

Town of Thomaston



Proposed Budget

July 1, 2021 - June 30, 2022

Board of Finance:

George Seabourne, Chairman
Luke Freimuth
Michael Madow
Richard Sileo
Adam Silverman
Stephen Turner

Board of Selectmen:

Edmond Mone, First Selectman
Jeffrey Dunn
Roger Perreault

Finance Director

Tracy Decker

Budget in Brief

The proposed operating budget of \$27,745,881 represents a \$239,428 (0.87%) increase in spending from the previous year's budget of \$27,506,453. The mill rate will remain 36.13. The 1.42% increase in tax revenue is due to growth in the town's grand list. The basic elements of the expenditures are as follows:

	<u>2021-2022</u>	<u>2020-2021</u>	Increase (Decrease)
Town Operating Expenditures	\$8,876,910	\$ 8,650,641	\$226,269
Board of Education	15,428,514	15,257,126	171,388
Debt Service	2,800,000	3,000,000	(200,000)
Capital Outlay	<u>640,457</u>	<u>598,686</u>	<u>41,771</u>
Total Budget	\$27,745,881	\$27,506,453	\$239,428

The Budget has two main components – revenues and expenditures. The amount needed to be raised by taxes, or the tax levy, is the result of the budgeted expenditures minus budgeted non-tax revenues (this includes estimates of delinquent taxes and interest from prior years). A mill rate is then calculated using the Grand List as a basis for distributing the tax burden.

The goal during the budget process is to accomplish the following objectives: minimize the potential tax increases to residents; implement efficiency and effectiveness throughout the Town; maintain and enhance services provided to Town residents; maintain or improve Town infrastructure; and maintain an unrestricted general fund balance equal to two months of the total operating general fund expenditures or 16.67%.

When compiling the budget information, there were several items worth noting that impacted the budget process.

Original department requests have been reduced by the Board of Selectmen and the Board of Finance by \$186,326 to come up with a sound, fiscally responsible budget which maintains services. Expenditures as a whole compared to the 2020-2021 budget have increased by \$239,428 which includes an increase of \$26,269 in town expenditures, a \$41,771 increase in contributions to the capital improvement fund and a \$171,388 increase in education.

Over the past several years, the town has taken advantage of lower interest rates and refunded (basically, refinanced) several outstanding debt issuances. This does not extend the payment terms, just reduces the annual payments. There are currently three refunded bonds outstanding and one that will be refunded this year which represent funds borrowed for school renovations, energy upgrades, sewer plant upgrades and road improvements. There are three additional bonds outstanding for road work, a communications system, roofs for several town buildings, two fire trucks, a dump truck, Phase II of the Nystroms Park project and sewer and road construction in the web area of town.

In addition to bonded projects, there are also funds included in the operating budget for capital expenditures. The capital improvement amount included in the original 2020-2021 budget was \$344,833 and additional appropriations of \$253,853 were made during the year. The 2021-2022 budgeted capital amount is \$598,686. Capital improvement requests from all town departments totaled approximately \$9.7 million for repairs and replacement of town infrastructure, buildings and equipment.

An important item to consider as part of the budget process is the non-tax revenue. This revenue is flat or decreased in several areas. Due to increased collections of delinquent taxes over the past several years, the amount that is considered collectible for prior taxes and interest has remained level. Charges for services

and other income are experiencing little, if any, increases. Interest income has decreased over the last few years as interest rates have dropped. State grants have remained flat or increased slightly.

Fund Balance – One measure of a Town’s financial strength is the level of its fund balances (the amount in which revenues have exceeded expenditures cumulatively). Bond rating agencies consider a 10% ratio of fund balance to general fund expenditures to be deemed a healthy financial balance allowing the Town to be in a position to adequately address potential fiscal emergencies. The Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments maintain an unrestricted fund balance of no less than two months (16.67%) of general fund operating expenditures. The Town’s audited unassigned general fund balance at June 30, 2020 was \$5,038,365.

Fund balance, June 30, 2020.....	\$ 5,038,365
Use of surplus during 2020-2021	(279,076)
Use of surplus 2021-2022 budget	(186,561)
Remaining fund balance.....	4,572,728
Total Expenditures as proposed	\$27,745,881
Ratio of Fund Balance to Total Expenditures	16.48%

The Town’s current Bond Rating from Standard & Poors is AA due to its ability to maintain a healthy fund balance and its management of Town finances. Reductions in fund balance could affect this rating for further debt issuances and increase the interest rates the Town would have to pay for future borrowing.

The Town’s fund balance policy states that fund balance greater than seven (7) percent may be transferred to debt service for future debt payments, transferred to the Capital, Nonrecurring Fund for future capital projects or to reduce the tax rate in the subsequent year provided that care is taken to avoid a major fluctuation in the tax rate in succeeding years. Certain circumstances may justify maintaining a greater than seven (7) percent fund balance such as a volatility in operating revenues or expenditures. While each department has done an excellent job in keeping expenditures level, cuts to State aid have created a gap in revenue. The Board of Finance has deemed it prudent at this time to maintain a greater fund balance anticipating future cuts in State funding.

Mill Rate Calculation- The Board of Finance uses a collection rate of 98% for taxes based on past collection rate experience. The value of 1 mill for real estate and personal property equals \$560,588.

Taxable grand list real estate & personal property (net of allowance for appeals)	\$ 579,418,229
Collection rate	<u>* 98.0%</u>
Value of 1 Mill	\$567,829,864 / \$1,000 = \$567,830
Total Expenditures	\$ 27,745,881
Less Revenue other than taxes	<u>(7,230,183)</u>
Total Taxes needed	\$ 20,515,698 / \$567,830 = 36.13 mills

$$\text{Your tax bill} = \frac{\text{Taxable Assessed Value}}{1000} \times 36.13$$

Revenue – The budget includes an increase in revenue of \$26,786 in charges for services and decreases of \$3,241 in state aid and \$25,000 in investment income.

Expenditures – Thomaston’s increase in expenditures are primarily contractual and fixed costs. The Town has exercised all savings opportunities in the bid process including heat, electric, telephone, audit, actuary, insurances, information technology services, gas & diesel, HVAC maintenance, and office supplies. The Town has been diligent to shop for all the services it purchases at the best possible prices.

Efficiencies in Government - The Town has and continues to look for ways to be more efficient and cut costs. Some of the Town’s accomplishments are as follows:

- Entered into an energy performance contract for all town buildings in which energy efficient changes were made to all Town buildings. The energy savings recognized annually pays for the cost of the energy upgrades. Additional upgrades, including LED lights, are ongoing;
- Successfully reduced large increases in employee health care costs by negotiating high deductible health plans for all unions;
- Negotiated the change from a defined benefit plan to a defined contribution plan;
- The Town also recognizes the importance of long-term planning vs. pay-as-you-go, in order to maintain the town’s infrastructure, buildings, sewer and equipment, through the adoption of a comprehensive long-term capital improvement policy;
- Management supports its revenue generating departments by providing adequate staffing to insure proper permitting, enforcement of regulations and equitable assessments to all its residents and businesses.

Town of Thomaston
Annual Budget Summary
For the year July 1, 2021 through June 30, 2022
Based on Mill Rate of 36.13

	Actual 2019-2020	Budgeted 2020-2021	Proposed 2021-2022	Increase (Decrease)	Percent Change
Revenue:					
Property Taxes.....	\$20,826,558	\$20,565,925	\$20,858,295	\$ 292,370	1.42%
Charges for Services.....	397,598	389,945	416,731	26,786	6.87%
Intergovernmental.....	6,329,225	6,217,535	6,214,294	(3,241)	-0.05%
Investment Income.....	78,001	75,000	50,000	(25,000)	-33.33%
Other Income.....	48,047	5,150	5,000	(150)	-2.91%
Other Financing Sources.....	15,000	252,898	201,561	(51,337)	-20.30%
Total Revenue	<u>27,694,429</u>	<u>27,506,453</u>	<u>27,745,881</u>	<u>239,428</u>	<u>0.87%</u>
Operating Expenditures:					
General Government.....	3,695,596	3,941,480	3,980,120	38,640	0.98%
Public Safety.....	1,802,838	1,989,799	2,114,591	124,792	6.27%
Public Works.....	1,897,836	1,899,225	1,948,416	49,191	2.59%
Health and Welfare.....	96,423	97,654	100,258	2,604	2.67%
Culture and Recreation.....	476,815	470,073	489,716	19,643	4.18%
Housing and Development.....	193,529	206,410	198,184	(8,226)	-3.99%
Education.....	15,176,774	15,257,126	15,428,514	171,388	1.12%
Operating Subsidies to Other Funds.....	35,000	46,000	45,625	(375)	-0.82%
Total Operating Expenditures	<u>23,374,811</u>	<u>23,907,767</u>	<u>24,305,424</u>	<u>397,657</u>	<u>1.66%</u>
Debt Service (See Schedule B).....	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,800,000</u>	<u>(200,000)</u>	<u>-6.67%</u>
Capital Expenditures (See Schedule A).....	<u>621,745</u>	<u>598,686</u>	<u>640,457</u>	<u>41,771</u>	<u>6.98%</u>
Total Expenditures	<u>\$26,996,556</u>	<u>\$27,506,453</u>	<u>\$27,745,881</u>	<u>\$ 239,428</u>	<u>0.87%</u>

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	Actual 2019-2020	Budgeted 2020-2021	Proposed 2021-2022	Increase (Decrease)	Percent Change
Property Taxes:					
Property Tax - Current.....	\$ 20,446,754	\$ 20,251,525	\$ 20,515,698	\$ 264,173	1.30%
Property Tax - Prior Years.....	225,323	175,000	200,000	25,000	14.29%
Interest and lien fees.....	115,081	100,000	100,000	-	0.00%
Taxes from Housing Authority - P.I.L.O.T.....	26,987	26,987	29,502	2,515	9.32%
Telecommunication property tax.....	12,413	12,413	13,095	682	5.49%
Total Property Taxes	20,826,558	20,565,925	20,858,295	292,370	1.42%
Charges for Services:					
Building permits.....	80,212	70,000	70,000	-	0.00%
Conveyance tax.....	56,070	55,000	75,000	20,000	36.36%
Special duty police reimbursements.....	71,278	75,000	75,000	-	0.00%
Accident reports.....	448	250	250	-	0.00%
Gun permits.....	2,026	2,000	10,000	8,000	400.00%
Zoning and land use fees.....	7,855	7,500	10,000	2,500	33.33%
Recreation - Nystrom's park.....	5,000	5,150	5,305	155	3.01%
Fingerprinting.....	125	100	100	-	0.00%
Town of Litchfield sewer upgrade.....	7,928	7,928	10,105	2,177	27.46%
Dam Patrol.....	19,031	19,031	19,926	895	4.70%
Parking tickets.....	190	500	500	-	0.00%
Dog fines & fees.....	4,092	4,000	4,000	-	0.00%
Rent of Tower.....	95,428	94,500	99,000	4,500	4.76%
Rent of Tower (Plymouth).....	25,467	26,486	27,545	1,059	4.00%
Rent of Opera House.....	12,500	15,000	-	(15,000)	-100.00%
PA 09-229 LOCIP project funding.....	9,948	7,500	10,000	2,500	33.33%
Total Charges for Services	397,598	389,945	416,731	26,786	6.87%
Intergovernmental Revenue:					
Property tax relief - State owned property.....	19,583	19,583	-	(19,583)	-100.00%
Property tax relief - Veterans exemption.....	14,755	14,755	9,641	(5,114)	-34.66%
Property tax relief - Totally disabled.....	1,069	1,069	1,020	(49)	-4.58%
Municipal grants in aid.....	395,346	395,346	395,346	-	0.00%
PILOT - Manufacturing facilities in distressed municipalities.....	1,718	-	9,790	9,790	#DIV/0!
PILOT - Tiered reimbursement.....	-	-	30,645	30,645	#DIV/0!
Federal PILOT - Land authorization.....	1,660	1,625	1,660	35	2.15%
Local capital improvement program (LOCIP).....	54,383	53,512	54,383	871	1.63%
Special education excess cost.....	100,722	-	-	-	#DIV/0!
Education cost sharing.....	5,470,916	5,481,226	5,461,463	(19,763)	-0.36%
Mashantucket Pequot.....	16,872	16,872	16,872	-	0.00%
Town aid road.....	222,214	222,214	222,141	(73)	-0.03%
Bus operations grant.....	11,333	11,333	11,333	-	0.00%
CARES Act DOL Unemployment grant.....	2,889	-	-	-	#DIV/0!
Coronavirus Relief Act.....	6,659	-	-	-	#DIV/0!
FEMA Disaster Grants - Public Assistance.....	9,106	-	-	-	#DIV/0!
Total Intergovernmental Revenue	6,329,225	6,217,535	6,214,294	(3,241)	-0.05%
Investment Income.....	78,001	75,000	50,000	(25,000)	-33.33%
Other Income:					
Recyclables rebate.....	110	150	-	(150)	-100.00%
Miscellaneous.....	47,937	5,000	5,000	-	0.00%
Total Other Income	48,047	5,150	5,000	(150)	-2.91%
Other Financing Sources:					
Surplus prior years.....	-	237,898	186,561	(51,337)	-21.58%
Thomaston EMS Fund.....	15,000	15,000	15,000	-	0.00%
Total Other Financing Sources	15,000	252,898	201,561	(51,337)	-20.30%
Total General Fund Revenue and Other Financing Sources	\$ 27,694,429	\$ 27,506,453	\$ 27,745,881	\$ 239,428	0.87%

Town of Thomaston
Annual Budget Summary
For the year ending June 30, 2022
Based on Mill Rate of 36.13

	Actual	Budgeted	Proposed	Increase	Percent
	2019-2020	2020-2021	2021-2022	(Decrease)	Change
General Government					
Board of Selectmen.....	\$ 121,302	\$ 124,832	\$ 127,217	\$ 2,385	1.91%
Elections.....	20,427	30,050	32,250	\$ 2,200	7.32%
Board of Finance.....	2,240	2,000	2,000	\$ -	0.00%
Treasurer.....	198,996	201,379	206,196	\$ 4,817	2.39%
Computer Information systems.....	61,486	55,752	57,220	\$ 1,468	2.63%
Independent audit.....	57,425	58,600	59,775	\$ 1,175	2.01%
Legal.....	72,184	85,500	85,500	\$ -	0.00%
Tax Collector.....	112,797	118,919	113,802	\$ (5,117)	-4.30%
Tax Assessor.....	139,458	144,616	150,238	\$ 5,622	3.89%
Board of Assessment Appeals.....	-	150	-	\$ (150)	-100.00%
Insurance.....	451,944	475,250	481,789	\$ 6,539	1.38%
Town Hall Operations & Maintenance.....	210,630	235,195	240,972	\$ 5,777	2.46%
Town Clerk.....	43,154	51,865	51,865	\$ -	0.00%
Probate court.....	4,066	4,219	4,213	\$ (6)	-0.14%
Social Security.....	247,214	260,000	270,000	\$ 10,000	3.85%
Unemployment Expense.....	6,029	-	-	\$ -	#DIV/0!
Pension - Town Employees.....	486,734	438,035	424,396	\$ (13,639)	-3.11%
Pension - Volunteer Firefighters and Ambulance.....	120,070	104,000	80,000	\$ (24,000)	-23.08%
Medical / Life insurance.....	707,871	738,284	744,333	\$ 6,049	0.82%
Retirees Medical Insurance.....	625,300	719,959	739,024	\$ 19,065	2.65%
Council of Governments.....	3,822	3,936	4,436	\$ 500	12.70%
CT Conference of Municipalities.....	2,447	4,894	4,894	\$ -	0.00%
Contingency.....	-	84,045	100,000	\$ 15,955	18.98%
Total General Government	3,695,596	3,941,480	3,980,120	38,640	0.98%
Public Safety					
Police.....	1,128,901	1,260,126	1,345,978	85,852	6.81%
Emergency Management.....	9,649	14,204	11,604	(2,600)	-18.30%
Communications and Dispatch.....	342,806	386,797	397,851	11,054	2.86%
Fire Protection.....	187,250	187,187	188,907	1,720	0.92%
Fire Marshal	26,870	28,265	28,681	416	1.47%
Ambulance.....	66,273	61,150	64,500	3,350	5.48%
Tree Removal.....	19,744	25,000	50,000	25,000	100.00%
Animal Control.....	21,345	27,070	27,070	-	0.00%
Total Public Safety	1,802,838	1,989,799	2,114,591	124,792	6.27%
Public Works					
Highways.....	615,872	625,311	646,744	21,433	3.43%
Town Aid Road.....	219,562	222,214	222,141	(73)	-0.03%
Snow and Ice Removal.....	189,128	189,550	202,500	12,950	6.83%
Street Lighting.....	18,484	20,000	20,000	-	0.00%
Fire Hydrants.....	193,350	221,553	206,000	(15,553)	-7.02%
Solid Waste and Recycling.....	563,762	578,059	613,093	35,034	6.06%
Engineering - water testing, dams.....	97,678	42,538	37,938	(4,600)	-10.81%
Total Public Works	1,897,836	1,899,225	1,948,416	49,191	2.59%
Health and Welfare					
Medical Services.....	3,261	4,500	4,500	-	0.00%
Torrington Area Health District.....	41,621	41,429	41,292	(137)	-0.33%
Northwest Regional Mental Health Board.....	835	-	-	-	#DIV/0!
Social Services.....	19,452	20,241	20,657	416	2.06%
Elderly Nutrition.....	6,654	6,486	6,486	-	0.00%
Susan B Anthony Project.....	2,000	2,000	2,500	500	25.00%
Central Naugatuck Valley Regional Action Council.....	-	1,200	1,140	(60)	-5.00%
Minibus.....	21,179	19,898	18,308	(1,590)	-7.99%
Veterans Administration.....	2,083	1,900	2,225	325	17.11%
Senior Center.....	-	-	3,150	3,150	#DIV/0!
Total Health and Welfare	97,085	97,654	100,258	2,604	2.67%

Town of Thomaston
Annual Budget Summary
For the year ending June 30, 2022
Based on Mill Rate of 36.13

	Actual 2019-2020	Budgeted 2020-2021	Proposed 2021-2022	Increase (Decrease)	Percent Change
Culture and Recreation					
Parks & Recreation.....	\$ 124,606	\$ 121,127	\$ 133,694	\$ 12,567	10.38%
Memorial Day.....	-	2,500	2,500	-	0.00%
Public Library.....	352,209	346,446	353,522	7,076	2.04%
Total Culture and Recreation	476,815	470,073	489,716	19,643	4.18%
Housing and Development					
Conservation Commission.....	1,795	1,795	1,795	-	0.00%
Economic Development.....	999	2,150	2,250	100	4.65%
Housing, Land Use & Development.....	189,935	201,465	193,139	(8,326)	-4.13%
Brownfields.....	800	1,000	1,000	-	0.00%
Total Housing and Development	193,529	206,410	198,184	(8,226)	-3.99%
Education.....	15,176,774	15,257,126	15,428,514	171,388	1.12%
Other Financing Uses					
Debt Service Fund (See Schedule B).....	3,000,000	3,000,000	2,800,000	(200,000)	-6.67%
Hillside Cemetery.....	26,000	26,000	26,000	-	0.00%
Capital or Nonrecurring (See Schedule A).....	621,745	598,686	640,457	41,771	6.98%
Seth Thomas/Bradstreet House.....	8,000	10,000	9,625	(375)	-3.75%
Social Service Crisis Fund.....	1,000	10,000	10,000	-	0.00%
Total Other Financing Uses	3,656,745	3,644,686	3,486,082	(158,604)	-4.35%
Total Expenditures and Other Financing Uses	\$ 26,996,556	\$ 27,506,453	\$ 27,745,881	\$ 239,428	0.87%

Schedule A

Town of Thomaston
Capital Expenditures
For the Year Ending June 30, 2022
Based on a Mill Rate of 36.13

	ACTUAL 2019-2020	BUDGETED 2020-2021	PROPOSED 2021-2022
TRANSFER TO CAPITAL OR NONRECURRING FUND			
Assessors revaluation	\$ 22,000	\$ 30,000	\$ 22,000
BOE: THS - Interior door access control	18,025	-	-
BOE: THS - Interior door magnetic strips	10,795	-	-
BOE: THS - Paving	47,072	-	67,900
BOE: District - panic buttons	8,298	-	-
BOE: District - network hardware upgrades	47,089	-	-
BOE: BRS - Noah Rogozinski playground	-	40,662	-
BOE: BRS - Fire panel	-	-	-
BOE: BRS - Rooftop units	-	-	10,000
Fire Dept: Turn out gear	15,000	15,000	15,000
Fire Dept: Self contained breathing apparatus	28,000	-	28,000
Fire Dept: Pagers	4,000	4,000	4,000
Fire Dept: Boiler replacement	-	55,000	-
Fire Dept: Exhaust system	-	-	84,000
Fire Dept: Tanker truck refurbishment	-	-	150,000
Library: Automatic door replacement	5,000	-	5,000
* Library: Chair lift	-	24,950	-
PWD: Sidewalk replacement	50,000	50,000	50,000
PWD: Truck #22 (lease purchase)	10,503	7,380	7,380
PWD: Truck #9 (lease purchase)	43,125	38,791	38,791
PWD/Recreation: Groomer/snowblower (lease purchase)	-	15,000	20,498
* PWD: Truck	-	178,438	-
* PWD: Trucks #42 and #10 (lease purchase)	-	59,460	59,238
PWD: garage overhead doors	-	-	13,650
PWD: equipment replacement reserve	-	-	25,000
Recreation: Nystroms Park reserve	10,000	10,000	10,000
* Selectmen: pool car	-	6,005	-
Seth Thomas Bradstreet House: roof reserve	-	-	5,000
Streetlight reserve	-	-	5,000
Town Hall Building: Facility reserve	-	20,000	20,000
Town Hall Building: Sidewalk repair	-	10,000	-
Town Hall Building: Reserve for Opera House AC	-	24,000	-
Town Hall Building: Carpet replacement	-	10,000	-
SUBTOTAL	\$ 318,907	\$ 598,686	\$ 640,457

* Additional appropriations were made from fund balance and contingency during the 2020-2021 year.

Town of Thomaston
Schedule of Debt Service
For the Year Ending June 30, 2022

Name of Loan	Interest Rate	Original Debt	Outstanding Principal	-----Scheduled Payment-----			Ending Balance
				Principal	Interest	Total	
Notes:							
Clean Water 2020-2040	2%	1,517,874	1,257,065	59,264	24,600	83,864	1,197,801
Bonds:							
Gen. Oblig. Bond Ser. C 2011 (Refunding)	2-4%	6,945,000	805,000	405,000	24,100	429,100	400,000
Gen. Oblig. Bond November 2014	3-4%	6,025,000	3,975,000	300,000	127,206	427,206	3,675,000
Gen. Oblig. Bond May 2015 (Refunding)	3-4%	6,455,000	4,030,000	375,000	122,825	497,825	3,655,000
Gen. Oblig. Bond July 2018	3-4%	8,415,000	7,445,000	485,000	241,350	726,350	6,960,000
Gen. Oblig. Bond June 2020 (Refunding)	2-5%	3,750,000	3,480,000	260,000	149,350	409,350	3,220,000
Gen. Oblig. Bond Aug 2021 (estimate)		6,340,000	6,340,000	320,000	158,500	478,500	6,020,000
less BOE - energy upgrade				(85,588)	(49,164)	(134,752)	-
less rebates/premiums applied						(117,443)	-
Total Transfer to Debt Service Fund			\$27,332,065	\$ 2,118,676	\$798,767	\$2,800,000	\$25,127,801

Future Debt Payments:

