TOWN OF MADISON
CONNECTICUT

Annual Town Meeting – February 8, 2024

State of the Town
What We Will Cover

- Community Strengths & Challenges
- Progress in 2024
- Budget Trends
- Capital Plan
- Debt Profile
- Status of Major Projects
- Upcoming Initiatives
Community Strengths

- Desirable place to live post-pandemic
  - Excellent school system
  - Low density living
  - Abundant outdoor amenities
  - Access to quality healthcare, mental health and social services
  - Educated, adaptable workforce
  - Vibrant downtown
  - Exceptional community volunteerism
  - Reliable delivery of core Town services
- A supportive, engaged and thoughtful community

- Favorable economic profile
  - High median income ($156K)
  - Low unemployment (3.1%) and below the state (3.8%)
  - 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 growth
Community Challenges

- Coastal community at risk to climate change
  - Shorelines assets vulnerable to rising tides and floods
  - Public safety resource needs
- Limited public infrastructure impacting economic growth
  - Public transportation, water, cell service, wastewater limitations
- Inflation, labor market impacting small businesses
- Ageing population changing community needs
- Long-term Impact of COVID on physical/mental health
- Balancing competing community desires with available resources

- Previous lack of investment driving current capital needs
  - School Renewal Plan
  - Academy Community Center
  - Surf Club/Other Ageing Town Facilities
- Attracting and retaining a diverse, multi-generational community
- Affordability impacting current and future residents
- Need for greater housing diversity
  - Limited senior/workforce housing
- Citizen concerns over development projects impacting quality of life
Progress – Policy

Investing in Infrastructure & Town Assets
- Major capital projects groundbreaking in 2024. More in pipeline in 2025
- Town awarded over $14M in state/federal grants since 2020
- Exploring utility/communication improvements

Launched New Citizen Driven Committees
- Affordable Housing Committee - Permanent committee appointed 2023
- Facilities Committee - Launching 2024

Updating Important Policies
- Floodplain Ordinance – Updated to clarify/modify regulation
- Senior Tax Relief – Programs updated to improve benefits
- Firefighter Pension Plan – Improved retiree benefits
- Cannabis Ordinance – Ban on retail establishments

Prioritizing Long-term Planning
- New Strategic Plan - Adopted end of 2023
- Plan of Conservation & Development - Complete Spring 2024
- Town-wide Wastewater Facilities Study – Complete Spring 2024
Progress – Town Operations

Exploring New/Expanded Services
- Completing food waste diversion pilot program with Guilford
- Partnering with Guilford on Microtransit Pilot Program, launching June 2024

Improving Operations & Services
- Implemented employee performance review process
- Investing in public safety and mental health resources
- Staff adjustments to realign services, leverage technology
- Investing in climate friendly assets (HVAC, EV vehicles and chargers) when appropriate and cost effective

Improving Communication
- Adding communications resources/technology
- Implementing new budgeting software to improve transparency
- Launched Town of Madison App
Budget Trends

- Revenue growing at faster rates than previous years
- Record Undesignated Fund Balance
- Mill rate growth lower than budget growth
- Recent Town Budget increases reflect supplemental capital contributions (as per MIP) and new debt service
- Town Operating Budget continues to grow at a slower rate (e.g. 7% in FYE 6/20 v. 2.8% in FYE 6/24)

<table>
<thead>
<tr>
<th>$ millions</th>
<th>FYE 6/30/23</th>
<th>3-Year CAGR</th>
<th>FYE 6/30/24</th>
<th>YoY CHG</th>
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</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$91.4</td>
<td>2.7%</td>
<td>$94.4</td>
<td>3.3%</td>
</tr>
<tr>
<td>Town Operating Budget</td>
<td>$25.0</td>
<td>3.8%</td>
<td>$25.7</td>
<td>2.8%</td>
</tr>
<tr>
<td>Capital</td>
<td>$4.6</td>
<td>13.6%</td>
<td>$5.2</td>
<td>13.1%</td>
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<tr>
<td>Debt Service</td>
<td>$1.5</td>
<td>7.1%</td>
<td>$1.7</td>
<td>12.1%</td>
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<tr>
<td>Total Town Budget</td>
<td>$31.1</td>
<td>5.2%</td>
<td>$32.6</td>
<td>4.8%</td>
</tr>
<tr>
<td>BOE Operating Budget</td>
<td>$58.8</td>
<td>2.0%</td>
<td>$60.8</td>
<td>3.5%</td>
</tr>
<tr>
<td>HS Debt Service</td>
<td>$1.5</td>
<td>-13.9%</td>
<td>$1.0</td>
<td>-36.4%</td>
</tr>
<tr>
<td>Education Budget</td>
<td>$60.3</td>
<td>1.4%</td>
<td>$61.8</td>
<td>2.5%</td>
</tr>
<tr>
<td>Total Approved Budget</td>
<td>$91.4</td>
<td>2.7%</td>
<td>$94.4</td>
<td>3.3%</td>
</tr>
<tr>
<td>Taxable Assessed Value</td>
<td>$3,039.6</td>
<td>0.4%</td>
<td>$3,076.1</td>
<td>1.2%</td>
</tr>
<tr>
<td>Mill Rate</td>
<td>29.41</td>
<td>0.9%</td>
<td>29.97</td>
<td>1.9%</td>
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<tr>
<td>Total Debt</td>
<td>$13.8</td>
<td>-8.0%</td>
<td>$23.0</td>
<td>67.2%</td>
</tr>
<tr>
<td>Undesignated Fund Balance</td>
<td>$20.1</td>
<td>6.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Approved Budget</td>
<td>22.0%</td>
<td></td>
<td></td>
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</table>
## Town of Madison
### Capital Expenditures by Department
#### Fiscal Years 2024-2025 through 2028-2029

<table>
<thead>
<tr>
<th>Department</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beach and Recreation</td>
<td>$125,491</td>
<td>$565,041</td>
<td>$467,757</td>
<td>$</td>
<td>$</td>
<td>$100,000</td>
<td>$1,132,798</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>2,349,764</td>
<td>5,077,946</td>
<td>3,152,191</td>
<td>707,913</td>
<td>824,995</td>
<td>1,548,873</td>
<td>11,311,918</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>160,000</td>
<td>45,000</td>
<td>160,000</td>
<td>3,274,400</td>
<td></td>
<td></td>
<td>3,479,400</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>487,805</td>
<td>3,058,399</td>
<td>68,428</td>
<td>197,924</td>
<td>249,482</td>
<td>1,261,989</td>
<td>4,836,221</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,670,897</td>
<td>595,911</td>
<td>1,282,517</td>
<td>682,754</td>
<td>737,000</td>
<td>1,787,000</td>
<td>5,085,181</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Public Works</td>
<td>3,057,745</td>
<td>3,210,186</td>
<td>1,752,352</td>
<td>1,527,523</td>
<td>1,388,099</td>
<td>1,299,073</td>
<td>9,177,232</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>405,000</td>
<td>205,000</td>
<td>205,000</td>
<td>205,000</td>
<td>205,000</td>
<td>205,000</td>
<td>1,025,000</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Expenditures</strong></td>
<td><strong>$8,256,702</strong></td>
<td><strong>$12,757,483</strong></td>
<td><strong>$7,088,244</strong></td>
<td><strong>$6,595,513</strong></td>
<td><strong>$3,404,575</strong></td>
<td><strong>$6,201,935</strong></td>
<td><strong>$36,047,750</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

![Pie chart showing the percentage distribution of capital expenditures by department]
Debt Profile

- Expected $23M in Long Term Debt Outstanding by end of fiscal year. DHHS related debt continues to decline
- Issued $30M in one-year notes and $10M in bonds in December 2023
- 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 $8.4M 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
- Facilities Committee launching 2024, developing Master Plan
  - Referenda Related: Jeffrey, Ryerson, MYFS bldg, TCLC, La Sage
  - Ageing facilities: Surf Club, Town Garage, Memorial Town Hall, etc.
  - Possibility to monetize some assets
Refresher: Madison Investment Plan (MIP)

• Launched in 2022, long-term financial plan to strategically use surplus fund balance, ARPA funds, state/federal grants, and current budgets to mitigate bonding impact on mill rate
  • Build CIP balances to ensure adequate funding for future capital needs
  • Minimize financial impact of capital projects on the mill rate
• Leverage federal/state grants to offset need for tax-payer dollars
  • Match local tax-payer dollars with state/federal grants for CIP projects
  • Town received $5.3M in ARPA Funds, less than $200K remaining
  • Over $14M in major grant awards since 2020, pipeline for more
• Strategic use of surplus undesignated fund balance
  • Historic balance of $20M. Required minimum of at least 10% of Annual Budget ($9M)
  • On-going plan to appropriate surplus funds to match grant awards and fund other non-recurring items that impact Budget
• Examples of actions taken to date
  • $3.2M of ARPA funds used for capital projects to date
  • Short-term increase in Annual CIP Funding approved in 23/24 Budget
  • Town Meeting Approval in May 2023 of appropriations for infusions of $3.5M into CIP and $1M into Firefighter Pension
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. Committee disbanded, referred remaining funds to BOS/BOF
- BOS reviewing remaining balances. Funds must be committed by end of 2024.

**ARPA Summary**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total ARPA Grant</td>
<td>5,335,989</td>
</tr>
<tr>
<td>CIP Approved Prior to Committee</td>
<td>(2,555,737)</td>
</tr>
<tr>
<td>Other Projects Approved Prior to Committee</td>
<td>(822,914)</td>
</tr>
<tr>
<td>Available to Committee at Inception</td>
<td>1,957,338</td>
</tr>
<tr>
<td>Committee Approved</td>
<td>(1,927,735)</td>
</tr>
<tr>
<td>BOS/BOF Projects</td>
<td>(938,488)</td>
</tr>
<tr>
<td>BOS/BOF Returns</td>
<td>1,092,176</td>
</tr>
<tr>
<td><strong>Remaining Available</strong></td>
<td><strong>183,291</strong></td>
</tr>
</tbody>
</table>

**Project Category**

<table>
<thead>
<tr>
<th>Category</th>
<th>Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts &amp; Culture</td>
<td>213,418</td>
</tr>
<tr>
<td>Community Support</td>
<td>1,163,832</td>
</tr>
<tr>
<td>Economic Development</td>
<td>340,000</td>
</tr>
<tr>
<td>Town Govt. - Internal Dept.</td>
<td>188,500</td>
</tr>
<tr>
<td>Town Govt. - Capital/Infrastructure</td>
<td>3,246,948</td>
</tr>
<tr>
<td><strong>Total Funded to Date</strong></td>
<td><strong>5,152,698</strong></td>
</tr>
</tbody>
</table>
**Success at Winning State/Federal Grants**

- Proactively targeting state/federal grants to fund capital projects and save local tax dollars.
- Town has been awarded over $14M in State/Federal Grants for current capital projects totaling $31.3M since 2020, with over $10M being awarded over the last two years.
- Many more grants in the pipeline.

### Summary of Grant Funded Projects CY 2022 & 2023*

<table>
<thead>
<tr>
<th>Grant</th>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT Urban Act</td>
<td>Academy</td>
<td>$4M</td>
</tr>
<tr>
<td>CT DECD Brownfields Assessment</td>
<td>Academy</td>
<td>$200K</td>
</tr>
<tr>
<td>CT STEAP</td>
<td>Madison Center Project</td>
<td>$500K</td>
</tr>
<tr>
<td>CT Transit Oriented Development</td>
<td>Madison Center Project</td>
<td>$760K</td>
</tr>
<tr>
<td>CT Transit Oriented Development</td>
<td>Woodlands Rd Sidewalk Project</td>
<td>$206K</td>
</tr>
<tr>
<td>Federal Community Directed Spending</td>
<td>Firehouse Expansion/EOC</td>
<td>$2.5M</td>
</tr>
<tr>
<td>Federal Community Directed Spending</td>
<td>Emergency Shelter/Polson Generator</td>
<td>$1.0M</td>
</tr>
<tr>
<td><strong>Total in 2022</strong>*</td>
<td></td>
<td><strong>$9.2M</strong></td>
</tr>
<tr>
<td>CT STEAP</td>
<td>Town Campus Gym Floor</td>
<td><strong>$401.6K</strong></td>
</tr>
<tr>
<td>CT Urban Act</td>
<td>Emergency Shelter/Polson Generator</td>
<td><strong>$500.0K</strong></td>
</tr>
<tr>
<td><strong>Total in 2023</strong>*</td>
<td></td>
<td><strong>$901.6K</strong></td>
</tr>
</tbody>
</table>

*Not all inclusive. Excludes some Public Works projects, routine programming grants, etc.*
Microtransit Pilot Program

- Madison included in a State Transportation Grant Award to River Valley Transit (formerly 9 Town Transit) to launch a Microtransit Pilot Program covering Guilford and Madison jointly
- Provides new on-demand bus service within the towns of Madison and Guilford, point to point service
- Modeled on the XtraMile service offered in Old Saybrook and Middletown
- Book trips through the XtraMile App or via telephone
- Xtramile includes:
  - Monday thru Saturday service
  - Riders pay a flat fare of $1.75
  - Service area anywhere within the towns of Madison/Guilford
    Some fixed stop locations in high traffic areas
  - Advanced scheduling ability
  - Clear pick-up windows so riders know when the bus will arrive
  - Ability to set drop-off time to get to work or appointments
- Program will launch May 28\textsuperscript{th} and run for up to three years
Status of Major Projects

- Madison School Renewal Plan - Approved Feb. 2022
  - New Elementary School Building - Construction expected Spring 2024
  - Brown facility upgrades – First Phase completed 2023
  - Polson HVAC and auditorium upgrades - In design phase

- Academy Community Center - Approved Feb. 2022
  - Received $4.2M in state grants in 2022
  - Building Committee in design development and cost estimating phase. Construction expected late 2024

- Madison Center Project
  - Utility poles removed in 2023 (2 remain, pending equipment shortage)
  - Awarded $1.2M of new state grants in 2022 to launch Phase 3
  - Seeking Phase 3 design proposals. Construction expected 2025

- Garvan Point Sea Wall Restoration Project
  - State grant of $740K awarded in 2021
  - Public Hearing scheduled February 21, 2024 @ 6 p.m. Construction bidding early 2024 for fall construction
Status of Major Projects (cont.)

• **Town Emergency Shelter**
  • Federal Grant of $1M, State Grant of $500K awarded 2023
  • Project in design phase in coordination with Polson HVAC project

• **Town Emergency Operations Center/Firehouse Expansion**
  • Federal Grant of $2.5M awarded end of 2022
  • Building Committee and OPM appointed. Design being finalized for late 2024 construction

• **Town Campus HVAC Geothermal Project**
  • Construction starting Feb 2024

• **DHHS Tennis Courts**
  • ARPA funded. Completed Summer 2023

• **Beach & Recreation Improvements**
  • Exchange Field Improvements – Project launching spring 2024
  • Nelson Field Lights – ARPA funded. Scheduled winter 2024
  • Madison Dog Park – ARPA funded. Opened 2023
  • New Surf Club Playground – ARPA Funded. Completed 2023
Upcoming Initiatives

• Implement the 10-Year Strategic Plan adopted end of 2023 and prioritize community directed goals

• Continue Madison Investment Plan (MIP) to soften impact of new bonding on mill rate, support continued capital improvements

• Work to ensure major capital projects are completed as promised to residents

• Continue to position Town to benefit from major federal & state infrastructure spending

• 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 – ST Rentals, Noise Ordinance, Tree removal concerns, etc.
State of the Town - 2024
Madison, CT

Questions?