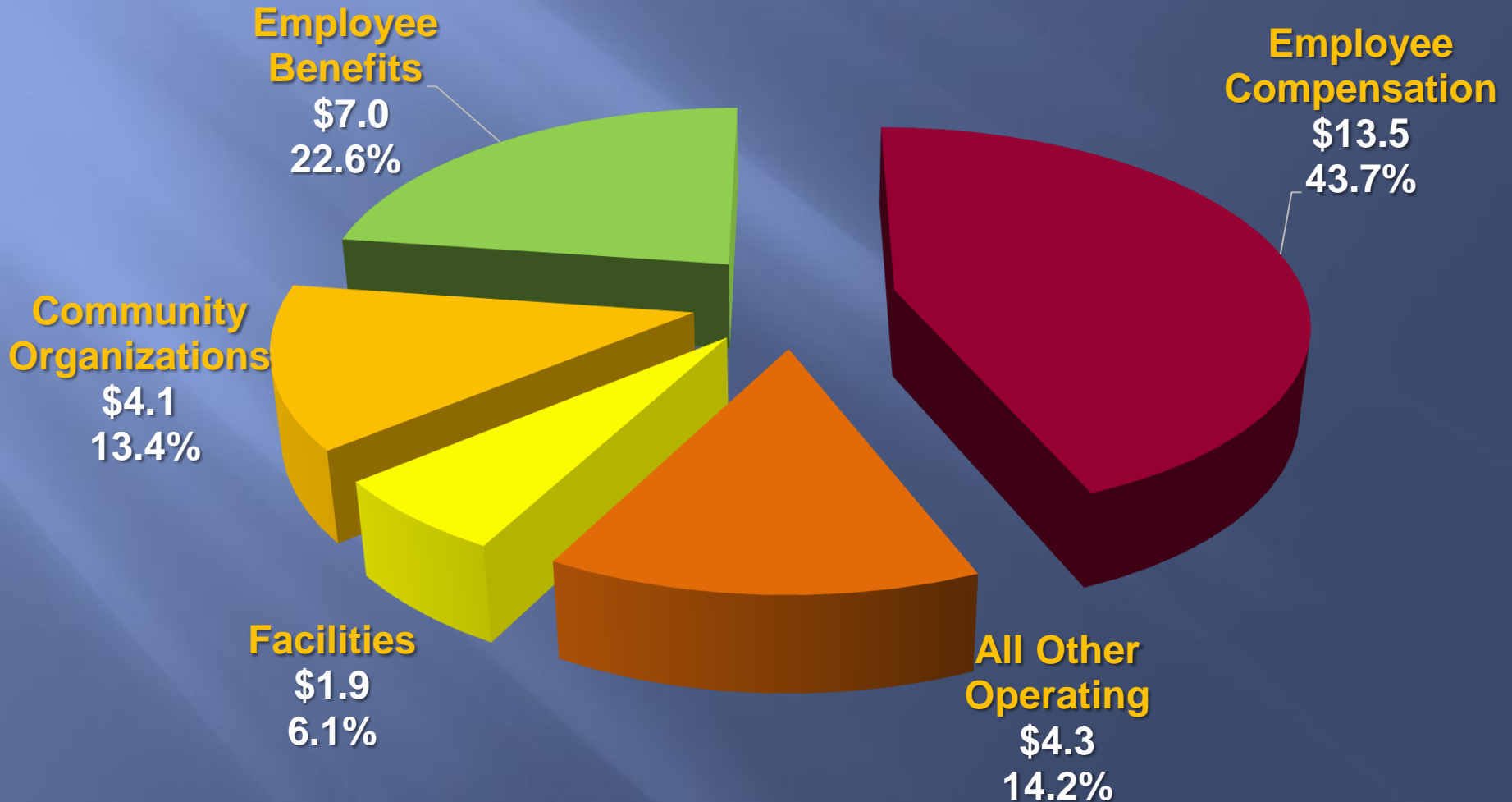
\$/MM



Board of Selectmen

FY 2015 Operating Budget By Expenditure

Total \$30.8MM



Board of Selectmen

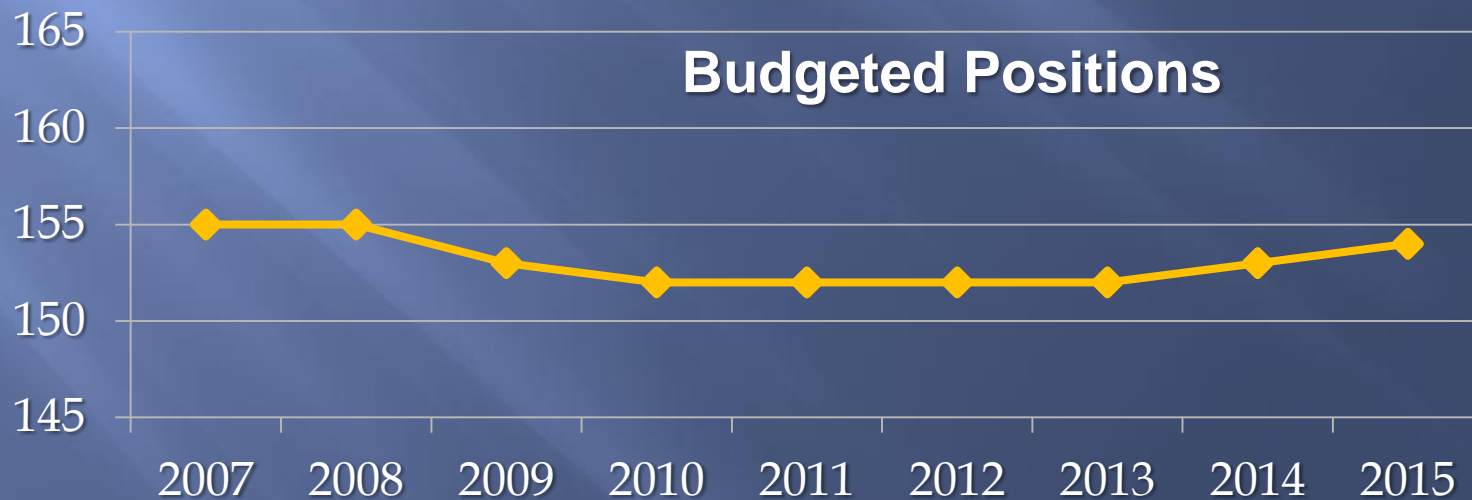
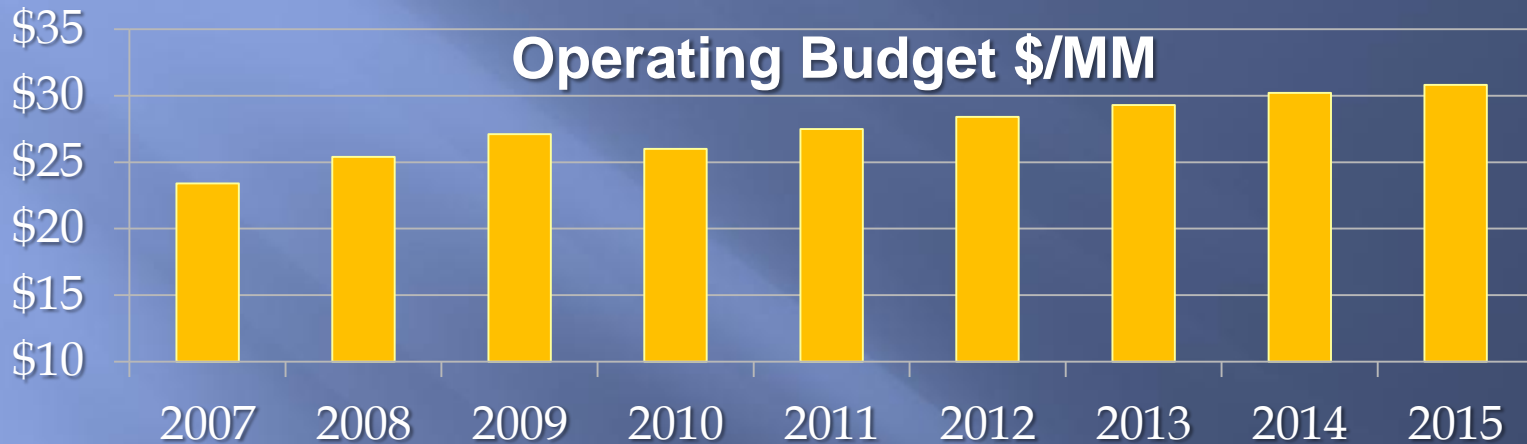
FY 2015 Operating Budget by Expenditures

Variance Analysis

\$/MM

Variances	<u>FY 14 Budget</u>	<u>FY 15 Budget</u>	<u>Variance vs. FY14 Budget</u>		<u>Comments</u>
			\$	%	
- Employee Comp.	13.1	13.5	+0.4	+2.6%	Negotiated union contracts, plus non union employees' compensation – averaged +2.5%.
- Employee Benefits	7.6	7.0	-0.6	-8.8%	Soc Sec/Medicare + 4.8% Pension Contrib. - 5% OPEB Contribution + 3.3% Medical Insurance - 5.7% Reserve Fund Reductions - 9.1%
- Community Organizations	4.0	4.1	+0.1	+2.6%	Library + 2.5% F.C. Nurs./Hosp. + 2.1% WVAC + 3.1%
- Utilities, Maintenance & Fuels	1.38	1.41	+0.03	+2.3%	Utilities + 1.4% Bld./Grounds Maint. + 8.9% Heating/Vehicle Fuels - 3.6%
- Rebuild Sand/Salt Material Inventories	0.24	0.29	+0.05	+20%	Severe 2013-14 Winter

Board of Selectmen FY 15 Budget



Board of Selectmen

FY 2015 Operating Budget

Department of Public Works

Manpower Survey

	<u>Darien</u>	New <u>Canaan</u>	<u>Ridgefield</u>	<u>Westport</u>	<u>Wilton</u>
Population	20,942	19,938	24,885	26,656	18,242
Town Sq. Miles	13	22	34	20	27
Town Roads	81	120	168	123	127
 <u>Head Count</u>					
Full Time	27	38	28	31	21
Part Time	1	2	2	1	1

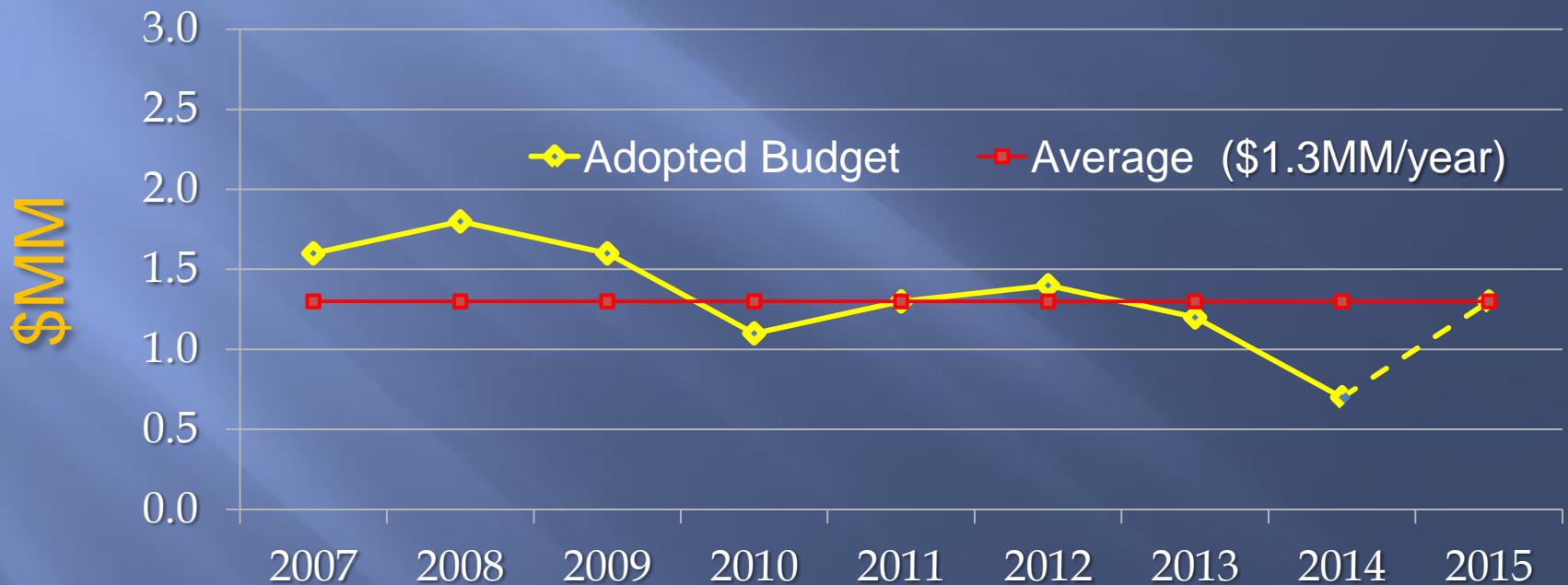
Board of Selectmen

FY 2015 Operating Capital Plan

\$/M

<u>Capital Projects by Category</u>	<u>FY 15 Proposed</u>	<u>Comments</u>
❖ Vehicle and Equipment Replacement	775	<ul style="list-style-type: none"> - Replace 6 Police cars, and vehicle equipment - Replace 1 Loader (DPW) - Replace 1 large dump truck (DPW) - Replace 1 plow (DPW) - Replace 1 small pickup truck (DPW) - Replace 1 Large mower (Parks & Grounds) - Replace 1 staff vehicle (Fire) - Replace 1 Wilton/Weston (Paramedic) Fly Car
❖ Information Systems	284	<ul style="list-style-type: none"> - Computer hardware and software
❖ Public Safety and Security	101	<ul style="list-style-type: none"> - Replace 3 Defibrillators (Police) - Replace 3 Mobile Data Terminals(Police) - Replace 2 Mobile Radar Units (Police) - Replace Radio & Digital Recorder (Dispatch) - Replace Medical Equip. & Paramedic Lifepak - Replace 2 Thermal Imaging Cameras (Fire)
❖ Misc. Items	<u>120</u>	<ul style="list-style-type: none"> - Replace Town Hall Lamp Posts; Repair Boardwalk-Bradley Park
TOTAL	\$1,280	

Board of Selectmen FY 2015 Operating Capital \$MM



FY'15 Requested Operating Capital Budget - \$1.3 MM

Proposed Bonded Capital Projects FY 2015 Budget

Summary

Projects For May Annual Town Meeting

	<u>Est. Cost</u>
- Comstock Community Center Renovation	\$ 9,900 M
- Replace 20 year old Fire Engine 3	\$ 595 M
- Road Restoration Program – Phase II Paving/Repair Funds for FY15 (\$1,708M) and FY16 (\$1,755M)	\$ 3,464 M
- Ambler Farm – White House Renovations – Final Construction Phase FY15 - \$125M and FY16 - \$125M (Funds matched by FOAF)	\$ 250 M
- Wilton Schools – Security Upgrades	\$ 500M
Total	<hr/> \$ 14,709 M

Board of Selectmen

Proposed Bonded Capital Expenditures

FY 2015-2019

\$/MM

<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>
- Road Restoration Program	1,708	1,755	1,805	1,303	957	7,528
- Fire Apparatus Replacement	595					595
- Fire Station 2 Renovations		600	400			1,000
- Police Station Renovation				250	6,330	6,580
- Comstock Renovations	3,915	5,985				9,900
- Ambler Farm Renovations	125	125				250
Town Total	6,343	8,465	2,205	1,553	7,287	25,853
<u>School Projects</u>						
- Miller Driscoll Renovations*	2,250	6,960	15,769	11,094	2,816	38,889
- MD Fuel Tank Replacement		300				300
- Cider Mill		25		1,450		1,425
- Middlebrook School		875		500		1,375
- High School	60	400	30			490
- Security Upgrades	500					500
School Total	2,810	8,560	15,799	13,044	2,816	43,029
GRAND TOTAL	9,153	17,025	18,004	14,597	10,103	68,882

**Special Town Meeting – September 23, 2014*

Board of Selectmen

FY 2015 Budget Summary

Year over Year Increase

+3.7%

➤ **Major Drivers**

- Employee compensation – union and non union increases average +2.5%
 - Increased DPW storm materials, facility maintenance costs and Teamsters pension withdrawal cost
- Offset by:
- Reduced medical insurance costs, lower pension contributions and lower fuel costs.

➤ **Operating Capital Plan**

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

➤ **Revenues**

- FY2015 projected revenues +\$535,000 **+14.6%**