

Board of Selectmen's FY2019-20 Budget Transmittal to the Board of Finance
Jayme J. Stevenson, First Selectman
March 5, 2019

Good Evening Chairman Zagrodzky, Board of Finance members, fellow Board of Selectmen colleagues, Board of Education, RTM and members of the public. We are grateful for the full engagement of the Finance & Budget Committee of the RTM during our process again this year. We valued your input.

On behalf of my staff and board, I'm pleased to remit to you the proposed Board of Selectmen's proposed operating and capital budget spending plan for fiscal year 2019-2020.

This year's proposed budget can be described as service-neutral with the notable exceptions of the request to fund 3 additional civilian dispatchers (\$332K) and 1 additional Parks and Recreation laborer (\$90K).

In numbers the Board of Selectmen's Budget includes the following requests:

- \$30,177,287 for general operating expenses - \$1.12M over last year (3.86%)
 - \$332K - 3 Civilian Dispatchers
 - 90K – Park Laborer
 - 88K- Medical Insurance (7.2% renewal)
 - 612K – other budgetary increases
- \$3,820,120 – Darien Library Grant (2.34%)
- \$3,856,732 – Capital Requests
 - \$775,000 – recommended for bonding
 - \$600K for Highland Farm
 - 30K additional funding for NFD Gas Conversion
 - 50K additional funding for Town Hall Generator
 - 75K Town Hall Gym Upgrades
 - 20K replace steps in front of Town Hall
- \$10,878,569 Debt Service Budget which includes \$4.1M in town debt, \$6M in BOE debt and \$737K in Sewer Debt

Should the BOF support and consider bonding the 4 items mentioned I just mentioned, ***the total BOS operating and capital budget increase will be a 2.53% increase over FY19.***

This year's budget cycle is highlighted by a number of budgetary enhancements:

- Full implementation of the OpenGov (OpenDarien) software tools. The OpenGov process required all departments to utilize a true zero-based budgeting process resulting in each and every line item detailed and defended. On behalf of my board, I want to express our deep

gratitude to our Department Heads for managing the OpenGov learning curve and for Jenn Charnesky's and Kate Buch's professional guidance along the way

- Implementation of department-by-department performance measures, budget drivers, accomplishments, objectives and a 5-year outlook – all this data can be found on the town website in several places...homepage under "News" and in a very transparent and user-friendly version in the "OpenDarien" section linked from the homepage
- 3 years of historic budget data
- Adopted and revised current year budgets
- Addition of transfers for current year budget
- Elimination of the Parks and Recreation program contra account. All activity moved into the budget showing the amount of program revenue against actual expenses
- Consolidation of certain fire department training activities and medical budgets into the Fire Commission budget

Other spending plan highlights in this year's request include:

- Recommendation to add the state Educational Cost Sharing grant revenue back into the budget based on this year's actuals and information presented in the Governor's Proposed FY20 budget. (FY19=\$412K, FY20=\$428K) While this may sound like hopeful news, the rationale for the request is to appropriately offset the proposed municipal contribution to the Teachers' Retirement System for 25% (plus wage adjustment) of the normal costs for Darien teachers. Contributions over the 3-year ramp up from \$445K this year to +/- \$1.3M in the state's FY 2022). We have not included the TRS contribution in the BOS spending plan as the state budget has a very long way to go before ratification. We ask that the BOF hold \$445K in the BOF Contingency Account for this payment, if mandated.

The net effect of the Governor's Proposed budget and TRS contribution will reduce state funding to Darien from \$897,333.5 to \$448,965.

- It would be prudent for the BOF to consider that 100% of the normal cost (current teacher pension cost – no retiree costs) for Darien Teacher Pensions is \$5.2M. The state has calculated that we pay our teachers 15% more than the state average and are proposing to pass on 100% of the delta between state average and Darien teacher costs so our total exposure for Teacher Pension Sharing Costs. It remains to be seen if the concept of Teacher Pension Sharing will survive the legislative process but, the bond analyst in me warns that we must look at our total potential exposure.
- In our deliberations, the Board of Selectmen set service delivery priorities that resulted in a \$1.6 million cut to the Town Administrator's proposed budget. ***Our budget prioritizes public safety in our support for 3 civilian dispatchers facilitating the redeployment of sworn personnel to the roles of Middlesex Middle School SRO and Narcotics Investigation.*** The hiring of 3 additional professional tele communicators will provide 24/7 coverage for the evening shift and will bring our full complement of civilian dispatchers to 6. It is our understanding that, with town support for the Board of Selectmen's recommendation to hire 3 civilian dispatchers, a MMS SRO can be in place by July 2019. In addition, we believe professional civilian tele communicators provide industry best-practice dispatch service for

our community. Should the state mandate the consolidation of Public Service Answering Points (PSAPS), having civilians in those roles will make for a much smoother transition.

Shared Services Funding Recommendation

I would like to propose to you this evening a different funding model for the Darien High School and Middlesex Middle School SRO's and potentially school crossing guards. Currently, the town purchases Information Technology Services from the Darien Public Schools and this shared-service model has served the town and taxpayers well. I'd like for you to consider a similar model for other town or district-provided services. This will allow for a more appropriate and transparent cost accounting for these vital public safety measures in our schools. The safety of our children and financial support for safety measures is the highest priority for our town.

- We support the reinstatement of the Parks Laborer position that was vacated when a personnel matter necessitated the move of personnel to DPW. We were able to make do with the reduced staff until the purchase of Highland Farm and the need for maintenance services there and at Short Lane. While we explored moving the DPW position back into P&R but this would reduce the standard of care for town-owned facilities.
- We did not support accruing funds for "Accrued Leave Redemptions" in an effort to avoid taxing for expenditures beyond the upcoming budget year. While we strongly support reserving for capital equipment replacement, we do not support reserving for future personnel-related expenses.
- We are requesting a modest increase in funding for the Blight Review Officer. When the Blight Ordinance was drafted, it was assumed that we might have 12 cases per year. This year, the Blight Officer has had to review approximately 50 property complaints.
- We recommend that the BOF review the revenue estimates from interest income with the Town Treasurer. Members of the RTM F&B have suggested the revenue projection may be understated given market conditions. We understand our Treasurer has very specific limitations on how she can invest our money. She is the expert to whom you should refer.

Capital Budget Highlights in addition to those stated earlier in my comments Include:

- Full funding (and proposed bonding) for the Highland Farm improvements (\$600K)
- New sidewalk construction and sidewalk rehabilitation
- Paving
- Local match for much needed intersection improvements at West and Noroton Avenues
- Fire apparatus replacement reserves
- Software upgrades and in-car camera system building access system for the DPD
- Upgrade the traffic pre-emption system for first responders
- 4 marked and 1 marked police vehicles – (consider looking at replacement life again)
 - We were able to repurpose a PD vehicle for the Fire Marshall's office
 - We did not support the full funding for proposed Short Lane Improvements

Our Department Heads, Town Administrator and Board of Selectman were diligent in our interest to support projects, services and capital expenditures that maintain a level of local service our taxpayers expect. As the realities of local impacts of the state's fiscal crisis come clearly in focus throughout the remainder of the legislative session, we acknowledge the difficult decisions the Board of Finance may have to make. We also recognize the need to continue to invest in our school facilities and look forward to bringing well-planned Ox Ridge Elementary School and Pear Tree Point Beach building projects to the Board of Finance and RTM in the near future.

The Board of Selectmen budget does NOT consider impacts from the reinstatement of a homestead exemption, loss of motor vehicle tax revenue (\$4M), the imposition of a 1mill statewide real property tax, ramifications for school or municipal consolidations, new state mandates or yet-to-be-identified taxes on the "wealthy". There is a plethora of these proposals gaining traction with state leadership but it's too soon to reflect these in our budget. We are here to help inform any decisions that need to be made.

To assist us with this task we are working to develop a "tax calculator" that will model the impacts to homeowners on the various state tax proposals, specific to individual property values. When this tool is refined and we have more clarity on state policy direction, we will make the "tax calculator" available to the public. According to our early calculations, the impacts will be significant.

Now let's take a few minutes to get acquainted with OpenDarien!

On behalf of the Board of Selectman and our taxpayers, we thank you in advance for your efforts in helping to craft a FY19-20 budget that preserves services and programs desirable to all and makes fiscal discipline and sustainability a core priority.

Respectfully submitted,
Jayme J. Stevenson
First Selectman