

# Town of West Hartford

## Town Manager's FY 2020 Proposed Budget

March 12, 2019

# Town Budget Policy Objectives

## Responsible budget:

- ✓ Ensure balance between spending and tax increases; effort to absorb new costs (TRS contribution) and costs increasing beyond rate of inflation (MDC ad valorem tax)
- ✓ Maintain current services and programs. All core services remain intact with modest program enhancements.
- ✓ Maintain undesignated fund balance at 9%
- ✓ Pension/Other Post Employment Benefit (OPEB) Liabilities
  - Reduced discount rate from 7.25% to 7.125% to better reflect projected asset growth in the Pension Fund
  - Increased OPEB funding to cover 70% of Actuarially Determined Employer Contribution (ADEC) in accordance with Town's ten year plan

# FY 2020 General Fund: Town Manager Proposed

## Summary of Revenues

	<u>FY 2019 Revised</u>		<u>FY 2020 Requested</u>	<u>Increase/</u>	<u>Percent</u>
	<u>Adopted</u>			<u>(Decrease)</u>	<u>Change</u>
Current Year Property Taxes	\$ 252,544,293	\$	260,572,047	\$ 8,027,754	3.18%
Other Property Taxes	4,600,000		4,625,000	25,000	0.54%
Intergovernmental	23,155,978		24,268,026	1,112,048	4.80%
Charges for Services	5,646,521		5,992,727	346,206	6.13%
Miscellaneous Revenue	1,651,000		2,001,000	350,000	21.20%
Transfers from Other Funds	483,790		463,492	(20,298)	-4.20%
<b>Total Revenues</b>	<b>\$ 288,081,582</b>	<b>\$</b>	<b>297,922,292</b>	<b>\$ 9,840,710</b>	<b>3.42%</b>

## Summary of Expenditures

	<u>FY 2019 Revised</u>		<u>FY 2020 Requested</u>	<u>Increase/</u>	<u>Percent</u>
	<u>Adopted</u>			<u>(Decrease)</u>	<u>Change</u>
Town Services					
Wages & Salaries	\$ 41,914,121	\$	42,514,427	\$ 600,306	1.43%
Operating Expense	24,346,469		25,214,074	867,605	3.56%
Fringe Benefits & Insurance	39,907,431		42,928,583	3,021,152	7.57%
<b>Total Town Services</b>	<b>\$ 106,168,021</b>	<b>\$</b>	<b>110,657,084</b>	<b>\$ 4,489,063</b>	<b>4.23%</b>
Board of Education	\$ 164,351,527	\$	169,096,905	\$ 4,745,378	2.89%
Capital Financing	\$ 17,562,034	\$	18,168,303	\$ 606,269	3.45%
<b>Total Expenditures</b>	<b>\$ 288,081,582</b>	<b>\$</b>	<b>297,922,292</b>	<b>\$ 9,840,710</b>	<b>3.42%</b>

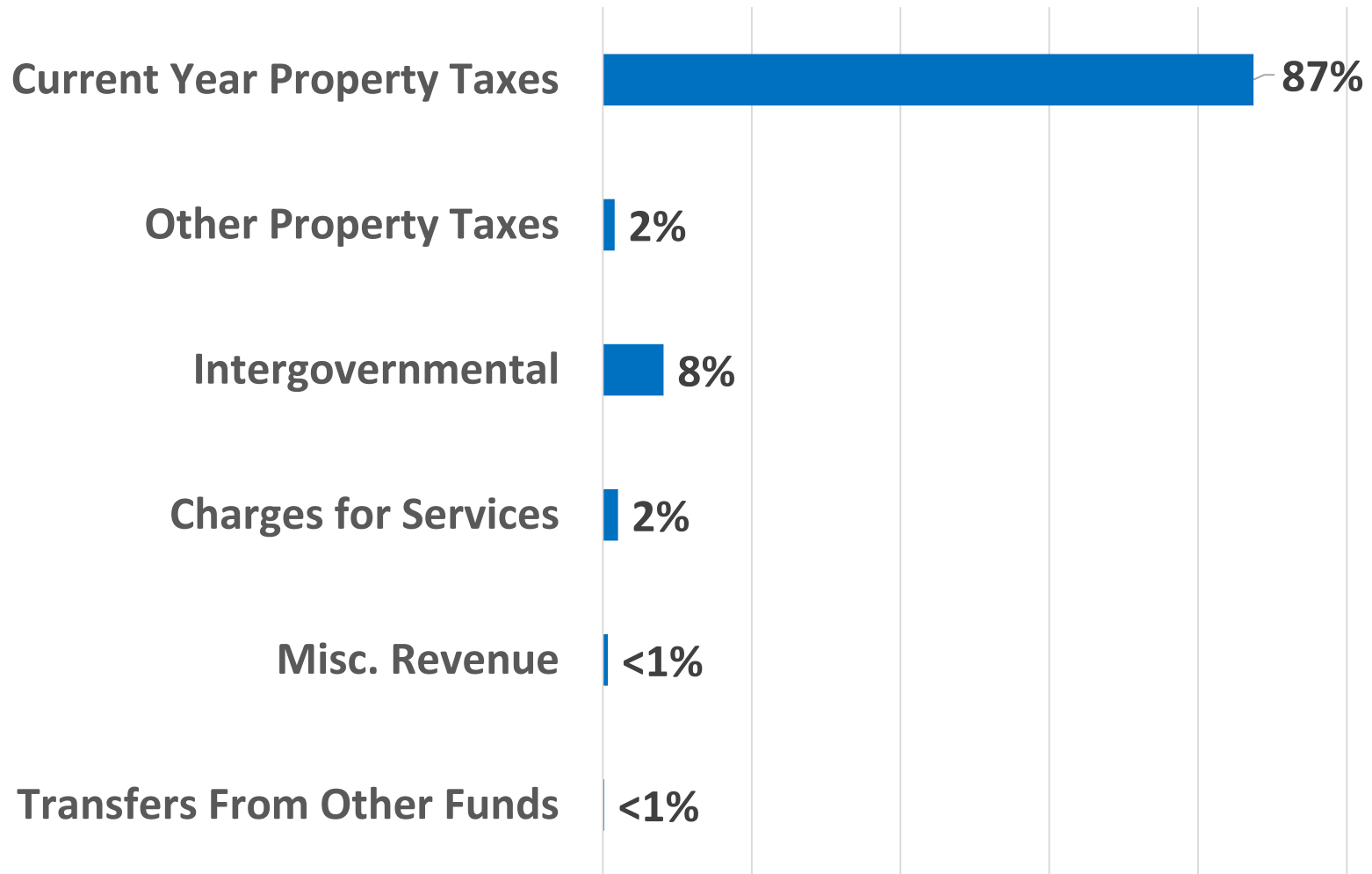
# Budget Summary

- 3.42% overall increase in General Fund expenditures
  - ✓ 4.23% Increase in Town Services
  - ✓ 2.89% Increase in Education
  - ✓ 3.45% Increase in Capital Financing
- Uniform mill rate of 42.06 mills
  - ✓ Increase of 1.06 mills (2.59%) for real/personal property and motor vehicles

# General Fund Budget Overview:

Town	\$ 110,657,084
BOE	\$ 169,096,905
Capital Financing	<u>\$ 18,168,303</u>
General Fund:	\$ 297,922,292

# Proposed General Fund Revenue: \$297,922,292



# Revenue Outlook:

## Grand List: \$6,316,292,105

- Grand List increased by \$27,352,474 or 0.43%
- Real estate increased by \$21,266,871 or 0.38% primarily from new commercial-residential projects
- Personal property increased by \$4,139,192 or 2.0%, due to smaller investments in newer capital equipment
- Motor vehicle increased by \$1,946,411 or 0.5%; Vehicle count is down 760 vehicles from previous year

# Grand List Growth: Impact on Existing Taxpayers

Property Tax Increase over Current Year:	\$8,027,754
Additional Revenue Due to Grand List Growth:	<u>(\$1,111,358)</u>
Net Taxable Impact on Existing Taxpayers:	\$6,916,396
Percentage Tax Increase from Prior Year on Existing Taxpayers:	2.74%



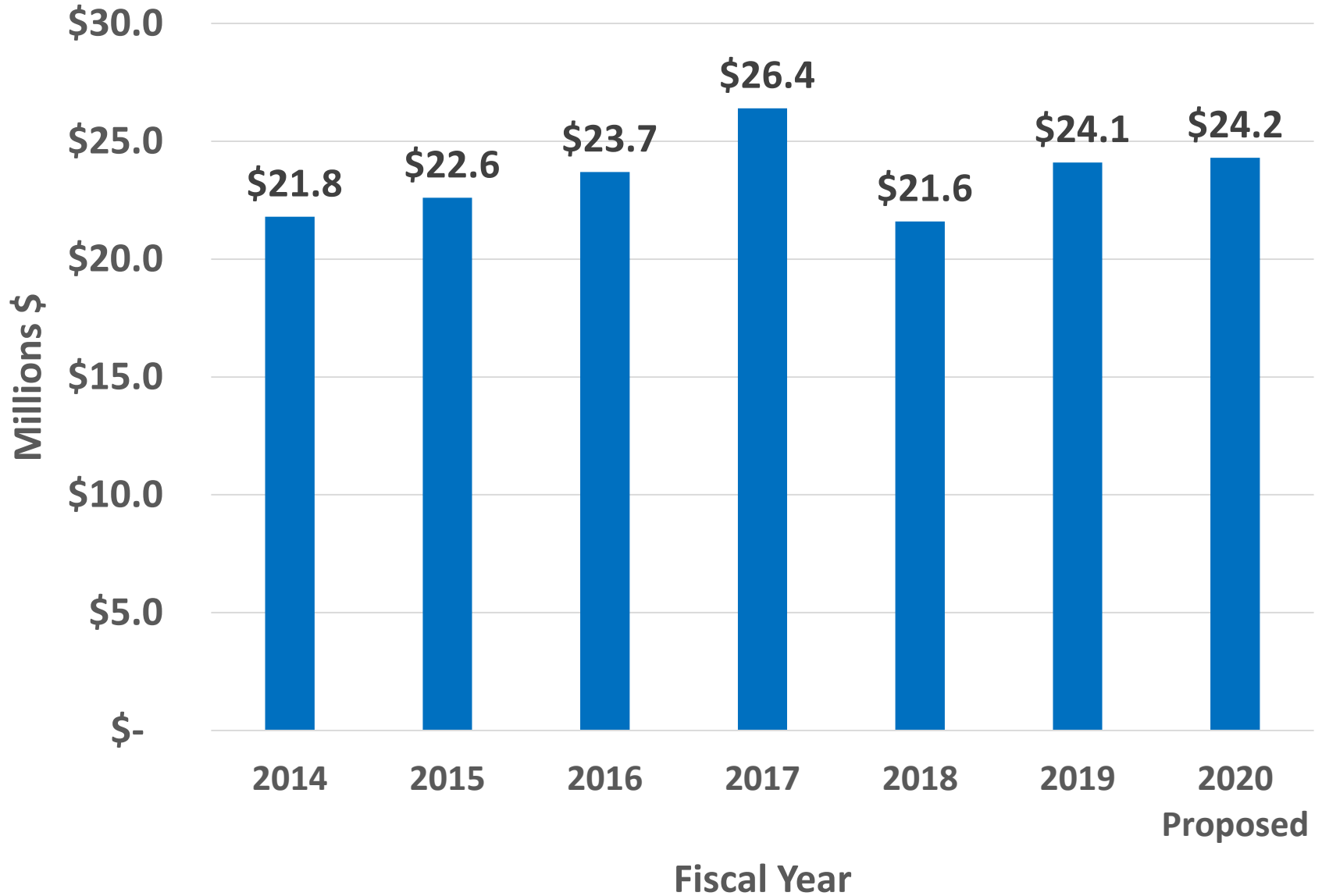
# Revenue Outlook: Municipal State Aid

- Governor's Proposed Budget reflects the following changes from the current year (FY 2019) projected State Aid:
  - ECS Grant: Increase of \$335,129
  - Teacher's Retirement System Contribution: Payment of \$524,216 included in Superintendent's Proposed Budget
  - Local Capital Improvement (LoCIP): Decrease of \$71,801 \*
  - State Reimbursement for Private School Nursing: Elimination of \$685,920 reimbursement \*\*

Note: \* This adjustment is made to the Capital Fund.

\*\* The Governor's budget proposal eliminates the State reimbursement and transfers the responsibility for funding to private schools.

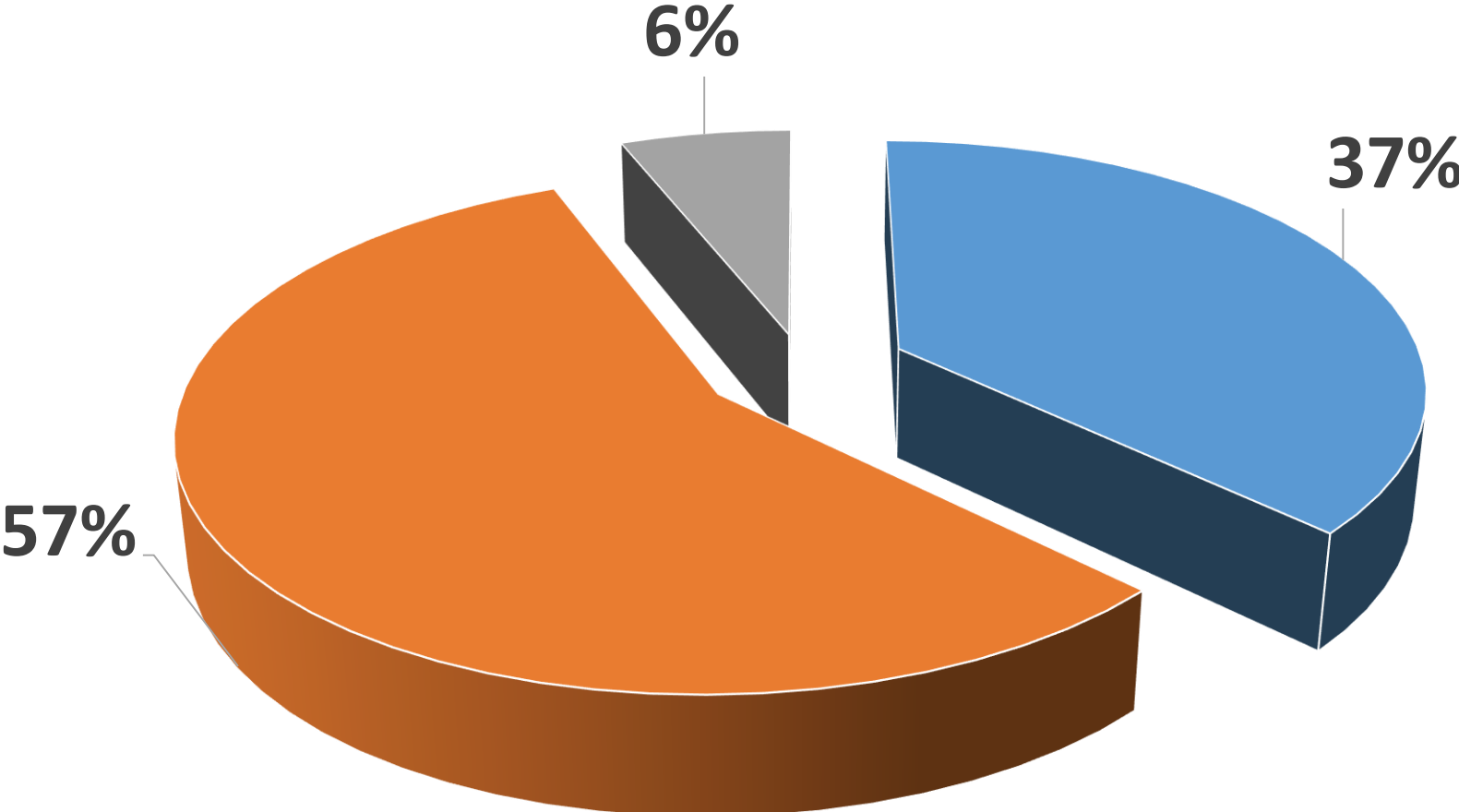
# Total State Aid - General Fund



# General Fund Expenditures

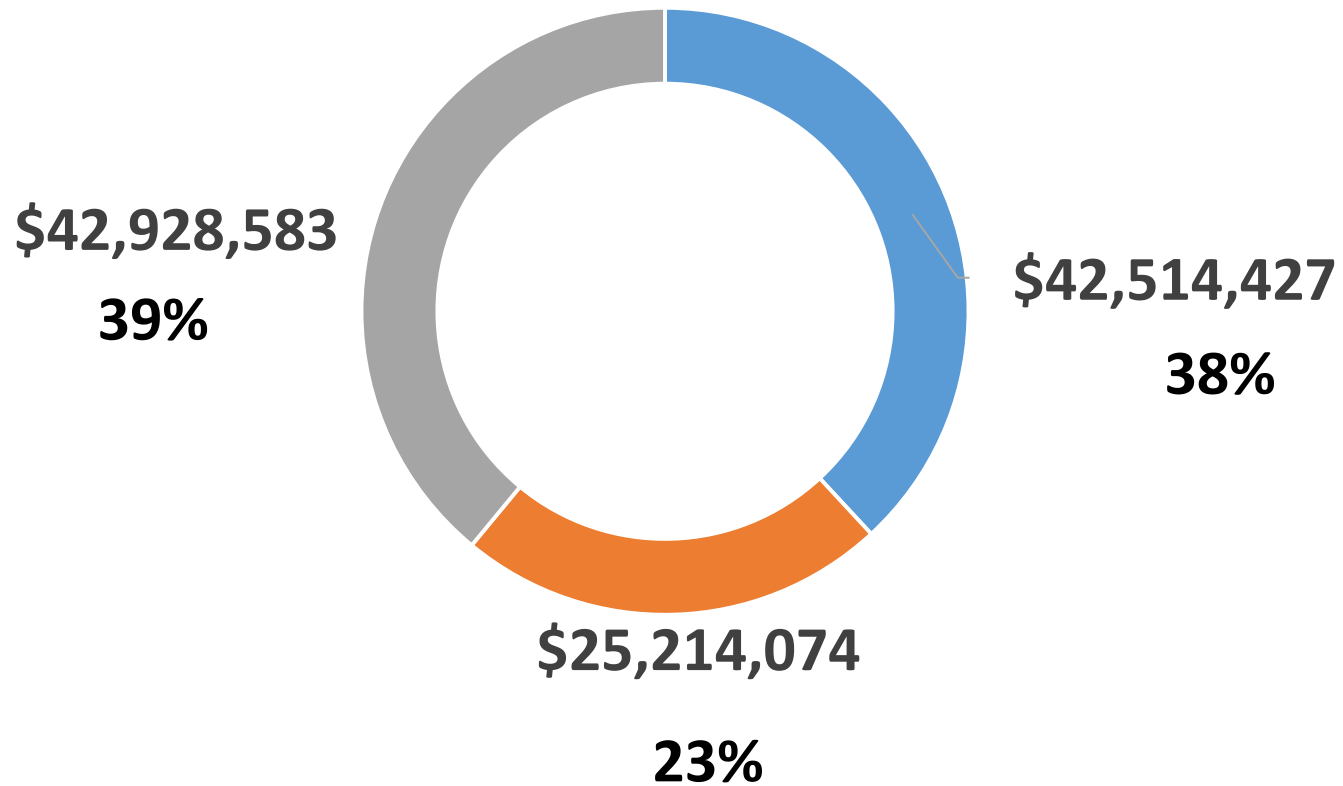
General Fund	FY 2019	FY 2020	\$ Amt. Inc.	% Inc.
Town	\$106,168,021	\$110,657,084	\$4,489,063	4.23%
BOE	\$164,351,527	\$169,096,905	\$4,745,378	2.89%
Capital Financing	<u>\$ 17,562,034</u>	<u>\$ 18,168,303</u>	<u>\$ 606,269</u>	<u>3.45%</u>
General Fund Total	\$288,081,582	\$297,922,292	\$9,840,710	3.42%

# General Fund Expenditures



- Town Services
- Board of Education
- Capital Financing

# Main Expenditure Categories (Town)



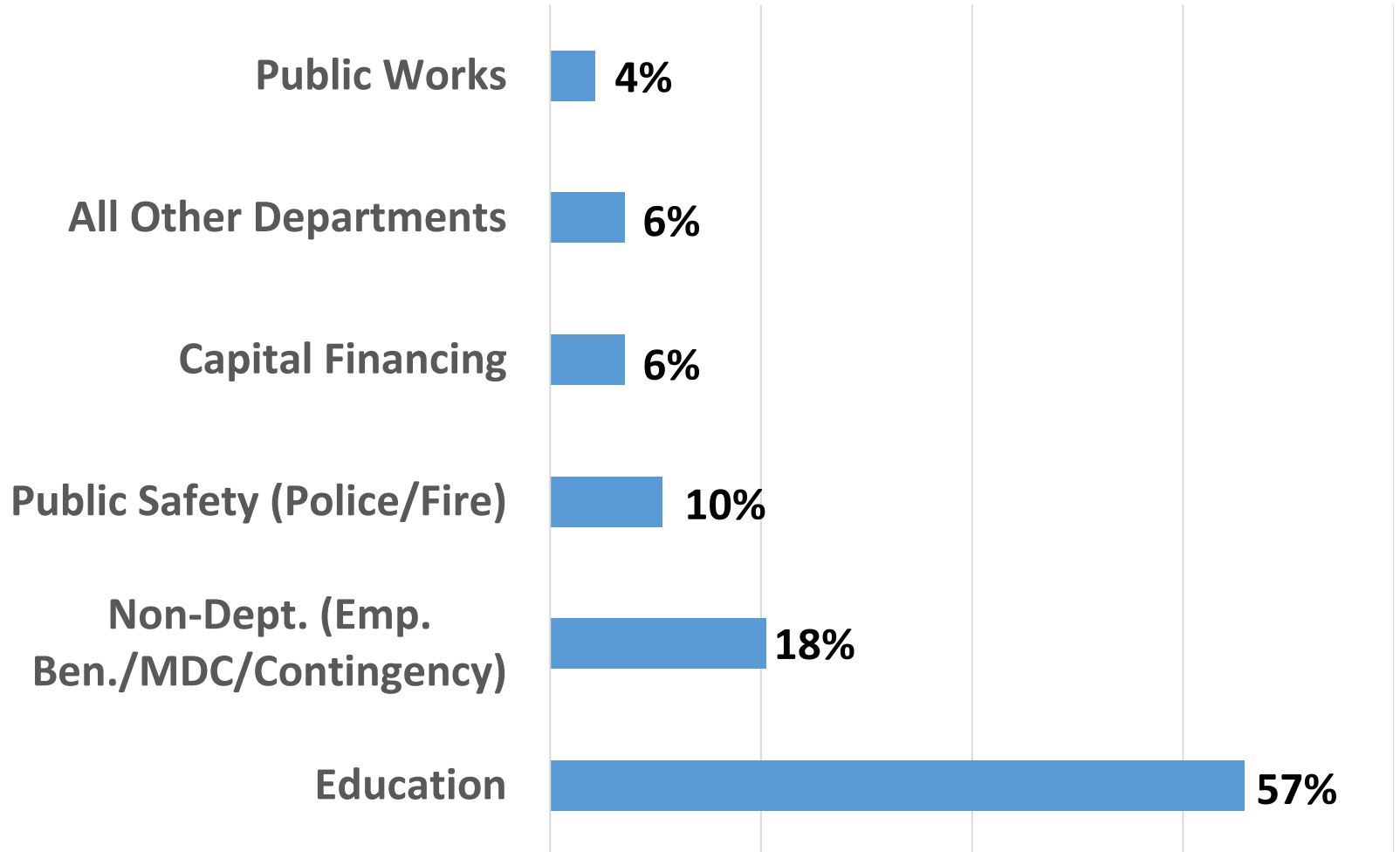
■ Wages & Salaries

■ Operating Expenses

■ Fringe Benefits & Insurance

# General Fund Expenditures

## \$297,922,292



# Budget Distribution By Functional Area

Community Development	\$ 2,579,237	< 1%
Plant & Facilities	\$ 2,331,975	< 1%
Leisure & Social Services	\$ 3,173,067	1%
Library Services	\$ 3,442,588	1%
General Government/Administration	\$ 6,454,882	2%
Public Works	\$ 10,565,961	4%
Capital Financing	\$ 18,168,303	6%
Public Safety (Police/Fire)	\$ 28,568,092	10%
Non-Dept. (Emp. Benefits/MDC/Other)	\$ 53,541,282	18%
Education	\$ 169,096,905	57%
Total	\$ 297,922,292	100%

# Primary Town Budget Drivers

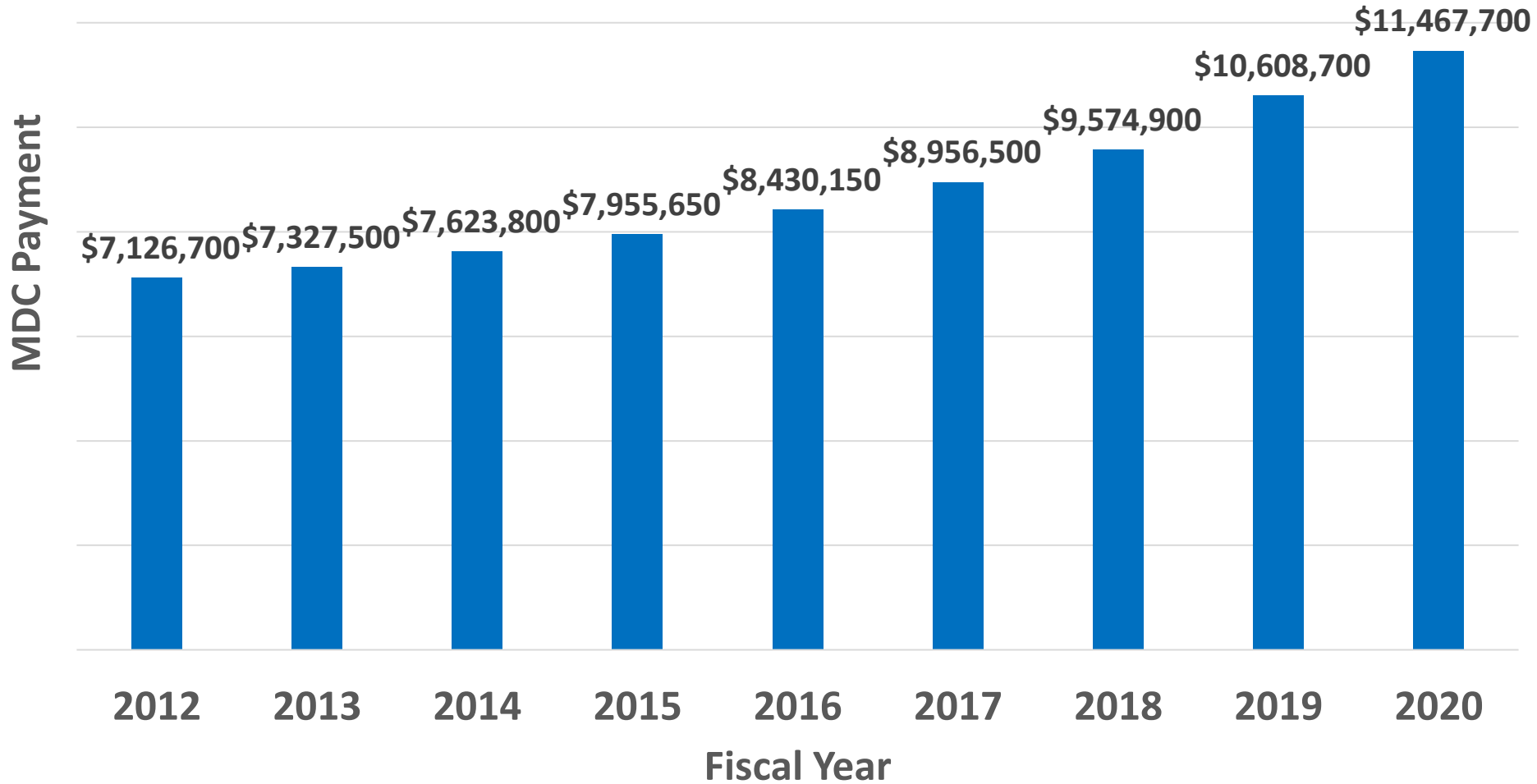
\$4,489,063 or 4.23% increase

- MDC: Increase of \$859,000 or 8.1%
- Pension: Actuarially Determined Employer Contribution (ADEC) increase of \$1,062,879\*
- Town Health Program: Increase of \$1,330,490 due to claims experience, retiree health contribution and no amortization of surplus
- Regular Payroll: Increase of \$652,776 due to settled labor contracts; 2 new positions (Fire LT & Public Safety Dispatch Supervisor); movement of 1 Police Officer position from Parking Lot Fund; funding for 2 previously unfunded positions (Building Maintenance Technician & Financial Systems Analyst)
- Temporary Payroll: Increase of \$114,228 for part time Recycling Coordinator, Emergency Management Coordinator, and Human Resources Specialist
- Contingency: Increase of \$450,000 for unsettled labor contract accruals

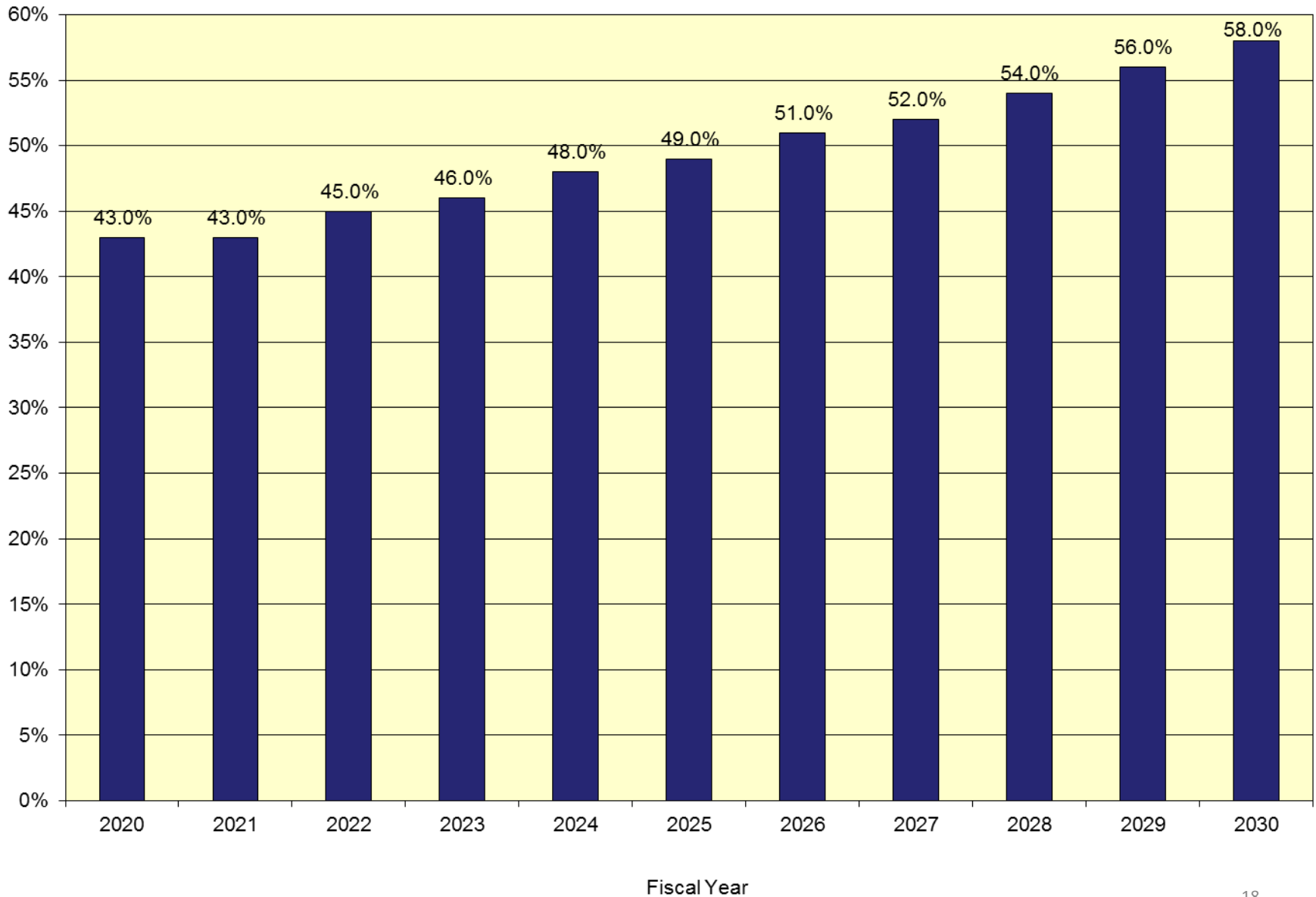
\* The overall Town ADEC of \$25,231,540 increased by \$1,351,527 from FY 2019. The remaining balance is allocated to the BOE and other non-General Fund programs.



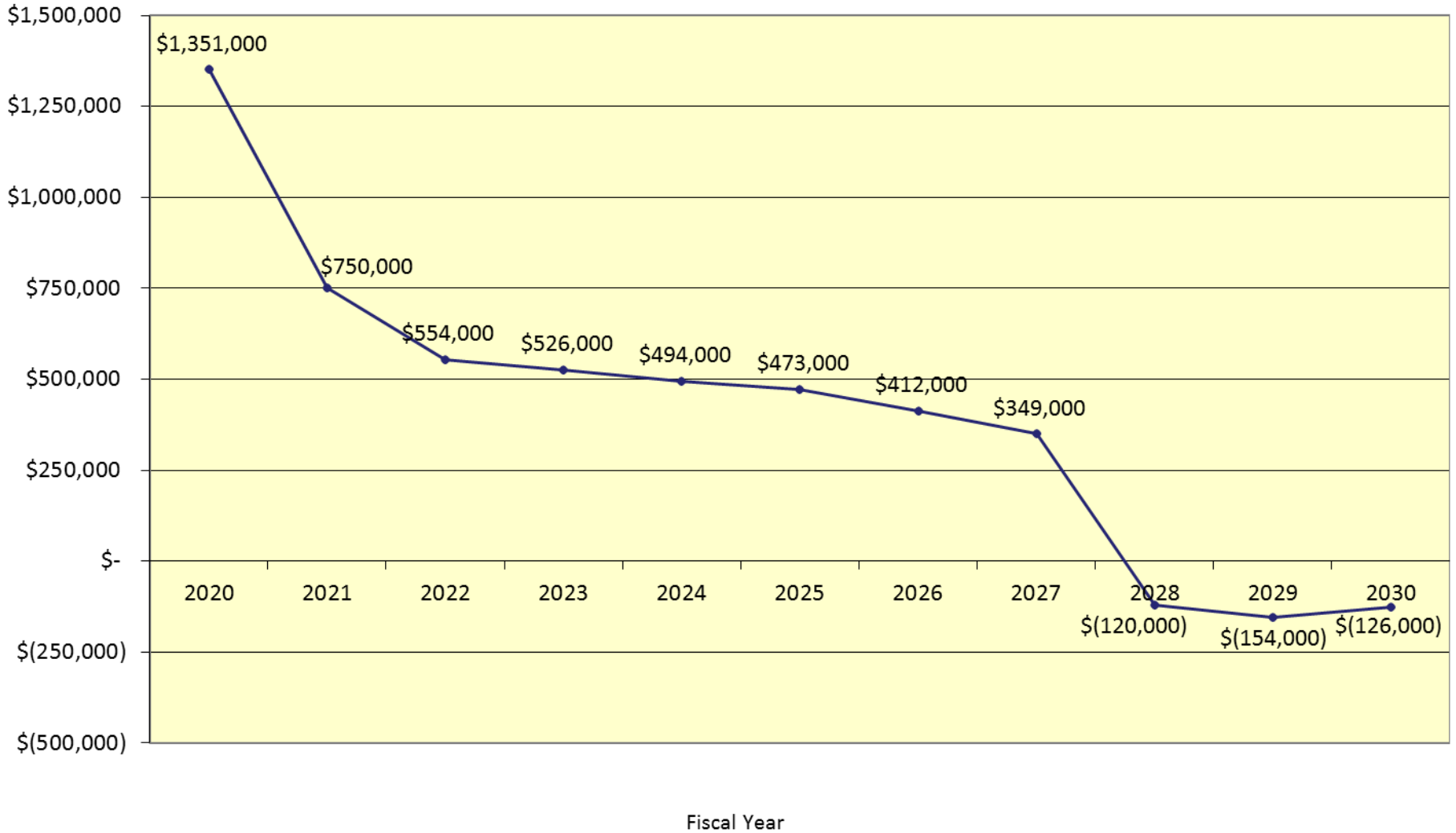
# MDC Ad Valorem Payment



# Pension Plan - Projected Funded Ratio

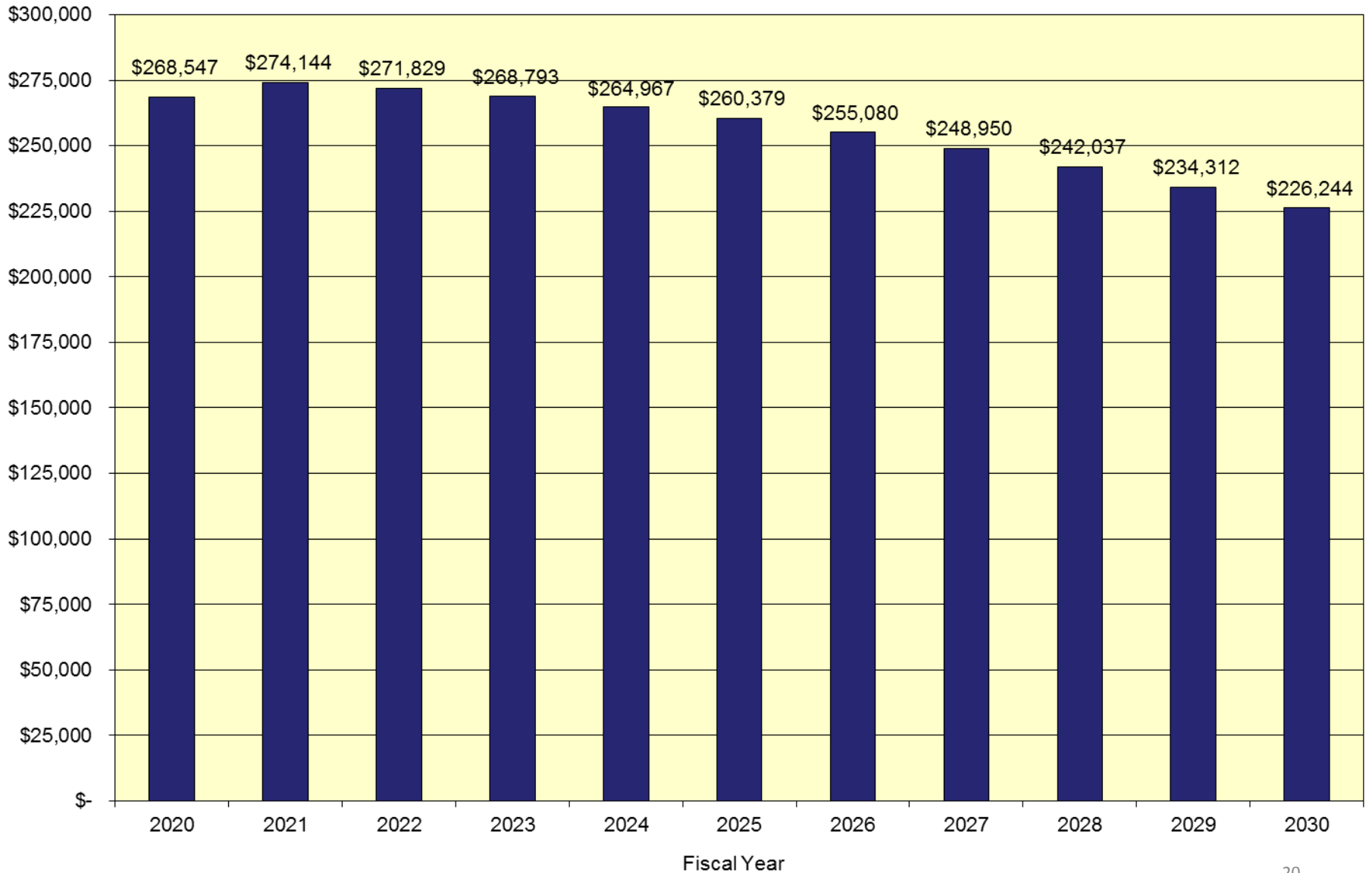


# Pension Plan - Year over Year Change in ADEC



# Pension Unfunded Accrued Liability

(In Thousands)



# Primary BOE Budget Drivers

\$4,745,378 or 2.89% increase

- Salaries: increasing \$3,080,000 or 2.9%
- Benefits include Pension costs and the Teacher's Retirement System payment of \$524,000, included in Governor's Proposed Budget: \$800,000 or 2.4%
- Transportation/Utilities: \$550,000 or 3.5%
- All other expenses (instructional supplies, copiers, textbooks, technology, maintenance and custodial supplies, rents and general insurance): \$320,000 or 3.4%

# Capital Improvement Program: Years 1 and 2

	Long-Term Debt			
	Funding	CNRE Fund	Grants	Other
FY 2020	\$ 14,407,000	\$ 1,600,000	\$ 1,561,000	\$ 440,000
FY 2021	<u>\$ 14,840,000</u>	<u>\$ 1,548,000</u>	<u>\$ 4,589,000</u>	<u>\$ 450,000</u>
Total	\$ 29,247,000	\$ 3,148,000	\$ 6,150,000	\$ 890,000
Total:	\$ 39,435,000			

	Transportation & Infrastructure	Education	Parks and Recreation	Town Buildings	Miscellaneous
FY 2020	\$ 5,493,000	\$ 5,905,000	\$ 930,000	\$ 1,606,000	\$ 4,074,000
FY 2021	<u>\$ 10,077,000</u>	<u>\$ 5,840,000</u>	<u>\$ 395,000</u>	<u>\$ 2,004,000</u>	<u>\$ 3,111,000</u>
Total	\$ 15,570,000	\$ 11,745,000	\$ 1,325,000	\$ 3,610,000	\$ 7,185,000
Total:	\$ 39,435,000				

# Capital Fund Major Non-Recurring Projects

- **Transportation and Circulation:**
  - ✓ Fern Street Bridge over Trout Brook: Estimated Cost: \$4.2 million; \$3 million financed by grants, \$1.2 million by Bonds
  - ✓ N. Main Road Diet Trial funded in Years 1 and 2; \$125,000 and \$190,000 to analyze data and recommend traffic flow improvements
- **Parks and Recreation:**
  - ✓ Wolcott Park Improvement to upgrade electrical system, construction of an ADA compliant restroom and storage area and renovation of six tennis courts. Project funded by \$300,000 Town contribution in FY 2019 coupled with \$750,000 State grant along with \$200,000 Town contribution and \$200,000 CDBG contribution in FY 2020.
  - ✓ Kennedy Bath House (\$290,000) refurbish to address accessibility issues

# Capital Fund Major Non-Recurring Projects

- **Town Building Improvements**
  - ✓ Design fees of \$50,000 for replacement/refurbishment of new Police shooting range included in Year 2; estimated construction cost of \$700,000 included in Year 3
- **Miscellaneous**
  - ✓ Multiyear project to modernize Town's Recycling Center at Public Works Facility included in Year 1 and 2 (\$1,250,000 in each year)
  - ✓ Replacement of Fire Apparatus (\$1,302,000)



# FY 2020 – 2031 Capital Improvement Fund Revenue Sources

Capital Budget Revenues		
CNRE	\$23,776,000	11.3%
Bonds	\$161,077,000	76.6%
Federal & State Grants	\$22,213,000	10.6%
Other	<u>\$3,255,000</u>	<u>1.5%</u>
<b>TOTAL</b>	<b>\$210,321,000</b>	<b>100%</b>

# FY 2020 – 2031 Capital Improvement Fund Expenditures Sources

Capital Budget Expenditures		
Transportation & Infrastructure	\$78,919,000	37.5%
Education	\$71,407,000	34.0%
Parks and Recreation	\$9,295,000	4.4%
Town Buildings	\$26,847,000	12.8%
Miscellaneous	<u>\$23,853,000</u>	<u>11.3%</u>
<b>TOTAL</b>	<b>\$210,321,000</b>	<b>100%</b>

# Change in Total Single Family Home/Motor Vehicle Taxes

	<u>Adopted FY 2019</u>	<u>Proposed FY 2020</u>	<u>Difference</u>
Real Property/ Motor Vehicle Uniform Mill Rate:	41.00	42.06	1.06
Average Single Family Home Assessed Value of \$226,360*:	\$9,281	\$ 9,521	\$240
Average Motor Vehicle #1 Assessed Value of \$9,645:	\$ 395	\$ 406	\$ 11
Average Motor Vehicle #2 Assessed Value of \$9,645:	\$ 395	\$ 406	\$ 11
<b>Total Taxes for Avg. Homeowner:</b>	<b>\$10,071</b>	<b>\$10,333</b>	<b>\$262</b>
Percentage Adjustment:			
<b>Overall Percentage Change:</b>	<b>2.59 %</b>		

*\*Assessed Value equals 70% of Market Value. Based on 2018 Grand List*

# How Average Tax Bill Revenue is Spent

Community Development	\$ 89.46	< 1%
Plant & Facilities	\$ 80.88	< 1%
Leisure & Social Services	\$ 110.05	1%
Library Services	\$ 119.40	1%
General Government/Administration	\$ 223.88	2%
Public Works	\$ 366.46	4%
Capital Financing	\$ 630.14	6%
Public Safety (Police/Fire)	\$ 990.84	10%
Non-Dept. (Emp. Benefits/MDC/Other)	\$ 1,857.00	18%
Education	\$ 5,864.88	57%
Total	\$ 10,333.00	100%

# Budget Dates

- Town Council Budget Review - March 12 - April 22, 2018  
(Various Dates and Times By Council Committees)\*
- Town Council Public Hearing: March 21, Town Hall @ 6:00 PM
- Town Council Public Hearing: April 15, Town Hall @ 2:00 PM
- BOE Budget Workshop #1: March 13, Town Hall @ 7:00 PM
- BOE Public Hearing: March 27, Town Hall @ 7:00 PM
- BOE Budget Workshop #2: March 27, After Public Hearing
- BOE Budget Adoption: April 2, Town Hall, @ 7:00 PM
- Town Council Adoption: April 23, Town Hall @ 7:30 PM

\*For additional information, please visit:

[https://www.westhartfordct.gov/gov/town\\_council](https://www.westhartfordct.gov/gov/town_council)