



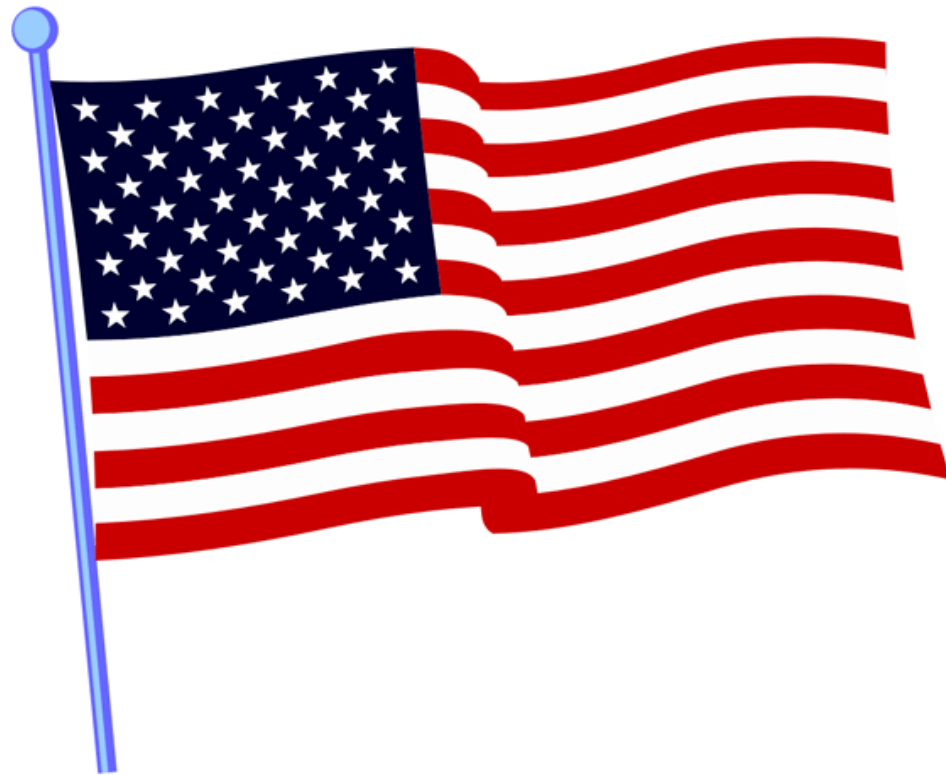
TOWN OF MADISON

CONNECTICUT

Annual Town Meeting – February 1, 2023

State of the Town

Pledge of Allegiance



What We Will Cover

- Community Strengths & Challenges
- Progress in 2022
- Budget Trends
- Capital Plan
- Debt Profile
- Status of Major Projects
- Upcoming Initiatives

Community Strengths

- **Desirable place to live post-pandemic**

- Highly vaccinated population
- Excellent school system
- Low density living
- Abundant outdoor amenities
- Access to quality healthcare, mental health and social services
- Educated, adaptable workforce to remote
- Vibrant downtown
- Exceptional community volunteerism
- Reliable delivery of core Town services

- **Favorable economic profile**

- High median income (\$140K)
- Lower unemployment (2.7%) relative to state (4.2%)
- Strong small business community
- Booming real estate market
- Continued building activity

- **Strong Town finances**

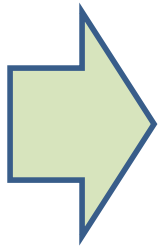
- Stable tax collections
- Sizable reserves
- Premium bond rating with successful issuance track-record
- Success at tapping federal/state funds to offset tax payer needs
- Stable mill rate

Community Challenges

- **Coastal community at risk to climate change**
 - Shorelines assets vulnerable to rising tides and floods
 - Public safety resources needed to manage weather events
- **Limited public infrastructure hurting economic growth**
- **Inflation, labor market impacting small businesses**
- **Ageing population changing community needs**
- **Long-term Impact of COVID on residents' physical/ mental health**
- **Previous lack of investment driving current capital needs**
 - School Renewal Plan
 - Academy Community Center
 - Surf Club
 - Ageing Town Facilities
 - Coastal resiliency
- **Affordability impacting current residents**
- **Citizen concerns over development projects**
- **Need for greater housing diversity**
 - Limited senior/workforce housing

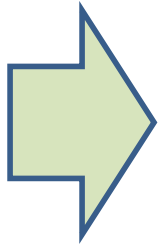
Progress – Policy

Investing in Infrastructure & Town Assets



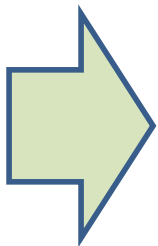
- Voter approved investment in Academy Community Center, Madison School Renewal Plan
- Town awarded over \$9M in state/federal grants in 2022 for capital projects
- Sale of Island Ave School generated \$2.3M in proceeds

Launched New Citizen Driven Committees



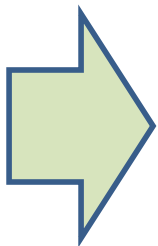
- Building committees launched for referendum projects
- ARPA Committee - Launched 1/22, work completed 12/22
- Affordable Housing Committee - Plan completed 6/22, new permanent committee appointed 1/23
- Facilities Committee - Formed 12/22. Appointments underway

Updating Important Policies



- New Town Charter – Approved by voters 11/22
- Short-term Rental policies – Ordinance being considered
- Floodplain Management – Ordinance updates under review

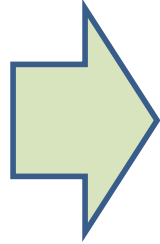
Prioritizing Long-term Planning



- New Strategic Plan underway, completion end of 2023
- Plan of Conservation & Development underway, completion end of 2023
- Town-wide Wastewater Facilities Study underway, completion end of 2023

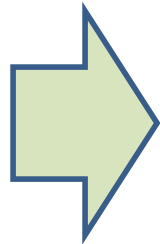
Progress – Town Operations

Exploring Shared Services



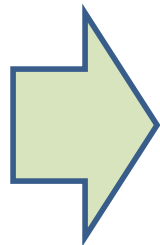
- Leveraging shared Economic Development position with Guilford
- Launching food waste diversion pilot program with Guilford
- Evaluating opportunities in other functions/services

Improving Operations & Services



- Implemented reorganization of town operations to streamline, improve cross functional operations
- Adding procurement specialist, in-house grant writing capabilities
- Implementing employee performance review process
- Investing in expanded remote access to town services
- Investing in public safety and mental health resources

Improving Communication



- Sending out recurring communications with new technologies (Town App, Everbridge, etc.)
- Using hybrid meeting format to offer greater public meeting access

Town of Madison Mobile App

- You can report a complaint, check the calendar, or set to be notified of:
 - News from the website homepage
 - Calendar Events - see specific category options
 - Agendas of specific boards/commissions/committees
 - Alerts
- Visit madisonct.org, Apple or Google app stores



Budget Trends

- Revenue growing at faster rates than previous years
- Tax mill rate growing at rate lower than budget
- Recent Town Budget increases reflects supplemental capital contributions to prepare for future debt service (as per MIP)
- Town Operating Budget continues to grow at a slower rate (e.g. 7% in FYE 6/20 v. 3.1% in FYE 6/23)

Current Approved

	FYE	3-Year	FYE	YoY
\$ millions	6/30/2022	CAGR	6/30/2023	CHG
Total Revenue *	\$88.4	1.1%	\$91.4	3.4%
Town Budget **	\$27.7	2.3%	\$29.6	6.9%
Education Budget	\$57.3	0.5%	\$58.8	2.6%
Debt Service	\$3.4	0.3%	\$3.0	-11.8%
Total Approved Budget	\$88.4	1.1%	\$91.4	3.4%
Taxable Assessed Value	\$2,974.0	0.3%	\$3,040.0	2.2%
Mill Rate	28.85	0.0%	29.41	1.9%
Total Debt	\$16.3	-8.0%		
Undesignated Fund Balance	\$20.8	5.0%		
% of Approved Budget ***	24.5%			

* Reflects Budgeted amount.

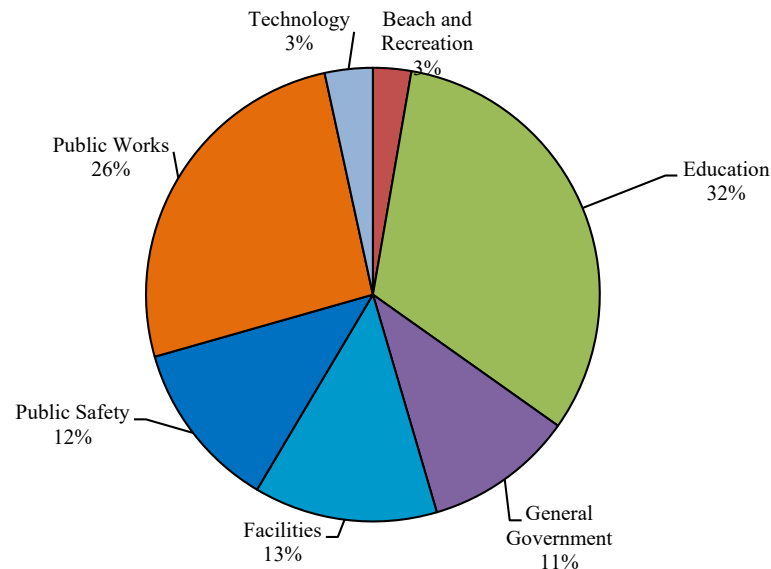
** Includes supplemental contribution to CIP of \$750K

*** Board of Finance Policy Requires Minimum Undesignated Fund Balance of 10% of Approved Budget less Debt Service

Capital Plan

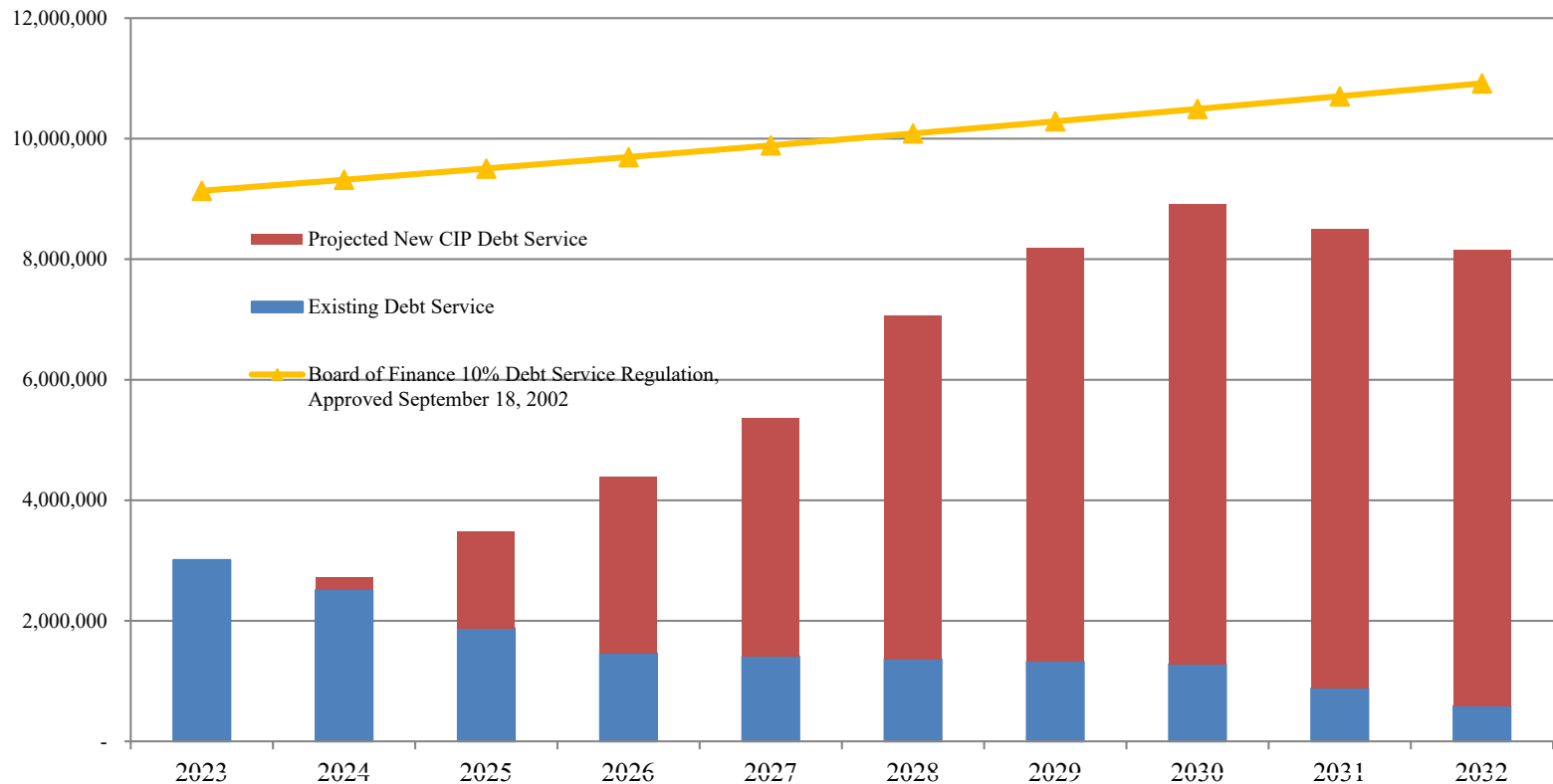
Town of Madison Capital Expenditures by Department Fiscal Years 2023-2024 through 2027-2028

Department	Fiscal Year						Total	%
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028		
Beach and Recreation	\$ 3,036,880	\$ 125,491	\$ 63,041	\$ 167,757	\$ 25,000	\$ 595,000	\$ 976,289	3%
Education	951,832	2,349,764	4,729,844	1,789,822	1,525,046	1,108,503	11,502,979	32%
General Government	706,488	60,000	145,000	610,000	3,000,000		3,815,000	11%
Facilities	1,918,480	487,805	3,128,782	411,444	456,359	205,736	4,690,126	13%
Public Safety	745,768	525,992	825,157	1,045,813	622,000	1,302,000	4,320,962	12%
Public Works	2,460,376	2,965,727	1,599,180	1,246,118	1,549,763	1,959,202	9,319,989	26%
Technology	205,000	405,000	205,000	205,000	205,000	205,000	1,225,000	3%
Total Capital Expenditures	\$ 10,024,824	\$6,919,779	\$10,696,004	\$ 5,475,954	\$ 7,383,168	\$ 5,375,441	\$ 35,850,345	100%



Debt Profile

- Town currently has an estimated \$24M in Debt Outstanding end of 2022
- Issued \$8.2M in one year notes in 12/22, first in a series of issuances
- Town's premier credit quality (Aaa) and strong financial management recently affirmed by Moody's



Notes:

10% debt policy figure is calculated using FYE 2023 Total Budget, with a 2% escalation assumption

Capital Improvement Program (CIP)

Challenges

- **Desire to fund necessary capital projects while also avoiding spikes in the mill rate as debt service requirements grow**
 - Avoid sins of the past - sacrificing capital budget for operating budget
 - Gradually absorb new debt service, which peaks at \$8.9M in 29/30
 - Stabilize mill rate for residents over time
- **Additional BOE maintenance needs outside of the School Renewal Plan, ongoing Town needs due to aging facilities**
 - Deferred some projects to reprioritize / delay to future facilities plan
 - Limited new projects added
- **Project cost escalations due to uncertain economic environment, supply chain constraints**
- **New Facilities Committee charged with developing master plan**
 - Referenda Related: Jeffrey, Ryerson, MYFS bldg, TCLC, LaSage
 - Ageing facilities: Surf Club, Town Garage, Memorial Town Hall, etc.
 - Possibility to monetize some assets

Madison Investment Plan (MIP)

- **Long-term financial plan to strategically use surplus fund balance, ARPA funds, state/federal grants, and current budgets to soften mill rate impact**
 - Build CIP balances in advance to ensure adequate funding for future capital needs
 - Minimize financial impact of capital projects on the mill rate
- **Continue to use federal/state grants to offset need for tax payer dollars**
 - Town received \$5.3M in ARPA Funds, \$3.4M used for capital projects
 - Over \$9M in new major grant awards in 2022, applying for more
- **Strategic use of surplus undesignated fund balance**
 - Historic balance of \$20M
 - Preserve rainy day fund but identify unnecessary surplus. Required minimum balance of at least 10% of Annual Budget (\$9M)
 - Targeting \$3.5M - \$4M CIP infusion in 2023
 - Identifying other non-recurring items that impact Budget
- **Short-term increase in Annual CIP Funding in 23/24 Budget**

Strategic Use of ARPA Funds

- Town awarded \$5.3M as part of American Rescue Plan Act (ARPA)
- In 2021, BOS approved \$3.4 million in Town and community projects
- In 2022, BOS established ARPA Committee to distribute remaining funds
- After public outreach, ARPA Committee awarded \$1.9M for additional Town and community projects
- Most ARPA funds have been distributed or earmarked at this time but BOS reviewing adjustments to plan to account for changing needs

ARPA Summary	
Total ARPA Grant	\$ 5,335,989
CIP Approved Prior to Committee	(2,555,737)
Other Projects Approved Prior to Committee	(822,914)
Available to Committee at Inception	1,957,338
Committee Approved	(1,927,735)
Remaining Available	\$ 29,603
Project Category	Funded
Arts & Culture	\$ 222,949
Community Support	1,252,250
Economic Development	328,000
Town Govt. -Internal Dept.	131,600
Town Govt.- Capital / Infrastructure	3,371,587
Total Funded to Date	\$ 5,306,386

Success at Winning State/Federal Grants

- Proactively targeting state/federal grants to fund capital projects and save local tax dollars
- Most recently, Town awarded Federal Grants in recent spending package
 - **Emergency Operations Center/Firehouse Expansion Project: \$2.5M** for expansion of Madison Hose building, dedicated EOC.
 - **Emergency Shelter Project: \$1M** for installation of back-up generator at Polson to establish new Emergency Shelter.
- Many more grants in the pipeline

Summary of Major Grant Awards in 2022*

Grant	Project	Amount
CT Urban Act	Academy	\$4M
CT DECD Brownfields Assessment	Academy	\$200K
CT STEAP	Madison Center Project	\$500K
CT Transit Oriented Development	Madison Center Project	\$760K
CT Transit Oriented Development	Woodlands Rd Sidewalk Project	\$206K
Federal Community Directed Spending	Firehouse Expansion/Emergency Operations Center	\$2.5M
Federal Community Directed Spending	Emergency Shelter/Polson Generator	\$1.0M
Total in 2022*		\$9.2M

* Not all inclusive. Excludes some Public Works projects and routine programming grants, etc.

Status of Major Projects

- **Madison School Renewal Plan - Approved Feb. 2022**
 - New Elementary School Building Committee in design phase
 - Brown facility upgrades slated for construction summer 2023
 - Polson HVAC and auditorium upgrades in project development phase
- **Academy Community Center - Approved Feb. 2022**
 - Received \$4.2M in state grants in 2022
 - Building Committee selecting architect
 - Advisory Committee completed community survey on programming
- **Island Avenue – Sale to OLM Prep closed June 2022**
 - Proceeds of \$2.3M to fund other capital projects
- **Madison Center Project**
 - All necessary easements recorded
 - Electrical infrastructure work completed. Individual property work targeted February 2023
 - Eversource pole removals targeted Spring 2023
 - Received \$1.2M of new state grants in 2022 to launch Phase 3

Status of Major Projects (cont.)

- **Town Emergency Shelter**
 - Polson identified by Shelter Committee as new location. Generator and electrical upgrades needed
 - Federal Grant of \$1M awarded end of 2022
 - Project in early design phase
- **Town Emergency Operations Center**
 - Combined with Downtown Firehouse extension project
 - Federal Grant of \$2.5M awarded end of 2022
 - Project in development phase
- **Garvan Point Sea Wall Restoration Project**
 - State grant of \$740K awarded in 2021
 - Plans being finalized for fall 2023 construction
- **Madison Dog Park set to open May 2023**
 - P&Z approval in January 2023
 - ARPA grant awarded to fund upgrades

Upcoming Initiatives

- **Complete 10-Year Strategic Plan to guide future budgets/policy**
 - Strategic Plan targeted for completion end of 2023
- **Continue Madison Investment Plan (MIP) to soften impact of future bonding on mill rate, support continued capital improvements**
- **Continue to position Town to benefit from major federal & state infrastructure spending**
 - Finalize plans for ARPA funds
 - Seek new state and federal grants to offset need for tax payer dollars
 - Work with regional partners to tap IIJA funds
- **Improve coastal resiliency through policy changes, infrastructure investments, improved emergency response**
- **Continuous improvement of Town operations to improve services and reduce fixed costs**
- **Resolve other citizen driven policy initiatives**

State of the Town - 2023
Madison, CT

Questions?