

TOWN of WESTON, CONNECTICUT



Incorporated 1787

Office of the First Selectman

TO: Board of Selectmen
 FROM: Woody Bliss, First Selectman
 SUBJECT: Recommended FY09-10 Budget
 DATE: January 22, 2009

Attached are the First Selectman's recommended operating and debt service budgets for Town Departments for the 2009-2010 fiscal year. The capital budget has not yet been voted by the Capital Advisory Committee. A listing of capital requests is provided for your information, however. Both the Town's operating and capital budgets fall below the guideline established in the Town's ten year plan.

TOWN OPERATING BUDGET SUMMARY

The proposed **\$10,911,101** operating budget represents a **2.68% increase (\$284,8316)** over the **current budget**. This compares to a five year average increase of 4.59% (4.57% FY08-09; 3.77% FY 07-08; 4.58% FY06-07; 5.15% FY05-06; and 4.87% FY04-05). This budget contains no significant new initiatives. Key provisions of the proposed increase are as follows:

CATEGORY	\$ INCREASE	% OF TOTAL INCREASE
Salary	151,953	53.3
Health Insurance	89,000	31.2
FICA/Pension	26,000	9.2
Energy	18,872	6.6
OPEB Account	37,250	13.1
Prop/Liab/Auto Ins.	17,000	6.0
Solid Waste	32,237	11.3
All Other Items	(36,653)	(12.9)
ZEO Transition	(36,047)	(12.6)
CommAgingGrant	(14,781)	(5.2)
TOTAL	\$ 284,831	100.0

SALARY ACCOUNTS

Funds have been included to provide a **2.5% increase for most employees. A 3.5% cost of living amount is added to the base of employees in the general bargaining unit, plus an additional amount for market adjustments for those employees.** Police, Highway and Dispatch contracts all expire as of June 30, 2009, so none of our union employees have a negotiated agreement in place for next year. Non-union employees are budgeted for a 2.5% increase.

Total projected salary costs for all departments and operations are increased by \$151,953, or 53.3% of the total budget increase. Of this amount, virtually all is for cost of living or step increases. Expanded personnel services over the current year budget include: additional hours in the positions of Dial-a- Ride bus driver and for the Youth Services Program Supervisor. The increased cost in both instances is met by an offsetting grant or fee revenue.

Four part time positions are eliminated as of July 1. The first two are as a result of a significant decrease in the amount of office activity and volume. The first eliminated position is the Secretary to the Fire Marshal. This position is currently budgeted at \$23,111. The second position is the Town Hall "floater", primarily assigned to the Town Clerk's office. That position has a FY08-09 salary of \$17,091.

The final two positions are the separate position of Treasurer (\$19,713), which will be eliminated, and combined into the duties of the Finance Director. To assist the Finance Director in absorbing that change, the position of Finance Office Assistant will be increased 3.5 hrs per week to become a full time position, at an estimated cost of \$5,900. These new responsibilities will likely result in a grade change for the Finance Director. That cost is not yet known, but is anticipated to be on the order of approximately \$2,000 in the next fiscal year. Net savings for the consolidation are estimated at \$25,000 when the savings of employee health insurance for the Treasurer position are considered.

The Town is also eliminating the part time position of Benefits Coordinator (\$8,222) which is currently vacant.

HEALTH INSURANCE AND BENEFITS

The \$89,000 increase in health insurance reflects an estimated rate increase of 6.25% for medical premiums, and fairly level for all other items. Rates for next year are not in hand, and will not likely be received until the budget process is concluded. Should rate increases come in at more than the budget estimate, the insurance reserve account will be tapped to meet the additional costs. The Town is bidding its health insurance with the school employees as well as separately this year, to determine if recombining the two groups into one provides any premium savings. In fiscal year 2003-2004, the health insurance budget totaled \$1,300,000. The FY09-10 budget of \$1,520,000 represents an increase over the six year period of \$220,000, or 2.8% annually.

The \$26,000 increases in FICA and pension costs directly reflect the payroll benefit cost of COLA adjustments. No rate increases are anticipated.

SOLID WASTE

For the coming year, the general fund subsidy is projected to go up by \$32,237 (29%) to \$142,060. The vast majority of the solid waste expense runs through a dedicated account. The bottom line of this budget represents only the general fund portion of the solid waste expense. Approximately 75% of the total solid waste expenses are paid by additional revenues and fees.

The additional general fund subsidy is due primarily to increased recycling expenses. The present collapse in the recycling market results in the projection of no offsetting recycling revenues in this budget. This may change if the demand for recyclables improves next year.

As of January 2009, we have changed our ultimate disposal location as we have left the CRRA Bridgeport facility (along with several Fairfield County communities). We are entering the fiscal year with virtually all new contracts. This budget will receive careful monitoring as the year progresses, and we explore new markets and watch for trend changes in this new environment.

ENERGY

Energy accounts total an increase of \$18,872, or 6.6 % over the current year. As is usually the case with all things energy related, the full story is more complicated than that. The combined energy cost for all energy line items except one (Town increase for the middle school pool) are actually decreased compared to the current year, by \$11,428. However, this is more than offset by the fact that the portion of the energy cost for the pool presented in the Town budget is up by a whopping \$50,500 (1,100%). This is because the school is utilizing less expensive natural gas rather than heating oil to heat the pool.

When the pool was heated with oil, the cost was borne entirely by the school budget, as there is no separate oil meter upon which to apportion costs. With natural gas there is a separate meter, and that usage is now entirely reflected in the Town budget. The school is then back billed 40% of the cost, as is the practice for all pool expenses. So this increase must be understood not as an 1,100% increase in pool heating costs, but rather as an accounting anomaly, which increases the Town budget by over \$30,000, even after the school pays its share. This cost shift from the school budget to the town budget accounts for 11% of the total Town budget increase in FY09-10.

CAPITAL BUDGET

Currently the Town's capital request totals \$1,039,000. This is an \$18,000 (1.7%) increase over the current year's capital budget of \$1,021,000.

The current school capital request as indicated in its ten year capital plan dated December 19, 2008 is \$636,000. This is a \$261,000 (70%) increase over their current year capital appropriation of \$375,000.

The capital committee has had preliminary discussions regarding these requests, but as of yet has not made a recommendation or offered guidance to the Board for suggested funding levels.

REVENUE and GRAND LIST GROWTH

Non property tax revenue helps to decrease the mill rate, as does growth in the Grand List. The Grand List growth offset will be less than in FY 08-09. The real growth in the Grand List this year separate from any increases due to the revaluation was .75%. While positive, this compares to real growth the previous year of 1.9%.

Non property tax revenues are estimated to be down next year by \$500,000. This category, comprised of various locally generated fees, and state aid, represents only about 5% of the Town's total revenue. Property taxes account for 95% of total Town revenue. Our present estimate for non property tax revenue for the 2009-2010 fiscal year is about \$2.8 million, down from \$3.3 million in the current year. This is based on a 15% estimated decrease in state aid, and reductions in interest income and building fees. These estimates will be updated as the budget process moves forward, and after the State provides further information regarding its own budget.

I am also recommending a one- tenth percent decrease in our estimated tax collection rate, from 97.8%, after abatements, to 97.7%. The assumed collection rate is a variable that is considered every year. Given the current economic trend, I think it prudent to lower our assumptions going forward. Although January property tax collections are holding steady as this is written, collections in July and next January could suffer depending upon the overall state of the economy. Accordingly, such a change is prudent and cautious. This reduction has a negative impact on the mill rate of approximately \$60,000.

We will experience a positive offset to the FY09-10 mill rate due to a drop in scheduled debt payments.

Considering all of these factors, we currently estimate their impact on the mill rate will be a positive .2%. Historically, we have had a subsidy in the one to two percent range. A more complete presentation of these factors is included in the attachment to this memorandum entitled Mill Rate Impact Factors.

Department: Administration and Finance**Account Number:** 100**Department Description**

Provides for 1st Selectman's salary, Admin Asst, Town Administrator, Finance Dir's office, P&Z/Cons Comm, Admin Asst, Town Bldg Maintenance worker, & Town Engineer. Proposes and enacts local legislation, prepares budget for adoption, determines town policies that best serve the citizens of Weston. Responsible for personnel management, planning, coordinating, and evaluating the activities of the town government. Finance Department administers payroll, accounts payable & receivable, and is responsible for accounting, budgeting and long term financial planning. Town Engineer provides engineering services.

Object	Actual 2006-2007	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Dept Request 2009-2010	1st Select Request 2009-2010	BoSelect Request 2009-2010	BoFin Approved 2009-2010	Percent Change
101 Salaries & Wages	499,672	523,071	556,726	556,726	613,073	613,073			10.1%
102 Overtime	11,427	11,047	10,612	11,000	10,877	10,877			2.5%
102A Salary Adjustments	0	0	0	0	39,000	39,000			0.0%
103 Part Time Salaries	37,125	35,835	47,850	39,000	0	0			-100.0%
113 Commission for the Arts	5,976	9,208	9,260	9,260	9,538	9,538			3.0%
200 Expenses	3,300	2,718	3,400	3,000	3,400	3,400			0.0%
203 Contractual Services	11,465	15,385	14,248	15,500	14,300	14,300			0.4%
	<u>568,965</u>	<u>597,264</u>	<u>642,096</u>	<u>634,486</u>	<u>690,188</u>	<u>690,188</u>			<u>7.5%</u>
Personnel	8.84	8.84	8.84	8.84	8.48	8.48			
Revenue	6,737	2,003	3,000	2,500	2,500	2,500			

First Selectman's Budget Notes

101, 103 Salaries & Wages, Part Time Salaries: These accounts include the transition to FT from .8 for the payroll position, assumption of the Treasurer's duties by the Finance Director, elimination of the PT Floater and Benefits Coordinator positions. The Finance Director's salary includes \$2000 for these additional duties.

102A Salary Adjustments: Related to collective bargaining costs with the new Collective Bargaining Unit.

Department: General Administration**Account Number:** 110**Department Description**

Covers insurance, maintenance, and repair of Town buildings, liability, worker's compensation, and health insurance for Town employees, Social Security and pension payments, legal ads, subscriptions and memberships, postage expenses, and general supplies.

Object	Actual 2006-2007	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Dept Request 2009-2010	1st Select Request 2009-2010	BoSelect Request 2009-2010	BoFin Approved 2009-2010	Percent Change
114 First Night	7,500	0	0	0	0	0			0.0%
115 Memorial/Veterans Day	8,702	6,146	11,000	11,000	5,500	5,500			-50.0%
116 Kids in Crisis	0	65,000	0	68,000	0	0			0.0%
117 Warm Up Fund	12,390	0	0	0	0	0			0.0%
118 Interfaith Housing	14,000	0	0	0	0	0			0.0%
119 Community Grants	0	33,150	34,150	34,150	30,000	30,000			-12.2%
120 Health Insurance	1,371,054	1,328,406	1,431,000	1,416,000	1,520,000	1,520,000			6.2%
121 Workers Compensation	102,322	41,123	102,500	90,228	102,500	102,500			0.0%
122 Pension	456,806	488,064	482,500	538,000	494,000	494,000			2.4%
123 FICA	347,042	357,893	370,500	373,000	384,000	384,000			3.6%
124 Unemployment Comp.	6,604	168	2,000		10,000	10,000			400.0%
126 OPEB Liability Account			54,000	71,000	91,250	91,250			69.0%
128 Iva Moore Cottage Expenses	3,801	1,371	0	0	0	0			0.0%
201 Electricity & Heat	131,693	139,940	171,000	165,000	171,000	171,000			0.0%
202 Repairs to Bldgs. & Equip.	42,290	80,021	46,000	56,000	48,000	48,000			4.3%
203 Contractual Services	125,446	188,583	130,000	140,000	130,000	130,000			0.0%
204 Print., Binding, & Advert.	4,133	2,975	7,000	6,000	7,200	7,200			2.9%
205 Training & Prof. Develop.	2,711	4,312	5,150	4,500	4,500	4,500			-12.6%
206 Subscrip.Memberships	16,583	18,593	16,000	18,000	16,000	16,000			0.0%
207 Postage	19,092	14,999	20,900	20,900	21,000	21,000			0.5%
208 Grants & Subsidies	4,900	11,125	0	0	0	0			0.0%
210 General Supply	47,412	46,057	50,400	48,000	50,400	50,400			0.0%
222 Insurance - Property Liability	212,023	260,362	220,000	235,000	237,000	237,000			7.7%
239 Emergency Management	0	3,551	1,000	1,000	1,000	1,000			0.0%
269 Cable Television	5,330	19,399	13,800	13,800	13,800	13,800			0.0%
400 Equipment	0	3,357	0	0	0	0			0.0%
622 Tree Warden	720	179	1,000	1,000	1,000	1,000			0.0%
	2,942,554	3,114,774	3,169,900	3,310,578	3,338,150	3,338,150			5.3%

Personnel
Revenue

First Selectman's Budget Notes

Department: Information Systems**Account Number:** 115**Department Description**

Oversee computer operations for all Town departments. Develop and implement long-term technology plan. Provide computer training for all employees. Responsible for all phone, computer, copier and fax machines. Serves as the Town's Freedom of Information (FOI) coordinator.

Object	Actual 2006-2007	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Dept Request 2009-2010	1st Select Request 2009-2010	BoSelect Request 2009-2010	BoFin Approved 2009-2010	Percent Change
101 Salaries & Wages	65,758	67,982	70,453	70,454	72,919	72,919		3.5%	
103 Part Time Salaries	5,679	5,583	4,800	5,000	7,000	7,000		45.8%	
203 Contractual Services	78,191	83,750	80,225	80,000	82,275	82,275		2.6%	
205 Training & Prof. Develop.	206	299	1,000	500	500	500		-50.0%	
210 General Supply	4,764	5,555	7,500	7,500	7,500	7,500		0.0%	
260 Telecommunications Exp	59,794	65,389	59,000	59,000	59,000	59,000		0.0%	
400 Equipment	33,659	22,678	38,400	38,000	16,567	16,567		-56.9%	
	<u>248,051</u>	<u>251,236</u>	<u>261,378</u>	<u>260,454</u>	<u>245,761</u>	<u>245,761</u>		-6.0%	
Personnel	1.00	1.00	1.00	1.00	1.00	1.00			
Revenue									

First Selectman's Budget Notes

103 Part Time Salaries: In July and August, we plan to have two students at \$10/hr to complete a project for Land Use in addition to providing support for special projects planned for the summer by different departments. We will also have a student during December and March breaks.

400 Equipment: Last year we purchased one new server, a new firewall, an additional scanner, a large printer and moved our backups offsite. These were one-time projects which will not be repeated this year. We will continue to replace 5 computers and older printers, fax machines and monitors as needed. We will also be purchasing a new copier for the Town Clerk's Office, a new fax machine for the main Town Hall and upgrading other equipment as necessary.

Department: Probate Court

Account Number: 120

Department Description

The Town of Weston's share of Probate Court (in Westport) costs is based on population and grand list totals.

Object	Actual 2006-2007	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Dept Request 2009-2010	1st Select Request 2009-2010	BoSelect Request 2009-2010	BoFin Approved 2009-2010	Percent Change
200 Expenses	3,543	3,093	5,050	4,000	5,050	5,050			0.0%
	3,543	3,093	5,050	4,000	5,050	5,050			0.0%

Personnel
Revenue

First Selectman's Budget Notes

200 Expenses: Level budget request. Expense trend is difficult to track as billings are erratic.

Department: Elections/Registrars

Account Number: 130

Department Description

Administers all state and local election laws, including voter registration.

Object	Actual 2006-2007	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Dept Request 2009-2010	1st Select Request 2009-2010	BoSelect Request 2009-2010	BoFin Approved 2009-2010	Percent Change
101 Salaries & Wages	19,440	20,254	20,824	20,824	21,344	21,344		2.5%	
103 Part Time Salaries	249	1,724	3,010	3,010	3,086	3,086		2.5%	
200 Expenses	765	2,105	1,380	1,380	700	700		-49.3%	
204 Print., Binding, & Advert.	44	0	500	400	500	500		0.0%	
213 Canvass-Registrars	75	13	200	300	300	300		50.0%	
214 Primaries & Referenda	13,872	10,591	8,528	11,500	8,858	8,858		3.9%	
	<u>34,445</u>	<u>34,687</u>	<u>34,442</u>	<u>37,414</u>	<u>34,788</u>	<u>34,788</u>		<u>1.0%</u>	
Personnel	0.60	0.60	0.60	0.60	0.60				
Revenue		25							

First Selectman's Budget Notes

200, 214 Expenses & Primaries & Referenda: Expenses are lower due to the budgeting for 2 elections/primary rather than 3, since it is not a state/national election year.

Department: Board of Finance

Account Number: 141

Department Description

Responsible for the financial activities of the town government. Responsible for completion and submission of final budget recommendations to the town meeting.
 This budget covers the cost of the annual town audit, as well as provides secretarial services for board meeting packets and minutes.

Object	Actual 2006-2007	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Dept Request 2009-2010	1st Select Request 2009-2010	BoSelect Request 2009-2010	BoFin Approved 2009-2010	Percent Change
203 Contractual Services	45,000	44,000	46,000	45,300	47,000	47,000		2.2%	
209 Secretarial Services	1,466	1,500	3,000	3,000	3,000	3,000		0.0%	
	46,466	45,500	49,000	48,300	50,000	50,000		2.0%	

Personnel
 Revenue

First Selectman's Budget Notes

203 Contractual Services: Contracual amount for audit

209 Secretarial Services: \$200 per meeting for 15 meetings.

Department: Treasurer

Account Number: 142

Department Description

Responsible for the receipt and disbursement of all town funds. Responsible for the investment of all town funds.

Object	Actual 2006-2007	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Dept Request 2009-2010	1st Select Request 2009-2010	BoSelect Request 2009-2010	BoFin Approved 2009-2010	Percent Change
101 Salaries & Wages	18,378	19,021	24,426	21,000	0	0		-100.0%	
	18,378	19,021	24,426	21,000	0	0		-100.0%	
Personnel	0.40	0.40	0.40	0.40	0.00	0.00			
Revenue									

First Selectman's Budget Notes

101 Salaries & Wages: Expenses for this function are now absorbed into the Finance Director's Office (See Admin & Finance, Tab 1)