

SPECIAL MEETING MINUTES
TOLLAND TOWN COUNCIL
TOLLAND HIGH SCHOOL - AUDITORIUM
MARCH 22, 2018 - 7:00 P.M.

MEMBERS PRESENT: William Eccles, Chair; David Skoczulek, Vice-Chair; Brenda Falusi; Tammy Nuccio; John Reagan; Paul Reynolds and Christine Vincent

MEMBERS ABSENT: None.

OTHERS PRESENT: Steven Werbner, Town Manager; Walter Willett, Superintendent

1. Call to Order: William Eccles called the meeting to order at 7:00 p.m.

2. PUBLIC HEARING ITEM:

2.1 2018-2019 Budget Proposed by the Town Manager

| | | |
|---|---------------------|----------------------------|
| Town Government | \$11,916,184 | |
| Capital Improvement Reserve Fund | | \$ 61,906 |
| Board of Education | | \$39,642,607 |
| Debt Service | | <u>\$ 4,550,000</u> |
| Total Proposed Budget | | \$56,170,697 |

Mr. Werbner gave his presentation tonight with the use of a PowerPoint. The first slide was an overview of the budget and a summary of where they stand:

| | |
|----------------------|--|
| Town Government: | 1.14% increase |
| Board of Education: | .78% increase (which was the request of the BOE) |
| Total Town Revenues: | .81% increase |
| Mill Rate: | 2.49% increase |

He reviewed the seven categories of revenue, and showed a three year comparison. The categories are: property taxes, state & federal grants (losing \$303,106), licenses, permits & fees (losing \$11,300), charges for current services, investment income/other, education grants (losing \$864,389) and contribution from fund balance. He is projecting a \$1.1m dollar loss in funding.

A slide was shown outlining the property tax revenue. Every year, Tolland has had to become more self-sufficient. The state aid has been decreasing over the years.

A snap shot was shown of where Tolland has been over the last year, and what is being projected for the next fiscal year. Mr. Werbner spoke about the effects that the ECS funding has had upon Tolland. Currently, the Governor is at \$8.7m for ECS funding. Werbner has used a blended figure for ECS in the amount of \$9.3m. If Tolland receives more money from the State, he suggests that the Council hold that money for future reductions in revenue that may happen after the November elections.

Another significant potential change in state revenue is the TAR grant. Tolland is schedule to receive \$339,335 this year. The funds come in two payments. He has been told the second

payment may not be made. The State Legislature would need to find significant dollars in order for the state to release those funds.

The overall expenditure is 0.81%, with Town operation expenses increasing by 1.14% or \$134,463, the BOE increasing by 0.78% or \$308,659 and Capital Improvements by \$7,328. The tax increase necessary to support this budget is 0.86 mills or a 2.494% increase in the mill rate. The use of Fund Balance is budgeted at \$690,000, which includes the use of \$290,000 budgeted this fiscal year for Police improvements that will not be spent. This budget is heavily impacted by the potential loss of state revenue and the modest growth in the grand list.

Mr. Werbner showed 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.

A slide was shown detailing the percentage changes of mill rates and expenditures. The average, excluding revaluation years, is a 0.6 mill rate increase or a 1.78% increase in the mill rate. He showed current mill rates in surrounding towns, and mentioned that people need to realize that they need to compare apples to apples when they review them.

Discussion of expenditures occurred next. The town's operating expenses remained pretty much flat or negative. The BOE's increase over the last three years has been less than what was requested in previous years. The total operating expenditure increase is 0.87% or \$443,122.

Significant expenditures increases are:

- Increase the BOE budget by 0.78% or \$308,659, as requested in their adopted budget;
- Fund Option #1 of the Police Study prepared on behalf of the town. The total cost is \$449,430. As a future goal, Mr. Werbner is recommending the town explore the option of using part-time constables to maintain two officers on duty days / evenings. In addition, the town should continue to look at the option of contracting for police services with surrounding towns which may prove more economical in future years.
- Reduce the solid waste budget by \$23,992 based on savings negotiated. This will include adding back one free bulky waste pick-up.
- Reduce the snow and ice material based on lower price and less material used.
- Eliminate the use of contractors during snow events as well as a vacant part-time custodian. Add back a laborer for 10 months as well as add hours to an existing part-time custodian.
- Reduce the Planning & Zoning budget as well as Contingency account due to the completion of certain studies or use of other funding sources.

A slide was shown listing Departments with no significant changes to their budgets. Those included the following:

Agriculture Commission
Animal Control, Emergency Preparedness, Fire Prevention
Conservation Commission
Finance
Health
Human Services
Inland Wetlands

Library
P&Z, Building Inspection
Probate
Recreation
Senior Center
Town Council
Town Manager
WPCA
ZBA

The use of fund balance in the budget process comes up yearly. Mr. Werbner outlined some facts regarding the fund balance. It is primarily the town's emergency fund. The fund has risen over the last ten years. During that same time, Tolland's bond rating has gone from an AA- to AA to AA+ and now to an AAA. The AAA rating is the highest attainable rating and assists in obtaining lower borrowing rates of interest. The 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. He showed how the potential use of fund balance can go from \$8.1m to \$6.7m. He outlined that the town should be careful in utilizing fund balance as a mechanism to offset lost revenue without an established plan to restore fund balance to prior levels.

He believes the town should consider revising its Fund Balance policy to ensure that the overall Fund Balance stays between 10% and 17% of expenditures, and as a further goal to reach a level recommended by the Government Finance Officers Association of at least two months of operating revenue or expenditures. Should it be necessary at any time to use Fund Balance, which results in levels below 10% for either overall or unassigned Fund Balance, the Town and BOE will reduce recurring expenditures to eliminate structural deficits or increase revenues or some combination of the two. Also, any deficiencies shall be replenished in a period not to exceed five years, and the Fund Balance should not be used as a revenue source during that period of time.

The last slide showed the remaining budget schedule. The annual budget referendum will be held on May 1, 2018. If the budget does not pass on May 1st, a referendum will be held every two weeks until a budget passes. He encouraged the community to come out and vote.

3. Public Participation: None.

4. Adjournment: David Skoczulek moved to adjourn the meeting; Seconded by Brenda Falusi at 7:40 p.m. All were in favor.

William N. Eccles, Chairman

Michelle A. Finnegan
Town Council Clerk