

Town of Old Saybrook General Government

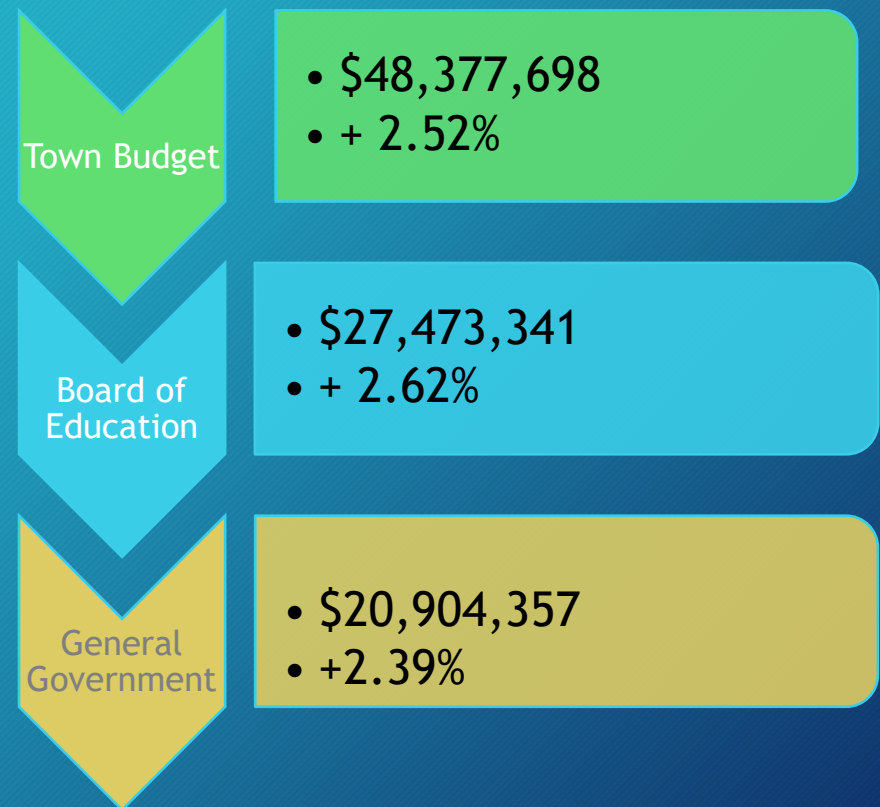
Fiscal Year 2022-2023
Proposed Budget



Old Saybrook's Municipal Budget

- Structurally Balanced Budget
- Operating budgets are developed annually to finance the delivery of municipal programs and services
- Capital Plan sets priorities for major capital projects and reserve requirements
- Board of Finance approves financial policies to ensure consistent approach and adoption of the budget
- Budget is structured to meet short- and long-term obligations

Fiscal Year 23 Budget



Financial Accomplishments - FY21



- Budget reserve fund totals \$8,039,980, or 17% of budget, an increase of \$479,255
- The Town used surplus funds in the amount of \$1,100,000 to increase the Pension Contributions, Capital non-recurring Fund, High School lights and Sidewalks
- The Town of Old Saybrook received a clean audit.

Town of Old Saybrook Budget Revenue Projections FY 23



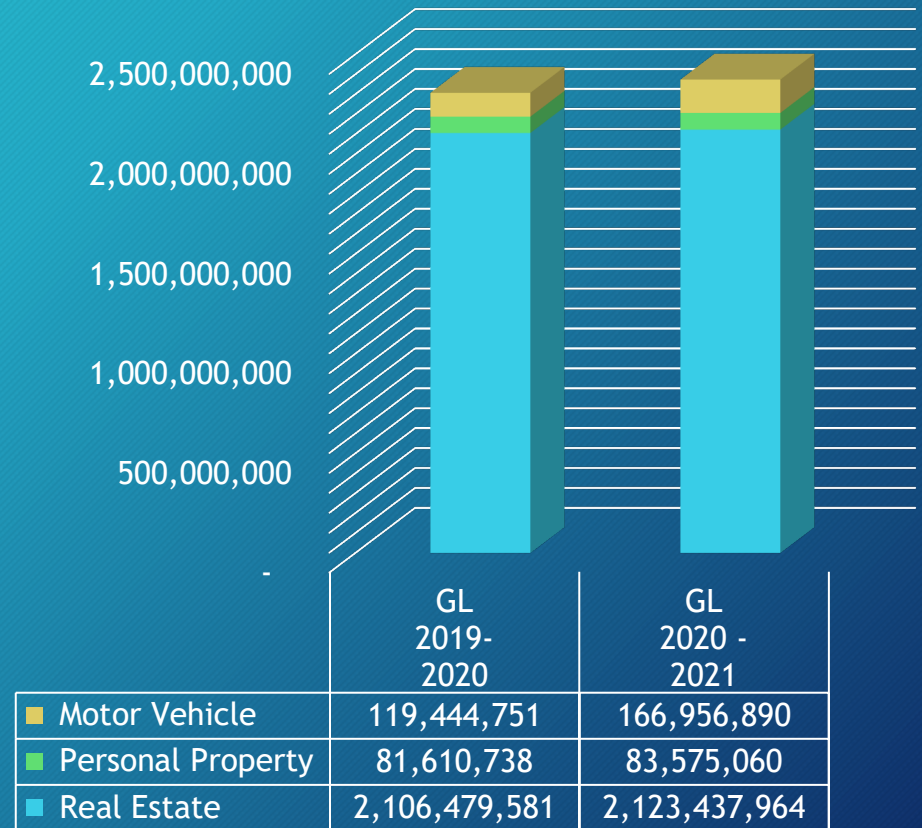
- ❑ The proposed budget for FY 23 is \$48,377,698 up 2.52% over FY22.
 - Approximately 3.2% will be funded by revenues other than property taxes.
 - Taxes will fund 96.8% of the budget (residential, commercial and personal property taxes).

- ❑ Non-property tax revenues:
 - This budget assumes the Town will receive \$463 thousand in State funds
 - Local General Fund revenues are projected to be \$1.075 million (mini golf, town clerk and building fees, etc.)

Old Saybrook Grand List Trends



- ❖ The 2021 Grand List totals \$2,373,969,914 and has increased \$66 million over the 2020 Grand List
- ❖ The main driver of the increase was motor vehicles, which increased \$47 million
- ❖ Local property taxes (residential and commercial) will make up most of the General Fund revenues necessary to balance the budget

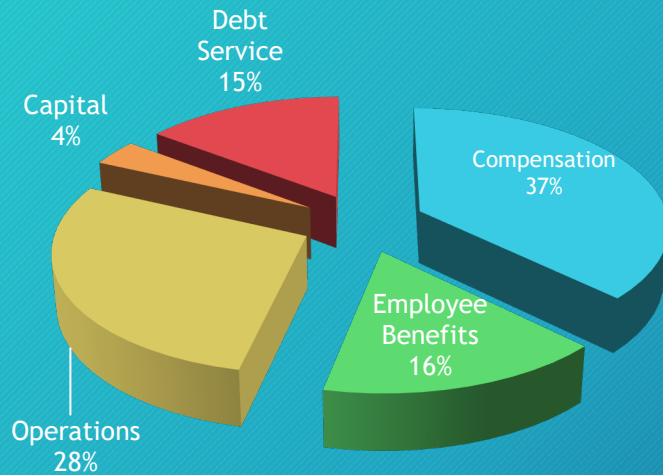


FY 23 General Government Proposed Expenditure Budget

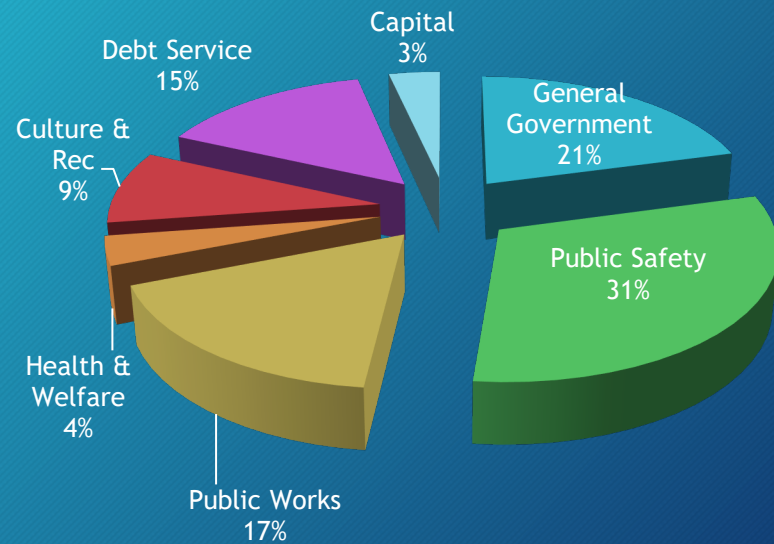
	FY 22 General Government Budget	\$ Increase vs. FY 20	% Increase vs. FY 20
Department Head Proposed Budget	\$21,091,809	\$675,451	3.31%
Board of Selectmen Proposed Budget	\$20,904,357	\$488,000	2.39%
Difference		(\$187,451)	.92%

FY 2023 General Government Expenditures by Category and Function

By Category



By Function



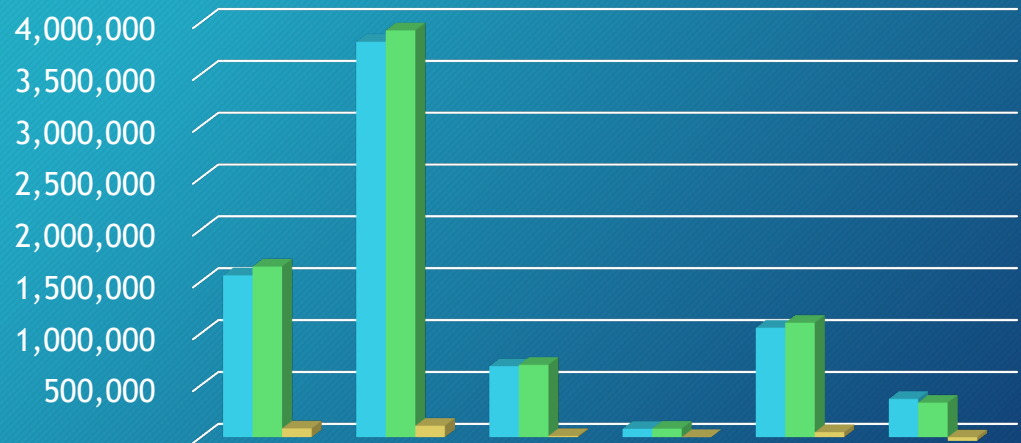
General Government Year over Year Line-item Changes

Budget Line Item	Budget FY22	Proposed Budget FY23	\$ Change	% change
Compensation	\$7,562,583	\$7,786,187	\$223,604	2.96%
Employee Benefits	\$3,158,767	\$3,370,972	\$212,205	6.72%
Operations	\$5,740,163	\$5,940,354	\$200,191	3.49%
Capital	745,000	735,000	-\$10,000	-1.34%
Debt Service	\$3,209,844	\$3,071,844	(\$138,000)	-4.30%
Total	\$20,416,357	\$20,904,357	\$488,000	2.39%

Compensation Expense

- Overall increase \$224 thousand, or 2.96%
- Reduction in WPCA and increase in General Government are due to restructuring
- Culture and Rec increase is associated with minimum wage increase
- All functions include annual increase and step raises (the majority is collectively bargained)

General Government Salaries
FY22 vs. FY23

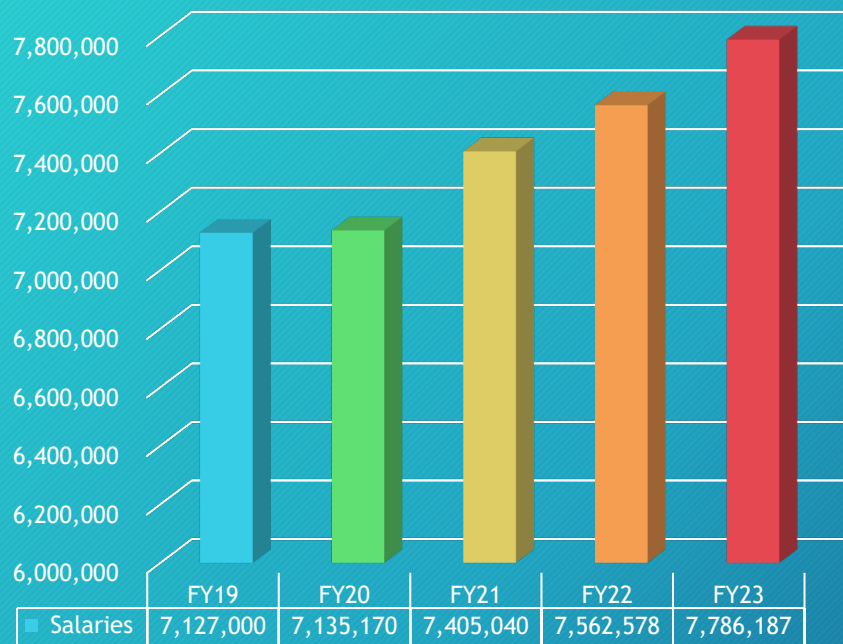


	General Government	Public Safety	Public Works	Health & Welfare	Culture & Rec	WPCA
FY22	1,559,850	3,813,036	684,712	81,262	1,055,034	368,689
FY23	1,645,087	3,923,584	697,470	82,891	1,103,707	333,453
Change	85,237	110,548	12,758	1,629	48,673	(35,236)

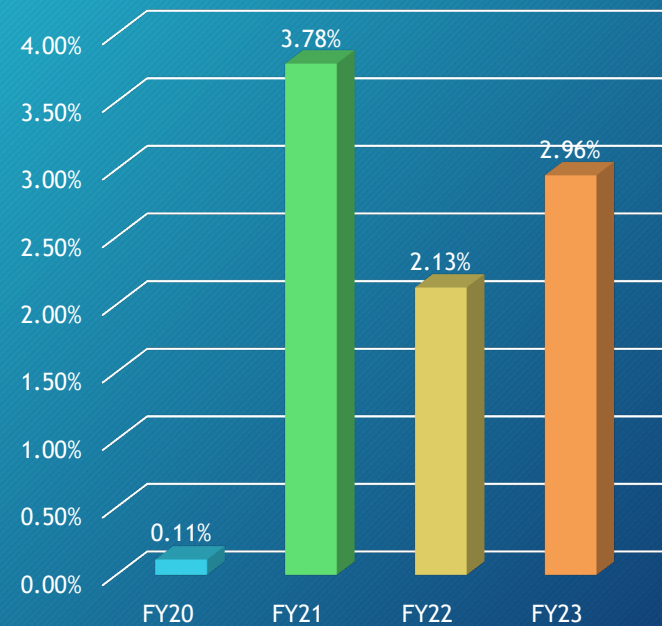
Personnel expense includes overtime and other personnel related expenses

Compensation Trends

Salary Trends



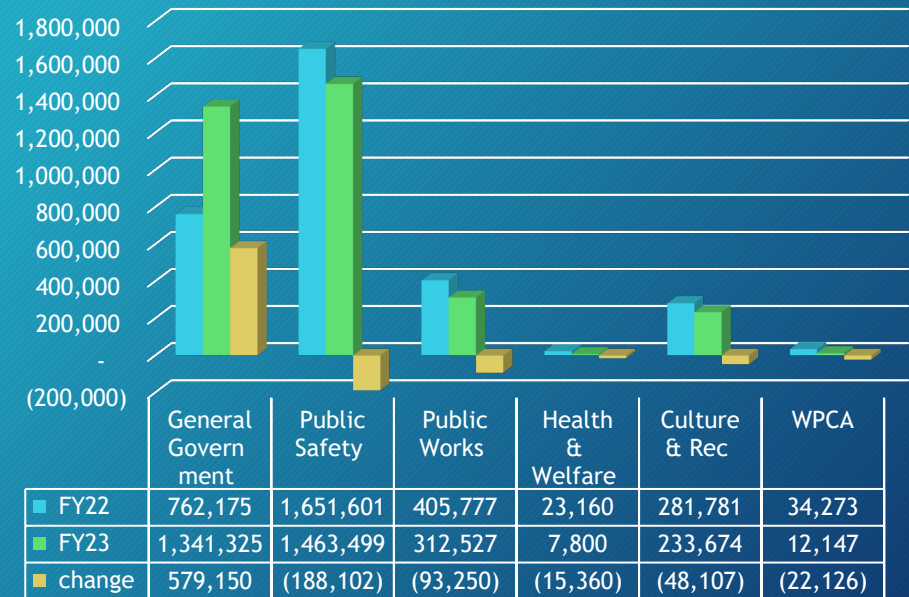
Salary Change



Employee Benefit Expense

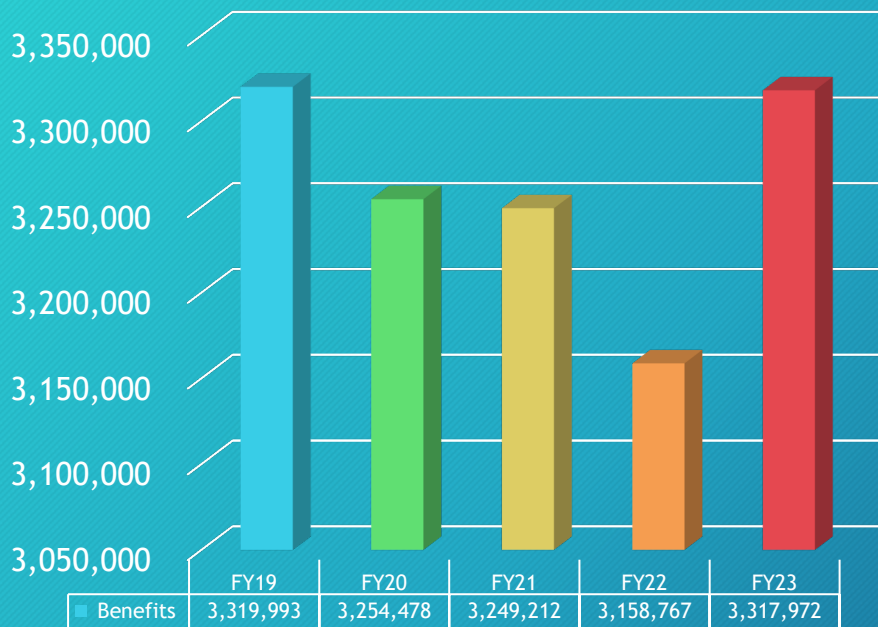
- ❑ Overall, up \$212 thousand, or 6.72%%
- ❑ Retirement benefits -
 - ❑ Budgeted full Actuarial Determined Contribution (ADC) for defined benefit plan
 - ❑ 86 employees defined benefit plan
 - ❑ 42 employees defined contribution plan
- ❑ Health Insurance reductions include:
 - ❑ Choices of plans by employees
 - ❑ Plan design
- ❑ Life Insurance is flat - locked in rates
- ❑ FICA up slightly reflecting higher wage base

Benefit Expense
FY22 vs. FY23

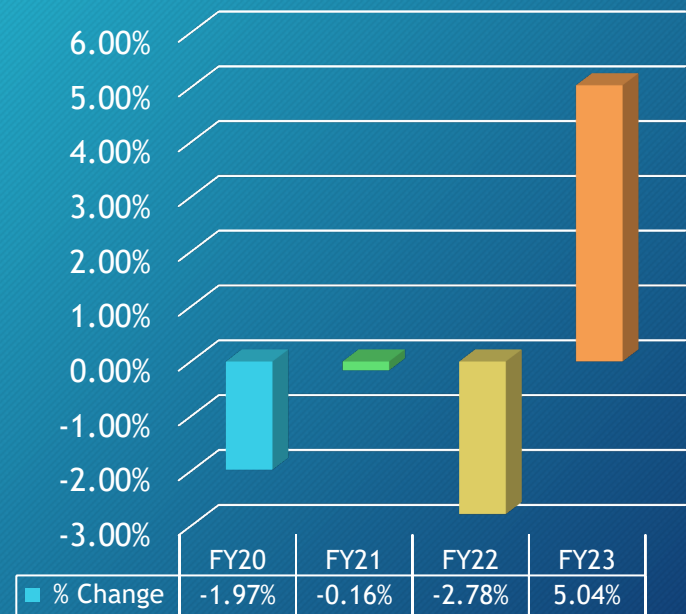


Benefit Trends

Benefits



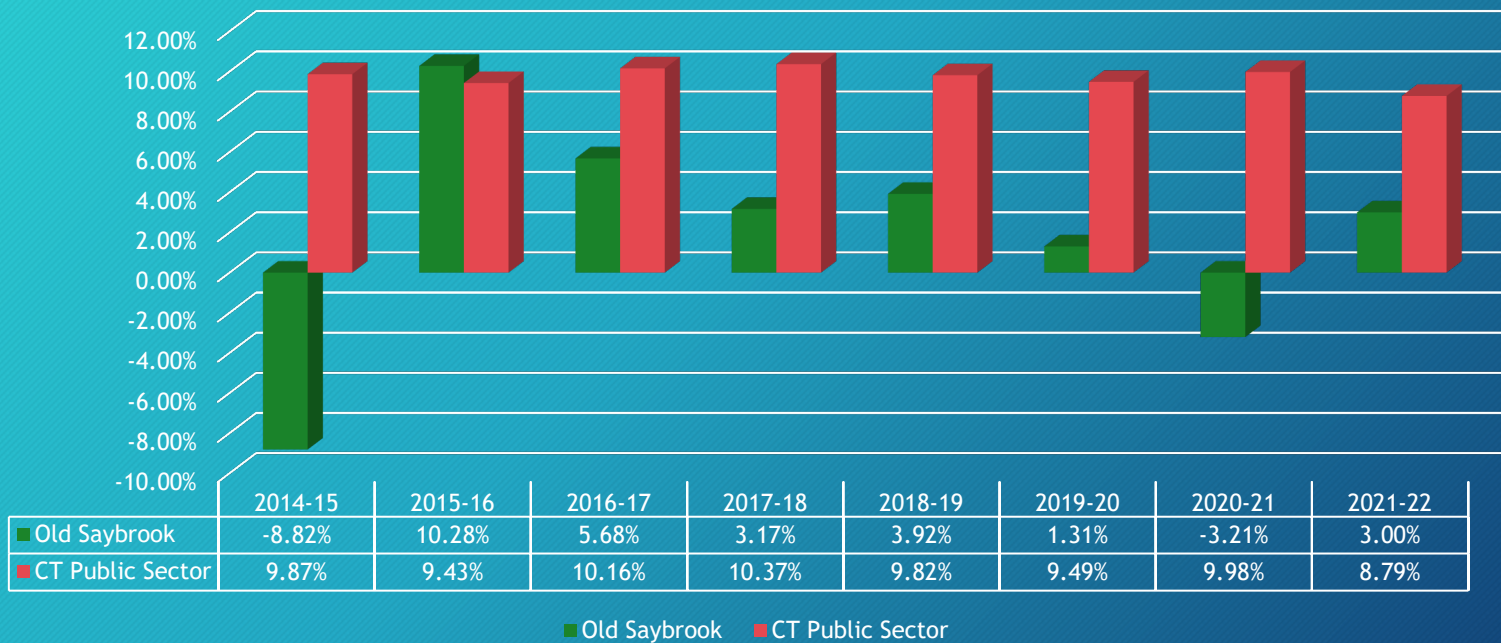
% Change



Health Benefit Management Drove Down Overall Benefit Expense

Old Saybrook up 1.9% annually vs. Public Sector average of 9.7% annually

Town of Old Saybrook Health Benefit vs. Public Sector

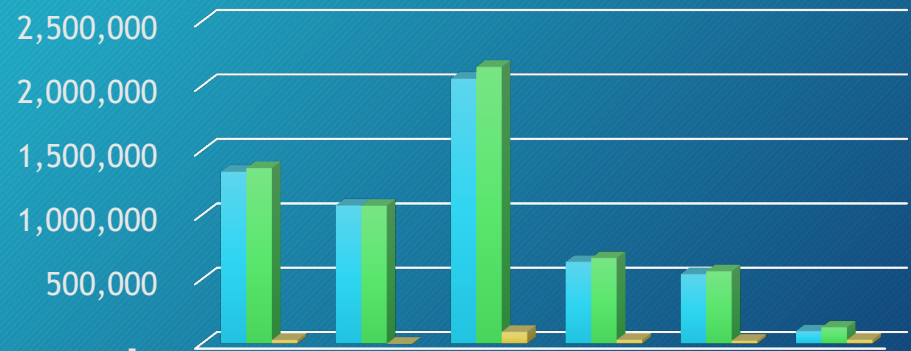


Operating Expense

Overall budget up \$200 thousand or 3.49%

- Target increases in operational budgets to provide services and maintain town parks
 - Public Works increased paving budget
 - WPCA increased professional services
 - Park & Recreation increased park budget

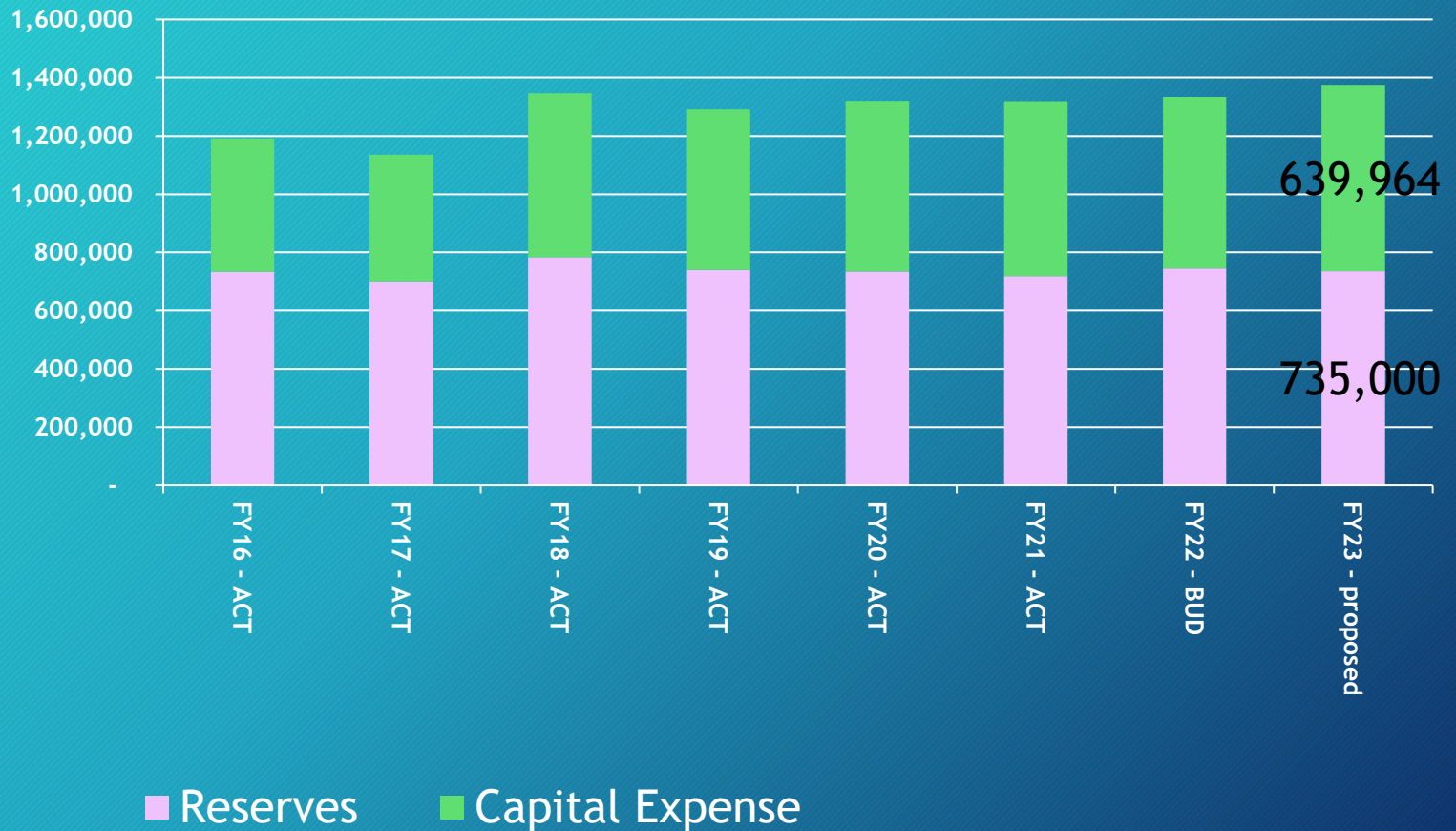
General Government Operating Expense
FY22 vs. FY23



(500,000)

	General Government	Public Safety	Public Works	Health & Welfare	Culture & Rec	WPCA
FY22	1,335,551	1,073,941	2,056,620	636,491	540,210	97,350
FY23	1,363,666	1,071,941	2,148,620	666,165	562,862	127,100
Change	28,115	(2,000)	92,000	29,674	22,652	29,750

Capital Investment and Reserve Trends



Named Projects - \$164,271



Public Works

- \$6,050 - DPW sand shed roof
- \$18,000 - asphalt roller
- \$12,400 Transfer Station dumpster
- \$25,000 augment DPW paving budget



Park & Rec

- \$3,299 - flagpole
- \$3,364 - Main Street Park water fountain
- \$3,630 - mulch Trask Park playground
- \$7,528 – mini golf netting



Town projects

- \$25,000 - roof sinking fund
- \$60,000 – replace gazebo on the Town Hall lawn

Permanent Budget Savings



Workforce Restructure

Eliminated 5 FT position and benefits -
permanent yearly savings
~ \$211 thousand



Debt Service Restructure

Took advantage of historic low interest rates and restructured virtually all of town debt
Permanent savings
~ 2.5 million



Operational Modifications

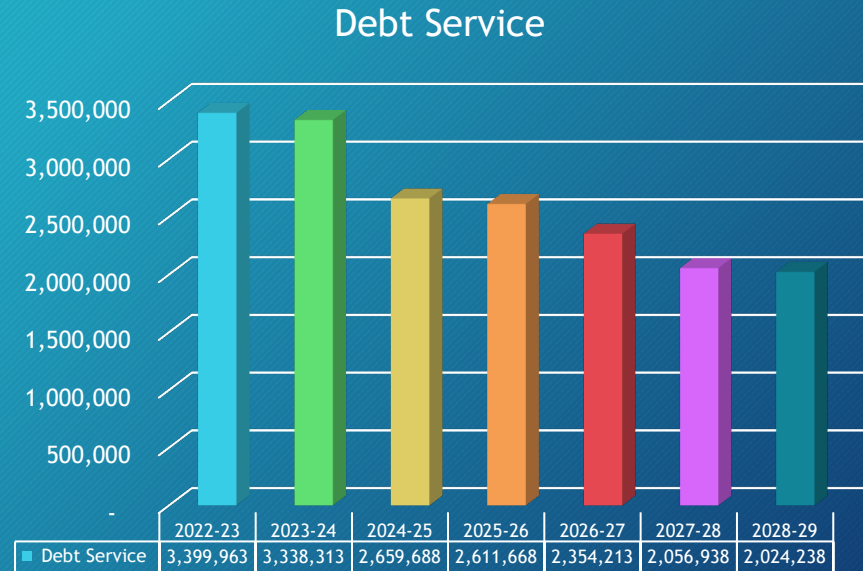
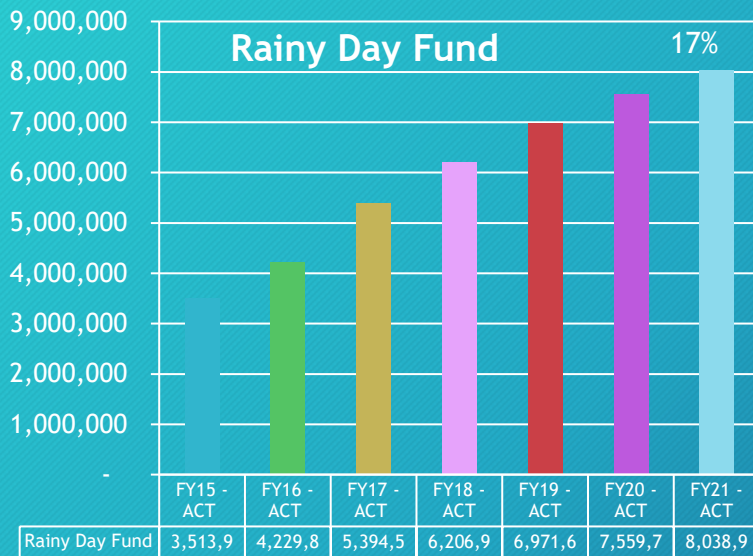
Streetlight conversion
Closed post employment benefits
Permanent yearly savings
~ 178 thousand

Conclusion: Town Finances Remain Strong



Rainy Day Fund is 17%

Debt Service will decline over next 5 years



Conclusion: The Town Remains Financially Strong



- Budget practices have maintained a stable mill rate
- The estimated Mill rate change for FY23 is one on the lowest in the past 25 years.
- FY23 Budget
 - Funds the operations of the Town for next FY by prudently managing expenditures
 - Maintains Town infrastructure through ongoing investment
 - long term liability strategies maintain the Town's financial strength over the long term

Mill Rate History

