



# Town of Avon

60 West Main Street  
Avon, Connecticut 06001-3719  
(860) 409-4300 • [www.avonct.gov](http://www.avonct.gov)

## BUDGET MESSAGE

**TO THE CITIZENS AND TAXPAYERS**

**JULY 1, 2022**

The adopted fiscal year 2022/2023 Town, Board of Education, Sewer, Capital and Debt Service budgets are submitted for your review. The adopted budgets total \$106,248,104. This equates to an increase of \$4,986,945 or 4.92% and requires a property tax levy increase of 3.77%. The adopted budget would require the mill rate to increase by 1.17% from 34.21 to 34.61.

The total adopted budget, not including the operating budget of the Board of Education, but including the Town, Sewer, Capital and Debt Service Budgets is \$39,725,086. This equates to an increase of \$3,022,384 or 8.23% over the current year budget of \$36,702,702. The increase to the Town operating budget, not including Sewers, Capital and Debt Service budgets is 3.47% or \$949,581. The increase to the General Fund is \$3,190,699 or 3.35%

The most significant factors contributing to the increase in the adopted fiscal year 2022/2023 operating budget are as follows:

- |                                                                                                         |            |
|---------------------------------------------------------------------------------------------------------|------------|
| • Increase in funding for Wages and Salaries                                                            | \$ 305,940 |
| • Increase in funding for Medical Insurance, Medical Insurance Waivers and Employer Contribution to HSA | \$ 207,309 |
| • Increase in funding for Retiree Health                                                                | \$ 83,269  |
| • Increase in funding for Computer Operations                                                           | \$ 77,580  |

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

**BUDGET MESSAGE****COMPARATIVE ANALYSIS: FY 2021/2022 AND FY 2022/2023 BUDGETS ALL FUNDS****REVENUES**

| <b>CLASSIFICATION</b>          | <b>APPROPRIATED<br/>FY 2021/2022</b> | <b>ADOPTED<br/>FY 2022/2023</b> | <b>\$<br/>INC/(DEC)</b>    | <b>%<br/>INC/-DEC</b> |
|--------------------------------|--------------------------------------|---------------------------------|----------------------------|-----------------------|
| Property Tax & Assessments     | \$ 89,502,681                        | \$ 92,895,395                   | \$ 3,392,714               | 3.79%                 |
| Intergovernmental              | 3,449,597                            | 4,650,625                       | 1,201,028                  | 34.82%                |
| Licenses, Fees & Permits       | 1,031,650                            | 1,031,470                       | (180)                      | -0.02%                |
| Charges for Current Services   | 6,375,624                            | 6,718,424                       | 342,800                    | 5.38%                 |
| Other Local Revenues           | 385,607                              | 384,611                         | (996)                      | -0.26%                |
| Other Financing Sources (Uses) | 516,000                              | 567,579                         | 51,579                     | 10.00%                |
| <b>TOTAL</b>                   | <b><u>\$ 101,261,159</u></b>         | <b><u>\$ 106,248,104</u></b>    | <b><u>\$ 4,986,945</u></b> | <b><u>4.92%</u></b>   |

**EXPENDITURES**

| <b>CLASSIFICATION</b>            | <b>APPROPRIATED<br/>FY 2021/2022</b> | <b>ADOPTED<br/>FY 2022/2023</b> | <b>\$<br/>INC/(DEC)</b>    | <b>%<br/>INC/-DEC</b> |
|----------------------------------|--------------------------------------|---------------------------------|----------------------------|-----------------------|
| Town Operating Budget            | \$ 27,404,126                        | \$ 28,353,707                   | \$ 949,581                 | 3.47%                 |
| School Operating Budget          | 64,558,457                           | 66,523,018                      | 1,964,561                  | 3.04%                 |
| Sewer Operating Budget           | 3,099,766                            | 3,116,593                       | 16,827                     | 0.54%                 |
| Capital & Debt Service Budgets:  |                                      |                                 |                            |                       |
| Debt Service                     | 2,975,117                            | 2,962,950                       | (12,167)                   | -0.41%                |
| Capital Budget                   | 3,223,693*                           | 5,291,836**                     | 2,068,143                  | 64.15%                |
| Subtotal: Capital & Debt Service | 6,198,810                            | 8,254,786                       | 2,055,976                  | 33.16%                |
| <b>TOTAL</b>                     | <b><u>\$ 101,261,159</u></b>         | <b><u>\$ 106,248,104</u></b>    | <b><u>\$ 4,986,945</u></b> | <b><u>4.92%</u></b>   |
| <b>LESS SCHOOL OPERATING</b>     | <b><u>\$ 36,702,702</u></b>          | <b><u>\$ 39,725,086</u></b>     | <b><u>\$ 3,022,384</u></b> | <b><u>8.23%</u></b>   |

\* Includes \$0 in Sewer Projects paid by Sewer Fund.

\*\* Includes \$567,000 in Sewer Projects paid by Sewer Fund and \$1,000,000 in Road Improvement Projects paid by the American Rescue Plan Fund.

# BUDGET MESSAGE

## TOWN OF AVON ANNUAL BUDGET FISCAL YEAR 2022/2023 ADOPTED MAY 11, 2022

|                                    | FY 20/21<br>ACTUAL | FY 21/22<br>ADOPTED<br>BUDGET | FY 22/23<br>GENERAL FUND | FY 22/23<br>SPECIAL REV. &<br>OTHER FUNDS | FY 22/23<br>ADOPTED<br>BUDGET | DIFFERENCE       | % CHANGE      | % BY<br>SUBTOTAL | BUDGET BY<br>TOTAL |
|------------------------------------|--------------------|-------------------------------|--------------------------|-------------------------------------------|-------------------------------|------------------|---------------|------------------|--------------------|
| <b>REVENUES</b>                    |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| Property Tax & Assessments         | 85,197,373         | 89,502,681                    | 92,777,959               | 112,000                                   | 92,895,395                    | 3,392,714        | 3.79%         | 87.43%           | 87.43%             |
| Intergovernmental                  | 5,204,162          | 3,449,597                     | 1,984,347                | 2,666,278                                 | 4,650,625                     | 1,201,028        | 34.82%        | 4.38%            | 4.38%              |
| Licenses, Fees, & Permits          | 1,436,164          | 1,031,650                     | 1,030,470                | 1,000                                     | 1,031,470                     | (180)            | -0.02%        | 0.97%            | 0.97%              |
| Charges for Current Services       | 6,063,779          | 6,375,624                     | 2,364,594                | 4,353,830                                 | 6,718,424                     | 342,800          | 5.38%         | 6.32%            | 6.32%              |
| Other Local Revenues               | 407,002            | 385,607                       | 322,372                  | 67,675                                    | 384,611                       | (996)            | -0.26%        | 0.36%            | 0.36%              |
| Other Financing Sources (Uses)     | 157,307            | 516,000                       |                          | 567,579                                   | 567,579                       | 51,579           | 10.00%        | 0.54%            | 0.54%              |
| <b>TOTAL REVENUES</b>              | <b>98,465,787</b>  | <b>101,261,159</b>            | <b>98,479,742</b>        | <b>7,768,362</b>                          | <b>106,248,104</b>            | <b>4,986,945</b> | <b>4.92%</b>  | <b>100.00%</b>   | <b>100.00%</b>     |
| <b>EXPENDITURES</b>                |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| <b>TOWN</b>                        |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| General Government                 | 3,630,665          | 3,696,005                     | 3,101,653                |                                           | 3,101,653                     | (594,352)        | -16.08%       | 10.94%           | 2.92%              |
| Public Safety                      | 11,517,419         | 11,757,099                    | 9,488,461                | 39,781                                    | 9,528,242                     | (2,228,857)      | -18.96%       | 33.60%           | 8.97%              |
| Public Works                       | 7,550,869          | 6,927,349                     | 5,606,646                | 180,000                                   | 5,786,646                     | (1,140,703)      | -16.47%       | 20.41%           | 5.45%              |
| Health & Social Services           | 614,535            | 620,052                       | 549,134                  |                                           | 549,134                       | (70,918)         | -11.44%       | 1.94%            | 0.52%              |
| Recreation & Parks                 | 1,063,693          | 1,354,587                     | 868,206                  | 454,377                                   | 1,322,583                     | (32,004)         | -2.36%        | 4.66%            | 1.24%              |
| Education - Culture                | 1,751,984          | 1,864,393                     | 1,689,468                |                                           | 1,689,468                     | (174,925)        | -9.38%        | 5.96%            | 1.59%              |
| Conservation & Development         | 696,394            | 752,807                       | 530,069                  |                                           | 530,069                       | (222,738)        | -29.59%       | 1.87%            | 0.50%              |
| Miscellaneous                      | 1,878,487          | 431,834                       | 5,845,912                |                                           | 5,845,912                     | 5,414,078        | 1253.74%      | 20.62%           | 5.50%              |
| <b>TOTAL TOWN</b>                  | <b>28,704,046</b>  | <b>27,404,126</b>             | <b>27,679,549</b>        | <b>674,158</b>                            | <b>28,353,707</b>             | <b>949,581</b>   | <b>3.47%</b>  | <b>100.00%</b>   | <b>26.69%</b>      |
| <b>BOARD OF EDUCATION</b>          |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| Salaries                           | 37,528,081         | 39,215,846                    | 40,699,418               |                                           | 40,699,418                    | 1,483,572        | 3.78%         | 61.18%           | 38.31%             |
| Employee Benefits                  | 10,309,897         | 10,859,254                    | 10,369,798               |                                           | 10,369,798                    | (489,456)        | -4.51%        | 15.59%           | 9.76%              |
| Purchased Prf & Tech Services      | 1,335,831          | 1,393,370                     | 1,450,159                |                                           | 1,450,159                     | 56,789           | 4.08%         | 2.18%            | 1.36%              |
| Property Services                  | 1,089,785          | 790,665                       | 774,926                  |                                           | 774,926                       | (15,739)         | -1.99%        | 1.16%            | 0.73%              |
| Other Purchased Services           | 6,390,962          | 7,332,640                     | 7,680,735                |                                           | 7,680,735                     | 348,095          | 4.75%         | 11.55%           | 7.23%              |
| General Supplies & Utilities       | 2,479,042          | 2,326,392                     | 2,571,436                |                                           | 2,571,436                     | 245,044          | 10.53%        | 3.87%            | 2.42%              |
| Equipment                          | 1,667,744          | 620,482                       | 681,182                  |                                           | 681,182                       | 60,700           | 9.78%         | 1.02%            | 0.64%              |
| Fees & Memberships                 | 94,701             | 95,654                        | 127,950                  |                                           | 127,950                       | 32,296           | 33.76%        | 0.19%            | 0.12%              |
| Cafeteria Operation                | 606,126            | 993,240                       |                          | 1,153,428                                 | 1,153,428                     | 160,188          | 16.13%        | 1.73%            | 1.09%              |
| Facility Use                       | 2,559              | 25,000                        |                          | 25,000                                    | 25,000                        |                  |               | 0.04%            | 0.02%              |
| Prepaid State & Fed. Grants        | 1,544,983          | 905,914                       |                          | 950,311                                   | 950,311                       | 44,397           | 4.90%         | 1.43%            | 0.89%              |
| Technology Protection Plan         |                    |                               |                          | 38,675                                    | 38,675                        | 38,675           | 100.00%       | 0.06%            | 0.04%              |
| <b>TOTAL BOARD OF EDUCATION</b>    | <b>63,049,711</b>  | <b>64,558,457</b>             | <b>64,355,604</b>        | <b>2,167,414</b>                          | <b>66,523,018</b>             | <b>1,964,561</b> | <b>3.04%</b>  | <b>100.00%</b>   | <b>62.61%</b>      |
| <b>SEWERS</b>                      |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| Operating Expense                  | 3,076,505          | 3,099,766                     |                          | 3,116,593                                 | 3,116,593                     | 16,827           | 0.54%         | 100.00%          | 2.93%              |
| <b>TOTAL SEWERS</b>                | <b>3,076,505</b>   | <b>3,099,766</b>              |                          | <b>3,116,593</b>                          | <b>3,116,593</b>              | <b>16,827</b>    | <b>0.54%</b>  | <b>100.00%</b>   | <b>2.93%</b>       |
| <b>DEBT SERVICE</b>                |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| Bonds                              | 3,151,590          | 2,975,117                     | 2,962,950                |                                           | 2,962,950                     | (12,167)         | -0.41%        | 100.00%          | 2.79%              |
| Notes                              |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| <b>TOTAL DEBT SERVICE</b>          | <b>3,151,590</b>   | <b>2,975,117</b>              | <b>2,962,950</b>         |                                           | <b>2,962,950</b>              | <b>(12,167)</b>  | <b>-0.41%</b> | <b>100.00%</b>   | <b>2.79%</b>       |
| <b>OTHER FINANCING USES</b>        |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| Capital Improvements               |                    |                               |                          |                                           |                               |                  |               |                  |                    |
| Facilities                         | 2,707,955          | 2,170,193                     | 2,147,639                | 1,810,197                                 | 3,957,836                     | 1,787,643        | 82.37%        | 74.79%           | 3.73%              |
| Equipment                          | 531,000            | 858,500                       | 546,000                  |                                           | 546,000                       | (312,500)        | -36.40%       | 10.32%           | 0.51%              |
| C.N.R.E.F.                         | 149,618            | 195,000                       | 788,000                  |                                           | 788,000                       | 593,000          | 304.10%       | 14.89%           | 0.74%              |
| <b>CAPITAL IMPROVEMENT PROGRAM</b> | <b>3,388,573</b>   | <b>3,223,693</b>              | <b>3,481,639</b>         | <b>1,810,197</b>                          | <b>5,291,836</b>              | <b>2,068,143</b> | <b>64.15%</b> | <b>100.00%</b>   | <b>4.98%</b>       |
| <b>TOTAL EXPENDITURES</b>          | <b>101,370,425</b> | <b>101,261,159</b>            | <b>98,479,742</b>        | <b>7,768,362</b>                          | <b>106,248,104</b>            | <b>4,986,945</b> | <b>4.92%</b>  | <b>100.00%</b>   | <b>100.00%</b>     |

## BUDGET MESSAGE

### GOALS, OBJECTIVES & PERFORMANCE MEASURES

This section provides an overview of the Town's performance measurement program. The Town constantly seeks to improve its operations, programs and services. Performance measurement is one of the tools used to do this because it allows for a data-based review of current services and creates a metric to evaluate the degree to which the Town's programs and services respond to the needs of the community. The Town's performance measures are integrated into the annual budget to ensure accountability and to establish a link between resources and results. The performance measures shown throughout the budget document represent just some of the data points collected in the course of a budget unit's annual operations. Measures selected for the document are meaningful and useful to the overall budgetary decision-making process and relate to the Town Council's mission and long term goals.

Beginning with the fiscal year 2022/2023 budget, the Town began a multi-year initiative to more closely align performance measures with budgetary unit goals and objectives and, more broadly, the mission and long-term programmatic goals of the Town Council and the Board of Finance. This year, changes were focused on the budgetary units included in Tabs F and G of the budget document; which consist of the Town's Public Safety and Public Works functions. The Town intends to address the remaining budgetary units in future budget years. Readers will note the new, more streamlined presentation of each budgetary unit's goals, objectives and performance measures and the clear relationship between those items and the Town's mission and long term goals.

The adopted fiscal year 2022/2023 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 long-term goals are reviewed each year as part of the budget process. Long-term programmatic goals are outlined below.

#### Town Council & Board of Finance 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.

A matrix relating the goals of each department/division to the Town's long term mission and goals follows this section.

## BUDGET MESSAGE

| Departmental Goals                                                                                                            | Page # | Mission & Long Term Goals |                        |                                            |                   |                           |
|-------------------------------------------------------------------------------------------------------------------------------|--------|---------------------------|------------------------|--------------------------------------------|-------------------|---------------------------|
|                                                                                                                               |        | Town Mission              | Continuity in Planning | Fiscal Stability/<br>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*                                                                                                                      |        |                           |                        |                                            |                   |                           |
| Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Finance Reporting.    | E13    |                           |                        |                                            |                   |                           |
| Receive the GFOA Distinguished Budget Presentation Award.                                                                     | E13    |                           |                        |                                            |                   |                           |
| Expand the use of automated purchase order processing.                                                                        | 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*                                                                                                        |        |                           |                        |                                            |                   |                           |
| Expand Community Policing Efforts.                                                                                            | F4     |                           |                        |                                            |                   |                           |
| Provide officers with advanced career development training.                                                                   | F4     |                           |                        |                                            |                   |                           |
| Fire Prevention                                                                                                               |        |                           |                        |                                            |                   |                           |
| Abate detected fire code violations without the need for legal proceedings.                                                   | F10    |                           |                        |                                            |                   |                           |
| Maintain Avon’s current ISO Split Rating of 4 – 4B through a comprehensive program of fire prevention and fire safety.        | F10    |                           |                        |                                            |                   |                           |

## BUDGET MESSAGE

|                                                                                                                                                                                 |        | Mission & Long Term Goals |                        |                                            |                   |                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------------|------------------------|--------------------------------------------|-------------------|---------------------------|
| Departmental Goals                                                                                                                                                              | Page # | Town Mission              | Continuity in Planning | Fiscal Stability/<br>Program Effectiveness | Quality Education | Safe, Secure, Environment |
| Building Inspection*                                                                                                                                                            |        |                           |                        |                                            |                   |                           |
| Issue building permits in a timely manner.                                                                                                                                      | F13    |                           |                        |                                            |                   |                           |
| Educate the public on building code safety and permit compliance.                                                                                                               | F13    |                           |                        |                                            |                   |                           |
| Maintain a low number of appeals.                                                                                                                                               | F13    |                           |                        |                                            |                   |                           |
| Public Works*                                                                                                                                                                   |        |                           |                        |                                            |                   |                           |
| Ensure timely responses to extreme weather events.                                                                                                                              | G3     |                           |                        |                                            |                   |                           |
| Ensure that playing field preparation is completed in a timely manner.                                                                                                          | G3     |                           |                        |                                            |                   |                           |
| Complete road repairs in a timely manner.                                                                                                                                       | G4     |                           |                        |                                            |                   |                           |
| Provide and encourage recycling opportunities and practices for Residents and the Town’s waste stream.                                                                          | G5     |                           |                        |                                            |                   |                           |
| Improve cost efficiencies, safety, and longevity of the Town’s machinery, equipment, and workforce.                                                                             | G6     |                           |                        |                                            |                   |                           |
| Improve and maintain the safety and appearance of all Town-owned facilities.                                                                                                    | G7     |                           |                        |                                            |                   |                           |
| Engineering*                                                                                                                                                                    |        |                           |                        |                                            |                   |                           |
| Complete engineering plan reviews in a timely manner.                                                                                                                           |        |                           |                        |                                            |                   |                           |
| 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     |                           |                        |                                            |                   |                           |
| * Indicates budgetary units that have updated “Goals, Objectives, & Performance Measures” for FY2022/2023 in accordance with the Town’s new performance measurement initiative. |        |                           |                        |                                            |                   |                           |

## BUDGET MESSAGE

### TOWN OF AVON STRATEGIC PLANNING DOCUMENTS

| Name of Plan                                                            | Adoption Date         | Purpose                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Affordable Housing Plan (2022-2027)                                     | April 2022            | This plan is being drafted by the Planning & Zoning Commission in accordance with state statute (PA 17-170) to guide the Town in increasing affordable housing units.                                                                                                                                                                                         |
| 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.                                                                                                                                                                                                                           |

## BUDGET MESSAGE

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### 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 2023/2024-2027/2028. 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 2018/2019-2022/2023 was used to project growth in fiscal year 2023/2024. Average growth for fiscal years 2019/2020-2023/2024 was used to project growth in fiscal year 2024/2025, 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 2.31% 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, or the issuance of new debt.

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

# BUDGET MESSAGE

## TOWN OF AVON FIVE YEAR FINANCIAL FORECASTING - GENERAL FUND FY 2022/2023 - FY 2027/2028

|                                        | ADOPTED<br>FY 2021/2022 | ADOPTED<br>FY 2022/2023 | PROJECTED<br>FY 2023/2024 | PROJECTED<br>FY 2024/2025 | PROJECTED<br>FY 2025/2026 | PROJECTED<br>FY 2026/2027 | PROJECTED<br>FY 2027/2028 |
|----------------------------------------|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>REVENUES</b>                        |                         |                         |                           |                           |                           |                           |                           |
| Taxes and Assessments                  | \$ 89,431,681           | \$ 92,777,959           | \$ 94,707,829             | \$ 96,994,135             | \$ 99,303,940             | \$ 101,673,575            | \$ 104,148,462            |
| Intergovernmental                      | 1,907,035               | 1,984,347               | 2,278,200                 | 2,278,200                 | 2,278,200                 | 2,278,200                 | 2,278,200                 |
| Licenses, Fees & Permits               | 1,030,450               | 1,030,470               | 1,045,927                 | 1,062,034                 | 1,078,390                 | 1,094,997                 | 1,111,422                 |
| Charges for Current Services           | 2,094,270               | 2,364,594               | 2,385,166                 | 2,405,917                 | 2,426,848                 | 2,447,962                 | 2,469,259                 |
| Other Local Revenues                   | 369,607                 | 322,372                 | 324,532                   | 326,706                   | 328,895                   | 331,099                   | 333,317                   |
| Other Financing Sources                | 456,000                 | -                       | -                         | -                         | -                         | -                         | -                         |
| <b>TOTAL REVENUES</b>                  | <b>\$ 95,289,043</b>    | <b>\$ 98,479,742</b>    | <b>\$ 100,741,654</b>     | <b>\$ 103,066,993</b>     | <b>\$ 105,416,273</b>     | <b>\$ 107,825,833</b>     | <b>\$ 110,340,660</b>     |
| \$ Inc/(Dec)                           | 3,362,266               | 3,190,699               | 2,261,912                 | 2,325,339                 | 2,349,280                 | 2,409,560                 | 2,514,827                 |
| % Inc/(Dec)                            | 3.66%                   | 3.35%                   | 2.30%                     | 2.31%                     | 2.28%                     | 2.29%                     | 2.33%                     |
| <b>EXPENDITURES</b>                    |                         |                         |                           |                           |                           |                           |                           |
| <b>Town</b>                            |                         |                         |                           |                           |                           |                           |                           |
| General Government                     | 3,696,005               | 3,101,653               | 3,172,991                 | 3,249,143                 | 3,327,122                 | 3,406,973                 | 3,482,946                 |
| Public Safety                          | 11,718,244              | 9,488,461               | 9,735,161                 | 9,988,275                 | 10,257,959                | 10,534,923                | 10,808,880                |
| Public Works                           | 6,747,349               | 5,606,646               | 5,763,632                 | 5,901,959                 | 6,043,606                 | 6,188,653                 | 6,367,427                 |
| Health & Social Services               | 620,052                 | 549,134                 | 565,608                   | 582,576                   | 600,054                   | 618,055                   | 633,998                   |
| Recreation & Parks                     | 916,668                 | 868,206                 | 890,074                   | 907,876                   | 926,033                   | 944,554                   | 966,373                   |
| Education - Culture                    | 1,864,393               | 1,689,468               | 1,731,029                 | 1,772,574                 | 1,815,115                 | 1,858,678                 | 1,919,034                 |
| Conservation & Development             | 752,807                 | 530,069                 | 543,851                   | 560,438                   | 577,532                   | 595,146                   | 618,120                   |
| Miscellaneous                          | 431,834                 | 5,845,912               | 5,991,617                 | 6,120,437                 | 6,252,026                 | 6,386,445                 | 6,532,014                 |
| <b>TOTAL TOWN</b>                      | <b>\$ 26,747,352</b>    | <b>\$ 27,679,549</b>    | <b>\$ 28,393,963</b>      | <b>\$ 29,083,278</b>      | <b>\$ 29,799,447</b>      | <b>\$ 30,533,427</b>      | <b>\$ 31,328,792</b>      |
|                                        | 3.71%                   | 3.49%                   | 2.58%                     | 2.43%                     | 2.46%                     | 2.46%                     |                           |
| <b>Board of Education</b>              |                         |                         |                           |                           |                           |                           |                           |
| Salaries                               | 39,215,846              | 40,699,418              | 40,780,146                | 41,595,749                | 42,381,909                | 43,182,927                | 43,999,084                |
| Employee Benefits                      | 10,859,254              | 10,369,798              | 11,756,663                | 12,050,579                | 12,351,844                | 12,660,640                | 12,977,156                |
| Purchased Professional & Tech Services | 1,393,370               | 1,450,159               | 1,421,377                 | 1,520,873                 | 1,627,334                 | 1,741,248                 | 1,863,135                 |
| Property Services                      | 790,665                 | 774,926                 | 814,563                   | 822,708                   | 830,936                   | 839,245                   | 847,637                   |
| Other Purchased Services               | 7,332,640               | 7,680,735               | 7,779,198                 | 8,012,574                 | 8,252,951                 | 8,500,539                 | 8,755,556                 |
| General Supplies & Utilities           | 2,326,392               | 2,571,436               | 2,521,064                 | 2,533,670                 | 2,546,338                 | 2,559,070                 | 2,571,865                 |
| Equipment                              | 620,482                 | 681,182                 | 660,162                   | 699,772                   | 741,758                   | 786,263                   | 833,439                   |
| Fees & Memberships                     | 95,654                  | 127,950                 | 98,157                    | 101,101                   | 104,135                   | 107,259                   | 110,476                   |
| <b>TOTAL BOE</b>                       | <b>\$ 62,634,303</b>    | <b>\$ 64,355,604</b>    | <b>\$ 65,831,330</b>      | <b>\$ 67,337,027</b>      | <b>\$ 68,837,204</b>      | <b>\$ 70,377,191</b>      | <b>\$ 71,958,349</b>      |
|                                        | 2.85%                   | 2.75%                   | 2.29%                     | 2.29%                     | 2.23%                     | 2.24%                     | 2.25%                     |
| <b>TOTAL DEBT SERVICE</b>              | <b>\$ 2,975,117</b>     | <b>\$ 2,962,950</b>     | <b>\$ 3,271,900</b>       | <b>\$ 4,153,300</b>       | <b>\$ 4,107,900</b>       | <b>\$ 3,792,150</b>       | <b>\$ 2,167,600</b>       |
|                                        | -5.60%                  | -0.41%                  | 10.43%                    | 26.94%                    | -1.09%                    | -7.69%                    | -42.84%                   |
| <b>TOTAL CIP</b>                       | <b>2,932,271</b>        | <b>3,481,639</b>        | <b>3,244,461</b>          | <b>2,493,388</b>          | <b>2,671,722</b>          | <b>3,123,065</b>          | <b>4,885,919</b>          |
|                                        | 23.01%                  | 18.74%                  | -6.81%                    | -23.15%                   | 7.15%                     | 16.89%                    | 56.45%                    |
| <b>TOTAL EXPENDITURES</b>              | <b>\$ 95,289,043</b>    | <b>\$ 98,479,742</b>    | <b>\$ 100,741,654</b>     | <b>\$ 103,066,993</b>     | <b>\$ 105,416,273</b>     | <b>\$ 107,825,833</b>     | <b>\$ 110,340,660</b>     |
| \$ Inc/(Dec)                           | \$ 3,066,153            | \$ 3,190,699            | \$ 2,261,912              | \$ 2,325,339              | \$ 2,349,280              | \$ 2,409,560              | \$ 2,514,827              |
| % Inc/(Dec)                            | 3.32%                   | 3.35%                   | 2.30%                     | 2.31%                     | 2.28%                     | 2.29%                     | 2.33%                     |

## **BUDGET MESSAGE**

### **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.

## **BUDGET MESSAGE**

### **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, as it 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 Annual Comprehensive Financial Report (ACFR) 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 adopted fiscal year 2022/2023 budget includes the following short-term financial goals and budget assumptions:

### I. Fiscal Year 2022/2023 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 2022/2023:
  - Grand List Growth (assessed valuation of Real and Personal Property) at the time of budget preparation was estimated at \$2,667,772,547 an increase of \$67,139,515 or 2.58%.
  - In fiscal year 2022/2023, Supplemental Real Estate revenue is funded at \$43,325, a slight decrease from the current year; Supplemental Motor Vehicle tax revenue is funded at \$692,137, for 2022/2023, an increase of \$100,000 over the current year.
  - Assessment Appeals and Tax Refunds will approximate 1% of tax revenues;
  - Property Tax Collections will exceed 99.5% with the reserve for uncollectible at \$700,000; and
2. Licenses, Fees and Permits: Revenues from Licenses, Fees and Permits are funded at \$1,031,470, a decrease of \$180 year over year.
3. State and Intergovernmental Grants: This category reflects a net increase of funding in the amount of \$1,201,028 or 34.82%. This increase is primarily due to \$1,000,000 in American Rescue Plan Act (ARPA) funding being recommended in the capital budget to fund road improvements. For more on ARPA please see page N.22. The remaining increase in this category is attributed to educational grants received by the Board of Education. 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 \$342,800 or 5.38%. The most significant changes in this category pertain to education and include an increase to BOE Special Education Tuition in the amount of \$188,894; an increase to BOE Cafeteria Sales in the amount of \$82,644 and an increase to BOE Athletic Game Receipts/Pay to Play in the amount of \$81,000.
5. Other Local Revenues: Net decreases in this category equate to \$996 due to a decrease of \$52,671 in Refunds & Reimbursements that is offset by increases of \$13,000 and \$38,675 in Sewer Use Interest & Liens (Fund 5) and BOE Technology Protection (Fund 40), respectively.

## BUDGET MESSAGE

6. Other Financing Sources: The fiscal year 2021/2022 \$206,000 of Unassigned General Fund Balance and \$250,000 of Assigned Fund Balance for general use by the Board of Education. There is no budgeted or planned use of General Fund Unassigned Fund Balance in the proposed fiscal year 2022/2023 budget.

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

1. Personal Services:

| FY 19/20     | FY 20/21     | FY 21/22     | FY 22/23     |
|--------------|--------------|--------------|--------------|
| \$19,275,969 | \$19,894,344 | \$20,502,382 | \$21,148,683 |

Personal services wages and benefits comprise 74.59% of the Town Operating Budget.

- a. Wages and Salaries: Overall wages increased by \$305,940 as compared to fiscal year 2021/2022 representing a 2.58% increase. The total number of budgeted full-time positions will increase from 108 to 112 year over year. This budget requests funding for the following positions:

- FT Administrative Analyst – Finance
- FT Assessment Technician
- PT Administrative Secretary I – Building
- Reclassification of PT Recreation Program Specialist to FT
- Reclassification of FT Police Records Aide to FT Records Support & Systems Coordinator – Police

These positions were added during fiscal year 2021/2022 but were unbudgeted. The proposed budget includes full funding for each of these positions. The full financial impact of these positions is mitigated by the elimination of three positions: two in finance and one in assessing. Further details on these positions and additional adjustments to wages and salaries can be found on page C.7.

b. Benefits:

Benefits continue to be a major part of Personal Services costs. The fiscal year 2022/2023 budget includes:

- An increase \$12,301 (0.33%), for the thirteenth year in a row, to the Defined Benefit Plan (closed in 1997). The interest rate has been reduced from 6.25% to 6.00% based on a recommendation of the plan actuary. The decrease in the interest rate assumption increased the contribution by \$73,985 or 1.92%, but is offset by a decrease in the amount of \$61,684, -1.59% due to favorable plan experience, primarily strong investment performance.
- The Town's contribution to the Defined Contribution Benefit Plan increased by \$17,701 (2.10%) due to wage and salary increases for participating employees.
- Medical Insurance, Medical Insurance Waivers and Employer Contribution to the High Deductible Health Plan/Health Savings Account (HDHP/HSA) plan increased by \$207,039 as a single category. The total impact of this line item continues to be mitigated by approximately twenty-six (26) 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

## BUDGET MESSAGE

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.10.

- The Retiree Health net increase of \$83,269 is driven by an increase of \$5,815 required to support active retirees and an increase of \$77,454 toward the Town's annual Other Post-Employment Benefits (OPEB) contribution (pre-funding for future costs).

### 2. Supplies and Services:

| FY 19/20    | FY 20/21    | FY 21/22     | FY 22/23    |
|-------------|-------------|--------------|-------------|
| \$6,525,328 | \$6,621,402 | \$ 6,824,765 | \$7,130,234 |

The Services and Supplies portion of the Town's municipal budget totals \$7,130,234 for fiscal year 2022/2023, an increase of \$305,469 (4.48%). 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:

- **Information Technology** – Computer Operations – managed services support, hardware/software support (\$77,580)
- **Fire Fighting** – Hydrant Rental (\$50,000)
- **Town-wide** – Motor Fuels – diesel and unleaded gasoline (\$44,901)
- **Solid Waste** – Services Other – solid waste disposal services (\$39,702)
- **Building Inspection** – Service & Consultant – annual support for e-permitting platform (\$21,540)
- **Town Manager's Office** – Service & Consultant – graduate-level public policy intern (\$16,500)
- **Community Activities** – Grants – Other – community programs (\$15,000)
- **Regulation & Inspection** – Service & Consultant – Farmington Valley Health District per capita contribution (\$13,953)

### 3. Capital Outlay:

| FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 |
|----------|----------|----------|----------|
| \$92,130 | \$68,045 | \$76,979 | \$74,790 |

Capital Outlay includes capital items of less than \$20,000 and/or a life expectancy of less than five (5) years. Capital Outlay represents 0.27% of the operating budget. There are no major capital outlay items included in the fiscal year 2022/2023 operating budget.

## BUDGET MESSAGE

### II. Fiscal Year 2022/2023 Capital Improvement Program & Debt Service (For Details, see Tab R)

#### Capital Budget and Debt Service Expenditures FY 2018/2019 to FY 2022/2023

| FISCAL YEARS                   | Appropriated<br>2018/2019 | Appropriated<br>2019/2020 | Appropriated<br>2020/2021 | Appropriated<br>2021/2022 | Adopted<br>2022/2023 |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------|
| Debt-Service                   | \$2,755,750               | \$3,746,038               | \$2,959,750               | \$2,975,117               | \$2,962,950          |
| Capital Improvement<br>Program | \$3,734,595               | \$2,823,667               | \$3,388,573               | \$3,223,693               | \$5,291,836          |
| TOTAL                          | <u>\$6,490,345</u>        | <u>\$6,569,705</u>        | <u>\$6,348,323</u>        | <u>\$6,198,810</u>        | <u>\$8,254,786</u>   |

#### 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 adopted Capital Budget for fiscal year 2022/2023 is \$5,291,836. The top six general fund Capital Budget Items, are as follows:

|                                    |              |
|------------------------------------|--------------|
| Road Improvements                  | \$ 1,243,197 |
| Town Clerk’s Vault                 | \$ 555,000   |
| Countryside Park Facility          | \$ 540,000   |
| Reconst. Old Farms Rd./Thompson Rd | \$ 400,000   |
| Highway Division Equip. Rpl.       | \$ 361,000   |
| Acquisition of 503 West Avon Road  | \$ 313,000   |

|              |                            |
|--------------|----------------------------|
| <b>Total</b> | <b><u>\$ 3,412,197</u></b> |
|--------------|----------------------------|

The Town of Avon has been allocated \$5.4 million under the **American Rescue Plan Act (ARPA)**. ARPA was signed into law by President Biden on March 11, 2021. The legislation established the Coronavirus-19 State and Local Fiscal Recovery Fund (SLFRF) which is intended to provide \$350 billion to support state and local governments as they address the health and economic impacts of COVID-19 in their communities. Avon’s allocation is set to be received in two tranches: \$2.7 million was received in June 2021 and another \$2.7 million is anticipated to be received in June 2022.

At this time, the Town Council continues to plan for the use of these funds. The majority will likely be used for capital projects and other one-time expenditures. The fiscal year 2022/2023 capital budget includes \$1,000,000 in ARPA funding for road improvements. Additional uses of ARPA funds will be authorized through the annual budget process or the Town’s existing supplemental appropriations process, which includes approvals by the Town Council and the Board of Finance. More details on ARPA can be found on N.22.

## BUDGET MESSAGE

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### **b. Debt Service**

The Town Debt Service Budget is \$2,962,950, a decrease of \$12,167 or -0.41% from fiscal year 2021/2022. Approximately 67% of the Town's Debt Service is committed to the Town's support for its educational facilities, while 33% 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. The Town is budgeting \$200,000 in revenue expected from interest income for fiscal year 2022/2023.

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, 2021 amounted to \$12,718,912 or 13.68% of fiscal year 2020/2021 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. The adopted fiscal year 2021/2022 budget used \$206,000 of Unassigned General Fund Balance and \$250,000 of Assigned Fund Balance for general use by the Board of Education. There is no budgeted or planned use of General Fund Unassigned Fund Balance in the adopted fiscal year 2022/2023 budget.

### **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 2022/2023 budget process began in August 2021. 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.

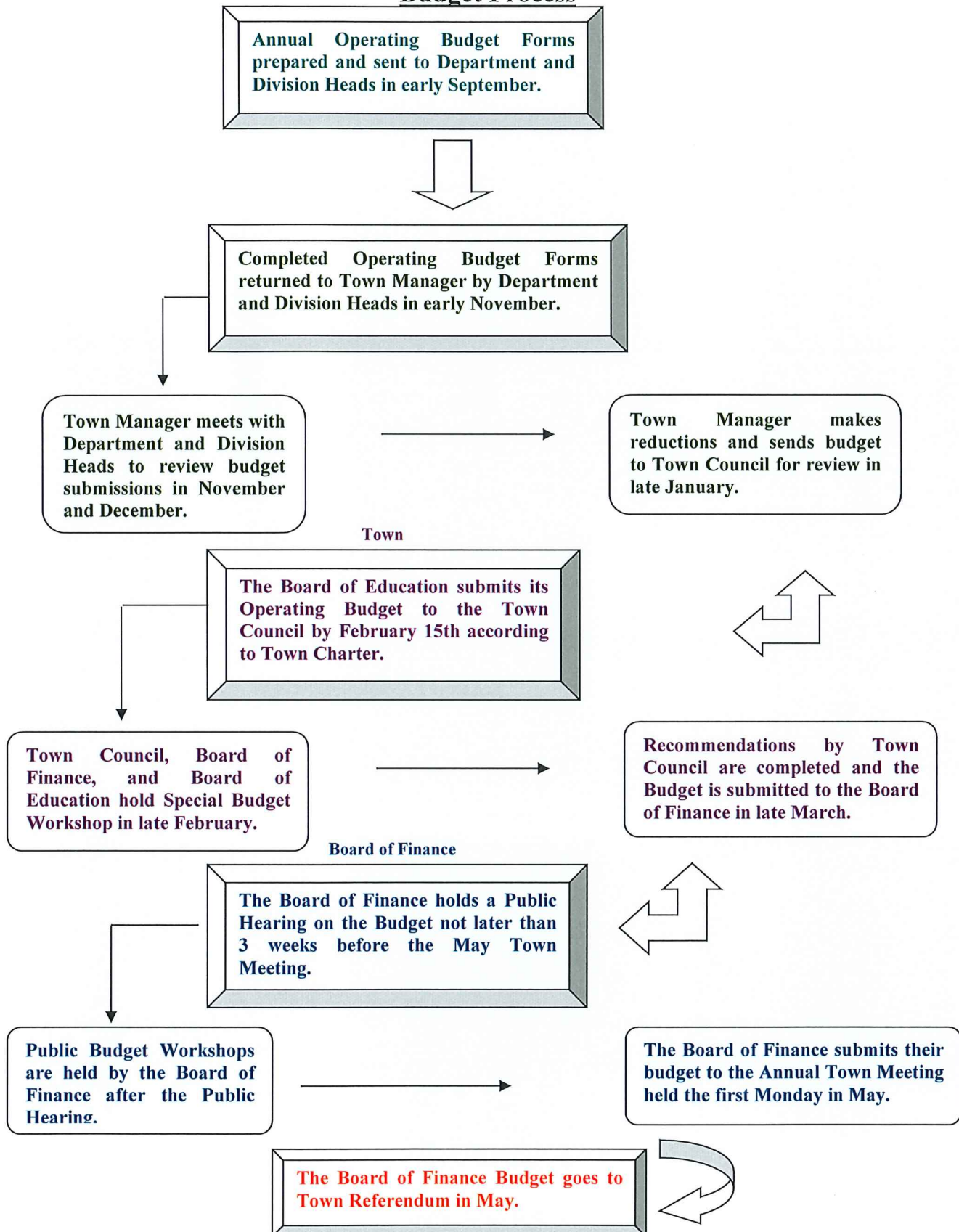
Respectfully Submitted,



Brandon Robertson  
Town Manager

## TOWN OF AVON –FY 2022/2023 BUDGET CALENDAR

### Budget Process



# TOWN OF AVON –FY 2022/2023 BUDGET CALENDAR

## TOWN OF AVON FY 2022/2023 BUDGET CALENDAR

| ACTIVITY                                                                                                                                                                             | RECOMMENDED DATE      | LATEST DATE PER TOWN CHARTER |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------|
| Capital Budget Forms Prepared and sent to Departments                                                                                                                                | August 16, 2021       |                              |
| Operating Budget Forms Prepared and sent to Departments                                                                                                                              | September 10, 2021    |                              |
| Completed Capital Budget Forms returned to Town Manager                                                                                                                              | October 01, 2021      |                              |
| (d) CIP Budgets presented at Town Council Meetings by Department Heads                                                                                                               | Nov. – Dec. 2021      |                              |
| Completed Operating Budget Forms returned to Town Manager                                                                                                                            | November 05, 2021     | February 15, 2022            |
| (a) Town Manager meets with Department Heads to review budget submissions.                                                                                                           | Nov. – Dec. 2021      |                              |
| (b) Town Manager makes recommended reductions.                                                                                                                                       | Dec. 2021 – Jan. 2022 |                              |
| Town Manager's Proposed Operating and Capital Budgets submitted to Town Council                                                                                                      | January 21, 2022      | March 01, 2022               |
| Board of Education Budget to Town Council                                                                                                                                            | February 04, 2022     | February 15, 2022            |
| (a) Town Council holds Special Budget Workshop.                                                                                                                                      | February 2022         |                              |
| (b) Further reductions are made by Town Manager's Office if necessary.                                                                                                               | February 2022         |                              |
| Capital Improvement Program Submitted to Planning & Zoning Commission for Sec. 8-24 Review                                                                                           | March 15, 2022        |                              |
| Budget Work by Town Council completed and Budget submitted to Board of Finance                                                                                                       | March 28, 2022        | April 01, 2022               |
| Public Hearing on Budget held by Board of Finance not later than three (3) weeks before May 02, 2022 Town Meeting                                                                    | April 04, 2022        | April 11, 2022               |
| (a) Board of Finance holds evening Budget Workshop(s)* with Town Council and Board of Education after the Public Hearing.<br>*additional dates (April 11 and/or April 13), if needed | April 06, 2022        |                              |
| Board of Finance Completes Work on Budget                                                                                                                                            | April 2022            |                              |
| Copy of Budget approved by the Board of Finance printed in Newspaper at least five (5) days before the Annual Town Meeting                                                           | April 21, 2022        | April 22, 2022               |
| Annual Town and Budget Meeting First Monday in May                                                                                                                                   | May 02, 2022          | May 02, 2022                 |
| First Referendum                                                                                                                                                                     | May 11, 2022          | May 13, 2022                 |
| Second Referendum (if necessary)                                                                                                                                                     | June 01, 2022         | June 03, 2022                |
| Third Referendum (if necessary)                                                                                                                                                      | June 22, 2022         | June 24, 2022                |

## **TOWN OF AVON – BUDGET OVERVIEW**

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### **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 15<sup>th</sup>.

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 Workshops. 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.

## **TOWN OF AVON – BUDGET OVERVIEW**

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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.

## **TOWN OF AVON – BUDGET OVERVIEW**

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### ***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."

## TOWN OF AVON – BUDGET OVERVIEW

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### *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;

## TOWN OF AVON – BUDGET OVERVIEW

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- (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 Rejection of Budget

- (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:

## TOWN OF AVON – BUDGET OVERVIEW

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- (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 Expenditures and Accounting

- (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.

## TOWN OF AVON – BUDGET OVERVIEW

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- (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

