

**SPECIAL MEETING MINUTES
TOLLAND TOWN COUNCIL
HICKS MEMORIAL MUNICIPAL CENTER
6th FLOOR COUNCIL ROOM
MARCH 14, 2018**

Present: Bill Eccles, Dave Skoczulek, John Reagan, Paul Reynolds, Tammy Nuccio, Christine Vincent and Brenda Falusi

Also Present: Steven Werbner, Town Manager
Michael Wilkinson, Director of Administrative Services
Kevin Eklund, Admin. Resident Trooper
Heidi Samokar, Director of Planning and Community Development
Beverly Bellody, Director of Human Services
Lisa Hancock, Director of Finance and Records
Scott Lappen, Public Works Director
Bruce Watt, Recreation Director
Jason Lawrence, Assessor
Sheila Bailey, Town Clerk
Chris Jordan, Asst. Finance Director
Jim Paquin, Building Official
Barbara Pettijohn, Director of Library Services
John Littell, Director of Public Safety
Michelle Manas, Collector of Revenue

Meeting called to order at 7:02 pm.

Town Manager Steven Werbner started the meeting by talking about the three year revenue comparison and that his recommended budget has a 0.81% increase or \$450,450. He then talked about the potential adjustment in State Aid. The impact of the FY19 Governor's Adjusted Budget with no change to current year Town and Board of Education expenses would be an increase of 1.15 mills or 3.35%. He used a blended figure for ECS in the amount of \$9,308,625. His suggestion is should we receive more in revenue after the budget is adopted that the money be held in reserve to address potential mid-year revenue adjustments. He stated another potential change in State Aid is the second payment of the (TAR) Grant as well as the full amount for FY18-19 (\$339,335). The overall tax increase is 2.49% on an overall budget increase of 0.81%.

The Town Manager went into a discussion on the use of fund balance. Fund balance in Tolland over the last ten years has increased some 2 million dollars or from 10.9% to 12% with the most recent percentage being 11.5%.

POTENTIAL USE OF FUND BALANCE

• Fund Balance as of 7/1/17:	\$ 8,153,976
• Programmed use of Fund Balance in 17/18 budget:	-\$ 400,000
• Possible use of Fund Balance to address Governor's Holdback of ECS revenues offset by other revenues:	-\$ 636,864 est.
• Estimated funds not expended in FY 17/18 including \$290,000 for funds from the State Trooper budget	+\$ 339,752 est.
• Programmed use of Fund Balance in 18/19 budget Including the use of the \$290,000 from prior year to fund Police improvements:	<u>- \$ 690,000</u>
	\$6,766,864

He stated in future years the Town should be careful in utilizing Fund Balance as a mechanism to offset lost revenue without an established plan to restore Fund Balance to prior levels.

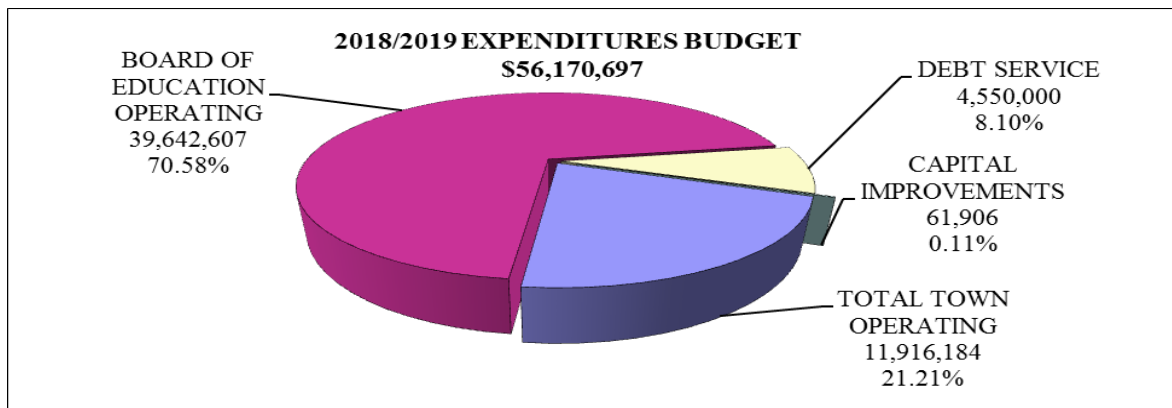
Also, the Town should also consider revising its Fund Balance policy to ensure that the overall Fund Balance stays between 10% and 17% of expenditures and as a further goal to reach a level recommended by the Government Finance Officers Association of at least two months of operating revenue or expenditures. Unassigned Fund Balance should be as a minimum range from 10% - 15% of expenditures.

He then discussed the expenditure drivers in the budget. The increase in the Board of Education budget is 0.78% or \$308,659 as requested in their adopted budget. Funding option 1 of the Police Study prepared by Municipal Resources Inc. at a total cost of \$449,430. A portion of this expense is offset by funds budgeted this fiscal year which will not be spent (\$290,000). Expenditure reductions were as follows: Reduce the Solid Waste budget by \$23,992 based on savings negotiated in our Solid Waste contract. This includes adding back \$29,711 for one free bulky waste pick-up. Reduce the snow & ice materials by \$29,959 based on lower price and less material used. Eliminate the use of contractors during snow events as well as a vacant Part-Time Custodian for a total savings of \$78,572. Add back a Laborer budgeted in FY18/19 for 10 months as well as add hours to an existing Part-Time Custodian at a total cost of \$44,594. Reduce the Planning & Zoning budget as well as Contingency account by a combined \$64,855 due to the completion of certain studies or use of other funding sources.

The Town Manager's overall budget numbers and recommendations are highlighted as follows:

The budget which I am presenting to you retains basic services, both in the Town as well as the Board of Education, and provides for an increase in overall expenditures of 0.81% with Town operation expenses increasing by 1.14% or \$134,463, the Board of Education increasing by 0.78% or \$308,659 and Capital Improvements by \$7,328. The tax increase necessary to support this budget is 0.86 mills or a 2.494% increase in the mill rate. The use of Fund Balance is budgeted at \$690,000 which includes the use of \$290,000 budgeted this fiscal year for Police improvements that will not be spent.

This budget again is heavily impacted by the potential loss of State revenue and the modest growth in the Grand List.



Each year as part of this budget message I show the tax impact to the average low-middle-higher assessed homes. After Revaluation the average assessment for these categories of homes was \$117,093 - \$188,285 - \$360,369.

Property Tax Impact of the Town Managers Proposed Budget for Three Average Assessments				
2014 Assessment	Market Value	Taxes at 34.48	Taxes at 35.34	Difference
\$117,093	\$167,276	\$4,037	\$4,138	\$101
\$188,285	\$268,979	\$6,492	\$6,654	\$162
\$360,369	\$514,813	\$12,426	\$12,735	\$309

The Town Manager also talked about the concern of a high mill rate in comparison to the other Towns.

Throughout the presentation there were questions from Town Council members and statements of residents on the following topics: Fire training; police services; police staffing; foundation assessment reductions; regional training; police overtime; change in line items from Department budget to Manager Proposed among other questions.

Meeting adjourned at 9:07 pm.

Respectfully submitted,

Michael Wilkinson
Director of Administrative Services