

FY19-20 Budget Preparation

Board of Finance
Tri-Board Meeting
December 3, 2018

What is the state of the State?

- State of Connecticut Fiscal Projections
 - FY19 projecting a surplus of \$278.6M
 - FY20 projecting a **deficit** of \$1,560.6M

- Teacher's Retirement Unfunded Liability
 - As June 30, 2018, 42% or \$13.2B is still unfunded
 - Will a portion of this be passed on to the towns?

What is the state of the State?

- Possible structural changes to State revenues
 - State-wide car tax
 - Tolls
- Municipal aid formulas in question
- Lamont administration poses further unknowns

Simsbury Grand List Estimates

	FY2019/20	FY2020/21	FY2021/22
	Projected	Projected	Projected
Real Estate Adjustments from Development	\$ 119,095,430	\$ 154,254,210	\$ 175,719,930
Other Real Estate Adjustments	1,000,000	1,000,000	1,000,000
Tobacco Valley Solar	-	-	21,945,000
Personal Property Adjustments	1,000,000	2,000,000	2,000,000
Tax Appeal Adjustments	<u>(2,900,000)</u>	<u>(6,000,000)</u>	<u>(6,000,000)</u>
Total Grand List Adjustments	118,195,430	151,254,210	194,664,930
Net Grand List (Non-Vehicle)	2,248,485,000	2,281,544,000	2,324,955,000
Motor Vehicle Grand List	185,775,000	187,354,000	189,947,000
Total Grand List	<u>2,434,260,000</u>	<u>\$ 2,468,898,000</u>	<u>\$ 2,514,902,000</u>
Percent Change in Grand List	0.85%	1.42%	1.86%
Revenue	87,325,913	88,568,506	90,218,840
Increased Revenue Over Previous Year	738,708	1,242,593	1,650,334
Increased Revenue Compared to FY20		1,242,593	2,892,927

FY2019/20 Town Operating Projections

Expense	FY19 \$	Projected %	FY20 \$
Salaries	11.2 M	2.34%	11.4 M
Benefits	2.6 M	2.34%	2.7 M
Medical Insurance	2.5 M	6.00%	2.7 M
Purchased Services	1.4 M	2.0%	1.4 M
Supplies	1.2 M	2.0%	1.2 M
Maintenance	0.7 M	2.0%	0.7 M
Utilities	0.7 M	0.0%-5.00%	0.7 M
Other	0.2 M	8.0%	0.2 M
Total	20.5 M	2.72%	21.0 M

FY2019/20 Education Operating Projections

BOE Budget	FY19 \$	Projected %	FY20 \$
Salaries	46.5 M	2.8%	47.7 M
Benefits & Liability Insurance	12.7 M	5.5%	13.4 M
Utilities/Plant	1.5 M	2.0%	1.5 M
Pupil Transportation	2.7 M	2.5%	2.7 M
Maintenance of Plant	1.2 M	2.0%	1.2 M
Tuition	1.4 M	2.5%	1.4 M
Other	3.1 M	-2.0%	3.0 M
Total	69.1 M	2.66%	70.9 M

FY2019/20 Operating Budget Guidance

- Board of Selectmen
 - Cap on operating expenditures of 2.72%

- Board of Education
 - Cap on operating expenditures of 2.00%

	FY2018/19 Budget	FY2019/20 Projected	Change	Percent Change
Town Operating Budget	\$ 20,519,427	\$ 21,077,555	\$ 558,128	2.72%
School Operating Budget	69,693,042	71,086,903	1,393,861	2.00%
Debt Service	4,063,100	5,241,175	1,178,075	28.99%
Capital Transfers	2,242,800	2,242,800	-	0.00%
Gross Expenditures	<u>96,518,369</u>	<u>99,648,433</u>	<u>3,130,064</u>	3.24%
Anticipated Revenue	8,968,171	9,095,452	127,281	1.42%
Appropriation of Fund Balance	-	-	-	0.00%
Total Revenue and Approp of Fund Balance	<u>8,968,171</u>	<u>9,095,452</u>	<u>127,281</u>	1.42%
Net Expenditures	<u>\$ 87,550,198</u>	<u>\$ 90,552,981</u>	<u>\$ 3,002,783</u>	3.43%

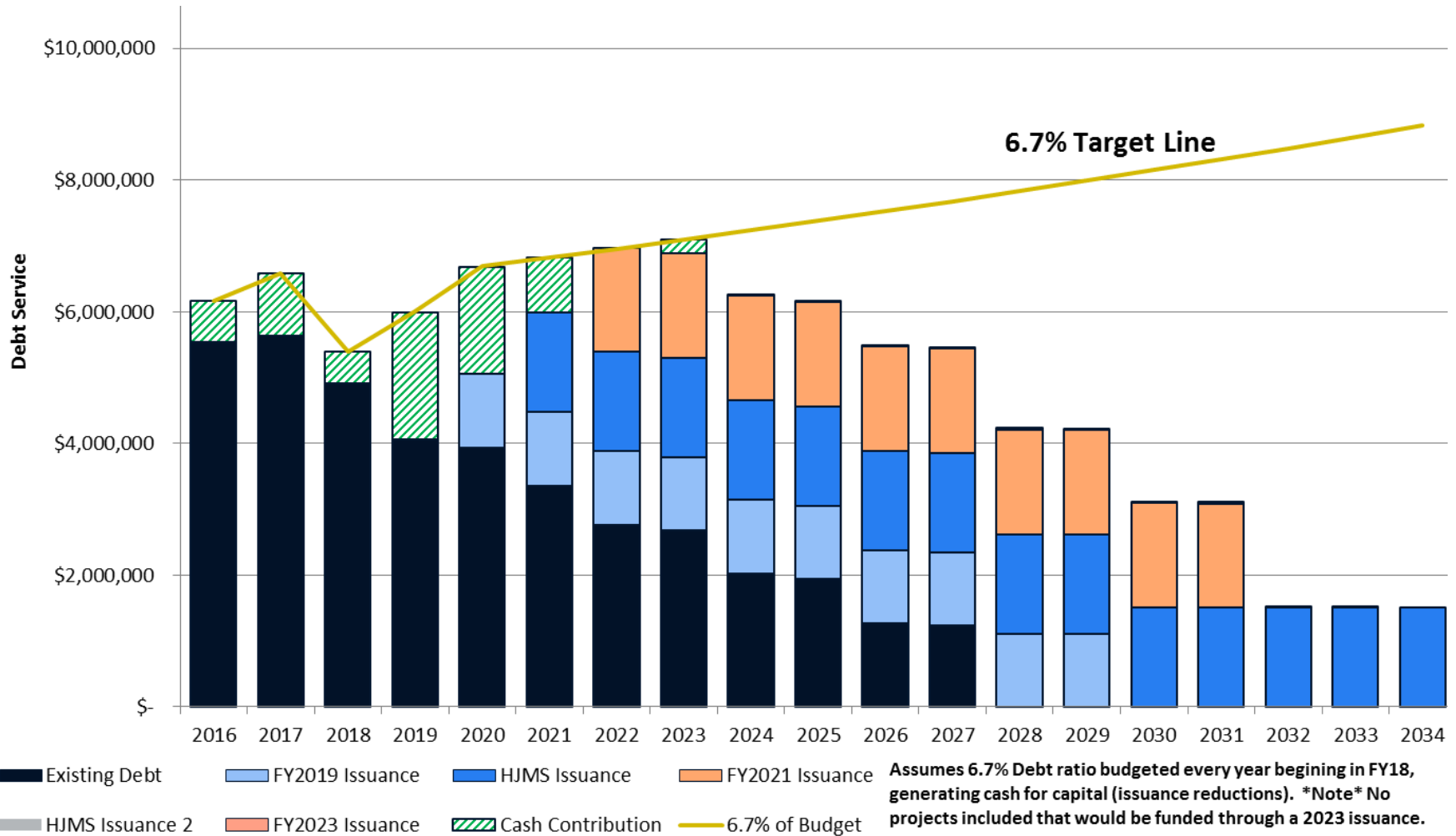
Mill Rate Calculation

Property Taxes

Prior Year Tax Collections	401,547	401,547
Town Tax Relief Programs	(300,000)	(300,000)
Supplemental Auto/New Construction	863,274	900,000
Property Taxes	79,920,950	82,622,027
Car Taxes	<u>6,664,427</u>	<u>6,929,408</u>
Total Property Taxes	87,550,198	90,552,981
Net Grand List (non-vehicle)	2,227,893,352	2,248,485,000
Tax Collection Rate	98.50%	98.50%

Mill Rate	36.42	37.31	0.89	2.44%
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FY20 Capital Planning/Financing



Other FY2019/20 Budget Considerations

- Pension Plan Interest Rate Assumption
 - Proposed decrease from 7.00% to 6.50%
 - Pension Budget Estimated Impact @ 6.5%**
 - Town - contribution increase of \$340,496 or 0.34% of FY2019/20 projected budget
 - Board of Education – contribution increase of \$176,486 or 0.17% of FY2019/20 projected budget

**Contribution data based on July 1, 2017 valuations. Actual contributions will be derived from July 1, 2018 valuations (not currently available)

Other FY2019/20 Budget Considerations

- OPEB Interest Rate Assumption
 - OPEB Budget Impact @ 6.5%
 - Town - contribution increase of \$30,125 or 0.030% of FY2019/20 projected budget
 - Board of Education – contribution increase of \$107,385 or 0.10% of FY2019/20 projected budget
- Possible Capital and CNR Structural Revisions
 - Elimination of CNR 5-year pay back practice
 - Use of Fund Balance Reserves to fund remaining balances owed to the FY2015/16 – FY2017/18 CNR Funds
 - Utilization of the Capital Reserve Fund

Other FY2019/20 Budget Considerations

- Health Insurance Claims
 - Board of Finance transferred \$1M to the Internal Service Fund in FY2018/19

 - Average Claims per Month
 - FY2018/19 - \$1,159,855 (as of October 31, 2018)
 - FY2017/18 - \$1,018,881
 - FY2016/17 - \$1,054,140
 - FY2015/16 - \$885,936
 - FY2014/15 - \$940,185