

TOWN OF TOLLAND



**FY 2024 - 2025 through 2028 - 2029
Town Manager's Five Year Capital Plan
February 8, 2024**



CAPITAL BUDGET

Everything the Town does, from providing services to its residents and citizens, to equipping employees to effectively perform their jobs, requires the existence of certain basic physical assets.

Assets include:

- **Streets**
- **School Facilities**
- **Parks**
- **Large Equipment**
- **Buildings**
- **Technology**

Assets must be purchased, maintained and replaced on a timely basis or their usefulness in providing public services will diminish.

The Town's Five Year Capital Improvement Program is developed to ensure adequate capital investment in the Town's assets and to provide an orderly method for funding these assets.



WHAT IS A CAPITAL ITEM?

Definition of Capital Projects: Any project, to be included in the Town's Capital Improvement Program, should fall into one of the following three program categories:

- 1. Any new or expanded physical facility, including preliminary design and related professional services.**
- 2. Land or property acquisition.**
- 3. Items of a non-recurring nature where the benefits are realized over a long period of time.**

A project should also exhibit the following characteristics to be included in the Capital Improvement Program:

- 1. *Life Expectancy:*** The project's outcome, non-recurring in nature, should have a useful life of greater than eight years.
- 2. *Cost:*** Cost should be a relatively high, non-operative expenditure for the Town; generally in excess of \$10,000 for equipment or plant facility improvements.



CAPITAL BUDGET PLANNING PROCESS

Activity	Dates
Capital budget requests submitted to Town Manager.	October 5, 2023
Preliminary Capital Budget Committee Review and Department Head meetings. Board of Education Superintendent included in meetings.	Month of October, 2023
Manager submits Capital Program to Council.	Week of Dec. 4, 2023
Capital Budget Public Hearing held.	February 8, 2024
Manager submits Capital Program to Council with recommended General Fund Budget.	March 13, 2024
Town Council approves recommended Capital Program as part of Council's Proposed Budget.	April 4, 2024
Capital Program as amended is part of Budget Referendum process.	May 7, 2024



TYPES OF FUNDING METHODS

General Fund Contributions

- **Capital Non-Recurring Fund**
- **Non-Referendum Notes**
- **Local Capital Improvement Plan Grant (State)**
- **Town Aid to Road Grant (State)**
- **State School Construction Grants and other State Grants**
- **ARPA Funds**
- **Ambulance Fees**
- **Cemetery Funds**
- **Referendum Borrowing**
- **Unallocated Capital**
- **Recreation Special Revenue Fund**
- **Utility Reserve Fund**

YEAR 1 CAPITAL BUDGET SUMMARY													
FISCAL YEAR 2024-2025													
YEAR 1 CAPITAL BUDGET FUNDING CATEGORIES	CAPITAL BUDGET FUNDING SOURCES												
	Existing Funds	General Fund Contrib	CNRE Fund	Recreation Special Revenue	Non Refer Notes/ Bonds	Refer Notes/ Bonds	LOCIP Grant	TAR Grant	State & Federal Grants	School Const Grant	Ambul Reserve	Other Funding Sources/ Appr Bonds	Funding Totals
PROJECTED AVAILABILITY OF CAPITAL FUNDS =====>	4,951,060	397,395	765,836	0	2,500,000	790,000	0	338,776	0	150,000	884,386	90,000	10,867,453
TOWN ADMINISTRATION													
Town Administration	741,060	239,533	114,906	0	0	0	0	0	0	0	0	0	1,095,499
BOARD OF EDUCATION													
Board of Education	0	67,000	0	0	405,000	0	0	0	0	150,000	0	40,000	662,000
CAPITAL EQUIPMENT													
Capital Equipment	0	90,862	70,600	0	0	0	0	0	0	0	0	50,000	211,462
FIRE AND AMBULANCE													
Fire and Ambulance	0	0	0	0	820,000	0	0	0	0	0	560,000	0	1,380,000
PARKS AND RECREATION													
Parks and Recreation	0	0	0	0	0	0	0	0	0	0	0	0	0
PUBLIC FACILITIES													
Public Facilities	0	0	0	0	400,000	0	0	0	0	0	0	0	400,000
PUBLIC WORKS													
Tree Trimming	0	0	0	0	0	0	0	70,000	0	0	0	0	70,000
STREETS AND ROADS													
Construction and Reconstruction	0	0	0	0	0	0	0	49,000	0	0	0	0	49,000
Pavement Management	4,210,000	0	0	0	0	790,000	0	219,776	0	0	0	0	5,219,776
SUMMARY PROJECT TOTALS	4,951,060	397,395	185,506	0	1,625,000	790,000	0	338,776	0	150,000	560,000	90,000	9,087,737
FUNDING SOURCE VARIANCES	0	0	580,330	0	875,000	0	0	0	0	0	324,386	0	1,779,716



**FY24-25: Town of Vernon Water Pollution Control
Plant Upgrade**
Total Amount: \$164,906

Tolland's Funding of the upgrade:

Tolland's total 20 year share of the net project cost is estimated at \$3,298,110 (Subject to Change.) As discussed in previous years we are phasing in the required debt payments to Vernon. This is the fifth year of the debt payments. The annual payments for the following 15 years will be \$164,906 each year unless the debt payment requirements change.

- Tolland's share based on the Inter-municipal agreement is 5.63% of the project cost and loan interest after grant proceeds.
- FY 24-25 General fund funding is \$100,000 and \$64,906 from CNRE.
- We are continuing to phase in the burden on the general fund by using a portion of a lawsuit settlement that was deposited into the CNRE in a previous fiscal year.



FY24-25: SIGNIFICANT CAPITAL PROJECTS
FUNDED BY THE GENERAL FUND
Total Amount: \$397,395

Town Administration Projects:

- General Fund portion of WPCA \$100,000
- Two Information Technology Servers for
Town Hall Operations \$70,000

Board of Education Projects:

- TMS Concrete Patio and Stair Replacement \$67,000

TMS Stair Replacement



TMS Patio





FY24-25: SIGNIFICANT CAPITAL PROJECTS
FUNDED BY THE GENERAL FUND
Total Amount: \$397,395

Capital Equipment Projects:

- | | |
|-------------------------------|----------|
| • Light Duty Vehicle Reserve | \$14,862 |
| • Infield Scarifier (Parks) | \$31,000 |
| • Equipment Trailer (Highway) | \$45,000 |

2008 Infield Scarifier





FY24-25: SIGNIFICANT CAPITAL PROJECTS
FUNDED BY THE GENERAL FUND
Total Amount: \$397,395

Town Admin Vehicle Reserve:

- Depreciation amount for replacement of light duty vehicles funded by the General Fund:

Town	\$54,033
BOE	\$15,500

NOTE: These amounts cover 10 Town Vehicles and 3 BOE Vehicles.



FY24-25: SIGNIFICANT CAPITAL PROJECTS **FUNDED BY NON REFERENDUM BONDS/** **SCHOOL CONSTRUCTION GRANTS**

BOE Projects:

- TMS Paving Lot by Football, Parent Drop-Off,
Rear Access Road \$304,723
- TMS “Mantrap” at Main Entrance \$174,058
- THS Dishwasher \$62,521
- THS/TMS/TIS Panic Button Troop C Integration \$13,698

TMS Parking Lot



TMS Parent Drop Off



TMS Rear Access Road





FY24-25: SIGNIFICANT CAPITAL PROJECTS FUNDED BY OTHER SOURCES

Capital Equipment:

- Replacement of 2006 F-250 (Parks) (CNRE) \$70,600
- Purchase of Ventrac Tractor (Highway) (ARPA) \$50,000

Public Safety:

- Replacement of Engine Tank 440 (1993)
(Ambulance Reserve Fund and Non Referendum Debt) \$1,200,000
- Refurbishment of Tank 440 (2003)
(Ambulance Reserve Fund) \$180,000

2006 F-250 (Parks)



2011 Ventrac Tractor





FY24-25: SIGNIFICANT CAPITAL PROJECTS FUNDED BY OTHER SOURCES

BOE Projects:

(Reuse of CIP Funds for Cancelled BOE Oven Steamer Project)

- THS New Camera Installation \$29,195
- TMS Security Window Film \$10,805

Public Facilities:

- Town Green ADA Walkways and Disabled Veterans Viewing Area (Non-Referendum Debt) \$400,000



FY24-25: SIGNIFICANT CAPITAL PROJECTS FUNDED BY OTHER SOURCES

Town Administration:

- Road Salt Task Force – Testing and Investigation (CNRE) \$50,000

Public Works:

- Tree Trimming (TAR Grant) \$70,000
 - Elimination of hazardous trees due to damage done by insect infestation

Streets & Roads:

- Drainage construction and design - \$49,000 (Town Aid Road Grant)
- Pavement Management - \$219,776 (Town Aid Road Grant)
- Road Improvements \$790,000 (\$4,210,000 Road Improvements will go to Referendum November 2024)



Significant Projects in Years 2-5 By All Sources

Year 2

Town Administration:

- Contribution to Town of Vernon Water Pollution Control Plant Facility Plan as defined by Inter-Municipal agreement with Vernon - \$164,906 (\$134,906 General Fund & \$30,000 CNRE)
- Light Duty Replacement Vehicle Depreciation - General Fund
 - Town Vehicles \$54,500 Public Works Vehicles \$12,933
 - BOE Vehicles \$15,500

Board of Education:

- Multiple BOE Projects \$6,655,000 (REFERENDUM May 2025, \$4.455, School Grant \$2.2)
 - (THS Roof, Track, Technology Upgrades, THS Photography Room Improvements, TMS Auditorium Seats, THS Stage Lighting, TIS Window Sash Replacements)



Significant Projects in Years 2-5 By All Sources

Year 2 continued

Capital Equipment:

- Bonded Equipment - \$702,300 (Non-Refer. Debt):
 - Replacement of Roadside Mower - \$289,800
 - Replacement of Truck #21 (2008 Mack) - \$264,000
 - Replacement of Chipper - \$71,500
 - Replacement of Truck #11 (2012 F250/Plow Truck) - \$77,000
- Replacement of John Deere Tractor - \$52,800 (General Fund)

2010 Roadside Mower



1994 Brush Bandit Chipper





Significant Projects in Years 2-5 By All Sources

Year 2, continued

Public Safety:

- Replacement of Safety Gear - \$70,000 (Ambulance Reserve Fund)
- Replacement of UTV-240 - \$70,000 (Ambulance Reserve Fund)

Public Facilities:

Clean and Stain Lodge exterior - \$50,000 (General Fund)

Senior Center Underground Oil Tank Replace - \$25,000 (General Fund)

Hicks Building, Windows and Doors - \$50,000 (LOCIP)

Parks and Recreation:

Replacement of Basketball Courts at Crandall Park and Heron Cove -
\$530,000 (Non Referendum Debt)

Basketball Courts





Significant Projects in Years 2-5 By All Sources

Year 2, continued

Public Works:

Tree Trimming - \$70,000 (TAR Grant)

Streets and Roads:

- Various drainage construction - \$50,000 (General Fund)
- Pavement Management - \$334,339 (LOCIP/TAR Grant)
- Road Improvements - \$1,400,000

(Bond Referendum for \$5 Million in November 2024 for Road Improvements)



Significant Projects in Years 2-5 By All Sources

Year 3

Town Administration:

- Contribution to Town of Vernon Water Pollution Control Plant Upgrade Facility Plan - \$164,906 (General Fund)
- Light Duty Replacement Vehicle Depreciation – General Fund
 - Town Vehicles \$44,500 Public Works Vehicles \$12,933
 - BOE Vehicles \$15,500
- IT Core Switch Replacements - \$109,800 (General Fund)
- Document Management - \$10,000 (General Fund)

Board of Education:

- Replace THS Stage Floor - \$38,000 (General Fund)
- TMS/TIS Locker Replacement - \$160,000 (Non-Refer. Debt)

Capital Equipment:

- Replace 2008 GMC Plow/Dump Truck #28 - \$282,000 (Non Refer. Debt)
- Replacement of 2007 Loader 930G -\$320,000 (Non Refer. Debt)



Significant Projects in Years 2-5 By All Sources

Year 3, continued

Public Safety:

Replacement of Utility Trailers - \$70,000 (Ambulance Fund)

Replacement of Ambulance 640 - \$470,000 (Ambulance Fund)

Parks & Recreation:

Crandall Building Improvements - \$991,563 (\$925,000 Non-Referendum Debt, \$66,563 LOCIP)



Significant Projects in Years 2-5 By All Sources

Year 3, continued

Public Works:

Replacement of Old Fuel Dispensing System - \$37,000 (CNRE)

Tree Trimming - \$70,000 (TAR Grant)

Streets & Roads:

Various drainage construction - \$49,000 (LOCIP)

Pavement Management - \$268,776 (TAR Grant)

Road Improvements – \$1,400,000 (November, 2024 Referendum Bond)



Significant Projects in Years 2-5 By All Sources

Year 4

Town Administration:

- Contribution to Town of Vernon Water Pollution Control Plant Upgrade Facility Plan - \$164,906 (General Fund)
- Light Duty Replacement Vehicle Depreciation - General Fund
 - Town Vehicles \$47,800 Public Works Vehicles \$12,000
 - BOE Vehicles \$20,00
- IT Switch Replacements - \$70,700 (General Fund)

Board of Education:

- Articulating Lift (Used) - \$80,000 (General Fund)
- THS/TMS Cafeteria Table Replacement \$122,500 (Non-Refer. Debt)
- THS Boilers Replacement - \$621,000 (\$461,000 Non-Refer. Debt, \$160,000 Utility Reserve Fund)



Significant Projects in Years 2-5 By All Sources

Year 4

Capital Equipment:

- Replacement of 2009 Intl Plow/Dump Truck #31 - \$310,000 (Non-Refer. Debt)
- Replacement of 2012 International #26 - \$310,000 (Non-Refer Debt)



Significant Projects in Years 2-5 By All Sources

Year 4 continued

Public Safety:

- Replacement of Ambulance 540 - \$480,000 (Ambulance Reserve)

Parks & Recreational Facilities:

- LED Lighting Crandall Park - \$210,000 (Utility Fund)

Public Works:

- Tree Trimming - \$70,000 (TAR Grant)

Streets & Roads:

- Drainage - \$49,000 (TAR Grant)
- Pavement Management - \$219,776 (TAR Grant)
- Road Improvements - \$1,400,000 (2024 Referendum Bond)



Significant Projects in Years 2-5 By All Sources

Year 5

Town Administration:

- Contribution to Town of Vernon Water Pollution Control Plant Facility Plan as defined by Inter-Municipal agreement with Vernon \$164,906 (General Fund)
- Two Information Technology Servers for Town Hall Operations - \$50,000 (General Fund)
- Light Duty Replacement Vehicle Depreciation – (General Fund)
 - Town Vehicles \$47,800 -Public Works Vehicles \$13,000
 - BOE Vehicles \$20,000
- Switch Replacements - \$22,000 (General Fund)



Significant Projects in Years 2-5 By All Sources

Year 5, continued

Board of Education:

- BGP Kitchen Epoxy Floor - \$52,924 (General Fund)
- TMS Roof Replacement - \$1,427,408 (\$720,000 Non Referendum Debt, \$707,408 School Construction Grant)

Capital Equipment:

- Replacement of Caterpillar Backhoe - \$287,500 (Non-Referendum Debt)
- Replacement of Truck #35 2008 International - \$315,000 (Non-Referendum Debt)



Significant Projects in Years 2-5 By All Sources

Year 5, continued

Parks and Recreation:

Replacement of Tennis Courts at Old Cathole Road - \$1,303,063 (\$1,187,500 Non Ref. Debt, \$115,563 LOCIP)

Public Works:

Tree Trimming - \$70,000 (TAR Grant)

Streets & Roads:

Drainage Construction and Design - \$49,000 (TAR Grant)

Pavement Management - \$219,776 (TAR & Other Funding Sources)

Road Improvements - \$1,400,00 (November 2024 Referendum Bond)

PARKS GARAGE IMPROVEMENTS

The original Capital Improvement Plan sent to the Town Council in December 2023 included a project for improvements to the Parks Facility Garage for \$1.2 million. The Town Council approved the use of ARPA funds to address this project and it has been removed from this Capital Plan and the project is moving forward.

PARKS GARAGE IMPROVEMENTS



PARKS GARAGE IMPROVEMENTS



PARKS GARAGE IMPROVEMENTS



(Blue denotes year it should have been replaced - Green denotes new date assigned)

Town-Owned Front-Line Apparatus

Vehicle Year	Current Age of Vehicle	Historical Replacement Year	Year Rehab Completed or Recommended	Vehicle	Make	Type	Original Cost to Department	Cost of Rehab	Cost of Replacement	Comments
2000	24	2030	2020	ET 140	Pierce	Fire Pumper	\$335,410	\$154,000		
1993	31	2023 / 2024	2012	ET 240	Pierce	Fire Pumper	\$245,000	\$85,000	\$1,200,000	Cap. 2024-2025 Replacement In 2023 formally named ET440 was renamed to ET240
1994	30	2024 / 2027	2016	ET 340	Pierce	Fire Pumper	\$316,000	\$90,000	\$1,200,000	Cap. 2027-2028 Replacement After Reburb in 2023 ET240 was renamed to ET440
2006	18	2033	2023	ET 440	Pierce	Fire Pumper	\$440,000	\$180,000		
2022	2		2035	SQ 240	Spartan	Squad/Heavy Res./Pumper	\$750,000			
2003	21	2033	2023	T 140	Kenworth	Tanker	\$225,000	\$180,000	\$575,000	Cap. 2023-2024 Refurb.
2003	21	2032	2024	T 440	Kenworth	Tanker	\$225,000	\$180,000	\$575,000	Cap. 2024-2025 Refurb.
1990	34		2015	T 240	Pierce Lance	Ladder	\$62,500	\$132,000		Currently being sold
2009	15		2023	T 240	Pierce	Ladder	\$750,000			(Bought Used and Refurb 2023)
2021	3		NR	A 740	Ford	Ambulance	\$230,000			(Bought Used 2023)
2015	9	2021	NR	A 640	Ford	Ambulance	\$270,000		\$312,000	Ordered October, 2021 Replace every 5 years (Cap. Place holder 2026-2027)
2017	7	2022	NR	A 540	Ford	Ambulance	\$220,000		\$370,000	Ordered August, 2022 Replace every 5 years (Cap. Place holder 2027-2028)

Town-Owned Service Vehicles

Vehicle Year	Current Age of Vehicle	Historical Replacement Year	Year Rehab Completed or Recommended	Vehicle	Make	Type	Original Cost to Department	Cost of Rehab	Cost of Replacement	Comments
2015	9	2030	2026	S 140	Ford	Service	\$120,000	\$80,000	\$155,000	(Chassis) To be sold as soon as new apparatus arrives
2020	4			S 240	Ford	Service	\$85,000		\$90,000	
2003	21	2023	2015	S 340	Ford	Service	\$35,000	\$25,000	\$90,000	Renamed to S 340 (2016) To be sold as soon as new ambulance arrives. Old ambulance will be a service truck
2007	17	2020		S 440	Ford	Service	\$85,000		\$90,000	Former S 240, 2020 Reassigned to Fire Police
2006	18	2020	2011	S 540	Jeep	Service		\$4,500	\$50,000	2011 Reassigned from Town Pool to Fire Marshal, then in 2015 to Fire Dept.
2021	3	2030	NR	FM 140	Chevrolet	Service	\$70,000		\$90,000	Replaced 2011 Ford Expedition. Was outfitted w/ Refurb. Equipment
2016	8	2021	NR	(Director of Public Safety)	Chevrolet	Service	\$90,000		\$90,000	Capital Project (\$70,000 designated under Town Administration FY 2022-2023) TFD Corp purchased 2016. Moved to Town Capital List

Capital Project Replacement

2004	20	2026	NR	Dive-Rescue Trailer	Car Mate	Enclosed Trailer	\$8,500	Replacement of both trailers \$70,000		TFD Corp purchased (2004) Cap. 2026-2027 Replacement
2014	10	2026	NR	Enclosed Red Trailer	United Trailer	Enclosed Trailer	\$12,000			TFD Corp purchased USED (2014) Cap. 2026-2027 Replacement

Vehicles Owned by Tolland Fire Department, Inc.

Used by Career and Volunteer staff to conduct Town and Fire Department business.

Vehicle Year	Current Age of Vehicle	Historical Replacement Year	Year Rehab Completed or Recommended	Vehicle	Make	Type	Cost to Town	Cost paid by TFD Corp.	Cost of Replacement	Comments
2006	18	2021	NR	C 140	Chevrolet	Service	\$0.00	\$20,000	\$90,000	TFD Corp purchased USED (2014)
2011	13	2021	NR	S 640	Chevrolet	Service	\$0.00	\$90,000	\$90,000	TFD Corp purchased (2011)
2008	16	2021 / 2025	NR	UTV-240	Polaris	UTV	\$0.00	\$28,000	\$70,000	TFD Corp purchased (2008) Cap. 2025-2026 Replacement
2008	16	2024	NR	ATV-240	Polaris	ATV	\$0.00	\$7,500	\$15,000	TFD Corp purchased USED (2014)
2008	16	2028	NR	UTV-TRAILER	BIG TEX	Trailer	\$0.00	\$4,500	\$7,500	TFD Corp purchased (2008)
1987	37		NR	ACO Horse Trailer	Texas	Trailer	\$0.00			TFD Corp purchased USED (2018)
2012	12		NR	Landscape Trailer	Carry-on	Trailer	\$0.00			TFD Corp purchased USED (2019)

NR=Not Recommended



PAST 5 YEAR GENERAL FUND CAPITAL CONTRIBUTIONS

FY20 - \$121,048 or .21 % of Townwide Operating Budget

FY21 - \$192,567 or .34 % of Townwide Operating Budget

FY22 - \$137,946 or .24% of Townwide Operating Budget

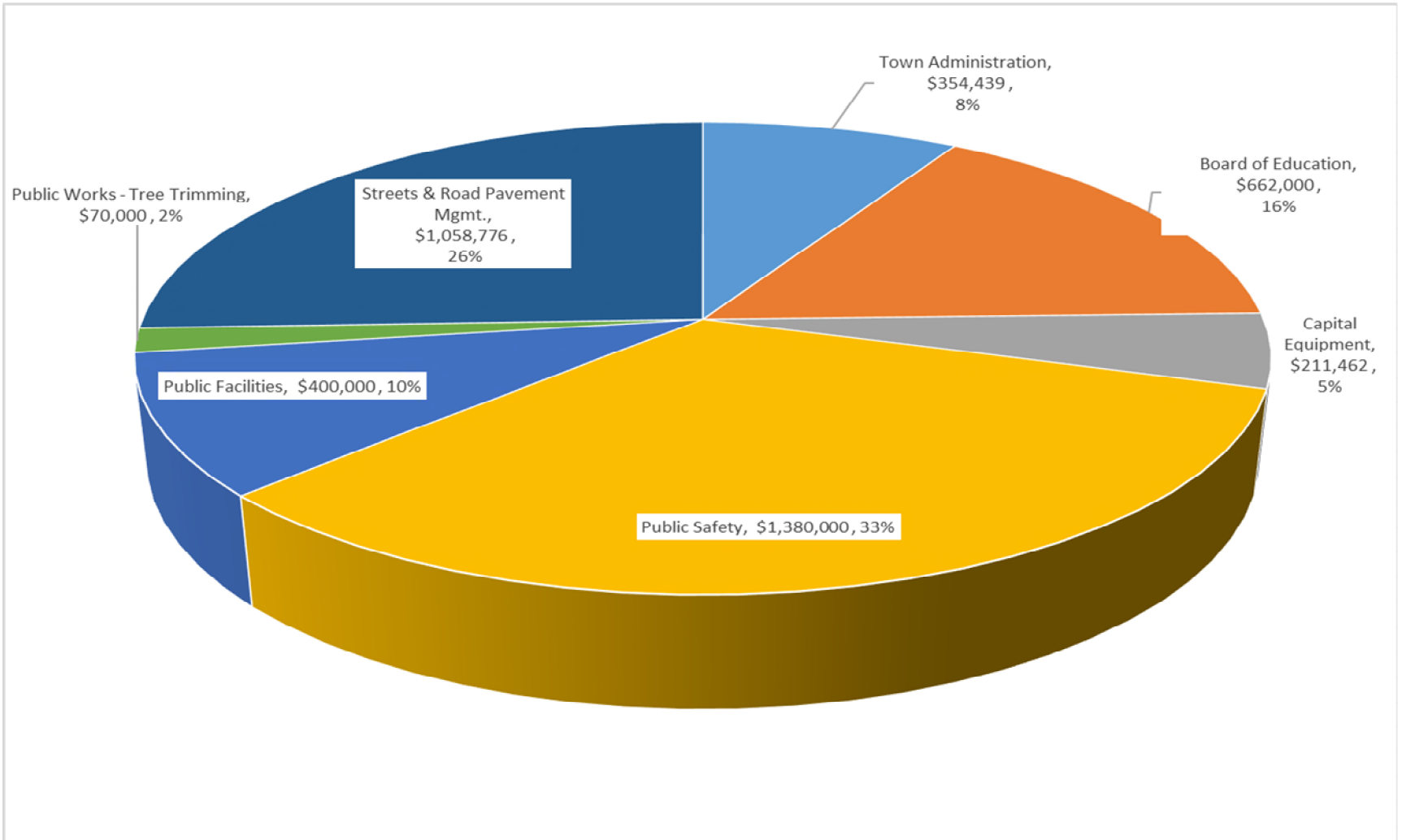
FY23 - \$255,880 or .43% of Townwide Operating Budget

FY24 - \$319,451 or .52% of Townwide Operating Budget

Town Manager Proposed FY25 = \$397,395

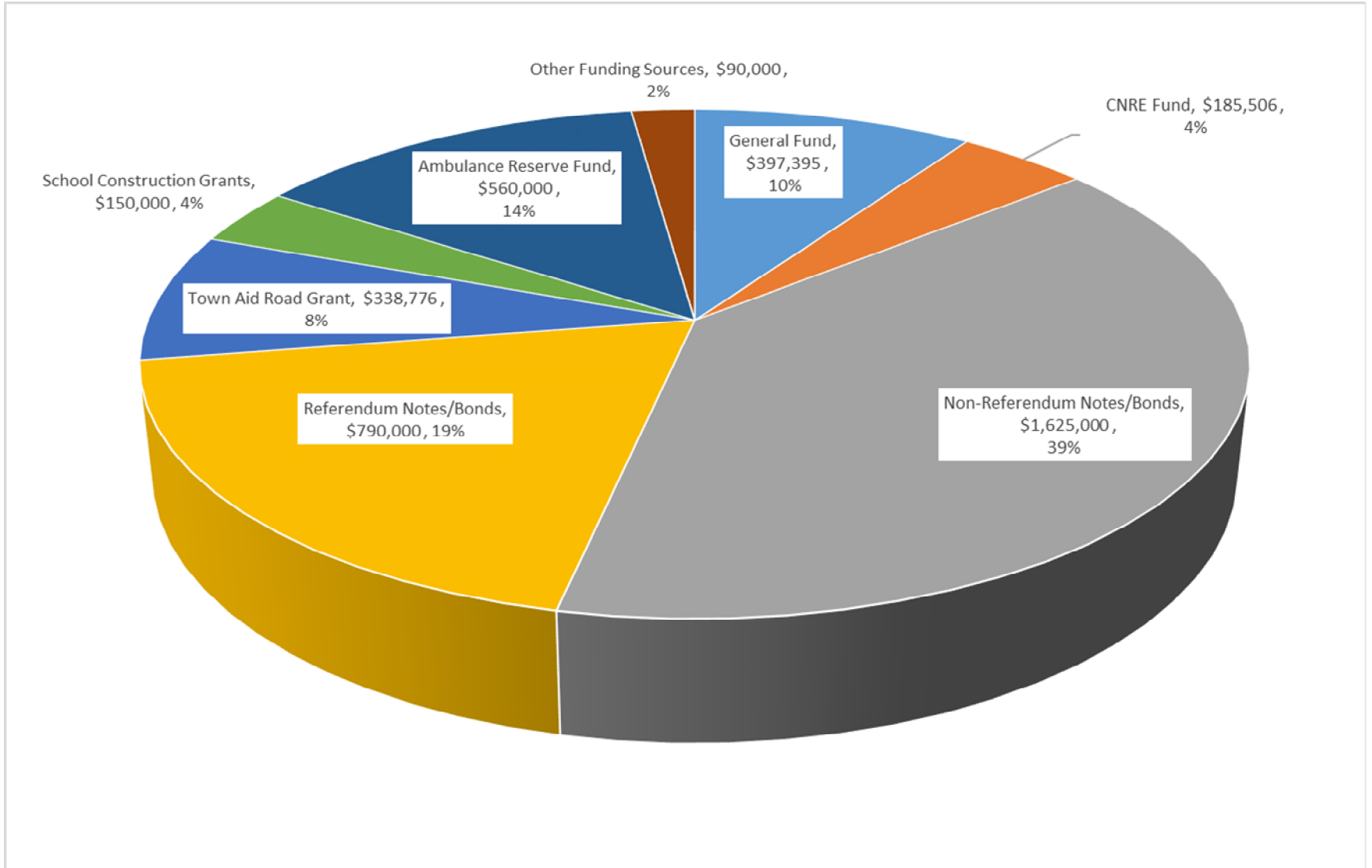


FY24-25 CAPITAL PLAN BY PROGRAM AREA





FY 24-25 CAPITAL PLAN BY FUNDING SOURCE



24/25 FY Fund Breakdown by Project

General Fund	Depreciation Reserves (Town Administration, BOE, Capital Equip.)	\$ 84,395
	Vernon WPCA (Town Administration)	\$ 100,000
	2 Servers Town Hall (Town Administration)	\$ 70,000
	TMS Patio and Stairs (BOE)	\$ 67,000
	Scarifier (Capital Equipment)	\$ 31,000
	Highway Dept. Trailer (Capital Equipment)	\$ 45,000
	General Fund Total:	\$ 397,395
CNRE	Vernon WPCA (Town Administration)	\$ 64,906
	Road Salt Task Force (Town Administration)	\$ 50,000
	Truck #81 (Capital Equipment)	\$ 70,600
	CNRE Fund Total:	\$ 185,506
Non Ref Bonds	BOE Projects (BOE)	\$ 405,000
	Eng Tank 440 (partial) (Fire and Ambulance)	\$ 820,000
	Green Sidewalks (Public Facilities)	\$ 400,000
	Non Ref Bonds Total:	\$ 1,625,000
Referendum	Pavement Mgmt (Streets)	Ref. Total: \$ 790,000
TAR Grant	Tree Trimming (DPW)	\$ 70,000
	Drainage (Streets)	\$ 49,000
	Pavement (Streets)	\$ 219,776
	TAR Total:	\$ 338,776
School Grants	BOE Projects	BOE Total: \$ 150,000
Amb. Reserve	Engine Tank 440 (partial)	\$ 380,000
	Refurb Tank 440	\$ 180,000
	Amb Reserve Total:	\$ 560,000
Other Funding	THS Cameras (BOE) - Reallocation of cancelled BOE project funds	\$ 29,195
	TMS Window Film (BOE) - Reallocation of cancelled BOE project funds	\$ 10,805
	Ventrac (Capital Equip) (approved ARPA Funds)	\$ 50,000
	Total Other Funding:	\$ 90,000



TOLLAND DEBT MANAGEMENT PLAN SCHEDULE **2024-25 THROUGH 2028-29**

In FY 24/25 the General Fund budget will remain level at \$4,700,000 and will remain at that amount through FY 25/26. The negative amount listed below under “Amount to be Paid from Debt Service Fund” is the amount to be contributed to cover the total debt payments. Much of this impact is due to debt for the Birch Grove School and potential renovations to the Firehouses. The plan will allow the budget to begin being reduced in FY 2026-27 to eventually get reduced to \$4,500,000 or an amount determined by Town Council. Once the budget returns to this level, the plan is to begin building capital reserves to fund future projects on a pay as you go basis as debt falls off the books.

	Debt Management Plan	General Fund Budget	Amount to be (Paid from) or Contributed to Debt Service Fund
FY 24/25	\$5,092,491	\$4,700,000	(\$ 329,491)
FY 25/26	\$4,660,470	\$4,700,000	\$ 39,530
FY 26/27	\$4,429,063	\$4,600,000	\$ 170,938
FY 27/28	\$4,306,213	\$4,500,000	\$ 193,788
FY 28/29	\$4,092,563	\$4,500,000	\$ 407,438



Budget Schedule: Important Upcoming Dates

- February 14, 2024 (Wednesday) Board of Education submits Budget to Manager
- February 22, 2024 (Thursday) A. Manager convenes joint meeting between Council and Board of Education (by April 11 per Charter requirement). Recommendations & Suggestions to BOE regarding consolidation of non-education services and cost savings (10 days from date of receiving BOE Budget per State Statutes (Public Act 13-60))
B. Discuss Board of Education budget overall request, pursuant to Charter Section C9-4 or C9-1 – Location - TBD* – 7:00 p.m.
- March 13, 2024 (Wednesday) Manager submits Budget to Council
- March 14, 2024 (Thursday) Advertise Public Hearing
- March 20, 2024 (Wednesday) Mgr. discusses Budget w/Council–Council Chambers* – 7:00 p.m.
March 21, 2024 (Thursday) Mgr. discusses Budget w/Council–Council Chambers* – 7:00 p.m.
March 25, 2024 (Monday) Mgr. discusses Budget w/Council–Council Chambers* – 7:00 p.m.
- April 2, 2024 (Tuesday) **PUBLIC HEARING** on Manager’s Recommended Budget: Board of Education, Town Gov’t., Capital Improvement Plan – Council Chambers* – 7:00 p.m.
- April 4, 2024 (Thursday) Council Discussion – Budget Finalized – Council Chambers* – 7:00 p.m.
- April 10, 2024 (Wednesday) Advertise Budget
- April 17, 2024 (Wednesday) **ANNUAL BUDGET PRESENTATION MEETING** – Council Chambers* – 7:00 p.m. – BOE is provided an opportunity to present a revised adopted budget based on funding approved by Town Council and other line item updates
- April 18, 2024 (Thursday) **ANNUAL BUDGET PRESENTATION** – Senior Center 12:00 p.m.
- May 7, 2024 (Tuesday) Annual Budget Referendum
- By May 14, 2024 (Tuesday) Council Establish Mill Rate upon referendum adoption

*Meetings may be Hybrid

Town of Tolland, Connecticut

***Proposed Debt Management Plan
Fiscal Years 2025 to 2029***



February 8, 2024

**Barry Bernabe
Managing Director**



Executive Summary

Existing and Authorized-But-Unissued Debt

As of February 2024, the Town has outstanding tax-supported long-term debt outstanding of approximately \$38 million, and \$2,110,000 of short-term Notes that mature September 2024. Authorized-but-unissued debt totals approximately \$8.6 million.

Proposed Debt Issuance Plan

Actual and proposed capital projects for fiscal years ending 2024 through 2028 total \$4,020,000.

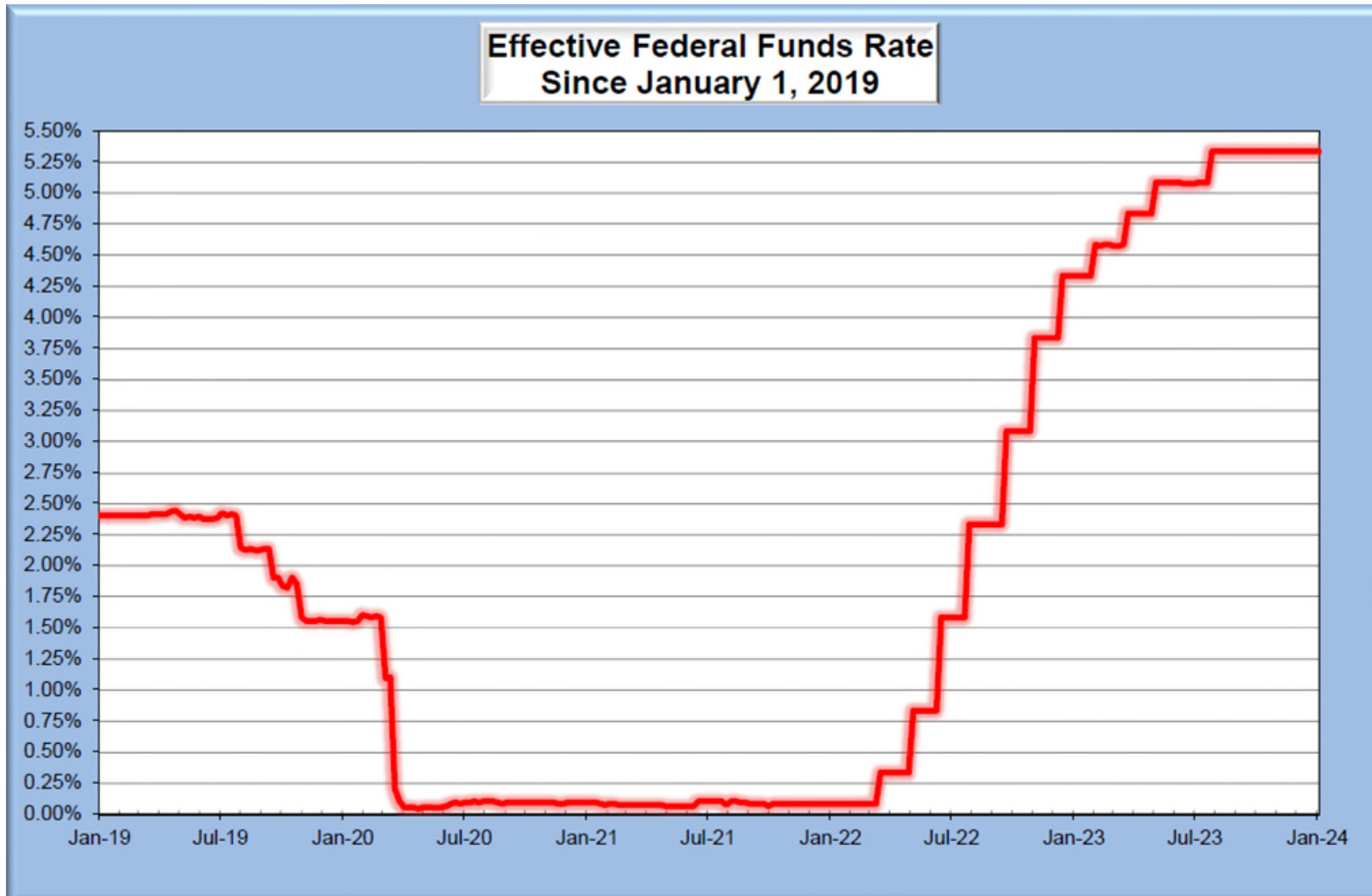
	Remaining Authorized But Not Issued	Capital Needs From CIP FY 24-25 Plan	Total Cash Needs
Year 1 - FY 2024-25	\$ 2,916,583	1,628,417	\$ 4,545,000
Year 2 - FY 2025-26	900,000	7,090,000	7,990,000
Year 3 - FY 2026-27	0	3,090,000	3,090,000
Year 4 - FY 2027-28	203,827	2,571,173	2,775,000
Year 5 - FY 2028-29	0	7,655,000	7,655,000
	-		-
	\$ 4,020,410	\$ 22,034,590	\$26,055,000
	Amount Issued		
YEAR 1	4,545,000	Issue BANS - Sept 2024	
YEAR 2	12,535,000	Issue Bonds - Sep 2025	
YEAR 3	3,090,000	Issue BANS - Sept 2026	
YEAR 4	5,865,000	Issue Bonds - Sep 2027	
YEAR 5	7,655,000	Issue BANS - Sep 2028	
	\$ 26,055,000	Total amount	

Long-term Interest Rates – Past 55 Years

Ten Year U.S. Treasury Yield - January 1970 to January 2024




Short-term Interest Rates



Town Bond Ratings

Standard & Poor's & Fitch Rating Scales



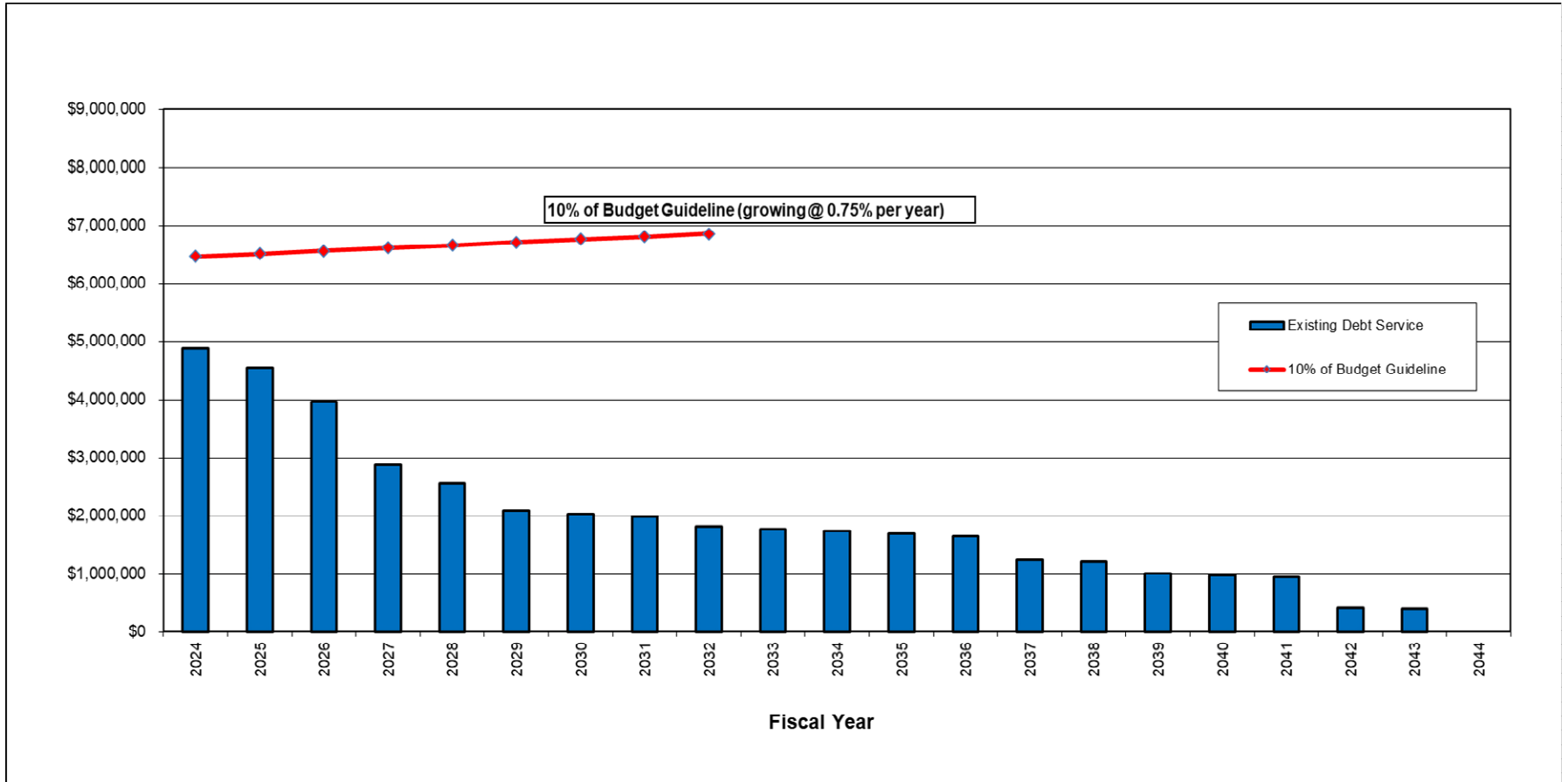
Highest	<u>AAA</u>	AAA
	<u>AA+</u>	AA+
	<u>AA</u>	AA
	<u>AA-</u>	AA-
	<u>A+</u>	A+
	<u>A</u>	A
	<u>A-</u>	A-
	<u>BBB+</u>	BBB+
	<u>BBB</u>	BBB
Lowest	<u>BBB-</u>	BBB-

Major Rating Assessment Categories

- 1) Management Practices – 25%
 - Fiscal Discipline and Ability to Plan, Monitor and Manage Government Finances
- 2) Economy & Demographics – 30%
 - Unemployment Rate, Housing Values
- 3) Financial Performance – 25%
 - Fund Balance Levels & Budgetary Discipline
- 4) Debt Management – 10%
 - Debt % of Budget, Debt % of Grand List
- 5) Long-term Liabilities – 10%
 - Pension & OPEB (Retirement Health Care)

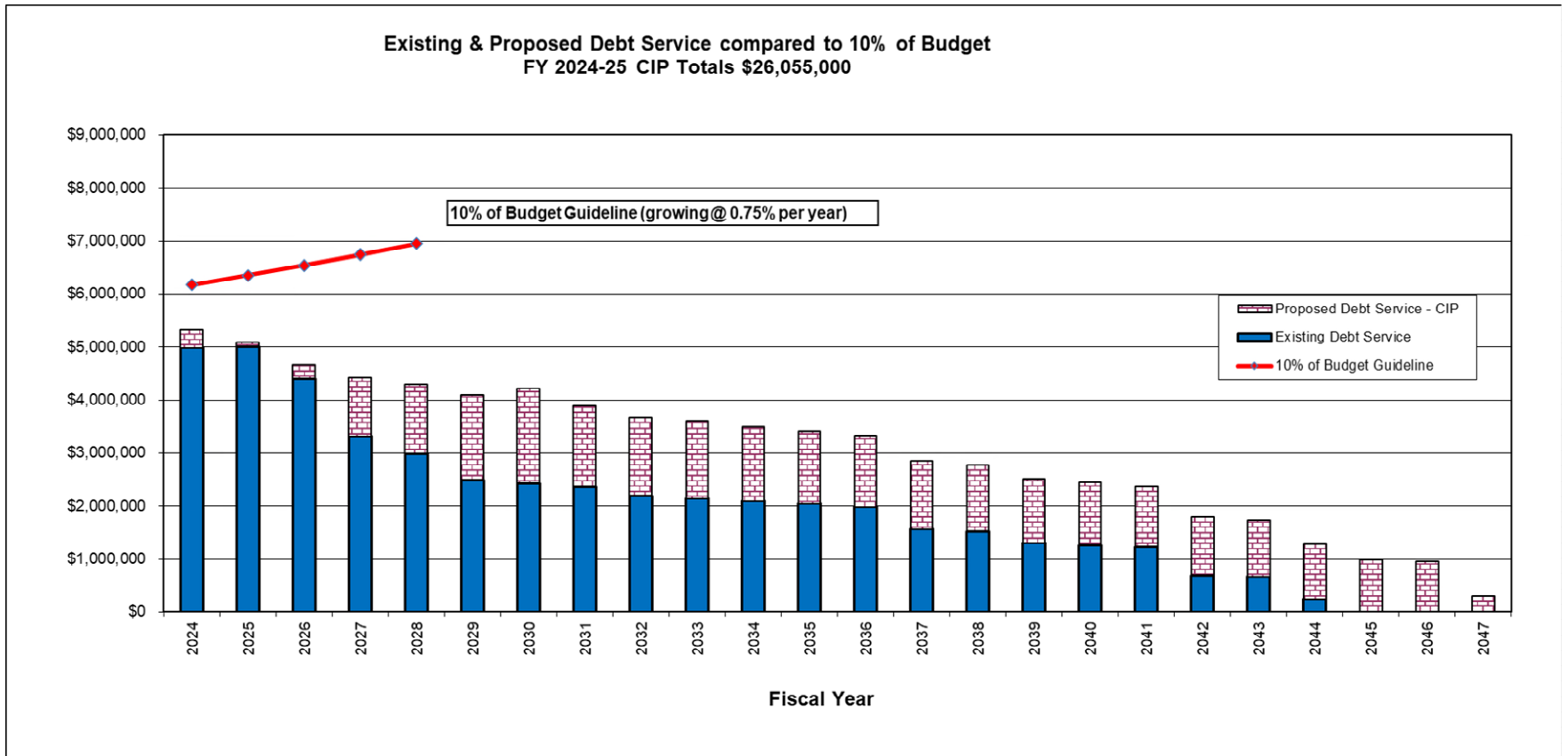
Existing Debt Service

The Town's existing debt service amortizes aggressively. This decrease will help to mitigate the impact of the new debt that will be issued for the Capital Improvement Program.



The Proposed Debt Issuance Plan makes the following assumptions:

- Bonds issues to be issued at a rate of 4.0%
- Bond issues are amortized over 20-years
- Growth in the grand list was assumed at 0.75% per year



Projected Impact of the Proposed Capital Plan on the Debt Service Budget

FY 2025 – existing debt service budget can stay flat at \$4,700,000

FY 2026 – stays flat

FY 2027 – stays flat or decreases

FY 2028 – stays flat or decreases

FY 2029 – stays flat or decreases

Summary Points

- Short-term rates have been close to zero for several years, but the Fed has increased short-term rates significantly in 2022 and 2023. Expectations are Fed will lower rates in 2024.
- Long-term rates hit all-time lows in 2020 and 2021, however long-term rates increased significantly in 2022 and 2023. Interest rate yield curve is currently inverted.
- The Town issued \$2,110,000 of short-term BANs for Birch Grove in September of 2023 to mature in September 2024.
- The Town has above average bond ratings: S&P & Fitch both rate the Town “AAA”. These highest possible ratings will allow the town to borrow at the lowest possible rate
- Some factors mentioned in the recent S&P and Fitch reports that justify the AAA ratings include: Very Strong Management Practices, Strong Budget Flexibility and Liquidity and Limited Pension and OPEB liabilities.
- The Town has numerous formalized policies that include - Fund Balance, Debt Service and Capital Improvement.
- The Town’s existing debt service amortizes aggressively, which helps to mitigate the impact of the proposed new debt.
- The proposed capital plan totals \$26,055,000 will not result in an increase to the current debt service budget. The Town’s use of the debt service fund helps to mitigate the impact of the new debt.
- The Town can handle the proposed debt issuance and not need to put additional burden on taxpayers. *(This could change if interest rates increase dramatically)*

