



## TOWN OF WINCHESTER – CITY OF WINSTED

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March 15, 2014

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

Dear Honorable Selectmen:

Please find attached a copy of my proposed budget for the Town of Winchester Fiscal Year (FY) 2014-2015.

After several years of what can be described as inaccurate or even deceptive budgetary numbers due to the actions of the former Finance Director, the current fiscal year has begun to lay the foundation for the true financial condition and operations of the Town. This new foundation is primarily the result of the efforts by Ms. Robin Manuele, Finance Director, and the additional efforts of all other staff. The Town staff remains positive and dedicated to proudly serving the community and I believe that the vast majority of residents recognize and support those efforts.

The current fiscal year's tax levy of 31.20 mills was directly related to the recent revaluation and related decline in the Town's Grand List. The final rate specifically included a mill (approximately \$680,000) which was dedicated to Fund Balance restoration efforts. In an effort to more speedily recover from the troubled financial condition, the Board of Selectmen levied a three-mill supplemental tax, generating an additional \$2 million in revenues to forestall cash flow issues at the end of the fiscal year and enable the Town to begin to concentrate on neglected services, infrastructure, and improvements.

The Town of Winchester 2013 Grand List, upon which the 2014-2015 budget will be based, rests at \$691,515,171 (\$690,000,000 will be subsequently used as a rounded figure). Assuming a historically conservative tax collection rate of 97.4%, a mill rate of **33.75**, an **increase of 2.55 mills**, is desired to support the proposed **\$33,640,323** 2014-2015 budget. The proposed budget reflects a modest change to the level of current budget expenditures.

The most substantial portion of the budget is, as is typical, the funding for Board of Education operations. The Town appropriation for the Board of Education meets the Superintendent's request, \$19,958,149, which reflects the State-mandated Minimum Budget Requirement. This appropriation is comprised of Town tax revenues of approximately \$12 million and State Education Cost Sharing funds of approximately \$8 million. In continuing recognition of the incongruous timing of the Education Cost Sharing from the State (fifty percent of the funds for education are provided to the Town with only six weeks remaining in the typical school year), an appropriation is provided in the budget for Grant Anticipation Notes, if needed. The funds to support Board of Education operations will be disbursed in accordance with a three-party agreement between the State of Connecticut Department of Education, the Winchester Board of Education, and the Town of Winchester. The Board of Education budget includes an additional \$1.3 million of grant funding from other sources.

The remaining \$13,682,174 of the budget is for Town operations. The most significant change to the proposed budget is the removal of specific capital projects from the General Fund itself. A Capital Fund has been established, by which to formally secure and maintain funding that has been designated for capital projects. The capital projects are part of the Capital Improvement Plan (CIP) adopted by the Planning and Zoning Commission (in accordance with the Town Charter). As is required, please find a copy of the adopted Capital Improvement Plan attached. Although the members of the Planning and Zoning Commission adopted all three tiers of the CIP, due to budgetary constraints, I have only proposed funding for the first tier projects, including road maintenance and improvements; financial software for town and school offices; police patrol cars; fire station furnaces and roofs; and Police Department improvements.

Within the General Fund, however, the greatest expenditures are for public safety (police: \$3,106,589; fire: \$423,328; dispatch: \$328,779) and Public Works (\$2,101,853), representing over 43% of all Town expenditures (exclusive of the Board of Education). The Police Department, including dispatch operations, continues to struggle with adequate staffing: retirements and accrued leave (both due to the senior tenure of most officers) and the ongoing demands of routine scheduling necessitate continued recruiting efforts. The proposed budget includes replacing three Sergeants and filling one Patrol Officer position. A part-time civilian position (Evidence/Property Clerk) is introduced in the proposed budget. Finally, with the recognition of the potential retirement of the Police Chief, the Deputy Chief position is reinstated in order to prepare for an orderly transition.

The proposed Public Works budget also includes a Deputy Director position (funded jointly by a 20% contribution from the Water and Sewer Commission). Similarly to the Police Department, the absence of a mid-manager relegates the senior staff to dedicating substantial time to daily tasks rather than more strategic organizational objectives. With the significant professional credentials of the Public Works Director, those skills can better serve the community through long-term planning, design, and development of major infrastructure improvements.

Another senior staff position, Community Development Director, is proposed, in part, due to the stated desires of both the Planning and Zoning Commission and the Economic Development Commission to have the services of full-time staff support. As configured in the proposed budget, the Community Development Director, reporting directly to the Town Manager, would perform planning and inland wetlands duties, and, in conjunction with the Town Manager, support the Economic Development Commission. The Community Development Director position would have a secondary title of Executive Director of Friends of Main Street (whose funding was diminished to partially support the new position). This designation will enable the Town to again pursue additional redevelopment assistance and opportunities. The success of those opportunities will be directly related to the combined efforts of Town boards, commissions, staff, and business owners.

Another positional change in the proposed budget is appointment of an Assistant Assessor. This position was vacated as the result of the retirement of the former Assessor and the subsequent promotion of the former Assistant Assessor. The proposed budget also includes continued funding for a part-time Recreation Director.

Two other facets related to personnel in the proposed budget must be described: wages and medical benefits. While not all collective bargaining agreements have been successfully completed, wage increases are included in the proposed budget. Since most of the agreements have expired, the proposed wage increases will be the first for most Town employees in over two years. The medical benefits offered to employees have been modified to reduce costs to the Town and to increase employee contributions.

In accordance with the recently adopted Fund Balance Policy, the goal of which is to achieve a Fund Balance equal to ten percent of General Fund expenditures by 2018, an appropriation of \$448,500 is proposed. This amount represents an estimate of the annual allocation needed to meet the ten percent goal.

Other notable expenditures within the General Fund include the redevelopment of the Town's web site; engineering services to address bridge, dam, and storm water issues; the Regional Refuse Disposal District assessment to the Town (which has been reduced in half to \$200,000 since 2011-2012); street lighting; interfund repayments; pension contributions; scheduled debt service; and municipal insurance.

After two years of reduced funding, all outside agencies, which provide valuable services to community residents and rely upon municipal support, have been allocated their requested funding (which in most cases is based upon a per capita rate). These agencies include the Beardsley and Memorial Library, Foothills Visiting Nurses, Community Mental Health, Youth Service Bureau, Cradle to Classroom, Torrington Area Health District and others. Voluntary support of these agencies is always needed and welcome. Those agencies, in great part, define our community.

Several exciting projects that have a great likelihood of re-invigorating Winsted are forthcoming, bringing new businesses, jobs, visitors, and revenues to our community. I expect that we will now turn our focus forward rather than back. I look forward to that future. Even more, I look forward to continuing to serve you and the Town of Winchester and its residents.

Sincerely,



Dale L. Martin  
Town Manager

**Attachments:**

Proposed 2014-2015 Town of Winchester Budget  
2014-2015 Capital Improvement Plan