




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

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December 2, 2008

TO: DEPARTMENT HEADS
FROM: STEVEN R. WERBNER 
SUBJECT: ANNUAL BUDGET 2009/2010

Based on current economic conditions, I am writing to you earlier than usual in regard to assembling your operating budget requests, revenue estimates and the related statistical pages. 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 13, 2009. I do not believe I have to dwell on the difficult economic conditions we find ourselves in at this point. Certainly conditions can change rapidly, just look at gas prices as an example, but as of this time all "experts" say we are in a prolonged financial decline. In addition, we have yet to feel the impact of the financial concerns at the state level where they are faced with a potential billion dollar deficit.

As has been the statewide case in recent years, revenue trends do not indicate there will be significant amounts of new resources available in FY 2008/09. In fact it is likely that our state revenues will decrease along with other locally generated revenue. As a community which has experienced limited growth over the last two years, Grand List growth is expected to be in the 1% range. We are continuing to see a slow down in residential construction which will impact current and future grand lists. You should be aware that Grand List growth of 1% produces about \$300,000 in new revenue. Thus at this time we are looking at under \$300,000 in new revenue, absent a property tax increase to fund increased expenses. In addition we are facing economic concerns in the current fiscal year with revenue projected to be approximately \$275,000 less than anticipated.

The modest growth in revenues will be more than absorbed by a few key cost drivers such as projected expenditure increases for health insurance, salary increases and significant increases in the cost for heating fuel, electricity and gasoline. 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 have an open meeting with past Community Conversation members and other interested Town residents the week of January 19, 2009 to continue the public dialogue pertaining to the development of the Town budget.

I am asking that each department submit a baseline budget which should include funding at no more than a 2% increase. Payroll information will be included in the department budget and the entire bottom line cannot exceed the 2%. Also provide revenue projections for next year. The baseline budget is what should be entered into MUNIS.

If any department's baseline budget results in a decrease in current service levels, a memorandum should be submitted itemizing the reductions in service levels necessary to meet the 2% threshold. In addition I want you to include a separate memo itemizing service level reductions for each 1% reduction in your baseline budget down to a total 5% reduction.

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.

The Finance Office is continuing to research budget format revisions necessary to be in a position to submit the budget to the GFOA for their budget certification. As more information is developed regarding this matter, it will be distributed to Department Heads.

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 |
|-----------------|--|--|
| Wed., 1/14/09 | 8:30 – 9:00 a.m. | Law Enforcement |
| | 9:00 – 10:00 a.m. | Human Services |
| | 10:30 – 11:00 a.m. | Registrar of Voters |
| | 1:30 – 2:00 p.m. | Probate Court |
| | 2:00 – 3:00 p.m. | Library |
| | 3:00 – 4:00 p.m. | Recreation |
| Thurs., 1/15/09 | 9:00 – 12:00 p.m. | Public Works – Highway, Administrative Services |
| | 1:00 – 4:00 p.m. | Public Works – Parks & Facilities |
| Tues., 1/20/09 | 8:30 – 10:00 a.m. | Planning & Community Development |
| | 10:30 – 12:00 p.m. & 2:00 – 4:30 p.m. | Finance & Records – Collector of Revenue, Town Clerk, Assessor, Revenue Discussion |
| Mon., 1/26/09 | 1:00 – 2:00 p.m. | Administrative Services |
| | 2:00 – 4:30 p.m. | Fire Department |

SRW/ltb

cc: Town Council
William Guzman
Board of Education