

TO: Board of Finance
FROM: Christopher Spaulding
SUBJECT: Board of Selectmen's Recommended Budget
DATE: February 25, 2019

INTRODUCTION

This packet of materials constitutes the Board of Selectman's proposed budget ("Proposed Budget) for Fiscal Year 2019-2020. The Proposed Budget of my having reviewed budget submissions from town departments and boards and then passing on an adjusted budget to the Board of Selectmen for its review and approval. The Proposed Budget also incorporates the Board of Education's proposed operating and capital budget expenses. The next step in the budget process is for the Board of Finance to review proposed expenditures and revenues, ask questions, make changes, and send a budget to the public for discussion and final approval.

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. Great deference has been given to the impact that property revaluation will have on Weston homeowners.

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 Selectmen operating expenditures totals \$13,467,745 which is an increase of \$420,447 or 3.22% over the current fiscal year. The largest increases in spending are wage and medical insurance increases of \$293,523¹ and retirement cost increases of \$177,100. Together, these spending increases total \$470,623. This represents over 100% of the proposed spending increase. The employer retirement contributions are set by the State of Connecticut and cannot be adjusted down. The wage increases are overwhelmingly driven by the State's collective bargaining process.

Of note, the operating budget provides \$50,000 more in the area of road paving because several roads are in desperate need of repaving. Despite that increase, the Public Works Budget remains relatively flat because we have been able to reduce our environmental engineering costs associated with our municipal storm water management program. Furthermore, the budget does provide \$23,000 more to the Tree Warden. We feel this increase is justifiable given our need to protect the public from the multitude of ash trees severely damaged by the emerald ash borer.

The operating budget calls for significant changes at the Transfer Station. The Solid Waste Disposal budget is a special revenue fund. The fund experienced operating losses of \$112,718 in Fiscal Year '17 and \$140,409 in Fiscal Year '18. We expect an operating loss of at least \$115,000 this Fiscal Year. Without operational changes, the operating

¹ Wage and medical insurance increases can be broken down as follows: A) \$177,692 for wage and FICA increases; B) \$65,406 salary for the new School Resource Officer hired this Fiscal Year; and C) \$50,425 in medical insurance increases.

loss would be at least \$115,000 next Fiscal Year and approximately \$200,000 in Fiscal Year '21 – the year our favorable contract with City Carting expires. The proposed budget is able to establish an operating loss of \$5,572 at the Transfer Station through a combination of reduced hours of operation and increased prices on household waste disposal. The Transfer Station is presently open six days a week for eight hours each day. Effective July 1, 2019, the facility would be open sixteen hours a week – with no plans to reduce Saturday hours. With respect to increased prices, sticker prices per bag would increase from \$1.50 to \$2.50. Residents with financial hardship would have access to reduced pricing after being vetted by Weston Social Services. The changes to the Transfer Station are proposed after taking into consideration what municipalities similar to us offer their citizens with respect to facility hours of operations and unit based pricing. The proposal also takes into account measured usage patterns.

CAPITAL EXPENDITURES

Proposed capital expenditures for both the Board of Selectmen (BOS) and Board of Education (BOE) total \$2,041,929. That amount is offset by \$540,000 of grant funds that the Town unexpectedly received from the State late last fiscal year. The funds arrived as a result of the State having finally completed an audit of a school construction project that was completed several years ago. Technically, the funds are currently in the General Fund as committed fund balance. As proposed, the funds would be transferred into the Capital Fund Reserve. The result of the fund transfer is that the Town has to raise \$1,501,929 in taxpayer dollars next Fiscal Year to pay for the proposed capital projects. This Fiscal Year, only \$675,247 was raised by taxes to pay for capital projects. The rest was offset by balances from closed capital projects and the turf replacement fund.

BOS Capital spending requests for next Fiscal Year total \$657,800, which is a decrease of \$70,438 or -9.67% over the current Fiscal Year. The proposed BOE capital expenditures total \$1,384,129. This represents an increase of \$248,344 or 21.87% over the current fiscal year.

REVENUES

The Proposed Budget's revenue projections are reflective of the state government's financial condition and trends from prior years. Budgeted revenues from non-property tax sources such as permit fees, program fees and intergovernmental revenues projected to increase from \$2,505,301 to \$2,628,901. The increase of \$123,600 or 4.93% is mostly attributable to increases in delinquent tax payments, supplemental auto tax revenues, and interest on investments.

As previously discussed in great detail, the Town's Grand List is projected to decrease by 6.3%.

SUMMARY

In summary, the proposed Board of Education and Town budgets collectively result in a mill rate increase of 11.13%. Had there been no property revaluation, then the mill rate increase would be 3.54%. I look forward to meeting with you in person and answering questions that you may have about the budget.