

TOWN OF MADISON



CONNECTICUT

Budget Public Hearing

Board of Finance

February 28, 2023
Madison Town Campus – Hammonasset Room

Your Board of Finance Members

John Picard, Chair

Cindy Breckheimer

Jean Fitzgerald

Fillmore McPherson

Justin Murphy

Katie Stein

Overall Budget Process

- Begins in September with the Town and Education Staffs
- Boards help build the budgets throughout the fall
- Opens in January with a combined BOS-BOF meeting for town staff
- Combined BOS-BOF-BOE meeting for the education budget

The Process Up Till Now

- Education Budget has been approved by the Board of Education & Recommended by the Board of Selectmen
- Town Budget has been approved by the Board of Selectmen
- Tonight the Board of Finance receives both Recommended Budgets

Tonight!

We Want to Hear From You!

- Tonight begins the Board of Finance Budget Review
- Public Input is an incredibly important part of the process.
- But it doesn't stop here, please come to our meetings and workshops

What's next?

- Board of Finance Budget Workshops
- Board of Finance 2nd Public Hearing, April 18, 2023
- Board of Finance Recommends 2023-2024 Budget
- Referendum, May 16, 2023
- Board of Finance to Set Mill Rate, May 17, 2023

Tonight's Proceedings

- Board of Education Budget Presented by Superintendent, Dr. Craig Cooke
- Town Budget Presented by First Selectwoman, Peggy Lyons
- Questions and comments from the public
 - Please try to keep your *comments* to around 2 minutes so everyone can speak

Vision for 21st Century Education

Every child, every day, leading the way.



Madison Public Schools

**2023-2024 Board of
Education
Approved Budget**

Madison Public Schools BOE Approved 2023-2024 Budget

Madison Public Schools Board of Education Recommended Budget 2023-2024

	2022-2023 Approved	2023-2024 Recommended	Change from prior year budget	% Change	% of total increase
General Education	\$ 33,898,092	\$ 34,433,687	\$ 535,595	1.58%	0.89%
Special Education / Student Services	\$ 11,283,637	\$ 11,756,254	\$ 472,617	4.19%	0.78%
School Facilities / Daily Services	\$ 5,194,958	\$ 5,525,388	\$ 330,430	6.44%	0.55%
Planned and Cycled Maintenance	\$ 389,500	\$ 439,500	\$ 50,000	12.84%	0.08%
Health Insurance / Self Funding	\$ 7,991,700	\$ 8,743,065	\$ 751,365	9.40%	1.25%
Operational Budget	\$ 58,757,887	\$60,897,894	\$2,140,007	3.64%	3.55%
Debt Service / School Bonds	\$ 1,497,530	\$ 952,800	\$ (544,730)	-36.38%	-0.90%
Total Comprehensive BOE Budget	\$ 60,255,417	\$61,850,694	\$1,595,277	2.65%	2.65%

2023-2024 BOE Approved Budget

OPERATING BUDGET

Personnel and Benefits (other than Health Insurance)

1.06% of overall increase from 2022-2023 Budget

Personnel:

- ❑ Contractual Increases (average 3%) \$832,105
- ❑ Continuation of Armed Security \$149,404
- ❑ Continuation of Substitute coverage \$30,000
- ❑ DHHS and Music Curriculum staffing* reduction **-\$211,325**
- ❑ Reductions in Force: 7 Paraprofessional FTEs **-\$118,832**
- ❑ HR Office Restructure **-\$26,784**

**Curriculum Writing Cycle - no additional monetary impact*

2023-2024 BOE Approved Budget

OPERATING BUDGET

Personnel and Benefits (other than Health Insurance), cont.

Benefits:

- Reduction in Early Retirement Program **-\$64,534**
- Pension Contribution **-\$20,833**
- Benefits (Unempl, payroll taxes, insurance, w/c) \$16,125

Personnel Request:

- Construction Manager* (.5) \$55,000

**Funding for the position is split 50/50 between the Board and Town of Madison.*

2023-2024 BOE Approved Budget

OPERATING BUDGET

Health Insurance

1.25% of overall increase from 2022-2023 Budget

- Health Insurance (9.40% increase from prior year Health Ins.)
\$751,365

2023-2024 BOE Approved Budget

OPERATING BUDGET

Special Education (excluding personnel)

.45% of overall increase from 2022-2023 Budget

External Placements:

- Public and Private Placements **-\$4,502**
- Transportation (including contractual 2.5%) \$216,477

Account Adjustments:

- Instructional Software \$16,495
- Extended Year Program \$24,529
- Evaluations \$2,625
- Professional Development \$13,500
- ESS Contractual Increase \$3,611

2023-2024 BOE Approved Budget

OPERATING BUDGET

Facilities (excluding personnel)

.35% of overall increase from 2022-2023 Budget

Account Adjustments:

- Electric (5% projected increase) \$37,993
- Natural Gas (20% projected increase) \$55,673
- Trash and Recycling \$40,000

Facilities Requests:

- Custodial Supplies (increased costs only) \$30,000
- Planned and Cycled Maintenance Increase \$50,000

2023-2024 BOE Approved Budget

Debt Service

Expiring debt for construction of DHHS

-.90% of overall Decrease from 2022-2023 Budget

☐ Total reduction for 2023-2024 budget **-\$544,730**

Note: Remaining debt of \$1,320,000 to retire over next two years.

FYE 2024 (\$952,800) and in FYE 2025 (\$367,200).

MPS Budget History

Year	Percent Increase	
2018-2019	2.08%	
2019-2020	-0.10%	
2020-2021	.87%	
2021-2022	1.23%	
2022-2023	1.66%	
2023-2024	2.65%	Recommended to BOF

6-year average - 1.40%

TOWN OF MADISON



CONNECTICUT

Budget Public Hearing

Board of Selectmen

February 28, 2023

Board of Selectmen (BOS)

Peggy Lyons, First Selectwoman

Al Goldberg

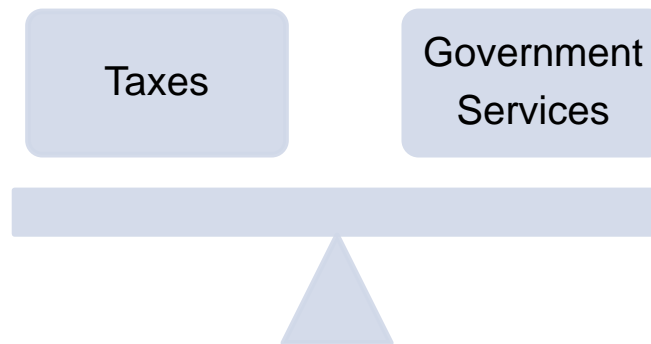
Jennifer Gordon

Scott Murphy

Bruce Wilson

Board of Selectmen Goals

- Develop a responsible budget that reflects community needs, priorities
- Start planning today for referendum approved bonding projects to relieve pressure on future budgets
- Replace local tax payer dollars with state & federal grants to fund important infrastructure and community projects
- Continue to improve operational efficiencies, enhance existing programs and services, tap new resources, explore shared services, and realize cost savings
- Adequately fund projects through Capital Improvement Program (CIP) to support immediate needs and plan for the future
- Minimize mill rate impact on taxpayers



BOS Recommended Budget

	Approved 2022-2023	Recommended 2023-2024	Change	YOY%
Operations	\$ 22,582,472	\$ 23,016,048	\$ 433,576	1.92%
Reserve Funds	413,966	413,966	0	0.0%
Health Insurance	2,031,512	2,332,983	301,471	14.84%
Total Operational Budget	25,027,950	25,762,997	735,047	2.94%
Capital	4,565,885	5,158,302 ⁽³⁾	592,417	12.97%
Debt Service	1,510,833	1,694,125 ⁽⁴⁾	183,292	12.13%
Town BOS Recommended Budget	\$ 31,104,668	\$ 32,615,424	1,510,756	4.86%
Total Education	60,255,417	61,850,694	1,595,277 ⁽⁵⁾	2.65%
Grand Total	\$ 91,360,085	\$ 94,466,118	\$ 3,106,033	3.40%
Potential Mill Rate Change	29.41 ⁽¹⁾	29.99 ⁽²⁾	0.58	1.97%

1. Includes BOF use of \$500K from Undesignated Fund Balance for Mill Rate reduction.
2. Assumes BOF applies comparable amount of Undesignated Fund Balance for Mill Rate reduction.
3. CIP Committee Recommended Budget, including the Madison Investment Plan.
4. Excludes any debt service related to bonds issued for construction of DHHS.
5. Includes debt service reduction of \$544,730 year over year related to bonds issued for construction of DHHS.

Budget Growth Comparison

(YOY % Change)

Fiscal Year	Final Approved Budgets				BOS Recommended	
	19-20	20-21	21-22	22-23	23-24	
Total Town Operational	7.02%	5.12%	4.16%	3.46%	2.94%	58% Reduction in Operating Budget Growth ←
Total Town Budget	7.12%	5.01%	3.74%	6.77%	4.86%	
Total Education	(0.10)%	0.87%	1.23%	1.66%	2.65%	5 Year Average Mill Rate Growth of 1.35% ←
Total Combined Budget	2.07%	2.18%	2.04%	3.34%	3.40%	
Mill Rate Growth	1.10%	0.00%	1.76%	1.94%⁽¹⁾	1.97%⁽²⁾	

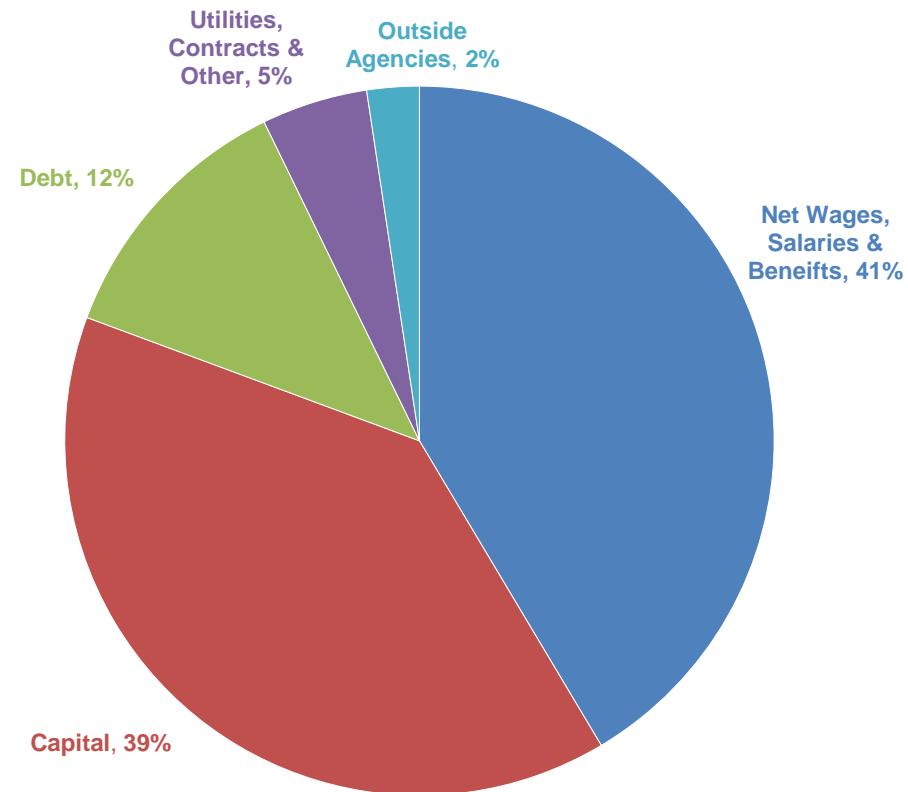
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2. Assumes BOF applies comparable amount of Undesignated Fund Balance for Mill Rate reduction.

What's Driving the \$1.51 million Total Town Budget Increase?

- 41% of Town Budget growth driven by personnel related costs
- Health insurance driving operational increases due to a resurgence of employee medical use post-pandemic, overall medical cost inflation
- 39% of Town Budget growth due to increases in capital funding to invest in infrastructure and save for future capital needs

Breakdown of Town Budget Increase



Walk-Thru: Town Operational Budget Increase

2022-2023 Approved Town Operational Budget		\$25,027,950
Wages, Salaries & Benefits:		
Contractual/Unaffiliated Salaries	169,543	
New Staffing		
Facilities – Construction Manager	55,000	
Police – P/T Social Worker	31,000	
Benefits (Healthcare, Pension)	<u>370,330</u>	
Total Town Personnel Related	625,873	
Other Operational Cost Increases	80,977	
Library – Operational, staff cost increases	<u>28,197</u>	
<i>Total Operational Increase</i>		<i>+735,047</i>
2023-2024 Recommended Town Operational Budget		\$25,762,997

FYE 23/24 Staffing Changes

- Achieved approximately \$35K in personnel savings as a result of staff turnover and departmental re-organizations (Human Resources, Tax)
- Addition of part-time Social Worker to MPD staff to work with Police Officers and coordinate with MYFS. Anticipated 2024 start.
- New Construction Manager position shared 50/50 with BOE to assist Facilities Department in construction management of wide range of projects and transition plan for retirement

Department	Net Change in FTE
Facilities Dept.	+0.50
Police Services	<u>+0.50</u>
Total	+1.00

Madison Investment Plan (MIP)

- **Long-term financial plan to strategically use surplus fund balance, ARPA funds, state/federal grants, and current budgets to soften mill rate impact**
 - Build CIP balances in advance to ensure adequate funding for future capital needs
 - Minimize financial impact of capital projects on the mill rate
- **Continue to use federal/state grants to offset need for tax payer dollars**
 - Town received \$5.3M in ARPA Funds, \$3.4M used for capital projects
 - Over \$9M in new major grant awards in 2022, applying for more
- **Strategic use of surplus undesignated fund balance**
 - Historic balance of \$20M
 - Preserve rainy day fund but identify unnecessary surplus. Required minimum balance of at least 10% of Annual Budget (\$9M)
 - BOS recommending \$3.5M CIP infusion in 2023
 - Identifying other non-recurring items that impact Budget
- **Short-term increase in Annual CIP Funding in 23/24 Budget**

Capital Funding

Capital Project Fund	2022-2023	2023-2024
		\$100,000
		2,806,302
		300,000
		75,000
		250,000
		350,000
		25,000
		700,000
		130,000
		37,000
		135,000
		250,000
		\$5,158,302

- \$592K increase in CIP funding based on committee recommendations
- CNRE funding increased by 30%. Includes most community improvement projects
- BOS recommending additional CIP funding to save for future capital needs and provide relief on future budgets
- CIP excludes \$1.3 million in projects anticipated to be paid for by ARPA Funds and State/Federal Grants, reducing Town funding requirements

Status of Major Projects

- **Madison School Renewal Plan - Approved Feb. 2022**
 - New Elementary School Building Committee in design phase
 - Brown facility upgrades slated for construction summer 2023
 - Polson HVAC and auditorium upgrades in project development phase
- **Academy Community Center - Approved Feb. 2022**
 - Received \$4.2M in state grants in 2022
 - Building Committee recently selected architect
 - Advisory Committee completed community survey on programming
- **Island Avenue – Sale to OLM Prep closed June 2022**
 - Proceeds of \$2.3M to fund other capital projects
- **Madison Center Project**
 - All necessary easements recorded
 - Electrical infrastructure work completed. Individual property work targeted March 2023
 - Eversource pole removals targeted late Spring 2023
 - Received \$1.2M of new state grants in 2022 to launch Phase 3

Status of Major Projects (cont.)

- **Town Emergency Shelter**
 - Polson identified by Shelter Committee as new location. Generator and electrical upgrades needed
 - Federal Grant of \$1M awarded end of 2022
 - Project in early design phase
- **Town Emergency Operations Center**
 - Combined with Downtown Firehouse extension project
 - Federal Grant of \$2.5M awarded end of 2022
 - Project in development phase
- **Garvan Point Sea Wall Restoration Project**
 - State grant of \$740K awarded in 2021
 - Plans being finalized for fall 2023 construction
- **Madison Dog Park set to open May 2023**
 - P&Z approval in January 2023
 - ARPA grant awarded to fund upgrades

Budget-related Special Appropriations

Dept.	Description	Appropriation Amount
CIP Infusion	Special appropriation into CNRE account as per MIP	\$3.5M
Fireman's Pension	Special appropriation into reserve account to slow impact of pension changes on budget	135K
Police: Speed Signs	Acquisition of additional speed signs. Need to budget in future maintenance and/or replacement costs	35K
Police: Radar Sets		13K
Technology	Non-recurring. Appropriate into CIP Technology Fund	100K
Coastal Resiliency	Appropriate into CIP Coastal Resiliency Fund	<u>100K</u>
Potential Special Appropriations		\$3.9M

Key Take Away

- BOS Recommended Budget of \$32,615,464 achieves goals to fund core services, support community priorities, and plan for future capital needs, while minimizing the impact on property taxes

	Approved 2022-2023	Recommended 2023-2024	Change	Percent
Total Town	31,104,668	32,615,464	1,510,756	4.86%
Total Education	60,255,417	61,850,694	1,595,277	2.65%
Grand Total	\$ 91,360,085	\$ 94,466,118	\$ 3,106,033	3.40%
Potential Mill Rate Change	29.41 ⁽¹⁾	29.99 ⁽²⁾	0.58	1.97%

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2. Reflects mill rate growth of 1.97% and assumes BOF applies comparable amount of Undesignated Fund Balance for Mill Rate reduction.

Questions?

THANK YOU !!!