

First Selectman's Recommended Budget July 1, 2018 – June 30, 2019



**Presentation to the Board of Finance
March 12, 2018**

Overall Strategic Objectives

- Maintaining and Improving Westport's Brand
- Remaining a highly desirable location to live, work, shop, dine and raise a family
- Respect and preserve our small-town character

Position Westport to deal with the challenges of the future

Outside Challenges

Retaining and enhancing our quality of life while maintaining our economic vitality will be challenging

- Lack of funding and support from the State
 - No expectation of PILOT or ECS funding
 - Other State aid zeroed out
- Federal government Tax Reform
 - Impact of reduced SALT deductions
- Deteriorating transportation infrastructure
- The “Amazon Effect” and the New Mall

Yearly Fiscal Objectives

Stable Mill Rate (Our Competitive Advantage)

Funding Long Term Liabilities

- Pension
- OPEB
- Long-Term Debt

Operational Cost Efficiencies

- Sustainable
- Repeatable

Revenues to Off-set Costs

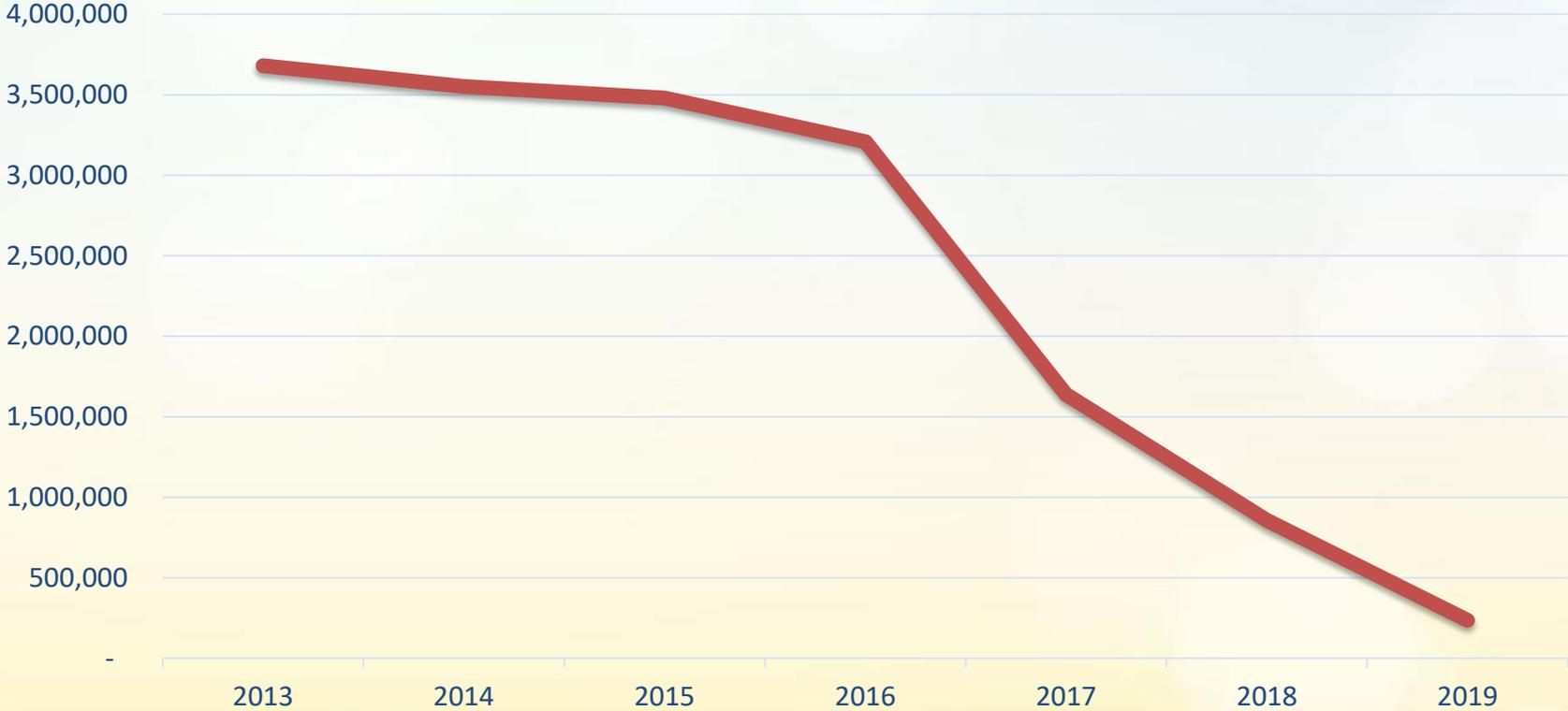
Grand List Growth

Key Considerations

- Impact on Town Finances from Major Decrease in State Funding
- Westport's Response
 - Financial Discipline
 - Operational Discipline
 - Invest in Long Term Improvements
- Continuing to Deliver Excellent Service
 - Efficient
 - Effective
 - Innovative
 - Long-term implications
- Citizen Centric
- Sustainability
- Maintenance of Public Spaces

State Revenue Challenges

STATE REVENUES



3,680,607	3,551,388	3,478,781	3,208,562	1,639,901	858,496	235,655
-----------	-----------	-----------	-----------	-----------	---------	---------

PROJECTED

Major Current Year Initiatives

- Positive Financial Results
- Complete Energy Performance Contract Initiative (May 2018)
- Enhancing the Center for Senior Activities
- Downtown Master Plan Implementation Continues
- Saugatuck TOD Master Plan
- Downtown Westport Flood Resiliency Planning
- Upgraded front line DPW Plow Trucks (11 trucks)
- Settled Police & Fire Collective Bargaining Agreements
- Settled Fire Pension Contract (15 years in the making)

Major Current Year Initiatives (continued)

- Longshore Golf Bunker Improvements
- Library Transformation Project Has Begun
- POCD Completed
- Compo Beach Improvements (Pavilion & Bathroom upgrade)
- Dredging of Compo Channel
- Improve Compo Beach Experience
- Wakeman Town Farm Renovations
- Cell Tower Lease Renegotiations (to be complete Apr 2018)
- Commission on People with Disabilities
- Rebuilding Harbor Road Bridge

Fiscal Year 2019 Initiatives

- Complete Major Pension Contract Negotiations
- Launch New Town Website
- Streamline Land Use Permitting Processes
- Complete the Library Transformation
- Additional Collaboration with BOE
- Sale of 136 Riverside
- Develop/Enhance Departmental Performance Measures
- Combined Public Safety Dispatch

Fiscal Year 2019 Initiatives

(continued)

- South Beach Improvements
- Improve Payroll Timekeeping Data Collection
- Public/Private Partnerships to Improve Neighborhood Parks
- Downtown Upgrades
 - Elm Street
 - Baldwin & Avery Parking Lots
 - Parker Harding area
 - PPP with Landlords/Businesses
- Fairfield 5 Economic Development Initiatives

Long Term Financial Related Goals

- Taxes – Flat or Small increase in mill rate
 - Changes at or below CPI
- Pension Reform and Debt Control
- Sustainability – Net Zero by 2050
- Collaboration
 - Schools
 - Cross-Department
 - Other Municipalities (e.g. combined dispatch @ Sacred Heart University with Fairfield/Westport)

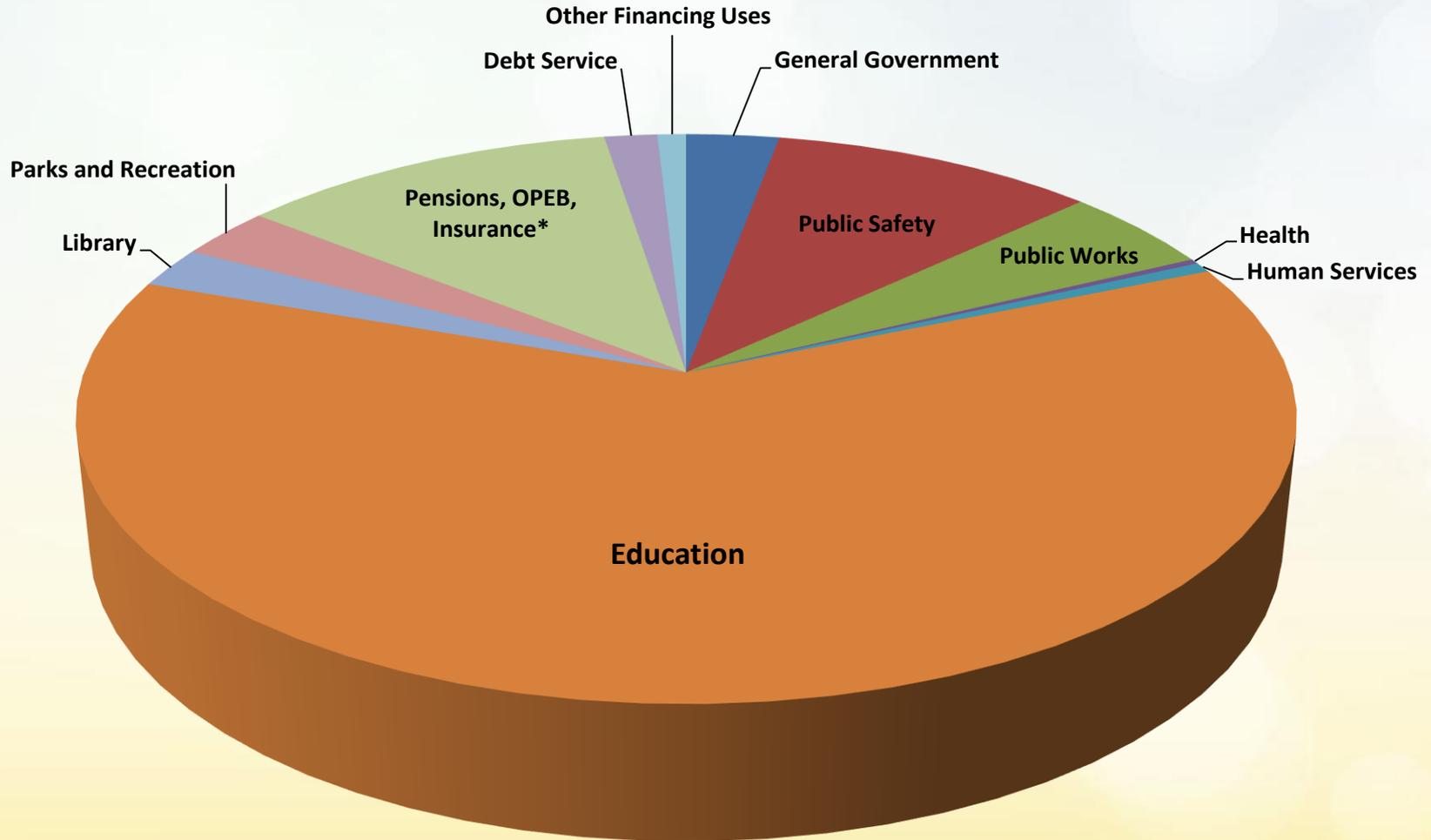
Budget Process

- Direction and Review with Department Heads
- Fresh look at Performance Measurement
- Board of Finance Workshops

Overview of Combined Budgets

- \$210 million
- 2.47% increase
- Town \$80.4 million, 1.21% Increase
- Grand List Increase 1.5%
- Grand List + Non-Tax Revenue Increase:
\$2.8 million additional revenue from the Grand List, offset in part by \$.6 million in lower non-tax revenues.

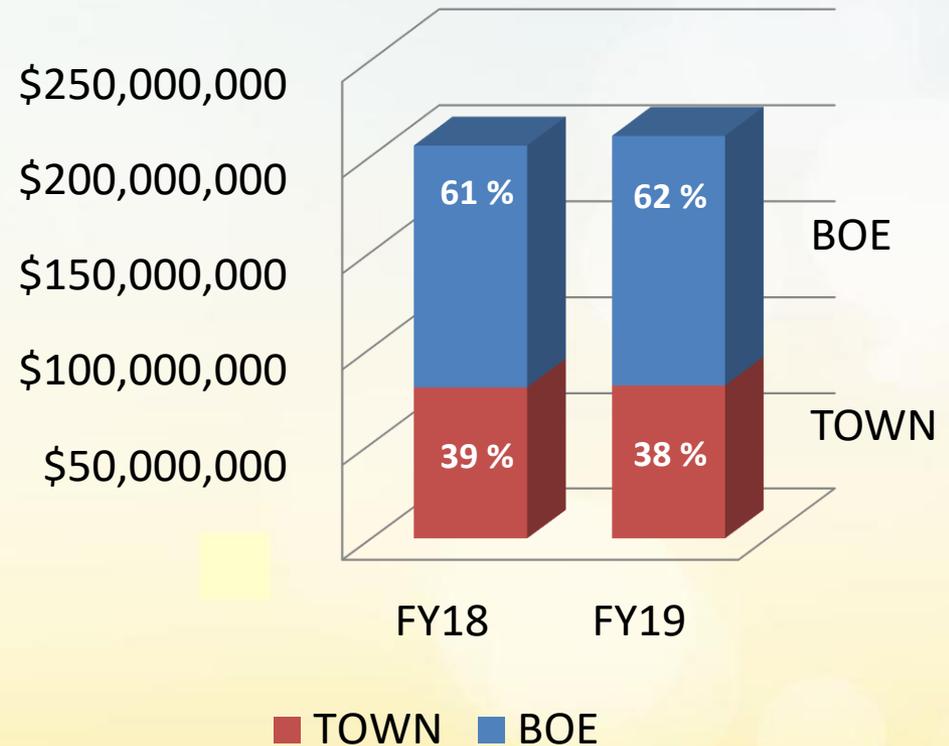
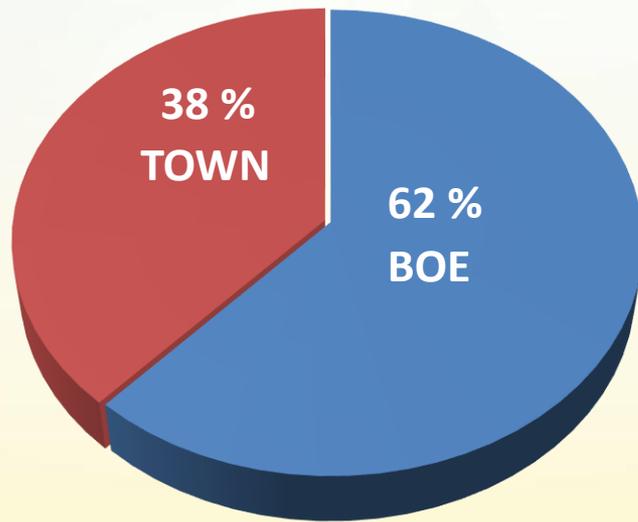
FY 2019 Total Budget \$210 million



*Also includes Westport Transit Authority, Earthplace & Misc.

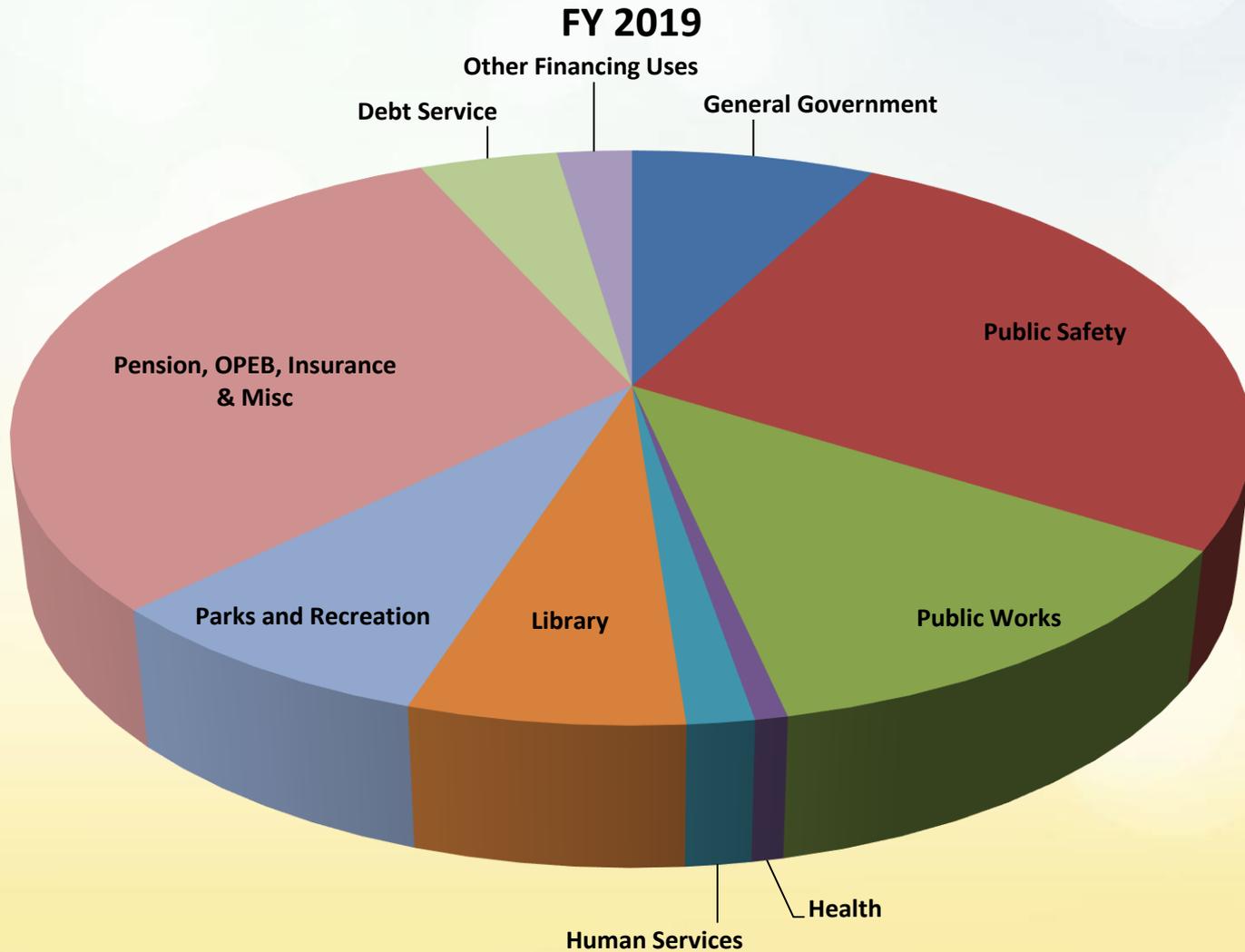
FY 2019 Total Budget \$210 million

2018-2019



Town Budget \$80 million – 1.21% increase

FY 2019 Town Budget \$80 million



DEPARTMENTAL BUDGETS

Pension, OPEB & Health Insurance Contributions Represent
25% of the Town's budget

	TOTAL BUDGET	INCREASE/ (DECREASE) FROM FY18	PERCENT CHANGE
PENSION	\$6.6m	(\$1.7)m	-20.2%
OPEB	4.9m	(233)k	-4.5%
HEALTH INSURANCE	8.9m	1.1m	14.8%
TOTAL HEALTH & RETIREMENT BENEFITS	<u>\$20.4m</u>	<u>(\$759)k</u>	<u>-3.6%</u>
OTHER BENEFITS AND INSURANCES*	4.4m	204k	4.9%
TOTAL	<u>\$24.8m</u>	<u>(\$555)k</u>	<u>-2.2%</u>

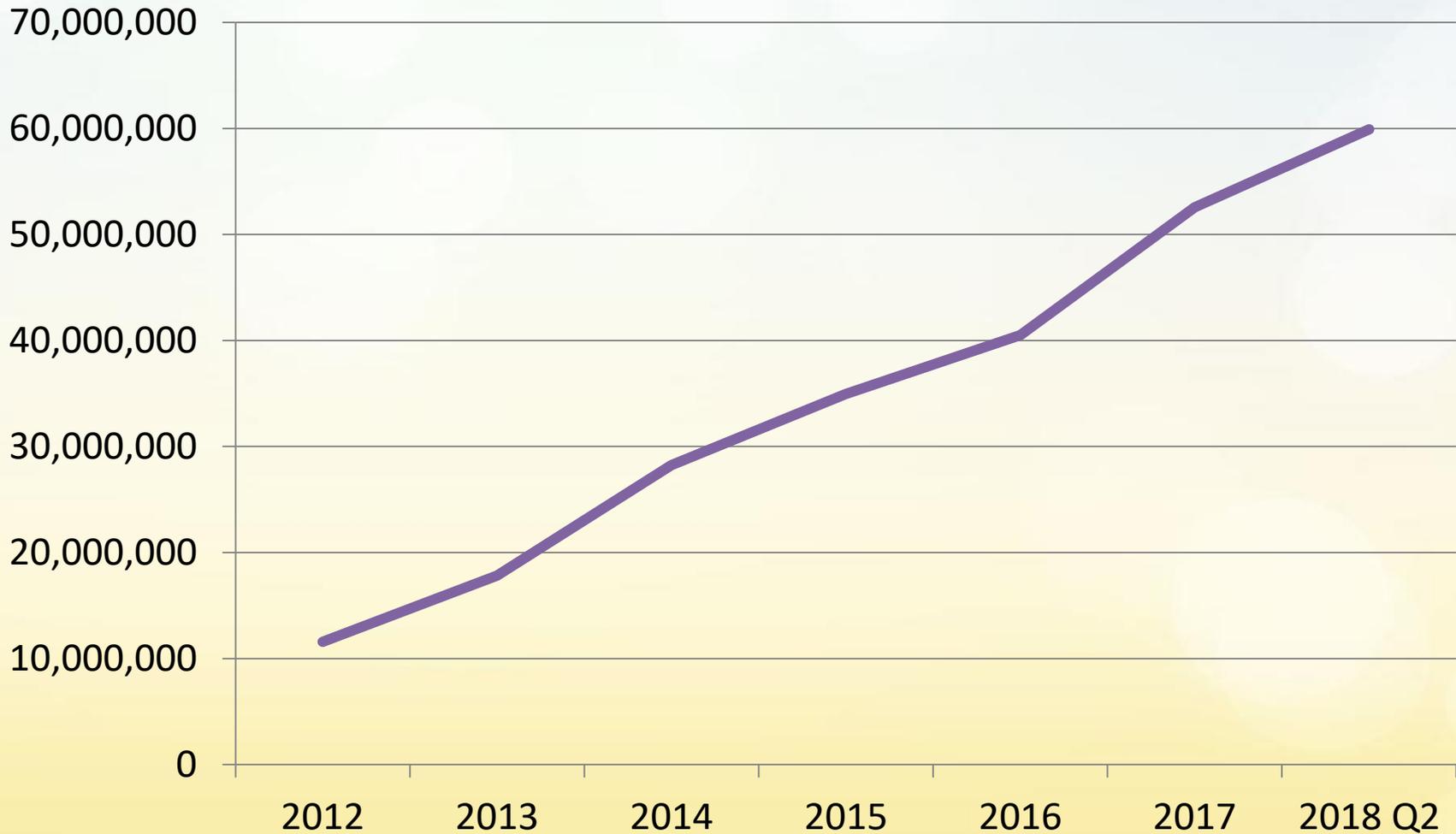
*Workers Compensation, Liability, Auto, Property, Social Security, Salary Adjustment, Unemployment and Transit District

OPEB CONTRIBUTIONS

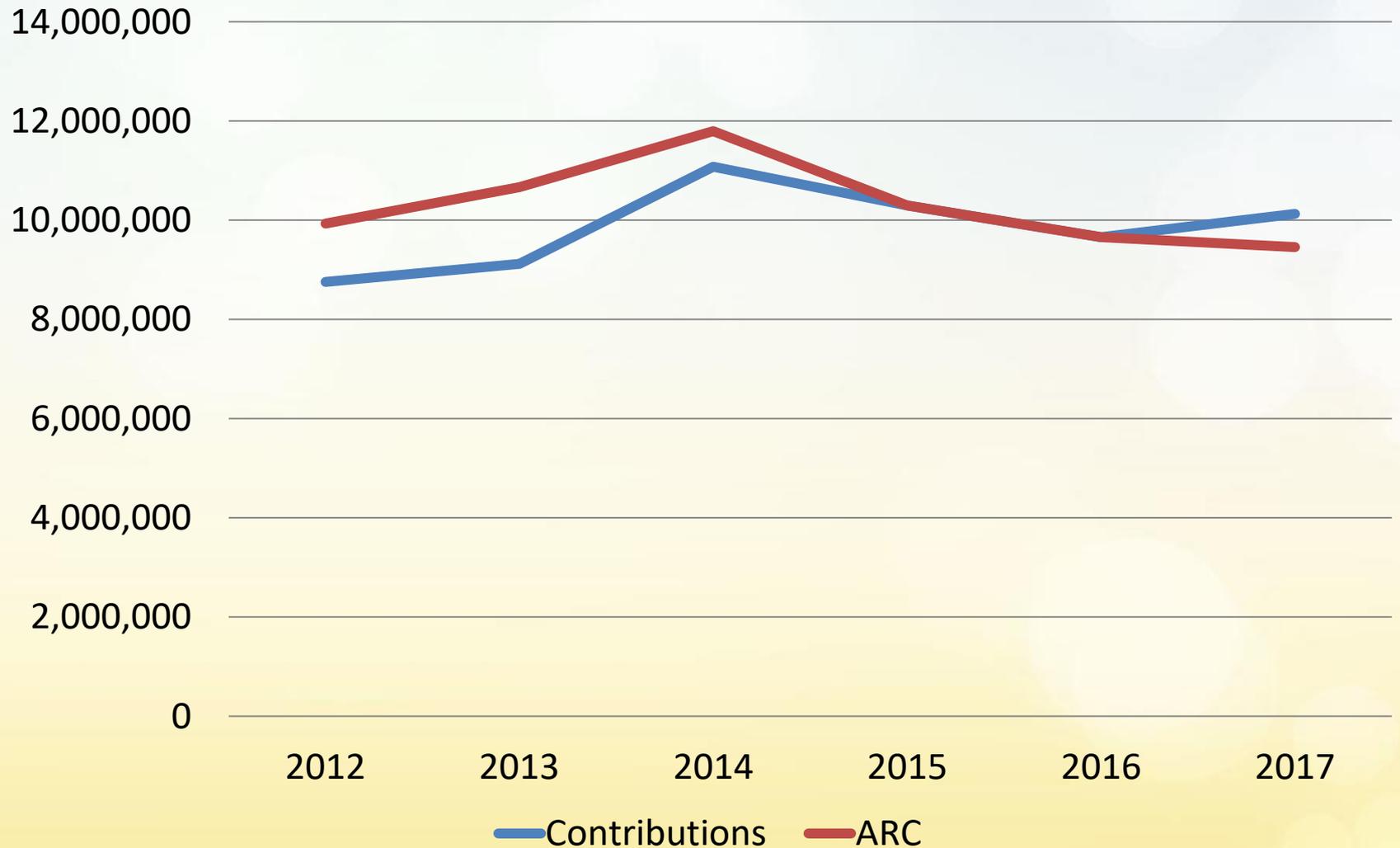
- OPEB Liability \$123.4 m
- OPEB Assets 12-31-17 \$59.9 m
- OPEB ARC \$9.4 m
 - \$4.5 million “pay as you go”
 - \$4.9 million funding the trust

OPEB ASSET VALUE

AS OF YEAR ENDED JUNE 30



OPEB CONTRIBUTIONS VS ARC

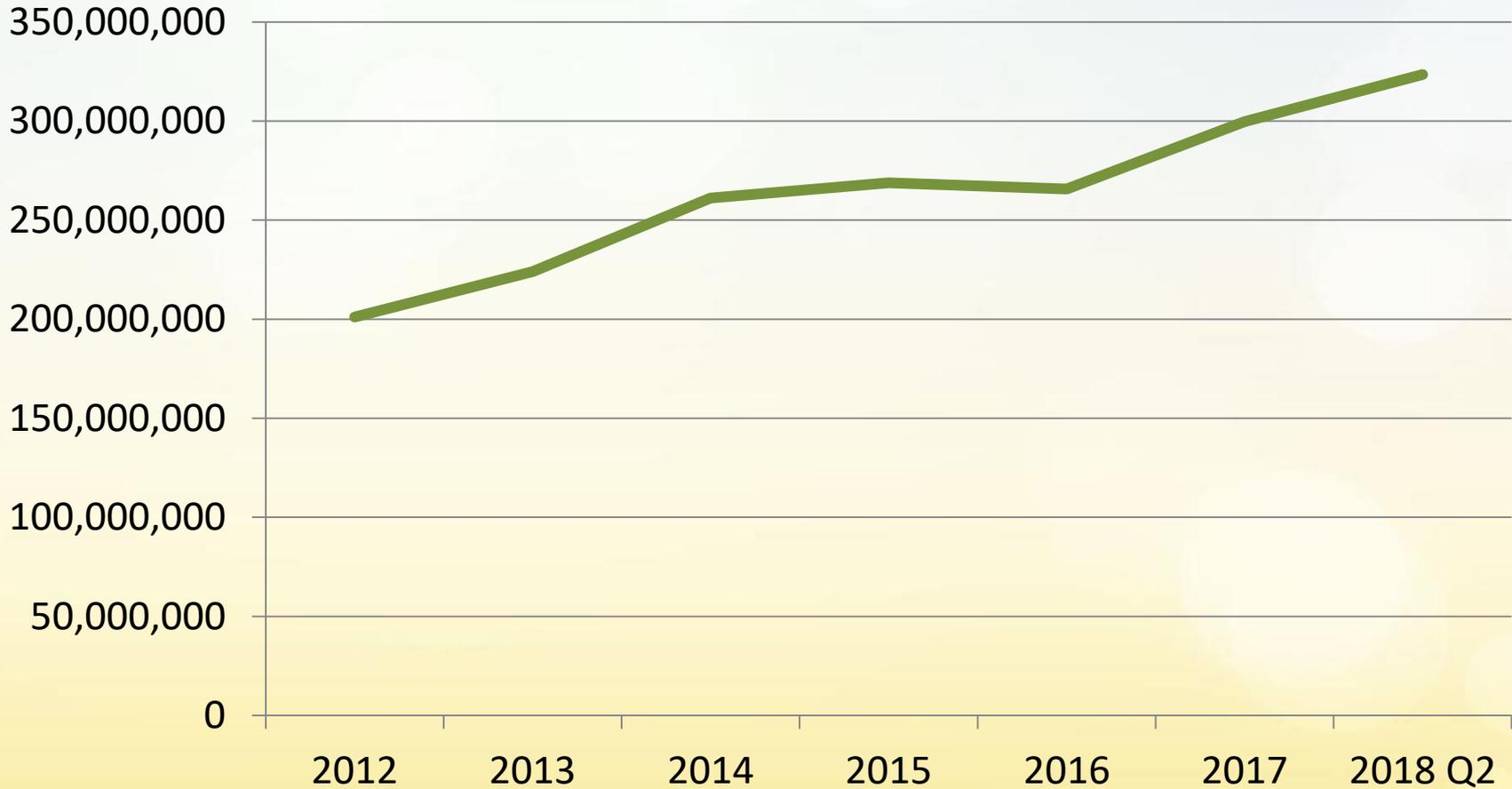


PENSION CONTRIBUTIONS

- Pension Liability 6-30-17 \$319m
 - Pension Assets 12-31-17 \$323m
 - Pension ADC 2018-19 \$6.1m
 - Funded Ratio 6-30-17 90.4 %
-
- Defined Contribution Plan \$319k

PENSION ASSET VALUE

AS OF YEAR ENDED JUNE 30



DEPARTMENTAL BUDGETS

Public Safety (26% of Town's budget)

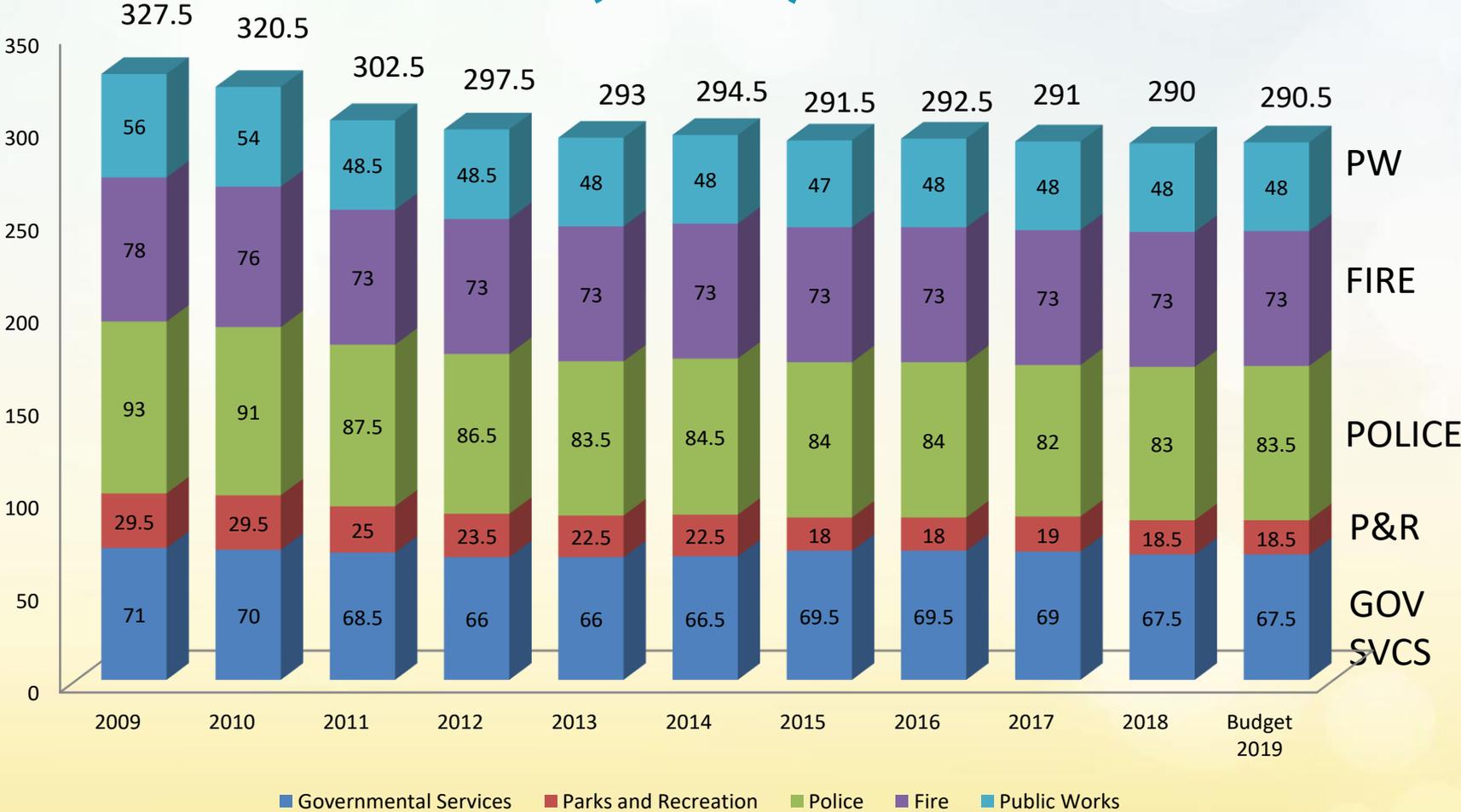
	TOTAL BUDGET	INCREASE/ (DECREASE) FROM FY18	PERCENT CHANGE
POLICE	\$9.0m	\$237,000	2.72%
FIRE (+ EMERG MGMT)	9.2m	65,000	.71%
OTHER PUBLIC SAFETY*	3.1m	57,000	1.9%
TOTAL	\$21.3m	\$359,000	1.72%

*Other Public Safety includes Dog Warden, Fire Hydrant Water, EMS and Building Departments

DEPARTMENTAL BUDGETS

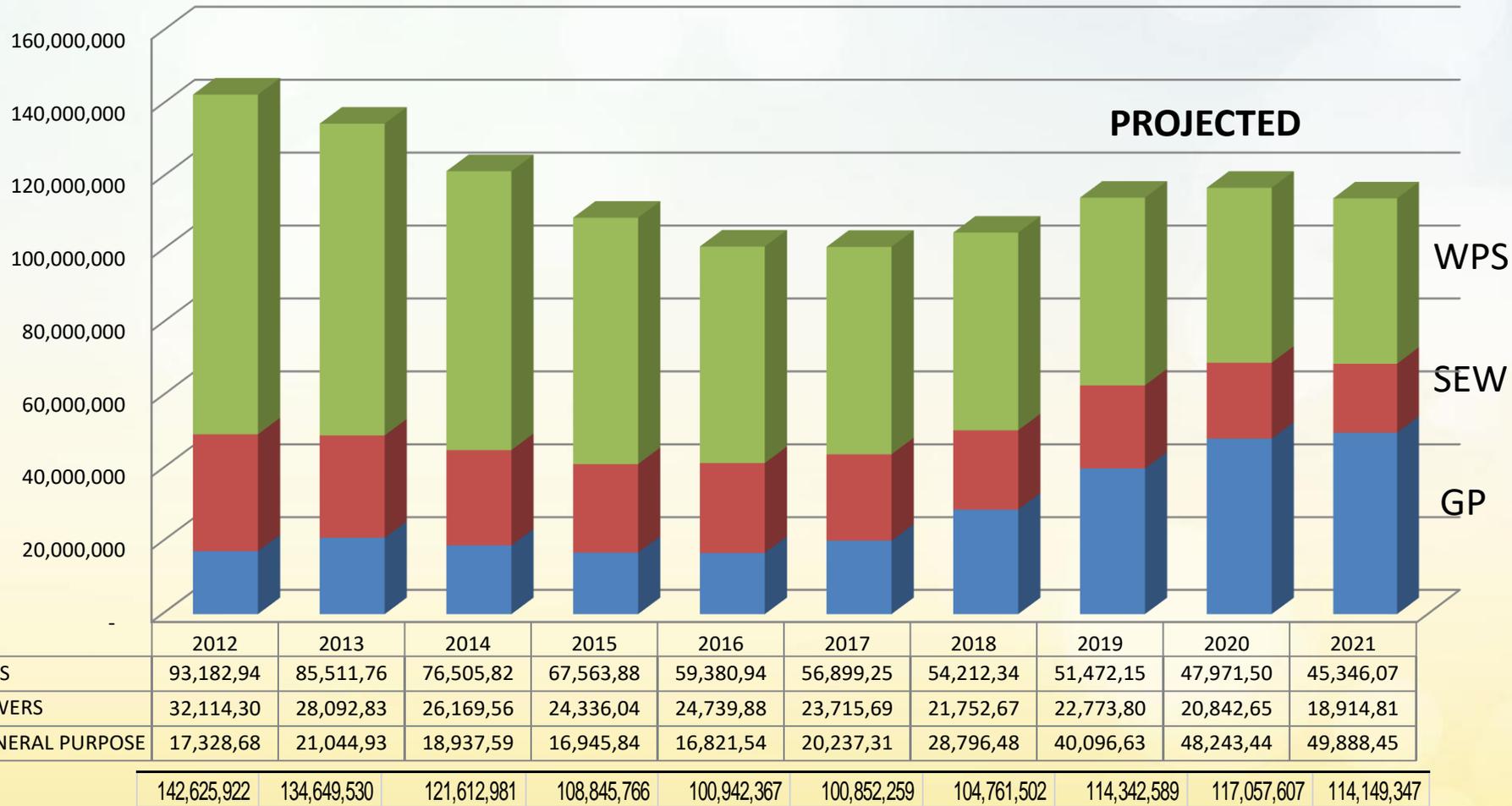
	TOTAL BUDGET	INCREASE/ (DECREASE) FROM FY18	PERCENT CHANGE	PERCENT OF TOWN BUDGET
PUBLIC WORKS	\$10.1m	\$400,000	4.10%	12.5%
PARKS & REC	\$6.2m	\$502,000	8.86%	7.6%
HUMAN SERVICES	\$1.2m	\$45,000	3.98%	1.5%
LIBRARY	\$4.9m	\$(18,000)	-0.37%	6.0%
TRANSIT DISTRICT	\$0.4m	\$0	0.0%	0.5%
GENERAL GOVERNMENT	\$6.1m	\$53,800	0.89%	7.5%

Budgeted Full Time Equivalent Positions (Town)



LONG TERM DEBT

WESTPORT TOTAL DEBT (ACTUAL & PROJECTED)



First Selectman's Recommended Budget July 1, 2018 – June 30, 2019



**Presentation to the Board of Finance
March 12, 2018**