



Town of Haddam, CT  
Budget Public Hearing  
June 9, 2020

**2020-2021 Budget**

# Public Comments Process

- Public comments will be accepted at the e-mail address below:

**[BOFpubliccomment@gmail.com](mailto:BOFpubliccomment@gmail.com)**

In the subject line please include:

**Budget Public Comment**

- Comments will be summarized and discussed at virtual BOF meeting on June 11, 2020 at 6:30 pm

# Budget Process -2020

- December: Budgets submitted to First Selectman
- February: Selectman submits budget to the Board of Finance (BOF)
- March-April: BOF reviews requests and recommends a budget
- April-May: First Selectman requested budget reductions (\$104,000)
- June 9: **Public Hearing**
- June 11: Budget is adopted by BOF in accordance with Governor's Executive Order 7HH

# Capital Budget vs. Capital Plan

- The **Capital budget** represents the projects that are funded for the 2020-2021 fiscal year.
- The **Capital plan** is the document that is a 10 year detailed look (20 year total) at the projects, capital replacement and funding requirements for projects that have been requested and the Town anticipates are needed or wanted.

# Impact of Proposed Budget on Tax Rate

As was the goal of the BOS/BOF when the pandemic hit, the budget as currently proposed does **NOT** result in an increase in the tax rate for the 2020-2021 fiscal year.

This was accomplished by the collaborative efforts of the Board of Selectmen, Board of Finance and Board of Education of Regional School District No. 17

# Budget Strategy

- Continue to streamline Town operations to increase the efficiency of service delivery while maintaining quality of services
- Address Town's infrastructure and capital improvement/ replacement needs with the least impact possible on the tax rate
- Continue to fund capital needs to the greatest extent possible with grants and tax funding

# Budget Strategy

- Use of any operating budget savings to fund capital needs and reduce future funding needs
- Limit the use of bonds when possible to maintain capacity for future Town-wide projects (community septic, Scovil, public works facility, others)

# Challenges to accomplishing objective of no mil rate increase

- Shift in student enrollment (ADM) increase Haddam's percentage of budget (assessment). This shift based upon 2020's approved budget represented an increase of \$1,146,697 to the Town's assessment if the same budget amount was approved for 2021.
- New expenditures
  - HES debt service payment \$150,000
  - HES carrying cost 70,000
  - Tree removal costs 50,000
  - Hydrant maintenance cost 33,000



# Challenges to accomplishing objective of no mil rate increase

- COVID 19 Pandemic impacts:
  - Revenues decreases:
    1. Current property tax collections expectations
    2. Prior property tax collections expectations
    3. Delinquent interest collections (low interest plan approved by Town in accordance with Executive Order 7S)
    4. Building permits and conveyance tax decrease
    5. Interest income (interest rate decreased)

# Challenges to accomplishing objective of no mil rate increase

- COVID 19 Pandemic impacts:
  - Expenditure increases
    1. Increased in need for social services
    2. New technology costs
    3. Supplies (minor)
- Continued significant capital needs

# Significant factors contributing to the no mil rate increase

- Net Grand List increased by **\$8,663,127** or **0.91%** (\$274,500 tax impact).
- Regional School District No 17 budget was reduced and adopted at a net increase of \$260,701 (net of \$127,853 that reduced the Town's share of the Region's budget after the Town approved the 2019-2020 budget due to the failed first referendum).

# Significant factors contributing to the no mil rate increase

- First Selectman request to Town Departments for reductions after the initial budget was approved of \$104,000.
- Capital budget was reduced by \$160,000 as compared to prior year
- Regional School District No. 17 reduction of the approved budget as compared to 2020 by \$634,573.

# Other notes regarding the 2020-2021 budget

- Other State grants are budgeted in Capital and Nonrecurring Fund:
  - LOCIP – will be used to support capital budget as required by State Statutes
  - Town Aid Road – If received in 2020-2021 these monies will be appropriated and spent for roads in the capital nonrecurring fund.

## 2020-2021 Expenditure Budget Highlights

Changes over \$10,000 are as follows:

|   | Department             | Dollar Change | % Change | Explanation   |
|---|------------------------|---------------|----------|---|
| 1 | Finance                | \$ 14,631     | 12.11%   | Due to position being increased to full-time                                  |
| 2 | Tax Collector          | (17,466)      | -21.75%  | Due to the elimination of the Assistant Tax Collector's position              |
| 3 | Benefits and Insurance | 54,883        | 4.46%    | Due to increases in health insurance and pension contributions                |
| 4 | Contingency            | 50,000        | 100.00%  | Due to salary contingency for union negotiations                              |
| 5 | Fire Protection        | (17,330)      | -5.18%   | Due to decreases in estimate property and vehicle maintenance for Haddam Neck |

# 2020-2021 Expenditure Budget Highlights

|           |                               |          |         |   |
|-----------|-------------------------------|----------|---------|---|
| <b>6</b>  | Police                        | (63,090) | -15.00% | Due to new trooper assigned to Town at low salary and benefit costs                       |
| <b>7</b>  | Public Works                  | (17,644) | -1.52%  | Due to decreases in minor equipment repairs, signs replacement and outside contractors    |
| <b>8</b>  | Public Buildings and Property | 90,975   | 30.47%  | Due to newbudget line or HES operating costs and new line for fire protection hydrant fee |
| <b>9</b>  | Social and Senior Services    | 27,218   | 25.98%  | Due to hours and salary increases   |
| <b>10</b> | Youth and Family              | 11,300   | 12.91%  | Due increase in assessment  |

# 2020-2021 Expenditure Budget Highlights

|    |                                 |           |         |   |
|----|---------------------------------|-----------|---------|---|
| 11 | H/K Recreation Authority        | 20,000    | 25.00%  | Due to increase from reduction in the prior year        |
| 12 | Culture & Recreation            | 26,454    | 7.24%   | Due to increased funding for Library                    |
| 13 | Capital Improvement Budget      | (160,000) | -27.35% | Reduced funding to avoid increase in mil rate           |
| 14 | Debt Service                    | 60,933    | 4.82%   | Increase due to the HES payment due of \$150,000        |
| 15 | Regional School District No. 17 | 260,701   | 1.08%   | Based upon the Regional School District approved budget |



# 2020-2021 Expenditure Revenue Budget Highlights

|          | Revenue Line                        | Change          | Explanation                                 |
|----------|-------------------------------------|-----------------|---|
| <b>1</b> | Motor Vehicle Supplemental Tax      | \$ (25,000)     | Decrease expected due to impact of COVID 19 |
|          | General Property Tax-Prior Year     | (50,000)        |   |
|          | Elderly Tax Credit/Renters Program  | 21,000          |   |
|          | Interest & Lien Fees                | (20,000)        |   |
|          | Telecommunications Prop Tax Grant   | (3,060)         |   |
|          |                                     |                 |   |
|          | Net decrease in tax related revenue | <u>(77,060)</u> |   |
| <b>2</b> | Building and Land Use               | (25,000)        | Decrease expected due to impact of COVID 19 |
| <b>3</b> | Interest Income                     | (35,000)        | Decrease due to decrease in interest rates  |

# 2020-2021 Capital Budget

- **Capital budget** presents the 2020-2021 year only cost of projects and the related funding sources.
- **Capital plan** includes the known/requested projects and estimated costs, including roads.
- Not all items presented in plan are based upon formal estimates or quotes

# 2020-2021 Capital Budget

|                           |  |                                     | <b>Amount<br/>to be<br/>Funded</b> |
|---------------------------|--|-------------------------------------|------------------------------------|
| <b>Department</b>         |  | <b>Description</b>                  |                                    |
| General Government        |  | Message Trailer                     | \$ 20,000                          |
| General Government        |  | Revaluation                         | 60,000                             |
| General Government        |  | Generator Annex                     | 24,000                             |
| Infrastructure            |  | Community septic design             | 30,000                             |
| Infrastructure            |  | Community septic - 4 Road Crossings | 70,000                             |
| Haddam Vol Fire Dept      |  | Station 3 Windows & Doors           | 60,000                             |
| Haddam Vol Fire Dept      |  | Station 1 Parking Lot Replacement   | 120,000                            |
| Haddam Vol Fire Dept      |  | Engine 1-13 Replacement             | 250,000                            |
| Haddam Vol Fire Dept      |  | Engine 3-13 Replacement             | 250,000                            |
| Haddam Neck Vol Fire Dept |  | Rescue 16 Replacement               | 120,000                            |
| Public Works              |  | Hydraulic breaker                   | 15,700                             |
| Public Works              |  | Stump grinder                       | 10,250                             |
| Public Works              |  | Salt Shed- Haddam Neck              | 8,300                              |
| <b>Totals</b>             |  |                                     | <b>\$ 1,038,250</b>                |

# 2020-2021 Capital Budget

## Project Funding:

|                        |  |                     |
|------------------------|--|---------------------|
| Tax fund (2021 budget) |  | \$ 425,000          |
| Transfer 2020 budget   |  | 575,000             |
| CNR Unallocated        |  | 38,250              |
|                        |  |                     |
| Total                  |  | <u>\$ 1,038,250</u> |
|                        |  |                     |

# Future Capital Plan Challenges

Capital plan funding requests excluding roads and Town wide projects:

|               |  |                     |
|---------------|--|---------------------|
| 2022          |  | \$ 2,022,250        |
| 2023          |  | 1,873,000           |
| 2024          |  | 910,000             |
| 2025          |  | 1,159,000           |
| 2026          |  | 894,000             |
|               |  |                     |
| Total         |  | <u>\$ 6,858,250</u> |
|               |  |                     |
|               |  |                     |
| Fire vehicles |  | \$ 2,670,000        |
| Fire houses   |  | 700,000             |
| PW vehicles   |  | 1,956,000           |
| Other         |  | 1,532,250           |
|               |  |                     |
| Total         |  | <u>\$ 6,858,250</u> |
|               |  |                     |

# Acknowledgments

- Board of Selectmen
- Board of Finance
- Finance Department
- Town Departments
- Board of the Regional School District

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