



Town of Simsbury

FY 2023/2024 MANAGER'S PROPOSED BUDGET

FEBRUARY 27, 2023

Budget Objectives

1. Maintain current services and programs
2. Advance Board of Selectmen initiatives and priorities for the following areas:
 - Financial Management and Capital Planning
 - Health, Safety and Well-Being of our Community
 - Economic Development
 - Engaged, High Quality Workforce
3. Maintain and invest in existing assets and infrastructure
 - Utilize cash for ongoing and routine capital needs

Budget Objectives

4. Strengthen our long-term financial stability
 - Maintain or increase Fund Balance
 - Maintain our Health Insurance Fund reserve at or above twelve weeks of expected claims
 - Estimated at 21% at fiscal year-end 23/24
 - Maintain commitment to funding OPEB and pension liabilities

5. Review operating and capital needs that would be good candidates for use of ARPA dollars, keeping in spirit with the intended uses for pandemic recovery and BOS Policy

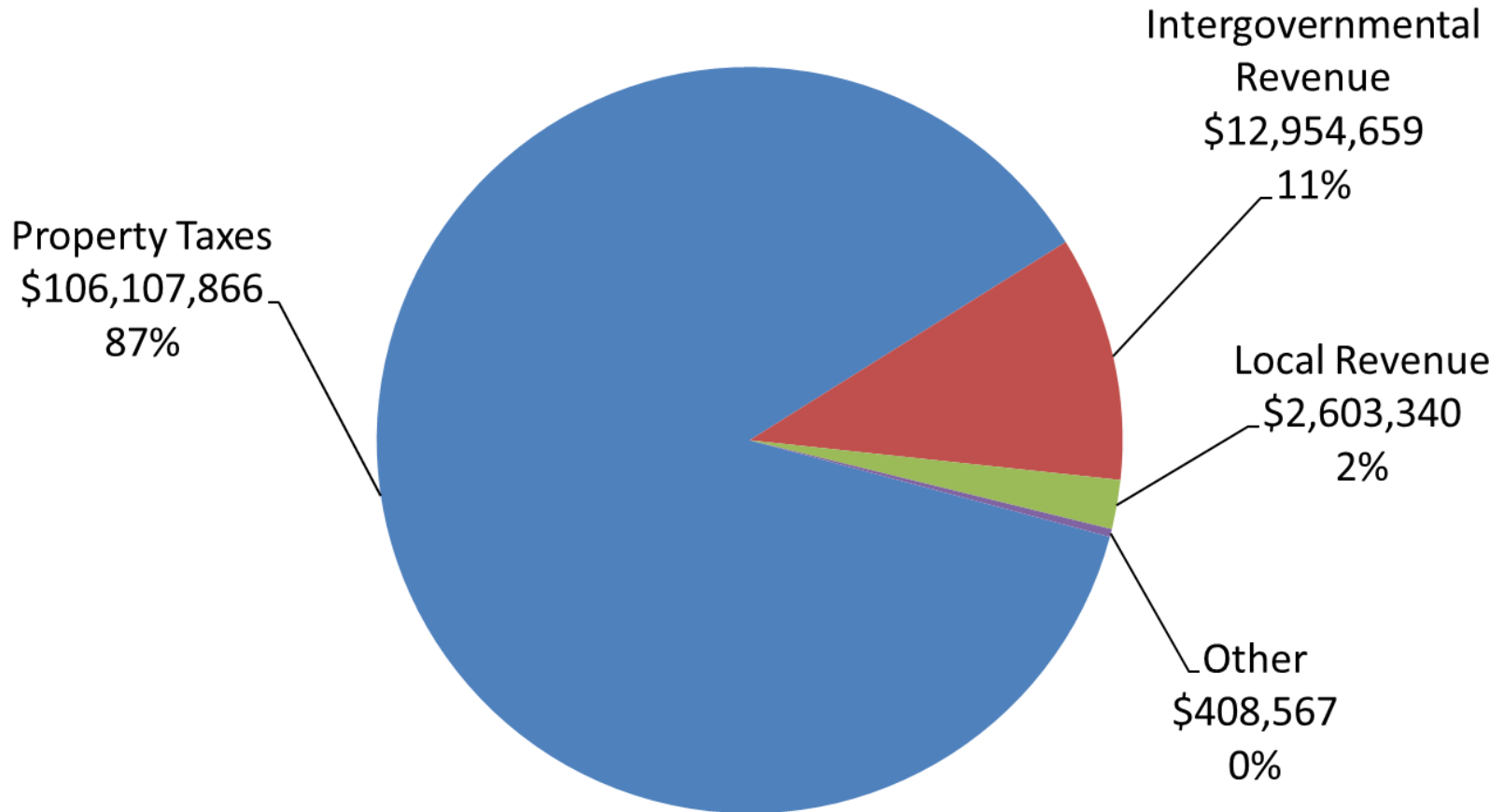
FY 23/24 Budget Overview – General Fund

| | |
|---|----------------------|
| <i>Town</i> | <i>\$27,197,456</i> |
| <i>BOE</i> | <i>\$81,780,980</i> |
| <i>Non-Public Schools</i> | <i>\$605,699</i> |
| <i>Debt Service</i> | <i>\$8,377,216</i> |
| <i>Capital and CNR Contribution</i> | <i>\$416,250</i> |
| <i>Inter-Fund Transfers & Contingency</i> | <i>\$3,696,831</i> |
| General Fund | \$122,074,432 |

FY 23/24 Budget Overview – Other Funds

| | |
|---|--------------|
| Residential Rental Property Fund | \$47,122 |
| Capital Fund (<i>Town and BOE</i>) | \$11,112,840 |
| Capital & Nonrecurring Fund (<i>Town</i>) | \$2,803,681 |
| Parks & Recreation Special Revenue Fund | \$2,880,577 |
| Water Pollution Control | \$5,771,930 |
| Health Insurance Fund | \$18,918,284 |

FY 23/24 General Fund Revenues: \$122,074,432



FY 23/24 Revenue Outlook – Grand List

- Grand List increased by 26.85% or \$719,464,885, generating approximately \$22.3M in new revenue
 - Real estate increased by 31.56% or \$710,124,540
 - Impact of revaluation, includes market adjustments
 - Revaluation required by law once every five years
 - Motor vehicle increased by 4.07% or \$11,136,360
 - Personal property decreased by -1.15% or -\$1,796,015

FY 23/24 Revenue Outlook – Grand List

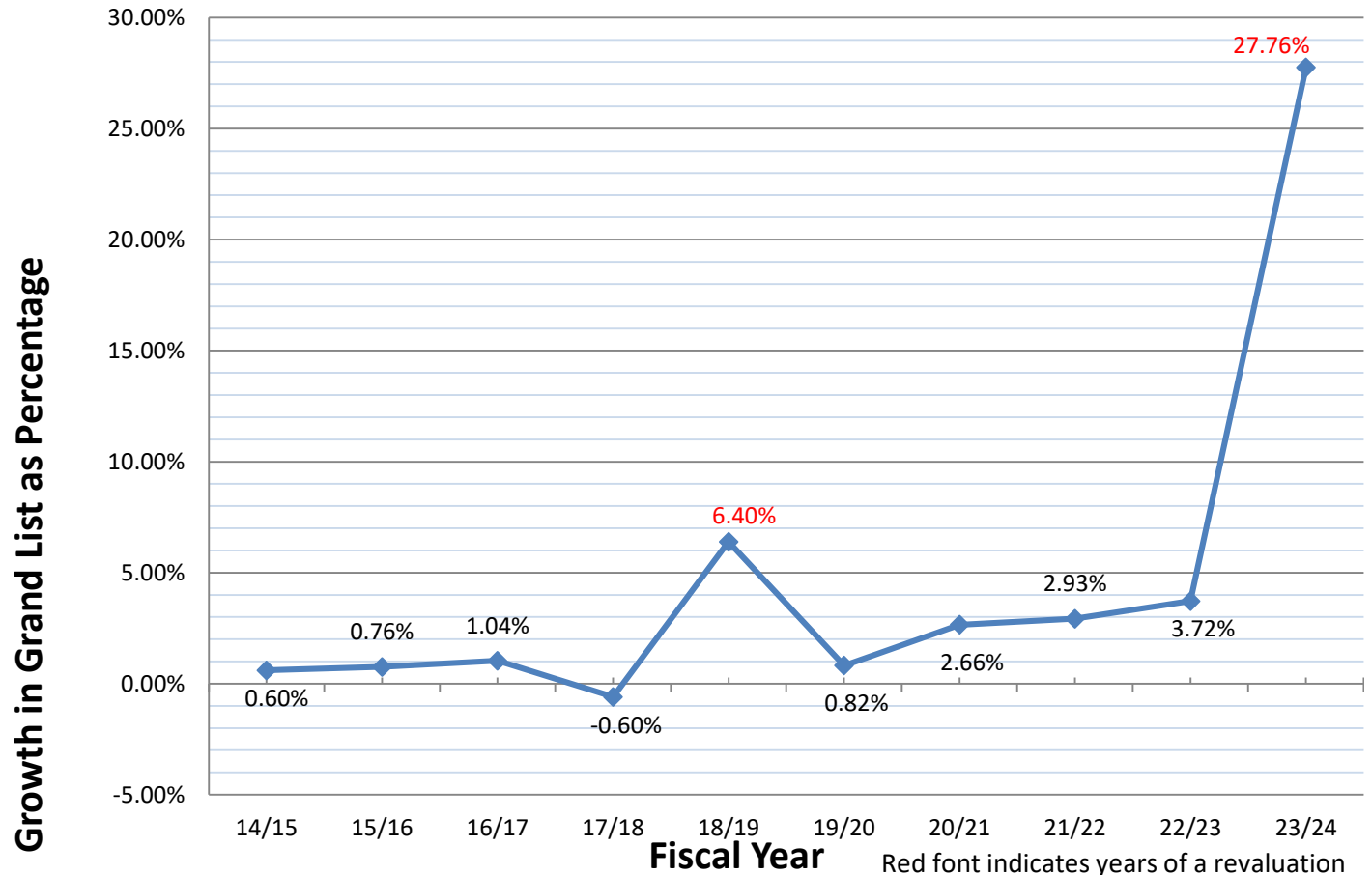
- Without revaluation, Grand List increased by 2.34% or \$62,662,769, generating approximately \$2.3M in new revenue
 - Real estate increased by 2.25% or \$50,614,093
- These numbers are preliminary and based on the most recent information available
 - Grand List to be finalized 2/28/23
 - Subject to change based upon the outcome of assessment appeals

FY 23/24 Revenue Outlook – Grand List

Percentage of Grand List Growth Since FY 2014/2015

10 Year Growth
w/o Reval:
Average: 1.49%
Median: 0.93%

10 Year Growth
with Reval:
Average: 4.61%
Median: 1.85%



Red font indicates years of a revaluation

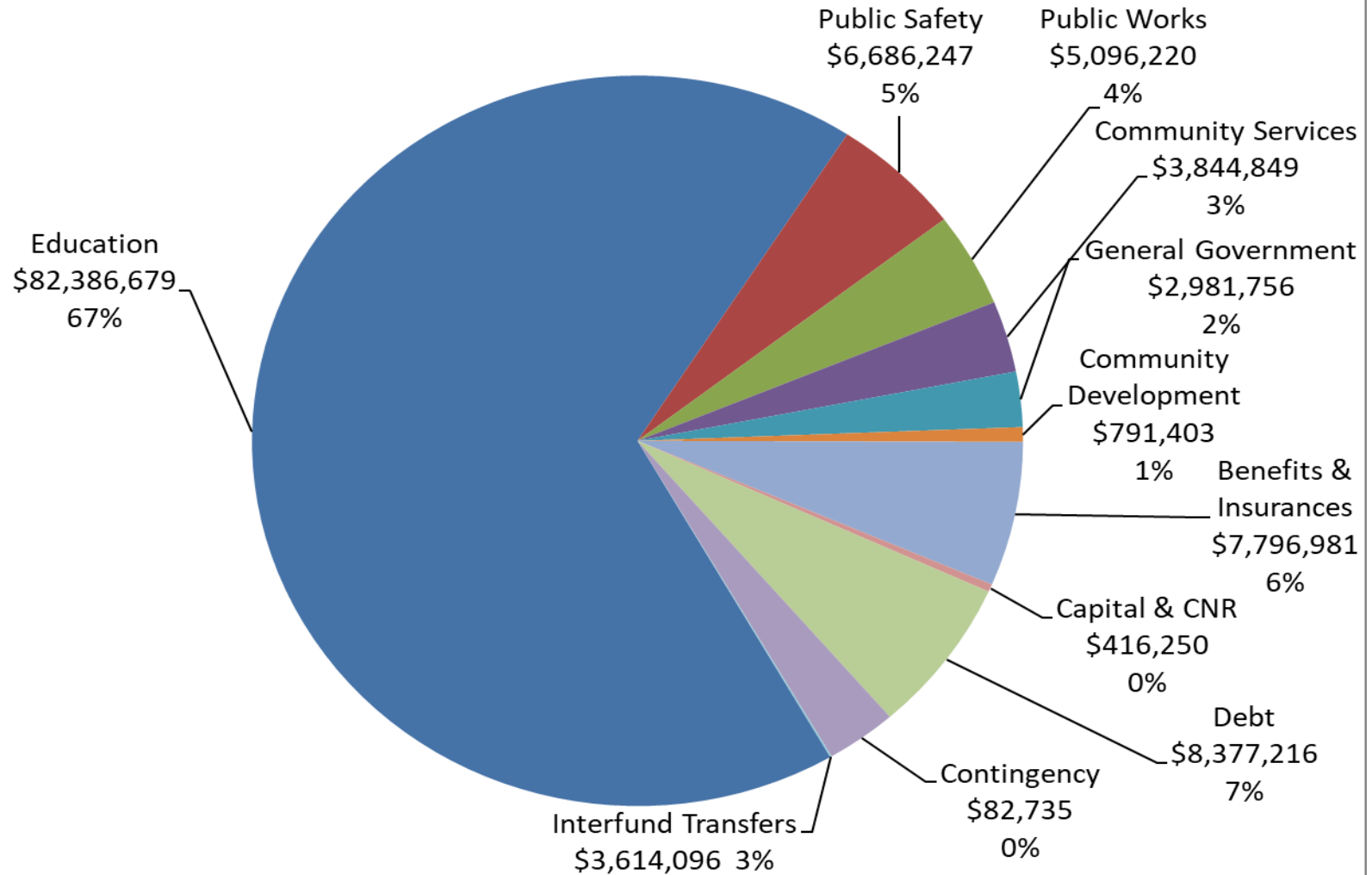
FY 23/24 Revenue Outlook

- Uses a tax collection rate of 98.5%
- 1 mill is approximately \$3M in revenue
- Town Clerk's Offices revenues have decreased slightly due to fewer homeowners refinancing mortgages due to interest rate increases
 - Conveyance Tax decreases by -\$150,000
 - Land Recording Fees decreases by -\$80,000
- Receipt of second (and final) round of ARPA funding, \$3,757,833

FY 23/24 Revenue Outlook

- Utilized Governor's proposed budget for state revenues
 - Most state revenues remain flat
 - ECS revenue increases by \$222,479, from \$7,000,416 (FY 22/23 Actual) to \$7,222,895 (FY23/24)
 - Motor vehicle tax reimbursement increases by \$373,907, from \$1,180,975 (FY 22/23 Actual) to \$1,554,882 (FY23/24)
 - Motor vehicle mill rate budgeted as the same mill rate as real estate and personal property

FY 23/24 General Fund Expenditures: \$122,074,432



FY 23/24 General Fund Expenditures

| | FY 22/23 | FY 23/24 | \$ Increase/ Decrease | % Increase/ Decrease |
|----------------------------|----------------------|----------------------|--------------------------|----------------------------|
| Town | \$25,743,871 | \$27,197,456 | \$1,453,584 | 5.65% |
| BOE | \$76,479,437 | \$81,780,980 | \$5,301,543 | 6.93% |
| Non-Public Schools | \$551,383 | \$605,699 | \$54,316 | 9.85% |
| Debt Service | \$6,371,525 | \$8,377,216 | \$2,005,691 | 3.15% |
| Capital & CNR | \$2,024,825 | \$416,250 | \$(1,608,575) | (79.44)% |
| Transfers & Contingency | \$3,790,231 | \$3,696,831 | \$(93,400) | (2.46)% |
| Total | \$114,961,272 | \$122,074,432 | \$7,113,160 | 6.19% |

FY 23/24 Expenditure Trends

- \$3,409,708 in ARPA funds appropriated as an operating transfer
- Debt Service - \$2,005,691 increase
- Salaries
 - Anticipated general wage and step increases -\$358,403
 - Budgeted in contingency and salary line items
- Minimum wage
 - Statutory increase results in a total increase of approximately \$32,904 across all departments
- Pension/OPEB - \$33,818 increase
 - Interest rate assumption remains unchanged at 6.5%
 - Town general government and BOE OPEB plans fully funded

FY 23/24 Expenditure Trends

- Market increases and inflation
 - Utilities - \$113,819 increase
 - Fuel (gas & diesel) - \$69,278 increase
 - Natural Gas, Propane, Heating Oil - \$19,894 increase
 - Electricity - \$12,242 increase
 - Water - \$12,405 increase
 - Fleet vehicles - \$67,962 increase
 - Building, cleaning, agriculture & parts supplies - \$38,612 increase
 - Capital project cost increases for labor and materials
 - Delays in receiving vehicles, equipment, and supplies
- \$25,000 contingency for early voting

FY 23/24 Service Improvements

- Prioritized service improvement requests for consideration
 - Deputy Building Official (additional days) - \$20,488
 - Teen Reference Materials - \$4,500
 - Library Book Bike (ARPA) - \$4,642
 - Mechanic Truck Driver (shared with BOE) - \$69,933
 - Recreation Program Coordinator (increase hours) – *no general fund impact*
 - Parks Maintainer- \$99,569
 - Simsbury Celebrates - \$3,300
 - DEI Council Juneteenth Event - \$2,000
- Inclusion of all noted service restorations and improvements would have an estimated tax impact of \$16/year on the median valued home and affect the mill rate by 0.06 mills

BOS Approved Uses of ARPA Funding

- Public health recovery
- Business recovery
- Non-profit recovery
- Student educational recovery and literacy efforts
- Mental health and well-being recovery
- Diversity, equity, and inclusion initiatives
- Capital projects that support air-quality and HVAC systems in town-owned facilities
- Capital projects and purchases that support town-owned outdoor infrastructure such as parks, playgrounds, trails, open spaces, and other outdoor amenities
- Other categories or items as may be determined by the Board at a later date

Town Manager Recommended Uses of Remaining ARPA Funding - \$3,757,833

| Project Name/Description | Cost |
|--|--------------------|
| Eno Memorial Hall HVAC | \$1,200,000 |
| Library Book Vending Machine Equipment for Tariffville | \$75,400 |
| House Rest Pond Bridge and Dam | \$505,500 |
| Lake Basile Dam | \$130,000 |
| Latimer Lane Outdoor Learning Spaces | \$345,800 |
| Town Tourism Map | \$58,250 |
| Library Literacy Summer Program (3 Years - Aggregate Cost Reflected) | \$12,905 |
| Housing Authority Capital Request #2 | \$100,000 |
| TBD Business Programs | \$525,000 |
| Fire District Generators | \$123,125 |
| SVAA Radio System Loan Forgiveness | \$70,805 |
| Health Insurance Reserve (if needed) | \$611,048 |
| TOTAL | \$3,757,833 |

Capital/CNR
Operating
Outside Agencies
Reserves

Board of Selectmen Initiatives

- Financial Management and Capital Planning
 - Shared services with Board of Education
 - Continued implementation of financial management services
 - Proposed service improvement for shared fleet management services
 - Various capital and CNR projects
 - Financial fraud risk assessment, \$50,000 budgeted in CNR
 - Facilities Master Plan (i.e. elevators, Eno building infrastructure)
 - Parks and Open Space Master Plan (i.e. playgrounds, athletic field irrigation)
 - Expansion of trail network
 - Electric charging station grant, \$112,200 budgeted in CNR

Board of Selectmen Initiatives

- Health, Safety and Well-Being of our Community
 - Various capital and CNR projects
 - Police Department needs (i.e. vehicles, body cameras)
 - Cross walk safety improvements, \$46,680 budgeted in CNR
 - Metacom Drive safety improvements, \$46,000 budgeted in CNR
 - Station Street 2-way reconfiguration, \$200,000 budgeted in CNR

Board of Selectmen Initiatives

- Economic Development
 - Main Street Partnership
 - \$50,000, budgeted in existing economic development budget
 - Simsbury Chamber of Commerce
 - \$825, membership dues budgeted in Board of Selectmen budget
 - \$7,500, budgeted in Board of Selectmen budget
 - Business and Career Center (BCC)
 - \$72,767, Librarian budgeted in Library budget
 - Economic Development Commission
 - \$650, budgeted in boards & commissions budget

Board of Selectmen Initiatives

- Economic Development
 - Tourism Map Project (four year project)
 - \$58,250 (aggregate cost of all years), budgeted in CNR
 - Tariffville Area Plan (three year project)
 - \$50,000 budgeted in 23/24 CNR
 - \$50,000 budgeted in 24/25 CNR, \$50,000 budgeted in 25/26 CNR

Board of Selectmen Initiatives

- Engaged, High Quality Workforce
 - Continuing education for maintenance of certifications
 - Professional development and annual leadership retreat
 - Funds for larger group work and individual training
 - Tuition reimbursement
 - Executive coaching
 - Employee engagement survey, \$20,000 budgeted in CNR

Capital & Debt Service Budget Principles

- Utilize available cash for smaller value and routine capital needs that should not be bonded for
 - Creates less expense to the Town in the long run
 - Frees up debt service capacity in out years
 - Smooths impact of future debt service increases
- Continue to build our capital reserve with funds from capital project close-outs and year-end savings when available
 - Emergencies
 - Capital projects otherwise funded by bonding or due to lack of cash
 - Offsets to debt service
 - Unanticipated cost increases
 - Unanticipated grant opportunities that require local match
- Continue to quantify our baseline capital and CNR needs

FY 23/24 Capital Budget Revenues: \$11,112,840¹

| | | |
|---|--------------|---------------------|
| Bonds | \$5,591,400 | 50.3% |
| Sewer Use Fund | \$2,325,000 | 20.9% |
| Federal or State Grants | \$1,196,000 | 10.8% |
| General Fund Operating Transfers | \$446,000 | 4.0% |
| ARPA | \$389,440 | 3.5% |
| Parks and Recreation Fund | \$300,000 | 2.7% |
| Project Savings | \$250,000 | 2.3% |
| Town Aid Road (TAR) | \$243,500 | 2.2% |
| LOCIP | \$156,500 | 1.4% |
| Donations | \$85,000 | 0.8% |
| Misc. Revenues (lease payments, trade-in) | \$72,150 | 0.6% |
| Capital Reserve | \$57,500 | 0.5% |
| ¹ Includes education projects | TOTAL | \$11,112,840 |
| | | 100% |

FY 23/24 Capital Budget Expenditures: \$11,112,840¹

| | | |
|-------------------------------|---------------------------------|-------------|
| Public Works | \$7,737,840 | 69.6% |
| Sewer (WPCA) | \$2,325,000 | 20.9% |
| Education | \$750,000 | 6.8% |
| Culture, Parks and Recreation | \$300,000 | 2.7% |
| TOTAL | \$11,112,840¹ | 100% |

¹Includes education projects

Capital Fund Projects (Town)

- Parks and Recreation
 - Golf course irrigation system - \$300,000
 - Previously approved capital project underway
 - Additional contribution due to inflation impact
 - Contribution funded with parks and recreation fund reserves generated by Golf Course revenue

Capital Fund Projects (Town)

- Public Works
 - Pavement of roads - \$1,700,000
 - Multi-use trail connections (Rt. 10 to Curtiss Park) - \$873,000
 - Sidewalk reconstruction - \$223,400
 - Bridge improvements (Firetown Rd and Barndoor Hills) - \$402,500
 - Bridge improvements (Climax Rd Bridge over Nod Brook) - \$372,000
 - Replace elevators - \$877,500
 - Eno building infrastructure (design) - \$389,440
 - Old Drake Hill Rd/Flower Bridge repairs - \$1,989,000
 - Meadowood barn restoration - \$650,000
 - Truck replacement and plow - \$261,000

Capital Fund Projects (Town)

- Sewer (WPCA)
 - Sewer replacement - \$1,075,000
 - Primary clarifier - \$1,000,000
 - Grit system upgrade - \$250,000

FY 23/24 CNR Fund Budget Revenues: \$2,803,681¹

| | | |
|--|--------------|--------------------|
| Capital Reserve Fund | \$541,120 | 19.3% |
| General Fund - Traditional Payback | \$416,250 | 14.9% |
| Town Aid Road | \$367,000 | 13.1% |
| General Fund – Operating Transfer | \$275,715 | 9.8% |
| Federal or State Grants | \$249,760 | 8.9% |
| Sewer Use Fund | \$225,000 | 8.0% |
| Capital Reserve Fund – Private Duty | \$215,827 | 7.7% |
| Parks and Recreation Fund | \$154,000 | 5.5% |
| ARPA | \$133,650 | 4.8% |
| Golf Equipment Fund | \$105,000 | 3.7% |
| Belden Trust | \$40,000 | 1.4% |
| Gellert Estate Fund | \$40,000 | 1.4% |
| Project Savings | \$24,000 | 0.9% |
| Donation | \$16,359 | 0.6% |
| ¹ Does not include education projects | TOTAL | \$2,803,681 |
| | | 100% |

CNR Fund Revenues

- Includes operating budget transfers (General Fund cash)
 - \$235,715 from Police budget for cruisers/vehicles
 - \$25,000 from Public Works budget for materials recycling
 - \$10,000 from Emergency Management budget for radio system repairs
 - \$5,000 from Public Works budget for Community Farm repairs
- Utilizes \$416,250 five-year payback method (General Fund cash)

CNR Fund Revenues

- Includes \$541,120 from the Capital Reserve Fund
 - Utilization of these funds would leave an estimated \$1,487,197 in the Capital Reserve for future capital needs
- Includes \$215,827 from the Capital Reserve/Private Duty Fund
 - Utilization of these funds would leave an estimated \$290,459 in the Capital Reserve/Private Duty Fund for future capital needs
- Includes \$154,000 from the Parks and Recreation Reserve
 - Utilization of these funds would leave an estimated \$485,417 in the Parks and Recreation Fund for future revenue shortfalls, capital needs, and emergencies

Note: Estimates are FY 23/24 year end

FY 23/24 CNR Fund Budget Expenditures: \$2,803,681¹

| | | |
|-------------------------------|--------------------------------|-------------|
| Public Works | \$1,066,380 | 38.0% |
| Culture, Parks and Recreation | \$520,359 | 18.6% |
| General Government | \$458,200 | 16.3% |
| Police | \$451,542 | 16.1% |
| Sewer (WPCA) | \$225,000 | 8.0% |
| Library | \$82,200 | 2.9% |
| TOTAL | \$2,803,681¹ | 100% |

¹Does not include education projects

CNR Fund Projects (Town)

- Public Works - \$1,066,380
 - Station Street Reconfiguration- \$200,000
 - Multi-Use Chip Truck - \$200,000
 - Iron Horse Landscaping - \$150,000
 - Electric Vehicle Charging Stations - \$112,200
 - **Tractor Replacement (Facilities) - \$58,500**
 - Drainage - \$50,000
 - Cross Walk Safety Improvements - \$46,680
 - Metacom Drive Safety Improvements - \$46,000
 - GPS & Dash Cameras - \$45,000
 - Pick-up Truck (Highway) - \$45,000
 - **North End Sidewalk (Town contribution) - \$38,000**
 - Fixed Vehicle Lift - \$27,000
 - Material Recycling - \$25,000
 - **Personnel Lift - \$18,000**
 - Community Farm Maintenance/Repairs - \$5,000

Note: Blue font for CNR projects reflect payback method of funding

CNR Fund Projects (Town)

- Culture, Parks & Recreation - \$520,359
 - Irrigation Replacement (Little League Fields) - \$100,000
 - Simsbury Farms Pools Sundeck Replacement - \$60,000
 - Playscapes/Playground Refurbishments - \$35,000
 - Parks/Golf Maintenance Garage Security Gate - \$19,000
 - Pollinator Pathway Initiative (donation) - \$16,359
 - Park Entrance Signs Replacement - \$16,000
 - Ice Rink Rubber Matting Replacement - \$15,000
 - Cart Path Paving - \$114,000
 - Golf Course Mower Replacement - \$80,000
 - Cart Path Prep - \$20,000
 - Rebuild Tee #13 - \$20,000
 - Fairway Mower Cutting Reels - \$15,000
 - Greens Mower Reels - \$10,000

CNR Fund Projects (Town)

- General Government - \$458,200
 - Revaluation - \$68,600
 - Town Tourism Map - \$58,250
 - Tariffville Area Plan - \$50,000
 - Financial Fraud Risk Assessment - \$50,000
 - Charter Revision - \$45,000
 - Network Switches - \$42,000
 - Eno Hall Craft Room Renovation - \$40,000
 - Network Storage and Virtual Environment - \$35,000
 - Computer Replacements (staff) - \$30,240
 - Employee Satisfaction Survey - \$20,000
 - Radio System Maintenance/Repairs- \$10,000
 - Security Camera Infrastructure and Equipment - \$9,110

CNR Fund Projects (Town)

- Police - \$451,542
 - 3 replacement patrol cruisers - \$185,000
 - 2 administrative vehicles - \$101,430
 - Training Room Technology Replacement - \$10,000
 - Body worn cameras and car cameras - \$54,512
 - Taser Replacements - \$45,600
 - Launchers - \$30,000
 - Scheduling Software - \$18,000
 - Soft Body Armor/Vest Replacement - \$7,000
- Library - \$82,200
 - Library Material Vending - \$75,400
 - Computer replacements (public terminals) - \$6,800

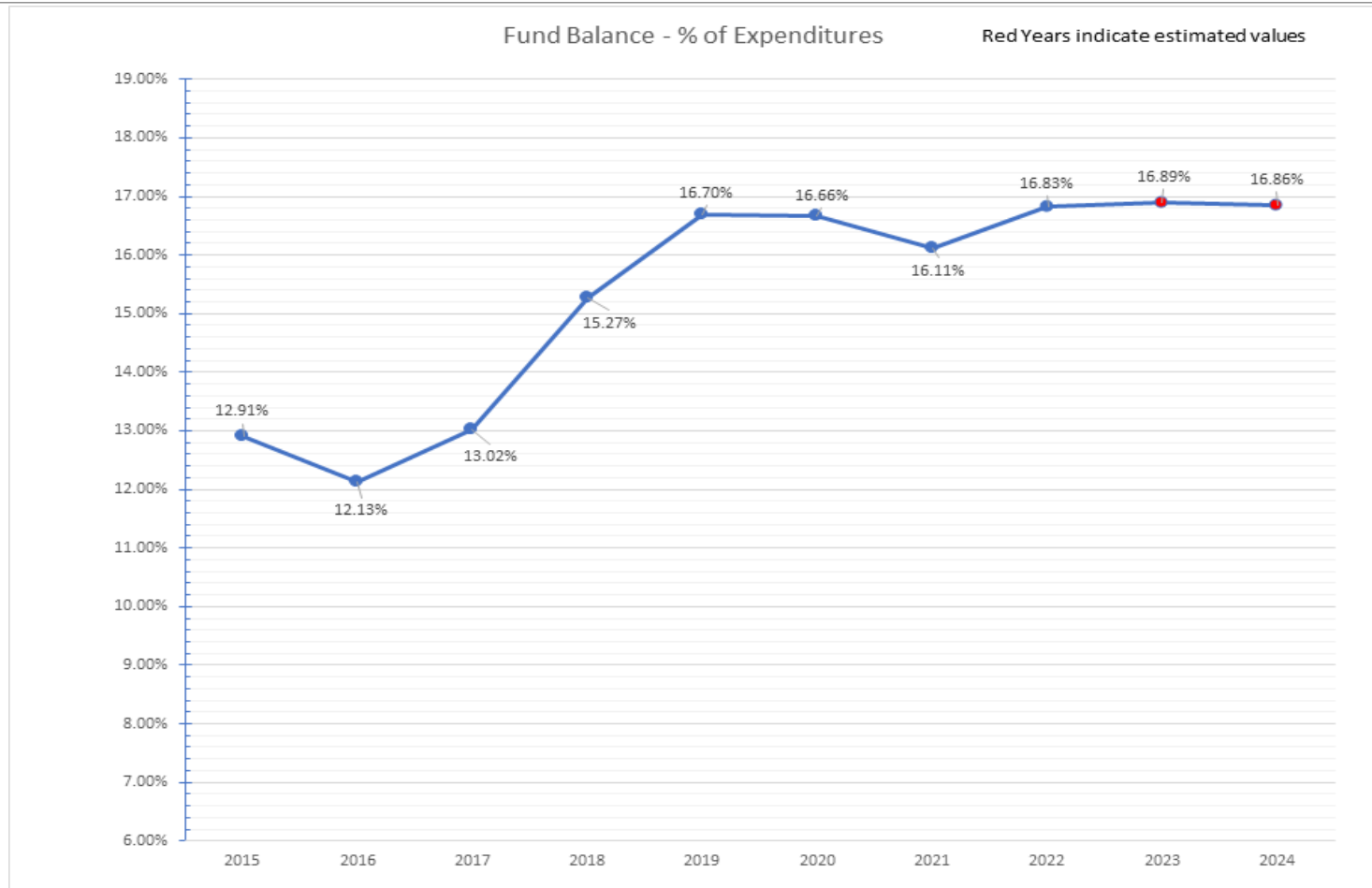
CNR Fund Projects (Town)

- Sewer - \$225,000
 - Vehicle (Truck Body) Replacement - \$15,000
 - Sewer Lining - \$100,000
 - HVAC controls replacement - \$50,000
 - Polymer Pumps - \$60,000

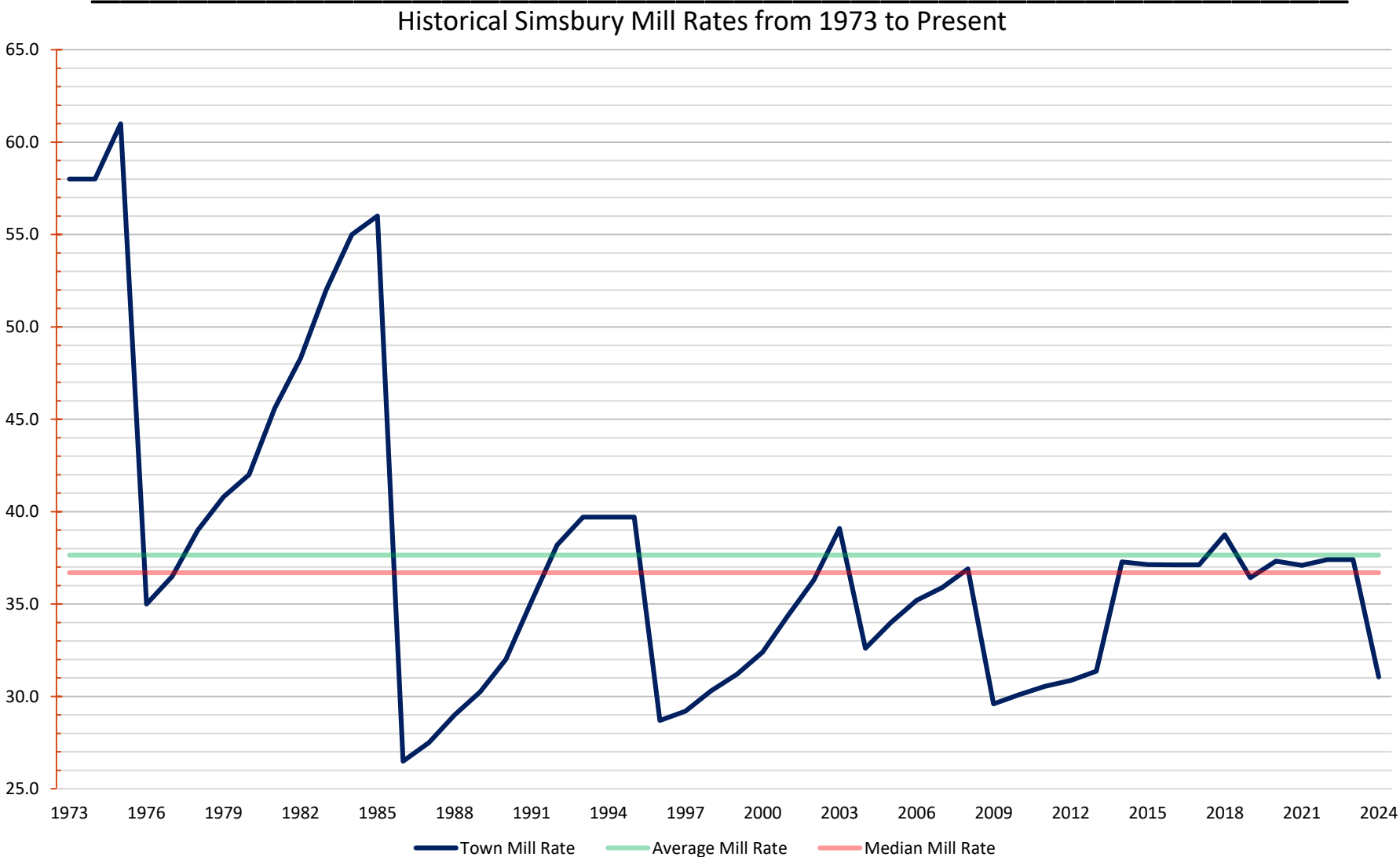
Fund Balance

- Projected Fund Balance contribution of \$966,897
 - Difference between budgeted tax collection rate of 98.5% and anticipated tax collection rate of 99.5%
- Projected Fund Balance
 - 22/23 year-end projected to be 16.89%
 - 23/24 year-end projected to be 16.86%
- Bond rating agencies are recommending Fund Balance be 15-17% of General Fund expenditures
- General Fund reserve should not be used for routine operating expenses or mill rate relief

Fund Balance - % of Expenditures



Historical Simsbury Mill Rates from 1973 to Present



Impact on Taxpayer

Sample Tax Impact

On a Median Valued Single Family Home

Based on Manager's proposed budget mill rate decreases from 37.41* mills to 31.05 mills

| | |
|------------------------------|------------------------|
| Current Valuation | \$391,500 ¹ |
| Proposed Taxes (31.05 mills) | \$ 8,509 |
| Current Taxes (37.41 mills) | <u>\$ 9,165</u> |
| Decrease | (\$656.00) |
| Percentage Change | - 17.00% |

**mills does not include Fire District*

¹Median single family home price, 100% of assessed value is \$391,500. \$274,050 reflects 70% of assessed value.

Impact of Revaluation

| Home Value Range from '21 G.L (% of median - \$274,050) | Count | Median Value Change on '22 G.L |
|--|-------|-----------------------------------|
| \$164,000 or Less (< 60%) | 132 | 33% |
| \$164,000 - \$219,000 (60%-80%) | 923 | 30.5% |
| \$219,000 - \$246,000 (80%-90%) | 687 | 30.8% |
| \$246,000 - \$302,000 (90%-110%) | 1,614 | 27.4% |
| \$302,000 - \$329,000 (110%-120%) | 889 | 27.3% |
| \$329,000 - \$384,000 (120%-140%) | 1,219 | 27% |
| \$384,000 - \$444,000 (140%-162%) | 552 | 26% |
| \$444,000 - \$745,000 (162%-272%) | 848 | 28.7% |
| \$745,000 or More (> 272%) | 106 | 40% |

Where do the Tax Dollars Go?

| | | |
|-----------------------|----------------------|-------------|
| Education | \$82,386,679 | 67.49% |
| Benefits & Insurances | \$7,796,981 | 6.39% |
| Debt Service | \$8,377,216 | 6.86% |
| Public Safety | \$6,686,247 | 5.48% |
| Public Works | \$5,096,220 | 4.23% |
| Community Services | \$3,844,849 | 3.15% |
| Interfund Transfers | \$3,614,096 | 2.96% |
| General Government | \$2,981,756 | 2.44% |
| Community Development | \$791,403 | 0.65% |
| Capital and CNR | \$416,250 | 0.34% |
| Contingency | \$82,735 | 0.07% |
| TOTAL | \$122,074,432 | 100% |

Budget Summary

- Highlights
 - Funds current services and programs
 - Lower mill rate due to new growth and reval
 - Advances Board of Selectmen initiatives
 - Invests in existing infrastructure and assets, utilizing cash-for-capital to the extent possible
 - Maintains fund balance
 - Maintains capital reserve at healthy level
 - Recommends uses of ARPA funding in accordance with BOS Policy

Budget Summary

- Suggested policy topics for further discussion
 - Outside agency operating grant requests
 - SVAA request (NEW), \$150,000
 - Outside agency ARPA funding requests
 - \$300,000 in cash for school buses (MBOE Operating)
 - Use of cash to reduce bonding in FY 23/24, to reduce debt service impact in FY 25/26 when the second Latimer Lane renovation debt issuance takes effect
 - Service improvements

Budget Summary

- Suggested future areas of focus
 - Continue to monitor state budget/intergovernmental revenue
 - Evaluate our routine CNR needs, versus the traditional annual contribution of \$416,250
 - Gradually build up the Town's contribution to the Parks and Recreation Special Revenue Fund

Budget Workshops

- 3/9, 5:30pm–8pm; Revenues, IT, Town Clerk, Finance, Town Manager/Office/Health Insurance/LAP/WC, Planning, Social Services
- 3/11, 9am-4pm; Library, Engineering & Public Works, Parks and Recreation, Police, Capital, Service Improvements, Policy Considerations

Board members are encouraged to:

- ✓ Flag items for further discussion
- ✓ Ask questions
 - When possible, send questions to the Town Manager in advance of the workshop (helps to expedite responses)

Budget Dates

| | |
|--|----------------------|
| Town Manager budget presentation to Board of Selectmen | February 27, 2023 |
| Board of Selectmen budget workshops | March 9 & 11, 2023 |
| Board of Selectmen budget adoption | March 13 or 15, 2023 |
| Board of Education budget presentation to Board of Finance | March 7, 2023 |
| Board of Selectmen budget presentation to Board of Finance | March 21, 2023 |
| Board of Finance public hearing on the budget | April 4, 2023 |
| Board of Finance hearing continuation (if needed) | April 18, 2023 |
| Anticipated budget referendum | May 2 or 16, 2023 |

Dates and Times Subject to Revision
