

Town Manager's Proposed Budget Fiscal Year 2024-2025

Presented at the February 6, 2024 Board of Finance Meeting

Tonight's Presentation

Town Operating Budget

Debt & Transfers

Revenues & Transfers

Capital Budget

Grand List

Mill Rate & Tax Rate

Town Operating Budget



Town Operating Budget

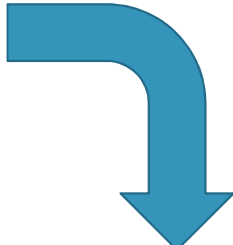
Adopted 2023-2024	Proposed 2024-2025	\$ Change	% Change
\$48,804,244	\$50,362,500	\$1,558,256	3.19%

Town Operating Budget

Departmental Budget Requests
\$52,425,828
7.42% ↑

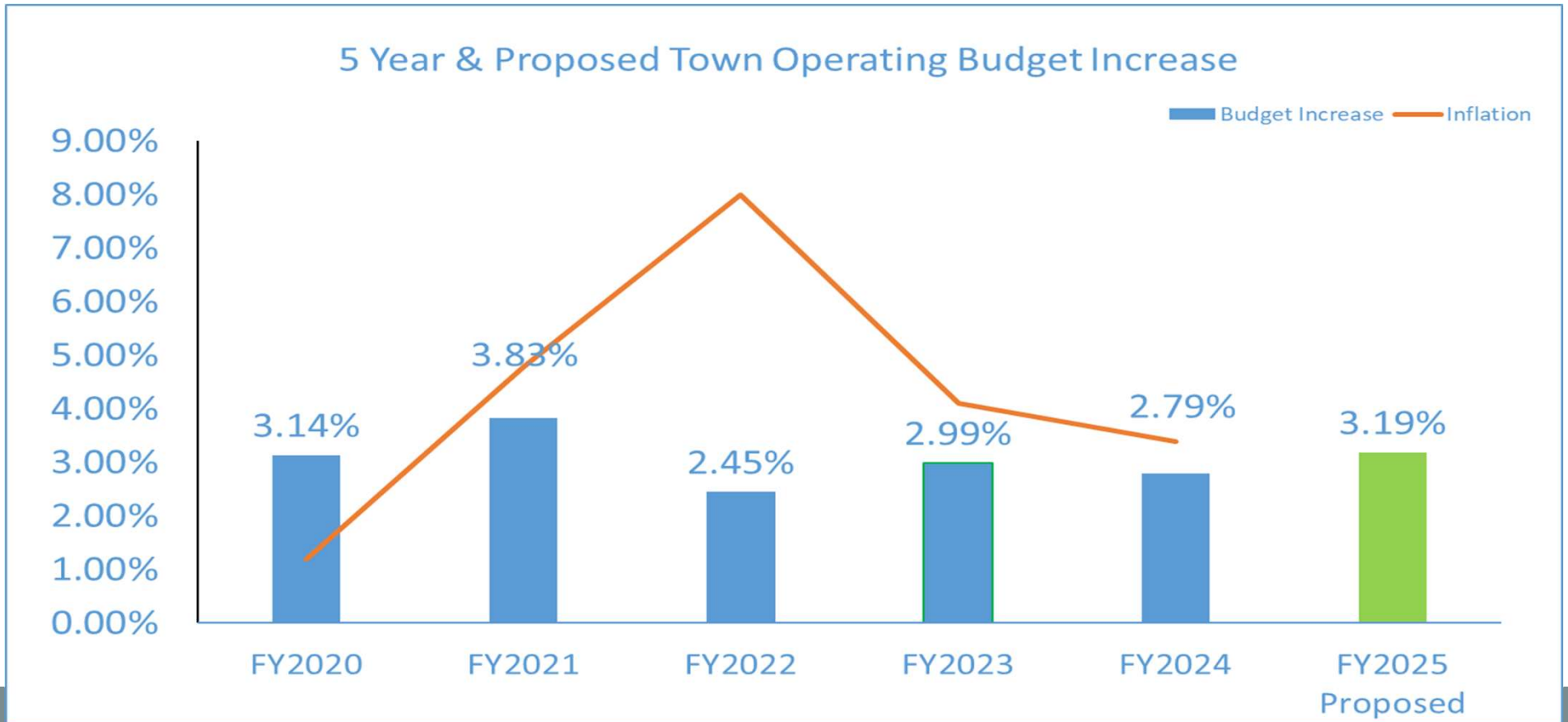


Town Manager Reductions
\$2,063,328



Town Manager Proposed Budget
\$50,362,500
3.19% ↑

Town Operating Budget



Town Operating Budget

	Budget Component	Adopted 2024	Proposed 2025	\$ Change	% Change
1	Wages	\$24,267,208	\$25,506,618	\$1,239,410	5.1%
2	Insurance	\$5,757,527	\$5,799,476	\$41,949	0.7%
3	Pension	\$9,046,362	\$9,217,622	\$171,260	1.9%
4	Data Processing & Technology	\$1,109,804	\$1,183,971	\$74,167	6.7%
5	Contractual Services	\$1,270,785	\$1,323,750	\$52,965	4.2%
6	Utilities & Fleet	\$2,066,109	\$2,106,597	\$40,488	2.0%
7	Capital Outlay	\$1,339,694	\$1,354,640	\$14,946	1.1%
8	All Others	\$3,946,755	\$3,869,826	\$(76,929)	(1.9%)
Total		\$48,804,244	\$50,362,500	\$1,558,256	3.19%

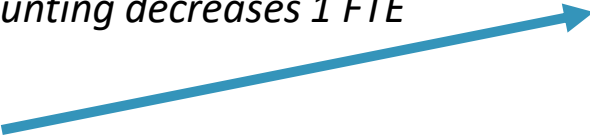
Town Operating Budget



	Budget Component	\$ Change	As a component of budget increase (3.19%)
1	Wages	\$1,239,410	2.5 pts

- FY 23 - 4.65% ↑
 - FTE increases by 3: Youth & Family, Police (2)
- FY 24 - 3.17% ↑
 - FTE increases by 5: Youth & Family (2), Human Resources, Customer Service Center, Community Development, Facilities (shared with Sewer Operating), Accounting decreases 1 FTE
- FY 25 - 5.11% ↑

- Full Time Staffing Flat @ 245 FTE
- More Part-Time Fire Marshal staff: \$63K
- Restructuring Firefighters Incentive Program: \$270K
- Restores Part-Time Funding to Engineering, Library, Senior Center, Facilities: \$185K
- General Wage Increases: \$500K



Town Operating Budget

Budgeted Full-Time Employees



Budget to budget comparison

Town Operating Budget



	Budget Component	\$ Change	As a component of budget increase (3.19%)
1	Wages	\$1,239,410	2.5 pts
2	Insurance	\$41,949	0.1 pts

Liability, Auto, Property

- Increase of 8.3% or \$65K

Workers' Comp

- Up 7.4% or \$54K

Health Insurance

- Overall decrease of \$77K or 1.82%
- 5% decrease in medical renewal rates
- Fully budgeted for 26 pay periods

Town Operating Budget

	Budget Component	\$ Change	As a component of budget increase (3.19%)
1	Wages	\$1,239,410	2.5 pts
2	Insurance	\$41,949	0.1 pts
3	Pension*	\$171,260	0.4 pts

**Includes Defined Benefit (DB), Defined Contribution (DC), and Medicare and Social Security.*

- Fully funds Pension ADC
- ROR → 6.25%
- DB – flat (estimate)
- DC – wages ↑
- Social Security & Medicare ↑

Town Operating Budget

Amortization Growth Rate	Commensurate Town Contribution to Pension Fund in FY25	Impact to FY25 Proposed Budget
3.50% <i>Current</i>	\$6,420,901	\$(508,488)
1.50% <i>Proposed</i>	\$6,929,389	\$0
0.00% <i>Target (per recent study)</i>	\$7,242,527	\$313,138

Amortization Growth Rate:
Determines the rate at which the amortization payments will increase over the duration of the amortization period.

Every 1% reduction increases the Actuarially Determined Employer Contribution (ADEC) by \$250K

Town Operating Budget

	Budget Component	\$ Change	As a component of budget increase (3.19%)
1	Wages	\$1,239,410	2.5 pts
2	Insurance	\$41,949	0.1 pts
3	Pension	\$171,260	0.4 pts
4	Data Processing & Technology	\$74,167	0.2 pts

Addition of DocuSign \$4K

Financial Software and Document Management Systems Annual Increase \$16K

Cyber Security Up \$6K

Migration to Office 365 \$21K

CCTV & Video Production Software \$7K

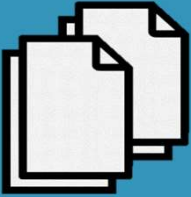
FirstDue Service Contract \$14K

Library Upgrades to Calendar and Marketing Software \$2K

GIS System Increase \$5K

Town Operating Budget

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2	Insurance	\$41,949	0.1 pts
3	Pension	\$171,260	0.4 pts
4	Data Processing & Technology	\$74,167	0.2 pts
5	Contractual Services	\$52,965	0.1 pts



Refuse – Increases in Ground Water Testing and Non-Processible Disposal

Parks & Recreation – Increases in Tree Care and Ground/Roadside Services

Town Operating Budget

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3	Pension	\$171,260	0.4 pts
4	Data Processing & Technology	\$74,167	0.2 pts
5	Contractual Services	\$52,965	0.1 pts
6	Utilities & Fleet	\$40,488	0.1 pts



Diesel & Gasoline

FY24: \$2.99 & \$2.95

FY25: \$2.99 & \$2.56

Review of gasoline usage history resulted in a decrease of 10K gallons or \$25K

Utilities to increase \$70K

Fire → Electric \$7K, Hydrant Rentals \$3K, Nat Gas \$3K

Police → Solar \$18,500, Phone \$7K

Parks & Rec → Electric \$8K, Water \$6K, Nat Gas \$2K

Library → Electric \$4K, Natural Gas \$ 6K

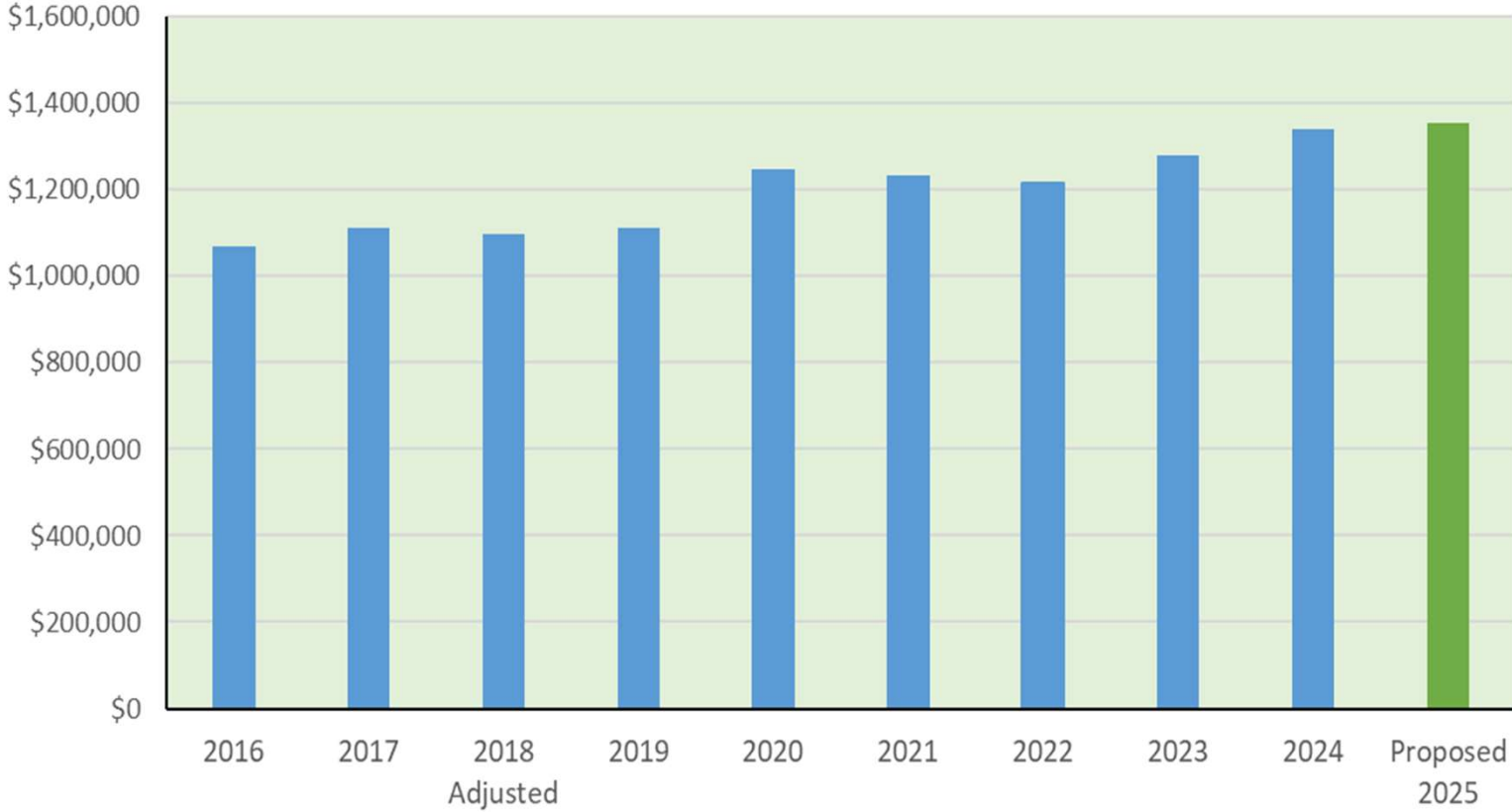
Town Operating Budget

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5	Contractual Services	\$52,965	0.1 pts
6	Utilities & Fleet	\$40,488	0.1 pts
7	Capital Outlay	\$14,946	0.0 pts

Organization-wide purchases to manage fleet, machinery & equipment, computer equipment, Town property care/maintenance

Town Operating Budget

Town Operations - Capital Outlay
9 Year Comparison and Proposed FY 25



Special Revenue Funds Utilized

Police Private Duty Fund - \$264K

Rec Activity Fund - \$101K

Town Operating Budget

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5	Contractual Services	\$52,965	0.1 pts
6	Utilities & Fleet	\$40,488	0.1 pts
7	Capital Outlay	\$14,946	0.0 pts
8	All Others	(\$76,929)	-0.2 pts

Savings in:

- Professional Services (\$25K)*
- Contingency (\$25K)*
- Contributory Grants (\$15K)*
- Legal/Advertising (\$8K)*

17 of 40
Line Items

23 of 40 line items
All Operating Divisions

Town Operating Budget

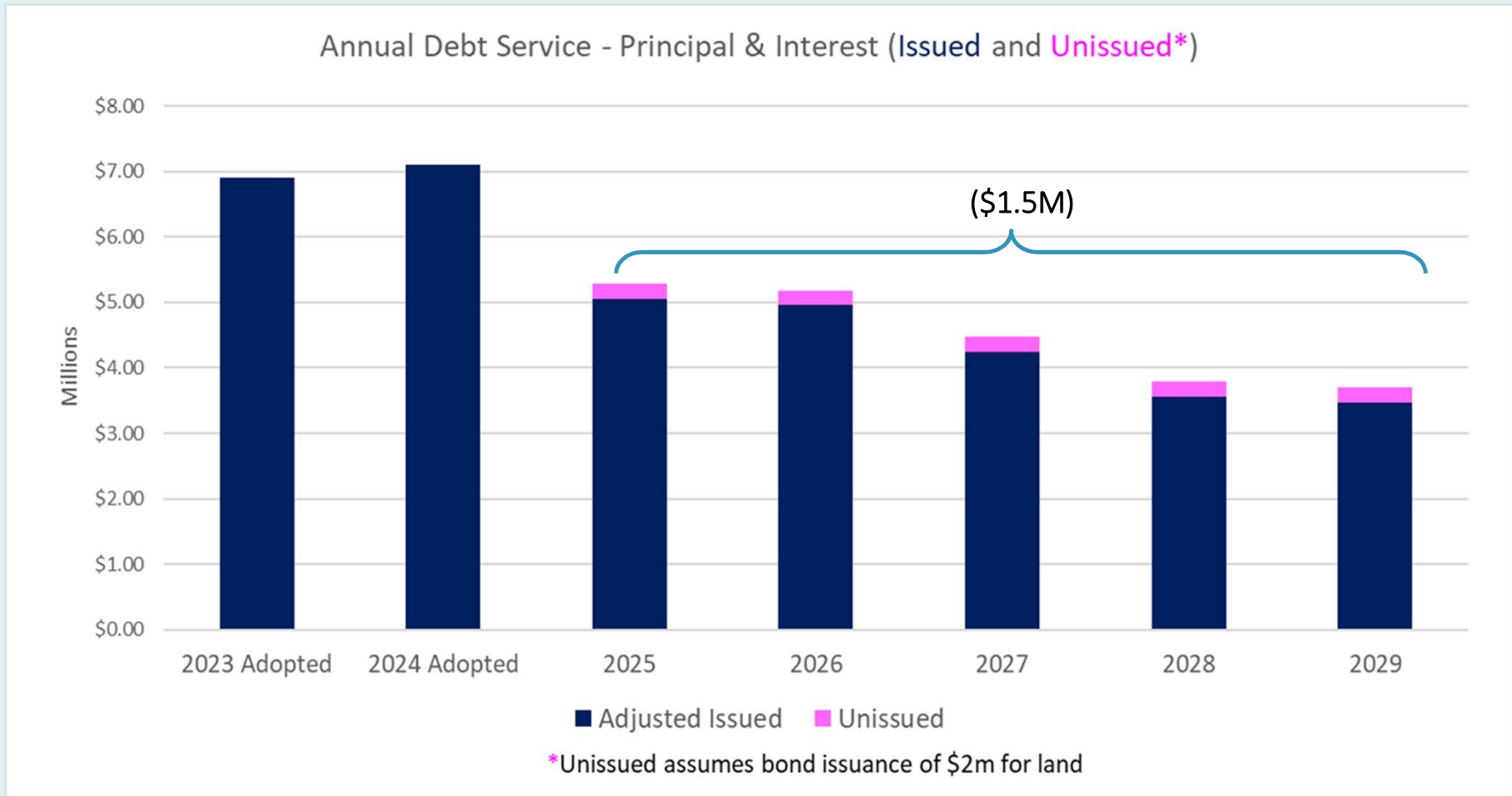
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5	Contractual Services	\$52,965	0.1 pts
6	Utilities & Fleet	\$40,488	0.1 pts
7	Capital Outlay	\$14,946	0.0 pts
8	All Others	(\$76,969)	-0.2 pts
	Total	\$1,558,256	3.19%

Debt & Transfers

Debt & Transfers

Transfer To	FY 24 Adopted	FY 25 Proposed	\$ Change	% Change
Debt Service	\$7,096,470	\$5,275,632	\$(1,820,838)	(25.7%)
Capital Reserve	\$5,850,000	\$7,670,368	\$1,820,368	31.1%
OPEB Trust	\$641,452	\$677,300	\$35,848	5.6%
Dog Fund	\$45,000	\$45,000	\$0	0%
Total	\$13,632,922	\$13,668,300	\$35,378	0.3%

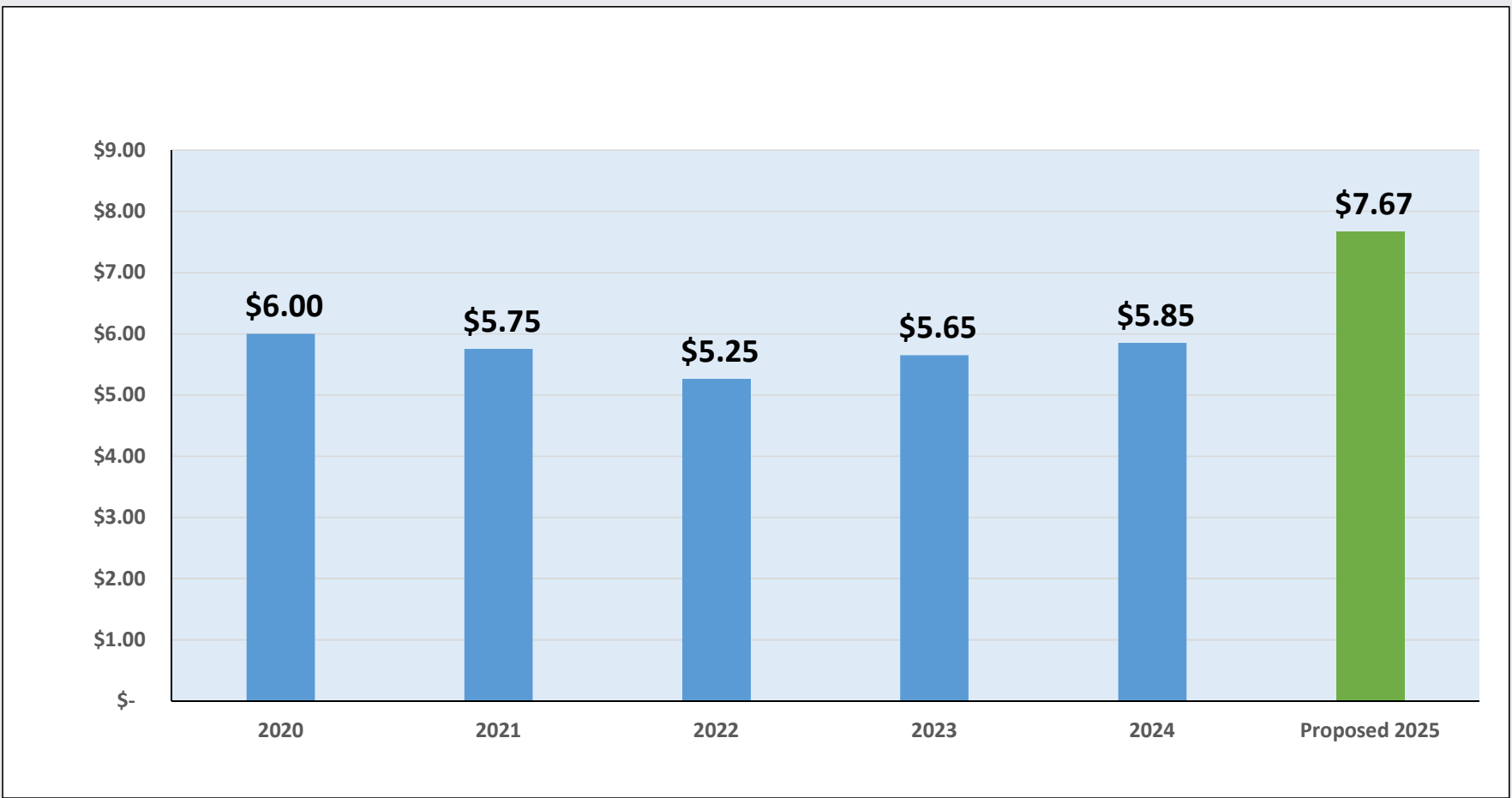
Debt Service Projected



Capital Reserve Transfer

5 Year History and Proposed FY 2025

July 2020 Value	Change in CPI (%)	January 2024 Value
\$6.00M	19.56%	\$7.17M



FY 2024 - 2025 Proposed Budget

	Adopted FY 2023 - 2024	Proposed FY 2024 - 2025	\$ Change	% Change
Town Operations	\$48,804,244	\$50,362,500	\$1,558,256	3.19%
Debt & Transfers	\$13,632,922	13,668,300	\$35,378	0.30%
Education	\$120,268,065	\$124,946,745	\$4,678,680	3.89%
Total	\$182,705,231	\$188,977,545	\$6,272,314	3.43%

Revenues and Transfers



Revenues and Transfers

Revenue Source	FY 2024 Adopted	FY 2025 Proposed	\$ Change	% Change
Taxes (current & other)	\$166,844,482	\$174,805,155	\$7,960,673	4.8%
Licenses & Permits	\$1,474,750	\$1,577,250	\$102,500	7.0%
Intergovernmental	\$9,548,129	\$7,295,368	(\$2,252,761)	-23.6%
Charges for Services	\$1,580,928	\$1,470,033	(\$110,895)	0.5%
Other	\$2,481,941	\$3,054,739	\$572,798	23.1%
Use of Fund Balance	\$775,000	\$775,000	-	-
Total Revenue	\$182,705,231	\$188,977,545	\$6,272,314	3.43%

Elimination of MV grant

Investment Income

Revenues and Transfers



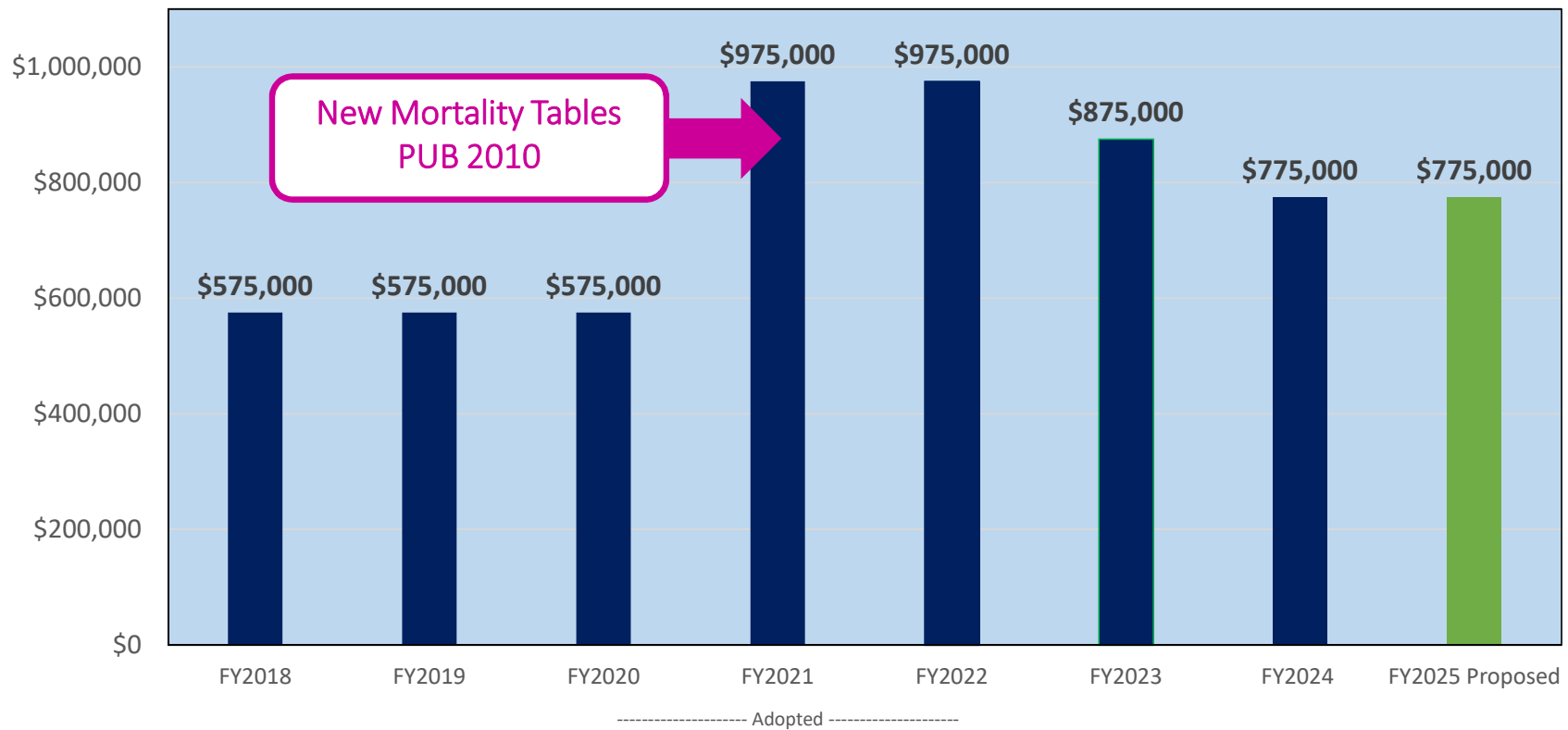
Source: <https://www.macrotrends.net/2015/fedfundsratehistoricalchart>

Investment Income
to increase \$600K
next Fiscal Year

Interest on
Investments
estimated @ 4.0%

Revenues and Transfers

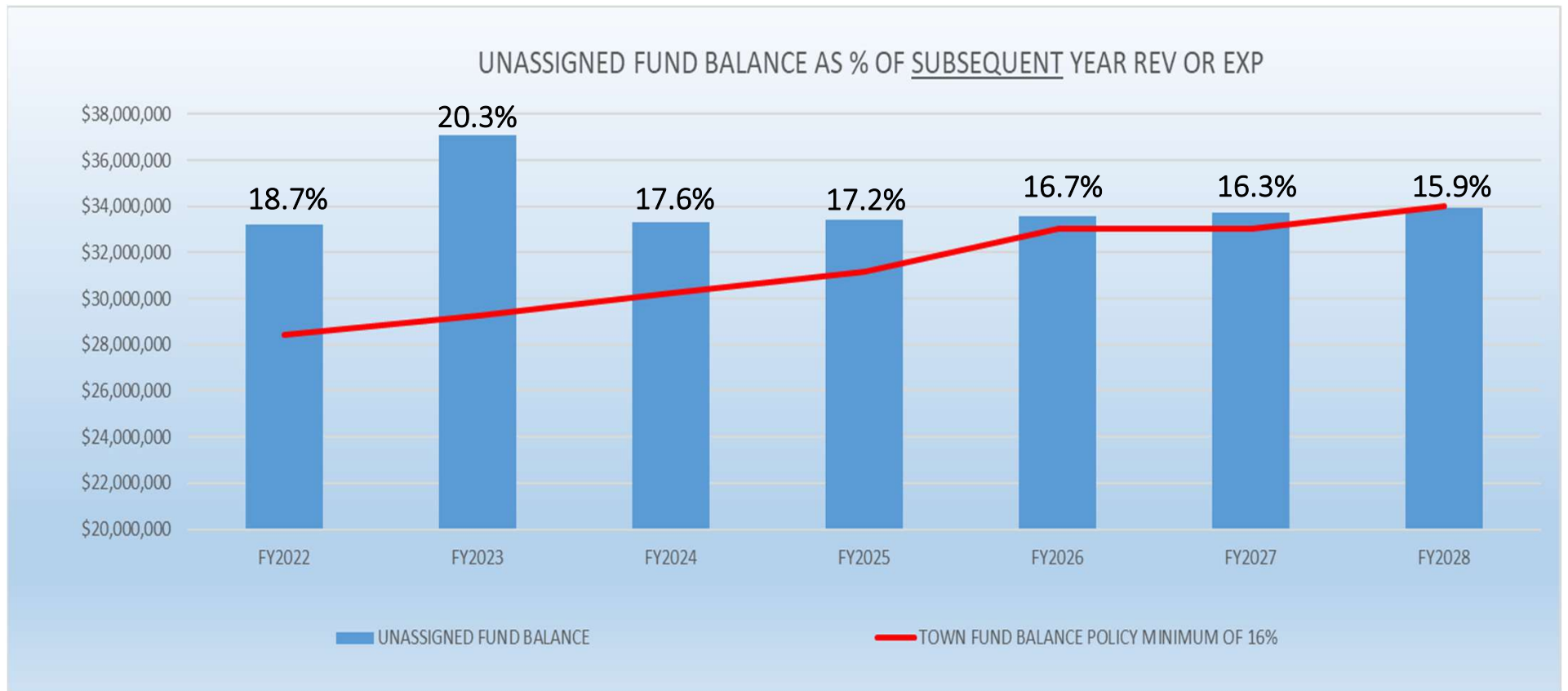
General Fund - Use of Fund Balance



Revenues and Transfers

Assumptions for Fiscal Years 26, 27 & 28:

3.0% spending increase each FY, unbudgeted revenue surplus of \$750K each FY, "Opening Cash" decreases \$100K each FY



Capital Budget



Capital Budget

31 Projects to receive new or additional funding in the Capital Improvement Program (CIP)

- System-wide roofs
- Public Safety Communications
- Heavy Equipment
- Williams Memorial Renovations
- Addison Park Renovations
- Fire Engine Tanker
- Road Overlay
- School – Roof, Gym Floor, Re-paving
- Bridges
- Pedestrian Bridge Improvements
- Town Department Office Renovations



Capital Budget: Estimated Capital Reserve Funding

<u>SUMMARY</u>	
General Government	\$2,550,924
Public Safety	\$1,150,000
Physical Services	\$3,300,000
Parks & Recreation	\$923,500
Human Services	\$137,500
Refuse/Sanitation	\$50,000
Board of Education	\$3,060,000
Total Project costs	<u>\$11,171,924</u>
Less...	
<i>Grants</i>	\$1,339,250
<i>ARPA funds</i>	\$1,832,503
<i>Re-Programmed Funds</i>	\$329,803
<i>General Fund Transfer</i>	\$7,670,368
<u>Net Combined Project Costs</u>	<u>\$11,171,924</u>

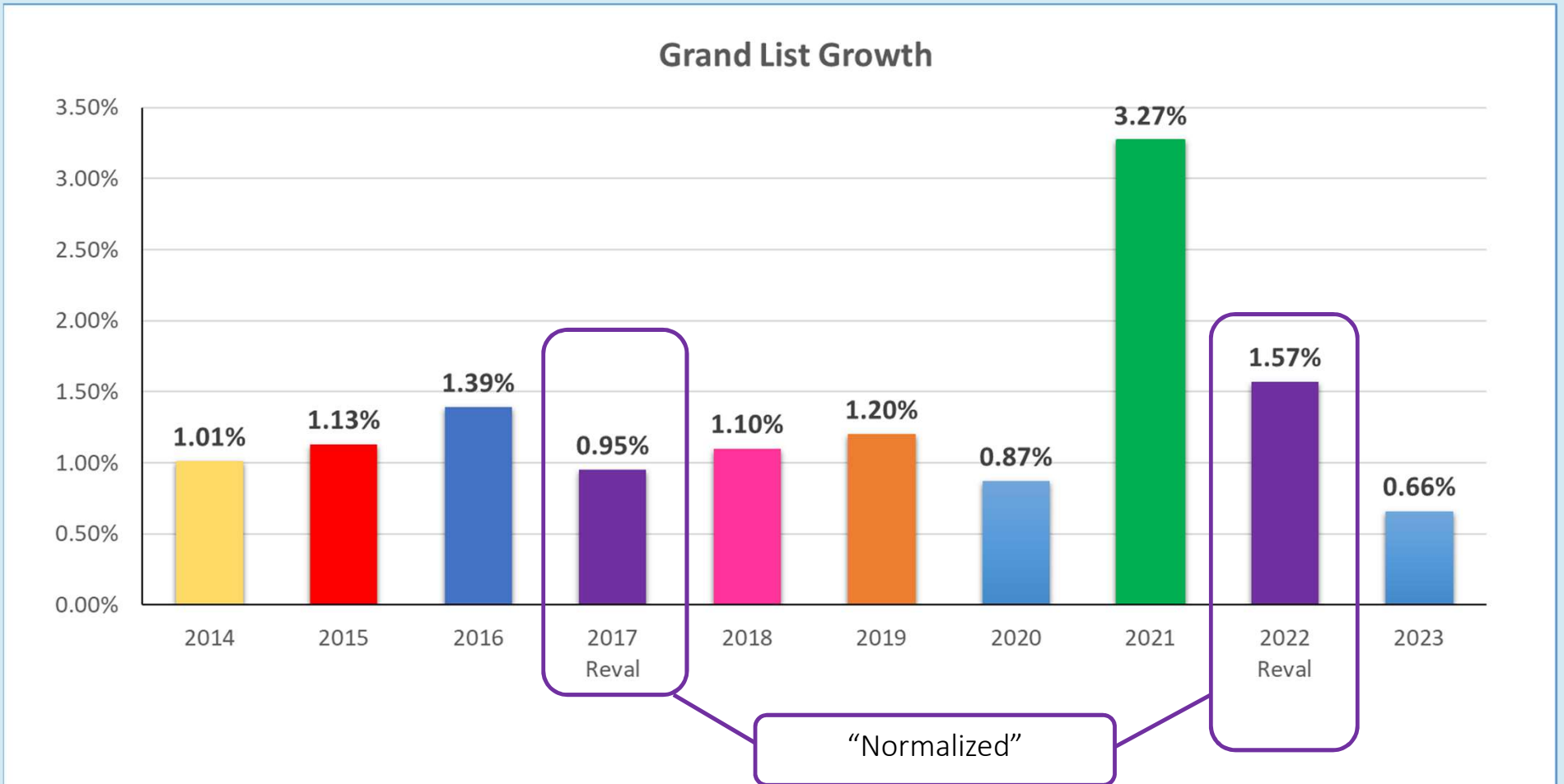
Grand List

Grand List

9 Year Actual and 2023 Estimated

\$960K± New Tax Revenue

10 Year Average = 1.32%

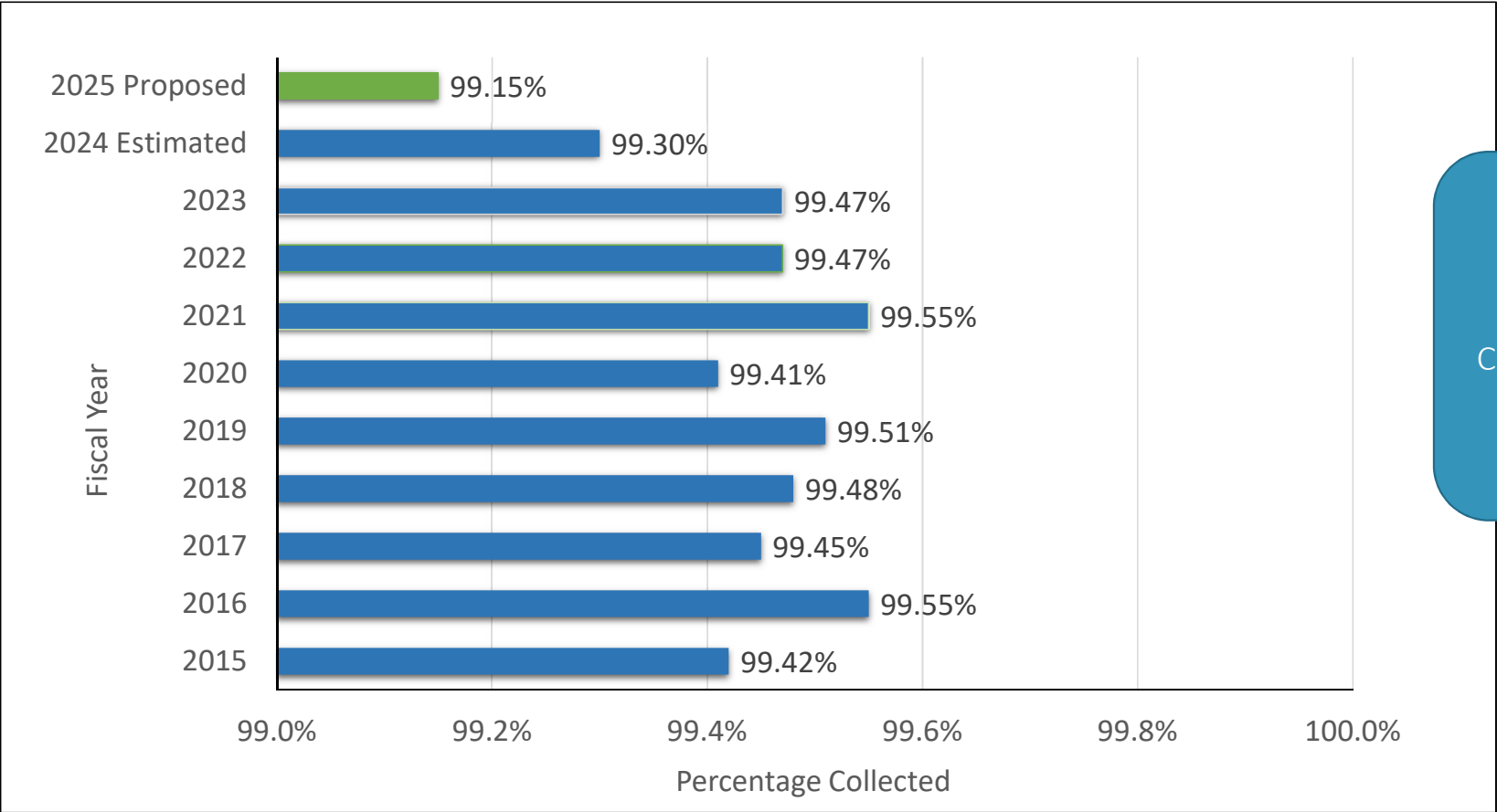


Mill Rate and Tax Rate



Collection Rate

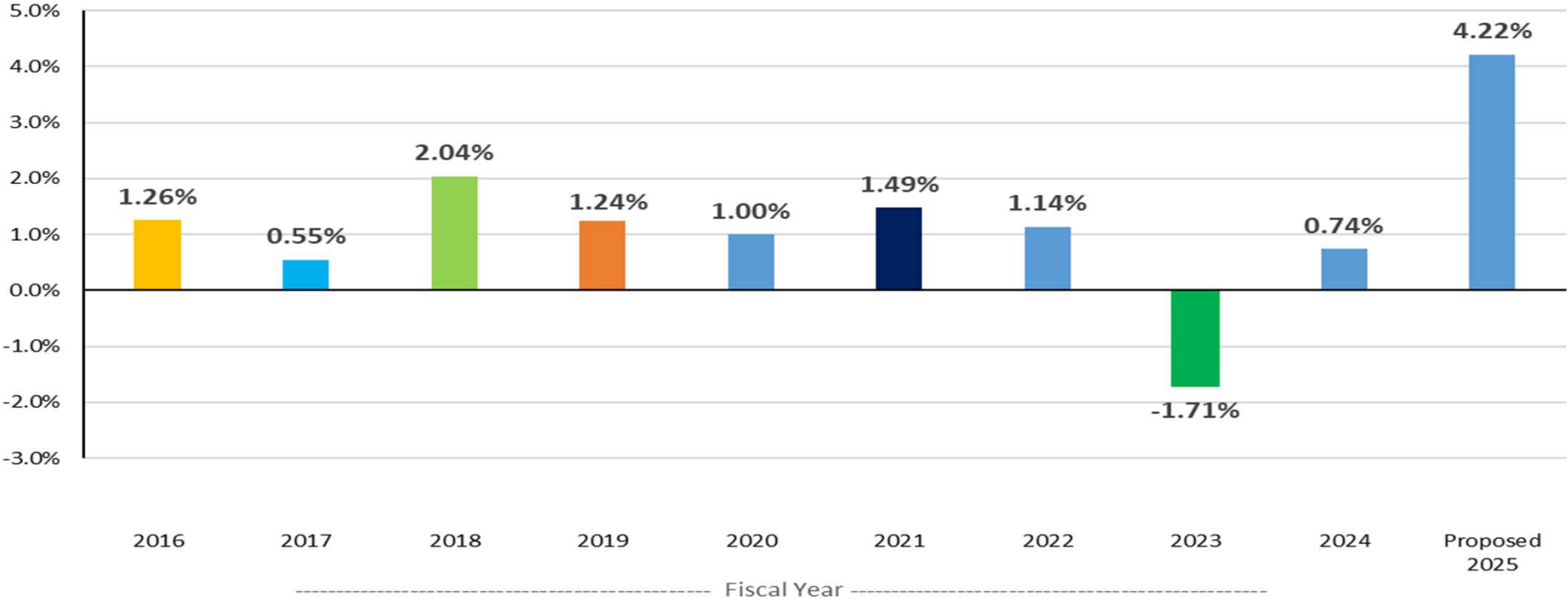
Collection Rate Changes:
2016 – Increase from 99.00% to 99.10%
2023 – Increase from 99.10% to 99.15%



Every 1/10% increase in Collection Rate = \$176,000

Mill Rate and Tax Rate

Tax Increase: 9 Year History and Proposed FY 2025



Mill Rate:	36.10	36.30	37.04	36.00 (reval)	36.36	36.90	37.32	37.01/ 31.00 MV	31.01 (reval)	32.32
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Value of One Mill = \$5,362,350

FY 2025 Mill Rate would increase 1.31 mills

1.31 mills would generate \$7.08M

\$796K generated from new Grand List growth

Impact of Budget Drivers on Mill Rate

- ❖ Loss of Motor Vehicle Tax Reimbursement Grant = 0.42 mills
- ❖ Town Operations Increase = 0.29 mills
- ❖ Board of Education Increase = 0.87 mills
- ❖ Offset by:
 - Growth in Grand List = 0.17 mills*
 - Increase in Other Revenue = 0.10 mills*

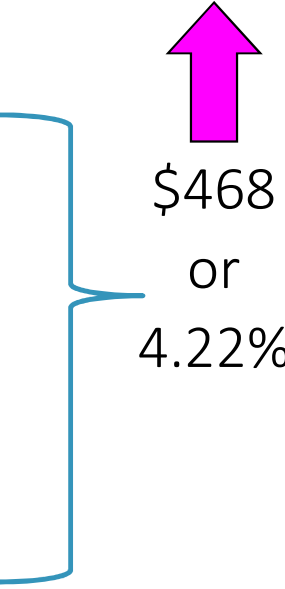
Mill Rate and Tax Rate

Example of Real Estate Impact

Fiscal Year	Market Value	Assessed Value	Mill Rate	Taxes
Adopted 2024	\$489,250	\$342,475	31.01	\$10,620
Proposed 2025	\$489,250	\$342,475	32.32	\$11,069

Example of Motor Vehicle Impact

Fiscal Year	Market Value	Assessed Value	Mill Rate	Taxes
Adopted 2024	\$20,880	\$14,615	31.01	\$453
Proposed 2025	\$20,880	\$14,615	32.32	\$472



End of Presentation