

TOWN OF WESTON
BUDGET HISTORY

	FY 23	FY 24	FY 24 (forecast)	FY25 Original	Revisions	FY 25 Revised	\$ CHANGE FY 24 to FY 25R	% CHANGE FY 24 to FY 25R
TOWN OPERATING BUDGET REVISIONS								
Pension					95,000		756,880	4.92%
Healthcare					-22,000			
OPEB					TBD			
TOWN OPERATING BUDGET	14,885,746	15,359,556	15,123,189	16,053,436	73,000	16,126,436		
BOE OPERATING BUDGET REVISIONS								
OPEB					-36,736			
BOE OPERATING BUDGET	56,391,182	57,945,055	57,637,118	59,598,328	-36,736	59,561,592	1,616,537	2.79%
TOTAL OPERATING BUDGET	71,076,928	73,314,611	72,760,307	75,651,764	36,264	75,688,028	2,373,417	3.24%
TOWN CAPITAL BUDGET								
BOE CAPITAL BUDGET	1,777,892	2,618,138	2,618,138	7,869,760	-4,600,000	3,269,760	651,622	24.89%
LESS: Insurance Reserve Offset	1,097,956	833,450	833,450	1,526,500	-333,581	1,192,919	359,469	43.13%
Capital Reserve Offsets	0	0	0	(310,012)	(266,021)	0	0	N/A
Tentative BAN/Bond Financing	(444,767)	(34,592)	(34,592)	(4,600,000)	4,600,000	0	(541,441)	1565.22%
TOTAL CAPITAL BUDGET	2,431,071	3,416,996	3,416,996	4,486,248	(599,002)	3,886,646	469,650	13.74%
DEBT SERVICE - TOWN								
DEBT SERVICE - BOE	657,355	299,365	299,365	138,250	-128,000	10,250	(289,115)	-96.58%
Property Sale Proceeds	4,874,040	2,668,460	2,668,460	854,000	854,000	854,000	(1,814,460)	-68.00%
MODULAR LEASE PAYMENTS	-1,143,750	0	0	0	0	0	0	N/A
SUBTOTAL DEBT SERVICE	4,387,645	2,967,825	2,967,825	992,250	-128,000	864,250	(2,103,575)	-70.88%
TOTAL DEBT SERVICE	4,387,645	2,967,825	2,967,825	1,181,562	-128,000	1,053,562	(1,914,263)	-64.50%
TOTAL GROSS BUDGET	77,895,644	79,699,432	79,145,128	81,319,574	-691,338	80,628,236	928,804	1.17%
LESS: REVENUE	3,336,848	3,908,720	4,673,618	4,163,485	475,000	4,638,485	729,765	18.67%
LESS: EST. M.V. TAX LOSS	-74,846	-113,220	-113,220	0	0	0	113,220	-100.00%
TOTAL NET BUDGET	74,633,642	75,903,932	74,584,730	77,156,089	-1,166,338	75,989,751	85,819	0.11%
GRAND LIST	2,307,700,000	2,335,500,000	2,335,500,000	3,232,330,864	1,577,120	3,233,907,984	898,407,984	38.47%
BUDGETED MILL RATE	32.97	33.06	33.06	24.28		23.90	-9.16	-27.71%
BUDGETED MILL RATE for motor veh.	32.46	32.46	32.46	24.28		23.90	-8.56	-26.37%

*** Adjusted budget: revenue \$475K increase, additional capital offsets \$599K, Town Operating 73K increase BOE 36,736 decrease after BOS vote.

Mill rate collection budgeted at 96.3% for FY 24-25.

Town Capital budget additional 266K offset BOE 333,581 offset

** Road Paving Plan to be financed separately through Bond Anticipation Note pending approval at a Special Town Meeting

Revenue 475000
Capital offsets 266021
Pension

Fiscal 2024-25 Budget Deliberations

Tentative Adjustments

Town Operating:

Pension (Acct 0110110, Object 59206)

- Increase of \$95,000 based upon employer contribution % increasing from 15.85% to 16.68% for non-police employees, and from 21.72% to 24.1% for Police employees.
 - The Town was notified by the State Comptroller of these increases on February 29th to the CMERS program.
 - BOS proposed budget was \$1,271,000 and based upon the current employer contribution rates; revised calculation is \$1,366,000.

Health Insurance (Acct. 0110110, Object 59205)

- Revised insurance renewal rate increase for Anthem premiums from our broker is now 10.95% compared to 11.6% in the BOS proposed budget.
 - Town was notified by our broker on March 4th of this reduction.
 - Estimated \$22,000 favorable impact to the budget.

General Administration Department impact:

BOS Proposed Budget – \$5,377,414

Revised Proposed - \$5,450,414 (\$73,000 increase)

OPEB (Acct. 0110110, Object 59225)

- Change, if any, to be determined by BOF

Town OPEB Contribution FY25 presently budgeted to be \$63,358

- **BOE OPEB Contribution of \$200,567 assumed the actuarially determined assume premium benefit paid to BOE from OPEB Trust, as known in Fall planning cycle to be \$541,200, which would have yielded a BOE surplus of \$340,633**
- **Actual premium benefit needed was determined to be \$199,260 after BOE approved their FY 2025 budget**
- **If the Alternative Approach is embraced, the surplus is eliminated but is offset by the newly estimated premium benefit of \$199,260 that the OPEB Trust would pay to BOE**

ORIGINAL PROPOSED BUDGET			
<i>Algorithm</i>	BOE OPEB Calculations	Amount (\$)	Comment
<i>a</i>	Assumed Premium Benefit Paid to BOE from OPEB Trust	(\$541,200)	
<i>b</i>	Less Budgeted OPEB Contribution	\$200,567	
<i>c = a + b</i>	Net Expense (Benefit) to BOE as Budgeted	(\$340,633)	Creates a surplus for BOE

ALTERNATIVE APPROACH			
<i>Algorithm</i>	BOE OPEB Calculations	Amount (\$)	Comment
<i>d</i>	Revised OPEB Contribution	\$0	
<i>e</i>	Less Prior Budgeted (Benefit)	\$340,633	
<i>f</i>	Best Estimated Premium Benefit Paid to BOE from OPEB Trust	(\$199,260)	
<i>g = d + e + f</i>	Revised Net Expense (Benefit) to BOE	\$141,373	Increases budget but eliminates BOE surplus

Town Capital:

- **Suggest removal \$4.6 million from Gross Capital budget, and the offset of the same amount for tentative BAN issue (net impact = \$0). Recommendation to BOF to decouple the final paving amount and debt service from the budget as the BETA Group evaluation is still pending.**
 - **BETA Group report will not be available until late April.**
 - **BOS may request authorization to issue bond anticipation notes (BAN's) in an amount to be determined after the issuance of the BETA group report (anticipated early May).**
 - **Approval for such financing will require the approval of both the BOS, BOF and Town meeting.**
- **Add \$266,021 to the offset of the total capital budget based upon additional projects that have been completed and can be closed out.**

Debt Service:

- **Remove \$128k BAN interest payment, pending an authorization to finance road paving expenditures**
 - **Rationale discussed above under Town Capital**

Board of Education Operating Budget:

- **Reduction of \$36,736 based upon Phil Cross letter. *Note that this is pending based upon the OPEB funding decision.**
- **Should the Board of Finance decide to remove a contribution to the OPEB Trust for FY 25, this would remove \$200,567 from the budget. However, due to the BOE's revised estimate on retiree health expenses being \$341,940 lower than originally budgeted, a net increase of \$141,373 would be the actual impact.**

Board of Education Capital Budget:

- **Reduction of \$333,581 based upon Phil Cross letter.**

Town Revenue:

- Increase in non-tax revenue of \$475,000 based upon an increase in the rate of return assumption for Investment Income to 4.25% from prior assumption of 3%. Current yield in STIF is 5.4%.

Grand List:

- Increase Grand List amount by \$1,577,120 over the current \$3,232,330,864 to \$3,233,907,984.

<i>Algorithm</i>	<i>Descriptor</i>	<i>Amount (\$)</i>
<i>a</i>	Assessor's Grand List 1/31/24	\$ 3,235,330,864
<i>b</i>	Less Estimated Adjustments from the BOA appeals & court cases from prior years	(3,000,000)
<i>c=a+b</i>	BOS Approved Grand List for FY2025 Budget	\$ 3,232,330,864
<i>b</i>	Plus Estimated Adjustments from the BOA & court cases from prior years	3,000,000
<i>d</i>	Less Actual BOA reductions for property appeals	(886,690)
<i>e</i>	Less estimated court case reductions	(536,190)
<i>f=b+d+e</i>	Change in Grand List for FY2025 Budget	1,577,120
<i>g=c+f</i>	Revised Grand List for FY 2025 Budget	\$ 3,233,907,984

- Previous estimate assumed the Assessor's 1/31/24 filed grand list of \$3,235,330,864
 - less \$3 million of estimated adjustments from the Board of Assessment appeals as well as outstanding court cases from prior list years.
 - Estimate assumed reduction to the Grand List was based on BOA reductions for the 2018 revaluation totaling more than \$2.6 million.
- Actual BOA reductions for the 10/1/23 grand list were \$886,690.
- Our current estimate for possible outstanding court case reductions is \$536,190
- The total assumed reductions to the Grand List would be \$886,690 + \$536,190 = \$1,422,880.
- Revised grand list budget: \$3,235,330,864 - \$1,422,880 = \$3,233,907,984.

CAPITAL PROJECT CLOSE OUTS

Project	FY	Budget	Expended	Revenue (Grants)	Available
Community Connectivity Design	FY 18-19	40,000	34,938		5,062
Police Body Cameras	FY 20-21	259,703	144,387	(41,264)	156,580
Land Erosion Remediation	FY 21-22	305,015	263,223	-	41,792
DPW Chipper	FY 22-23	75,000	71,770	-	3,230
Police Dept Lockers and Bathrooms De	FY 22-23	50,000	50,864	-	(864)
Parks and Rec Pool Filter PIP	FY 23-24	20,500	21,325	-	(825)
DPW Front End Payloader	FY 23-24	250,000	188,954		61,046
		1,000,218	775,461	(41,264)	<u>266,021</u>



April 4, 2024

TO: Board of Education

FROM: Phillip Cross, Director of Finance and Operations

SUBJECT: FY2024- 25 Proposed Operating and Capital Adjustments

FY 2024-2025 Operating and Capital Budget Adjustments

Based on recent developments, the BoE is proposing a net reduction of (\$36,736) to the FY2024-25 requested operating budget and a (\$230,000) reduction to the requested capital budget. With this reduction, the requested operating budget will be \$59,561,592, an increase of \$1,616,537 or a 2.79% increase. The revised requested capital budget will be \$1,192,919.

The proposed operating budget adjustments are:

- Pension Contribution (\$76,037) – The state has indicated that the employer contribution for the FY2024-25 will be 16.68%. We had assumed an increase of 17.26%.
- Health Insurance \$141,373 – As a placeholder, the requested budget assumed a transfer of \$340,633 from the OPEB trust fund. This is the budgeted amount for FY 23-24. Because of a lower projected retiree cost of \$199,260, we are reducing the anticipated transfer from the trust by \$141,373.

You may recall in the recently concluded collective bargaining negotiations, all of the groups agreed to exit the State Partnership Plan (SPP) and enroll in a fully funded high deductible health insurance plan. This change has resulted in lower health insurance premiums.

- In district transportation (\$102,072) – Prior to the decision to issue a RFP, we had discussed the possibility of renewing the contract with First Student. First Student's proposed increase in year 1 was in the range of 13%-15%. As this was a significant increase, we requested that First Student sharpen their pencils. This reduction represents their current best offer.

FY 2024-25 PROPOSED OPERATING BUDGET ADJUSTMENT

Description	Amount (\$)	%
Operating Budget:		
FY 2023-24 Adopted Budget	\$ 57,945,055	
FY 2024-25 BOE Requested Budget (1/23/2024)	\$ 59,598,328	2.85%
<u>Adjustments</u>		
CMERS	(76,037)	-0.13%
In-District Transportation	(102,072)	-0.18%
<u>OPEB Contribution Adjustment</u>		
OPEB Contribution - Budgeted	340,633	
Less Anticipated Projected Retiree Cost	(199,260)	
Adjustment for Reduce OPEB Contribution	141,373	0.24%
Total Proposed Adjustment	(36,736)	-0.06%
FY 2024-25 Revised Requested Operating Budget	\$ 59,561,592	2.79%
FY 2024-25 Revised Requested Increase	\$ 1,616,537	2.79%

Capital Budget

We are proposing to use a portion of the anticipated FY24 surplus to fund three capital projects.

In addition, we will be requesting a transfer from a previously approved water heater replacement project at WHS that has been on hold. This will offset the updated request for the water heater replacement.

The proposed capital budget adjustments are:

FY 24-25 Proposed Capital Budget Adjustments

Approved Capital Budget (2-15-24)	\$ 1,526,500
<u>Items to be funded by FY 23-24 Surplus</u>	
#4 - District Wide Parking Lot/Driveway Maintenance and Paving	(170,000)
#5 - HES North House Playground Site Work	(30,000)
#7 - WHS Old Gym Wall Padding Replacement	(30,000)
	(230,000)
Transfer from WHS Water Heater Replacements Funded 2019-20 to new request	(103,581)
Total Proposed Adjustment	(333,581)
FY 2024-25 Revised Requested Operating Budget	\$ 1,192,919