



Board of Finance

Public Hearing April 21, 2020

Operating and Capital Budgets

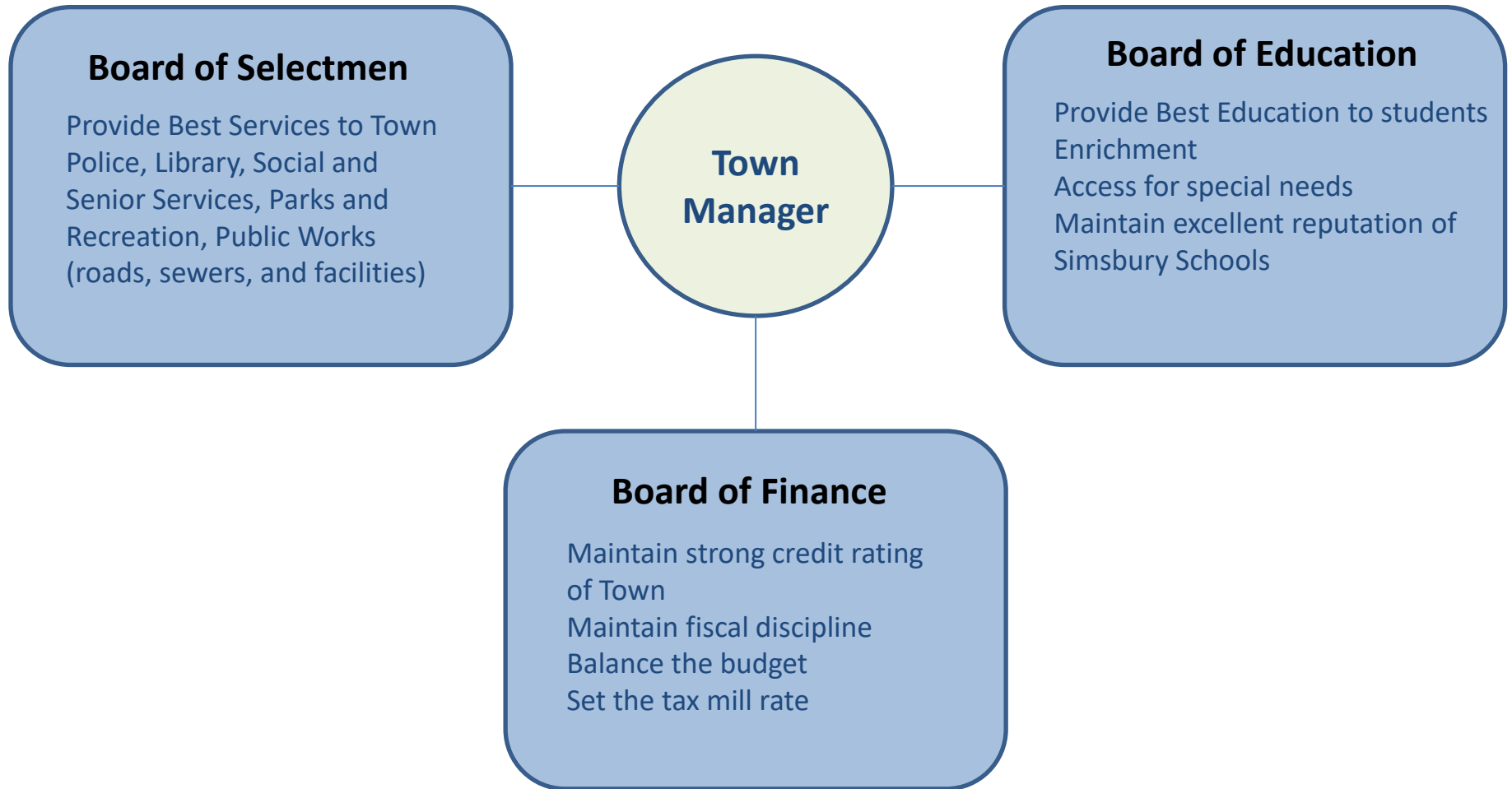
Board of Education

Board of Selectmen

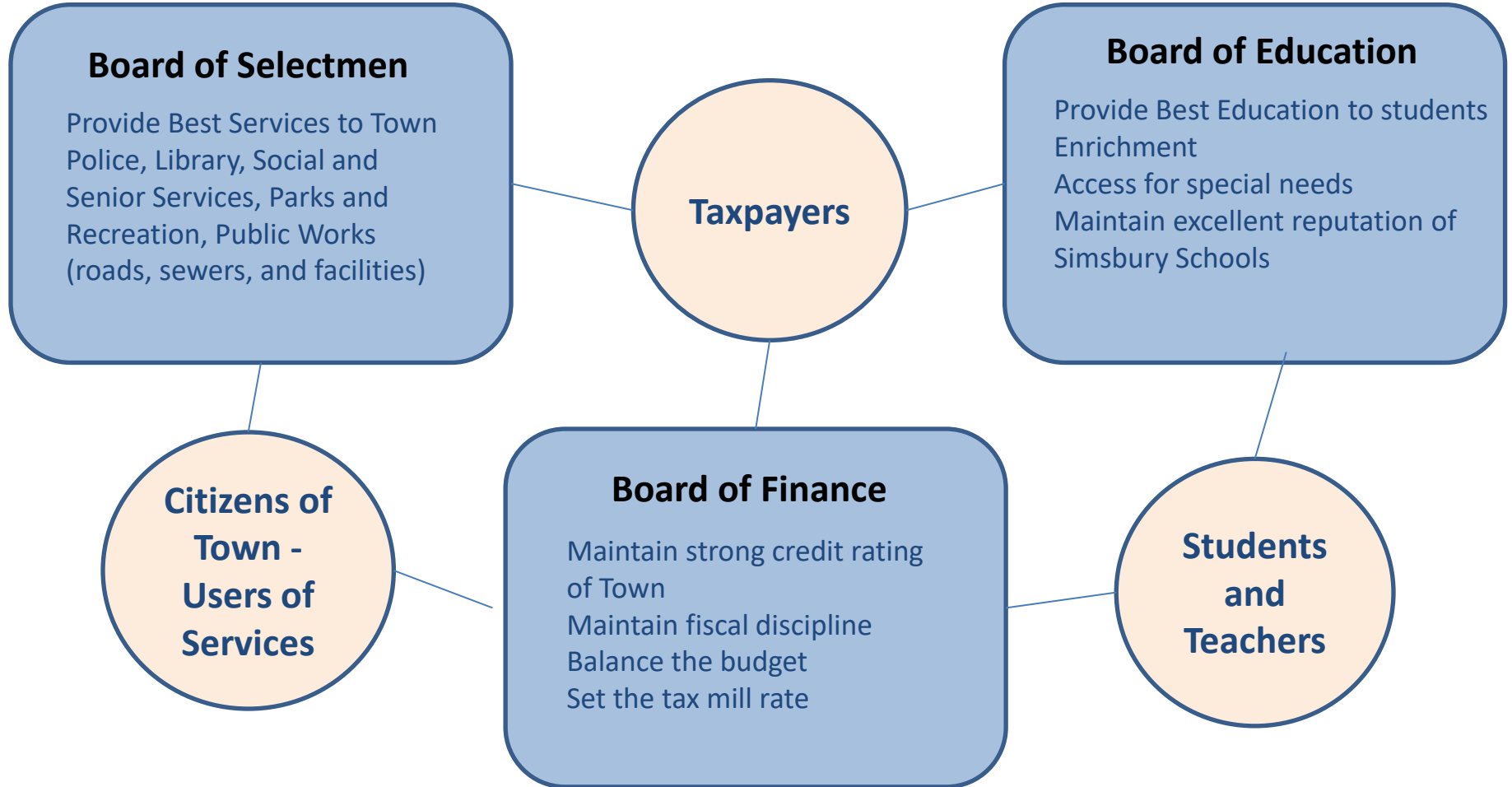
Public Hearing Agenda

- Budget Process Overview – Rob Pomeroy, BOF Chair
- Board of Education Operating & Capital Budgets
 - Susan Salinas, Board of Education Chair
- Board of Selectmen Operating & Capital Budgets
 - Eric Wellman, First Selectman
- Public Hearing
- Closing Remarks and Next Steps

Three Boards Working Together



Overlapping Stakeholders



Board of Finance is a Citizen Oversight Board

Responsibilities Include:

- Conducting a public hearing on proposed budgets
- Approving Town and BOE operating and capital budgets and submitting them to Town Referendum
- Establishing the Mill Rate sufficient to pay expenses
- Approving necessary supplemental/emergency appropriations and transfers of unencumbered expenditures
- Providing fiscal oversight of Town pension trusts and Other Post Employment Benefits trust

Key Board of Finance Criteria for FY21

- Ensure Long Term Fiscal Discipline
- Maintain Debt Service / Capital Under 6.7% of Expenditures
- Set Appropriate Mill Rate
 - In light of the COVID-19 pandemic, the Board of Finance targeted a flat or reduced mill rate for the upcoming budget
- Maintain Aaa Rating
- Manage Reserves to Minimize Surprises and Smooth Taxes
- Promote Collaboration Amongst Boards and Town Management

Simsbury Recognized as a Fiscally Strong Community

S&P's Aaa Rating:

- Historically stable financial operations
- Healthy reserve levels with a formal policy
- Modest debt service, pension, and OPEB liabilities



Mill Rate History (5 Year)

- FY16 – 37.12
- FY17 – 37.12
- FY18 – 38.76
- FY19 – 36.42 (Revaluation Budget Year)
- FY20 – 37.32

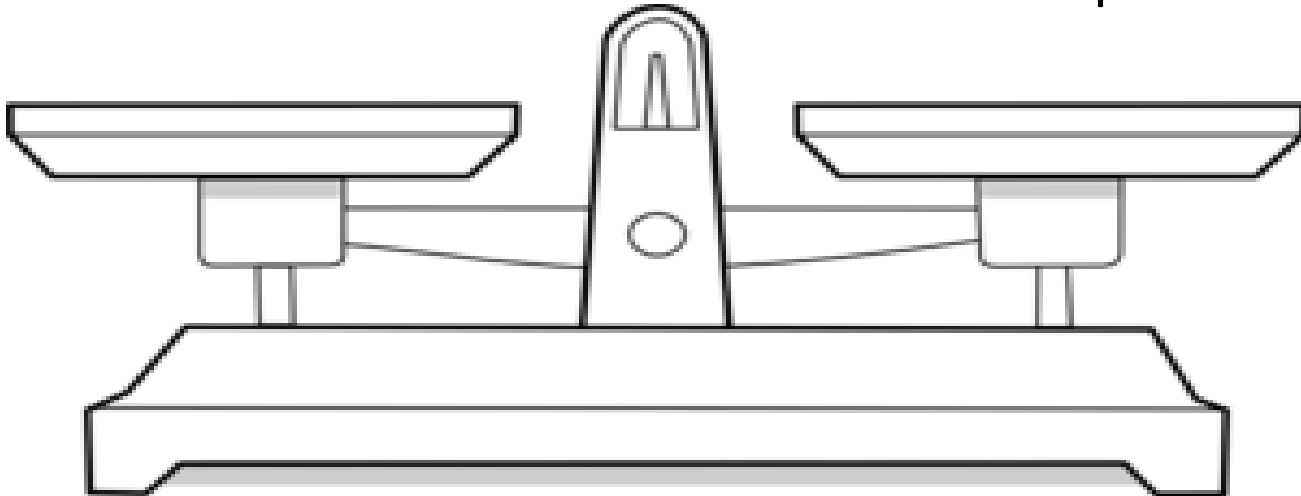
20 Year Recipient of GFOA Excellence in Financial Reporting Award

BOF Must Balance Expenditure Needs with Available Revenues

Expenditures = Revenues

- BOE Operating Expenses
- BOS Operating Expenses
- Debt Service/Capital Expenses
- Non-Public Schools

- Property Taxes
- Automobile Taxes
- State and Federal Grants/Aid
- Municipal Fees



A Changing Grand List – 3 Year Forecast

	FY 2020/21 Projected	FY 2021/22 Projected	FY 2022/23 Projected
Net Grand List (Non-Vehicle)	\$2,309,777,494	\$2,339,500,000	\$2,377,450,000
Motor Vehicle Grand List	\$200,236,383	\$200,000,000	\$200,000,000
Total Grand List	\$2,510,013,877	\$2,539,500,000	\$2,577,450,000
Percent Change	2.66%	1.17%	1.49%

BOF Sets the Mill Rate Based on Assessed Property Values

Mill Rate Definition: The amount of tax payable per dollar of the assessed value of a property. One mill is equivalent to one-tenth of a cent or \$0.001.

$$\begin{array}{|c|} \hline \text{Assessed Property Values} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Mill Rate} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Property Taxes Needed} \\ \hline \end{array}$$

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2021 BOF Operating Budget Guideline

2.50% Cap on Operating Expenditures

2.00% Cap on Mill Rate Increase

	FY 2020 Adopted	FY 2021 Requested	\$ Change	% Change
Board of Selectmen	\$24.0 M	\$24.1 M	\$0.2 M	0.56%
Debt Service & Capital	\$5.9 M	\$5.5 M	(\$.4) M	(7.85%)
Board of Education	\$70.9 M	\$72.3 M	\$ 1.4 M	2.01%
Non-Public School	\$0.5 M	\$0.5 M	-	-
Total	\$101.3 M	\$102.4 M	\$ 1.1 M	1.09%

Budget Drivers and Changes

Budget Drivers

- Contractual Salary Increases
- Pension/OPEB
- Debt Service

Budget Changes

- Teacher's Retirement System
- Grand List Growth of 2.66%

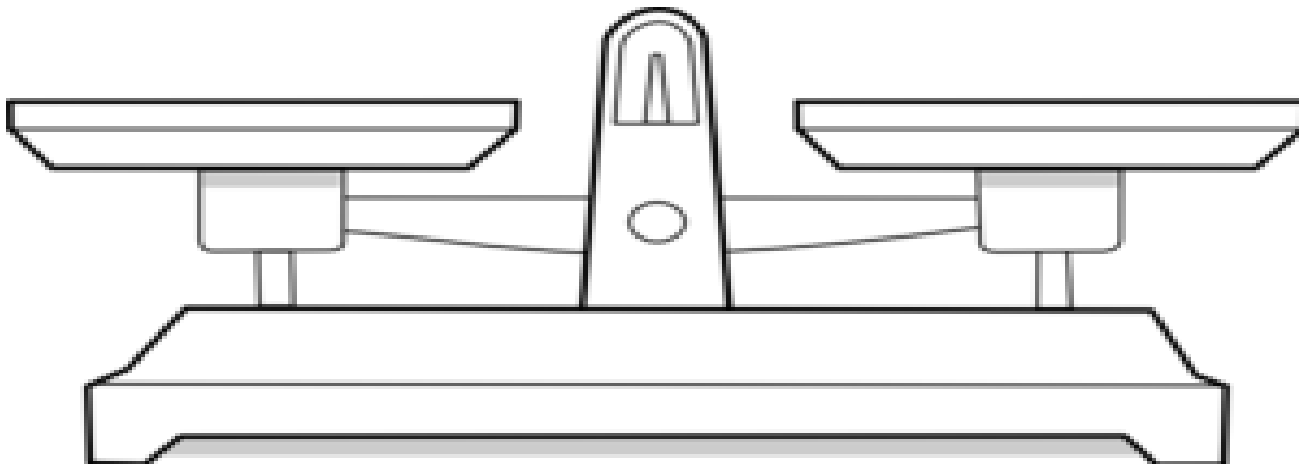
Proposed Budgets for the Town and BOE

Expenditures

BOE Operating:	\$72.3 M
BOS Operating:	\$24.1 M
Debt Service & Capital:	\$5.5 M
<u>Non-Pub Schools:</u>	<u>\$0.5 M</u>
Total:	\$102.4 M

Revenues

Property Taxes:	TBD
Automobile Taxes:	TBD
Total State Aid	\$6.4 M
<u>Non-Tax Revenue:</u>	<u>\$3.6 M</u>
Total:	\$102.4 M



Mill Rate Proposal for FY 2020

FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
37.12	37.12	38.76	36.42	37.32

Based upon the BOS and BOE budgets as proposed.

FY 2021
37.09

FY 2021 Proposed Mill Rate is a decrease of 0.23 mills or 0.61% compared to FY 2020
Median Home Tax Impact is a decrease of \$49

Tax Relief Programs

- **Tax Deferral Program**

- Program allows delayed payment of real property, personal property, motor vehicle taxes, and sewer use bills due between the dates of March 10, 2020 through and including July 1, 2020 for a period of 90 days after the due date without interest or penalty (ie. Property tax payments due on 7/1 will now be due on 10/1)
- Eligibility
 - Residents: Household has suffered a reduction in income of at least 20% due to COVID-19 due to having been either (1) furloughed without pay; (2) hours significantly reduced; or (3) unemployed
 - Business/Non-Profit Organizations: Revenue expected to decrease at least 30% from March to June 2020 versus March to June 2019
 - Landlords: Provide documentation that either the parcel will suffer significant income decline, or, that commensurate forbearance has been offered to their tenant

Tax Relief Programs

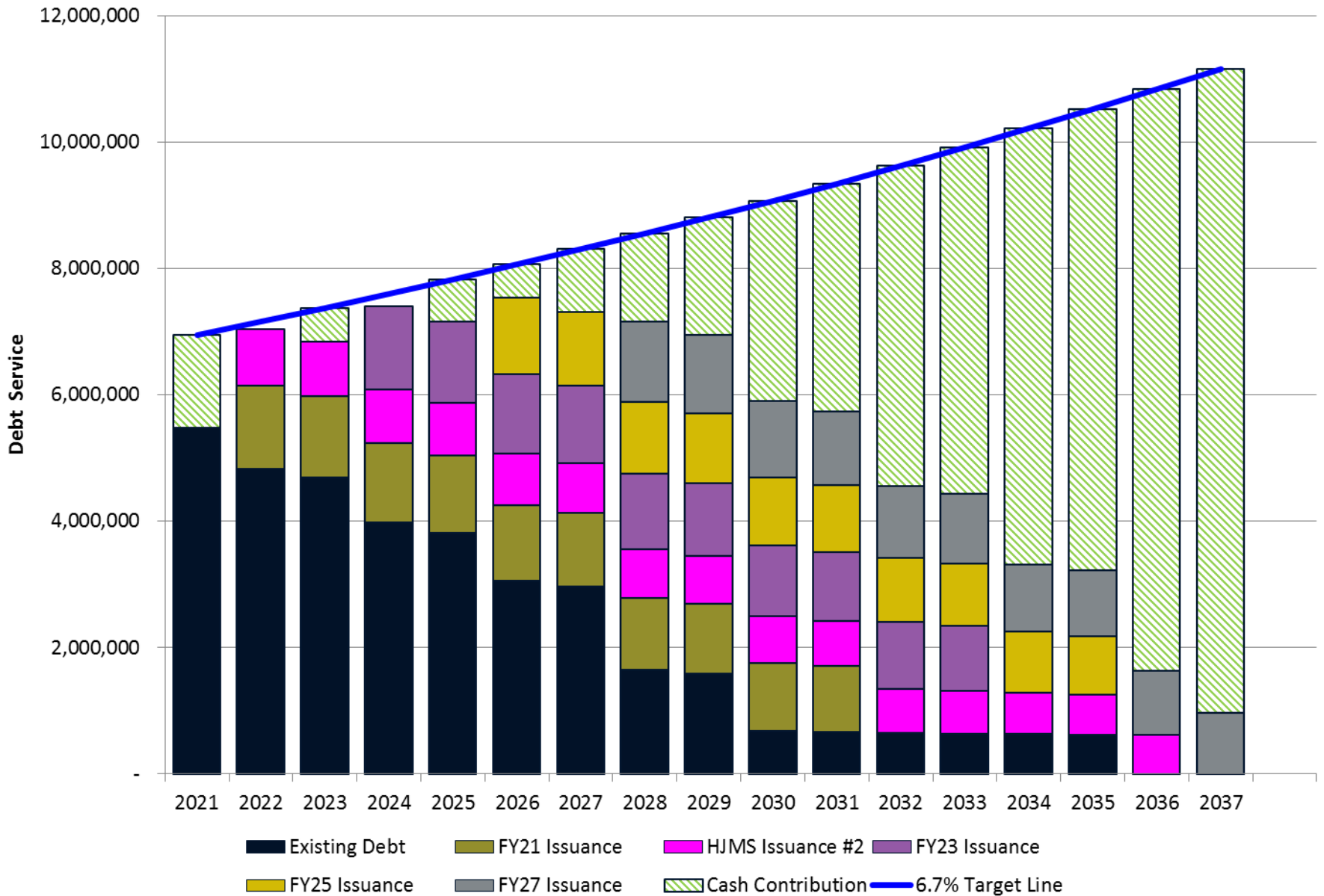
- **Tax Deferral Program Continued**

- Additional program requirements and information can be found online at <http://www.simsbury-ct.gov/tax>
- Applications will be available to the public starting May 1, 2020 at <http://www.simsbury-ct.gov/tax>
- Deadline for submitting an application and supporting documentation is July 1, 2020 and will be accepted at simsburytax@simsbury-ct.gov

- **Interest Rate Reduction Program**

- Reduced annual interest rate from 18% to 3% on delinquent taxes due between March 10, 2020 through and including July 1, 2020 for a period of 90 days
- All residents are automatically eligible for this program with the exception of landlords. Landlords will only be eligible if commensurate forbearance has been offered to their tenants
- Additional program information can be found online at <http://www.simsbury-ct.gov/tax>

Capital Budget Planning FY21 - FY26 - Without Sewer Debt



Tonight's Public Hearing

- Listen to presentations on the BOE, BOS and Capital Budgets
- All public comments received via email will be read into the record
- We will hold responses to questions and comments until after all of the questions and comments have been heard
- Continue the Public Hearing to May 5, 2020 at 6:00pm
- Once adopted by the Board of Finance, the final budgets for the BOE, BOS and Capital will then be sent to referendum by the voters.

Tonight's Presentations

- **Board of Education Operating/Capital Budgets**
 - Susan Salinas, BOE Chair
- **Board of Selectmen Operating/Capital Budgets**
 - Eric Wellman, First Selectman

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Board of Education 2020-21 Budget



Committed to Excellence Every Day

Board of Finance Public Hearing April 21, 2020

Budget Development Process

Nov./Dec.

- Tri-Board Meeting
 - Fixed Cost Review
 - Guidance provided to BOE & BOS
- Building Principals & Program Directors develop budgets

December

- Discussion of Fixed Costs & Major Drivers
- Principals & Program Directors present to Central Office
- Central Office creates presentation for BOE

Budget Development Process (cont'd.)

January

- 2 presentations to BOE
 - Special Ed
 - Staffing & Enrollment

February

- Workshop – review of line items and grants
- Superintendent budget presentation
- March budget presentation to BOF

Board of Education Budget

\$72,309,061

Increase of \$1,428,083

2.01% increase

Factors Impacting Budget Development

Context

- Enrollment shifting K-6
- Guideline of 2.5% increase
- Mill Rate under 40
- Program Improvement
- Support our Strategic Priorities/Plan

Balancing Fiscal Reality and a Vision for Continuous Improvement

Fiscal Climate

- State economic challenges
- Uncertainty in state aid
- Expenditure cap 2.5%
- Mill Rate Pressure



Budget Supports

- Excellent academic program options
- Class size guidelines
- Enrollment shifts
- Capstone requirements
- Retaining talented staff

Per Pupil Expenditure

	2017-18 data	2018-19 data
Simsbury's Per Pupil Expenditure	\$17,146	\$17,450
Rank in the State	92	94
Rank in DRG B (21 towns)	12	13
Rank in Hartford area (27 towns)	11	9

Peer Communities

Avon \$ 17,516

Glastonbury \$ 17,244

Farmington \$ 17,185

Budget History

10 yr. avg. 1.49%

5 yr. avg. 1.47%

ENROLLMENT PROJECTIONS*

*Milone & MacBroom Projections

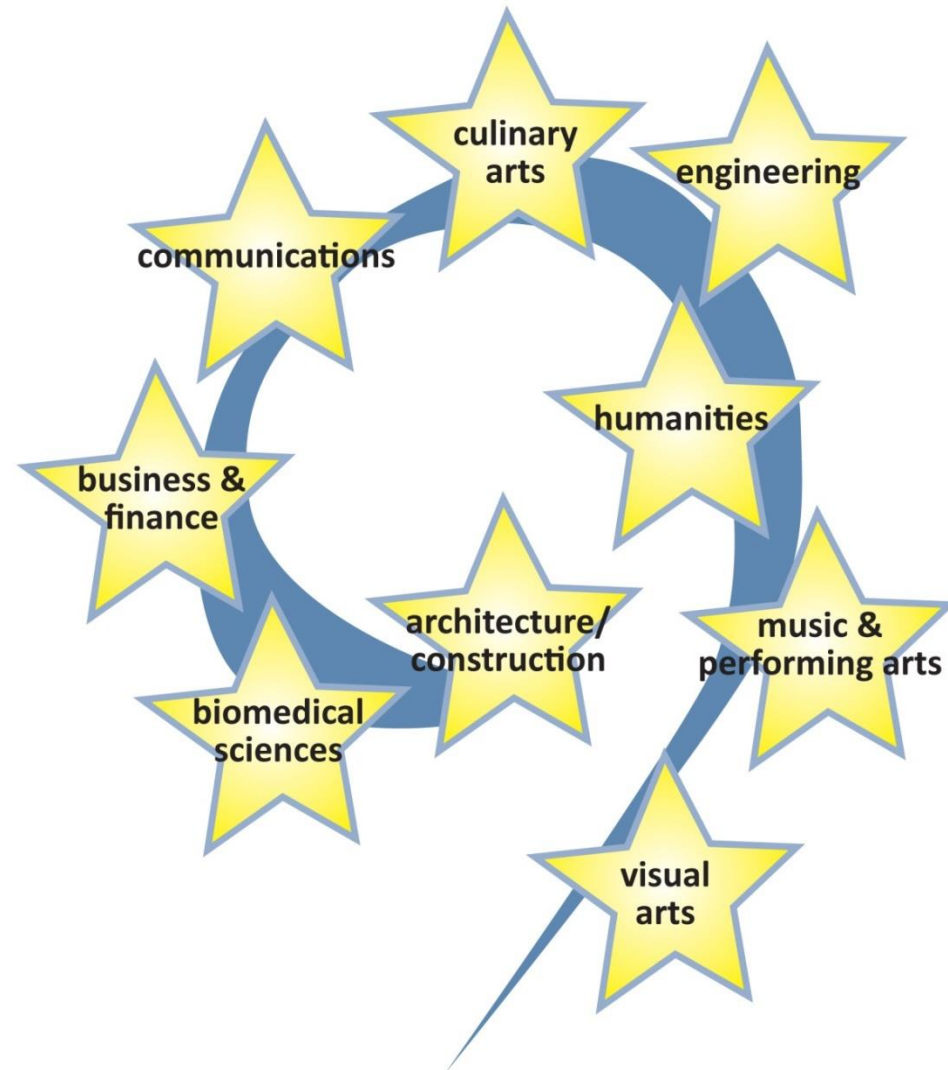
GRADES	2019-20	2020-21 (projected)	CHANGE
9-12	1354	1295	-59
7-8	633	635	+2
K – 6	2038	2095	+57
Total	4025	4025	0

Milone & MacBroom identified trends & notes:

- Five year enrollment is projected to increase by 4.8% from 4025 to 4218: Elementary is projected to increase by 284 while secondary will remain steady.
- Ten year enrollment is projected to increase by 11.9% from 4025 to 4505: Elementary will flatten out while middle school enrollments will begin to rebound in 2023-24, and high school enrollments in 2026-27.

Student Growth and Success

2019 Accountability (DRG B)		
District	DRG	OutcomeRatePct
Greenwich	B	87.3
Simsbury	B	85.6
Avon	B	85.5
Granby	B	84.8
Brookfield	B	84.8
Woodbridge	B	84.7
Cheshire	B	84.5
Monroe	B	84.4
Guilford	B	84.4
Farmington	B	84.2
Trumbull	B	83.9
Region 15	B	83.7
Fairfield	B	83.5
Glastonbury	B	83.5



Drivers of the 2020-21 Budget

1. Contractual Obligations
 2. Insurance and Pension
- Cost Savings Measures/ Operational Efficiencies
 - Maintenance Budget
 - Personnel: Enrollment Related FTE Reductions
 - Zero Base Budget Accounts

“Roll Forward” 2020-21 Personnel Drivers

Additions			
Impact of negotiated teachers contract - <i><u>operating budget only</u></i>		\$1,025,841	1.45%
Impact of negotiated administrators contract		\$64,317	0.09%
Impact of negotiated contracts - Nurses		\$12,369	0.02%
Impact of negotiated contract - NAGE		\$53,822	0.08%
Impact of staff contracts to be settled (Reserve)		\$227,658	0.32%
Total Additions		\$1,384,007	1.95%
Reductions			
10 Certified staff retirements		(\$250,000)	-0.35%
Total Reductions		(\$250,000)	-0.35%
Impact of Preliminary Requested Knowns		\$1,134,007	1.60%

Personnel Budget Themes

Academic Enhancements	Student Support	Responsible Reductions
<ul style="list-style-type: none">• 2.0 Elementary Teachers (Latimer Lane School and Squadron Line School)	<ul style="list-style-type: none">• 1.0 SHS Capstone Coordinator (grant funded)	<ul style="list-style-type: none">• 3.0 SHS Classroom Teachers (enrollment driven)
<ul style="list-style-type: none">• .5 Special Education Elementary Teacher (Latimer Lane School)		<ul style="list-style-type: none">• 2.0 Non-Certified Reductions

District Summary

Additions Certified		Reductions Certified	
	FTE		FTE
Classroom Teacher (LL)	1.0	SHS Classroom Teachers	-3.0
Classroom Teacher (SQL)	1.0		
Special Education Teacher (LL)	.5		
SHS Capstone Coordinator*	1.0		
*Grant funded			
Total Certified Additions	3.5	Total Certified Reductions	-3.0

Net Certified + .5
Net Non-Certified -2.0
Net Total -1.5

Reductions Non-Certified	
	FTE
Non-Certified Position TBD	<u>-2.0</u>
Total Non-Certified Reductions	-2.0

Major Drivers Summary

Additions

Impact of negotiated teachers contract - <u>operating budget only</u>	\$1,025,841	1.45%
Impact of negotiated administrator's contract	\$64,317	0.09%
Impact of negotiated contracts – Nurses	\$12,369	0.02%
Impact of negotiated contract – NAGE	\$53,822	0.08%
Impact of contracts to be settled (Reserve)	\$282,070	0.40%
Certified requests (2.5 FTE)	\$230,000	0.32%
Employee insurance (4%)	\$213,822	0.30%
Pension/OPEB @ 6.75%	\$125,108	0.18%
Heating and fuel costs	\$81,734	0.12%
Other line item increases	\$76,000	0.11%
Total Additions	\$2,165,083	3.05%

Reductions

10 Certified staff retirements	(\$250,000)	-0.35%
Certified staff reductions (3.0 FTE)	(\$276,000)	-0.39%
Non-certified staff reductions (2.0 FTE)	(\$160,000)	-0.23%
Other line item decreases (tech equipment)	(\$51,000)	-0.07%
Total Reductions	(\$737,000)	-1.04%

Impact of Preliminary Requested Knowns	\$1,428,083	2.01%
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Non-Public School Budget 2020-21

Increase of 0.91% or \$4,951
\$551,383



Board of Education 2020-21 Capital Projects



Committed to Excellence Every Day

District Network Infrastructure

\$500,000

- The priority for the maintenance of our IT infrastructure is the replacement of the district's aging servers. The servers are now 7 years old and incapable of running the latest version of the desktop virtualization software necessary to upgrade the desktops to Windows 10. Windows 7 is no longer supported by Microsoft.

Board of Education 2020-21 Budget



Committed to Excellence Every Day

Board of Finance Public Hearing April 21, 2020



Town of Simsbury

FY 2020/2021 BOARD OF SELECTMEN
PROPOSED BUDGET

APRIL 21, 2020

Budget Overview

- \$23,214,826 Town operating budget
 - Does not include cash for capital, debt service, or operating transfers
- Increase of \$995,753 or 4.48%
- Reflects changes from original budget presented by Board of Selectmen
 - No change in pension assumptions
 - Eliminated new Parks Facility Maintenance Technician position
 - Removed four CNR projects and two capital projects
 - Changed funding source for one CNR project and three capital projects from cash to bonds

Budget Drivers

- Contractual Salary Increases
 - Anticipated general wage increases (contingency) - \$169,000
 - Step increases - \$78,844
 - Minimum wage impact - \$44,000 across all departments
- Debt Service
 - Increase of \$548,647 or 11.14%
- Pension/OPEB
 - Increase of \$315,934 or 21%
 - Reflects actuarial required contribution

FY20/21 Service Changes

- Assessor inspection services (\$25,000)
 - Projected to add \$1.724 million to grand list, which will result in approximately \$65,000 in revenue (\$40,000 net of proposed cost)
- Police administration reorganization
 - Upgrade one sergeant position to lieutenant (\$4,260, includes benefits)
 - Deputy Chief position (\$183,872, includes benefits)
- Library materials (\$20,000)
 - Digital and print content for adult, teen, and business

FY20/21 CNR Projects

- General Fund
 - Network Storage - \$130,000
 - 2022 Revaluation - \$60,000
 - Building Department Permit Software Upgrade - \$27,700
 - Soft body armor (partial) - \$10,500
 - Replacement of digital fingerprint system - \$19,000
 - Ash Borer tree mitigation - \$36,500
 - Pickup truck/plow replacement - \$42,000
 - Clubhouse cedar siding staining - \$30,000
 - Simsbury Meadows Band Shell staining - \$20,000
 - Simsbury Farms Recreation building staining - \$35,000
 - Parks/Golf Maintenance Garage ventilation system - \$10,000
 - Ice Rink mechanicals control panel - \$60,000

FY20/21 CNR Projects

- General Fund (continued)
 - Feasibility Study - parking areas at PAC and Curtiss Park - \$30,000
 - Park entrance signs replacement - \$16,000
- Bonds
 - Various drainage improvements - \$125,000
- Grants
 - Dial-A-Ride Van (partial) - \$50,400
 - Soft body armor (partial) - \$10,500
 - One-ton crew leader dump truck - \$51,000 (Town Aid Road)
 - 11' snow plow - \$20,000 (Town Aid Road)

FY20/21 CNR Fund Projects

- Operating Transfers
 - Three police cruisers - \$141,000
 - Truck replacement - \$180,000
- Other Funds
 - Dial-A-Ride Van (partial) - \$12,600 (DAR fund)
 - Two patrol supervisor cruisers - \$110,000 (Private Duty Fund)
 - Mobile Data Terminals - \$55,000 (Private Duty Fund)
 - Eno clock tower repairs - \$21,000 (Eno Trust)
 - Greens mower replacement - \$45,000 (Golf Equipment Fund)
 - Sewer Improvements - \$100,000 (Sewer Use Fund)
 - Woodland St/Hopmeadow St Sewer Upgrade - \$50,000 (Sewer Use Fund)

FY20/21 Capital Fund Projects

- Bonds
 - Radio system upgrade/replacement - \$1,202,000
 - Highway pavement management (partial) - \$605,000
 - Public Works facility paving & storm drainage - \$330,000
 - Sidewalk reconstruction - \$200,000
 - District Network Infrastructure, Board of Ed - \$500,000
- Operating Transfers
 - Highway pavement management (partial) – \$200,000
- Grants
 - Highway pavement management (partial) – \$400,000 (LOCIP & Town Aid Road)
 - Plow truck - \$258,000 (Town Aid Road)

FY20/21 Capital Fund Projects

- Sewer Use Fund
 - Secondary clarifier weir covers - \$275,000
- Capital Fund
 - Greenway improvements - \$135,000