



STATE OF CONNECTICUT – COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

Finance Office

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To the Board of Finance: Douglas Harding, Chairman
Daniel Keune, Vice Chairman
Maurice Blanchette
Logan Johnson
Elizabeth Nord
Barry Pinto

As required by the Town Charter Section 1103, the proposed budget for Fiscal Year (FY) 2024-25 is presented for your review.

REVENUES

GRAND LIST- 2023 – of Net Taxable Property

For FY 2024-25, the 2023 Grand List decreased by (0.42)% or \$(6,658,750) from the 2022 Grand List, resulting in decreased tax revenue of \$(241,776) at the present mill rate of 34.3 mills (real estate and personal property) and 32.46 (motor vehicle), assuming 100% collection rate. This Grand List is subject to hearings of the Ellington Board of Assessment Appeals and pending litigation. The major highlights are as follows:

CATEGORY	Net Grand List '22	Net Grand List '23	Percent Change	Dollar Change
Real Estate	\$ 1,283,655,480	\$ 1,287,932,630	0.33%	\$ 4,277,150
Personal Property	\$ 76,998,490	\$ 76,648,700	(0.45)%	\$ (349,790)
Motor Vehicle	\$ 207,036,440	\$ 196,450,330	(5.11)%	\$ (10,586,110)
Total	\$ 1,567,690,410	\$ 1,561,031,660	(0.42)%	\$ (6,658,750)

Real Estate

The Real Estate Grand List increased by 0.33%, or \$4,277,150. This change reflects a large reduction due to assessment appeals filed after the 2020 revaluation and were settled in 2023 after the completion of the 2022 Grand List. One real estate appeal remains pending. The growth on the Real Estate Grand List is mostly a result of residential and commercial new construction, several of which were incomplete new construction as of the October 1, 2023 assessment date. It is anticipated that most of the incomplete real estate construction on the

2023 Grand List will be prorated onto the 2022 Grand List upon completion of construction. The number of real estate accounts decreased by two accounts from last year to 6,074 properties.

The Real Estate Grand List has changed this year in terms of the mandatory penalty for rental property owners who did not file their Annual Income and Expense Reports (I&E) last year. The 2022 Grand List included \$434,450 in I&E penalty assessments when it was signed in January 2023. Due to a change in legislation in 2023, the penalty assessments now must be added after the Grand List is signed, instead of before. As a result, the penalty assessments will be added retroactively to the 2023 Grand List.

For the 2023 Grand List, five new applications were added to the defective concrete foundation list. The net assessment decrease is \$558,500 for these additional properties. Three foundations were repaired this year.

Personal Property

The Personal Property Grand List reflects a decrease of (0.45)% or \$(349,790). The number of accounts on the Personal Property Grand List decreased from 954 on the 2022 Grand List to 947 on the 2023 Grand List, a net decrease of seven accounts. The Personal Grand List was impacted by decreases due to depreciation as equipment ages and removed equipment.

Motor Vehicle

The Motor Vehicle Grand List had a decrease of (5.11)%, or \$(10,586,110). This decrease in the Motor Vehicle Grand List was expected. Beginning with the 2020 Grand List, and continuing with the 2021, when it peaked, but extending at lower levels to the 2022 Grand Lists, vehicle values were higher than ever before. The historically high values for used vehicles were due to the supply chain issues that occurred beginning with the COVID-19 pandemic. This year, some passenger vehicles decreased in value by 12% to 15% from last year's value, returning to the normal pattern seen prior to 2020. There were 673 model year 2023 vehicles and 85 model year 2024 vehicles on the Grand List. There was an increase in the number of motor vehicle accounts on the 2023 Grand List of 27 vehicles.

Per the State of Connecticut, the motor vehicle mill rate is capped at 32.46 mills.

STATE REVENUES AND INCREASE IN STATE AID

The Connecticut Conference of Municipalities has provided a summary that explains the impact on towns and cities and the Governor's proposed FY24 State Budget Adjustments and the impact on Ellington:

- Municipal Aid Under Governor's Proposed FY25 State Budget Adjustments

This report explains the various Education Aid grants, Non-Education Aid grants in total.

- Grant Estimates Under Governor's Proposed FY25 State Budget Adjustments

This report explains the Education Aid, Non-Education Aid and Additional programs, funding, and other items broken down by Town/City.

Major State Grants

	Estimated FY24	Gov Prop FY25	Gov FY25 v FY24
Adult Education	24,679	24,679	-
ECS Grant	10,341,646	10,341,646	-
LoCIP	165,800	165,800	-
Pequot-Mohegan Grant	4,081	4,081	-
PILOT	9,334	9,851	517
Town Aid Road	340,943	340,943	-
Grants for Mun Projects	223,527	223,527	-
Motor Vehicle Reimbursement	8,744	418,233	409,489
Total	11,118,754	11,528,760	410,006

Education Cost Sharing (ECS)

The governor’s plan shifts funding included in last year’s budget for education finance reform to provide additional funding to Towns to reflect demographic and enrollment changes. Under these proposed changes, the ECS formula will reach full funding in fiscal year 2026, two years sooner than the 10-year timeline. ECS payments are made as follows: 25% in October, 25% in January, and the balance in April.

LoCIP

Grantees receive payments after expenses have been incurred and local funds have been expended for an approved project by submitting a certified reimbursement request and providing required expenditure information. Payments are issued once the reimbursement request has been approved and after funds become available following the allotment of funds from state bond proceeds.

Town Road Aid

For FY24-25 the state grant has remained identical to FY23-24. Towns and boroughs use these grants for various purposes, including the construction and maintenance of public highways, roads, and bridges. The Secretary of the Office of Policy and Management may approve the use of funds for other purposes. Grant calculations depend upon factors that include population data and the number of a municipality’s improved and unimproved road miles. There is an allocation to the amounts the statutes specify for each formula calculation. Additionally, there is a proportionate adjustment of grant totals, as calculated, to the amount of funding available.

Grants for Municipal Projects

The Office of Policy and Management administers this program, also known as Municipal Grants in Aid, for the construction and maintenance of public highways, roads, and bridges. Recommended bond authorizations are level funded year over year.

Motor Vehicle Tax Cap

The proposal does not address the motor vehicle mill rate (MVMR). That would mean the FY 2024-25 cap would remain at the current 32.46 mills.

DEPARTMENTAL REVENUES

Police Special Duty

This revenue is generated by Police providing traffic duty at road construction sites and other services at special events. The revenue projected for these special duty services remained consistent year over year.

Town Clerk

The decrease in conveyance tax revenue year over year is attributable to the decrease of sales for consideration within Town. Recording fee revenue decrease is due to the projected decrease in documents recorded within the Town Clerk's office.

Recreation

The increase in recreation program revenue is based on a variety of new programs being offered, as well as an increase in rates for day camp needed to offset the rise in the cost to offer such programs.

Board of Education

During fiscal year 2022, the Town of Ellington hired an Emergency and Risk Management Director, who is responsible for managing emergency and risk activity across both the Town and the Board of Education. As such, the Board of Education will reimburse the Town for a portion of the Emergency and Risk Management Director's salary and benefits during fiscal year 2024-25.

Ambulance Fee Program

Ambulance Fee Program revenue increased \$175,000 year over year due to an overall increase in revenue earned in FY2023 for the Ambulance insurance billings, as well as a contribution in the amount of \$375,000 to offset 100% of the capital expenditure request for a new ambulance in FY2024-25.

EXPENDITURES

The proposed budget grand total for FY2024-25 is \$71,950,934 or an increase of \$3,596,235 or 5.26%, from the adjusted approved budget for FY2023-24.

GENERAL GOVERNMENT

Overview

The Board of Finance charged Town and Board of Education staff prepare their budgets in a fiscally responsible manner for the fiscal year 2024-25 budget. The goal of this year's budget initiative is to prepare a budget constructed from the "ground-up," identifying programmatic and service needs for the Town. The end results of this process yield financial transparency, identification of strategic priorities, and creation of a platform for evaluation and optimization of Town resources, all of which align with the overall vision of the Board of Finance and the Finance Office.

The General Government Budget increased by \$1,366,530, or 6.36%, from the FY2023-24 adjusted approved budget. The increase is primarily driven by changes in staffing, an increase in the cost of bulky waste pickup, and increased stabilization efforts relating to the upcoming debt service for the Windermere School renovation project, BOE HVAC project, and the Comprehensive Athletic Lighting project.

General Government

Proposed general government budgets for FY2024-25 have increased by \$37,267 or 1.61%, which are mainly attributable to the utilization of the UConn internship program for the upcoming fiscal year as well as cyber security vulnerability assessment initiatives for the Town.

Boards & Agencies

Boards & Agencies budgets for FY2024-25 have increased by \$5,464 or 4.24% due to various departmental fluctuations. The overall increase is attributable to the projection of increased turnout as FY2024-25 will have a Presidential election.

Public Safety

Overall, emergency service departments have seen an increase in the cost of personal protective equipment, uniforms and gear, contracted services, and education.

Center Fire Department saw an increase in projected costs for uniforms and clothing year over year.

Police expenditures increased year over year due to the increase in uniforms and clothing and training requirements under the Police Accountability Act.

Ellington Volunteer Ambulance Corps is projecting increased part-time staffing levels due to the overall steady decline in volunteer activity, which is currently a nationwide problem.

Public Works

The Public Works Department increased overall \$179,923 or 3.29% due to the removal of the full-time position for the Superintendent of Operations, the addition of a full-time laborer position, the contractual increase in solid/bulky waste costs, and the right-sizing of the costs related to recycling efforts year over year.

Recreation

Parks and Recreation budget increased by \$39,493 or 5.27%, driven by the conversion of a programming position from part-time to full-time, as well as the State required minimum wage increases. This department is 48.51% revenue driven, of which related program fees have increased due to the additional program offerings.

Library

The Hall Memorial Library has presented a budget request increase of \$8,762 or 1.12%. The increase is driven by the increase in Town funding for books.

Human Services

Human Services budget increased by \$7,196 or 0.79%, which is inclusive of a proposed increase in cost for the Senior Center breakfast program as well as the proposed air conditioning project for the Senior Center kitchen.

Town Properties

The Town Properties are overseen by the Department of Public Works; these properties include the Town Hall, Annex, Arbor Commons, Pinney House, Hall Memorial Library, Senior Center, Animal Control and Old Crystal Lake Schoolhouse. The funding requested to care for these facilities is directly related to the operational costs for the various facilities. Overall, Town Property expenditures increased \$59,253 or 8.01% year over year.

The Town Hall building budget increased overall by \$25,197 or 7.14%, which is mainly attributable to adding voice-over-IP phone service for the Police Department. The Hall Memorial Library building budget increased overall by \$25,250 or 21.61%, which is comprised of increased work for overall building repairs and general maintenance as it relates to the HVAC system, boiler inspections, alarm system, and the building's elevator. The Senior Center building budget increased by \$6,000 or 8.63% due to the anticipated work to be completed to repair the Senior Center kitchen equipment.

Also included in this budget request are the Ellington Volunteer Ambulance Building, Center Fire Department - Main Street, Center Fire Department - 6 Nutmeg Drive, and Crystal Lake Fire

Department. The Ellington Volunteer Ambulance Corps building budget request increased \$5,280 or 15.83% which includes an upgrade for the building camera license.

Debt Service

Overall increase of \$501,549 or 18.90% due to the appropriation efforts to proactively build up reserves for mill rate stabilization in future years due to increased levels of debt service for the Windermere Renovation project, BOE HVAC project, and Comprehensive Athletic Lighting project.

Fixed Charges

Fixed Charges includes social security, health/dental insurance for eligible employees and retirees, insurance reimbursement claims, and service insurance. Fixed charges budget request increased by \$226,078 or 6.39% due to a 5% increase on projected health and dental rates for the upcoming year, as well as an increase in payroll tax and benefits for the added benefit eligible positions.

Miscellaneous

Miscellaneous accounts proposed budget increase of \$145,166 or 19.80% is mainly attributed to the salary adjustment account. The increase in the salary adjustment account is primarily due to the Town Hall union contract being up for negotiation for the fiscal year 2024-2025.

CAPITAL OUTLAY

Overview

The Capital Non-Recurring Fund budget request signifies a gross increase of \$402,892 or 22.71%, however, with the offsetting revenue from LOCIP and contribution from the Ambulance Fee Fund, the proposed Capital Outlay results in a true net increase of \$384,925 or 35.47% from the FY2023-24 Adjusted Approved Budget.

Proposed Capital Projects for FY2024-25 are as follows:

Capital Project	Budget Request
Road Overlay	650,000
Local Capital Improvement Program	108,297
Unimproved Road Improvement	30,000
Town Sidewalks	20,000
Culvert Maintenance & Repair	10,000
Road Construction – Large/Small Bridges	30,000
CIP Construction Projects - BOE	135,000
Town Hall Gutters & Painting	55,000
Senior Center Updates	20,000
DPW Building Roof	40,000
DPW – ADA Access	25,000
DPW – Library Updates	55,000
DPW – Parking Lot Renovations	20,000
DPW – Transfer Station Site Improvements	20,000
DPW – Generator Upgrade	5,000
DPW – Tennis & Basketball Court Maintenance	20,000
DPW – High School Track	10,000
DPW – Bleacher Repair/Replacement	5,000
DPW – Guide Rail Program	20,000
Assessor – Revaluation	67,000
BOE – Equipment Upgrades	95,000
Snow Plow Dump Truck Replacement	210,000
DPW – Building Inspector Vehicle Replacement	50,000
DPW – Parks Equipment	50,000
EVFD – Rescue Tools Replacement	51,767
EVAC – Ambulance Replacement	375,000
Total	2,177,064

BOARD OF EDUCATION

Overview

The Board of Education increase is \$1,826,813 or 4.05% from the FY2023-24 Adjusted Approved Budget. As per the Superintendent’s Budget Message, major drivers for this increase include salaries and benefits, operations and technology, and instructional costs.

FINANCIAL CONDITION OF THE TOWN

As of March 14, 2024, the Town of Ellington is anticipated to conclude the FY2023-24 with an unassigned fund balance of \$6,910,672.

To fund the Public Hearing Budget based on the Governor's Proposed Budget for FY2024-25, a mill rate of 37.2 mills for real estate and personal property at a tax collection rate of 98.50% will be required, an increase of 2.9 mills from FY2023-24 tax rate of 34.3 mills for real estate and personal property. The mill rate on motor vehicles will remain capped at 32.46 mills.

The Town is proposing to retain unassigned fund balance of \$6,494,414 to maintain the Town's credit rating from Moody's of "Aa2", which will play a critical role in upcoming Town and Board of Education projects that will require bond funding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'TPignataro', written in a cursive style.

Tiffany Pignataro, CPA, MBA
Finance Officer/Treasurer