

**BOARD OF FINANCE
PUBLIC HEARING ON
BOARD OF SELECTMEN FY20 BUDGET
March 26, 2019
7:30 P.M.
MIDDLEBROOK SCHOOL AUDITORIUM**

RECEIVED FOR RECORD
TOWN OF WILTON

2019 APR -1 P 4:09

BY: *QT*

PRESENT

Board of Finance: Jeff Rutishauser, Peter Balderston, John Kalamarides, Stewart Koenigsberg, Ceci Maher

Absent: Walter Kress

Board of Selectmen: First Selectman Lynne Vanderslice, Lori Bufano, Joshua Cole, Deborah McFadden

Absent: Second Selectman David Clune

ALSO PRESENT: Anne Kelly-Lenz (Wilton CFO), members of the press and public

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

Mr. Rutishauser introduced the Board of Finance and gave a short overview of the Town's financial position and the projected mil rate (slides are attached). He noted that prior to Mil Rate deliberations, total funds requested for both the town and school budgets is approximately a 0.43% increase over last year. The Grand List dropped 2.08% due to revaluation. He noted that there is a budget deficit of 2.56%. The deficit can be closed by budget cuts, tax increases or a combination of both. Mr. Rutishauser thanked, on behalf of the BoF, the BoS for coming in under the recommended guidance.

His comments concluded at approximately 7:40 p.m., at which time he turned over the podium to First Selectwoman, Lynne Vanderslice.

Ms. Vanderslice introduced the members of the Board of Selectmen and thanked those in attendance. She thanked all the department heads for their efforts in putting together the budget. She also thanked the department heads and all employees for the service they give to the community. Her presentation (attached) reviewed the FY20 BOS Budget. The BoS is requesting a budget of 33.8million, which is 0.92% higher than last year.

At 8:05 p.m. Mr. Rutishauser opened the floor to public comment. Approximately 7 citizens spoke and expressed their opinions on the BOS budget and other concerns.

After comments Mr. Rutishauser adjourned the hearing at 8:47 p.m.

Respectfully submitted,

Jacqueline Rochester
(from video recording)

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

BOARD OF FINANCE
FY 20 BUDGET - PUBLIC HEARING
MARCH 26, 2019

AGENDA

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

FY 20 BUDGET HIGHLIGHTS

- BOE budget request is up \$1.1 million (1.35%)
- BOS budget request is up \$0.3 million (0.92%)
- Debt Service is down \$768,000 (-7.0%)
- Tax Relief for Elderly/Disabled increased to \$1.23 Million
- Total Funds Required is up \$0.52 million (0.43%)
- Net Taxable Grand List dropped 2.08% due to Revaluation
- Mill Rate would rise 2.56% if Shortfall closed by taxes

FY 20 BUDGET HIGHLIGHTS

(CONTINUED)

- FY20 General Fund balance (reserves) is set at 10.4%
- Other Revenues are up \$493,000, mainly from higher interest revenue (\$280,000) and Town Grants (\$243,000)
- Pension is funded at 98.7% of liabilities, leaving a \$1.6 million net liability as of June 30, 2017
- Moody's reaffirmed Wilton's Aaa bond rating – Feb 2018

THE ROLE OF THE BOARD OF FINANCE IN THE TOWN BUDGET

The Town Charter governs the Board of Finance's actions

- The BOF is required to hold hearings on both the BOE and BOS budget requests
- The BOF considers the following when developing the Mill Rate:
 1. The views of the voters expressed at the Town hearings and in direct communication (*boardoffinance@wiltonCT.org*)
 2. The financial resources of the Town
 3. Whether the BOE and the BOS can find savings in their respective budget requests
 4. The appropriateness of revenue, debt service and General Fund balance amounts

HOW THE BOARD OF FINANCE ASSESSES RESOURCES AND FINANCIAL CONDITION

Debt, General Fund Balance and Pension Fund Levels

- Bonds Outstanding are \$88.4 Million – Debt Service at 7.9% of Budget
- Maintaining Aaa rating – Minimum 10% General Fund Balance
- Unfunded Pension Liabilities – \$1.6 Million; 98.7% Funded

Operating Expenses

- Evaluate budget requests versus prior actual expenditures
- Focus on Efficient Staffing and Headcount Control

FY 20 BUDGET SUMMARY

\$ Thousands

	FY 19 BUDGET	FY 20 REQUEST	\$ FROM FY 19	% FROM FY 19
Education	81,877	82,984	1,107	1.35%
Selectmen Operating & Capital	33,502	33,811	309	0.92%
Debt Service	10,921	10,153	(768)	(7.03)%
Charter Authority	1,263	1,269	6	0.51%
TOTAL OPERATING REQUIREMENTS	127,563	128,218	655	0.51%
Tax Relief for Elderly & Disabled	1,171	1,231	60	5.1%
Non-tax Revenue	(4,260)	(4,753)	(493)	11.6%
Drawdown of excess fund balance	(3,006)	(2,709)	297	9.9%
TOTAL TO BE FUNDED FROM PROPERTY TAX	121,468	121,986	519	0.43%
Grand List	4,342,154	4,251,735	(2,531)	(2.08)%
Collection Rate	99.3%	99.3%	--	--
REQUIRED MILL RATE	28.1875	28.9102	3,050	2.56%

STORM CLOUDS ON THE HORIZON

- Potential Teacher's Pension Fund Contribution
- Potential Elimination of Municipal Tax on Autos (~\$6 MM/yr.)
- Potential Homestead Exemption (~\$7-8 million/yr.)
- Potential Reduction of Municipal and Educational Aid
- Potential Reduction of SPED Excess Cost Sharing
- Other Financial Obligations from State Government

Tri-Board Meeting on Monday April 1st to Discuss Town's Response

BOARD OF FINANCE BUDGET SCHEDULE

March 25 & 26	Board of Finance Public Hearings
April 1	Tri-Board Meeting
April 2 & 3	Board of Finance completes deliberations on budgets and sets mill rate
May 7	Annual Town Meeting
May 11	Adjourned vote of ATM

Board of Selectmen Proposed FY20 Budget

March 26, 2019

Town Staff, myself and BOS members have been focused on providing quality services at the lowest possible cost.

- *Actual results have consistently been under budget:*
 - **Over \$1 million under budget in FY2016**
 - **Over \$.450 million under budget in FY2017**
 - **Over \$1 million under budget in FY2018**
 - Forecasted to be **under budget** in the current **FY2019**

***With Such Significant Savings Each Year Versus Budget,
Why is the FY2020 Budget Increasing?***

- ***Much of the savings have been in employee costs:***
 - ***We are experiencing a good number of **retirements** because of the long length of service of many employees***
 - ***We evaluate every open position to determine if needed. **Non budgeted position eliminations** occurred in FY2017 and FY2018***
 - ***Open positions, until filled, are **covered by existing employees** or by **overtime**, resulting in **one time savings*****
 - ***Doing so is fine on a temporary basis, but **isn't sustainable*****
- ***In the FY2020 budget, we have increased our DPW highway staff to ensure we meet resident expectations***

BUDGET REQUEST SUMMARY

*Budget requests total **\$33,811,304** or a **.92%** increase over the current year budget as follows:*

	<u>Request</u>	<u>Increase</u>
Operating Budget	\$32,801,407	\$ 481,679
Operating Capital	\$ 1,009,897	\$ (172,374)

The drivers of the increase are:

Increase in wages and “step”. With a **less experienced work force** base wages have been lowered, meaning annual increases will be greater to account for “step” movement which recognizes increased on the job experience

Increase in **group medical insurance** costs based on an estimated **8%** increase for the HD/HSA plan and **6.5%** for the PPO plan

Increased **Transfer Station subsidy** due to recyclables

Increases were **offset by decreased costs** in other areas

INITIATIVES TO REDUCE COST & CHALLENGES

➤ *INITIATIVES TO REDUCE COSTS*

- **Reduce and slow cost growth** through efficiencies and labor negotiations
- **Collaboration with the BOE** to reduce the overall Town budget
- **Collaboration with other municipalities** to reduce costs

➤ *CHALLENGES & MEANS TO ADDRESS*

- **New fees to process recyclables/Loss of revenue for the sale of recyclables**
 - Joint study with Town of Weston
 - Town initiatives to **encourage reuse and reduce overall waste**
- **Growing medical costs**
 - Ongoing **investigation** of potential benefits of moving to the **State Medical Plan**

FY 2019
BOS BUDGET REQUEST

BUDGET BY COST CLASSIFICATION

	2020	2020	%
	Request	vs 2019	Increase
Wages	\$ 14,392,699	\$ 220,890	1.559%
Medical	\$ 3,974,352	\$ 144,144	3.763%
All Other Benefits	\$ 3,512,528	\$ (116,052)	-3.198%
Workman's Comp & Other Ins	\$ 766,886	\$ (110,010)	-12.545%
Utilities	\$ 876,849	\$ 7,718	0.888%
Wilton Library Grant	\$ 2,802,105	\$ 24,101	0.868%
All Other Operating Costs	\$ 6,475,988	\$ 310,888	5.043%
Operating Capital	\$ 1,009,897	\$ (172,374)	-14.580%
Total Increase in budget request	\$ 33,811,304	\$ 309,305	0.923%

	BOS HEADCOUNT						
Budgeted Headcount-Positions with benefits							
<i>General Fund, Transfer Station, WPCA & P&R Self-Sustaining</i>							
	FY2016	FY2017	FY2018	FY2019	FY2020	FY20 vs	FY20 vs
	Budget	Budget	Budget	Budget	Request	FY19	FY16
First Selectman's Office	3	3	2	2	2	0	-1
Town Clerk*	4	4	4	4	4	0	0
Planning & Zoning	4	4	4	4	4	0	0
Human Resources	1	1	1	2	2	0	1
Finance	8	7	7	6.5	6.5	0	-1.5
Assessor	3	3	3	3	3	0	0
Tax Department	2	2	2	2	2	0	0
Registrar	2	2	2	2	2	0	0
Building Department	3	3	3	3	3	0	0
Information Systems	2	2	2	2	2	0	0
Police, Dispatch and Animal Control	50	50	50	49.5	48	-1.5	-2
Fire	30	30	30	30	30	0	0
DPW and Facilities, including Transfer Station*	23	23	23	21	23	2	0
Parks and Rec Admin and Programming	4	4	4	4	4	0	0
Dial-a-Ride	2	2	2	2	2	0	0
Parks and Grounds	5	5	5	5	5	0	0
Health	3	3	3	3	3	0	0
Environmental Affairs	3	3	3	3	3	0	0
Social Services and Senior Services	5	5	5	5	5	0	0
WPCA	1	1	1	1	1	0	0
Total	158	157	156	154.0	154.5	0.5	-3.5
*prior years adjusted to include Chris Burney							
Eliminated positions		-1	-1	-3	-1.5		-6.5
Additional positions		0	0	1	2		3
Total Change		-1	-1	-2	0.5		-3.5

BONDED CAPITAL UPDATE

➤ *STATUS OF PREVIOUS YEARS BONDING APPROVALS:*

- **Fire Station 2:**
 - Project cost **reduced from \$1 million estimate to \$250,000 to \$300,000**
 - Project **no longer eligible** for bonding. Will be **funded through operating expenses**
 - Previous voter approval of \$90,000 was borrowed. Monies will be transferred to fund bonded road paving

- **Police Headquarters/Town Hall Campus:**
 - Committee **investigating multiple options**
 - Regionalize Dispatching-Possible forced regionalization as part of the State's FY2020 budget
 - Study of possible shared facility for certain functions
 - Expect to bring a proposal to **the May 2020 Annual Town Meeting**
 - Previous bonding approval of approximately \$1.2 million has been borrowed. Less than \$25,000 has been expended against that authorization

FY2020
BOS BUDGET REQUEST

BONDED CAPITAL REQUESTS

Department	Project	2020	2021	2022	2023	2024	Total
Public Works	Road Restoration	\$ 3,198,150	\$ 3,310,085	\$ 3,425,940	\$ 2,363,900	\$ 2,446,640	\$ 14,744,715
	Catch Basin Truck				\$ 450,000		\$ 450,000
		\$ 3,198,150	\$ 3,310,085	\$ 3,425,940	\$ 2,813,900	\$ 2,446,640	\$ 15,194,715
Police	Building		\$ 6,000,000	\$ 5,394,000			\$ 11,394,000
Town Hall	Roof	\$ 350,000					\$ 350,000
Fire	Refurbish Two Fire Engines			\$ 480,000			\$ 480,000
	Refurbish Ladder Truck 5		\$ 550,000				\$ 550,000
		\$ -	\$ 550,000	\$ 480,000	\$ -	\$ -	\$ 1,030,000
Parks & Recreation	Middlebrook Tennis Courts			\$ 250,000			\$ 250,000
	Stadium Track Replacement		\$ 900,000				\$ 900,000
		\$ -	\$ 900,000	\$ 250,000	\$ -	\$ -	\$ 1,150,000
BOE	District Roof Replacements	\$ 600,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,600,000
	Cider Mill - repave parking lot	\$ 400,000					\$ 400,000
	Replace carpet with VCT	\$ 430,000	\$ 450,000	\$ 400,000	\$ 400,000		\$ 1,680,000
	Middlebrook and Cider Mill HVAC Replac/Add Service			\$ 100,000	\$ 1,000,000	\$ 1,000,000	\$ 2,100,000
	Emergency Power for Middlebrook and Cider Mill		\$ 400,000	\$ 450,000			\$ 850,000
		\$ 1,430,000	\$ 1,350,000	\$ 1,450,000	\$ 1,900,000	\$ 1,500,000	\$ 7,630,000
	Total Bonded Requests	\$ 4,978,150	\$ 12,110,085	\$ 10,999,940	\$ 4,713,900	\$ 3,946,640	\$ 36,748,715

ECONOMIC DEVELOPMENT

➤ **COMPLETED OR UNDER CONSTRUCTION**

- **249 Danbury Road-Medical Building across from Town Hall**
- **211 Danbury Road-90 unit assisted living facility with memory care**

➤ **IN PROCESS**

- **300 Danbury Road-Mixed use, first floor retail with residential apartments above**
- **200 Danbury Road-Mixed use, details TBD**

➤ **ANTICIPATED**

- **2 and 24 Pimpewaug Road, at the intersection of RT 7-165 unit senior living community**
 - Independent living, assisted living and small nursing
- Seeking to purchase **.20 acres of Town right of way** abutting 2 Pimpewaug to facilitate the project. **Mutually agreeable terms of sale** will be presented to the **BOS on April 1**. Terms are **more favorable those previously offered by the developer**