



Town of Simsbury

933 HOPMEADOW STREET

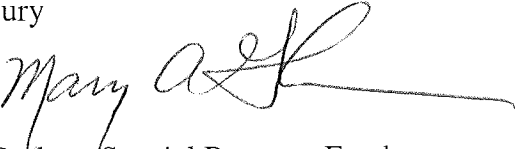
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SIMSBURY, CONNECTICUT 06070

Mary A. Glassman, First Selectman

March 31, 2009

TO: The Residents of the Town of Simsbury

FROM: Mary A. Glassman, First Selectman 

RE: Proposed FY 2009-2010 Operating Budget, Special Revenue Funds, Capital Non-Recurring Expenditures Fund and Six Year Capital Improvement Plan

On behalf of the Board of Selectmen, it is my pleasure to present the proposed 2009-2010 Board of Selectmen budget which is a total of \$17,775,739 and represents a 3.04 percent decrease over last year's adopted budget. Department Heads were initially asked to submit proposed budgets with a 5% reduction in non-personnel related expenditures. Following review and discussion, the budget approved by the Board of Selectmen for consideration by taxpayers reflects a spending decrease of \$950,729 or 5.19% from the initial budget requests submitted by Town Department Heads.

This is a very unusual budget for an unprecedented financially difficult time for the nation, our state and the residents of Simsbury. The state of Connecticut currently faces a deficit which is \$8 billion and growing. As a result, the Town of Simsbury's state funds are in jeopardy. We cannot count on the projected Education Cost Sharing (ECS) funds we receive from the state – which is currently \$5.35 million making up 6 percent of the Town's revenue.

In addition, the Town is also experiencing reductions in other revenues across the board – the Town's investment income has dropped from \$1.25 million to \$300,000 – a staggering 76 percent decrease; other local fees and revenues have decreased a total of \$80,000 – adding up to a \$1.03 million decrease in revenues. This does not take into account the potential loss of ECS Funds and flat grand list growth.

On the expenditure side, the Town's cost of doing business has gone up in nearly every category. Health care costs have increased 7.4 percent; pension costs have increased 6.3 percent and paving management costs have risen 14 percent in light of dwindling state aid to towns.

With this economic backdrop, the Board of Selectmen worked hard to propose a budget that did not result in a tax increase to our residents. This budget proposal meets that goal. But achieving this goal would not have been possible without the support and cooperation of all of the town's employees – including police officers, dispatchers, managers, highway crews, secretaries and library workers. It is because of their commitment to the Town of Simsbury and their compassion for each other that we were able to present this budget.

The proposed operating budget, special revenue fund and capital non-recurring expenditures fund budgets are proposed as follows:

- Operating Budget for FY 2009-2010 in the amount of \$17,775,739 which represents a 3.04% (\$556,870) decrease in spending over the 2008-2009 operating budget
- Sewer Use Fund Budget for FY 2009-2010 in the amount of \$3,170,630 which represents a 21.59% (\$872,871) decrease in spending over the 2008-2009 operating budget
- Animal Control Fund Budget for 2009-2010 in amount of \$76,213 which represents 3.64% (\$2,876) decrease in spending over the 2008-09 operating budget
- Simsbury Farms Fund Budget for 2009-2010 in the amount of \$1,794,249 which represents a .75% (\$13,576) decrease in spending over the 2008-2009 operating budget
- Residential Rental Properties Fund Budget for 2009-2010 in the amount of \$33,453 which represents a 62.72% (\$56,276) decrease over the 2008-2009 operating budget.
- Capital & Non-Recurring budget in the amount of \$526,341 to include an appropriation for Highway-Paving Management in the amount of \$161,341 for the LOCIP reimbursement grant

Operating Budget Highlights

First, since the beginning of the current economic difficulties, the Board has acted proactively to manage the Town's resources. The Board has taken several actions, including the following:

- Restricted out of state travel for Town employees
- Restricted use of Town owned vehicles and required all requests for replacement vehicles to come before the Board for consideration
- Required that all requests to fill vacant positions come before the Board for authorization
- Recommended that three current vacant positions not be filled

In addition, Town staff has been directed to reduce costs by conserving energy (both fuel and electricity) and to carefully review operating budgets to identify non-essential spending. For instance, staff has reviewed the usage of cell phones. As a result of this review, we will be able to reduce our cost while maintaining important emergency contacts. In addition, through contract negotiations – which resulted in settled contracts for all town bargaining units for the first time in 5 years - the Town will be implementing a wellness plan, which is being introduced to proactively control health care expenses.

The direction provided to the Department Heads at the initiation of the budget development process in December was a continuation of the theme outlined above. Department Heads were asked to recommend operating budgets that included a 5% reduction in non-personnel related spending. Based on these reductions, the Board of Selectmen was provided with an initial operating budget request which included an increase of approximately 2.15% over the current year.

The Town's operating budget is driven primarily by personnel costs, including costs for wages, health insurance and pension contributions. To achieve meaningful savings, there must be reductions in these areas. Therefore, informal discussions with the Town's unaffiliated employees and six bargaining units were initiated.

These voluntary discussions yielded positive results as follows:

- Non-union employees: Combination of increases to health insurance, zero general wage increase for FY 2009-2010 and one day furlough-savings \$83,111
- Police: No general wage increase for FY 2009-2010 resulting in projected savings of \$118,760
- Dispatchers: No general wage increase for FY 2009-2010 resulting in projected savings of \$14,814
- Public Works: No general wage increase for FY 2009-2010 resulting in projected savings of \$85,092
- CSEA: No general wage increase for FY 2009-2010 resulting in projected savings of \$124,774

In large part due to our employee's willingness to voluntarily provide concessions for FY 2009-2010, the Board of Selectmen was able to adopt a proposed operating budget representing a decrease of 3.04% or \$556,870 over the current year. In addition, funding requirements for the Sewer Use Fund, Simsbury Farms Fund, Animal Control Fund and Residential Rental Properties Special Revenue Fund were also reduced.

Capital and Non-Recurring Expenditures Fund

The Capital & Non-Recurring Expenditures Fund has a FY 2009-2010 appropriation totaling \$526,341. These appropriations are charged back against the appropriate operating fund over a five year period. This requested appropriation includes \$161,341, which is the Town's expenditure match for the LOCIP (Local Capital Improvement Program) grant. Projects to be funded through the CNRE Fund include the following:

Project	Amount
Town Offices Improvements	\$46,000
Highway-Connect to Sanitary Sewer	\$105,000
Bikeway Improvements	\$72,500
Curtiss Field Improvements	\$75,000
Simsbury Farms Repairs	\$40,000
Golf/Utility Vehicle	\$26,500

Capital Improvement Plan

The proposed six year Capital Improvement Plan is also attached. The CIP provides a forecast of Capital Expenditures beginning in FY 2009-2010 through 2014-2015. The following Capital Improvement Projects are included in the FY 2009-2010 Plan.

Town Projects	Cost
Recreation-Parks/Golf Maintenance Facility	\$550,000

Board of Education Projects	Cost
Squadron Line Generator Replacement	\$150,000
Central School Brownstone Re-point and Stairs Rebuild	\$120,000
District Network Infrastructure	\$100,000

Conclusion

The FY 2009-2010 Operating Budget as proposed reflects a 3.04% decrease over the current year. Each of the four special revenue funds also includes a decrease when compared to the current year budget. These reductions would not have been possible without the cooperation of the Town's collective bargaining units. On behalf of the Board of Selectmen, we are grateful that the town employees have stepped forward to work with the Town in a spirit of cooperation. I would also like to thank my fellow members of the Board of Selectmen who have attended many special workshops, which included Saturday meetings, to address this insurmountable task.

Cc: Board of Selectmen