

# **TOWN OF TOLLAND**



**FY 2017 - 2018**

**Impact of Governor's Budget on the Town  
February 16, 2017**

GRANT	CURRENT YEAR - FY 17	GOV. PROPOSED - FY 18	GOV. PROPOSED FY 18 v. FY 17	
	(\$)	(\$)	(\$)	(%)
Adult Education	8,984	8,436	- 548	- 6.1%
ECS Grant	10,699,177	5,677,712	-5,021,465	-46.9%
LoCIP	0	212,879	212,879	
Peqout-Mohegan Grant	34,843	35,163	320	0.9%
PILOT: Colleges & Hospitals	0	0	0	
PILOT: State-Owned Property	0	34,245	34,245	
Town Aid Road	338,796	338,796	0	0.0%
Grants for Municipal Projects	85,064	0	-85,064	-100.0%
MRSF Select PILOT	0	0	0	
MRSF Revenue Sharing	303,971	437,559	133,588	43.9%
MRSF Motor Vehicle	0	0	0	
Special Education (see note below)	0	2,544,025	2,544,025	
Teachers' Retirement Contribution (see note below)	0	-1,934,215	-1,934,215	
Hospital Property Tax (see note below)	0	0	0	
<b>Total</b>	<b>11,470,836</b>	<b>7,354,599</b>	<b>-4,116,236</b>	<b>-35.9%</b>

- Special Education is a new grant that incorporates the Excess Cost-Student Based funding.
- Teachers' Retirement Contribution is the municipality's contribution to funding the TRB system.
- Hospital Property Tax is revenue municipality will generate from a property tax collected on real hospital property.
- Please understand that we are still reviewing the budget documents to see exactly how these new items will be administered. We will provide full details very soon. – Connecticut Conference of Municipalities (CCM)



February 9, 2017

## Municipal Aid in Governor's Proposed FY 18 State Budget

	Current Year FY 17	Gov. Proposed FY 18	Proposed FY 18 v. FY 17 Change:	
			\$	%
Municipal Aid	3,193,898,555	2,830,948,336	(362,950,219)	-11.4%



## Governor's Proposed FY 18 State Budget: Impact on Towns and Cities

### Contents

<b>Overview .....</b>	<b>1</b>
<b>Education Aid .....</b>	<b>1</b>
Education Cost Sharing (ECS) .....	2
Special Education .....	2
Teachers' Retirement Contribution .....	4
Minimum Budget Requirement (MBR).....	4
<b>Non-Education Aid .....</b>	<b>6</b>
LoCIP.....	6
Municipal Revenue Sharing Fund.....	7
<b>Additional Programs, Funding, and Other Items.....</b>	<b>8</b>
Bond Funding .....	8
Motor Vehicle Tax Cap.....	8
Taxation of Hospital Property.....	8
Municipal Spending Cap.....	9
Municipal Accountability Review Board.....	9
Resident State Trooper .....	10
Property Assessment Ratios .....	10
Single Neutral Arbiter .....	10
Municipal Employee Retirement System.....	10
Prevailing Wage .....	10
Superintendents in Small Towns .....	10

## Overview

On February 8, 2017, the Governor proposed his FY 18 state budget. The budget calls for combined expenditures of \$20.1 billion. This equates to an increase of \$361 million (1.8%) over estimated FY 17 expenditures.

The proposal would reduce municipal aid by \$363 million (11.4%) versus FY 17.

	Current Year FY 17	Gov. Proposed FY 18	Proposed FY 18 v. FY 17 Change:	
			\$	%
<b>Municipal Aid</b>	<b>3,193,898,555</b>	<b>2,830,948,336</b>	<b>(362,950,219)</b>	<b>-11.4%</b>

## Education Aid

The budget includes education grants totaling \$2.21 billion in FY 17. Below are the proposed changes to statewide totals for major education grant programs.

Education Aid	Current Year FY 17	Gov. Proposed FY 18	Proposed FY 18 v. FY 17 Change:	
			\$	%
Adult Education	20,383,960	20,383,960	0	0.0%
After School Program	4,866,695	0	(4,866,695)	-100.0%
Bilingual Education	3,164,800	2,848,320	(316,480)	-10.0%
Education Cost Sharing	2,027,587,120	1,590,003,953	(437,583,167)	-21.6%
Excess Cost - Student Based	135,555,731	0	(135,555,731)	-100.0%
Health Serv for Pupils Private Schools	3,526,579	3,526,579	0	0.0%
Interdistrict Cooperation	6,353,391	4,000,000	(2,353,391)	-37.0%
Magnet Schools	313,058,158	313,058,158	0	0.0%
Open Choice Program	40,258,605	40,090,639	(167,966)	-0.4%
Priority School Districts	42,337,171	38,103,454	(4,233,717)	-10.0%
School Breakfast Program	2,225,669	0	(2,225,669)	-100.0%
School Readiness Quality Enhancement	4,172,930	0	(4,172,930)	-100.0%
Special Education	0	597,582,615	597,582,615	--
Teachers' Retirement Board	0	(407,643,383)	(407,643,383)	--
Vocational Agriculture	10,544,937	9,490,443	(1,054,494)	-10.0%
Young Parents Program	212,318	0	(212,318)	-100.0%
Youth Service Bureaus	2,651,516	0	(2,651,516)	-100.0%
<b>Total Education Aid</b>	<b>2,616,899,580</b>	<b>2,211,444,738</b>	<b>(405,454,842)</b>	<b>-15.5%</b>

### **Education Cost Sharing (ECS)**

The proposal makes two changes to ECS funding. First, it would remove about \$450 million from ECS and transfer those funds to a new grant for special education (more information below). The remaining \$1.6 million in ECS funding would be distributed under a new formula.

Here are the proposed changes to the new formula.

- The foundation amount would be reduced from \$11,525 to \$8,990 to reflect the elimination of the special-education component.
- The poverty measure would be changed from students eligible for free or reduced-price lunch (FRPL) to students enrolled in HUSKY A.
- The poverty weighting would go from 1.30 to 1.20.
- The wealth adjustment factor would be lowered from 1.5 to 1.24. A lower factor means a reduction in the state portion of ECS funding.
- There would be no minimum aid ratio, essentially allowing some towns to receive no ECS funding.

CCM is attempting to gather more details on the proposed formula and will update members upon receiving that information.

### **ECS for Alliance Districts**

For Alliance Districts, the Alliance portion of the FY 18 ECS grant would be the same amount as the Alliance portion from FY 17. That balance would come to the municipal side. Please note that this is different than how the grant has been distributed in the past.

Here is the language for the Alliance District portion of ECS (HB 7035, Section 5).

*"...For the fiscal year ending June 30, 2018, the Comptroller shall withhold from a town designated as an alliance district any increase in funds received in the fiscal year ending June 30, 2017, over the amount the town received for the fiscal year ending June 30, 2012, pursuant to subsection (a) of section 10-262i, as amended by this act..."*

### **Special Education**

Special education funding would be provided through a new Special Education grant, which would replace the existing Excess Cost grant. This account would be funded with the special-education portion of ECS and the Excess Cost amount.

Boards of education would apply to the State Department of Education (SDE) for the reimbursement. Towns would be reimbursed on a sliding scale from 0% to 54% based on the ranking of each town's adjusted equalized net grand list per capita.

Here is the language for the new Special Education grant (HB 7035, Section 8). Please notice the ranking method for regional school districts in subsection (c).

*“(b) Any local or regional board of education which provides special education in accordance with regulations adopted pursuant to sections 10-76a to 10-76g, inclusive, as amended by this act, for any exceptional child described in subdivision (3) of section 10-76a, shall, for each fiscal year, be reimbursed for a percentage of its net cost of special education, as defined in section 10-76f, for the preceding fiscal year. Such percentage shall be determined in accordance with the provisions of subsection (c) of this section. A local or regional board of education may apply for such reimbursement on or before September first for costs incurred during the prior fiscal year based upon data included in the returns submitted to the Commissioner of Education pursuant to section 10-227. Any audited data shall be submitted to the commissioner on or before December thirty-first. Payments pursuant to this section for each estimated total grant of five hundred thousand dollars or more shall be made as follows: Fifty per cent of the grant entitlement based on costs submitted on or before September first shall be paid in October. The adjusted balance based on audited data submitted on or before December thirty-first shall be paid in April. Payments pursuant to this section for each estimated grant of less than five hundred thousand dollars shall be made in a single installment in April based on audited data submitted on or before December thirty-first.*

*(c) (1) The reimbursement percentage for the net cost of special education for a local board of education shall be determined by (A) ranking each town in the state in descending order from one to one hundred sixty-nine according to such town's adjusted equalized net grand list per capita, as defined in section 10-261, and (B) based upon such ranking, and notwithstanding the provisions of section 2-32a, a percentage of not less than zero nor more than fifty-three and ninety-three one-hundredths shall be determined for each town on a continuous scale. (2) The reimbursement percentage for the net cost of special education for a regional board of education shall be determined by its ranking. Such ranking shall be determined by (A) multiplying the total population, as defined in section 10-261, of each town in the regional school district by such town's ranking, as determined pursuant to subdivision (1) of this subsection, (B) adding together the figures for each town determined under subparagraph (A) of this subdivision, and (C) dividing the total computed under subparagraph (B) of this subdivision by the total population of all towns in the regional school district. The ranking of each regional board of education shall be rounded to the next higher whole number and each such board shall receive the same reimbursement percentage as would a town with the same rank...”*

Boards of education would be required to bill for special-education services provided to Medicaid-eligible children. They would receive half of the federal reimbursement from billing for these services.

### **Teachers' Retirement Contribution**

The Governor has called for towns and cities to contribute to teachers' pension costs. The contribution would be one-third of the employer share of the cost (10 percent of the total pension cost). This amount was included in our calculations of municipal aid because it is essentially a reduction in aid.

Each municipality would have to remit the required amount to the state by December 31 each fiscal year.

Here is the language for the pension contribution (HB 7050, Section 27).

*"...(a) Each municipality shall annually reimburse the state for a portion of the state's contributions to the teachers' retirement system made pursuant to section 10-183z of the general statutes. Such reimbursement payment shall be made not later than December thirty-first of each fiscal year..."*

The bill then lists the amounts by town, which are the amounts there were provided to towns on February 8. CCM is attempting to get more details on the contribution calculations used for each town.

If a municipality fails to make the payment within thirty days of when the payment is due, a five-percent penalty will be added to the total amount due. For any municipality that defaults on the payment, the state shall withhold payment of any municipal aid up to the amount of such obligation.

### **Minimum Budget Requirement (MBR)**

The Governor is also proposing changes to the MBR for FY 18.

- For a municipality receiving an increase in state education aid, the FY 18 MBR would be the same as the FY 17 amount.
- For a municipality seeing a decrease in ECS funding, the MBR would be reduced by the difference between its FY 18 ECS grant and its adjusted FY 17 grant.
- A municipality's contribution to teachers' pensions would not count towards its MBR.
- Towns that fail to meet MBR due to financial hardship would be able to apply to the State Board of Education for a waiver from statutory penalties.



The following provisions of the MBR remain in place under the Governor's proposal.

- Any district that does not maintain a high school and pays tuition to another school district and a student population attending high school as of the October 1 count two years prior that is less than the count for October 1 three years prior, may reduce its budgeted appropriation by such difference multiplied by the amount of tuition paid per student.
- Any district that demonstrates new savings through increase district efficiencies or through regional collaboration may reduce its budgeted appropriation for education up to a one-half percent (0.5%). The savings would have to be approved by the Commission of Education.
- Any district closing a school can reduce its MBR, with approval of the Commissioner of SDE.

These provisions appear to apply to all districts, including Alliance Districts, in FY 18.

One issue that does not seem to be addressed is what happens to towns that receive no ECS funding under the proposal and do not meet the MBR. Current law outlines a penalty of two times the amount of the MBR shortfall. The penalty is taken from the ECS grant two fiscal years after the failure to meet MBR. If the town does not get an ECS grant, it is unclear how the penalty would apply.

## Non-Education Aid

Non-education grants would total \$619.5 million in FY 17. Below are changes to statewide totals for major non-education grant programs.

Non-Education Aid	Current Year FY 17	Gov. Proposed FY 18	Proposed FY 18 v. FY 17 Change:	
			\$	%
Community Services	70,742	0	(70,742)	-100.0%
DOH Tax Abatement	1,078,993	0	(1,078,993)	-100.0%
Distressed Municipalities	5,423,986	5,423,986	0	0.0%
Housing/Homeless Services	592,893	586,965	(5,928)	-1.0%
Human Resource Devel.- Hispanic Prog.	4,719	0	(4,719)	-100.0%
Local Capital Improvement Program	0	90,000,000	90,000,000	--
Local & District Departments of Health	4,083,916	3,684,078	(399,838)	-9.8%
Grants for Municipal Projects	60,000,000	0	(60,000,000)	-100.0%
MRSF Motor Vehicle Property Tax	0	77,969,733	77,969,733	--
MRSF Revenue Sharing	127,851,808	123,767,688	(4,084,120)	-3.2%
MRSF Select PILOT	44,101,081	46,101,081	2,000,000	4.5%
Pequot-Mohegan Fund	58,076,612	58,076,612	0	0.0%
PILOT: Colleges & Hospitals	114,950,770	59,122,160	(55,828,610)	-48.6%
PILOT: State-Owned Property	66,730,441	66,730,441	0	0.0%
Property Tax Relief Elderly Circuit Breaker	19,176,502	14,474,502	(4,702,000)	-24.5%
Property Tax Relief Elderly Freeze Program	112,221	65,000	(47,221)	-42.1%
Property Tax Relief for Veterans	2,777,546	2,777,546	0	0.0%
Property Tax-Disability Exemption	374,065	374,065	0	0.0%
School Based Health Clinics	11,280,633	10,152,570	(1,128,063)	-10.0%
Teen Pregnancy Prevention	114,876	0	(114,876)	-100.0%
Town Aid Road	60,000,000	60,000,000	0	0.0%
Venereal Disease Control	197,171	197,171	0	0.0%
<b>Total Non-Education Aid</b>	<b>576,998,975</b>	<b>619,503,598</b>	<b>42,504,623</b>	<b>7.4%</b>

### LoCIP

The budget provides \$90 million in LoCIP funding. That total includes \$55 million in new entitlements for towns and cities in FY 18. The remaining \$35 million will be used to raise the bonding cap for the program and fund some projects already approved.

## **Municipal Revenue Sharing Fund**

For FY 18, the budget continues the Municipal Revenue Sharing Fund (MRSF). This is funded through an appropriation from the General Fund and will be used to pay a series of grants.

The order of distribution is as follows in FY 18.

1. Motor vehicle cap reimbursement
2. Grants payable through the Select PILOT Account
3. Sales tax revenue sharing grants
4. \$7 million for regional services grants to COGs

### **Motor Vehicle Property Tax Grants**

OPM will distribute motor vehicle property tax grants as reimbursement to municipalities and special taxing districts for revenue lost due to the MVMR cap. The grant amount will be the difference between the property taxes a municipality and any special taxing district levied on motor vehicles in the 2013 assessment year and the amount of the levy for that year had the rate been set at the cap (32.00 mills for FY 18).

Payment is to be made by August 1 each fiscal year.

Municipalities must distribute any district portion of the grant to the district within 15 days of receipt.

### **Municipal Revenue Sharing Grants**

The budget provides \$123.8 million in revenue-sharing grants to municipalities. This can be considered general revenue.

Payments are to be made by October 31.

### **Regional Services Grants**

Beginning in FY 18, COGs will have to submit a spending plan for the funding to OPM in order to receive a grant.

COGs must use the grants for planning purposes and to achieve efficiencies in delivering municipal services on a regional basis. A COG's members must unanimously approve any grant expenditure.

COGs are also required, beginning by October 1, 2017, to provide a biennial report to the Planning and Development and Finance, Revenue, and Bonding committees. The report must outline how they have spent the funds and recommendations for modifying them.

## **Additional Programs, Funding, and Other Items**

Below are additional items in the FY 18 budget that impact towns and cities.

### **Bond Funding**

The following are some of the Governor's recommended bond authorizations for FY 18.

- STEAP grants: No funding
- Urban Act: \$50 million
- Responsible Growth Incentive Fund: \$5 million
- Transit-oriented development and predevelopment activities: \$8 million
- Grants for building improvements for Alliance Districts: \$30 million
- School construction: \$603 million
- Clean Water Fund revenue bonds: \$203.3 million
- Flood control improvements, erosion repairs, and municipal dam repairs: \$5 million
- Connecticut bikeway, pedestrian walkway, recreational trail, and greenway grant program: \$5 million
- Brownfield remediation and revitalization program: \$20 million
- Grants-in-aid to municipalities for improvements to incinerators and landfills: \$2.9 million
- Grants-in-aid to assist targeted local and regional school districts for alterations, repairs, improvements, technology, and equipment in low-performing schools: \$10 million

### **Motor Vehicle Tax Cap**

As mentioned above, the motor vehicle mill rate (MVMR) would still be capped at 32 mills under the Governor's proposal. Any municipality or district may establish a mill rate for motor vehicles that is different from its mill rate for real property.

Special taxing districts and boroughs may not impose a mill rate that, when combined with the municipality's MVMR, would exceed the cap. Municipalities with more than one taxing district are allowed to set a uniform MVMR across the entire municipality.

### **Taxation of Hospital Property**

The Governor has proposed allowing towns and cities to tax the real property of hospitals. This taxing authority would result in the elimination of the portion of PILOT: Colleges & Hospitals attributable to hospitals. The change would apply starting with October 1, 2016, grant lists.

## **Municipal Spending Cap**

The Governor's proposal eliminates the municipal spending cap.

## **Municipal Accountability Review Board**

The Governor is proposing a new system of accountability under which some municipalities would be subject to increasing levels of state review and intervention based on fiscal conditions. Most communities would not be impacted.

The system uses tiers to determine fiscal stress in towns and cities. The criteria used to determine a given community's placement include fund balance, credit rating, and level of municipal aid.

Tier I communities would require minimal reporting. The higher tiers would cap local grand levy growth at three percent and require increased reporting. Additional accountability in Tier II and Tier III include some level of oversight functions carried out by a newly formed Municipal Accountability Review Board (MARB).

Based on a request by a local government or a super-majority of the MARB, a community can be placed in Tier IV. Under Tier IV, the MARB may:

- approve debt restructuring and deficit financing using the State's Capital Reserve Fund (SCRF) to enhance a municipality's credit;
- serve as an arbitration panel;
- approve budget assumptions; or
- appoint a fiscal manager to oversee municipal operations.

Composition of the MARB would be as follows.

- Secretary of OPM, or designee, and the State Treasurer, or designee, will each serve as co-chairs.
- The Governor will appoint four members: one resident and one affiliated with a business of a Tier 2, 3, or 4 municipality; one with finance expertise; and one current or former municipal chief executive or financial officer. Additional appointees are permitted if more than two municipalities fall into Tier 3 and 4.
- Each municipality referred to the board will appoint three representatives: the local chief elected official; a labor organization representative; and a member recommended by regional COG and appointed by the Governor.

CCM will provide more details on the proposed MARB in the near future.

### **Resident State Trooper**

Under the budget, towns would be responsible for 100 percent of costs associated with the Resident State Trooper program. There would be an additional \$750 surcharge for each constable supervised by a trooper.

### **Property Assessment Ratios**

The proposal would allow towns the option of having different assessment ratios for different property classifications. All property is currently assessed at 70 percent of market value.

### **Single Neutral Arbiter**

The Governor's proposal provides for the random selection of neutral arbitrators and the use of a single neutral through an agreement of the parties in the binding arbitration process.

### **Municipal Employee Retirement System**

The Governor has called for allowing towns to negotiate employee contributions under the Municipal Employee Retirement System (MERS).

### **Prevailing Wage**

The Governor is proposing to increase the prevailing wage threshold to \$1 million for new construction and \$500,000 for remodeling projects.

### **Superintendents in Small Towns**

The proposal would allow small school districts to eliminate the requirement for a superintendent. A small school district is defined as a town with greater than 6,000 resident or 500 students. It would also remove the three-year limitation on superintendent contracts.

##

If you have any questions, please contact George Rafael at [grafael@ccm-ct.org](mailto:grafael@ccm-ct.org) or 203-498-3063.

## **OTHER IMPACTS**

The change in the State imposed motor vehicle cap going from 37 mills to 32 mills is a loss to Tolland of \$200,000.

We are not being reimbursed for this loss like some other Towns due to the base year the State used for the calculation. Efforts to correct this with new legislation were not successful.

The State is again considering exempting from taxation all personal property with a value under \$10,000. This would result in a loss of revenue of approximately \$43,928. That amount is not factored into our mill rate calculation.

Impact of reduced assessments associated with crumbling foundations is a loss at current count of \$95,000.

## **BUDGET SCENARIO PRIOR TO GOVERNOR'S BUDGET**

Zero percent expenditure budget for Town and 2.14% increase for BOE and ECS at current amount – **0.45 mill or 1.316% increase**



## **HYPOTHETICAL BUDGET SCENARIOS BASED ON GOVERNOR'S BUDGET**

- A. Zero percent expenditure budget, except for new cost of Teacher Pension and reduced ECS – **6.10 mills or 17.84% increase**
- B. Zero percent expenditure budget with no Teacher Pension cost and reduced ECS – **4.38 mills or 12.81% increase**
- C. Expenditure increase at 2.14% for BOE and .66% for the Town with Teacher Pension cost and reduced ECS – **7.00 mills or 20.47% increase**
- D. Expenditure increase for Town and BOE as shown in (C) above with no Teacher Pension cost and reduced ECS – **5.28 mills or 15.44% increase**

## **CURRENT BUDGET RECOMMENDATIONS BASED** **ON GOVERNOR'S BUDGET**

- A. Expenditure reductions of -.91% or 1.2 million dollars for BOE and -2.89% for the Town with Teacher Pension Cost and reduced ECS – **5.56 mills or 16.26% increase**
- B. Expenditure reductions of -.91% for BOE and -2.89% for the Town without Teacher Pension Cost and reduced ECS – **3.84 mills or 11.23% increase**

The reduction in the Board of Education is offset by a change in Special Education funding in an amount equal to the 1.2 million dollar reduction.



53 River Street  
Suite 1  
Milford, CT 06460

Date: February 16, 2017  
To: Steven Werbner, Town Manager  
From: Barry Bernabe, Managing Director, Phoenix Advisors (Municipal Advisor)  
Subject: State Budget Cuts and Use of Fund Balance

The town is currently rated AAA by both Standard & Poor's and Fitch Ratings. These ratings are the highest possible and allow the town to issue bonds for capital projects at the lowest rate possible. A number of different metrics including prudent levels of financial reserves, are reviewed to determine the community's bond rating. Historically the town of Tolland has shown the fiscal discipline to maintain healthy fund balance levels.

The Governor's proposed two-year budget includes pushing a third of the cost of funding teacher's pensions to cities and towns. If the Town were to drawdown fund balance of \$1.9 million to fund this cost, it would decrease the town's unassigned fund balance from about \$7.1 million to approximately \$5.2 million – or 27% decrease. I feel this sizable decrease in reserve levels would cause the town to be downgraded. The State of Connecticut was recently downgraded and remains on negative outlook

A downgrade in the town's rating from AAA to AA would add hundreds of thousands of dollars in higher borrowing costs for the town's future capital needs. Even if the town were to use the \$1.9 million to balance next year's budget – what about the following years? Using fund balance does not fix the problem, it simply creates an "structurally unbalanced budget".

# TOWN OF TOLLAND

## PERCENTAGES CHANGES OF MILL RATES AND EXPENDITURES

						Revaluation year					Revaluation year
<i>Revenues</i>	2006-2007 Budget	2007-2008 Budget	2008-2009 Budget	2009-2010 Budget	2010-2011 Budget	2011-2012 Budget	2012-2013 Budget	2013-2014 Budget	2014-2015 Budget	2015-2016 Budget	2016-2017 Budget
Mill Rate	28.39	28.39	29.51	29.49	29.15	29.73	29.99	30.19	31.05	33.36	34.19
Expenditures % change from prior year	5.30%	0.00	5.27%	-0.87%	0.96%	2.25%	1.85%	0.94%	2.57%	2.68%	2.21%
Mill Rate Increases		0.00	1.12	-0.02	-0.34	0.58	0.26	0.20	0.86	2.31	0.83
Mill Rate % change from prior year		0.00%	3.95%	-0.07%	-1.15%	1.99%	0.87%	0.67%	2.85%	7.44%	2.49%

# **BUDGET REDUCTIONS**

- Reduce the request of the Board of Education by \$842,012 or a 0% increase. The budget submitted by the Board of Education for a 2.14% increase does not take into consideration the need to possibly budget for Teachers' pensions in the amount of 1.9 million dollars or the substantial loss in ECS funds. Should at some point in the future the State Legislature reverse to some extent the reductions in education revenue recommended by the Governor, I would recommend that the Town Council and Board of Education meet to best determine how any additional funds could be reallocated to possibly reinstate lost programs or positions.
- Adjust the current weekly collection of recyclables from every week to every other week offering residents either an upgrade to a 95 gallon container or a second 95 gallon container for recyclables. The savings is \$104,832 spread over two fiscal years or a yearly impact of \$52,416. In addition I am recommending we eliminate the two Town sponsored bulky waste pickups at a savings of \$49,000.

## **BUDGET REDUCTIONS, continued**

- Reduce by two our current compliment of Resident Troopers from 4 to 2. The Governor's recommended budget places 100% of the cost for Resident Troopers on the Town whereas in previous years the State assumed some of the cost recognizing that at times the Troopers assigned to Tolland are required to perform non-Tolland functions or be available to Tolland due to State mandated training requirements. The additional cost to assume 100% of salary would be \$62,000. Currently we pay between \$155,398 to \$207,683 for a Resident Trooper. The savings is \$256,956. I am recommending that \$35,000 be used to hire, from current year available funds, a consulting firm specializing in police services to work with a Study Committee appointed by the Town Council to consider future options for providing police services to the Town. While I am a strong supporter of the Resident Trooper Program, the costs which the State is requiring Towns to assume such as a portion of the State Police pension that was underfunded for years makes this program financially not sustainable in the future.
- Eliminate the currently vacant position of Assistant Director of Public Safety at a savings of \$73,392 and an additional savings of \$70,000 in the Capital Budget as a result of the elimination of a vehicle and associated equipment for the position. A portion of the savings has been set aside in this year's budget for administrative changes which will be made in the department following completion of union negotiations.

## **BUDGET REDUCTIONS, continued**

- Eliminate secretarial assistance for the following Commissions at a savings of \$3,300:
  - Blight Review Committee
  - Conservation Commission
  - Design Advisory Board
  - Economic Development Commission
  - Tolland Green Historic District Commission
  
- Eliminate Videostreaming of Town Council meetings at a savings of \$1,251. Currently less than an average of 20 people per meeting take advantage of this service.
  
- Eliminate funds for Celebrate Tolland at a savings of \$6,000. It may be possible to seek corporate funding to allow this program to continue.
  
- Perform the State mandated revaluation required in 2019 in-house which will save the Town between \$60,000 to \$125,000 depending on final consultant figures. The money we have already budgeted is sufficient to cover the Town's estimated expense of \$132,000. For this work, therefore, allows me to eliminate a phased in payment of \$41,000. The ability to perform an in-house revaluation as we did several years ago and are proposing for the next one is based on the knowledge and experience of our current Assessor and his willingness to dedicate the time to perform this function in addition to his normal requirements.

## **SIGNIFICANT ADDITIONS TO THE BUDGET**

- A. \$20,000 for Economic Development consulting services
- B. \$20,000 to increase the stipend for volunteer firefighters which has not been increased for over six years
- C. \$19,000 to begin the Plan of Conservation and Development



<b>Mandated Programs:</b>		
<b>Department</b>	<b>Program</b>	<b>Cost</b>
<b>Assessor</b>	Generate Grand List	172,818
	Assessment Appeals	13,832
	Exemptions-Veterans/Homeowners/Freeze	79,647
	Revaluation - full measure/list includes 1/5 of reval cost	72,966
<b>Finance</b>	General Accounting/Audit	213,665
	Accounts Payable/Purchasing	46,443
	Payroll	27,241
	Capital & Town Budget	83,592
	Debt Management	18,406
<b>Tax Office</b>	Tax Collection	164,980
	Billing & Collection of Utility Assessments	17,525
<b>Town Clerk</b>	Record Land Records & Maps	105,404
	Elections & Referenda	14,930
	Vital Records/Registrar of Vital Records	16,230
	Issue Dog Licenses	9,375
<b>Planning</b>	Agricultural Commission	3,717
	Conservation Commission	19,101
	Zoning Board of Appeals	17,224
	Inlands Wetlands Commission	38,380
	Planning & Zoning Commission (includes DAB; Aquifer Protection Agency role and Floodplain Manage	76,552
	Water Commission	2,399
	WPCA	6,549
	Public Health Services	96,031
	Noise Ordinance Enforcement	283
	Bahler & Campbell Farm	165
<b>Building Department</b>	Building Inspections	160,594
<b>Highway</b>	Snow Removal	831,989
<b>Parks and Facilities</b>	Snow Removal	254,374
<b>Refuse/Recycling Program</b>	Household Waste Removal	1,013,343
<b>Law Enforcement</b>	Waste & Recycling calls	1,802
<b>Law Enforcement</b>	State trooper program and administration	681,743
<b>Law Enforcement</b>	Pistol Permits	32,720
<b>Fire</b>	Fire Suppression	754,838
<b>Ambulance</b>	Emergency Medical, ambulance and fire suppression assistance	462,176
<b>Fire Prevention</b>	Fire Marshal	125,945
<b>Animal Control</b>	Animal Control	70,086
<b>Emergency Preparedness</b>	Disaster Management	10,754
<b>Town Manager (with Econ Dev.)</b>	Town Management	159,643
	Community Relations	31,044
	Town Council Services	98,719
	Financial Management	63,635
<b>Human Resources</b>	Recruitment/Selection	23,869
	Risk Management	445,585
	Benefit Administration	21,262
	Classification/Compensation	2,240
	Employee Relations	26,275
<b>Voters</b>	Elections	65,070
<b>Probate</b>	Mandated court	12,245
<b>Contingency, Tax Refunds, etc</b>	Contingency, Various committees, prior year tax refunds	61,600
	Contingency for payroll misc and separation payments etc	47,784
	<b>Grand Total</b>	<b>6,776,790</b>

Non-mandated - Priority 1		
Department	Program	Cost
Assessor	Building Permits/Personal Property/Field Work	66,214
Finance	Information Technology Services/Equipment	162,958
	Administration & Central Office Services (copiers, postage, printer maintenance, other general Admin)	81,001
	Cash Management	29,551
Tax Office	Housing Rehab Loan Program/billing & Collections	7,578
	Tolland Non-Profit Housing Authority - Billing and Collection of Rent	3,839
Town Clerk	Other Services - notary, bond docs, etc	38,325
Planning	Counter and Customer Service	35,361
Library	Administration - Planning, scheduling, budgeting, organizing, publicity, meeting with support groups	80,543
	Adult Collection - Ordering, receiving, maintaining, weeding of books, films, music, audiobooks	33,311
	Adult programs - Obtaining speakers, scheduling, publicity, setting up and cleaning up the venue, leading book dis	12,226
	Young Adult Collection - Ordering, receiving, maintaining, weeding	11,838
	Young Adult Programs - Scheduling, publicity, setting up and cleaning up,	7,010
	Children's Collection - Ordering, receiving, maintaining, weeding	25,206
	Children's Programs - Story hours, obtaining performers, scheduliung , publicity, setting up, cleaning up	21,406
	Circulation - Checking in and checking out library materials, registering patrons, collecting fines,	238,608
	Reference - Maintaining a reference collection, maintaining local history materials, answering	20,536
Building Department	Blight Enforcement	18,431
Recreation	Recreation Administration and utility share	135,153
Fire	Explorer Program	1,400
	CERT	4,500
Human Services	Administration	73,364
	Special Project Management	83,028
	Entitlement and Supportive Programs	48,945
	Mental health Services Case Management	38,426
	Human Services Elderly Case Management	60,512
	HS Youth Services Prevention and Youth Development Programs	29,771
	HS Youth Services Budget Grants and Other Admin	7,061
	HS Food Pantry	14,330
	HS housing rehab loan program	4,242
	Hockanum Valley Dial-a-Ride	55,853
Senior Center Services	Senior Center	81,100
Highway	Drainage/Paving	805,790
	Equipment Repair	379,967
	Outside Services	238,644
Parks and Facilities	Equipment Repair	198,489
	Outside Services	190,252
	Public Facilities	319,268
Town Manager (with Econ Dev.)	Intergovernmental Relations	6,617
	Project Admin/Oversight	41,238
Human Resources	Website and Other	57,365
	Training and Development	1,898
Engineering	Contracted out Engineering Services and supplies etc	36,300
Sewer Fund Contribution	WPCA Funding	15,000
Bulky Waste	Two free Town residential bulky waste pickup program	45,109
	Grand Total	3,867,566

<b>Non-mandated Priority 2</b>		
<b>Department</b>	<b>Program</b>	<b>Cost</b>
<b>Assessor</b>	Personal Property Audits	5,000
<b>Tax Office</b>	General Office Functions	18,694
<b>Town Clerk</b>	Sports Licenses	1,490
<b>Planning</b>	Dept Management/Administration	14,948
<b>Library</b>	Cataloging - Categorizing incoming materials so that they can be found in the catalog, processing mat	25,254
	Technical services - Technology upkeep, trouble shooting with circulation system, PACs, printers	19,932
	Subscription services - Selecting, ordering, receiving, processing, cataloging magazines and newspaper	31,043
	Bibliographic instruction - Teaching patrons how to use data bases, computer, e-readers	488
	Outreach - Visits to day care centers, to the disabled	3,505
	Databases - Reference and consumer online information -DB funded by Library Association (\$5000)	977
<b>Recreation</b>	Crandall Lodge	11,395
<b>Law Enforcement</b>	Police Explorers	22,520
	Speed Enforcement	15,027
<b>Highway</b>	General PW Maintenance	211,397
<b>Parks and Facilities</b>	Fields and Grounds	526,143
	General PW Maintenance	192,266
		<b>1,100,079</b>

<b>Non-mandated Priority 3</b>		
<b>Department</b>	<b>Program</b>	<b>Cost</b>
<b>Planning</b>	Misc. Engineering Review	3,087
<b>Recreation</b>	Turf Field	10,255
<b>Law Enforcement</b>	Community Based Program	6,726
		<b>20,068</b>

<b>Non-mandated Priority 4</b>		
<b>Department</b>	<b>Program</b>	<b>Cost</b>
<b>Planning</b>	Transportation Projects	5,846
<b>Recreation</b>	Celebrate Tolland	7,140
<b>Planning (other priorities in order)</b>	Special Projects	12,104
	GIS	11,112
	Communications, eblasts, web	5,340
	Regulation updates	6,681
	Grant Writing & Administration	3,673
	Economic Development (only staff time from Planning Dept included here - not Commission administr	4,891
	Staff Professional Development and Training; Staff Dues and Membership	4,809
	Misc Meetings	1,252
	Blight	2,254
<b>Senior Center Services</b>	Visiting Nurses	7,000
		<b>72,102</b>

# Comments to Town Manager's Budget Message

NAME	TAX INCREASE	NO TAX INCREASE	COMMENTS
Resident 1		X	Senior Citizen – Cut Cost
Resident 2		X	Spending reduction
Resident 3		X	Increase business growth
Resident 4		X	Reduce Town expenditures
Resident 5		X	Level the playing field
Resident 6		X	Halt Bonding
Resident 7			Are comments public?
Resident 8	X		Any funds back cut taxes
Resident 9		X	Serious cuts, reduce staff
Resident 10	X		Absorb budget reductions
Resident 11	X		Single mom – would strain budget
Resident 12		X	Live within our means
Resident 13		X	Reductions in expenditures
Resident 14		X	Residents pay for own garbage
Resident 15	X		Maintain services & education
Resident 16		X	Offered ideas to save money
Resident 17		X	Offered ideas to save money
Resident 18		X	Cuts across the board
Resident 19	X		Ask Mark DePecol to reconsider
Resident 20	X		No reduction Town/BOE services
Resident 21		X	Slash spending
Resident 22		X	Reduce BOE services
Resident 23			No cuts to BOE budget
Resident 24	X		Supports BOE recommendations
Resident 25	X		Supports BOE recommendations
Resident 26	X		Supports BOE budget
Resident 27	X		Supports BOE budget
Resident 28	X		Supports BOE budget



# Remaining Budget Schedule

February 16, 2017 (Thursday)	Capital Budget Public Hearing – Council Chambers – 7:30 p.m.
February 28, 2017 (Tuesday)	Manager convenes joint meeting between Council and Board of Education (by April 11 per Charter requirement) – Council Chambers – 7:00 p.m.
March 8, 2017 (Wednesday)	Manager submits Budget to Council (by March 27 per Charter requirement)
March 9, 2017 (Thursday)	Advertise Public Hearing
March 9, 2017 (Thursday)	Mgr. discusses Budget w/Council – Council Chambers – 7:00 p.m.
March 15, 2017 (Wednesday)	Mgr. discusses Budget w/Council – Council Chambers – 7:00 p.m.
March 16, 2017 (Thursday)	Mgr. discusses Budget w/Council – Council Chambers – 7:00 p.m.
March 23, 2017 (Thursday)	<b><u>PUBLIC HEARING</u></b> on Manager's Recommended Budget: Board of Education, Town Government, Capital Improvement Plan – Tolland High School Auditorium – 7:30 p.m.
March 30, 2017 (Thursday)	Council Discussion – Budget finalized – Council Chambers – 7:30 p.m.
April 6, 2017 (Thursday)	Advertise Budget
April 20, 2017 (Thursday)	<b><u>ANNUAL BUDGET PRESENTATION MEETING</u></b> – Tolland High School Auditorium – 7:30 p.m.
April 24, 2017 (Monday)	Budget Presentation – Senior Center – 12:30 p.m.
May 2, 2017 (Tuesday)	Annual Budget Referendum
By May 9, 2017 (Tuesday)	Council to establish mill rate upon referendum adoption