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**City of Bristol**  
**Mayor's Budget Message**

Dear Residents and Taxpayers,

When the narrative of the last fiscal year is written, it will not be a chronicle of struggle, but a story of perseverance and achievement in a difficult time. While we mourn the loss of the over 130 residents who lost their lives to COVID-19, we applaud the efforts of the city departments who worked tirelessly to ensure that the damage was contained and services were maintained.

As City departments and residents together continue to show their resiliency in a post-pandemic world, we will be continuing our discussions on Diversity, Equity and Inclusion, as well as creating public policies on food insecurity and the Digital Divide, monitoring the budget and evaluating opportunities to share resources, working with the Board of Education on their forward-looking agenda, while pursuing an aggressive economic development agenda to grow the Grand List. All of this will also now be augmented through a new lens – the receipt of millions of dollars in and federal American Rescue Plan Act funds. The opportunities to make transformative changes within Bristol are upon us, all juxta positioned against the backdrop of existing projects emerging downtown and across the City.

The City Council and I are grateful for the level of professionalism displayed by staff, board and commission members who continued to move Bristol forward over the last year, and look forward to so many projects and initiatives coming to fruition over the course of the next fiscal year.

Sincerely,

A handwritten signature in blue ink that reads 'Ellen Zoppo-Sassu'.

Ellen Zoppo-Sassu  
Mayor, City of Bristol



## **Board of Finance Chairman's Budget Message**

### **To the Mayor, City Council, Citizens and Taxpayers of Bristol:**

On behalf of the members of the Bristol Board of Finance, I present its recommended budget for the 2021-2022 fiscal year for adoption by the Joint Meeting of the City Council and Board of Finance as mandated by Section 25(l) of the Charter of the City of Bristol.

This budget represents a 2.20% increase above the City's 2020-2021 budget with a zero mill tax increase. Expenditure changes from 2020-2021 are as follows:

- General City increased \$1.71 million or 2.28%.
- Debt Service and Capital Transfers increased \$175 thousand or 1.61%
- Education increased \$2.628 million or 2.21%

### **Revenue**

Revenue estimates remain relatively constant with 2020-2021 with the exception of Investment Income, which is estimated to be reduced by \$150,000. In light of current economic conditions resulting from the COVID 19 pandemic, interest rates plummeted the last year and it is highly unlikely the City will be able to invest its cash balances at rates available prior to the pandemic. However, estimated increases in Supplemental Motor Vehicle (\$100,000), Building Permit fees (\$25,000), and Conveyance Tax (\$25,000) may partially mitigate the impact of that reduction. In addition the City's Grand List increase from \$3.998 billion to \$4.076 billion will generate an estimated \$2.91 million in new tax revenue at the current mill rate.

At June 30, 2020 the Joint Meeting set aside \$1.65 million in a Mill Rate Stabilization Fund to be used to offset anticipated increases in future debt service costs as well as other increased expenses. Of this amount \$1,600,000 will be used to help avoid a tax increase.

### **Expenditures**

Department requests addressed both immediate needs as well as future goals and objectives. Having information regarding future expenditure requirements is an absolute necessity from a budgetary and strategic planning perspective. In total department requests for the 2021-2022 fiscal year represented an increase of \$11.9 million (5.81%) over the existing 2020-2021 budget which would have equated to a tax increase of approximately 6%.

Additionally, capital outlay requests totaled \$2.3 million and there was a projected 6% increase in health insurance.

As has been past practice in years departmental budget requests are scrutinized by the Comptroller's Office as well as the Board of Finance. This effort results in all parties having an understanding of the economic impact of budget requests causing, in most instances, a reduction in projected expenditures. 20-21 was driven by varying degrees of the unknown requiring the City to initiate new and different modes of operation. The changes were many, but the Mayor working with Department Heads initiated operational practices which resulted in little, if any, interruption in municipal services. The same was true for the public school system. The entire Staff and the Board of Education charged with the task of continuing the education process, the Superintendent along with the her staff developed initiatives to accommodate distance learning when necessary, maintain a safe and healthy environment in school buildings when schools were in session and continued to provide other services i.e. school lunches when schools were closed. Some of the operational changes were considered so effective that they have become standard procedure with minimal impact on operating budgets. So too has been the experience of additional collaboration among all Departments including Education. The Water and Sewer Departments now operates as one, manpower expertise is being shared such as the Public Schools Facilities Director working with the Director of Public Works and the City's Director of

## **Transmittal Letter**

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Information Technology having oversight of the entire system including Education. Some cost savings and cost avoidance have already been achieved. City leaders are committed to consider the dissolution of operational silos when it makes organizational sense to do so. Additionally, based on the recommendations of the Comptroller and Staff a Road Improvement Fund has been established to make certain funds available to accommodate necessary future projects.

### **Summary**

The 2021-2022 Board of Finance adopted budget totaling \$209,594,190 is a result of consultation, collaboration, and coordination among the operational and governance sections of the City. The future will mandate that all levels of public sector government function as a cohesive unit. It would appear that we, in Bristol, are working towards that process. With the Mayor's expansion of the role of the City's Capital Improvement Committee to include a strategic planning component the City will be better prepared to address short and long term goals not only from a financial perspective but also to recognize the elements necessary to pursue economic growth for the community. In that regard, the Parks, Recreation, Youth and Community Services Department, previously the Parks and Recreation Department has recently completed a City-wide Parks Master Plan as a guide toward future initiatives.

Additionally, the Mayor has recently assembled a special nonpartisan Task Force comprised of municipal leaders and Bristol citizens to offer advice and counsel regarding the expenditure of funds resulting from the American Rescue Plan Act. Bristol will receive an approximate total of \$46 million (\$26 million directly to the City and \$19 million directly to the Bristol Public Schools.) Strategic Planning will play a critical role in the decisions regarding the use of these funds.

### **Acknowledgements**

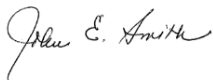
The Board wishes to acknowledge those who played a significant role in the budgetary process beginning with City department heads and Board of Education Administrators who were asked to submit not only financial data for 2021-2022 but also goals and objectives for the long term.

To Diane Waldron, Comptroller, and her staff: Robin Manuele, Assistant Comptroller, Jodi McGrane, Assistant to the Comptroller, and Skip Gillis, Senior Accountant -- Thank you for your leadership, for providing current information, for expressing notes of caution when necessary and for your sage advice and counsel throughout the process.

A personal thank you to the members of the Board of Finance who continue to give freely of their time and talents throughout the entire year attending meetings, listening to and reviewing data, participating in discussions and making difficult decisions regarding the City's finances.

Additionally, a thank you to the Mayor's Capital and Strategic Planning Committee for its work reviewing major capital requests, financing alternatives, and presenting recommendations to be included in the capital budget.

Respectfully submitted,



John Smith  
Board of Finance Chairperson

## **Comptroller's Budget Message**

### **To the Citizens, Taxpayers, and Businesses of Bristol, Connecticut,**

It is my pleasure to present this 2021-2022 budget message and budget document. It is the culmination of many months of effort on the part of elected officials, citizens appointed to Boards and Commissions of the City, management and City staff who worked diligently on the development of the budget requests and review as well as preparation of this document in its completed format.

A significant effort was devoted to adopt a 2022 budget that is balanced fiscally, philosophically and meets the demands of the citizens of the City while keeping in mind the uncertainty of the economy and best interests of the taxpayers during these unsettling times. It is the desire of this administration, through this budget, to advance the quality of life for residents of the City of Bristol.

This budget messages provides an overview of the City's approved 2021-2022 budget. This budget, approved by the City Council and Board of Finance on May 25, 2021, totals \$275,260,621 for all funds. The General Fund budget, on which the mill rate is primarily based, is \$209,594,190. The mill rate remains at 38.35 which represents a zero mill rate increase.

### **Budget – Planning and Challenges**

The City's 2021-2022 budget process started in November 2020. As part of the City's long term plan there were issues that were anticipated to affect the 2021-2022 budget. . Specifically:

- Phase in of Debt Service increases as a result of the October 2019 bond issue was initiated with gradual increases to the General Fund debt service line item that took effect in fiscal years 2020 and 2021. The last anticipated increase of this phase in occurs in the 2021-2022 budget. This approach was used so the City would stay well within acceptable debt service guidelines, policies and ratios as well as maintain a stable tax rate. The City was fortunate in that there was a sizeable premium from the October 2019 bond issue that was available to offset the debt service increases. In 2021-2022 the Debt Service line increased \$400,000.
- Negotiated union contract wage and benefit increases. Wages were expected to be a factor as all unions had completed contract negotiations with cost of living increases ranging from 2.25% - 2.75%.
- Mandated costs relating to the recently enacted Police Accountability legislation had a significant impact on the Police Budget.
- Increases in Education spending due to health insurance, wages and mandated special education costs.
- Dealing with COVID related challenges as the pandemic continued into the new fiscal year.

Due to these challenges, departments were asked to stay within 2020-2021 budget levels with no significant requested increases or new items unless justified. Departments also prepare a budget narrative outlining department goals and accomplishments for the current fiscal year, highlights of their budget request as it relates to new initiatives or challenges, goals for the upcoming year as well as longer term goals. The departmental budget narrative has been extremely beneficial as it assists the Board of Finance in their reviews of the departments requested budget. By having this information in advance of the department's budget hearing it encourages a deliberative and meaningful discussion on the level of funding needed by each department to accomplish their goals, objectives and longer term initiatives.

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The City continued to address issues related to the pandemic throughout this budget process. Faced with a spiraling economy, unprecedented unemployment and unanticipated additional costs, lost revenues and sensitivity to taxpayer needs, City officials were looking at how they could adopt a maintenance budget, maintain Education funding and continue to meet contractual obligations without a tax increase. How this was accomplished will be discussed and highlighted throughout this budget message.

### Economic Forecast

Provided with the budget instructions is an Economic Forecast prepared by the City's Purchasing Agent that provides guidance on trends in costs for various commodities used by City departments. Areas addressed included fuel costs, utility pricing, costs for tires, postage and office supplies. The Economic Forecast is used year-to-year to provide consistency throughout department budget requests when estimating these operating costs within department budgets. If actual costs are higher than estimated, budgetary adjustments may be made as necessary during budget implementation.

### Major Highlights of the 2021-2022 Budget

Overall department requests totaled \$216,983,400 representing a 5.81% increase. The Chart below highlights the overall requests:

#### Requested 2021-2022 Budget:

	Adopted 2020-2021	Requested 2021-2022	Increase \$	Increase %
General City	\$75,181,100	\$80,363,400	\$5,182,300	6.89%
Debt Service & Capital Transfers	\$10,875,000	\$13,042,000	\$2,167,000	19.96%
Education	\$119,022,000	\$123,578,000	\$4,556,000	3.83%
<b>Total General Fund</b>	<b>\$205,078,100</b>	<b>\$216,983,400</b>	<b>\$11,905,300</b>	<b>5.81%</b>

After significant review and recommendation by the Comptroller's Office and Board of Finance, at a Joint Meeting of the Board of Finance and City Council on May 25, 2021, a General Fund budget of 209,594,190 was approved. This represents a \$4,516,090 or 2.20% increase over the 2020-21 budget. The General City budget increased 2.28%, Debt Service and Capital Transfers increased 1.61% and Education increased 2.21%, as noted in the chart below.

#### Approved Budget:

Department	Adopted 2020-2021	Adopted 2021-2022	Increase (Decrease) \$	Increase (Decrease) %
General City	\$75,181,100	\$76,894,190	\$1,713,090	2.28%
Debt Service & Capital Transfers	\$10,875,000	\$11,050,000	\$175,000	1.61%
Education	\$119,022,000	\$121,650,000	\$2,628,000	2.21%
<b>Total General Fund</b>	<b>\$205,078,100</b>	<b>\$209,594,190</b>	<b>\$4,516,090</b>	<b>2.20%</b>

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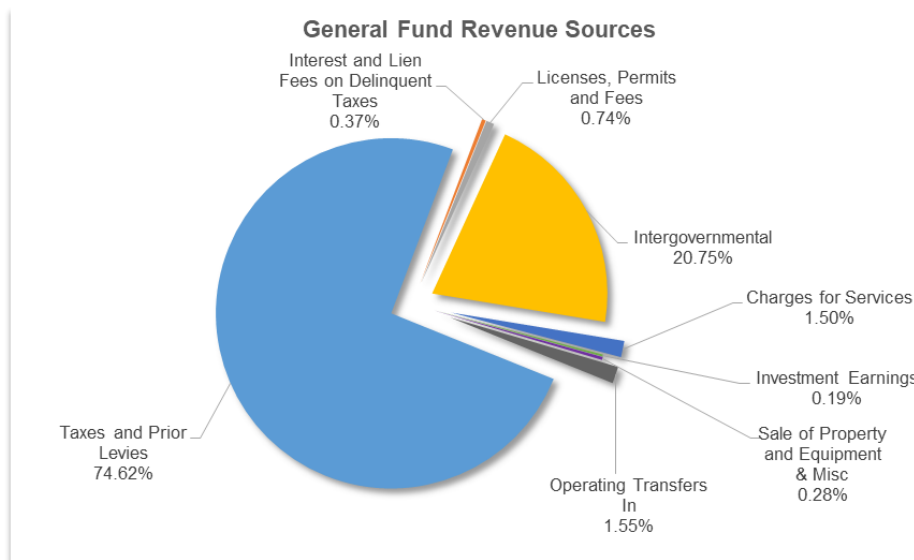
The adopted general fund budget incorporated adjustments/reductions totaling \$7,389,210. These adjustments were based on recommendations from the Comptroller's Office identified through budget discussions with Departments, analyzing trends, and projecting needs and costs for the new fiscal year as well as recommendations from the Mayor, City Council members, the Board of Finance and Board of Education (BOE). Recognizing that significant funding was to be available through the American Rescue Plan Act, working collaboratively with all these groups, a number of initiatives were identified that this funding could be used for. In evaluating the use of these funds the City and BOE intend to allocate these funds to one time uses, capital needs or addressing COVID related social and economic impacts.

A discussion of the budget follows.

**General Fund Revenues**

<b>Estimated Revenues:</b>	<b>Adopted 2021-2022</b>	<b>Adopted 2021-2022</b>	<b>Increase/ (Decrease) \$</b>	<b>Increase/ (Decrease) %</b>
Taxes and prior levies	\$153,431,450	\$156,403,740	\$2,972,290	1.94%
Interest and lien fees on delinquent taxes	775,000	775,000	0	0.00%
Licenses, permits and fees	1,528,300	1,540,700	12,400	0.81%
Intergovernmental	43,499,925	43,488,920	(11,005)	(0.03%)
Charges for services	3,104,210	3,150,370	46,160	1.49%
Investment earnings	556,000	406,000	(150,000)	(26.98%)
Sale of property and equipment	75,000	75,000	0	0.00%
Miscellaneous	508,215	508,460	245	0.05%
Operating transfers in	1,600,000	3,246,000	1,646,000	102.88%
<b>Total Estimated Revenues</b>	<b>\$205,078,100</b>	<b>\$209,594,190</b>	<b>\$4,516,090</b>	<b>2.20%</b>

Revenues increased \$4,516,090 to balance the adopted appropriations.



Shown in the graph above are the main categories of revenue in the General Fund and their respective percentages of the budget.

**Revenues and Forecasting**

Other than Tax and Intergovernmental Revenues, as highlighted below, all other revenues of the City are annually forecasted (estimated) based on revenue type, growth or reduction patterns, underlying historical assumptions, as well as revenue reliability and validity of the estimates. The City's forecasting uses a combination of three to five year trend analysis, consensus, and a review of economic conditions. Underlying assumptions for each major source of revenue are identified and documented. The Comptroller's office works closely with department heads responsible for revenue estimates to identify any changes in local, regional, or national economic conditions, citizen demands, as well as changes in professional associations' guidance relative to revenues, and changes in state and local government programs and policies. Changes in the City's political environment are also considered. All assumptions, when identified, must be reasonable, valid, and current. Revenue increases in Motor Vehicle Supplement Tax revenues, and Building Permit Revenues were warranted this year based on historical data, trends and reasonable projections of development within the City. All other revenue estimates remained flat or near prior year levels for fiscal 2021-2022 budget estimates.

**Tax Revenues and Mill Rate: Result of Budget Deliberations**

The 2020-2021 mill rate was 38.35 and remains the same for 2021-2022. For the 2020-2021 budget there was an increase of 0.30 in the mill rate from the prior year or 0.79%.

Property taxation is the largest source of the City's revenue. Taxes are levied against real estate, personal property and motor vehicles based on an assessed value which is equivalent to 70% of the market value. The City performs a revaluation of real estate every five years as mandated by State Statutes. The last revaluation for the October 1, 2017 Grand List was effective for the 2018-19 fiscal year budget.

The total of all taxable property less exemptions is the "Net Taxable Grand List". For 2021-2022, the October 1, 2020 Net Taxable Grand List, after Board of Assessment Appeals adjustments, totaled \$4.076 billion representing an increase of \$77 million over the prior year grand list of \$3.999 billion. Growth in the grand list helps offset any growth in budgeted expenditures to minimize mill rate increases. The \$77 million increase will generate approximately \$2.91 million in new tax revenue at the 2021-2022 mill rate of 38.35.

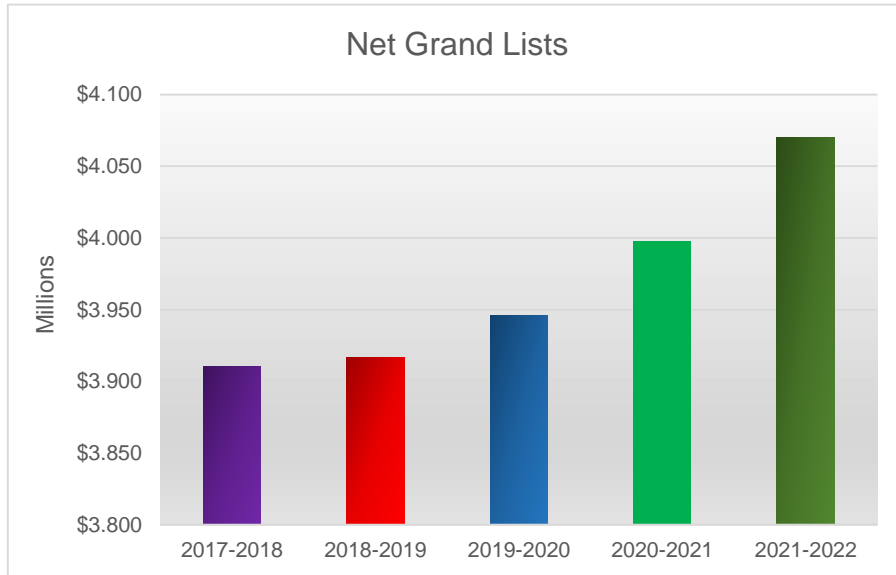
As noted in the chart below, the grand list growth was 1.93% for the current year. This is the most significant Grand List growth the City has experienced in the last twelve years. Personal Property increased \$31.8 million representing approximately 41% of the growth. The majority of this growth is attributable to technology upgrades and building renovations at ESPN, Eversource, NRG's installation of natural gas generators on the ESPN campus, and additional personal property at Comcast, Sprint and Disney Worldwide. The increase in Real Estate of \$18 million accounts for 24% of the increase and is attributable to building renovations and phase out of a development tax incentive program at ESPN. The Motor Vehicle portion of the grand list increased \$27 million and represents 35% of the increase. This increase is attributable to the increases seen overall in motor vehicle costs as well as the addition of leased vehicles associated with the Amazon fulfillment distribution center.

<b>Category</b>	<b>2019 Grand List</b>	<b>2020 Grand List</b>	<b>\$ Change</b>	<b>% Change</b>
Real Estate	\$3,259,603,599	\$3,277,669,641	\$18,066,042	0.45%
Personal Property	343,202,976	\$375,056,552	\$31,853,576	0.80%
Motor Vehicle	396,115,432	\$423,223,031	\$27,107,599	0.68%
Total	\$3,998,922,007	\$4,075,949,224	\$77,027,217	1.93%

The following chart presents the annual net grand list growth for a five year period.

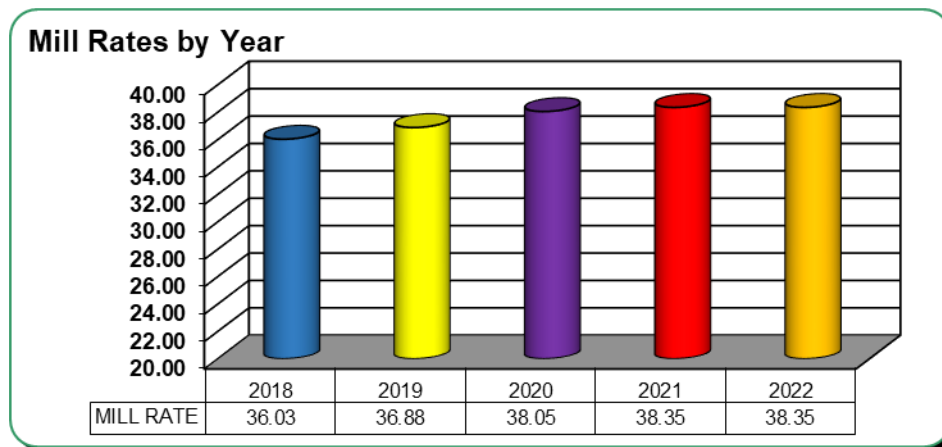


City of Bristol Net Grand Lists Past Five Years					
Grand List Year	2016	2017	2018	2019	2020
Budget Year	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Net Grand List	\$3.910	\$3.917	\$3.946	\$3.998	\$4.076



**Taxes (75% of all revenues)**

Combined tax revenues increased \$2,972,290 and represents 75% of all revenues. The City uses a collection rate of 98.515% to calculate the mill rate to allow for estimated uncollectible taxes throughout the year. This allowance is approximately \$2.3 million. The actual tax collection rate was 99% at June 30, 2020 compared to the previous year's collection rate of 98.6%.



Shown above are the City of Bristol mill rates for the last five budget years

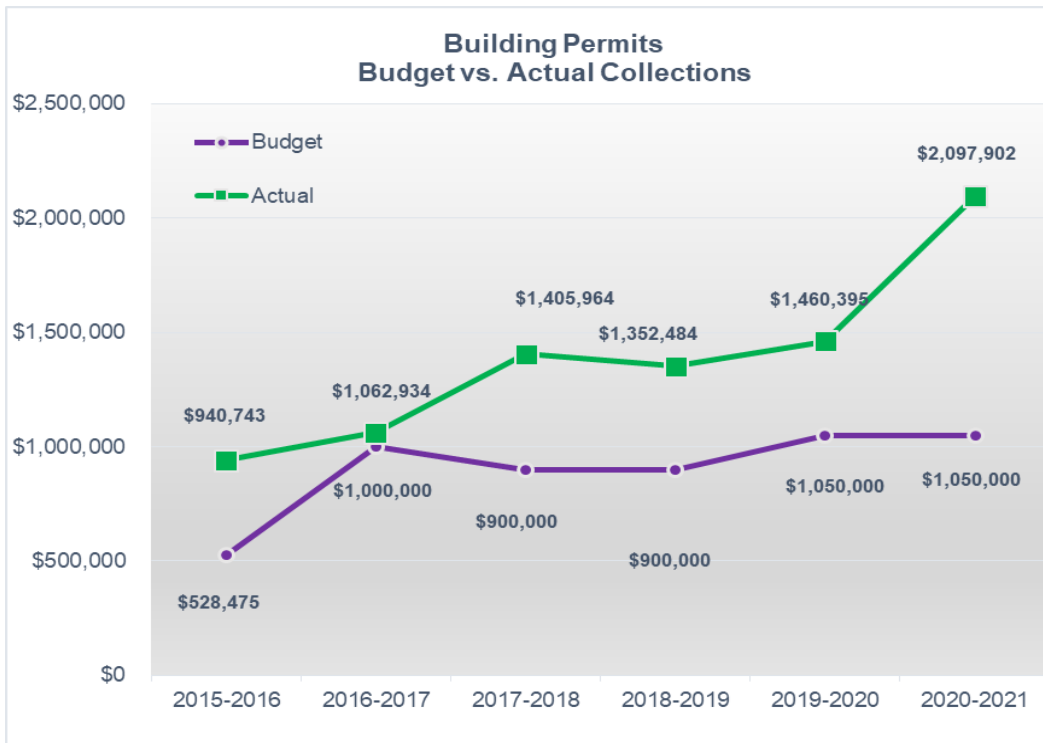
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Several statistical tables are available in the Appendix tab of this document relative to tax levies and collections as well as comparative assessed valuation of taxable property.

### Licenses, Permits and Fees

General Fund Licenses, Permits and Fees are anticipated to increase by \$12 thousand. The City has experienced an increase in Building Permit revenue over the last couple of years and based on trends and current economic data this revenue estimate was increased by \$25 thousand accounting for the majority of the increase in this category.

The following chart is a comparison of the revenue collected vs. budgeted amounts for building permits during the last six budget years.



### Intergovernmental Revenue (21% of all revenues)

Local governments depend on state and federal grants to supplement their property tax and other revenue sources. The city estimates State grants based on the Governor's proposed budget in February and then revises the estimates as more information on the State budget becomes available. The General Fund receives the largest share of state aid. For 2021-2022 the General fund is expected to receive \$43,363,920 in state grants. The Education Cost Sharing grant is the largest with \$41,657,310 budgeted.

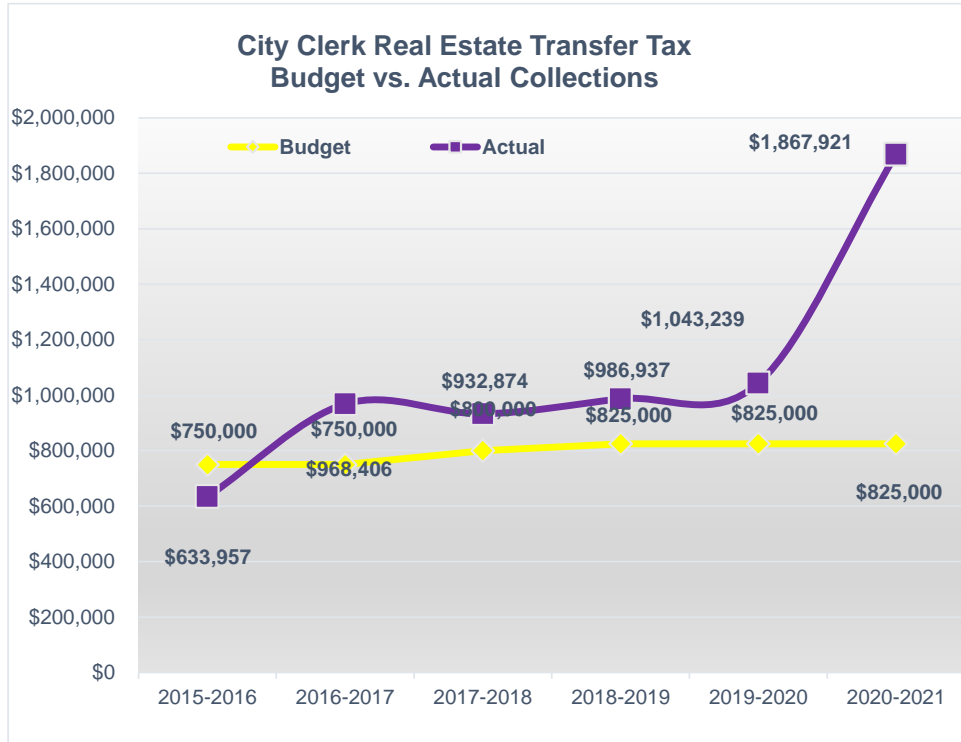
With nothing to note of significant changes, estimates for State grants decreased in total by \$22 thousand due to minor adjustments in various grants.

Estimates for Federal grants increased by \$10,000 for the Housing PILOT.

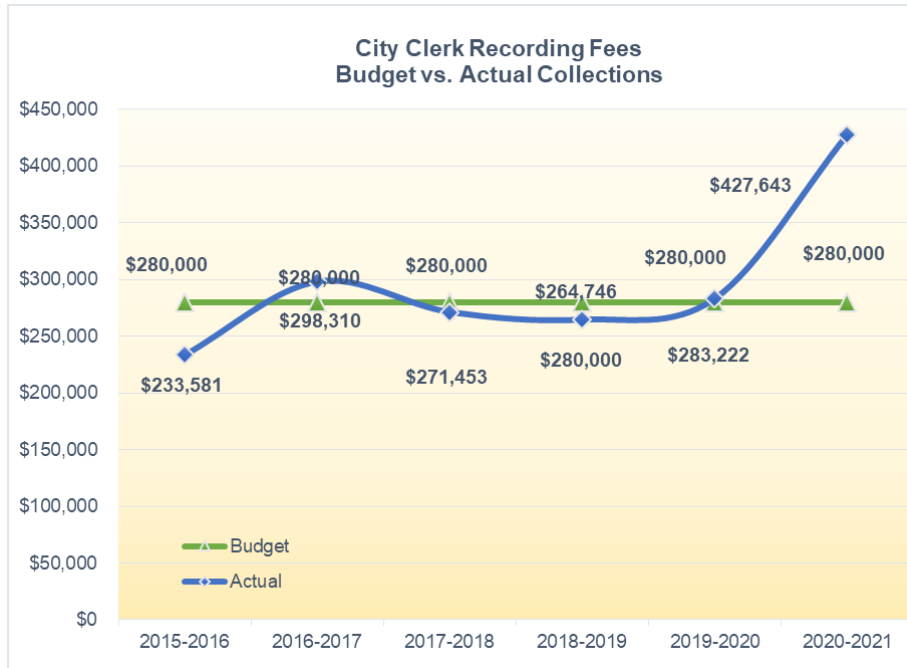
**Charges for Services**

There is an increase in this revenue category of \$46 thousand. The two main General Fund sources within this category are City Clerk Recording Fees and Real Estate Transfer (Conveyance) Fees. While both of these fees have a correlation with Building Permit revenue and have experienced increasing levels of activity over the past few years it was decided to increase Conveyance Fees slightly by \$25,000.

Below is a revenue trend graph representing six years of budgets and collections for the Real Estate Transfer (Conveyance)

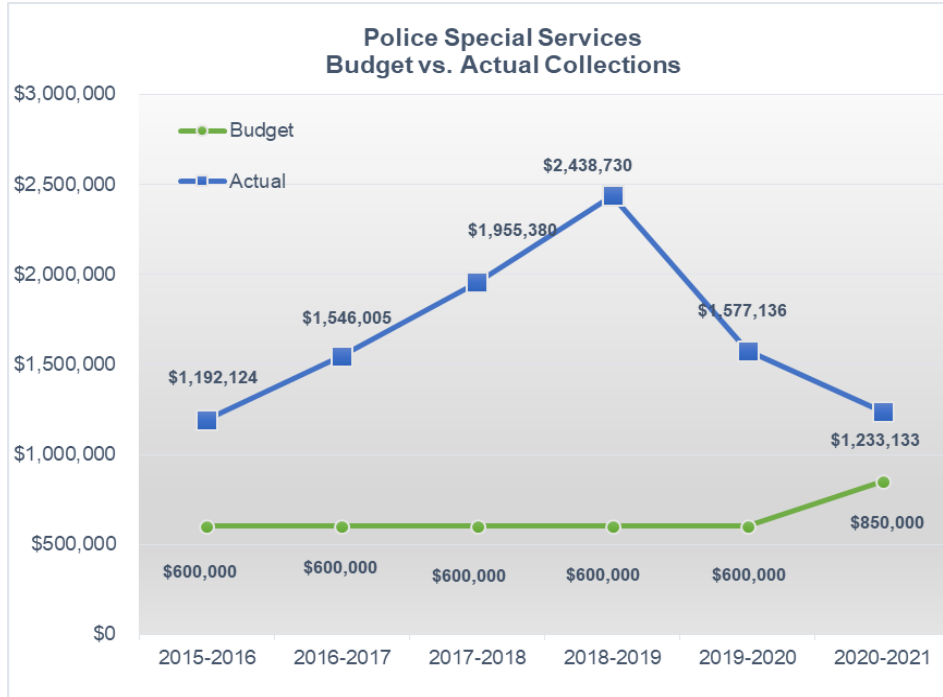


The City Clerk’s Office collects fees for the recording of documents. The fees are charged as set by the State of Connecticut. This revenue source has remained steady over the years and collections have been consistent with budget estimates. On the next page, is a six year revenue trend for the Recording Fees account.



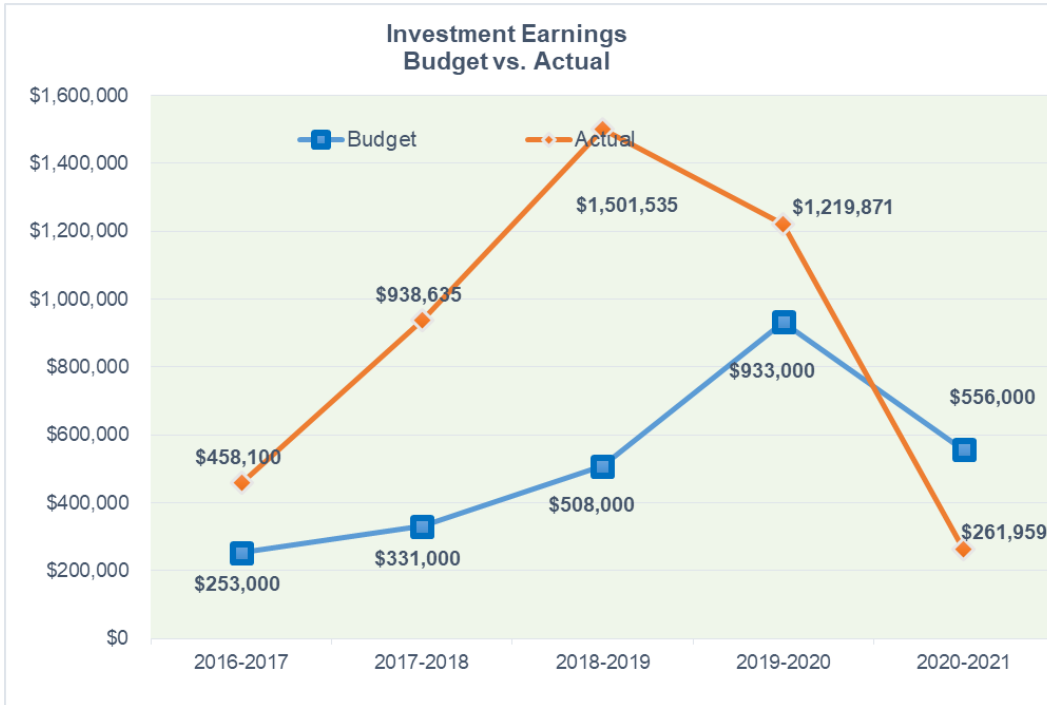
**Police**

Special Services is also a revenue source for the City. While there are corresponding wage expenses to offset these revenues, the City bill administrative costs for these services and has in the past generated surpluses from these activities. While this revenue is specific to the need for police services, primarily for road construction projects, it was deemed prudent to keep the revenues estimated at current year levels.



**Investment Earnings**

The City experienced an increase in Investment Earnings over the last couple of years; however, due to the pandemic and the current state of the economy, for the 2020-21 fiscal year the City anticipates it will earn approximately \$290 thousand less than the budget estimate of \$556,000. In light of the significant drop in interest rates, the 2021-2022 year investment income estimate was decreased \$150,000 to a total \$406,000. In anticipation of implementation of better cash management practices including the investment of additional idle funds even in the historical low interest rate environment this is an achievable goal.



Investment Earnings revenue is accounted for through the Treasurer's office and is allocated monthly to all City funds. The allocation is determined by each funds average cash balance at month-end.

**Sale of Property and Equipment/Miscellaneous**

This accounts for the disposal of phased-out, old or ineffective City property such as vehicles, equipment and furnishings. Revenue generated usually offsets the cost of replacement items for the departments disposing of assets.

Miscellaneous is a “catch all” classification which primarily includes income generated from Park and Library Trust Funds. Trust fund interest is used to offset or add to Park and Library Appropriations. More information on these Trusts can be found in the “Library” and “Parks and Recreation” sections of this budget document.

There are no significant changes in these revenue source estimates.

**Operating Transfer In**

At June 30, 2020 the Joint Meeting of the Board of Finance and City Council set aside \$1.65 million in the Mill Rate Stabilization Fund primarily to be used to offset anticipated increases in future debt service costs as well as any other increases. Of this amount \$1.6 million will be used to offset the mill rate for FY 2021-2022.

Also at June 30, 2020 the Joint Meeting set aside Board of Education surplus funds of approximately \$1.35 million in a reserve as well as appropriated \$420 thousand to cover a deficit in the Cafeteria Fund. The Board of Education achieved these surpluses primarily due to the closure of the schools, implementation of remote learning and savings on transportation costs due to the pandemic. Per State Statutes, upon approval of the budget making authority up to 2% of the Board of Education budget may be carried over or held in a reserve for future use. Recognizing the challenges of the 2021-2022 budget the Board of Education agreed to use \$1.226 million of the reserve to offset their budget as well as reimburse the General Fund the \$420 thousand for the Cafeteria Fund deficit in the prior year. The Cafeteria funds to reimburse the General Fund became available from State funding that was provided to school districts from COVID relief funds. As many school districts experienced a deficit in the prior year, use of these funds to offset prior deficits was an allowed use.

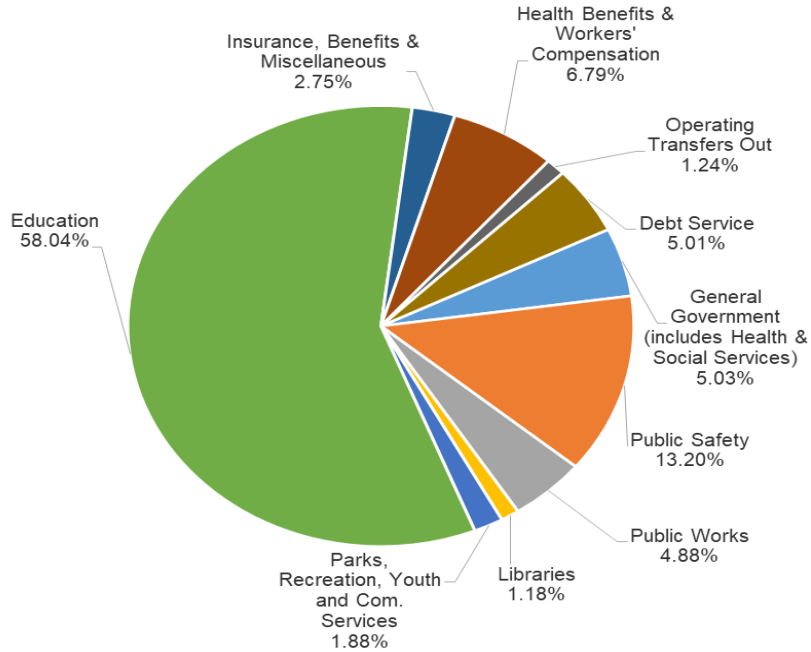
**Other Financing Sources**

**Use of Fund Balance** is occasionally used to balance the operating budget for a number of reasons, primarily as an alternative to increasing the mill rate. The Board of Finance has a policy not to rely on the use of surplus to balance the General Fund budget. While \$1 million was appropriated to the 2020-2021 budget due to the unprecedented economic challenges related to COVID 19 the Board of Finance opted to eliminate the use of fund balance and increase the use of the MRSF to help balance the 2021-2022 budget. A total of \$1.6 million of the MRSF is budgeted as a transfer into the General Fund for the 2021-2022 budget. In total, this represents approximately 0.4 of a mill or 1%. The City's total fund balance at the end of June 30, 2020 is \$41 million and unassigned fund balance is \$30 million, representing 17.8% and 13.0% of June 30, 2020 expenditures, respectively. This is well within the City's policy of 15%-20% of total fund balance and 12%-15% of unassigned fund balance, respectively.

**General Fund Expenditures**

Delivery of public services while maintaining a structural balance to stabilize taxes is the goal of the budget process. Below illustrates the components of the expenditures of the City of Bristol General Fund budget:

**General Fund Expenditure Objects**



**Department Budget Expenditures**

	<b>Adopted 2020-2021</b>	<b>Adopted 2021-2022</b>	<b>\$ Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
General Government	\$6,263,755	\$6,715,520	\$451,765	7.21%
Public Safety	26,769,805	27,674,845	905,040	3.38%
Public Works	10,351,300	10,222,975	(128,325)	(1.24%)
Health and Social Services	3,593,255	3,824,750	231,495	6.44%
Libraries	2,471,380	2,469,295	(2,085)	(0.08%)
Parks, Recreations, Youth and Community Services	3,757,805	3,933,595	175,790	4.68%
Miscellaneous & Other Uses	32,848,800	33,103,210	254,410	0.77%
Education	119,022,000	121,650,000	2,628,000	2.21%
<b>Total General Fund</b>	<b>\$205,078,100</b>	<b>\$209,594,190</b>	<b>\$204,516,090</b>	<b>2.20%</b>

The most significant changes were in the following departments:

- Public Safety increased \$905 thousand or 3.38% due to two factors. Contractual salary increases and implementation of the Police Accountability mandate. In total this mandate accounts for approximately \$360 thousand of this budget. Below highlights the mandate requirements.

## Police Accountability Bill Mandates

- Drug Testing for Recertification \$9,000/annually
    - Effective immediately requires police officers to pass a drug test as a condition of renewing their certification (every three years).
    - Cost per Officer – Approximately \$200
  - Behavioral Health Assessment \$8,125/annually\*
    - Effective immediately requires 20% of a Department’s police officers to receive behavioral health assessments at least every five years. \*Reflects cost for 20% of officers.
    - Cost per officer - \$325
  - Body Cameras
    - Required for all sworn members who perform police duties.
    - Cost per year - \$270,670 next four years (increase of \$194,760)
  - Dashboard Cameras
    - Requires all law enforcement units use dashboard cameras with a remote recorder in each police patrol vehicle.
    - Cost per year (5 year contract) – \$73,080
- Total = \$360,875  
\*\*Increase of \$284,965 for FY2022  
Mandates per CGS §29-6d, as amended by PA 20-1

- Public Works decreased overall 1.24% primarily due to a decrease in budgeted Fleet expenditures.
- Health and Social Services increased 6.44% primarily due to an increase to the City’s share of the Bristol/Burlington Health District budget.
- Libraries remained steady with the prior year budget.
- Parks, Recreation, Youth and Community Services increased 4.68% due to the addition of a new full time Arts and Culture Supervisor to support the work of the Arts and Culture Commission and the community program of the Memorial Boulevard Intradistrict Arts Magnet School (MBIAMS) when it opens in 2022. The position is expected to shift into a Special Revenue Fund in future years.. This budget also includes a part time seasonal Park Ambassador position that will work during the summer at one of the parks to help address issues, review permits, and assist park guests.
- Education increased 2.21% or \$2.63 million. In addition to increases in wages due to union contract settlements and benefit cost increases, the other contributing factor to the BOE increase is the cost to provide Special Education Services. This component of the Education budget has increased dramatically over the last couple of years. A chart of historical expenditures is shown with the discussion of Education’s budget.
- Debt Service increased \$400 thousand due to increased debt service costs on long term borrowing as a result of bonds issued in October, 2019. While debt service actually increased approximately \$794 thousand or 7.1%, the City is phasing in use of a premium that resulted from the October 2019 bond issue to offset actual debt service increases. The City historically has maintained very low debt service ratios. With many new projects planned in the Capital Improvement Program the City is gradually increasing the debt service appropriation to meet the long term debt service needs. Planned use of the 2019 premium helped the City achieve this. Still, as projected, the City’s debt service ratios will continue to be below Rating Agency medians.



## Transmittal Letter

- The Internal Service Fund increased due to projected health insurance and workers' compensation claims and related administrative costs for the City's medical insurance benefits.
- All other City department controllable appropriations remained at prior levels.

Capital outlay requests in the General Fund totaled \$2,305,270 on the City side, excluding Board of Education. This amount included Public Works-Fleet requests of \$1,053,450, of which \$534,000 in funding was approved. Of the remaining \$1,251,820, \$827,795 was approved for funding through the Equipment Building Sinking Fund. As in prior years the City anticipates funding this with a transfer of available surplus reserves at June 30, 2021. Items not funded but deemed a priority or essential to the department were funded in 2020-2021 through departmental transfers as funding was available.

On a preliminary basis, the 10-Year Capital Improvement Plan (CIP), which incorporates the Capital Budget, was reviewed with the Capital Improvement and Strategic Planning Committee along with the operating budget, in order to incorporate the full impact of the CIP on the City's finances. The tab labeled 'Capital Budget Summary' contains the Capital Budget and CIP information for 2021-2022.

The City of Bristol's General Fund continues to support the majority of the City's public services including police, fire, public works, general government, parks & recreation, libraries, debt service, and other miscellaneous items. The City budget increased \$1.7 million or 2.28% Debt Service and Capital increased \$175,000 or 1.61% while the Board of Education increased \$2,628,000 or 2.21%. This results in a net operating budget increase of \$4,516,090 or, 2.20%, over the 2020-2021 General Fund approved budget.

### **Operating Budget: General Fund – City**

Appropriated expenditures presented below have been regrouped in order to better compare significant recurring expenditures. As such, debt service and capital items have been excluded and other transfer out items have been grouped with the type of expenditure to which they relate. For example, the operating transfer out for health insurance and workers' compensation insurance are accounted for in Employees Benefits.

<b>GENERAL FUND - CITY OPERATIONS BY CHARACTER</b>					
	<b>Adopted 2020-2021</b>	<b>Adopted 2021-2022</b>	<b>\$ Change</b>	<b>% Change</b>	<b>% Increase (Decrease)</b>
<b>Salaries</b>	\$40,924,170	\$42,230,080	1,305,910	3.19%	1.74%
<b>Contractual/Professional Services</b>	4,980,430	5,238,535	258,105	5.18%	0.34%
<b>Supplies/Services/Utilities</b>	6,202,940	6,408,365	205,425	3.31%	0.27%
<b>General Insurance</b>	1,013,105	1,106,300	93,195	9.20%	0.13%
<b>Employee Benefits</b>	17,084,465	17,202,760	118,295	0.69%	0.16%
<b>Capital Outlay</b>	1,477,975	1,020,820	(457,155)	(30.93%)	(0.61%)
<b>Other/Miscellaneous</b>	1,534,360	1,631,430	97,070	6.33%	0.13%
<b>Operating Transfers Out</b>	1,963,655	2,055,900	92,245	4.70%	0.12%
<b>TOTAL</b>	<b>\$75,181,100</b>	<b>\$76,894,190</b>	<b>\$1,713,090</b>	<b>2.28%</b>	<b>2.28%</b>

Salaries increased 3.19% over the prior year salary accounts which represents 1.74% of the overall increase in the City budget. This increase reflects wage increases for settled union contracts. A listing of authorized positions can be found in the Appendix.

## **Transmittal Letter**

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Contractual Services increased 5.18%. This accounts for most professional fees, service and repairs and maintenance. The majority of the increase is attributable to the Board of Finance funding the Bristol Burlington Health District with a \$215,680 increase over the 2020-2021 year.

Supplies and Services increased due to the implementation of the Police Accountability Bill mandates.

General Insurance increased 9.20% or \$93,195 due to increases in property and general liability insurances which is not unique to Bristol as it is the trend being experienced throughout the country.

Employee Benefits increased \$118,295 or 0.69%. This is attributable primarily to payroll related costs, FICA and Medicare as a result of increases due to contractual wage increases. The transfer to the Health Benefits Fund actually decreased slightly due to use of the reserve funds to offset insurance claim estimates. Funds for the City's health insurance and workers' compensation estimates are transferred to the Internal Service Fund. The City's contribution to the Other Post Employments Benefits Trust fund is also included at a budget amount of \$1,200,000 which is a reduction of \$100,000 from the prior year this reduction will be contributed by the Water Department in 2021-2022 so the City will still be contributing \$1.3 million. There is no required contribution to the City's General Retirement Fund which provides a defined benefit pension to all City employees, certain Board of Education employees, and Police and Fire employees. The City retirement fund is funded at 134.2% at July 1, 2020.

Capital Outlay decreased 30.93% or \$457,155. This accounts for recurring capital expenditures expected to last more than one year and cost more than \$1,000 and generally includes vehicles, maintenance equipment, computers, office furniture, and replacements or enhancements to City buildings and facilities. For all funds department requests totaled \$2,305,270. Of this amount \$534,000 was funded through the General Fund Fleet budget and \$827,795 was recommended and approved for funding from the City's Equipment Building Sinking Fund.

Miscellaneous/Other is comprised of all other expenditures not included in other groups. This category increased 6.33% or \$97,070 due to the restoration of the City's contribution to the Mum Festival and Contingency account and an increase in Railroad Upkeep.

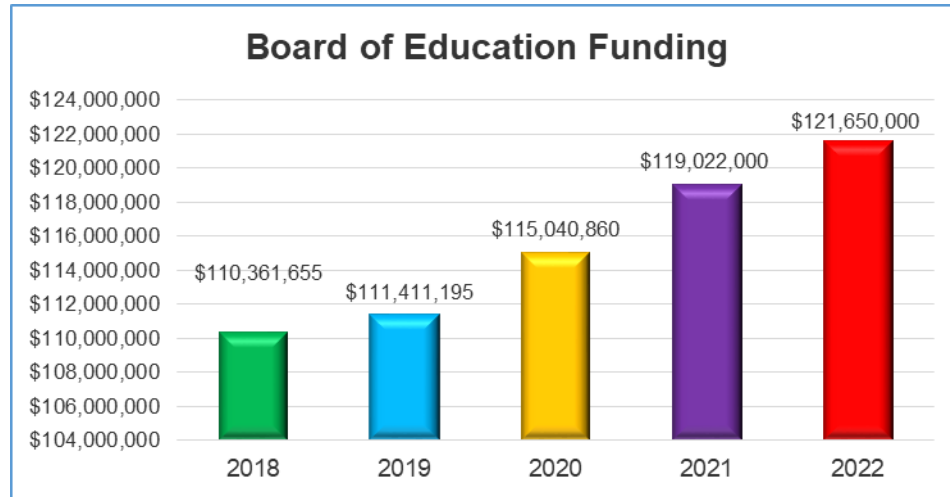
Operating Transfers Out increased slightly at \$9,900 or 0.51%.

### **Contingency**

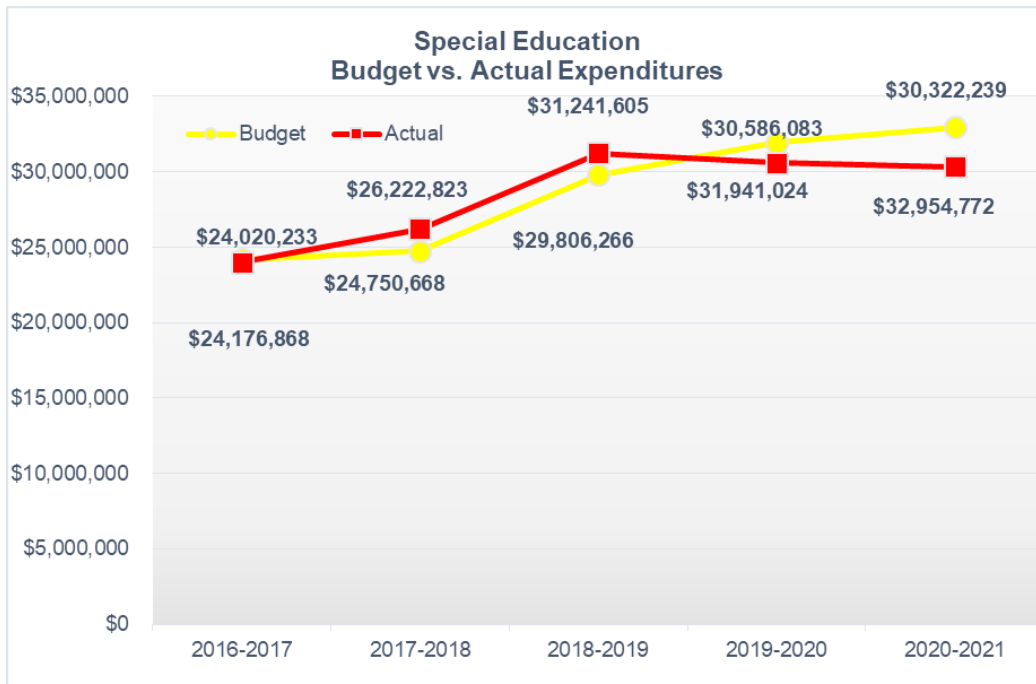
Each fiscal year, City officials "worry" if the funding level for the City's budget will be sufficient to handle emergency expenditures such as for a bad winter storm year or unforeseen emergencies or opportunities. A Contingency account provides the first line of defense to any potential use of the City's fund balance levels. This account is budgeted at \$1,000,000.

### **Operating Budget: General Fund – Education**

The Board of Education (BOE) adopted budget of \$121,650,000 is an increase of \$2,628,000 or 2.21% over the current year. State statute mandates a BOE budget, which at a minimum must be funded to at least the prior year approved funding level. This is known as the Minimum Budget Requirement, or MBR. The Board of Education anticipates a surplus in FY 2020-2021 primarily as a result of the transition to virtual learning due to COVID 19. While teachers and staff continued to receive their salaries there were reduced operating and maintenance costs during this period. It is expected that surplus funds will be reserved or carried over to the 2022 fiscal year in the event additional funds are needed for Special Education or any other distance learning related costs.



Shown above is the approved funding for the Board of Education for the last five budget years



Other BOE funding sources not affecting the Minimum Budget Requirement (MBR):

Use of Revenue Estimates:	
Tuition Revenue	\$143,355
School Building Revenue	35,686
Medicaid Revenue	480,790
Excess Student Cost Revenue	<u>3,231,867</u>
Total Other Funding Sources	<u>\$3,891,698</u>

For further commentary on the Education Department's service efforts, please turn to the 'Board of Education' tab.

## **Other Funds**

While the City does not budget for all funds in the audited financial statements, there are a number of other funds for which the City approves budgets – the Capital Projects Fund which appropriates funding for the current year of the Capital Improvement Program, the new Road Improvements Fund, seven Special Revenue Funds (Community Development Act, Sewer Operating and Assessment Fund, Solid Waste Disposal Fund, School Lunch Program, Pine Lake Challenge Course, LoCIP Projects, and the Transfer Station Fund), the Internal Service Fund comprised of two individual funds for Health and Workers' Compensation insurances and one Enterprise Fund – the Bristol Water Department. The following is a brief synopsis of each:

**Community Development Block Grant Fund (CDBG)** - This fund accounts for the operations of the Economic and Community Development (ECD). The ECD is responsible for community development including aid to low to moderate-income persons and neighbors, grants administration, legislative liaison activities and economic development. The Bristol Development Authority is funded by two sources; the City share and the Community Development Block Grant (referred to as CDBG). The City share costs are budgeted within the General Fund and can be found as a transfer-out to a special revenue fund. The CDBG grant includes the salary and related costs of the Housing and Project Specialist. The City share pays for an Executive Director, 50% of a Grants Administrator, clerical support and a Marketing and Public Relations Specialist, their benefits and costs for running the office. The 2021-2022 City share is \$451,460 which represents an increase of \$20,450 over the 2020-2021 budget. Of the remaining budget amount \$653,957 is funded by the Federal CDBG grant, \$23,092 from Reprogrammed CDBG funds and \$35,000 in program income.

**Sewer Operating and Assessment Fund** – This fund accounts for the operations of the City's Wastewater Treatment Plant. The fund is supported by sewer user charges billed by the Bristol Water Department. Additionally, Water Pollution Control currently bills for assessments on Sewer Capital Projects. The revenues from these assessments are used to pay outstanding debt issued for these capital projects. Water Pollution Control has undertaken several capital projects known as Infiltration/Inflow Studies. These completed studies will result in a reduction of flow into the wastewater treatment plant. This will eventually reduce some of the operating costs associated with the treatment supplies and costs. In anticipation of the wastewater treatment plant upgrades, the City set up a Water Pollution Capital and Non-Recurring Fund several years ago to help defray costs for the taxpayers as well as the users. This fund is currently being used for the repayment of loans and capital project costs associated with the studies taking place. The Sewer Operating and Assessment Fund approved 2021-2022 budget is \$7,139,700, or a \$138,300 decrease over the approved 2020-2021 budget. Decreases in Contractual Services, Supplies and Materials and Capital Outlay offset contractual salary increases.

**Solid Waste Disposal Fund** – This special revenue fund accounts for the operations of the City's solid waste disposal program. It is subsidized primarily by a transfer in from the General Fund. Other revenue sources of the fund are disposal permits, hauler charges, the City's host fee, and interest income. The total 2021-2022 budget for this self-balancing fund is \$1,500,000.

**School Lunch Program** - This special revenue fund is used to account for the sales of school lunches in the Bristol School system. This fund has several revenue sources. The two largest revenue sources are state reimbursement budgeted at \$149,000 and federal reimbursement at \$3,390,300. The expenses of the fund include the salaries of the employees needed to operate and supervise the cafeterias, food supplies, and employee benefits. The total budget is \$3,669,600 or an increase of \$186,435 primarily due to an increase in food supplies.

**Pine Lake Adventure Park** - This special revenue fund is used to account for a recreational facility used mainly by outside groups. This budget is one of the City's smaller funds and is generally accepted as presented. This year's budget is \$115,000.

**LoCIP Projects** - This special revenue fund is used to pay for projects approved under the Capital Budget with the yearly state grant allocation of money (entitlements) to the cities and towns in Connecticut under this program. The City is reimbursed after the expenditure is made on approved projects under this State grant. The City of Bristol receives approximately \$450,000-\$600,000 yearly for this program. This year, the City received an entitlement of \$465,000.

**Transfer Station Fund-** This special revenue fund is used to account for the Pay as You Throw (PAYT) program at the Transfer Station. PAYT is also known as SMART (Save Money and Reduce Trash). The PAYT System seeks to equalize the cost of using the transfer station. This year's budget is \$839,790 an increase of \$92,245.

**Road Improvements Fund** - In 2020-2021 a Road Improvements Fund was established by the Board of Finance to account for various funding sources related to road infrastructure projects and costs. The funding sources include State funding from the Municipal Grant in Aid fund and the Local Capital Improvement Program (LOCIP) as well as a budgeted transfer in from the General Fund. For 2021-2022 the City adopted a formal budget for this fund in the amount of \$4,672,850 allocated to the purchase of various construction equipment, reconstruction of various City building parking lots and road reconstruction improvements that includes regular ongoing road reconstruction as well as projects approved through the Capital Improvement Program planning process.

**Internal Service Fund** – The Health Benefit and Workers' Compensation Funds provide reserves necessary to support a self-insurance program for health benefits and workers' compensation claims. The Health Benefits fund increased 2.9% as a result of projected health claims. The Workers' Compensation Fund increased 12.2% due to a projected increase in Workers' Compensation benefit payments. The Insurance Committee (a subcommittee of the Board of Finance) is charged with oversight as well as plan design changes within the Health Benefits Fund.

**Enterprise Fund** - The enterprise fund is used to account for the operations of the Bristol Water Department. The supervision of the Bristol Water Department is entrusted to the Board of Water Commissioners. These operations are financed and operated in a manner similar to that of a private business. It has been an ongoing practice to accept the Water Department's revenue estimates and expense estimates as projected. For the 2021-2022 appropriations for this fund have increased slightly.

## **The Future Outlook**

The unprecedented events of the pandemic which has consumed most of 2020 has the potential to have a very dire long term impact on the economy over the next few years. City officials were mindful of this as discussions ensued and they were determined to adopt a responsible and affordable budget for its citizens for fiscal 2022 and beyond. This is a discussion that will be ongoing over the next few months and as the next budget cycle for the 2022-2023 budget commences.

### **AMERICAN RESCUE PLAN ACT**

With the enactment of the American Rescue Plan Act (ARPA) on March 3, 2021, the city will be receiving \$17 million as an entitlement community and an additional \$11 million through the State for the county allocation. The Mayor has established an ARPA Task Force comprised of members from the City Council, Board of Finance, Board of Education, Economic Development and Public Works Commissions as well as various leaders throughout the business community. In total there are 15 members. Staff from the Comptroller's Office, Public Works, Parks, Recreation, Youth and Community Services, Economic Development, Purchasing and Information Technology will be providing assistance to the task force.

The Task Force has met a few times to discuss overall goals for the use of the funds and based on this discussion the group was divided into three groups: City Use, Non- Profit and Business Recovery. In addition, it was deemed advisable by the group to seek a professional consultant to assist with the overall management of these funds and a Request for Proposal was issued. It is anticipated to have the consultant on board and working with the task force by the end of summer 2021.

The primary uses that have been discussed include various City projects, specifically broadband infrastructure and improvements to HVAC systems at City and BOE buildings; economic recovery for City businesses that also includes incentives to increasing the work force and/or capital improvements to structures to meet new pandemic guidelines; and, public assistance to those financially impacted by the pandemic.

As of this writing no significant funds have been spent as the City is still awaiting final Treasury guidelines before it begins officially allocating the funds as well as waiting for assistance from the consultant from the RFP process. However, during the 2021-2022 budget development, a few capital projects were identified during the CIP process that could potentially be funded with ARPA monies. These include: City Broadband, Network Replacement, Bathrooms at Veterans Memorial Park, Underground Storage tank replacement at schools and generators and HVAC systems at the two firehouses. These projects will be evaluated by the City Use committee of the task force.

With that being said the City continues to face the challenge of meeting aging infrastructure and equipment needs with limited resources.

**Capital Improvement Plan**

With its long term financial goals and objectives in mind, the City develops and prepares a 10 year Capital Improvement Program (CIP) that is a forward looking, multiyear plan identifying capital projects to be funded over the next five to ten years. The Capital budget represents the first year of the CIP. The CIP and Capital Budget also serve as links to the City's planning process in other ways. The CIP is developed in concert with the City's Comprehensive Land Use Plan, its Debt Management strategy, the City's downtown redevelopment plans, and a multi-year plan to refurbish the City's parks. The City recently implemented a process where the 10 year CIP will be reviewed at a minimum on a quarterly basis and more frequently during the budget process. It is believed that more frequent discussion of the City's long range capital needs in concert with the City Plan of Development will provide a more deliberative discussion to assist the City in achieving its long term goals.

The City traditionally will use the Governor's proposed budget to estimate State revenues. During budget development the Governor's budget included an additional \$5.4 million to the City as a Distressed Municipality grant. Of this amount 50% (\$2.7 million) was funded from Coronavirus Relief Funds (CRF) and expenditures had to fall within the CRF guidelines and 50% was proposed to be funded through State bond funds and were proposed to be used for any purpose. Recognizing the uncertainty of that funding for FY2022, as well as any future funding a Plan A and Plan B were proposed for certain capital one time expenditures. Plan A assumed the City received the \$2.7 million Distressed Municipality funding and Plan B assumed otherwise. The final approved state budget did not include the Distressed Municipality funding and the City adopted Plan B which allocated funding from the Road Improvement Fund, Equipment Building Sinking Fund ARPA Funds and Bonding.

The City and the Education elected/appointed Board and respective management teams have agreed to meet on education related funding matters throughout the fiscal year to gain a mutual understanding of financial situations affecting the educational system and the City's ability to pay for proposed increases. This is a new initiative in the interest of mutual cooperation and understanding.

**Financial Goals and Objectives**

In addition to the formal long term planning process, the City administration from time to time will adopt informal long-term goals as needed.

**Non-Financial Goals and Objectives**

The City is expected to continue its review of programs and services in light of the rising costs of providing a wide variety of services to the community. More of the City's non-financial goals are highlighted in the Mayor's budget message.

**Budget Document**

Much of the format and content of this document changes year-to-year. This is due in part to changing administrations, changes in local fiscal priorities, changes in State grant funding levels, and economic changes on local, regional and national levels.

In addition, to keep pace with related changes in financial statement requirements, the Government Finance Officers Association (GFOA) Budget Awards Program criteria incorporates annual mandatory changes to the budget document that must be addressed each year by City management and staff and noted on the application for peer review. This is a GFOA Award winning document with regard to the GFOA's criteria. The appropriate changes have been made based on criteria and suggestions from budget award reviewers to match current award standards.

I encourage all City Officials and employees to use this document year-round. This document moves beyond the traditional concept of line item expenditure control, and provides information to managers that can lead to improved program efficiency and effectiveness with its format. Under the criteria established by the GFOA Distinguished Budget Award Program, the document is a staff and citizens' useable policy, objective, and goal-orientated document. It focuses budget decisions on results and outcomes, incorporates a long-term perspective and lastly, it is an easy to read and understand communication device for interested parties.

**Review and Award Process**

After a preliminary screening, eligible budget documents are sent to three independent reviewers, who are members of GFOA's Budget Review Panel. To receive the award, a budget must be judged proficient in all four major award categories as well as all "mandatory" criteria by two of the three reviewers. Those budgets that are rated "outstanding" by all three reviewers in any of four major award categories, receive special recognition. Budgets are categorized by size and assigned to reviewers based on their experience and familiarity with reviewing documents of a similar size. Reviewers operate independently of GFOA officers and staff. The identities of reviewers to whom particular budgets are assigned for review are kept confidential. We believe this budget document will be favorably judged to continue to receive the GFOA's Budget Award on behalf of the City. Every attempt is made by staff to incorporate all past reviewers' suggestions into the current document.

## **Acknowledgements**

The annual budget process provides the community with the opportunity and means to review past accomplishments and enunciate collective goals and objectives for the future.

It is with great pleasure that I present this completed and City approved budget to the reader. A conscious effort was made by staff to make it a readable and useable document. Suggestions for improvement are always welcome.

Most City officials believe that once our City budget is approved the process is over for another year. This is far from true. It is actually the start of a 90-day document preparation that includes criteria review, rewriting, proofing, and a finalized cross-checking for accuracy process. With that said, I would be remiss if I did not extend a special thank you to Robin Manuele, Assistant Comptroller, Skip Gillis, Senior Accountant, and Jodi McGrane, Assistant to the Comptroller, all from the Comptroller's office, for their seemingly endless efforts in continuing to contribute to producing this GFOA award-winning document on behalf of the citizens, taxpayers, and elected and appointed officials of the City of Bristol.

Respectfully submitted,



Diane M. Waldron  
Comptroller