




TOWN of TOLLAND / 21 tolland green, tolland, connecticut 06084

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October 27, 2016

TO: DEPARTMENT HEADS  
FROM: STEVEN R. WERBNER   
SUBJECT: ANNUAL BUDGET 2017/2018

Each year that we begin the budget process we are confronted with the need to balance our priorities with the economic realities. From all indications, the FY17 and 18 budgets will be extremely challenging. The State is projecting billion dollar deficits in both years. State budget officials are requesting State Agencies to reduce expenditures by 10% for the next fiscal year and should that translate to a 10% reduction in municipal aide, our revenues will be severely impacted. Furthermore this is the first year of the State imposed 2.5% expenditure cap with some exclusions. Exceeding the cap impacts revenue we receive from the State. In addition the cap on the motor vehicle tax is reduced to 32 mills which will mean a loss of approximately \$313,000 in revenue to the Town. We will also see a loss of approximately \$90,000 in property tax from reductions in residences impacted by crumbling foundations. There will be a reduction of \$36,765 in State Bond Subsidy funding in FY 2017-18. This revenue will be reduced further by \$263,171 in FY 2018-19. There is an increase of approximately \$259,000 in property tax revenue as a result of Woodlake Nursing Facility no longer having non-profit status which may positively impact our grand list growth for one year.

Based on the State's fiscal condition, the expenditure cap and known adjustments in revenue, it is my opinion just to maintain current expenditures will require a tax increase. I fully expect that we will have less State revenue next year than we currently receive. Our budgets will continue to be impacted by major cost drivers such as increases for health insurance, salaries, fuel, materials and needed capital expenditures. As in the past, in order to recommend what I think is a proper budget for this community in terms of services and tax rate it will be necessary to look at a combination of service adjustments and reasonable tax or other revenue increases. My goal is always to be as creative as possible in presenting a budget which minimizes to the extent possible the financial impact on the taxpayers of this community while at the same time continuing to deliver the basic services which are desired.

I am asking that each department submit a base line budget which should include funding necessary to maintain existing programs and levels of service. Departments should be aware that it is my goal to present an overall budget that limits any **budget expenditure increases to less than 2.5%**. Therefore any budgets presented to me for review should not

exceed at a maximum 2.5%. If in order to meet that percentage figure, essential programs or services are impacted, please identify in a separate memo the impact including service impact and cost. Percentage increases for departments should include all costs including but not limited to salaries, utilities, materials, etc. Payroll information will be included in the department budget only for non-union positions. For positions within the Union any payroll adjustments will be included in the contingency account since the collective bargaining agreements are still in negotiations. Also provide revenue projections for next year. The baseline budget is what should be entered into MUNIS.

The Director of Finance and Director of Administrative Services will in conjunction with BOE officials send out a separate memo concerning figures to use for health insurance, gas, diesel, heating oil, water, sewer and electricity.

When reviewing your budget request for next year, I also want to review your expenditure and revenue status for this year. All information requested **MUST** be available at the time scheduled for your department budget review including all inputs to MUNIS. This includes updating of your activity budgets and revised performance indicators.

I look forward to meeting with you in the coming weeks to discuss your budget needs in detail. The meeting times have been scheduled as follows:

Date	Time	Department
<b>Wed., 1/18/17</b>	1:30 – 2:00 p.m.	Probate Court
	2:00 – 2:30 p.m.	Assessor
	2:30 – 3:00 p.m.	Library
	3:00 – 3:30 p.m.	Recreation
	3:30 – 4:00 p.m.	Administrative Services
<b>Thurs., 1/19/17</b>	9:00 a.m. – 12:00 p.m.	Public Works – Highway/Parks & Facilities
	2:00 – 2:30 p.m.	Human Services
	2:30 – 3:00 p.m.	Town Clerk
<b>Mon., 1/23/17</b>	8:30 – 9:30 a.m.	Planning & Development
	9:30 – 10:00 a.m.	Building
	10:00 – 10:30 a.m.	Engineering
	10:30 – 11:00 a.m.	Registrar of Voters
	11:00 – 11:30 a.m.	Collector of Revenue
<b>Tues, 1/24/17</b>	8:30 – 9:00 a.m.	Law Enforcement
	9:00 – 10:30 a.m.	Fire Department
	10:30 a.m. – 12:00 p.m.	Finance

SRW/lrb

cc: Town Council  
Board of Education  
Dr. Walter Willett