



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) 2025-26 is presented for your review.

REVENUES

GRAND LIST- 2024 – of Net Taxable Property

For FY 2025-26, the 2024 Grand List decreased by (1.46)% or \$(22,864,420) from the 2023 Grand List, resulting in decreased tax revenue of \$(724,290) at the present mill rate of 36.0 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 '23	Net Grand List '24	Percent Change	Dollar Change
Real Estate	\$ 1,287,683,230	\$ 1,290,539,810	0.22%	\$ 2,856,580
Personal Property	\$ 76,594,670	\$ 78,791,770	2.87%	\$ 2,197,100
Motor Vehicle	\$ 196,448,830	\$ 168,530,730	(14.21)%	\$ (27,918,100)
Total	\$ 1,560,726,730	\$ 1,537,862,310	(1.46)%	\$ (22,864,420)

Real Estate

The Real Estate Grand List increased by 0.22%, or \$2,856,580. The Real Estate Grand List was impacted by a new exemption adopted in the Connecticut State Legislature in 2024. The exemption provides an exemption of 100% of dwelling (i.e., the house, not the land) assessed value for permanent and totally disabled veterans. This exemption was applied to over 30 real estate taxpayers, with a total exemption amount of \$4,952,140, with another \$21,840 applied to motor vehicle assessments.

The 2024 Real Estate Grand List is the last Real Estate Grand List that will be calculated using the revaluation date of October 1, 2020. The Town’s next revaluation is scheduled for the Grand List of October 1, 2025. As previously noted, real estate values, especially for residential properties, have increased significantly since October 1, 2020.

There are three active real estate assessment abatements for the 2024 Grand List:

TAXPAYER	PROPERTY LOCATION	ABATEMENT YEAR	NET ASMT LOSS
Schneider Brothers LLC	128 West Road	3rd of 7 Years	(\$713,420)
Oakridge Dairy LLC	80 Meadow Brook Road	1st of 7 Years	(\$324,430)
Ellington Racquet Club	55 Lower Butcher Road	1st of 7 Years	(\$975,250)

For the 2024 Grand List, five more properties were added to the defective concrete list, totaling \$352,550 in assessment reduction, while seven more properties were removed from the defective concrete list, totaling \$476,720 in assessment reset increase. Ellington currently has 58 properties with reduced assessments due to defective concrete, with a net assessment reduction of \$3,695,580. Since the creation of CFSIC (the insurance fund for foundation replacement), 68 homes in Ellington have had their defective concrete foundations replaced.

Personal Property

The Personal Property Grand List reflects an increase of 2.87%, or \$2,197,100 in assessment. The number of accounts on the Personal Property Grand List increased from 947 on the 2023 Grand List to 950 on the 2024 Grand List. Growth in the Personal Grand List is attributed to increases in personal property investment by businesses in town, new businesses in town, and the impact of the ongoing personal property audit process that began in 2024. The noncompliance rate for personal property declaration filings rose slightly from the 2023 Grand List from 24% to 25%. Most municipalities in Connecticut report a personal property filing noncompliance rate of over 35%.

Motor Vehicle

The biggest item impacting the 2024 Grand List is the Motor Vehicle Grand List, which is down (14.21)%, or \$(27,918,100) in net assessment from 2023. The 2023 Motor Vehicle Grand List has gone down (5.11)% from the 2022 Motor Vehicle Grand List.

The 2024 Motor Vehicle Grand List decreased by (14.21)% due to a change in how Connecticut municipalities value motor vehicles for assessment purposes. The valuation model used from 1993 to 2023 was based on the unadjusted “clean retail” value of vehicles, as obtained from the JD Power/NADA valuation guides. In 2022, the Connecticut State Legislature adopted a statute that changed the valuation model to a formula using the vehicle’s original MSRP, minus a set depreciation schedule. Due to technical reasons in

the legislation, it was amended, revised, and adopted officially for the 2024 Grand List. Decreases in Motor Vehicle Grand List assessments will impact all the 169 municipalities in Connecticut. Ellington’s decrease in the Motor Vehicle Grand List is in the middle of the statewide range.

It is likely that the Motor Vehicle Grand List will continue to decrease in the coming years as most vehicles age and depreciate in accordance with the adopted depreciation schedule.

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 FY26 State Budget Adjustments and the impact on Ellington:

- Municipal Aid Under Governor’s Proposed FY26 State Budget Adjustments
This report explains the various Education Aid grants, Non-Education Aid grants in total.
- Grant Estimates Under Governor’s Proposed FY26 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 FY25	Gov Prop FY26	Gov FY26 v FY25
Adult Education	26,151	22,481	(3,670)
ECS Grant	10,341,646	10,206,354	(135,292)
LoCIP	165,756	165,756	-
Pequot-Mohegan Grant	4,081	4,081	-
PILOT	9,851	10,339	488
Town Aid Road	340,984	340,984	-
Grants for Mun Projects	223,527	223,527	-
Motor Vehicle Reimbursement	418,233	769,146	350,913
Total	11,530,229	11,742,668	212,439

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 FY25-26 the state grant has remained identical to FY24-25. 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 improved municipalities 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 2025-26 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 in sales for consideration within Town. Recording fee revenue flat year over year due to the projected stability in documents recorded within the Town Clerk's office.

Recreation

The decrease in recreation program revenue is based on a variety of new programs being offered, offset by a new conservative approach to headcount projection for upcoming summer 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 2025-26.

Ambulance Fee Program

Ambulance Fee Program revenue decreased \$(391,800) year over year due to an overall decrease in revenue earned in FY2024 for the Ambulance insurance billings, as well as a decrease in the contribution for capital equipment in the amount of \$(291,800) to offset 100% of the capital expenditure request for a service vehicle in FY2025-26, versus the cost of a new ambulance in FY2024-25.

EXPENDITURES

The proposed budget grand total for FY2025-26 is \$73,387,725 or an increase of \$2,126,970 or 2.98%, from the adjusted approved budget for FY2024-25.

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 2025-26 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 \$798,656, or 3.54%, from the FY2024-25 adjusted approved budget. The increase is primarily driven by public safety initiatives surrounding increased Ambulance oversight and staffing, negotiated contract increases for unionized employees, increased facilities maintenance costs and projects. The FY2025-26 budget proposal includes a flat-funded stabilization effort strategy 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 FY2025-26 have decreased by \$(9,222) or (0.39)% from the FY2024-25 adjusted approved budget. The decrease is primarily driven by reclassifying costs from the Board of Selectmen budget to the Finance Office budget, decreases in Probate Court requests and proposed reduction in usage of Town Counsel projected in FY2025-26.

Boards & Agencies

Boards & Agencies budgets for FY2025-26 have decreased by \$(7,698) or (5.75)% due to various departmental fluctuations. The overall decrease is attributable to the Registrar of Voters part-time payroll reduction. The FY2024-25 budget included a Presidential election and an increase in part time payroll was necessary during the prior budget year.

Public Safety

Overall, emergency service departments have seen an increase in the cost of personal protective equipment, uniforms and gear, contracted services, motor vehicle repairs and education. Public Safety increased \$225,200 or 6.20% year over year.

Center Fire Department saw an increase in projected costs for education and motor vehicle repairs due to the added annual service to the recently repaired burn trailer.

Public Fire Protection saw an increase due to the average increase contracted by Connecticut Water Company.

Ellington Volunteer Ambulance Corps is projecting a need for two additional full-time positions due to the overall steady decline in volunteer activity, which is currently a nationwide problem. The Ellington Volunteer Ambulance Corps budget also includes the proposal of an Emergency Medical Services Director position to assist in bringing the oversight and operation of the Town ambulance program under the Town's umbrella.

Public Works

The Public Works Department increased overall \$61,645 or 1.11% due to union contractual salary increases, reduction in salt due to ongoing efforts and trend of light winters, an increase in municipal solid waste contracted rate and an increase within the sanitary recycling department.

Recreation

Parks and Recreation budget increased by \$45,717 or 5.72%, driven by an increase in hours of a programming position, union contracted salary increases, as well as the State required minimum wage increases for seasonal workers. This department is 45.9% revenue driven, including the Crystal Lake Water Monitor expenditures.

Library

The Hall Memorial Library has presented a budget request increase of \$14,426 or 1.85%. The increase is driven by reinstating the Saturday part-time hours that were eliminated during FY2024-25 budget deliberations and merit-based increases for staff members.

Human Services

Human Services budget increased by \$38,866 or 4.18%, which is inclusive of Youth Services union contracted increases, State required minimum wage increases, increase in the Ellington Unified Advisor needs for programming, Hockanum Valley Community Council increased funding of \$7,000, North Central District increased funding of \$4,131 and overall Senior Center increase of \$15,267. The Senior Center increase includes union contracted increases for staff, contracted services and program increases.

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 \$74,698 or 9.96% year over year.

The Hall Memorial Library building budget increased overall by \$42,648 or 39%, which is mainly attributable to the restoration of contracted services and Repairs/Maintenance Equipment lines as well as the Eversource Energy Efficiency loan, which will replace the air handlers at the Library.

The Senior Center building budget increased overall by \$13,425 or 16.39%, due mainly to equipment replacement and maintenance attributable to the aging kitchen equipment and the Eversource Energy Efficiency loan, which will help improve heating and cooling systems at the Center.

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 Center Fire Building Main Street and 6 Nutmeg Drive increased a total of \$8,220 due mainly to contracted services oil water separator pump out at both buildings and the meeting room floor waxing at the Main Street location.

Debt Service

Overall increase of \$10,251 or 0.32% year over year due to the continued 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 include social security, health/dental insurance for eligible employees and retirees, insurance reimbursement claims, and service insurance. Fixed charges budget request increased by \$265,619 or 7.13% due to a 13% increase on projected health and dental rates for the upcoming year, as well as an increase in payroll tax and benefits for the added full-time benefit eligible positions within public safety.

Miscellaneous

Miscellaneous accounts proposed budget increase of \$79,154 or 10.65% is mainly attributed to the salary adjustment account. The increase in the salary adjustment account is primarily due to the Police and EVAC union contracts being up for negotiation for the fiscal year 2025-2026. The Town Website budget increase of \$10,000 is due to the contract being up for bid this fiscal year and the Town has been on a flat rate contract for the past five years.

CAPITAL OUTLAY

Overview

The Capital Non-Recurring Fund budget request signifies a gross decrease of \$(21,899) or (1.11)%, 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 \$269,901 or 22.4% from the FY2024-25 Adjusted Approved Budget.

Proposed Capital Projects for FY2025-26 are as follows:

Capital Project	Budget Request
Road Overlay	650,000
Local Capital Improvement Program	165,800
Unimproved Road Improvement	50,000
Town Sidewalks	20,000
Culvert Maintenance & Repair	20,000
Road Construction – Large/Small Bridges	30,000
DPW - Town Hall Renovation/Addition	60,000
DPW - DPW Building Maintenance	25,000
DPW - Library Updates	50,000
DPW – Old Crystal Lake School House Repairs	20,000
EVFD – Bathroom Remodel	48,000
DPW – Parking Lot Renovations	30,000
DPW – Transfer Station Site Improvements	20,000
DPW – Tennis & Basketball Court Maintenance	25,000
DPW – High School Track	25,000
DPW – Guide Rail Program	20,000
DPW – Crystal Lake Beach	50,000
DPW – High School Fence	40,000
Assessor – Revaluation	57,000

BOE – Modern Classroom Furniture	30,000
BOE – Lawn Tractor	17,668
BOE – Equipment Upgrades	25,000
DPW - Snow Plow Dump Truck Replacement	90,000
DPW – Loader	195,000
DPW – Parks Equipment	20,000
DPW – Equipment Trailer	20,000
DPW – Disc Style Seeder	26,000
EVAC – Service Vehicle SUV Replacement	83,200
BOE – Vehicle Replacement	30,000
Total	1,942,668

BOARD OF EDUCATION

Overview

The Board of Education increase is \$1,350,213 or 2.89% from the FY2024-25 Adjusted Approved Budget. As per the Superintendent’s Budget Message, major drivers for this increase include salaries and benefits, operations and technology, and increases to supply costs.

FINANCIAL CONDITION OF THE TOWN

As of March 13, 2025, the Town of Ellington is anticipated to conclude the June 30, 2025 fiscal year with an unassigned fund balance of \$9,742,596.

To fund the Public Hearing Budget based on the Governor’s Proposed Budget for FY2025-26, a mill rate of 38.5 mills for real estate and personal property at a tax collection rate of 99.00% will be required, an increase of 2.5 mills from FY2024-25 tax rate of 36.0 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 \$9,353,108 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,



Tiffany Pignataro, CPA, MBA
Finance Officer/Treasurer