



DOUGLAS HARDING
Chairman

STATE OF CONNECTICUT – COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

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DATE: January 8, 2025
TO: Boards, Agencies and Departments
FROM: Douglas Harding, Chairman, Board of Finance
RE: Budget Guidelines for Fiscal Year 2025–2026

It is budget time again, and as it has been in the past, the needs of our town are greater than the supply of income to pay for them. As you begin to plan your department's budget request for Fiscal Year 2025-26, please keep in mind that the Town has seen large mill rate increases over the past several years. The Board of Finance is looking to minimize any mill rate impact for the coming year. Last year was a rough year that reduced programs and services. The Board of Finance wants to avoid any additional service and program cuts.

The Board of Finance would like to extend our sincere appreciation to all department heads who have done a great job in the past of submitting responsible budgets and for getting maximum utility from the funds they were appropriated. As you create your budget requests, please continue to look for ideas which not only improve the near future but will have long-term benefits which may not be immediately recognizable for the Town. We are fortunate that the Town has department managers who look at and plan for both the short-term and long-term needs of their departments.

The Board of Finance is asking all Boards, Departments and Commissions to take a hard look at their budget requests and submit the most fiscally responsible budget they can, while maintaining the services and programs that our Town currently offers. The Board of Finance also asks for department heads to provide us with the costs to reimplement the programs and services that were cut from the 2024-2025 budget. While we cannot guarantee that these programs and services will be added back in this budget, this information will be useful in helping us develop a plan to add these programs and services back in future years.

The Town does face several challenges in the coming years that we want all departments to keep in mind when creating their budget requests. Voters have approved three major projects that we have begun issuing bonds for. Financing of these projects will take up additional resources. The State of Connecticut has recalculated the Education Cost Sharing grant, which may impact Ellington's grant. Last year, we saw a major reduction in the grand list due to a large decrease in the assessed value of motor vehicles. As the State is changing the way motor vehicles are calculated for the October 1, 2024 grand list, we should expect another decrease in motor vehicle portion of the grand list. While the Town has been fortunate that investment earnings have come in higher than budgeted in the past few years, recent interest rate cuts have resulted in the State Treasurer's Short Term Investment Fund's rate of return decreasing. This means that the Town's investment earnings may not be as robust in the future. Lastly, all of the American Rescue Plan Act (ARPA) money, which has been used to pay for various capital projects over the past few years, has been allocated and is not available for future projects. This means that projects which were being considered for ARPA but not funded will need to go through the Capital Improvements budget process.

We will do our best to meet the needs of the town by prioritizing all budget requests.

For the purpose of estimating fuel costs, the following numbers should be used:

Diesel Fuel	\$2.85 (estimated)
Gasoline	\$2.44
Heating Oil	\$2.78 (estimated)

The target for Capital Improvements once again is \$1,600,000. As usual, projects which can be accomplished within the budget year will be given priority.

The Board of Finance looks forward to working with everyone to ensure a smooth budget season that results in a budget that keeps Ellington as a great place to grow.