

OFFICE OF THE
FIRST SELECTMAN

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Michael P. Kaelin
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David K. Clune
Selectman

Lori A. Bufano
Selectman

Richard J. Dubow
Selectman

TOWN HALL
238 Danbury Road
Wilton, CT 06897

BOARD OF SELECTMEN/BOARD OF FINANCE BUDGET REVIEW
Monday, March 6, 2017 at 7:30 PM
Meeting Room B, Town Hall

PRESENT: First Selectman Lynne Vanderslice, Michael Kaelin, David Clune, Lori Bufano, Richard Dubow

GUESTS: Jeff Rutishauser, Warren Serenbetz, Richard Creeth, Peter Balderston, John Kalamarides, Walter Kress (via Phone), Anne Kelly-Lenz, Sarah Taffel

OTHERS: Members of the Press and Members of the Public

A. Call to Order

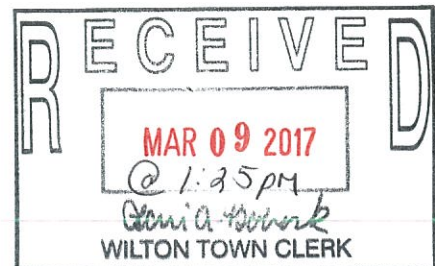
Ms. Vanderslice called the meeting to order at 7:30 PM.

B. Review of FY 18 Board of Selectman Operating Budget

Ms. Vanderslice discussed the attached presentation for the proposed FY 2018 budget. Questions were asked and answered.

Having no further business, the meeting was adjourned at 8:57 PM

Jacqueline Rochester
Recording Secretary
Taken from Video



BUDGET REQUESTS SUMMARY

Budget requests total \$33,233,876 or a 3.2% increase over the current year budget as follows:

	<u>Request</u>	<u>Increase</u>
Operating Budget	\$32,059,470	\$1,044,279
Operating Capital	\$ 1,174,406	\$ (12,283)

The drivers of the increase are:

\$900,000 increase in compensation and benefits

\$ 90,000 increase in building repairs

\$ 60,000 increase in the expected tax bill from the Georgetown Fire District

BREAK DOWN of COMPENSATION INCREASE

	<u>Amount</u>	<u>Increase</u>
WAGES		
▪ FULL BENEFIT EMPLOYEES REGULAR WAGES	\$12,151,344	\$ 365,600
▪ PART-TIME WAGES	\$ 413,058	\$ (15,718)
▪ OVERTIME	\$ 1,277,867	\$ 33,064
▪ OTHER LONGEVITY, (SHIFT PREMIUM, HOLIDAY, TEMP ETC)	\$ 412,715	\$ 755
BENEFITS		
▪ GROUP INSURANCE	\$3,567,496	\$ 453,250
▪ RETIREMENT		
▪ PENSION	\$1,566,988	\$ 50,000
▪ DEFINED CONTRIBUTION	\$ 280,839	\$ 29,267
▪ OTHER ((PAYROLL TAXES, SICK LUMP, TUITION REIMB, ETC)	\$1,371,028	\$ 85,965

**Staffing and Compensation Details and Assumptions
General Fund, WPCA and Transfer Station**

- **Non Union:**
 - **Total Full Benefits Employees/Average Wage:**
 - **Department Heads: 9/\$124,000**
 - **Other Non-union*: 19/\$83,000**
 - Full year of finance position
 - Facilities Director shared with BOE, flat funding by BOS
 - Addition of hours in First Selectman’s office for part-time position, higher level employee to perform operational and financial analysis with the goal of increasing efficiencies
 - **Park and Recreations Self-Sustaining Programs budgeted to absorb the full cost of full time programming employee. Program pricing to be increased to absorb. Budget impact is seen on self-sustaining line, not wages**
 - **Residents Fees for Merwin Meadows to be restored to partially offset the \$50,000 of part-time wages reflected in the budget**
 - **Two vacancies in Social Services, Director and part-time Social Worker to be filled**
 - Department budgets reflect a GWI placeholder for FY2018, FY2019 and FY 2020
 - **New employees: HD/HSA only, 5% defined contribution, 60 maximum sick payout**

- **Police :**
 - **Total Non-union Full Benefits Employees, (exclusive of Chief)/Average Wage: 5/\$124,000**
 - **Total Union Employees/Average Wage: 39/\$84,400**
 - **Average Regular Hours Per Week: 38.31**
 - Full staffing at 45 officers, including two School Resource Officers. 43.5 included in the BOS budget
 - Vacancy due to Captain Lynch’s promotion to Chief is budgeted to be filled
 - Union Contract expires on June 30, 2017, but contains a 2.75% GWI for FY 18. Negotiations opening in April 2017
 - Department budgets reflect a non union GWI placeholder, 2.75% union, plus step as applicable for FY2018, FY2019 and FY 2020

*Exclusive of Police and Fire Non Union

All Wages exclusive of overtime

Staffing and Compensation Details and Assumptions

- **AFSCME**
 - **Total Full Benefits Employees/Average Wage: 38/\$62,400**
 - **Regular Hours per Week: 30/35/40**
 - Full year of the elimination of the position in the First Selectman's Office
 - Contract expired on June 30, 2016. Mediation in February 2017
 - Department budgets reflect a GWI placeholder plus step as applicable for FY2018, FY2019 and FY 2020

- **Fire**
 - **Total Full Benefits Employees (exclu. of Chief)/Average Wage: 1/\$117,700**
 - **Total Full Benefits Firefighters' Union Employees/Average Wage: 26/\$81,600**
 - **Average Regular Hours per Week: 42**
 - Flat staffing.
 - Vacancy due to retirement of Apparatus Supervisor budgeted to be filled
 - Contract expired on June 30, 2016. Arbitration ongoing
 - Department budgets reflect a GWI placeholder plus step as applicable for FY2018, FY2019 and FY 2020

- **Teamsters**
 - **Total Full Benefits Union Employees/Average Wage: 16/\$64,100**
 - **Regular Hours per Week: 40**
 - Flat staffing
 - Current driver vacancy to be filled
 - Contract expired on June 30, 2016. Negotiations ongoing
 - Department budgets reflect a GWI placeholder for FY2018, FY2019 and FY 2020

Total Full Benefit Employees, inclu WPCA and Transfer Station: 153

All Wages exclusive of overtime

GROUP INSURANCE, exclusive of Teamsters

- **FY 2018 budget as follows:**
 - PPO premium average increase of 5.8%
 - HD premium increase of 10.2%
- **High increases in FY 2018 due to catch up from FY 2016 rates:**
 - PPO premium average increase of less than 1%
 - HD premium decrease of 7.8%
- **Three year average increase FY 2015 to 2018:**
 - PPO premium average increase of 8.67%
 - HD premium average increase of 4.67%

OVERVIEW

The FY 2018 Board of Selectmen's budget follows two years when.....

FY 2016 actual operating results were approximately \$1,000,000 less than the **FY 2016 operating budget**. Approximately \$700,000 were labor savings primarily due to vacancies. Existing employees were stretched to achieve the savings

FY 2017 budget is \$213,000 less than the FY 2016 budget

FY 2017 forecast is flat to budget

We are now in a perfect storm.....

Across the board our underlying costs are increasing.

State support is decreasing, causing us to assume new costs and the risk of more push down of costs

INITIATIVES to REDUCE COSTS and/or SLOW the GROWTH of COSTS

The budget reflects initiatives to save costs and/or slow the growth of costs:

- Anticipated outcomes of collective bargaining
- Elimination of the secretary position in the First Selectmen's office.
- Elimination of the payroll supervisor in the Finance Department
- Changes in benefits for new non union hires:
 - Reduction in the defined contribution rate from 9% to 5%
 - Reduction in maximum sick day payout from 90 days to 60 days
 - Limit health care benefit to High Deductible/HSA plan
- Avoidance of an increase in the Transfer Station subsidy
- Increased private sponsors for Park and Recreation special events (4th of July, summer concerts/movies)

Not reflected in the BOS budget, but savings in other areas of the Town's total budget:

- Absorption of the responsibilities of the BOE Facility Director by the Town's Facility Director

BUDGET GOALS

- **Reconsider requirement for all vacancies.** Does not reflect layoffs or furloughs
- Funding for phase 1 of the update of the **Plan of Conservation and Development**. Allow for the planning of appropriate and reasonable economic development. With only 2 plus years remaining on the Affordable Housing moratorium, allow for planning in that regard.
- Funding to perform **deferred maintenance on town buildings, facilities and roads**
- Funding to complete the **statutory property revaluation**
- Funding to meet the **needs of an increasingly aging population**
- **Reduce and slow cost growth** through efficiencies and labor negotiations
- **Collaboration with the BOE** to reduce the overall Town budget
- Funding to **maintain the safety** of the Town and its residents
- Funding to **provide the services residents have come to expect**. Minimize reduction in services

IDENTIFIED RISKS TO THE BUDGET

- **Unanticipated arbitration outcomes**
- **Natural disaster or major storm**
- **Decisions by the State Legislature and/or the Governor**
- **Firefighter Retirement:**
 - All vacancies are filled with overtime to ensure full 6 man shifts
 - Cost of overtime while vacant and new hire is at the Academy would be unbudgeted