

FY 2025 Board of Selectmen's Proposed Budget

Budget Presentation to the **Public Hearing**

March 18, 2024

FY 2025 Board of Selectmen Proposed Budget

FY2025 Budget Goals

- Provide the high quality of services Wilton residents and businesses expect at the lowest possible cost.
- Provide departments of public safety and first responders with adequate resources to respond to emergencies and protect the community.
- Create responsible budgets that protect the taxpayer's investments school and town facilities by providing adequate funding for maintenance and repairs .
- Provide assistance to those in need and the recreational and cultural activities that residents deserve while staying within budget.
- Focus on cost savings opportunities, increased use of technology and provide appropriate staffing levels.
- Pursue grant opportunities to reduce the taxpayers' share of the funding of infrastructure and other initiatives.
- Provide the oversight required to bring in building projects on time and within budget.
- Modernize town government functions to provide better taxpayer experience.

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Status Report – FY'24

- Construction began on new police HQ in January and is progressing well. Expected completion: Approximately June 2025.
- Replacement of the Town's outdated financial management system is currently under way. Munis, the new system, will be "live" on July 1, 2024, to start the upcoming fiscal year. When completed, Munis will provide faster access to data, expanded functionalities and improvements in staff efficiency.
- The Town is upgrading/revamping its internal I.T. system over the next 6 months. Improvements will include heightened security against cyber attacks, file sharing capabilities, cost savings through software consolidation and reduced use of outside consultants.
- The Town is approaching maximum usage of its assigned sewer capacity with the Norwalk wastewater treatment plant, which could limit business growth and curtail new developments. Discussions with the City of Norwalk have been initiated and will commence this week.

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Upcoming Developments

New developments that are currently coming online or for which applications are expected could impact future revenues and expenses:

- 141 Danbury Rd: 174 units. Expected occupancy beginning April '24
- 131 Danbury Rd: 208 units proposed. Public hearings held; decision pending.
- 64 Danbury Rd: 93 units proposed. Public hearing scheduled.
- Kimco/River Rd: 150 units proposed. Pre-application; formal application expected.
- 15 Old Danbury Rd: 200 units proposed. Pre-application, formal application expected by end of month.
- ASML: Projects on Danbury and Westport Roads approved; pending building permits
- Cannon Rd: 70 units proposed under CGS 8-30(g). Sewer allocation under appeal.
- 12 Godfrey Rd: 47 units. Approved, under construction.

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Review of Significant Budget Factors

- Need to address conditions of town and school facilities. Recent studies indicate over \$130 mm necessary maintenance and upgrades over the next 15 years.
- Staff increases due to state mandates and public safety requirements:
 - Increase in P/T polls workers to comply with Early Voting law.
 - Additional training costs for CERT volunteers.
 - Additional training for fire fighters.
- Staff increases 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.
 - Annex clerk from P/T to F/T to improve constituent services in Land Use, Health, Building, Public Works and Environmental Services departments.

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Significant Budget Factors (continued)

- Uncertainty concerning shifts in tax burden due to state-mandated property revaluation.
- Drop in vehicle values following the pandemic spike will reduce personal property tax revenue.
- Expected drop in conveyance tax following pandemic related spike in real estate sales due to lack of inventory and high interest rates.
- 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.)

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Significant Budget Factors (continued)

- **Property Revaluation:**

- Property values must be updated every 5 years per state law.
- Wilton was granted a one-year extension in 2022 with goal to minimize impact of pandemic on local real estate sales.
- 2023 revaluation process showed substantial growth in values, but “residential” and “commercial” values did not grow at the same rate, which has caused a shift in relative tax burden from “commercial” to “residential” properties:

Avg. GL Value Chg. vs 2017	
Residential	35%
Commercial	15%
<i>Avg</i>	28%

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Significant Budget Factors (continued)

- **Change in financial practices will affect revenue:**
 - In prior years, end-of-year budget surpluses or excess fund balances could be applied to the upcoming budget to minimize the property tax increase.
 - This practice is now strongly discouraged by Moody's, the largest global bond rating agency.
 - Moody's requires the Town to maintain an "Available Fund Balance Ratio," as defined by the agency, of 25% to 35%.
 - Use of fund balance to reduce the mill rate could result in a downgrade of the Town's bond rating.

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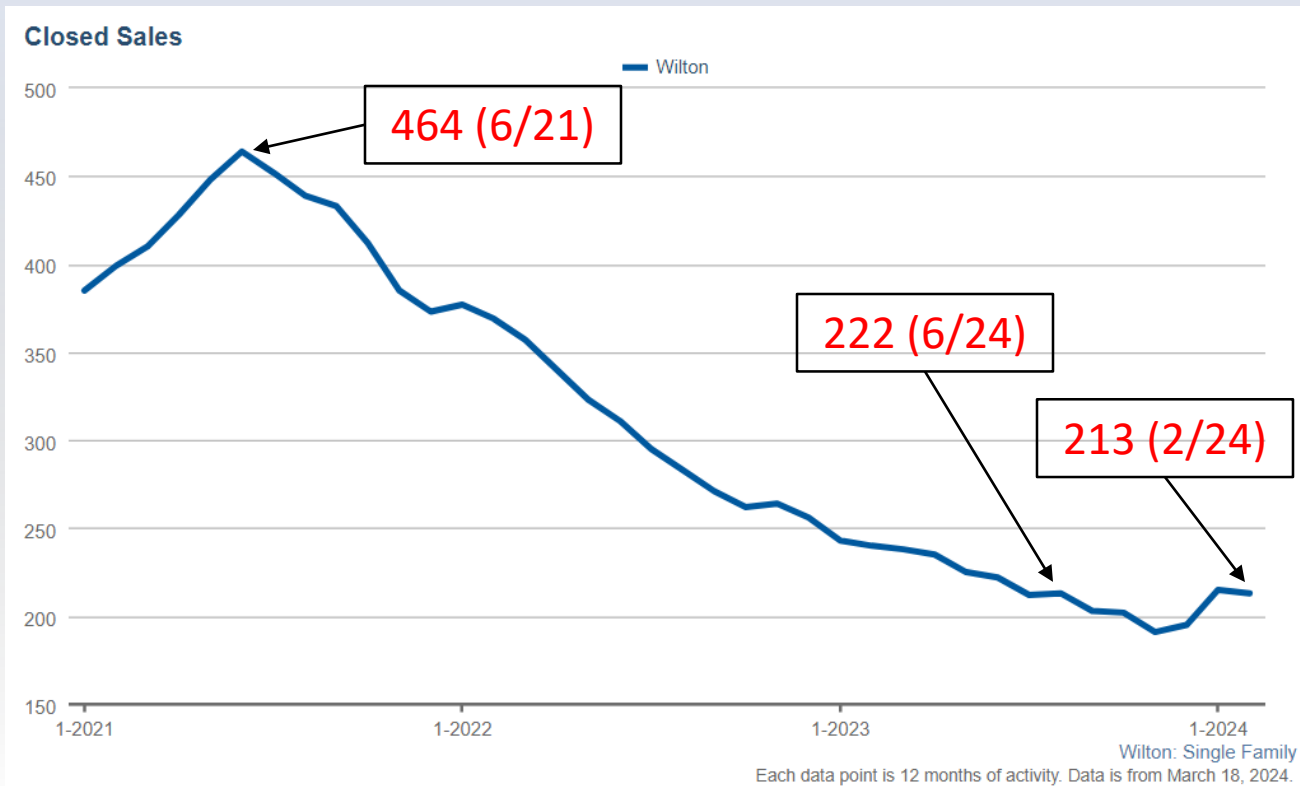
Significant Budget Factors (continued)

- **Post-pandemic real estate sales have declined and will affect revenue:**
 - Real estate sales peaked during the pandemic.
 - Real estate closings and available inventory have declined steadily since the pandemic peak.
 - Conveyance tax revenue is predicted to drop by half.

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Significant Budget Factors (continued)

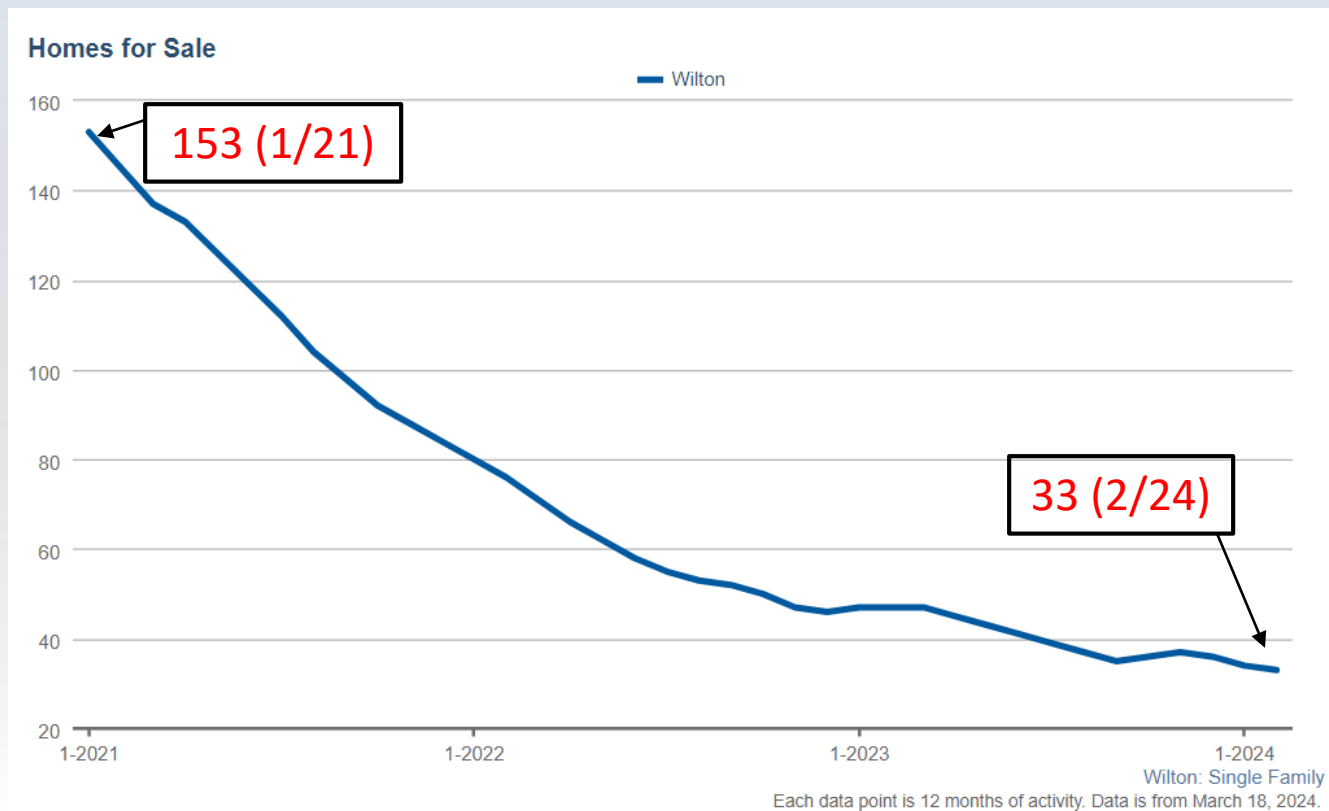
- **Conveyance tax revenue expected to decline sharply.**
 - *Real estate closings have declined by 54% since the pandemic-era peak.*



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Significant Budget Factors (continued)

- **Conveyance tax revenue expected to decline sharply.**
 - *Available inventory has dropped by 78% since the pandemic-era peak.*



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Budget Topline – Change Requests v Prior Year

• FY' 25 Town Operating Budget Request	\$34,632,148
<i>Increase \$:</i>	<i>1,219,354</i>
<i>Increase %:</i>	<i>3.65</i>
• FY' 25 Operating Capital Budget Request	\$ 1,244,353
<i>Increase \$:</i>	<i>183,552</i>
<i>Increase %:</i>	<i>17.30</i>
• FY'25 Total Operating & Capital (exc. Debt)	\$35,876,501
<i>Total Increase \$:</i>	<i>1,402,906</i>
<i>Total Increase %:</i>	<i>4.07</i>

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Summary of Expenses Detail

	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%

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**Additional Information
on
Select Budget Lines**

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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>	

Note: Payroll/Accounting position was formerly shared with BOE Central Office.

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Utilities – Electricity

+\$65,400 vs FY'24 Budget

- Energy costs have exceeded budget due to high degree of volatility
- To stabilize costs, Town reauthorized contract at 10.9 cents/kwh for remainder of FY'24 through FY'25

	Budget	Actual	Var%
FY'22	\$230,000	\$245,857	107%
FY'23	\$230,000	\$298,489	130%
FY'24	\$250,000	\$315,929	126%

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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>

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Utilities – Renewable Energy Payments

FY'25 Request: +\$5,000 vs. FY'24

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

FY'24 Budget: \$20,000 (Payment)

YTD Actual: 18,100

FY'24 Estimate: \$ 21,000 (Est. payments at Y/E)

FY'25 Request: 25,000

Estimated Credits FY'25: \$29,000 (Credit)

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Insurances

- Rates are established on the basis of claims history, industry experience.
- Significant reduction's being achieved in Worker's Comp claims.
- Liability-Auto-Property increases due to need for additional coverage.
Cybersecurity, fuel storage, increasing property values.
- 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.*

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Pension Contributions (Defined Benefit Plans)

FY'25 Budget Request: +\$87,482 vs. FY'24 (+12.83%)

- Most traditional defined benefit pension plans are now “closed” to new employees.
- All new employees (except FD) are now on defined contribution retirement plans (401-k type).
- Payouts increase as employees retire, with lower \$ inputs due to shrinking pool of employees.
- Actuarial report recommended an increased contribution to maintain proper funding.

	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

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Questions & Discussion

**Review of Department
Goals \$ Objectives**

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FY2025 Budgeted Employee Costs

■ **Wages Rates**

- Nonunion: GWI increases TBD, subject to annual performance reviews.
- Police: Current contract expires 6/30/24 - to begin negotiations.
- Salary contingencies are held in reserve pending CBA agreements.
- Fire and Teamsters 2.50% increases per current contract.

■ **Staffing**

- Annex: Part-time land use receptionist/clerk increased to full time.
- Registrars of Voters: Increase in temporary help due to Early Voting Act.
- Finance Dept: Payroll clerk position no longer shared with BOE.

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Budget Risks, cont.

General Risks

- Continued uncertainty over inflation.
- Litigation.
- Major Weather Event or Natural Disaster.
- Continued Nationwide and Statewide Police Officer Shortage.

Legislative Initiatives

- Transfer of Responsibility for funding for Teacher Pension Fund.
- Potential expansion of 8-30(g) applications and resulting litigation.
- Potential for reductions in state ECS and SPED funding.

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- ***Initiatives to Meet Budget Goals***
 - **First Selectman's Office**
 - Identify grant opportunities to address facilities and service costs.
 - Support current and prospective business entities in their need for expansion and development.
 - Work with area municipalities to identify joint or regional opportunities.
 - Long-term capital and debt planning.
 - Support expansion of technology to reduce costs and improve online services.
 - Support improved resident and business access to information and processes.
 - Support economic development.
 - Enhance employee capabilities through training and enrichment opportunities.
 - **Town Counsel**
 - Proactive engagement to minimize litigation risk.
- ***Risks to Budgets***
 - Board of Selectmen: None.
 - Town Counsel: Unexpected Litigation Not Covered by Insurance.

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- ***Initiatives to Meet Budget Goals – Land Use Department***

- **Economic Development**

- Continued engagement with development community.
- Continued work with area municipalities and state and regional economic development organizations to drive initiatives to maintain and attract businesses.
- Continued funding of initiatives to support Wilton businesses and Wilton Center.
- Continued partnership with the Wilton Chamber of Commerce.
- Continued funding and partnership with the Garden Club on the Wilton Center beautification initiative.

- ***Risks to Budget***

- **None**

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▪ ***Initiatives to Meet Budget Goals – Land Use/Environmental Services***

- Increase use of technology to provide superior customer service, improve staff efficiency.
- Identify and implement solutions to improve the efficiency of the Land Use departments to support economic development.
- Identify and implement solutions to reduce the the Town's cost of waste management and encourage recycling.
- Expand risk management initiatives to reduce insurance costs.
- Ensure professional and responsive operations at the lowest cost possible.

➤ ***Risks to Budgets***

- **None**

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- ***Initiatives to Meet Budget Goals – Human Resources Department***

- **Human Resources**

- Ensure effective collective bargaining negotiations.
 - Implement updated technology within the department.
 - Expand employee access to online information.
 - Expand management/supervisor and employee training.

- ***Risks to Budget***

- Collective bargaining negotiations
 - Employee related litigation

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- ***Initiatives to Meet Budget Goals – Town Clerk & Registrar’s Offices***

- **Town Clerk’s Office**

- *Increased online access, as available.*
 - *Efficient implementation of new early voting regulations.*

- **Registrars’ Office**

- *Increased use of technology.*
 - *Ongoing recruitment and training of election workers.*
 - *Efficient implementation of new early voting regulations.*

- ***Risks to Budgets***

- **New Legislative Requirements**

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- ***Initiatives to Meet Budget Goals – Finance, Tax Collector, Assessor’s Offices***
 - **Finance**
 - Implementation of Munis ERP core finance system and ClearGov budgeting application by 7/1/2024.
 - Increase staff training and recruitment.
 - Fill open position in Town Hall finance office to
 - **Tax Collectors & Assessor’s Office**
 - Provide seasonal support, as needed.
 - Ongoing employee training towards certification to allow for cross management between departments.
 - Expansion of online access to records.
- ***Risks to Budgets***
 - **Litigation**
 - **Shortage of Certified Staff.**

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- ***Initiatives to Meet Budget Goals – Information Technology Department***
 - Ongoing cybersecurity upgrades and increased monitoring to protect taxpayer assets.
 - Complete department restructuring; eliminate redundant outside consultants; bring essential network administration “in house.”
 - Modernized network architecture for improved performance and security and lower costs.

- ***Risks to IS Budget***
 - Possible costs of replacing outdated servers and network equipment.
 - Possible “one-time” costs of restructuring network and communication capabilities.

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- ***Initiatives to Meet Budget Goals***
 - **Planning and Zoning**
 - Continue to support amenities master planning.
 - Continue to support economic and grand list growth.
 - **Building and Health**
 - Provide additional staff training opportunities.
- ***Risk to Land Use Budgets***
 - **Litigation**

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- **Initiatives to Meet Budget Goals – Land Use (continued)**
 - **Environmental Affairs**
 - Continue public private partnership initiatives to improve town-owned open spaces and the Norwalk River.
 - Additional upgrades and continued maintenance of Schenck's, open spaces and town-owned trails.
 - **All Departments**
 - Ensure adequate personnel to meet the sustained rise in land use departments' workload.
 - Identify ways to streamline processes.
 - Increase communication of processes.
- ***Risk to Land Use Budgets***
 - **Litigation**

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▪ **Initiatives to Meet Budget and Operational Goals – Police Department**

- Collaborate with Police HQ construction project to ensure a smooth transition.
- Increase recruitment efforts to ensure adequate professional staffing.
- Continue to maintain Wilton's reputation as a safe community in which to live and work.
- Proper and adequate training to ensure the safety and health of all officers.

➤ ***Operational Risks***

- Statewide and nationwide police officer shortage.
- Despite proactive measures, hiring is difficult as all municipalities are competing for the same small number of applicants.

➤ ***Risks to Budget***

- **Overtime due to injury, illness or major event**
- **Unfunded mandates**

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- **Initiatives to Meet Budget Goals – Fire Department**

- Continued focus on the health and safety of all department employees.
- Continued management of overtime.
- Increased focus on training.
- Provide training to CERT volunteers for increased safety.

- ***Risks to Fire Budget***

- **Retirement or resignation of a Firefighter, Lieutenant or Captain**
 - Additional overtime
 - Recruitment costs
 - Lost time to Academy
- **Injury**

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▪ **Initiatives to Meet Budget Goals – Public Works Department**

- Successful completion of new police headquarters facility.
- Formulate long-term plan to address deferred maintenance of municipal facilities.
- Efficient and cost-effective oversight of on-time repairs and maintenance.
- Effective management of highway department resources.
- Continued focus on worker safety and risk management strategies.

➤ ***Risks to Budget***

- Costly major weather events
- Worker injuries

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▪ **Initiatives to Meet Budget Goals – Transfer Station Operations**

- Install credit/debit card payment system for on-site use..
- Investigation of Pay to Dispose initiatives.
- Identification of successful programs to reduce waste and increase recycling.
- Conversion to 100-yard containers to reduce annual operating costs.
- Continue to work with surrounding communities to address our shared issues.

➤ ***Risks to Budget***

- Possible mid-budget increases in MSW and recycling tipping fees.
- Reduced disposal capacity within the State.

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- **Initiatives to Meet Budget Goals – Social Services Department/Senior Center**
 - Expand necessary counseling services for community members in need.
 - Increase opportunities for social engagement within the senior community through increased events and senior luncheons.
 - Continue to meet financial assistance needs.
 - Continued partnership with surrounding towns to provide onsite counseling services.
 - Continued partnership with donors.

- ***Risks to Budget***
 - None

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- **Initiatives Meet Budget Goals – Parks & Recreation Department**
 - Efficiently address possible legislative-driven changes to camp offerings.
 - Maximize new registration software to improve efficiency and resident experience.
 - Maximize resources to improve appearance of parks, fields and area surrounding municipal-owned building.
 - *Engage professional landscapers to maintain plantings around buildings.*
 - Support approved field drainage projects at WHS sports complex and Middlebrook.
 - Complete installation of new playgrounds at Merwin Meadows and Schenck’s Island.
- **Risks to Budget**
 - Injury
 - Major weather events

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- **Initiatives to Meet Budget Goals – Construction Management Dept.**
 - In coordination with DPW, in-house oversight of the police headquarters construction project to completion on time and within budget.
 - Function ends upon the completion of the police headquarters project.

- **Risks to Budget**
 - Weather delays; potential for additional costs due to unknown conditions at the site.

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▪ OTHER EXPENSES

Ambler Farm (\$42,050)

- Complete new partnership agreement with Friends of Ambler Farm.
- Address growing capital needs with town-owned facilities at Ambler Farm.
- Continue to seek a grant funding for the Yellow House and Raymond Ambler projects.

Paramedics-Wilton/Weston Advanced Life Services (\$318,471)

- Review and update partnership agreement.

Georgetown Fire District (\$510,000)

- Payment of District property taxes for Wilton property owners taxed and served by the Georgetown Fire District.

Probate Court (\$20,000)

- Mandated support of the cost of the Norwalk/Wilton probate court.

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■ Grants

- **Wilton Library (\$3,028,162)**
 - Funding as per public private partnership agreement.
- **Wilton Volunteer Ambulance Corps. (\$104,500)**
 - Support for volunteer-managed and staffed organization.
 - WVAC hires Norwalk Hospital EMTs for non volunteers
- **Route 7 Bus (\$5,000)**
 - *Funding support for Norwalk Transit District.*
 - *Provides transportation for the disabled and bus transportation from Norwalk to Wilton.*