



TOWN OF LEDYARD CONNECTICUT TOWN COUNCIL

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Ledyard, Connecticut 06339-1551
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Chairman Kevin J. Dombrowski

November _____, 2022

DRAFT: 11/02/2022

Mayor Fred B. Allyn, III
741 Colonel Ledyard Highway
Ledyard, Connecticut 06339

Chairman Anthony Favry
Ledyard Board of Education
4 Blonder Boulevard
Ledyard, Connecticut 06339

Dear Mayor Allyn:

Dear Chairman Favry:

Pursuant to Chapter VII, Section 3 of the Ledyard Town Charter, the Ledyard Town Council has approved the standard format for the Fiscal Year 2023/2024 budget submittal.

As we work to prepare our budgets for the coming year, we must continue to remain mindful of the economic challenges caused by the COVID public health emergency. This recovery process has resulted in the Corona Virus Relief Funding (CRF) from the Federal Government for residents, businesses, and municipalities to come to an end. In addition, we are experiencing supply chain delays and inflation on interest rates, staples, heating fuel, and gasoline impacting the cost of living for our residents, as well as the town in working to provide necessary services to our community.

While Ledyard has been a good custodian of its taxpayers' funds, and year over year, the Town Council has asked that costs be reduced as staff has become more efficient, our workforce has been reduced, and employees have worked to do more with less. [At the same time, costs continue to increase, as do resident and student needs.](#) We need to continue to approach the preparation of our Fiscal Year 2023/2024 budget with the objective of reducing expenses wherever we can find an opportunity.

As in years past funding from the State for the upcoming year continues to remain uncertain, and therefore, we encourage you to look for reductions where possible in areas such as contractual expenses through renegotiation, and corresponding decreases in operating budgets where contractual increases do exist. Any increase in specific line items in the budget or new expenditures should be offset with corresponding reductions in other line items. An increase in revenue for any services provided should also be considered.

In addition,

- FY2023/2024 state revenue figures are unknown at this time but are expected to remain stable compared to FY2023.
- We do not anticipate an increase in Educational Cost Sharing over FY23.
- We do not expect to see further mill rate increases as a result of the police headquarters and school building projects, but we do expect to bond new roofs and other building improvements for several buildings, which will further increase future bonding costs.
- The Town's required pension contribution may decrease by \$225,000.
- Healthcare costs are expected to increase as they do every year; the first indications will arrive around mid-December.
- Tiping fees for municipal solid waste are increasing every year by approximately 4 percent. The Town has worked successfully to increase the interest revenue it receives from its savings.

Deleted: ; except that FY24 state revenue numbers will show an increase in PILOT State Revenue of \$630,239...

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With the General Government receiving its final disbursement of the \$4,327,000 American Rescue Plan Act (ARPA) funding in September, 2022; work has continued to implement and manage the projects selected for the use of the ARPA funding. In some cases, we reassessed the priority of the projects because of rising costs. The Federal ARPA funding must be obligated by the end of the 2024 calendar year and expended by the end of 2026; and cannot be used to offset municipal operational costs or to reduce taxes for residents.

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As identified in Section 5 of the Town Charter, your budget submission must include plans for dealing with any reductions in State funding that might occur after the General Government and Board of Education budget are approved at referendum. Plans will include reduction in services, use of Town surplus or an increase in tax levy. Such contingency plans shall be available at the time of the referendum. The charter requires that the Board of Education shall include any steps taken to address changing enrollment as part of the budget submission. The Board of Education is required to continue to provide its own Capital Improvement Plan showing the proposed source of revenue for each expenditure.

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The budget format should include all items specified in Section 1 and Section 3 of Chapter VII of the Ledyard Town Charter (see attached). In addition, the attached information provided by the Finance Committee will aid you in your budget preparations.

The Capital Improvement Plan (CIP) should attempt to maintain the normal funding levels for long-term capital expenditures and regular capitalized item maintenance. All items should be reviewed and prioritized with regard to potential savings or increases in efficiency or services. Extending the in-service times of vehicles and equipment should be considered when justifiable. Additional reserve funds for large cost maintenance items such as roof replacements or parking lot maintenance should be identified and analyzed to determine the appropriate amount of annual funding. We recommend the Board of Education and General Government review their respective list of major maintenance items (e.g., building repairs, boiler replacement/repair, parking lot repaving) and present a plan for funding sufficient capital in the CIP to support replacement or repair/upgrade, as applicable.

While the long-term debt for Ledyard remains relatively low, the current and potential future bonded construction projects have resulted in a significant increase to the mill rate over the past few years, peaking last year. Given the mill rate increases for the three largest capital projects the Town of Ledyard has ever undertaken, we recommend the General Government and Board of Education continue to look at required staffing and reduce staffing levels where possible while maintaining the quality of town services and education to our children. We need to be mindful of the taxpayer in every financial decision that is made to ensure we are providing the quality services our residents expect and in the most cost-effective manner under the present circumstances.

In accordance with the Town Charter, if during the budget year the State does not meet the revenue anticipated by the budget that has been already passed, the Town Council may re-open the budget and put a revised budget to the voters. If the budget does not pass at referendum, the Town Council is required by the charter to reduce the current budget to eliminate the shortfall.

The Ledyard Town Charter requires that the Board of Education submit their proposed budget, in the format prescribed above, to the Mayor by February 27, 2023 (fourth Monday in February); and the Mayor submit a proposed budget to the Town Council on or before March 6, 2023 (the first Monday of March). It is anticipated that budget work sessions will be held during regular business hours. Your consent is respectfully requested for Town Hall staff to attend work sessions/meetings with the Town Council and its subcommittees as we make every effort to develop workable plans that can be implemented on July 1, 2023. If the members of the Town Council can be of any assistance to you or your staff in preparing your proposed budget, please feel free to call on us.

Sincerely,

Kevin J. Dombrowski
Chairman
Ledyard Town Council

cc: Finance Director
Business Manager

Budget Submittal Data & Format

The budget format should include all items specified in Section 1 and Section 3 of Chapter VII of the Ledyard Town Charter. All figures for audited years must balance to the audited financial statements.

The budget should be provided electronically in ClearGov, Microsoft Excel and Adobe Portable Document Format (PDF) as specified in the sections below. PDF documents should be original documents printed to or saved in PDF, *not* scanned copies of printed documents.

1.0 Budget Message (Executive Summary)

Section I shall provide the Budget Message and should be as required by Section 3 of Chapter VII of the Ledyard Town Charter. The budget message must outline the financial policy of the Town government and describing the important features of the budget plan indicating any major changes from the current year in financial policies, regionalization efforts, expenditures, and revenues together with the reasons for such changes, and containing a clear general summary of its contents. Please make all efforts to have this executive summary read to a maximum of two (2) pages and in such a format that the general public (taxpayers) can read and comprehend.

Please provide the budget message in PDF Format.

2.0 Grand List

Section II shall provide historical, current, and projected Grand List figures for fiscal years 2018/2019 through 2023/2024.

Please provide the Grand List in Microsoft Excel format.

3.0 Revenue and Expense Summary

Section III shall provide historical, current, and budget year Revenue and Expense Summary figures for fiscal years 2018/2019 through 2023/2024. All figures must balance to the data provided in the Revenue and Expense details sections of the budget. All figures for audited years must balance to the audited financial statements.

Historical data shall include budgeted, amended and actual revenue and expense summaries. Budgeted figures shall be the amounts included in the fiscal year's approved budget. Amended expense figures shall include the budgeted figures plus or any carry over from the previous year which was applied to the spending plan. Actual figures shall provide actual fiscal year revenue and expense figures.

Current fiscal year data shall include budgeted, amended, received or expended as of December 31, 2022. Separately the Mayor's recommendations for the amounts to be appropriated should be included for the fiscal year 2023/2024 for all line items (other than Board of Education line items).

Amended budget figures shall be the sum of the adopted budget figures plus any transfers and additional appropriations as of December 31, 2022.

Fiscal Years 2018/2019 through 2023/2024 shall be presented in ClearGov.

4.0 Revenue Detail

Section IV shall provide historical, current, and budget year Revenue Detail figures for fiscal years 2018/2019 through 2023/2024. All figures for audited years must balance to the audited financial statements.

Historical data shall include budgeted, amended and actual revenue detail. Budgeted figures shall be the amounts included in the fiscal years approved budget. Amended revenue figures should equal budgeted. Actual figures shall provide actual fiscal year revenue and expense figures.

Current fiscal year data shall include budgeted, amended, and received as of December 31, 2022, Department projected, and Mayor projected for fiscal year 2022/2023. Budgeted figures shall be the amounts included in the fiscal years approved budget. Amended revenue figures should equal budgeted. Revenue shall be those monies received as of December 31, 2022.

Budget year data Revenue Detail figures shall include both the department and Mayor's projected revenue.

Fiscal Years 2018/2019 through 2023/2024 shall be presented in ClearGov.

5.0 Revenue Narratives

Section V shall provide a narrative description for each revenue line item shown in Section IV stating the source of the estimated revenue figure (i.e. Estimate, State Data, etc.), the date of the revenue estimate (i.e. state publication date, date of estimate, etc.), and a revenue narrative providing the person or persons responsible for the estimate and any other relevant information.

Revenue Narratives will be provided in ClearGov.

6.0 Expense Detail

Section VI shall provide historical, current, and budget year Expense Detail figures for Fiscal Years 2018/2019 through 2023/2024. All figures for audited years must balance to the audited financial statements.

Historical data shall include amended and actual expense detail. Amended budget figures shall be the amounts included in the fiscal year's approved budget plus transfers and additional appropriations. Actual figures shall provide actual fiscal year expense figures.

Current fiscal year data shall include budgeted, amended, received, or expended as of December 31, 2022.

Budget year data expense detail figures shall include both the department and Mayor's requested expenses.

Fiscal Years 2018/2019 through 2023/2024 shall be presented in ClearGov.

7.0 Expense Narratives

Section VII shall provide a brief narrative description for each expense line item shown in Section IV stating the source of the estimated expense figure and an expense narrative providing the person or persons responsible for the estimate and any other relevant information.

Expense Narratives will be provided in ClearGov.

8.0 Salaries

Section VIII shall provide current and budget year salary detail figures for Fiscal Years 2022/2023 and 2023/2024 using the salary spreadsheet provided by the finance department.

A line shall exist for each employee and shall be identified by an Employee ID which means the same account number may exist for several line items. If an employee is shared between departments then there should be an entry for each department.

This information shall be derived from Munis.

9.0 Health Insurance

Section IX shall provide details on employee health insurance and payments made in lieu of health insurance. A line shall exist for each employee and shall be identified by an Employee ID.

The union the employee belongs to shall be identified as well as the benefit description None, Single, Single + 1, or Family.

Any and all payments made to retired employees shall also be detailed in this section.

Please provide the Health Insurance information in Microsoft Excel format and upload it into ClearGov. Please provide any additional health insurance backup data in PDF Format.

10.0 Capital and Non-Recurring Detail

Section X shall contain a program of proposed capital and road projects in accordance with Chapter VII of the Town Charter. This program should be accompanied by plans or layouts, costs and details associated with the proposal. In addition, the road proposal should be in such a format defining each project, its separate costs, and the planned schedule of accomplishment. Allocations from funds such as LoCIP should be

specifically identified so that the total funds required for tax levy can be clearly determined.

Please provide the Capital and Non-Recurring detail in ClearGov.

Please upload all Capital and Non-Recurring backup data in PDF or Excel format to ClearGov. Photos should also be included in the pdf file if available.

11.0 Local Capital Improvement Program (LoCIP) and Other Grant Funding for Capital Projects

Please provide LoCIP and any other grant funding received in FY 2021/2022, the current year and the FY 2023/2024 year in Excel format. Please provide any additional LoCIP backup data in PDF Format.

12.0 Capital Reserve Funds

Section XII shall provide an accounting of all capital reserve funds including:

1. Balance as of December 31, 2022.
2. Revenue from grants and contributions from the general fund for FY 2021/2023.
3. Departments' requested funding for FY 2023/2024.
4. Mayor's projected funding for FY 2023/2024.
5. Departments actual and five-year projected payments or expenses for FY 2019/2020 through FY 2024/2025.
6. Mayor's actual and five year projected payments or expenses for FY 2019/2020 through FY 2024/2025.

Please upload the Reserve Funds in Excel to ClearGov. Please provide any additional Reserve Funds backup data in PDF Format.

13.0 Long Term Capital Improvement Plan

In accordance with the Charter, Section XIII each department or agency shall submit a Six Year Projected Budget for capital improvements that includes the current fiscal year and the next five years. In addition to the current year, please provide: (1) analysis of town expenditures for capital and operating expenses for the previous five years; and (2) estimates of revenues and expenditures for capital and operating expenses for the subsequent five years.

Please provide Long Term Capital Improvement Plan data in PDF Format.

14.0 Long Term Debt Service

Section XIV shall provide an accounting of all long term debt service including:

1. Issue Date
2. Years Financed
3. Maturity Date
4. Interest Rate
5. Balance as of June 30, 2022
6. Projected Balance as of June 30, 2023
7. Monthly Principal and Interest
8. Other Monthly costs if any
9. Principal due at Maturity
10. Interest due at Maturity
11. Other due at Maturity

Please upload the Long Term Debt Service in Excel to ClearGov. Please provide any additional Long Term Debt Service backup data in PDF Format.

16.0 Library Budget – Fund 0202

Section XVI shall provide the data required in Section 3 through Section 9 for Fund 0202.

Data shall be uploaded in Excel to ClearGov with PDF documents as required.

17.0 Other Liabilities

Section XVII shall provide details on all other town liabilities such as sick time, comp time, state grant reimbursements owed, etc. as of June 30, 2022.

Data shall be shall be uploaded in Excel to ClearGov.

18.0 Fund Balances

Section XVIII shall provide all fund balances, current, projected and encumbered. All projected revenue and encumbered expenses shall be detailed.