



TOWN OF LEDYARD

CONNECTICUT

TOWN COUNCIL

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DRAFT

December XX, 2023

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

Chairman Alex Rode
Ledyard Board of Education
4 Blonder Boulevard
Ledyard, Connecticut 06339

Dear Mayor Allyn:

Dear Chairman Rode:

Pursuant to Chapter VII, Section 3 of the Ledyard Town Charter, the Ledyard Town Council has approved the standard format for the Fiscal Year 2024/2025 budget submittal.

As we work to prepare our budgets for the coming year, we must continue to remain mindful of the inflationary economic challenges impacting 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 the Committee to Review the Budget Process found that Ledyard has been a good custodian of its taxpayers' funds, and year over year, the Town has continued to reduce expenses including our workforce, as technology improvements have enabled efficiencies. We are once again asking that we work to continue to approach the preparation of our Fiscal Year 2024/2025 budget with the objective of minimizing expenses wherever we can find an opportunity and ensure that every tax dollar is spent as wisely as possible.

As in years past funding from the State for the upcoming year will continue to remain uncertain, especially as the 54 Member State Legislative Taxation Issues Subcommittee has been working to prepare a White Paper to submit to the February 7, 2024 Legislative Session for consideration regarding the taxation of commercial businesses operating at the Foxwoods and the Mohegan Sun Casinos. 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, should be explained/justified; 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,

- FY2024/2025 state revenue figures are unknown at this time but are expected to remain stable compared to FY2024.
- We do not anticipate an increase in Educational Cost Sharing over FY24.
- The existing bond anticipation note for the completed school projects is up for renewal in May of 2024. In addition, also in May of 2024, we expect to borrow additional funds for new roofs and HVAC and other building improvements for several Board of Education buildings, which will further increase future bonding costs.
- Healthcare costs are expected to increase as they do every year; initial estimates are expected at some point in December.. Per the agreement the town entered into last year, the increase for FY 24/25 cannot exceed 9.9%.
- Tipping fees for municipal solid waste are increasing every year by at least 4 percent.
- The Town continues to receive favorable returns on our invested cash.

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 the 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.

The budget format should include all items specified in Section 1 and Section 3 of Chapter VII of the Ledyard Town Charter (see attached).

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 long-term plan (projected out 5 – 7 years) 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 in FY 23. 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 26, 2024 (fourth Monday in February); and the Mayor submit a proposed budget to the Town Council on or before March 4, 2024 (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, 2024. 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,

S. Naomi Rodriguez, Chairman
Ledyard Town Council

cc: Finance Director
Business Manager

Budget Submittal Data & Format (As outlined in the Town Charter)

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 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 2019/2020 through 2024/2025.

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 2019/2020 through 2024/2025. 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, 2023. Separately the Mayor's recommendations for the amounts to be appropriated should be included for the fiscal year 2024/2025 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, 2023.

Fiscal Years 2019/2020 through 2023/2024 shall be presented in an Excel Spreadsheet using the Munis Financial System.

4.0 Revenue Detail

Section IV shall provide historical, current, and budget year Revenue Detail figures for fiscal years 2019/2020 through 2024/2025. 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, 2023, Department projected, and Mayor/Superintendent projected for fiscal year 2023/2024. 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, 2023.

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

Fiscal Years 2019/2020 through 2024/2025 shall be presented in an Excel Spreadsheet.

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 shall be provided.

6.0 Expense Detail

Section VI shall provide historical, current, and budget year Expense Detail figures for Fiscal Years 2019/2020 through 2024/2025. 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, 2023.

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

Fiscal Years 2019/2020 through 2024/2025 shall be presented in an Excel Spreadsheet.

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 shall be provided.

8.0 Salaries

Section VIII shall provide current and budget year salary detail figures for Fiscal Years 2023/2024 and 2024/2025 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 Financial System.

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. 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 Excel Spreadsheet.

Please provide all Capital and Non-Recurring backup data in PDF or Excel format. 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 2022/2023, the current year and the FY 2024/2025 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, 2023.
2. Revenue from grants and contributions from the general fund for FY 2022/2024.
3. Departments' requested funding for FY 2024/2025.
4. Mayor's projected funding for FY 2024/2025.
5. Board of Education's Projected funding for FY 2024/2025
5. Departments actual and five-year projected payments or expenses for FY 2020/2021 through FY 2025/2026.
6. Mayor's actual and five-year projected payments or expenses for FY 2020/2021 through FY 2025/2026.
7. Board of Education's actual and five-year projected payments or expenses for FY 2020/2021 through FY 2025/2026.

Please submit the Reserve Funds in an Excel Spreadsheet. 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, 2023
6. Projected Balance as of June 30, 2024
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 provide the Long Term Debt Service in an Excel Spreadsheet. 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 provided in an Excel format 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, 2023.

Data shall be shall provided in an Excel Spreadsheet.

18.0 Fund Balances

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