

# TOWN OF TOLLAND



## PUBLIC HEARING

*March 24, 2022*

# **Town Revenues 2022 - 2023**

### Historical and Proposed Budgeted Revenues

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23*</b>
State/Federal Grants	\$871,274	\$507,547	\$204,435	\$517,805	\$517,405	\$518,763	\$535,174
Investment Income/Other	60,000	70,000	70,000	190,000	265,000	65,000	40,000
Licenses, Permits & Fees	264,500	249,800	238,500	258,500	273,500	274,000	300,400
Charges for Current Services	330,540	337,840	356,940	323,940	332,940	344,009	401,440
Education Grants	10,793,546	10,172,654	9,745,098	8,875,986	9,114,072	8,781,991	9,112,810
<b>Total</b>	<b>\$12,319,860</b>	<b>\$11,337,841</b>	<b>\$10,644,973</b>	<b>\$10,166,231</b>	<b>\$10,502,917</b>	<b>\$9,983,763</b>	<b>\$10,389,824</b>

\*Estimated revenues at this time subject to change as the budget process proceeds.

### Historical and Proposed Budgeted Expenditure Percentages

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Town	2.34%	-.73%	1.14%	1.76%	2.03%	2.28%	3.98%
BOE	2.76%	0.00%	.78%	.84%	.10%	2.46%	2.99%
Overall	2.21%	-.15%	.81%	1.07%	.72%	2.26%	3.25%

### Grand List Growth

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21**</b>	<b>2021/22</b>	<b>2022/23</b>
Net Increase	.78%	.81%	.23%	2.96%	-.41%	.85%	3.80%
Grand list change	\$9,777,219	\$10,255,060	\$2,902,091	\$3,787,800	\$(5,258,726)	\$10,841,850	\$48,813,432

### Mill Rate Increase

<b>2014/15</b>	<b>2015/16**</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21**</b>	<b>2021/22</b>	<b>2022/23</b>
.86	2.31	No change	.83	.81	1.05	No change	1.26	-.24

\*\*Revaluation year.

**PROJECTED DECREASES/INCREASES FOR 2022/2023  
FROM NON-TAX REVENUE SOURCES**

**(DECREASES)/INCREASES:**

<b>State Aid for Education</b>		<b>\$ 330,819</b>
ECS	\$ 330,310	
Adult Education	\$ 509	
 <b>Non-Education State and Federal Grants</b>		 <b>\$ 16,411</b>
PILOT	\$ 22,708	
Youth Services Grant	\$ (4,420)	
Civil Defense	\$ 1,000	
Miscellaneous Grants	\$ (3,382)	
Disability Grant	\$ 5	
Veterans	\$ 500	
 <b>Licenses, Permits &amp; Fees</b>		 <b>\$ 9,400</b>
<i>NOTE: Net of the \$17,000 reduction for the Telecommunication Access Line Revenue Line item which has been properly moved to Property Taxes</i>		
 <b>Charges for Current Services</b>		 <b>\$ 57,431</b>
 <b>Interest Income</b>		 <b>\$ (25,000)</b>
 <b>Use of Fund Balance, FB Debt Reserve, Municipal Stabilization</b>		 <b><u>\$ (192,000)</u></b>
 <b>NET REVENUE INCREASE</b>		 <b><u>\$ 197,061</u></b>

## **Fund Balance**

An amount of \$200,000 from Fund Balance is recommended to be used as a revenue. Also, \$68,000 from the Committed Fund Balance for Debt will be used.

Rating agencies recommend that Fund Balance percentage for towns with a AAA credit rating be in a range of 10%-15% of operating expenditures. At June 30, 2021 Unassigned Fund Balance was 15.6% and estimate year end Unassigned Fund Balance for FY21-22 to be at 15.5%.

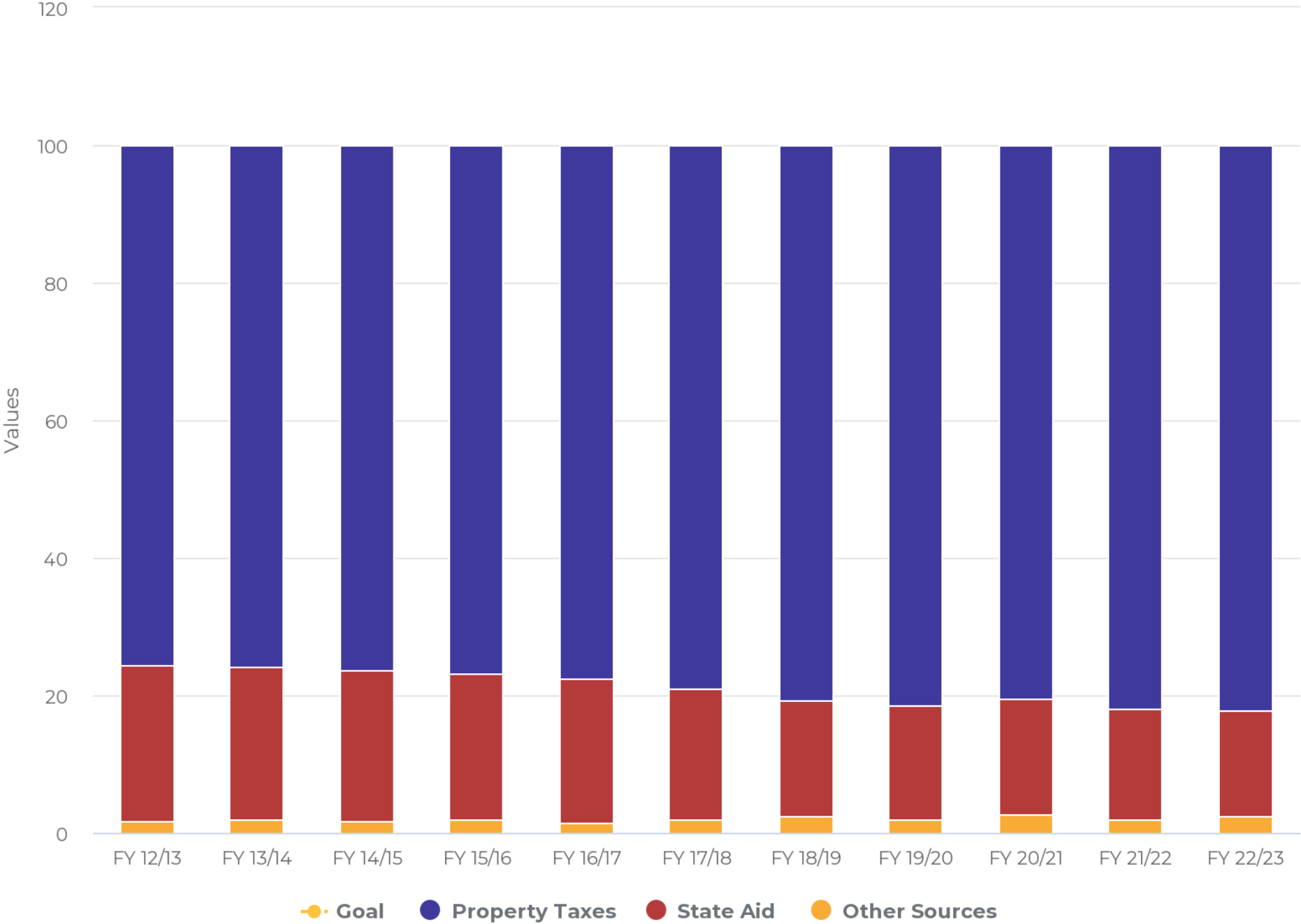
This is not a “revenue source” that should be relied upon in the future. This is a one time use of funds that may not be able to be duplicated in future years.

## **UNASSIGNED FUND BALANCE**

<b>2023 EST*</b>	\$9,617,182	14.63%
<b>2022 EST*</b>	\$9,917,182	15.54%
<b>2021</b>	\$9,947,007	15.64%
<b>2020</b>	\$9,219,295	14.88%
<b>2019</b>	\$8,150,176	13.53%
<b>2018</b>	\$8,320,481	13.17%
<b>2017</b>	\$7,763,976	12.27%
<b>2016</b>	\$7,113,653	11.98%
<b>2015</b>	\$6,853,234	11.90%
<b>2014</b>	\$7,053,690	12.40%
<b>2013</b>	\$6,649,387	11.77%
<b>2012</b>	\$6,588,695	11.82%
<b>2011</b>	\$6,209,332	12.09%
<b>2010</b>	\$5,884,614	11.60%

\* Includes assumption of use budgeted Fund balance

Trends in General Fund Revenue Sources - 2023



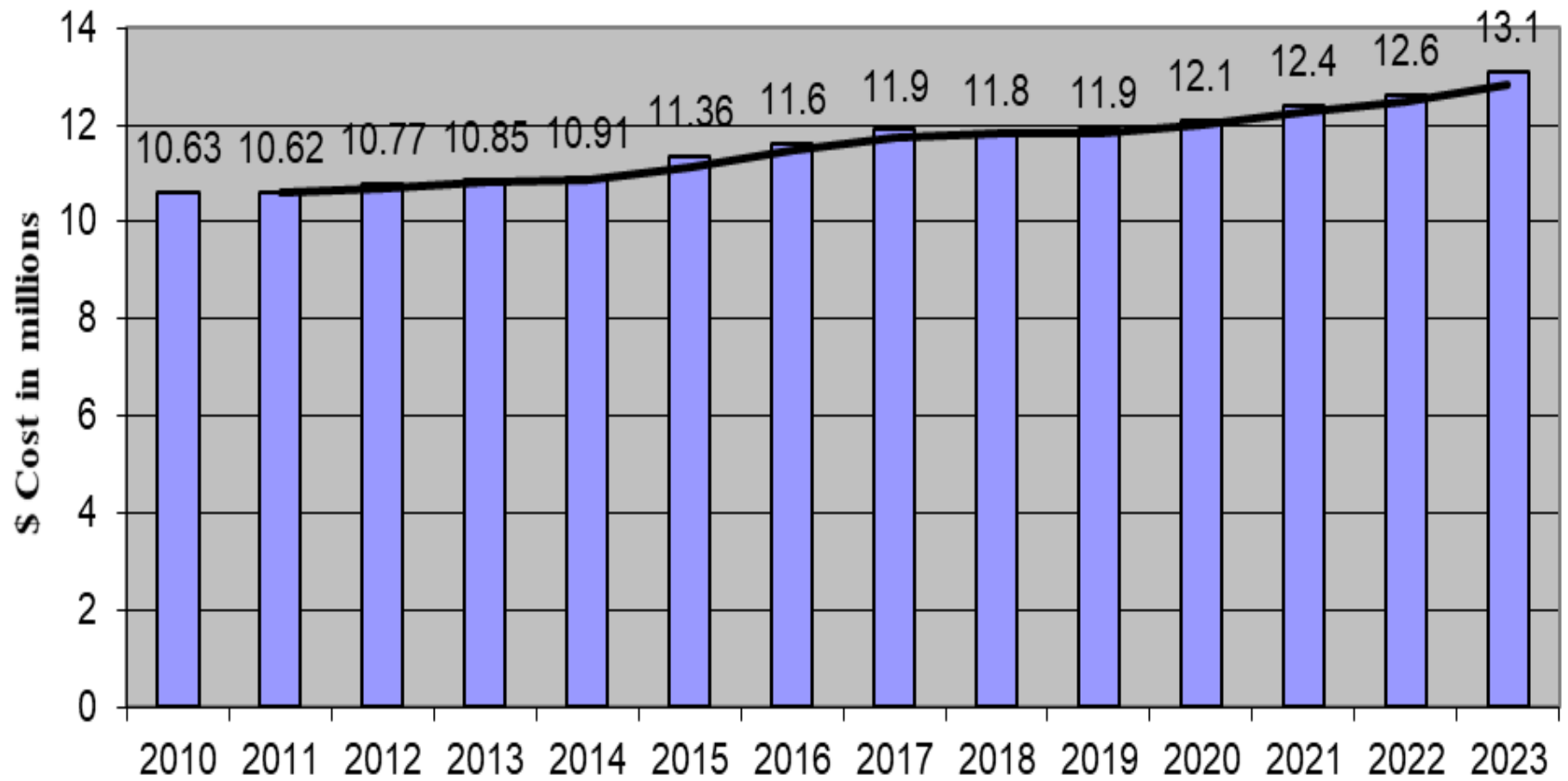
# **Expenditures**



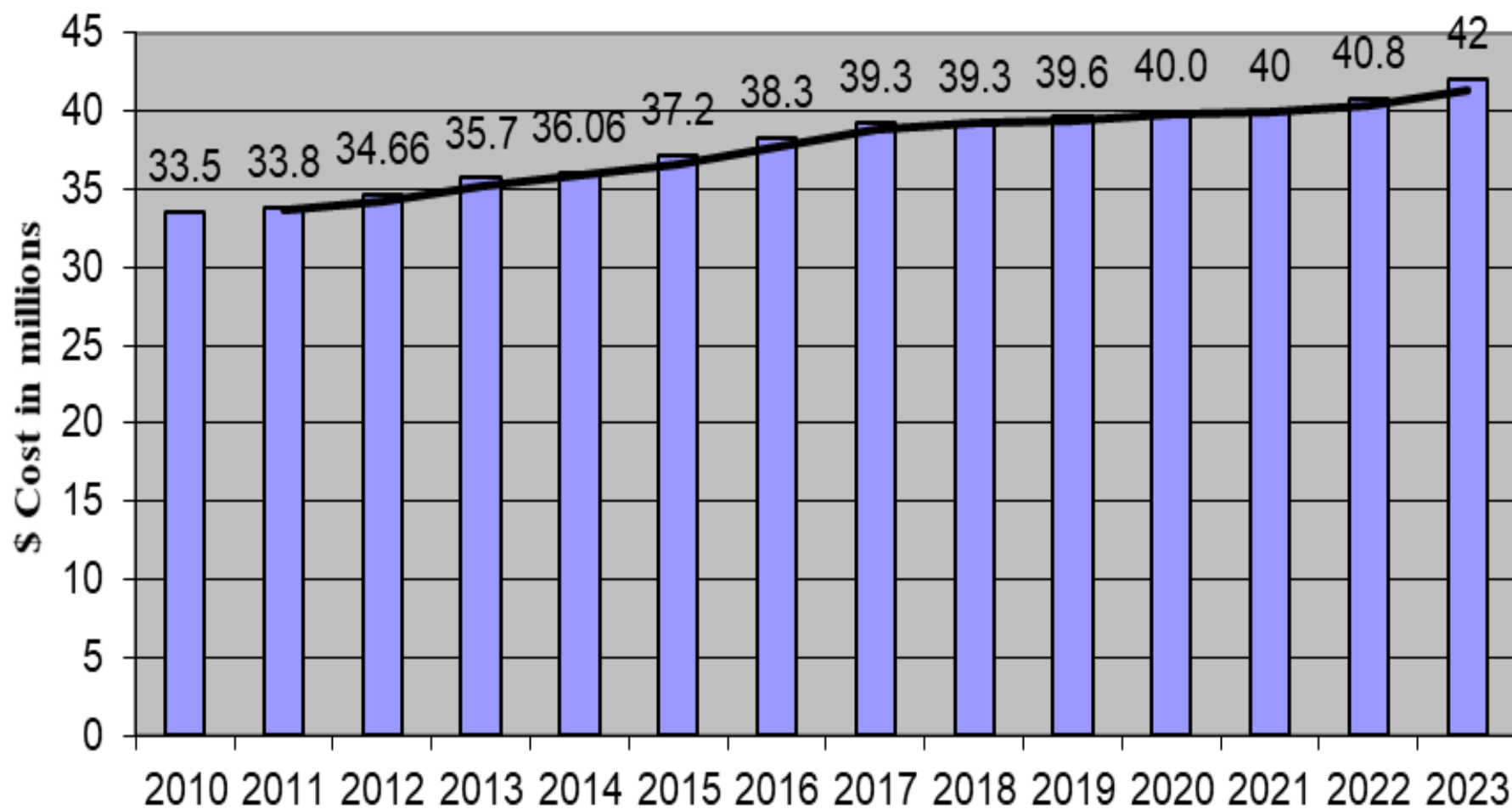
## **EXPENDITURE SUMMARY**

<b>Category</b>	<b>Adopted 21/22</b>	<b>Recommended 22/23</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Town Depts.	12,607,647	13,109,713	502,066	3.98%
Capital Expenditures	137,946	255,880	117,934	85.49%
Debt Service	4,650,000	4,700,000	50,000	1.08%
Board of Education	40,819,289	42,040,614	1,221,325	2.99%
<b>Grand Total</b>	<b>\$58,214,882</b>	<b>\$60,106,207</b>	<b>\$1,891,325</b>	<b>3.25%</b>

## Town Operational \$ Cost in millions 2010-2023



## BOE Operational \$ Cost in millions 2010-2023



## 2022/2023 EXPENDITURES BUDGET

\$60,106,207

BOARD OF  
EDUCATION  
OPERATING

42,040,614  
69.94%

DEBT SERVICE

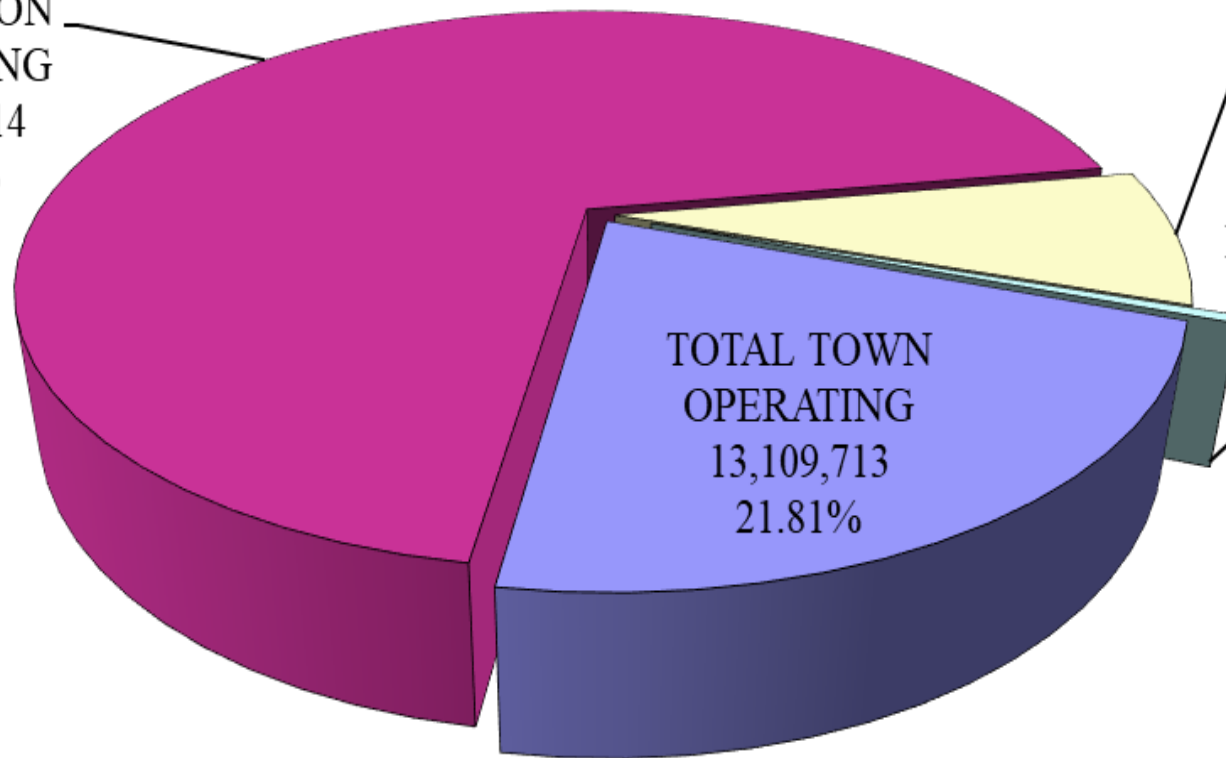
4,700,000  
7.82%

CAPITAL  
IMPROVEMENTS

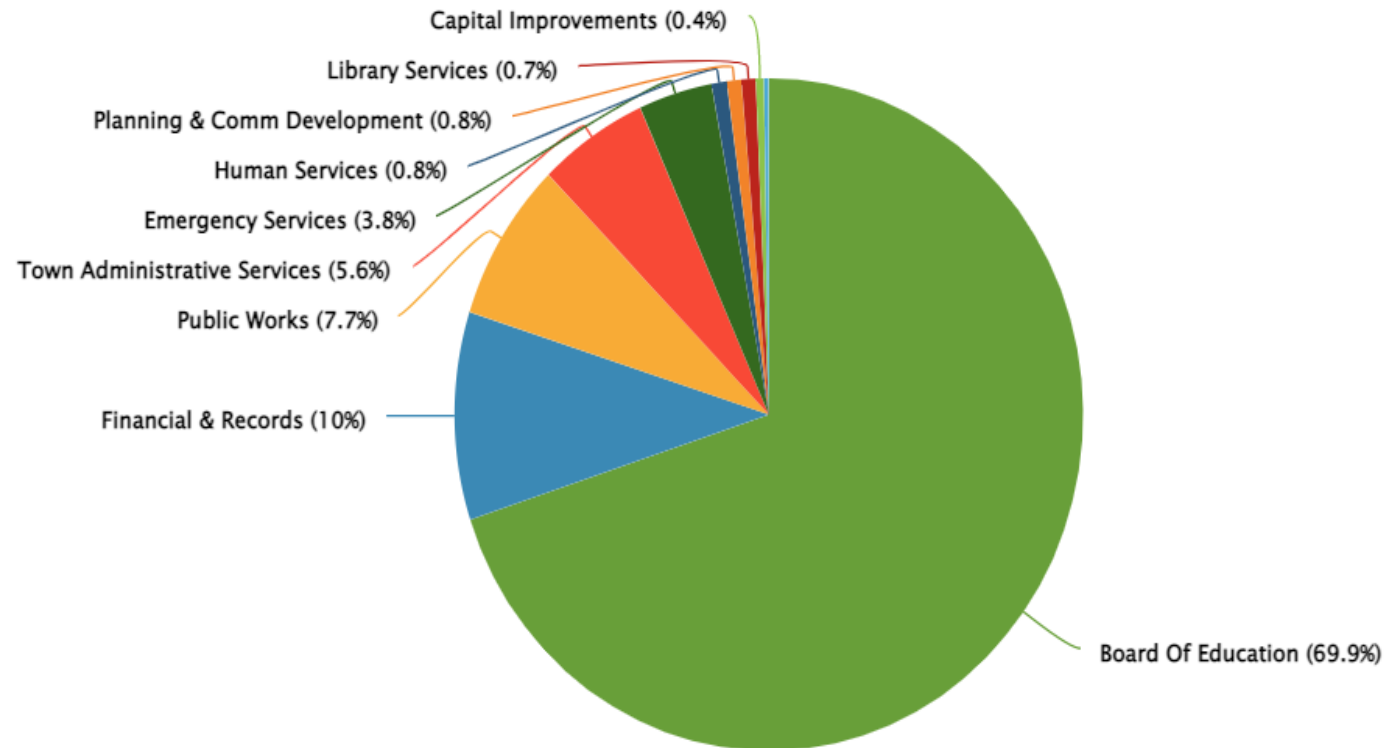
255,880  
0.43%

TOTAL TOWN  
OPERATING

13,109,713  
21.81%

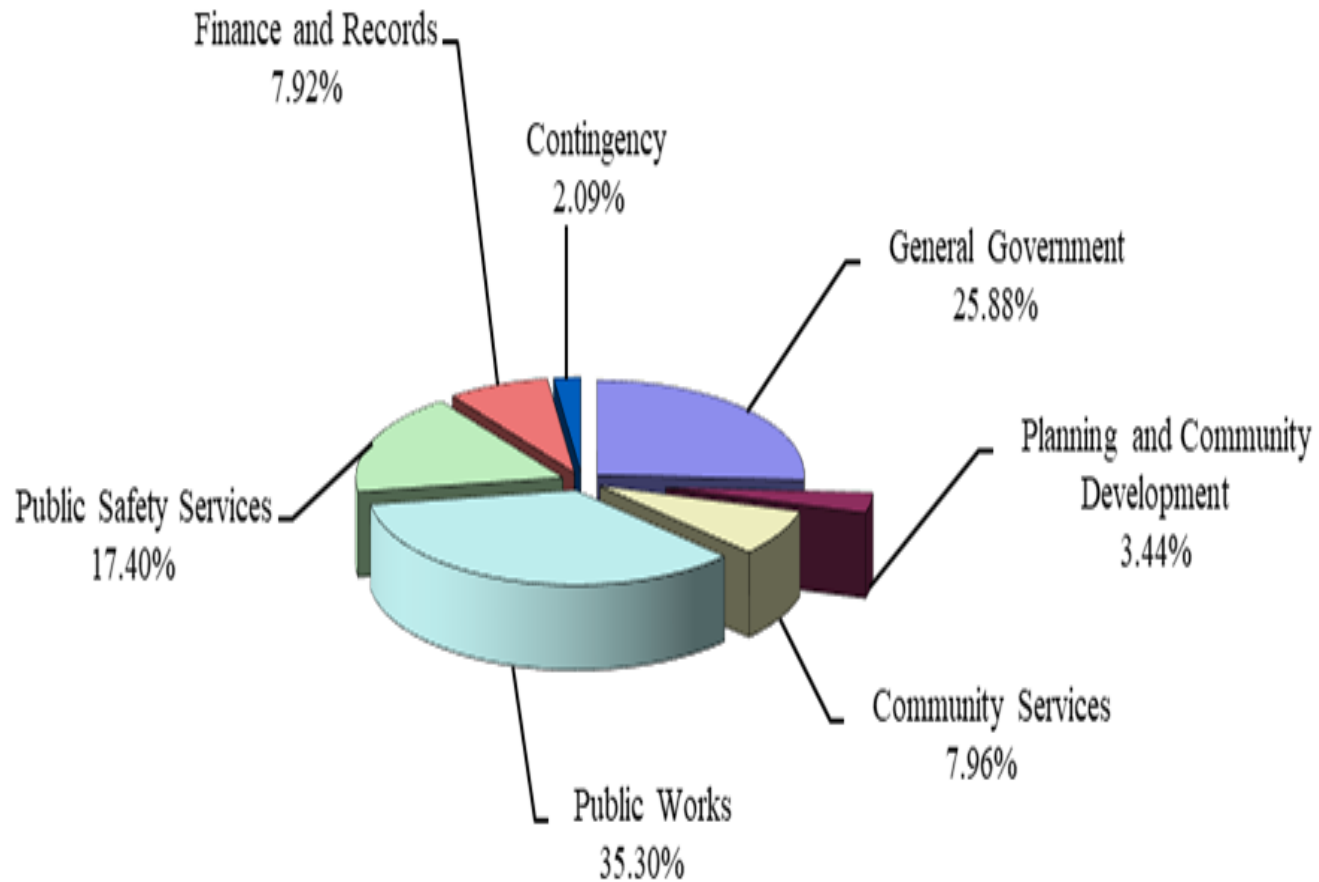


**The following chart depicts spending distribution of the budget**



**Note: Financial & Records Includes Debt & Contingency**

## Town Operating Expenditures Allocation



# Town Expenditure Drivers

- The cost of utilities **decreased** by \$12,204.
- Debt service increased by 1.08% or \$50,000, mainly due to the impact of the Birch Grove Primary School project. However, there will be no impact on the mill rate due to the use of a committed fund balance that had been set aside for this in past years.
- Capital improvements supported by the General Fund increased by \$117,934.
- Addition of 2 new and 2 reinstated positions (2 part-time and 2 full-time) - \$201,331 (Includes fringe benefits. Details will be discussed under each department)
  - FT Public Safety Officer - \$84,355
  - FT Public Works Laborer - \$58,076
  - PT Senior Center Administrative Assistant - \$50,593
  - PT Recreation Coordinator - \$ 8,307

# Expenditure Revisions

The budget continues to include one free bulky waste pickup, which was used by approximately 1,800 residents last October. Our vendor, Casella Waste Systems Inc., has offered to continue another one-year contract addendum due to the poor recycling market conditions with the only change being a monthly market rate average calculation budgeted at \$32.77 per ton for recycling.

All recycling fees are based on 5,200 units for an estimated total of \$54,070. Also, Casella would waive the fee (\$15,340) for the one Bulky Waste pick-up. The Town would only be responsible for the bulky waste disposal tonnage for the one Bulky Waste pick-up estimated at \$16,873. These two costs total approximately \$70,943 and would again be charged to the Solid Waste Program Capital Account. With more individuals working from home, our refuse tonnage has increased and this budget reflects an estimated cost increase of \$30,154.



# Expenditure Revisions

Item	Cost Increase
Salary increases (includes new positions, \$131,016 (salary only) & includes a remaining balance for the grants/project manager that was partially added in FY 21-22 - \$43,000) for regular wage costs	\$174,016
FICA, Medicare, Employee Deferred Contribution Plan	\$ 67,036
Personnel Contingency - union negotiations and other wage-related increases	\$100,965
Fuel & Oil Costs	\$ 50,285
Professional Services - majority is State Trooper costs (\$9,448) increase	\$ 15,025
Decreases in Road Materials, Service contracts, Agricultural/custodial supplies	(\$ 31,857)

# MILL RATE IMPACT OF THE FINANCIAL PLAN

**Mill Rate = 36.87**

An ***decrease*** of .24 mills compared to  
the current mill rate of 37.11

# **Governor's Proposed Motor Vehicle Cap**

- The Governor has proposed reducing the current CAP on Motor Vehicle Taxes of 45 Mills down to 29 Mills.
- Tolland historically has not hit the 45 Mill CAP.
- If this proposal is approved, then the Mill rate would need to be adjusted for real estate/personal property to 37.04 mills and motor vehicles would be 29 mills.
- The Governor's budget proposes revenue in the amount of \$1,217,117 in additional revenues to the Town to offset the loss in taxes. This amount does not cover the total loss due to it being based on the prior year grand list values for motor vehicles and we had substantial growth in motor vehicles this year. The shortfall is \$311,636 and would require the real estate/personal property mill rate to be increased. I have not included this proposal as part of my budget.

# TAX IMPACT / REVALUATION IMPACT

Each year as part of this budget message we show the tax impact to the average low-middle-higher assessed homes.

## Change in the Grand List:

Net Grand List 2020 (After Board of Assessment Appeals Adjustments)	\$1,268,008,965
Net Grand List 2021 (used to set FY 22/23 mill rate)	1,334,822,397
Overall average percentage increase	3.80%

Property Tax Impact of the Town Managers Proposed Budget for Three Average Assessments							
	2020 Assessment	Market Value	Taxes at 37.11 FY 21-22	2021 Assessment	Market Value	Taxes at 36.87 FY 22-23	Difference
<b>Residential:</b>							
<b>Low</b>	\$129,570	\$185,100	\$4,808	\$129,570	\$185,100	\$4,777	\$ (31)
<b>Medium</b>	\$178,870	\$255,530	\$6,638	\$178,870	\$255,530	\$6,595	\$ (43)
<b>High</b>	\$314,125	\$448,750	\$11,657	\$314,125	\$448,750	\$11,582	\$ (75)
<b>Commercial:</b>							
<b>Low</b>	\$ 191,275	\$ 273,250	\$7,098	\$ 191,275	\$ 273,250	\$7,052	\$ (46)
<b>Medium</b>	\$ 347,760	\$ 496,800	\$12,905	\$ 347,760	\$ 496,800	\$12,822	\$ (83)
<b>High</b>	\$ 785,190	\$ 1,121,700	\$29,138	\$ 785,190	\$ 1,121,700	\$28,950	\$ (188)

**APPROVED TAX/REVALUATION  
INCREASE/DECREASE OVER THE PAST 6  
YEARS FOR THE AVERAGE RESIDENTIAL  
HOME**

[illegible]



# **CAPITAL BUDGET**

**Everything the Town does, from providing services to its residents and citizens, to equipping employees to effectively perform their jobs, requires the existence of certain basic physical assets.**

**Assets include:**

- **Streets**
- **School Facilities**
- **Parks**
- **Large Equipment**
- **Buildings**
- **Technology**

**Assets must be purchased, maintained and replaced on a timely basis or their usefulness in providing public services will diminish.**

**The Town's Five Year Capital Improvement Program is developed to ensure adequate capital investment in the Town's assets and to provide an orderly method for funding these assets.**



# ***WHAT IS A CAPITAL ITEM?***

***Definition of Capital Projects:*** Any project, to be included in the Town's Capital Improvement Program, should fall into one of the following three program categories:

- 1. Any new or expanded physical facility, including preliminary design and related professional services.**
- 2. Land or property acquisition.**
- 3. Items of a non-recurring nature where the benefits are realized over a long period of time.**

**A project should also exhibit the following characteristics to be included in the Capital Improvement Program:**

- 1. *Life Expectancy:*** The project's outcome, non-recurring in nature, should have a useful life of greater than eight years.
- 2. *Cost:*** Cost should be a relatively high, non-operative expenditure for the Town; generally in excess of \$10,000 for equipment or plant facility improvements.



# ***CAPITAL BUDGET PLANNING PROCESS***

<b>Activity</b>	<b>Dates</b>
Capital budget requests submitted to Town Manager.	October 7, 2021
Preliminary Capital Budget Committee Review and Department Head meetings. Board of Education Superintendent included in meetings.	Month of October, 2021
Manager submits Capital Program to Council.	Week of Dec. 6, 2021
Capital Budget Public Hearing held.	February 10, 2022
Manager submits Capital Program to Council with recommended General Fund Budget.	March 9, 2022
Town Council approves recommended Capital Program as part of Council's Proposed Budget.	March 29, 2022
Capital Program as amended is part of Budget Referendum process.	May 3, 2022





# **TYPES OF FUNDING METHODS**

- **General Fund Contributions**
- **Capital Non-Recurring Fund**
- **Non-Referendum Notes**
- **Local Capital Improvement Plan Grant (State)**
- **Town Aid to Road Grant (State)**
- **State School Construction Grants and other State Grants**
- **Ambulance Fees**
- **Cemetery Funds**
- **Referendum Borrowing**
- **Unallocated Capital**
- **Recreation Special Revenue Fund**
- **Utility Reserve Fund**



**FY22-23: Town of Vernon Water Pollution Control  
Plant Upgrade**  
**Total Amount: \$164,906**

**Tolland's Funding of the upgrade:**

Tolland's total 20 year share of the net project cost is estimated at \$3,298,110 (Subject to Change.) As discussed in previous years we are phasing in the required debt payments to Vernon. This is the third year of the debt payments. The annual payments for the following 17 years will be \$164,906 each year unless the debt payment requirements change.

- Tolland's share based on the Inter-municipal agreement is 5.63% of the project cost and loan interest after grant proceeds.
- FY 22-23 General fund funding is \$79,946 and \$84,960 from CNRE.
- We are continuing to phase in the burden on the general fund by using a portion of a lawsuit settlement that was deposited into the CNRE last fiscal year. This process had been discussed with the Town Council during the last Capital Budget plan.



**FY22-23: SIGNIFICANT CAPITAL PROJECTS**  
**FUNDED BY THE GENERAL FUND**  
**Total Amount: \$255,880**

**Other Town Administration Projects:**

- General Fund portion of WPCA \$79,946

**Board of Education Projects:**

- Replace THS Rear Loading Dock EDO System \$10,000

**Capital Equipment Projects:**

- Replace Truck #10 – Highway \$50,443

**Public Facilities Projects:**

- Shingled Roof Highway Garage \$44,000

(\$16,437 from General Fund & \$27,563 from LoCIP grant)



**FY22-23: SIGNIFICANT CAPITAL PROJECTS**  
**FUNDED BY THE GENERAL FUND**  
**Total Amount: \$255,880**

- Depreciation amount for replacement of light duty vehicles funded by the General Fund:

Town	\$73,482
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BOE	\$25,572
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Note that the Town portion has increased due to the Fire Association no longer able to fund the purchase the Fire Chief's Vehicle. The funds are now being set aside in order to replace that vehicle in FY 23-24.



## **FY22-23: SIGNIFICANT CAPITAL PROJECTS** **FUNDED BY OTHER SOURCES**

### **BOE Projects**

- Capital & Non-recurring (CNRE) \$128,000 from settlement funds
  - TIS Hobart High Temp Conveyor Dishwasher & Sink Station \$40,000
  - THS Oven/Steamer Combo \$40,000
  - New Tractor for Birch Grove School Needs \$24,000
  - 2 – Tennant 5400 Floor Machines \$24,000
- Non-Referendum Bonds - \$140,000
  - TMS Track Resurface

### ***Changes From the Original Proposal at the Public Hearing on February 10, 2022***

- Reclassed TIS Hobart High Temp Conveyor Dishwasher & Sink Station from Debt Funding to CNRE Funding. Reduced funding amount from \$44,539 to \$40,000.
- Reclassed THS Oven/Steamer Combo from Debt Funding to CNRE Funding. Reduced funding amount from \$44,839 to \$40,000.
- Moved Articulating Lift of \$80,000 out to Year 2 to be funded by Debt.

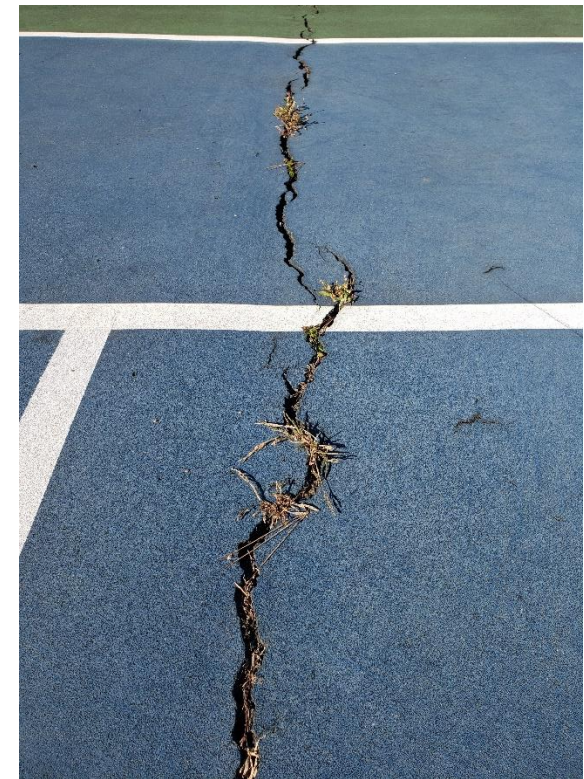




## **FY22-23: SIGNIFICANT CAPITAL PROJECTS** **FUNDED BY OTHER SOURCES**

### **Parks and Recreation:**

- Crack Repair/Resurface Tennis Courts on Old Cathole Road (\$40,000 from CNRE and \$42,000 from Recreation Fund)





## **FY22-23: SIGNIFICANT CAPITAL PROJECTS** **FUNDED BY OTHER SOURCES**

### **Public Facilities:**

- Pole Sheds for Highway Garage
  - LOCIP Grant \$88,000
- Cross Farms ADA Walkway
  - Non-Referendum Debt - \$191,878. Changed from \$187,500 to \$191,878 in order to meet Debt Management Fund issuance requirements.



## **FY22-23: SIGNIFICANT CAPITAL PROJECTS** **FUNDED BY OTHER SOURCES**

### **Capital Equipment:**

- Replacement of Truck #38 – Snow Removal Operations - \$95,300 (CNRE)

#### **Funded by Cemetery Fund**

- Replacement of Truck #37 – Snow Removal/Cemetery work - \$95,300
- Depreciation Expense for Public Works vehicles - \$14,862

#### **Funded by non-referendum debt**

- Toro 16' Mower for Town & BOE Fields - \$115,488

### ***Changes From the Original Proposal at the Public Hearing on February 10, 2022***

- VacAll was removed. \$495,000 from Debt in Year 1 and was approved to be funded by ARPA Funds.
- Sweeper was removed. \$275,000 from Debt in Year 2 and was approved to be funded by ARPA Funds.





## **FY22-23: SIGNIFICANT CAPITAL PROJECTS** **FUNDED BY OTHER SOURCES**

### **Public Safety:**

#### **(Ambulance Reserve)**

- Replacement of Ambulance 540 - \$370,000
  - Currently being discussed under ARPA funding - may possibly be removed in the future.
- Refurbishment of the 2006 ET-240 - \$180,000

#### **(Non-Referendum Debt)**

- Replacement of the 1987 ET-540 - \$750,000



## **FY22-23: SIGNIFICANT CAPITAL PROJECTS** **FUNDED BY OTHER SOURCES**

### **Public Works:**

- Tree Trimming - \$70,000 TAR Grant

### **Streets & Roads:**

- Drainage construction and design - \$63,776 (Town Aid Road Grant)
- Pavement Management - \$205,000 (Town Aid Road Grant)
- Road Improvements \$795,000 (Part of \$5 million bond funding approval from November, 2018)



## ***PAST 5 YEAR GENERAL FUND CAPITAL CONTRIBUTIONS***

**FY18 - \$ 54,578 or .10% of Townwide Operating Budget**

**FY19 - \$ 61,906 or .11% of Townwide Operating Budget**

**FY20 - \$121,048 or .21 % of Townwide Operating Budget**

**FY21 - \$192,567 or .34 % of Townwide Operating Budget**

**FY12 - \$137,946 or .24% of Townwide Operating Budget**

**Town Manager Proposed FY23 = \$255,880**



# **TOLLAND DEBT MANAGEMENT PLAN SCHEDULE** **2022-23 THROUGH 2026-27**

In FY 22/23 the General Fund budget will increase by \$50,000 to \$4,700,000 and will continue to increase through FY 23/24. The negative amount listed below under “Amount to be Paid from Debt Service Fund” is the amount to be contributed to cover the total debt payments. Much of this impact is due to debt for the Birch Grove School and potential renovations to the Firehouses. The plan will allow the budget to begin being reduced in FY 2026-27 to eventually get back to \$4,600,000. Once the budget returns to this level, the plan is to begin building capital reserves to fund future projects on a pay as you go basis as debt falls off the books.

	<b>Debt Management Plan</b>	<b>General Fund Budget</b>	<b>Amount to be Paid from Debt Service Fund</b>
FY 22/23	\$4,978,089	\$4,700,000	(\$ 278,089)
FY 23/24	\$5,420,029	\$4,750,000	(\$ 670,029)
FY 24/25	\$5,206,112	\$4,750,000	(\$ 456,112)
FY 25/26	\$5,211,720	\$4,750,000	(\$ 461,720)
FY 26/27	\$4,568,725	\$4,750,000	\$ 181,275



# Budget Schedule: Important Upcoming Dates

**\*Zoom meetings will be dependent upon COVID restrictions. Announcements will be made if public meetings are implemented.**

February 10, 2022 (Thursday)	Capital Budget Public Hearing – ZOOM Only – 7:00 p.m.
February 14, 2022 (Monday)	Board of Education submits Budget to Manager
February 24, 2022 (Thursday)	A. Manager convenes joint meeting between Council and Board of Education (by April 11 per Charter requirement). Recommendations & Suggestions to BOE regarding consolidation of non-education services and cost savings (10 days from date of receiving BOE Budget per State Statutes (Public Act 13-60)) B. Discuss Board of Education budget overall request, pursuant to Charter Section C9-4 or C9-1 – Library Program Room* – 7:00 p.m.
March 9, 2022 (Wednesday)	Manager submits Budget to Council
March 10, 2022 (Thursday)	Advertise Public Hearing
March 16, 2022 (Wednesday)	Mgr. discusses Budget w/Council–Library Program Room* – 7:00 p.m.
March 17, 2022 (Thursday)	Mgr. discusses Budget w/Council–Library Program Room* – 7:00 p.m.
March 21, 2022 (Monday)	Mgr. discusses Budget w/Council–Library Program Room* – 7:00 p.m.
March 24, 2022 (Thursday)	<b><u>PUBLIC HEARING</u></b> on Manager’s Recommended Budget: Board of Education, Town Gov’t., Capital Improvement Plan – Library Program Room* – 7:00 p.m.
March 29, 2022 (Tuesday)	Council Discussion – Budget Finalized – Council Chambers* – 6:00 p.m.
April 5, 2022 (Tuesday)	Advertise Budget
April 18, 2022 (Monday)	<b><u>ANNUAL BUDGET PRESENTATION MEETING</u></b> – Library Program Room* – 7:00 p.m. – BOE is provided an opportunity to present a revised adopted budget based on funding approved by Town Council and other line item updates
May 3, 2022 (Tuesday)	Annual Budget Referendum
By May 10, 2022 (Tuesday)	Council Establish Mill Rate upon referendum adoption

*\*Due to COVID19, Zoom only may be used as an alternative*

