

# **CITIZENS' GUIDE TO THE BUDGET**

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### *Introduction to the Budget Document*

The annual budget is a dynamic document that has four primary functions:

- It is a **policy document** because it sets a coherent statement of entity wide short- and long-term financial policies.
- It is a **financial plan** which provides an overview of the resources and spending budgeted by the Town.
- It is a **communications device** which informs about significant budgetary issues conveyed in an easy to read format.
- It is an **operation guide** which describes services or functions with efficiency and effectiveness measures.

#### *The Budget as a Policy Document:*

As a policy document, the budget indicates what services the Town of Tolland will provide for the upcoming fiscal year. It provides objectives and accomplishments for each department within the organization which are based on the short- and long-term goals and financial policies set forth by the Town Council. The details of these policies and goals are included later in this section.

#### *The Budget as a Financial Plan:*

As a financial plan, the budget outlines the costs of services and how they are funded. The revenue and expenditure sections provide an overview of the funding sources and the services they support. Detail of all expenditures, including Capital Improvement projects, is presented by division and department following the summaries.

#### *The Budget as a Communications Device:*

As a communications device, the budget is designed to be an easy to read document with summary information in the form of text, graphs and charts. It begins with a message from the Town Council which outlines the overall budget and includes budgetary issues, trends and choices. The Citizen's Guide provides an overview of the Town, its personnel, services, policies and budget process. In addition, a table of contents provides a listing of sections in the order in which they appear in the budget. The Statistical section includes supplemental information that is relevant to the Town. A glossary of financial budget terms can be found at the end of the budget and has been provided as a reference guide.

#### *The Budget as an Operations Guide:*

As an operations guide, the budget shows how the departments are organized in order to provide the services that will be delivered to the community. It is organized into the six operating divisions with an organizational chart and overview of their total budget followed by a detailed budget, goals and accomplishments for each department. Following the operating budgets are three sections for Board of Education, Debt Service and Capital Improvements, each with supplemental information and charts.

## ***Description and History of the Town***

Tolland is a residential community of 40.4 square miles and a population of 15,216 that retains impressive remnants of its rural past and substantial areas of protected open space. Expanding commercial and industrial resources are notably bolstering the economic base of the Town but in a way consistent with planning designed to preserve the community's character. Tolland was ranked 37<sup>th</sup> on Money Magazine's 2011 "100 Best Places to Live" in the United States.

Tolland is located 20 miles northeast of Hartford and approximately 90 miles southwest of Boston, Massachusetts. Interstate 84, a major east-west transportation corridor, bisects the Town. Bradley International Airport, approximately 25 minutes driving time away, provides convenient air connections to the rest of the country and the world. A majority of the Town's labor force is employed in the central Connecticut area, primarily in the financial services, industrial, governmental and higher education sectors. Significant to the Town in several ways, the main campus of the University of Connecticut is within 10 miles to virtually any point within the Town.

The Town of Tolland, originally part of the Town of Windsor, was chartered in 1715 and incorporated in 1722. Tolland's legacy includes a New England Town Green of substantial proportions as its signature amenity. Tolland Green is the heart of the community, and the area around it is preserved as a National Historic District. Included in the district are several of the Town's historic attractions, such as the former Tolland County Court House, the Old Jail Museum and the Hicks-Stearns Family Museum, plus a number of gracious 18<sup>th</sup> and 19<sup>th</sup> century homes. Municipal offices and the Town Library anchor one end of the Green. A few miles from the Green, the Town's oldest home, the 1733 Daniel Benton Homestead Museum, was recently restored by the Town of Tolland in conjunction with the Historical Society and grant funds, symbolizing the value the community places on preserving its heritage.

## ***Municipal Government***

Tolland is governed by a charter first adopted in 1973 (amended most recently in May 2004) under home rule provisions of the Connecticut General Statutes. As provided in the Charter, the Town utilizes the Council-Manager form of government. The seven members of the Town Council, who are elected at large for two-year terms, comprise the legislative and policy-making body of the Town. The Town Manager, who is appointed by the Town Council on the basis of executive and administrative qualifications, character, education, training and experience, is the full-time Chief Executive Officer. The Town Council elects its Chairperson and Vice Chairperson and appoints members to various Town boards, commissions and committees. (For a Complete Listing of all Town Boards and Commissions and their Charges, please visit <http://www.tolland.org/government/boards-commissions/>). The Town Manager appoints department heads. The Town Manager and the Director of Finance and Records are responsible for the financial management of the Town.

The additional information about the Town of Tolland community, demographics and services is presented in the "Statistics" section of this book.

The Town of Tolland provides its residents with a complete level of municipal services. The Town Administration is organized around six primary divisions such as:

- General Government: Provides oversight from the Town Council to the Town Manager and ultimately to all other divisions. This division provides the administrative services for all departments including benefits, insurance and legal services.
- Planning and Community Development: This division houses the departments of Planning and Zoning, Inland Wetlands Enforcement, Building Inspection and Health code inspections. The Town Engineer whether employee or through contract service provides engineering services to Planning and Community Development as well as Public Works. In addition, acts as support to the Tolland Water Commission and Water Pollution Control Authority.
- Community Services: This division includes Human Services, Elderly, Youth, Library and Recreation Services.
- Public Safety: This division includes Police (under contract with the Connecticut State Police), a combination volunteer/paid Fire and Ambulance Department and Animal Control Services.
- Public Works: This division includes the departments of Highway Maintenance, Parks and Facilities and Cemeteries.
- Finance and Records: This division includes Town Clerk, Town Assessment Services, Revenue Collection and Financial Services.

The Town has successfully privatized and contracted out several municipal services. Examples include the construction/reconstruction of roads, snow plowing of selected routes, refuse and recyclable collection, sewer capacity and certain community services functions such as health services through the Eastern Highlands Health District.

The Town of Tolland provides water and sewer services to a small sector of the community. Approximately 507 residences and 19 businesses are serviced by the Tolland Water System, while the Connecticut Water Company services other designated sections throughout the Town. Public sewers are available in the west central portion of the Town, which includes the expanded Business Park, and have recently been expanded down Old Post Road to the schools and through the Gateway Zone to the new high school. The latest extension, through the Technology Corridor Zone was completed two years ago.



## Public Schools

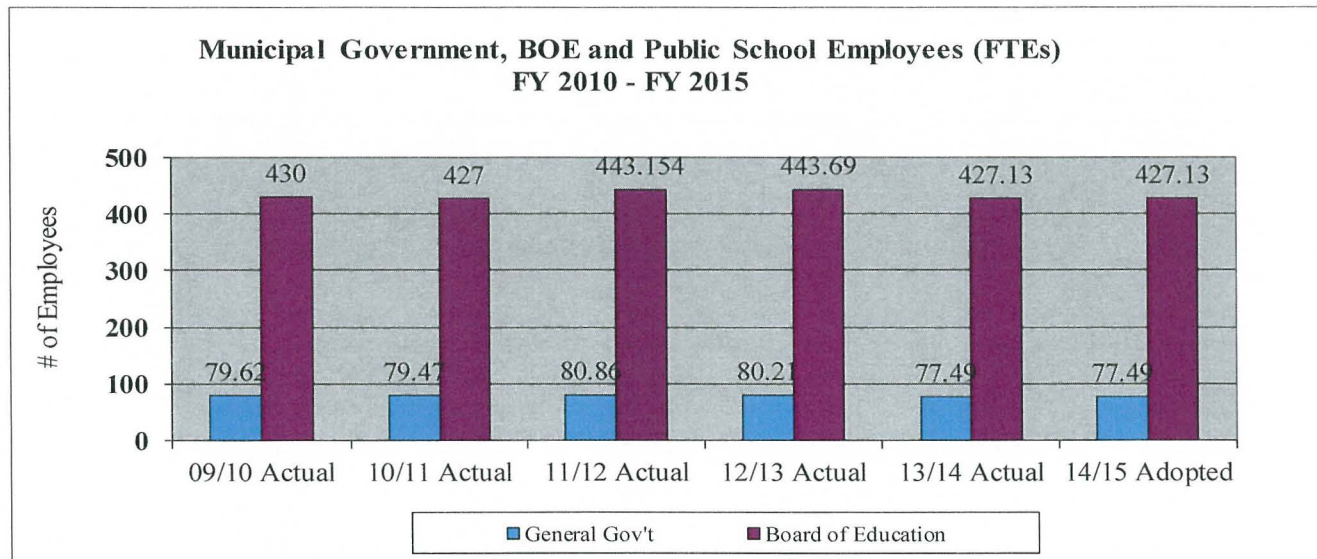
An elected Board of Education of nine members makes the policy for the Town's kindergarten through grade twelve educational systems. It appoints the Superintendent of Schools who has responsibility for administration of the Tolland School System. Tolland schools, as of October 2013, had an enrollment of approximately 2,622 students being taught in four facilities:

Birch Grove Primary School (grades pre-K–2)	543 students
Tolland Intermediate School (grades 3–5)	580 students
Tolland Middle School (grades 6–8)	665 students
Tolland High School (grades 9–12)	834 students

Tolland students consistently rank well above State averages in all categories of academic performance testing and have measured up well with peers in comparable communities (towns designated by the Connecticut Department of Education as constituting an Education Reference Group).

## Municipal and Board of Education Employees

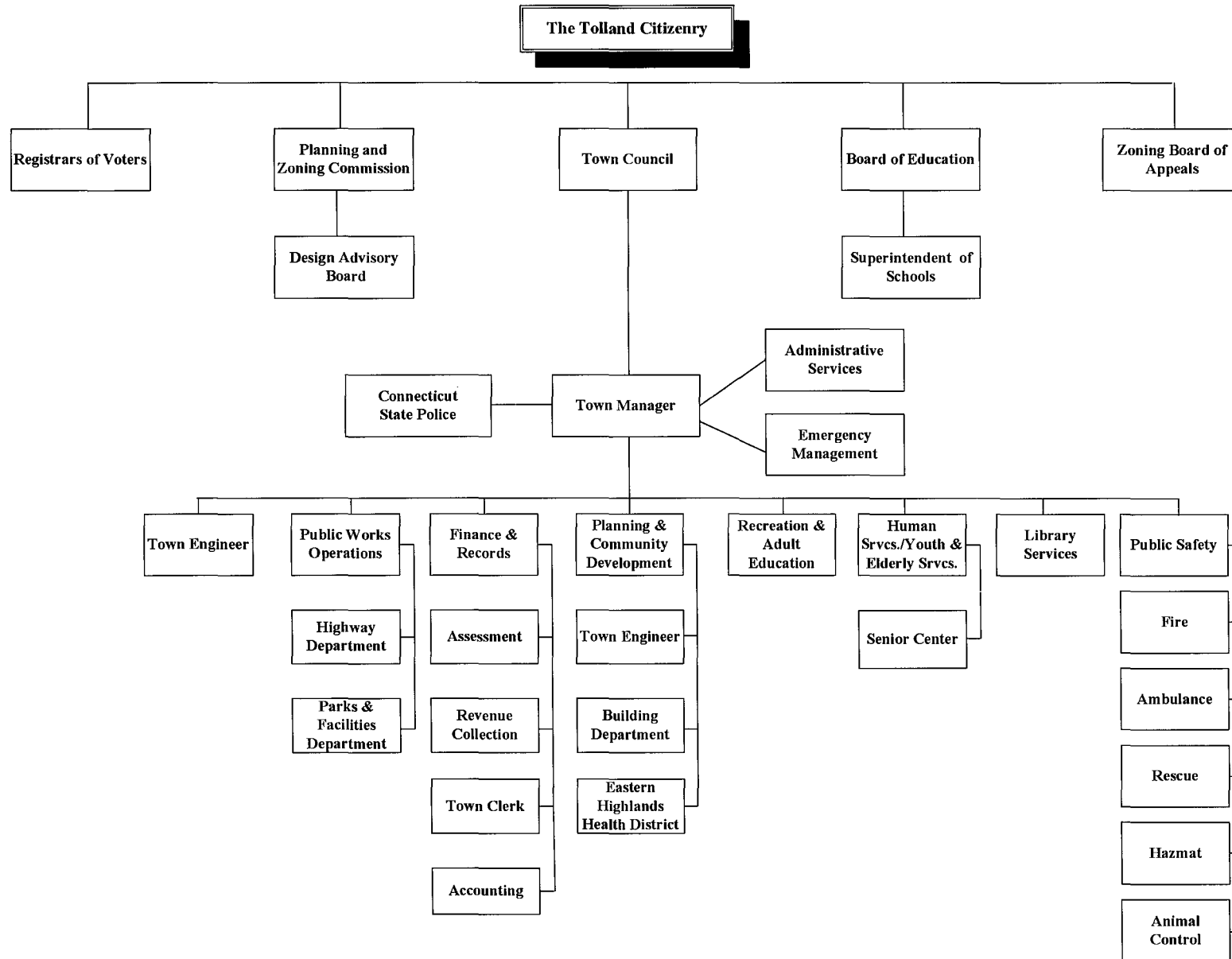
The following chart shows totals for full-time and full-time equivalent employees over the last six fiscal years.



- General Gov't Personnel includes all municipal staff, which includes Administration, Planning and Community Development, Community Services, Public Works, Public Safety, Finance and Town Engineer: 73.49 tax supported and 4 other self-supporting funding.
- Board of Education Personnel includes all teaching staff, support services, facilities services: 356.92 tax supported position, 70.21 Non-Board funded positions.

# Town of Tolland

## Organization Chart



**TOWN OF TOLLAND**  
**MUNICIPAL EMPLOYEES – FULL-TIME EQUIVALENTS**

Position Title	Actual 2011- 2012	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Position Title	Actual 2011- 2012	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015
<b>GENERAL GOVERNMENT:</b>					<b>PUBLIC WORKS (cont.)</b>				
Town Manager	1.00	1.00	1.00	1.00	Working Leader	1.00	1.00	1.00	1.00
Executive Assistant <i>(part funded by TWC)</i>	2.00	2.00	2.00	2.00	Laborer	10.00	10.00	12.00	11.00
Director of Administrative Services	1.00	1.00	1.00	1.00	Admin. Secretary-Highway	.11	0.00	0.00	0.00
					Custodian	1.00	.63	.60	.60
					Custodian	.50	.50	.50	.50
					Mechanic	3.00	3.00	3.00	3.00
					Truck Driver	7.00	7.00	4.00	5.00
					Equipment Operator	4.00	4.00	4.00	4.00
<b>PLANNING &amp; COMMUNITY DEVELOPMENT:</b>					<b>PUBLIC SAFETY:</b>				
Building Inspector	1.00	1.00	1.00	1.00	Public Safety Director	1.00	1.00	1.00	1.00
Administrative Secretary	.66	.66	1.00	1.00	Asst. Public Safety Director	1.00	1.00	1.00	1.00
Director of Planning & Community Development	1.00	1.00	1.00	1.00	Firefighter/EMT	6.00	6.00	6.00	6.00
Inland Wetlands Agent/Zoning Officer	1.00	1.00	0.00	0.00	Admin. Sec. (Fire/Troopers)	1.71	1.71	1.71	1.71
Executive Secretary	1.00	1.00	1.00	1.00	Animal Control Officer	.86	.86	.86	.86
					Fire Marshal	.43	.43	.43	.43
<b>COMMUNITY SERVICES:</b>					<b>FINANCE &amp; RECORDS:</b>				
Asst. Director Human Services <i>(part funded by Grant)</i>	1.00	1.00	1.00	1.00	Dir. of Finance & Records	1.00	1.00	1.00	1.00
Senior Center Director	1.00	1.00	1.00	1.00	Asst. Finance Director/ Treasurer	1.00	1.00	1.00	1.00
Elderly Outreach Caseworker	1.00	1.00	1.00	1.00	Accountant II	1.00	1.00	1.00	1.00
Director of Human Services	1.00	1.00	1.00	1.00	Senior Account Clerk/IT Technician	1.00	1.00	1.00	1.00
Human Services Case Manager	1.00	1.00	1.00	1.00	Assessor	1.00	1.00	1.00	1.00
Administrative Secretary-Human Services	.71	.71	.71	.71	Deputy Assessor	1.00	1.00	1.00	1.00
Library Director	1.00	1.00	1.00	1.00	Assessment Technician	1.00	1.00	1.00	1.00
Adult Services/Reference Librarian	1.00	1.00	1.00	1.00	Collector of Revenue	1.00	1.00	1.00	1.00
Children/Young Adult Librarian	1.00	1.00	1.00	1.00	Asst. Collector of Revenue	2.00	2.00	2.00	2.00
Technical Services Assistant/Coordinator	1.00	1.00	1.00	1.00	Town Clerk/Registrar of Vital Statistics	1.00	1.00	1.00	1.00
Library Circulation Assistant	3.14	2.97	2.97	2.97	Asst. Town Clerk/Asst. Registrar of Vital Statistics	1.00	1.00	1.00	1.00
Director of Recreation & Adult Education	1.00	1.00	1.00	1.00	Registrars of Voters	.71	.71	.71	.71
Assistant Director of Recreation & Adult Education	1.00	1.00	0.00	0.00					
Administrative Secretary <i>(funded by Recreation)</i>	1.00	1.00	1.00	1.00					
<b>ENGINEERING:</b>									
Town Engineer	1.00	1.00	1.00	1.00					
Engineering Technician <i>(funded by TWC &amp; WPCA)</i>	.69	.69	0.00	0.00					
Administrative Secretary	.34	.34	0.00	0.00					
<b>PUBLIC WORKS:</b>									
Public Works Director	1.00	1.00	1.00	1.00					
Public Works Supervisor	2.00	2.00	2.00	2.00					
Administrative Secretary-Parks & Facilities	1.00	1.00	1.00	1.00					
Working Foreman/Facilities Mgr. <i>(funded by ESCO)</i>	0.00	0.00	1.00	1.00					
					<b>TOTALS</b>	<b>80.86</b>	<b>80.21</b>	<b>77.49</b>	<b>77.49</b>

TOLLAND PUBLIC SCHOOLS  
2014-2015 Budget Personnel Position Summary

*Districtwide*

Staff Positions	Actual FY 2012-13	Actual FY 2013-14	Adopted FY 2014-15	Difference Bgtv Act
<i>Birch Grove Primary School</i>				
Certified Regular Education	31.66	29.16	29.16	0.00
Certified Special Education	10.55	11.95	11.95	0.00
Non-Certified	29.71	30.38	30.38	0.00
<i>Tolland Intermediate School</i>				
Certified Regular Education	41.66	39.66	39.66	0.00
Certified Special Education	9.70	9.10	9.10	0.00
Non-Certified	16.42	14.92	14.92	0.00
<i>Tolland Middle School</i>				
Certified Regular Education	48.73	46.73	46.73	0.00
Certified Special Education	10.00	10.00	10.00	0.00
Non-Certified	18.50	17.33	17.33	0.00
<i>Tolland High School</i>				
Certified Regular Education	63.50	61.50	61.50	0.00
Certified Special Education	6.40	6.60	6.60	0.00
Non-Certified	9.67	9.67	9.67	0.00
<b>INSTRUCTION TOTAL</b>	<b>296.50</b>	<b>287.00</b>	<b>287.00</b>	<b>0.00</b>
Building Operations	23.50	20.50	20.50	0.00
Building Maintenance	3.00	3.00	3.00	0.00
<b>FACILITIES SERVICES TOTAL</b>	<b>26.50</b>	<b>23.50</b>	<b>23.50</b>	<b>0.00</b>
Business Services	5.00	5.00	5.00	0.00
Principals' Office	24.10	24.10	24.10	0.00
Superintendent's Office	3.00	3.00	3.00	0.00
Systemwide	14.32	14.32	14.32	0.00
<b>SUPPORT SERVICES TOTAL</b>	<b>46.42</b>	<b>46.42</b>	<b>46.42</b>	<b>0.00</b>
<b>TOTAL BOE FUNDED POSITIONS</b>	<b>369.42</b>	<b>356.92</b>	<b>356.92</b>	<b>0.00</b>
<i>Grant/Self-funded</i>				
Certified Grant Regular Education	1.52	1.52	1.52	0.000
Certified Grant Special Education	1.20	0.72	0.72	0.000
Non-Certified Grant	31.56	27.98	27.98	0.000
Family Resource Ctr Grant	1.69	1.69	1.69	0.000
FRC Before & After School Program	15.86	15.86	15.86	0.000
Food and Nutrition Services	22.440	22.440	22.440	0.000
<b>TOTAL GRANT/SELF-FUNDED POSITIONS</b>	<b>74.269</b>	<b>70.213</b>	<b>70.213</b>	<b>0.000</b>
<b>GRAND TOTAL</b>	<b>443.693</b>	<b>427.13</b>	<b>427.13</b>	<b>0.000</b>



## ***Local Economy***

Although Tolland continues to be a town with strong emphasis on land preservation, it has taken great steps to expand and encourage commercial growth in the Business Park and the Gateway Design District. Over the years, the award of State grants has enabled roads to be extended in the Business Park allowing the 80,000-square-foot Dari Farms to relocate and expand its business. In addition, NESTEEL has completed an expansion of 45,000 square feet, and Wilson Woodworking has constructed a new building of 15,700 square feet. A further extension of the road within the Business Park has allowed for the creation of three additional lots, one of which was sold to Star Hill for its 140,000 square foot athletic facility. In late 2009, Star Hill Family Athletic Center began its operation and now offers residents' athletic fields, a swimming pool, fitness equipment, locker rooms and meeting rooms.

The Town's Gateway Design District is in the vicinity of exit 68 off Interstate 84 which serves as the main access point to Tolland and also as the primary vehicular connection to the University of Connecticut's main campus which is approximately seven miles southeast along Route 195. Due to the expansion plans of the university, including the development of a research park, the Town anticipates the expansion of economic development opportunities in the Gateway Design District, and land masses within the areas known as the Tolland Village Area and the Technology Campus Zone, all within close proximity to the interstate.

The Phase I of sewer expansion, a \$2.5 million project extending public sewers along Old Post Road, brought sewers to two of the Town's public schools as well as to some private residences along the way. The second extension continued from Old Post Rd. through the Gateway to the new High School. Importantly, it brought the sewer network closer to an underdeveloped commercial that constitutes the Gateway Design District, which greatly expanded the business area beginning with a commercial campus in the south-west quadrant of the Gateway Design District. This 133,000-square-foot development includes a Big Y supermarket of 60,000 square feet and three smaller business buildings housing a new branch for a bank, a medical facility, a restaurant and other retail stores. Phase III was completed in 2010 extending the sewer line farther down Route 195 in the area identified as the Technology Campus Zone.

Prospects for development of the area north of I-84, now known as the Tolland Village Area, a planned Transit Oriented Development (TOD) mixed-use zone, as well as south of I-84 now known as the Technology Campus Zone are favorable. The Town has been working with property owners, developers and residents to create a vision of the development in both areas that will take advantage of public water and sewer recently installed. The Town's Planning and Zoning Commission adopted zoning regulations associated with the Technology Campus Zone in July 2012.

In addition, the Planning and Zoning Commission completed amendments to the local zoning regulations to provide more flexible standards for the development of commercial properties and to create an additional "village style" mixed-use node along Routes 30 & 74 in the westerly part of town.

The Planning and Zoning Commission has also adopted an updated Plan of Conservation and Development which includes a residential/commercial build-out analysis as well as a review of the economic development goals of the community.

Tolland's attractiveness to new business and general population, as evidenced by its growth, has been the topic of publication as of late. Government statistics show a well-educated citizenry with a median household income of \$108,564. Tolland's unemployment rate decreased from 6.0 % as of June 2012 to 5.9 % compared at June 2013. The State of CT unemployment rate decreased from 8.1 % (June 2012) to 8% as of June 2013.

## ***Major Initiatives***

The Town has completed the adoption process for regulations for the Tolland Village Area as well as conceptual design elements. This multi-use planned transit oriented development consists of some 75 acres of developable land just off the interstate and serves as a gateway into the community. The regulations are intended to encourage development which is consistent with the desires of the community. The Planning and Zoning Commission adopted finalizing zoning regulations for the Technology Campus Zone on Route 195, the main thoroughfare to the University of Connecticut which hopefully will provide economic development opportunities for technology or research businesses that have relationships with the University. UCONN is making a major investment in a research park which will bring related business to the area as well as a need for additional housing.

The Town has completed a study of traffic improvements in the Tolland Green using funds obtained through the Capital Region Council of Governments. The Town received an STP-Urban grant for \$2.5 million for the design and construction funds to implement recommendations with construction anticipated in 2017.

In an effort to provide more efficient services the Town over the past several years has implemented single stream recycling which allows for the sorting of recycled materials to be done at the trash plant rather than curb side. This method has increased our recycling rate by over 10% which will mean an approximate reduction in our solid waste fees of \$35,000.

In 2011, the Town embarked on the construction phase for the replacement of the HVAC system in its Town Hall. The 40,000 square foot building had an outdated system which has been replaced with a geothermal system and the project was essentially completed by November, 2012. This new system will eliminate the need for heating oil and will create efficiency savings.

The Town is moving forward with a 10.2 million dollar energy improvement program in Town and Board of Education facilities. The lease payments required will be paid over 20 years from energy savings realized and guaranteed by Honeywell Corp who is overseeing all related improvements.

The Town had on the November, 2013 ballot a referendum question to allow for the expansion of the library into the former gymnasium in the Hicks Memorial Building. This expansion was approved by the voters and will provide additional programing space for the library to meet future demand for service.

The Town has recently completed the installation of an artificial turf field and lights at the high school. This project was paid for with State grants and donations from local sports groups and is proving to be a true community asset. We are also completing a concession facility and pavilion at Cross Farms Athletic complex which also was funded with State grants.

The Town of Tolland, similar to other towns, relies on grants to supplement its revenue. The estimated allocations to Tolland are based on the state's publications Estimates of State Formula Aid to Municipalities. The Town of Tolland aggressively pursues competitive grants which unlike formula grants are discretionary grant award funds. The award process involves reviewing and selecting from the list of proposals, one which best conforms to the guidelines as proposed by the State or Federal government. Following this process, grant funds are then awarded and appropriated as revenue for the town. Please see the list below of the grants awarded to the Tolland for the last six years.

COMPARISON OF 2010 THRU 2014 STATE AND FEDERAL GRANTS								
Program/Description	2014 Awards/Budget	2013 Awards/Actual	2012 Actual	2012 Actual	2011 Actual	2010 Actual	Towns' Department Involved	Grantor
<b>COMPETITIVE GRANTS</b>								
Tolland Green design of traffic calming federal grant - to be used in conjunction with STE grant adjustment		(297,000)					Planning & Develop.	DOT
Tolland Green construction of traffic calming state grant - to be used in conjunction with design grant		2,500,000					Planning & Develop.	Surface Transportation Program thru CRCOG/DOT
Design and Installation of lighting at athletic High School field -		200,000					Planning & Develop.	DEEP
Design and Installation of artificial Turf at athletic High School field -STEAP		500,000					Planning & Develop.	DEEP
Cross Farms Building with Bathroom			394,350					
Public Education - video equipment					3,082		Admin. Services	DPUC
Justice Assistance Grant for traffic safety signs and equipment						9,075	Admin. Services	ARRA Passed Through OPM
Energy Grant - Design and Bid Documents for replacement of HVAC at the Town Hall and Energy Efficiency		20,000			67,365		Human Services	ARRA Passed Through OPM
Incentive Housing Zone - consulting fees for development of housing zones						50,000	Planning & Develop.	OPM
Open Space Program approved for King, Auperin, Knofla and Luce Land Acquisition					1,073,000			DEP
Clean Water Fund, sewer facility project phase I & II a public sewer in areas that may not support septic system					82,996		Human Services	ARRA Passed Through DECI
Clean Water Fund, sewer facility project phase I & II to evaluate engineering services for the Wastewater Facility Plan		44,550					Human Services	DEEP
Leaking Underground Storage Tanks Program, to clean up the site contamination at the Highway Garage			118,000				Engineering	DEEP
Community Development Block Grant/Entitlement - Hicks Memorial Center ADA Improvements				477,759			Human Services	HUD Passed Through DECI
Community Development Block Grant/Entitlement - Housing Rehabilitation for Low-to-Moderate Income residents					300,000			HUD Passed Through DECI
Community Development Block Grant/Entitlement - Housing Rehabilitation for Low-to-Moderate Income residents		300,000			300,000			HUD Passed Through DECI
Community Development Block Grant - Library ADA grant	400,000							
Library Expansion - referendum Nov 2013	1,000,000							State Library
Small Town Economic Assistance Program - Library Expansion	500,000							
Small Town Economic Assistance Program - Sewer Extension of public sewer on Rt.195 from Goose Lane to Anthony Rd					200,000			OPM
Water extension line from New High School to Intermediate School (former old High School)						82,196		DPH
FEMA grant - estimate based on 75% reimbursement rate		207,578		713,000	69,845		Public Works/Fire Dept./BOE	DEM and Homeland Security
Public Assistance Grants - supplemental equipment: station radios, laptops, flat screen TV					4,000		Fire Department	DEM and Homeland Security
Help America Vote Act - reimbursement for phone lines							Register Voters	CT Secretary of State
Tolland Speeding and Aggressive Driving Initiative Grant to address the growth of traffic and the number of collisions					4,350	4,061	Public Safety	DOT
Youth Services Bureau - state troopers work with students to address issues of bullying, substance abuse and teen suicide	10,000	10,000	10,000	10,000			Human Services	OPM, Criminal Justice
Youth Services Bureau - Enhancement Grant support existing youth services					5,000	2,500	Human Services	SDE
Geothermal Test well - administration and coordination of feasibility study					20,000	18,000		CT Historical Preservation
DOT Dial-A-Ride Grant	29,382	19,055	19,055	19,055	26,471	26,471	Human Services	Dept of Transportation
Veterans Assistance - Cemetery markers		600		300	200	100	Public Works	DVA
	1,939,382	3,504,783	541,405	1,220,114	2,156,309	192,403		

### ***Budget Process and Budget Timelines***

The annual budget serves as the foundation for the Town's financial planning and control of the General Fund and supports the Capital Improvement Plan. The all other funds are supported by related user fees and/or grants and do not have approved budgets. The Town maintains budgetary controls with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The operational budget, including a five-year Capital Improvement Plan, is initially prepared by Department Heads and the Board of Education and presented to the Town Manager.

October 24, 2013	Capital Improvement Plan data for Department Heads and Boards & Commissions submitted to Manager
Month of November	Capital Budget Review Committee meetings
Week of Dec. 16, 2013	Manager submits Capital Improvement Plan to Council (by January 6 per Charter requirement)
January 2, 2014	Department Heads submit Budget to Manager (by Feb. 21 per Charter requirement)
February 6, 2014	Board of Education submits Budget to Manager (by Feb. 21 per Charter requirement)
February 19, 2014	Community Conversation on Town Budgetary Matters – Fire Training Center – 7:00 p.m.
February 20, 2014	Capital Budget Public Hearing – Council Chambers – 7:30 p.m.
March 4, 2014	Manager convenes joint meeting between Council & Board of Education (by April 11 per Charter requirement) – Council Chambers – 7:00 p.m.
March 11, 2014	Manager submits Budget to Council (by March 27 per Charter requirement)
March 12, 2014	Manager discusses Budget w/Council – Council Chambers – 7:30 p.m.
March 13, 2014	Advertise Public Hearing
March 19, 2014	Manager discusses Budget w/Council – Council Chambers – 7:30 p.m.
March 20, 2014	Manager discusses Budget w/Council – Council Chambers – 7:30 p.m.
March 26, 2014	<b>PUBLIC HEARING</b> on Manager's Recommended Budget: Board of Education, Town Government, Capital Improvement Plan – THS Auditorium – 7:30 p.m.

Not later than March 27<sup>th</sup>, the Manager shall present to the Council a budget consisting of: (a) a budget message outlining the financial policy of the Town and describing the important features of the budget plan, indicating any major changes from the current financial policies, revenues and expenditures, together with the reasons for such changes and containing a clear general summary of its contents; (b) estimates of revenue presenting, in parallel columns, the itemized receipts collected in the last completed fiscal year, the budget of the current fiscal year, total receipts estimated to be collected during the current fiscal year, estimated receipts, other than from the property tax, to be collected in the ensuing fiscal year and an estimate of available surplus; (c) itemized estimates presenting in parallel columns the actual expenditures for each department, office, agency or activity for the last completed fiscal year, the adopted budget for the current year, the adopted budget for the current year as amended, and recommended expenditures for the ensuing fiscal year and such other information as may be required by the Council. The Manager shall present reasons for his recommendations. The Board of Education, preparing its estimates for submission to the Manager, shall have the same duties and follow the same form and procedure with respect to the budget of the Board of Education. The Manager shall call and attend a joint meeting of the Town Council and the Board of Education for the purpose of discussing the appropriation request of the Board of Education on or before April 11<sup>th</sup>.

April 1, 2014	Council Discussion – Budget finalized – Council Chambers – 7:30 p.m.
April 10, 2014	Advertise Budget

After such discussion, the Board of Education finalized appropriation request shall be submitted to the Council no later than the Council's budget public hearing [Charter of the Town of Tolland, § C9-4].

The Council shall hold one (1) or more public hearings at which any registered or non-registered voter may have an opportunity to be heard regarding appropriations for the ensuing fiscal year. Following the receipt of all estimates from the Manager and the holding of the final such public hearing, the Council shall prepare a budget and shall recommend the same at the **Annual Budget Presentation**, no later than one (1) week prior to the Budget Referendum.

April 23, 2014	<b><u>ANNUAL BUDGET PRESENTATION MEETING</u></b> – THS Auditorium – 7:30 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
April 24, 2014	Budget Presentation – Senior Center – 12:30 p.m.
May 6, 2014	<b>Annual Budget Referendum</b>
By May 13, 2014	Council Establish Mill Rate upon referendum adoption

Sufficient copies of said annual budget shall be made available for general distribution in the office of Town Clerk and the Town Manager, and, at least five (5) days prior to said **Annual Budget Referendum**. The budget shall become effective when passed at the Annual Budget Referendum to be held on the 1<sup>st</sup> Tuesday of May, and an official copy shall be filed with the Town Clerk. Additional referenda, as required, will be held every other week on Tuesday until a budget is approved. Within ten (10) days after approved, the Council shall fix the rate of mills, which shall be levied on all taxable property in the Town for the ensuing fiscal year. [Charter of the Town of Tolland, § C9-7]

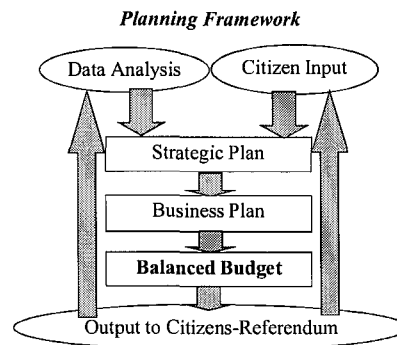
After the start of the fiscal year, the Council, by resolution, may make appropriations to be funded by grants or gifts, and other additional and supplementary appropriations not to exceed an aggregate of forty thousand dollars (\$40,000) in any fiscal year. In addition, following a public hearing, the Council, by resolution, may make further additional and supplementary appropriations upon recommendation and certification of the Manager that there are available unappropriated funds in excess of the proposed additional appropriations. Upon request from the Town Manager, the Council, by resolution, may transfer any unencumbered appropriations, balances or portion thereof from one department to another. No transfer shall be made from any appropriation for debt service. Management is authorized after budget adoption to make budgetary transfers – amendments - within departments but cannot approve additional appropriations. The legal level of budgetary control is at the department level within a function. The Board of Education, which is not a separate function but a function of the Town, is authorized under State law to make transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.



## ***Financial Planning Framework***

### **Balanced Budget**

The creation of a balanced budget is the result of many aspects during a laborious process. The Town of Tolland administration must act in compliance with Town charter requirements which mandate that expenditures cannot exceed revenues called balanced budget. Also considered is the citizens' input from public participation at the Town Council meetings and the Budget Public Hearings. Data analysis on recent demographics, state and local economy is compiled to help shape a strategic economic plan. All information gathered results in a proposed budget presented to the public in the form of a referendum. When approved by majority vote, the Town is able to operate with a legally adopted, balanced budget.



### **Long-Range Planning**

Every year the town looks at a budget as a multi-year document to determine if expenditures made today can be sustained in future years. The Town has embarked on an assertive long-term planning program. Specifically, it has developed and continues to modify, a “Long-Term Fiscal Trend Analysis Report,” which synthesizes several quantifiable variables into a document that forecasts long-term revenue and anticipated expenditures which make up the Town budget. These variables include such indicators as: 1) *Grand List growth*, 2) *intergovernmental revenue projections*, 3) *forecasts in both municipal and educational operating expenses*. The drafting of this trend analysis has helped the Town Manager’s Office immensely in developing affordability benchmarks and thus establishing appropriate budget levels. In conjunction with this, a debt management plan was structured to layer in debt issues for the next ten years based on approved capital projects and anticipated needs. By employing this tool, it makes it readily apparent when new debt can be issued and when projects should be deferred to future budgets. Underlying this process are the financial policies established by the Town to ensure financial stability and the short- and long-term goals of the Town Council. Below is the fiscal trend report but it is not complete as of the printing of this book. The Town has estimated a 2% increase for each of the next two years and revenues are based on the best available information and trend history. In Fiscal Year 2014-2015 the Board of Education will be undertaking a more intensive projection analysis for future expenditures. Those results will be incorporated into this trend report and then projected mill rates and budget impacts will be calculated.

# FISCAL TREND ANALYSIS OF FUTURE TOWN BUDGETS & MILL IMPACTS

Grand List (Estimated 2015-2017)		1,284,143,960	1,289,532,115	1,235,874,975	1,248,233,724	
	FISCAL YEARS:	Adopted 2012-2013	Adopted 2013-2014	Adopted 2014-2015	Estimated 2015-2016	Estimated 2016-2017
PROPERTY TAXES		38,824,459	39,280,516	40,577,886	938,476	947,563
Current Taxes		38,039,407	38,390,931	39,651,847	??	??
Prior Year Taxes		250,000	285,000	300,000	300,000	300,000
Interest and Lien Fees		122,678	196,710	213,414	203,091	206,250
Motor Vehicle Supplement		377,874	377,375	388,125	410,885	416,813
Suspense		1,500	500	500	500	500
Telecommunications Access Line		33,000	30,000	24,000	24,000	24,000
Subtotal – Property Taxes		38,824,459	39,280,516	40,577,886	938,476	947,563
STATE AND FEDERAL GRANTS		720,747	630,667	624,942	534,347	525,114
Elderly Circuit Breaker		65,000	65,000	65,000	65,000	65,000
State Property Pilot		52,937	0	43,637	43,686	43,686
Interest Subsidy		43,731	35,860	28,023	20,238	13,608
Bond Subsidy		296,740	296,740	294,137	288,931	286,328
SDE/MH & AS/DEEP Grants		34,218	24,218	24,338	24,338	24,338
Manufacturer's Equipment Pilot		75,000	0	0	0	0
Civil Defense Grant		5,000	5,000	5,000	5,000	5,000
Mashantucket Pequot		45,038	0	40,904	44,154	44,154
Miscellaneous		29,393	29,393	30,000	30,000	30,000
Disability Grant		1,690	1,690	1,600	1,700	1,700
Veterans		7,500	7,200	7,300	7,300	7,300
Town Clerk record preservation		4,000	4,000	5,000	4,000	4,000
Municipal Revenue Sharing		60,500	161,566	80,003	0	0
Subtotal – State & Federal Grants		720,747	630,667	624,942	534,347	525,114
INVESTMENT INCOME		48,632	46,000	65,000	55,000	55,000
Interest Income		30,000	27,000	45,000	35,000	35,000
Other Revenues		18,632	19,000	20,000	20,000	20,000
Subtotal – Investment Income		48,632	46,000	65,000	55,000	55,000
LICENSE, PERMITS & FEES		224,800	214,926	229,100	208,100	208,100
Zoning Permit Fees		7,500	7,500	8,500	7,500	7,500
Building Permit Fees		160,000	160,000	180,000	160,000	160,000
Fines, Fees and Licenses		1,500	1,000	600	600	600
Pistol Permits		5,000	5,500	5,500	5,500	5,500
DMV Reporting Fees		15,000	10,000	8,500	8,500	8,500
Town Clerk Fees		20,000	20,000	16,000	16,000	16,000
Library Fees		14,000	10,000	10,000	10,000	10,000
Counseling Fees		1,800	926	0	0	0
Subtotal – Licenses, Permits & Fees		224,800	214,926	229,100	208,100	208,100
CHARGES FOR CURRENT SERVICES		366,902	383,839	381,480	378,480	378,480
Planning and Zoning and IWWC		6,500	5,000	8,000	5,000	5,000
Rents/PILOTS		11,322	12,159	11,800	11,800	11,800
Property Conveyance Tax		110,000	120,000	120,000	120,000	120,000
Document Recording Fees		85,000	85,000	85,000	85,000	85,000
Map and Copy Sales		12,000	12,000	12,000	12,000	12,000
Town preservation		8,000	8,000	9,000	9,000	9,000
Zoning Board of Appeals		3,000	3,000	3,000	3,000	3,000
Public Safety Services		875	1,000	1,000	1,000	1,000
Solid Waste Fees		35,000	46,000	40,000	40,000	40,000
Ambulance		89,705	91,680	91,680	91,680	91,680
Sewer fees		5,500	0	0	0	0
Subtotal – Subtotal for Current Services		366,902	383,839	381,480	378,480	378,480

## FISCAL TREND ANALYSIS OF FUTURE TOWN BUDGETS & MILL IMPACTS

FISCAL YEARS:	Adopted 2012-2013	Adopted 2013-2014	Adopted 2014-2015	Estimated 2015-2016	Estimated 2016-2017
<b>EDUCATION GRANTS</b>	<b>10,976,694</b>	<b>10,927,736</b>	<b>11,038,424</b>	<b>11,038,424</b>	<b>11,038,424</b>
Tuition					
Transportation Grant	132,619	0	126,784	126,784	126,784
Adult Education	9,792	9,766	9,155	9,155	9,155
ECS Education Grant	10,834,283	10,917,970	10,902,485	10,902,485	10,902,485
<b>Subtotal -- Education Grants</b>	<b>10,976,694</b>	<b>10,927,736</b>	<b>11,038,424</b>	<b>11,038,424</b>	<b>11,038,424</b>
<b>OTHER REVENUES</b>					
<b>CONTRIBUTITON FROM FUND BALANCE</b>	<b>200,000</b>	<b>361,042</b>	<b>259,000</b>	<b>200,000</b>	<b>200,000</b>
FISCAL YEARS:					
<b>TOWN OPERATING BUDGET</b>	<b>10,845,344</b>	<b>10,907,859</b>	<b>11,357,619</b>	<b>11,584,771</b>	<b>11,816,467</b>
	0.74%	0.58%	4.12%	2.00%	2.00%
<b>EDUCATION OPERATING BUDGET</b>	<b>35,702,228</b>	<b>36,059,250</b>	<b>37,189,581</b>	<b>??</b>	<b>??</b>
	3.00%	1.00%	3.13%		
<b>TOTAL TOWN &amp; BOE OPERATING BUDGETS</b>	<b>46,547,572</b>	<b>46,967,109</b>	<b>48,547,200</b>	<b>??</b>	<b>??</b>
<b>PERCENTAGE CHANGE FOR OPERATIONS ONLY</b>	<b>2.46%</b>	<b>0.90%</b>	<b>3.36%</b>		
<b>DEBT SERVICE</b>	<b>4,642,785</b>	<b>4,735,625</b>	<b>4,542,176</b>	<b>4,540,957</b>	<b>4,587,594</b>
	-2.29%	2.00%	-4.08%	-0.03%	1.03%
<b>CAPITAL IMPROVEMENT FUND</b>	<b>171,877</b>	<b>141,991</b>	<b>86,456</b>	<b>249,595</b>	<b>199,423</b>
	-30.50%	-17.39%	-39.11%	188.70%	-20.10%
<b>TOTAL EXPENDITURES</b>	<b>51,362,234</b>	<b>51,844,725</b>	<b>53,175,832</b>		
<b>REQUIRED MILL RATE TO BALANCE BUDGET</b>	<b>29.99</b>	<b>30.19</b>	<b>31.05</b>		
<b>PROJECTED MILLS INCREASE TO BALANCE BUDGETS</b>	<b>0.26</b>	<b>0.20</b>	<b>0.86</b>		
<b>PROJECTED ANNUAL TAX INCREASE (%)</b>	<b>0.875%</b>	<b>0.667%</b>	<b>2.849%</b>		

### Assumptions:

Grand List Growth .391% for 2014-15; 5% reduction 2015-16 (Revaluation year); 1% increase for 2016-17

Used most recent State of CT grant information

Worked with Planning to try to estimate potential development revenues

Doesn't include possibility of State Legislature removing Motor Vehicle Taxes

Debt Service is based on Debt Management Plan as associated with the FY 14-15 CIP plan

Use of Fund Balance of \$200,000 plus \$59,000 to be allocated towards debt in 2014-15; \$200,000 other years

FY 15-17 Board of Education is creating new expenditure projections which are not completed at this time. This plan will be updated

## **Town of Tolland Long-Term Goals of Town Council – 2013-2015**

### **Goal One:**

Improve appearance and functionality of Town infrastructure through various capital projects and improvements.

*Strategy: Implement CCM's Solar PPA program (solar farm) on a Town owned property (on-going – Town Engineer)*

### **Goal Two:**

Improve efficiency of government operations by streamlining government functions. This will be achieved through continued efforts to evaluate current procedures and implement new protocols that can reduce time and cost required for business activities.

*Strategy: Draft a plan that the Town Council and Board of Education can support to uncover and implement the consolidation of Town and BOE functions and services (i.e. accounting software, IT services, building operations and systems monitoring, maintenance and operations etc.). (On-going, ESCO project, Utility Fund - Finance office, Town Manager-January 2014)*

### **Goal Three:**

Develop strategic plans that will optimize the success of future efforts and operations.

*Strategy: Implement a strategy with the Economic Development Commission, Town Council, Planning & Zoning Commission, the Development Office and the stakeholders that are sufficiently specific to allow for the proper marketing and to ensure development opportunities of the Tolland Village Area, the Tech Zone and other developable properties. (On-going, Planning and Zoning)*

*Strategy: Develop a benchmarking system of measurement that will ensure that the above goals are achieved.*

### **Goal Four:**

Improve existing public services for residents.

*Strategy: Expand the review of operational policies for increased revenue potentials and/operational cost savings (i.e. the renting of Town facilities, schools, ball fields, parks to private groups, etc.) (On-going, Finance/BOE – Artificial Turf Field contract-September 2013, Finance -Revenue policy updated as of March 2014)*

## Financial Policies

Policies provide the parameters that allow day-to-day decisions to be made. Financial policies are fundamental to good financial management. They are the basis for accountability and define the standards against which performance can be assessed. When developing policies, council must strike a balance between accountability and flexibility.

- **Investment Policy** establishes guidelines for the investment of operating, capital and non-recurring funds.
  1. Investments shall be made in accordance with the following principles in order of priority
    - a. Safety, b. Liquidity, c. Yield
  2. Investments must be made in securities authorized by CGS 3-24f, 3-27f or CGS 7-401-402 which include US government obligations, US government agency obligations and US government instrumentality obligations, indirect investment in US government and agency securities through the purchase of shares in a custodial arrangement, pool or trust, State Treasurers Investment Fund, Tax Exempt Proceeds Fund, repurchase agreements, CDs and money market mutual funds.
  3. Attempt to match investments with anticipated cash flow requirements.
  4. Diversify investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual issuers or maturities. The Town shall only do business with qualified public depositories.
- **Debt Management Policy** provides the framework for the issuance and management of debt recognizing the infrastructure needs of the Town as well as the taxpayer's ability to pay.
  1. The Town may issue debt by resolution of the Town Council up to 5% of the current tax levy. If the debt issue exceeds that threshold, then it must be approved by referendum.
  2. Bond Anticipation Notes may be used to provide interim cash flow, facilitate the timing of bond sales, finance less significant borrowing needs, avoid locking in high long-term interest rates during periods of market turmoil or finance projects whose final cost is uncertain or is expected to be mitigated by grants or investment earnings.
  3. Long-term borrowing will be confined to capital projects and will not fund current operations.
  4. Bonds will be structured to match the useful life of the capital improvement but not exceed 20 years in accordance with Connecticut General Statutes. The Town will issue \$10 million or less in tax exempt securities per calendar year to receive "Bank Qualified" status to minimize interest rates to be paid.
  5. Debt obligations are generally issued through competitive sale, however, if conditions provide that a negotiated sale would provide significant benefits to the Town then the Town Council may approve that method of sale.
  6. The Town Manager and the Finance Director will analyze the Town's debt position by using the following measures and report the results annually to the Town Council as part of the Debt Management Plan presentation.
    - a. *"Debt measured against population on a per capita basis"* to be capped at \$3,800. Tolland is at \$2,870 for 2013/2014 with a five-year projected average of \$2,733.
    - b. *"General Fund bonded debt as a percentage of full market value"* to be capped at 4%. Tolland is at 2.43%.
    - c. *"General Fund debt service as a percentage of total General Fund expenditures"* to be capped at 10%. Tolland is currently at 8.54%.



- **Capital Financing Policy** is included in full in the introduction to the Capital Improvements section of the budget.
- **Reserve/Fund Balance Policy** ensures that the Town will maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unanticipated one-time expenditures. The Town shall annually adopt a balanced budget in accordance with the Town Charter, Sections C9-1 through C9-10. Any year-end operating surpluses will revert to unassigned fund balance for use in maintaining reserve levels set by policy. The level of fund balance the Town strives to maintain is within a range of 8% to 17% of General Fund operating expenditures, including non-spendable, restricted, committed, assigned and unassigned.
- **Risk Management** covers various risks of loss related to public officials; Board of Education liability; torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for all risks of loss. There have been no significant reductions in insurance coverage during the year.

### ***Fund Balance***

Fund Balance is a measure of the Town’s capacity to withstand financial emergencies or to undertake unforeseen but necessary projects. Rating agencies place special emphasis on fund balance when assigning bond ratings to municipalities and view adequate fund balance as an indication of sound financial management.

The **fund balance at the end of a fiscal year** can be derived by subtracting current total Expenditures and Transfers Out from current total Revenues and Transfers In, and adding that difference to the fund balance present at the beginning of the fiscal year.

$$\begin{array}{rcl}
 & \text{Fund Balance at the Beginning of a Fiscal Year} & \\
 \text{Minus} & & \text{(Expenditures + Transfers Out)} \\
 \text{Plus} & \underline{\hspace{2cm}} & \text{Revenues + Transfers In} \\
 & \text{Fund Balance at the End of a Fiscal Year} & 
 \end{array}$$

Before GASB 54 the equity of the fund is defined as “fund balance” and was classified in the following categories:

- **Reserved:** A portion of fund balance such as encumbrances, contracts and commitments is reserved and will not be available for appropriation.
- **Designated:** Represents tentative management plans that are subject to change.
- **Unreserved:** Serves as measure of current available financial resources and represents the Town’s savings, collected from unexpended appropriations over previous fiscal years.

It is the Town of Tolland’s policy to maintain a level of fund balance ranging from 8% to 17% of its General Fund operating budget including reserved, designated and undesignated funds. The unreserved and undesignated portion of fund balance for the General Fund at June 30, 2013 was \$6,649,387 or 11.8% of GAAP expenditures. Fund balance may be used by the Town only in accordance with the Town Charter.

Under new GASB requirements a fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-Spendable fund balance — amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)
- Restricted fund balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation
- Committed fund balance — amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint
- Assigned fund balance — amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority
- Unassigned fund balance — amounts that are available for any purpose; these amounts are reported only in the general fund.

**ANALYSIS OF GENERAL FUND BALANCE (GAAP BASIS) with new Classification GASB 54 as of 2015**

	ACTUAL 2010-2011	ACTUAL 2011-2012	ACTUAL 2012-2013	ESTIMATED 2013-2014	ESTIMATED 2014-2015
Fund Balance, beginning of the year	7,296,427	7,811,267	8,039,037	7,906,567	7,851,020
Excess of Revenues and Other Financing Sources				(55,547)	
Fund Balance, end of the year - GAAP	7,811,267	8,039,037	7,906,567	7,851,020 0	7,851,020
<b>Assigned with designation for specific purpose in future budget</b>		<b>(200,000)</b>		<b>(199,320)</b>	<b>(199,320)</b>
Reserved, end of year :					
Assigned for encumbrances, end of year	(1,601,935)	(1,109,480)	(1,086,458)	(1,086,458)	(1,086,000)
Restricted for use of Bond Premium for Debt Payments		(140,862)	(170,722)	(59,680)	
Unreserved and Undesignated, end of year					
<b>Unassigned, end of year</b>	<b>6,209,332</b>	<b>6,588,695</b>	<b>6,649,387</b>	<b>6,505,562</b>	<b>6,565,700</b>
GAAP Expenditures and Other Financing Uses	51,380,440	55,736,331	56,482,370	56,344,725	57,675,832
<b>Unassigned Fund Balance as % of Total Expenditures</b>	<b>12.09%</b>	<b>11.82%</b>	<b>11.77%</b>	<b>11.55%</b>	<b>11.38%</b>
Increase (Decrease) Fund Balance	7.1%	6.1%	-1.6%	-0.7%	0.0%
Increase (Decrease) Unreserved & Undesignated Portion of Fund Balance	1.5%	2.9%	0.9%	-2.2%	0.9%

### ***Fund Structure, Basis of Accounting & Measurement Focus***

**The General Fund is the Town of Tolland's sole fund with a legally adopted annual budget** and uses the "modified accrual" basis of accounting for both budgeting and reporting.

Governmental funds are used to account for some of a government's tax-supported activities but also special revenues and capital projects funding. They all share a common measurement focus and basis of accounting. Proprietary funds are used to account for a government's business type activities and therefore share a common measurement focus and basis of accounting with private-sector business enterprises. Fiduciary funds are those funds used to report assets held in a trust or agency capacity for others and therefore cannot be used to support the government's own programs. The town's main operating fund, the general fund, is always reported as **major**. Other funds would be classified as major if the following two conditions are met:

1. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total of all funds of that category.
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the total for all governmental and enterprise funds combined.

All **non-major** funds must be reported in a single column on the financial statements under "Other Governmental Funds".

The chart below shows the fund structure, basis for budgeting and measurement for the Town of Tolland:

	<b>Fund #</b>	<b>Fund Name</b>	<b>Reporting category</b>	<b>Fund Type</b>	<b>Basis of Accounting</b>	<b>Description of Funds Functions</b>
GOVERNMENTAL FUNDS	0001	General Fund (General Government, Planning and Community Development, Community Services, Public Safety, Public Works, Finance and Records, Board of Education, Debt Service, General Fund support of Capital Improvement Plan)	Major Fund /Annual Budget	General	Modified Accrual	The General Fund is the general operating fund of the Town. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the Town. These activities are funded principally by property taxes, user fees and grants from other governmental units.
	2010	C I BOE - BG, TIS, TMS, THS capital needs	Major Fund	Capital Projects Funds- Bonded	Modified Accrual	The Bonded Capital Projects Fund accounts for revenues to be used for major capital asset construction and/or purchases funded by debt issuances.
	2020	C I Cap Equipment - ongoing equipment/vehicle replacement				
	2030	C I Fire & Ambulance - Emergency/Fire Service needs				
	2040	C I Parks & Rec - leisure service capital needs				
	2000	C I Administration - replacement of Town and BOE pooled vehicles and other	Major Fund	Capital Projects Funds Nonrecurring	Modified Accrual	The Capital Nonrecurring Fund accounts for revenues to be used for major capital asset construction and/or purchases funded substantially by grants and General Fund appropriations.
	2050	C I Pub Facilities - Town's buildings needs				
	2055	C I Public Works - tree trimming				
	2060	C I Streets & Roads - road/drainage maintenance				
	2070	C I Unallocated - misc reserves for small projects				
	2300	C I CNRE Fund - reserves for nonrecurring projects				
	3010	Dog	Non-major / Other governmental funds	Special Revenue	Modified Accrual	Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.
	3020	Business Park	Non-major / Other governmental funds			
	3030	Lodge Activity	Non-major / Other governmental funds			
	3035	Fire Training Center	Non-major / Other governmental funds			
	3040	Open Space	Non-major / Other governmental funds			
	3051	Recreation	Non-major / Other governmental funds			
	3060	Rent Escrow	Non-major / Other governmental funds			
	3065	Eviction	Non-major / Other governmental funds			
	3070	School Lunch Fund	Non-major / Other governmental funds			
	3090	Sewer Assessment	Major Fund/User Fees			
	3095	Before & After School programs	Non-major / Other governmental funds			
	3105	93 SC Program Income	Major Fund / Grants			
	3133	Hicks Elevator	Major Fund /Grants			
	3134	I2 Housing Rehab	Major Fund /Grants			
	3140	State & Federal Ed Grants	Non-major / Other governmental funds			
	3150	Town House Sewer Escrow	Non-major / Other governmental funds			
	3160	Town Aid Road	Non-major / Other governmental funds			
	3170	Water Assessment	Non-major / Other governmental funds			
	3100	Stone Pond Sewer Escrow	Non-major / Other governmental funds			
	3175	Conservation Green Grant	Non-major / Other governmental funds			
	3190	Tolland Business Park	Non-major / Other governmental funds			
	3200	Tolland Non Profit Housing	Non-major / Other governmental funds			
	3210	Field Maintenance	Non-major / Other governmental funds			
	3220	Traffic	Non-major / Other governmental funds			
	3300	Misc. Grants	Non-major / Other governmental funds			
	3301	Storm	Non-major / Other governmental funds			
	3223	Tolland's 300th Celebration	Non-major / Other governmental funds			
	3325	Artificial Turf Fund	Non-major / Other governmental funds			
	5010	Cemetery Operations	Non-major / Other governmental funds			
	5020	BOE Minnie Hicks	Non-major / Other governmental funds			
	5130	Cemetery Perpetual Care	Non-major / Other governmental funds	Permanent Funds/ non-expendable trust	Modified Accrual	Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.
	5140	Hicks Memorial School Trust	Non-major / Other governmental funds			

	<u>Fund #</u>	<u>Fund Name</u>	<u>Reporting category</u>	<u>Fund Type</u>	<u>Basis of Accounting</u>	<u>Description of Funds Functions</u>
FIDUCIARY FUNDS	4010	BOE-SEC 125	Donations, fees, fundraisings	Agency Funds	Modified Accrual - Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.	The Agency Funds account for monies held on behalf of students, employees and other community groups and amounts held for performance bonds.
	4020	Education	Donations, fees, fundraisings			
	4030	D.A.R.E	Donations, fees, fundraisings			
	4050	Performance Bonds	Donations, fees, fundraisings			
	4070	Senior Citizens Center	Donations, fees, fundraisings			
	4080	Student Activity	Donations, fees, fundraisings			
	4090	Teen Center	Donations, fees, fundraisings			
	4100	Library	Donations, fees, fundraisings			
	4110	Emergency	Donations, fees, fundraisings			
	4120	Youth Reserve	Donations, fees, fundraisings			
	4130	Land Preservation	Donations, fees, fundraisings			
	4140	Barn Restoration	Donations, fees, fundraisings			
	5030	Stevenson Trust	Donations, fees, fundraisings	Private Trust		A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations or other governments.
	5040	Other Post Employment Benefits	Contribution from General Fund/Users	Public Trust		
PROPRIETARY FUNDS	6010	Water Operations	Water Commission budget approved by Users	Enterprise Fund	Accrual	The Water Fund accounts for activities of the water users operations. Town charges customers for the services it provides.
	6050	Sewer Operations	Sewer Commission budget approved by Users			The Sewer Fund accounts for the maintenance needs of the sewer system, as well as to receive and remit sewer usage fees to the Town of Vernon.
	8000	Utility Internal Service Fund	Funded by Department Users	Internal Service	Accrual	The Utility Internal Service Fund accounted for Town and BOE utility costs and maintenance.

The modified accrual basis of accounting is accepted by the Governmental Accounting Standards Board (GASB) which set the standards for governmental accounting and financial reporting.

All Governmental Funds focus on current financial resources. The Town recognizes revenues when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues in the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded in the period the liability is incurred. The only exception is for debt service expenditures and expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Town financial statements present a dual-perspective of financial information with both the accrual basis of accounting and the modified accrual basis of accounting. In contrast to governmental fund financial statements, presented on a modified accrual basis or short-term focus, the governmental-wide financial statements reporting presents the whole picture, both short- and long-term perspective, and uses the accrual basis of accounting.



The accrual basis of accounting uses the economic resources measurement focus and recognizes revenues in the period in which they are earned and become measurable (not necessarily available), and recognizes expenses when they are incurred. Capital assets such as land, buildings and equipment expenses (expensed in governmental funds as capital outlay) are included in statement of net assets; liabilities include any general obligation debt and any long-term debt such as newly required Other Post Employment Obligations.

The full accrual reports are similar to those of a business type. The statement of net assets displays information about the government as a whole, reports all financial and capital resources, and assists the financial statement user in assessing the medium- and long-term operational accountability of the government.

### **Description of Funds:**

**General Fund (0001)** is the general operating fund of the Town. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the Town.

**Bonded Capital Projects Fund** which accounts for revenues to be used for major capital asset construction and/or purchases funded by debt issuances and indirectly supported by taxes through debt service. For further discussion see the Five-Year CIP.

**Capital Nonrecurring Fund** which accounts for revenues to be used for major capital asset construction and/or purchases funded substantially by grants and General Fund appropriations. For further discussion see the Five-Year CIP.

**Dog Fund (3010)** - To account for the sales of dog tags and the expenditures of the dog warden and pound.

**Stone Pond Sewer Escrow (3100)** - To account for accumulation of revenues from the housing projects to provide funds in the event of a failure of the on-site sewage disposal system.

**Tolland Townhouse Sewer Escrow (3150)** - To account for accumulation of revenues from the housing projects to provide funds in the event of a failure of the on-site sewage disposal system.

**Lodge Activity (3030)** - To account for the receipt of rental, Troopers and attendant fees for special activities held at the lodge. Donations are also recognized. Revenues are used to provide furnishings for the lodge.

**Open Space (3040)** - To account for the receipt of payments from builders in lieu of land. Money will be accumulated to purchase land for open space.

**Tolland Business Park (3190)** - To account for monies from property sales in the business park to be used for future improvements.

**Town Aid Road (3160)** - To account for state revenues and expenditures for maintenance of both improved and unimproved Town roads.

**Recreation (3050)** - To account for Town recreation programs.

**Water Assessment (3170)** - To account for water main assessments to defray the cost of borrowing.

**School Lunch (3070)** - To account for the operation of the school lunch program.

**State and Federal Education Grants (3140)** - To account for the expenditure of various state and federal education grants not accounted for in the General Fund.

**Before and After School Programs (3095)** - To account for the operation of the before and after school programs.

**Cemetery Operations (5010)** - To account for the operating expenditures and revenues of the Town cemeteries.

**BOE Minnie Hicks (5020)** - To account for prizes to graduating eighth grade students.

**Tolland's 300th (3223)** - To fund the Tolland tri-centennial celebration to be held in 2015.

**Fire Training Center (3035)** - To account for user fees to provide for the replacement or repair of furniture and equipment at the training center.

**Conservation Green Grant (3175)** - To account for funds to maintain open space.

**Tolland Library Foundation** - To utilize donations for the benefit of the Tolland Public Library.

**Nonprofit Housing Unit (3200)** - To account for the maintenance of property owned by the Nonprofit Housing Unit.

**Field Maintenance (3210)** - To utilize donations for field maintenance.

**Traffic (3220)** - To account for State monies used for traffic enforcement.

**Sewer Assessment (3090)** – To account for the capital provided for sewer extensions, pumping stations, interceptors and other capital improvements. Revenue is derived from assessment fees and used to make bond payments.

**CDBG Small Cities (3105)** – To account for funds for rehabilitation loans to property owners.

**Cemetery Perpetual Care (5130)** - To account for donations and proceeds from the sale of plots. The interest on the investment of funds is used for the perpetual care of those plots accounted for in a Special Revenue Fund.

**Ratcliffe Hicks Memorial School (5140)** - To account for maintenance of the Hicks Memorial School Building, this now houses the Town offices. Interest earnings are available to defray costs of improvements and/or maintenance expenses.

**Stevenson Scholarship (5030)** - To provide a scholarship to a graduating Tolland High School Senior who has exhibited a sincere interest in the study of local, school, state or national politics.

**Youth Center Reserve (4120)** - To accumulate student fundraising monies and donations, which are used to sponsor youth outings and camp scholarships.

**Student Activity (4080)** - To collect monies from all sources outside the budget to be used to pay for various student activities.

**Senior Citizens Center (4070)** - To accumulate donations and fundraising monies to provide for the operations of the center.

**Tolland Public Library (4100)** - To accumulate money received from donations and ConnectiCard State funds for future capital and media purchases.

**Emergency (4110)** - To help residents in crisis with food, fuel or medical relief. Private donations finance this effort.

**D.A.R.E. (4030)** - To accumulate donations to provide for the expenses of the D.A.R.E. program.

**Land Preservation (4130)** - To account for maintenance of Town-owned open space.

**Board of Education - Section 125 (4010)** - To account for the Internal Revenue Code Section 125 plan.

**Education (4020)** - To account for Board of Education benefits and summer school activities.

**Barn Restoration (4140)** – To collect monies for use to restore a local barn.

**Water (6010)** – To account for activities of the Town’s water operations.

**Sewer (6050)** – To account for the maintenance needs of the sewer system, as well as to receive and remit sewer usage fees to the Town of Vernon.

**Miscellaneous Grants (3300)** – To account for the revenue and pay out the expenditures for various grants awarded throughout the year.

**Storm (3301)** – To account for the revenue paid to us from FEMA and pay expenditures for various storms throughout the year.

**Utility Internal Service Fund (8000)** - The Town and Board of Education established (UISF) for the purpose of paying for all fees associated with utilities and ESCO Project Debt Service, associated consultant fees, future system improvements and repairs. The utilities include but are not limited to propane, electricity, heating fuel, water and sewer. Revenue to this fund shall include contributions from the Board of Education and Town, investment earnings, utility rebates and any other miscellaneous funds that relate to this fund. Expenditures from the UISF will include charges from the various utility companies, payments for debt service on any approved Energy Improvement project, consultant fees, system management fees and any other associated fees incurred on behalf of the Town and Board of Education respectively shall be paid from this Fund.