

Dear Residents of Clinton:

In accordance with the Clinton Town Charter, presented here is the Town Council’s Proposed Budget for fiscal year July 1, 2021 through June 30, 2022. The budget outlines the priorities and plans to provide services to the citizens and taxpayers of Clinton. This budget, which includes the expenditures for town operations, education, debt service, and capital, is proposed at \$58,499,763 which is an increase of \$2,220,175 or 3.94%.

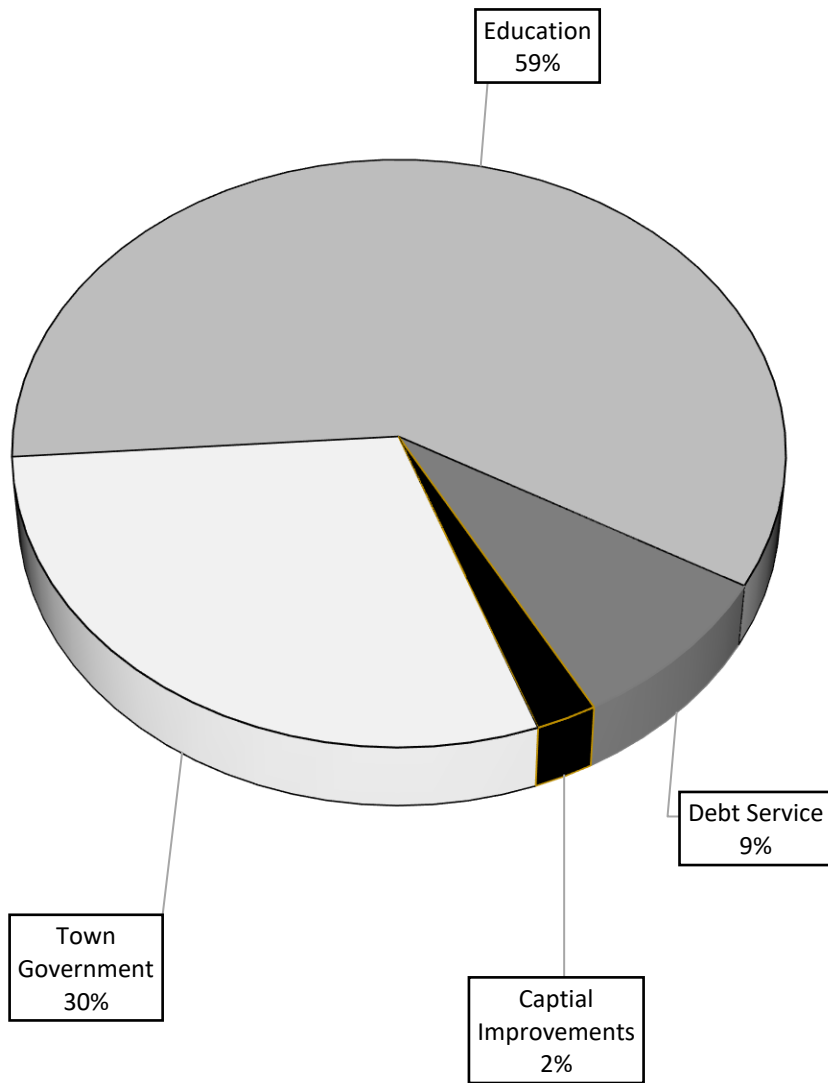
At the start of the budget process, the Town Manager reduced by \$1,023,708 from the submitted department requests - \$315,958 from Operating and \$707,750 from Capital. During its deliberations in March and following the Public Hearing held on April 7, 2021, the Town Council reduced proposed expenditures by an additional \$513,213.

EXPENDITURE SUMMARY

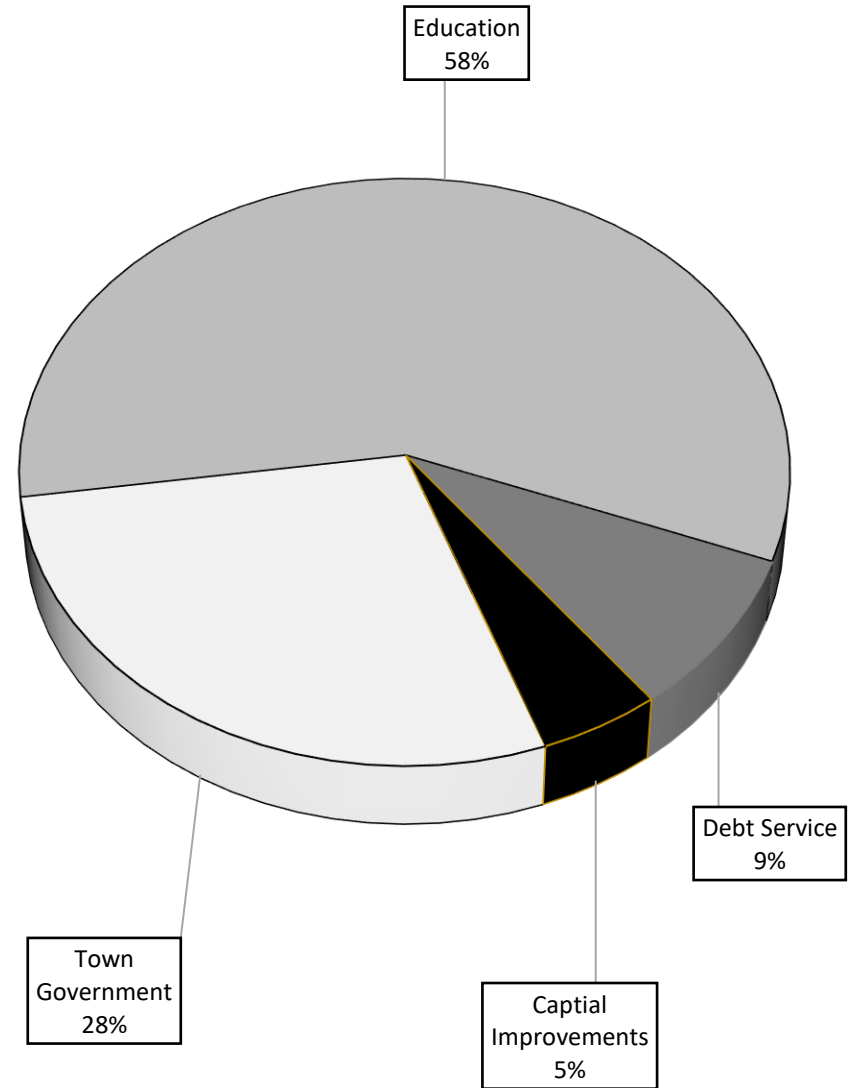
	Appropriated FY2020-21	Proposed FY2021-22	Proposed Budget Increase/(Decrease)	
Town Government	\$16,480,935	\$16,610,773	\$129,838	0.79%
Board of Education	33,200,391	33,911,057	710,666	2.14%
Debt Service				
Town	2,282,044	2,025,260	(256,784)	(11.25%)
Education	2,956,767	3,136,159	179,392	6.07%
Capital Improvements				
Town	945,325	2,716,714	1,771,389	187.38%
Education	414,126	99,800	(314,326)	(75.90%)
TOTAL	\$56,279,588	\$58,499,763	\$2,220,175	3.94%

The Town Council was also able to adjust the revenue assumptions as the Board of Assessment Appeals had completed its review by the time of the April public hearing on the proposed budget. The Council was able to increase the size of the Grand List reflecting the work of the Board of Assessment Appeals which resulted in a further reduction of the tax rate.

ADOPTED BUDGET FY2020-21



PROPOSED BUDGET FY2021-22

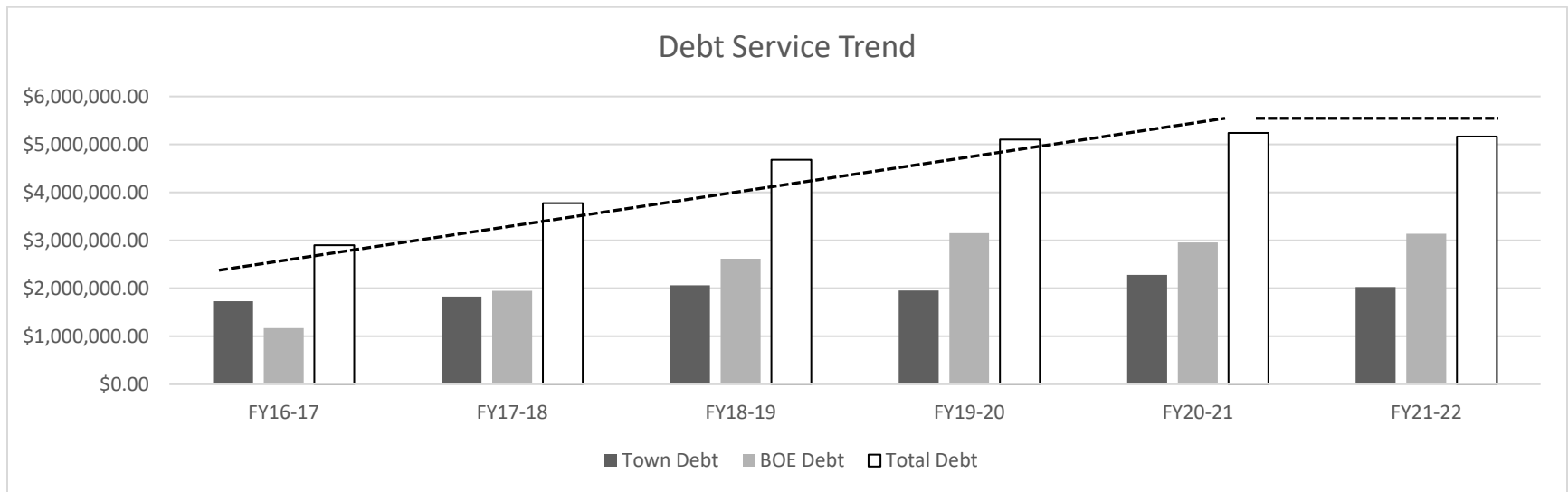


DEBT SERVICE:

Debt service includes expenses associated with interest and principle payments for bonded debt as well as capital leases which have been used to finance equipment purchases. Total Debt Service for both the Town and Board of Education is proposed to be funded at \$5,161,419 which is an overall decrease of \$77,393 or (1.48%) compared to FY20-21. Thanks to a refunding opportunity during 2020, the Town was able to reduce its peak long-term debt. Short-term debt in the form of Bond Anticipate Notes for voter approved projects were secured at historically low rates.

DEBT SERVICE COMPARISON

	FY2020-21 Budget	FY2021-22 Proposed	Difference	% of Total Debt
Town Debt	\$2,282,044	\$2,025,260	(\$256,784)	39.24%
School Debt	2,956,767	3,136,159	179,392	60.76%
TOTAL	\$5,238,811	\$5,161,419	(\$77,392)	100.00%

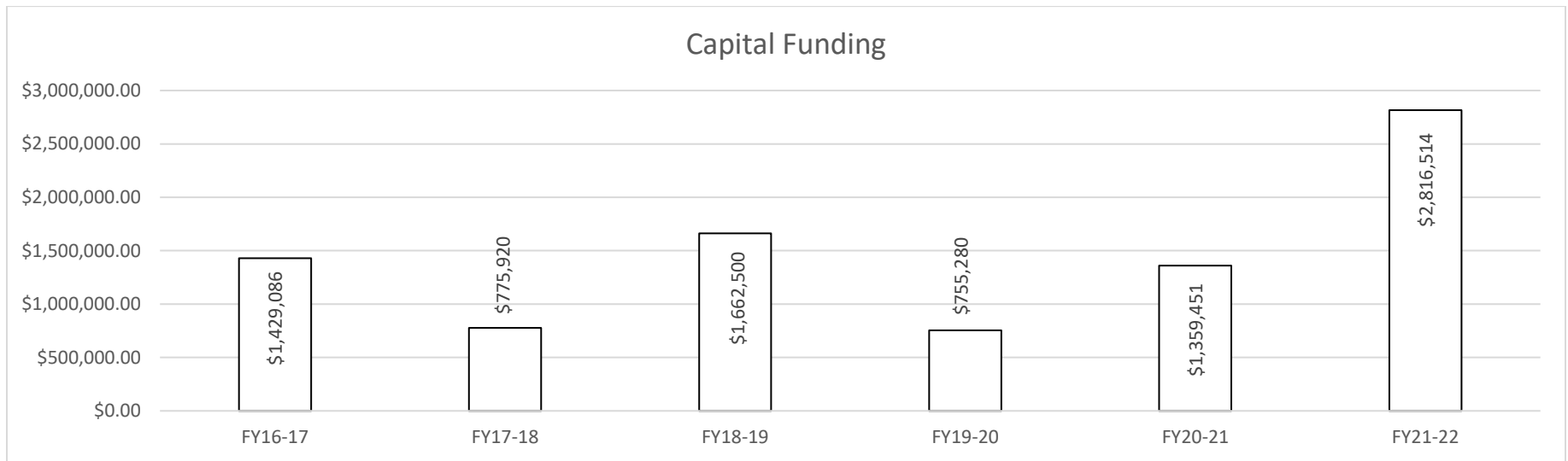


CAPITAL EXPENDITURES:

Higher priority needs have been placed in the capital plan for FY21-22. Some significant capital priorities include:

1. Continue Funding for Fire Apparatus Reserve – Established last year, this budget continues a reserve within the Capital Fund to fund Fire Department apparatus replacements. As the rolling stock for the Fire Department ages and reaches the end of its service life, the Town needs a sustainable plan to address apparatus replacement needs without creating shocks to the budget and taxpayer. Continued funding for the reserve is proposed to be funded by an appropriation from fund balance.

2. Continue Funding for Paving – Funding for paving has been included in the capital budget to support on-going needs for road repair in the Town. Previously, this expense has been financed through bonds creating long-term fixed liabilities for the Town.
3. Police Body and Vehicle Cameras – As part of the Police Accountability law passed by the General Assembly in a 2020 Special Session, a new mandate was placed on local governments to require police departments to assign body cameras and vehicle dash cameras to record officer interactions. The mandate sets a requirement for cameras to be in place by July 1, 2022. The law does not seem to allow for a phase-in.
4. Radio System Replacement – The current system the Town relies on to dispatch public safety and communicate between Police, Fire and Public Works has reached the end of its service life. The equipment is no longer supported by the manufacturer which raises concerns over system reliability as replacement parts or equipment spares become scarce and added liability risk.



EDUCATION:

The Total Funding Request to support the Board of Education budget is \$1,056,125 or a 2.89% increase.

BOARD OF EDUCATION BUDGET COMPONENTS

	Adopted FY2020-21	Proposed FY2021-22	Change	
Operating Expenses	\$33,200,391	\$33,911,057	\$710,666	2.14%
Capital Improvements	414,126	99,800	(314,326)	(75.90%)
Debt Service	2,956,767	3,136,159	179,392	6.07%
TOTAL	\$36,571,284	\$37,147,016	\$575,732	1.57%

REVENUES:

Sources of revenue for local governments are severely limited by State government. State grants-in-aid form the largest source of revenue outside of the local property tax.

REVENUE COMPARISON

Adopted FY2020-21	Source	Proposed FY2021-22
\$5,562,084	State Grants in Aid – Education	\$5,562,084
874,332	State Grants in Aid – Town	874,816
1,164,150	Permit and Fee Revenue	1,348,384
250,000	Appropriated Fund Balance	350,000
825,000	Applied Fund Balance	2,269,800
\$47,605,410	Taxation	\$48,529,735

This budget assumes a recovery in Clinton-based revenue in the form of permits and fees. As vaccinations are coming on line, there is an opportunity for a “return to normal”. The use of appropriated fund balance was increased in this budget to lower the tax impact of capital projects. Finally, this budget will see the real estate revaluation for October 1, 2020 implemented which resulted in a 5.7% increase in the Grand List.

MILL RATE:

The budget assumes that 1 mill is equal to \$1,646,834 in tax revenue. The mill rate of 31.25 for FY20-21 was unchanged from the rate for FY19-20. The mill rate to support the proposed budget and its assumptions is 29.83 mills – a reduction of 1.42 mills or 4.56%.

HOW AVERAGE TAX BILL REVENUE IS SPENT

Service	Amount	Percentage
Govt. Administration	\$283.98	4.25%
Land Use & Development	64.81	0.97%
Protection & Emergency	470.42	7.04%
Public Works & Facilities	316.05	4.73%
Recreation & Human Services	73.50	1.10%
Library	87.53	1.31%
Capital and Debt Financing	910.75	13.63%
Non-Departmental (Benefits, Insurance, Other)	601.37	9.00%
Education	3,873.51	57.97%
TOTAL	\$6,681.92	100.00%

CONCLUSION:

Difficult decisions went into the budget process to develop a fair budget and tax rate. I would like to thank the Town Council for their input into the budget as well as the Town Manager and Town staff. It is impossible to describe the effort and energy needed to produce a document such as this.

The Town Council looks forward to receiving the input of Clinton residents at the Budget Public Hearing.

Sincerely,

Christopher Aniskovich
Chairman of the Town Council