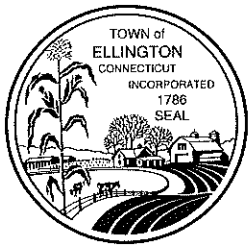


**Message from
the Finance
Officer/Treasurer**



STATE OF CONNECTICUT • COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

55 MAIN STREET • P. O. BOX 187
ELLINGTON, CONNECTICUT 06029-0187

www.ellington-ct.gov

April 6, 2018

To the Board of Finance: John P. Rachek, Chairman
Peggy Busse
Douglas Harding
Barry C. Pinto
David Olender
Michael D. Varney

As required by the Town Charter Section 1003, the proposed budget for Fiscal Year (FY) 2018-19 is presented for your review.

REVENUES

GRAND LIST- 2017 – of Net Taxable Property

For FY18-19, the 2017 Grand List increased by 2.29% or \$30,986,157 from the 2016 Grand List, resulting in increased tax revenue of \$982,261 at the present mill rate of 31.7 mills at 100% collection rate. This Grand List is subject to hearings of the Ellington Board of Assessment Appeals and pending litigation. The major highlights below. (See Exhibit A)

<u>CATEGORY</u>	<u>Net Grand List 2016</u>	<u>Net Grand List 2017</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Real Estate	\$1,168,608,715	\$1,193,450,181	2.13%	\$24,841,466
Personal Property	\$ 51,016,562	\$ 53,851,125	5.56%	\$ 2,834,563
Motor Vehicle	\$ 134,557,157	\$ 137,867,285	2.46%	\$ 3,310,128
Total	\$1,354,182,434	\$1,385,168,591	2.29%	\$30,986,157

Real Estate

Increase due to construction and completion of new single family residential homes, large apartment properties, the Oakridge Dairy free-stall barn and milking parlor, commencement of The Ivy at Ellington Assisted Living Residential Community, continue build out of Windermere Village, and newly approved subdivisions.

Personal Property

The largest assessment increase was attributable to Connecticut Light and Power, and new businesses such as Standard Petroleum Company and LB Donuts Inc., on Windsorville Road, and existing businesses adding additional equipment and machinery.

The State of Connecticut no longer reimbursing municipalities for lost revenue for the exempt machinery and equipment to the Town.

Motor Vehicle

The increase was due to the addition of 763 new 2017 and 2018 model passenger vehicles that replaced older vehicles on the previous grand list.

State Department of Motor Vehicles is still diligently working on resolving the domicile address problem with the motor vehicle files.

For FY18-19, the Governor is proposing that the motor vehicle mill rate be capped at 45 mills. It would allow towns the option of establishing a mill rate for motor vehicles that is different from its mill rate for real property.

Concrete Foundation Adjustments

As funding becomes available for replacement of foundations, more property owners will seek assessment reductions due to failing foundations. This will in turn result in a substantial reduction in the real estate portion of the grand list.

	<u>Homes</u>	<u>Reduction in Value</u>	<u>Tax Impact at Present mill rate of 31.7</u>
2017 Grand List	30	\$1,850,953	\$58,675

STATE REVENUES AND REDUCTION IN STATE AID

The Connecticut Conference of Municipalities has provided two excellent Government Finance and Research reports that explains the Adopted FY18 State Budget; impact on Towns and Cities and the Governor's Proposed FY19 State Budget Impact on Town and Cities:

- Adopted FY18 State Budget: Impact on Towns and Cities (See Exhibit B)

This report explains the various Education Aid grants, Non-Education Aid grants, and Additional Programs, Funding, and Other Items

- Governor's Proposed FY19 State Budget: Impact on Towns and Cities Ellington (See Exhibit C)

This report explains the Education Aid, Non-Education Aid and Additional programs, funding and other items

- CCM Report- FY17-FY19 Municipal Aid Comparison for Ellington (See Exhibit D)
- Finance Officer Report that reconciles the Approved FY17-18 Budget at Referendum on May 16, 2017 to Adjusted State Aid during FY17-18 and to FY18-19 (See Exhibit E)

The State Revenue Estimates used for the FY17-18 Budget was based on the Governor's Proposed State Budget in February 2017. The FY17-18 State Budget was finally approved on October 25, 2017. The General Assembly then approved revisions for the FY17-18 State Budget on November 15, 2017. These actions had dire consequences for all municipalities in the state. For the Town of Ellington, we lost \$1,450,081 in state aid from the time the town budget was approved at referendum on May 16, 2017.

Major State Grants

	May 16, 2017 Approved Budget <u>FY17-18</u>	Final State FY17-18	State FY18-19
Education Cost Sharing (ECS)	\$ 7,252,728	\$ 8,406,850	\$ 8,544,715
<u>Special Education</u>	<u>\$ 2,431,707</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Education Grants	\$ 9,684,435	\$ 8,406,850	\$ 8,544,715
Adult Education	\$ 13,269	\$ 12,936	\$ 13,000
State property Forest	\$ 5,445	\$ 88	\$ 88
Pequot Mohegan Grant	\$ 45,656	\$ 44,853	\$ 4,081
Town Road Aid	\$ 336,331	\$ 336,331	\$ 337,991
LOCIP	\$ 195,651	\$ 195,025	\$ 124,107
Grants for Municipal Projects	\$ 0	\$ 223,527	\$ 223,527
MRSF-Municipal Revenue Sharing	\$ 463,112	\$ 0	\$ 0
<u>Municipal Stabilization Grant</u>	<u>\$ 0</u>	<u>\$ 74,208</u>	<u>\$ 0</u>
Total State Aid	\$10,743,899	\$ 9,293,818	\$ 9,247,509
Loss of State aid in FY17-18		\$ 1,450,081	
Decrease of State Aid from Final State Aid FY17-18			\$ (46,309)

Education Cost Sharing (ECS)

The Governor's proposal retains the new ECS formula adopted this past year.

Town Road Aid

For FY17-18, half of the amount has been distributed. The remaining half is supposed to be funded by the Special Transportation Fund bonds.

Grants for Municipal Projects

This grant provides funds for the construction and maintenance of public highways, roads, and bridges.

MRSF Stabilization Grant

This grant ensures that no municipality receives less in FY18 municipal aid than 5% of the amount received in FY17, when considering formula grants.

PUBLIC HEARING- APRIL 10, 2018
ELLINGTON HIGH SCHOOL AUDITORIUM- 8:00 PM
PROPOSED BUDGET

PROPOSED BUDGET
GENERAL OVERVIEW OF EXPENDITURES

	2017-18 Adjusted Approved Budget	2018-19 Budget Request	Dollar Increase (Decrease)	Percent Increase (Decrease)	2017-18 Percent Of Total Budget
<u>Board of Education</u>	\$ 36,871,969	38,301,361	1,429,392	3.88%	65.21%
Capital Outlay	85,500	150,000	64,500	75.44%	0.25%
Debt	1,980,044	1,842,013	(138,031)	-6.97%	3.14%
Total	<u>38,937,513</u>	<u>40,293,374</u>	<u>1,355,861</u>	<u>3.48%</u>	<u>68.60%</u>
<u>General Government</u>	14,900,179	15,700,300	800,121	5.37%	26.73%
Capital Outlay	1,414,017	1,341,542	(72,475)	-5.13%	2.28%
Debt	1,339,205	1,202,234	(136,971)	-10.23%	2.05%
Contingency Fund	600,000	200,000	(400,000)	-66.67%	0.34%
Total	<u>18,253,401</u>	<u>18,444,076</u>	<u>190,675</u>	<u>1.04%</u>	<u>31.40%</u>
Total Budget	\$ <u>57,190,914</u>	<u>58,737,450</u>	<u>1,546,536</u>	<u>2.70%</u>	<u>100.00%</u>

AS PER BUDGET TABLE

General Government	\$ 18,819,428	18,944,547	125,119	0.66%	32.25%
Capital Outlay	1,499,517	1,491,542	(7,975)	-0.53%	2.54%
Board of Education	36,871,969	38,301,361	1,429,392	3.88%	65.21%
Budget Grand Total	\$ <u>57,190,914</u>	<u>58,737,450</u>	<u>1,546,536</u>	<u>2.70%</u>	<u>100.00%</u>

MILL RATE IMPACT

Average Assessed House (AAH) \$204,155

Revaluation 2015

FY17-18

May 16, 2017
Approved at
Referendum

AAH-\$204,155	31.7 mills	1.2 mills	\$6,472	\$246	3.95%
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FY18-19

Budget Request	33.4 mills	1.7 mills	\$6,819	\$347	5.36%
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Property Tax Relief-Elderly Circuit Breaker

For FY17-18 and FY18-19, this program has been eliminated. For FY17-18, the town would have received a grant reimbursement of \$71,735.

REDUCTION IN STATE AID

For FY18-19, the Governor has proposed a reduction in state aid of \$46,309 from FY17-18 allocation.

DEPARTMENTAL REVENUES

Building Department

Major construction projects such as apartment houses, assisted living facility, commercial buildings, and housing developments that commenced in FY16-17, FY17-18, will be winding down in FY18-19, thus the reduction in building permit fees.

EXPENDITURES

The Budget Grand Total based on the Governor's Proposed Budget for FY18-19 is \$58,737,450 or an increase of \$1,546,536 from the Adjusted Approved Budget for FY17-18, resulting in an increase of 2.70%. Major highlights follow.

GENERAL GOVERNMENT

Overview

The General Government Budget increased by \$125,119 or 0.66 % from the FY17-18 Adjusted Approved Budget.

Public Safety

Center Fire Department, Crystal Lake Fire Department, Ellington Volunteer Ambulance Department, and Animal Control Officer Department budgets for FY18-19 have been separated in two budgets, one for operation, and one for the maintenance of the buildings. The Building accounts for each department are now under the Town Properties section.

Public Fire Protection

Approved rate increases by the Connecticut Public Utilities Control Authority (PURA)

Police

Funding is provided in the amount of \$21,000 to upgrade the mobile radios to the new state standard, and the new standard for Tasers.

Ellington Volunteer Ambulance

For FY17-18, the Ambulance Fee Program contribution to support the operation has been increased to \$146,000, and for FY18-19 to \$197,435.

Public Safety Administration

For FY18-19, funding for the full fiscal year has been provided pending approval of the Charter Revision proposal to add the position of Director of Fire and Emergency Medical Services to the Town Charter.

Sanitary Landfill

For FY18-19, MIRA has increased their Municipal Solid Waste tonnage fee from \$68 to \$72. MIRA made their first distribution of the Mid-Connecticut project's surplus funds to the town in the amount of \$31,048.

Human Services

For FY18-19, the 744 Youth Enrichment Department has been merged with 745 Youth Activity Program Department.

Debt Service

Main savings in the debt service budget for FY17-18 was due to the equipment leases going into effect in FY18-19.

CAPITAL OUTLAY

Overview

The Capital Outlay has a reduction of \$7,975 from the FY17-18 Adjusted Approved Budget, or a reduction of -0.53%%.

Proposed Capital Projects for FY18-19 are:

Unimproved Road Improvement	\$ 30,000
Local Capital Improvement Program	\$ 124,107
Road Overlay	\$ 500,000
Road Construction-Large/Small Bridges	\$ 30,000
DPW Small Dump Truck	\$ 70,000
DPW PickUp Truck	\$ 35,000
Fire Marshal Vehicle	\$ 40,000
Pool Car/Town Staff Vehicle	\$ 30,000
Human Services-Senior Center Bus	\$ 60,000
Revaluation	\$ 150,000
Townwide Sidewalks	\$ 25,000
Parking Lot Renovations	\$ 70,000
Field Irrigation	\$ 65,000
Middle Road Fields	\$ 70,000
EVAC-Masimo Rad-57 Handheld Pilse Co-Oximeter	\$ 42,435
BOE-District Facilities Study	\$ 25,000
BOE-Center School Air Conditioning Cafeteria	\$ 48,500
BOE-EMS School Air Conditioning Cafeteria	\$ 46,500
BOE-Modern Classroom Furniture-EMS/EHS	<u>\$ 30,000</u>
Total	\$1,491,542

BOARD OF EDUCATION

Overview

The Board of Education increase is \$1,429,392 or 3.88% from the FY17-18 Adjusted Approved Budget. See the Board of Education budget book for details.

Primary areas of focus:

Maintenance of Effort (MOE)	\$1,206,674
Long-term Investment in the future of	<u>\$ 222,718</u>
Our Town (L.I.F.T.)	\$1,429,392

Proposed Staffing Requests

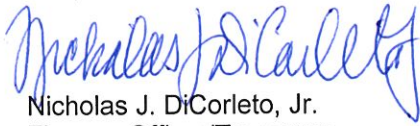
10 Month EHS/EMS Assistant Principal (January 2019)	\$ 70,368
EHS Technology & Computer Science Teacher	\$ 67,967
Unassigned Elementary teaching Position	\$ 67,967
Elementary Cafeteria/Recess Teacher Stipends at all 3 schools	<u>\$ 16,416</u>
Total	\$222,718

FINANCIAL CONDITION OF THE TOWN

As of April 6, 2017, the Town of Ellington should end the FY17-18 with an unassigned fund balance of \$2,153,080. Of that amount \$1,753,000 is appropriated to the Fiscal Year 18-19 Budget. Retained \$400,080 in order to maintain the town's credit rating from Moody's Investor Service, Inc. of "Aa3".

To fund the Public Hearing Budget based on the Governor's Proposed Budget for FY18-19, a mill rate of 33.4 mills at a tax collection rate of 98.25% will be required, an increase of 1.7 mills from FY17-18 tax rate of 31.7 mills, or a mill rate increase of 5.36%.

Respectfully submitted,

A handwritten signature in blue ink, reading "Nicholas J. DiCorleto, Jr.", written over the printed name.

Nicholas J. DiCorleto, Jr.
Finance Officer/Treasurer