Town Council
Budget Policy Statement
FY 2020/2021

1. No use of Fund Balance
2. Continue efforts to achieve AAA credit rating
3. Consistent staffing levels
4. Support efforts for public health, safety and welfare for all residents
5. Support infrastructure projects
6. Support contractual educational requirements and meet increased enrollment needs
7. Support Capital Project Committee’s long-term Capital Improvement Plan
8. Conservatively estimate state revenues to prevent shortfalls.
9. Support technological investments when they result in efficiencies and enhancement to public services
Manager Proposed Budget

Expenditures by Major Function
Total Proposed: $127,098,183

- Town Operating, $37,184,593
- Board of Education, $77,427,907
- Capital, $2,784,143
- Debt, $9,701,540
Proposed Expenditure Changes

**Town Operations**
- Requested Budget: $38,294,031
- Town Manager Adjustments: ($1,109,438)
- Manager Proposed Budget: $37,184,593

**Debt**
- Requested Budget: $3,228,386
- Town Manager Adjustments: $86,118
- Manager Proposed Budget: $3,314,504

**Capital**
- Requested Budget: $2,784,143
- Manager Proposed Budget: $2,784,143

**Education**
- Requested Budget: $77,427,907
- Manager Proposed Budget: $77,427,907
Manager Proposed Budget

Expenditures by Department
Total Proposed: $127,098,183

- General Government, $4,464,302
- Public Safety, $10,150,140
- Public Works, $8,978,653
- Cultural & Leisure, $3,505,743
- Human Services, $1,214,472
- Unclassified, $8,871,283
- Debt Service, $9,701,540
- Capital Improvements, $2,784,143
- Board of Education, $77,427,907
Budget Allocation
2011 vs. 2021

2011 (Approved) vs. 2020-2021 Proposed:
- Education: 65.9% vs. 60.9%
- Town Operations: 27.5% vs. 29.3%
- Debt, Capital & Transfers: 6.6% vs. 9.8%
Expenditure Increases

• Salary Increases: **$834,459**
  (contractual obligations, new staff and 53rd pay week)
  • New staff requests: **$188,242**
    (Asst. Building Official, Fleet Mechanic and Parks Maintainer)

• Medical Benefits: **$290,244** (estimated 3.4% premium increase)

• Pension: **$23,846** (includes funding ADC at 108%)

• Refuse: **$152,250** (disposal of refuse—tipping fees)

• Capital: **$142,522** (increases per ordinance)

• Debt Service: **$876,776** (new schools and road projects)
Allocation of Total Increase
$4,471,825

- Education: $2,028,556
- Town Operations: $1,423,971
- Debt & Capital: $1,019,298
Town Operations Budget Increase (Excludes Debt & Transfers)
Proposed New Staff

**Assistant Building Official**
- Proposed Salary $60,000
- This position will help inspections for new construction due to economic development efforts and closing out certificate of occupancy backlog.

**Assistant Mechanic**
- Proposed Salary $70,238
- Department staffing level has been the same since the 1980’s and this additional person will save costs by not using outside labor. This allows control on the quality of work.

**Parks Maintainer**
- Proposed Salary $58,004
- This position will help with 83.61 new acres of Town acquired property, mowing of over 300 acres of open space, increased landscaping responsibilities on school sites, and assist with leaf collection/snow removal.
Town Operations
Proposed Budget Change

Total Change $1,423,971

- Salaries: $834,459
- Employee Benefits: $350,630
- Professional Services: $178,618
- Supplies & Equipment: $60,264
Trends in Town Expenditures (excludes Debt & Capital)

% of Town Operations Expenditures to Overall Town Budget

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$32,216,389</td>
<td>28.62%</td>
</tr>
<tr>
<td>2018</td>
<td>$30,945,022</td>
<td>28.43%</td>
</tr>
<tr>
<td>2019</td>
<td>$34,228,755</td>
<td>28.94%</td>
</tr>
<tr>
<td>2020</td>
<td>$35,760,622</td>
<td>29.16%</td>
</tr>
<tr>
<td>2021</td>
<td>$37,184,593</td>
<td>29.26%</td>
</tr>
</tbody>
</table>
Capital Budget History

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$1,261,605</td>
</tr>
<tr>
<td>2012</td>
<td>$1,261,605</td>
</tr>
<tr>
<td>2013</td>
<td>$287,605</td>
</tr>
<tr>
<td>2014</td>
<td>$167,980</td>
</tr>
<tr>
<td>2015</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>$1,264,213</td>
</tr>
<tr>
<td>2017</td>
<td>$1,497,154</td>
</tr>
<tr>
<td>2018</td>
<td>$1,754,482</td>
</tr>
<tr>
<td>2019</td>
<td>$2,641,621</td>
</tr>
<tr>
<td>2020</td>
<td>$2,784,143</td>
</tr>
<tr>
<td>2021</td>
<td></td>
</tr>
</tbody>
</table>
2020-2021 Town Manager Budget

GENERAL FUND CONTRIBUTION
$2,784,143

- General Fund
- Capital Non-recurring
- LoCIP
- Rec. Special Revenue
- Finance/Lease
- Tower Rental

CULTURE & RECREATION: $765,000
GENERAL GOVERNMENT: $380,000
PUBLIC SAFETY: $846,500
PUBLIC WORKS: $780,705
EDUCATION: $984,000

CAPITAL IMPROVEMENT PLAN: $3,756,205
Issued Debt by Category (Excludes Capital Leases)

DEBT PAYMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Education</th>
<th>General Purpose</th>
<th>Sewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$1,319,767</td>
<td>$2,612,000</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>2022</td>
<td>$1,346,406</td>
<td>$2,210,000</td>
<td>$2,173,000</td>
</tr>
<tr>
<td>2023</td>
<td>$1,373,582</td>
<td>$1,972,000</td>
<td>$2,296,000</td>
</tr>
<tr>
<td>2024</td>
<td>$1,401,307</td>
<td>$2,087,000</td>
<td>$1,848,000</td>
</tr>
<tr>
<td>2025</td>
<td>$1,429,591</td>
<td>$1,838,000</td>
<td>$1,988,000</td>
</tr>
</tbody>
</table>

FY 2021 Debt Breakdown

- Education: 36%
- General Purpose: 43%
- Sewers: 21%
Manager Proposed Budget

Revenues by Major Function
Total Proposed: $127,098,183

- Property Taxes: $111,481,053, 87.71%
- Intergovernmental: $2,007,500, 1.58%
- Local Revenues: $950,000, 0.75%
- Miscellaneous: $545,000, 0.43%
- Transfers: $12,114,630, 9.53%
Estimated Revenue Changes

• Grand List Growth: $3,299,606
• ECS: ($12,663)
• Other Grants: ($82,108) (decrease in telephone access and municipal stabilization grant)
• Local Revenues: $172,000 (primarily due to Building Permits, Fire Marshal Fees and Town Clerk Revenue)
• Interest: $200,000 (new bank contract generating interest on all accounts)
• Transfers/Surplus Funds: ($205,000) (not using Fund Balance only $500,000 from Tax Stabilization Fund)
Education Grant History

Governor's Estimates do not take into consideration the payment made for tuition directly to Magnet Schools.
Percent of Total Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>2010</th>
<th>2016</th>
<th>2021 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECS &amp; Other Grants</td>
<td>14.70%</td>
<td>12.92%</td>
<td>9.53%</td>
</tr>
<tr>
<td>Local Revenues</td>
<td>1.20%</td>
<td>2.16%</td>
<td>1.58%</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>83.00%</td>
<td>83.65%</td>
<td>87.71%</td>
</tr>
<tr>
<td>Misc., Transfers, Interest</td>
<td>1.10%</td>
<td>1.27%</td>
<td>1.18%</td>
</tr>
</tbody>
</table>
Grand List

• Grand List grew by approximately 3.07%.

• The 10/1/19 grand list is currently valued at $2,853,993,034. This is subject to change due to adjustments from the Board of Assessment Appeals and litigation.

• At the proposed 38.86 mill rate, grand list growth generates an additional $3,299,606 in tax revenue.
Mill Rate Increase Drivers

.92 mills

Revenue related mill decrease (2.82)
Use of Surplus Funds

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance</td>
<td>$850,000</td>
<td>$1,000,000</td>
<td>$700,000</td>
<td>$500,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Tax Stabilization</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$200,000</td>
<td>$-</td>
</tr>
</tbody>
</table>

No use of fund balance per Council Budget Policy
# Mill Rate Calculation

<table>
<thead>
<tr>
<th>Total Expenditures</th>
<th>$127,098,183</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Total Non-Tax Revenues</td>
<td>$17,824,130</td>
</tr>
<tr>
<td>Equals</td>
<td>Property Taxes Needed: $109,274,053</td>
</tr>
<tr>
<td>Value of a Mill</td>
<td>$28,123,114</td>
</tr>
<tr>
<td>Divide the taxes needed ($109,274,053) by the value of a mill ($28,123,114)</td>
<td>Equals the Mill Rate: 38.86</td>
</tr>
</tbody>
</table>
How your tax amount is calculated:

- Fair market value of a home is $250,000
- The proposed mill rate is 38.86

\[
\begin{align*}
\text{Fair market value} & \times 0.70 = \text{Market value} \\
\text{Market value} & \times 0.03886 = \text{Tax amount}
\end{align*}
\]

\[
\begin{align*}
$250,000 \times 0.70 & = $175,000 \\
$175,000 \times 0.03886 & = $6,800
\end{align*}
\]
2020-2021 Town Manager Budget

BUDGET DASHBOARD
Future Budget Meeting Dates

- **March 23, 2020**  Town Manager’s Proposed Budget Presentation
- **March 30, 2020**  Budget Work Session, 7:00pm at Town Hall
- **March 31, 2020**  Budget Work Session, 7:00pm at Town Hall
- **April 1, 2020**  Budget Work Session, 7:00pm at Town Hall
- **April 2, 2020**  Budget Work Session, 7:00pm at Town Hall
- **April 6, 2020**  Resolution Setting General Govt. Public Hearing
- **April 20, 2020**  General Govt. Budget Public Hearing, 8:00pm at Town Hall
- **May 4, 2020**  Set BOE and General Govt. Budgets & Mill Rate, 7:00pm at Town Hall
- **May 11, 2020**  Special Budget Meeting (if needed), 7:00pm at Town Hall

Visit [www.southwindsor-ct.gov](http://www.southwindsor-ct.gov) for updates
END OF PRESENTATION