



# PROPOSED TOWN, CAPITAL, & DEBT BUDGETS

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FY 2024 – TOWN OF WINCHESTER, CT

# GLOSSARY OF TERMS

- **Fiscal Year (FY):** The year that each annual Town budget spans, from July 1 – June 30. The FY 2024 budget, for example, will span July 1, 2023 to June 30, 2024.
- **Grand List:** A list of all taxable property assessments as of the prior October 1. For example, the FY 2024 budget will use the Grand List dated October 1, 2022 to determine individual property values and corresponding taxes owed.
- **Mill Rate:** The dollar amount collected in property taxes per each \$1,000 of value that an individual owns. For example, Winchester's current FY 2023 mill rate is 33.54; someone with a house valued at \$100,000 would pay \$33.54 for each \$1,000 of value.  $\$100,000 / \$1,000 = 100$ .  $\$33.54 \times 100 = \$3,354$ .
- **State Mandate:** A requirement imposed on the Town by the State government.
- **Bond Rating:** A categorization of the Town's credit rating. Higher bond ratings signal to potential investors that we are more likely to pay back and not default on our debt. This is very similar to a credit score that individuals and families have to have reviewed when obtaining a mortgage.

*Have questions about other terms? Feel free to ask or email your question to [townmanger@townofwinchester.org](mailto:townmanger@townofwinchester.org).*

# TOWN GOALS

- Efficiency
- Affordability
- Modernization
- Resourceful
- Action-Oriented
- Investment-Focused
- Growth

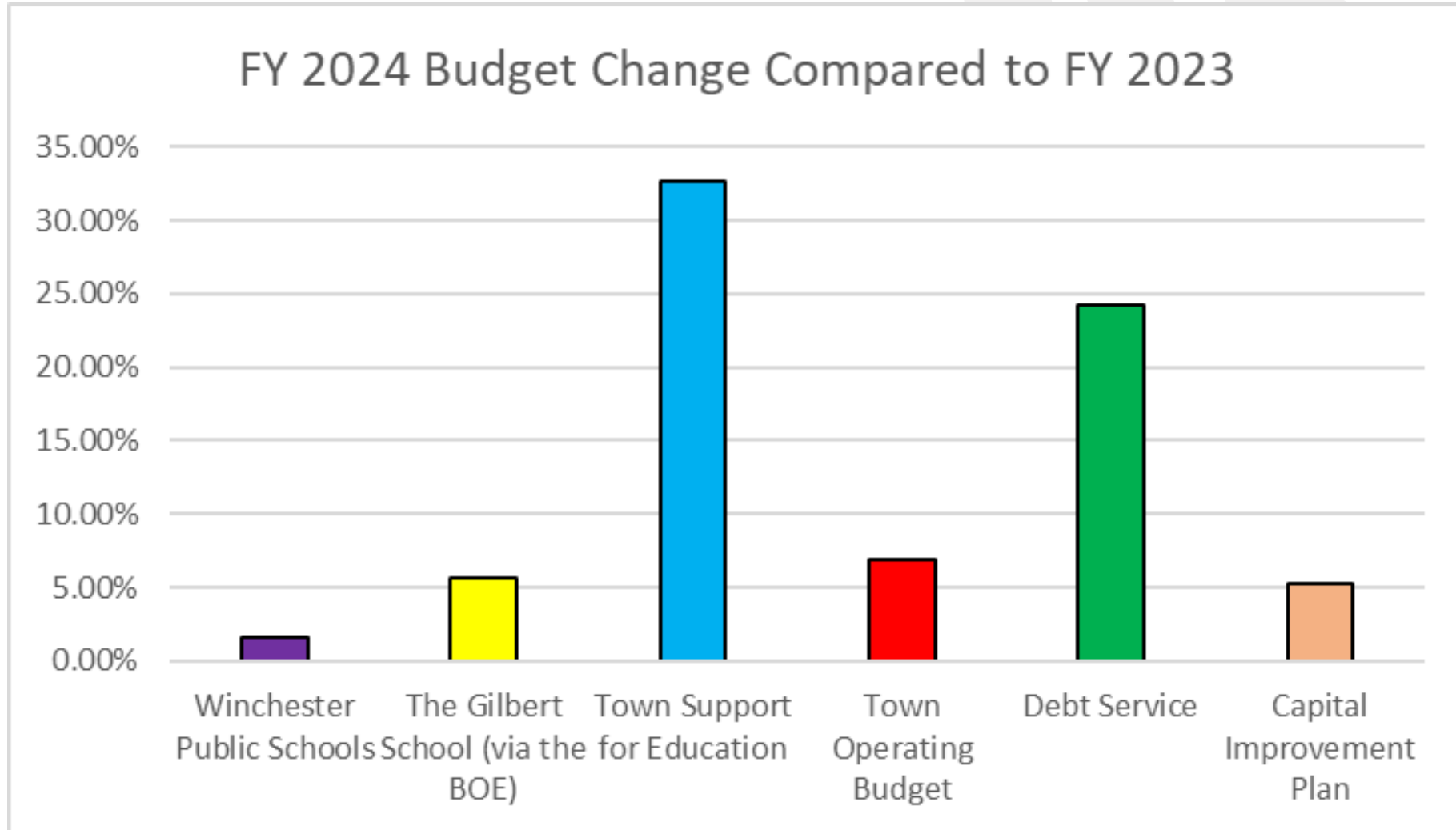
# BUDGET HIGHLIGHTS

- Provides taxpayers with a decreased mill rate of 27.06 (6.48 fewer mills than we levy now).
- Grand list growth over 30%.
- Fully funds Year 1 debt service to cover costs related to the Hinsdale School renovation and the 2022 Infrastructure Improvement Plan.
- Invests over \$2 million in capital improvement plan, beyond Infrastructure Improvement Plan; puts money to work.
- Maintains current Town services despite 14+% total inflation rates over the past two years.

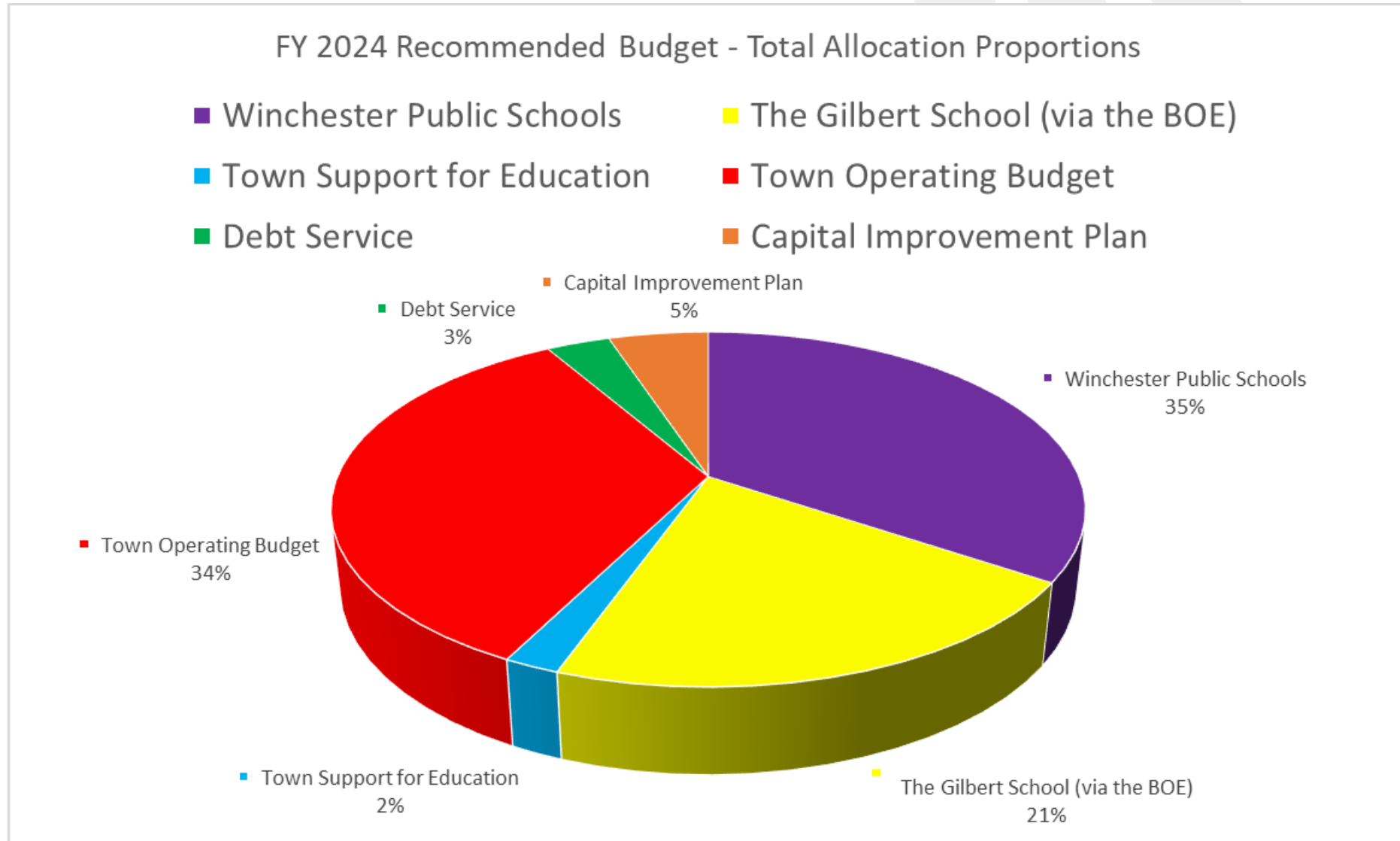
# FY 2023 – FY 2024 CHANGES AT A GLANCE

Town Manager's Proposed Budget Summary				
FY 2024				
Expenditures by Category	FY 2023 Amended Budget*	FY 2024 Recommended Budget	\$ Change	% Change
Winchester Public Schools	\$ 13,342,909.00	\$ 13,558,642.00	\$ 215,733.00	1.62%
The Gilbert School (via the BOE)	\$ 7,856,124.00	\$ 8,301,718.00	\$ 445,594.00	5.67%
Town Support for Education	\$ 601,000.00	\$ 797,272.00	\$ 196,272.00	32.66%
Town Operating Budget	\$ 12,597,735.00	\$ 13,460,069.00	\$ 862,334.00	6.85%
Debt Service	\$ 1,033,777.00	\$ 1,284,054.00	\$ 250,277.00	24.21%
Capital Improvement Plan	\$ 1,913,346.00	\$ 2,013,346.00	\$ 100,000.00	5.23%
<b>TOTAL</b>	<b>\$ 37,344,891.00</b>	<b>\$ 39,415,101.00</b>	<b>\$2,070,210.00</b>	<b>5.54%</b>
*FY 2023 Budget totals amended to include fund balance allocations for BOE and Capital Improvements.				

# FY 2023 – FY 2024 CHANGES AT A GLANCE



# FY 2023 – FY 2024 CHANGES AT A GLANCE







# REVENUES



# MAJOR REVENUE CHANGES

- State Pequot-Mohegan Grant reduced to under \$50,000.
- State Education Cost Sharing (ECS) increased by \$200,000, still not fully-funded or keeping up with inflation.
- Accounts for adjustment in modern fee trends in Town Clerk's Office, Building Dept.
- Accounts for fund balance and Debt Service Fund allocations.



# TOWN EXPENDITURES

# BUDGET COST DRIVERS

- Most Staff see 2.25% negotiated wage increase.
- 48% projected increase in electrical and fuel costs.
- State unfunded mandates continue to drive costs.
- Rampant inflation and cost of materials causing maintenance cost increases.
- Health insurance costs up 6%.
- Over \$220,000+ increase for outside services (ambulance, dispatch, transit).
- Continued Capital Improvement Plan & Debt Service investments.

Town Manager's Proposed Budget - FY 2024		
Upward Pressures on the Town Budget		
Increases by Category	Increased Cost from FY 23	Percent of Total Town Increases
CMERS Police Retirement Plan (State Plan)	\$ 37,897	2.34%
Salary/Wages	\$ 243,260	15.02%
Health Insurance	\$ 164,087	10.13%
FICA	\$ 35,544	2.19%
Northwest Transit District	\$ 59,000	3.64%
Ambulance & Dispatch Contracted Services	\$ 163,431	10.09%
Other Contracted/Outside Services	\$ 88,658	5.47%
Utilities & Fuel	\$ 89,492	5.52%
Materials & Equipment	\$ 54,265	3.35%
Elections (Presidential Primary & Early Voting)	\$ 20,764	1.28%
New Staff (Salary & Benefits)	\$ 106,371	6.57%
Grant-Funded Items Becoming Town-Funded	\$ 126,751	7.82%
Debt Service	\$ 250,277	15.45%
Capital Improvement Plan	\$ 100,000	6.17%
Other	\$ 80,159	4.95%
<b>APPROXIMATE TOTAL*</b>	<b>\$ 1,619,956</b>	<b>100.00%</b>

# MAJOR BUDGET CHANGES

## 1. Reporting Fund Balance Expenditures

- While fund balance is often used to help cover a portion of Town capital costs, this is the first time all such uses have been fully shown in a budget document.

## 2. Reorganization of Benefits

- All benefits now reported in a single department so that they can more easily be viewed and tracked over time.

## 3. Reorganization of “Miscellaneous” Lines

- The Town used to have a “Miscellaneous” department that was full of many things that could have been more meticulously sorted, such as capital improvement costs and Town Support for Education. These have been resorted to proper departments.

## MAJOR BUDGET CHANGES (CONT.)

### 4. Reorganization of Software

- Any software that is only used by one department is reported in that department; any software used by more than one department is reported in the new Other Shared Costs department.

### 5. Combination of Building and Planning Departments.

- We have combined our Building and Planning offices into one Land Use Department in practice; now we have reflected this change in the budget.





# DEBT COSTS

# WINCHESTER'S PROJECTED DEBT OUTLOOK

					Road Bond			Hinsdale				
	OUTSTANDING			Annual	April 2023			April 2023				
FYE	Principal	Interest	Total P+I	Change	Principal	Interest	Total	Principal	Interest	Total	Total Proposed	Total All
06/30/23	392,000	23,477	415,477				-			-	0	415,477
06/30/24	388,000	7,799	395,799	(19,678)	250,847	277,500	528,347	138,983	153,750	292,733	821,081	1,216,880
06/30/25	-	-	-	(395,799)	376,271	268,093	644,364	208,475	148,538	357,013	1,053,877	1,053,877
06/30/26	-	-	-	-	376,271	253,983	630,254	208,475	140,720	349,195	1,321,074	1,321,074
06/30/27	-	-	-	-	376,271	239,873	616,144	208,475	132,903	341,377	1,633,684	1,633,684
06/30/28	-	-	-	-	376,271	225,763	602,034	208,475	125,085	333,559	1,597,581	1,597,581
06/30/29			█ -	-	376,271	211,653	587,924	208,475	117,267	325,742	1,561,478	1,561,478
06/30/30			█ -	-	376,271	197,542	573,814	208,475	109,449	317,924	1,525,375	1,525,375
06/30/31			█ -	-	376,271	183,432	559,703	208,475	101,631	310,106	1,489,272	1,489,272
06/30/32			█ -	-	376,271	169,322	545,593	208,475	93,814	302,288	1,453,169	1,453,169
06/30/33			█ -	-	376,271	155,212	531,483	208,475	85,996	294,470	1,417,066	1,417,066
06/30/34			█ -	-	376,271	141,102	517,373	208,475	78,178	286,653	1,380,963	1,380,963
06/30/35			█ -	-	376,271	126,992	503,263	208,475	70,360	278,835	1,344,860	1,344,860
06/30/36			█ -	-	376,271	112,881	489,153	208,475	62,542	271,017	1,308,757	1,308,757
06/30/37			█ -	-	376,271	98,771	475,042	208,475	54,725	263,199	1,272,654	1,272,654
06/30/38			█ -	-	376,271	84,661	460,932	208,475	46,907	255,381	1,236,551	1,236,551
06/30/39			█ -	-	376,271	70,551	446,822	208,475	39,089	247,564	1,200,448	1,200,448
06/30/40			█ -	-	376,271	56,441	432,712	208,475	31,271	239,746	1,164,345	1,164,345
06/30/41			█ -	-	376,271	42,331	418,602	208,475	23,453	231,928	1,128,242	1,128,242
06/30/42				-	376,271	28,220	404,492	208,475	15,636	224,110	1,092,139	1,092,139
06/30/43				-	376,271	14,110	390,381	208,475	7,818	216,292	1,056,036	1,056,036
06/30/44				-			-			-	435,188	435,188
06/30/45				-			-			-	421,013	421,013
06/30/46				-			-			-	259,463	259,463
06/30/47				-			-			-	0	-
06/30/48				-			-			-	0	-
Totals.....	780,000	31,276	811,276		7,400,000	2,958,432	10,358,432	4,100,000	1,639,131	5,739,131	27,174,314	27,985,590

# WHAT'S DRIVING DEBT COSTS?

- Town Has adopted a \$24.7 million Infrastructure Improvement Plan that may require as much as \$18.3 million in bonding.
  - Bonding for \$7.4 million of that total later this week.
- Bonding for Hinsdale will occur later this week to the tune of \$4.1 million.
- Outstanding debt costs from 2004 will be paid off once and for all in FY 2024.
- Work to increase and maintain our fund balance totals has paid off, Town received bond rating increase from “A1/A+” to “AA,” which will help us lower our interest rate on new debt.



# CAPITAL IMPROVEMENT PLAN

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# CAPITAL IMPROVEMENT PLAN (CIP)

- Now presented as a 5-year plan.
- Total FY 2024 cost to taxpayers = \$1,120,000
  - Proposed supplemental allocation from Fund Balance = \$893,846
  - Total investment from general fund (tax levy + fund balance) = \$2,013,346.
  - \$85,000 from LOCIP (state funding).
  - Remaining projects being covered by bonds or grants for a grand total capital investment of \$9,812,296 in FY 2024 alone.
- 37 projects to be funded in FY 2024 alone.
  - 52 projects to be funded over course of 5-year plan.
- 15 projects to have complete funding in FY 2024 with proposed CIP, 14 completed in FY 2023.



Town of Winchester, CT									
Summary of Capital Improvement Projects Funded in									
FY 2024									
Town Project	Dept	Project Number	FY 2024 Allocation	General Fund	Bonding	State & Federal Aid	Enterprise Fund	Other Sources	Changes from FY 2023 Adopted CIP
Police Cruiser Replacement	Police	O-2	\$ 58,000.00	\$ 58,000.00	\$ -	\$ -	\$ -	\$ -	None.
Drainage Improvements	Public Works	O-3	\$ 6,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	New line.
General Roadway Repair	Public Works	O-4	\$ 485,000.00	\$ 400,000.00	\$ -	\$ 85,000.00	\$ -	\$ -	None.
Town Hall Repairs & Renovations	Public Works	O-5	\$ 42,000.00	\$ 42,000.00	\$ -	\$ -	\$ -	\$ -	Minor changes to scope of work.
Senior Center Repairs & Upgrades	Senior Services	O-6	\$ 33,899.00	\$ 33,899.00	\$ -	\$ -	\$ -	\$ -	Adjusted number.
Computer Replacement Program	Town Hall	O-7	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	None.
Designated Matching Grant Capital Fund	Town Hall	O-8	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	Adjusted number.
Grand List Revaluation	Town Hall	O-9	\$ 46,875.00	\$ 46,875.00	\$ -	\$ -	\$ -	\$ -	Adjusted number.
Software Upgrades	Town Hall	O-10	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	Includes asset management start-up costs.
Parks & Recreation Lawn Mower	Parks & Recreation	2023-2	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	None.
Payloader	Public Works	2023-3	\$ 69,445.00	\$ 69,445.00	\$ -	\$ -	\$ -	\$ -	Adjusted number.
Plow Truck #6 Replacement	Public Works	2023-4	\$ 40,973.00	\$ 40,973.00	\$ -	\$ -	\$ -	\$ -	None.
Plow Truck #7 Replacement	Public Works	2023-5	\$ 43,686.00	\$ 43,686.00	\$ -	\$ -	\$ -	\$ -	None.
Town Hall Brick Repairs & Upgrades	Public Works	2023-7	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	Adjusted number & timeline.
Town Hall Shared Vehicle	Town Hall	2023-9	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	Adjusted number.
Fire Station Paving	Fire	2024-1	\$ 45,000.00	\$ 45,000.00	\$ -	\$ -	\$ -	\$ -	Adjusted number & timeline.
Ladder Truck Replacement	Fire	2024-2	\$ 800,068.00	\$ 100,068.00	\$ 700,000.00	\$ -	\$ -	\$ -	All bonded Town projects now in CIP.
Backstop Replacement	Parks & Recreation	2024-3	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Holland Beach Parking Lot Improvements	Parks & Recreation	2024-4	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Recreation Building Addition	Parks & Recreation	2024-5	\$ 6,600.00	\$ 6,600.00	\$ -	\$ -	\$ -	\$ -	Adjusted number & timeline.
Animal Control Vehicle	Police	2024-6	\$ 25,000.00	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	New line.
2024 Ford F-550 Utility Truck	Public Works	2024-7	\$ 90,000.00	\$ 90,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Engineer's Vehicle	Public Works	2024-8	\$ 45,000.00	\$ 45,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Hannafin Road & Culvert	Public Works	2024-9	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Highland Lake Drainage Improvements	Public Works	2024-10	\$ 250,000.00	\$ -	\$ 250,000.00	\$ -	\$ -	\$ -	All bonded Town projects now in CIP.
Hurlbut St & Birdsall St Intersection Redesign	Public Works	2024-11	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Public Works Digital Radio Upgrade	Public Works	2024-12	\$ 850,000.00	\$ -	\$ -	\$ 850,000.00	\$ -	\$ -	Adjusted number & timeline.
Public Works Facility Upgrade	Public Works	2024-13	\$ 100,000.00	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	Adjusted number & timeline.
Resha Beach Intersection Redesign	Public Works	2024-14	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Retaining Wall 824 E. Wakefield Blvd	Public Works	2024-15	\$ 306,000.00	\$ 306,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Road & Bridge Reconstruction	Public Works	2024-16	\$ 5,250,000.00	\$ -	\$ 5,250,000.00	\$ -	\$ -	\$ -	All bonded Town projects now in CIP.
Sidewalk Replacement	Public Works	2024-17	\$ 600,000.00	\$ -	\$ 600,000.00	\$ -	\$ -	\$ -	All bonded Town projects now in CIP.
Tandem Plow Truck Lease	Public Works	2024-18	\$ 60,000.00	\$ 60,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Tatro's Pond Dam	Public Works	2024-19	\$ 85,000.00	\$ 85,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Senior Center Mechanical Repairs & Upgrades	Senior Services	2024-20	\$ 137,000.00	\$ 137,000.00	\$ -	\$ -	\$ -	\$ -	New line.
Land Use Code Books	Town Hall	2024-21	\$ 2,800.00	\$ 2,800.00	\$ -	\$ -	\$ -	\$ -	New line.
Project 2075 - Town Clerk's Office Improvements	Town Hall	2024-22	\$ 63,950.00	\$ -	\$ -	\$ -	\$ -	\$ 63,950.00	New line.
<b>Total FY 2024</b>			<b>\$ 9,812,296.00</b>	<b>\$ 2,013,346.00</b>	<b>\$6,800,000.00</b>	<b>\$ 935,000.00</b>	<b>\$ -</b>	<b>\$ 63,950.00</b>	



# CAPITAL IMPROVEMENT PLAN (CIP) IMPROVEMENTS

- Each project has a detail sheet that outlines types of costs involved in each projects, allocations made each year, a project description, and an estimated lifespan for the investment.
- CIP now includes year by year summaries so you can focus on projects that will receive funding in a specific fiscal year.
- CIP also includes list of projects that completed their funding requests in the prior fiscal year.

# PROPOSED GENERAL FUND BALANCE DRAWS

	Committed to Education (Non-lapsing)	Committed to Capital Improvements	Committed to Debt Service	Unassigned	Unassigned as % of Annual Revenues
Current Balance	\$156,572	\$893,346	\$550,000*	\$7,890,117	21.47%
Town					
Schools					
Capital Improvements		893,346		(893,346)	
Debt Service			(171,081)		
Balance After FY 2024 Proposed Allocations	\$156,572	\$1,786,692	\$378,919	\$6,996,771	19.04%

*\*Based on \$400,000 unused debt service funds being transferred into Debt Service Fund between now and June 30, 2023.*

# IMPORTANCE OF MAINTAINING HEALTHY FUND BALANCE

- Bond rating agencies look for Towns to have a minimum of 16.67% in their undesignated fund balance.
- The Town was just upgraded to a AA bond rating from an A+ equivalent (jumping over a AA- rating). Overuse of fund balance will push us back towards the lower grade.
- Higher bond ratings directly result in lower interest rates.
- Maintaining a minimum 16.67% in our undesignated fund balance is also recommended by the State and by our auditors.
- By using a small amount of fund balance to invest in capital improvements, we can put our money to work while maintaining required minimums to achieve the best possible bond rating and interest rates.

# Education Costs

- Winchester Public Schools and the Gilbert School presented will present requested budget next Monday (March 27, 2023).
- Includes \$857,599.00 combined requested increase when factoring in fund balance to last year's expenditure levels; the Town Manager's Proposed budget has not in any way altered their request.
- Accounts for \$22,657,632 of the total budget (57.48%).
- Additional questions regarding the requested education funding should be sent to the Superintendent and Head of School.



# SUMMARY

This proposed budget will:

- Maintain current Town services.
- Invest in our critical infrastructure.
- **Decrease the mill rate** to counterbalance increasing home values so that our Town may remain affordable for all.





# QUESTIONS?

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