

# FY 2022/23 GENERAL MANAGER'S RECOMMENDED BUDGET



March 8, 2022



# MANCHESTER 2023

EMERGING STRONGER.

MORE RESILIENT.

MORE EQUITABLE.

# MANCHESTER 2023

- Targeted investments to reflect community priorities
  - Education
  - Human Services
  - Resiliency
  - Emergency Management
  - Community Events
  - DEI
  - Arts & Culture
  - Technology
- Offset costs with operational savings
  - Health Insurance savings (-\$300K compared to current year)
  - Energy Efficiency savings (approx. \$60K in cost avoidance)
- Overall, a lean budget that avoids adding additional long-term cost exposures.

# MANCHESTER 2023

2.77% Increase in General Fund Expenditures

\$5.5 million over FY22 (\$203.5 million total)

- \$3.4 million Board of Education (62%)
- \$780k in Town salary and benefits (14%)
- \$530k in fully funding capital costs (10%)
- Remaining \$800,000 due to non-personnel inflationary costs (14%)

# MANCHESTER 2023

## Revaluation 2021

- FY23 Budget is the first that will reflect the 2021 Revaluation
- By law, municipalities are required to assess real property for taxes based on fair market value, which changes over time.
  - Why CT requires revaluation at least once every five years
  - If we did not conduct a new evaluation of market value periodically, the Town would tax properties at a rate other than the fair market value, which is illegal.
- Each revaluation usually results in a relative burden shift
  - 2021 Residential went up relative to Commercial, in line with regional and national trends.
  - Proposed mil rate is cut 12%; but residents who experienced major increases in property value will see a net tax increase.
  - Most commercial properties will see a tax decrease, as will some residential properties with relatively modest value increases

# MANCHESTER 2023

## Revaluation 2021

### Mitigating the Impact of Revaluation

- Manchester has several assistance programs available for Manchester residents, especially those on a fixed income who are most affected to changes in property taxes. These include abatements for Seniors, Disabled Individuals, and Veterans.
- By law, cities and towns must do revaluation every five years; Manchester does not have to wait another five and could do one sooner.
- State of CT proposals
  - MV Tax Cap (29)
    - Savings of approximately \$160 for car valued at \$20,000
  - Restoration of property tax credit for all CT residents (\$110K) and increasing it by \$100 per filer
  - Reduction of sales tax

# FY 2022/23 RECOMMENDED BUDGET

Town of Manchester, Connecticut

## 2022-23 RECOMMENDED BUDGET AT A GLANCE



The Recommended General Fund budget for FY 2022-23 totals \$203,492,007, an increase of \$5,486,796 or 2.77% over the current year.



**32.18**

Recommended General  
Fund Mill Rate



**-11.89%**

Compared to Current  
Mill Rate of 36.52



**+3.37%**

Increase net of  
revaluation

The Recommended Fire Fund budget for FY 2022-23 totals \$19,440,863, an increase of \$899,691 or 4.85% over the current year.



**4.73**

Recommended District  
Mill Rate



**-12.50%**

Compared to Current  
Mill Rate of 5.41



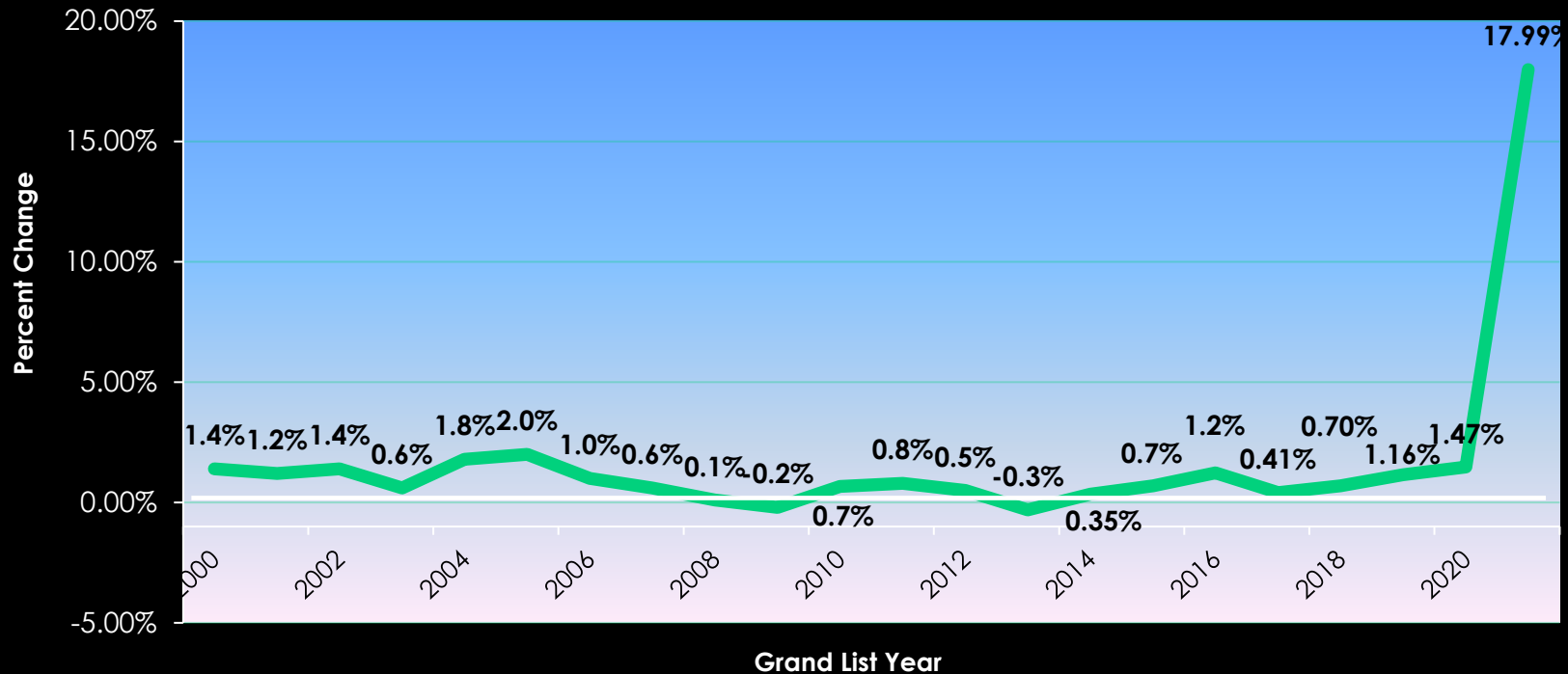
**+5.03%**

Increase net of  
revaluation



# FY 2022/23 RECOMMENDED BUDGET

Percent Growth in Taxable Grand List



## % Tax Increase Based on Property Value Increase

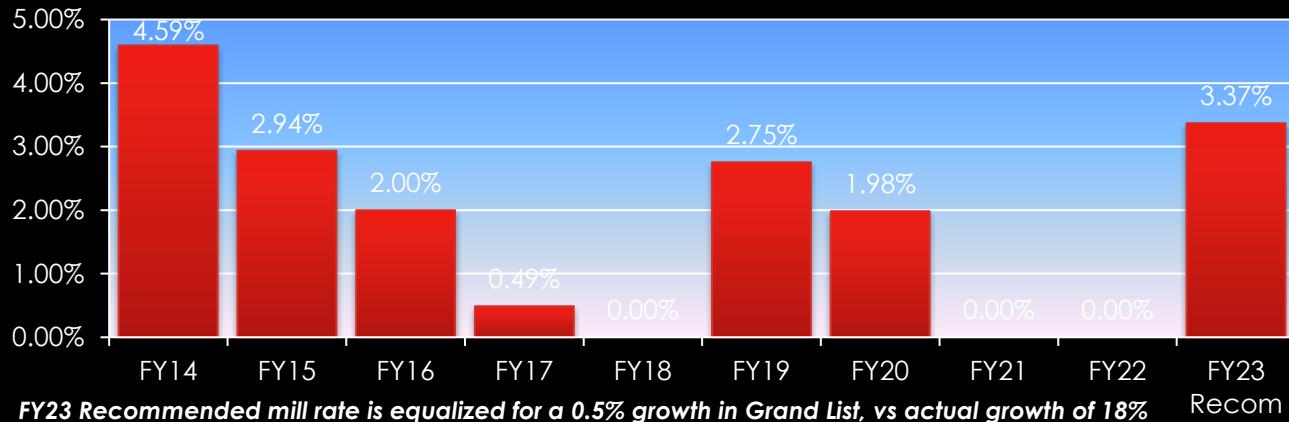
Property Value Increase:	0.0%	5.0%	10.0%	15.0%	20.0%	25.0%
Estimated Tax Increase:	-11.9%	-7.5%	-3.1%	1.3%	5.7%	10.1%



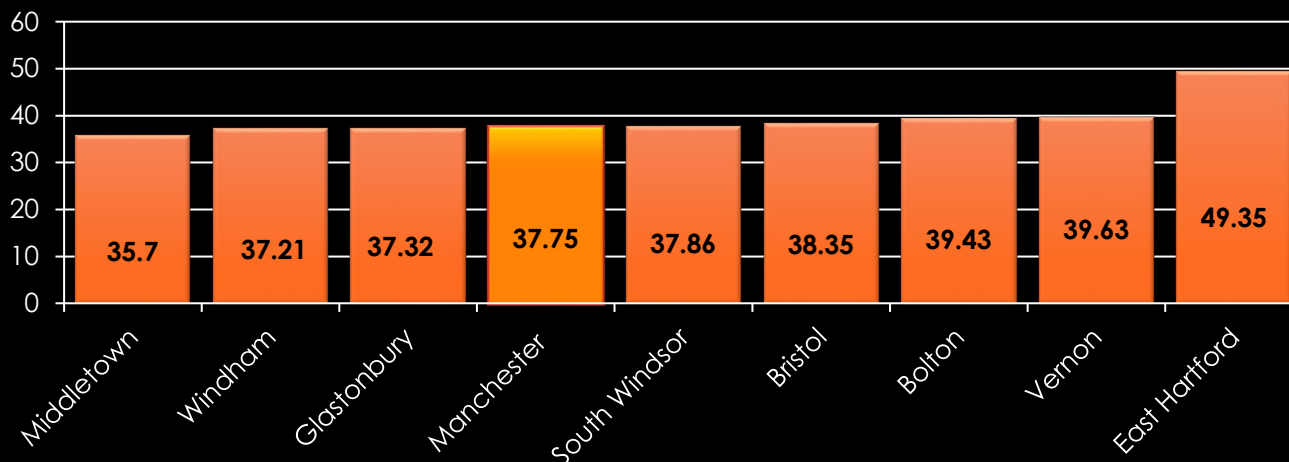
# FY 2022/23 RECOMMENDED BUDGET

**Recommended mill rate would be 37.75 (3.37% increase) if Grand List growth were a typical +0.5% (i.e., absent the effect of revaluation)**

**General Fund Mill Rate Increases, FY14-FY23**



**Mill Rate Comparison to Nearby/ Comparable Towns**



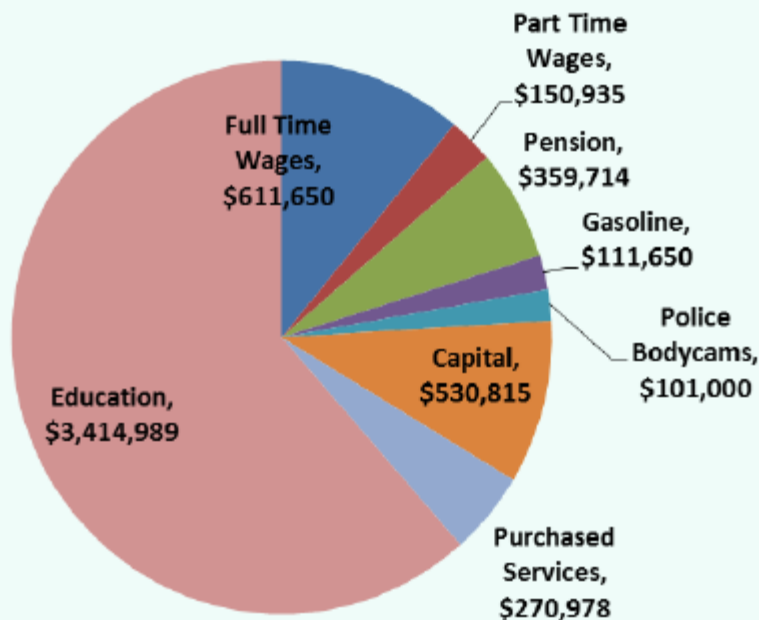
# FY 2022/23 RECOMMENDED BUDGET

## General Fund Increases:

**Water Rate: +5%**

**Sewer Rate: +5%**

*Rate increases to keep pace with the water & sewer utilities' infrastructure & environmental needs & declining billed consumption*



- Education increases by \$3.4M or 2.9%
- The Capital budget has relied on one-time funding sources in recent years; FY22 continues to restore investments to infrastructure improvements to sustainable General Fund budget levels.
- Gasoline and purchased services have been impacted by post-pandemic inflation.
- Wages and benefits increase based on contractual increases, minimum wage increases, labor market trends, and benefit valuation; health insurance decreases by 4% as a result of phasing-out of more costly plans.
- FY23 includes first year of funding for data storage of police bodycam data, as a part of police accountability measures being taken by the Town.

# FY 2022/23 RECOMMENDED BUDGET

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	Expended 2020/21	Adopted 2021/22	Estimated Expend. 2021/22	Department Request 2022/23	Manager's Recom. 2022/23	Change Over Current Adopted	Percent Change
Town-Side Operations	\$ 47,323,926.09	\$ 55,806,008	\$ 54,981,660	\$ 58,006,038	\$ 57,350,211	\$ 1,544,203	2.77%
Calital & Non-Operating	\$ 12,400,860.13	\$ 10,048,327	\$ 9,719,979	\$ 12,624,500	\$ 10,599,500	\$ 551,173	5.49%
<b>SUBTOTAL- TOWN</b>	<b>\$ 59,724,786.22</b>	<b>\$ 65,854,335</b>	<b>\$ 64,701,639</b>	<b>\$ 70,630,538</b>	<b>\$ 67,949,711</b>	<b>\$ 2,095,376</b>	<b>3.18%</b>
Board of Education	\$ 116,281,237.00	\$ 117,774,174	\$ 117,774,174	\$ 121,489,163	\$ 121,189,163	\$ 3,414,989	2.90%
Other Education-Related Costs	\$ 599,003.56	\$ 494,767	\$ 494,767	\$ 503,550	\$ 503,550	\$ 8,783	1.78%
<b>SUBTOTAL- EDUCATION</b>	<b>\$ 116,880,240.56</b>	<b>\$ 118,268,941</b>	<b>\$ 118,268,941</b>	<b>\$ 121,992,713</b>	<b>\$ 121,692,713</b>	<b>\$ 3,423,772</b>	<b>2.89%</b>
DEBT SERVICE	\$ 12,961,935.06	\$ 13,881,935	\$ 13,881,935	\$ 13,849,583	\$ 13,849,583	\$ (32,352)	-0.23%
<b>TOTAL GENERAL FUND</b>	<b>\$ 189,566,961.84</b>	<b>\$ 198,005,211</b>	<b>\$ 196,852,515</b>	<b>\$ 206,472,834</b>	<b>\$ 203,492,007</b>	<b>\$ 5,486,796</b>	<b>2.77%</b>

# FY 2022/23 RECOMMENDED BUDGET

- **Financial Highlights- Town**

- Human Services- the proposed budget increases funding for community agencies serving our most vulnerable residents, including
  - More resources for MACC and MACC outreach to help provide for the homeless and those in critical need.
  - Additional money for staff to assist homebound elderly residents.
  - Added funding for the Center Congregational food pantry.
  - Additional funds provided for SAFS to assist residents with emergency needs.
- Resiliency – establishment of Resiliency Fund to ensure Manchester's climate readiness and respond to increase in severe weather.
- Emergency Management- funding for an Assistant Chief in the Fire Department whose responsibility will include emergency management operations.
- Community Events- Juneteenth, PrideLove, Fall Festival at NW Park.

# FY 2022/23 RECOMMENDED BUDGET

- **Financial Highlights- Town (continued)**
- Diversity, Equity, and Inclusion-
  - Increases funding for DEI coordinator, maintain centralized funding for other DEI efforts.
  - Expands hours for Spruce Street Farmer's Market.
  - Elimination of Library fines that disproportionally affects low-income and marginalized communities.
- Arts & Culture- direct funding for Work\_Space Gallery, which hosts culturally diverse & educational exhibits.
- Social worker assistance for emergency response- shift PD social worker to general fund so we can permanently invest in a reformed response model for mental health issues.
- Technology- invests in several enterprise software system upgrades that will make our government more efficient, effective, and responsive, and enhance our cybersecurity.

# FY 2022/23 RECOMMENDED BUDGET

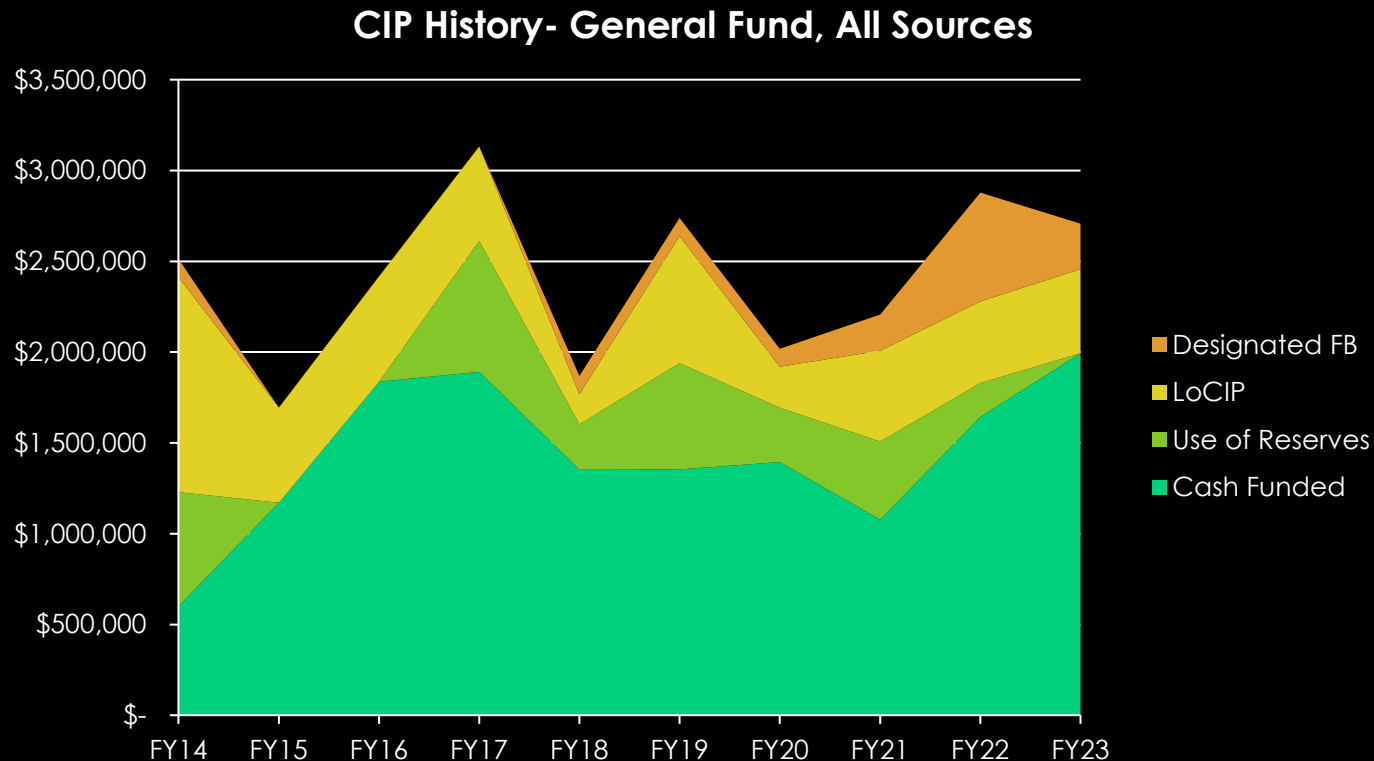
- **Financial Highlights- Town**

- Body camera storage, currently budgeted through use of a one-time grant, is shifted to the Police budget (\$101,000)
- Reduction of \$76K in summer camp expenses due to expanded BOE summer program offerings
- Increase of \$58K in Registrars election costs; 2021 is local only, 2022 is mid-term/ gubernatorial

# FY 2022/23 RECOMMENDED BUDGET

- **Financial Highlights**

- Non-operating budget (excluding debt) increase of \$551,173, or 5.49%
  - General fund capital budget increases by \$530,815 to get back to more sustainable funding levels

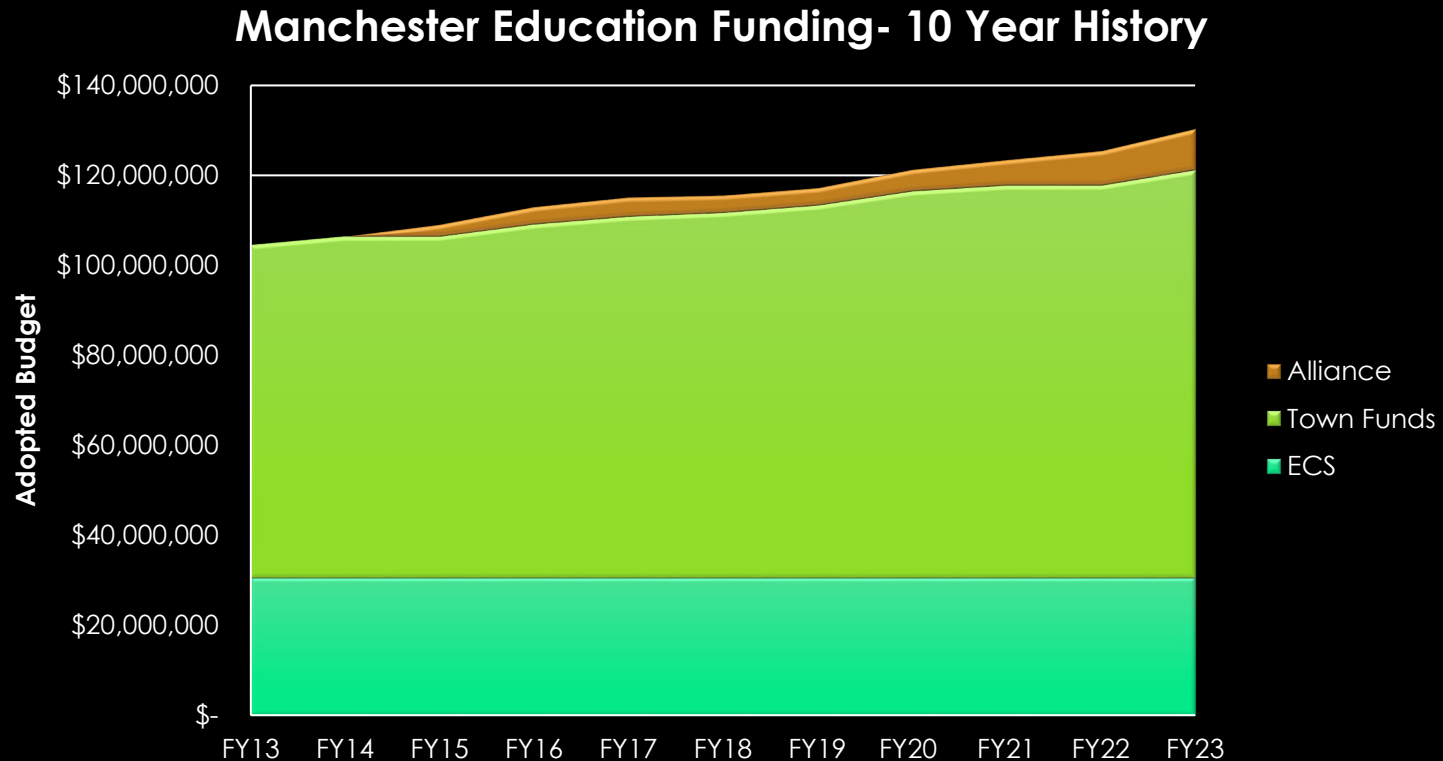




# FY 2022/23 RECOMMENDED BUDGET

- **Financial Highlights**

- Board of Education operations increase 2.90% or \$3.41 million; Alliance increases to \$10.5M



# FY 2022/23 RECOMMENDED BUDGET

- **General Fund Revenue**

- Loss of assumed ECS increase: -\$1,501,209
- Increase in Grant for Municipal Projects: +\$406,545
- Anticipated increase in interest earnings: +\$390,000
- Library fines: -\$20,000

# FY 2022/23 RECOMMENDED BUDGET <sup>17</sup>

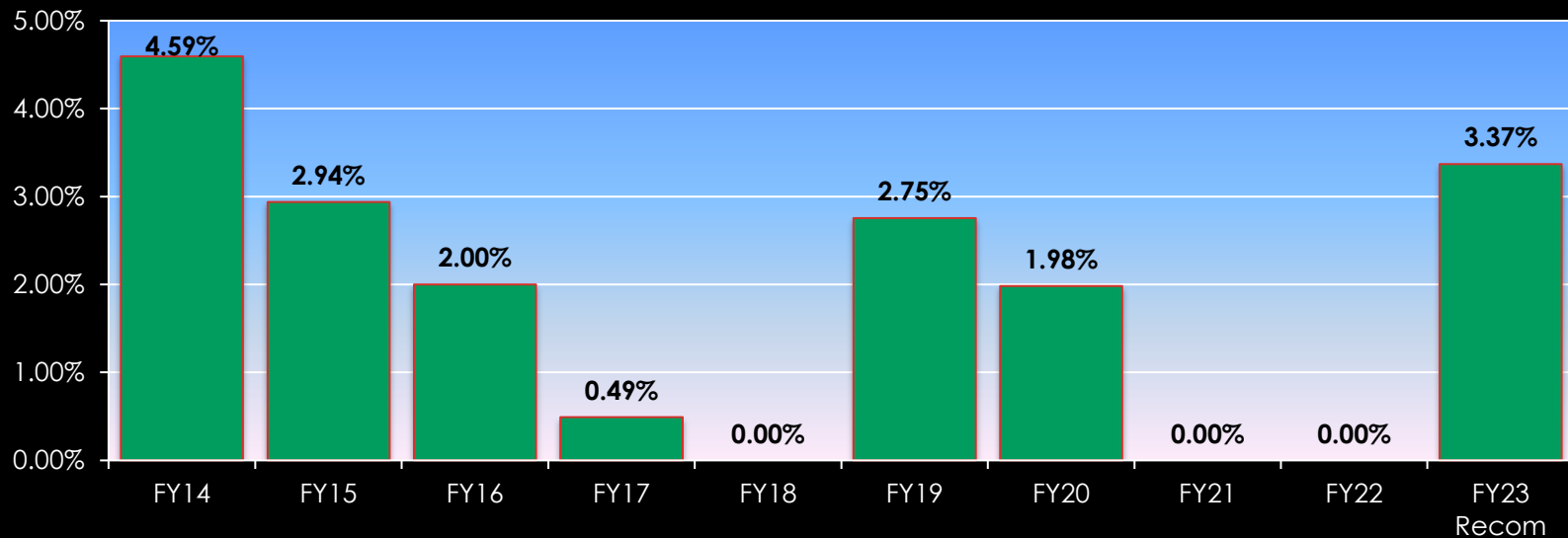
- **General Fund Summary**

- Proposed budget requires mill rate decrease of 11.89%
- +3.37% net of revaluation
- Would be 2.38% absent the decrease in ECS
- Last two years' increase: 0%
- Five year average would be 1.62% mill rate increase
- Places \$2,500,000 of fund balance at risk (thus far, budgeted use of fund balance has not been utilized)

# FY 2022/23 RECOMMENDED BUDGET

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**General Fund Mill Rate Increases, FY14-FY23**



***FY23 Recommended mill rate is equalized for a 0.5% growth in Grand List, vs actual growth of 18%***

# FY 2022/23 RECOMMENDED BUDGET

## Fire Fund

- Expenditure increase of 4.85%
- Proposed mill rate of 4.73
  - Decrease of -11.59% compared to current mill rate
  - Would be +5.03% absent effect of reval
- Reductions in ALS Fee revenue and use of reserves
- Increase to State-managed retirement plan (MERS): \$235,455 (11%)
- First payment on new Class A Pumper: \$100,000
- Adds an additional Assistant Chief (50% of year, 50% General Fund/Paramedics funded)

# FY 2022/23 RECOMMENDED BUDGET

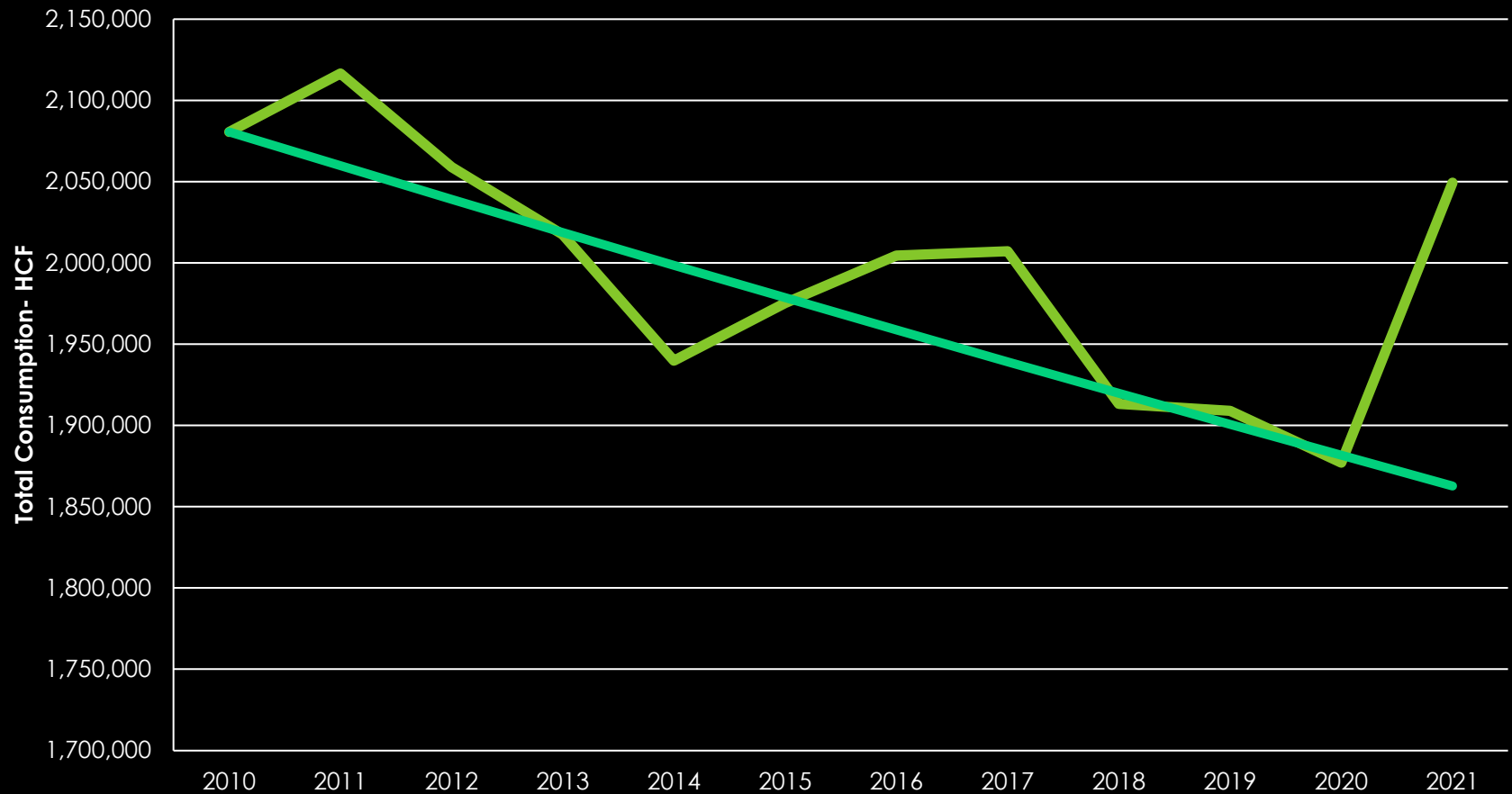
- **Water Fund**

- Total expenditure increase of 4.41%
  - Inflation of supply, utility & contractual costs are primary driver
  - **Proposed rate increase of 5.0%**
    - Preparing for future increased filtration at well-heads and town-wide meter replacements
    - Current budget assumed 2 years of pipe costs to be paid by ARPA; current plan is 1 year

# FY 2022/23 RECOMMENDED BUDGET

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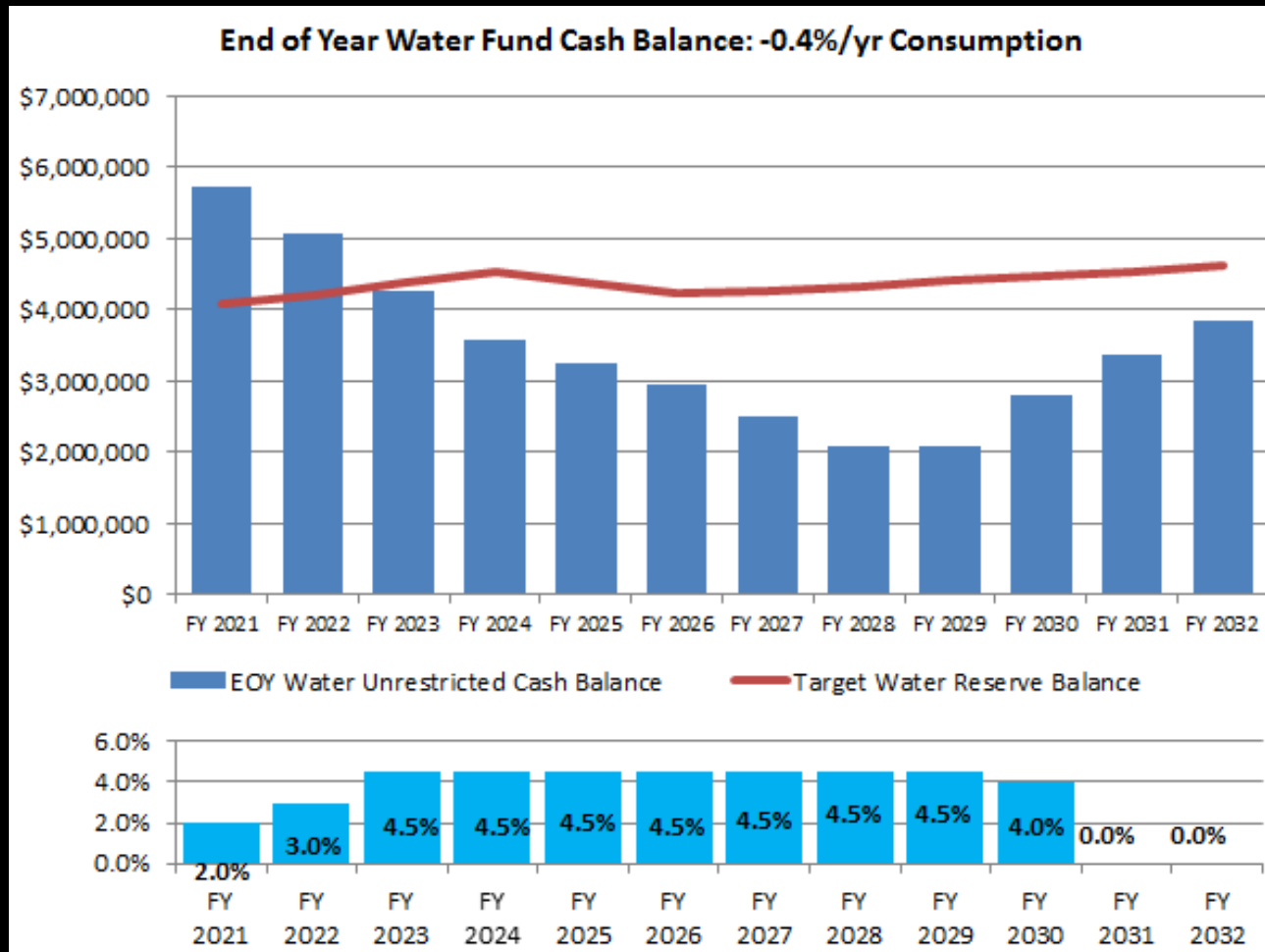
## Water Consumption History





# FY 2022/23 RECOMMENDED BUDGET

*Graph from last year's presentation: showed need for higher rate increases in upcoming years*

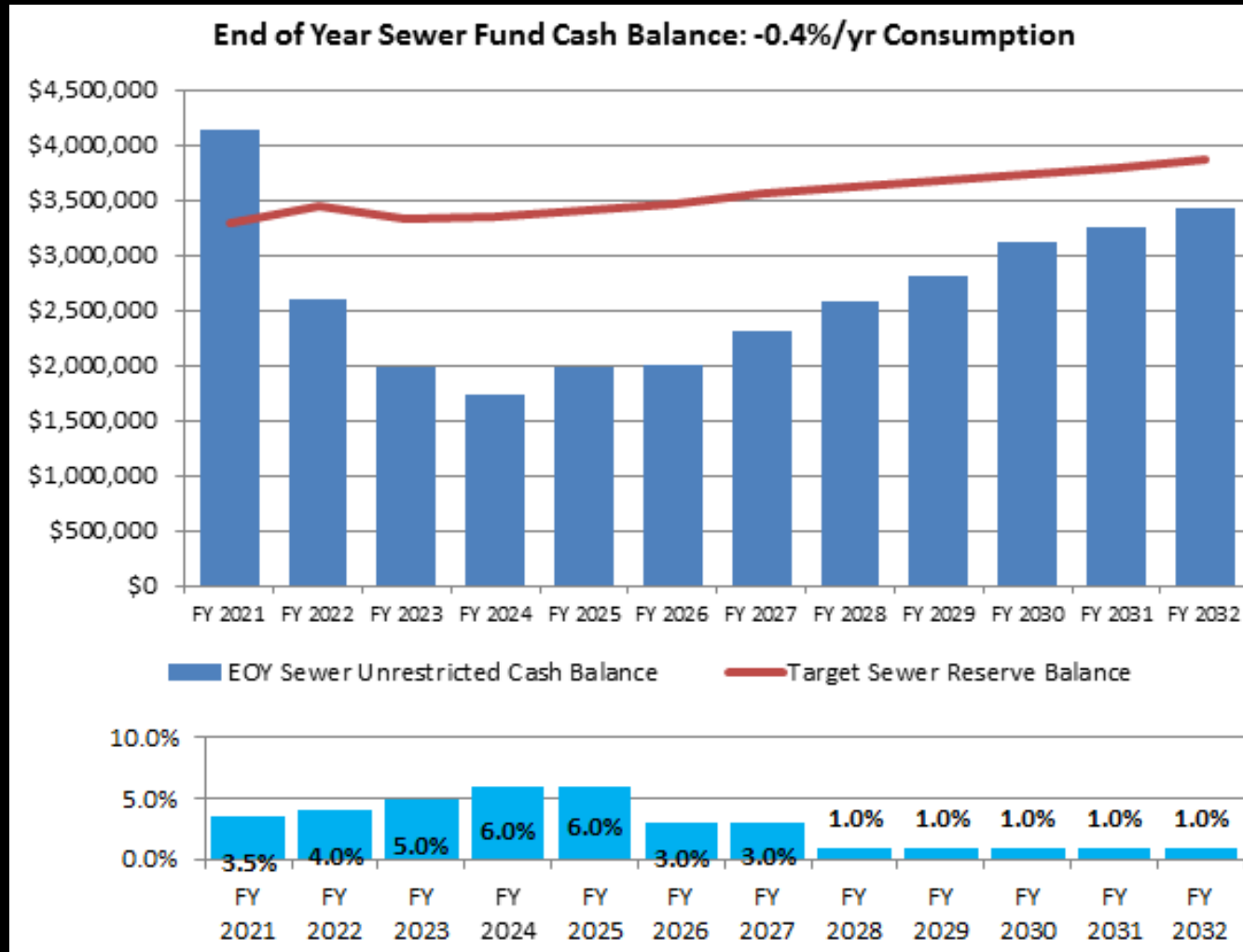


# FY 2022/23 RECOMMENDED BUDGET

- **Sewer Fund**
  - Total expenditure increase of 3.74%
    - Increase in capital budget as well as inflationary factors across expense categories
  - **Proposed rate increase of 5.0%**
    - Continued phase-in of WWTP upgrade costs
    - Decline in consumption
    - Upcoming town-wide meter replacements

# FY 2022/23 RECOMMENDED BUDGET

*Graph from last year's presentation: showed need for higher rate increases in upcoming years*



# FY 2022/23 RECOMMENDED BUDGET

## ■ Sanitation Fund

- FY23 budget request: \$7,849,543
- Total expenditure increase of 0.43%

# FY 2022/23 RECOMMENDED BUDGET

- **Summary**

- Total General Fund budget \$203,492,007
- Expense increase of 2.77%
- Reserves placed at-risk: \$2,500,000
- Results in mill rate decrease, but individual tax bills may increase due to increase in assessed value
- 5% rate increases in Water & Sewer to address declining consumption trends, upcoming capital needs, and inflationary factors
- Fire Fund: 4.85% expenditure increase

# FY 2022/23 RECOMMENDED BUDGET

Thank you.