

Town Manager's Proposed Budget



FISCAL YEAR 2024-2025

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
- Sets priorities and has to find a balance to address competing needs
- Responds to external pressures pushing on Clinton and internal pressures over local priorities
- Prepare for, and aware of, the future



Budget Highlights

- Total budget expenditures are proposed to increase by 4.37%
- Tax rate to support the Proposed Budget increases by 5.10%
- The difference between the budget increase and the tax rate is mainly due to reductions in the Grand List and lower appropriation of Fund Balance for capital compared to the prior year

Proposed Budget

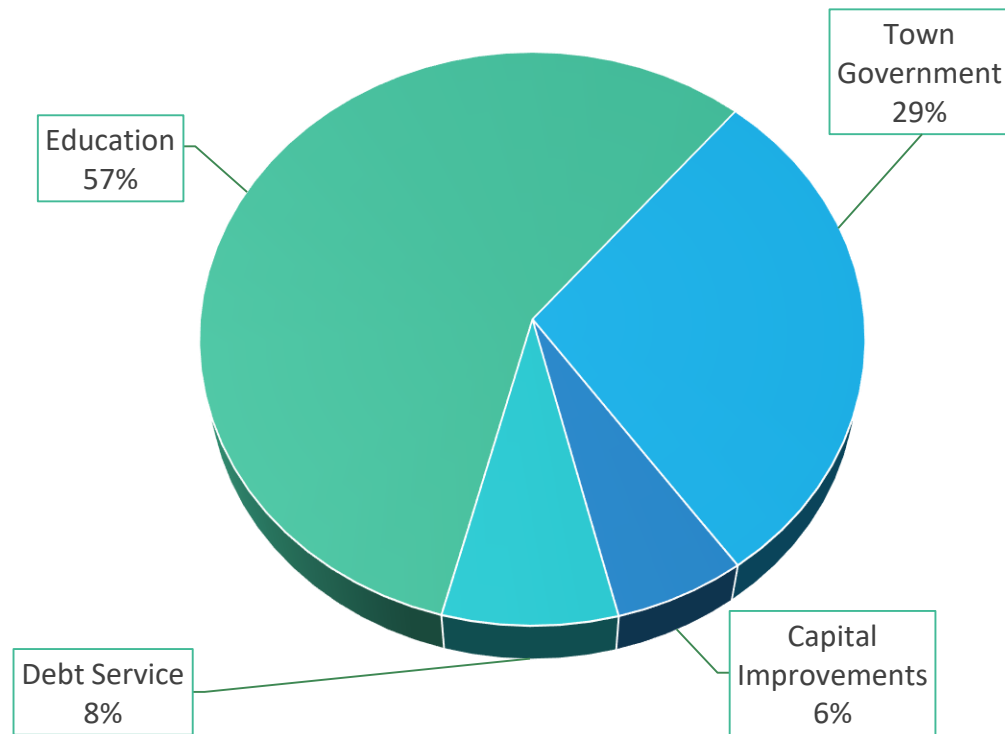
	Adopted FY24	Proposed FY25	Increase (Decrease)	
Town Government	\$18,201,531	\$18,857,039	\$655,508	3.60%
Board of Education	35,296,476	37,146,049	1,849,573	5.24%
Debt Service				
Town	2,114,840	1,866,173	(248,667)	(11.76%)
Education	2,905,835	3,177,554	271,719	9.35%
Capital Improvements				
Town	3,059,707	3,315,916	256,209	8.37%
Education	570,566	501,221	(69,345)	(12.15%)
TOTAL	\$62,148,955	\$64,863,952	\$2,714,997	4.37%

Proposed Expenditure Changes

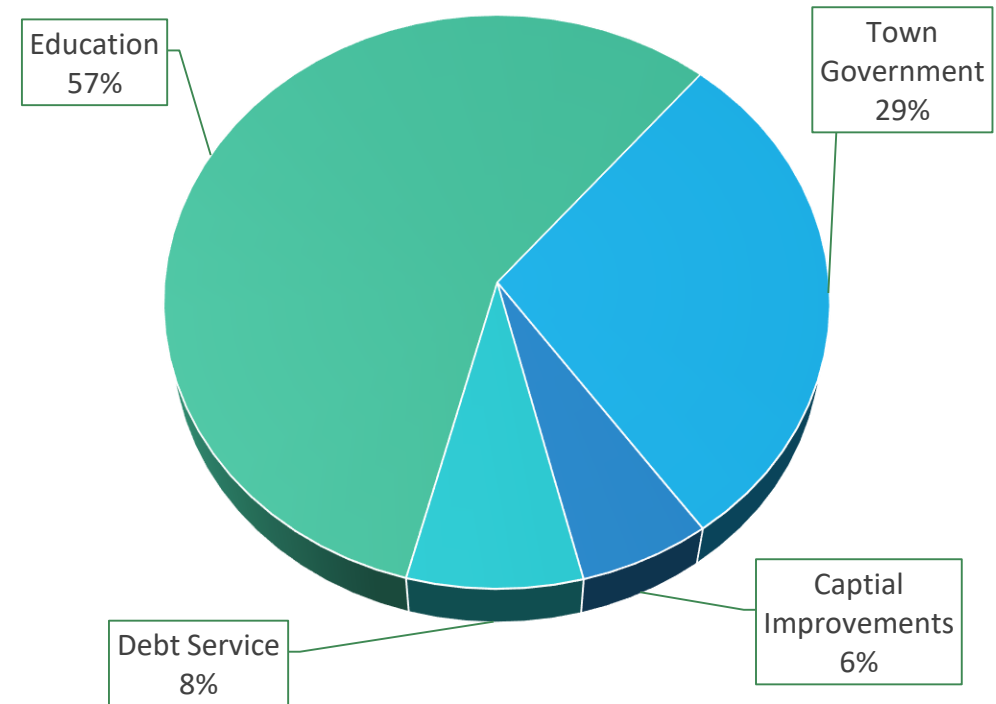


Expenditure Comparison

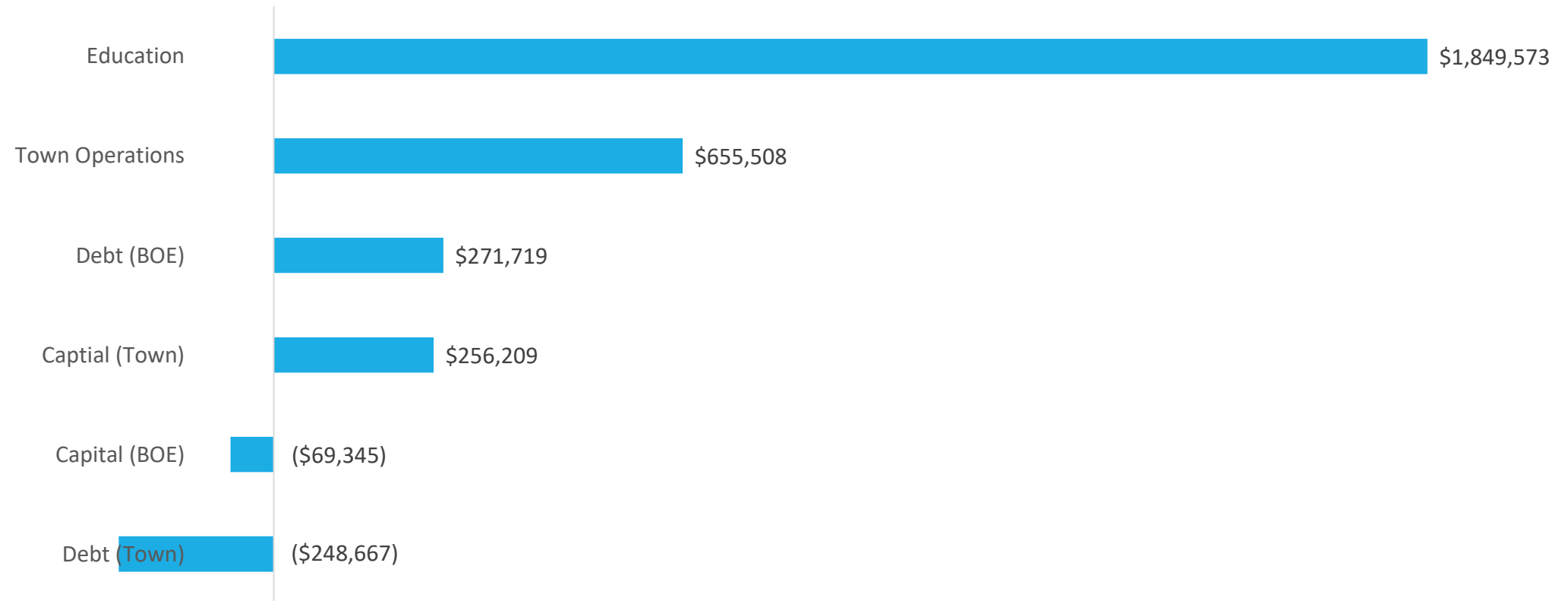
ADOPTED BUDGET FY2023-24



PROPOSED BUDGET FY2024-25



Allocation of Total Changes



Proposed Expenditures

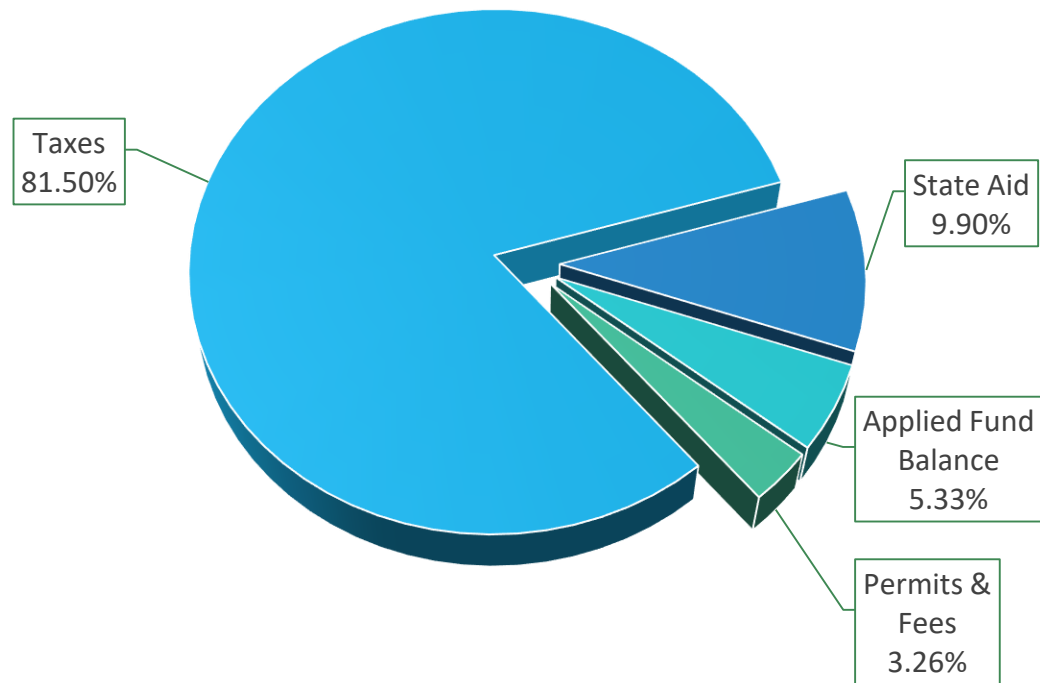
	Adopted FY24	Proposed FY25	Increase (Decrease)	
Town Government Total	\$23,376,078	\$24,039,128	\$663,050	2.84%
Education Total	38,772,877	40,824,824	2,051,947	5.29%
TOTAL	\$62,148,955	\$64,863,952	\$2,714,997	4.37%

Proposed Revenues

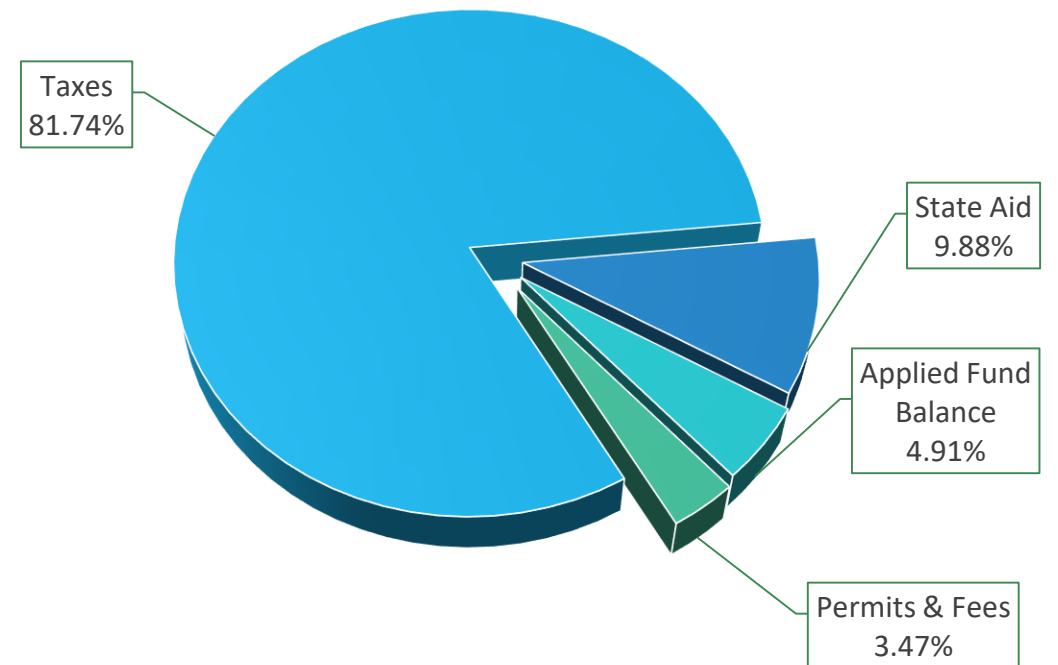
FINANCING THE BUDGET

Revenue Comparison

ADOPTED BUDGET FY2023-24



PROPOSED BUDGET FY2024-25

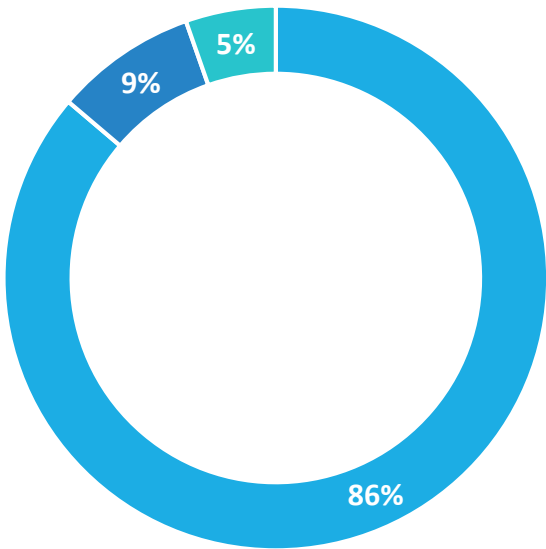


Financing the Budget: Changes in the Grand List

- Grand List shrank by approximately (0.15%)
- 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

Financing the Budget: Changes in the Grand List

2023 Grand List

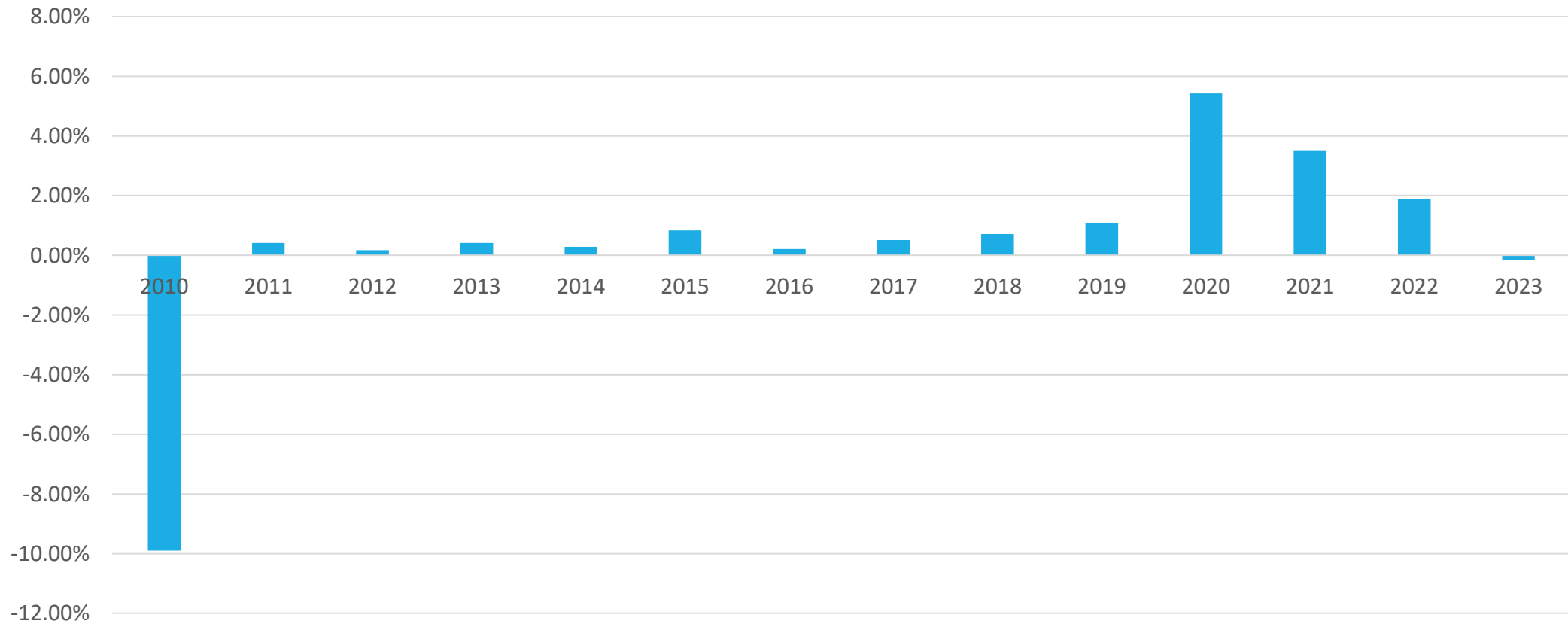


■ Real Estate ■ Motor Vehicle ■ Personal Property

	Increase/Decrease
Real Estate	(0.14%)
Motor Vehicle	(3.5%)
Personal Property	5.4%
TOTAL	(0.15%)

Approved tax abatements further reduce the Grand List

Financing the Budget: Changes in the Grand List



Financing the Budget: State Aid

- State aid is used to limit property tax increases
- Second largest source of revenue following the Property Tax
- 2nd Year of State Budget
 - State aid numbers are now fixed – short of any adjustments
 - Should not expect changes in aid amounts

Financing the Budget: Other Revenue

- Locally generated revenue projected to increase over FY23-24
 - Increase seen in investment income
- Total local revenue increase of \$221,000 or 10.9%
 - Equal to 0.13 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 \$350,000 – increase of \$100,000
- Accounted for as a revenue to finance capital improvements
 - Used for significant and costly capital items
 - Applied Fund Balance proposed at \$2,834,000

Town Government Expenditures

Expenditure Summary: Town Government

- Town Government budget proposed to be funded at \$18,857,039 – an increase of \$655,508 or 3.60%
- Influences on the Budget:
 - Increase in MSW Tip Fee
 - State mandate uncertainty
 - Inflation uncertainty
 - Insurance increases
 - Growing demand for programs
 - Pending Union Negotiations

Expenditure Summary: Town Government

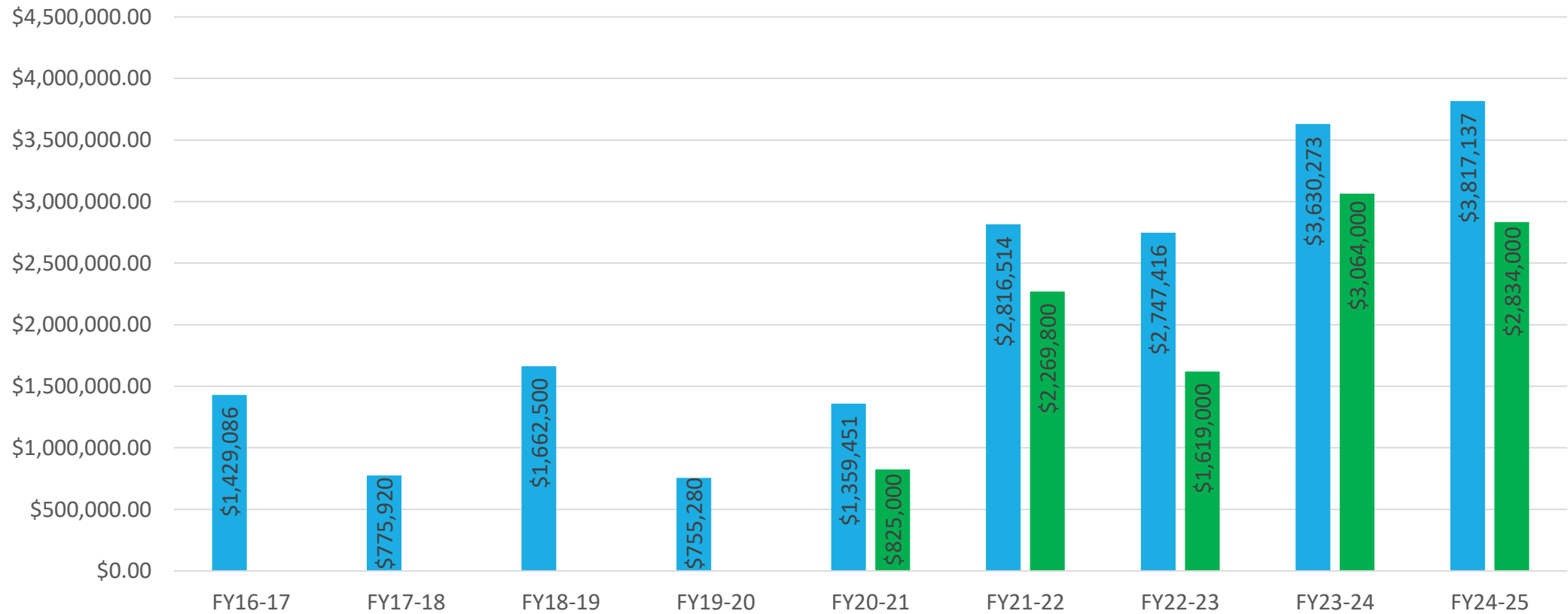
Activity	FY2023-24 Budget	FY2024-25 Proposed Budget	Amount Change	Percent Change
Govt. Administration	\$2,040,057	\$2,184,240	\$144,183	7.07%
Land Use & Development	623,008	646,347	23,339	3.75%
Protection & Emergency	4,247,903	4,389,233	141,330	3.33%
Public Works & Facilities	3,405,494	3,530,736	125,242	3.68%
Recreation & Human Services	748,196	776,271	28,075	3.75%
Library	836,271	882,012	45,741	5.47%
Insurance & Benefits	6,300,602	6,448,200	147,598	2.34%

Capital Improvements

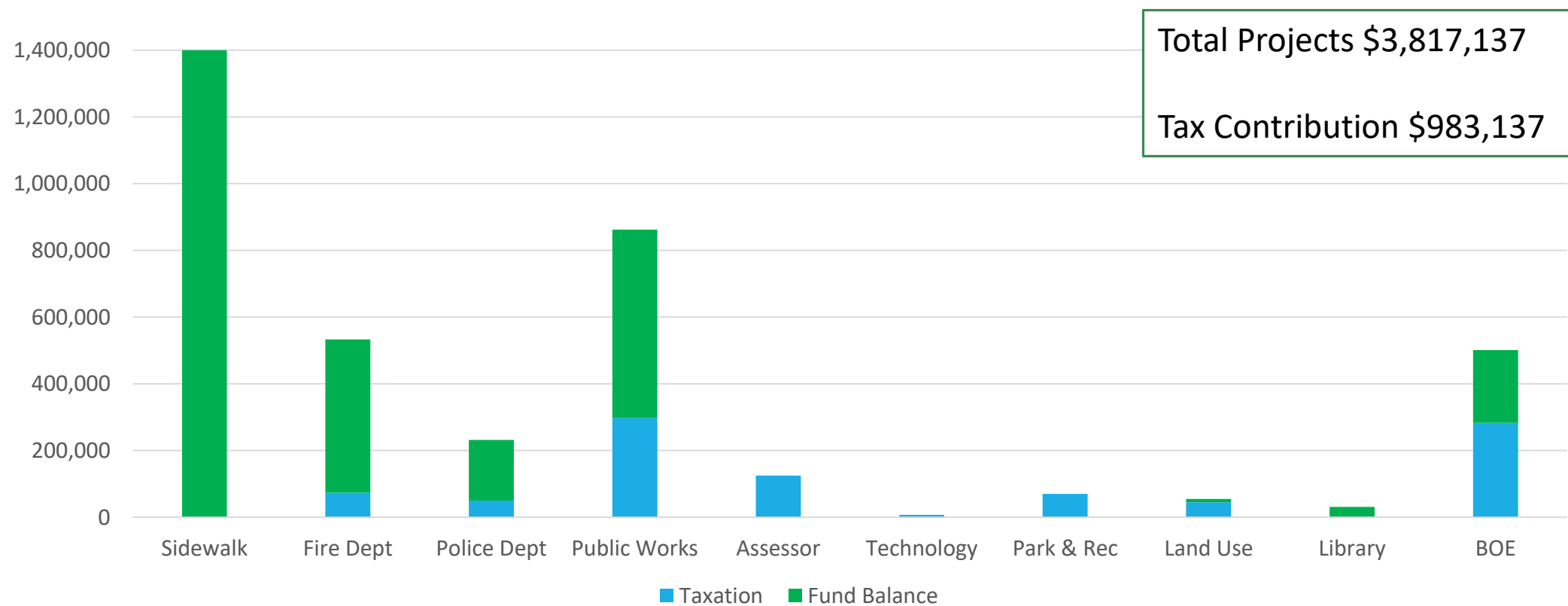
Capital Funding

- On-going need for critical investments
- High priority items included in the Capital Plan for FY2024-25
 - Council-approved Sidewalk Project
 - Continue Fire Apparatus Replacement Reserve
 - Continue Funding for Paving
 - State-mandated Activities
 - BOE Facility Needs

Capital Funding



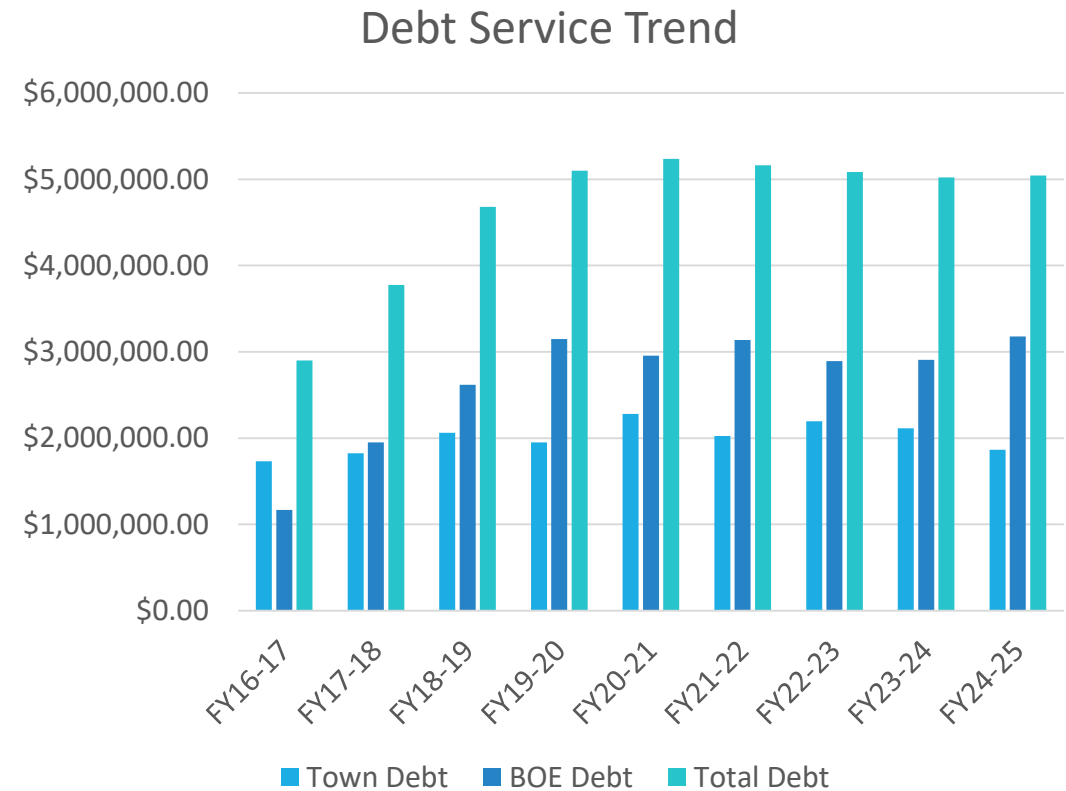
2024-25 Capital Projects



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 \$5,043,727 – an increase of \$23,052 or 0.46%



Proposed Mill Rate

Proposed Mill Rate

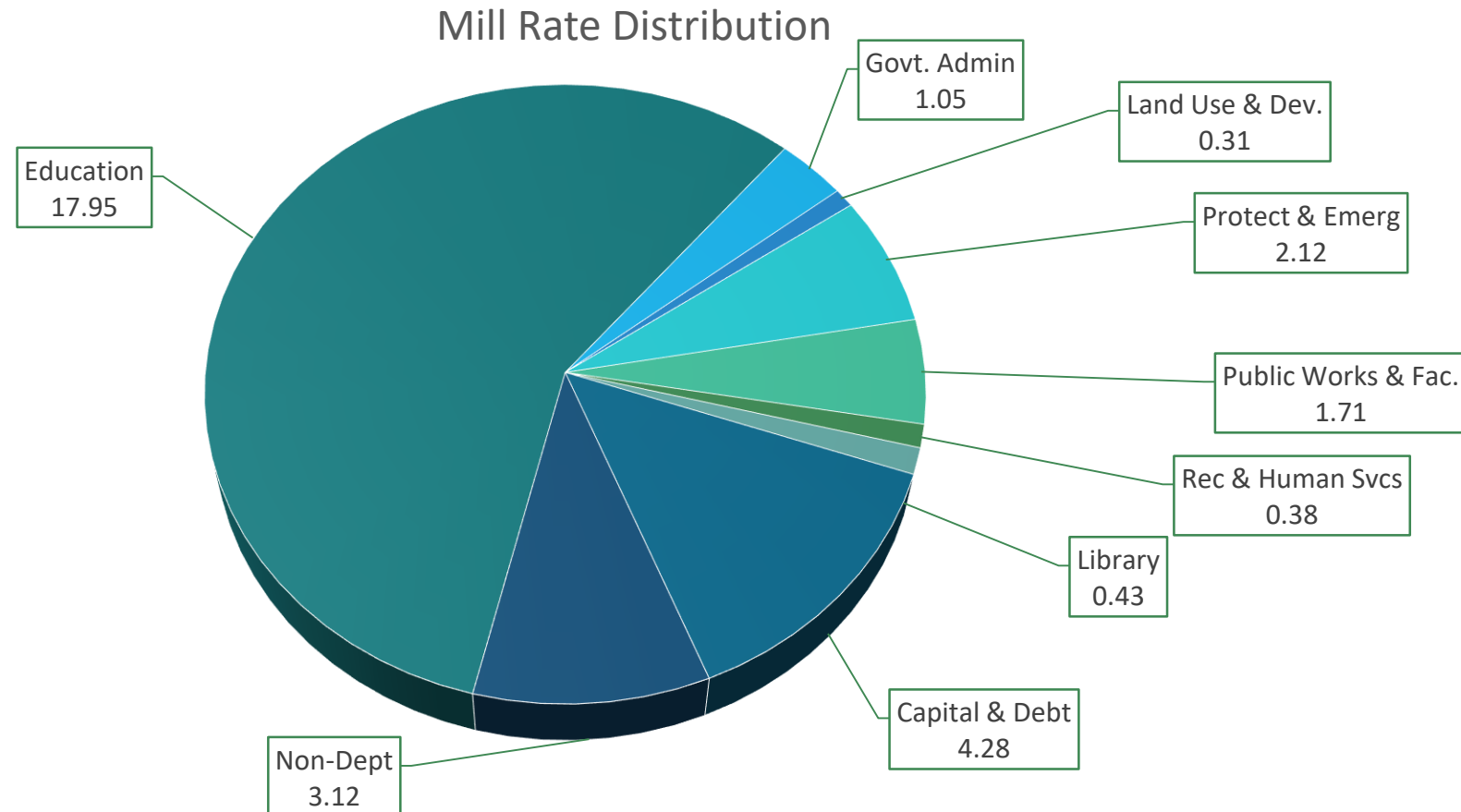
The Proposed Budget requires a 31.35 mill rate.

Proposed increase of 1.52 mills or 5.10% over FY23-24.

Proposed Mill Rate

Fiscal Year	Mill Rate	% Change
2024-25	31.35 (proposed)	5.10%
2023-24	29.83	0.00%
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

	<u>Real Estate</u>	<u>Auto</u>	
Average Market Value	\$312,000		
Assessment (70% of market value)	\$218,400	\$10,000	\$9,000
	<u>Real Estate</u>	<u>Auto</u>	<u>Total</u>
Current Tax Bill (29.83 mills)	\$6,514.87	\$298.30	\$6,813.17
Proposed Tax Bill (31.35 mills)	\$6,846.84	\$282.15	\$7,128.99
Increase in Taxes (amount)	\$331.97	(\$16.15)	\$315.82
Increase in Taxes (percentage)	5.10%	(5.41%)	4.64%

Value of a Mill

- One Mill = \$1,725,944
- To impact the Mill Rate:
 - \$17,259 in cuts reduces the mill rate by 0.01 mills
 - For Average Taxpayer, 0.01 mill reduction will result in \$2.18 relief

How Average Tax Bill Revenue is Spent

Service	Amount	Percentage
Govt. Administration	\$230.05	3.36%
Land Use & Development	68.46	1.00%
Protection & Emergency	463.53	6.77%
Public Works & Facilities	372.47	5.44%
Recreation & Human Services	82.16	1.20%
Library	93.12	1.36%
Capital and Debt Financing	935.28	13.66%
Non-Departmental	680.58	9.94%
Education	3,921.19	57.27%
TOTAL	\$6,846.84	100.00%

Budget Scenario

Assumed:

- Council will use more Undesignated Fund Balance as a revenue to lower mill rate
- Undesignated will **only** be used for capital expenses
 - One-time revenue for one-time expenses
 - Added \$983,137 in Undesignated FB
- **Council will not use undesignated for operating creating a structural deficit for FY25-26**
- Mill rate lowered to 30.77

	Real Estate	Auto	Total
Current (29.83 mills)	\$6,514.87	\$298.30	\$6,813.17
Scenario (30.77 mills)	\$6,720.17	\$276.93	\$6,997.10
Increase	\$205.30	(\$21.37)	\$183.93
	3.15%	(7.16%)	2.70%

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

