

TOWN OF TOLLAND



FY 2019-2020 BUDGET PRESENTATION

By Town Manager, Steven R. Werbner

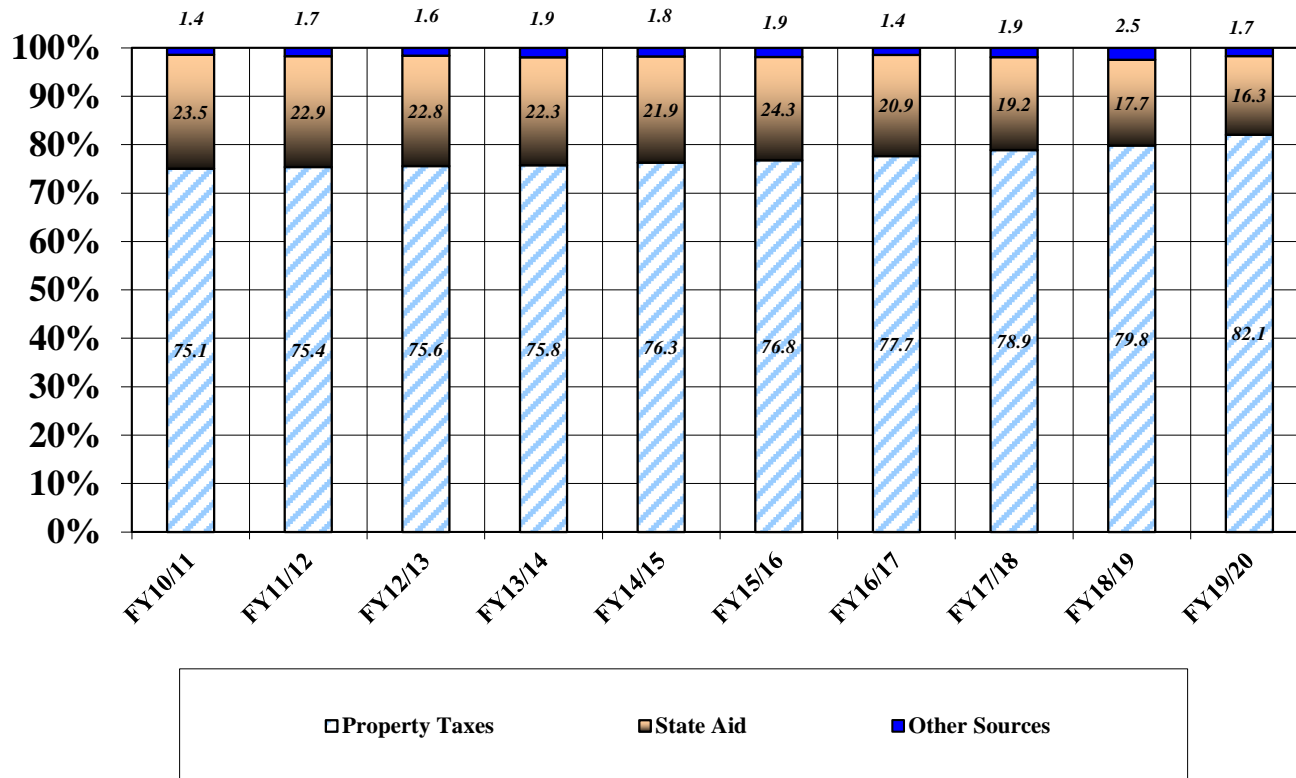
March 21, 2019

GOVERNORS 2019-20 REVENUE vs. TOWN
FY 18-19 BUDGET

	Governor 2020	Town 18-19 Budget	Difference	Governor 2021
General Fund Revenue				
PILOT	24,569	0	24,569	24,569
Stabilization Grant	322,977	48,871	274,106	322,977
Municipal Projects	85,064	85,064	0	85,064
ECS	8,866,871	9,736,833	-869,962	7,950,717
Adult Ed	9,115	8,265	850	9,115
Net Revenue Loss vs. FY 18-19			-570,437	
Total Revenue	9,308,596	9,879,033	-570,437	8,392,442
Additional Expense not budgeted:				
Teacher Retirement Co-Share	100,136	0	100,136	206,790
Capital Plan Revenue:				
Town Aid Roads	339,329	339,335	-6	339,329
LoCIP	114,984	134,149	-19,165	114,984
Capital fund loss			-19,171	

**Impact of Governor's budget on the Town Mill Rate is a
.79 mill increase or 2.26%**

TRENDS IN GENERAL FUND REVENUE SOURCES



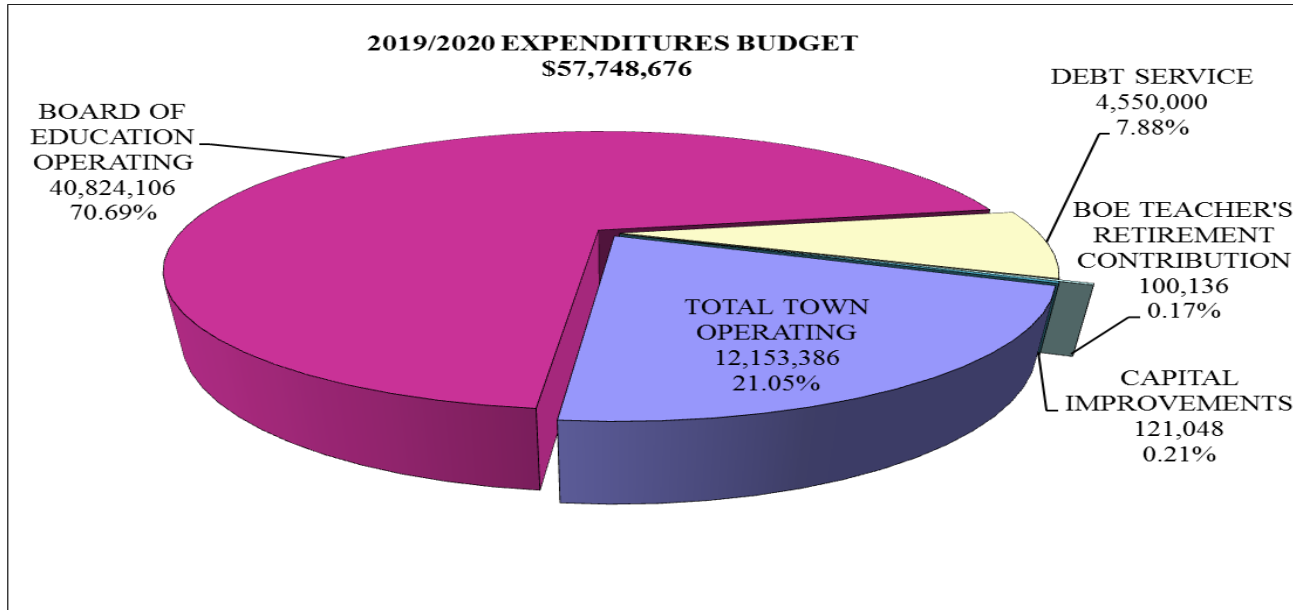
TOWN OF TOLLAND GENERAL FUND BUDGET SUMMARY				
2017-2018 Adopted Budget	2018-2019 Adopted Budget	BUDGET APPROPRIATIONS:	2019-2020 Proposed Budget	PERCENT CHANGE FROM PRIOR BUDGET
2,899,678	2,937,288	General Government	3,013,394	
431,742	415,570	Planning and Community Development	437,295	
910,796	918,468	Community Services	934,157	
4,409,792	4,410,043	Public Works and Environmental Maintenance	4,522,992	
1,996,015	2,139,104	Public Safety Services	2,093,204	
1,133,698	1,095,711	Finance and Records	1,152,344	
11,781,721	11,916,184	TOTAL -- TOWN GOVERNMENT	12,153,386	1.99%
39,333,948	39,642,607	Board of Education Operations	40,824,106	
39,333,948	39,642,607	TOTAL -- BOARD OF EDUCATION	40,824,106	2.98%
51,115,669	51,558,791	TOTAL -- OPERATING TOWN AND BOARD OF EDUCATION	52,977,492	2.75%
4,550,000	4,550,000	Debt Service	4,550,000	0.00%
54,578	61,906	Teachers Retirement	100,136	
4,604,578	4,611,906	TOTAL -- CAPITAL IMPROVEMENTS AND DEBT SERVICE	4,771,184	95.54%
55,720,247	56,170,697	TOTAL TOWN APPROPRIATIONS	57,748,676	2.81%
11,800,694	11,141,196	LESS: Estimated Revenues from Non-Tax Sources	10,598,129	
400,000	690,000	LESS: General Fund Balance Applied	200,000	
43,519,553	44,339,501	AMOUNT TO BE RAISED BY CURRENT TAXES	46,950,547	
55,720,247	56,170,697	TOTAL TOWN REVENUES	57,748,676	2.81%
1,275,263,617	1,278,985,708	NET GRAND LIST REAL ESTATE, MOTOR VEHICLE AND PERSONAL PROPERTY	1,282,255,811	
7,300,000	7,300,000	LESS: Senior Tax Relief Program	6,500,000	
8,546,424	8,546,424	LESS: Corrections, and Assessment Appeals	5,031,020	
500,000	500,000	PLUS: New Construction	700,000	
15,000,000	16,000,000	PLUS: Motor Vehicle Supplement	16,800,000	
		LESS: Crumbling Foundation Reductions	3,000,000	
1,274,917,193	1,279,639,284	NET TAXABLE GRAND LIST	1,285,224,791	
1,262,168,021	1,266,842,891	NET ADJUSTED COLLECTIBLE GRAND LIST @ 99.0%	1,272,372,543	
34.48	35.00	MILL RATE	36.90	5.43%



The majority of the Town Council requested that in my budget the BOE requested amount not be altered. In prior years I have made recommendations on all departments in order to get to my recommended mill rate increase.

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 2.75% with Town operation expenses increasing by 1.99% or \$237,202, the Board of Education increasing by 2.98% or \$1,181,499, a new state requirement to fund Teachers Retirement for \$100,136 and Capital Improvements by \$59,142. The tax increase necessary to support this budget is 1.90 mills or a 5.429% increase in the mill rate. The use of Fund Balance is budgeted at \$200,000.

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 35.00	Taxes at 36.90	Difference
\$117,093	\$167,276	\$4,098	\$4,321	\$223
\$188,285	\$268,979	\$6,590	\$6,948	\$358
\$360,369	\$514,813	\$12,613	\$13,298	\$685

TOTAL REVENUES	56,170,697	57,748,676	57,112,490	56,889,786	56,667,159	56,450,856	56,221,829	55,776,498	55,331,168
	0	0	0	0	0	0	0	0	0
REQUIRED MILL RATE TO BALANCE BUDGET	35.00	36.90	36.40	36.23	36.05	35.88	35.70	35.35	35.00
PROJECTED MILLS TO BALANCE BUDGETS		1.90	1.40	1.23	1.05	0.88	0.70	0.35	0.00
PROJECT ANNUAL TAX IMPACT (%)		5.43%	4.00%	3.51%	3.00%	2.51%	2.00%	1.00%	0.00%
Expenditure Reduction Required			-636,186	-858,890	-1,081,517	-1,297,820	-1,526,847	-1,972,178	-2,417,508

Property Tax Impact of the Town Managers Proposed Budget for Three Average Assessments																	
2014 Assessment	Market Value	Taxes at	Taxes at	Difference	Taxes at	Difference	Taxes at	Difference	Taxes at	Difference	Taxes at	Difference	Taxes at	Difference	Taxes at	Difference	
		35	36.9		36.4		36.23		36.05		35.88		35.7		35.35		
		FY 18-19	FY 19-20		FY 19-20		FY 19-20		FY 19-20		FY 19-20		FY 19-20		FY 19-20		
Increase in Mill Rate			5.429%		4%		3.51%		3%		2.51%		2%		1%		
Low	\$117,093	\$167,276	\$4,098	\$4,321	\$222	\$4,262	\$164	\$4,242	\$144	\$4,221	\$123	\$4,201	\$103	\$4,180	\$82	\$4,139	\$41
Medium	\$188,285	\$268,979	\$6,590	\$6,948	\$358	\$6,854	\$264	\$6,822	\$232	\$6,788	\$198	\$6,756	\$166	\$6,722	\$132	\$6,656	\$66
High	\$360,369	\$514,813	\$12,613	\$13,298	\$685	\$13,117	\$505	\$13,056	\$443	\$12,991	\$378	\$12,930	\$317	\$12,865	\$252	\$12,739	\$126

CURRENT POSITION OF A MAJORITY OF COUNCIL MEMBERS ON RECOMMENDED CHANGES TO THE BUDGET PRESENTED BY THE TOWN MANAGER AS OF MARCH 19, 2019

- Town operating budget increase is 1.76% or \$209,898. Figuring on the Town side we have to add back \$45,000 to the Resident Trooper budget then I have to reduce my recommended budget by \$72,304 to balance out reductions and additions. I get to the \$72,304 as follows:
 - Reduce Health Insurance account - \$12,407
 - Reduce Teamster Health Insurance account - \$9,152
 - Eliminate the one free bulky waste pickup - \$28,588 (I am discussing with Willimantic Waste the possibility of lowering the cost for the private pickups which is currently \$32 for four items)
 - Reduce the employee pension account - \$12,157 and use funds forfeited by employees who leave prior to being Vested.
 - Eliminate from the Fire Budget the cost for Target Solutions which is an online training program which they can get Insurance company at no cost - \$10,000
- The Board of Education operating increase is \$212,909 or .054%. The total reduction from my budget is \$968,590. Two reductions known to date are \$91,000 in the Insurance fund and \$50,000 in the Transportation account. This leaves \$827,590 of additional reductions to be identified.
- The Teacher pension payment of \$100,136 has been removed. It is recommended that if this is passed by the State Legislature that the cost for the next fiscal year come from funds returned by the Board of Education to fund balance at the end of the last fiscal year.
- Fund balance is used in the amount of \$300,000.
- The overall mill rate increase is 0.96 mills or 2.74 %. The overall spending increase is .86%.

Property Tax Impact of the Town Council Current Budget Position

2014 Assessment	Market Value	Taxes at 35.00	Taxes at 35.96	Difference
\$117,093	\$167,276	\$4,098	\$4,211	\$112
\$188,285	\$268,979	\$6,590	\$6,771	\$181
\$360,369	\$514,813	\$12,613	\$12,959	\$346

EXPENDITURES

Overview

There are five major expenditure categories budgeted for FY 2020: Town Operating, Board of Education Operating, Debt Service, Teachers Retirement and Capital Improvements.

COMPARISON THREE YEARS EXPENDITURES

	2016-2017 Actual	2017-2018 Actual	2018-2019 Adopted Budget	2019-2020 Proposed Budget	\$ Change 2018/19 to 2019/2020	% Change 2018/2019 to 2019/2020	Percentage of budget
TOWN OPERATING							
General Government	2,866,901	2,893,573	2,937,288	3,013,394	76,106	2.59%	5.22%
Planning and Community Development	400,986	433,219	415,570	437,295	21,725	5.23%	0.76%
Community Services	941,529	907,175	918,468	934,157	15,689	1.71%	1.62%
Public Works	4,428,403	4,399,733	4,410,043	4,522,992	112,949	2.56%	7.83%
Public Safety Services	1,955,096	1,692,030	2,139,104	2,093,204	(45,900)	-2.15%	3.62%
Finance and Records	1,148,832	943,671	951,132	966,640	15,508	1.63%	1.67%
Contingency	218,577	160,609	144,579	185,704	41,125	28.44%	0.33%
TOTAL TOWN OPERATING	11,960,324	11,430,010	11,916,184	12,153,386	237,202	1.99%	21.05%
BOARD OF EDUCATION OPERATING	38,889,236	38,113,122	39,642,607	40,824,106	1,181,499	2.98%	70.69%
DEBT SERVICE	4,550,091	4,557,129	4,550,000	4,550,000	-	0.00%	7.88%
BOE TEACHER'S RETIREMENT CONTRIBUTION	0	0	0	100,136	100,136	0.00%	0.17%
CAPITAL IMPROVEMENTS	54,578	54,578	61,906	121,048	59,142	95.54%	0.21%
EXPENDITURES TOTALS	55,454,229	54,154,839	56,170,697	57,748,676	1,577,979	2.81%	100.00%

TOWN OPERATING EXPENDITURE INCREASE

Significant Expenditure Increases: <i>Town Operating Increases</i>	
Salary increases	\$93,236
FICA, Medicare, Employee Deferred Contribution Plan	\$12,728
Health Insurance	\$48,902 – can be reduced by \$12,000 due to lower premium projections.
Planning & Zoning Commission for professional assistance in revising Zoning regulations in accordance with the POCD.	\$15,000
Recreation – Phase-in of costs for utilities at the Recreation Center. These costs (\$27,000 in total) were moved to the Recreation Fund several years ago to assist the Town in reducing the General Fund budget. The Rec Fund is not growing as in the past and expenditures are needed for certain capital improvements making it difficult for the Fund to absorb these costs.	\$9,000
<p>Engineering Services – After many years of having a Full-Time Town Engineer, the Town several years ago switched to having engineering related tasks conducted for a fee by a Consulting Engineer. The switch at the time was necessitated by the inability to find qualified applicants after numerous efforts. Staff has, over the last several years, tried to minimize costs by taking on as much engineering work as possible which is diverting a great number of hours from their core responsibilities. Staff impacted includes the Director of Human Services in her role as Project Manager, Town Planner and Director of Public Works. We are hoping that the market for Engineers has improved as there are a number of assignments that we feel a Full-Time Town Engineer could more effectively address. Tasks include:</p> <ul style="list-style-type: none"> • Overseeing major state and local road projects such as the Old Cathole Road Project and the Tolland Green Project. • Ensuring Tolland is in compliance with State mandates such as stormwater requirements and fat, oil and grease inspections. • Review of developer engineering submittals. • Provide support to WPCA and Water Commission, as needed. • Assist with submittals for future grants as well as provide project oversight. 	Increase the Engineering budget of \$33,000 above that required for contract services. Currently \$20,000 is budgeted for contract services, however, based on need, a minimum of \$60,000 is required.
Additional funds need to be added to Police services due to changes in personnel and on going collective bargaining between the State and the State Police Unions. Not programmed into the budget.	\$45,000

DEPARTMENTS WITH NO SIGNIFICANT CHANGE TO BUDGET

- Agriculture Commission
- Animal Control (budget reduction), CERT, Emergency Preparedness
- Conservation Commission (budget reduction)
- Finance
- Health
- Human Services
- Inland Wetlands
- Legal, Property & Liability Insurance
- Library (budget reduction)
- Miscellaneous Support Services (budget reduction)
- Parks & Facilities (budget reduction)
- Planning and Zoning, Building Inspection
- Probate
- Senior Center (budget reduction)
- Town Council
- Town Manager
- Water Pollution Control Authority
- Zoning Board of Appeals

TOWN OF TOLLAND											
PERCENTAGES CHANGES OF MILL RATES AND EXPENDITURES											
		Revaluation year					Revaluation year				
Revenues	2009-2010 Budget	2010-2011 Budget	2011-2012 Budget	2012-2013 Budget	2013-2014 Budget	2014-2015 Budget	2015-2016 Budget	2016-2017 Budget	2017-2018 Budget	2018-2019	2019-2020 Manager Proposed
Mill Rate	29.49	29.15	29.73	29.99	30.19	31.05	33.36	34.19	34.48	35.00	36.90
Expenditures % change from prior year	-0.87%	0.96%	2.25%	1.85%	0.94%	2.57%	2.68%	2.21%	-0.15%	0.81%	2.81%
Mill Rate Increases	-0.02	-0.34	0.58	0.26	0.20	0.86	2.31	0.83	0.29	0.52	1.90
Mill Rate % change from prior year	-0.07%	-1.15%	1.99%	0.87%	0.67%	2.85%	7.44%	2.49%	0.85%	1.51%	5.43%

Average excluding revaluation years is a 0.4 mill rate increase
 or a 1.39% increase in the mill rate.

FUND BALANCE

- The Government Finance Officers Association recommended practice for fund balance reserves is to have an unassigned fund balance at a minimum of either 2 months of operating revenues or operating expenditures. Our balance is below this level but is within our policy limits.
- The Towns Fund Balance policy states that overall fund balance shall be between 10-17% as a percentage of GAAP expenditures with unassigned fund balance being in a range of between 10-15%. If at any time unassigned fund balance falls below 10%, there can be no use of fund balance as a budgetary revenue source until the fund balance is built back up so that any use will not lower the threshold below 10%.

POTENTIAL USE OF FUND BALANCE

The current unassigned fund balance amount of \$7,779,132 assumes that in the last quarter of this fiscal year \$393,340 will be allocated to the BOE 1% reserve fund and \$460,124 allocated to the capital projects fund for BOE capital projects.

Amounts & Percentages of Unassigned Fund Balance as a Percentage of GAAP Expenditures assuming that \$300,000 in Fund balance is used as revenue in the following two fiscal years.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
							(estimated)	(estimated)
Amount	7,053,690	6,853,234	7,113,653	7,753,976	8,320,481	7,679,133	7,379,133	7,379,133
Percentage	12.40	11.88	11.98	12.27	13.17	11.92	11.23	11.01



FY19-20: SIGNIFICANT CAPITAL PROJECTS

Major Capital Expenditures:

Town of Vernon Water Pollution Control Plant Upgrade

The Town of Vernon provides municipal wastewater treatment to Vernon, Ellington, Manchester, South Windsor and Tolland. The Vernon WPCA has been planning for the upgrades to the facility for several years.

The CT Department of Energy and Environmental Protection (DEEP) has imposed a restrictive effluent phosphorous limit on the Vernon Water Pollution Control Facility (WPCF). To select the most cost effective approach to meeting the new limit, the Vernon WPCA prepared a Wastewater Facilities Plan.

The total project cost estimated is \$85,972,000. Vernon is eligible for funding assistance from DEEP under the Clean Water Fund.

State grant funding programs are estimated to cover about \$25 million of the \$85.9 estimated total project cost. The Town's of Ellington, South Windsor, Manchester and Tolland through their inter-municipal agreements (IMA) are required to contribute to this capital project based on their percentage of allocated flow.



FY19-20: SIGNIFICANT CAPITAL PROJECTS

Tolland's contribution to the plant upgrade is based upon the daily flow allocation in the IMA (0.4 million gallons a day) divided by the permitted average daily flow of the plant (7.1 million gallons a day) = 5.63%

Tolland's Funding of the upgrade:

Tolland's total 20 year share of the project cost is estimated at \$4,146,805 (Subject to Change.)

- Tolland's share based on the Inter-municipal agreement is 5.63% of the project cost and loan interest after grant proceeds
- FY 19-20 General fund funding is \$18,981 and \$99,559 from CNRE
- In FY 18-19 Town Council approved a resolution to deposit unanticipated State revenue of \$298,677 into the CNRE fund to be used over a 3 year period to alleviate the cost of the debt which will have to be built into the budget
- In subsequent years Tolland's share increases to \$231,696

BIRCH GROVE PRIMARY SCHOOL

- Foundation impacted by the presence of Pyrrhotite
- Structural Engineer has determined that the crumbling foundation is impacting the integrity of the steel support columns of the building.
- The Structural Engineer as well as the School Facilities Unit of the State of Connecticut has stated that the school should not be occupied in the next school session and that planning for the replacement of the school should start immediately.
- Options to address the structural concerns of the school based on its size and method of construction are being examined.
- The State of Ct has granted this project emergency status which provides us with 52% reimbursement of costs as well as allows for the waiving of certain bidding requirements to speed up the process.
- Estimated cost at this point is 46 million dollars which again will be offset by 52% reimbursement from the State of Connecticut and possible additional federal assistance. It is hoped that with final design the cost estimate will be lessened.
- Planning work has commenced to determine suitable temporary classroom arrangements for the next school year
- Estimated time of design and construction is two years.

FOR THE SAFETY OF THOSE OCCUPYING BIRCH GROVE SCHOOL THIS REMEDIAL WORK MUST BE PERFORMED.

THE STATE OF CT AS WELL AS LOCAL SCHOOL STAFF HAVE DETERMINED THERE IS NO ROOM AVAILABLE TO HOUSE STUDENTS ATTENDING BIRCH GROVE SCHOOL AT ANY OF OUR EXISTING SCHOOL FACILITIES WITHOUT ADDITIONS.

TO ALLOW WORK TO PROCEED AS SOON AS POSSIBLE A REFERENDUM WILL BE NECESSARY ON MAY 7, 2019 TO ALLOCATE THE FULL 46 MILLION DOLLARS WHICH WILL BE OFFSET BY THE RECEIPT OF STATE OR FEDERAL GRANTS.

SHOULD THE TOWN BE RESPONSIBLE FOR 48% OF THE PROJECT COST AT 46 MILLION DOLLARS, OUR DEBT SERVICE WILL INCREASE STARTING IN 2021 AND DEPENDING ON BORROWING OPTIONS SHOW INCREASES FOR EITHER THE NEXT FOUR OR FIVE YEARS. MAGNITUDE OF THE INCREASES IS \$100,000-\$600,000 ON A YEARLY BASIS AGAIN DEPENDING UPON THE FINAL BORROWING SCHEDULE.

Budget Impact of Birch Grove School Construction Done Earlier

20 Year-Skip 1st Principal Payment

Fiscal Year	Existing Plus Proposed DS & Contribution	Amount Budgeted for Debt Service	Increase (Decrease) in Annual Budget	Contribution to or from Reserve Funds
2020	4,504,540	4,550,000	-	45,460
2021	5,006,411	4,750,000	200,000	-256,411
2022	5,030,616	5,000,000	250,000	-30,616
2023	6,158,225	5,500,000	500,000	-658,225
2024	6,235,660	6,000,000	500,000	-235,660
2025	5,839,045	6,000,000	-	160,955
2026	5,839,685	6,000,000	-	160,315
2027	4,728,341	4,550,000	(1,450,000)	-178,341
2028	4,396,479	4,550,000	-	153,521
2029	3,893,116	4,550,000	-	656,884
2030	3,803,891	4,550,000	-	746,109
2031	3,708,578	4,550,000	-	841,423
2032	3,471,163	4,550,000	-	1,078,838
2033	3,386,260	4,550,000	-	1,163,740
2034	3,300,870	4,550,000	-	1,249,130
2035	3,215,480	4,550,000	-	1,334,520
2036	3,129,115	4,550,000	-	1,420,885
2037	2,668,450	4,550,000	-	1,881,550
2038	2,594,948	4,550,000	-	1,955,053
2039	2,521,445	4,550,000	-	2,028,555
2040	2,442,455	4,550,000	-	2,107,545
2041	2,367,665	4,550,000	-	2,182,335
2042	1,058,269	4,550,000	-	3,491,731
2043	1,024,266	4,550,000	-	3,525,734
2044	605,264	4,550,000	-	3,944,736
Total	90,930,236			

20 Year- NO Skip 1st Principal Payment

Fiscal Year	Plus Proposed DS & Contribution	Amount Budgeted for Debt Service	Increase (Decrease) in Annual Budget	Contribution to or from Reserve Funds
2020	4,504,540	4,550,000	-	45,460
2021	5,006,411	4,850,000	300,000	-156,411
2022	6,206,197	5,450,000	600,000	-756,197
2023	6,055,444	5,850,000	400,000	-205,444
2024	6,139,910	6,150,000	300,000	10,090
2025	6,305,413	6,250,000	100,000	-55,413
2026	5,698,687	5,800,000	(450,000)	101,313
2027	4,590,329	4,550,000	(1,250,000)	-40,329
2028	4,261,451	4,550,000	-	288,549
2029	3,761,074	4,550,000	-	788,926
2030	3,674,834	4,550,000	-	875,166
2031	3,582,505	4,550,000	-	967,495
2032	3,343,156	4,550,000	-	1,206,844
2033	3,261,401	4,550,000	-	1,288,599
2034	3,179,159	4,550,000	-	1,370,841
2035	3,096,916	4,550,000	-	1,453,084
2036	3,013,699	4,550,000	-	1,536,301
2037	2,556,181	4,550,000	-	1,993,819
2038	2,485,826	4,550,000	-	2,064,174
2039	2,415,471	4,550,000	-	2,134,529
2040	2,339,629	4,550,000	-	2,210,371
2041	2,267,986	4,550,000	-	2,282,014
2042	1,025,681	4,550,000	-	3,524,319
2043	992,714	4,550,000	-	3,557,286
2044	574,746	4,550,000	-	3,975,254
Total	90,339,361			

Note: This scenario would result in a savings of \$590,875 compared to 20 year skip of 1st principal payment

BIRCH GROVE FOUNDATION INFORMATION WEBPAGE

A new webpage titled “Birch Grove Foundation Information” has been created on the Town’s website to make available to residents the most up to date information. It can be accessed by visiting www.tolland.org and clicking on the “Birch Grove Foundation Information” link on the left side of the home page.

Please join us on Wednesday, March 27, 2019 at 7:00 PM in the Tolland High School Auditorium for a Community Town Meeting on the Birch Grove Foundation.

Where Do We Go From Here?

What we know:

- There will be a new Town Manager that will have to quickly get up to speed on a number of significant issues.
- There will be a new Town Council next November that will have to quickly get up to speed on a number of significant issues.
- We have the largest number of claims made to the crumbling foundation captive insurance companies (96) which means over the next several years a significant number of homes will start to be repaired, lives hopefully returned to normal and homes returned in full to the tax roles. I do however anticipate that over the next ten to fifteen years additional homes will be identified with the problem and hopefully Government along with the private sector will continue to fund the crumbling assistance fund. Resolving this problem is key to returning eastern Connecticut to the prominence it had just some ten years ago.
- We are the first community to have known concerns with our public facilities. Both Birch Grove School and Fire Station 140 need to be addressed and this may have an impact on our debt service for at least the five years. Projected debt service impacts are between \$100,000-\$600,000 per year for five years at which time debt service levels out due to other declining debt.
- We know that our State funding will continue to decline. ECS will be reduced, depending on the schedule finally adopted, by some 3 million dollars over the next three to ten years. Other non education State aid in my opinion will also be in jeopardy as the State continues to find ways to address their structural deficit problems without having to reduce further State expenditures. Proposals such as the elimination of the car tax and a statewide mill rate may benefit towns and cities that host colleges and universities as well as many exempt nonprofits, but for Tolland it could be another loss of revenue shifted to others. Also the discussions regarding regionalization of school systems could possibly impact Tolland at some point either with back room functions or school programing as a whole.

Where Do We Go From Here? continued

- Tolland's share of the Vernon treatment plant upgrade is being phased in over three years by using some unexpected State funds toward this purpose. After three years the Town will have to pay the full share for 17 more years at approximately \$231,696 per year.
- We are currently involved with a revaluation and early projections of the Assessor is that most homes will remain flat with the upper end homes seeing upwards of a 15% reduction in value. This could result in a decrease in the grand list which translates into an increase in the mill rate.

All this is being pointed out to emphasize that based on circumstances, much of which is out of our control, it is necessary to look at the multi-year impact of any programmatic decisions made today. Even if certain programs or expenses can be funded at this time, is the funding sustainable with what Tolland will be faced with financially over the next five years?

What is needed is a specific multi-year plan looking at short and long term objectives over a five year period as well as estimating short and long term expenses and revenues. This should be a realistic plan based on what is proposed to occur in this time frame and an analysis of base costs plus future programmatic expenses and expected revenue return if any from new program implementation and included should be multi year trend analysis which when combined with other information could hopefully lead you to target ranges for mill rate increases and dollars available for program increases. The major concern in such forecasting is the uncertainty associated with the State budget new unfunded mandates of the Legislature, but there will be a two year budget which provides some guidance.

This process would provide a formal blue print for getting you through the next five years and bring to the process the financial realities as well as the program objectives over a defined period of time to be adjusted yearly for unknown circumstances.

Where Do We Go From Here? continued

Other suggestions as an outgoing Manager:

- On the Town side look seriously at the potential of regionalizing some additional functions. While we have done an excellent job with programs such as the Eastern Highlands Health District which provides community health programs; Eastern Connecticut Health Insurance Program which provides self-insurance for Tolland and our BOE as well as five other entities; contracted wetlands assistance, contracted IT services and contracted police services, there may be additional opportunities.
- The two which I believe deserve immediate attention are the possibility of contracting for police services with a neighboring community which may provide greater services at a similar cost as well as the sharing of an animal control facility.
- The next manager must continue to make crumbling foundations a major emphasis as well as continued involvement in State and Regional entities such as COST, CCM and CRCOG.



Remaining Budget Schedule

March 26, 2019 (Tuesday)

Council Discussion – Budget finalized – Council Chambers – 6:00 p.m.

April 8, 2019 (Monday)

Advertise Budget

April 22, 2019 (Monday)

ANNUAL BUDGET PRESENTATION MEETING – Library Program Room – 7:00 p.m.

April 23, 2019 (Tuesday)

Budget Presentation – Senior Center – 12:30 p.m.

May 7, 2019 (Tuesday)

Annual Budget Referendum

By May 14, 2019 (Tuesday)

Council to establish mill rate upon referendum adoption