TOWN of WESTON, CONNECTICUT

Incorporated 1787

Office of the First Selectman

TO: Board of Selectmen
FROM: Gayle Weinstein, First Selectman
SUBJECT: FY2013-14 Budget
DATE: January 22, 2013

I am proposing a combined Town Operating and Town Capital budget that will reduce the total net budget request by $38,178 over the previous year.

For the fourth consecutive year, my goal is to offer a budget that balances our desire to maintain fiscal responsibility and property tax stability, with the need to maintain our infrastructure and provide necessary Town services. This year that goal proved even more challenging, as we address the need to increase public safety services while simultaneously expecting significant reductions in State aid.

While increases in local revenues and a decreasing debt service will provide some counter balance to the loss in State aid next year, other areas of the budget have proved less helpful. One time revenues utilized to offset expenses in the current budget will not be available, and a year of anemic grand list growth will offer little mill rate relief. Still, I am comfortable with the balance struck in this budget, and am confident that it will offer a responsible measure of public service to Weston residents in the coming fiscal year.

TOWN OPERATING BUDGET

The FY2013-14 Town operating budget as recommended totals $11,689,696. This is an increase of $375,094 (3.32%) over the current budget.

Public safety initiatives comprise a large portion of this increase. This budget proposal adds a tenth police officer ($69,500, plus an additional $33,500 in benefit costs included below), additional police equipment and training ($17,247), increased paramedic costs ($6,250), additional funding for the Fire Department ($4,363) and additional hours for the Fire Marshal($8,765, plus additional benefit costs of $25,442 included below). These public safety initiatives comprise 44% of the total requested operating budget increase.

Continuing the trend of recent years, the largest portion of the overall increase is attributable to rising costs in just a few areas. Six personnel expense areas account for 73% of the total budget increase. These consist of: wage adjustments; health insurance; pension costs; workers compensation; unemployment; and social security.

We have not yet received health insurance rates for next year. The budget anticipates a 9% increase in rates. However, we are running a surplus of 5%, so only a 4% increase in spending is budgeted. Rates should be received before the Selectmen vote on the budget in late February, allowing time for discussion prior to that vote if the need for adjustment becomes evident. None of the four bargaining units are currently under contract for next year.

MERS pension contribution rates for employers are up next year by roughly 2%. Further increases are driven by the fact that salaries will be higher, and we will be making pension contributions for the new police officer and the Fire Marshal. Pension contributions are calculated as a percentage of salary, as are social security payments. Social Security costs are up, but not as much as might be expected because we are currently running at a slight surplus. The dramatic increase in Workers Compensation reflects higher rates received after the last budget was approved. The budgeted costs for next year are fairly close to the current year actual costs.

A significant added expense is noted for Senior Center operations. Previously covered in the Board of Education's budget, $15,017 in expenses for heat, electricity and cleaning services at the Center will now be charged to the Senior Center budget. This increases that departmental budget by 16.7%.

The FY2013-14 budget does offer some anticipated decreases in operating expenses. Savings are anticipated from a reduction in electricity charges due to ongoing conservation and efficiency efforts ($18,000). The reduced number of elections next year will save $10,818 in the Registrars budget, and the appropriation for the Town's liability, auto, and property insurances will decline substantially ($18,000).

A reduction in annual staff hours is proposed in the offices of the Tax Collector, and in the Park and Recreation Department. After two years of discussion with the Board of Finance, and after evaluating the needs and activity patterns of the office, I am formally proposing a reduction in the Tax Collector's office. It is currently staffed by the Collector full time, and the Assistant Collector three-quarters time. The activity level at this office varies greatly depending upon the tax cycle. This budget proposes a 20% reduction in the hours and salary of the Tax Collector. A minor change in the hours of the Assistant is also proposed, reducing those services by 75 hours a year. While this reduction may impact service at times, we will generally maintain our current hours of operation, and I do believe this staffing level balances the needs of both the Office and our residents.

The proposal for Park and Recreation is to change the current maintenance field and grounds position to full time for seven months, and impose a seasonal layoff for the other five. It is currently a year round, full time position, which includes large amounts of

obvious down time when fields are dormant through the winter. In considering staffing options, I did explore the possibility of eliminating this position entirely, and having this work undertaken by school personnel. However, they could not handle the additional workload with existing staff, and would not take on the responsibility of prepping the Bisceglie Fields for ball games. The latter is a significant portion of the position's duties. After much thought and effort, and while acknowledging that the seasonal approach does have its drawbacks, I have concluded that this staffing level is appropriate to the current activities of the Department.

The salary savings from these staff reductions is $33,465. Additional savings in benefit and payroll costs will also be realized.

DEBT SERVICE

The $6.554 million debt service budget for 2013-14 is a decrease of $262,268 from the current year.

While any reduction is helpful, be reminded that for mill rate purposes, the value of the drop in FY13-14 is valued at $95,073. The FY12-13 budget utilized one time revenues of $167,195 to effectively decrease the mill rate impact of FY12-13 debt service payments by that amount. The Town received the funds in 2011 as part of a U.S. Government enforcement action against financial services firms involved in municipal debt offerings for collusive practices.

CAPITAL BUDGET

I am recommending a Town capital budget of $733,728 for FY2013-14. This is a $413,272 (36%) reduction from the current year.

While we try to maintain stability in this budget, I felt the reduction was necessary to offset the increased operating budget. Current fiscal year capital appropriations total just over $1,147,000. As was the case with debt service described above, the mill rate impact of that appropriation was partially offset by the availability of one time revenues. The chart below clearly presents the changes from year to year in both appropriations and revenues. The net result is that the mill rate impact for capital items will decrease by $233,555 next year.

	FY12-13	FY13-14
School Capital	470,238	447,000
Town Capital	1,147,000	733,728
Offset Revenues	215,455	12,500
Net Impact	1,401,783	1,168,228

TOWN REVENUES

Grand List Taxes

The Grand List has grown a meager .2% this year, well below last year's .7% growth, and the previous year's .5%.

Real estate taxes are the source of 90% of all Town revenue. Other grand list items, primarily autos, comprise 5%. All other Town revenues and State aid make up the last 5%. Real estate held its own this year, but autos were down about $3 million. Grand List growth will generate an additional $127,000 in revenues, but at only .2%, this is well below our historical standards.

To counter the impact of that slow growth rate somewhat, the estimated rate of tax collection is being increased slightly from 97.6% to 97.7%. This adjustment reduces the need for a mill rate increase by approximately $60,000, and is supported by current collection rates. However, we have also made a minor change in our abatement assumptions. Actual firefighter/ems abatements have gone from $65,000 to $73,000 to $78,000 over the last three years. We are again increasing our budgeted estimate by $5,000 to a total of $80,000 to keep pace.

Other Revenues

Local revenues are increased by $202,000 year to year, but State aid is down by an estimated $123,000.

The remaining 5% of Town revenue is derived from state aid and the comprehensive category of "all other local revenues". On balance, this category is in positive territory for next year's budget, but not universally so.

Over the past year, some key local revenues have picked up. Accordingly, we are revising the projection for our two largest local revenue sources significantly upward for next year. The budget estimate for Town Clerk fees will increase from $350,000 to $450,000, and interest income estimates will rise by $75,000. The growth in Clerk fees is primarily attributable to the reemergence of real estate sales activity.

We also developed this budget to rely a bit more on direct operating expense offsets from the Police and Park and Recreation special revenue accounts. Each account enjoys a robust balance, and will provide $10,000 more to offset direct operating expenses in FY2013-14.

Unfortunately, gains in local revenues will be heavily offset by expected decreases in State aid. While we have been told to expect reductions, we have not been advised as to the likely amount. This budget anticipates a ten percent reduction in State aid across the board, which equates to a revenue reduction of $122,995. We will monitor the activities in Hartford, and will update this projection as the situation develops.

MILL RATE

The estimated mill rate increase required to support these budgets is 21 cents (.87%)

The combined operating, capital, and debt service budgets for the Town and School total $65,706,224 for FY2013-14. When considered with the revenue and growth assumptions I have identified in this memo, the mill rate would rise from its current $24.02 to $24.23.

Budget Summary by Department and Division
First Selectman's Budget

	Program Name	FY12 Actual	FY13 Approved	FY14 1st Selectmen Request	Amount Change FY13-FY14	Percent Change FY13-FY14
100	Administration and Finance	632,765	617,681	619,818	2,137	0.35%
110	General Administration	3,895,618	4,044,550	4,171,000	126,450	3.13%
115	Information Systems	229,958	218,076	217,591	-485	-0.22%
120	Probate Court	1,978	4,000	4,000	0	0.00%
130	Elections/Registrars	39,277	48,828	38,010	-10,818	-22.16%
141	Board of Finance	52,500	51,400	51,400	0	0.00%
143	Assessor	119,909	123,104	123,520	416	0.34%
144	Tax Collection	115,522	117,136	100,439	-16,697	-14.25%
145	Board of Assessment	0	0	0	N/A	N/A
150	Legal Counsel	342,879	249,600	259,400	9,800	3.93%
160	Town Clerk	125,609	128,048	128,362	314	0.25%
165	Historic District Commission	0	300	0	-300	-100.00%
170	Land Use Department	93,033	93,787	360,806	267,019	284.71%
180	Zoning Board of Appeals	1,969	2,510	0	-2,510	-100.00%
185	Conservation Commission	52,631	54,799	0	-54,799	-100.00%
191	Building Inspector	91,311	98,229	0	-98,229	-100.00%
195	Building Committee	0	0	0	N/A	N/A
General Government		5,794,959	5,852,048	6,074,346	222,298	3.80%
220	Volunteer Fire Department	212,178	217,787	222,150	4,363	2.00%
240	Fire Marshal	45,473	47,151	55,338	8,187	17.36%
250	Animal Control	57,489	71,731	70,614	-1,117	-1.56%
260	Communications Center	283,621	230,272	234,496	4,224	1.83%
263	SW Conn. Emerg. Med.	0	1,300	1,300	0	0.00%
264	Emerg. Med. Commun. Serv.	11,458	12,205	12,515	310	2.54%
266	Regional Paramedic	133,647	137,000	143,250	6,250	4.56%
280	Police Services	1,718,639	1,681,736	1,761,816	80,080	4.76%
Public Safety		2,462,505	2,399,182	2,501,479	102,297	4.26%
300	Public Works - Highway	1,726,697	1,774,723	1,777,135	2,412	0.14%
Public Works		1,726,697	1,774,723	1,777,135	2,412	0.14%
410	Solid Waste Disposal	124,787	68,066	87,005	18,939	27.82%
510	Westport/Weston Health	178,396	183,752	189,265	5,513	3.00%
530	Weston Water Utility	23,199	16,080	16,080	0	0.00%
550	School/Town Water Supply	28,141	35,630	34,700	-930	-2.61%
Sanitation, Health, Environment		354,523	303,528	327,050	23,522	7.75%
600	Human Services	80,089	78,796	78,969	173	0.22%
700	Youth Services	47,111	0	27,564	N/A	N/A

Budget Summary by Department and Division
First Selectman's Budget

	Program Name	FY12 Actual	FY13 Approved	FY14 1st Selectmen Request	Amount Change FY13-FY14	Percent Change FY13-FY14
750	Senior Services	91,425	94,749	110,559	15,810	16.69%
810	Public Library	384,131	397,349	401,973	4,624	1.16%
Human Resources &		602,756	570,894	619,065	48,171	8.44%
910	Recreation Department	188,266	172,507	162,731	-9,776	-5.67%
912	Parks and Fields	151,489	158,449	141,939	-16,510	-10.42%
913	Middle School Pool	96,715	83,271	85,951	2,680	3.22%
Parks & Recreation		436,470	414,227	390,621	-23,606	-5.70%
930	Municipal Debt (Interest)	2,703,200	2,354,705	2,294,632	-60,073	-2.55%
950	Municipal Debt (Principal)	4,045,000	4,295,000	4,260,000	-35,000	-0.81%
Debt Service		6,748,200	6,649,705	6,554,632	-95,073	-1.43%
970	Town/School Capital Budget	1,027,030	1,401,783	1,168,228	-233,555	-16.66%
		1,027,030	1,401,783	1,168,228	-233,555	-16.66%
		19,153,140	19,366,090	19,412,556	46,466	0.24%

TOWN OF WESTON
BUDGET HISTORY

	FY 12	FY 13	FY 13 (forecast)	FY 14	$ CHANGE FY 13 to FY 14	% CHANGE FY 13 to FY 14
TOWN OPERATING BUDGET	11,184,216	11,314,602	11,314,602	11,689,696	375,094	3.32%
TOWN CAPITAL BUDGET	672,500	1,147,000	1,147,000	733,728	(413,272)	-36.03%
TOTAL TOWN BUDGET	11,856,716	12,461,602	12,461,602	12,423,424	(38,178)	-0.31%
BOE OPERATING BUDGET	45,166,337	45,587,192	45,587,192	46,293,668	706,476	1.55%
BOE CAPITAL BUDGET	354,530	470,238	470,238	447,000	(23,238)	-4.94%
TOTAL BOE BUDGET	45,520,867	46,057,430	46,057,430	46,740,668	683,238	1.48%
DEBT SERVICE - TOWN	790,885	676,834	676,834	694,124	17,290	2.55%
DEBT SERVICE - BOE	5,957,315	6,140,066	6,140,066	5,860,508	(279,558)	-4.55%
TOTAL DEBT SERVICE	6,748,200	6,816,900	6,816,900	6,554,632	(262,268)	-3.85%
Less: Capital Reserve Offset		(215,455)	(215,455)	(12,500)	202,955	-94.20%
Debt Service Proceeds		(167,195)	(167,195)	0	167,195	-100.00%
TOTAL GROSS BUDGET	64,125,783	64,953,282	64,953,282	65,706,224	382,792	0.59%
LESS: REVENUES	2,581,480	2,712,490	2,712,490	2,747,571	35,081	1.29%
TOTAL NET BUDGET	61,544,303	62,240,792	62,240,792	62,958,653	717,861	1.15%
GRAND LIST	2,635,349,349	2,654,587,399	2,654,587,399	2,659,896,574	5,309,175	0.20%
BUDGETED MILL RATE	23.94	24.02	n/a	24.23	0.21	0.87%

Mill rate collection budgeted at 97.55% for 2011-12, and 97.6% for 2012-13, 97.7% for 2013-14.

1/24/2013

TOWN REVENUE SUMMARY

Revenue

	ACTUAL 2011-12	BUDGET 2012-13	ESTIMATED 2012-13	BUDGET 2013-14	VARIANCE
Tax Collection - Gross	$63,590,767	$63,771,303	$63,490,008	$63,771,303	$0
Less: Town Elderly Tax Relief (Abatements)	($477,789)	($520,000)	($454,547)	($520,000)	$0
Less: Town Elderly Tax Relief (Deferrals)	($98,992)	($99,000)	($93,665)	($99,000)	$0
Less: Town Elderly Tax Relief (Freeze)	($3,747)	($6,000)	($3,927)	($6,000)	$0
Less: Tax Abatement for Fire/EMS Volunteers	($73,362)	($75,000)	($78,248)	($80,000)	($5,000)
Less: Uncollected Taxes	($708,791)	($830,511)	($830,511)	($825,511)	$5,000
Tax Collection - Net	$62,228,086	$62,240,792	$62,029,110	$62,240,792	$0
State Aid - Education	$951,512	$948,564	$948,564	$853,708	($94,856)
State Aid - Highway	$125,997	$125,997	$125,997	$112,797	($13,200)
State Aid - Capital Improvement Grants	$65,134	$66,051	$66,051	$59,446	($6,605)
State Aid - Other	$25,717	$16,800	$16,800	$15,120	($1,680)
State Aid - Boat Reimbursement	$0	$2,654	$2,654	$0	($2,654)
State Tax Relief - Elderly	$20,765	$20,000	$19,500	$18,000	($2,000)
State Aid - Municipal Video Competition Grant	$24,143	$20,000	$24,143	$18,000	($2,000)
State Grants - School Construction	$5,199	$0	$0	$0	$0
Subtotal	$1,218,467	$1,200,066	$1,203,709	$1,077,071	($122,995)
Selectmen's Budget					
Telecommunications Personal Prop. Tax	$40,098	$15,000	$15,000	$15,000	$0
Tax Collection - Delinquent/Interest & Lien Fees	$903,670	$650,000	$850,000	$680,000	$30,000
Interest on Investments	$323,721	$200,000	$300,000	$275,000	$75,000
Building Inspection Fees	$141,886	$170,000	$200,000	$170,000	$0
Town Clerk Fees	$305,526	$350,000	$475,000	$450,000	$100,000
Animal Control Licenses and Fees	$6,294	$10,000	$10,000	$10,000	$0
Police Report Fees & Fines	$3,454	$4,000	$4,000	$4,000	$0
ZBA Hearing Fees	$1,670	$1,000	$1,000	$1,000	$0
Planning & Zoning Commission Fees	$14,621	$14,000	$17,000	$15,000	$1,000
Conservation Commission Fees	$25,530	$14,000	$15,000	$14,000	$0
Selectman's Office Fees	$1,299	$1,500	$1,500	$1,500	$0
Assessor's Copier Receipts	$893	$1,000	$1,000	$1,000	$0
Public Library Receipts	$7,810	$0	$0	$0	$0
Meals on Wheels	$8,157	$5,000	$5,500	$0	($5,000)
Booster Barn Loan Repayment	$20,320	$18,000	$19,000	$19,000	$1,000
Miscellaneous Town & BOE Receipts	$29,666	$15,000	$15,000	$15,000	$0
Subtotal	$1,834,615	$1,468,500	$1,929,000	$1,670,500	$202,000
Transfer In from General Fund Balance	$0	$43,924	$0	$0	($43,924)
Revenue - Subtotal	$3,053,082	$2,712,490	$3,132,709	$2,747,571	$35,081
TOTAL REVENUE	$65,281,168	$64,953,282	$65,161,819	$64,988,363	$35,081