

# **TOWN OF TOLLAND**



**Town Council's Budget Presentation**

**October 12, 2017**

**Senior Center - 12:30 PM**

**Tolland High School - 7:30 PM**

**FY 2017-2018**

1. The Governor's Compromise Budget issued on September 8, 2017 reduced our ECS funding by the current level of \$10,784,974 to \$8,818,609 in FY 17-18 and to \$7,398,969 in FY 18-19.

**The lack of a State Budget and the proposed reallocation of ECS greatly impacts Tolland.**

2. The budget prepared by the Town Manager in March reduced Town expenditures by \$343,291. This is a 2.89% reduction in overall spending of the Town operating budget. The following expenditure reductions have been approved by the Town Council:

- Adjust the currently 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 Town sponsored bulky waste pickups that is scheduled for May at a savings of approximately \$24,000.
- 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. A consulting firm specializing in police services is in the process of being hired to consider future options for providing police services to the Town.

- 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.
- 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. The Department has been able to get 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. This work, therefore, allows the Town 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.

3. The Town Council budget reduced the BOE by \$993,340 from their 2016/17 expenditure levels. This is a -2.53% decrease. The expenditure level included in the Council budget for the BOE is \$38,340,608.

The Governor's Compromise Budget proposes that Towns assume the normal cost of Teacher Pensions which for Tolland is \$435,915 in FY 17-18 and \$900,165 in FY 18-19. The increased cost of this proposed expenditure is assessed against the mill rate in the Councils proposed budget and it is recommended that starting next year the full cost be phased into the BOE budget over five years.

4. The Town Council budget contains no increase in General Fund dollars for capital improvements.

5. Based on this Council proposed budget an increase of .86 mills or 2.52% is required.

	2014 Assessment	Market Value	Taxes at 34.19 FY 16-17	Taxes at 35.05 FY 17-18	Difference
Low	\$117,093	\$167,276	\$4,003	\$4,104	\$101
Medium	\$188,285	\$268,979	\$6,437	\$6,599	\$162
High	\$360,369	\$514,813	\$12,321	\$12,631	\$310

It is important to point out that the fiscal concerns we are feeling today carryover into the next fiscal year and beyond. One time use of reserve funds and continued erosion of grant sources along with reasonable expenditure increases may cause higher than normal mill rate increases in subsequent fiscal years. Projections are for a similar sized State deficit to the one we are currently dealing with in FY 19-20. The Town Council has asked the administration to prepare a hypothetical budget for FY 18-19 using revenue and expenditure numbers in the second year of the Governor's Compromise Budget and further assume no increase in Town expenditures over FY 17-18 levels and a reduction to the FY 17-18 levels of the BOE in the amount of \$180,033 which is the first year cost of a five year phase in of the normal cost of teacher pensions. The remainder of the cost (\$720,132) would be assessed against the mill rate. Utilizing \$1,075,000 of the fund balance this would result in a mill rate increase of 0.86 mills or 2.52%.

6. If the State budget, when approved, provides us with less revenue than budgeted then the difference would come from decreased BOE and Town expenditures on an 80/20% basis. Again this is the initial position of the Town Council which can be amended by future Town Council action.



7. If the Council budget is adopted and then the State budget, when approved, provides us with more revenue than anticipated the following is the initial priority order of the Council, which can be amended by future Council action, in utilizing excess funds:

- ✓ The money taken from the General Fund-fund balance shall be replenished.
- ✓ Up to 50% of the remainder shall be set aside as reserved for tax relief in FY 18/19, 19/20, and 20/21 in equal amounts.
- ✓ The remaining additional funds shall be allocated to the BOE and Town on an 80/20% basis capped at the BOE original request amount and the amount of expenditure reductions of the Town as recommended by the Town Manager.

8. The proposed mill rate increase of 0.86 mills is slightly higher than the average mill rate increase over the last ten years. The average has been 0.58 mills. This increase is understandable in this budget year and perhaps the next. However, it must be recognized that taxes are a major issue to a large number of residents and if we want to remain competitive with other towns in the regions for real estate, both residential and commercial, we must be mindful of our mill rate in addition to the services offered by the Town and Board of Education. We recognize keeping the mill rate to the historic average will be difficult based on possible continued loss of state funds, increased expenditure needs, health insurance trends based on current experience that are in double digit range, committed to collective bargaining agreements and unknowns regarding utilities, but the current and future BOE and Town Councils should consider this as a stated goal.

### **Comparison of Mill Rates**

Vernon – 38.03	Mansfield – 29.87
Bolton – 37.50	Avon – 29.52
Tolland – 34.19	Suffield – 28.20
Coventry – 31.20	Willington – 27.73
Colchester – 30.91	Columbia – 27.44
Ellington – 30.50	Farmington – 25.78

## **BUDGET SCHEDULE – 2017 – 2018**

### **TARGETED TIMELINES**

October 12, 2017 (Thursday)    Budget Presentation – Senior Center – 12:30 PM

October 12, 2017 (Thursday)    **BUDGET PRESENTATION** – **THS Auditorium** –  
7:30 PM – BOE is provided an opportunity to present a  
revised adopted budget based on funding approved by  
Town Council and other line item updates

October 30, 2017 (Monday)    Budget Referendum