

EXPENDITURES

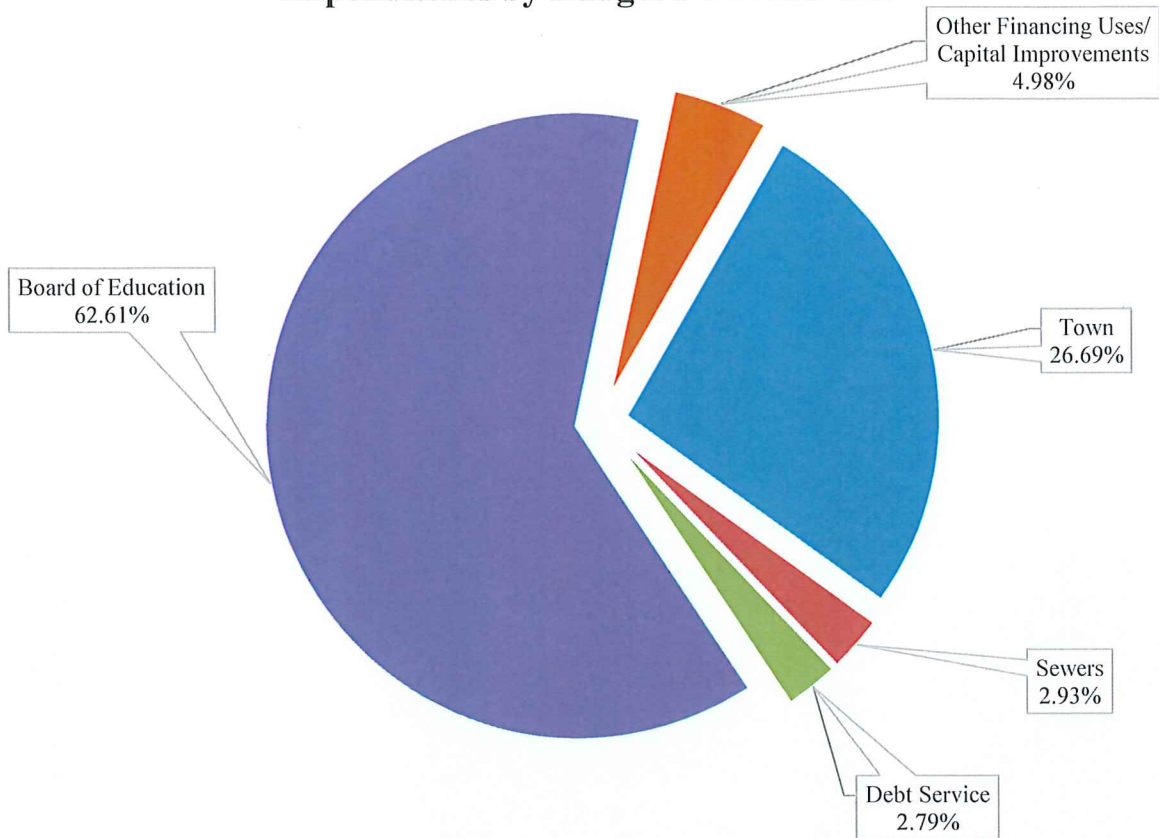
OVERVIEW

The proposed fiscal year 2022/2023 expenditures for the Town, Board of Education, Sewers, Capital and Debt Service Budgets total \$106,248,104. A comparative summary of fiscal years 2021/2022 and 2022/2023 expenditures, as well as a detailed discussion and analysis of expenditure changes in the various budgets, are provided below.

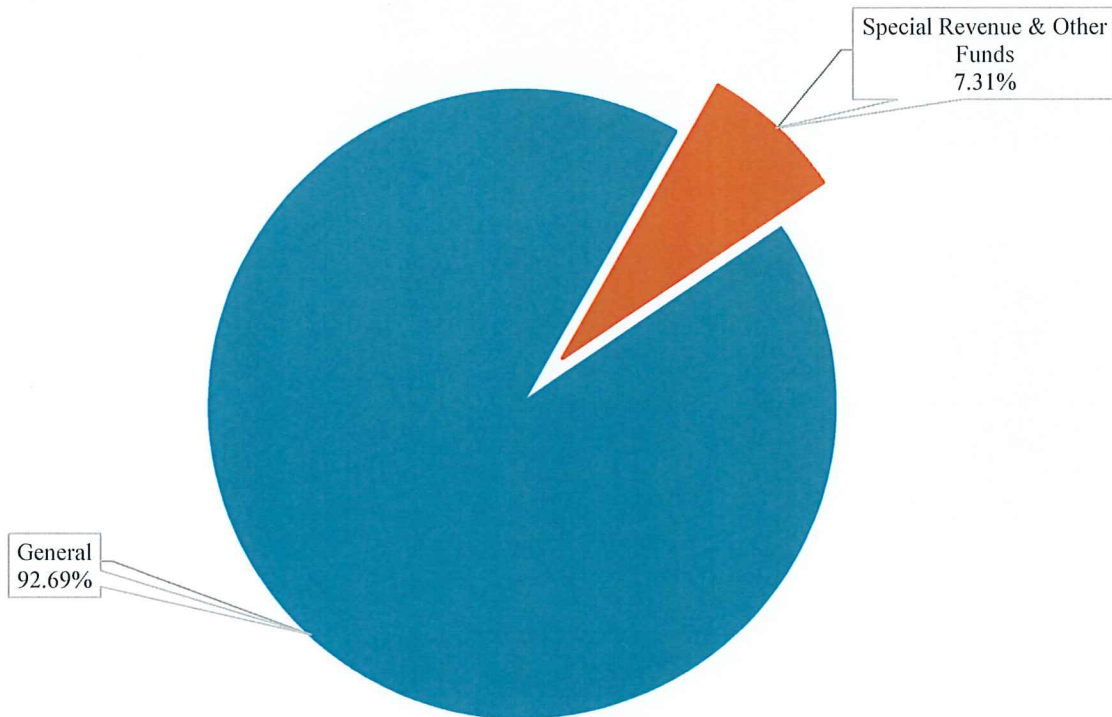
COMPARISON OF FY 2020/2021, FY 2021/2022 AND FY 2022/2023

	FY 20/21 ACTUAL	FY 21/22 ADOPTED BUDGET	FY 22/23 GENERAL FUND	FY 22/23 SPECIAL REV. & OTHER FUNDS	FY 22/23 REQUESTED BUDGET	DIFFERENCE	% CHANGE	% BY SUBTOTAL	BUDGET BY TOTAL
EXPENDITURES									
TOWN									
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%
TOTAL TOWN	28,704,046	27,404,126	27,679,549	674,158	28,353,707	949,581	3.47%	100.00%	26.69%
BOARD OF EDUCATION									
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%
TOTAL BOARD OF EDUCATION	63,049,711	64,558,457	64,355,604	2,167,414	66,523,018	1,964,561	3.04%	100.00%	62.61%
SEWERS									
Operating Expense	3,076,505	3,099,766		3,116,593	3,116,593	16,827	0.54%	100.00%	2.93%
TOTAL SEWERS	3,076,505	3,099,766		3,116,593	3,116,593	16,827	0.54%	100.00%	2.93%
DEBT SERVICE									
Bonds	3,151,590	2,975,117	2,962,950		2,962,950	(12,167)	-0.41%	100.00%	2.79%
Notes									
TOTAL DEBT SERVICE	3,151,590	2,975,117	2,962,950		2,962,950	(12,167)	-0.41%	100.00%	2.79%
OTHER FINANCING USES									
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%
CAPITAL IMPROVEMENT PROGRAM	3,388,573	3,223,693	3,481,639	1,810,197	5,291,836	2,068,143	64.15%	100.00%	4.98%
TOTAL EXPENDITURES	101,370,425	101,261,159	98,479,742	7,768,362	106,248,104	4,986,945	4.92%	100.00%	100.00%

Expenditures by Budget FY 2022/2023



Expenditures by Fund FY 2022/2023



EXPENDITURES

The Expenditures portion of this document has been separated on a fund basis and year-to-year comparisons made, where appropriate, to retain comparative continuity for ease of understanding.

TOWN OPERATING BUDGET

As indicated in the Town Manager's Budget Message, the proposed budget for Town Services represents an increase of 2.90% over the current appropriation of \$27,404,126. The increase in the Town Operating Budget is \$949,581.

Tables comparing expenditure totals, and percentages of totals for fiscal year 2019/2020 – fiscal year 2022/2023 are provided below. Detailed analysis of these three expenditure objects occurs on the following pages.

COMPARISON OF TOWN OPERATING - MAJOR EXPENDITURE OBJECTS *

EXPENDITURE OBJECT	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	\$ Inc/(Dec)	% Inc/(Dec)
Personal Services	\$19,275,969	\$19,894,344	\$20,502,382	\$21,148,683	\$646,301	3.15%
Services & Supplies	6,525,328	6,621,402	6,824,765	7,130,234	305,469	4.48%
Capital Outlay	<u>92,130</u>	<u>68,045</u>	<u>76,979</u>	<u>74,790</u>	<u>(2,189)</u>	<u>(2.84%)</u>
TOTAL	<u>\$25,893,427</u>	<u>\$26,583,791</u>	<u>\$27,404,126</u>	<u>\$28,353,707</u>	<u>\$949,581</u>	<u>3.47%</u>

* Does not include sewers.

PERCENTS OF TOTALS

EXPENDITURE OBJECT	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
Personal Services*	74.44%	74.84%	74.82%	74.59%
Services & Supplies	25.20%	24.91%	24.90%	25.15%
Capital Outlay	0.36%	0.25%	0.28%	0.26%

* Percentages listed above will not match the percentages on C. 9, which include the Sewer Fund.

PERSONAL SERVICES

The total number of *budgeted* full-time positions increased from 108 to 112 over last year. This includes one authorized, but unfunded Police Officer.

The following changes were added in FY 21/22, but were unbudgeted. They are included in the proposed FY 22/23 budget:

	FY 22/23 Budget Without Change	FY 22/23 Budget With Change	Cost of Change
<i>Finance:</i> Two 25 hr/week Administrative Analyst positions combined to one FT Administrative Analyst	\$101,346	\$88,155	\$(13,191)
<i>Assessor:</i> One 25 hr/week Assistant Assessor position changed to FT Assessment Technician	61,499	103,836	42,337
<i>Police Admin:</i> One FT Police Records Aide position changed to FT Records Support & Systems Coordinator	65,514	90,992	25,478
<i>Building:</i> Added one PT 25 hr/wk Admin. Sec I		37,991	37,991
<i>Recreation & Parks:</i> PT Recreation Program Specialist changed to FT		24,338	24,338

Overall, wages for fiscal year 22/23 increased by \$305,940 over fiscal year 2021/2022, representing a 2.58% increase. Other cost drivers include: General Wage Increases (GWI); increase in the annual work hours scheduled for part-time Fire Inspectors from 143 hours to 780 hours, resulting in a \$25,000 wage increase; increase in the annual work hours scheduled for part-time Reference Librarians from 2605 hours to 3125 hours, resulting in a \$18,682 wage increase; minimum wage increase to \$14.00 per hour, effective July 1, 2022, and \$15.00 per hour, effective June 1, 2023, impacting mainly seasonal positions; and adding a part-time Youth Services Coordinator as a budgeted

position, reflecting just over \$42,000 of wages. This position was previously funded through a supplemental appropriation. A detailed analysis of personnel expenditures, including wages, salaries and benefits is presented on the following page. A listing of authorized full, permanent part-time, and temporary part-time positions can be found on Pages A.18, A.19 and A.20.

CONSOLIDATION OF EMPLOYEE BENEFIT FUNDING EXPENDITURES

Historically, contributions made from the General Fund to the Pension Trust and OPEB Trust funds, as well as life and long term disability premium payments, have been allocated across all of the Town's departments. As the majority of these expenditures do not pertain to active employees of the Town, beginning in fiscal year 2022/2023 these departmental allocations have been eliminated and these expenditures are being consolidated in individual accounts under the category of "Employee Benefit Funding" (see page L.8 for further detail).

As a result of the elimination of these departmental allocations, the comparison of most departmental budgets between fiscal year 2021/2022 to fiscal year 2022/2023 will appear to show unusually large decreases in funding. The following tables have been provided to help illustrate how these expenditures have been consolidated, and to provide unadjusted comparisons of these costs on a departmental level. There is a separate table presented for each of the Employee Benefit Funding expenditures that were consolidated in the fiscal year 2022/2023 budget: DB Pension, Retiree Health, and Life/LTD Insurance.

GENERAL FUND DB PENSION EXPENDITURE CONSOLIDATION

<u>Department</u>	<u>Adopted FY 2021/2022</u>	<u>Unadjusted FY 2022/2023</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Town Manager's Office (E.5)	104,499	104,841	342	0.33%
Records and Vital Statistics (E.10)	99,458	99,783	325	0.33%
Finance Administration (E.13)	52,252	52,423	171	0.33%
Accounting (E.14)	104,499	104,841	342	0.33%
Assessment (E.15)	104,499	104,841	342	0.33%
Revenue Collection (E.16)	94,769	95,079	310	0.33%
Police Administrative Services (F.4)	208,993	209,677	684	0.33%
Criminal Investigation (F.5)	104,423	104,765	342	0.33%
Patrol Services (F.6)	1,253,213	1,257,312	4,099	0.33%
Fire Prevention (F.10)	47,020	47,174	154	0.33%
Central Communication (F.12)	123,352	123,755	403	0.33%
Building Inspection (F.13)	5,228	5,245	17	0.33%
Roadways (G.4)	376,388	377,619	1,231	0.33%
Solid Waste Disposal (G.5)	81,035	81,300	265	0.33%
Building and Grounds (G.7)	324,139	325,199	1,060	0.33%
Engineering (G.8)	73,956	74,198	242	0.33%
Human Services (H.5)	52,252	52,423	171	0.33%
Recreation Administration (I.4)	88,816	89,106	290	0.33%
Library (J.3)	208,988	209,672	684	0.33%
Planning (K.3)	133,232	133,668	436	0.33%
Inland Wetlands (K.5)	36,579	36,699	120	0.33%
Total DB Pension Funding	<u>3,677,590</u>	<u>3,689,620*</u>	<u>12,030</u>	<u>0.33%</u>

* For the FY 2022/2023 Town Manager's Requested Budget, General Fund DB Pension Contributions are consolidated in the amount of \$3,689,620 in account #01-8801-51032 (see L.8).

GENERAL FUND RETIREE HEALTH EXPENDITURE CONSOLIDATION

<u>Department</u>	<u>Adopted FY 2021/2022</u>	<u>Unadjusted FY 2022/2023</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Town Manager's Office (E.5)	35,472	40,751	1,808	5.10%
Records and Vital Statistics (E.10)	64,539	74,144	3,290	5.10%
Town Hall (E.11)	18,059	20,747	921	5.10%
Human Resources (E.12)	18,069	20,758	921	5.10%
Finance Administration (E.13)	18,069	20,758	921	5.10%
Accounting (E.14)	41,280	47,423	2,104	5.10%
Assessment (E.15)	18,069	20,758	921	5.10%
Revenue Collection (E.16)	40,298	46,295	2,054	5.10%
Police Administrative Services (F.4)	190,719	219,102	9,721	5.10%
Criminal Investigation (F.5)	191,966	220,534	9,785	5.10%
Patrol Services (F.6)	130,996	150,491	6,677	5.10%
Fire Prevention (F.10)	23,807	27,350	1,213	5.10%
Central Communication (F.12)	91,961	105,647	4,687	5.10%
Building Inspection (F.13)	119,345	137,106	6,083	5.10%
Public Works Administration (G.3)	52,838	60,701	2,693	5.10%
Roadways (G.4)	136,245	156,521	6,944	5.10%
Solid Waste Disposal (G.5)	46,570	53,501	2,374	5.10%
Machinery and Equipment (G.6)	73,102	83,981	3,726	5.10%
Building and Grounds (G.7)	82,562	94,849	4,208	5.10%
Engineering (G.8)	29,746	34,173	1,516	5.10%
Human Services (H.5)	18,069	20,758	921	5.10%
Recreation Administration (I.4)	72,222	82,970	3,681	5.10%
Library (J.3)	30,762	35,340	1,568	5.10%
Planning (K.3)	18,069	20,758	921	5.10%
Inland Wetlands (K.5)	18,069	20,758	921	5.10%
<u>Total Retiree Health Funding</u>	<u>1,580,903</u>	<u>1,661,482*</u>	<u>80,579</u>	<u>5.10%</u>

* For the FY 2022/2023 Town Manager's Requested Budget, General Fund Retiree Health Contributions are consolidated in the amount of \$1,661,482 in account #01-8801-51039 (see L.8).

GENERAL FUND LIFE/LTD INSURANCE EXPENDITURE CONSOLIDATION

<u>Department</u>	<u>Adopted FY 2021/2022</u>	<u>Unadjusted FY 2022/2023</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Town Manager's Office (E.5)	634	634	-	0.00%
Records and Vital Statistics (E.10)	418	418	-	0.00%
Town Hall (E.11)	167	167	-	0.00%
Human Resources (E.12)	550	550	-	0.00%
Finance Administration (E.13)	332	332	-	0.00%
Accounting (E.14)	453	453	-	0.00%
Assessment (E.15)	339	339	-	0.00%
Revenue Collection (E.16)	308	308	-	0.00%
Police Administrative Services (F.4)	1,327	1,327	-	0.00%
Criminal Investigation (F.5)	807	807	-	0.00%
Patrol Services (F.6)	5,973	5,973	-	0.00%
Fire Prevention (F.10)	194	194	-	0.00%
Fire Fighting (F.11)	143	143	-	0.00%
Central Communication (F.12)	1,186	1,186	-	0.00%
Building Inspection (F.13)	359	359	-	0.00%
Emergency Management (F.14)	163	163	-	0.00%
Public Works Administration (G.3)	774	774	-	0.00%
Roadways (G.4)	1,747	1,747	-	0.00%
Machinery and Equipment (G.6)	755	755	-	0.00%
Building and Grounds (G.7)	689	689	-	0.00%
Engineering (G.8)	506	506	-	0.00%
Human Services (H.5)	139	139	-	0.00%
Recreation Administration (I.4)	680	680	-	0.00%
Library (J.3)	1,806	1,806	-	0.00%
Planning (K.3)	596	596	-	0.00%
Inland Wetlands (K.5)	205	205	-	0.00%
<u>Total Life/LTD Insurance Funding</u>	<u>21,250</u>	<u>21,250*</u>	-	<u>0.00%</u>

* For the FY 2022/2023 Town Manager's Requested Budget, General Fund Life/LTD Insurance expenditures are consolidated in the amount of \$21,250 in account #01-8801-51040 (see L.8).

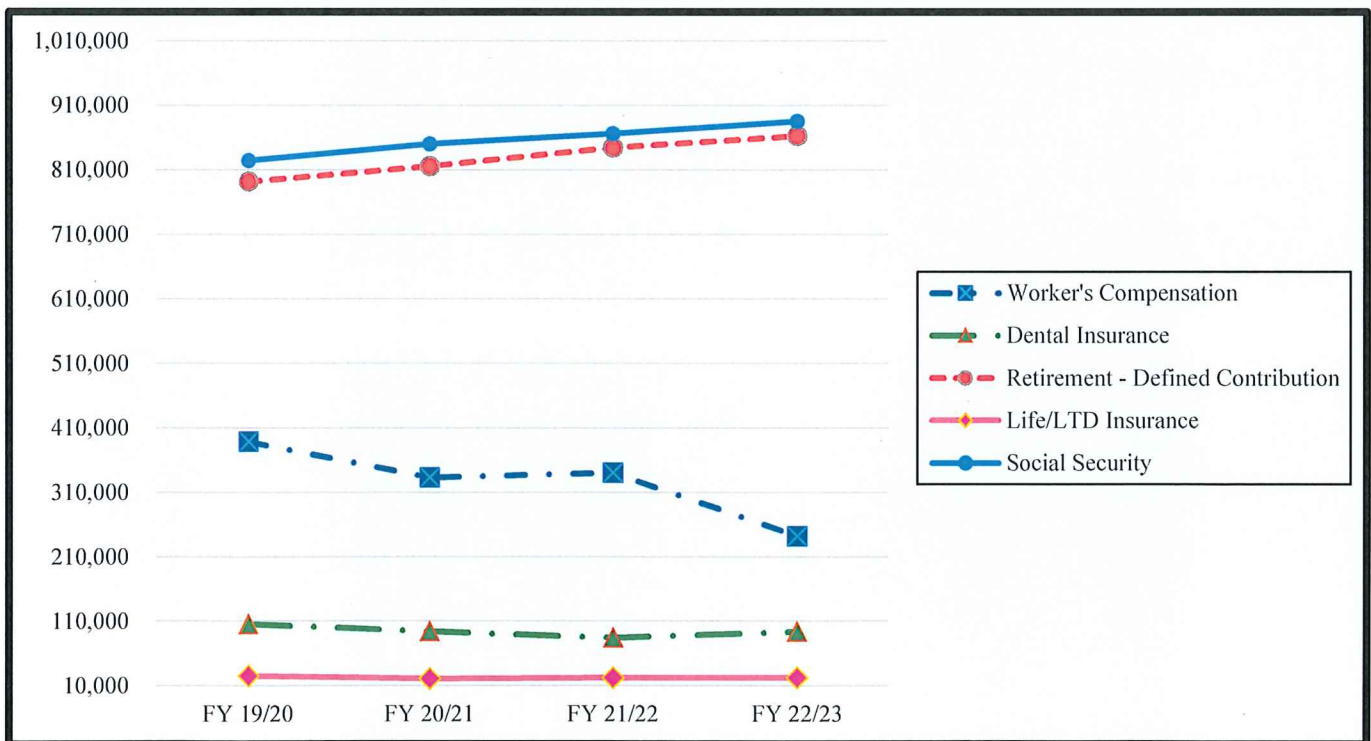
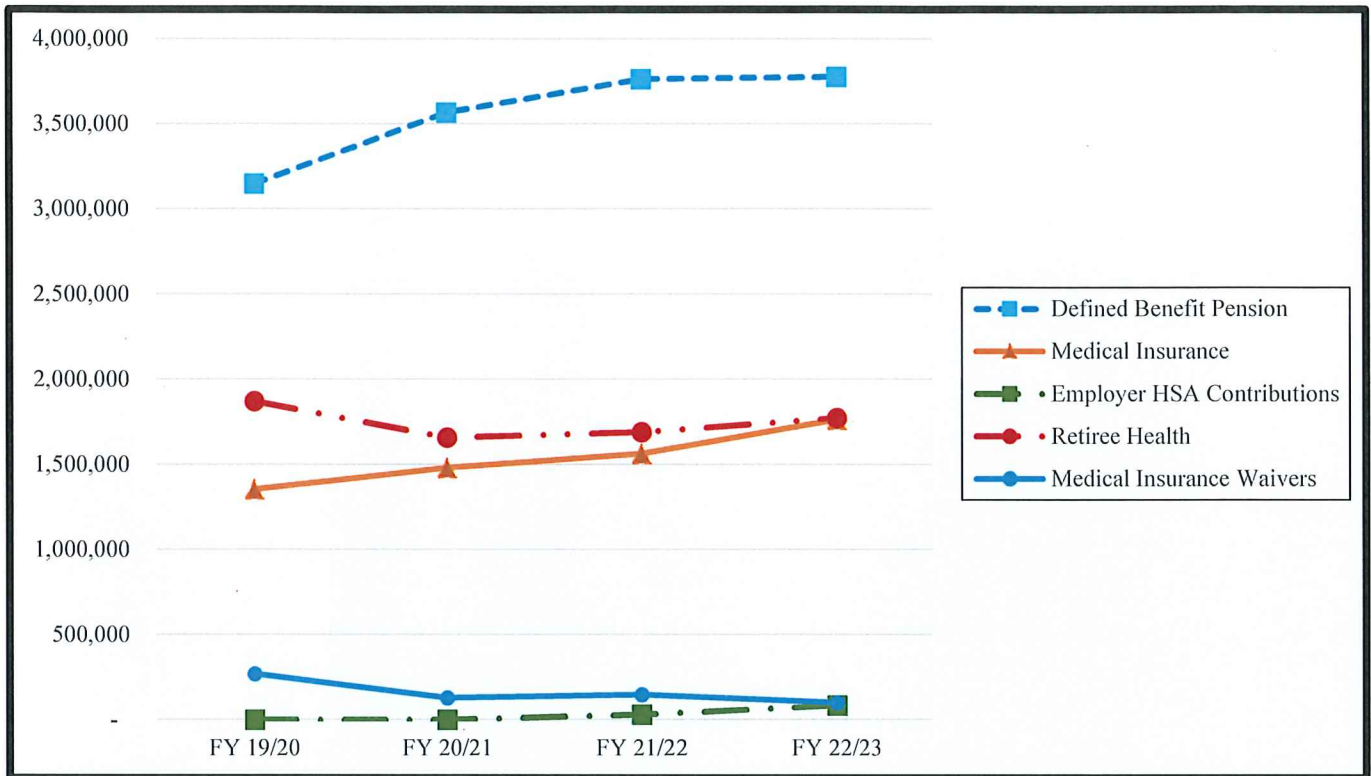
COMPARISON OF PERSONAL SERVICES - FISCAL YEARS 2019/2020 – 2022/2023

	<u>FY</u> <u>2019/2020</u>	<u>FY</u> <u>2020/2021</u>	<u>FY</u> <u>2021/2022</u>	<u>FY</u> <u>2022/2023</u>	<u>\$</u> <u>Inc/(Dec)</u>	<u>%</u> <u>Inc/(Dec)</u>
Wages						
General Government	1,514,767	1,589,859	1,654,380	1,692,817	38,437	2.32%
Public Safety	4,814,863	5,017,866	5,134,855	5,174,193	39,338	0.77%
Public Works	2,410,104	2,518,810	2,547,389	2,636,920	89,531	3.51%
Health & Social Services	136,976	155,968	155,245	169,923	14,678	9.45%
Recreation & Parks	520,514	546,452	570,411	670,372	99,961	17.52%
Cultural/Education	1,018,248	1,057,148	1,099,968	1,142,526	42,558	3.87%
Conservation & Development	337,415	346,289	374,031	343,650	(30,381)	(8.12%)
Car Allotments	25,640	24,340	22,700	26,300	3,600	15.86%
Town Operating Sub Total	10,778,527	11,256,732	11,558,979	11,856,701	297,722	2.58%
Sewer Operations	313,442	331,327	321,592	329,810	8,218	2.56%
Total Wages	<u>11,091,969</u>	<u>11,588,059</u>	<u>11,880,571</u>	<u>12,186,511</u>	<u>305,940</u>	<u>2.58%</u>
Employee Benefits						
*General Government	1,193,770	1,220,952	1,247,561	478,604	(768,957)	(61.64%)
*Public Safety	3,929,932	3,994,477	4,187,458	1,764,007	(2,423,451)	(57.87%)
*Public Works	2,217,122	2,239,508	2,308,749	992,464	(1,316,285)	(57.01%)
*Health & Social Services	114,205	122,935	131,055	25,686	(105,369)	(80.40%)
*Recreation & Parks	277,827	272,899	284,748	146,358	(138,390)	(48.60%)
*Cultural/Education	466,893	481,994	526,956	294,742	(232,214)	(44.07%)
*Conservation & Development	297,693	304,847	329,947	132,769	(197,178)	(59.76%)
<i>Employee Benefit Funding</i>	-	-	30,000	5,457,352	5,427,352	18091.17%
DC Plan Forfeiture Offset	-	-	(103,071)	-	103,071	100.00%
Town Operating Sub Total	8,497,442	8,637,612	8,943,403	9,291,982	348,579	3.90%
Sewer Operations	280,953	310,797	302,226	309,490	7,264	2.40%
Total Employee Benefits	<u>8,778,395</u>	<u>8,948,409</u>	<u>9,245,629</u>	<u>9,601,472</u>	<u>355,843</u>	<u>3.85%</u>
Total – Wages & Benefits	<u>19,870,364</u>	<u>20,536,468</u>	<u>21,126,200</u>	<u>21,787,983</u>	<u>661,783</u>	<u>3.13%</u>

**Decreases in the above categories result from the removal of DB Pension, Retiree Health, and Life/LTD Insurance expenditures from departmental budgets and their placement in the new consolidated Employee Benefit Funding line above. See L.8 for further detail.*

The \$305,940 increase in Wages reflects the above mentioned positions, a 2.25% GWI increase for Public Works, classification adjustments, and step increases. As of March 2022, the Town continues negotiations with Police for the contract beginning July 1, 2021, and the Town will be entering into labor negotiations with Communication Dispatchers for the contract beginning July 1, 2022.

Benefit Rate Changes FY 19/20 – FY 22/23



COMPARISON OF WAGE CHANGES & BENEFIT RATE CHANGES

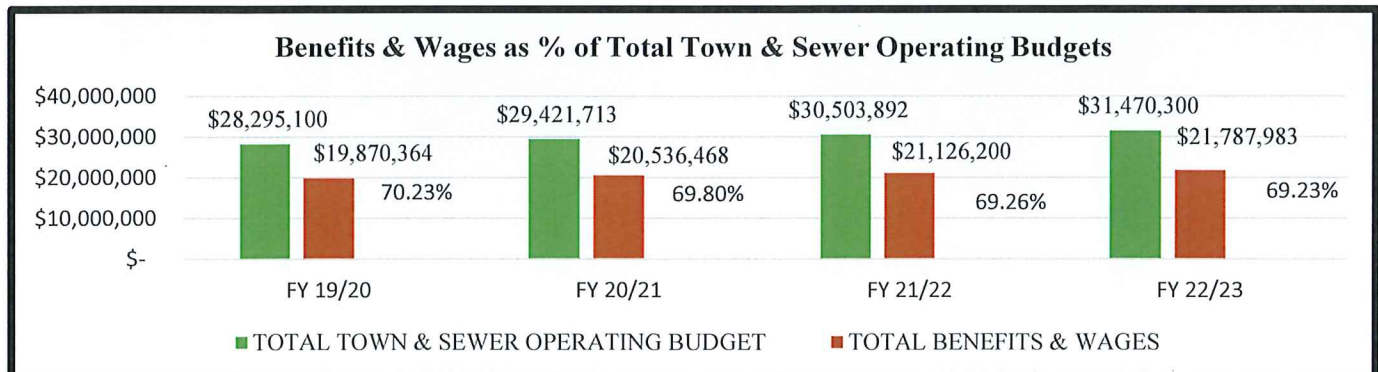
	FY <u>2019/2020</u>	FY <u>2020/2021</u>	FY <u>2021/2022</u>	FY <u>2022/2023</u>	\$ <u>Inc/(Dec)</u>	% <u>Inc/(Dec)</u>
Social Security	\$824,508	\$850,068	\$866,287	\$885,275	\$18,988	2.19%
Retirement Defined Benefit *	3,148,082	3,568,708	3,764,810	3,777,111	12,301	0.33%
Retirement Defined Contribution	791,754	815,873	844,787	862,488	17,701	2.10%
Medical Insurance	1,353,805	1,480,217	1,562,152	1,761,595	199,443	12.77%
Medical Insurance Waivers	270,728	128,967	147,134	100,000	(47,134)	(32.03%)
Employer HSA Contributions	-	-	30,000	85,000	55,000	183.33%
Dental Insurance	105,792	94,073	84,366	93,719	9,353	11.09%
Workers' Compensation	388,795	332,998	340,526	242,284	(98,242)	(28.85%)
Life/LTD Insurance	24,859	20,383	22,000	22,000	-	0.00%
Retiree Health**/ ***	1,870,072	1,657,122	1,688,731	1,772,000	83,269	4.93%
DC Plan Forfeiture Offset	-	-	(105,164)	-	105,164	100.00%
Total Benefits	8,778,395	8,948,409	9,245,629	9,601,472	355,843	3.85%
Wages	11,091,969	11,588,059	11,880,571	12,186,511	305,940	2.58%
Total Benefits and Wages	\$19,870,364	\$20,536,468	\$21,126,200	\$21,787,983	\$661,783	3.13%
Total Town/Sewer Budgets****	\$28,295,100	\$29,421,713	\$30,503,892	\$31,470,300	\$966,408	3.17%

* In fiscal year 2019/2020, \$200,000 was funded from Fund Balance Assigned for Pension (FBAP) and the total Actuarially Determined Contribution (ADC) was funded at the recommended level of \$3,298,082, along with \$50,000 for actuarial and financial consultant services. In fiscal year 2020/2021, \$200,000 was funded from FBAP and the total ADC was funded at the recommended level of \$3,718,708, along with funding of \$50,000 for actuarial and financial consultant services. In fiscal year 2021/2022, \$200,000 was funded from FBAP and the total ADC was funded at the recommended level of \$3,914,810, along with funding of \$50,000 for actuarial and financial consultant services. In the budget request for fiscal year 2022/2023, \$200,000 is being funded from FBAP and the total ADC is being funded at the recommended level of \$3,927,111, along with funding of \$50,000 for actuarial and financial consultant services.

** In fiscal year 2019/2020, \$150,000 was funded from Fund Balance Assigned for OPEB (FBAO). In fiscal year 2020/2021, \$150,000 was funded from FBAO and \$80,000 was funded from the Post-Retiree Employee Benefit Reserve Fund (PREBRF). In fiscal year 2021/2022, \$150,000 was funded from FBAO and \$85,265 was funded from the PREBRF. In the budget request for fiscal year 2022/2023, \$150,000 is being funded from FBAO and \$50,000 is being funded from the PREBRF.

*** Of the \$1,870,072 funded in fiscal year 2019/2020, \$1,048,000 was to fund future benefits and \$822,072 represented net current retiree cost. Of the \$1,657,122 funded in fiscal year 2020/2021, \$816,000 was to fund future benefits and \$841,122 was net current retiree cost. Of the \$1,688,731 funded in fiscal year 2021/2022, \$630,495 was to fund future benefits and \$1,058,236 was net current retiree cost. Of the \$1,772,000 of funding requested for fiscal year 2022/2023, \$743,750 is to fund future benefits and \$1,064,051 is net current retiree cost.

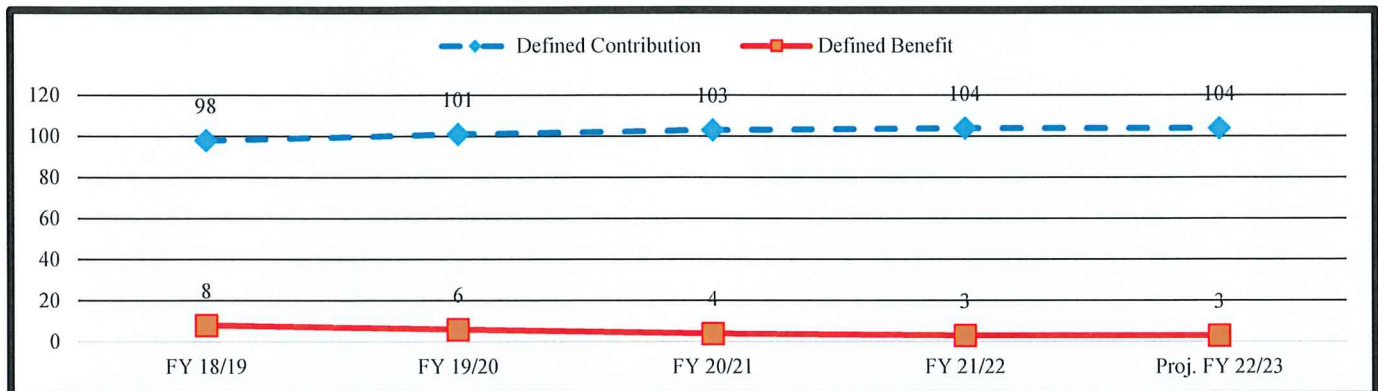
**** Percentages listed above include the General Fund and all Special Revenue Funds, including the Sewer Fund, and will not match the percentages on C. 7, which do not include Sewer Fund expenditures.



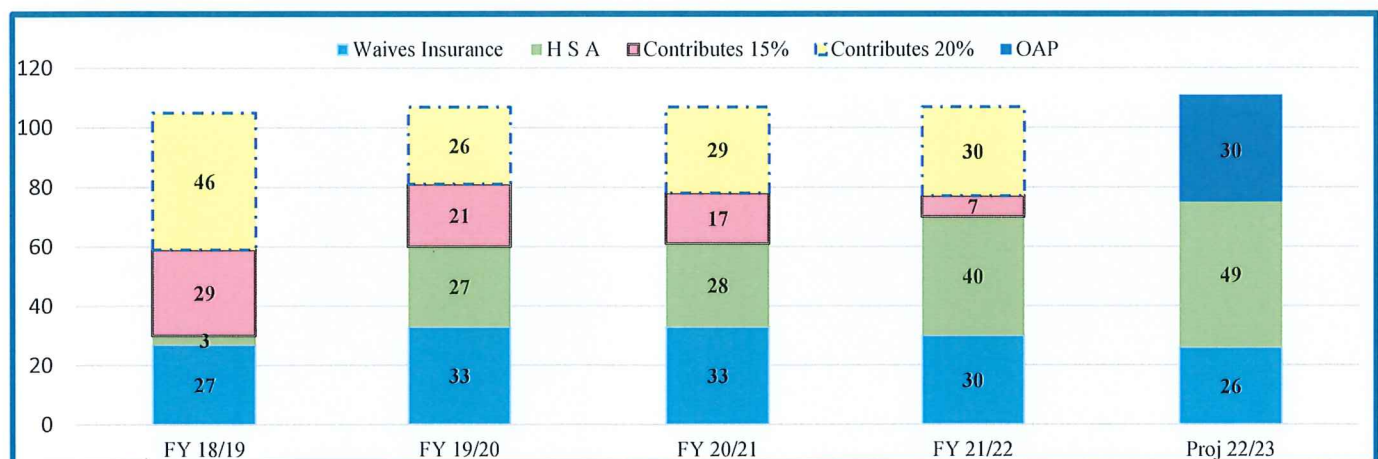
The increase in the Retirement Defined Benefit is based upon the recommendation of the Town's actuaries for fiscal year 2022/2023 contributions. This increase reflects a reduction to the Town's expected interest assumption by .25% to a revised 6.00%.

Per the Retirement Plan for Employees of the Town of Avon Actuarial Valuation as of July 1, 2021 for fiscal year ending June 30, 2023, the long-range forecast results indicate that the final payment of the Town's contributions will be ending in fiscal year 2027/2028. This forecast is based on the following assumptions: that the Town will pay the Actuarially Determined Contribution each year, that the assets will return the assumed interest rate on a market value basis each year, and that there are no future changes in the actuarial methods, the assumptions, or in the plan provisions.

Employees on Defined Contribution and Defined Benefit Plans from FY 2018/2019 – FY 2022/2023



Healthcare Coverage - Effective July 1, 2016, the Town introduced a High Deductible Health Plan/Health Savings Account (HDHP/HSA) as an alternative option to the Town's OAP plan. Effective July 1, 2018 all Police Officers participate in a HDHP/HSA Plan. Effective July 1, 2019 all Dispatchers participate in a HDHP/HSA Plan. Effective July 1, 2021 all Public Works employees participate in a HDHP/HSA Plan. Police, Dispatchers and Public Works contribute 15% of the HDHP/HSA Plan premiums. Unaffiliated employees contribute 15%-20% toward the OAP Medical Plan and HDHP/HSA Medical Plan. All current Town employees contribute 15%-20% toward their Dental coverage. As a result of the Town's and its consultants' proactive management efforts, life insurance, long-term disability, and dental have stabilized significantly. Also, in concert with our mutual consultant, the Town continues to team with the Avon Schools administration to mitigate and monitor escalating health care costs and Affordable Care Act impacts.



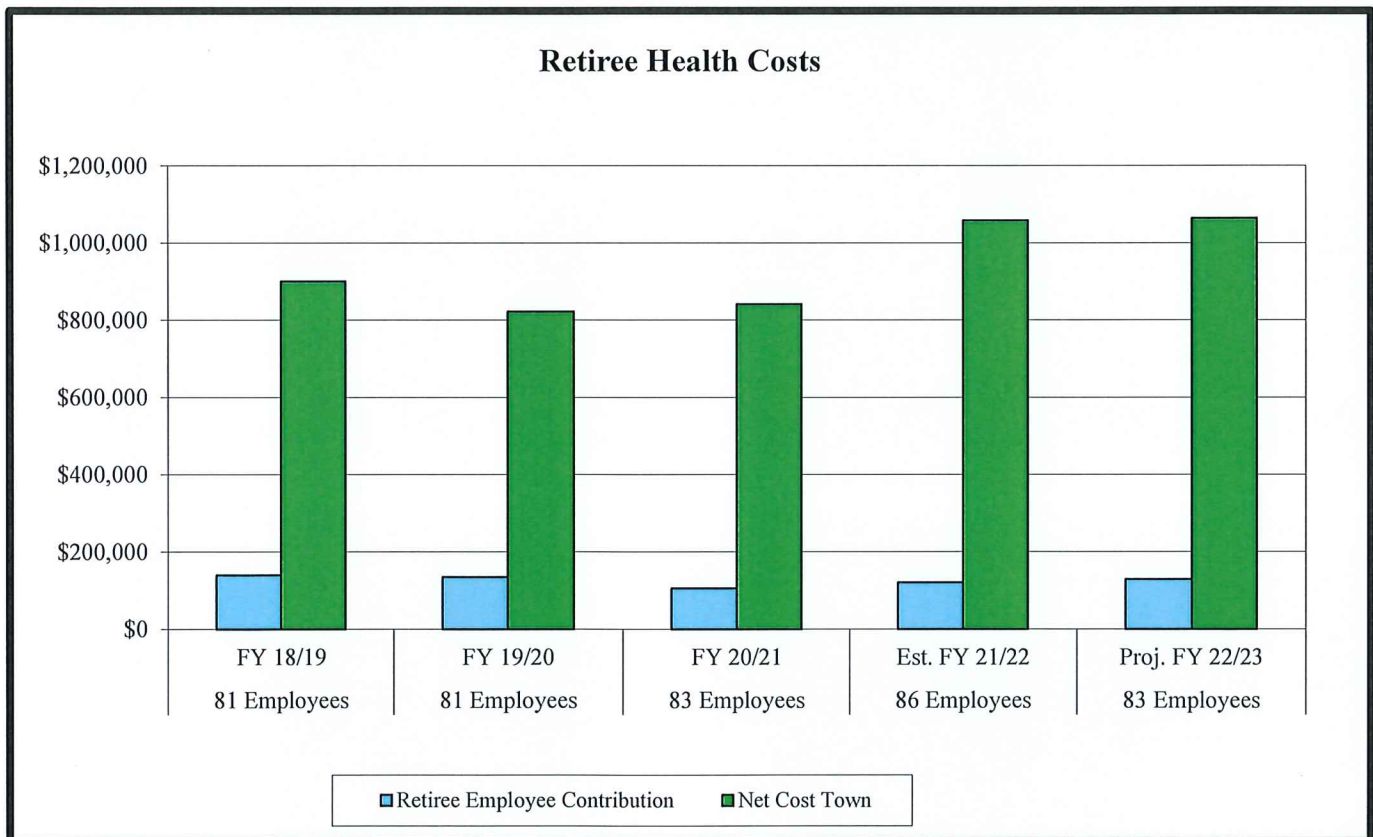
Employee benefits have increased by \$355,843 or 3.85%. The actual increase is caused by a number of factors, including budgeting of the Employer HSA Contributions and increased medical insurance costs associated with a rate increase recommended by the Town's insurance consultants. It should be noted that the Town's Worker's Compensation costs decreased by \$98,242 or -28.85% from FY 21/22. This is due to pro-active risk management administration and employee safety programs that are coordinated in conjunction with our carrier and independent consultant.

RETIREE HEALTH COSTS

Retiree Health (\$1,772,000) is accounted for in the following manner:

1. \$707,949 is a portion of the actuarially determined contribution that is budgeted from the General Fund and Sewer Fund to the Other Post-Retirement Medical Benefit Trust Fund.
2. \$1,064,051 is budgeted for the Town's contribution for current retiree health costs. In fiscal year 2021/2022, \$1,058,236 was budgeted.

	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	Projected 2022/2023
Number of Retired Employees Receiving Health Insurance	81	81	83	86	83
Gross Cost	\$1,308,519	\$1,184,796	\$1,176,365	\$1,413,501	\$1,393,019
Retired Employee Contribution	\$139,200	\$134,477	\$105,243	\$120,000	\$128,968
Fund Balance Assigned for OPEB	\$168,000	\$150,000	\$150,000	\$150,000	\$150,000
Budgeted Transfer from PREBRF	\$101,000	-	\$80,000	\$85,265	\$50,000
Net Town Cost	\$900,319	\$822,072	\$841,122	\$1,058,236	\$1,064,051



SERVICES AND SUPPLIES

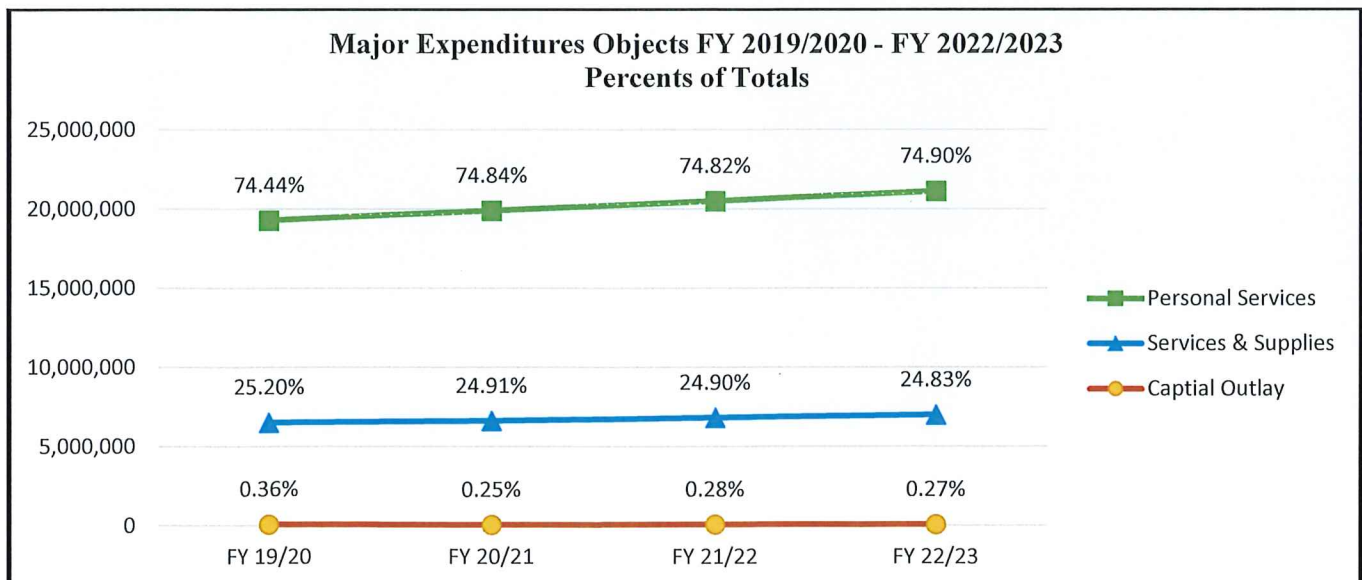
The Services and Supplies portion of the Town's municipal budget totals \$7,130,234 for fiscal year 2022/2023, an increase of \$305,469 (4.48%) over the fiscal year 2021/2022 Services and Supplies budget of \$6,824,765. Major increases over \$10,000 include:

Major Increases	FY 2021/2022	FY 2022/2023	\$ Inc/(Dec)	% Inc/(Dec)
Computer Operations	\$217,420	\$295,000	\$77,580	35.68%
Fire Fighting - Hydrant Rental	885,000	935,000	50,000	5.65%
Motor Fuels	176,930	221,831	44,901	25.38%
Public Works - Solid Waste Disposal Services	189,448	229,150	39,702	20.96%
Building Inspection - Service & Consultant	6,900	28,440	21,540	312.17%
Town Manager's Office - Service & Consultant	-	16,500	16,500	100.00%
Community Activities - Grants-Other	5,000	20,000	15,000	300.00%
Regulation & Inspection - Service & Consultant	127,932	141,885	13,953	10.91%
Total	<u>\$1,608,630</u>	<u>\$1,887,806</u>	<u>\$279,176</u>	<u>17.35%</u>

CAPITAL OUTLAY

The third major category of Town expenditure is Capital Outlay. This includes capital equipment or facilities improvements of \$20,000 or less and a life expectancy of less than five years. Expenditures recommended for fiscal year 2022/2023 total \$74,790, a decrease of \$2,189 (-2.84%) from fiscal year 2021/2022. The top four capital outlay expenditure increases recommended for fiscal year 2022/2023 are:

Major Increases	FY 2021/2022	FY 2022/2023	\$ Inc/(Dec)	% Inc/(Dec)
Library - Storage of Digital Data	-	\$8,230	\$8,230	100.00%
Communications - Fixed Equipment	4,149	10,630	6,481	156.21%
Parks & Recreation - Recreational Equipment	15,600	19,600	4,000	25.64%
Parks & Recreation - Fixed Equipment	-	1,400	1,400	100.00%
Total	<u>\$19,749</u>	<u>\$39,860</u>	<u>\$20,111</u>	<u>101.83%</u>



SCHOOL OPERATING BUDGET

The Board of Education accounting system is mandated by the State of Connecticut. Per the Town Charter, the Board of Education is required to file their budget with the Town Manager no later than February 15th. The fiscal year 2022/2023 Board of Education budget was approved by the Board of Education at their regularly scheduled meeting on January 18, 2022.

Account/Expenditures General Fund	2019/2020 Budgeted	2020/2021 Budgeted	2021/2022 Budgeted	2022/2023 Requested
Salaries	\$36,963,959	\$38,718,888	\$39,215,846	\$40,699,418
Employee Benefits	9,870,882	10,354,342	10,859,254	10,369,798
Purchased Professional & Tech Services	1,410,948	1,449,368	1,393,370	1,450,159
Property Services	796,286	778,770	790,665	774,926
Other Purchased Services	6,835,614	7,089,577	7,332,640	7,680,735
General Supplies & Utilities	2,198,265	2,150,275	2,326,392	2,571,436
Equipment	419,200	376,685	620,482	681,182
Fees & Memberships	110,395	97,320	95,654	127,950
SUBTOTAL GENERAL FUND	<u>\$58,605,549</u>	<u>\$61,015,225</u>	<u>\$62,634,303</u>	<u>\$64,355,604</u>
Special Revenue Fund				
Cafeteria Operation	\$1,048,991	\$1,011,269	\$993,240	\$1,153,428
Use of School Facilities	40,000	50,000	25,000	25,000
Prepaid State & Federal Grants	834,800	864,800	905,914	950,311
Technology Protection Plan	-	-	-	38,675
Total Special Revenue Fund	<u>\$1,923,791</u>	<u>\$1,926,069</u>	<u>\$1,924,154</u>	<u>\$2,167,414</u>
TOTAL BOARD OF EDUCATION	<u>\$60,529,340</u>	<u>\$62,941,294</u>	<u>\$64,558,457</u>	<u>\$66,523,018</u>

SEWER OPERATING BUDGET

The \$3,116,593 for the operation and maintenance of the sewer system is offset by revenues from the Special Revenues Fund. Included in the \$3,116,593 budget is \$639,300 in Personal Services, \$1,656,265 in Supplies and Services, and \$821,028 in Capital Outlay, of which the majority (\$783,528) is for treatment contracts with the Towns of Farmington, Simsbury, and Canton. The Sewer Operating Budget increased by \$16,827 (0.54%).

CAPITAL & DEBT SERVICE BUDGETS - CAPITAL BUDGET

The Capital Improvement Program is a long-range list of capital projects that are proposed by the Town Council and Board of Education for the next ten years. The first five years are provided in detail; the second five-year period in summary fashion only. The first year of the program is called the Capital Budget.

The requested fiscal year 2022/2023 appropriation for Capital and Debt Service Budgets totals \$8,254,786, an increase of \$2,055,976 (33.17%) from the fiscal year 2021/2022 appropriation of \$6,198,810.

For fiscal year 2022/2023, the Debt Service (principal and interest payments) on Bonds, Bond Anticipation Notes, and Short-Term Notes totals \$2,962,950, a decrease of \$12,167 (-0.41%).

The Capital and Nonrecurring Expenditures Fund (CNREF-Account 493) shows an increase of \$593,000 (304.10%) from the fiscal year 2021/2022 appropriation of \$195,000 to \$788,000. The Capital Equipment (Account 485.03) shows a decrease of \$312,500 (-36.40%) from \$858,500 to \$546,000, and the Capital Facilities (Account 485.01) shows an increase of \$1,787,643 (82.37%) from \$2,170,193 to \$3,957,836.

A Summary Schedule for the adopted Capital Improvement Program for the ensuing fiscal year and four subsequent fiscal years is included under the Capital Improvement section. A summary of Capital Budget and Debt Service Expenditures over the past three years, as well as those appropriated for fiscal year 2022/2023, are included in the charts below.

**CAPITAL BUDGET AND DEBT SERVICE EXPENDITURES
FY 2019/2020 - FY 2022/2023**

FISCAL YEARS	Appropriated 2019/2020	Appropriated 2020/2021	Appropriated 2021/2022	Requested 2022/2023
Debt Service: Long Term	\$3,746,038	\$2,959,750	\$2,975,117	\$2,962,950
Short Term	-	-	-	-
Sub-Total	\$3,746,038	\$2,959,750	\$2,975,117	\$2,962,950
Capital Improvement Program:				
CNREF	\$ 792,000	\$149,618	\$195,000	\$788,000
Facilities	1,910,307	2,707,955	2,170,193	3,957,836
Equipment	121,360	531,000	858,500	546,000
Sub-Total	\$2,823,667	\$3,388,573	\$3,223,693	\$5,291,836
TOTAL	<u>\$6,569,705</u>	<u>\$6,348,323</u>	<u>\$6,198,810</u>	<u>\$8,254,786</u>

