



TOWN of TOLLAND / 21 tolland green, tolland, connecticut 06084

Steven R. Werbner  
Town Manager  
(860) 871-3600  
swerbner@tolland.org

November 21, 2012

TO: DEPARTMENT HEADS  
FROM: STEVEN R. WERBNER *Sh*  
SUBJECT: ANNUAL BUDGET 2013/2014

It seems that it has become a fact of life that we continue to be concerned with the status of our State and National economy. Department Heads should work with their staff to prepare budget requests for all divisions for which they are responsible. Budget requests will be entered into the MUNIS budget software and submitted to the Finance Office no later than January 10, 2013.

As has been the case in recent years, revenue trends do not indicate there will be significant amounts of new resources available in FY 2012/13. As a community which has experienced limited growth in recent years, real Grand List growth is expected to be in the .75%-1.00% range. You should be aware that Grand List growth of .75% produces less than \$300,000. At this point I am anticipating no increase in State revenues and hope that the deficits projected in the State budget do not result in reductions to State aid. Thus at this time, any increase in total expenditures greater than that amount will require a property tax increase.

The modest growth in revenues will again be absorbed by a few key cost drivers such as projected expenditure increases for health insurance, salary increases and increases in the cost for heating fuel, electricity and gasoline and needed capital expenditures. The pattern of modest growth in revenue and increases in certain fixed costs creates a continuing scenario whereby tax increases, service adjustments or some combination of the two are unavoidable if we are to keep current service levels. Our goal is to be as creative as possible in presenting a budget which minimizes to the extent possible the financial impact on the taxpayers of the community while at the same time continuing to deliver the basic service which they desire. It is my intention to again have an open meeting with the Community on February 14, 2013. By that time the Governor will have presented his recommended budget and the BOE will have adopted a preliminary Budget for Town Council consideration.

I am asking that each department submit a baseline budget which should include funding necessary to maintain existing programs and levels of service. Town Departments should be aware that it will be my goal to present an overall budget that limits any tax increase to a range between 0% and 3%. For general information, to arrive at a 0% tax increase, we would have only approximately \$200,000 of new money (the increase in Grand List offset by decreases in other revenue) for all Departments to share. In the current fiscal year, expenditures for all departments increased by \$934,572. To have a 0% budget means all projected increases for Union contracts, health insurance, utilities and other program expenses would have to be absorbed primarily within existing funding levels. While this level of expenditure seems unrealistic based on our service demands, I am asking that all departments provide me with a supplemental budget itemizing service level and staff reductions should your budget not be increased

from current funding levels (fiscal year 2012/13 amounts). This information must be provided to the Finance Department prior to your scheduled budget review session.

Payroll information will be included in the department budget only for non-union positions. For Union positions any payroll adjustments will be included in the contingency account since all collective bargaining agreements expire on June 30, 2012. Also provide revenue projections for next year. The baseline budget is what should be entered into MUNIS.

For the following expenses, please use these estimates at this time:

Health Insurance – 10% increase  
Gas - \$3.70/gallon, Diesel - \$3.90/gallon, Heating Oil - \$3.90/gallon  
Water – 25% increase  
Sewer – 25% increase  
Electricity – 5% increase

When reviewing your budget request for next year, I also want to review your expenditure and revenue status for this year. Please have in detail any major purchases or projects deferred at this point as well as any significant expenditures projected for the remainder of the fiscal year. All information requested must be available at the time scheduled for your department budget review including all inputs to MUNIS. This includes updating of your activity budgets and revised performance indicators.

I look forward to meeting with you in the coming weeks to discuss your budget needs in detail. The meeting times have been scheduled as follows. Let me know if there are any conflicts:

Date	Time	Department
Tues., 1/15/13	1:30 – 2:00 p.m.	Probate Court
	2:00 – 2:30 p.m.	Registrar of Voters
	2:30 – 3:30 p.m.	Library
Thurs., 1/17/13	8:00 – 11:00 a.m.	Fire Department
	2:30 – 3:30 p.m.	Administrative Services
	3:30 – 4:30 p.m.	Recreation
Tues., 1/22/13	8:30 – 9:30 a.m.	Human Services
	9:30 – 10:30 a.m.	Assessor
	11:00 a.m. – 12:30 p.m.	Public Works – Highway
	2:00 – 4:30 p.m.	Public Works – Parks & Facilities, Engineering
Wed., 1/23/13	8:30 – 10:30 a.m.	Planning & Community Development
	10:30 – 11:00 a.m.	Law Enforcement
	11:00 – 11:30 p.m.	Town Clerk
	11:30 a.m. – 12:00 p.m.	Collector of Revenue
Thurs., 1/24/13	8:30 – 11:30 a.m.	Finance

SRW/lrb  
cc: Town Council  
William Guzman  
Board of Education