

# FY 2016-17 Proposed BUDGET PRESENTATION

To the Town Council  
April 6, 2016  
**TOWN ONLY**

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Town Manager



# Agenda

- ▶ Proposed Budget Timeline
  - ▶ Budget Assumptions
  - ▶ Fixed Increases
  - ▶ FY 2016–17 (TOWN only)
    - Town Departments
    - Employee Benefits/Insurance
    - Debt Service
    - Capital Improvement
  - ▶ Street Light LED Upgrade & Acquisition
  - ▶ Public Safety Referendum
  - ▶ Questions & Answers
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# Proposed Budget Timeline

- ▶ 04/06/16 7pm Present Proposed Budget to Town Council
- ▶ 04/13/16 7:30pm 1<sup>st</sup> Budget Workshop
- ▶ 04/25/16 6pm Public Hearing
- ▶ 04/25/16 7pm 2<sup>nd</sup> Budget Workshop
- ▶ 04/27/16 7:30pm Board of Education Proposed Budget Presentation
- ▶ 05/04/16 7:30pm 3<sup>rd</sup> Budget Workshop
- ▶ 05/16/16 7pm Final Council Meeting to Approve Budget

# FY 2016–17 Budget Assumptions (Funding)

## ▶ Revenue

- Favorable collection rate
- No planned Tax Sale
- Favorable Grand List Growth– Net .8% increase generating \$567,320
- State Aide Increase – \$421,783
- Favorable Non–Tax Revenue
- Transfer of Pool Fees and Park Rentals to Special Recreation Fund– So as to be consistent with how other Park program revenue and expenditures are handled

\*Non–tax levy up \$624,917 +0.9%

\*\*1 / 10<sup>th</sup> mill generates \$201,618

# FY 2016–17 Budget Assumptions (Funding)

## ▶ Fund Balance

- 6/30/2015 – Unassigned Fund Balance: \$5,204,034 (7.64% of General Fund Expenditure Budget)
- \$1,114,769 to be used to offset CIP in accordance with Ordinance (funds over 6%)
- Proposed budget does not use Fund Balance below the 6% threshold to offset operating expense

# FY 2016–17 Budget Assumptions– (initiatives funded 2015–16)

- ▶ **Purchase 10 Wheel Dump Truck**
  - Replaces 1986 L8000 truck – \$243,047
  - Funding Source – Town Aid Road Grant
  - \$123,526 – Cab & Chassis Portion 2015–16
  - \$119,521 – Body & Components Portion 2016–17
  
- ▶ **Purchase Police Vehicles**

Purchase – \$175,000

  - 2 Patrol
  - 2 Administration/Detective
  - Funding Source – Contingency Budget

Alternative is to add these priorities to the Proposed Capital Improvement Plan

# FY 2016–17 Budget Assumptions (Expenditures)

## ▶ **Head count change**

- Add one F/T Police Dispatcher effective 1/3/2017 – full year impact is .5 FTE (6 months)
- One F/T Police Records Clerk – offset by 2 part time record clerk positions (March 2016) – No net change in hours
- One Custodian Sanitation/Facilities – properly recorded 2 part time positions per NAGE 266 and FLSA – No net change in hours

## ▶ **Allocation of motor fuel to Public Works from Police, Fire and Human Svs– No financial impact**

## ▶ **Salary for IT/Facilities Director split between both departments– No financial impact**

# FY 2016–17 Budget Assumptions

## Fixed Increases

◦ Salary Changes per union contract	\$309,418
◦ Debt Service – Principal & Interest	\$483,981
◦ Employee Group Health Insurance	\$402,450
◦ Sewer Service Assessment (MDC)	\$104,330
◦ Utilities (Water and Electric)	\$ 50,599
◦ Less: Motor Fuel Reduction	<u>\$(50,416)</u>
▶ Total	\$1,300,362

Note: \$413,931 of the above is in the Department Budgets

# FY 2016–17 Budget –Town Only

	2015–16 Adopted	2016–17 Proposed	Variance	%
Town Departments	20,188,441	20,728,411	539,970	2.7%
Employee Benefits/Insurance	6,477,474	7,027,587	550,073	8.5%
Debt Service	2,638,975	3,122,956	483,981	18.3%
Town Capital Only	770,794	1,433,099	662,305	85.0%
<u>All Town only</u>	<u>30,075,724</u>	<u>32,312,053</u>	<u>2,236,329</u>	<u>7.4%</u>

# FY 2016–17 Budget Town Only

## TOWN DEPARTMENTS BUDGET COMPONENTS

<u>Year</u>		<u>% Change</u>	<u>\$</u>
○ 2015–16		-1.20%	(253,135)
○ 2015–16	Fixed Increase: Salary, Utilities	-1.23%	(259,720)
○ 2015–16	Non-fixed Component	-2.43%	(512,855)
○ 2016–17		2.70%	539,970
○ 2016–17	Fixed Increase: Salary, Utilities, Fuel Savings	2.08%	(413,931)
○ 2016–17	Non-fixed Component	0.62%	126,039

# FY 2016–17 Budget Town Only

## Employee Benefits/Insurance

\$7,027,587 – Increase of 8.5% or \$550,073

- ▶ Employee Benefits \$5,976,687
- ▶ Insurance–Town & School \$1,050,900

# FY 2016-17 Budget Town Only

\$5,976,687 – Employee Benefits

▶ Group Insurance	\$2,932,034	49%
▶ Social Security	\$756,650	13%
▶ Employee Pension	\$2,029,553	34%
▶ OPEB Trust Contribution	\$200,000	3%
▶ Unemployment Compensation	\$20,000	0.3%
▶ <u>Longevity</u>	<u>\$38,450</u>	<u>0.6%</u>
▶ Total	\$5,976,687	100%

# FY 2016-17 Budget Town Only

## Health Care

- ▶ Health Care Cost increase - 15%
  - ▶ Higher Claims - 44%
  - ▶ Dental - No Increase
  - ▶ Increase in number of retirees participating (16 to 23), a 44% increase
  - ▶ Offset by increase in premium share by employees
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# FY 2016-17 Proposed Monthly Health Care (Medical & Dental)

Plan (Percentage)	Town POS	School POS (Teachers)	School HSA
Single (35%)	\$887	\$946	\$905
2-Person (22%)	\$1940	\$1895	\$1818
Family (43%)	\$2476	\$2608	\$2430

The school is currently working to migrate employees to the HSA plan.

# FY 2016-17 Budget Town Only

## \$1,050,900 Insurance – Town & School

▶ Workers Compensation	\$591,800	56%
▶ General Liability, Auto, & Property	\$278,800	27%
▶ <u>Specialty Liability Coverage (5)</u>	<u>\$180,300</u>	<u>17%</u>
▶ Total	\$1,050,900	100%

# FY 2016-17 Budget Town Only

## Debt Service

\$3,122,956 – Increase of 18.3% or \$483,981

28.5% of State Allowed Maximum

- ▶ Municipal Component 63%
- ▶ School Component – includes approximately 50% of the funding for RHHS 37%

# FY 2016-17 Budget Town Only

## Capital Improvement Plan

\$1,433,099 – Increase of 85.9% or \$662,305

▶ Funded – State	35%	\$507,038
▶ Not Funded		
◦ Prior Commitments	11%	\$163,161
◦ Proposed Items	53%	\$762,900

# 2016-17 Capital Improvement

## ▶ State Funded:

- Engineering – Sidewalk repairs – State LOCIP \$100,000
  - Engineering – Repair to Academy Hall– LOCIP \$ 65,000
  - Highway – State Town Aid Road \$342,038
- \$507,038

## ▶ General Fund – Prior Commitment

- Facilities – VOIP Phone (yr 2 of 3) \$ 41,735
  - Highway – Vehicles–Leases (final year) \$ 30,270
  - Information Technology– Network Switch (yr 2 of 3) \$ 34,156
  - Town Council – Land Acquisition (yr 2 of 10) \$ 57,000
- \$163,161

# 2016–17 Capital Improvement New Items

Assessor – Revaluation for Grand List 2018 (year 3 of 5)	\$ 30,000
Economic Development – Consultant for Business Target & SWOT (Strength/Weaknesses/Opportunities/Threats)	\$ 10,000
Economic Development – Engineering Service to design access plan Town’s Business Park Phase II	\$ 20,000
Facilities – Vehicle – Work Van (18 yr old replacement)	\$ 37,000
Facilities– Consultant for designing Annex building on Town Campus	\$ 65,000

# 2016-17 Capital Improvement New Items - Continued

Facilities -Assessment of Building Systems & Facility Conditions	\$ 33,500
Facilities - Upgrade Town Council Chambers presentation system	\$ 59,000
Highway - Equipment - Excavator - 5yr Lease Agreement - (1996 Backhoe replacement)	\$ 53,000
Highway - Vehicle - 10 wheel Dump Truck - 5yr Lease Agreement - (1991 Ford L8000 replacement)	\$ 55,400
Parks - Elm Ridge Pool - set aside for 2017-2018 rehabilitation project (\$550,000 to be appropriated the following year)	<u>\$400,000</u>

**\$762,900**

# 2016-17 Capital Improvement

## Street Light LED Upgrade and Acquisition

- ▶ 1683 Street Lights
  - ▶ \$1,114,302 Project Cost
  - ▶ \$185,000 Annual Savings
  - ▶ 75% Energy Reduction
  - ▶ 6 years – return on investment
- ▶ **Move Forward Options**
- ▶ November referendum proposal for 6 year financing
  - ▶ Pay Cash – CIP project / Immediate annual savings

# Public Safety Referendum

(voter approved November 2015)

## ▶ Fire Department – In progress

- ▶ Five Year Apparatus Plan – “Right Sizing” the fleet, acquiring six fire apparatus and sell off nine fire apparatus from vehicle inventory

## ▶ Police Department – In progress

- ▶ Dispatch and Communication Equipment
  - ▶ Relocation of Dispatch center
  - ▶ Upgrade the electrical system
  - ▶ Detention Cell Repairs/Renovation
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# Mill Rate & Effective Tax Rate Comparison

Town	Last Reval	Current Mill Rate	Fire District	Total Current Mill Rate	Effective Current Tax Rate
Berlin	2012	30.35	1.1 or 2.0	31.90	2.10
Cromwell	2012	31.38	2.25	33.63	2.30
Glastonbury	2012	36.10		36.10	2.40
Newington	2015	35.80		35.80	2.50
Wethersfield	2013	38.19		38.19	2.67
Rocky Hill	2013	29.70		29.70	2.02

Effective Tax Rate = real estate taxes as a percentage of current property value.

The proposed 31.8 mill rate has an effective tax rate of 2.16.

**“QUESTIONS/ DISCUSSION”**

