

6/15/2021 3:25 PM

RECEIVED FOR RECORD  
TORRINGTON TOWN CLERK

# CITY OF TORRINGTON

## Budget Proposal FY 21-22

Strategic use of American Rescue Plan Funds

## HISTORICAL INFO:

### FY 2020-2021 Pandemic Response Budget adoption

Adopted Expenses FY 2020-2021		
City of Torrington		56,379,134.00
BOE		<u>76,837,593.00</u>
TOTAL:		<b><u>\$133,216,727.00</u></b>
Adopted Revenue FY 2020-2021:		
State Grants, City Department Revenues		34,226,878.00
Tax Revenue		
Motor Vehicle	10,006,138.00	
Pers. Prop & Real Estate	83,383,711.00	93,389,849.00
<i>Non-recurring Revenue</i>		
<i>Fund Balance</i>	2,500,000.00	
<i>BOE surplus</i>	700,000.00	
<i>Internal Service</i>	2,000,000.00	
<i>COVID expenses/revenue</i>	400,000.00	<u>5,600,000.00</u>
TOTAL		<b><u>\$133,216,727.00</u></b>

# U. S. Department of the Treasury Guidance

## Eligible Expenses (must be obligated by 2024)



U.S. DEPARTMENT OF THE TREASURY



The American Rescue Plan will deliver \$350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

**Funding Objectives**

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the unequal impact of the pandemic



**Support Public Health Response**  
Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



**Address Negative Economic Impacts**  
Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



**Replace Public Sector Revenue Loss**  
Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



**Premium Pay for Essential Workers**  
Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



**Water and Sewer Infrastructure**  
Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



**Broadband Infrastructure**  
Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

**Eligible Jurisdictions & Allocations**

**Direct Recipients**

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

**Indirect Recipients**

- Non-entitlement units (\$19.5 billion)

**For More Information:** Please visit [www.treasury.gov/SLFRP](https://www.treasury.gov/SLFRP)


**For Media Inquiries:** Please contact the U.S. Treasury Press Office at (202) 622-2960

**For General Inquiries:** Please email [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov) for additional information




**Support Public Health Response**

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response



**Replace Public Sector Revenue Loss**

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag




**Water & Sewer Infrastructure**

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund




**Equity-Focused Services**

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments



**Address Negative Economic Impacts**

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs



**Premium Pay for Essential Workers**

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages



**Broadband Infrastructure**

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund



**Ineligible Uses**

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

# GOV. LAMONT'S CORONAVIRUS RELIEF FOR DISTRESSED MUNICIPALITIES FUNDING \$3,098,963.00

An update on this funding was provided to us at noon today informing us that these funds are NOT in the State Budget nor in the Act Concerning Bond Allocations for FY22 and FY23.

According to Connecticut Conference of Municipalities (CCM), the Legislature has created a Community Investment Fund 2030 which will authorize funding through bonding over the next 5 years. According to CCM, these funds will be available to Alliance District communities as designated through OPM. The designation serves as an eligibility criterion for financial assistance programs, including Urban Act grants to be funded through the Community Investment Fund.

# FY 21-22 Grand List Growth

2.2% = \$1,988,263.00\*

after adjustments for Assessment Appeals and Add/Deletes to Assessments

	2019	2020	Difference	Percentage
Grand Total	\$ 2,039,352,882.00	\$ 2,084,631,732.00	\$ 45,278,850.00	2.22%

# ECS / ALLIANCE DISTRICT FUNDING ANALYSIS 2018-2022

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022 proposed</u>
ECS deposited to General Fund - offset annual budget	\$ 23,933,343.00	\$ 23,933,343.00	\$ 23,933,343.00	\$ 23,933,343.00	\$ 23,933,343.00
BOE Budgets Approved	\$ 74,335,700.00	\$ 74,149,114.00	\$ 75,100,090.00	\$ 76,837,597.00	\$ 79,306,878.00
Alliance District Funding paid directly to BOE	\$549,522.00	\$904,376.00	\$ 1,989,642.00	\$ 3,024,827.00	\$ 3,925,897.42

# FY 21-22 BUDGET EXPENSE REQUESTS

Requested Expense Accounts		Change over 20-21
City of Torrington	60,836,431.00	3,816,813.00
BOE OPERATING	77,502,179.00	969,281.00
BOE Technology Capital	791,398.00	689,898.00
BOE Capital	<u>2,204,500.00</u>	<u>2,001,305.00</u>
TOTAL BUDGET REQUEST	\$141,334,508.00	\$7,477,297.00

# FY 21-22 PROJECTED GENERAL FUND REVENUE

General Government (excluding Distressed Municipality Funds \$3,098,963.00)	6,411,205.00
Public Safety	692,500.00
Public Works	77,300.00
Recreation	12,000.00
ECS/Excess Cost/Insurance	27,977,520.00
Total Revenue (excluding Distressed Municipality Funds \$3,098,963.00)	\$ 35,170,525.00



# FY 21-22 NON-RECURRING REVENUE RESOURCES TO OFFSET IMPACT

CARES Act and Bond authorized payment to Distressed Municipalities:	\$3,098,963.00
Internal Service Fund	\$2,000,000.00
Fund Balance	\$3,100,000.00
Board of Education budget surplus (estimated)	\$444,000.00
ARPA*	\$569,281.00

# FY 21-22 Mill Rate Impact on Expense Requests (utilizing all available revenues and non-recurring revenues)

		mill rate impact
Total Budget Expense Requests	\$141,334,508.00	
Less GF Revenues		
State Grants/Departmental Revenues	<u>(35,170,525.00)</u>	
Funds Needed to cover Expenses:	\$106,163,983.00	
MV Taxes @45 mills	<u>-10,572,638.00</u>	
Tax-payer portion before applying non-recurring revenues / Tax revenue needed to cover costs / mill rate impact	\$ 95,591,345.00	5.79
Less Non-recurring Revenues:		
* Internal Service Fund	-2,000,000.00	
* Fund Balance	-3,100,000.00	
* <del>Distressed Municipalities applied to city expenses</del>	<u><del>-3,098,963.00</del></u>	
Balance / Tax revenue needed to cover cost before recommending cuts to budgets / mill rate impact	\$90,491,345.00	3.80

# FY 21-22 BUDGET ADOPTION RECOMMENDATION RESULTING IN NO MILL RATE INCREASE

- BOE: Reduce operating (\$569,281.00) resulting in increase of \$400,000.00 over FY 20-21 and funds available through ARPA to cover additional programs. Work with BOE to identify other expenses in the operating budget that may be funded through the municipalities ARPA funds.
- Reduce BOE Capital Request (\$2,995,898.00).
  - Recommendation that we put the TMS roof and VW roof (FY 22-23) out to referendum
  - OR – if the projects qualify for ARPA funding, utilize the municipal ARPA appropriation.
- BOE be allowed to move FY 2021 surplus (estimated to be \$444,000) into capital reserve to cover additional capital expenses and turf field annual allocation.
- CITY WORK WITH BOE TO IDENTIFY ADDITIONAL QUALIFIED EXPENSES ADDRESSING EDUCATIONAL DISPARITIES THAT CAN BE MOVED TO ARPA Grant under Qualified Census Tract obligation and funding opportunities through Community Investment Fund 2030.
- CITY budget reduced (\$2,120,421.00)

# FY 21-22 BUDGET ADOPTION

## Resulting in No Increase to Mill Rate

<u>EXPENSES:</u>	
City Budget	58,716,010.00
BOE Operating (\$569,281.00 moved to ARPA)	<u>76,932,898.00</u>
TOTAL EXPENSES	<u>\$135,648,908.00</u>
<u>REVENUES:</u>	
State Grants, City Department Revenues	35,170,525.00
Taxes:	
Motor Vehicle	10,572,639.00
Personal Property / real estate	84,805,744.00
Non-recurring revenues*	
Fund Balance – for operating budgets	3,100,000.00
Internal Service	<u>2,000,000.00</u>
TOTAL REVENUE	<u>\$ 135,648,908.00</u>

# FY 2021-2022 SUMMARY / IMPACT (utilizing grants/ARPA/State Bond & CARES Act funds)

BOE NEW FUNDING FY 2021-2022	
Increase to Operating	\$ 400,000.00
Balance of BOE request moved to ARPA (QCT funding)	\$ 569,281.00
Capital Reserve (BOE surplus t/b/d = rolled over to FY 2022)	\$ 444,000.00
<b>Total New Funds for BOE</b>	<b>\$1,413,281.00</b>
<b>City New Funds FY 2021-2022</b>	<b>\$1,696,392.00</b>

# City Budget Cuts (Preliminary)

Level (3.4) budget with additional modifications applied	60,836,431.00
Additional adjustments needed to achieve zero mill increase	2,120,421.00
Level Fund Assessor Revaluation	(13,400.00)
Level Fund City Real Estate Capital Budget	(1,000,000.00)
50% Grant Reimbursement PD Dashcams	(50,000.00)
Part time City Hall Custodian to ARPA	(23,092.00)
50% City Pension Normal Cost to ARPA	(230,064.50)
50% P&F Normal Cost to ARPA	(602,863.50)
Adjust Defined Contribution Estimate	(30,000.00)
Adjust Employer FICA Expense Estimate (Various Depts.)	(36,000.00)
Remove Management Operations Contingency	(70,000.00)
Remove Citywide Management Operations	(15,000.00)
Balance to be applied Citywide by % of total budget	(50,001.00)