

To: Dave Kilbon, Chair of the Board of Finance
Members of the Board of Finance

From: Jim Hayden, First Selectman

Re: Proposed FY18 General Government Budget

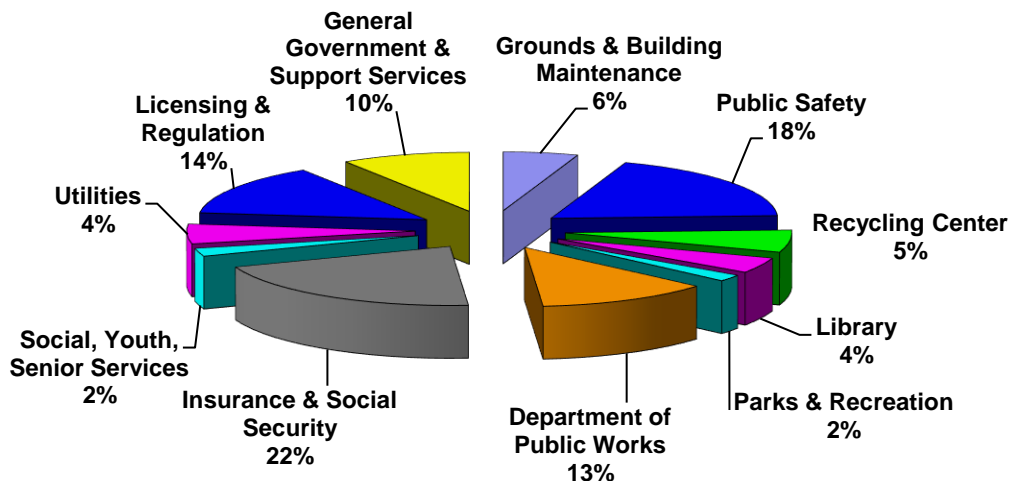
Date: March 16, 2017

The Board of Selectmen (BOS) budget reflects the difficult economic condition of the State and that State Aid to towns will likely be significantly reduced in FY18. State Aid reduction may manifest itself as an actual loss of aid (\$537,454 Grants for Municipal Projects) or as a transfer of state responsibilities to the towns such as the proposed sharing of teachers' pension liability (\$770,000) and a proposal for towns to shoulder 100% of the cost of the Resident Trooper program (+ \$25,221 or a + .5% increase on the entire BOS budget).

The BOF guidance at your last meeting was for the BOS was to present a budget with a 1.5% increase over the current fiscal year. Recognizing our economic environment, the BOS is presenting a budget that reflects a 1% increase or \$46,000 for a total budget proposal of \$4,659,000.

Please note that 36% of all town departments are at a 0% increase or less when compared to the current FY17 budget. The Town continues to work with surrounding communities for shared services which results in efficiencies that help us keep costs down. Currently we are members of the Farmington Valley Health District and the Tobacco Valley Probate Court (Bloomfield, Windsor, and Windsor Locks). We also share Youth Services programming and counseling services from Granby. Suffield provides our Animal Control Officer. Emergency Services are provided by the Granby Ambulance Association, a savings of \$60,000 when compared to 2013, the last full year that the East Granby Ambulance Association was in service.

GENERAL GOVERNMENT FY18 BUDGET ASSET ALLOCATION



	General Government 03 14 2017	Budget Summary			
	Department	FY17	FY18	% Chg	\$ Change
0100	Selectmen Office	179,750	181,376	0.9%	1,626
0200	Probate	2,000	2,000	0.0%	0
0300	Registrars	50,505	51,290	1.6%	785
0400	Board of Finance	1,700	1,700	0.0%	0
0500	Audit	21,900	21,900	0.0%	0
0600	Assessor	134,122	137,272	2.3%	3,150
0700	Board of Assessment Appeals	160	160	0.0%	0
0800	Tax Collector	98,695	100,674	2.0%	1,979
0900	Treasurer	22,792	23,227	1.9%	435
1000	Town Counsel	20,000	20,000	0.0%	0
1100	Town Clerk	116,520	118,454	1.7%	1,934
1200	Planning & Zoning Commission	90,174	93,957	4.2%	3,783
1300	Data Services	92,640	95,600	3.2%	2,960
1400	Public Buildings	171,230	176,711	3.2%	5,481
1500	Land Use/Building	127,714	129,767	1.6%	2,053
1600	Engineering	14,000	14,000	0.0%	0
1700	Fire Department	120,813	122,885	1.7%	2,072
1800	Police Department	592,227	630,435	6.5%	38,208
1900	Emergency Management	10,598	11,250	6.2%	652
2000	Fire Marshal	37,298	39,187	5.1%	1,889
2100	Public Works Department	613,583	619,575	1.0%	5,992
2210	Health Services	2,500	2,500	0.0%	0
2220	Vital Statistics	0	0	0.0%	0
2240	Health District	27,363	27,815	1.7%	452
2300	Social Services	22,927	23,373	1.9%	446
2400	Library	201,000	204,000	1.5%	3,000
2500	Parks & Recreation Commission	89,194	90,092	1.0%	898
2550	Field Maintenance	15,000	22,500	50.0%	7,500
2600	Cemeteries	1,300	1,300	0.0%	0
2700	Insurance	841,000	800,000	-4.9%	(41,000)
2800	Surety Bonds	0	0	0.0%	0
2900	Economic Development	10,000	20,000	100.0%	10,000
3000	Animal Control	16,000	16,000	0.0%	0
3100	Social Security/Medicare	150,800	152,000	0.8%	1,200
3300	Street Lighting	36,000	36,500	1.4%	500
3400	RCC	226,112	216,468	-4.3%	(9,644)
3500	Memberships	19,292	19,700	2.1%	408
3700	Senior Services	35,757	36,503	2.1%	746
3750	Mini Bus	31,105	31,397	0.9%	292
3800	Youth Services Commission	20,000	20,000	0.0%	0
3900	Utilities	169,000	158,400	-6.3%	(10,600)
4000	Ambulance	61,250	61,372	0.2%	122
4100	Contingency	44,000	54,000	22.7%	10,000
4200	Facilities Maintenance Mgt	74,979	73,660	-1.8%	(1,319)
	Total Operating Budget	4,613,000	4,659,000	1.0%	46,000

This budget as proposed maintains current service levels. Several potential improvements have been eliminated and will be noted below. The Department of Public Works (DPW) and Town Hall bargaining unit contracts expire on June 30, 2017 and negotiations will begin in the spring. Our “first pass” budget, which has been refined and reduced, considered a small increase in hours for Emergency Operations, Fire Marshal and Social Services based on the current work load and to meet statutory reporting requirements. It also addressed a potential change in how we deliver Economic Development (EDC) services. This budget does not fund those increased hours for Emergency Operations and Social Services. One hour weekly was added to the Fire Marshal position and the EDC job description has been modified. Please note:

1. For FY17, the Town pays 85% of the cost of the Resident Trooper Program. The Governor’s budget transfers the entire cost of the program to the Town or an increase of \$25,221 to the current budget.
2. Health, Property Casualty and Workmen’s Comp Insurance – we won’t have firm numbers until April (health insurance) and June (P&C, WC) but with “off-sets” in the current year due to 14% savings by moving to the State’s Partnership 2.0 health insurance program, we are projecting a \$41,000 decrease overall insurance line.
3. The Town DPW has taken over the mowing and field maintenance at the Middle and High Schools. The Town also funds the Maintenance Supervisor’s salary and benefits (80% of time at school facilities), along with field maintenance and “in-kind” services from DPW for an estimated \$200,000 worth of support services provided to the School District.
4. As previously mentioned, this budget funds an Economic Development part-time position or consultant which would help us maintain consistency in direction. We budgeted \$10,000 in the current year to create this position but have found that the scope and budget were not robust enough to attract the appropriate candidate. We have increased our expectations, improved the job description and have added an additional \$10,000 to the FY18 budget. We offset this cost through savings in the rest of the BOS budget. This position would help develop, market and follow-up on our Economic Development plan.
5. The Town contribution to the total Library budget remains at 65% but is \$2,000 less than their original request.
6. The Town receives \$18,000 in annual grants from the State for Youth Services which could be in jeopardy in the upcoming State Budget.
7. The Town receives over \$200,000 in Town Aid Road (TAR) from the State. These funds are used for salt, snow blades, catch basins, paving etc. If these funds were cut by the state it would have a big impact on our budget as these are things that we would have to pay for out of the operating budget or the contingency fund.
8. Fuel costs have been reduced by an average of 15% for DPW, Fire and Police.

Department Commentary on Proposed Budget: identifying significant +/- items. *Underlined items* represent specific measures that may improve operations or department effectiveness but were deleted due to financial constraints.

1. Selectmen (line 100) – increase of \$1616 or .9%. *Deleted \$2,000 from the “first pass” budget earmarked for Job Descriptions which were last updated in 2007.*
2. Audit (line 0500) – Used current cost of \$21,400 as a placeholder. Audit RFP’s came in at \$19,800 and \$22,500. The BOF Audit Subcommittee is interviewing the two firms and will make a decision by the end of March.

3. Assessor (line 600) – increase of \$3150 or 2.3% includes \$500 for projected software expense. *\$3,000 for third-party audit of personal property as an enforcement and compliance tool was deleted from the “first pass” budget. We try to perform a personal property audit every three or four years.*
4. Tax Collector (line 800) – increase of \$1,979 or 2%. Primarily driven by a mistake in the FY17 salary projection which was off by \$1,000.
5. Planning and Zoning (line 1200) – increase of \$3783 or 4.2%. \$2,000 of this increase is attributable to the Assistant Zoning Enforcement Officer achieving his CAZEO certification per his hiring agreement.
6. Data Services (line 1300) – increase of \$2,960 or 3.2% due to planned server replacement. *\$4,500 for the planned replacement of three desktop computers was removed.*
7. Public Buildings (line 1400) – increase of \$5,481 or 3.2%. \$1,000 added for snow storm labor. As buildings age, there are more maintenance costs (i.e. HVAC, plumbing and electric). *Does not include painting of the barn at East Granby Farms (on the capital advisory list).*
8. Fire Department (line 1700) – increase of \$2,072 or 1.7% primarily based on apparatus age and increased funding needed for repairs. This was partially offset by a \$1000 or 25% reduction in projected fuel use based on trend and current pricing.
9. Police (line 1800) – Increase of \$38,208 or 6.5% primarily driven by the Town being responsible of 100% of the cost of the Resident Trooper Program and the Resident Trooper achieving senior rank. Overall increase in the State Police Contract is projected to be \$25,221.
10. Emergency Management (line 1900) – increase of \$652 or 6.2% due to the stipend being increased for the Director and Assistant Director to allow for additional training (approximately 30 hours each on an annual basis) which is needed to qualify for grant dollars.
11. Fire Marshal (line 2000) – increase of \$1,889 or 5.1%. Fire Marshal (FM) hours currently at 10 hours weekly to be increased to 11 hours weekly reflecting greater activity and regulatory reporting. *The “first pass” budget increased the FM’ hours to 12 weekly but was backed down to 11 hours.* Over the past couple of years, we have increased FM and Deputy Fire Marshal hours – The FM’s Office completed 298 inspections in 2016 compared to 190 in 2015. Total number of properties needing inspections are 434.
12. Public Works (line 2100) – increase of \$5,992 or 1%. Offsets include a reduction of \$5,000 in fuel costs and a reduction of \$4,000 for new equipment for the upcoming FY.
13. Health District (line 2240) – increase of \$452 or 1.7% based on per capita increase of \$0.10 on a Department of Public Health population projection of 5199
14. Social Services (line 2300) – increase of \$446 or 1.9%. *Based on activity, the “first pass” budget included raising increasing hours from 20 to 22 hours for additional services (i.e. assist residents with Medicare Program questions and issues). The additional hours were deleted in this budget.*
15. Library (2400) – increase of \$3,000 or 1.5%. *The original Library request was for a \$5,000 increase or 2.5%.*
16. Field Maintenance (line 2550) – increased \$7,500 or 50%. An upgraded fertilizer program has been added to the budget. There is a \$3,000 off set from the Public Building line where fertilizer was paid for in the current year but the amount budgeted was inadequate for the maintenance of safe and healthy turf.

17. Insurance (2700) – net decrease of \$41,000 or -4.9%. Potential P&C (4%), Workmen’s Comp (4%) and Health Insurance (7%) increases will be offset by the health insurance actuals which were below our initial estimate due to the change to Partnership 2.0 in September of 2016. This is our best estimate at the present time however we won’t get a firm renewal from Partnership 2.0 until April or Travelers until June.
18. Economic Development Commission (line 2900) – increase of \$10,000 or 100%. This was to be a new position for us in FY17 (\$8,000 of the \$10,000 FY17 funding came from an offset in the Engineering budget). To date, we have not filled the position because when we went into the marketplace we found that the stipend would not buy a lot of services other than attending meetings. We have reconsidered the position and have reworked the job description and stipend to reflect our needs and that of the marketplace.
19. Street Lighting (line 3300) – increase of \$500 or 1.4%. The September 2016 “reverse auction” generation rate of 7.9 cents per KWH is locked in until December 30, 2018. This is an increase in the generation rate of 0.5 cents.
20. RCC (line 3400) – decrease of \$9,644 or -4.3%. The new tipping fee will increase by \$4 per ton. However, when compared to the FY17 budget projection, our tonnage trend is down and we anticipate spending \$12,000 less on the haulers line.
21. Memberships (line 3500) – increase of \$408 or 2.1% based on this year’s actual and factoring in anticipated increases.
22. Senior Services (line 3700) – increase of \$746 or 2.1%. \$300 added to programs for exercise class.
23. Youth Services (line 3800) – \$0 increase. Currently we purchase our counseling services and programs from Granby. For the upcoming year, we are looking at keeping counseling with Granby but we may break out program dollars to allow for an East Granby employee to initiate and coordinate programs targeting middle and high school students.
24. Utilities (line 3900) – decrease of \$10,600 or – 6.3%. We are projecting a 20% reduction in electric costs due to savings from the LED project which more than offsets the increase in the generation rate.
25. Contingency (line 4100) – increased by \$10,000 or 22.7%. The increase is based on the uncertainty of State Aid and potential State Program cuts.
26. Facilities Maintenance Management – decreased by \$1,319 or -1.8%. Vehicle expenses have been reduced by \$2,700.

Current and Future Areas of Concern:

1. Road Maintenance and a school/town roofing projects are being considered by the Bonding Committee. A report with recommendations will be released in the fall.
2. Technology – General Government needs to develop a comprehensive, actionable 5-10-year strategy to upgrade our financial software and IT infrastructure.
3. Greenway - The BOS has started to address long-term Greenway maintenance in the 5-Year Capital Plan.
4. Stability of State Aid and the shifting of expenses to the towns is a grave concern.