

Town Manager's Proposed Budget



FISCAL YEAR 2023-2024

PROPOSED BY TOWN MANAGER AND BOARD OF EDUCATION

Budget Process

- The budget process sets priorities by allocating scarce resources
 - Scarce resources imply competition
 - ...and choice
- The Proposed Budget offers one set of priorities for Council consideration
- Contains best information available at this time
 - Certain assumptions remain in a state of flux at this time

Budget Pressures

- The Budget is more than numbers
- It sets priorities and has to find a balance to address competing needs
- It has to respond to external pressures pushing on Clinton and internal pressures over local priorities



Budget Highlights

- Total budget expenditures are proposed to increase by 5.22%
- Tax rate to support the Proposed Budget increases by 3.22%
- The difference between the budget increase and the tax rate is mainly due to growth in the Grand List and appropriation of Fund Balance

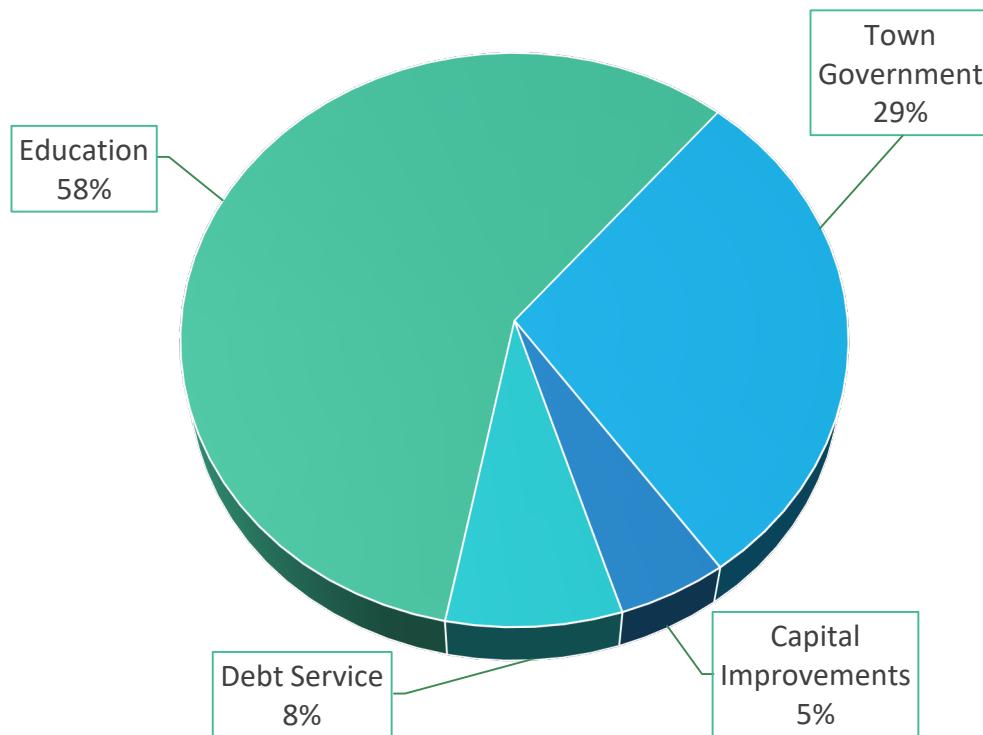
Proposed Budget

	Adopted FY23	Proposed FY24	Increase (Decrease)	
Town Government	\$17,312,494	\$18,285,237	\$972,743	5.62%
Board of Education	34,552,204	35,446,476	894,272	2.59%
Debt Service				
Town Education	2,195,778 2,890,979	2,114,840 2,905,835	(80,938) 14,856	(3.69%) 0.51%
Capital Improvements				
Town Education	2,368,363 346,053	3,454,707 570,566	1,086,344 224,513	45.87% 64.88%
TOTAL	\$59,665,871	\$62,777,661	\$3,111,790	5.22%

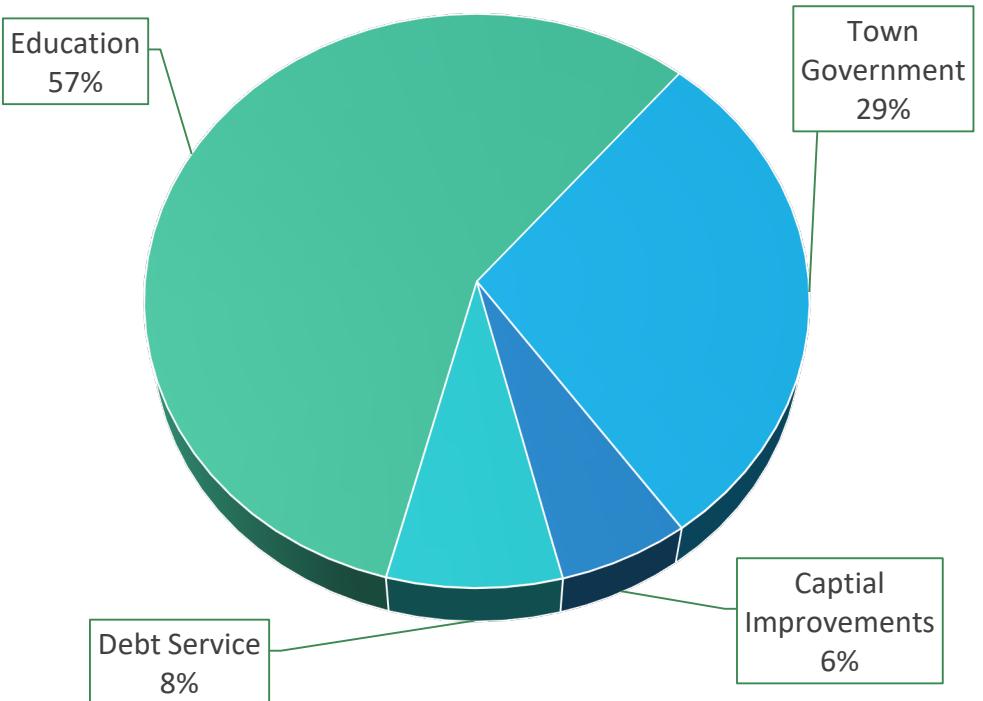
\$8,085,775 has already been cut from the budget - \$30,174 in Town Operating and \$8,055,601 in Capital

Expenditure Comparison

ADOPTED BUDGET FY2022-23



PROPOSED BUDGET FY2023-24



Financial Forecast

- Financial Forecast given in September 2022 projected:
 - 3.30% increase in expenditures
 - 4.65% increase in mill rate
- Beat the forecast on revenues despite State aid cuts through higher than forecast Grand List growth and better investment returns
- Missed forecast on total expenditures with unanticipated operating drivers and higher than forecasted capital expenditures

Financial Forecast

- Financial Forecast projected total expenditure increase of 3.30%.
- The Town Council set a benchmark of 2.5%

BOE Operating Increase	Town Operating Increase
2.59%	5.62%

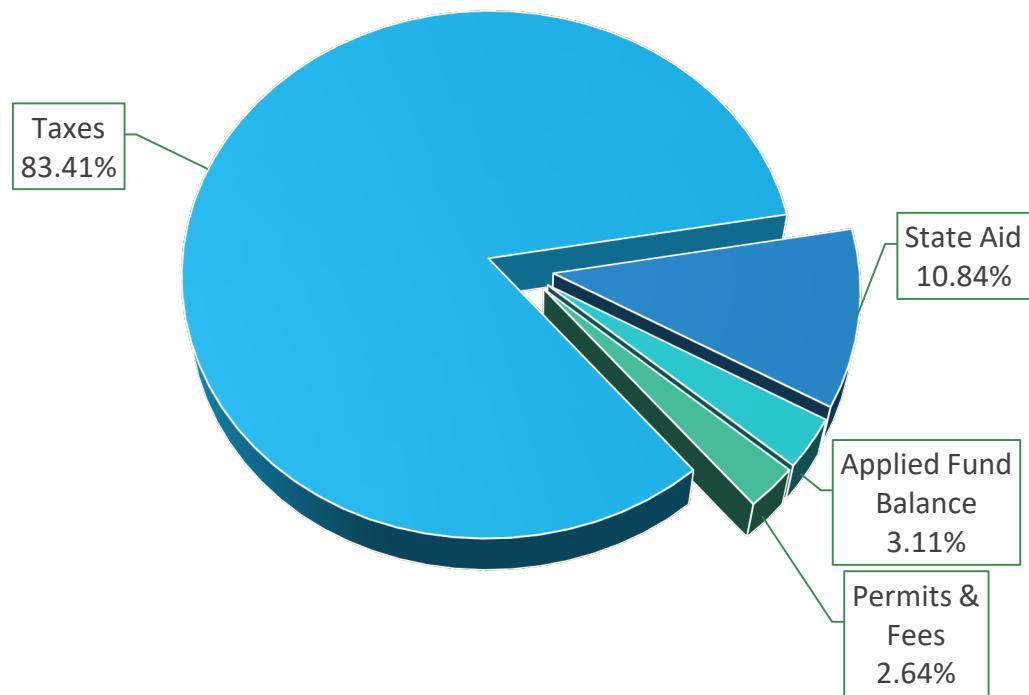
Town Expenses Higher than Forecast	Amount
Increased Pension Contributions	\$308,000
Increased Contingency	220,000
Increased Utility Expenses	103,000
Program Growth	49,114
Competitive Part-time Wages	44,635

Proposed Revenues

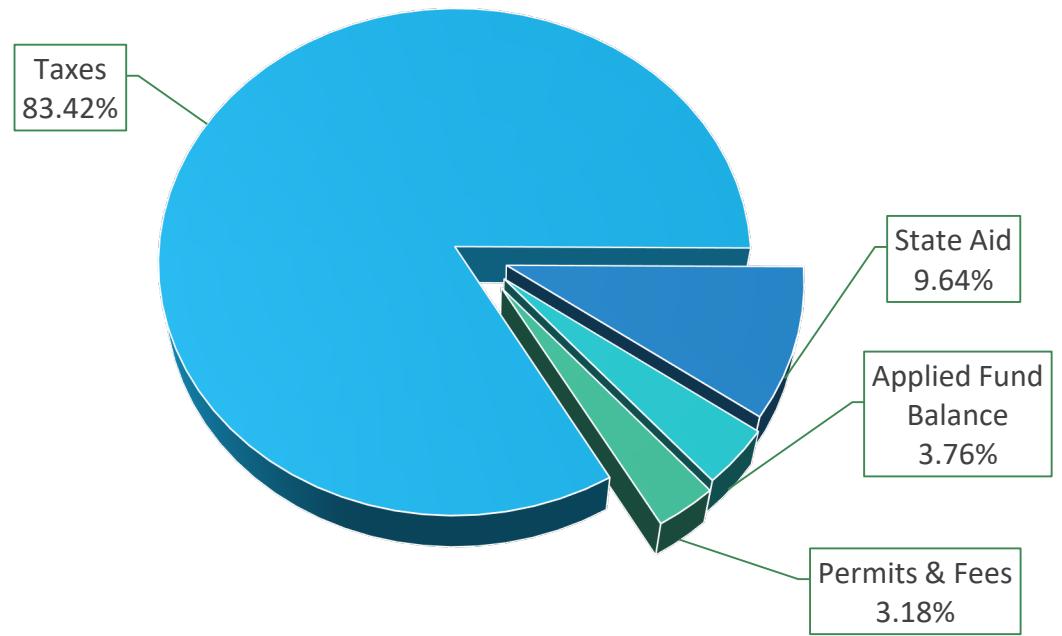
FINANCING THE BUDGET

Revenue Comparison

ADOPTED BUDGET FY2022-23



PROPOSED BUDGET FY2023-24



Financing the Budget: Changes in the Grand List

- Grand List grew by approximately 1.9%
- Starting revenue discussion before Board of Assessment Appeals hearings
- Assumed a discount to Grand List growth in the budget
 - Final Grand List will be known in March
- Growth generates over \$861,000 in additional revenue at the current mill rate

Financing the Budget: State Aid

- State aid is used to limit property tax increases
- Second largest source of revenue following the Property Tax
- Governor's Budget
 - ECS is reduced by \$217,921 – will be cut again in FY24-25
 - Was level funded – now following statutory reductions
 - Loss in State aid shifts burden over to local property taxes

Financing the Budget: Other Revenue

- Locally generated revenue projected to increase over FY22-23
 - Most department generated revenue assumed to remain flat
 - Increase seen in investment income
 - Positioned to increase yield in the changing interest rate environment
- Total local revenue increase of \$442,585 or 28%
 - Equal to 0.26 mills

Financing the Budget: Fund Balance

- Fund Balance traditionally provides a degree of tax relief
 - Proposed budget assumes continued use to reduce the mill rate
 - Appropriated Fund Balance \$250,000
- Accounted for as a revenue to finance capital improvements
 - Used for significant and costly capital items
 - Applied Fund Balance \$2,151,000

Town Government Expenditures

Expenditure Summary: Town Government

- Town Government budget proposed to be funded at \$18,285,237 – an increase of \$972,743 or 5.62%
- Influences on the Budget:
 - Increase in MSW Tip Fee
 - Inflation uncertainty
 - Insurance increases
 - Growing pension liability and higher contributions
 - Growing demand for programs
 - Electricity/Utility pass through increases
 - Pending Union Negotiations

Expenditure Summary: Town Government

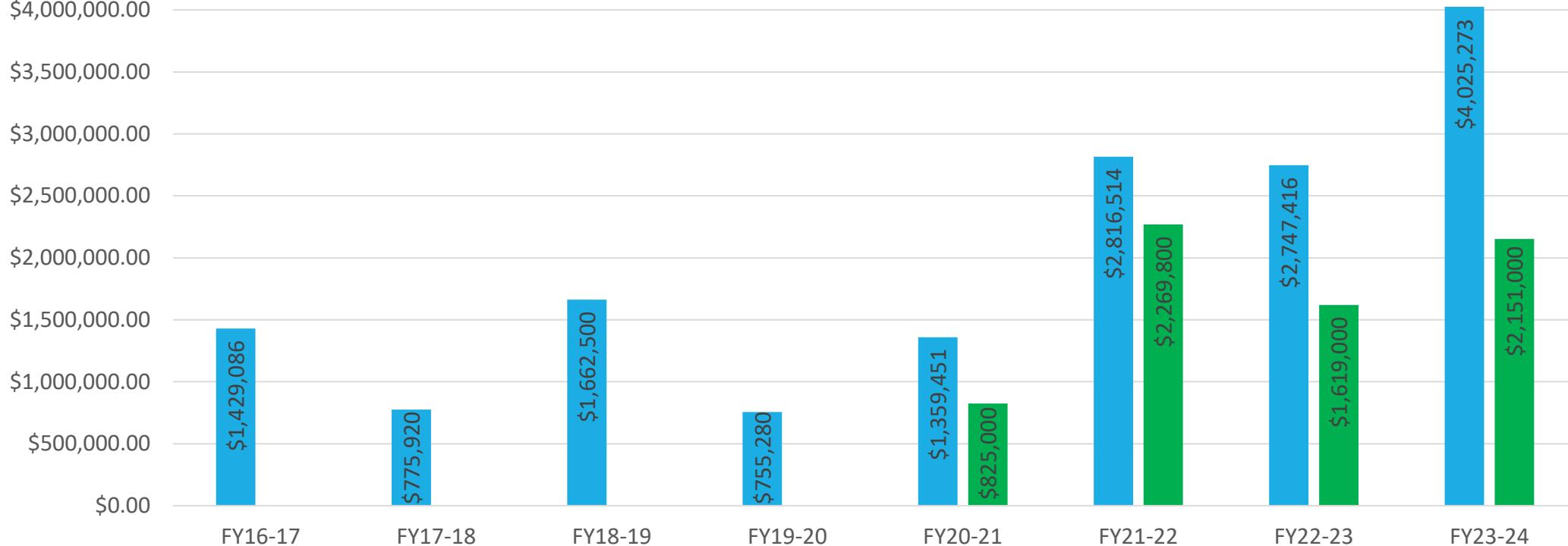
Activity	FY2022-23 Budget	FY2023-24 Proposed Budget	Percent Change
Govt. Administration	\$2,012,262	\$2,024,923	0.63%
Land Use & Development	600,360	642,905	6.92%
Protection & Emergency	4,235,752	4,247,903	0.29%
Public Works & Facilities	3,220,996	3,436,434	6.69%
Recreation & Human Services	687,605	748,198	8.81%
Library	820,319	836,271	1.94%
Insurance & Benefits	5,565,000	5,959,600	7.08%

Expenditure Summary: Town Government

Activity	FY2022-23 Budget	FY2023-24 Proposed Budget
Personnel Expenses	\$12,027,627	\$12,471,334
Repair and Maintenance	809,675	845,311
Operating Supplies	603,945	635,005
Software and IT	306,688	354,163
Professional Services	1,630,563	1,641,127
Utilities and Fuel	1,253,805	1,413,363
Risk Management	526,000	550,000
Contingency	170,000	390,000

Capital Improvements

Capital Funding



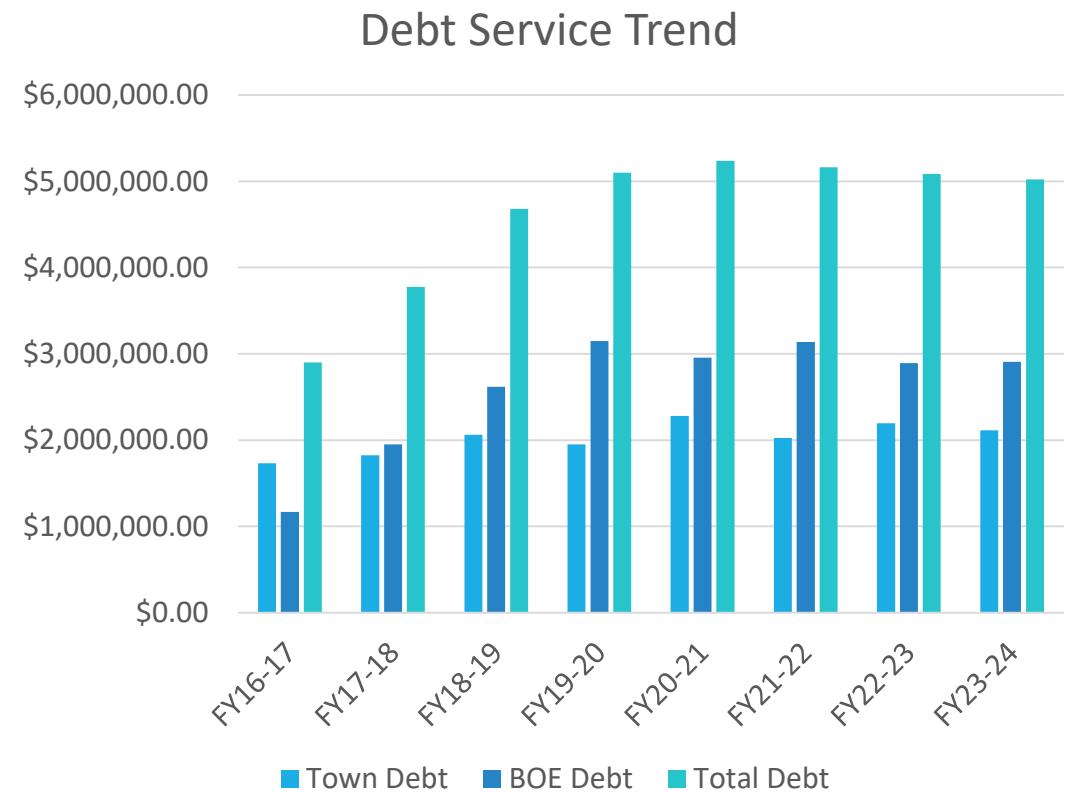
Capital Funding

- On-going need for critical investments
- High priority items included in the Capital Plan for FY2023-24
 - Radio Replacement
 - Continue Fire Apparatus Replacement Reserve
 - Continue Funding for Paving
 - Deferred Maintenance & Rolling Stock
 - Turf Field Replacement at IRRC
 - WPCC
 - State-mandated Projects

Debt Service

Debt Service

- Debt Service repays debt issued and capital leases which have been used to finance projects and equipment purchases
- Total Debt Service requires \$5,020,676 – a decrease of (\$66,081) or (1.30%)



Proposed Mill Rate

Proposed Mill Rate

The Proposed Budget requires a 30.79 mill rate.

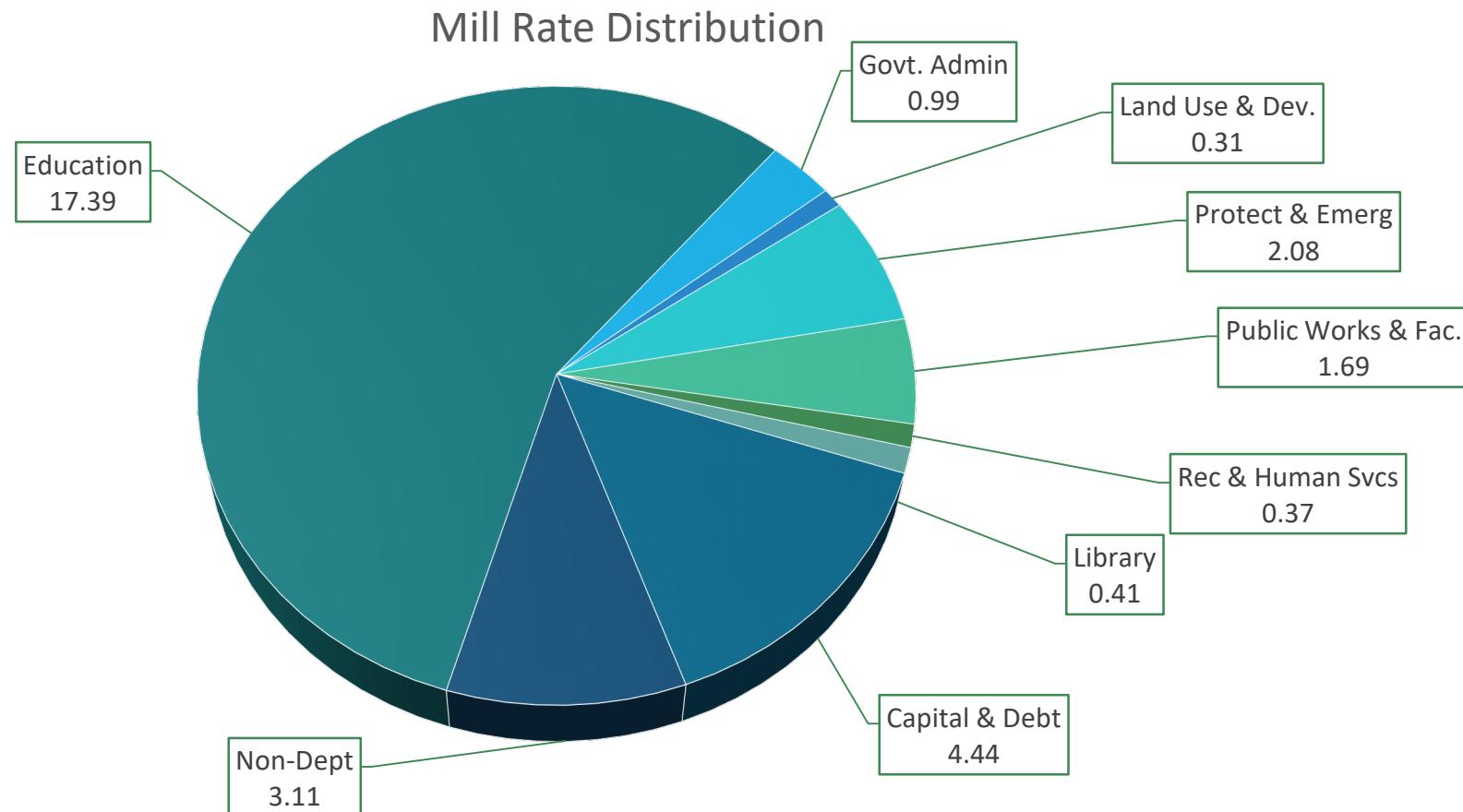
Proposed increase of 0.96 mills or 3.22% over the FY22-23.

Lower than 31.25 mills in FY19-20 and FY20-21.

Proposed Mill Rate

Fiscal Year	Mill Rate	% Change
2023-24	30.79 (proposed)	3.22%
2022-23	29.83	0.00%
2021-22	29.83	(4.54%)
2020-21	31.25	0.00%
2019-20	31.25	2.32%
2018-19	30.54	2.11%
2017-18	29.91	10.21%
2016-17	27.14	

Proposed Mill Rate



Impact on the Taxpayer

Average Market Value	\$312,000
Assessment (70% of market value)	\$218,400
Current Tax Bill (29.83 mills)	\$6,514.87
Proposed Tax Bill (30.79 mills)	\$6,724.54
Increase in Taxes (amount)	\$209.67
Increase in Taxes (percentage)	3.22%

Value of a Mill

- One Mill = \$1,729,675
- To impact the Mill Rate:
 - \$17,297 in cuts reduces the mill rate by 0.01 mills
 - For Average Taxpayer, 0.01 mill reduction will result in \$2.19 relief

How Average Tax Bill Revenue is Spent

Service	Amount	Percentage
Govt. Administration	\$217.20	3.23%
Land Use & Development	68.59	1.02%
Protection & Emergency	455.25	6.77%
Public Works & Facilities	368.50	5.48%
Recreation & Human Services	80.02	1.19%
Library	89.44	1.33%
Capital and Debt Financing	969.01	14.41%
Non-Departmental	679.85	10.11%
Education	3,796.68	56.46%
TOTAL	\$6,724.54	100.00%

Good budgets...

...Give the Town Council an opportunity to set the priorities and direction for the Town.

Difficult Decisions

Difficult decisions went into the
Proposed Budget to balance our
fiscal reality with budget
requests.

Difficult decisions lay ahead for
the Town Council in its
deliberations to develop a fair
budget and tax rate.

Board of Education

PROPOSED BUDGET REVIEW

