TO: Board of Finance
FROM: Christopher Spaulding
SUBJECT: First Selectman’s Recommended Budget
DATE: February 24, 2020

INTRODUCTION

This packet of materials constitutes the Board of Selectmen’s proposed budget ("Proposed Budget") for Fiscal Year 2020-2021. The Proposed Budget is an attempt to strike a healthy balance between funding valued services, maintaining critical infrastructure, and establishing a mill rate that keeps Weston an affordable place to live.

The Proposed Budget is a result of the Board of Selectmen having reviewed budget requests submitted by Town departments and boards and then making adjustments to those requests. The Proposed Budget also incorporates Board of Education proposed operating and capital budget expenses. The next step in the budget process is for the Board of Finance to review all proposed expenditures and revenues, ask questions, make changes, and send a budget to the Annual Town Budget Meeting.

For purposes of general review, the Proposed Budget can be broken down into three categories: 1) Operating expenditures; 2) Capital expenditures; and 3) Revenues.

OPERATING EXPENDITURES

The proposed Board of Education (BOE) operating expenditure totals $54,609,663 – an increase of $1,535,953 or 2.89% over the current fiscal year. The Board of Selectmen has recommended to the Board of Finance that the percent increase be limited to 2.5%.

The proposed Board of Selectmen (BOS) operating expenditures totals $13,795,997, which is an increase of 2.55% or $343,252 over the current fiscal year. 95% of the increase is attributable to wage increases ($143,166), medical insurance increases ($96,050) and greater retirement contributions ($87,500). Wage increases are driven by the State’s collective bargaining process. Employer retirement contribution levels are set by the State of Connecticut and cannot be changed by the municipality.

The budget does include modest spending increases in three areas: 1) $21,178 to replace officer safety equipment for the Police Department; 2) $14,772 to support more books, greater programing and a self-checkout machine for the Library; and 3) $7,945 more for the Tree Warden’s removal of diseased trees. In addition, the Transfer Station operating budget would increase from $5,572 to $53,574 due to anticipated massive increases in recycling removal costs associated with the expiration of a favorable contract. The Transfer Station expenditure increase of $48,002 would occur despite three revenue increases. First, garbage bag sticker fees would increase from $2.50 to $5.50. Second, neighborhood haulers would be charged to drop their recycling off at the Transfer Station. Third, charges for bulk waste (ie, couches, household construction debris) would increase slightly. During the budget process, the Board of Finance should examine the long-term viability of the Town continuing to be the “middle man” between households and private companies that haul waste and recycling to and from the Transfer Station.

In terms of staffing levels, it should be noted that the First Selectman denied multiple requests from departments to increase staff hours. Furthermore, the proposed budget
would see the vacant position of Engineer decrease from thirty hours per week to nineteen hours per week.

CAPITAL EXPENDITURES

Proposed capital expenditures for both the Board of Selectmen (BOS) and Board of Education (BOE) total $1,784,991. That amount is offset by $117,688 from completed capital projects that had outstanding balances. When factoring in the offset, the Town would have to raise $1,667,303 in taxpayer dollars next Fiscal Year to pay for the proposed capital projects. This Fiscal Year’s budget called for $1,246,829 to be raised by taxes to pay for capital projects. That figure represents a proposed funding increase of $380,874 or 29.6%. The primary reason for the significant difference is due to the fact that the FY 19-20 Budget benefited from a one-time state grant offset of $540,000 from school construction funds.

BOS Capital spending requests for next Fiscal Year total $717,667, which is an increase of $247,367 or 52.6% over the current Fiscal Year. The proposed BOE capital expenditures total $1,067,324. This represents a decrease of $288,805 or 21.3% over the current fiscal year.

REVENUES

The Proposed Budget’s revenue projections are reflective of the State’s adopted biennial budget and the Governor’s recently revealed proposed budget. Budgeted revenues from non-property tax sources such as permit fees, program fees and intergovernmental revenues projected to increase from $2,728,901 to $3,071,149. The increase of $342,248 or 12.5% is attributable to budgeting state revenues that we had previously elected to not budget given the uncertainty of last year’s State budget process.

The Town’s Grand List is projected to stay flat. This is primarily due to three factors. First, the acquisition of a large parcel of privately owned land by the non-profit Nature Conservancy. Second, settlement of property valuation disputes. Third, a loss of 233 motor vehicles (2.7% decrease).

SUMMARY

In summary, the proposed Board of Education and Town budgets collectively result in a mill rate increase of 2.44%. I look forward to meeting with you in person and answering questions that you may have about the budget.

---

1 The proposed FY 20-21 Capital Budget that the Board of Finance is receiving from the Board of Selectmen does not include $350,000 of Middle School projects that the Board of Education wished to include. The Board of Selectmen removed those capital projects in consideration of the fact that the future of the middle school is being evaluated by the recently appointed Facilities Optimization Committee.

2 The official Grand List of 2019 is $2,239,265,706, which is an increase of 0.1% or $2,344,458 over the prior Grand List. The Proposed Budget factors in $0 change in the Grand List because it is reasonable to assume at this point in time that the $2,344,458 increase could be eliminated in the months ahead due to pending real estate assessment appeals.

3 In the event the Board of Finance does implement the Board of Selectmen’s recommendation to limit the Board of Education budget increase to 2.5%, then the mill rate increase would be 2.16%.