



TOWN OF WINCHESTER – CITY OF WINSTED

Office of the Town Manager, Town Hall

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March 15, 2012

Board of Selectmen
Town of Winchester
338 Main Street
Winsted CT 06098

Dear Honorable Selectmen:

In accordance with the Town of Winchester Charter, §1106 Duties of the Manager on the Budget, please find enclosed my proposed budget for Fiscal Year 2012-2013. The budget document is the culmination of many hours of consultation with and preparation by the various department supervisors and me. It has been a challenging process given the current economic conditions.

In summary, the proposed budget of \$32,938,983 includes a \$2,206,460 increase (7.18%) in expenditures: \$1,358,149 to satisfy the state-mandated Minimum Budget Requirement for education that was not included in last year's adopted budget and \$848,311 for town personnel, programs, and projects. When changes in revenues are considered (state revenues, grand list growth, grants, etc.), these expenditures will be funded by an additional \$2,293,198 in local property taxes (2.87 mills). This increase represents the first significant increase (more than one mill) in local property taxes since 2005.

This increase is proposed to address some of the critical needs of the town that have been neglected, most notably the town's infrastructure. New equipment, especially in the Police, Fire, and Public Works Departments, is also proposed to be acquired. Other needs have been set aside for the time being, recognizing the fact that all needs cannot be addressed in one budget.

Some of the increased expenditures are the result of rising health care costs: the renewal cost for the town's medical benefits was nearly an 11% increase. In order to minimize the cost of that increase, no wage increases (other than current contractual obligations) have been included in the proposed budget. The final impact of the personnel costs will not be realized, however, until several contracts are negotiated later this year.

The challenge will continue to be to provide satisfactory (not simply adequate) governmental services to residents, but General Government expenditures (Town Hall departments other than Police) are reduced by over 15%. The most significant reduction proposed is actually from the Board of Selectmen. Although the town has been previously cited for maintaining an inadequate Fund Balance (reserve funds necessary for unplanned expenditures and to support any long-term financing

initiatives), it is simply not possible to raise the Fund Balance to the desired level (at a minimum, 5% of expenditures) in only one year: the 2011-2012 \$735,000 appropriation to enhance the Fund Balance has been reduced to \$200,000.

Other highlights of the proposed operational budget include the following:

- \$171,000 in revenue from State Municipal Revenue Diversification (replaces Manufacturing, Machinery, and Equipment funding);
- \$250,000 in revenue from State Local Capital Improvement Program funding;
- \$125,000 in revenue from State Small Town Economic Assistance Program funding;
- \$50,000 in revenue from the sale of Town equipment;
- \$200,000 as a contribution to enhancing the Town's Fund Balance;
- \$30,000 for partial salary payment for the Winchester Public Schools Director of Business Services (to address auditor comments regarding support for the Town Finance Director and to attempt to satisfy the 2010 charter change for additional cooperation between the town and the Board of Education);
- \$50,000 for re-development of the Town's planning and zoning regulations;
- \$6,500 for additional water quality testing and monitoring at Highland Lake;
- \$135,000 for reorganizing the Community Development Department, including contracted planning services, a part-time Inland Wetlands Officer, and a part-time Economic Development Coordinator, all supported by a full-time secretary;
- \$16,500 to restore test funding to the Town's Civil Service Commission;
- \$5,000 in additional funds for Friends of Main Street;
- \$300,000 for training and staffing to replace retiring patrol officers;
- \$33,500 for a Deputy Public Works Director salary to reduce outside engineering costs (related Engineering Services funding reduced);
- \$50,000 to rebuild catch basins and drainage structures throughout the Town;
- \$200,000 for road maintenance (patching and limited paving) and road improvements (crack and chip sealing);
- \$4,200 for a new lawn mower to replace the Recreation Department's current fifteen-year-old mower; and,
- \$19,575 reduction in debt service costs.

Included in the 2012-2013 capital improvements budget are the following expenditures:

- \$10,000 for exterior brick repair at Town Hall;
- \$69,807 for Police Department vehicles (two), interior restoration, and software upgrades;
- \$216,805 for Fire Department vehicle, protective gear, additional equipment, and interior and exterior work at fire halls (funded, in part, through State Local Capital Improvement Program revenues);
- \$983,412 for Highways, including the reconstruction of Newfield Road and Munro Place, completion of the design work for Holabird Avenue (and bridge; will then qualify for federal/state reconstruction funding), two new snow plows, and a roadside mower (funded, in part, through State Local Capital Improvement Program revenues); and

- \$125,000 for construction of permanent restroom facilities near Walker and Ryan Fields (funded through State Small Town Economic Assistance Program revenues).

At first glance, the proposed millage increase is somewhat daunting: the last such increase was in 2001, when the millage rate increased by 2.67 mills. When considered as part of a four-year cycle, however, the average millage increase over the most recent four years (including the proposed 2.87 mills for this budget) is only 0.9 mills. Those years of limited investment in infrastructure have taken a deep toll, as most noticeably evidenced by the condition of the roads (2009-2010 Road Improvement expenditures totaled \$968). Other infrastructure that is not as visible has suffered, too: underground drainage, which leads to accelerated deterioration of the roads; the Police Department facilities are sadly aged and out-of-compliance with many standards and practices; and over half (8 of 15) of the Public Works trucks are twelve-years-old or older (three are seventeen years or older).

For comparative purposes as to the financial impact upon the residents of Winchester, please consider the information in Table 1. For a homeowner with a home assessed at \$200,000 (the Town median assessment is approximately \$120,000), the proposed millage would make a homeowner's real property tax bill \$5,660. I have also included columns for motor vehicle assessments.

TABLE 1

Assessed Value	100,000	200,000	300,000	400,000	500,000	10,000	15,000
Annual Taxes	2,830	5,660	8,490	11,320	14,150	283	424
Gen. Government	194	387	581	774	968	19	29
Police	325	650	975	1300	1625	33	49
Fire	44	88	132	176	221	4	7
Dispatch	35	69	104	138	173	3	5
Outside Agencies	68	136	204	272	340	7	10
Public Works	222	443	665	887	1108	22	33
Street Lighting	16	31	47	63	78	2	2
Landfill	45	90	135	180	225	5	7
Insurance	51	103	154	205	257	5	8
Capital Outlay	116	232	348	465	581	12	17
Debt Service	78	157	235	314	392	8	12
Retiree Benefits	45	90	135	180	225	4	7
Pension	17	33	50	67	83	2	2
Rec. and Seniors	45	90	135	180	225	4	7
Other Public Safety	7	13	20	27	33	1	1
Other	29	57	86	114	143	3	4
Board of Ed	<u>1495</u>	<u>2989</u>	<u>4484</u>	<u>5978</u>	<u>7473</u>	<u>149</u>	<u>224</u>
	2,830	5,660	8,490	11,320	14,150	283	424

With the proposed millage rate of 28.30, the homeowner of a \$200,000 (assessed) home would pay \$88 *per year*, or approximately twenty-four cents *per day* for fire protection (similarly, police services would cost the same homeowner \$1.78 *per day*). Compare the cost (and value) of those two town services with the cost of your monthly cable television and internet services, which probably cost you at least \$100 *per month*.

Table 2, below, illustrates how the proposed millage and Town expenditures are apportioned, both by millage rate and dollar amounts.

TABLE 2

Assessed Value	Millage	Change	Percent	Net
Annual Taxes	28.30	2.87	100.00%	22,809,537
Gen. Government	1.94	0.16	6.84%	1,560,332
Police	3.25	0.27	11.49%	2,619,930
Fire	0.44	0.04	1.56%	355,535
Dispatch	0.35	0.03	1.22%	278,445
Outside Agencies	0.68	0.06	2.40%	548,248
Public Works	2.22	0.19	7.83%	1,786,660
Street Lighting	0.16	0.01	0.55%	126,320
Landfill	0.45	0.04	1.59%	363,233
Insurance	0.51	0.04	1.81%	413,655
Capital Outlay	1.16	0.10	4.10%	936,262
Debt Service	0.78	0.07	2.77%	632,332
Retiree Benefits	0.45	0.04	1.59%	362,389
Pension	0.17	0.01	0.59%	134,074
Rec. and Seniors	0.45	0.04	1.59%	362,395
Other Public Safety	0.07	0.01	0.23%	53,399
Other	0.29	0.02	1.01%	230,229
Board of Ed	<u>14.95</u>	<u>1.74</u>	<u>52.81%</u>	<u>12,046,099</u>
	28.30	2.87	100.00%	22,809,537

As I have shared with many of you, when I started here last April, I came across a copy of the November, 2009, issue of *Connecticut Magazine*. The cover screamed, "Rating the Towns: See How Your Town Stacks Up." On page 54, the ratings showed that every other Connecticut town of 10,000-15,000 residents was stacked on top of Winchester: we were rated dead last of the similarly-sized twenty-three towns. We have to change.

I have heard first-hand from you and other residents about the problems of Winchester: the historic animosities, the partisan bickering, and the decaying town. As a new resident, I am not burdened with some of that baggage, but I experience the effect: I see it across the street from Town Hall *every day*, I feel it on the roads *every day*, I hear it from you *every day*. Nonetheless, for some reason, you and the residents of Winchester have come to accept this situation, living with it for decades. If you are satisfied with the status quo, with being Number 23, then you make my job infinitely easier: I simply have to do nothing.

I am not satisfied with Number 23, nor will I be satisfied with 20. I see wonderful people in a town wracked with a lack of confidence; beautiful natural resources that are underappreciated; and a downtown just waiting for something good to happen. We have to change. The recent efforts of no increased investment have brought us to where we are today, and I challenge you to show me how it has been successful in enhancing our community and quality of life. I was told by a resident that if I would discard the status quo, demonstrate transparency, institute accountability, and accurately assess the needs of the Town, she would consider paying higher taxes. I present this proposed 2012-2013 budget to you as my effort to change.

This proposed budget is the result of the efforts and support of many department supervisors and other Town staff, without whose assistance I would be hopelessly adrift. The Town staff may not necessarily agree with some of my budget decisions, but I believe that they, too, realize that we simply cannot continue to do things in the same manner that we have done them over the past few years. I wish to thank the staff for their expertise and support, especially Ms. Laurie Bessette, who, as my Assistant, has to deal with me pretty much every hour of every day, and Mr. Henry Centrella, whose experience and insight has been of invaluable assistance.

I also wish to thank you, the Board of Selectmen, for the opportunity to serve this community and to confront and *overcome* the challenges before us. I look forward to being a part of the future of Winchester.

Sincerely,



Dale L. Martin
Town Manager

Encl: Town Manager Budget Tax Increase Analysis 2012-2013
Town of Winchester Fiscal Year 2012/2013- Revenues
Town of Winchester Fiscal Year 2012/2013- Expenditures
Town Budget by Department- 2012/2013

Town Manager Budget Tax Increase Analysis 2012-2013

	<u>Town</u>	<u>BOE</u>	<u>Total</u>
Increase (Decrease) in expenditures	848,311	1,358,149	2,206,460
(Increase) Decrease in State Revenue Regular	(157,172)	32,410	(124,762)
(Increase) Decrease in State Revenue Reimbursements	343,500	0	343,500
(Increase) Decrease in Local Revenue	<u>3,000</u>	<u>0</u>	<u>3,000</u>
	1,037,639	1,390,559	2,428,198
(Increase) Decrease in Grand List Growth	<u>(135,000)</u>	<u>0</u>	<u>(135,000)</u>
Total Increase (Decrease) in Taxes	902,639	1,390,559	2,293,198
Approx mill value	1.13	1.74	2.87

	<u>Adopted BOE 2011-2012</u>	<u>MBR Mandated Increase 11-12</u>	<u>MBR Compliant BOE 2011-2012</u>	<u>Adopted BOE 2010-2011</u>
Expenditures	18,600,000	1,358,149	19,958,149	19,043,536
Local Revenues	0	0	0	0
State- Regular	7,944,460	0	7,944,460	6,877,352
State-Reimb	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net from Taxes	10,655,540	1,358,149	12,013,689	12,166,184

	<u>Adopted Town 2011-2012</u>	<u>MBR Mandated Changes 11-12</u>	<u>MBR Compliant Town 2011-2012</u>	<u>Adopted Town 2010-2011</u>
Expenditures	12,132,523	(1,115,145)	11,017,378	11,595,723
Local Revenues	1,196,302	0	1,196,302	1,265,490
State- Regular	491,922	243,004	734,926	743,003
State-Reimb	<u>718,500</u>	<u>0</u>	<u>718,500</u>	<u>1,348,900</u>
Net from Taxes	9,725,799	(1,358,149)	8,367,650	8,238,330
Total From Taxes	20,381,339	0	20,381,339	20,404,514

	<u>Proposed BOE 2012-2013</u>	<u>MBR Compliant BOE 2011-2012</u>	<u>Variance</u>
Expenditures	19,958,149	19,958,149	0
Local Revenues	0	0	0
State- Regular	7,912,050	7,944,460	(32,410)
State-Reimb	<u>0</u>	<u>0</u>	<u>0</u>
Net from Taxes	12,046,099	12,013,689	32,410

	<u>Proposed Town 2012-2013</u>	<u>MBR Compliant Town 2011-2012</u>	<u>Variance</u>
Expenditures	12,980,834	11,017,378	1,963,456
Local Revenues	1,193,302	1,196,302	(3,000)
State- Regular	649,094	734,926	(85,832)
State-Reimb	<u>375,000</u>	<u>718,500</u>	<u>(343,500)</u>
Net from Taxes	10,763,438	8,367,650	2,395,788
Total From Taxes	22,809,537	20,381,339	2,428,198

TOWN BUDGET BY DEPARTMENT-2012/2013

	2012/2013	2011/2012	DOLLAR	PERCENT
DESCRIPTION	BUDGET	BUDGET	CHANGE	CHANGE
GENERAL GOVERNMENT:				
BOARD OF SELECTMEN	236345	780024	-543679	-69.70%
TOWN MANAGER	168546	184366	-15820	-8.58%
PROBATE COURT	7035	7029	6	0.09%
REGISTRAR OF VOTERS	68338	54018	14320	26.51%
ACCOUNTING	201259	164166	37093	22.59%
ASSESSOR	226021	235921	-9900	-4.20%
BOARD OF TAX REVIEW	3708	3198	510	15.95%
TAX COLLECTOR	95613	77965	17648	22.64%
TREASURER	5716	5716	0	0.00%
TOWN ATTORNEY	77000	70656	6344	8.98%
TOWN CLERK	190366	183673	6693	3.64%
LAUREL CITY COMMISSION	3000	4414	-1414	-32.03%
PLANNING & ZONING COMM	59740	46614	13126	28.16%
ZONING BOARD OF APPEALS	2477	2476	1	0.04%
ADVISORY COMM FOR DISABLED	1000	942	58	6.16%
ECONOMIC DEVELOPMENT COMM	7290	11998	-4708	-39.24%
HIGHLAND LAKE	23112	16500	6612	40.07%
BUILDINGS - TOWN HALL	195507	202469	-6962	-3.44%
SOLDIERS MONUMENT COMM	8505	7210	1295	17.96%
LITCHFIELD CONSERVATION DIST	1840	1768	72	4.07%
CONSERVATION COMMISSION	300	294	6	2.04%
INLAND WETLANDS COMM	3950	4680	-730	-15.60%
PURCHASING/DATA PROCESS	189250	156231	33019	21.13%
PLANNING & COMMUNITY DEVEL	182550	136853	45697	33.39%
REDEVELOPMENT AGENCY	5540	540	5000	925.93%
CIVIL SERVICE COMMISSION	22000	2710	19290	711.81%
FRIENDS OF MAIN STREET	12500	7500	5000	66.67%
GENERAL GOVERNMENT	1998508	2369931	-371423	-15.67%
PUBLIC SAFETY:				
POLICE	2976607	2673602	303005	11.33%
FIRE	400003	377520	22483	5.96%
BUILDING DEPARTMENT	210326	254940	-44614	-17.50%
CIVIL PREPAREDNESS	10000	9197	803	8.73%
AMBULANCE	76475	76475	0	0.00%
DOG ACCOUNT	39362	37223	2139	5.75%
WINCHESTER FIRE DEPT	42806	42806	0	0.00%
PUBLIC SAFETY DISPATCH	313007	302445	10562	3.49%
PUBLIC SAFETY	4068586	3774208	294378	7.80%

TOWN BUDGET BY DEPARTMENT-2012/2013

	2012/2013	2011/2012	DOLLAR	PERCENT
DESCRIPTION	BUDGET	BUDGET	CHANGE	CHANGE
PUBLIC WORKS:				
HIGHWAYS	1977109	1788018	189091	10.58%
CEMETERIES	43688	40152	3536	8.81%
LANDFILL	408320	405320	3000	0.74%
STREET LIGHTING	142000	130617	11383	8.71%
PUBLIC WORKS	2571117	2364107	207010	8.76%
HEALTH				
	300142	298075	2067	0.69%
LIBRARY				
	196082	194141	1941	1.00%
PARKS/RECREATION/SENIORS:				
PARKS	10072	11745	-1673	-14.24%
PUBLIC CELEBRATIONS	1	1	0	0.00%
RECREATION	232841	212361	20480	9.64%
SENIOR CITIZENS	173940	168106	5834	3.47%
RURAL TRANSIT AUTHORITY	2327	1965	362	18.42%
PARKS/RECREATION/SENIORS	419181	394178	25003	6.34%
MISCELLANEOUS:				
HEART & HYPER POLICE MEDICAL	119325	107500	11825	11.00%
PUBLIC WORKS RETIRE MEDICAL	11322	10200	1122	11.00%
POLICE RETIREES MEDICAL	11433	10300	1133	11.00%
MEDICAL BENEFITS - FIREMEN	23643	21300	2343	11.00%
MEDICAL BENEFITS -PW DIR RETIREE	0	14400	-14400	-100.00%
MEDICAL BENEFITS - POL SECR RETIRE	7548	6800	748	11.00%
HEART & HYPERTENSION	234100	198500	35600	17.93%
BLOOD/AIRBORNE PATHOGENS	0	1449	-1449	-100.00%
DRUG/ALCOHOL TESTING	1000	1449	-449	-30.99%
SENIOR TAX PROGRAM	9069	9069	0	0.00%
VOLUNTEERS TAX INCENTIVES	1	1	0	0.00%
LAUREL COMMONS TAX ABATE	0	0	0	ERR
E & E TOOL ABATEMENT	0	2974	-2974	-100.00%
UNNEGOTIATED SETTLEMENTS	52505	28700	23805	82.94%
TELEPHONE	24000	24000	0	0.00%
TELEPHONE MAINTENANCE	2500	2500	0	0.00%
POSTAGE	26000	25000	1000	4.00%
PHOTOCOPYING	20000	20000	0	0.00%
CONTRIBUTIONS-TOWN & ED	2	2	0	0.00%
MISCELLANEOUS	542448	484144	58304	12.04%
SICK AND VACATION				
	20000	15000	5000	33.33%
TOTAL ACCRUED BENEFITS	20000	15000	5000	33.33%

TOWN BUDGET BY DEPARTMENT-2012/2013

	2012/2013	2011/2012	DOLLAR	PERCENT
DESCRIPTION	BUDGET	BUDGET	CHANGE	CHANGE
CROSSING GUARDS	59208	59208	0	0.00%
CLAIM SETTLEMENTS	1	1	0	0.00%
PENSION	150716	145878	4838	3.32%
MUNICIPAL INSURANCE	465000	387338	77662	20.05%
UNEMPLOYMENT	5000	5000	0	0.00%
TOWN SUB-TOTAL	10795989	10491209	304780	2.91%
CAPITAL OUTLAY:				
EDUCATION	0	388500	-388500	-100.00%
GENERAL GOVERNMENT	60000	50000	10000	20.00%
POLICE	69807	119607	-49800	-41.64%
FIRE	216805	290805	-74000	-25.45%
BUILDING DEPARTMENT	0	0	0	ERR
HIGHWAYS	983412	62006	921406	1485.99%
CEMETERIES	11000	0	11000	ERR
RECREATION	133000	0	133000	ERR
SENIOR CITIZENS	0	0	0	ERR
CAPITAL OUTLAY	1474024	910918	563106	61.82%
TOTAL TOWN W/O DEBT	12270013	11402127	867886	7.61%
DEBT SERVICE	710821	730396	-19575	-2.68%
TOTAL TOWN WITH DEBT	12980834	12132523	848311	6.99%

TOWN OF WINCHESTER FISCAL YEAR 2012/2013 - EXPENDITURES

TOWN

DESCRIPTION	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
TOWN CAPITAL	1474024	910918	563106	61.82%
LANDFILL	408320	405320	3000	0.74%
OTHER OPERATING	10387669	10085889	301780	2.99%
TOTAL TOWN	12270013	11402127	867886	7.61%

DESCRIPTION	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
EDUCATION OPERATING	19958149	18600000	1358149	7.30%
TOTAL EDUCATION	19958149	18600000	1358149	7.30%

DESCRIPTION	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
TOWN DEBT	710821	730396	-19575	-2.68%
EDUCATION DEBT	0	0	0	ERR
TOTAL DEBT	710821	730396	-19575	-2.68%

DESCRIPTION	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
TOTAL BUDGET	32938983	30732523	2206460	7.18%

TOWN OF WINCHESTER FISCAL YEAR 2012/2013 - REVENUES

TAX REVENUES

REVENUE	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
TAX REVENUES:				
CURRENT TAXES	22809537	20381339	2428198	11.91%
PAST DUE TAXES	425000	425000	0	0.00%
INTEREST & LIEN FEES	225000	225000	0	0.00%
TOTAL TAXES & INTEREST	23459537	21031339	2428198	11.55%

REVENUE	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
STATE OF CONNECTICUT:				
TOWN-REGULAR	649094	491922	157172	31.95%
TOWN-CAPITAL REIMB	375000	718500	-343500	-47.81%
EDUCATION-REGULAR	7912050	7944460	-32410	-0.41%
TOTAL STATE OF CONN	8936144	9154882	-218738	-2.39%

REVENUE	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
LOCAL REVENUE:				
REVENUES	543302	546302	-3000	-0.55%
FUND BALANCE	0	0	0	ERR
TOTAL LOCAL REVENUE	543302	546302	-3000	-0.55%

REVENUE	2012/2013 BUDGET	2011/2012 BUDGET	\$ CHANGE	% CHANGE
TOTAL BUDGET	32938983	30732523	2206460	7.18%