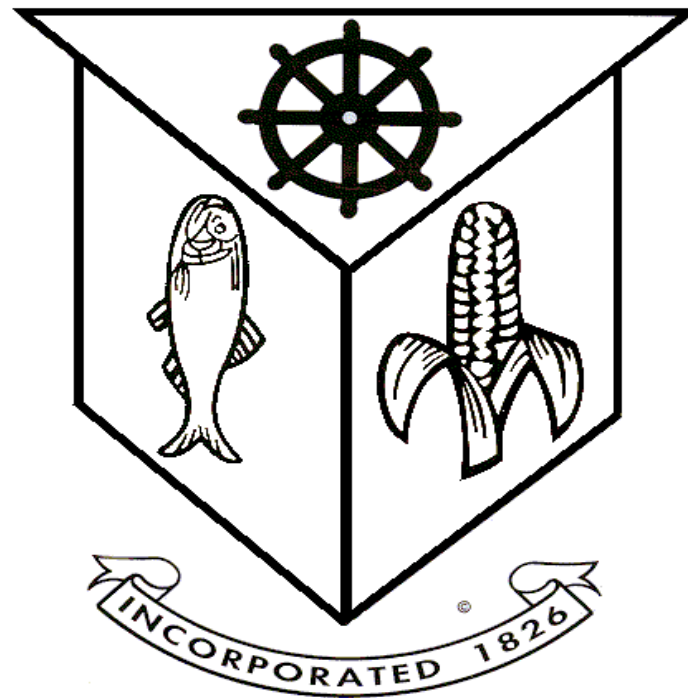


***Town of Madison
Board of Finance
Revised Budget
Public Hearing
July 14, 2010***



Board of Finance



- Helen Burland, Chairman
- Peggy Lyons
- Jim Matteson
- Kathy Rossini
- Kathy Stahelski
- Jennifer Tung

Previous Reductions (June 2010)

| | |
|---|-------------|
| Director of Planning and Economic Development– eliminated | (\$115,000) |
| Maintenance – one full time position eliminated; | (\$42,320) |
| Beach and Recreation – clerical hours reduced | (\$26,000) |
| Library Operating Funds reduced | (10,000) |
| Major Roads Reserve reduction | (\$50,000) |
| Health Insurance Reserve reduction of 1% | (\$14,000) |
| Land Use position Health Insurance | (\$15,000) |
| Funding for for Land Use and Economic Development reorganization | \$30,000 |
| Total Adjustment: | (\$242,320) |

Public Feedback Over Budget

- ▶ Overall spending increases too high
- ▶ Want tax relief
- ▶ Resistance to Senior Services Director
- ▶ Operating costs versus reserve allocations
- ▶ Increase in debt service obligations (Griswold, Senior Center) puts pressure on overall Budget
- ▶ Review of LoCap procedures, projects and funding level



***Board is proposing
\$465,098 additional
budget cuts***

Town Budget Adjustments

Operational

| | |
|---|----------|
| Workers Comp and LAP Insurance | (33,992) |
| Delay in Sr. Center Opening | (32,000) |
| Senior Services Director –eliminated | (48,750) |
| Building Official | (15,000) |
| MCTV | (3,000) |
| Downtown Landscape Fund (weeding, etc) | (2,000) |
| Town Property Maintenance Contract | (30,000) |
| Delay Police Position (2 months) | (12,500) |
| Office Furniture replacement | (3,000) |
| Staff Development | (5,000) |
| Legal | (25,000) |
| Reorganization of Land Use | (10,000) |
| Senior Services – restoration of reductions | 11,000 |
| Registrar/Town Clerk– referendum cost | 9,000 |

Town Budget Adjustments

Reserves



| | |
|--|-----------|
| Health Insurance allocation reduction: | (7,500) |
| Long Term Capital Planning (LoCAP) | (100,000) |
| GASB #45 | (30,000) |
| Planning * | (25,000) |
| Equipment/Vehicles | (15,000) |

*Funding is transferred from operations each fiscal year it is funded. Reductions shown in Reserves

Town Project Adjustments

LoCap

- ▶ Removal from LoCap Project List:
 - Parking and Softball Field Improvements
 - Town Garage Salt Shed
 - DHHS Driveway & Sidewalk Improvements
 - Town Garage Drainage Project
 - Planning Reserve

Town Budget Adjustments

Debt Service

- ▶ Reduction in Interest Payment (12,356)
Interest Rate Assumption has been reduced to 4%.
- ▶ Open Space Planning Reserve Allocation to
reduce Debt Service Payment for Griswold
(75,000)

Summary of Expenditures

| | 2009-10 Approved (\$K) | 2010-11 Recommended (\$K) | % Change |
|--|---------------------------|---------------------------------|----------------|
| Town Operations | \$14,996 | \$15,068 | .05% |
| <i>Capital Projects & Planned & Cycled Maintenance</i> | <i>\$2,017</i> | <i>\$1,895</i> | <i>(6.05%)</i> |
| <i>Health Insurance</i> | <i>\$1,272</i> | <i>\$1,347</i> | <i>5.87%</i> |
| <i>Debt Service</i> | <i>\$1,326</i> | <i>\$1,569</i> | <i>18.33%</i> |
| Total Budget | \$19,611 | \$19,878 | 1.36 % |

Proposed Town Budget

| | 2009-10 Approved | 2010-11 Recommended | Change | % Change |
|--------------------------|--------------------------|--------------------------|-----------------------|---------------------|
| Operational | 14,995,938 | 15,067,629 | 96,691 | 0.05% |
| Health Insurance | 1,272,230 | 1,339,377 | 67,147 | 5.28% |
| GASB 45 | 30,000 | 0 | (30,000) | (100%) |
| Capital Projects | 762,000 | 777,715 | 15,715 | 2.06% |
| LoCAP | 1,124,864 | 1,024,864 | (100,000) | (8.9%) |
| Planned & Cycled | 100,000 | 100,000 | 0 | 0 |
| Reserve Sub Total | 3,289,094 | 3,241,956 | (47,138) | (1.43%) |
| Debt Service/Int | 299,374 | 565,996 | 341,622 | 89.05% |
| Debt Service/Prin | 1,027,000 | 1,003,000 | (24,000) | (2.34%) |
| Debt Sub Total | 1,326,374 | 1,568,996 | 317,622 | 18.29% |
| <u>TOTAL TOWN</u> | <u>19,611,406</u> | <u>19,878,581</u> | <u>267,175</u> | <u>1.36%</u> |

Summary of Board Reductions

Tax Payer Concerns

- ▶ Overall spending increase too high
- ▶ Resistance to new Town positions
- ▶ Balance funding for Operations with Reserve Accounts: Health; LoCAP; GASB; Planning; Vehicles

Board Actions

- ▶ Reduce spending with minimum impact to town services: landscaping, legal, staff development
- ▶ Elimination of Director of Senior Services position; delay hiring of police position
- ▶ Reduction reserve funding by \$177,500 including Planning Reserve
- ▶ Remove projects from LoCap list

Open Items

- Allocation from the Open Space Planning Reserve Account
 - Recommendation from BOS: \$75,000 to be used to offset debt service due to the purchase of Griswold
 - Planning and Zoning Commission rejected recommendation from BOS


- Further Review of LoCap Project List
 - No further budget implications for 2010–11 but approval of project list is part of the annual budget referendum

BOF Regulations

Section 2. Reserve and Capital Project Funds

Purpose:

To appropriate sums of money on an annual basis which will accumulate to provide funding for long-term financial obligations of the town.



BOF Regulations

Long Term Capital Maintenance Projects Fund

Purpose: The intent of the Long Term Capital Maintenance Projects Fund is to provide an option for funding long-term capital maintenance projects for the Town of Madison and the Madison Public Schools that normally do not exceed \$1,000,000 of total cost per project. Expenditures from these funds may occur in one year or over several years. These projects shall be in support of the land owned by the Town of Madison.

BOF Regulations

- ▶ All project related costs for restoration, improvement and renovation of existing buildings or land owned by the Town of Madison shall be eligible for funding from this fund, including engineering, planning, architectural design, construction and implementation of approved projects. Projects to achieve operating cost improvement for existing buildings (e.g. energy conservation projects, utilities cost savings, etc.) will be eligible for funding under this regulation. Routine planned maintenance projects, including painting, carpeting, cleaning,

BOF Regulations

plumbing and electrical repairs, regular heating system maintenance and other normal repairs to buildings and building systems will not be eligible for funding by the Long Term Capital Maintenance Projects Fund and shall be funded through the Town of Madison or Madison Public Schools annual operating budgets.

Current Representation on LoCAP

Board of Selectmen:

Noreen Kokoruda and Bill Gladstone

Board of Education:

Debbie Frey and Becky Coffey

Board of Finance:

Jennifer Tung and Peggy Lyons

At Large Representatives: Bob Hale



Proposed Project List 2010-11

- ▶ Brown School Siding Replacement
- ▶ Town Garage Drainage (DEP compliance)
- ▶ Town Garage Salt Shed move/repair
- ▶ Energy Efficiencies
- ▶ Pavement Maintenance
- ▶ Replacement of water line to Brown School
- ▶ DHHS Sidewalk and Driveway Improvements
- ▶ Modify entry to install tank and furnish at Surf Club
- ▶ Softball and Parking improvements at Academy North Field
- ▶ Planning

Blue highlighted projects were removed from list.

BOF Regulations

Open Space Reserve Fund

Purpose: Per Section 8–25b of the Connecticut General Statutes and Section 3.11.6 of the Madison Zoning Regulations, a fund was established to be used to preserve open space or acquire additional land for open space or for recreational or agricultural purposes.

BOF Regulations

Open Space Reserve Fund – continued

Per Section 3.11.7 of the Madison Zoning Regulations, this fund shall be disbursed according to all applicable State and Municipal requirements. However, the Planning and Zoning Commission may make recommendations to the Board of Selectmen regarding the use of such funds, taking into consideration recommendations made by the Madison Land Conservation Trust, the

BOF Regulations


Madison Land Use and Acquisition Committee, and other similar organizations, town committees or commissions.

Administrative Procedures: Expenditures out of fund shall be recommended by the Planning and Zoning Commission and approved by the Board of Selectmen and the Board of Finance.

Current Balance: \$317,000

Administrative Procedures were amended as follows: Expenditures shall be approved by the Board of Selectmen and Board of Finance. Allocation of \$75,000 was approved to be used to pay debt service associated with the Griswold purchase.

Points of Clarification

- ▶ New debt service for Senior Center and Griswold will total \$381,955 in 2010/2011. This is reduced with allocation of \$75,000 from Open Space Reserve.
 - ▶ Total increase to the Town budget is \$267,175.
 - ▶ Without new debt service, overall town budget would be below 2009–2010 budget by \$114,780.
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Adjusted Timetable 2010-11 Budget



- ▶ Joint BOF/BOS Meeting June 28, 2010
- ▶ BOF Special Meeting July 1
- ▶ Public Hearing – July 14
- ▶ Publication of recommended adjustments
- ▶ **Referendum – July 27, 2010**
- ▶ BOF will meet post referendum (if budget is approved) to set the mill rate
- ▶ Tax bills based on approved BOE budget and 2009–2010 town budget were mailed July based on a mill rate of 19.3; amended tax bills including tax abatements will be mailed effective January 1, 2011.

Summary



- ▶ Recommended Town budget has been reduced by a total of \$465, 098.
 - \$200,242 reduction in operations
 - \$177,500 reduction in reserves
 - \$87, 356 reduction in debt service/interest
- ▶ Overall increase to Town budget is 1.36% that includes increase to debt service.
- ▶ Total Proposed Town budget: \$19,878,581

Public Comment

