

TOWN OF TOLLAND



PUBLIC HEARING

March 23, 2023

Budget Summary

Town Manager's Proposed Budget

Fiscal Year
2023 - 2024

TOWN OF TOLLAND GENERAL FUND BUDGET SUMMARY				
2021-2022 Adopted Budget	2022-2023 Adopted Budget		2023-2024 Manager Budget	PERCENT CHANGE FROM PRIOR BUDGET
		BUDGET APPROPRIATIONS:		
3,230,414	3,357,830	General Government	3,562,367	
455,019	451,598	Planning and Community Development	468,849	
999,650	1,043,917	Community Services	1,106,233	
4,555,090	4,589,155	Public Works and Environmental Maintenance	4,934,357	
2,170,899	2,263,141	Public Safety Services	2,268,060	
1,196,575	1,311,755	Finance and Records	1,342,185	
12,607,647	13,017,396	TOTAL -- TOWN GOVERNMENT	13,682,051	5.11%
40,819,289	41,737,723	Board of Education Operations	42,989,855	
40,819,289	41,737,723	TOTAL -- BOARD OF EDUCATION	42,989,855	3.00%
53,426,936	54,755,119	TOTAL -- OPERATING TOWN AND BOARD OF EDUCATION	56,671,906	3.50%
4,650,000	4,700,000	Debt Service	4,750,000	1.06%
	0	Teachers Retirement	0	
137,946	255,880	General Fund Contribution for Capital Improvements	319,451	24.84%
4,787,946	4,955,880	TOTAL -- CAPITAL IMPROVEMENTS AND DEBT SERVICE	5,069,451	
58,214,882	59,710,999	TOTAL TOWN APPROPRIATIONS	61,741,357	3.40%
		LESS:		
10,444,020	11,636,074	Estimated Revenues from Non-Tax Sources	11,715,921	
		LESS:		
460,000	268,000	General Fund Balance Applied	268,000	
47,310,862	41,688,144	AMOUNT TO BE RAISED BY CURRENT TAXES	43,207,687	
	6,118,781	Amount from Motor Vehicle Taxes	6,549,749	
58,214,882	59,710,999	TOTAL TOWN REVENUES	61,741,357	3.40%
1,286,174,925	1,163,320,217	NET GRAND LIST REAL ESTATE AND PERSONAL PROPERTY	1,177,186,194	
6,355,900	6,355,900	LESS: Senior Tax Relief Program	6,355,900	
7,509,680	6,509,680	LESS: Corrections, and Assessment Appeals	6,010,290	
750,000	1,000,000	PLUS: New Construction	1,500,000	
15,000,000	0	PLUS: Motor Vehicle Supplement	0	
300,000	300,000	LESS: Crumbling Foundation Reductions	300,000	
1,287,759,345	1,151,154,637	NET TAXABLE GRAND LIST	1,166,020,004	
1,274,881,752	1,139,643,091	NET ADJUSTED COLLECTIBLE GRAND LIST @ 99.0%	1,154,359,804	
37.11	36.58	MILL RATE	37.43	2.32%
	171,502,180	Motor Vehicles Grand List	181,779,090	
	17,000,000	PLUS: Motor Vehicle Supplement	20,000,000	
	188,502,180		201,779,090	
37.11	32.46	MILL RATE-Motor Vehicles	32.46	0.00%

Town Revenues 2023 - 2024

Historical and Proposed Budgeted Revenues

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24*
State/Federal Grants	\$507,547	\$204,435	\$517,805	\$517,405	\$518,763	\$1,233,028	1,338,748
Investment Income/Other	70,000	70,000	190,000	265,000	65,000	40,000	201,000
Licenses, Permits & Fees	249,800	238,500	258,500	273,500	274,000	300,400	357,200
Charges for Current Services	337,840	356,940	323,940	332,940	344,009	401,440	363,640
Education Grants	10,172,654	9,745,098	8,875,986	9,114,072	8,781,991	9,112,810	8,937,693
Total	\$11,337,841	\$10,644,973	\$10,166,231	\$10,502,917	\$9,983,763	\$11,087,678	\$11,198,281

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

Historical and Proposed Budgeted Expenditure Percentages

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Town	-.73%	1.14%	1.76%	2.03%	2.28%	3.98%	5.11
BOE	0.00%	.78%	.84%	.10%	2.46%	2.99%	3.00
Overall	-.15%	.81%	1.07%	.72%	2.26%	3.25%	3.40

Grand List Growth

	2017/18	2018/19	2019/20	2020/21**	2021/22	2022/23	2023/24
Net Increase	.81%	.23%	2.96%	-.41%	.85%	3.80%	1.83%
Grand list change	\$10,255,060	\$2,902,091	\$3,787,800	\$(5,258,726)	\$10,841,850	\$48,813,432	\$24,462,377

Mill Rate Increase/Decrease

2015/16**	2016/17	2017/18	2018/19	2019/20	2020/21**	2021/22	2022/23	2023/24
2.31	No change	.83	.81	1.05	No change	1.26	-.53	.85

**Revaluation year.

**PROJECTED DECREASES/INCREASES FOR 2023/2024
FROM NON-TAX REVENUE SOURCES**

(DECREASES)/INCREASES:

State Aid for Education		(\$175,117)
ECS	(\$175,378)	
Adult Education	\$261	
Non-Education State and Federal Grants		\$105,720
PILOT	\$695	
Disability Grant	\$200	
Veterans	(\$1,400)	
State Municipal M/V Grant	\$106,225	
Licenses, Permits & Fees		\$56,800
Building Permit Fees	\$50,000	
Fines, Fees & Licenses	(\$200)	
Town Clerk Fees	\$5,000	
Library Fees	\$2,000	
Charges for Current Services		(\$37,800)
Document Recording Fees	(\$35,000)	
Map & Copy Sales	(\$2,000)	
Zoning Board of Appeals	(\$800)	
Interest Income		\$161,000
NET REVENUE INCREASE FROM NON-TAX SOURCES		<u>\$110,603</u>

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, 2022 Unassigned Fund Balance was 15.12% and estimate year end Unassigned Fund Balance for FY22-23 to be at 14.46%.

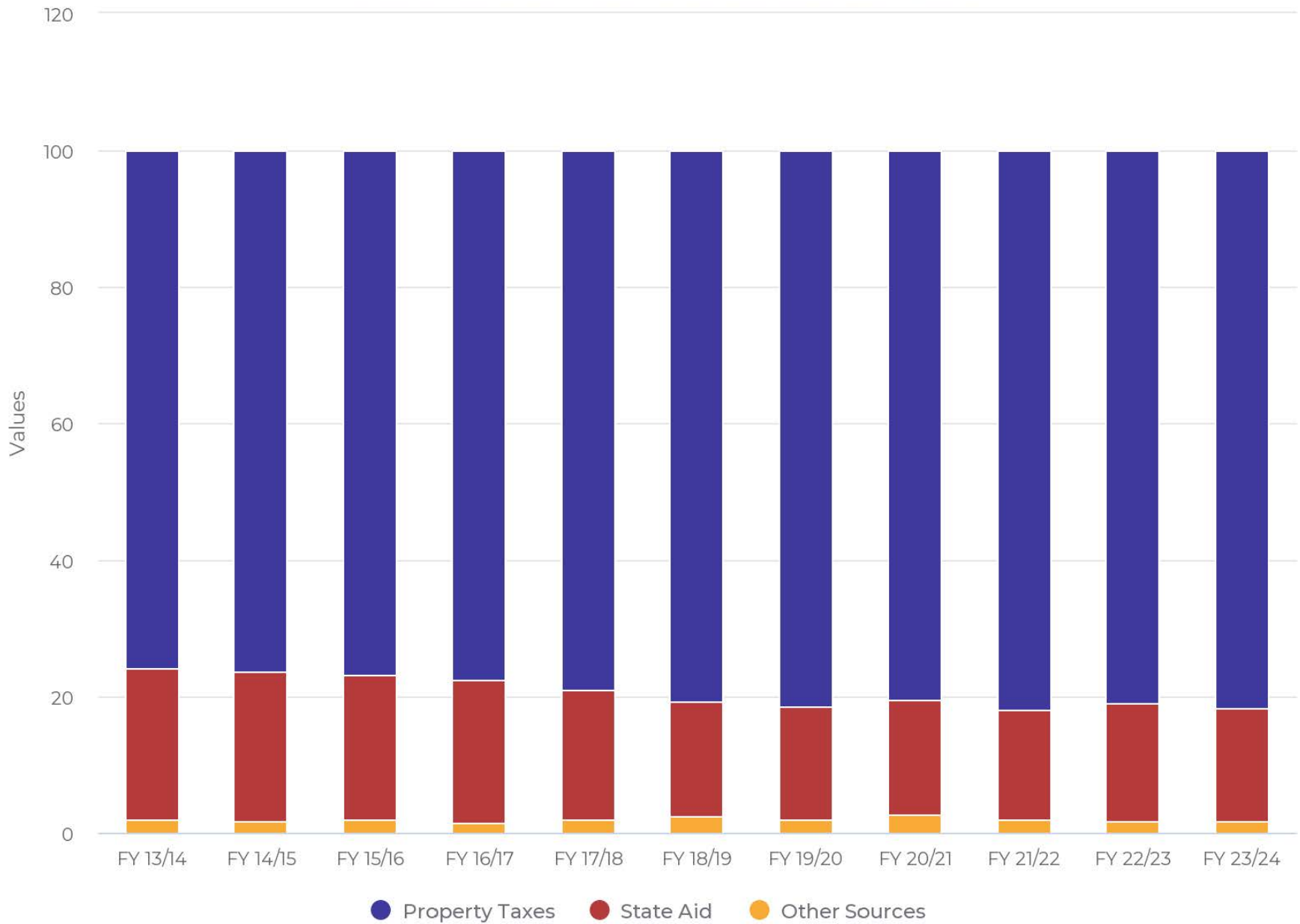
This is not a “revenue source” that should be relied upon in the future. This is a one time use of funds that may not be able to be duplicated in future years.

UNASSIGNED FUND BALANCE

2024 EST*	\$9,573,466	14.12%
2023 EST	\$9,714,918	14.46%
2022	\$9,955,012	15.12%
2021	\$9,947,007	15.64%
2020	\$9,219,295	14.88%
2019	\$8,150,176	13.53%
2018	\$8,320,481	13.17%
2017	\$7,763,976	12.27%
2016	\$7,113,653	11.98%
2015	\$6,853,234	11.90%
2014	\$7,053,690	12.40%
2013	\$6,649,387	11.77%
2012	\$6,588,695	11.82%
2011	\$6,209,332	12.09%

* Includes assumption of use budgeted Fund balance

Trends in General Fund Revenue Sources - 2024

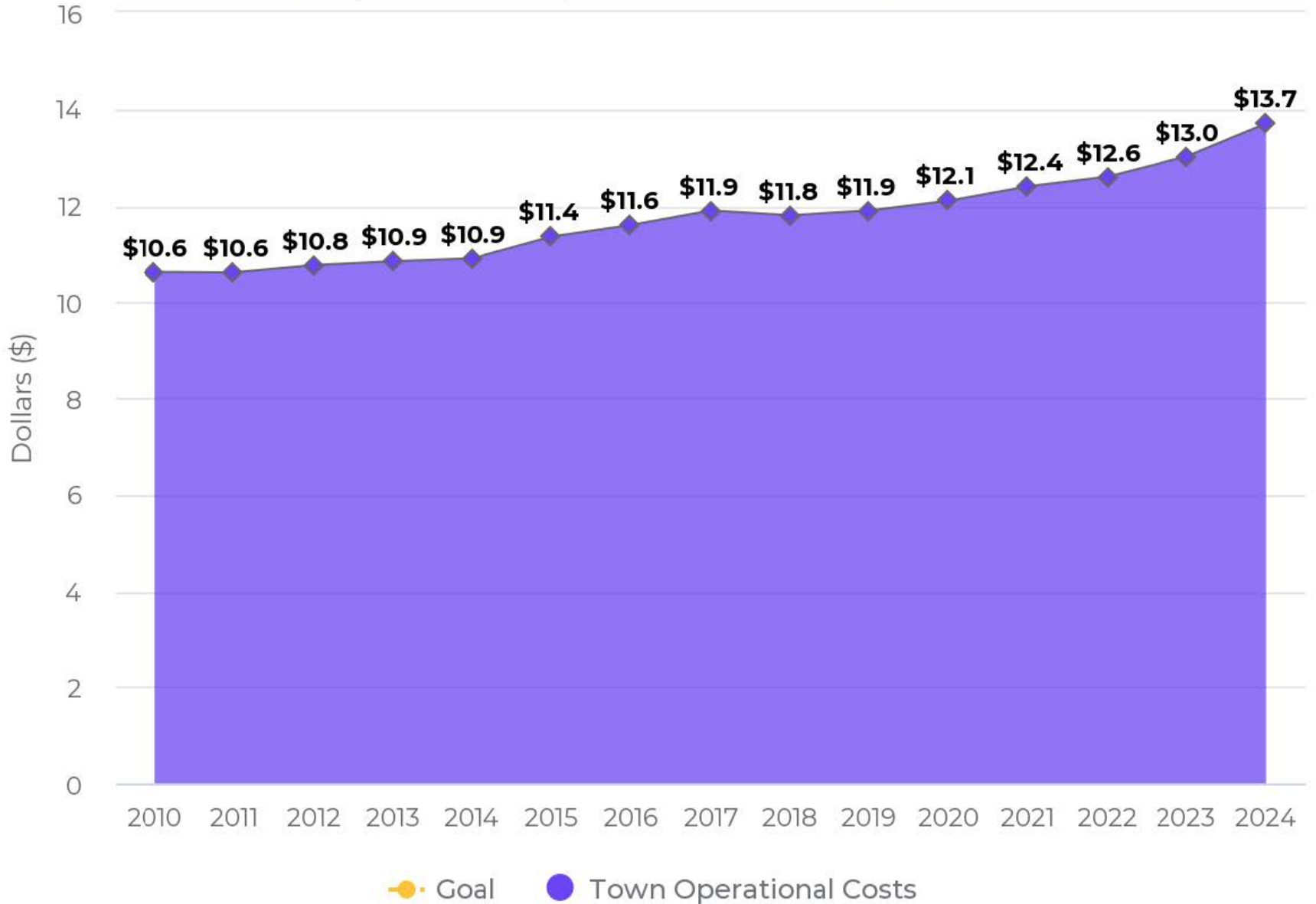


Expenditures

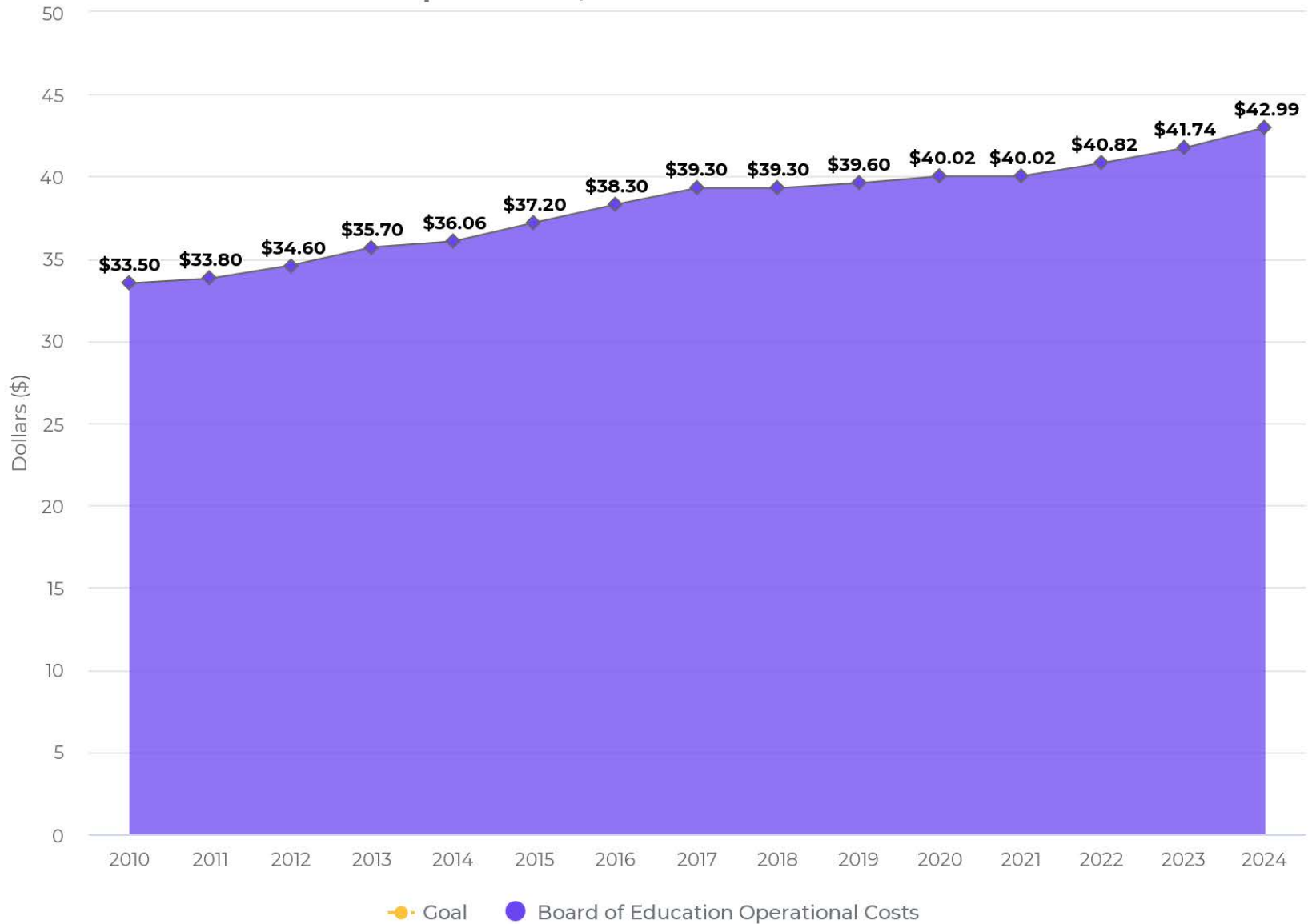
EXPENDITURE SUMMARY

Category	Adopted 22/23	Recommended 23/24	Dollar Change	Percentage Change
Town Depts.	13,017,396	13,682,051	664,655	5.11%
Capital Expenditures	255,880	319,451	63,571	24.84%
Debt Service	4,700,000	4,750,000	50,000	1.06%
Board of Education	41,737,723	42,989,855	1,252,132	3.00%
Grand Total	\$59,710,999	\$61,741,357	\$2,030,358	3.40%

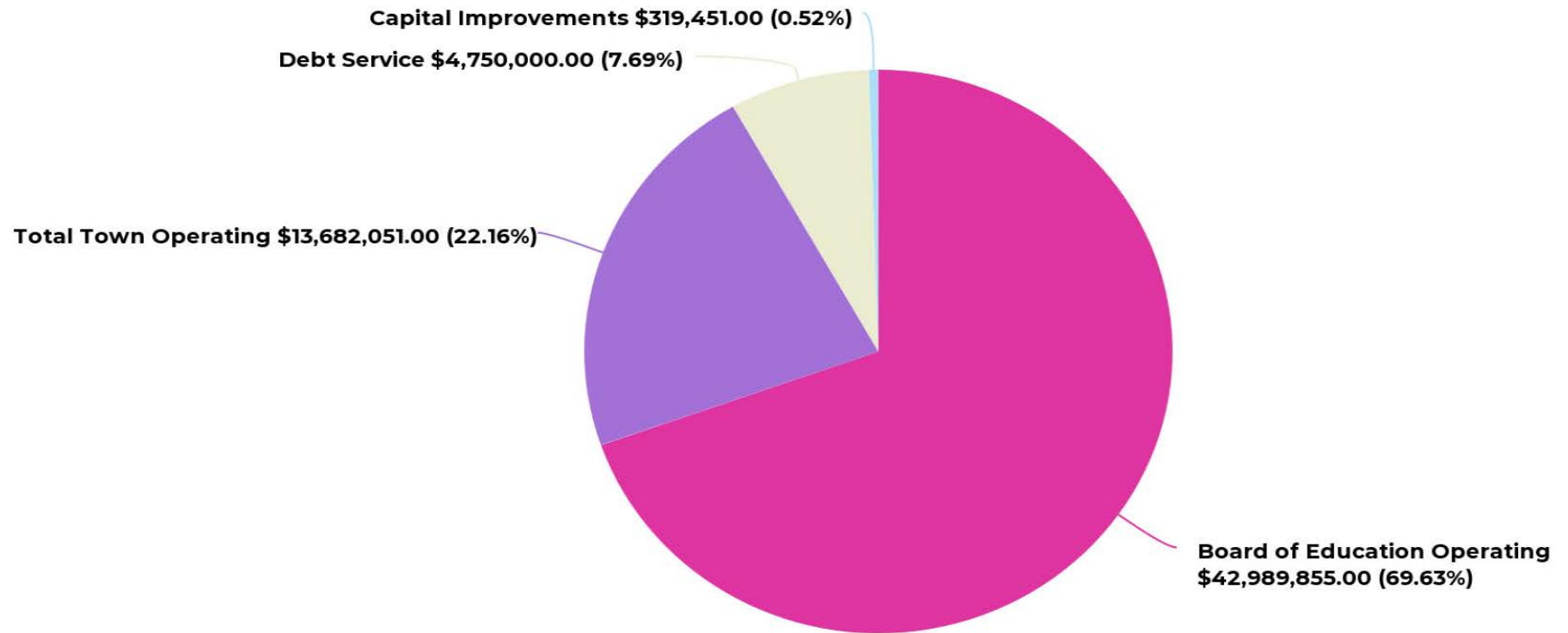
Town Operational \$ Cost in Millions 2010 - 2024



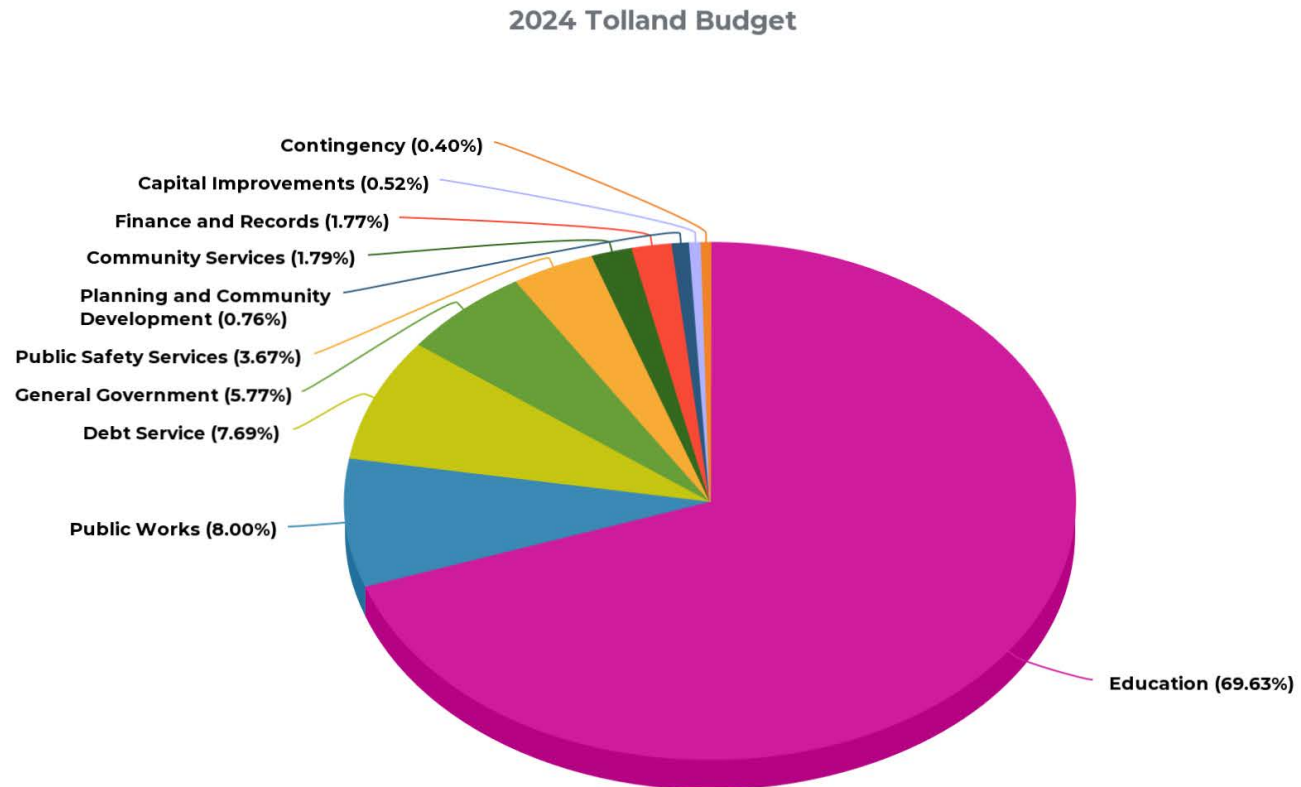
BOE Operational \$ Cost in Millions 2010 - 2024



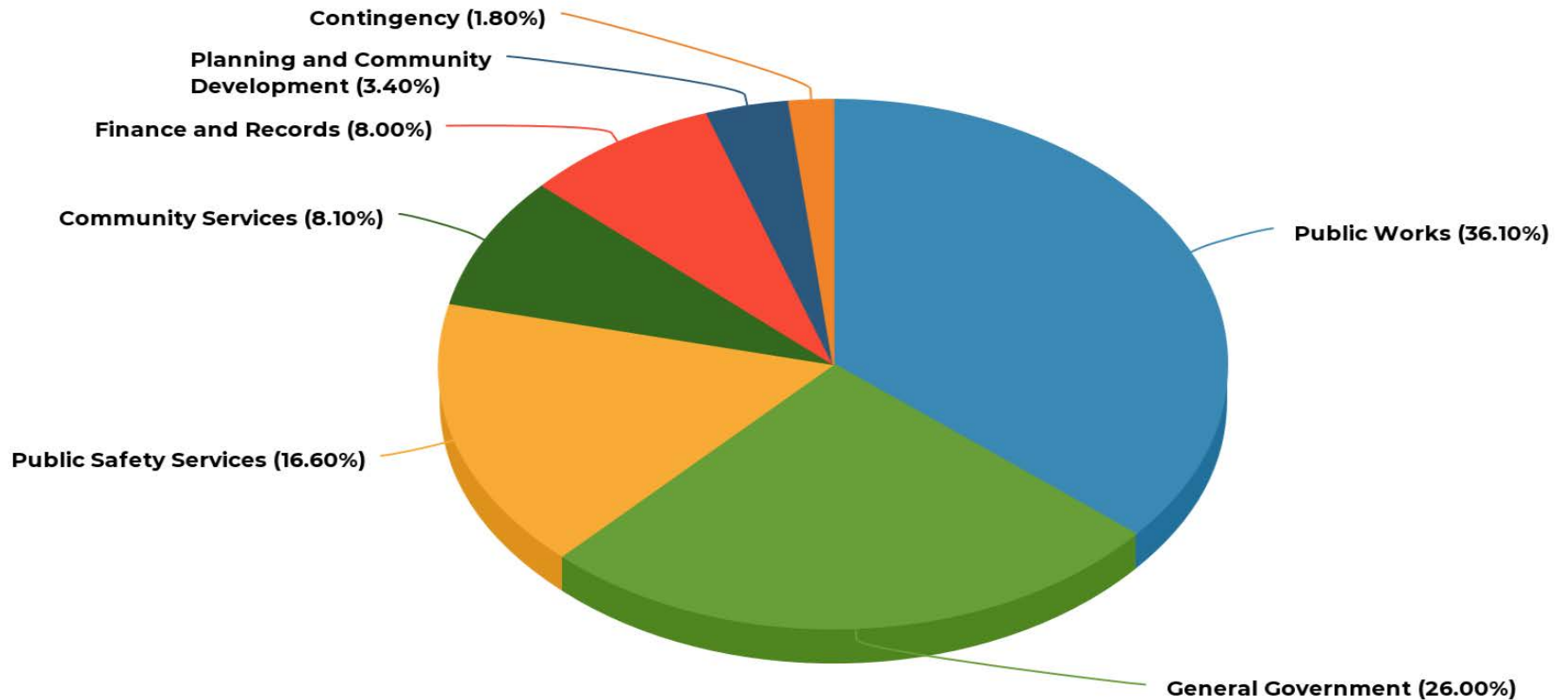
2023/2024 Expenditures Budget



The following chart depicts spending distribution of the budget



Town Operating Expenditures Allocation 2024



Note: Financial & Records Includes Debt

Town Expenditure Drivers

- Debt service increased by 1.06% 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 \$63,571.

Expenditure Drivers

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 floating market rate calculation budgeted at \$50.00 per ton for recycling. Recycling tipping fees are an estimated total of \$80,000.

Also, Casella would waive the fee (\$15,548) 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 \$19,854. These two costs total approximately \$99,854 and are now included in the operating budget since the Solid Waste Program Capital Account has been depleted of funds. With more individuals working from home, our refuse tonnage has increased slightly and this budget reflects an estimated cost increase of \$126,179.

Expenditure Drivers

Item	Cost Increase
Salary increases include a remaining phased-in balance for the part time recreation coordinator and a public safety officer that was partially added in FY 22-23 for regular wage costs.	\$244,473
FICA, Medicare, Employee Deferred Contribution Plan, Health Insurance-(\$144,849)	\$167,219
Personnel Contingency - union negotiations and other wage-related decrease	(\$60,355)
Fuel & Oil Costs	\$39,257
Professional Services - majority is State Trooper costs decrease	(\$45,642)
Increases in Road Materials for snow removal costs	\$129,263
Increases in Refuse and Recycling	\$126,179
Decrease in Other Services & Fees (Fire Dept. Physical reductions & Public Works)	(\$16,381)
Increase in Property & Liability Insurance	\$14,142

MILL RATE IMPACT OF THE FINANCIAL PLAN

Mill Rate = 37.43

An ***increase*** of .85 mills compared to the
current mill rate of 36.58

TAX 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 2021 (After Board of Assessment Appeals Adjustments)	\$1,334,502,907
Net Grand List 2022 (used to set FY 23/24 mill rate)	1,358,965,284
Overall average percentage increase	1.83%

Property Tax Impact of the Town Managers Proposed Budget for Three Average Assessments							
	2020 Assessment	Market Value	Taxes at 36.58 FY 22-23	2022 Assessment	Market Value	Taxes at 37.43 FY 23-24	Difference
Residential:							
Low	\$129,570	\$185,100	\$4,740	\$129,570	\$185,100	\$4,850	\$ 110
Medium	\$178,870	\$255,530	\$6,543	\$178,870	\$255,530	\$6,695	\$ 152
High	\$314,125	\$448,750	\$11,491	\$314,125	\$448,750	\$11,758	\$ 267
\$200,000	\$200,000	\$285,714	\$7,316	\$200,000	\$285,714	\$7,486	\$ 170
\$250,000	\$250,000	\$357,143	\$9,145	\$250,000	\$357,143	\$9,358	\$ 213
\$300,000	\$300,000	\$428,571	\$10,974	\$300,000	\$428,571	\$11,229	\$ 255
\$350,000	\$350,000	\$500,000	\$12,803	\$350,000	\$500,000	\$13,101	\$ 298
\$400,000	\$400,000	\$571,429	\$14,632	\$400,000	\$571,429	\$14,972	\$ 340
\$450,000	\$450,000	\$642,857	\$16,461	\$450,000	\$642,857	\$16,844	\$ 383
\$500,000	\$500,000	\$714,286	\$18,290	\$500,000	\$714,286	\$18,715	\$ 425
Commercial:							
Low	\$ 191,275	\$ 273,250	\$6,997	\$ 191,275	\$ 273,250	\$7,159	\$ 163
Medium	\$ 347,760	\$ 496,800	\$12,721	\$ 347,760	\$ 496,800	\$13,017	\$ 296
High	\$ 785,190	\$ 1,121,700	\$28,722	\$ 785,190	\$ 1,121,700	\$29,390	\$ 667

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

FISCAL YEAR	MILL RATE	MILL RATE INCREASE	AVG ASSESS OF HOME	TAX BASED ASSESSMENT	TAX \$ INC/DEC
2018/2019	35.00	0.52	\$188,285	\$6,589.98	\$97.90
2019/2020	36.05	1.05	\$188,285	\$6,787.67	\$197.70
*2020/2021	36.05	0	\$178,870	\$6,448.26	(\$339.41)
2021/2022	37.11	1.06	\$178,870	\$6,637.87	\$189.60
2022/2023	36.58	-0.53	\$178,870	\$6,543.06	(\$94.80)
2023/2024	37.43	0.85	\$178,870	\$6,695.10	\$152.04
* REVALUATION YEAR					
6 year average household increase in taxes				-	\$282.04



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

Activity	Dates
Capital budget requests submitted to Town Manager.	October 6, 2022
Preliminary Capital Budget Committee Review and Department Head meetings. Board of Education Superintendent included in meetings.	Month of October, 2022
Manager submits Capital Program to Council.	Week of Dec. 5, 2022
Capital Budget Public Hearing held.	February 9, 2023
Manager submits Capital Program to Council with recommended General Fund Budget.	March 8, 2023
Town Council approves recommended Capital Program as part of Council's Proposed Budget.	March 29, 2023
Capital Program as amended is part of Budget Referendum process.	May 2, 2023



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**
- **ARPA Funds**
- **Ambulance Fees**
- **Cemetery Funds**
- **Referendum Borrowing**
- **Unallocated Capital**
- **Recreation Special Revenue Fund**
- **Utility Reserve Fund**

YEAR 1 CAPITAL BUDGET SUMMARY															
FISCAL YEAR 2023-2024															
YEAR 1 CAPITAL BUDGET FUNDING CATEGORIES			CAPITAL BUDGET FUNDING SOURCES												
			Existing Funds	General Fund Contrib	CNRE Fund	Recreation Special Revenue	Non Refer Notes/ Bonds	Refer Notes/ Bonds	LOCIP Grant	TAR Grant	State & Federal Grants	School Const Grant	Ambul Reserve	Other Funding Sources/ Appr Bonds	Funding Totals
PROJECTED AVAILABILITY OF CAPITAL FUNDS =====>			3,966,154	319,451	857,846	0	2,411,000	820,000	115,563	338,776	0	0	421,276	1,044,000	10,294,066
TOWN ADMINISTRATION															
Town Administration			576,154	168,533	64,906	0	0	0	0	0	0	0	0	809,593	
BOARD OF EDUCATION															
Board of Education			0	88,056	56,145	0	0	0	0	0	0	0	99,000	243,201	
CAPITAL EQUIPMENT															
Capital Equipment			0	14,862	0	0	0	0	0	0	0	0	345,000	359,862	
FIRE AND AMBULANCE															
Fire and Ambulance			0	0	0	0	0	0	0	0	0	205,000	0	205,000	
PARKS AND RECREATION															
Parks and Recreation			0	0	0	0	0	0	0	0	0	0	0	0	
PUBLIC FACILITIES															
Public Facilities			0	48,000	80,000	0	0	0	56,000	0	0	0	600,000	784,000	
PUBLIC WORKS															
Tree Trimming			0	0	0	0	0	0	0	70,000	0	0	0	70,000	
STREETS AND ROADS															
Construction and Reconstruction			0	0	0	0	0	0	0	49,000	0	0	0	49,000	
Pavement Management			3,390,000	0	0	0	0	820,000	59,563	219,776	0	0	0	4,489,339	
SUMMARY PROJECT TOTALS			3,966,154	319,451	201,051	0	0	820,000	115,563	338,776	0	0	205,000	1,044,000	7,009,995
FUNDING SOURCE VARIANCES			0	0	656,795	0	2,411,000	0	0	0	0	0	216,276	0	3,284,071



FY23-24: 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 fourth year of the debt payments. The annual payments for the following 16 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 23-24 General fund funding is \$100,000 and \$64,906 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.



FY23-24: SIGNIFICANT CAPITAL PROJECTS
FUNDED BY THE GENERAL FUND
Total Amount: \$319,451

Other Town Administration Projects:

- General Fund portion of WPCA \$100,000

Board of Education Projects:

- District-wide Radio Recorder security upgrade \$16,106
- TIS Modular Roof Replacement \$45,000
- TMS Library & Main Office Carpet \$26,950

Capital Equipment Projects:

- Light Duty Vehicle Reserve \$14,862

Public Facilities Projects:

- Security Cameras and Silent Alarm \$48,000



FY23-24: SIGNIFICANT CAPITAL PROJECTS
FUNDED BY THE GENERAL FUND
Total Amount: \$319,451

Town Admin Vehicle Reserve:

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

Town	\$54,033
BOE	\$14,500

NOTE: These amounts cover 10 Town Vehicles and 3 BOE Vehicles.



FY23-24: SIGNIFICANT CAPITAL PROJECTS **FUNDED BY OTHER SOURCES**

BOE Projects:

- **Capital & Non-recurring (CNRE)** \$56,145 from settlement funds
 - TIS Entrance Security Upgrade \$32,382
 - THS Stage Audio Replacement \$11,663
 - THS Irrigation Refurb \$12,100

- **BOE ARPA Funds - \$99,000**
 - TIS and TMS Seclusion Room Updates \$58,000
 - TIS Nurses Station Renovation/Security/Safety \$41,000



FY23-24: SIGNIFICANT CAPITAL PROJECTS **FUNDED BY OTHER SOURCES**

Capital Equipment:

- Replacement of 2006 F250 Truck #56 (Parks) - \$50,000 (Cemetery Fund)
- Replacement of 2008 Dump/Plow Truck #14 (Highway) - \$295,000 (ARPA)

Public Safety:

(Ambulance Reserve Fund)

- Replacement of Firefighter Protective Gear - \$25,000
- Refurbishment of Tanker 140 (2003) - \$180,000



FY23-24: SIGNIFICANT CAPITAL PROJECTS **FUNDED BY OTHER SOURCES**

Public Facilities:

Funded by LOCIP

- Arts Building Roof - \$30,000
- Transfer Station at Old Stafford Rd Storage Refurb - \$26,000

Funded by CNRE:

- Emergency Generator Highway Garage - \$60,000
- Retro Fit Generator to Parks & Facilities Garage - \$20,000
 - From Birch Grove project

Funded By ARPA (potentially or a SHPO grant):

- Jail Museum Renovations & ADA Ramp - \$100,000
- ADA Accessibility to Town Green and Veterans Memorial - \$500,000
(added after the initial Capital Improvements Budget hearing)



FY23-24: SIGNIFICANT CAPITAL PROJECTS **FUNDED BY OTHER SOURCES**

Public Works:

- Tree Trimming - \$70,000 TAR Grant
 - Elimination of hazardous trees due to damage done by insect infestation

Streets & Roads:

- Drainage construction and design - \$49,000 (Town Aid Road Grant)
- Pavement Management - \$279,339 (Town Aid Road Grant/LOCIP)
- Road Improvements \$820,000 (Part of \$5 million bond funding approval from November, 2018)



PAST 5 YEAR GENERAL FUND CAPITAL CONTRIBUTIONS

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

FY22 - \$137,946 or .24% of Townwide Operating Budget

FY23 - \$255,880 or .43% of Townwide Operating Budget

Town Manager Proposed FY24 = \$319,451



TOLLAND DEBT MANAGEMENT PLAN SCHEDULE

2023-24 THROUGH 2027-28

In FY 23/24 the General Fund budget will increase by \$50,000 to \$4,750,000 and will remain at that amount through FY 25/26. 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 reduced to \$4,500,000 or an amount determined by Town Council. 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.

	Amount to be (Paid from) or Contributed to		
	Debt Management Plan	General Fund Budget	Debt Service Fund
FY 23/24	\$5,218,424	\$4,750,000	(\$ 468,424)
FY 24/25	\$5,057,640	\$4,750,000	(\$ 307,640)
FY 25/26	\$5,029,839	\$4,750,000	(\$ 279,839)
FY 26/27	\$4,189,164	\$4,500,000	\$ 310,836
FY 27/28	\$3,798,106	\$4,500,000	\$ 701,894



Budget Schedule: Important Upcoming Dates

March 29, 2023 (Wednesday)	Council Discussion – Budget Finalized – Council Chambers* – 7:00 p.m.
April 19, 2023 (Wednesday)	<u>ANNUAL BUDGET PRESENTATION MEETING</u> – Council Chambers* – 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 2, 2023 (Tuesday)	Annual Budget Referendum
By May 9, 2023 (Tuesday)	Council Establish Mill Rate upon referendum adoption

***Meetings may be Hybrid**

