

TO: Board of Selectmen
FROM: Christopher Spaulding
SUBJECT: First Selectman's Recommended Budget
DATE: February 12, 2018

INTRODUCTION

This packet of materials constitutes the proposed Town of Weston budget for Fiscal Year 2018-2019. The budget is the result of my having reviewed and adjusted budget submissions from town departments and town boards/commissions. The budget also incorporates the Board of Education's proposed operating and capital budget expenses. The next step in the budget process is for you to review proposed expenditures and revenues (except the Board of Education's proposed operating budget expenditures and revenues), ask questions, make changes, and send a final Board of Selectmen budget and Town Capital Budget to the Board of Finance. The Board of Finance will review all budgets, make amendments as it sees fit, and send final budgets to the Adjourned Town Budget Meeting (ATBM) for approval via a machine vote.

The First Selectman's proposed budget for Fiscal Year 2018-19 (hereafter referred to as "The Proposed Budget" or "Budget") strikes a healthy balance between funding valued services, maintaining critical infrastructure, and stabilizing property taxes. Great deference has been given to the high level of uncertainty Weston citizens face due to a state government fiscal crisis and changes in federal tax law.

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

OPERATING EXPENDITURES

The Proposed Budget's operating expenditures restrains spending growth while preserving the vast majority of municipal services. It provides for enhanced communications with residents in the form of a new town website that includes a crowd-funding portal, customer relationship manager software, and signage. Other operating budget highlights include increased efficiencies in the area of Information Services, a slight increase in the work hours of the Senior Services Director, and the launch of a regional partnership that will promote responsible behavior and provide help to troubled Weston youth.

The Town Budget's operating expenditures total \$13,103,891, which is an increase of \$337,026 or 2.6% over the current fiscal year. Notable variances exist in the following departments: Administration and Finance; Elections/Registrars; Police Services; Solid Waste Disposal; Youth Services; and Middle School Pool.

The Administration and Finance budget increased 14.9% or \$94,233. The increase is due to the funding of a wage contingency totaling \$131,900. The wage contingency serves to

satisfy the outcome of collective bargaining negotiations. All four union contracts (Police, Public Works, Dispatch, Town Hall) expire on June 30, 2018. It is anticipated that settlements will occur sometime in the next 6-12 months. Next fiscal year, the wage contingency funding should go away as line items in the departmental budgets will be “trued up” to reflect the outcome of the union negotiations.

The Elections/Registrars budget increased 26.2% or \$14,574 in consideration of anticipated increased activity at the polls given all of the primary election opportunities and general elections scheduled next Fiscal Year.

The Police Services budget increased \$99,976 or 5%. The increase is driven by significant increase in equipment purchases (new computer servers) and contractual services (taser services). It is also driven by a shift of police department cellular expenses from the Town’s IT budget to the Police Services budget. The shift results in the budget reader having a more accurate understanding of what Police Services cost.

The Solid Waste Disposal budget reflects the costs associated with operating the Town’s Transfer Station. After balancing expenditures and revenues, the Solid Waste Disposal operation will “cost” the Town \$109,023 – an increase of 32.2% over the current Fiscal Year. The increase in the cost of the operation is due to two major factors: A) A “truing up” of budgeted revenues. In previous years, the Town budgeted payments from town custodial and parks staff that are authorized to dispose of local government bulky waste at the Transfer Station (ie, old furniture, broken machines, removed building materials, etc...) These payments were never made, yet continued to be budgeted as anticipated revenues – until now; and 2) a notable wage increase for one of the full-time employees employed at the Transfer Station.

The Budget decreases funding to the Youth Services budget by 60.2%. The main reason for this is that the Youth Services Director’s hours would decrease from 30 hours to 19 hours per week. The salary savings is \$23,284. Furthermore, the position would no longer be eligible for health insurance benefits and retirement. As the position is currently vacant, the plan is to hire a qualified individual as soon as possible at the 19 hour per week work schedule. Also included in the Youth Services budget is the purchase of Juvenile Review Board (JRB) services from the City of Norwalk at a price of \$15,000 per Fiscal Year. The JRB is a group of local professionals, including: police, social workers, school officials, juvenile court officials, clergy and community members who meet regularly to offer children and their families a positive alternative to the criminal justice system. The cost of the JRB would be fully covered by revenues already generated from the Youth Services Department’s after school program.

The Middle School Pool budget will increase 18.2% or \$15,926. This is mainly due to due a scheduled washing, painting and filling of the pool. The work is performed every few years.

In the weeks ahead, we will have the opportunity to review the departmental budgets with the Town Administrator and representatives of each department and/or board. We will

also have the opportunity to discuss the Town's debt service expenses (Town and Board of Education), which are scheduled to drop by \$158,625 or 2.5% next Fiscal Year. It is my hope that our collective work will lead to further operational efficiencies and program improvements.

CAPITAL EXPENDITURES

Capital expenditures totaling \$1,939,023 are proposed for Fiscal Year 2018-19. These expenditures are necessary in order for both the Town and School District to maintain their critical infrastructure and plan for a more vibrant community. The expenditure amount is \$952,336 or 97% greater than the amount funded this Fiscal Year. The boost in capital budget funding puts Weston back to a level where it had been in previous fiscal years and where it should be in order to avoid spikes in future years. It should be noted that \$838,776 of the proposed \$1,939,023 will be offset by available balances in special revenue funds and capital fund reserve funds.

The proposed **Town** capital expenditures total \$807,328, which is an increase of \$229,738 or 45% over the current Fiscal Year. Notable appropriations include the following:

- \$90,000 to fund the first of two installments for the replacement of a dump truck;
- \$33,000 to fund the first of three installments for the replacement of the Transfer Station vehicle scale;
- \$33,000 to fund the first of three installments for the replacement of a 1970's model road grader;
- \$245,000 to perform a complete road reconstruction of Michael's Way;
- \$65,000 to seal cracks in tennis courts and the High School track;
- \$100,000 for library roof replacement (the third of three installments); and

The installment funding proposals are a direct result of members of the Board of Finance having questioned in years past the need to fund equipment and vehicle replacements in a single year just because the item had reached a certain age. This new installment funding approach allows for the town to get a few more years of useful life out of aged equipment and vehicles that are in good, working condition. Over the course of time, the installment funding approach should save the town money.

The proposed Board of Education capital expenditures total \$1,195,785 (including projects funding with funds on-hand). This represents an increase of \$722,598 or 153% over the current fiscal year.

Board of Education capital projects of note include:

- \$225,785 for a new phone system (funding for this project will be offset \$30,000 from unused 911 Enable Device Funds);

- \$575,000 for the replacement of a turf field and goal posts (the vast majority of funding for this project will be provided through a combination of existing program fees and capital funds appropriated in previous years); and
- \$300,000 for replacement of the WIS knee/parapet wall;

I look forward to us meeting with representatives of the Board of Education on Tuesday, February 6th for purposes of discussing these projects in detail.

REVENUES

The Budget's revenue projections are reflective of the state government's financial condition and trends from prior years. Revenues from non-property tax sources such as permit fees, program fees and intergovernmental revenues projected to decrease from \$2,379,081 to \$2,355,301. The decrease of \$23,780 or 1% is attributable to the following variances in revenues:

- Decreases in state aid (per the Governor's proposed budget); and
- Increases in Building Permit Fees due to a proposed rate increase on renovations;

Furthermore, the Town's Grand List of assessed properties has increased by 0.55% (budget to budget). The result is that each mill will generate roughly \$14,000 more in taxes in Fiscal Year 18-19 than in the present fiscal year.

I look forward to reviewing with you each of the budgeted revenue lines.

SUMMARY

In summary, the proposed Board of Education and Town budgets collectively result in a mill rate increase of 2.9%. I consider the work performed to date a good first step towards crafting a final budget that allows Weston to continue to flourish while scaling back on areas that are not crucial or particularly impactful to the citizenry of our town. Please do not hesitate to send the Town Administrator and Finance Director budget-related questions in advance of our budget workshops and throughout the budget adoption process.

**Budget Summary by Department and Division
First Selectmen's Budget**

Program Name	FY2Actual	FY3Budget	FY4 (Current)	FY4 (Current)	Change from Budget	
	2016-2017	2017-2018	2018-2019	2018-2019	Amount	Percent
	Actual	Budget	Dept Request	First Select	Change	Change
100 Administration and Finance	719,942	632,149	726,382	726,382	94,233	14.9%
110 General Administration	4,275,210	4,279,450	4,290,225	4,290,225	10,775	0.3%
115 Information Systems	194,814	196,374	389,685	194,355	-2,019	-1.0%
120 Probate Court	4,322	4,000	4,300	4,300	300	7.5%
130 Elections/Registrars	65,541	55,654	70,228	70,228	14,574	26.2%
141 Board of Finance	54,470	57,250	51,500	51,500	-5,750	-10.0%
143 Assessor	147,642	140,344	158,809	142,501	2,157	1.5%
144 Tax Collection	110,372	110,984	110,394	110,394	-590	-0.5%
150 Legal Counsel	176,230	247,500	247,500	247,500	0	0.0%
160 Town Clerk	139,363	144,046	145,538	145,538	1,492	1.0%
170 Land Use Department	436,809	405,386	405,213	405,213	-173	0.0%
General Government	6,324,715	6,273,137	6,599,774	6,388,136	114,999	1.8%
220 Volunteer Fire Department	226,304	236,031	242,954	242,954	6,923	2.9%
240 Fire Marshal	58,035	62,434	62,469	62,469	35	0.1%
250 Animal Control	134,189	86,350	87,015	87,015	665	0.8%
260 Communications Center	285,440	292,175	298,266	298,266	6,091	2.1%
264 Emerg. Med. Commun. Serv.	13,333	13,669	13,900	13,900	231	1.7%
266 Regional Paramedic	136,987	136,987	136,987	136,987	0	0.0%
280 Police Services	2,038,782	2,001,842	2,091,818	2,101,818	99,976	5.0%
Public Safety	2,893,070	2,829,488	2,933,409	2,943,409	113,921	4.0%
300 Public Works - Highway	1,888,762	2,040,712	2,265,511	2,089,511	48,799	2.4%
310 Tree Warden	263	41,760	61,000	56,000	14,240	34.1%
Public Works	1,889,024	2,082,472	2,326,511	2,145,511	63,039	3.0%
410 Solid Waste Disposal	112,718	82,453	109,023	109,023	26,570	32.2%
510 Westport/Weston Health Dist.	211,578	215,590	223,370	223,370	7,780	3.6%
530 Weston Water Utility	11,329	19,360	18,100	18,100	-1,260	-6.5%
550 School/Town Water Supply	33,740	36,400	36,400	36,400	0	0.0%
Sanitation, Health, Environment	369,365	353,803	386,893	386,893	33,090	9.4%
600 Human Services	82,981	86,483	96,959	86,559	76	0.1%
700 Youth Services	50,632	60,813	47,574	24,190	-36,623	-60.2%
750 Senior Services	146,343	167,929	179,549	179,549	11,620	6.9%
810 Public Library	432,260	476,220	492,616	489,441	13,221	2.8%
Human Resources & Development	712,215	791,445	816,698	779,739	-11,706	-1.5%
910 Recreation Department	181,500	187,255	187,227	187,227	-28	0.0%
912 Parks and Fields	159,431	161,889	169,674	169,674	7,785	4.8%
913 Middle School Pool	21,603	87,376	103,302	103,302	15,926	18.2%
Parks & Recreation	362,535	436,520	460,203	460,203	23,683	5.4%

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<u>Program Name</u>	FY2Actual	FY3Budget	FY4 (Current)	FY4 (Current)	Change from Budget	
	2016-2017	2017-2018	2018-2019	2018-2019	Amount	Percent
	Actual	Budget	Dept Request	First Select	Change	Change
<u>Grand Total</u>	12,550,925	12,766,865	13,523,488	13,103,891	337,026	2.6%

TOWN OF WESTON BUDGET HISTORY

	<u>FY 17</u>	<u>FY 18</u>	<u>FY 18</u> (forecast)	<u>FY 19</u>	<u>\$ CHANGE</u> FY 18 to FY 19	<u>% CHANGE</u> FY 18 to FY 19
TOWN OPERATING BUDGET	12,497,995	12,766,865	12,657,296	13,103,891	337,026	2.64%
BOE OPERATING BUDGET	48,905,141	49,907,522	50,866,473	51,626,536	1,719,014	3.44%
TOTAL OPERATING BUDGET	61,403,136	62,674,387	63,523,769	64,730,427	2,056,040	3.28%
TOWN CAPITAL BUDGET	687,100	513,500	513,500	743,238	229,738	44.74%
BOE CAPITAL BUDGET	484,589	473,187	473,187	1,195,785	722,598	152.71%
LESS: Special Funds Offset	0	(28,287)	(28,287)	(559,444)	(531,157)	N/A
Capital Reserve Offset	0	(351,713)	(351,713)	(279,332)	72,381	N/A
TOTAL CAPITAL BUDGET	1,171,689	606,687	606,687	1,100,247	493,560	81.35%
DEBT SERVICE - TOWN	764,120	756,010	756,010	733,295	(22,715)	-3.00%
DEBT SERVICE - BOE	5,544,718	5,481,203	5,481,203	5,345,293	(135,910)	-2.48%
TOTAL DEBT SERVICE	6,308,838	6,237,213	6,237,213	6,078,588	(158,625)	-2.54%
TOTAL GROSS BUDGET	68,883,663	69,518,287	70,367,669	71,909,262	2,390,975	3.44%
LESS: REVENUES	3,044,076	2,379,081	2,379,081	2,355,301	(23,780)	-1.00%
TOTAL NET BUDGET	65,839,587	67,139,206	67,988,588	69,553,961	2,414,755	3.60%
GRAND LIST	2,356,914,747	2,372,542,054	2,372,542,054	2,385,700,000	13,157,946	0.55%
BUDGETED MILL RATE	28.56	28.91	29.27	29.75	0.84	2.91%

Mill rate collection budgeted at 98.0% for 2018-19; 97.9% for 2017-18
Town Capital budget includes projects that are shared Town and BOE initiatives

TOWN REVENUE SUMMARY

Revenue

	ACTUAL	BUDGET	ESTIMATED	BUDGET	VARIANCE
	<u>2016-17</u>	<u>2017-18</u>	<u>2017-18</u>	<u>2018-19</u>	<u>18-19/17-18</u>
Tax Collection - Gross	\$ 67,861,761	\$ 68,579,373	\$ 68,579,373	\$ 70,973,430	\$ 2,394,057
Less: Town Elderly Tax Relief (Abatements)	(\$443,271)	(\$450,000)	(\$410,709)	(\$420,000)	\$ 30,000
Less: Town Elderly Tax Relief (Deferrals)	(\$41,734)	(\$99,000)	(\$30,811)	(\$50,000)	\$ 49,000
Less: Town Elderly Tax Relief (Freeze)	(\$1,650)	(\$6,000)	(\$1,650)	(\$6,000)	\$ -
Less: Tax Abatement for Fire/EMS Volunteers	(\$61,750)	(\$80,000)	(\$72,477)	(\$80,000)	\$ -
Less: Uncollected Taxes	(\$811,578)	(\$805,167)	(\$805,167)	(\$863,469)	\$ (58,302)
Tax Collection - Net	<u>\$66,501,778</u>	<u>\$67,139,206</u>	<u>\$ 67,258,559</u>	<u>\$69,553,961</u>	<u>\$ 2,414,755</u>
State Aid - Education	\$263,431	\$0	\$125,130	\$0	\$ -
State Aid - Highway	\$251,771	\$125,997	\$251,636	\$251,968	\$ 125,971
State Aid - Capital Improvement Grants	\$0	\$0	\$119,606	\$76,833	\$ 76,833
State Aid - Municipal Revenue Sharing	\$211,834	\$211,384	\$0	\$0	\$ (211,384)
State Aid - Municipal Stabilization Grant	\$0	\$0	\$62,917	\$0	\$ -
State Aid - Other	\$13,560	\$10,000	\$10,000	\$1,000	\$ (9,000)
State Tax Relief - Elderly	<u>\$22,212</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ (20,000)</u>
Subtotal	\$762,808	\$367,381	\$569,289	\$329,801	(\$37,580)
Selectmen's Budget					
Telecommunications Personal Prop. Tax	\$28,366	\$25,000	\$25,000	\$25,000	\$ -
Tax Collection - Delinquent/Interest & Lien Fees	\$1,388,811	\$750,000	\$900,000	\$750,000	\$ -
Supplemental Auto Tax	incl above	\$250,000	\$500,000	\$250,000	\$ -
Interest on Investments	\$45,852	\$250,000	\$200,000	\$250,000	\$ -
Building Inspection Fees	\$185,927	\$200,000	\$210,000	\$217,000	\$ 17,000
Town Clerk Fees	\$502,547	\$450,000	\$425,000	\$450,000	\$ -
Animal Control Licenses and Fees	\$9,594	\$10,000	\$10,000	\$10,000	\$ -
Police Report Fees & Fines	\$3,672	\$4,000	\$4,000	\$4,000	\$ -
Police Special Duty Admin Fee	\$21,316	\$11,000	\$25,000	\$15,000	\$ 4,000
ZBA Hearing Fees	\$294	\$1,000	\$1,000	\$1,000	\$ -
Planning & Zoning Commission Fees	\$21,523	\$20,000	\$20,000	\$20,000	\$ -
Conservation Commission Fees	\$9,849	\$15,000	\$8,000	\$8,000	\$ (7,000)
Selectman's Office Fees	\$520	\$1,000	\$1,000	\$1,000	\$ -
Assessor's Copier Receipts	\$444	\$700	\$500	\$500	\$ (200)
Public Library Receipts	\$1,206	\$0	\$0	\$0	\$ -
Booster Barn Loan Repayment	\$17,780	\$19,000	\$19,000	\$19,000	\$ -
Miscellaneous Town & BOE Receipts	<u>\$17,725</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$ -</u>
Subtotal	\$2,255,426	\$2,011,700	\$2,353,500	\$2,025,500	\$13,800
Transfer In From General Fund Balance	\$0	\$0	\$0	\$0	\$0
Revenue - Subtotal	\$3,018,234	\$2,379,081	\$2,922,789	\$2,355,301	\$ (23,780)
TOTAL REVENUE	<u>\$69,520,012</u>	<u>\$69,518,287</u>	<u>\$70,181,348</u>	<u>\$71,909,262</u>	<u>\$2,390,975</u>