

# First Selectman's 2020-2021 Budget Presentation

January 2020



## Outline of Presentation

1. BET Guidelines
2. Capital Budget
3. Operating Budget
4. Headcount
5. Summary





## BET Guidelines

- “The BET anticipates a mill rate increase in the range of 2.5% - 3.5%”
- Areas of Concern:
  - Cyber security, soil remediation, waste management costs, Nathaniel Witherell expenses, energy conservation efforts, headcount

## First Selectman's FY 2020-2021 Capital Budget





## Capital Overview

- Capital improvements substantially affect the fiscal vitality and quality of life in Greenwich.
- Capital improvements require a major initial investment, a significant and continuing financial commitment, and ultimately replacement.
- Capital improvements require careful, long-term planning and budgeting so that unforeseen financial emergencies do not curtail planned maintenance and necessary replacement.



## Article 2. Section 21 of Town Charter

- (1) develop goals and objectives and establish priorities for spending for the ensuing fiscal year;
- (2) establish priorities with respect to recommended capital spending for all Town agencies; and
- (3) develop a long-range capital spending plan.



## FY21 Capital Budget

- Public Hearing was held on January 9, 2020
- General Fund Capital \$79.0M
  - Compared to FY20 plan of \$85.8M
  - Of the \$79.0M total, the BOE request is \$33.9M (43%)
- 15-year plan = \$1.447B
- Working on Public/Private Partnerships



## FY21 Capital Budget

- Town's capital plan includes:
  - Continuing to build on work and focus that started in 2016, funding has increased for Cybersecurity Program (\$551K) for Town, Library (\$50K)
    - Coordination continues with Town Hall, BOE, Libraries, and Nathaniel Witherell meeting with the Cybersecurity Task Force
  - Soil Remediation Projects
    - Greenwich High School (\$2M)
    - Western Middle School Fields (\$8.5M)



## FY21 Capital Budget

- Eastern Greenwich Civic Center Replacement design funds (\$230K), following year \$17M for construction
  - An architect has been hired to begin the design to 30% and to seek MI and zoning approvals
- Dorothy Hamill Rink Facility Improvements (\$1.03M) for design and construction plans, with \$16M for construction in FY23
  - A facility evaluation study has been completed



## FY21 Capital Budget

- Cardinal Field Improvements (\$8.1M) to fully fund project, Option B, with access road from Route 1
- Central Middle School Fields Project (\$1.01M) to fully fund, Option 1 all grass reconstruction
- \$2.6M for the design and creation of Education Specification for the possible renovation of Julian Curtiss Elementary School



## FY21 Capital Budget

- GEMS Station 4 (\$2.15M) provides a permanent solution for the station located on King Street bordering Griff Harris Golf Course
- Park Restoration and Work Facility Relocation (\$1M), funds to begin implementation and improvements to Roger Sherman Baldwin Park
  - Includes relocation of P&R work facility

## First Selectman's FY 2020-2021 Budget





## FY21 Budget Summary - Expense

Category	FY19-20	FY20-21	% Change	\$ Change
Town Services	119,240,299	120,220,907	0.82	980,608
Education	163,364,192	166,631,476	2.00	3,267,284
Fixed Charges	107,708,009	113,883,768	5.73	6,175,759
<b>Total Operating</b>	<b>390,312,502</b>	<b>400,736,151</b>	<b>2.67</b>	<b>10,423,649</b>
Capital	53,847,000	56,847,000	5.57	3,000,000
<b>Total</b>	<b>444,159,502</b>	<b>457,583,151</b>	<b>3.02</b>	<b>13,423,649</b>



## FY21 Budget Summary - Fixed Charges

Category	FY19-20	FY20-21	% Change	\$ Change
Health Care	50,862,000	55,948,000	10.00	5,086,000
OPEB	3,598,000	3,450,000	(4.11)	(148,000)
Pension Contribution	25,567,000	28,031,000	9.64	2,464,000
Risk Fund	3,000,000	3,000,000	0.00	0
Nathaniel Witherell	3,000,000	1,500,000	(50.00)	(1,500,000)
School Lunch	170,000	220,000	29.41	50,000
Insurance	4,259,300	4,259,300	0.00	0
Other Fixed Charges	17,251,709	17,475,468	1.30	223,759
<b>Total</b>	<b>107,708,009</b>	<b>113,883,768</b>	<b>5.73</b>	<b>6,175,759</b>





## Nathaniel Witherell

- Challenge funding, reduced from \$3M to \$1.5M
  - Believe best way to demonstrate sense of urgency is change the funding strategy
- BET formed Committee in March 2016
  - Submitted report December 2017
  - Subsequent report submitted December 2019



## FY21 Budget Summary - Revenue

Category	FY19-20	FY20-21	% Change	\$ Change
Use of Fund Balance	12,278,000	12,278,000	0.00	0
Transfer - Fund Bal	3,000,000	0	(100.00)	(3,000,000)
State and Federal Aid	224,330	532,538	137.39	308,208
Transfer - Other Funds	9,125,000	9,401,981	3.04	276,981
Pay As You Throw	0	2,796,385	n/a	2,796,385
All Others	38,040,377	39,434,466	3.66	1,394,089
Property Taxes	381,490,985	393,138,971	3.05	11,647,986
<b>Total</b>	<b>444,159,502</b>	<b>457,583,151</b>	<b>3.02</b>	<b>13,423,649</b>



## Pay As You Throw (PAYT)

- BET Guidelines:
  - “Increased costs for waste management and recycling will require new efforts to reduce volume at the transfer station.”
- Treat trash like other utilities, charge for service based on how much of the service is used:
  - Water, electricity, gas = use more, you pay more
  - Current waste system encourages “all you can eat”



## How PAYT Works

The bag-based PAYT, also known as SMART, approach is the most effective available means of reducing municipal solid waste.

1

Greenwich can cut taxes or increase specific services with the savings



2

Residents purchase bags at local retailers. Proceeds go to the Town.



3

Recycle for free  
(residents recycle more)



- Fairer to residents
- Easy to implement
- No new cost to the Town
- Does not effect hauler collection protocol
- Works with any collection method, automated or manual
- Enforcement would be handled by Greenwich not through hauler



# How PAYT Works (con't)

PAYT incentivizes residents to reduce waste



Haulers continue business as usual, collection vehicles stay the same, if automated cameras can monitor loads. Haulers will now be required to track non-compliant homes and report to town weekly. Resident compliance will generally reach 99% after the first six weeks.



# Pay As You Throw – Budget Impact

	10/1 Implementation	12 Month
Net Revenue	\$2,796,385	\$3,728,514
Trash Tip Savings	\$934,680	\$1,246,240
Additional Recycling Tip Cost	-\$259,618	-\$346,158
<b>Net Financial Impact</b>	<b>\$3,471,447</b>	<b>\$4,628,596</b>

**Assumptions:**

1. Trash Tip Fee = \$93.66 / ton
2. Recycling Tip Fee = \$65.00 / ton (**\$912,210 NEW EXPENSE**)
3. Large (33-gal.) Retail Bag Price = \$2.00
4. Small (13/15-gal.) Retail Bag Price = \$1.25



# Average Annual HH Financial Impact

PAYT shifts disposal costs to users and gives residents & businesses more personal control



	No PAYT	Low Scenarios	High Scenarios
Per HH Spend, PAYT Bags	\$0.00	\$88.93	\$110.60
<i>Per Month</i>	<i>\$0.00</i>	<i>\$7.41</i>	<i>\$9.22</i>
Less Regular Trash Bags	\$0.00	\$27.00	\$27.00
Regular Trash Bags	\$27.00	\$0.00	\$0.00
Tax Increase w/o PAYT on property assessed at \$1M	\$105	\$0.00	\$0.00
Net per HH Cost	<b>\$132</b>	<b>\$61.93</b>	<b>\$83.69</b>
<i>Per Month</i>	<i>\$11.00</i>	<i>\$5.16</i>	<i>\$6.97</i>



# PAYT – Environmental Impact

Each year, PAYT provide significant environmental benefits, according to the US EPA’s Waste Reduction Model (WARM). Those benefits would be equivalent to the actions below:



Scenario	Tons of Trash Reduced	Metric Tons of CO2 Reduction	Cars Removed from Roads	Gallons of Gas Saved	Homes Powered	Solar Panels Installed
Low – Res. + Commercial PAYT	<b>13,056</b>	25,000	4,800	2,760,000	1,800	25,000
High – Res. + Commercial PAYT	<b>13,556</b>	26,000	5,000	2,866,000	1,900	26,000



## Frequent Objections

There must be a better way. We should study this more thoroughly and try other solutions first.

- *The State of Connecticut, as well as other states and cities around the country, have worked for decades to find programs that increase recycling and reduce waste.*
- *Pay As You Throw is the single most effective way to reduce trash while also saving money.*



Want to Learn More about PAYT?

[www.greenwichct.gov/PAYT](http://www.greenwichct.gov/PAYT)



## FY21 Headcount Change

Category	FY19-20	FY20-21	Change
Town General Fund	907.10	904.41	(2.66)
BOE General Fund	1,388.79	1,389.99	1.20
Town Other Funds	300.90	301.40	0.43
BOE Other Funds	92.75	92.75	0.00
<b>Total</b>	<b>2,689.54</b>	<b>2,688.54</b>	<b>(1.03)</b>

Full Time Equivalents = part-time, seasonal, and full-time positions



## FY21 Headcount Change

### Town Full-Time Positions Eliminated:

- 3.0 Police Officers on Greenwich Ave
  - \$265,194 savings, not including benefits
- 1.0 Fleet Mechanic
  - \$73,536 savings, not including benefits

### Town Part-Time Positions:

- Various +/- in 10 different departments = 1.77 FTE

Total headcount reduced for Town = 2.23 FTE



## BET Guidelines - Status

- ✓ "The FY21 Budget will not be a status quo budget."
- ✓ Operating budgets to increase no more than:
  - 2.0% for BOE over FY20 Budget
  - ~~1.75%~~ for Town over FY20 Budget  
0.82%
- ✓ "The BET anticipates a mill rate increase in the range of ~~2.5% - 3.5%~~" 2.53%



## BET Guidelines

- Areas of Concern:
  - ✓ Cyber security
  - ✓ Soil remediation
  - ✓ Waste management costs
  - ✓ Energy conservation efforts
  - ✓ Nathaniel Witherell expenses
  - ✓ Headcount



## Budget Summary

- Budget increase of 3.02%
  - Includes \$79.0M of general fund capital
- Mill Rate increase 11.682 to 11.977 (2.53%)
- Taxpayer with a \$1M assessed home value will have a \$295 increase in property taxes

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