Town of Avon

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BUDGET MESSAGE

TO THE BOARD OF FINANCE **MARCH 4, 2021**

The proposed fiscal year 2021/2022 Town, Board of Education, Sewer, Capital and Debt Service budgets are submitted for your review. The proposed budgets total $101,261,159. This equates to an increase of $2,549,829 or 2.58% and requires a property tax levy increase of 5.65%. The mill rate would increase from 32.90 to 34.40, or 4.56%.

The total proposed budget, not including the operating budget of the Board of Education, but including the Town, Sewer, Capital and Debt Service Budgets is $36,702,702. This equates to an increase of $932,666 or 2.61% over the current year budget of $35,770,036. The increase to the Town operating budget, not including Sewers, Capital and Debt Service budgets is 3.09% or $820,335. The increase to the general fund Town, Board of Education, Sewer, Capital and Debt Service budgets is $2,998,129 or 3.25%.

The most significant factors contributing to the increase in the proposed fiscal year 2021/2022 operating budget are related to personal services and are as follows:

- Increase in funding for Wages and Salaries $ 292,512
- Increase in funding for the Defined Benefit Plan $ 196,102
- Increase in funding for Hospitalization, including Employer Contribution for HSA $ 130,102
- Increase in funding for Municipal Insurance Premiums $ 35,509

Revenue details are included in Tab B and Expenditure details are included in Tab C. Revenues and Expenditures are summarized in the following table:

COMPARATIVE ANALYSIS: FY 2020/2021 AND FY 2021/2022 BUDGETS ALL FUNDS

REVENUES

CLASSIFICATION	APPROPRIATED FY 2020/2021	RECOMMENDED FY 2021/2022	$ INC/(DEC)	% INC/-DEC
Property Tax & Assessments	$ 85,162,994	$ 89,971,388	$ 4,808,394	5.65 %
Intergovernmental	3,495,991	3,449,597	(46,394)	-1.33 %
Licenses, Fees & Permits	1,021,580	1,031,650	10,070	0.99 %
Charges for Current Services	6,353,573	6,375,624	22,051	0.35 %
Other Local Revenues	567,540	372,900	(194,640)	-34.30 %
Other Financing Sources (Uses)	2,109,652	60,000	(2,049,652)	-97.16 %
TOTAL	**$ 98,711,330**	**$ 101,261,159**	**$ 2,549,829**	**2.58 %**

EXPENDITURES

CLASSIFICATION	APPROPRIATED FY 2020/2021	RECOMMENDED FY 2021/2022	$ INC/(DEC)	% INC/-DEC
Town Operating Budget	$ 26,583,791	$ 27,404,126	$ 820,335	3.09 %
School Operating Budget	62,941,294	64,558,457	1,617,163	2.57 %
Sewer Operating Budget	2,837,922	3,099,766	261,844	9.23 %
Capital & Debt Service Budgets:				
Debt Service	2,959,750	2,975,117	15,367	0.52 %
Capital Budget	3,388,573*	3,223,693	(164,880)	-4.87 %
Subtotal: Capital & Debt Service	6,348,323	6,198,810	(149,513)	-2.36 %
TOTAL	**$ 98,711,330**	**$ 101,261,159**	**$ 2,549,829**	**2.58 %**

* Includes $710,000 in Sewer Projects funded by Sewer Fund (05)

TOWN OF AVON ANNUAL BUDGET
FISCAL YEAR 2021/2022
PROPOSED BY TOWN COUNCIL MARCH 4, 2021

	FY 19/20 ACTUAL	FY 20/21 ADOPTED BUDGET	FY 21/22 GENERAL FUND	FY 21/22 SPECIAL REV. & OTHER FUNDS	FY 21/22 REQUESTED BUDGET	DIFFERENCE	% CHANGE	% BY SUBTOTAL	BUDGET BY TOTAL
REVENUES									
Property Tax & Assessments	84,789,196	85,162,994	89,900,388	71,000	89,971,388	4,808,394	5.65%	88.85%	88.85%
Intergovernmental	4,325,001	3,495,991	1,907,035	1,542,562	3,449,597	(46,394)	-1.33%	3.41%	3.41%
Licenses, Fees, & Permits	1,138,154	1,021,580	1,030,450	1,200	1,031,650	10,070	0.99%	1.02%	1.02%
Charges for Current Services	7,912,771	6,353,573	2,094,270	4,281,354	6,375,624	22,051	0.35%	6.30%	6.30%
Other Local Revenues	915,780	567,540	356,900	16,000	372,900	(194,640)	-34.30%	0.37%	0.37%
Other Financing Sources (Uses)	50,000	2,109,652		60,000	60,000	(2,049,652)	-97.16%	0.06%	0.06%
TOTAL REVENUES	99,130,902	98,711,330	95,289,043	5,972,116	101,261,159	2,549,829	2.58%	100.00%	100.00%
EXPENDITURES									
TOWN									
General Government	3,409,236	3,573,639	3,696,005		3,696,005	122,366	3.42%	13.49%	3.65%
Public Safety	11,243,426	11,460,067	11,718,244	38,855	11,757,099	297,032	2.59%	42.90%	11.61%
Public Works	6,314,722	6,820,218	6,747,349	180,000	6,927,349	107,131	1.57%	25.28%	6.84%
Health & Social Services	561,123	598,263	620,052		620,052	21,789	3.64%	2.26%	0.61%
Recreation & Parks	1,117,576	1,294,351	916,668	437,919	1,354,587	60,236	4.65%	4.94%	1.34%
Education - Culture	1,736,517	1,768,042	1,864,393		1,864,393	96,351	5.45%	6.80%	1.84%
Conservation & Development	659,674	702,886	752,807		752,807	49,921	7.10%	2.75%	0.74%
Miscellaneous	304,891	366,325	431,834		431,834	65,509	17.88%	1.58%	0.43%
TOTAL TOWN	25,347,165	26,583,791	26,747,352	656,774	27,404,126	820,335	3.09%	100.00%	27.06%
BOARD OF EDUCATION									
Salaries	36,542,908	38,718,888	39,215,846		39,215,846	496,958	1.28%	60.74%	38.73%
Employee Benefits	9,956,034	10,354,342	10,859,254		10,859,254	504,912	4.88%	16.82%	10.72%
Purchased Prf & Tech Services	1,367,231	1,449,368	1,393,370		1,393,370	(55,998)	-3.86%	2.16%	1.38%
Property Services	934,936	778,770	790,665		790,665	11,895	1.53%	1.22%	0.78%
Other Purchased Services	5,979,432	7,089,577	7,332,640		7,332,640	243,063	3.43%	11.36%	7.24%
General Supplies & Utilities	2,648,624	2,150,275	2,326,392		2,326,392	176,117	8.19%	3.60%	2.30%
Equipment	550,846	376,685	620,482		620,482	243,797	64.72%	0.96%	0.61%
Fees & Memberships	82,512	97,320	95,654		95,654	(1,666)	-1.71%	0.15%	0.09%
Cafeteria Operation	881,548	1,011,269		993,240	993,240	(18,029)	-1.78%	1.54%	0.98%
Facility Use	29,595	50,000		25,000	25,000	(25,000)	-50.00%	0.04%	0.02%
Prepaid State & Fed. Grants	1,073,691	864,800		905,914	905,914	41,114	4.75%	1.40%	0.89%
TOTAL BOARD OF EDUCATION	60,047,357	62,941,294	62,634,303	1,924,154	64,558,457	1,617,163	2.57%	100.00%	63.75%
SEWERS									
Operating Expense	2,027,224	2,837,922		3,099,766	3,099,766	261,844	9.23%	100.00%	3.06%
TOTAL SEWERS	2,027,224	2,837,922		3,099,766	3,099,766	261,844	9.23%	100.00%	3.06%
DEBT SERVICE									
Bonds	3,036,692	2,959,750	2,975,117		2,975,117	15,367	0.52%	100.00%	2.94%
Notes									
TOTAL DEBT SERVICE	3,036,692	2,959,750	2,975,117		2,975,117	15,367	0.52%	100.00%	2.94%
OTHER FINANCING USES									
Capital Improvements									
Facilities	1,910,307	2,707,955	1,878,771	291,422	2,170,193	(537,762)	-19.86%	67.32%	2.14%
Equipment	121,360	531,000	858,500		858,500	327,500	61.68%	26.63%	0.85%
C.N.R.E.F.	792,000	149,618	195,000		195,000	45,382	30.33%	6.05%	0.19%
CAPITAL IMPROVEMENT PROGRAM	2,823,667	3,388,573	2,932,271	291,422	3,223,693	(164,880)	-4.87%	100.00%	3.18%
TOTAL EXPENDITURES	93,282,105	98,711,330	95,289,043	5,972,116	101,261,159	2,549,829	2.58%	100.00%	100.00%

SHORT AND LONG TERM PROGRAMMATIC GOALS

The proposed fiscal year 2021/2022 Budget reflects the stated **mission** of the Town Council and Board of Finance **to provide quality town services at a reasonable cost to citizens and taxpayers**. The mission and goals are reviewed each year as part of the budget process. Short and long-term programmatic goals are discussed below.

LONG-TERM PROGRAMMATIC GOALS

MISSION

Provide quality town services at a reasonable cost to all citizens and taxpayers.

Long Term Goals

1. **Provide continuity in planning and development, as the community approaches build out, by: using an approach toward guiding growth as it naturally occurs, rather than artificially blocking or stimulating development;**
2. **Ensure long-term fiscal stability and programmatic effectiveness by providing professional management of the Town's programs and finances resulting in effective and efficient delivery of quality Town services at a low tax rate;**
3. **Provide a quality educational system with a caring and supportive learning environment by ensuring both high faculty standards and superior educational facilities, resulting in well-prepared students capable of successfully entering the nation's most competitive colleges and universities as well as competing in today's increasingly sophisticated world;**
4. **Provide a safe, secure and pleasing environment where people can live, work and play in harmony with their surroundings.**

In 2017, Avon Public Schools were ranked #1 in WFSB's 2017 Best School Districts in Connecticut with an A+ for academics and an A+ for teachers. In May 2019, Avon High School was one of 41 Connecticut high schools that was awarded the 2019 College Success Award by GreatSchools, a national nonprofit organization that provides information on educational opportunities to parents. Also in 2019, SchoolDigger ranked Avon High School 6th out of 121 Connecticut high schools. In January 2020, the State released the latest results from the Next Generation Accountability System, which awards a single score based on standardized test scores, graduation rates, and college readiness, among other factors. Avon schools scored between 75.79 and 90.1, and ranked among the top schools in the Hartford area, and the state. Niche, a marketing research company specializing in education statistics, recently released its 2021 list of Best School Districts in Connecticut and ranked Avon as 10th in the state.

In 2009, Connecticut Magazine rated Avon fourth statewide, and first in Hartford County, in its "Rating the Towns" article. In 2020, Niche ranked Avon #2 on a list of "The Best Places to Live in the Hartford Area." In 2016 the Town contracted with Great Blue Research to conduct a comprehensive impartial town-wide survey as part of the update to the Plan of Conservation and Development that is required every ten years. Respondents were asked to rate the quality of life in Avon, 93.1% provided a rating of either "excellent" or "good."

Mission and Goals	Page #	Town Council Goals				
		Town Mission	Continuity in Planning	Fiscal, Stability/Program Effectiveness	Quality Education	Safe, Secure, Environment
Town Manager						
Support the pursuit of the Mission and Long Term Goals as adopted by Town Council by all departments, divisions and programs.	E5	■				
Registrars of Voters						
Process in accordance with applicable laws.	E7			■		
Town Clerk						
Record, index, scan and return original documents within one business day.	E10			■		
Human Resources						
Manage labor actions and unemployment claims efficiently and effectively.	E12	■				
Finance						
Participate in the annual GFOA budget award program.	E13			■		
Meet or exceed all audit deadlines.	E13			■		
Prepare 100% of budget amendments in accordance with the Town Charter.	E13			■		
Meet 100% of project goals and deadlines.	E13			■		
Accounting						
Increase and promote electronic transactions	E14	■				
Assessing						
Manage the appeal process outside of the court system.	E15			■		
Collector of Revenue						
Maintain a tax collection rate of 99.00(+)%.	E16			■		
Police Administration						
Increase recruitment, community outreach and community policing efforts.	F4					■
Build on community trust.	F4					■
Fire Prevention						
Ensure that detected fire code violations are abated in 90% of all instances without formal legal proceedings.	F10					■
Maintain Avon's current ISO Split Rating of 4 - 9	F10					■

Mission and Goals	Page #	Town Council Goals				
		Town Mission	Continuity in Planning	Fiscal, Stability/Program	Quality Education	Safe, Secure, Environment
Building Inspection						
Issue 95% of all building permits within 2 days of application receipt.	F13					
Conduct requested field inspections within 2 business days for 95% of all requests.	F13					
Maintain an exceptionally low number of appeals (less than 2 per year) taken to either the Building Code Board of Appeals or State Building Official's office.	F13					
Public Works Administration						
Repair 100% of reported potholes within the statutorily required timeframe.	G3					
Prepare 100% of playing fields for use within two hours of request.	G3					
Respond to 100% of unanticipated snow events within 1 hour.	G3					
Human Services						
Provide vital information or assistance in at least 90% of its cases.	H5					
Parks & Recreation Administration						
Implement Time and Attendance Program for 75% of all employees	I4					
Receive 80-90% of all Program Registrations via On-Line Transactions	I4					
Receive 50-60% of Facility Reservations via On-Line Transactions	I4					
Avon Free Public Library						
Exceed the State's average circulation/capita and visits/capita.	J3					
Planning and Zoning						
Process 100% of all applications such that there are no appeals on grounds related to procedural defects.	K3					
Administer Town land use regulations in a manner that balances the need for housing, transportation, and economic growth with private property rights.	K3					

TOWN OF AVON STRATEGIC PLANNING DOCUMENTS

Name of Plan	Adoption Date	Purpose
Avon Free Public Library Strategic Plan (2018-2022)	March 2018	This five year plan charts the course for even greater community engagement, responsible growth, and enhanced offerings and services. It serves as a flexible framework to be built upon and amended to reflect and address the challenge of change.
Avon Free Public Library Technology Plan	June 2015	This plan is intended to guide technological development in the Library for the next three years. It will support the library's mission statement, align with our strategic plan, stimulate thought and discussion about the technological needs of our community, and provide structure for planning and budgeting for technology over the next three years.
Avon Public Schools Blueprint for Excellence Strategic Plan (2019-2023)	Jan 2021	To guide overall operations and strategic investments in the Avon Public School Systems.
Business Continuity Plan	Feb 2012	To prepare the Town to restore services to the widest extent possible in a minimum time frame in the event of extended service outages caused by factors beyond our control (e.g., natural disasters, man-made events, etc.)
Commission on Accreditation for Law Enforcement Agencies	Accredited Since 1993	CALEA Accreditation is a national standard and a proven management model that provides Police Departments of all sizes with a dynamic strategic plan that promotes the efficient use of resources and improves the delivery of services.
Comprehensive Energy Management Plan	Oct 2012	To provide a comprehensive action plan for the management of Town and BOE assets, operations, and energy use, including several non-binding "reach" goals with respect to energy use reduction and use of renewables.
Information Technology Plan	Dec 2016	This document identifies goals and objectives for the Town of Avon's Information Technology infrastructure for the next several years.
Natural Resource Inventory & Management Plan	Nov 2009	To guide the management of five properties owned by the Town, including Alsop Meadows Conservation Area, Fisher Meadows Natural Area, Found Land Conservation Area, Huckleberry Hill Conservation Area, and Hazen Park.
Pavement Management Program	Nov 2017	To guide annual resource allocation for prioritizing road improvements and rehabilitation based on objective road condition ratings.
Plan of Conservation and Development	Nov 2016	To guide the Planning and Zoning Commission and the citizens of Avon in making decisions regarding land use, transportation, public services, recreation, open space, natural resources, and housing, over the next decade. An update to the POCD was completed in 2016.
Recreation & Park Facilities Master Plan	Dec 2007	To study expansion of existing recreation facilities and athletic fields and potential development of Town owned parcels for future recreational use and to develop several conceptual recreation plans based upon the report analysis and recommendations.
Roof Asset Management Plan	Nov 2005	To assist the Public Works Department in prioritizing the strategic replacement or improvement of rooftops on all municipal owned buildings.
Waste Water Facilities Plan	Apr 2007	To have a comprehensive document that addresses operations, maintenance, and expansion of the Town's waste water collection system.

Five-Year Financial Forecasting

Understanding the economic environment in which the Town operates is critical to achieving our future priorities. Standard and Poor's and Moody's reviewed the Town's credit rating in May 2020. The Town's AAA rating, originally awarded in 1998, was reaffirmed. The S&P report noted the strength of Avon's economy citing several factors. Likewise, Moody's noted that "We anticipate the Town's credit quality will continue to benefit from minor growth rates, highly competitive home values, and strong resident wealth levels." While Avon's fundamentals are strong, we do recognize the value and importance of long range planning and we have developed a financial forecast.

Financial Forecasting is the process of projecting revenues and expenditures over the long term to identify trends that may have an influence on policies, goals or the provision of services. The following revenue and expenditure projections are dynamic best estimates based on a set of assumptions including economic conditions, historical trends, existing obligations, and other variables. Projections are subject to change based on a myriad of factors including, but not limited to, changes in intergovernmental revenue receipts, the stock of residential and/or commercial property, employee salary and benefit costs, and the expansion or reduction of municipal services, facilities, or infrastructure.

The following matrix contains revenue and expenditure projections for the fiscal years 2022/2023-2026/2027. In general, the Town used an extrapolation method to predict future behavior by projecting historical trends forward. Expenditure and revenue increases were determined using an average of the previous five fiscal years.* For instance, the average growth for fiscal years 2017/2018-2021/2022 was used to project growth in fiscal year 2022/2023. Average growth for fiscal years 2018/2019-2022/2023 was used to project growth in fiscal year 2023/2024, and so on. Existing contractual obligations and trends in intergovernmental revenue receipts were also taken into account, as well as known market trends for personal services items such as health insurance and worker's compensation.

For each fiscal year projected in this forecast, revenues are expected to meet expenditures. If trends continue, the Town should expect an overall average rate of growth of 2.35% or about $2.3 million, year over year for Town, Board of Education, Capital and Debt Service Budgets, which is fairly consistent with growth in previous years. It is important to note that this is a status quo forecast, showing the Town can provide existing services and current levels. It does not account for expanded programming or services, the completion of new capital projects, o0r the issuance of new debt.

*Note: Board of Education salary line item extrapolated based on six year averages.

TOWN OF AVON
FIVE YEAR FINANCIAL FORECASTING - GENERAL FUND
FY 2021/2022 - FY 2026/2027

	ACTUAL FY 2019/2020	ADOPTED FY 2020/2021	PROPOSED FY 2021/2022	PROJECTED FY 2022/2023	PROJECTED FY 2023/2024	PROJECTED FY 2024/2025	PROJECTED FY 2025/2026	PROJECTED FY 2026/2027
REVENUES								
Taxes and Assessments	$ 84,561,355	$ 85,072,994	$ 89,900,388	$ 91,661,095	$ 93,913,658	$ 96,256,893	$ 98,632,840	$ 101,074,677
Intergovernmental	2,810,123	1,988,650	1,907,035	2,278,200	2,278,200	2,278,200	2,278,200	2,278,200
Licenses, Fees & Permits	1,137,054	1,020,080	1,030,450	1,046,319	1,062,014	1,078,369	1,094,976	1,111,838
Charges for Current Services	2,356,390	1,852,650	2,094,270	2,112,490	2,130,869	2,149,407	2,168,107	2,186,970
Other Local Revenues	826,544	556,540	356,900	359,298	361,705	364,129	366,568	369,024
Other Financing Sources	50,000	1,800,000	-	-	-	-	-	-
TOTAL REVENUES	**$ 91,741,466**	**$ 92,290,914**	**$ 95,289,043**	**$ 97,457,402**	**$ 99,746,446**	**$ 102,126,998**	**$ 104,540,691**	**$ 107,020,709**
$ Inc/(Dec)	2,106,623	549,448	2,998,129	2,168,359	2,289,044	2,380,552	2,413,694	2,480,018
% Inc/(Dec)	**2.35%**	**0.60%**	**3.25%**	**2.28%**	**2.35%**	**2.39%**	**2.36%**	**2.37%**
EXPENDITURES								
Town								
General Government	3,409,238	3,573,639	3,696,005	3,779,165	3,866,086	3,958,872	4,053,885	4,151,178
Public Safety	11,093,250	11,420,881	11,718,244	12,011,200	12,323,491	12,643,902	12,985,287	13,335,890
Public Works	6,026,635	6,640,218	6,747,349	6,916,033	7,109,682	7,280,314	7,455,042	7,633,963
Health & Social Services	561,123	598,263	620,052	638,654	657,813	677,548	697,874	718,810
Recreation & Parks	794,803	861,839	916,668	935,918	959,492	978,681	998,255	1,018,220
Education - Culture	1,736,517	1,768,042	1,864,393	1,912,121	1,959,160	2,006,179	2,054,328	2,103,632
Conservation & Development	659,674	702,886	752,807	771,627	791,689	815,836	840,719	866,361
Miscellaneous	304,891	366,325	431,834	442,597	453,629	463,382	473,344	483,521
TOTAL TOWN	**$ 24,586,131**	**$ 25,932,093**	**$ 26,747,352**	**$ 27,407,315**	**$ 28,121,041**	**$ 28,824,714**	**$ 29,558,734**	**$ 30,311,575**
	0.84%	**5.47%**	**3.14%**	**2.47%**	**2.60%**	**2.50%**	**2.55%**	**2.55%**
Board of Education								
Salaries	36,542,908	38,718,888	39,215,846	40,000,163	39,820,185	40,616,588	41,384,242	42,166,404
Employee Benefits	9,956,034	10,354,342	10,859,254	11,087,298	10,708,390	10,976,099	11,250,502	11,531,764
Purchased Professional & Tech Services	1,367,231	1,449,368	1,393,370	1,414,271	2,598,162	2,780,034	2,974,636	3,182,860
Property Services	934,936	778,770	790,665	806,478	810,234	818,337	826,520	834,785
Other Purchased Services	5,977,373	7,089,577	7,332,640	7,449,962	8,329,419	8,579,302	8,836,681	9,101,781
General Supplies & Utilities	2,648,624	2,150,275	2,326,392	2,361,288	2,399,064	2,411,059	2,423,114	2,435,230
Equipment	550,846	376,685	620,482	632,892	511,897	542,611	575,167	609,677
Fees & Memberships	82,512	97,320	95,654	97,567	123,884	127,600	131,428	135,371
TOTAL BOE	**$ 58,060,464**	**$ 61,015,225**	**$ 62,634,303**	**$ 63,849,919**	**$ 65,301,234**	**$ 66,851,629**	**$ 68,402,290**	**$ 69,997,873**
	0.81%	**5.09%**	**2.65%**	**1.94%**	**2.27%**	**2.37%**	**2.32%**	**2.33%**
TOTAL DEBT SERVICE	**$ 3,036,692**	**$ 2,959,750**	**$ 2,975,117**	**$ 3,318,650**	**$ 3,235,300**	**$ 3,149,950**	**$ 3,108,900**	**$ 2,825,800**
	10.19%	**-2.53%**	**0.52%**	**11.55%**	**-2.51%**	**-2.64%**	**-1.30%**	**-9.11%**
Capital Improvements								
TOTAL CIP	**2,116,247**	**2,383,846**	**2,932,271**	**2,881,517**	**3,088,871**	**3,300,704**	**3,470,767**	**3,885,461**
	-30.90%	**12.64%**	**23.01%**	**-1.73%**	**7.20%**	**6.86%**	**5.15%**	**11.95%**
TOTAL EXPENDITURES	**$ 87,799,534**	**$ 92,290,914**	**$ 95,289,043**	**$ 97,457,402**	**$ 99,746,446**	**$ 102,126,998**	**$ 104,540,691**	**$ 107,020,709**
$ Inc/(Dec)	$ 8,651	$ 4,491,380	$ 2,998,129	$ 2,168,359	$ 2,289,044	$ 2,380,552	$ 2,413,694	$ 2,480,018
% Inc/(Dec)	0.01%	5.12%	3.25%	2.28%	2.35%	2.39%	2.36%	2.37%

Town of Avon Goals, Practices and Policies

The Town Council and Board of Finance, in partnership with the management team and outside professionals, collaborate to establish policies and practices that underpin our goals and objectives. The goal of this collaboration is to maintain Avon's AAA bond rating and ensure that prudent fiscal stewardship and best practices are standard operating procedure. The following practices and policies, in conjunction with the adopted mission and goals listed on pages IV through VI of the Budget Message, influence, shape, and direct the Town's approach to financial management:

Operating Management

- Town policy (see pages S.24 – S.27): Cash and investments will be maintained in accordance with the Town Charter and the adopted Investment Policy to ensure that proper controls and safeguards are maintained. This policy does not cover the financial assets of the pension plans.
- Town practice: Identify alternatives to current service delivery models where departments, in cooperation with the Town Manager's office, identify services and activities that could be provided through a more cost effective/efficient method.

Revenue

- Town practice: Revenues will not be dedicated for specific purposes unless required by law or Generally Accepted Accounting Practices (GAAP).
- Town practice: Reliance on State aid and grants are minimal and revenue estimates must be prudently budgeted. Inconsistent or fluctuating grants should not be used to fund ongoing programs.
- Town practice: User fees and charges (i.e.: Recreation Activities Fund, Sewer Fund, Police Special Services Fund) are examined on a cyclical basis to ensure all direct and indirect costs are recovered.

Operating Budget and Expenditures

- Town policy (refer to Town Council Policy No. 3.1): Purchasing Policy establishes a systematic and uniform system for the procurement of service, supplies, materials, equipment and other commodities required by any department, office or agency of the Town other than the BOE. The policy is reviewed periodically to ensure it reflects best practices.
- Town practice: Funding basis is derived from current revenues and fund balances carried forward from the prior year after unassigned fund balance targets are satisfied.
- Town practice: The utilization of a financial operating plan estimating expenditures for providing services, and the proposed means of financing them. A balanced budget limits expenditures to available resources.

Capital Management

- Town practice: Capital Improvement Program, where a five-year Capital Improvement Program (CIP) will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction that results in a capitalized asset costing more than $20,000 with an expected life (depreciable life) of at least five years.
- Town practice: Pay-as-you-go Capital Improvement Program financing is defined as all sources of revenue other than Town debt issuance. The debt service program capacity from the retirement of debt is shifted to the capital pay-as-you-go line items to fund the Capital Budget.

Debt Management

- Town policy (see page S.15): True or Operating Lease Policy establishes criteria when considering a true or operating lease. By allowing the Town to lease rather than purchase, the lease offers more flexibility in terms of adjusting to changes is treated as an operating expense in the income statement and does not affect the balance sheet.
- Town policy (see pages S.16 through S.23): The Debt Policy establishes parameters and guidance to make decisions on capital spending and issuance of debt as a means to fund them. In order to minimize debt service expenditures, the Town shall endeavor to take appropriate actions to maintain its "Aaa/AAA" credit ratings from Moody's and Standard & Poor's.
- Town practice: Prior to new debt, the Financial Advisor presents debt modeling and performs analysis showing how new issued and current debt impacts the Town's debt capacity; conformance with Town debt policies will accompany every future bond issue proposal.
- Town practice: To keep per capita debt at an acceptable level to municipal securities rating agencies.
- Town practice: To retire 50% of debt within 10 years.
- Town practice: Bond interest earnings will be limited to funding changes to the bond financed CIP, or be applied to debt service payment on the bonds issued for Capital Projects.

Fund Balance and Reserves

- Town policy (see page S.28): The Town established a General Fund Unassigned Fund Balance Policy with a goal of 10% Unassigned Fund Balance.
- Town policy (see page S.28): Use of Unassigned General Fund Balance Policy where any use of "surplus" should only be considered after a showing of substantial support for such use by the requesting authority. Approval of any request shall be given upon a finding that such use will meet an extraordinary need or unusual opportunity, and that such use will result in a tangible and significant benefit to the Town.
- Town practice: 10% of annual Special Revenue Funds operating expenditures reserved for unforeseen emergency expenditures.
- Town practice: Self-insurance reserves will be managed in conjunction with a consultant from a qualified actuarial firm who will provide recommendations on appropriate funding levels.
- Town practice: All fund assignments and reserves will be evaluated annually for adequacy and use requirements. As an example Assignment of General Fund Balance, generated from the sale of assets, is assigned and to be used for future capital asset purchases.

Financial Reporting

- Town practice: Submit Town's Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA) Certification of Achievement for Excellence in Financial Reporting Program.
- Town practice: Submit annual adopted budget to the GFOA Distinguished Budget Presentation Program.
- Town practice: Financial reporting on a monthly, quarterly, and end-of-fiscal year basis.

BUDGET MESSAGE

The proposed fiscal year 2021/2022 budget includes the following short-term financial goals and budget assumptions:

I. Fiscal Year 2021/2022 Operating Budget

a. Revenues: (For Details See Tab B)

1. Property Tax and Assessments: The following goals and assumptions have been made in estimating both Property Tax and Assessment Revenues for fiscal year 2021/2022:

   - Grand List Growth (assessed valuation of Real and Personal Property) at the time of budget preparation was estimated at $2,599,538,742 an increase of $26,569,950 or 1.03%.

   - In fiscal year 2021/2022, Supplemental Real Estate revenue is funded at $57,575, a slight increase over the current year; Supplemental Motor Vehicle tax revenue is funded at $592,137, for 2021/2022, an increase of $100,001 over the current year.

   - Assessment Appeals and Tax Refunds will approximate 1% of tax revenues;

   - Property Tax Collections will exceed 98.5% with the reserve for uncollectible at $600,000.

2. Licenses, Fees and Permits: Revenues from Licenses, Fees and Permits are funded at $1,031,650, an increase of $10,070 year over year.

3. State and Intergovernmental Grants: This category reflects a net reduction of funding in the amount of $46,394 or -1.33%. This reduction is primarily due to an estimated reduction in the revenues that the Board of Education expects to receive through the Special Education Excess Cost Grant. Funding received under this program is a function of the needs of qualifying students as determined by State Department of Education formulas. For a more detailed discussion of intergovernmental revenue trends and underlying assumptions please see page B.5. Although Avon receives a small portion of its total revenues from state grants, reductions in these grants do impact Town services.

4. Charges for Current Services: This category reflects a net increase of $22,051 or 0.35%. The most significant changes to charges for current services include a reduction to Sewer Use Charges – Fund #05 in the amount of $179,204; and reductions totaling $168,121 for Board of Education charges including BOE Cafeteria Sales, Athletic Game Receipts/Pay to Play, Facility Use fees and Pre-kindergarten tuition. These reductions are offset by an increase of $350,000 in Special Education Tuition charges.

5. Other Local Revenues: Net decreases in this category equate to $194,640 due primarily to a reduction in the estimate for interest income of $140,000 and for refunds and reimbursements of $52,960.

6. Other Financing Sources: The fiscal year 2020/2021 budget used $1.8 million in Unassigned General Fund Balance to achieve a tax increase of 0.00% and keep the mill rate level over the prior year in response to the global outbreak of COVID-19. For more on the Town's response to the pandemic, please refer to page B.9. There is no budgeted or planned use of General Fund Unassigned Fund Balance in the proposed fiscal year 2021/2022 budget. Additionally, due to operations in fiscal year 2019/2020, various assignments in the General Fund were approved, including $1.8 million to reimburse Unassigned General Fund Balance.

b. Expenditures: (For Details see Tab C):

1. Personal Services:

FY 18/19	FY 19/20	FY 20/21	FY 21/22
$18,526,209	$19,275,969	$19,894,344	$20,502,382

Personal services wages and benefits comprise 74.82% of the Town Operating Budget.

a. Wages and Salaries: Overall wages increased by $292,512 as compared to fiscal year 2020/2021 representing a 2.52% increase. The total number of full-time positions will increase from 107 to 108 year over year. This budget requests funding for the reclassification of an Administrative Secretary I to Administrative Analyst in Human Resources. An in-depth discussion on wages and salaries can be found on page C.4.

b. Benefits:

Benefits continue to be a major part of Personal Services costs. The fiscal year 2021/2022 budget includes:

- An increase ($196,102, 5.50%), for the twelfth year in a row, to the Defined Benefit Plan (closed in 1997). The interest rate assumption remains at 6.25% for fiscal year 2021/2022. Additional reductions to the interest rate assumptions may be required in the future.
- The Town's contribution to the Defined Contribution Benefit Plan increased by $28,914 (3.54%) due to wage and salary increases for participating employees. The true impact of this item is offset by $105,164 in Plan contributions made by the Town on behalf of employees that separated before completing the Plan's vesting period. These funds were forfeited back to the Town.
- Hospitalization funding increased by $100,102, plus an additional $30,000 for employer contributions to the High Deductible Health Plan/Health Savings Account (HDHP/HSA) plan. The total impact of this line item continues to be mitigated by approximately thirty employees opting out of the Plan through the Town's Health Insurance Waiver Program, as well as negotiated reductions to the value of the waiver for certain employee groups and increased participation in the Town's HDHP/HSA health insurance plan rather than the traditional OAP. An in-depth discussion of employee healthcare coverage can be found on page C.7.

- The Retiree Health net increase of $31,609 is driven by an increase of $217,114 required to support active retirees and offset by a decrease of $185,505 toward the Town's annual Other Post-Employment Benefits (OPEB) contribution (pre-funding for future costs).

2. Supplies and Services:

FY 18/19	FY 19/20	FY 20/21	FY 21/22
$6,375,982	$6,525,328	$6,621,402	$ 6,824,765

The Services and Supplies portion of the Town's municipal budget totals $6,824,765 for fiscal year 2021/2022, an increase of $203,363 (3.07%). In order to efficiently manage the budget, the Town has contracted for private services in the past where analysis shows that this is the most effective way to provide basic services. This approach will be continued and enhanced as appropriate.

The increase in Supplies and Services is due to increases in the following areas: Municipal Insurance (anticipated premium costs); Avon Volunteer Fire Department (operating grant); Computer Operations (managed services support); Parks (land – trail clearing); Regulation & Inspection (Farmington Valley Health District per capita contribution); and Buildings & Grounds (contractual services).

3. Capital Outlay:

FY 18/19	FY 19/20	FY 20/21	FY 21/22
$127,250	$92,130	$68,045	$76,979

Capital Outlay includes capital items of less than $20,000 and/or a life expectancy of less than five (5) years. Capital Outlay represents 0.28% of the operating budget. There are no major capital outlay items included in the fiscal year 2021/2022 operating budget.

II. Capital Improvement Program & Debt Service (For Details, see Tab R)

Capital Budget and Debt Service Expenditures FY 2017/2018 to FY 2021/2022

FISCAL YEARS	Appropriated 2017/2018	Appropriated 2018/2019	Appropriated 2019/2020	Appropriated 2020/2021	Recommended 2021/2022
Debt-Service	$2,818,850	$2,755,750	$3,746,038	$2,959,750	$2,975,117
Capital Improvement Program	$3,689,506	$3,734,595	$2,823,667	$3,388,573	$3,223,693
TOTAL	$6,508,356	$6,490,345	$6,569,705	$6,348,323	$6,198,810

a. Capital Improvement Program

Projects, programs and equipment over $20,000 and with a life expectancy over five (5) years are included in the Capital Improvement Program. The Town budget reflects a continued emphasis on "Pay-as-you-go" cash funded Capital Improvement Program. (See Tabs O & R for details).

The proposed Capital Budget for fiscal year 2021/2022 is $3,223,693. The top six Capital Budget Items, are as follows:

Road Improvements	$ 734,003
RBS Roof Replacement – Phase III	$ 425,000
AHS RTU Replacement – Phase I	$ 398,190
Fire Apparatus	$ 292,000
APD Body & Dash Cameras	$ 226,500
Sycamore Hills Tennis Courts	$ 225,000
Total	**$ 2,300,693**

b. Debt Service

The Town Debt Service Budget is $2,975,117, an increase of $15,367 or 0.52% from fiscal year 2020/2021. Approximately 85% of the Town's Debt Service is committed to the Town's support for its educational facilities, while 15% has been allocated for non-educational projects. It is the Town's intent to keep its per capita debt at a level acceptable to municipal securities rating agencies and to retire its debt rapidly. Historically, low interest rates have been advantageous to the Town only when issuing debt; the Town had not been able to take advantage of the interest rate situation from a revenue standpoint. In fiscal year 2021/2022, the Town is budgeting $200,000 in revenue expected from interest income.

This approach rewarded the Town in June 1998, with AAA/Aaa ratings from both Standard & Poor's and Moody's (the first such upgrade in Connecticut by Moody's in nineteen years). This rating was reaffirmed by both rating agencies in June 2002, Standard and Poor's in 2005, by both agencies in 2008 and 2009. In October 2012, October 2016, and May 2020, both Moody's and Standard and Poor reaffirmed the AAA rating with a stable outlook.

RESERVES

Use of Unassigned General Fund Balance:

The Town's General Fund Unassigned Fund Balance for the fiscal year ending June 30, 2020 amounted to $12,722,454 or 13.08% of fiscal year 2019/2020 General Fund expenditures and transfers out. The adopted goal of the Town Council is to maintain a level of unassigned fund balance equal to 10% of the current year adopted budget. To achieve a tax increase of 0.00% and to keep the mill rate level year over year, the adopted 2020/2021 budget used $1.8 million in Unassigned General Fund Balance. The global outbreak of COVID-19 profoundly impacted the Town's budget process and influenced the decision to keep the mill rate stable. For more details on the impact of COVID-19 and the Town's response, please refer to page B.9. No use of unassigned fund balance is budgeted for fiscal year 2021/2022 at this time.

Budget Message Conclusion

The annual budget process provides the community with the opportunity and means to review past accomplishments and identify collective goals and objectives for the future. The fiscal year 2021/2022 budget process began in August 2020. The energy, time and resources spent in the budget's creation will be reflected in products purchased and services delivered during the next year. Objectives established in years past have been met, revised or reaffirmed. New objectives have been adopted where appropriate.

Respectfully Submitted,

Brandon Robertson
Town Manager

Budget Process

Annual Operating Budget Forms prepared and sent to Department and Division Heads in early September.

Completed Operating Budget Forms returned to Town Manager by Department and Division Heads in early November.

Town Manager meets with Department and Division Heads to review budget submissions in November and December.

Town Manager makes reductions and sends budget to Town Council for review in late January.

Town

The Board of Education submits its Operating Budget to the Town Council by February 15th according to Town Charter.

Town Council, Board of Finance, and Board of Education hold Special Budget Workshop in late February.

Recommendations by Town Council are completed and the Budget is submitted to the Board of Finance in late March.

Board of Finance

The Board of Finance holds a Public Hearing on the Budget not later than 3 weeks before the May Town Meeting.

Public Budget workshops are held by the Board of Finance after the Public Hearing.

The Board of Finance submits their budget the Annual Town Meeting held the first Monday in May.

The Board of Finance Budget goes to Town Referendum in May.

TOWN OF AVON FY 2021/2022 BUDGET CALENDAR

ACTIVITY	RECOMMENDED DATE	LATEST DATE PER TOWN CHARTER
Capital Budget Forms Prepared and sent to Departments	August 10, 2020	
Operating Budget Forms Prepared and sent to Departments	September 11, 2020	
Completed Capital Budget Forms returned to Town Manager	October 02, 2020	
(d) CIP Budgets presented at Town Council Meetings by Department Heads	Nov. – Dec. 2020	
Completed Operating Budget Forms returned to Town Manager	November 06, 2020	February 15, 2021
(a) Town Manager meets with Department Heads to review budget submissions.	Nov. – Dec. 2020	
(b) Town Manager makes recommended reductions.	Dec. 2020 – Jan. 2021	
Town Manager's Proposed Operating and Capital Budgets submitted to Town Council	January 22, 2021	March 01, 2021
Board of Education Budget to Town Council	February 05, 2021	February 15, 2021
(a) Town Council holds Special Budget Workshop.	February 2021	
(b) Further reductions are made by Town Manager's Office if necessary.	February 2021	
Capital Improvement Program Submitted to Planning & Zoning Commission for Sec. 8-24 Review	March 16, 2021	
Budget Work by Town Council completed and Budget submitted to Board of Finance	March 22, 2021	April 01, 2021
Public Hearing on Budget held by Board of Finance not later than three (3) weeks before May 03, 2021 Town Meeting	April 05, 2021	April 12, 2021
(a) Board of Finance holds evening Budget Workshop(s) with Town Council and Board of Education after the Public Hearing.	April 07, 2021	
Board of Finance Completes Work on Budget	April 2021	
Copy of Budget approved by the Board of Finance printed in Newspaper at least five (5) days before the Annual Town Meeting	April 28, 2021	April 28, 2021
Annual Town and Budget Meeting First Monday in May	May 03, 2021	May 03, 2021
First Referendum	May 12, 2021	May 14, 2021
Second Referendum (if necessary)	June 02, 2021	June 04, 2021
Third Referendum (if necessary)	June 23, 2021	June 25, 2021

AVON'S BUDGET PROCESS

AN OVERVIEW

Avon's Town Charter, which was adopted in 1959 in accordance with the Connecticut General Statutes, and amended in 1964, 1969, 1975, 1980, and 1998, governs the Town's budgetary procedures. Where the Charter is silent, state law governs financial activities the Town might undertake or enter into. The specific legal requirements of the respective offices, agencies, boards and commissions with regard to the budget process are outlined below, as well as a calendar depicting both the recommended and mandatory dates on which actions must occur.

In reality, the budget process is a priority-setting process: defining and prioritizing needs, evaluating alternatives, and then funding or staffing the appropriate alternative to meet the needs. For Town Departments, this begins in August of the year preceding the budget year. At that time, the Town Manager's Office distributes its budget guidance to all departments, agencies, boards and commissions of the Town. The budget guidance includes the budget calendar (usually adopted by the Council in early August), appropriate forms, and any special instructions or policy guidance that would affect the selection, prioritization, staffing requirements or implementation of the budget process.

Capital Budget requests, including those of the Board of Education, are submitted earlier than operational budgets in order to allow the Town Council, Board of Finance and interested citizens an opportunity to hear Department Heads explain and justify their requests in public. A series of public meetings are scheduled beginning in October and extending through late November for these presentations. After the presentations are completed, the Town Manager prepares a recommended Capital Improvement Program that includes Board of Education projects. This program is then submitted to the Town Council for review and modification, if appropriate, in conjunction with the Town Manager's recommended operating budget in late January. The Town Council then establishes an informal schedule of budget work sessions to review, discuss and revise the Town Manager's Operating and Capital Budgets. These work sessions are open to the public and comments on the budget by interested groups or individuals are welcome.

During this same period, the Board of Education and Superintendent of Schools have been preparing the Board of Education's Operating Budget for submission to the Town Council. While the Town Council cannot directly modify the Board of Education's budget, they can make recommendations to the Board of Finance and the Town Meeting. The Board of Education must submit its budget to the Town Council by February 15th.

Upon completion of its review, the Town Council makes appropriate adjustments and formally recommends a consolidated (Town and Board of Education) budget to the Board of Finance. The Board of Finance conducts a Public Hearing in accordance with the Charter, followed by several public meetings to review, in detail, the consolidated budget. The public once again has an opportunity for input (at the Public Hearing) and during the Board of Finance work sessions. After a review of the Budget, the Board of Finance makes what it feels are appropriate adjustments to the budget and recommends a budget to the Annual Budget Meeting in May, which is then adjourned to a referendum.

The Annual Budget Meeting allows for further explanation and input to the budget prior to the referendum, in accordance with the Charter. Once adopted, the Budget takes effect on July 1, beginning the fiscal year. Amendments to the adopted budget can be made in several ways as follows:

(a) Section 9.5.1 (e) of the Avon Town Charter allows the Board of Finance to make additional appropriations from unappropriated general fund resources upon favorable recommendation of the Town Council and certification from the Town Manager that such funds are available.

(b) Section 9.5.1 (g) of the Avon Town Charter allows the Board of Finance, upon favorable Recommendation of the Town Council, to make emergency appropriations not exceeding four per cent of the current tax levy 'for the purpose of meeting a public emergency which threatens the lives, health or property of citizens.'

(c) Other amendments to the Town Budget are made in the same fashion, and in accordance with the Charter, as the Annual Budget. These are provided below under 'Legal Requirements'.

The budget process is dynamic and lengthy, with plenty of opportunity for public input. Specific questions concerning the budget process are welcome, and interested citizens or groups are urged to contact the Town Manager's Office for details.

LEGAL REQUIREMENTS OF THE TOWN CHARTER

Section 9.1.1 of the Avon Town Charter deals with the duties of the various Town Agencies, Boards, Departments and Commissions with respect to the Budget and reads as follows:

> "It shall be the duty of the Town Manager, with the assistance of the Department of Finance, to compile preliminary estimates for the annual budget.
>
> The head of each office or agency of the Town supported wholly or in part from Town funds, or for which a specific Town appropriation is made, including the Chairman of the Board of Education shall, on or before February 15, file with the Town Manager on forms provided by the Town Manager, expenditure requests of that office or agency and the revenue, other than tax revenues, to be collected thereby in the ensuing fiscal year.
>
> Expenditure requests, except the request of the Board of Education, shall be submitted in accordance with a budget classification plan formulated by the Town Manager with the approval of the Town Council and the Board of Finance. Expenditure requests of the Board of Education shall be submitted in accordance with a budget classification plan formulated by the Board of Finance and approved by the Town Council. Such requests shall be accompanied by data setting forth a program or programs showing services, activities and work accomplished during the current year and to be accomplished during the ensuing year.
>
> Any office or agency shall include as part of its requests, estimates of the cost of proposed capital improvement projects for the ensuing fiscal year and four fiscal years thereafter. Such requests and estimates shall be in the form and at such time as prescribed by the Town Manager.

***Duties of the Town Manager*:**

Section 7.3.2 of the Town Charter deal with the duties of the Town Manager with respect to the Capital Improvement Program and reads as follows:

(j) Without eliminating the foregoing, the Town Manager shall have the following duties:

"to prepare and submit to the Town Council, as directed, an annual budget and Capital Improvement Program."

Section 9.2.1 of the Avon Town Charter deals with the duties of the Town Manager with respect to the Budget and reads as follows:

"on or before March 1, the Town Manager shall present to the Town Council a budget consisting of:

(c) a written statement outlining the important features of the budget plan;

(b) detailed estimates of revenues by source, itemized receipts collected in the last completed fiscal year, receipts estimated to be collected during the current fiscal year and estimates of receipts to be collected in the ensuing fiscal year;

(c) estimates of expenditures, in detail directed by the Town Council, for each office or agency for the last fiscal year and expenditures for the current fiscal year to the time of preparing the estimates, total expenditures estimated for the current fiscal year, the requests of the several offices and agencies for the ensuing fiscal year, and the Town Manager shall, at the request of the Town Council, present reasons for any of his recommendations".

(e) as a part of the annual budget as a separate report attached thereto the Town Manager shall present a program concerning proposed municipal capital improvement projects for the ensuing year and for the four fiscal years thereafter, a copy of which shall be transmitted to the Zoning and Planning Commission. The Town Manager shall recommend to the Town Council a program of projects for the ensuing fiscal year and a method of financing the same. Such method may include but need not be limited to the special tax levy provided in Sec. 9.4.1 of this chapter for the benefit of the "Capital & Non-Recurring Expenditure Fund."

***Duties of the Town Council*:**

Section 9.3.1 of the Town Charter deals with the duties of the Town Council with respect to the budget and reads as follows:

"On or before April 1, the Town Council shall present and recommend to the Board of Finance the budget for the ensuing fiscal year prepared and presented by the Town Manager pursuant to Sec. 9.2 with such modifications as the Town Council deems appropriate. As respects the budget proposal of the Board of Education, such alterations or changes shall be in the form of recommendations. A copy of the budget as recommended by the Town Council shall be available for public inspection at the office of the Town Manager."

Duties of the Board of Finance:

Section 9.4.1 of the Town Charter deals with the duties of the Board of Finance with respect to the budget and reads as follows:

(a) the Board of Finance shall hold one or more public hearings not later than three weeks before the annual budget meeting at which any elector or taxpayer may have an opportunity to be heard regarding the budget for the ensuing year;

(d) after the Board of Finance public hearing or hearings, and after consultation with the Town Council and the Board of Education, the Board of Finance shall make these revisions in the budget as the Board of Finance deems desirable and shall recommend the budget so revised to the Annual Budget Meeting. Summary copies of the budget showing estimated revenues by major sources and recommended appropriations by office or agency shall be available in sufficient numbers for public distribution at the office of the Town Manager and at the public hearing or hearings;

(c) the revised budget as submitted to the Annual Budget Meeting shall not be in less detail than the recommended totals for each office or agency. Sufficient copies of the budget to be presented to the Annual Budget meeting shall be available to the public in the office of the Town Manager, and at least five days prior to the Annual Budget Meeting the Board of Finance shall cause to be published in a newspaper having a circulation in the Town, a summary of the budget showing estimated revenues by major sources and recommended appropriations by major sources;

(d) the Annual Budget Meeting shall receive and consider a resolution for the adoption of the budget recommended by the Board of Finance pursuant to Section 9.4.1(b);

(e) at the conclusion of the discussion on the resolution for the adoption of the budget recommended by the Board of Finance to the Annual Budget Meeting, the moderator shall adjourn the Annual Budget Meeting to a date certain on a weekday not less than 7 days nor more than 14 days thereafter for a referendum vote by voting machine by those eligible by law to cast ballots for that purpose. All ballots shall be cast in accordance with the provisions of the General Statutes;

(f) if the majority of the ballots cast at any referendum of the adjourned Annual Budget meeting on a budget recommended by the Board of Finance shall be "Yes" the budget shall be deemed approved as of the date of such affirmative vote;

(g) an official copy of the approved budget at any referendum setting forth appropriations in accordance with the budget classification established under sec. 9.1.1 shall be filed by the Board of Finance with the Town Clerk within one week following such approval;

(h) within ten days after the approval of the budget at any referendum, the Board of Finance shall fix the tax rate in mills which shall be levied on the taxable property in the Town for the ensuing fiscal year. In accordance with the provisions of Chapter 108 of the General Statutes, as amended, the Board of Finance may levy annually a tax not to exceed two mills to be assessed upon the taxable property in the Town at the same time as the regular annual taxes for Town expenses for the benefit of a fund to be known as the "Capital and Non-Recurring Expenditure Fund" established for the purpose of paying the cost of capital improvements for which the Town is authorized to issue bonds and for no other purpose;

(i) the Board of Finance shall have the power to transfer from time to time to this fund any portion of the resources of the general fund not otherwise appropriated. Appropriations for construction or for other permanent improvements, from whatever source derived, shall not lapse until the purpose for which the appropriation was made shall have been accomplished, or abandoned by action by the Board of Finance, or by Town Meeting, whichever authorized the original appropriation provided any project shall be deemed to have been abandoned if three fiscal years shall elapse without an expenditure from or encumbrance of the appropriation therefore.

9.4.2 <u>Rejection of Budget</u>

(a) Subject to the provisions of Section 9.4.4, in the event the majority of the ballots cast at a referendum conducted pursuant to Section 9.4.1(e) or conducted pursuant to Section 9.4.2(c)(ii) shall be "No" the Annual Budget Meeting shall be deemed to be further adjourned to a date certain to be designated by the Town Council in accordance with Section 9.4.2(c)(i), except as prohibited by Section 9.4.2(d).

(b) Within 20 days after a vote at referendum which results in the rejection of a budget recommended by the Board of Finance pursuant to either Section 9.4.1(b) or pursuant to Section 9.4.2(b)(iii) the Board of Finance shall:

(i) after any consultation with the Town Council and the Board of Education the Board of Finance deems advisable, determine those modifications, if any, to the rejected budget the Board of Finance deems appropriate.

(ii) conduct a public hearing on the rejected budget including those modifications, if any, determined to be appropriate by the Board of Finance pursuant Section 9.4.2(b)(i).

(iii) recommend to the Town Council a budget for vote thereon at referendum at the adjourned Annual Budget Meeting on the date designated by the Town Council in accordance with Section 9.4.2.(c)(i).

(c) Upon receipt from the Board of Finance of a recommended budget pursuant to Section 9.4.2(b)(iii) the Town Council shall:

(i) designate a date for a vote at referendum on a budget recommended by the Board of Finance pursuant to Section 9.4.2(b)(iii), which date shall be not more than 30 days after the vote on the budget rejected at the immediately prior referendum.

(ii) instruct the Town Clerk to publish a timely call for a vote at referendum on a budget recommended by the Board of Finance on the date designated by the Town Council pursuant to Section 9.4.2(c)(i) by those eligible by law to cast ballots for that purpose, which call shall set forth the recommendation of the Board of Finance made pursuant to Section 9.4.2(b)(iii).

9.4.3 No more than two referenda may be conducted on budgets recommended by the Board of Finance to the Town Council pursuant to Section 9.4.2(b)(iii) for the same fiscal year.

9.4.4 If the number of persons voting at any referendum conducted pursuant to this Chapter shall be less than nine percent (9%) of the electors of the municipality, as determined by the last completed active registry list, the budget voted upon shall be deemed approved notwithstanding that a majority of the votes cast shall be for rejection of the budget.

9.5 <u>Expenditures and Accounting</u>

(a) No purchase shall be made by any office or agency of the Town other than the Board of Education except with the approval of the Town Manager or authorized agent.

(b) No voucher, claim or charge against the Town by other than the Board of Education shall be paid until the same has been approved the Town Manager or authorized agent. No voucher, claim or charge against the Board of Education shall be paid until the same has been approved by the Superintendent of Schools or authorized agent. Checks for the payment of approved claims other than those against the Board of Education shall be drawn by the Town Manager and shall be valid only when countersigned by the Treasurer or authorized agent. In the absence or inability to act of either the Town Manager or the Treasurer, with respect to the above duty, the Council chairman is authorized to substitute temporarily for either but not for both of them. Checks for approved claims against the Board of Education shall be drawn by the Superintendent of Schools or authorized agent and shall be valid only when countersigned by the Treasurer or authorized agent. In the absence or inability to act of either the Superintendent of Schools or authorized agent or the Treasurer with respect to the above duty, the Chairman of the Board of Education is authorized to substitute temporarily for either but not both of them. Any provisions of this Charter to the contrary notwithstanding, the Town Manager or authorized agent may exercise the powers vested in the Superintendent of Schools or authorized agent with respect to purchasing, the approval of vouchers, claims or charges against the Board of Education, and the drawing of checks to pay approved claims, but only if and to the extent and for the period requested by the Board of Education and approved by the Town Council.

(c) The Town Manager or authorized agent shall prescribe the time at which and the manner in which persons receiving money on account of the Town shall pay the same to the Town Treasurer.

(d) The several offices and agencies of the Town shall not obligate the Town to spend money for any purpose in excess of the amount appropriated for such office or agency; provided, when any office or agency except the Board of Education shall desire a transfer of funds between its appropriations such office or agency shall, with the approval of the Town Council, make application to the Board of Finance whose duty it shall be to examine into the matter, and upon its approval such transfer may be made except that said Board of Finance may, by resolution, delegate to the Town Council all or any part of its authority to examine into and approve such transfers. Authority delegated to the Town Council to transfer between appropriations for such office or agency shall not exceed 1/10 of 1% of the current Town Operating Budget.

(e) Additional appropriations over and above the total budget may be made from time to time by the Board of Finance upon favorable recommendation of the Town Council and certification from the Town Manager that there are available unappropriated general fund resources in excess of the proposed additional appropriations (see chart on next page).

(f) Upon the request of the Town Council, the Board of Finance may, by resolution, transfer any unencumbered appropriation or portion thereof from one office or agency to another, except that said Board of Finance may, by resolution, delegate to the Town Council all or any part of its authority to examine into and approve such transfer. Authority delegated to the Town Council to transfer any unencumbered appropriation or portion thereof from one office or agency to another shall not exceed 1/10 of 1% of the current Town Operating Budget.

(g) Emergency appropriations not exceeding an amount four percent of the current tax levy in any one fiscal year may be made upon the favorable recommendation of the Town Council to the Board of Finance and by vote of not less than four members of said Board of Finance for the purpose of meeting a public emergency which threatens the lives, health or property of citizens. In the absence of available unappropriated general fund resources to meet such appropriation, the Board of Finance shall provide additional means of financing in a manner consistent with the provisions of the general statutes and of this Charter.

(h) Each order drawn upon the Treasurer shall state the office or agency or the appropriation against which it is to be drawn.

(i) Every payment made in violation of the provisions of this Charter shall be deemed illegal and every official authorizing or making such payment or any part thereof shall be jointly and severally liable to the Town for the full amount so paid or received. If any appointive officer or employee of the Town shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of this Charter or take part therein, such action may be the cause for his removal.

Supplemental Appropriation Process