BOARD OF FINANCE
PUBLIC HEARING ON
BOARD OF SELECTMEN BUDGET
March 27, 2017
7:30 P.M.
MIDDLEBROOK SCHOOL AUDITORIUM

PRESENT

Board of Finance: Jeff Rutishauser, Warren Serenbetz, Richard Creeth, Peter Balderston, John Kalamarides, Walter Kresss

Board of Selectmen: First Selectman Lynne Vanderslice, Second Selectman Michael Kaelin, Richard Dubow, David Clune, Lori Bufano

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 7:31 p.m.

Mr. Rutishauser introduced the Board of Finance and gave a short overview of the Town's financial position and the projected mill rate (slides are attached). The presentation depicts Budget Highlights and the role of the Board of Finance in the town budget. Mr. Rutishauser noted that the state is considering asking the town to pay a large portion of the Teachers Pension Contribution that the state has historically paid. Mr. Rutishauser noted that the Town is budgeting a reduction of $1 Million in State aid to municipalities (based on a decline primarily from Educational Cost Sharing grants (ECS) and that the budget does not include the additional $4 Million that the state is asking in teachers pension contributions as it is still being debated in Hartford. He noted that if the teacher pension contribution proposal does pass, a future Town Meeting will need to be convened to determine how to cover the additional $4 Million. His comments concluded at approximately 7:51 p.m., at which time he turned over the podium to First Selectman, Lynne Vanderslice.

Before beginning her presentation Ms. Vanderslice noted that immediately following the Board of Finance hearing will be a Board of Selectmen hearing regarding the proposed ordinance change regarding the sale of alcohol at restaurants and immediately following the BOS hearing will be a special meeting of the Board of selectmen.

Ms. Vanderslice introduced the members of the Board of Selectmen and thanked those in attendance. Her presentation (attached) reviewed the FY18 BOS Budget and bonded capital projects as well as the Grand List.

At 8:10 p.m. Mr. Rutishauser opened the floor to public comment. Approximately 10 citizens spoke and expressed their opinions on the BOS budget and other concerns.

The hearing adjourned at 9:11 p.m.

Respectfully submitted,

Jacqueline Rochester
(from video recording)

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

BOARD OF FINANCE
FY 18 BUDGET - PUBLIC HEARING
MARCH 27, 2017

AGENDA

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

FY 18 BUDGET HIGHLIGHTS

- Prior to Board of Finance deliberations, total funds required is up $2.2 million (1.87%)
- Net Taxable Grand List is up $0.3 million (0.27%)
- Budget Shortfall of $1.9 million (1.60%)
  - Budget Cuts or Tax Increase
- BOE budget request is a 0% increase
- BOS budget request is up $1.03 million (3.2%)
- FY18 General Fund balance is set at 10.0%

FY 18 BUDGET HIGHLIGHTS
(CONT'D)

- Pension is funded at 91% of liabilities, leaving a $9.9 million net liability (June 30, 2016)
- Other Revenues are down $850,000, mainly from State cut of Educational Cost Sharing Grant (down $1.2 million)
- Tax Relief for Elderly/Disabled remains at $1.1 Million
- Debt Service is up 2.6% ($296,386) primarily due to bonding for Miller-Driscoll construction
- Moody's reaffirmed Wilton's AAA bond rating – April 2016

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 must consider the following when developing the Mill Rate:

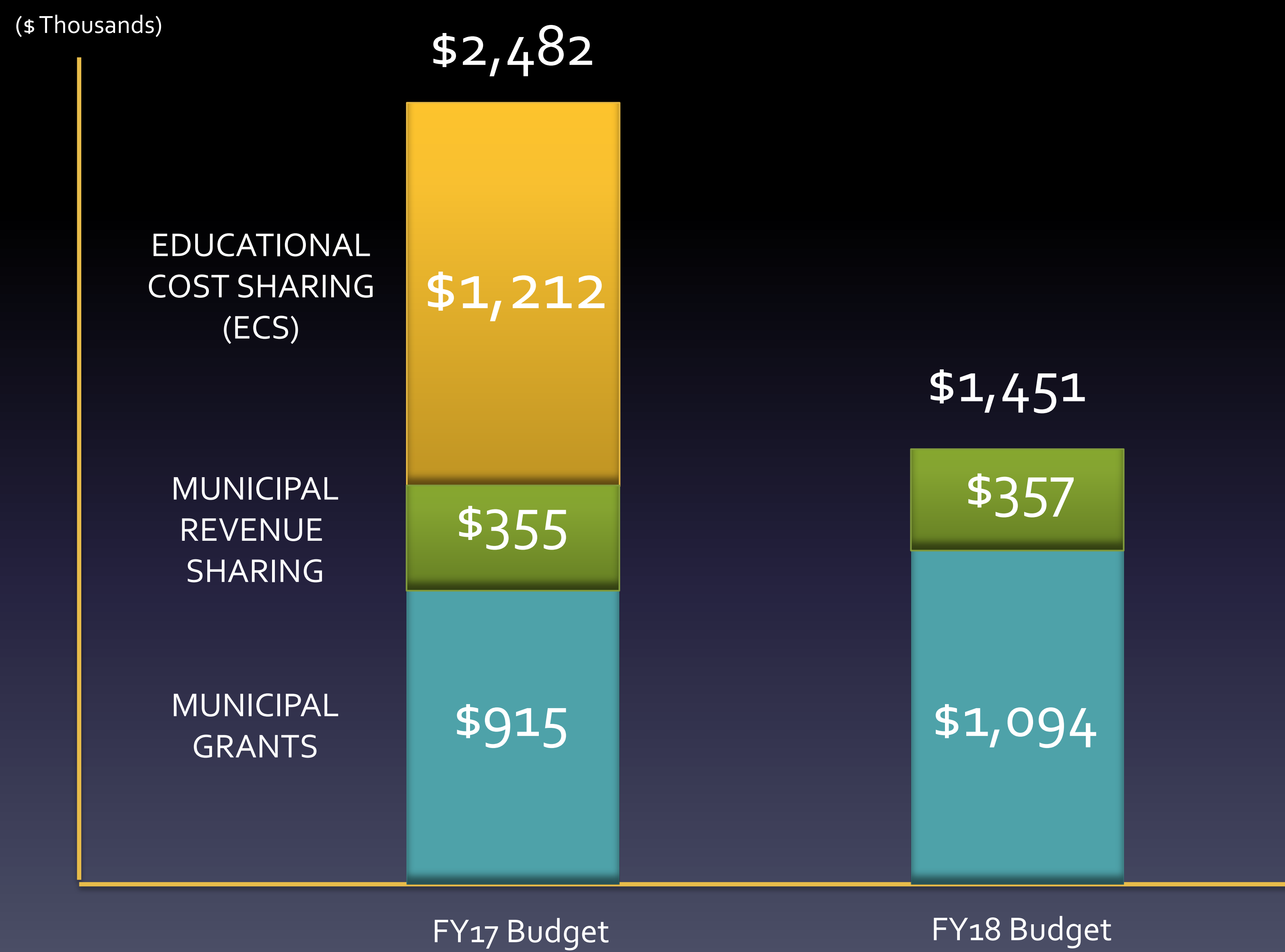
1. The views of the voters expressed at the town hearings and in direct communication *(boardoffinance@wiltonCT.org)*
2. The financial resources of the Town
3. Whether the BOE and the BOS can find savings in their respective budget requests
4. The appropriateness of revenue, debt service and general fund balance amounts

HOW THE BOARD OF FINANCE ASSESSES RESOURCES AND FINANCIAL CONDITION

Revenue Sustainability

- Grand List Growth – Slowing, Wilton maturing
- “Real Growth” Needed – Priority on Commercial Development
- Commercial Property Value Improvement – Lease-up Vacancies
- State Grants and Funding – Severely Reduced in FY18

FY18 BUDGET – MUNICIPAL AID



HOW THE BOARD OF FINANCE ASSESSES RESOURCES AND FINANCIAL CONDITION

Debt, General Fund Balance and Pension Fund Levels

- Impact of New Bonding for Miller-Driscoll
- Maintaining AAA rating – Minimum 10% General Fund Balance
- Unfunded Pension Liabilities – $9.9 Million; 91% Funded (6/30/16)

Operating Expenses

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

FY 2018 BUDGET SUMMARY
$ Thousands

	FY 17 BUDGET	FY 18 REQUEST	$ FROM FY 17	% FROM FY 17
Education	80,573	80,573	0	0.0%
Selectmen Operating & Capital	32,202	33,234	1,032	3.2%
Debt Service	11,471	11,768	297	2.6%
Charter Authority	1,242	1,256	14	1.1%
Tax Relief for Elderly & Disabled	1,121	1,121	--	--
TOTAL OPERATING REQUIREMENTS	**126,609**	**127,952**	**1,342**	**1.06%**
Non-tax Revenue	(5,597)	(4,746)	(851)	(15.2)%
Drawdown of previous year’s ending fund balance	(4,111)	(4,113)	(2)	(0.03)%
TOTAL TO BE FUNDED FROM PROPERTY TAX	**$116,901**	**$119,092**	**2,191**	**1.87%**

FY 2018 PRELIMINARY MILL RATE

$ Thousands

	FY 17 BUDGET	FY 18 REQUEST	$ CHANGE FROM FY17 BUDGET	% CHANGE FROM FY17 BUDGET
TOTAL TO BE FUNDED FROM PROPERTY TAX	**116,901**	**119,092**	**2,191**	**1.87%**
Grand List	4,302,071	4,313,627	314	0.27%
Collection Rate	99.4%	99.4%	--	--
REQUIRED MILL RATE	**27.3371**	**27.7750**	**1,877**	**1.60%**

BOARD OF FINANCE BUDGET SCHEDULE

March 20 & 27	Board of Finance Public Hearings
March 29 & 30	Board of Finance completes deliberations on budgets and mill rate
May 2	Annual Town Meeting
May 6	Adjourned vote of ATM

FY2018
BOS Proposed Budget

BOF Public Hearing

March 27, 2017

OVERVIEW

THE BOARD OF SELECTMEN IS ABLE TO MANAGE OR HAVE INPUT ON THREE COMPONENTS OF THE MIL RATE

- *GRAND LIST GROWTH*
  - Input on Policy
  - Fund the Plan of Conservation and Development
- *BOS OPERATING COSTS*
  - Contract Negotiations
  - Changing the Way We Provide Services
  - Working with BOE to Share Services
- *DEBT*
  - Minimizing Borrowings through Detailed and Thorough Analysis of Requirements
  - Maintaining Aaa Bond Rating

GRANDLIST

GRANDLIST HISTORY

- **2014:**

  Additions
  - **River Ridge Townhouse Development**

- **2015:**

  Additions
  - **River Ridge Townhouse Development**

- **2016:**

  Additions:
  - **Wilton Commons 2**
  - **Old Danbury Road Station Place Apartment Building**

  Deductions
  - **Second Taxing District-reduced on appeal**

GRANDLIST -CURRENT PIPELINE

- **2017**

  Additions:
  - **Old Danbury Road Station Place Apartment Building**
  - **241 Danbury Road Assisted Living Facility**
  - **249 Danbury Road Medical Building**
  - **ASML Parking Expansion**

- **2018**

  Additions:
  - **241 Danbury Road Assisted Living Facility**
  - **249 Danbury Road Medical Building**

GRANDLIST

POTENTIAL FUTURE PROJECTS

Project:	Status:
Corporate Park-Parking Lot Expansion	Sought Zoning Change/Discussed with Staff
Millstone Road-Brubeck Property 6 Homes	Application Submitted to Redraw Previously Approved Subdivision -Opposition by Neighbors -Intervener Status Filed
Cannon Road- 8 Home Conservation Development	Application Submitted/Withdrawn Recently Resubmitted -Opposition by Neighbors
183 Ridgefield Road-35 Age-Restricted Townhomes	Application for Sewer Extension Submitted and Withdrawn -Opposition by Neighbors and Others

GRANDLIST

High Demand

Housing for the Growing 55 and Older Demographic:

- Assisted Living
- Continuing Care
- Age-Restricted: across the price spectrum
- Residential Projects with Smaller Square Footage and Ease of Maintenance
- One Bedroom Apartments

Mixed Used Buildings

Wellness Facilities

Low Demand

Corporate Park

Retail Properties

GRANDLIST

UPDATING THE PLAN OF CONSERVATION AND DEVELOPMENT

IS CRITICAL IN DETERMINING AS A COMMUNITY WHAT PROJECTS

WE WANT TO ENCOURAGE BOTH IN TERMS OF THE TYPES OF PROJECTS WE ARE SEEING NOW

AND PROJECTS WITH AN AFFORDABLE COMPONENT.

IT WILL ALSO ALLOW US TO INDENTIFY IN WHAT LOCATIONS WE WANT TO ENCOURAGE PROJECT DEVELOPMENT.

OPERATING EXPENSES

OPERATING EXPENSE AND OPERATING CAPITAL 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.** Including electricity, fuel, insurance and compensation related costs*

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

BUDGET OVERVIEW

The FY 2018 Board of Selectmen budget includes……………

- Funding for the update of the **Plan of Conservation and Development**
- Funding to perform **deferred maintenance on town buildings, facilities and roads**
- Funding to complete the **statutory property revaluation as of October 1, 2017**
- Funding to meet the **needs of an increasingly aging population**
- Funding to **maintain the safety** of the Town and its residents
- Funding to minimize reductions in services and thus **provide the services residents have come to expect**

BUDGET OVERVIEW

The FY 2018 Board of Selectmen budget reflects savings through:

- **Consideration of the need to fill vacant positions.**
  - Positions have been permanently eliminated in this budget
- **Reduction 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
- Slowing of cost growth through **anticipated outcome of collective bargaining**
- **Reduction** of the **Transfer Station Operating Deficit**
- Improved **alignment of Park and Recreation program costs to fees** charged
- Anticipates **sponsorship of community events** such as July 4th celebration and concerts

Not reflected in the BOS budget, but savings in BOE budget:

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

BUDGET REQUEST SUMMARY

Budget request totals $33,233,876 *or a* ***3.2% increase*** *over the current year budget as follows:*

	Request	Increase
Operating Budget	**$32,059,470**	**$1,044,279**
Operating Capital	**$ 1,174,406**	**$ (12,283)**

Top 5 Drivers of the increase are:

$620,000 increase in **benefits**

$284,000 increase in **compensation**

$ 90,000 increase in **building repairs**

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

BREAK DOWN of COMPENSATION INCREASE

	AMOUNT	PERCENTAGE
WAGES		
▪ GENERAL WAGE INCREASE-reg earnings	$ 263,500	1.95% (non union) to 2.75% (police union)
▪ GENERAL WAGE INCREASE-other earnings	$ 41,900	
▪ STEP INCREASES	$ 78,300	
▪ SAVINGS	$ (100,000)	

BREAK DOWN of COMPENSATION INCREASE

	INCREASE	PERCENTAGE
BENEFITS		
▪ GROUP INSURANCE	$ 453,250	12.7%
▪ RETIREMENT		
▪ PENSION	$ 50,000	3.2%
▪ DEFINED CONTRIBUTION	$ 29,267	10.4%
▪ OTHER (TAXES, SICK LUMP. TUITION REIMB)	$ 85,965	6.3%

GROUP INSURANCE, exclusive of Teamsters

*FY 2018 Group Insurance costs reflect **a 16% increase in the rate for Teamsters** and a **catch up in non sustainable rates reductions in FY 2016 for all other employees…..***

- **FY 2018 budgeted rate for all, other than teamsters are as follows:**
  - PPO premium average increase of 5.8%
  - HD premium increase of 10.2%

- **FY 2016 rates were :**
  - 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%

OPERATING CAPITAL

OPERATING CAPITAL (in thousands)

	FY18	FY19	FY20	FY21	FY22	Total
Town Clerk	4					4
Planning and Zoning	50					50
Assessor	250	74			100	424
Information Systems	20	80				100
Police	184	191	193	190		758
Fire	303	303	166	51	55	878
Paramedic			71			71
Central Dispatch	23	24	25	27		99
Public Works	315	315	443	442	537	2,052
Park and Grounds	25	60	110	105	110	410
Total	**1,174**	**1,047**	**1,008**	**815**	**802**	**4,846**

BONDED CAPITAL

FY 2018 Board of Selectmen Budget
March 27th 2017

BOND CAPITAL REQUEST (in thousands)

	FY18	FY19	FY20	FY21	FY22	Total
Road Repaving	2,795	2,923	2,994	3,110	3,226	15,048
Police Building	1,266	11,394				12,660
Fire Station 2		910				910
Lilly Field		700				700
Tennis Courts	750					750
BOE District Roof	100	500	500	500		1,600
Middlebrook Elevator	100					100
Cider Mill Paving			200			200
Bus Barn Paving/Lights	50	400				450
Middlebrook/Cider Mill HVAC		250	1,000	1,000		2,250
Total	**5,061**	**17,077**	**4,694**	**4,610**	**3,226**	**34,668**