

Town of Tolland

2020 – 2021 Annual Budget Presentation

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Chairwoman
Tolland Town Council



2020 In Review

- Six months into 2020 and just about every assumption we've had has changed, from life, to work, to school, to government
- Significant number of businesses closed, slowly reopening
- Unemployment of 11-13% *
 - Doesn't account for furloughs or hour reductions
- No public Referendum vote
- Public Education model at risk
- State grants at risk
- Public life in the world of COVID

* - <https://www1.ctdol.state.ct.us/lmi/claimsdata.asp>



Budget Goals

- Pass tax relief for those impacted by COVID-19
- Zero mill rate increase
- Maintain all services as proposed in the adopted Board of Education Budget and the Town Proposed Budget
- Utilize funds available from current fiscal year to pre-purchase items from next year's budget to reduce FY 20-21 spending
- Increased usage of the Unallocated General Fund to offset budgetary gap to enable zero mill rate increase



COVID 19 Tax Relief

- On April 14, 2020, the Tolland Town Council voted unanimously to adopt a resolution to approve participation in a Tax Deferment Program set forth by the Governor's Executive Order 7S.
 - This program allows eligible taxpayers, businesses, nonprofits and residents a 90-day deferment of any taxes on any real property, personal property, motor vehicles, and municipal water and sewer charges. For these eligible taxpayers, the July 1, 2020 installment becomes delinquent after October 1, 2020.
- “Eligible” taxpayers, businesses, nonprofits, and residents are those that “attest to” significant economic impact by COVID-19, and/or those that document they are providing relief to those significantly affected by COVID- 19.

https://www.tolland.org/sites/tollandct/files/uploads/covid-19_tax_deferral_form.pdf



Zero Mill Rate Increase

- A main goal of the Town Council was to pass a budget that reflected the needs of our citizens. Mainly to recognize the need for stability in their tax rate or a zero mill rate increase
- In order to do that we would have to:
 - Utilize any savings from the current 19-20 year to pre-purchase items from the 20-21 year
 - Remove any additional increases where not needed
 - Utilize the fund balance to temporarily offset the expense increases.
- It is very important to note, a zero mill rate increase does not mean no tax increase
 - 3,382 properties decreased in value
 - 377 properties had no change
 - 2,790 properties increased in value

<https://www.tolland.org/tax-department/pages/tax-calculation-form>



Town Services

- The Town Council budget **maintains all services** as presented in the Board of Education approved budget and the Town Manager's Proposed Town Budget
- Accelerates the **addition of a Fire Fighter/EMT** from April of 2021 to January of 2021
- **No staff reductions**
- **No cuts in programs**
 - Includes one free Bulky Waste pick up date in the fall



Approved Fiscal Year 20 – 21 Budget Expense Review

Budget Area	Adopted Budget FY19-20	Adopted Budget FY20-21	Year over Year Change	
General Government (Town Operations)	\$12,126,082	\$12,372,640	\$246,558	2.03%
Board of Education	\$39,975,605	\$40,017,290	\$41,685	0.10%
Capital Improvements	\$121,048	\$192,567	\$71,519	59.08%
Debt Service	\$4,550,000	\$4,600,000	\$50,000	1.10%
Total	\$56,772,735	\$57,182,497	\$409,762	0.72%



General Fund Information

- General Fund usage is a balancing entry
 - Expenses - \$1,000,000
 - Revenues - \$900,000
 - Fund Usage - \$100,000
- The balancing entry is an assumption and changes with the variables of expenses and revenues throughout the year
- Less Expenses = less fund usage
- More Revenues = less fund usage



General Unassigned Fund Usage

- For the 19-20 fiscal year we originally planned to use \$300k of the fund
- Due to the COVID-19 virus the town is anticipating spending **\$211,124 less than planned (fewer expenses)**
- We are estimating we will receive **\$124,714 more in revenue** than planned (more revenues)
- The Board of Ed is anticipating spending \$642,553 less of which:
 - \$192,765 will go to the ERF 1% fund
 - \$257,021 will go to the COVID-19 fund
 - **\$192,765 will go to the general unallocated fund** to offset the \$500k usage
- So instead of USING \$300k we will be **putting \$528,603 INTO the fund**

(211,124+124,714+192,765=528,603)



Debt Plan

- The current budget reflects an **increase of debt spending of \$50,000**
- In 21-22 that spending will increase another \$150k for the Birch Grove project which is approved for \$46m in total spending
 - Any risk to this approved project total would require additional debt to be taken out and would add to the tax increase already factored in
- The Debt will continue to increase for four years before it begins to drop down back after seven years in total to the current debt spending
- Included in this plan is **\$3m for expected fire station renovations at three stations and a crumbling foundation at station 140**



Capital Plan

- Original Plan was \$196,667
- BoE removed \$45k for projects they are paying for with 19-20 BoE available funds
- Switched \$20k for the fire marshal's car to the CNRE fund
- The Town removed \$39.1k for the ADA connecting pathway, the underground fuel tank at the jail house and the PZC permit software which they are also paying for from 19-20 available funds
- Increased the Birch Grove non grant capital account by \$100k for project related expenses that were included in the BoE operating budget
- New total \$192,567



Future State Fiscal Year 21 - 22

Budget Area	Adopted Budget FY19-20	Adopted Budget FY20-21	Year over Year Change		FY21-22 Knowns	Expected 21 – 22 Starting Spot	
General Government (Town Operations)	\$12,126,082	\$12,372,640	\$246,558	2.03%	\$30,000	\$12,402,640	
Board of Education	\$39,975,605	\$40,017,290	\$41,685	0.10%	\$232,801	\$40,250,091	
Capital Improvements	\$121,048	\$192,567	\$71,519	59.08%	\$67,090	\$259,657	
Debt Service	\$4,550,000	\$4,600,000	\$50,000	1.10%	\$150,000	\$4,750,000	
Total	\$56,772,735	\$57,182,497	\$409,762	0.72%	\$479,891	\$57,662,388	0.8%



Mitigating 2020 – 2021

- It is imperative the town be fluid in the upcoming year, operationally and fiscally to be able to flow between an in office or work at home (WAH) model
- We need to **continue to be fiscally conservative** to ensure we are saving where possible so we adapt to any changes that may come
- We will be looking to **establish a COVID-19 fund for the Board of Education** that will house some of the savings left over from this year to help with any unexpected expenses associated with opening the schools in the fall
 - We will continue to fight at the state level to ensure any expenses that come from this new school model comes with equal funding for our students here in Tolland
- We need to be sure we have the capability to very quickly transition back to WAH model should the virus spike in the fall



Conclusion

- Passed tax relief for those impacted by COVID-19
- Adopted a zero mill rate increase
- Maintains all services as presented in the Board of Education Approved Budget and the Town Manager's Proposed Town Budget
- Accelerates the addition of a Fire Fighter / EMT from April of 2021 to January of 2021
- Utilizes higher than typical Unallocated General Fund usage to offset budgetary gap to maintain zero mill rate increase



Beyond the Budget

- Tolland is truly an amazing town
- What this virus has shown us is that despite our individual differences our residents truly care about each other
- We support our businesses
- We support our first responders
- We support our elderly
- We support our students
- We support our staff
- And we support each other



Zoom Meetings! Teacher Parades
Senior shopping hours
The Anonymous Tollander
Tolland Together Senior Center Serenade
Hearts in windows Rocks Prescription delivery CERT team
Free Zumba Streaming for Red & White Delivery
Online worship services First Responders Pet food collection
House of Worship check ins Food drive
Bus Parade Chalk the walk! **Tolland Strong**
Calls to Businesses Nearly 23k meals to children
Historical Society Quiz of the day! Cookies for Seniors
FaceTime visits with Grandparents
Restaurant Pickup & Delivery
Teddy Bear Scavenger Hunt
Library curbside pick up
Virtual Chorus and Band
Town Hall stayed open
Free Yoga Streaming

Five Truck Parade
Letters to Hero's
Volunteer bank



Questions?

