



TOWN OF VERNON

Office of the Mayor

14 Park Place • Vernon, CT 06066

Tel: (860)-870-6000 • Fax: (860) 870-3580

www.Vernon-ct.gov

Daniel A. Champagne
Mayor

Michael J. Purcaro
Town Administrator

Dawn R. Maselek
Assistant Town Administrator

MAYOR'S BUDGET MESSAGE

Fiscal Year 2021 - 2022

Dear Friends and Neighbors,

It is my privilege to submit this budget proposal inclusive of all revenues, expenditures and capital improvement plans for Fiscal Year 2022. I recognize that due to the unprecedented challenges created by the COVID-19 pandemic, many are struggling financially and careful consideration was put into the development of this balanced budget to minimize any financial impact in these difficult times. The directive to department heads was to develop a budget on what is needed with a focus on cost containment. As proposed, this budget provides funds necessary to enhance the level of services that the Town of Vernon has proudly delivered for many years and supports a commitment to education and economic development while maintaining and improving infrastructure. As I write this, I am awaiting details on the recently passed coronavirus relief package which is presumed to include additional aid for Vernon to support economic recovery efforts as well as assist in furthering our unparalleled efforts related to vaccinations and testing.

This proposal is the product of a collaborative approach and I would like to thank our residents for providing feedback and input on what is important to our community. As always, it never escapes me that this is always your budget and I am confident that the result of our planning will lay achievable plans for Vernon's future. Thank you also to our departments, school system, local elected and appointed officials. All our efforts have resulted in the Town maintaining strong fiscal reserves and liquidity which is important as it will reflect positively when Vernon is evaluated by the bond rating agencies.

For fiscal year 2021-2022, the budget proposed equals \$94,407,416, an increase of \$307,320. While the budget is .33% higher, there is no change to the mill rate, Vernon will maintain a single rate of 39.63.

In addition, I am proposing that an additional allotment of funds is put towards capital improvement and infrastructure related projects. To accomplish this, with no impact to the mill rate, \$1,500,000 from the general fund balance will be earmarked for expenditures dedicated to road, sidewalk, and parking lot improvements and for improving outdoor spaces for recreation and economic development projects such as the Citizens Block revitalization efforts in downtown Rockville. After having spent millions of dollars on the recently completed 7-year road improvement project, it is important to dedicate funds for

the maintenance and upkeep as well as increase safety provided by sidewalks now and into the future. This is a very prudent use of funds for extremely important parts of Vernon's infrastructure.

As a result of this added investment of funds, the overall budget will show an amount of \$95,907,416, an increase of \$1,807,320 or 1.92%. Again, no increase to the mill rate is proposed to achieve these spending measures and our remaining fund balance continues to be at the recommended level communicated by the bond rating agencies.

This budget proposal contains the supporting revenue estimates, which are developed with the same consideration as the expenditure side of the budget, a process that reviews current activity, to establish the basis for refinement in the present and future fiscal years. As the State of Connecticut continues to face economic uncertainty, municipal aid remains a challenge to establishing a budget. At this time, the Governor has committed to providing level funding and we have included that in our projections for the relevant state aid line items inclusive of education.

Revenue

Total Revenue is increased by \$307,320 in this budget. Key drivers:

- Vernon saw a modest increase in the 2020 Grand List growth. The net taxable Grand List grew by \$24,531,173 (1.33%) to \$1,863,194,514; estimated \$812,826 increase of collectable taxes.
- Conservatively estimating other general property tax categories as economic uncertainty weighs on taxpayers across commercial and residential categories.
- Income related to investments - over the past year, interest rates have decreased significantly and as such, our anticipated revenue estimate has been lowered by \$150,000.

Expenditures

Total General Government net spending is decreased by \$24,062 in this budget. Key drivers:

- Town wide wages increased \$86,703 due to contractual increases.
- Debt Service increased \$124,111. Included in this category is the increase in debt service for the Water Pollution Control Facility upgrade currently in progress to meet federal and state environmental standards, the replacement of a Fire Engine and ongoing payments of the Road Improvement Program and School Renovations project of recent years.
- A significant decrease of \$300,000 for Workers Compensation coverage because of a new comprehensive policy negotiated by Administration and Finance.

Department Efficiencies

The list below elaborates on some of the measures currently employed or planned:

Medical Insurance – collaboration amongst the Town and Vernon Public Schools has resulted in a recommended shift to a self-insured model for medical insurance. The analysis in evaluating available options indicate that we can maintain our current offering with no increase in cost to the town or employees. It is anticipated that savings will materialize from this model into the future. If we chose not to take this step, an increase of 8.5% (approximately \$800,000) was offered to maintain in a fully insured program.

Copier and Print Services – the Town and Board of Education recently entered a new multiyear contract for copiers and managed print services. We have and continue to believe we will see a reduction in the cost of all services related to copying, printing and office supplies such as paper.

Enterprise Resource Planning (ERP) – Following our December 2019 upgrade of Munis, we have been able to utilize more electronic processing across all departments resulting in less demand for office supplies, most notably, paper. This will continue into FY22 with a focus on improved vendor payment processing and reduced usage of paper checks and postage requirements.

Education

The COVID-19 pandemic has created unparalleled challenges for our educators, staff, and administration. I want to thank the Superintendent and the Board of Education once again for their careful and sensible efforts in developing the Education budget for fiscal year 2021-22. After careful consideration of the Board's budget request, it is my recommendation to move forward with a proposed increase of .95%, equating to \$515,720.

We continue to centralize and reduce operational costs with our unique shared services efforts amongst town and schools' costs related to facilities and maintenance services.

Capital Improvements

The proposed Capital Improvement Plan (CIP) has undergone a rigorous development process beginning at the department level, and then comprehensively reviewed by the Capital Improvement Committee. The Capital Improvement Committee provided a prioritized list of current and future projects to Administration and Finance where funding sources were explored, and further project review was evaluated. Other priorities factored into the process are a continuation of our replacement schedule for rolling stock (vehicles, equipment, etc.), as well as continued support for public safety equipment.

Included with my budget proposal is a six-year Capital Improvement Plan. The Capital Improvement Plan shows \$41,398,707 in proposed projects with \$12,181,257 in FY22 requests.

Capital improvement budget spending is proposed at \$659,810, which is flat over last year, with the remainder of expenditures funded through a variety of sources, including but not limited to, grants, debt service (internal leasing) and Town Capital and Non-Recurring funds.

The list below elaborates on some of the projects and equipment purchases planned:

- Required maintenance and improvements to our Public Safety buildings
- Safety and communication equipment for our first responders
- Improvements to Henry Park parking areas
- Funding for ongoing maintenance of Roads, Sidewalks and Parking Lots

The Town has been extremely successful in securing grants and developing alternative funding sources for capital improvements. Grant funding is expected to assist in major projects including as previously mentioned the Waste Treatment Facility upgrade, replacement of the Main Street and Dart Hill Road Bridges, Rockville Connectivity project and Citizens Block.

The preservation and improvement of our infrastructure and capital assets is a necessary responsibility if we are to properly prepare for Vernon's future. Please join with me in support of this proposed capital plan. Collectively, these improvements will enhance the quality of town services and support our educational system and businesses.

In closing, I urge you to join us in the process of developing this budget. The Town Council has established dates for their budget review, with the first meeting to be held Saturday, March 20, 2021. Due to ongoing health and safety protocols, each budget meeting will be held via zoom conference call and will have a Citizen's Forum or Public Hearing portion for your feedback.

The final step in the budgetary process takes place at the Annual Town Meeting, Tuesday, April 27, 2021, in the Rockville High School Auditorium beginning at 7:00 pm where the electors and taxpayers will consider the outcome. Please take part in this process.

For updates and further information, please visit the town website, www.vernon-ct.gov, where you will find additional information regarding upcoming budget meetings and many other topics of interest.

Please contact my office if you have any questions.

Sincerely,

A handwritten signature in blue ink, reading "Daniel A. Champagne". The signature is written in a cursive, flowing style.

Mayor Daniel A. Champagne