

# Town of Preston Government Budget Fiscal Year 2023-2024

Board of Finance Budget Workshop  
March 29, 2023

# Overview and Future State

## Making Great Strides in our Town Operations

- Continue to be Forward Thinking:
  - Data driven decision making
  - Budgeting – a reflection of our values
  - People don't plan to fail, they fail to plan (John J. Beckley)
- Strategic Planning:
  - Actionable steps, goals, effective execution
  - Forecasting
  - Communicating
  - Clear Gov

# External Environment and Influences

- Still an Uncertain Environment:
  - High inflation
  - Supply chain and demand issues
  - Rising interest rates
  - War between Ukraine and Russia
- There are Positive Signs:
  - COVID-19 Public Health Emergency, ending May 11, 2023
  - Unemployment is much lower on average at 3.5% from its peak of 14.7% in April 2020

# Fiscal Year 2024 Budget Process

## Budget Parameters:

- Salary wages handled centrally
  - Items flat whenever possible
  - Due diligence for pricing and comparisons
  - Reallocate funds within department line items based on needs
  - Larger expenditures that are not capital should be included
  - Overall budget submission not to exceed 10%
- Capital Planning:
    - Relook at requests from last fall and update if needed

# Key Budget Drivers

- Salaries, FICA, Healthcare, MERS
- Key Department Changes and Central Services
- Public Works

# Salaries, Healthcare, FICA, MERS – 56% of overall budget increase

- Salaries are at a 4.00% increase consistent with last year after comparing Social Security COLA 8.7%, Inflation, CCM Labor Data, and surrounding towns. Prior year increases of 1.5% and 2.00% were factored in as well. Contingency built in for the HR Compensation and Classification Study for salary grades and ranges which is nearing the final stages.
- Healthcare is projected to be at a not to exceed 8.5% and dental at 2% subject to changes in employee status and plans. This was due to the proactive movement from the State Partnership Plan to UHC and collaboration with the School District providing lower and more predictable caps.
- MERS (pension) is increasing rates – projected employer contributions at an increase of 2.02%

# Key Department Changes and Central Services

- Finance and Treasury
  - Continue to strengthen for additional support to migrate to a centralized finance department
  - Increased complexity of GAAP (Generally Accepted Accounting Principles), regulations, grants
  - Continued progress on the Audit Corrective Action Plan, segregation of duties, and internal controls
  - Full implementation and integration of Infinite Vision and ClearGov
  - Greater efficiency and automation
- Central Services
  - Continued progress on analysis of staffing positions to realign and restructure to meet today's business needs
  - Floater hours category – reassigned from P&Z and Building, not an increase in hours
    - Cross training, workloads, and seasonality
    - Flexibility and maximizing resources
- SCCOG Code Enforcement Grant and Contracted Services
  - Building Official, Zoning Enforcement Officer, and Assessor

# Key Department Changes and Central Service Continued

- Resident Trooper
  - Current troopers at a lower step than previous ones, will continue to increase as they progress in the steps, contract negotiations, or trooper changes
- Emergency Management Director Wages and Full Time Firefighter
  - Emergency Management Director wages broken out for grant purposes
  - Full-time Firefighter added for OSHA and NFPA two in, two out regulations
  - ARPA savings and part-time shifts to be used to fund this additional Full-time position



# Complement of Old to New Comparison

<b><i>SUMMARY Contracted Services, SCCOG Grant &amp; Shifting of Office Staff</i></b>	<b><i>Wages, Medi/FICA, Healthcare and MERS</i></b>
<b><i>Total Cost of Old Complement</i></b>	<b><i>\$172571</i></b>
<b><i>Total Cost of New Complement</i></b>	<b><i>\$79378</i></b>
<b><i>NET SAVINGS</i></b>	<b><i>\$93193</i></b>

# Public Works – 14% of overall budget increase

- Routine and preventative maintenance of many miles of roads
- Road surfacing, an increase of \$27K as we continue to address the road management and capital plan
- Solid waste management stream pressures
  - Increase in hauling and SCRRRA tipping fees
  - Looking at other options to offset some of these fees
    - Composting and Transfer Station sticker fees and other ideas
- Locked in oil, gas, and diesel pricing in partnership with the School District allowing greater predictability and a reduction in budget estimating based on historical volumes

# Other Important Budget Considerations

- Central Services
- Insurance and Risk Management
- Fire and EMS Department
- Capital Non-Recurring
- Electricity
- Public Health Administration

# Central Services

- Grant Writer – \$25K
  - Many funding opportunities
  - Time-consuming
  - Short turnaround time
  - Summary and Status will be discussed in more detail later in the presentation
- Legal Services
  - Reallocation from other Boards and Commissions
  - Anticipated increase in needs and expenses, some due to the complexity of issues and legislation

# Central Services Continued

- Technology
  - Encompasses all major department IT needs
  - Software upgrades and replacement of desktops and servers to adhere to the maintenance plan. Pay as you go versus capital plan
  - ClearGov
  - Reliance on technology is increasing and is an essential business need that has to be secure and up to date
  - Increase is directly contributed to security, inflation, and supply chain issues and demand

# Insurance and Risk Management

- Workers' compensation and property/liability –Not to exceed 8.5% projected increase, it could be lower as we don't have our individual town budget indicators from CIRMA yet
- Risk management is essential and includes Cyber Liability Coverage
- CIRMA Member Equity Distribution can be used to offset costs. Although not guaranteed, the 5-year historical average has been about \$13K
- Evaluating moving the Fire/EMS vehicle insurance to CIRMA for potential savings

# Fire and EMS Department

- Relatively level request
- Increase of about \$7.5K for 911 dispatch, negotiated down from the original increase of \$15K. Had been level for 12 or so years. Will evaluate the advantages and disadvantages of other dispatch options over the next year
- Other increases mainly due to inflation

# Capital Non-Recurring

- Planning for expenses over multiple years to avoid a large expenditure all at once
- 10-Year Revaluation—\$25K for 5 years
- Plan of Conservation and Development \$5K



# Electricity

- 20% anticipated increase in all respective line items, which could be more or less
- Evaluating solar options for multiple buildings and land in partnership with the School District

# Public Health Administration

- Largely Uncas Health District and United Community Family Services (UCFS)
  - Uncas Health
    - uses a per capita formula, \$2.6K increase
    - Services essential especially during the pandemic
  - UCFS
    - \$11K increase, had been flat funding over multiple years
    - Essential services: primary care, dental, behavioral health, food pantry

# Grant Summary and Status for the Betterment and Future of our Community

## Competitive Grants Awarded/PreApproved

Description	Source of Funds	Amount	Town Match
Poquetanuck Village Traffic Calming Master Plan	LOTICIP	\$2,850,578	\$11,500
Poquetanuck Village Traffic Calming Master Plan	Community Investment Fund 2030	\$400,000	\$-
Mathewson Mill Road Improvements and Reclamation	TRIP	\$1,084,224	In kind
Transfer Station Improvements Phase I	STEAP	\$498,452	\$41,514
Cooktown Road Bridge	CT DOT/Federal	\$2,707,000	\$-
Parks Road Bridge	CT DOT/Federal	\$2,866,000	\$-
Comprehensive DUI Grant (Nov 2022)	CT DOT	\$24,406	\$-
Comprehensive DUI Grant (Jan 2022)	CT DOT	\$19,518	\$-
Rural Road Grant	Emergency Services and Public Protection	\$5,000	In kind
Summer Enrichment Grant	State Department of Education	\$30,294	In kind
Firehouse Upgrades Preston City		\$150,000	\$-
Firehouse Upgrades Poquetanuck		\$150,000	\$-
	<b>Total</b>	<b>\$10,785,473</b>	<b>\$53,014</b>

## Competitive Grants Pending

Description	Source of Funds	Amount	Town Match
Poquetanuck Village Plan Extension	DEEP Recreational Plan	\$554,600	In kind
Public Works Town Garage Facilities Improvements	FY 24 Courtney Community Project	\$279,000	\$-
	<b>Total</b>	<b>\$833,600</b>	<b>\$-</b>

## Competitive Grants Applied for Not Awarded

Description	Source of Funds	Amount	Town Match
Transfer Station Improvements Phase II	Community Investment Fund 2030	\$692,000	\$-
	<b>Total</b>	<b>\$692,000</b>	<b>\$-</b>

## Grant Summary and Status for the Betterment and Future of our Community

- Proactively seeking over \$12M of funding with a total of about \$10.8M in the recommended, pre-approved, or approved status. This is a success rate of 87.6%
- Similar to the calculation of ARPA funds of approximately \$1.3M saving the taxpayers approximately \$288,350 in interest, if we receive the roughly \$10.8M of grants that are either in the recommended, pre-approved, or approved status this is \$4,260,600 in interest  
(calculated by Mark Chapman, Munistat Services, Inc.)

# Final Thoughts

- Proposed Government budget is slightly over \$388K
- Prudently working hard to minimize costs as highlighted
- Inflation erodes purchasing power over time; this is especially true again this year. Certain industries have had even more pressure. These factors are out of our control
- Slower incremental growth is better than large fluctuations and increases especially when planning for where we need to be in three to five years and beyond
- Longer forecasting and strategic plans for comprehensive planning and needs analysis will continue to be worked on
- Will continue to maximize funding sources: operating, pay-as-you-go, capital planning, or grants while ensuring we maintain what we have and balancing the increases in the budget

**Grand List is up about 29% or \$137M with a flat mill rate this is about an additional \$3.8M in Tax Revenue**



As was stressed in prior years, there is a delicate balance of revenues, expenditures, and unassigned fund balance. There is a right mix for the time while trying to predict what will happen over the course of the next year.

**We need to strive to be prepared, to be  
POISED FOR GROWTH, and to make  
our community the best it can be.**