

TOWN of WESTON, CONNECTICUT



Incorporated 1787

Office of the First Selectman

TO: Board of Selectmen
FROM: Nina Daniel
SUBJECT: First Selectman's Recommended Budget
DATE: February 8, 2016

INTRODUCTION

Since the Great Recession of 2008, Connecticut has not experienced a healthy economic recovery as some other states have done. In fact, there has been zero growth in our State's economy since 2010. This negatively impacts Weston by dampening growth in our grand list, median income and housing values.

Residents of all ages increasingly are voicing uncertainty and concern about their family's economic future. That concern was intensified by the recently announced departure of General Electric's corporate headquarters from neighboring Fairfield, an event that does not bode well for the economic outlook of the State or County.

Given these realities, one of my priorities upon taking office is to avoid additional indebtedness and incurring the long range burden of operating costs for an expanded Town facility footprint. To the extent that it is within our control, I recommend a firm stand on the issue of NOT incurring new municipal debt at this time.

An equally important priority is to achieve, in the long run, an operating budget that balances spending with revenue without sacrificing the key obligations of government to keep us safe, educate our young, and provide for the basic needs of all our citizens.

While the anticipated 1.74% increase in the First Selectman's 2016-17 budget request is less than in recent years, it allows for the addition of a police officer assigned as a School Resource Officer (SRO).

I thank the various town departments that have brought forth their budget requests responsibly. I will continue to ask for lean budgets that seek and implement opportunities for savings such as through greater collaboration and shared services between the Town and the Weston Public Schools.

OPERATING BUDGET

I am recommending to the Board of Selectmen a Town Operating Budget of \$12,624,639 for the Fiscal Year of 2016-17. This represents a \$215,887 (1.74%) increase over the current year. This compares favorably with increases in the two previous fiscal years of 2.54% and 3.31%.

THE BUDGET DRIVERS

Five items account for increases totaling \$317,718, or 147% of the total budget increase. These are : Health Insurance (\$100,400), Salary Reserve for non-union employees and employees under expired contracts (\$100,000), year two of planned incremental adjustments to three DPW accounts – snow and ice control, snow removal overtime, and paving (\$40,000), contracted Police salary increases (\$38,700), and the newly proposed Police position of School Resources Officer (\$38,618 after BOE contribution). These amounts are offset somewhat by a sizable decrease in the Town's pension costs (\$52,000), and cumulative reductions in the Town's energy accounts (\$23,966).

A review of the budget reveals that every department includes a large salary increase in the coming 2016-17 fiscal year. This is a bit misleading. All of the Town's labor agreements expired on June 30, 2013. While all contracts are now settled through June 2016 (Police through 2018), none of these agreements were in place when the budget was approved last April. As increases in individual departmental salary expenses could not be accurately calculated until the labor agreements were negotiated, salary increases could not be calculated and presented in the individual departmental budgets as is the typical practice (This was also the case for 2013-14 and 2014-15).

Sufficient funding for raises was included in each year's budget, however, and was approved in each ATBM referendum. Funding was approved as a single line item in the Administration and Finance Budget-listed as "Wage Contingency". NOTE: Final bargaining unit settlements were 2.25% year one, 2.25% year two, and 2.4% year three (Police 2.5%).

With all contracts now in place, updated salary costs were determined, and do appear in each department's salary line items for the 2016-17 fiscal year. This makes the jump in salaries look unusually large, because it includes three cumulative years of increases, rather than the usual one year. As all contracts except for Police are again expiring in June, Police is the only departmental budget that includes the cost for 2016-17 salary increases (2.5%). As none of the other labor agreements are settled, the budget again anticipates those costs in a single Wage Contingency line item (\$100,000).

INITIATIVES

This budget contains several initiatives to enhance the delivery of Town services.

Police Services. The signature new service included in this budget is the School Resources Officer. The cost for salary, equipment, and benefits (excluding health insurance) totals \$83,618. This budget presumes the cost of this position will be partially

offset with BOE revenue of \$45,000 for a net Town budget increase of \$38,618. The \$45,000 offset represents the same percentage payment as the BOE contributes to the Mile of Safety program. Not included in this amount is the cost for another Police vehicle. The Department will make this supplemental request if this position is approved.

While a significant expense, I firmly believe this position is justified by the safety needs of our schools in a troubling time. The creation of the SRO results in the reduction of one BOE security position (\$60,000) for a net BOE savings of \$15,000. I am pleased to include this vitally important position in my budget recommendation. I should note that a number of Connecticut towns are experiencing success with their SRO program.

Youth Services. The after school programs offered by this department heavily subsidize the cost of operations, generating a projected \$189,356 in program revenue (up \$3,356). I am budgeting an extra 78 hours for the part time Program Coordinator (2 hrs. wk. for 39 program weeks, \$2,049). The current 28 hours a week for that position sometimes comes up a little short when programs are underway. I think this modest increase will relieve some of the stress and confusion inherent in these program activities.

Registrars of Voters. The percentage increase in this budget (24.6%) is the largest of any Town department. This is due to a busy primary and election cycle, which always peaks in a presidential election year. In addition to the increased activity, the budget formalizes the pay rate increases given to the Registrars and Deputies, adds 26 annual hours for each Deputy, and provides for mandated State of CT training for Registrars.

Public Works. This budget continues the effort started in the 2015-16 fiscal year to increase the paving line item by \$20,000 per year over five years, and also to accelerate funding for two chronically underfunded line items – snow removal overtime and snow and ice control. These three initiatives add \$40,000 to the budget.

DEBT SERVICE

Total debt and interest payments for all Town and School purposes for the coming fiscal year totals \$6,308,838, a decrease of \$82,125 as compared to the current year. This payment is 88% attributable to school projects, and 12% to the Town.

CAPITAL BUDGET

The total capital budget requested is \$1,266,689, which represents a decrease of \$87,869 (6.5%) over the current year. The capital budget contains both Town and School items. From year to year, the Town requested items are down \$78,400, while School items are decreased by \$9,469. Items considered as shared are down \$80,580. New Town items included in this capital request are: Bisceglie infield replacement; Railing replacement at Morehouse; Police Radio Repeater; and replacement of the Fire Radio System.

REVENUES and MILL RATE

Town revenues are comprised of approximately 91% from property taxes, 4.5% from personal property taxes (primarily vehicles), and 4.5% from all other sources (grants,

fees, state aid, interest income). Real estate, vehicles, and personal property values are increased approximately .65% this year. This compares to .55% in the current year.

This budget does not change any assumptions in our collection or abatement rates. It does make a significant adjustment downward in the state education aid estimate, reflecting our belief that the \$103,036 mid-year reduction recently imposed by the Governor's office will carry forward into next year.

Further losses in income are reflected in the elimination of a \$12,000 Municipal Video Competition Grant (we no longer receive these funds) and a \$10,000 reduction in miscellaneous BOE and Town receipts, which more accurately reflects actual receipts. For the first time we are including an amount in the budget for supplemental vehicle taxes of \$200,000. The Town has historically chosen not to include these funds in its budget estimate. As these receipts have continued to grow, I believe a change in our practice is justified. We are maintaining a conservative approach, by utilizing only about half of the average annual amount we have collected over the past two years.

The outlook for local revenues changes throughout the budgeting process, especially in regard to the state aid amount approved by the Legislature. The Board of Finance will re-evaluate all of these projections at the time it sets the mill rate, and will rely upon the most current information available at that time.

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

Program Name	FY2Actual	FY3Budget	FY4 (Current)	FY4 (Current)	Change from Budge	
	2014-2015	2015-2016	2016-2017	2016-2017	Amount	Percent
	Actual	Budget	Dept Request	First Select	Change	Change
100 Administration and Finance	545,876	871,863	668,581	668,581	-203,282	-23.3%
110 General Administration	4,083,066	4,470,100	4,559,300	4,542,800	72,700	1.6%
115 Information Systems	232,607	186,772	197,329	191,329	4,557	2.4%
120 Probate Court	3,735	4,000	4,000	4,000	0	0.0%
130 Elections/Registrars	50,207	49,701	63,522	61,913	12,212	24.6%
141 Board of Finance	51,000	53,500	56,500	56,500	3,000	5.6%
143 Assessor	130,884	123,820	133,291	133,291	9,471	7.6%
144 Tax Collection	127,899	100,444	105,775	105,775	5,331	5.3%
150 Legal Counsel	203,768	263,580	255,500	255,500	-8,080	-3.1%
160 Town Clerk	133,750	129,953	136,305	136,305	6,352	4.9%
170 Land Use Department	374,417	356,996	378,037	378,037	21,041	5.9%
General Government	5,937,209	6,610,729	6,558,140	6,534,031	-76,698	-1.2%
220 Volunteer Fire Department	232,059	231,473	233,402	227,112	-4,361	-1.9%
240 Fire Marshal	56,690	55,769	59,646	59,646	3,877	7.0%
250 Animal Control	72,881	77,124	81,969	81,469	4,345	5.6%
260 Communications Center	263,895	231,856	244,065	244,065	12,209	5.3%
264 Emerg. Med. Commun. Serv.	12,830	13,116	13,333	13,333	217	1.7%
Regional Paramedic	136,987	136,987	136,987	136,987	0	0.0%
280 Police Services	1,847,590	1,799,730	1,960,109	1,911,109	111,379	6.2%
Public Safety	2,622,931	2,546,055	2,729,511	2,673,721	127,666	5.0%
300 Public Works - Highway	2,086,634	1,820,468	1,919,989	1,916,989	96,521	5.3%
Public Works	2,086,634	1,820,468	1,919,989	1,916,989	96,521	5.3%
410 Solid Waste Disposal	107,079	88,104	90,513	90,513	2,409	2.7%
510 Westport/Weston Health Dist.	204,374	209,485	211,700	211,700	2,215	1.1%
530 Weston Water Utility	17,198	18,460	18,760	18,760	300	1.6%
550 School/Town Water Supply	30,319	36,200	36,500	36,500	300	0.8%
Sanitation, Health, Environment	358,969	352,249	357,473	357,473	5,224	1.5%
600 Human Services	79,788	77,969	82,663	81,663	3,694	4.7%
700 Youth Services	21,418	35,106	41,943	41,943	6,837	19.5%
750 Senior Services	134,526	136,267	146,339	148,339	12,072	8.9%
810 Public Library	413,459	431,060	453,129	449,942	18,882	4.4%
Human Resources & Development	649,190	680,402	724,074	721,887	41,485	6.1%
910 Recreation Department	173,690	164,017	175,819	175,819	11,802	7.2%
912 Parks and Fields	136,885	153,507	158,713	158,713	5,206	3.4%
913 Middle School Pool	83,721	81,325	86,006	86,006	4,681	5.8%
Parks & Recreation	394,296	398,849	420,538	420,538	21,689	5.4%

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	Actual	Budget	Dept Request	First Select	Amount Change	Percent Change
<u>Sub Total</u>	12,049,230	12,408,752	12,709,725	12,624,639	215,887	1.7%
930 Municipal Debt (Interest)	2,097,869	1,880,963	1,668,838	1,668,838	-212,125	-11.3%
950 Municipal Debt (Principal)	4,390,000	4,510,000	4,640,000	4,640,000	130,000	2.9%
Debt Service Division	6,487,869	6,390,963	6,308,838	6,308,838	-82,125	-1.3%
970 Town/School Capital Budget	1,261,745	1,304,558	1,266,689	1,266,689	-37,869	-2.9%
Capital Improvement Division	1,261,745	1,304,558	1,266,689	1,266,689	-37,869	-2.9%
<u>Sub Total Debt Service & Capital Improvements</u>	7,749,614	7,695,521	7,575,527	7,575,527	-119,994	-1.6%
<u>Grand Total</u>	19,798,843	20,104,273	20,285,252	20,200,166	95,893	0.5%

TOWN OF WESTON BUDGET HISTORY

	FY 15	FY 16	FY 16 (forecast)	FY 17	\$ CHANGE FY 16 to FY 17	% CHANGE FY 16 to FY 17
TOWN OPERATING BUDGET	12,101,393	12,408,752	12,408,752	12,624,639	215,887	1.74%
BOE OPERATING BUDGET	47,364,856	48,503,782	48,503,782	49,317,488	813,706	1.68%
TOTAL OPERATING BUDGET	59,466,249	60,912,534	60,912,534	61,942,127	1,029,593	1.69%
TOWN CAPITAL BUDGET	794,745	765,500	765,500	687,100	(78,400)	-10.24%
BOE CAPITAL BUDGET	477,000	589,058	589,058	579,589	(9,469)	-1.61%
LESS: Special Funds Offset	(10,000)	0	0	0	0	N/A
Capital Reserve Offset	0	(50,000)	(50,000)	0	50,000	N/A
TOTAL CAPITAL BUDGET	1,261,745	1,304,558	1,304,558	1,266,689	(37,869)	-2.90%
DEBT SERVICE - TOWN	692,130	682,174	682,174	764,120	81,946	12.01%
DEBT SERVICE - BOE	5,795,739	5,708,789	5,708,789	5,544,718	(164,071)	-2.87%
LESS: Debt Service Proceeds	0	0	0	0	0	N/A
TOTAL DEBT SERVICE	6,487,869	6,390,963	6,390,963	6,308,838	(82,125)	-1.29%
TOTAL GROSS BUDGET	67,215,863	68,608,055	68,608,055	69,517,654	909,599	1.33%
LESS: REVENUES	2,928,112	2,948,112	2,948,112	3,044,076	95,964	3.26%
TOTAL NET BUDGET	64,287,751	65,659,943	65,659,943	66,473,578	813,635	1.24%
GRAND LIST	2,328,055,052	2,341,794,069	2,341,794,069	2,357,015,730	15,221,661	0.65%
BUDGETED MILL RATE	28.24	28.67	n/a	28.84	0.17	0.59%

Mill rate collection budgeted at 97.8%.

Town Capital budget includes projects that are shared Town and BOE initiatives.