



Legislation Text

File #: 22-626, Version: 2

AGENDA ITEM
CORRESPONDENCE

Subject:

MOTION to approve a Letter of Directive to the Mayor and Board of Education for the preparation of the Fiscal Year 2023/2024 Budget, as contained in the draft dated November 2, 2022.

Background:

**BUDGET PREPARATION
SUGGESTED SCHEDULE/GUIDE
AND
ANNUAL TOWN BUDGET PROCESS
(Suggested Schedule Guide)**

Reference: Town Charter Chapter VII - Pages (s) 28 - 31

October/November Town Council prepares and submits letter of Directive for Fiscal Year Budget (Election Year-Dec)
to Mayor and Board of Education

November Submit reservation request to High School to reserve Auditorium for
April Public Hearing and May Annual Town Meeting

November/December Town Council prepares and approves Town Council budget to submit to
Mayor's Office.

3rd Monday All Departments submit preliminary budget to Mayor's Office
January (1/15/2023) Per Town Charter

4th Monday Board of Education shall file budget estimates to Mayor's Office
February (2/27/2023) Per Town Charter

1st Monday Mayor submits budget to Town Council and files with Town Clerk's
March Office.
(3/6/2023) Per Town Charter

March Finance Committee conducts Departmental Budget Work Sessions
Departments submits budget material to Town Council.

(3/29/2023) Town Council finalizes budget.
(This Date is NOT dictated by Charter)

(4/06/2022) Town Council files proposed budget with Town Clerk's Office for Public Hearing.
(This Date is NOT dictated by Charter)

On OR Before the Town Council conducts one or more Public Hearings on the proposed
Last Monday April budget at the Ledyard High School, 24 Gallup Hill Road
(4/10/2023) Per Town Charter

APRIL 12, 2023 Town Council Votes to Finalize Budget (**Special Town Council Mtg**)
(This Date is NOT dictated by Charter)

1st Monday of Town Council files proposed budget with Town Clerk's Office for Annual May (**5/1/2023**)
Town Meeting
Per Town Charter

3rd Monday May Annual Town Meeting on the proposed budget to adjourn to a vote on the
(5/15/2023) voting machine the following day. Should the referendum on the budget
(Tuesday 5/16/2023) refer the budget back to the council, the Town Council should reconsider the
Per Town Charter budget and present it for a second vote on the voting machines three weeks
following the previous referendum. In the event the second referendum does not approve a
budget, the Town Council shall adopt a final budget by the fourth Monday in June. Should
both the referenda and the Town Council fail to adopt a final budget by the fourth Monday in
June, the budget that was presented at the second referendum shall be deemed to have been
adopted.

Forth Monday On or before the **Fourth Monday in June**, the Town Council shall fix the tax
In June (**6/28/2023**) mils.
Per Town Charter

** The budget must be presented as a Resolution

Meeting Action Detail:

Town Council Meeting 11/9/2022

File #: [22226](#) Version: 2

Type: Agenda Item - Correspondence

Title: MOTION to approve a Letter of Directive to the Mayor and Board of Education for the preparation of the Fiscal Year 2023/2024 Budget, as contained in the draft dated November 2, 2022.

Mover: Ryan Second: Irwin

Action: Approved

Minute Note:

Discussion: Councilor Ryan stated the Letter of Directive begins the Annual Budget Preparation process, noting that it outlines the budget format. He stated the Finance Committee made a few updates to numbers that were included in the letter and made some other non-substantive editorials, which were included in the draft letter dated November 2, 2022, presented this evening.

VOTE: 7 - 0 Approved and so declared

Action: Approved

Finance Committee Meeting 11/02/2022:

File #: [22226](#) Version: 2

Type: Agenda Item - Correspondence

Title: MOTION to approve a Letter of Directive to the Mayor and Board of Education for the preparation of the Fiscal Year 2023/2024 Budget, as contained in the draft dated November 2, 2022.

Mover: Saums Second: Ryan

Action: Recommend to Approve

Minute Note:

Councilor Saums presented a draft Budget Letter of Directive explaining that pages 4 - 8 outlined the format of budget which was in accordance with the Town Charter Chapter VII. He stated the purpose of pages 1 - 3 was to provide some general information ant to capture the specific points regarding increases or decreases in expenses and revenues from the previous year.

The Finance Committee, Mayor, Finance Director and Superintendent of Schools reviewed the data on pages 1 - 3 and made the following updates along with some additional minor/non-substantive editorials.

- 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.

- *Tippling 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.*

The Group noted at this point in the year they typically did not have projected numbers from the State or estimates for the healthcare costs. They also noted on November 15, 2022 meeting the Retirement Board would be meeting with their Consultant Fiducient Advisors to consider adjusting the Amortization Schedule. Therefore, they agreed as they work to prepare the Fiscal Year 2023/2024 Budget that more information would become available.

The Finance Committee reviewed the Budget Schedule as outlined in Chapter VII; Pages (s) 28 - 31as follows:

- October/November : Town Council prepares and submits letter of Directive for Fiscal Year Budget (Election Year-Dec) to Mayor and Board of Education
- 3rd Monday January: All Departments submit preliminary budget to Mayor's Office **(1/15/2023) Per Town Charter**
- 4th Monday February: Board of Education shall file budget estimates to Mayor's Office **(2/27/2023) Per Town Charter**
- 1st Monday March: Mayor submits budget to Town Council and files with Town Clerk's Office. **(3/6/2023) Per Town Charter**
- March: Finance Committee conducts Departmental Budget Work Sessions Departments submits budget material to Town Council.
- March (3/29/2023): Town Council finalizes budget. **(This Date is NOT dictated by Charter)**
- April (4/6/2022): Town Council files proposed budget with Town Clerk's Office for Public Hearing. **(This Date is NOT dictated by Charter)**
- On OR Before: Town Council conducts one or more Public Hearings on the the last Monday proposed budget at the Ledyard High School, 24 Gallup Hill in April 4/28/2023 Road. **Per Town Charter (Suggest 4/10/2022)**
- APRIL 12, 2023: Town Council Votes to Finalize Budget (Special Town Council Mtg) **(This Date is NOT dictated by Charter)**

- 1st Monday of May: (5/1/2023) Town Council files proposed budget with Town Clerk's Office for Annual for the Town Meeting . **Per Town Charter**
- 3rd Monday May: 5/15/2022 Annual Town Meeting on the proposed budget to adjourn to a vote on the voting machine the following day. **Per Town Charter**
- Should the referendum on the budget refer the budget back to the council, the Town Council should reconsider the budget and present it for a second vote on the voting machines three weeks following the previous referendum - Tuesday 5/16/2023. **Per Town Charter**
- In the event the second referendum does not approve a budget, the Town Council shall adopt a final budget by the fourth Monday in June. Should both the referenda and the Town Council fail to adopt a final budget by the fourth Monday in June, the budget that was presented at the second referendum shall be deemed to have been adopted.
- Forth Monday: 6/28/2022 On or before the **Fourth Monday in June**, the Town Council shall fix the tax in mils. **Per Town Charter**

• MOTION to approve a Letter of Directive to the Mayor and Board of Education for the preparation of the Fiscal Year 2023/2024 Budget, as contained in the draft dated November 2, 2022.

Moved by Councilor Saums, seconded by Councilor Ryan

Discussion: Councilor Ryan stated the last two-years have been difficult in terms of taxes, noting the recent property revaluation. Therefore, he stated he liked the wording that has been included in the draft Budget Letter of Directive as follows: "...*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*".

VOTE: 2- 0 Approved and so declared

Action: Recommend to Approve

Finance Committee Meeting 10/19/2022:

File #: [22226](#) Version: 1

Type: Agenda Item - Correspondence

Title: Discussion and possible action to prepare a draft Letter of Directive to the Mayor and Board of Education for the preparation of the Fiscal Year 2023/2024 Budget.

Action: Continued

Minute Note:

Councilor Saums explained to begin the Annual Budget process for Fiscal Year 2023/2024 that the Town Council needed to provide a *Budget Letter of Directive* to the Mayor and the Board of Education. He stated a very rough draft letter was provided to begin the discussion this evening, noting that there were some numbers in the draft letter that he would ask Finance Director Matthew Bonin to assist the Finance Committee with updating.

The Finance Committee briefly discussed the draft Letter of Directive. Councilor Saums asked the Committee to provide suggestions to him in preparation for their November 2, 2022 meeting.

Action: Continued