

FY 25 PROPOSED BUDGET

As amended by the Town Council on April 24, 2024

Budget Referendum: Tuesday, May 14
All polling locations open 6:00 AM to 8:00 PM

Changes to the Town Manager’s FY 25 Proposed Budget

The Town Manager’s proposed budget for FY 25 totaled \$145,670,840. During the budget deliberations on April 24, 2024, town council made changes resulting in a total budget of \$143,670,840. The changes are summarized below:

Revenues	From	To	Change
<u>General Property Tax</u>			
• Decrease current levy revenue	\$122,521,400	\$117,521,400	(\$5,000,000)
<u>Opening Cash</u>			
• Increase use of General Fund - fund balance	\$0	\$3,000,000	\$3,000,000
Total Revenues - General Fund	\$145,670,840	\$143,670,840	(\$2,000,000)

Expenditures	From	To	Change
<u>Board of Education</u>			
• Decrease \$1,000,000 from proposed expenditures	\$85,313,340	\$84,313,340	(\$1,000,000)
<u>Town Support for Education</u>			
• Decrease \$192,000 for the town OPEB contribution	\$6,167,430	\$5,975,430	(\$192,000)
<u>Safety Services</u>			
• Decrease \$60,000 for one replacement police vehicle	\$13,608,200	\$13,548,200	(\$60,000)
<u>Public Works</u>			
• Decrease \$43,000 for one part time administrative aide position	\$7,108,420	\$7,053,420	(\$55,000)
• Decrease \$12,000 for materials/supplies/equipment			
<u>General Services</u>			
• Decrease \$85,000 for street repaving			
• Decrease \$50,000 for sidewalk replacement			
• Decrease \$448,000 for the town OPEB contribution	\$20,335,690	\$19,642,690	(\$693,000)
• Decrease \$110,000 for Open Space funding			
Total Expenditures - General Fund	\$145,670,840	\$143,670,840	(\$2,000,000)

FY 2025 Proposed Budget Summary

During budget deliberations on April 24, 2024, Town Council made amendments to the Town Manager’s proposed budget. These changes resulted in reducing the proposed expenditures by \$2,000,000 from \$145,670,840 to \$143,670,840, utilizing \$3,000,000 in General Fund reserves (opening cash) and agreeing on a **two-year phase-in** of property revaluation.

The preparation of the proposed FY 2025 operating budget has been a challenge, given state-mandated property revaluation which reflects significant appreciation of residential property values and a more modest increase in non-residential values, as well as a notable decrease in motor vehicle values. The choices and decisions that were made maintain service levels, meet increasing service demands and work to ease the burden on taxpayers.

Proposed Expenditures

Below is a breakdown of the primary General Fund categories comprising the \$4.5 million budget increase:

Budget Component	FY 2024 Adopted Budget	FY 2025 Proposed Budget	\$ Change	% Change
Board of Education	80,184,020	84,313,340	4,129,320	5.15%
Town Operating Budget	40,839,130	41,792,540	953,410	2.33%
Sewer Service (MDC)	4,720,080	4,771,220	51,140	1.08%
Debt Service	8,324,320	8,519,040	194,720	2.34%
Great Pond Improvement District	623,500	1,395,700	772,200	123.85%
Other Post-Employment Benefits (OPEB)	800,000	135,000	(665,000)	-83.13%
Capital Projects & Open Space	3,714,700	2,744,000	(970,700)	-26.13%
Total	\$139,205,750	\$143,670,840	\$4,465,090	3.21%

The overall proposed town and BOE expenditures equal a 3.21% increase or \$4,465,090. The Board of Education (BOE) budget is a 5.15% increase, or \$4,129,320. The general government operating budget is proposed to increase 0.57% or \$335,770. The town operating budget does not include any new full-time positions.



Grand List & Revaluation (Two-Year Phase-In)

The October 2023 grand list reflects the results of state-mandated property revaluation, which the town is required to conduct every five years at minimum. The net taxable grand list for October 1, 2023 is \$4,439,061,648, which is an increase of 24.89%. The main driver of the increase is the real estate component of the grand list, which increased \$838.2 million or 31.5%. Personal property saw an increase of \$65.4 million or 11.1%, while motor vehicles decreased \$19 million or 6.2%.

This is without a doubt the largest increase to the grand list in one year that Windsor has experienced in many decades, if not ever. Due to this, the Windsor Town Council agreed to phase-in property revaluation over two years. The grand list for the first year of the phase-in is \$3,928,000,000.

The results of property revaluation on residential property values are by no means unique to Windsor. According to the Federal Housing Finance Agency Quarterly Report dated November 2023, single-family housing prices nation-wide have seen a 59% increase over the last five years. In the New England region, the increase is over 63% for the same time period. Housing prices in all major metropolitan areas in Connecticut have increased by 63% as well. Below is a breakdown of the real estate portion of the grand list:

Property Type	Net Assessment Change
1, 2 & 3 family residential properties	49.70%
Condominiums and planned communities	42.50%
Apartments	59.60%
Non-residential property (office, commercial & industrial)	4.90%
Total Real Estate List	31.50%

Our commercial property segment of the grand list increased only 4.9% due to large decreases in class A office building values, which came as a result of high vacancy rates attributable to many large businesses employing remote and work-from-home models. Without such a loss in the office category, the non-residential segment would have increased nearly 20% in assessed value.

Tax Rate & Impact

The Town Council proposed budget resets the mill rate from 33.60 to 30.37.

First Year of Two-Year Revaluation Phase-In on a Single Family Home Valued at \$213,000 on 10/1/2022:

	10/1/2022	10/1/2023	\$ Change	% Change
Market Value	\$213,000	\$321,630	\$108,630	51.0%
Assessed Value (with phase-in)	\$149,100	\$187,121	\$38,021	25.5%
Taxes at 33.60 Mills (FY 24 Current)	\$5,010			
Taxes at 30.37 Mills (FY 25 Proposed)		\$5,683		
Tax Increase			\$673	13.44%

	\$ Change	% Change	
FY 25 Budgetary Tax Increase	\$85	1.70%	Proposed budget without revaluation
Tax Increase due to Revaluation	\$588	11.74%	Proposed budget with revaluation
Total	\$673	13.44%	

FY 25 Board of Education

Current Reality: Keeping in mind that we are still realizing the aftermath of the pandemic and inflation rates are at an all-time high. The goal was to not cause further hardship to the community, while understanding that we must continue to educate our students at the highest level possible.

Academics: Use of research-based instructional practices to improve achievement of all students, ensuring students graduate on time and are college and career ready.

Climate: Use of research-based practices to provide personalized learning experiences empowering students to be self-directed learners and increase student agency.

Talent: Recruit, hire, develop and retain exemplary school leaders, teachers and support staff.

Systems: Improve outcomes for all students by enhancing Multi-Tiered Systems of Support (MTSS) and aligning the work of Professional Learning communities (PLCs) and data teams.

Budget Challenges:

- Contractual obligations/benefits increase due to contractual salary increases mitigated by retirements and benefit changes
- Utility & supply costs due to inflation
- Student transportation & fuel
- Magnet school tuition increase due to out of district tuition
- Unfunded state mandates - school indoor air quality & HVAC inspections; elementary reading program.

Efforts Funded:

- Maintain optimal class size throughout district
- Maintain the previously funded ESSER Grant positions to continue to support Social Emotional Learning; small group instruction and intervention; pupil support services including social work and nursing services
- Ensure well-maintained and secure buildings.

The Town Council amended the BOE budget by \$1,000,000. The BOE indicated that areas of reduction would be staffing and retirement savings, special education tuition, major maintenance/physical plant services and materials/supplies/technology. Visit townofwindsorct.com/app/uploads/2024/04/REVISED-Windsor-Budget-at-a-Glance-24-25-4.26.24.pdf for more information on the BOE budget and adjustments.

Learn More About This Budget

Visit us at townofwindsorct.com/finance/town-budget/fy25/tax-calculator, enter your address in the tax calculator and see the impact this proposed budget has on your property tax.

Go to budget.windsorct.com to simulate the town budget however you would like. This online tool allows you to redistribute funding to different areas, re-balance the budget and experiment with different ideas.

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View the entire FY 25 proposed budget at townofwindsorct.com/finance/town-budget/fy25. Copies are also available at the Windsor Library, the Wilson Library and the Town Clerk's Office at Town Hall.

Contact Us

Windsor Town Manager, Peter Souza at townmanager@townofwindsorct.com or 860-285-1800.
Windsor Town Council at budgetcomments@townofwindsorct.com.

Tax Relief for Seniors & Veterans: Guidelines for additional tax relief for qualified Windsor seniors, disabled persons and Veterans are available at the Town Assessor's Office at 860-285-1816.