



TOWN OF WINCHESTER

**Town Budget Meeting
Monday, May 5, 2014**

Overall Approach

- Existing Revenue base to cover
 - Town operations
 - School operations
 - Debt service
 - Contingencies & Fund Balance
- New revenue needed for capital investment with focus on roads, grand list growth & critical needs

Staffing Approach

- Maintain existing staff profile
 - No new positions
 - No full-time to part-time changes
 - No wholesale reductions in benefits
- Plan on reality of pay increases
- Plan on reality of benefit increases
- **Adds approximately \$325,000 +/- to costs**

Net Budget Revenue/Cost Impact

One time insurance revenue	(\$595,000)
Recurring Town revenues	(\$50,000)
Recurring Grant revenues	(\$210,000)
Existing Employee salary & benefits	+\$325,000
Resulting Hole to fill 2014-15	\$1,180,000

Outlook

- **Current financial condition still under pressure**
 - Limited cash/capital reserves
 - Cash liabilities substantial & uncertain
 - No access to debt markets
 - Significant multi-year investment needs
 - This Budget will add to Fund Balance & reduce Liabilities and Pension shortfall
- **Long term need to analyze and optimize the ways we deliver services**

Capital Investment

- **Capital Improvement Program**

Road Repairs & Improvements	\$600,000
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Police Station Refurbishment	\$ 30,000
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Police Cruisers - 2 Existing + 1 New	\$ 34,715
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Paving Senior Center Lot	\$ 10,000
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Fire Extraction Equipment	\$ 15,000
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- **Within Highways Operating Budget**

Engineering & Road Supplies	\$150,000
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Board of Selectmen's Contingency

- Selectmen's Contingency Fund for strategic initiatives
- Focus on financial stability & economic growth
- \$500,000 investment in Winsted's future
 - \$450,000 towards Contingency/Fund Balance
 - \$50,000 Economic Development Program

Highways

Budget 2013-14	Contractual Adjustments	Discretionary Adjustments	Proposed 2014-15
1,620,252	74,881	134,935	1,830,068
<ul style="list-style-type: none">• Largest spending increase in this Budget• Staffing levels constant• Significant Contractual Pay & Benefit increases• \$20,000 increase in vehicle repair estimates• Discretionary increases of \$135,000 include<ul style="list-style-type: none">• \$70,000 increased road maintenance materials• \$60,000 increased engineering• \$62,000 increased vehicle oil grease & gas			

Police

Budget 2013-14	Contractual Adjustments	Discretionary Adjustments	Proposed 2014-15
2,859,099	90,746	(116,283)	2,833,562

- Keeping same staff levels – Chief + 18 Officers
- Filling empty/open positions reduces Overtime costs
- \$90,000+ contractual pay & benefit increases
- All training & personal equipment requests honored
- Other adjustments to Chief's request based on current usage

Winsted Fire

Budget	Contractual	Discretionary	Proposed
2013-14	Adjustments	Adjustments	2014-15
394,992	(44,924)	11,731	361,799

- Reduced labor and benefit costs due to new hire (\$7,000)
- Town contribution to Fire Pension Fund suspended by Chief's request (\$37,000)
- Other adjustments based on Chief's recommendation or actual usage

Town Department Operations

<u>Department</u>	Budget 2013-14	Contractual Adjustments	Discretionary Adjustments	Proposed 2014-15
Police	2,859,099	90,746	(116,283)	2,833,562
Highways	1,620,252	74,881	134,935	1,803,068
Board of Selectmen	789,876	(26)	(259,986)	529,864
Winsted Fire	394,992	(44,924)	11,731	361,799
Dispatch	306,363	18,686	-	325,049
Accounting	315,702	(1,057)	(15,725)	298,920
Building Department	206,881	20,078	4,265	231,224
Purchasing	220,496	9,128	(8,850)	220,774
Town Clerk	190,327	6,978	(336)	196,969
Town Manager	185,490	(515)	1,530	186,505
Tax Collector	176,315	11,760	(1,190)	186,885
Buildings	175,559	14,240	(21,171)	168,628
Assessor	88,519	(12,071)	4,400	80,848

Winchester Schools

- Budget unchanged at \$19,958,149
- Budget complies with MBR and BOE request
- Public schools and Gilbert High School manage net revenues and expenses to offset contractual increases in employment costs and benefits

Legacy Liabilities

- Significant liabilities remain from prior years
 - Pension contribution shortfalls
 - Fiduciary account shortfalls (Due-to & Due froms)
- Substantial progress on Pension liability
 - Pension contribution doubled +/- to \$300,000
 - Centrella pension surrender generates comparable amounts in addition to the budgeted contribution
- Retirement of Water & Sewer commitment to Town generates additional \$400,000 per annum
 - \$25,000 commitment to Soldier's Monument restoration
 - Allocation of balance subject to further legal analysis

The Bottom Line - Excluding Supplemental Tax

Less than 1 mill increase

Total Proposed Spending	\$32,515,357
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Town & Grant Revenues	\$11,026,262
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2013-14 Property Taxes	\$20,863,392
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Excludes \$2 million Supplemental Tax

2014-15 Property Tax Increase	\$ 625,703
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Tax Increase of 2.9% = Less than 1 mill

All for Capital - \$600,000 for Roads

**The Bottom Line – Including Supplemental Tax
*Taxes decline by \$1.4 million or 6%***

2013-14 budgeted Property Taxes	\$20,863,392
2013-14 Supplemental Tax	<u>\$ 2,009,807</u>
2013-14 Total Taxes	\$22,873,199

Proposed 2014-15 Property Taxes \$21,489,095

No unpaid bills

No accounting gimmicks

Just Roads & Grand List Growth

Collection Rates

Town of Winchester - Actual

<u>Year</u>	<u>Tax Collection Rate</u>
2005	97.51%
2006	97.83
2007	97.55
2008	97.49
2009	97.76
2010	98.07
2011	97.90
2012	97.88

Mill Rate Calculation

Budgeted Property Taxes

Estimated Tax Collection Rate

Town Grand List previous October

2014-15 Mill Rate Calculation

\$21,489,095 – Budgeted Property Taxes

97.45% - Estimated Tax Collection Rate

\$690,944,733 – October 2013 Grand List

Equals

31.91 mills