



Town of Simsbury

FY 2018/19 MANAGER'S PROPOSED BUDGET

FEBRUARY 26, 2018

Budget Objectives

- Proposed budget is a starting point
- 1. Maintain current services and programs
- 2. Maintain and invest in existing assets and infrastructure
 - Focus on cash-to-capital for ongoing and routine capital needs
- 3. Advance Board of Selectmen initiatives and priorities
 - Economic Development
 - Response to Deepwater Wind Solar Project
 - Technology for Board of Selectmen meetings

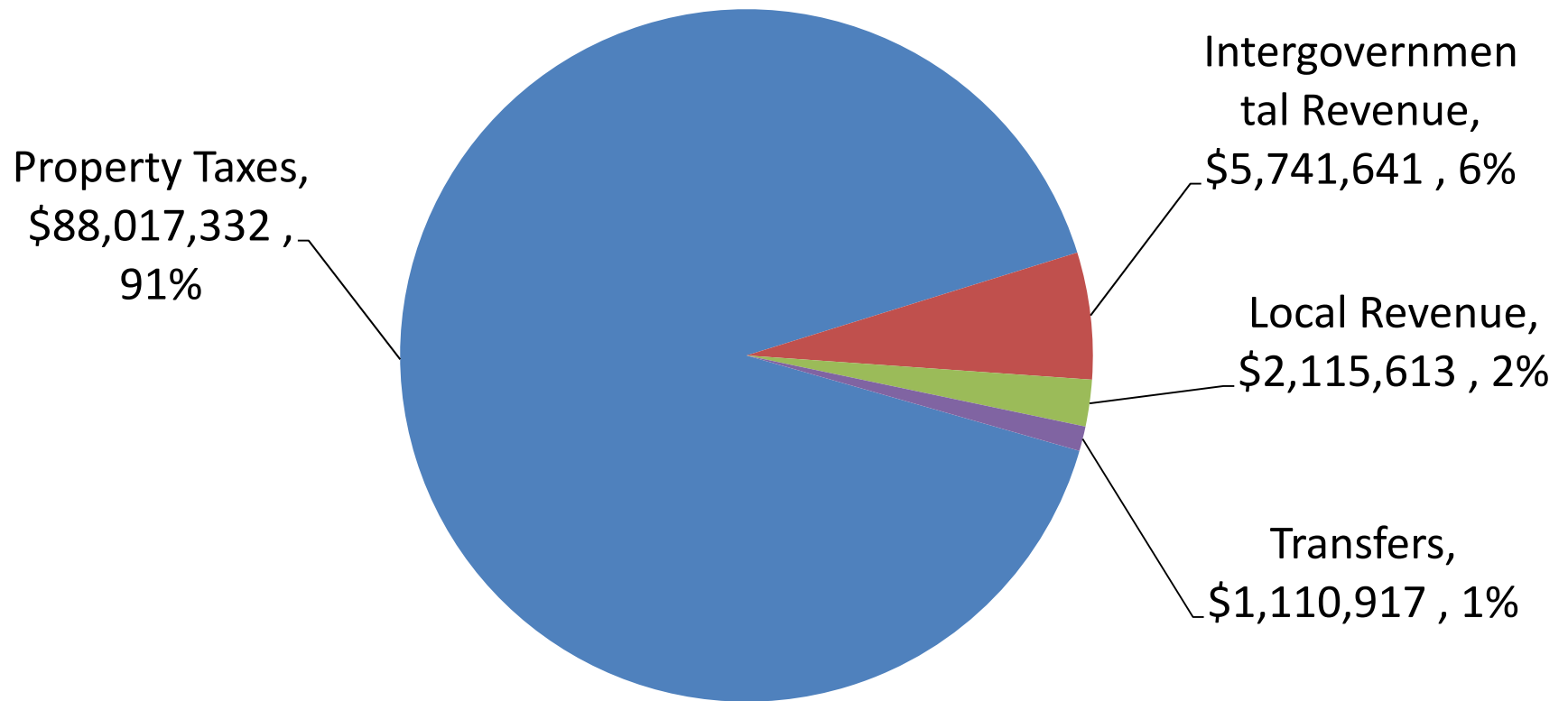
Budget Objectives

5. Maintain or increase Fund Balance and maintain commitment to funding OPEB and pension liabilities
6. Change coding on some line items to increase transparency and consistency in reporting methods
 - Examples: Public agency support, postage, Town Manager's Office budget

FY 18/19 Budget Overview

	<i>Town</i>	\$20,887,861
	<i>BOE</i>	\$69,314,552
	<i>Debt Service and Capital</i>	\$6,239,600
	<i>Non-Public Schools</i>	\$543,490
	General Fund	\$96,985,503
Capital & Nonrecurring Fund (<i>Town</i>)		\$552,750
Capital Fund (<i>Town</i>)		\$2,860,000
Simsbury Farms Special Revenue Fund		\$1,981,983
WPCA		\$3,184,535
Residential Rental Property Fund		\$36,423

FY 18/19 General Fund Revenues: \$96,985,503



FY 18/19 Revenue Outlook – Grand List

- Grand List increased by 6.4% or \$145,778,008
 - Real estate increased by 7.1% or \$142,253,462, primarily from revaluation
 - New growth increased 1.25% or \$28,500,000, of which \$25,000,000 was real estate
 - Motor vehicle increased by 0.7 % or \$1,330,546
 - Personal property increased by 2.6% or \$2,194,020
 - Growth in the grand list will likely result in a mill rate decrease
 - These numbers are based on the most recent information available but are subject to change based upon the outcome of assessment appeals

FY 18/19 Revenue Outlook

- The state cap of 32 mills on the motor vehicle tax has been replaced with a cap of 37 mills and 45 mills for FY18/19
 - Despite the FY17/18 mid-year change to the mill rate cap, the Town opted to keep the motor vehicle mill rate at 32 mills for FY 17/18
 - Assumption was used for budgeting purposes that motor vehicles will have the same mill rate as real estate and personal property for FY 18/19
 - Change in mill rate cap will shift some of the burden from the property tax to motor vehicles

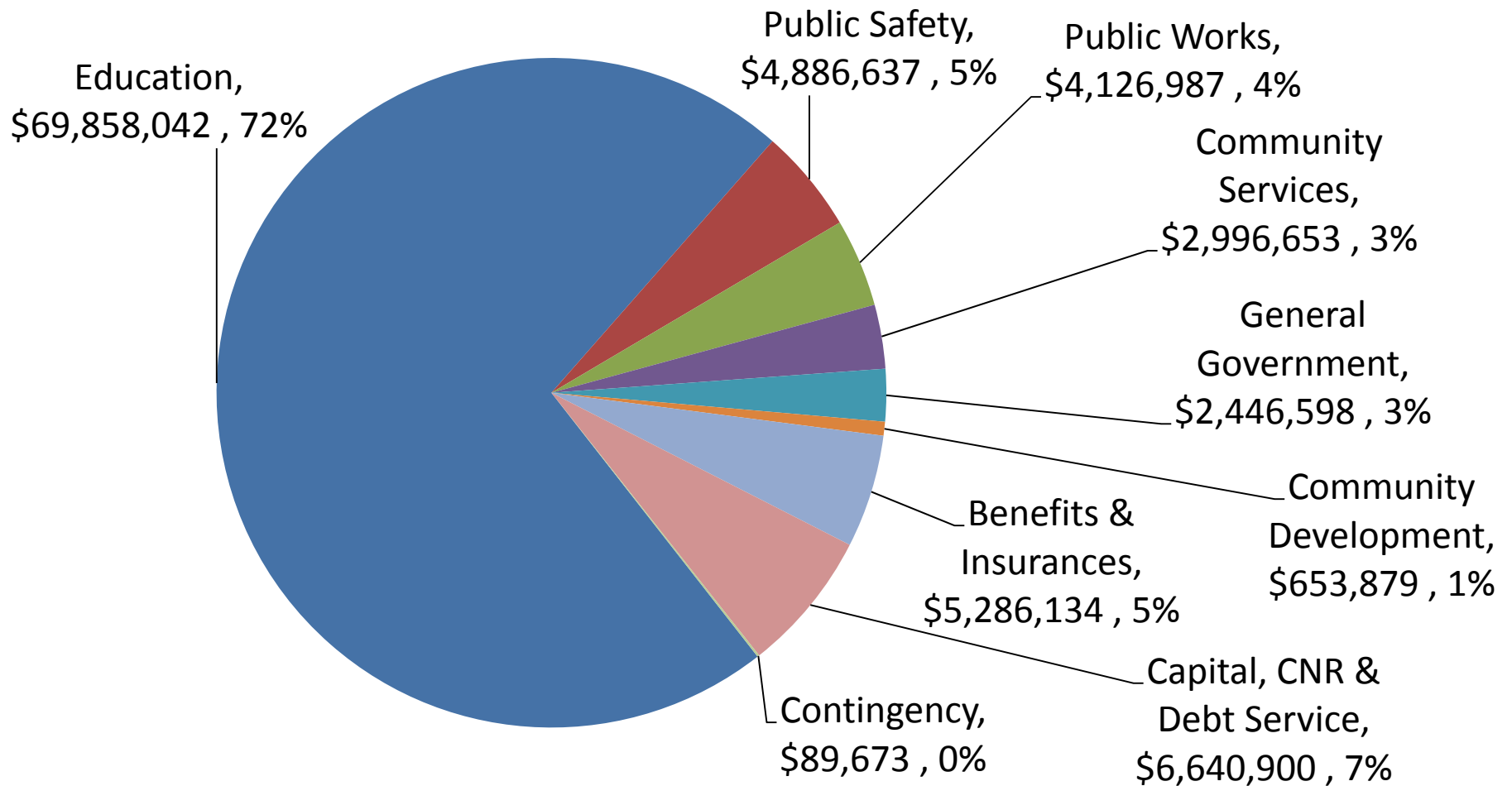
FY 18/19 Revenue Outlook

- Reductions in state aid
 - Fiscal Year 2018/2019 (Based on Governor's Proposed)
 - Loss of \$200,907¹
 - Fiscal Year 2017/2018 (Current Year Anticipated)
 - Loss of \$893,111²
 - Simsbury 17/18 budgeted impact of anticipated loss of state revenue of \$458,931
 - Aggregate actual loss of \$1,094,018
- Elimination of state funding for elderly circuit breaker program (now an unfunded mandate)
 - Revenue loss of \$72,000

¹17/18 anticipated following mid-year holdbacks compared to Governor's 18/19 proposed

²16/17 actuals compared to 17/18 anticipated following mid-year holdbacks

FY 18/19 General Fund Expenditures: \$96,985,503



FY 18/19 General Fund Expenditures

General Fund	FY 17/18	FY 18/19	\$ Amt. Incr. or Dec.	% Incr. or Dec.
Town	\$20,104,910	\$20,887,861	\$782,951	3.89%
BOE	\$68,125,170	\$69,314,552	\$1,189,382	1.75%
Debt Service & Capital	\$5,329,825	\$6,239,600	\$909,775	17.1%
Non-Public Schools	\$544,266	\$543,490	(\$776)	-0.14%
Contingency ¹	<u>\$2,500,000</u>	<u>\$0</u>	<u>(\$2,500,000)</u>	<u>-100%</u>
General Fund Total	\$96,604,171²	\$96,985,503²	\$381,332	0.39%

¹For Teachers Retirement contribution and anticipated loss in state revenue

²Does not include anticipated contribution to Fund Balance

FY 18/19 Expenditure Trends

- \$782,951 (3.89%) increase to Town Government without \$2.5M contingency included
- \$1,717,049 (-7.6%) decrease to Town Government with \$2.5M contingency included
- \$431,115 decrease would be needed to Town Government to reach Board of Finance 1.75% expenditure increase guidance
 - This would likely result in service reductions and/or or a deviation from existing financial policies and practices (i.e. fund balance, debt service, funding of liabilities)
 - Policy guidance from the Board of Selectmen would be needed to achieve Board of Finance guidance

FY 18/19 Expenditure Trends

- Increases to Town Government
 - \$271,310 increase for contractual wage and step increases
 - \$231,978 increase to restore funding for ongoing operating expenditures funded in FY 17/18 with reserve funds
 - \$69,695 increase for health insurance
 - \$33,300 increase for utilities (fuel, heating, electricity)
 - \$24,536 increase for Board approved upgrade to (Library) Head of Borrowing and Technical Services position

FY 18/19 Expenditure Trends

- Increases to Town Government Continued
 - \$25,000 increase for software costs
 - \$15,000 annual maintenance fee for server and disaster recovery software
 - \$10,000 for Microsoft Exchange online (Cloud) implementation
 - \$35,000 increase in operating budget to partially restore paving funds
 - \$10,000 increase to Simsbury Farms Special Revenue Fund

FY 18/19 Expenditure Trends

- Increases to Town Government Continued
 - \$80,000 increase to Public Agency Support to fund the Simsbury Volunteer Ambulance Association
 - Service Enhancements
 - \$5,000 for organization-wide leadership development and supervisory training
 - \$7,000 for the addition of one “café style” meal per week at the Senior Center, an estimated cost of 42 cents per meal served
- \$1,189,382 (1.75%) increase to BOE

FY 18/19 Expenditure Trends

- Decreases to Town Government
 - (\$2,500,000) decrease in contingency funds for anticipated losses in state revenue and contribution to the Teachers Retirement System
 - (\$11,727) decrease in workers compensation insurance premiums
 - (\$848,890) decrease in debt service payments (funding reallocated for cash-to-capital)

Board of Selectmen Initiatives

- Economic Development
 - Technical assistance and/or an economic development study or strategic plan, to include a community engagement component
 - \$60,000, budgeted in CNR
 - Main Street Partnership
 - \$45,000, budgeted in existing economic development budget
 - Simsbury Chamber of Commerce
 - \$825, membership dues budgeted in Board of Selectmen budget

Board of Selectmen Initiatives

- Response to Deepwater Wind Solar Project
 - Soil and water monitoring, testing, on-site inspections, legal
 - \$50,000, budgeted in CNR
- Technology for Board of Selectmen meetings
 - Electronic Devices
 - \$5,000 budgeted in CNR

Use of Reserves to Fund Operating Budget

<u>Department</u>	<u>Amount</u>	<u>Notes</u>
BOS	\$80,000	SVAA operating support - funded through GF transfer
Police	\$2,500	Taser training cartridges - funded through private duty fund
Police	\$7,800	Ammunition - funded through private duty fund
Police	\$2,500	Soft body armor - funded through private duty fund
Police	\$10,000	Vehicle maintenance - partially funded through private duty fund
Public Works	\$127,000	One time use of TAR in FY18 of 127k, but down multi years
Probate	\$2,178	Use of Simsbury share of Probate SRF fund balance
TOTAL	\$231,978	

Public Agency Support

- Public agency support totals \$151,105
- Develop an application and review process for agencies making funding requests to the Town

Human Services Agencies:	Funding Amount Requested/Budgeted
VNA	\$33,000
No. Central Mental Health Board	\$1,645
Housing Education Resource Center	\$500
Hartford Interval House	<u>\$500</u>
<i>Subtotal</i>	\$35,645
Other Agencies:	
Simsbury Volunteer Ambulance	\$80,000
No. Central EMS Council	\$21,847
SCTV	\$5,000
Farmington River Watershed	\$4,851
Greater Hartford Transit District	\$3,762
<i>Subtotal</i>	\$115,460
TOTAL	\$151,105

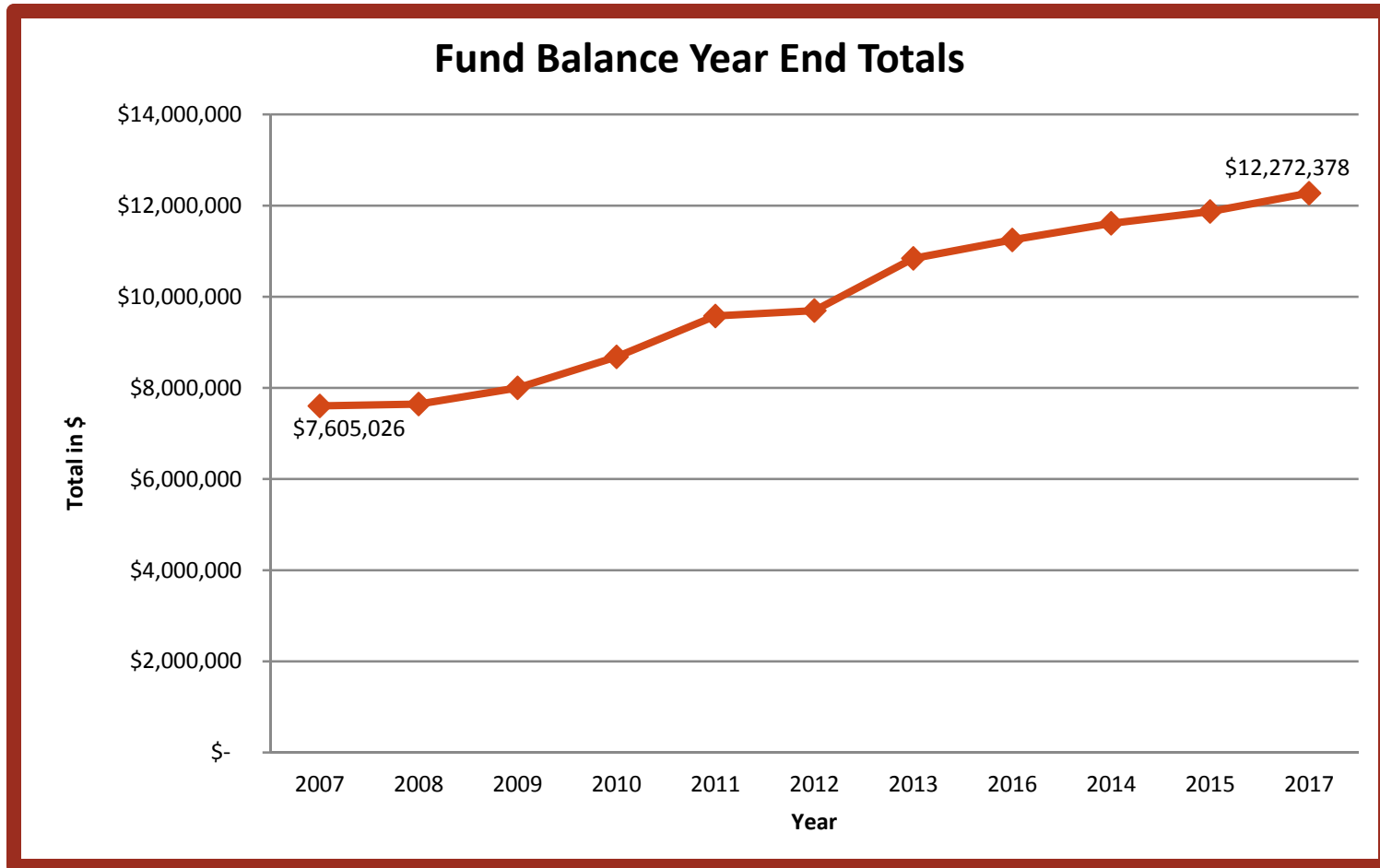
Simsbury Farms Special Revenue Fund

- Increased General Fund contribution by \$10,000
- Decreased expenditures by \$10,000
- Increased revenue projections by \$10,000, which may require fee adjustments for programs
- The Fund has finished in a deficit position 6 out of 7 years since cost shifts were implemented in 2011.
- Recommend that a cost recovery analysis and discussion occur regarding programming and community use of the larger Culture, Parks and Recreation Department

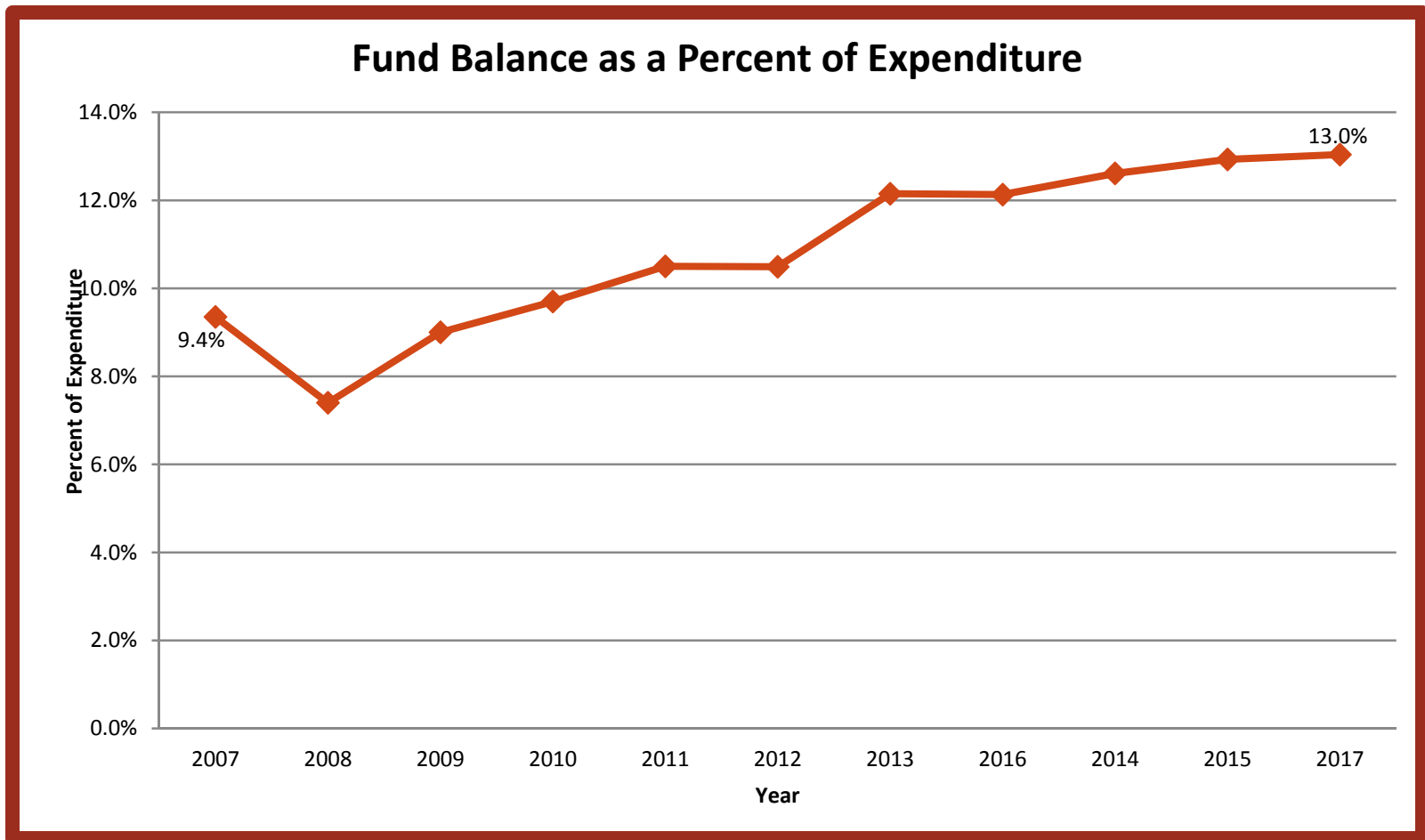
Fund Balance

- Projected Fund Balance contribution of \$1,000,000
 - Fund balance contribution funded by unused expenditure contingency budgeted in FY18 and the difference between anticipated property tax collection rate (99.5%) and budgeted property tax collection rate (98.5%)
- Projected Fund Balance at 18/19 year-end to be 13.8%
- Since the state's financial crisis has occurred, bond rating agencies are now recommending Fund Balance be 15-17% of General Fund expenditures

Fund Balance



Fund Balance



FY 18/19 Town Capital & Non-Recurring Fund: \$552,750

- CNR Fund for Town includes:
 - Capital expenditures under \$100,000
 - 1-time expenditures such as studies
 - Funding for revaluation
- Revenue sources:
 - General Fund contribution - \$416,250
 - Transfer in from Capital (cash) - \$136,500

FY 18/19 Town Capital & Non-Recurring Fund

- CNR Fund Town planned uses:
 - Studies/Technical assistance
 - Economic Development - \$60,000
 - Deepwater Wind response - \$50,000
 - Radio System feasibility study – Phase I - \$40,000
 - Revaluation (Year 1 of 4) - \$62,500
 - Fleet
 - Replacement patrol vehicles (3), Police - \$111,000
 - Replacement dump truck, Buildings and Grounds - \$48,500

FY 18/19 Town Capital & Non-Recurring Fund

- CNR Fund Town planned uses continued:
 - Equipment
 - Replacement front end rotary mower, Parks and Recreation - \$70,000
 - Replacement ice resurfer, Parks and Recreation - \$50,000
 - Replacement AEDs (9), Police - \$19,200
 - Replacement computers for the Library Children's Room and staff - \$10,850
 - Replacement tractor winter attachments, Buildings and Grounds - \$7,200
 - Electronic devices for Board of Selectmen - \$5,000
 - Buildings
 - Repairs to Eno Hall stairway and railings - \$18,500

FY 18/19 Capital Budget Revenues: \$2,860,000¹

General Fund (Cash)	\$1,840,000	64%
State Grant for Multi-Use Trail	\$1,020,000	36%
TOTAL	\$2,860,000¹	100%

FY 18/19 Capital Budget Expenditures: \$2,860,000¹

Culture, Parks and Recreation	\$1,420,000	49%
Public Works	\$1,440,000	51%
TOTAL	\$2,860,000¹	100%

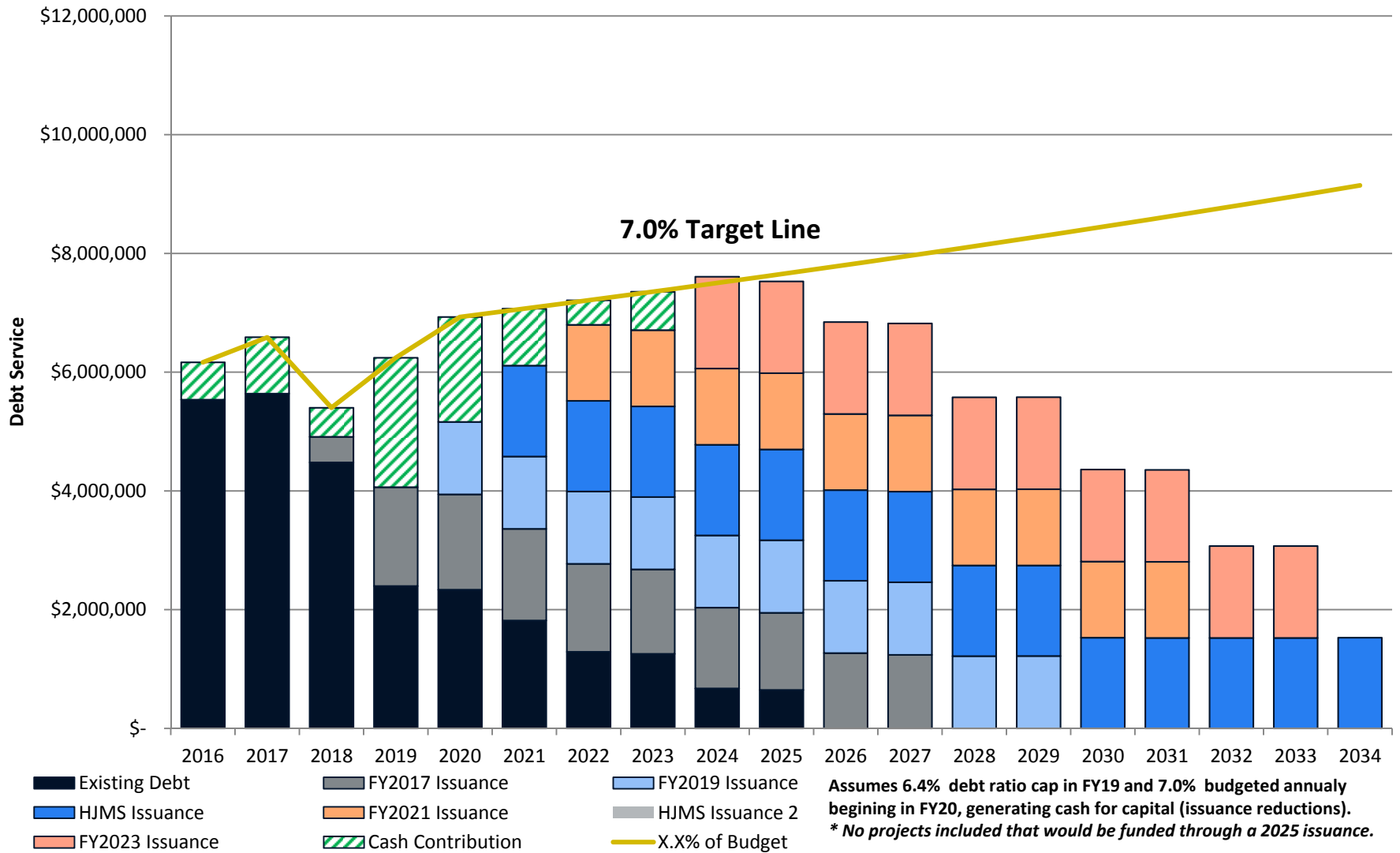
¹Does not include education projects or town projects in special revenue funds



Capital Fund Major Projects

- Culture, Parks and Recreation
 - Expansion of multi-use trail - \$1,020,000
 - Regional initiative, grant funded
 - Greenway improvements (i.e. resurfacing, fence repairs, tree work) - \$300,000
 - Golf course irrigation system feasibility study - \$100,000
- Public Works
 - Pavement of roads - \$850,000
 - Sidewalk resurfacing - \$300,000
 - Replacement dump truck - \$180,000
 - Ash borer tree mitigation - \$110,000

Capital budget FY19-FY24
(HJMS Phase 3 financed with 15 year bonds)
Town Manager Recommended - February 22, 2018



Impact on Taxpayer

Based on Manager's proposed budget mill rate decreases from 38.76* mills to 36.56 mills

Mill rate increases from 32 mills to 36.56 mills for motor vehicles

**38.76 mills does not include Fire District*

Sample Tax Impact

On a Median Valued Single Family Home

Current Valuation	\$213,775 ¹
Proposed Taxes (36.56 mills)	\$ 7,816
Current Taxes (38.76 mills)	<u>\$ 8,286</u>
Decrease	\$ (470)
Percentage Change	(5.7%)

If a median valued single family home was valued at approximately 6% less prior to revaluation, the tax impact would essentially be flat.

¹Median single family home price, 100% of assessed value is \$305,392. \$213,775 reflects 70% of assessed value.

Where do the tax dollars go?

Education	\$	5,630	72%
Debt Service, CNR and Capital	\$	535	7%
Benefits & Insurances	\$	426	5%
Public Safety (excluding Fire District)	\$	394	5%
Public Works	\$	333	4%
Community Services	\$	241	3%
General Government	\$	197	3%
Community Development	\$	53	1%
Contingency	\$	7	0.1%
TOTAL		\$7,816	100%

Budget Summary

- Highlights
 - Funds current services and programs
 - Invests in existing infrastructure and assets, utilizing cash-for-capital
 - Restores funding for ongoing operating expenditures funded in FY 17/18 with reserve funds
 - Advances Board of Selectmen initiatives such as economic development
 - Addresses impact of Governor's budget proposal and recent reductions in state aid

Budget Summary

- Suggested future areas of focus
 - Continue to monitor state budget/intergovernmental revenue
 - Monitor the status of assessment appeals due to revaluation, and the potential impact on our revenue and mill rate projections
 - Focus on cash-to-capital for ongoing and routine capital needs
 - Develop an application and review process for public agency funding requests

Budget Summary

- Suggested future areas of focus
 - Engage in a cost recovery analysis and discussion regarding programming and community use of the larger Culture, Parks and Recreation Department
 - Increase Fund Balance and maintain commitment to funding OPEB and pension liabilities
 - Continue making improvements to budget document to reflect GFOA recommended best practices

Budget Workshops

Board members are encouraged to:

- ✓ Flag items for further discussion
- ✓ Ask questions
 - When possible, send questions to the Town Manager in advance of the workshop (helps to expedite responses)

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Annual

Filters Views

What is the spending breakdown by department for the Town's General Fund?

What are the funding sources for the Town's General Fund and Education?

What is the Board of Selectman General Fund Breakdown by expenditure type?

What is the Board of Selectman General Fund budget breakdown by service area?

How much is spent on overtime?

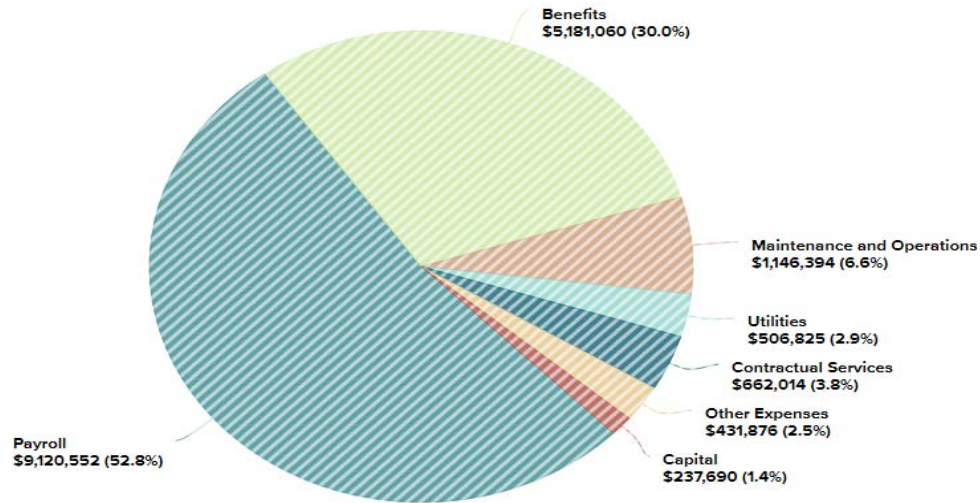
How much is spent on utilities to support Town buildings and services?

How much is spent on Town employees?

How much does the Town spend on Capital Improvement Projects and capital equipment?

How has the source of funding changed over time?

Presentation >



Sort Large to Small ▾

- Payroll
- Benefits
- Maintenance and Opera...
- Utilities
- Contractual Services
- Other Expenses
- Capital



Budget Dates

Town Manager budget presentation to Board of Selectmen	February 26, 2018
Board of Selectmen budget workshop	March 10, 2018
Board of Education budget presentation to Board of Finance	March 13, 2018
Board of Selectmen budget adoption	March 12 or 15, 2018
Board of Selectmen budget presentation to Board of Finance	March 20, 2018
Board of Finance public hearing on the budget <i>Must be published in newspaper by Saturday, 3/31</i>	April 5, 2018
(Anticipated) Board of Finance hearing continuation and budget approval <i>Budget filed with Town Clerk by Friday, 5/4</i>	April 24, 2018
Anticipated budget referendum	May 15, 2018
<i>Dates and Times Subject to Revision</i>	

