

Town of Thomaston



Proposed Budget

July 1, 2023 - June 30, 2024

Board of Finance:

Richard Sileo, Chairman
Luke Freimuth
Michael Madow
George Seabourne
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 \$29,517,507 represents a \$1,286,637 (4.56%) increase in spending from the previous year's budget of \$28,230,870. The mill rate for real estate and personal property will increase to 33.63. The mill rate for motor vehicles has been capped by the State at 32.46. The 5.26% increase in tax revenue is caused by an increase in the budgeted expenditures along with a decrease in grants and other revenue. The basic elements of the expenditures are as follows:

	<u>2023-2024</u>	<u>2022-2023</u>	Increase (Decrease)
Town Operating Expenditures	\$ 9,758,736	\$ 9,540,769	\$ 217,967
Board of Education	16,886,874	15,931,434	955,440
Debt Service	2,300,000	2,300,000	0
Capital Outlay	<u>571,897</u>	<u>458,667</u>	<u>113,230</u>
Total Budget	\$ 29,517,507	\$ 28,230,870	\$ 1,286,637

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 \$576,722 to come up with a sound, fiscally responsible budget which maintains services. Expenditures as a whole compared to the 2022-2023 budget have increased by \$1,286,637 which includes an increase of \$225,092 in town expenditures, a \$955,440 increase in education, a \$7,125 decrease in transfers and a \$113,230 increase in contributions to the capital improvement fund.

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 two refunded bonds and one general obligation bond outstanding which represent funds borrowed for school renovations, energy upgrades, sewer plant upgrades, 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 2022-2023 budget was \$458,667. An additional \$757,521 was transferred from fund balance for capital projects during the 2022-2023 year. The 2023-2024 budgeted capital amount is \$571,897. Capital improvement requests from all town departments totaled approximately \$22.7 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 small, 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.

The Connecticut State Legislature implemented a 32.46 mill rate cap for motor vehicles beginning with the 2021 grand list.

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, 2022 was \$6,106,570.

Fund balance, June 30, 2022	\$ 6,106,570
Use of surplus 2022-2023 budget	(200,000)
Use of surplus 2022-2023 during 2022-2023.....	(734,275)
Proposed use of surplus during 2022-2023	(23,246)
Proposed use of surplus during 2023-2024.....	<u>(228,000)</u>
Remaining fund balance.....	4,921,049
 Total Expenditures as proposed	 \$29,517,507
 Ratio of Fund Balance to Total Expenditures	 16.67%

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 \$571,749.

Taxable grand list real estate & personal property (net of allowance for appeals)	\$ 583,416,915
Collection rate	<u>* 98%</u>
Value of 1 Mill	\$571,748,577 / \$1,000 = \$571,749
Total Expenditures	\$ 29,517,507
Less Motor Vehicle tax (capped at 32.46)	(2,836,120)
Less Revenue other than taxes	<u>(7,455,996)</u>
Total Taxes needed	\$ 19,225,391 / \$571,749 = 33.63 mills

$$\text{Your tax bill} = \frac{\text{Taxable Assessed Value}}{1000} \times 33.63$$

Revenue – The budget includes increases in revenue of \$15,560 in charges for services and \$195,000 in investment income and a \$56,558 reduction in state aid.

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.
- Shared Animal Control Officer with the Town of Plymouth and shared Building Inspector with the Town of Watertown.

TOWN OF THOMASTON
ANNUAL BUDGET SUMMARY
For the year July 1, 2023 through June 30, 2024
Based on Mill Rate of 33.63 *

	ACTUAL 2021-2022	BUDGETED 2022-2023	PROPOSED 2023-2024	Increase (Decrease)	Percent Change
REVENUE:					
Property Taxes	\$ 21,401,555	\$ 21,286,121	\$ 22,405,756	\$ 1,119,635	5.26%
Charges for Services	554,803	470,387	485,947	15,560	3.31%
Intergovernmental	6,216,292	6,234,362	6,177,804	(56,558)	-0.91%
Investment Income	34,551	20,000	215,000	195,000	975.00%
Other Income	31,443	5,000	5,000	-	0.00%
Other Financing Sources	15,000	215,000	228,000	13,000	6.05%
TOTAL REVENUE	28,253,644	28,230,870	29,517,507	1,286,637	4.56%
OPERATING EXPENDITURES:					
General Government	3,745,421	4,219,310	4,336,845	117,535	2.79%
Public Safety	1,972,049	2,330,467	2,394,515	64,048	2.75%
Public Works	2,013,358	2,152,220	2,136,944	(15,276)	-0.71%
Health and Welfare	100,619	102,114	103,292	1,178	1.15%
Culture and Recreation	473,874	463,056	512,095	49,039	10.59%
Housing and Development	207,292	227,977	236,545	8,568	3.76%
Education	15,428,514	15,931,434	16,886,874	955,440	6.00%
Operating Subsidies to Other Funds	45,625	45,625	38,500	(7,125)	-15.62%
TOTAL OPERATING EXPENDITURES	23,986,752	25,472,203	26,645,610	1,173,407	4.61%
DEBT SERVICE (See Schedule B)	2,800,000	2,300,000	2,300,000	-	0.00%
CAPITAL EXPENDITURES (See Schedule A)	1,062,621	458,667	571,897	113,230	24.69%
TOTAL EXPENDITURES	27,849,373	28,230,870	29,517,507	1,286,637	4.56%

* Motor vehicle mill rate is capped at 32.46

TOWN OF THOMASTON
SCHEDULE OF REVENUE
For the Year Ending June 30, 2024
Based on Mill Rate of 33.63 *

	ACTUAL 2021-2022	BUDGETED 2022-2023	PROPOSED 2023-2024	Increase (Decrease)	
PROPERTY TAXES:					
Property Tax - Current	\$ 21,031,050	\$ 20,941,026	\$ 22,061,511	\$ 1,120,485	5.35%
Property Tax - Prior Years	188,982	200,000	200,000	-	0.00%
Interest and lien fees	135,810	100,000	100,000	-	0.00%
Taxes from Housing Authority - P.I.L.O.T.	33,468	32,000	32,000	-	0.00%
Telecommunication property tax	12,245	13,095	12,245	(850)	-6.49%
TOTAL PROPERTY TAXES	21,401,555	21,286,121	22,405,756	1,119,635	5.26%
CHARGES FOR SERVICES:					
Building permits	89,930	80,000	80,000	-	0.00%
Conveyance tax	110,534	90,000	90,000	-	0.00%
Special duty police reimbursements	141,496	100,000	100,000	-	0.00%
Accident reports	363	250	500	250	100.00%
Gun permits	6,190	5,000	5,000	-	0.00%
Vendor permits	200				#DIV/0!
Zoning and land use fees	8,033	7,500	7,500	-	0.00%
Recreation - Nystrom's park	5,305	5,464	5,628	164	3.00%
Fingerprinting	213	100	100	-	0.00%
Town of Litchfield sewer upgrade	10,105	-	-	-	#DIV/0!
Dam Patrol	19,829	19,926	19,926	-	0.00%
Parking tickets	20	500	500	-	0.00%
Dog fines & fees	5,162	2,500	2,500	-	0.00%
Rent of Tower	108,053	103,000	117,000	14,000	13.59%
Rent of Tower (Plymouth)	27,545	28,647	29,793	1,146	4.00%
Rent of Opera House	6,809	12,500	12,500	-	0.00%
PA 09-229 LOCIP project funding	15,016	15,000	15,000	-	0.00%
TOTAL CHARGES FOR SERVICES	554,803	470,387	485,947	15,560	3.31%
INTERGOVERNMENTAL REVENUE:					
Property Tax Relief for Veterans	11,002	11,002	7,321	(3,681)	-33.46%
Property Tax Relief on Property of Totally Disable	1,170	1,170	953	(217)	-18.55%
Municipal Grants-in-Aid	395,346	395,346	395,346	-	0.00%
Payment in Lieu of Taxes on Exempt Property of Manufacturing Facilities in Distressed Municipal	-	9,790	9,790	-	0.00%
Payment in Lieu of Taxes: New Tiered Reimburseme	30,645	30,645	26,628	(4,017)	-13.11%
Federal PILOT - Land authorization	1,769	1,727	2,109	382	22.12%
Local Capital Improvement Program (LOCIP)	53,179	53,179	53,304	125	0.24%
Special Education Excess Cost	-	-	-	-	#DIV/0!
Education Cost Sharing	5,448,452	5,481,226	5,432,979	(48,247)	-0.88%
Mashantucket Pequot and Mohegan Fund Grant	16,872	16,872	16,872	-	0.00%
Town Aid Road Grants Transportation Fund	222,072	222,072	220,457	(1,615)	-0.73%
Bus Operations Grant	11,333	11,333	12,045	712	6.28%
CARES Act DOL Unemployment Grant	1,617	-	-	-	#DIV/0!
FEMA Disaster Grants - Public Assistance	22,835	-	-	-	#DIV/0!
TOTAL INTERGOVERNMENTAL	6,216,292	6,234,362	6,177,804	(56,558)	-0.91%
INVESTMENT INCOME	34,551	20,000	215,000	195,000	975.00%
OTHER INCOME:					
Miscellaneous	31,443	5,000	5,000	-	0.00%
TOTAL OTHER INCOME	31,443	5,000	5,000	-	0.00%
OTHER FINANCING SOURCES:					
Surplus prior years		200,000	228,000	28,000	14.00%
Thomaston EMS Fund	15,000	15,000		(15,000)	-100.00%
TOTAL OTHER FINANCING SOURCES	15,000	215,000	228,000	13,000	6.05%
TOTAL GENERAL FUND REVENUE AND OTHER FINANCING SOURCES	\$ 28,253,644	\$ 28,230,870	\$ 29,517,507	\$ 1,286,637	4.56%

TOWN OF THOMASTON
SCHEDULE OF EXPENDITURES
For the Year Ending June 30, 2024
Based on Mill Rate of 33.63 *

	ACTUAL 2021-2022	BUDGETED 2022-2023	PROPOSED 2023-2024	Increase (Decrease)	
GENERAL GOVERNMENT					
Board of Selectmen	\$ 126,844	\$ 128,941	\$ 129,844	903	0.70%
Elections	24,591	30,000	33,097	3,097	10.32%
Board of Finance	1,756	2,150	2,150	-	0.00%
Treasurer	213,693	210,627	218,540	7,913	3.76%
Computer Information systems	62,268	61,570	91,916	30,346	49.29%
Independent audit	59,775	63,350	67,000	3,650	5.76%
Legal	76,574	85,500	80,000	(5,500)	-6.43%
Tax Collector	117,286	121,671	123,219	1,548	1.27%
Tax Assessor	144,168	156,655	156,262	(393)	-0.25%
Insurance	473,796	498,808	520,587	21,779	4.37%
Town Hall Operations & Maintenance	228,037	234,306	239,550	5,244	2.24%
Town Clerk	46,412	56,082	54,365	(1,717)	-3.06%
Probate court	4,212	4,352	4,805	453	10.41%
Social Security	266,402	302,734	305,000	2,266	0.75%
Unemployment Expense	3,394	-	-	-	#DIV/0!
Retirement - Town Employees	391,132	424,396	363,335	(61,061)	-14.39%
Retirement - Volunteer Fire and Ambulance	79,090	125,000	153,700	28,700	22.96%
Medical / Life insurance	723,354	872,928	909,978	37,050	4.24%
Retirees Medical Insurance	693,307	789,080	773,831	(15,249)	-1.93%
Council of Governments	4,436	4,633	4,772	139	3.00%
CT Conference of Municipalities	4,894	4,894	4,894	-	0.00%
Contingency		41,633	100,000	58,367	140.19%
TOTAL GENERAL GOVERNMENT	3,745,421	4,219,310	4,336,845	117,535	2.79%
PUBLIC SAFETY					
Police	1,235,172	1,528,770	1,567,140	38,370	2.51%
Emergency Management	10,539	11,604	11,201	(403)	-3.47%
Communications and Dispatch	365,748	413,725	419,888	6,163	1.49%
Fire Protection	195,370	200,627	211,915	11,288	5.63%
Fire Marshal	33,104	29,821	32,271	2,450	8.22%
Ambulance	60,113	68,900	75,700	6,800	9.87%
Tree Removal	48,840	50,000	50,000	-	0.00%
Animal Control	23,163	27,020	26,400	(620)	-2.29%
TOTAL PUBLIC SAFETY	1,972,049	2,330,467	2,394,515	64,048	2.75%
PUBLIC WORKS					
Highways	668,752	785,955	763,754	(22,201)	-2.82%
Town Aid Road	222,141	222,072	220,457	(1,615)	-0.73%
Snow and Ice Removal	213,076	252,500	222,500	(30,000)	-11.88%
Street Lighting	19,035	20,000	22,640	2,640	13.20%
Fire Hydrants	207,822	212,000	226,000	14,000	6.60%
Solid Waste and Recycling	636,515	640,593	660,593	20,000	3.12%
Engineering - water testing, dams	46,017	19,100	21,000	1,900	9.95%
TOTAL PUBLIC WORKS	2,013,358	2,152,220	2,136,944	(15,276)	-0.71%
HEALTH AND WELFARE					
Medical Services	4,500	4,500	4,500	-	0.00%
Torrington Area Health District	41,292	40,694	40,842	148	0.36%
Social Services	21,008	21,196	21,310	114	0.54%
Elderly Nutrition	6,486	6,722	6,722	-	0.00%
Susan B Anthony Project	2,500	2,500	2,500	-	0.00%
Minibus	19,790	20,027	20,883	856	4.27%
Veterans Administration	1,900	2,225	2,035	(190)	-8.54%
Senior Center	3,143	4,250	4,500	250	5.88%
TOTAL HEALTH AND WELFARE	100,619	102,114	103,292	1,178	1.15%

TOWN OF THOMASTON
SCHEDULE OF EXPENDITURES
For the Year Ending June 30, 2024
Based on Mill Rate of 33.63 *






	ACTUAL 2021-2022	BUDGETED 2022-2023	PROPOSED 2023-2024	Increase (Decrease)	
CULTURE AND RECREATION					
Parks & Recreation	146,751	117,670	154,420	36,750	31.23%
Memorial Day	2,500	2,500	2,500	-	0.00%
Public Library	324,623	342,886	355,175	12,289	3.58%
TOTAL CULTURE AND RECREATION	473,874	463,056	512,095	49,039	10.59%
HOUSING & DEVELOPMENT					
Conservation Commission	1,795	1,795	1,795	-	0.00%
Economic Development	1,349	2,250	5,420	3,170	140.89%
Housing, Land Use & Development	203,148	222,932	228,300	5,368	2.41%
Brownfields	1,000	1,000	1,030	30	3.00%
TOTAL HOUSING & DEVELOPMENT	207,292	227,977	236,545	8,568	3.76%
EDUCATION					
Education operation	15,428,514	15,931,434	16,886,874	955,440	6.00%
OTHER FINANCING USES					
Debt Service Fund (<i>See Schedule B</i>)	2,800,000	2,300,000	2,300,000	-	0.00%
Hillside Cemetery	26,000	26,000	26,000	-	0.00%
Capital or Nonrecurring (<i>See Schedule A</i>)	1,062,621	458,667	571,897	113,230	24.69%
Seth Thomas/Bradstreet House	9,625	9,625	10,000	375	3.90%
Social Service Crisis Fund	10,000	10,000	2,500	(7,500)	-75.00%
TOTAL OTHER FINANCING USES	3,908,246	2,804,292	2,910,397	106,105	3.78%
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$27,849,373	\$ 28,230,870	\$29,517,507	\$1,286,637	4.56%

TOWN OF THOMASTON
CAPITAL EXPENDITURES
For the Year Ending June 30, 2024
Based on Mill Rate of 33.63 *

	ACTUAL 2021-2022	BUDGETED 2022-2023	PROPOSED 2023-2024
TRANSFER TO CAPITAL OR NONRECURRING FUND			
Assessors revaluation	\$ 22,000	\$ 28,000	\$ 22,000
BOE: THS - Paving	67,900	-	-
BOE: BRS - Noah Rogozinski playground	-	-	-
BOE: BRS - Rooftop units	10,000	-	-
BOE: Technology servers	-	78,571	-
BOE: TCS - boiler burners			44,000
BOE: TCS - fire panel			50,209
Building/Land Use: Plan of Conservation and Development	-	25,000	25,000
Fire Dept: Turn out gear	15,000	20,000	20,000
Fire Dept: Self contained breathing apparatus	28,000	28,000	28,000
Fire Dept: Pagers	4,000	4,000	4,000
Fire Dept: Exhaust system	84,000	-	-
Fire Dept: Tanker truck refurbishment	150,000	-	-
* Fire Dept: Truck	220,000	-	-
Fire Dept: Air compressor	-	-	50,000
Library: Automatic door replacement	5,000	-	-
Library: Community Room emergency exit	-	-	19,999
* Opera House: Hazardous materials study	-	2,950	-
Police: Dash/body cameras	33,864	20,540	24,246
* Police: School zone signs	18,300	700	-
PWD: Sidewalk replacement	50,000	50,000	50,000
PWD: Truck #22 (lease purchase)	7,380	7,380	-
PWD: Truck #9 (lease purchase)	38,791	38,791	38,791
PWD/Recreation: Groomer/snowblower (lease purchase)	20,498	17,749	-
PWD: Trucks #42 and #10 (lease purchase)	59,238	59,238	59,238
PWD: garage overhead doors	13,650	-	-
PWD: equipment replacement reserve	25,000	-	25,000
PWD: Truck #14 (lease purchase)	-	-	38,749
PWD: Aera-vator	-	9,478	-
* PWD: Carter Road over Nibbling Brook culvert	-	60,000	-
* PWD: High Street Ext culverts	-	313,000	-
Recreation: Nystroms Park reserve	10,000	10,000	10,000
Seth Thomas Bradstreet House: roof reserve	5,000	5,000	-
Streetlight reserve	5,000	5,000	-
Technology: Cybersecurity upgrade	-	12,020	-
Technology: Website	-	-	13,000
Town Hall Building: Facility reserve	20,000	20,000	20,000
* Town Hall Building: Opera House roof engineering	150,000	-	-
TVAC: HVAC	-	-	29,665
SUBTOTAL	\$ 1,062,621	\$ 815,417	\$ 571,897

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

Town of Thomaston
Schedule of Debt Service
For the Year Ending June 30, 2024

Name of Loan	Interest Rate	Original Debt	Outstanding Principal	-----Scheduled Payment-----			Ending Balance
				Principal	Interest	Total	
Notes:							
Clean Water 2020-2040	2%	1,394,449	1,137,341	61,681	22,184 	83,865	1,075,660
Bonds:							
Gen Oblig Bond May 2015 (Refunding)	3-4%	6,455,000	3,285,000	760,000	96,775 	856,775	2,525,000
Bond July 2018	3-4%	8,415,000	6,475,000	485,000	202,550 	687,550	5,990,000
Gen Oblig Bond Jun 2020 (Refunding)	2-5%	3,750,000	2,955,000	275,000	123,100 	398,100	2,680,000
Gen Oblig Bond Jun 2021 (Refunding)		4,300,000	2,950,000	250,000	119,050 	369,050	2,700,000
BAN maturing Aug 2023					237,987	237,987	
less BOE - energy upgrade				(90,525)	(40,522)	(131,047)	-
less rebates/premiums applied						(202,280)	-
TOTAL TRANSFER TO DEBT SERVICE FUND			16,802,341	1,741,156	761,124	2,300,000	14,970,660

FUTURE DEBT PAYMENTS:

