

BUDGET IN BRIEF

Town Manager's Fiscal Year 2018 Proposed Budget

March 2017

WEATHERING THE STORM

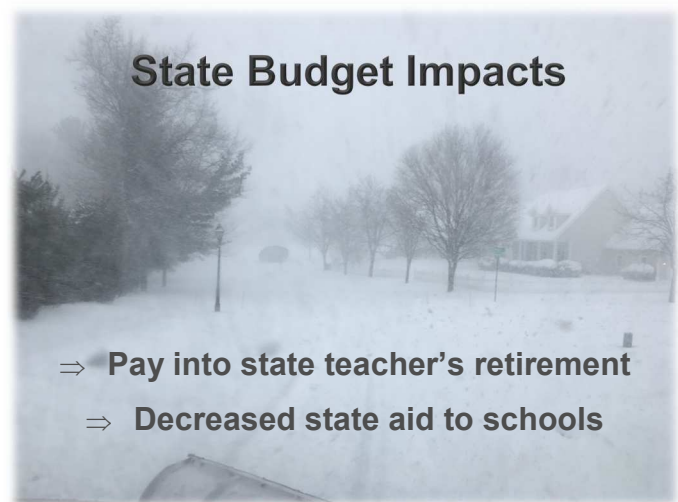
Proposed budget clouded with unknowns.

The FY 2018 proposed budget includes several competing challenges that threaten the stability and quality of services to our community. These economic realities, several beyond our control, necessitate a strategy that includes thoughtful planning if we are to maintain the sense of community and viability of our town. The three main challenges are summarized below.



Following an increase in the grand list in FY 2017, the grand list for FY 2018 is decreasing by 1.29%. This decline is a result of the Amazon property tax agreement going into effect and a large decrease in personal property value of -\$23 million or 4.9%.

The governor's proposed budget calls for cities and towns to pay a portion of the state's teacher retirement plan liability, and if adopted by the legislature, would increase Windsor's expenditures by \$3.2 million in FY 2018. In addition, the governor's proposed budget slashes state aid to most municipalities. In Windsor's case, we could see a \$3.5 million cut in state aid.



State law requires municipalities to cap the mill rate for motor vehicles at 32 mills. With Windsor's FY 2018 proposed mill rate exceeding 32 mills, it is projected the town will forego approximately \$550,000 in motor vehicle tax revenue in FY 2018. To make up this lost revenue, the real estate and personal property tax will have to absorb the burden. When first adopted, a portion of the lost revenue was to be provided to the towns by the state, but this is unlikely to occur given the state's fiscal challenges.

The impact of the state budget will remain uncertain for several months. It is likely that the State of Connecticut General Assembly will amend the governor's budget recommendations in an effort to mitigate impacts to cities and towns. Unfortunately, our budget schedule cannot wait until the state budget is finalized to move forward. Absent significant alterations in the proposed state budget, there will need to be reductions to town services and capital investments, in addition to a larger tax increase than we have seen in recent years.

FY 2018 Proposed Budget Summary

The FY 2018 town operating budget essentially maintains current service levels. It preserves funding for public safety. There are no new proposed full-time positions within the general government, or town portion of the budget. The budget continues pay-as-you-go capital funding for fleet and equipment replacement as well as street repaving and sidewalk repairs.

Breakdown of the primary General Fund budget categories comprising the \$4.26 million increase:

Budget Component	FY 2017 Adopted	FY 2018 Proposed	\$ Change	% Change
Board of Education	67,471,330	68,298,120	826,790	1.23%
State Teachers Retirement Plan	0	3,208,290	3,208,290	100.00%
Town Operating Budget	29,759,530	30,625,480	865,950	2.91%
Sewer Service (MDC)	3,443,070	3,783,000	339,930	9.87%
Debt Service	6,768,060	6,971,100	203,040	3.00%
Great Pond Improvement District	91,000	94,380	3,380	3.71%
Other Post-Employment Benefits (OPEB)	450,000	550,000	100,000	22.22%
Community Investment Initiatives	1,335,000	0	(1,335,000)	-100.00%
Capital Projects & Open Space	1,545,000	1,595,000	50,000	3.24%
Total Expenditures	\$110,862,990	\$115,125,370	\$4,262,380	3.84%

Overall expenditures are proposed to increase by \$4.26 million, of which \$3.54 million or 83% is related to the state's proposed teachers retirement plan liability expense and the increase in the annual MDC ad valorem sewer assessment.

The expenditure increase without the state teachers retirement liability expense and MDC impact would be 0.64%.

Town of Windsor Tax History

Windsor's average annual tax increase = 1.12% over last 5 years

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Change	2.20%	0.00%	0.00%	1.48%	1.94%

Learn how this proposed budget impacts your tax bill with the **Online Tax Calculator** at townofwindsorct.com/budget.

While you're there, try your hand at the interactive **Build-a-Budget** simulator.

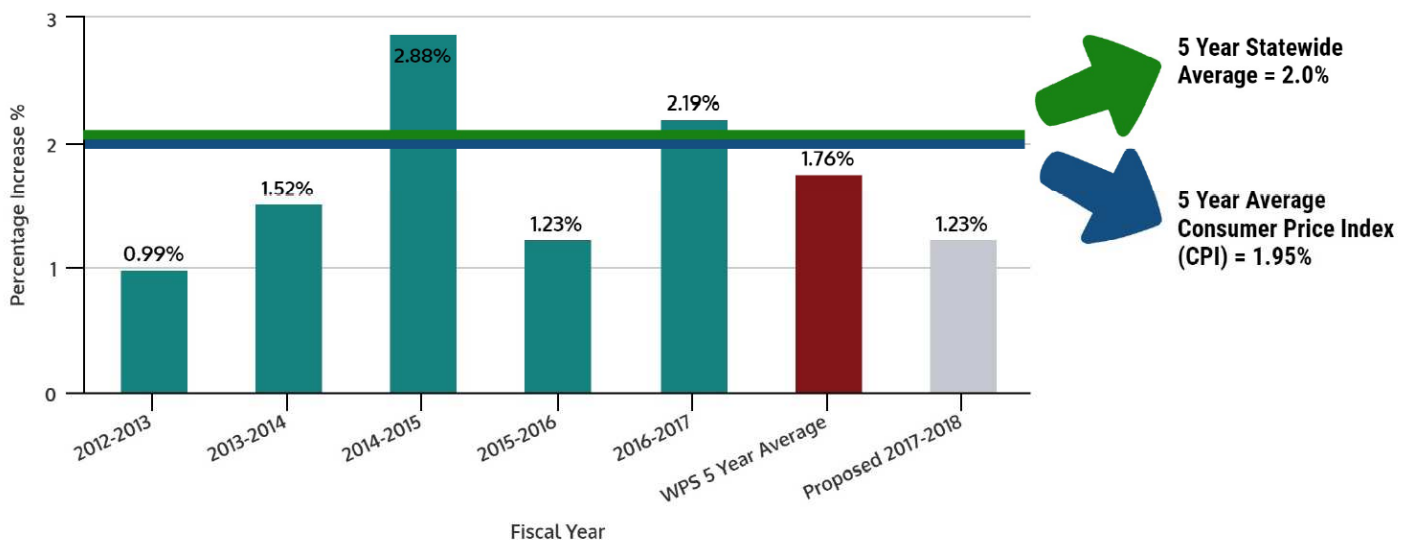
FY 2018 Board of Education Budget Highlights

The adopted Board of Education budget is \$68,298,113 which represents a 1.23% increase. Some major highlights and facts about the BOE budget are listed below.

- Maintains optimal class size throughout the district.
- One new Technology Education teacher that will provide additional STEM (science, technology, engineering, mathematics) classes including new robotics courses.
- One new teacher for the WPS Community Based Transition Academy which will allow continued programming for Windsor students at a significant cost avoidance.
- FY 2018 has no increase to the health insurance line item. This is the result of positive claim experience, negotiated contract savings and being self-insured. Remaining at current level for health insurance is a savings that ranges from \$300,000 - \$500,000.
- FY 2018 has no increase to the magnet school tuition line item. This is the result of students returning from magnet schools to Windsor Public Schools.
- The fuel cost will reflect a savings due to the implementation of more efficient bus routes and buses for a savings of \$48,000.
- Decreased staffing by 3.3 positions during FY 2017 and applies savings of \$191,000 to FY 2018.
- Past efforts reflected in increased 4-year graduation rate of 92.9% and 94% college and military acceptance rate including college acceptances at Babson, Berklee College of Music, Boston University, Brandeis, Carnegie Mellon, Clark Atlanta, Embry-Riddle Aeronautical University, Emory University, George Washington University, Harvard, Howard University, Johns Hopkins, McGill University, Monmouth University, Northeastern, Middlebury College, NYU, Ohio State, Penn State, US Military Academy/West Point, Vassar, Wesleyan, Williams College, Worcester Polytechnic Institute.

Our schools historically strive to deliver the best educational experience to our students while being mindful of our citizens

Budget Increases - Past 5 Budget Cycles



Revenues

The complexity of the governor's proposal relative to state aid has made forecasting revenues even more of a challenge than normal. At this point we are forecasting a net decrease of \$3.5 million in state aid when compared to the adopted FY 2017 budget. Below is a table that compares major municipal aid categories between our adopted FY 2017 budget and the proposed FY 2018 budget.

State Aid	Windsor's FY 2017 Adopted	Governor's FY 2018 Proposed	Difference
Education Cost Sharing	11,447,660	5,961,964	(5,485,696)
Grants for Municipal Projects	1,321,000	0	(1,321,000)
Special Ed. - Excess Cost Grant	1,254,000	0	(1,254,000)
Transportation Grant	253,070	0	(253,070)
Offset by:			
Special Education - New	0	4,744,683	4,744,683
Total	\$14,275,730	\$10,706,647	(3,569,083)

In summary, the town's proposed General Fund revenues for FY 2018 total \$115,125,370. Of this amount, \$98,338,980 will come from the current property tax and motor vehicle levies, \$15,886,390 from other revenues, and \$900,000 from the town's savings account. The mill rate for motor vehicles for FY 2018 is capped at 32.00 mills. The required tax levy for real estate and personal property will be 35.04 mills; or \$35.04 for each \$1,000 of assessed value. This is an 11.17% increase over the current mill rate. 77% of the increase is due to the state budget impact and capping the car tax. If the proposed teachers retirement plan liability expense is removed and if state aid were to be level funded compared to FY 2017, the mill rate for real estate and personal property increases to 32.48 from 31.52 which is a 3.05%.

Vote!

Budget Referendum: *May 9 6:00 AM to 8:00 PM

**Tentative until officially set by the Town Council.*

To learn more about the FY 2018 proposed budget, view it in its entirety at townofwindsorct.com. Copies also available for viewing at the Windsor Library, the Wilson Library and the Windsor Town Clerk's Office.

Contact Us

If you have questions or concerns, don't hesitate to contact us at:

Windsor Town Manager Peter Souza at townmanager@townofwindsorct.com

Windsor Town Council at: towncouncil@townofwindsorct.com

Town Manager's Office : 860-285-1800.

Tax Relief for Seniors

Guidelines for additional tax relief for qualified Windsor seniors and disabled persons are available at the Town Assessor's Office at 860-285-1816. Application Deadline: **May 15, 2017**