

FY 2025 Board of Selectmen Proposed Budget

Budget Submission
to the
Board of Finance

March 13, 2024

Significant Factors

- Need to address conditions of Town facilities and space utilization.
- Contractual increases in labor rates per CBA's.
- Increase in cost of health benefit of 2%.
- Necessary increase in staffing due to workload:
 - Finance Dept. payroll position expanded (no longer shared w/ BOE)
 - Increase use of part time and contracted inspectors for Building and Health Depts.
- Increases due to state mandates
 - Increase in P/T polls workers to comply with Early Voting law.
 - Additional training costs for CERT volunteers.
 - Additional training for fire fighters.

Risk Factors

- Uncertainty concerning shifts in tax burden due to state-mandated property revaluation.
- Expected drop in vehicle values following the pandemic spike could reduce personal property tax revenue.
- Expected drop in conveyance tax following pandemic related spike in real estate sales due to lack of inventory.
- Expected increase in demand for essential services as new development increases Wilton's population.
- Increasing volatility in utilities (pending rate case at PURA; possible sale of Aquarion Water Co.)

BUDGET OVERVIEW

Summary Table

	2024	2025	\$ Change	% Change
General Fund Operating (less debt svc)	33,412,794	34,632,148	1,219,354	3.65%
Capital	1,060,801	1,244,353	183,552	17.30%
Total	34,473,595	35,876,501	1,402,906	4.07%
Wages	16,048,275	16,406,531	358,256	2.23%
Medical	3,598,902	3,671,108	72,206	2.01%
All Other Benefits, Excluding Pension	1,935,809	1,973,328	37,519	1.94%
Pension Contributions	682,022	769,504	87,482	12.83%
Total Wages & Benefits	22,265,008	22,820,471	555,463	2.49%
Workman's Comp & Other Insurance	658,355	699,822	41,467	6.30%
Utilities	941,562	1,022,674	81,112	8.61%
Transfer Station Subsidy	308,828	308,828	-	0.00%
All Other Operating Costs	5,288,947	5,779,568	490,621	9.28%
Wilton Library	2,977,471	3,028,162	50,691	1.70%
Public & Private Nursing	972,623	972,623	-	0.00%
Operating Capital	1,060,801	1,244,353	183,552	17.30%
Total Excluding Wages & Benefits	12,208,587	13,056,030	847,443	6.94%
Total Operating and Capital	34,473,595	35,876,501	1,402,906	4.07%
Total Operating	33,412,794	34,632,148	1,219,354	3.65%

BUDGET OVERVIEW

Utilities – Electricity
+\$65,400 vs FY'24 Budget

Electricity costs have been volatile, difficult to predict:

	Budget	Actual	Var%
FY'22	\$ 230,000	\$ 245,857	107%
FY'23	\$ 230,000	\$ 298,489	130%
FY'24	\$ 250,000	\$ 315,929	126%
FY'25	\$ 315,400	\$ 286,758	10%
		(3-Yr Avg)	(% vs Avg)

BUDGET OVERVIEW

Utilities – Hydrant Service/Fire Protection

Hydrant fees reflect estimated Aquarion price increase:

FY'24 Budget:	\$266,728
YTD Actual:	234,480
FY'24 Estimate:	\$270,000 (at year end)
FY'25 Request:	\$274,800
<i>Change:</i>	<i>1.8% (vs. Est. Y/E)</i>

BUDGET OVERVIEW

Utilities – Renewable Energy Payments

+\$5,000 vs. FY'24

- Payments made to Middletown Solar Farm Supplier.
- Town receives solar energy credits to offset portion of costs.

FY'24 Budget: \$20,000

YTD Actual: 18,100

FY'24 Estimate: \$ 21,000 (at year end)

FY'25 Request: 25,000

BUDGET OVERVIEW

Insurances

- Rates are established on the basis of claims history, industry experience.
- Seeing significant improvement in Worker's Comp claims.
- L.A.P. increases are due to legal coverage, vehicle claims.
- Historically underbudgeted vs. FY actual expenses.
- New consultant identified areas where Town was underinsured.

Most significant:

	FY'23 Bud.	FY'23 Act.	FY'24 Bud.	FY'24 YTD	FY'25 Req.
Worker's Comp	\$ 400,000	\$ 538,909	\$ 400,000	\$ 127,504	\$ 400,000
L.A.P./All Other	\$ 239,544	\$ 250,396	\$ 204,544	\$ 356,906	\$ 246,011

Notes:

- 1) Town changed consultants and switched to CIRMA in 2023.
- 2) CIRMA has provided 3-year rate stabilization, proactive risk management program.
- 3) Many uncovered legal claims are from prior period.

BUDGET OVERVIEW

Pension Contributions

+\$87,482 vs. FY'24 (+12.83%)

- Current DB plans are “closed” to new employees in departments now on DC plans.
- Payouts increase as employees retire, with lower \$ inputs due to shrinking pool of employees.
- Employer contribution must rise to maintain funding level.

	July 1, 2023	July 1, 2022
Number of members:		
Active employees	153	173
Terminated vested members	27	25
Vested in employee contributions only	31	29
Retired, disabled and beneficiaries	<u>301</u>	<u>287</u>
Total	512	514

BUDGET OVERVIEW

Staffing Requests by Department

Dept.	Req.	Reason
Finance	0.5	Payroll/Gen Accounting
Annex	0.5	Customer Service-Land Use Dept.
Info. Tech.	0.5	Department Transition/Restructuring
<i>Ttl:</i>	<i>1.5</i>	

Questions & Discussion