

# Town Manager's Proposed FY 2025 Budget



Operating & Capital Budget Overview  
March 19, 2024



# Town Manager's Proposed Budget



- Presentation of the Town Manager's Recommended Operating and Capital Budgets
  - Pursuant to 7-1 of the Town Charter, Operating Budget must be transmitted to the Town Council by March 10<sup>th</sup>
  - Annual Capital Budget and Five-Year Capital Expenditure Plan must be transmitted to the Town Council by July 15<sup>th</sup>
  - Both Operating and Capital Budgets have been submitted together for FY 25 for consideration by the Town Council. Only the Operating budget must be adopted by April 30<sup>th</sup> (Capital by late-August for any referendum items).

# Town Manager's Proposed Budget



- Tonight's Budget Overview Presentation
  - Budget Context
  - Grand List/Revaluation
  - Revenues & Fund Balance/Surplus
  - Expenditures and Major Budget Drivers
  - Mill Rate, Average Taxpayer Impact and Cost Per Department
  - Debt Service
  - Community Pool and WPCD Special Revenue Funds
  - Capital Budget – 5 Year Plan and FY25 Annual Capital Budget
  - Budget Review Schedule

# Town Manager's Proposed Operating Budget



The FY25 Proposed General Fund Budget - \$140,943,831

	<u>FY 24</u>	<u>FY 25</u>	<u>\$</u> <u>INCR.</u>	<u>%</u> <u>INCR.</u>
<b>GENERAL GOVERNMENT</b>	\$38,348,241	\$40,166,456	\$1,818,215	4.74%
<b>EDUCATION</b>	84,993,429	90,067,609	5,074,180	5.97%
<b>DEBT SERVICE</b>	7,634,493	9,484,766	1,850,273	24.24%
<b>CAPITAL NON-RECURRING</b>	1,900,000	1,100,000	(800,000)	-42.11%
<b>CONTINGENCY</b>	125,000	125,000	-	0.00%
<b>TOTAL</b>	<b>\$133,001,163</b>	<b>\$140,943,831</b>	<b>\$7,942,668</b>	<b>5.97%</b>

# Budget Context



- Recent Budget History
  - FY 21 Budget – No Mill Rate/Tax Increase
    - ✦ Relied upon \$2 million of fund equity supported by FY20 budget surplus
    - ✦ Cut pandemic-impacted services and froze positions
  - FY 22 Budget – 0.50 Mill Rate Increase (1.51%)
    - ✦ Used \$1.4 million of ARPA funds as General Fund revenue
    - ✦ Appropriated \$1.5 million of ARPA funds for BOE Medical Trust Fund
    - ✦ Appropriated \$325,000 of ARPA funds for Bulky Waste (\$239,523 final cost)
  - FY 23 Budget – 0.60 Mill Rate Increase (1.78%)
    - ✦ Used \$500,000 of ARPA funds as General Fund revenue for CNR projects
    - ✦ Appropriated \$1.7 million of fund equity supported by FY22 budget surplus

# Budget Context



- Recent Budget History
  - FY 24 Budget – 0.77 Mill Rate Increase (2.24%)
    - ✦ Used \$800,000 of ARPA funds as General Fund revenue for two Property Purchases
    - ✦ Included \$280,000 for a Townwide Bulky Waste Collection
    - ✦ Appropriated \$2,000,000 of fund equity (reserves) supported by FY23 budget surplus

# Budget Context



- FY25 Board of Education Request - \$5,074,180 (5.97%)
  - Continued insurance claim experience/medical trust fund challenges
    - ✦ \$1,059,418 (7.95%) increase in medical benefits budget lines
  - Growing enrollment (projecting at least 30 additional K-6 students)
    - ✦ Results in 6 additional staff positions to the operating budget
    - ✦ Includes 3 current positions funded by expiring ESSER funds
  
- Local Unemployment Data
  - Most recent data has Cheshire at 3.3% which is 6<sup>th</sup> lowest out of 169 towns.
  - Compared with statewide average of 5.0%

# Budget Context



- Recent Inflationary Economic Environment
  - Annual inflation rate 3.2% (Feb. 2024)
  - Down from 7.0% (2021) and 6.5% (2022)



- All Union Contracts Expiring June 30, 2024



# Budget Context



- **State/Governor's Budget Proposal**
  - FY25 State Aid Up Slightly (3.9%) – up \$656,377 to a total of \$17,378,690
  - Motor vehicle cap reimbursement increased from \$690,881 to \$1,046,915
  - ECS and PILOT increased \$269,545 in total
  - MRSA unpredictable revenue - \$500,000 budgeted this year
    - ✦ \$576,850 received FY23 and \$726,900 received FY24
- **Federal/State COVID Relief Funds**
  - ARPA: \$8.56 million, approximately \$7.3 million appropriated/planned to date
    - ✦ \$1,298,372 balance (not including \$500,000 recommended in proposed FY 25 budget)
- **Grand List Growth - \$39,218,540 non-reval increase (1.29%)**
  - Follows 1.52%, 1.20%, 3.03% and 2.25% increases in the past four years
  - Revaluation portion of Grand List growth totaled \$926,674,389 (30.56% inc.)

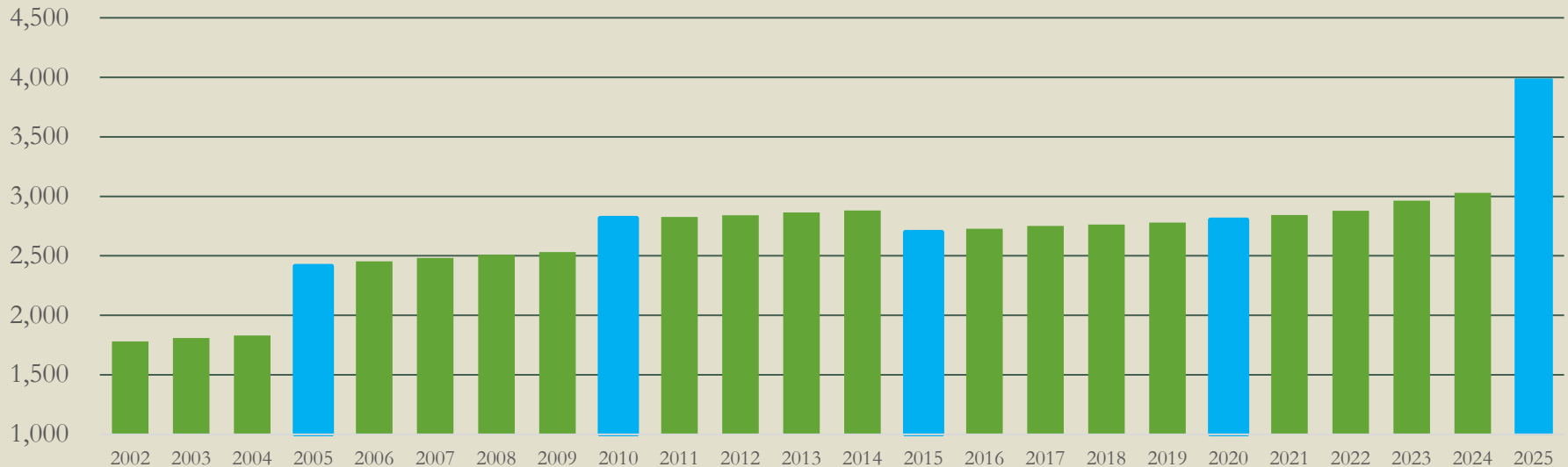
# Grand List Growth/Revaluation



- **Revaluation**

- State-mandated to occur every 5 years
- Rebalances the Grand List to ensure equity/fairness
- Values as of 10/1/23 used for the FY25 Operating Budget
- Average Residential Property Value Increased 37.3%

Net Grand List (\$1,000,000s) by Budgetary Fiscal Year



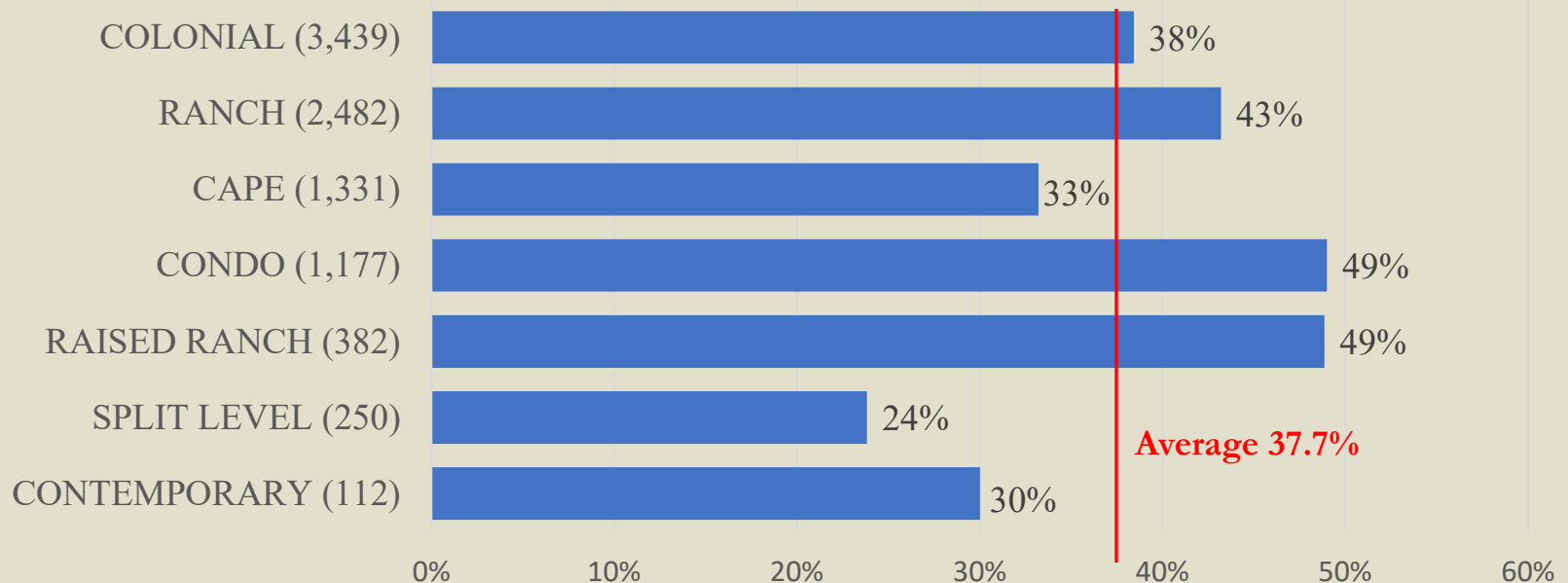
# Grand List Growth/Revaluation



- Revaluation

- Total Real Estate increased 38.8% (\$963 million)
- Business Personal Property increased 9.9% (\$19 million)
- Motor Vehicle Values *decreased* 4.5% (-\$16 million)

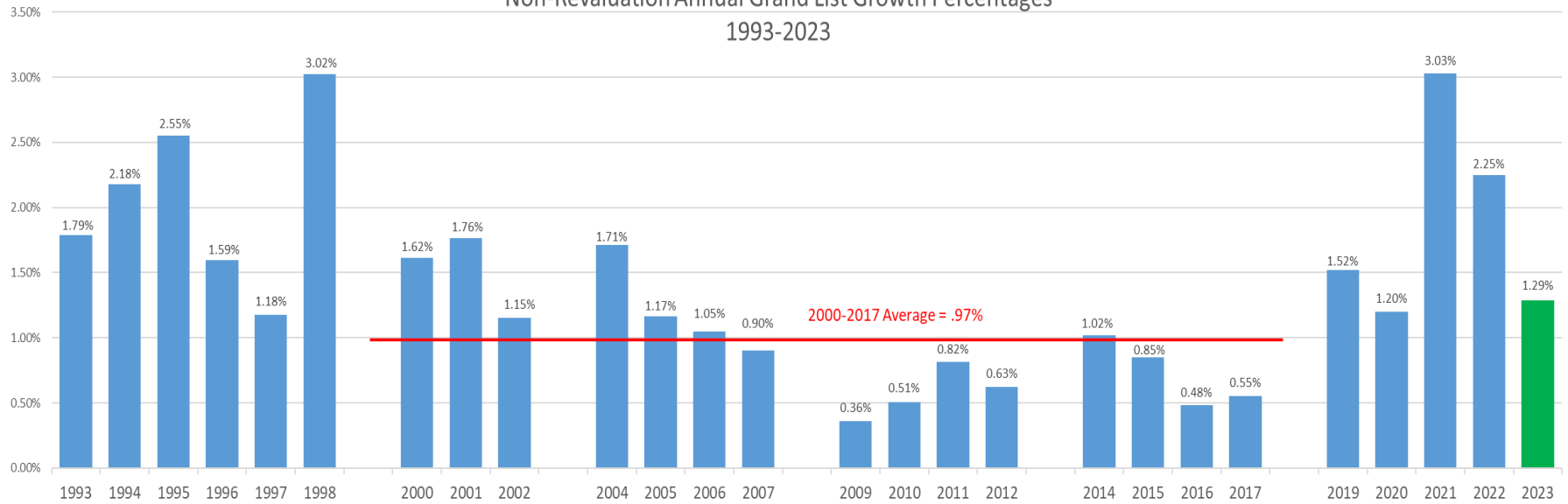
Residential Property Value Increases by Style



# Grand List Growth/Revaluation



Non-Revaluation Annual Grand List Growth Percentages  
1993-2023



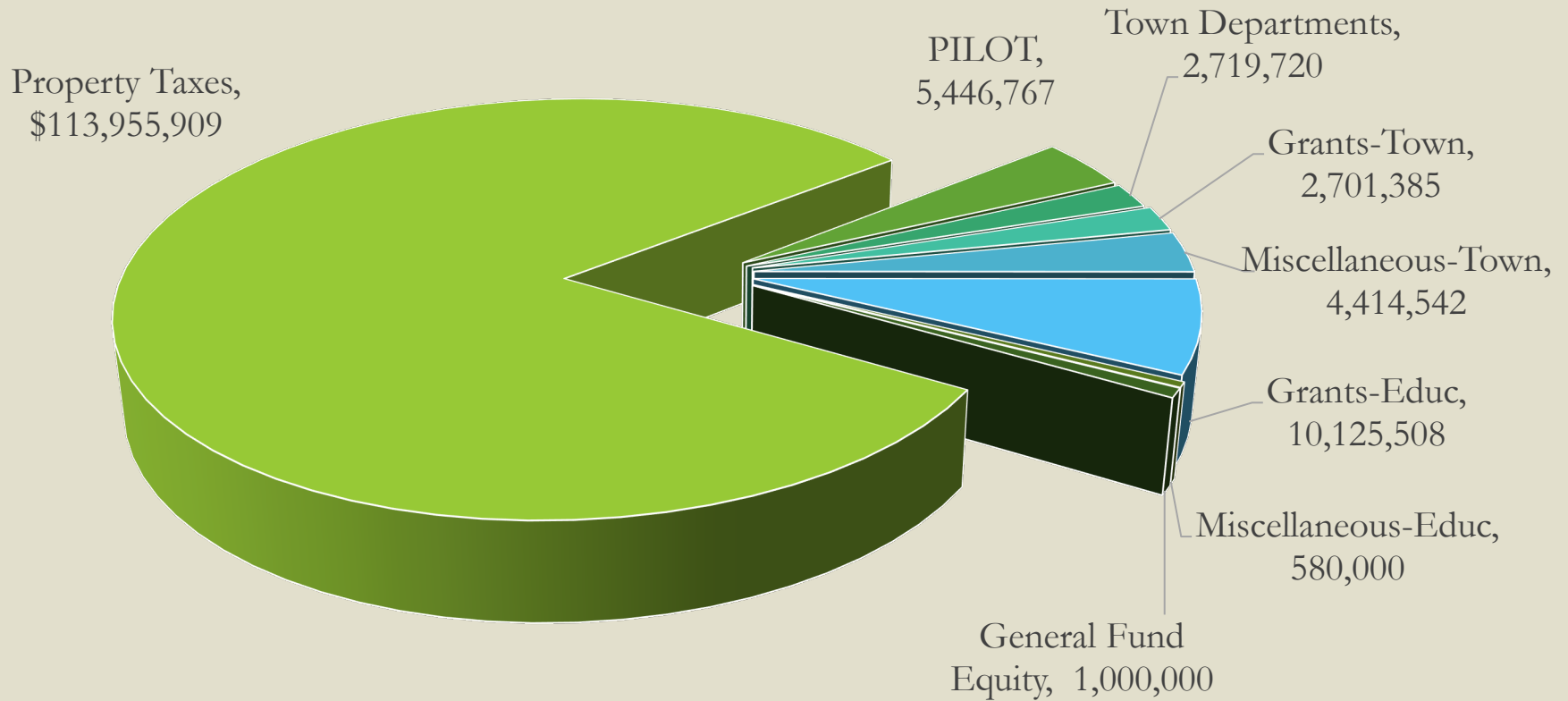
# FY25 Proposed Revenues



<u>REVENUE</u>	<u>FY 22 ACTUAL</u>		<u>FY 23 ACTUAL</u>		<u>FY 24 ADOPTED</u>		<u>FY 25 RECOMMENDED</u>	
TAXES	97,986,673	78.6%	102,300,928	79.5%	106,073,401	79.8%	113,955,909	80.9%
STATE AID	19,935,176	16.0%	17,183,789	13.4%	16,722,313	12.6%	17,378,690	12.3%
OTHER / DEPTS	5,609,337	4.5%	7,518,667	5.8%	8,205,449	6.2%	8,609,232	6.1%
FUND EQUITY	1,175,000	0.9%	1,700,000	1.3%	2,000,000	1.5%	1,000,000	0.7%
<b>TOTAL</b>	<b>124,706,186</b>	<b>100.0%</b>	<b>128,703,384</b>	<b>100.0%</b>	<b>133,001,163</b>	<b>100.0%</b>	<b>140,943,831</b>	<b>100.0%</b>
REV. GROWTH	7,559,571	6.5%	3,997,198	3.2%	4,297,779	3.3%	7,942,668	6.0%

(Revenue Detail begins on Page 105 of the vertical budget book)

# FY25 Proposed Revenues



# FY20 - FY25 Revenue Comparison



REVENUES	FY 20 ADOPTED BUDGET	PERCENT	FY 25 PROPOSED BUDGET	PERCENT
Property Taxes	\$ 93,081,732	81.54%	\$ 113,955,909	80.85%
PILOT	4,192,015	3.67%	5,446,767	3.87%
Town Departments	1,758,000	1.54%	2,719,720	1.93%
Grants - Town	1,635,701	1.43%	2,701,385	1.92%
Miscellaneous - Town	2,105,000	1.84%	4,414,542	3.13%
Grants – Education	9,895,429	8.67%	10,125,508	7.18%
Miscellaneous – Education	490,000	0.43%	580,000	0.41%
General Fund Equity	1,000,000	0.88%	1,000,000	0.71%
<b>Total</b>	<b>\$ 114,157,877</b>	<b>100.00%</b>	<b>\$ 140,943,831</b>	<b>100.00%</b>

# Fund Balance/Surplus Projections

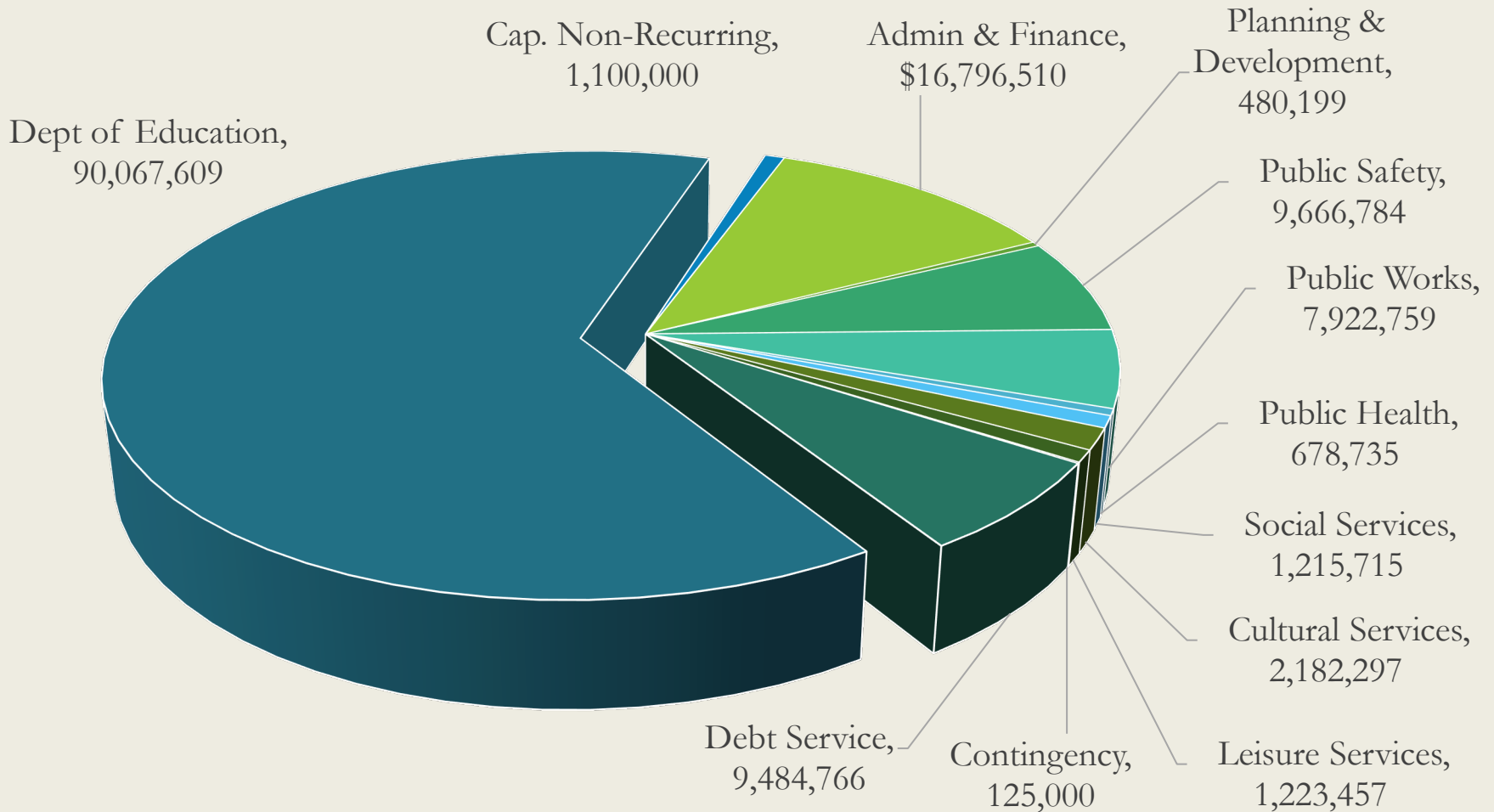


## GENERAL FUND FUND BALANCE ANALYSIS

Available fund balance, July 1, 2023				\$	17,730,329		
Fund balance appropriated to 2023-2024 budget					<u>(2,000,000)</u>		% of Actual FY23 GF Expenditures 12.57%
Unassigned fund balance, July 1, 2023					15,730,329	or	
<i>Fiscal Year 2024 Estimated Activity:</i>							
	<u>Budget</u>		<u>Estimated</u>		<u>Budget Comparison</u>		
Revenues and other financing sources	\$	133,001,163	\$	135,440,311	\$	2,439,148	
Expenditures and other financing uses		133,001,163		133,013,652		(12,489)	
Results from Fiscal Year 2024 estimated activity						<u>2,426,659</u>	
Projected available fund balance, June 30, 2024						18,156,988	
Fund balance appropriation to 2024-2025 budget						<u>(1,000,000)</u>	% of Estimated FY24 GF Expenditures 12.90%
Projected unassigned fund balance, July 1, 2024						17,156,988	
						<u>(13,301,365)</u>	or
						<u>\$ 3,855,623</u>	Over/(Under)



# FY25 Proposed Expenditures



# FY25 Proposed Expenditures



<u>Expenditures</u>	<u>Budget</u>	<u>Percentage</u>
<b>General Government:</b>		
Admin & Finance	\$ 16,796,510	11.92%
Planning & Development	480,199	0.34%
Public Safety	9,666,784	6.86%
Public Works	7,922,759	5.62%
Public Health	678,735	0.48%
Social Services	1,215,715	0.86%
Cultural Services	2,182,297	1.55%
Leisure Services	1,223,457	0.87%
<b>Contingency</b>	125,000	0.09%
<b>Debt Service</b>	9,484,766	6.73%
<b>Dept of Education</b>	90,067,609	63.90%
<b>Cap. Non-Recurring</b>	1,100,000	0.78%
<b>Total</b>	<b>\$ 140,943,831</b>	<b>100.00%</b>

# Key Budget Drivers



<u>Major Budget Drivers</u>	<u>\$ Change</u>	<u>%</u>
Board of Education Budget	\$5,074,180	3.82%
Debt Service	\$1,850,273	1.39%
Capital/Non-Recurring	(\$800,000)	-0.60%
General Government Budget Drivers:		
Contractual Salary Increases	\$524,978	0.39%
FY25 New Positions/Changes	\$270,238	0.20%
Pension & 457/401a Expenses	\$269,988	0.20%
Positions Approved in FY24	\$239,305	0.18%
Liability & Workers Comp Ins.	\$128,574	0.10%
Social Security Expenses	\$120,000	0.09%
<i>All Other Budget Changes Net</i>	<i>\$265,132</i>	<i>0.20%</i>
<b>Total</b>	<b>\$7,942,668</b>	<b>5.97%</b>

# Proposed Mill Rate – 28.38 mills



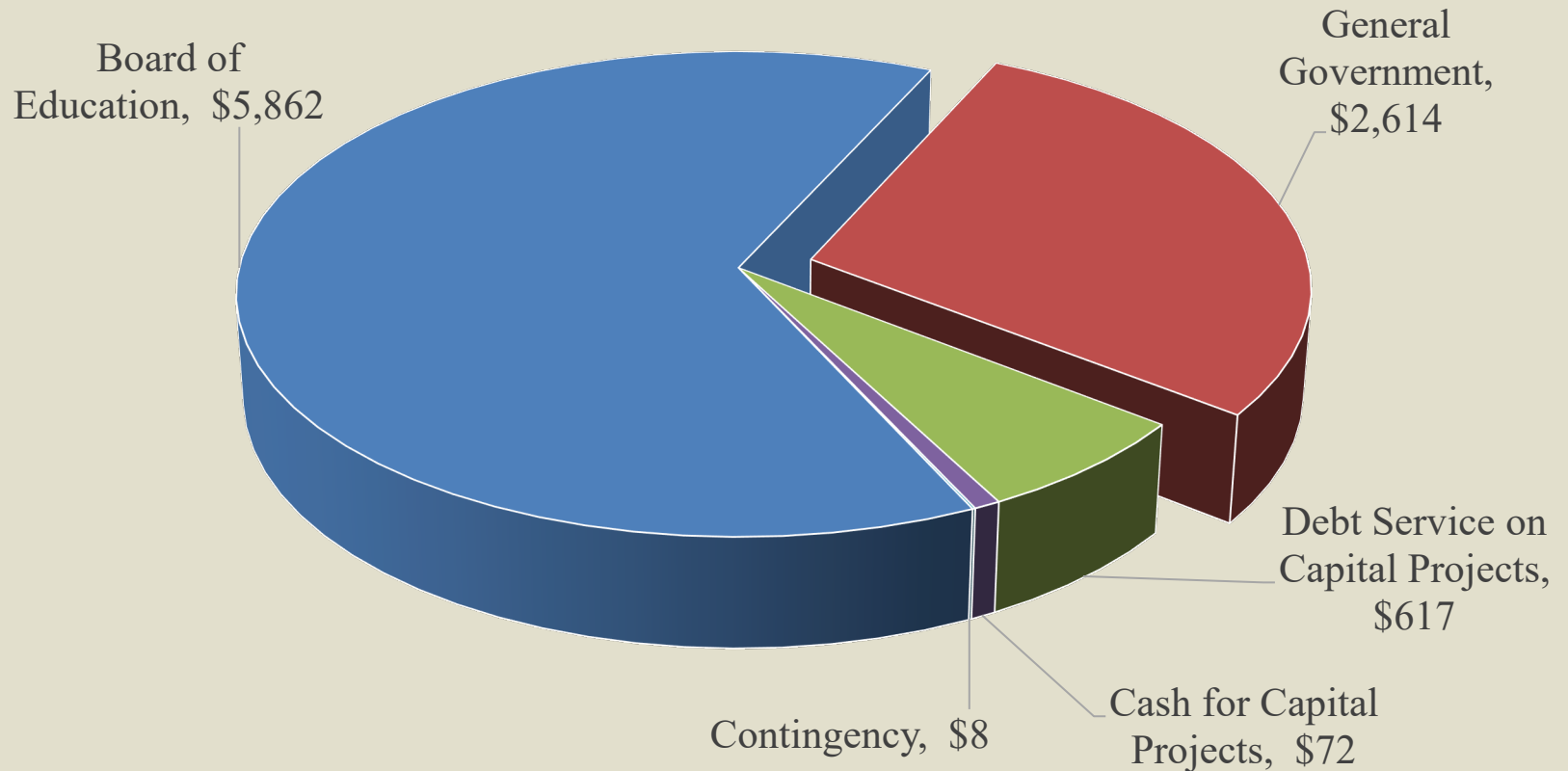
## Mill Rate Increase Impact on Average Residential Taxpayer (Includes Value Changes From Most Recent Revaluation – October 1, 2023)

	<u>Appraised</u> (Market) Value	<u>Assessed</u> (70%) Value	<u>Taxes</u>
Avg. Residential Property (FY24)	\$ 309,654	\$ 216,758	
Current Taxes at 35.09 mills:			\$ 7,606
Avg. Residential Property (FY25)	\$ 425,303	\$ 297,712	
Proposed Taxes at 28.38 mills:			\$ 8,449
Avg. Vehicle Value (FY 24)	\$ 19,214	\$ 13,450	
Avg. Vehicle Value (FY 25)	\$ 18,216	\$ 12,751	
Current Car Taxes for 2 Average Vehicles (Capped at 32.46 mills by the state):			\$ 873
Proposed Car Taxes at 28.38 mills:			\$ 724
<b>Current Average Total Tax Bill:</b>			<b>\$ 8,479</b>
<b>Proposed Average Total Tax Bill:</b>			<b>\$ 9,173</b>
<b>Total Proposed Annual Tax Increase:</b>		<b>(8.2%)</b>	<b>\$ 694</b>

# Where Do Your Town Tax Dollars Go?



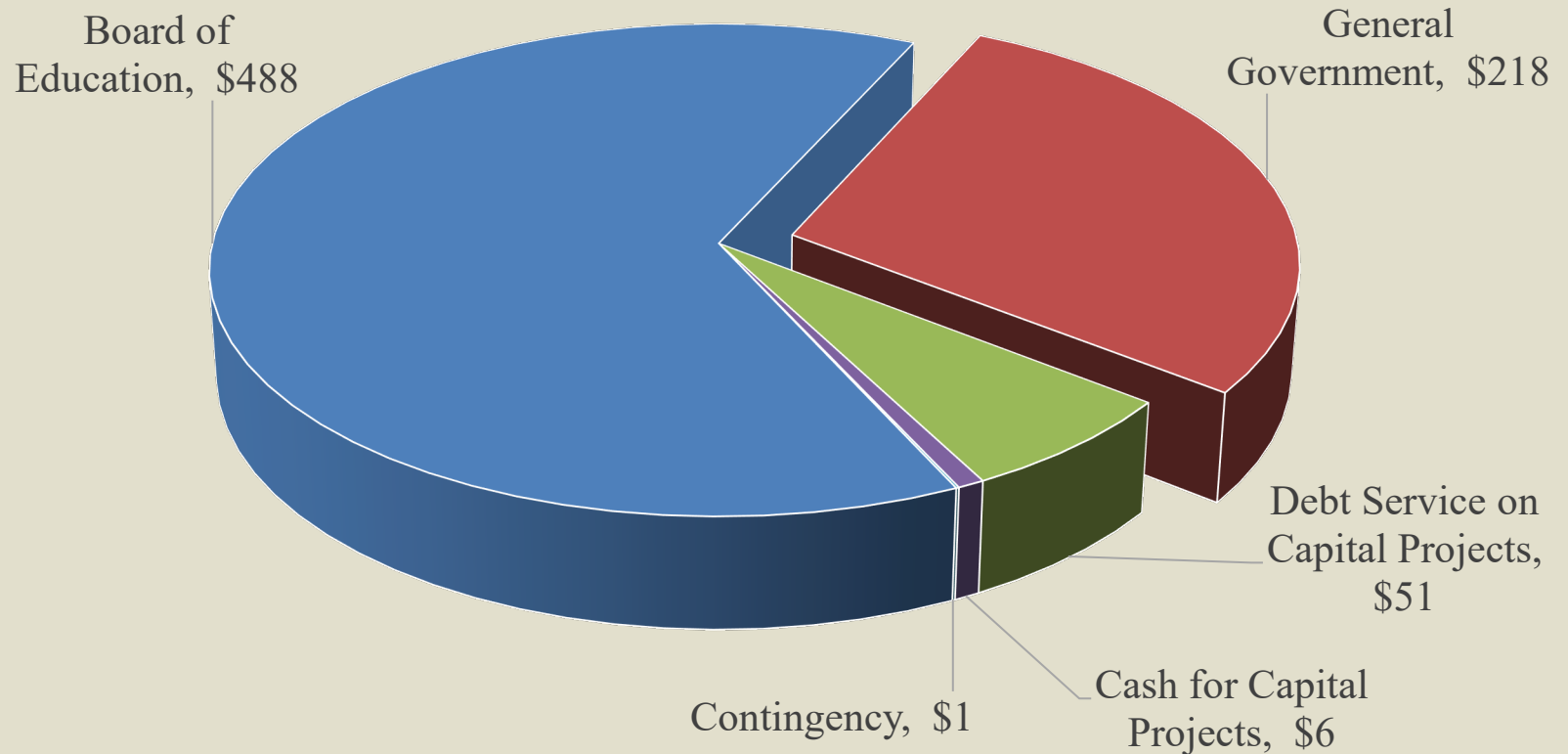
## FY25 Average Tax Bill Breakdown (\$9,173 Annually)



# Where Do Your Town Tax Dollars Go?



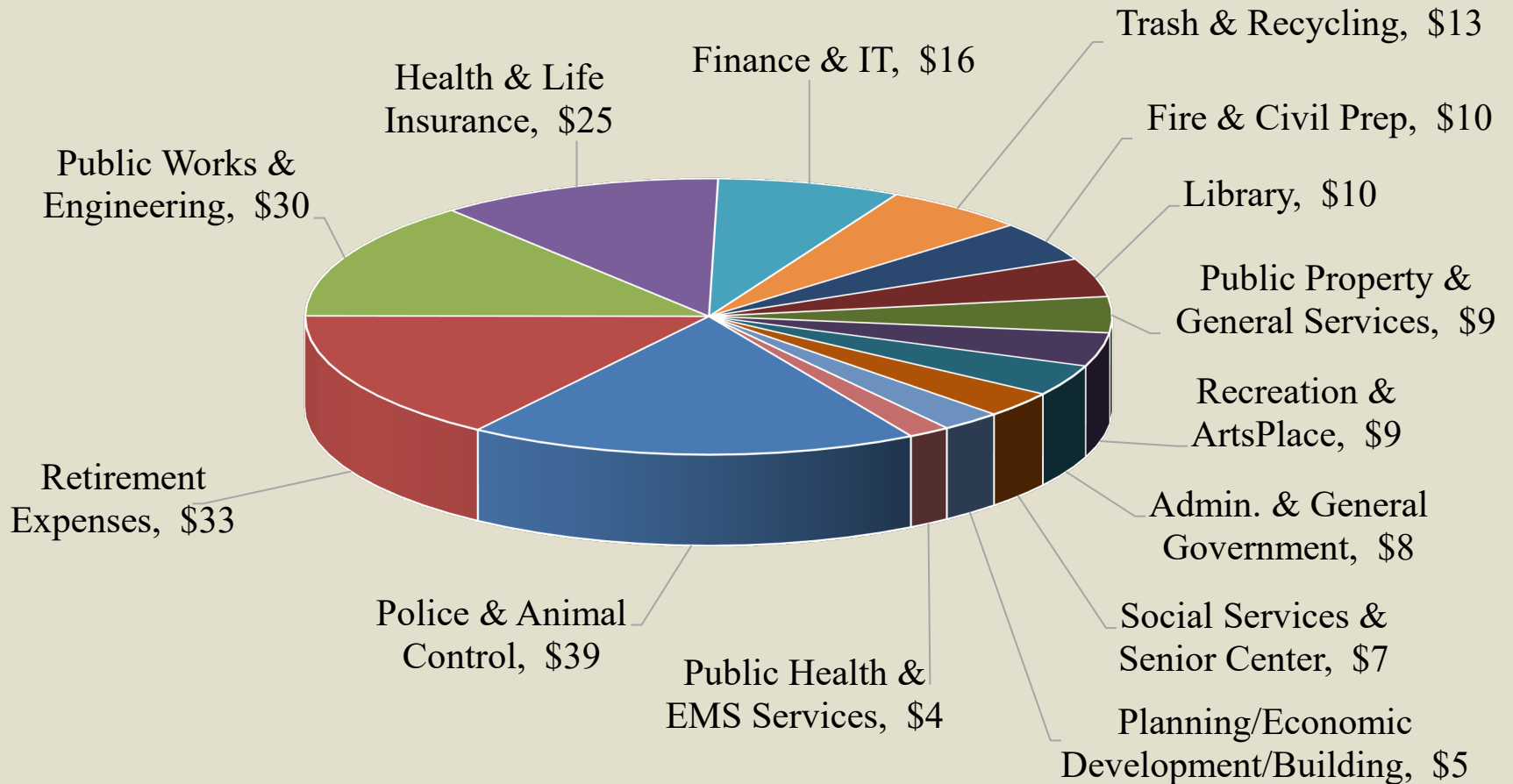
## FY25 Average Tax Bill Breakdown (\$764 Monthly)



# Where Do Your Town Tax Dollars Go?



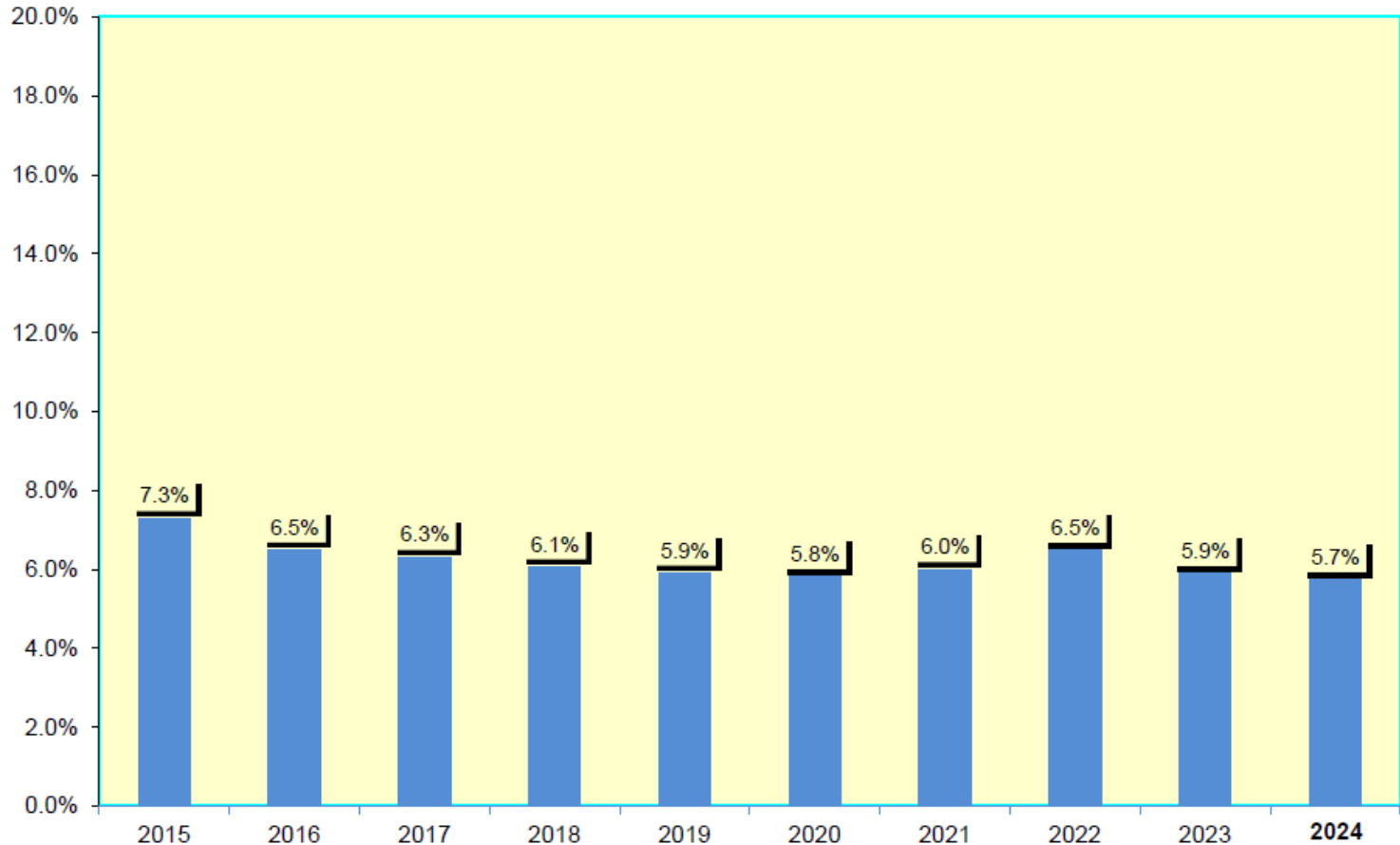
## \$218 Per Month for Town Services Pays For:



# Debt Service (Net) As a Percentage of General Fund Expenditures



## TEN YEAR HISTORY

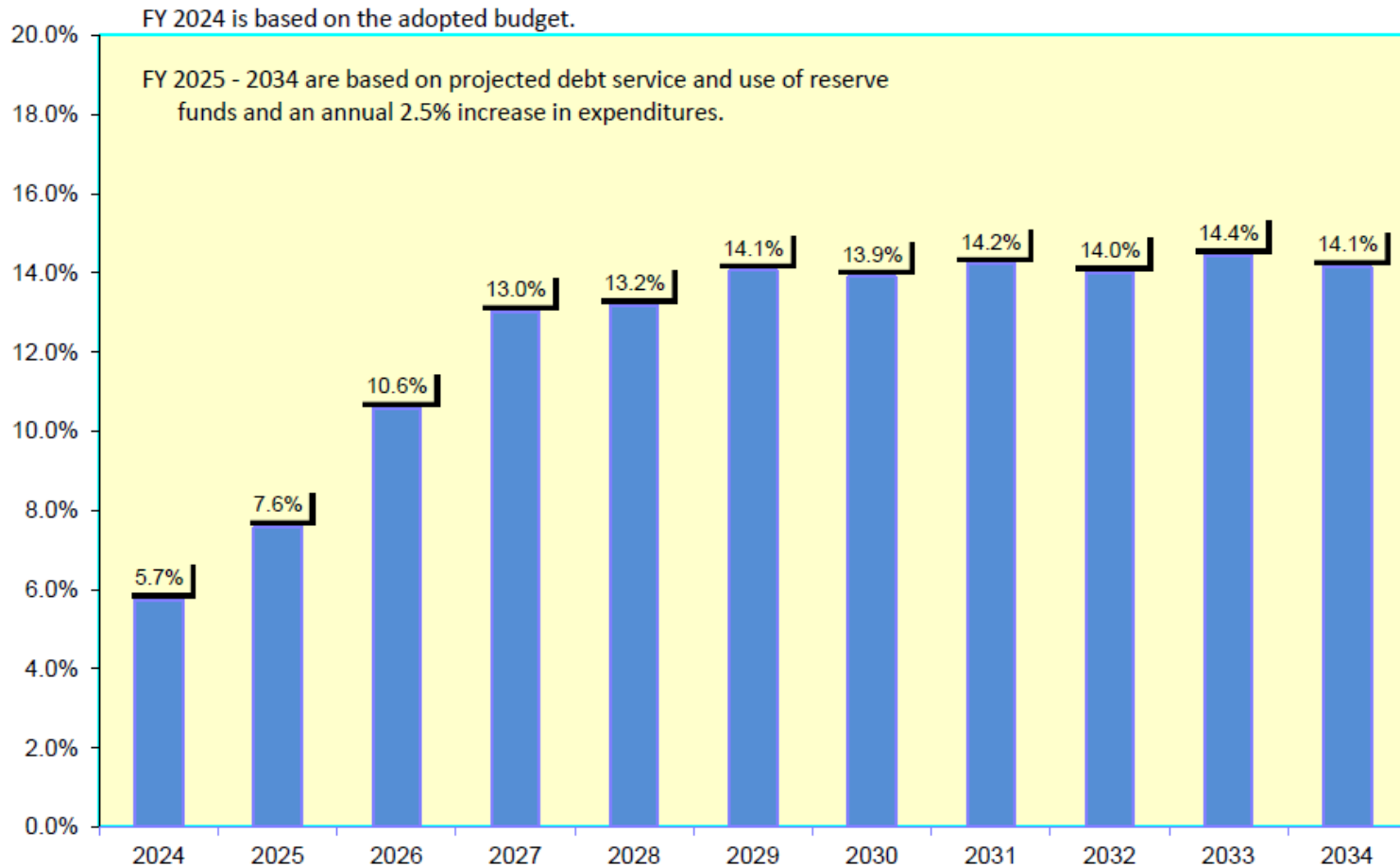




# Debt Service (Net) Projected As a Percentage of General Fund Expenditures



## TEN YEAR PROJECTION



# Debt Service Analysis



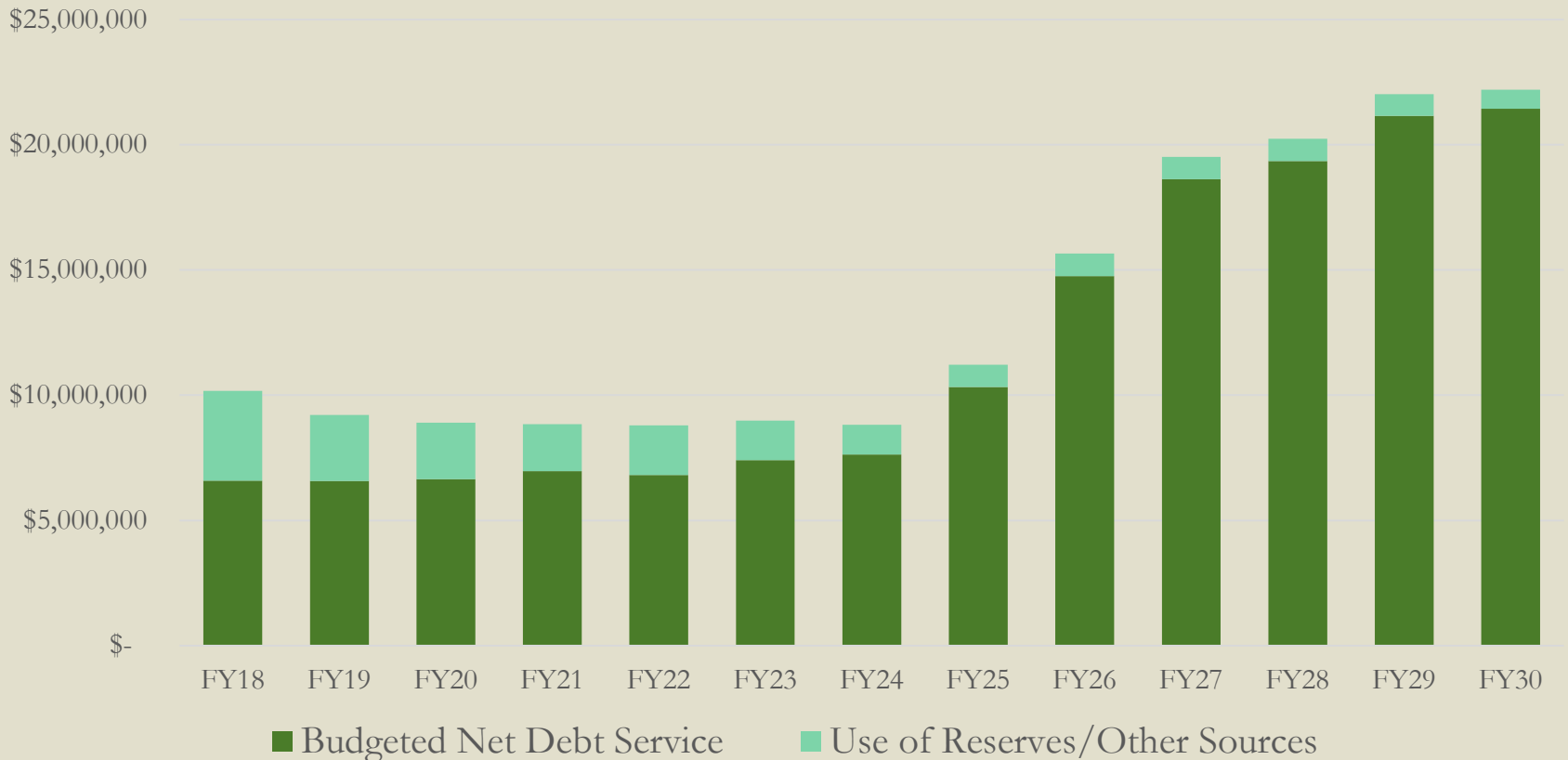
## DEBT SERVICE ANALYSIS USE OF DEBT RESERVE AND OTHER RESOURCES

FISCAL YEAR	GROSS GENERAL FUND DEBT (1)	DEBT RESERVE FUND (2)	WPCD FUND (3)	2023 BOND SALE PREMIUM (4)	TOTAL OFFSETTING RESOURCES	REVISED NET DEBT (5)	INC / (DEC) FROM PREVIOUS YEAR
2024	\$ 8,823,941	\$ 465,128	\$ 651,181	\$ 73,139	\$ 1,189,448	\$ 7,634,493	\$ 231,171
2025	11,221,123	177,828	651,181	66,853	895,862	10,325,261	2,690,768
2026	15,653,093	177,828	651,181	66,853	895,862	14,757,231	4,431,970
2027	19,519,410	177,828	651,181	66,853	895,862	18,623,548	3,866,317
2028	20,242,802	177,828	651,181	66,853	895,862	19,346,940	723,392
2029	22,022,606	150,702	651,181	66,853	868,736	21,153,870	1,806,930
2030	22,200,465	43,478	651,181	66,853	761,512	21,438,953	285,083
2031	23,229,880	43,478	651,181	66,853	761,512	22,468,368	1,029,415
2032	23,462,126	43,478	651,181	66,853	761,512	22,700,614	232,246
2033	24,751,833	43,478	651,181	66,853	761,512	23,990,321	1,289,707
2034	24,849,116	43,478	651,181	66,853	761,512	24,087,604	97,283
TOTAL		\$ 1,544,532	\$ 7,162,991	\$ 741,669	\$ 9,449,192		

# Debt Service (Net)



Recent & Projected Gross Debt Service vs. Net Debt Service  
(Net Debt after reserve usage/one-time funding)



# Community Pool Fund



- Community Pool Proposed Budget - \$1,207,253
  - Increase of \$77,459 (6.85%)
  - Pool fee revenues tracking to meet or exceed the \$725,000 budget for the current year – highest ever.
  - Town subsidy contribution recommended to stay flat at \$304,794 due to surplus in FY23 and projected FY24 surplus.
  - Reserves at year end project to remain healthy at approximately \$203,186 or 16.8% of annual operating expenditures in FY25 Proposed Budget
  - Expenditure pressures of an aging facility including boiler repair/replacement, roof leaks, pool decking issues.

# Water Pollution Control Dept. Fund



- WPCD Proposed Budget - \$5,081,691
  - Decrease of \$119,433 (2.30%)
    - ✦ Due to mid-year \$475,000 emergency appropriation
    - ✦ FY25 proposed is \$269,523 (7.52%) higher than Adopted FY24 budget
  - Recommends \$10.00 sewer fee increase to \$475
  - Recommends improvements to funding levels to maintain aging components and a switch to contracted sludge hauling
  - Proposed FY25 \$132,365 use of reserve fund equity due to ongoing remediation and deferred maintenance
  - Reserves at FY25 year end projected to be \$599,155 or 11.8% of annual operating expenditures in FY25 proposed budget

# Five-Year Capital Budget Plan



- Historically Reviewed in Summer and Approved by August 30<sup>th</sup> / November Referendum
- Last Year Adopted in Two Phases
  - (July 11, 2023 and August 10, 2023)
- Includes Five-Year Plan for Capital Expenditures
- Year 1 is only year appropriated

# Recommended Five-Year CEP



- \$159,324,000 requested by Departments & BOE
- Reduced by \$9,326,000
- \$149,998,000 Recommended
- Increase of \$44,628,000 compared with last year's adopted five-year capital plan

# Net Capital Costs



- \$23,167,000 in offsetting grants or available CNR/cash funding
- Reduces the net capital total cost for bonding purposes to \$126,831,000
- Adopted Five-Year CEPs have averaged \$108.3M (gross) and \$81.4M (net) over the past five adopted budgets.



# History of Five-Year Capital Plans



## C.E.P HISTORICAL COMPARISON NUMBERS IN THOUSANDS

FISCAL YEAR	TOTAL GROSS 5 YEAR PLAN	TOTAL NET 5 YEAR PLAN	YEAR ONE GROSS BUDGET	YEAR ONE NET BUDGET
14-15	55,741	42,243	9,664	6,578
15-16	54,257	41,672	10,606	6,382
16-17	56,809	46,414	14,868	11,449
17-18	47,821	41,080	6,465	5,872
18-19	50,682	42,625	7,999	6,622
19-20	58,641	50,170	11,512	9,380
20-21	67,459	59,731	6,110	5,135
21-22	70,063	58,436	15,846	11,753
22-23	239,841	156,755 <sup>1</sup>	174,656	100,381
23-24	105,370	82,112	13,688	11,127
<b>10 YEAR AVG.</b>	<b>\$80,668</b>	<b>\$62,124</b>	<b>\$27,141</b>	<b>\$17,468</b>
<b>5 YEAR AVG.</b>	<b>\$108,275</b>	<b>\$81,441</b>	<b>\$44,362</b>	<b>\$27,555</b>

<sup>1</sup> Next Generation CPS – Two New Elementary Schools approved at referendum (166.6M)

# Recommended FY 25 Annual Capital Budget



- FY25 Recommended “First Year” Project Appropriations totaling \$15,509,000 including:
  - \$700,000 to replace the DPW Salt Shed
  - \$2,000,000 included for Road Improvement Program
  - \$1,600,000 for E. Johnson Road Reconstruction (Pt. 2)
  - \$500,000 requested for sidewalk improvements
    - \$300,000 for Jarvis/Marion Extensions
    - \$100,000 for Sidewalk Extension Program
    - \$100,000 for Sidewalk Maintenance Program
  - \$4,050,000 requested by BOE for school projects

# Town Manager's Proposed Budget



All Budget Documents at: [www.cheshirect.org](http://www.cheshirect.org)



## News Update

18 MARCH 2024

**2024 HazWaste Central  
Collection Dates**

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14 MARCH 2024

**Early Voting Schedule and  
Information**

[READ MORE >](#)

13 MARCH 2024

**Electronics and Mattress  
Recycling Event 4/6**

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11 MARCH 2024

**Town Manager Submits  
Proposed FY 2024-2025  
Budgets**

[READ MORE >](#)



[See All >](#)

# Budget Calendar



- ✦ **Tuesday, March 19<sup>th</sup> - 6:30 p.m. – Council Chambers**
  - Public Hearing on the Proposed Budget
  - Review of Board of Education
  
- ✦ **Thursday, March 21<sup>st</sup> - 6:30 p.m. – Room 207/209**
  - Review of Public Works (Public Property), Engineering, Water Pollution Control
  
- ✦ **Saturday, March 23<sup>rd</sup> – 9:30 a.m. – Council Chambers**
  - Review of Fire, Police, Animal Control, Library, Recreation, Pool, Artsplace, and Revenues

# Budget Calendar



- ✦ **Tuesday, March 26<sup>th</sup> - 6:30 p.m. – Council Chambers**
  - Review of Planning, Economic Development, Building, Town Clerk, Elections, Human Services and Public Health
  
- ✦ **Thursday, March 28<sup>th</sup>- 6:30 p.m. – Room 207/209**
  - Review of Finance, Debt Service, CNR, Employee Benefits, Town Council, Town Manager, Town Attorney, and Human Resources
  
- ✦ **Monday, April 15<sup>th</sup> - 7:00 p.m. – Room 207/209**
  - Additional Budget Review

# Budget Calendar



- ✦ **Tuesday, April 16<sup>th</sup> – 6:30 p.m.** - Council Chambers
  - Proposed Town Council Public Information Session
  - Additional Budget Review
  
- ✦ **Thursday, April 18<sup>th</sup> – 6:30 p.m.** – Room 207/209
  - Final Budget Review
  
- ✦ **Wednesday, April 24<sup>th</sup> - 7:00 p.m.** - Council Chambers
  - Proposed Town Council Meeting for Budget Adoption
  
- ✦ **Additional meetings to review and adopt Capital Expenditure Plan to be announced once finalized**

# Town Manager's Proposed Budget



**Thank you!**

**Finance Dept. and Town Manager's Office Budget Team:**

Sharon Churma, Gina DeFilio, James Jaskot, Hope Larson, Donna Ouellet, Noelle Shepard, Arnett Talbot, Christine McCardle, Anne Marie Burr and Jaime LaMere

Department Heads and CPS Staff