

Town of Berlin

FY2020 Budget Review

Town Operations

March 6, 2019



Budget Strategy



- Priorities focused on the four quadrants
- Overlapping priorities is common
 - School buildings/grounds & infrastructure
 - Public & School safety
 - Financial strength provides funding for educational goals
 - Quality roads & bridges enhance public safety
- Overall goal is a sustainable model for the entire community

Fiscal Year 2020 Budget Priorities

AREAS OF “NEW” INVESTMENT IN FY 2020

Infrastructure

Buildings
Grounds
Roads
Bridges
Dams

School Security

Technology
Personnel
Access Mgmt

Farmington Ave

Bonding
Remediation
Liability Mgmt
Economic Dev

ON-GOING OPERATIONS

Legal, Contractual and Regulatory Compliance & Safe/Quality Community Features

LEGALLY REQUIRED LONG-TERM OBLIGATIONS

Bonds, Notes, Leases, Closed Defined Benefit Plan

Funding General Government Operations and High Priority School Security Positions

| | FY18 Actual | FY19 Original Budget | FY19 Amended Budget | FY20 Department Budget | FY20 Manager Budget | Manager/ Original Chg | Manager/ Original % Chg |
|-------------------------------------|-----------------|----------------------------|---------------------------|------------------------------|---------------------------|-----------------------------|-------------------------------|
| General Government | \$3,322 | \$4,052 | \$3,954 | \$4,834 | \$4,814 | \$761 | 18.8% |
| Community Development | \$783 | \$847 | \$847 | \$898 | \$895 | \$48 | 5.6% |
| Public Safety | \$8,597 | \$9,375 | \$9,410 | \$9,639 | \$9,610 | \$235 | 2.5% |
| Physical Services | \$7,099 | \$7,941 | \$7,923 | \$8,367 | \$8,350 | \$408 | 5.1% |
| Parks, Recreation and Libraries | \$3,712 | \$3,970 | \$3,976 | \$4,279 | \$4,256 | \$286 | 7.2% |
| Health and Human Services | \$2,440 | \$2,581 | \$2,601 | \$2,676 | \$2,670 | \$89 | 3.4% |
| Schools (excl. BOE operations) | \$3,431 | \$3,317 | \$3,337 | \$4,016 | \$4,093 | \$776 | 23.4% |
| TOTAL GEN'L GOV'T OPERATIONS | \$29,385 | \$32,084 | \$32,048 | \$34,709 | \$34,686 | \$2,603 | 8.1% |

Drivers of the increase

Contractual Wage Increases

School Security Guards

Insurance

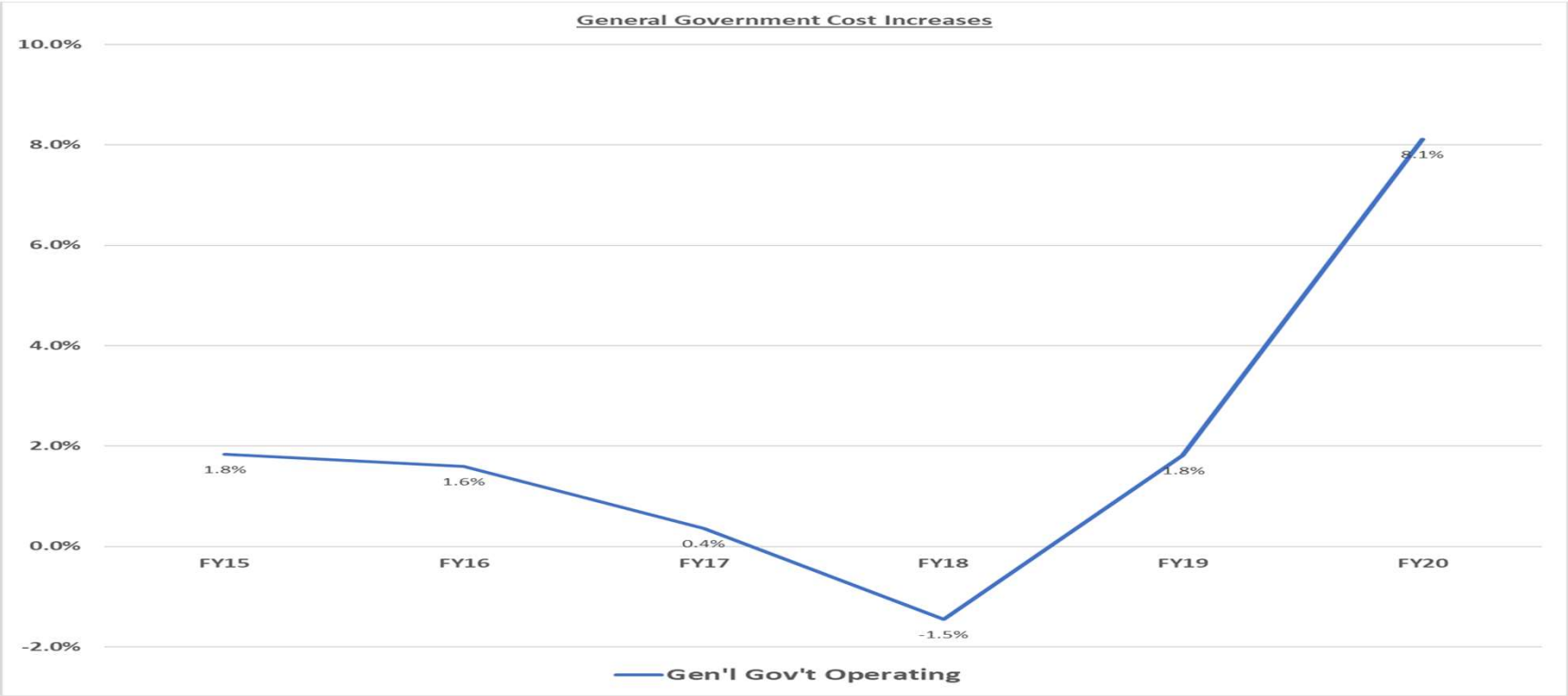
Refuse Disposal

Contractual Services

New IT Director

| <i>(in thousands)</i> | | % of Total | | |
|---|------------------|------------------|------------------|------------------|
| FY20 Gen'l Gov't Operations Budget | Personnel | Operating | Personnel | Operating |
| General Government | \$2,806 | \$2,008 | 58% | 42% |
| Community Development | \$835 | \$60 | 93% | 7% |
| Public Safety | \$8,598 | \$1,012 | 89% | 11% |
| Physical Services | \$4,382 | \$3,968 | 52% | 48% |
| Parks, Recreation and Libraries | \$3,035 | \$1,221 | 71% | 29% |
| Health and Human Services | \$2,244 | \$425 | 84% | 16% |
| Schools (ex BOE operations) | \$1,808 | \$2,284 | 44% | 56% |
| GENERAL GOV'T OPERATIONS | \$23,709 | \$10,978 | 68% | 32% |

Modest General Government Operating Budget Increases



| | <u>FY14</u> | <u>FY15</u> | <u>FY16</u> | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20 (Proposed)</u> | <u>FY15</u> | <u>FY16</u> | <u>FY17</u> | <u>FY18</u> | <u>FY19</u> | <u>FY20</u> | <div>5-Year CAGR 2.0%</div> |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------------------|
| Gen'l Gov't Operating | \$30,797,461 | \$31,363,653 | \$31,862,244 | \$31,975,519 | \$31,511,594 | \$32,083,553 | \$34,686,404 | 1.8% | 1.6% | 0.4% | -1.5% | 1.8% | 8.1% | |

+\$3.3 million or 10.6% over 5 years

FY14-FY19:
0.6% CAGR

Wages & Fringes...

- Existing salaries increasing \$520,000
- 2.25% annual wage increase plus steps for positions not at max
- Town Manager denied almost all new position requests – one full-time & three part-time are included:
 - New IT Director to address fragmented structure (+\$163k, w/ benefits)
 - New part-time Human Resources support (+\$11.3k)
 - Part-time Community Center Supervisor to enhance coverage/security (+\$11.2k)
 - Part-time Senior Center Program Coordinator (+\$9.1k, pursuing grant)

Other drivers of the increase...

- NEW School Security Guards in Department 61
- Insurance:
 - Replace \$395k for General Insurance removed from FY19 budget – fully insured premiums paid for with fund balance in FY19
 - Health Insurance increasing based on experience – multi-year erosion of fund balance leaves the Town dangerously close to a required General Fund infusion
- Refuse Disposal changes – China no longer accepting recycling means recycling rebates are now a cost
- Contractual Services :
 - Declining capital budgets lead to increasing repairs budgets
 - Facilities (Town & School) and Grounds (fencing, playgrounds, sidewalks)

QUESTIONS?