

TOWN OF VERNON



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Daniel A. Champagne
Mayor

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MAYOR'S BUDGET MESSAGE

Fiscal Year 2023 - 2024

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 2024. As I write this, I am aware of the tough economic challenges many face and understand that all of us remain impacted by the continued increase in cost of daily necessities and, in many instances, ongoing supply chain issues that continue to impact the availability of essential goods and services.

As such, careful consideration was put into the development of this balanced budget to minimize the financial impact in these uncertain 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.

This budget 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.

The grand list has increased by \$48,282,515 or 2.17% with a large share coming from an increase in personal property, which indicates increased economic investment in Vernon, and continued strength in the motor vehicle market. As last year was a required revaluation year, it is not surprising that motor vehicles and personal property showed the largest change since both categories are revalued each year.

For fiscal year 2023-2024, the operating budget proposed equals \$101,978,089 an increase of \$2,170,414. **While the budget is 2.17% higher, there is no increase to the proposed mill rate of 33.39.**

Included in the budget, I am proposing allocating \$1,000,000 from fund balance to the Town, Police and Other Post Employment Benefit plans – with no impact to the mill rate. This is a very prudent use of

funds to address Vernon’s long-term financial liabilities. 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. I am awaiting further details on the recently proposed FY24 – FY25 Governors Biennium Budget and will adjust our proposed budget upon finalization of any act related to changes in municipal aid inclusive of education or any other revisions.

Revenue

Key Drivers of Increased Revenue:

- Grand List growth; estimated \$1,222,534 increase of collectable taxes.
- Use of \$2,249,073 of fund balance for revenue received in the current fiscal year (FY23) related to state revenue sharing and to offset the motor vehicle mill rate cap established by the Governor.
- Income related to investments – it is anticipated that interest rates will remain close to current levels allowing us to earn higher interest on our cash balance(s), resulting in an estimated increase of \$442,500 for the year.

Expenditures

Key Drivers of General Government spending:

- Wages and benefits total increase of \$1,073,877.
- Electricity increased \$177,300, a result of higher utility rates.
- Gasoline and Diesel expenses have increased \$118,530 due to higher prices.
- Fire Protection/Hydrant rentals increased by \$38,210 per directive of the utility company.
- Ongoing investment in technology, cyber security, and related services; increase of \$63,015.
- Inclusion of funding for aquatics programs; an increase of \$209,870.

Department Efficiencies

Shared Services – Through a collaborative effort between the Town and Public-School System, we have successfully leveraged funding for necessary Information Technology equipment replacement saving an estimated \$400,000.

Insurance – Continued focus on superior risk management practices, policies and procedures has resulted in a 0% increase in our General Liability and Workers Compensation insurance premiums for the upcoming fiscal year.

Education

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 2023-24. After careful consideration of the Board's budget request, it is my recommendation to move forward with a proposed increase of 3.75%, equating to \$2,092,397.

We continue to collaboratively review and evaluate operational efficiencies through our unique shared services efforts amongst town and schools related to the cost of facilities and maintenance services.

Capital Improvements

The proposed Capital Improvement Plan (CIP) has undergone a rigorous development and review process beginning at the department level, and then comprehensively reviewed by the Capital Improvement Committee. The Capital Improvement Committee provided a prioritized list of recommendations to Administration and Finance where funding sources were explored, and further project review was evaluated. Other priorities that factored into the process were 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 \$40,803,405 in proposed projects with \$16,458,053 in FY24 requests.

Capital Improvement budget spending is proposed at \$2,628,543, which will also be supplemented 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 buildings townwide.
- Safety and communication equipment for our first responders.
- Funding for ongoing maintenance of roads, sidewalks and parking lots.
- Replacement of fleet vehicles that have reached the end of their useful life.

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 the ongoing Waste Treatment Facility upgrade, repair of the Kelly Road bridge, completion of the stand-alone sidewalk program and evaluation of the Rockville Public Library front stairs.

Regarding the appropriation of remaining funds allocated to Vernon from the ARPA program, we continue to hold discussions with the Town Council related to projects that align with community input received and will be of benefit to the Vernon community. As with this budget proposal, the Vernon Town Council will review and recommend any significant use of such funds to taxpayers for approval.

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.

The Town Council has established dates for their budget review, with the first meeting to be held Saturday, March 18, 2023. Each budget meeting will be held in person at the Vernon Town Hall 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 25, 2023, 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 that reads "Daniel A. Champagne". The signature is written in a cursive style.

Mayor Daniel A. Champagne