

TO: Board of Selectman
FROM: Christopher Spaulding
SUBJECT: First Selectmen's Recommended Budget
DATE: February 11, 2019

INTRODUCTION

This packet of materials constitutes the First Selectman's proposed budget ("Proposed Budget") for Fiscal Year 2019-2020. The Proposed Budget is the result of my having reviewed and adjusted budget submissions from town departments and town boards/commissions. 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 us to review proposed expenditures and revenues, ask questions, make changes, and send our Board of Selectmen operating budget request and our Board of Selectmen capital budget request to the Board of Finance.

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 total \$13,480,745 which is an increase of \$433,437 or 3.32% over the current fiscal year. The largest increases in spending are wage and medical insurance increases of \$300,811¹ and retirement cost increases of \$177,100. Together, these spending increases total \$477,911. This represents over 100% of the proposed spending increase. Our retirement cost contributions are set by the State of Connecticut and cannot be adjusted down. The wage increases are largely driven by the State's collective bargaining process.

The operating budget does provide \$50,000 more in the area of road paving because our many 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 the unfunded mandate related to storm water management. Furthermore, the budget does provide \$23,000 more to the Tree Warden. 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 an operating loss of \$112,718 in Fiscal Year '17 and \$140,409 in Fiscal Year '18. We expect an

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; C) \$15,288 for Mile-of-Safety police overtime initiated this Fiscal Year; and D) \$42,425 in medical insurance increases.

operating loss of at least \$115,000 this Fiscal Year. Without operational changes, the operating loss would be at least \$115,000 next Fiscal Year and approximately \$200,000 in Fiscal Year '21 because in that year our favorable contract with City Carting expires. The proposed budget is able to establish an operating loss of \$18,572 through a combination of reduced hours of operation at the Transfer Station and increased bag sticker prices. The Transfer Station is presently open six days a week for eight hours each day. Effective July 1, 2019, the facility would be open eight hours on Saturday, four hours on Tuesday and four hours on Thursday. With respect to bag sticker prices, they would increase from \$1.50 to \$2.00. Residents with financial hardship would have access to reduced pricing after being vetted by Weston Social Services. The proposal concerning the Transfer Station was made 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 measured usage patterns.

CAPITAL EXPENDITURES

Proposed capital expenditures for both the Board of Selectmen and Board of Education total \$2,041,929. That amount is offset by \$540,000 of school construction grant funds that the Town received from the State as a result of a 2018 audit of a school construction project completed several years ago. The result of the funds offset is that the Town has to raise \$1,501,929 in tax payer dollars to pay for the proposed FY 19-20 capital projects. This fiscal year, only \$675,247 was raised by taxes to pay for capital projects. The rest was offset by closed capital projects with remaining balances and the turn fund.

Capital spending requests from the general government total \$657,800, which is a decrease of \$70,438 or -9.67% over the current Fiscal Year. The proposed Board of Education 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 increase in delinquent tax payments, supplemental auto tax, and interest on investments.

As previously discussed in 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%. Please do not hesitate to send me your questions.