



FY 2025/26 Recommended Budget Town of Manchester, Connecticut

- Moving Manchester Forward & Providing High Quality Service Delivery in response to state and federal funding changes/reductions

March 11, 2025

Summary

- ▶ Large Budgetary Headwinds:
 - ▶ post COVID inflation/ expenses rising and state policy changes impacting grand list
 - ▶ the combination of decreasing revenue and increasing expenses is the scourge of mil rate calculation.
- ▶ Town current service level budget with original BOE request would **equal a 9% tax rate increase**
- ▶ This follows 5 years of average increase below 1.6%.
- ▶ Expect **most CT cities and towns** to have initial budget proposals with mil rate increases between 4%-6%

Summary

- ▶ Manager's proposed mil rate of 40.94, up from current 38.68.
 - ▶ Increase of 2.26 mils, or 5.8%.
 - ▶ MV tax remains at state cap (32.46)
 - ▶ Mostly driven by loss of grand list due to legislative changes

- ▶ Good news:
 - ▶ BOD has adopted modified motor vehicle assessment depreciation schedule.
 - ▶ Impact of state changes will now result in only an approximately \$30 million loss in MV value versus \$80 million
 - ▶ BOE revised budget after new Alliance numbers goes from 4.49% increase to 2.07%.
 - ▶ Town identified \$2.4 million in savings

- ▶ Mil rate under modified depreciation scenario will now be 4.91% instead of 5.84%.

Grand List Impact

- ▶ Had grand list seen 1% growth (average of last several years), the Manager's Recommended budget would equal only a **1.53% mil rate** increase.

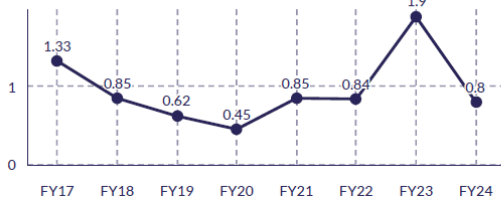
2025 and 2026: Building a Better Manchester



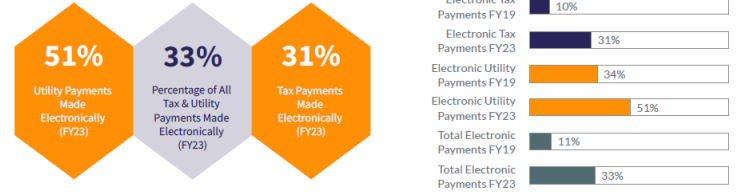
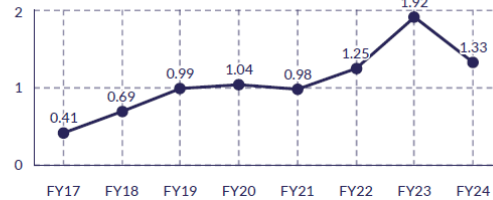
Effective, Efficient, Equitable Government



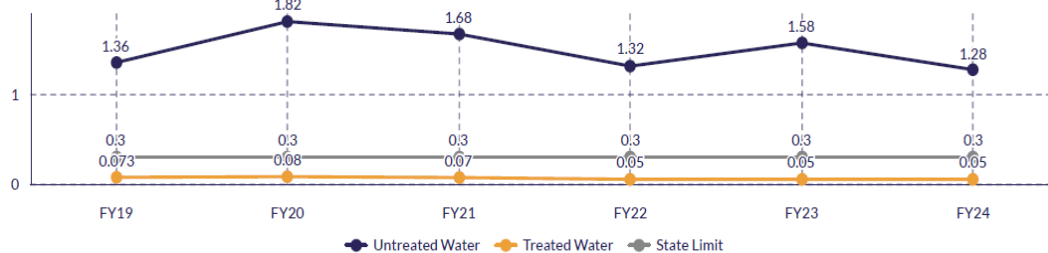
Miles of Sewer Pipe Rehabbed/Replaced



Miles of Water Pipe Rehabbed/Replaced



Average Daily Turbidity (Water Quality)



Digital Communications

Social Media Follower Growth

+953 Followers

Across all social media platforms.

Average Reach Per Social Post

4,800

Town Website Hits

1,500,000

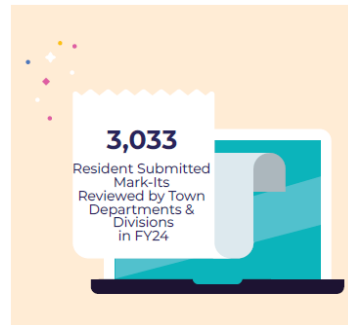
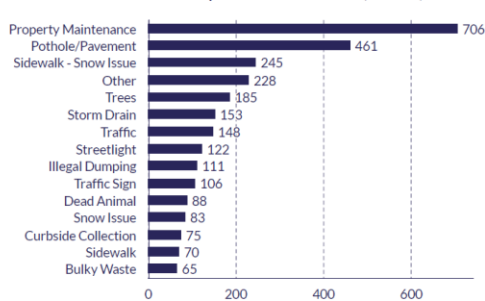
Almost 200,000 more website hits than in FY23, when the Town's website was redeveloped.

"Your Voice Matters" Visits

19,000+

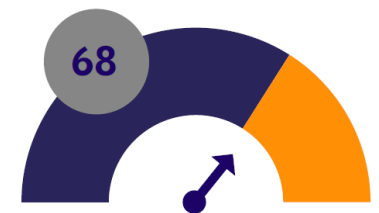
An increase of 6.9% engagement rate and over 1,000 contributions to the Your Voice Matters platform in FY24.

Number of Completed Mark-Its (FY24)



24%

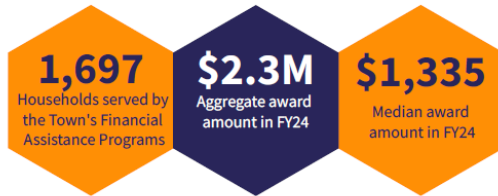
The Town's annual paving program has led to **improved road quality** as measured by street scanning software. The length of road considered to be in "excellent condition" increased by more than 6,756 ft. (1.3 mi.) from the data generated from the most recent scan, or 24% over the measurements recorded in 2021.



Current Overall Pavement Condition Index for Manchester



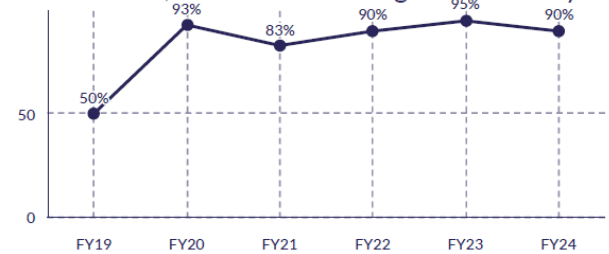
Effective, Efficient, Equitable Government



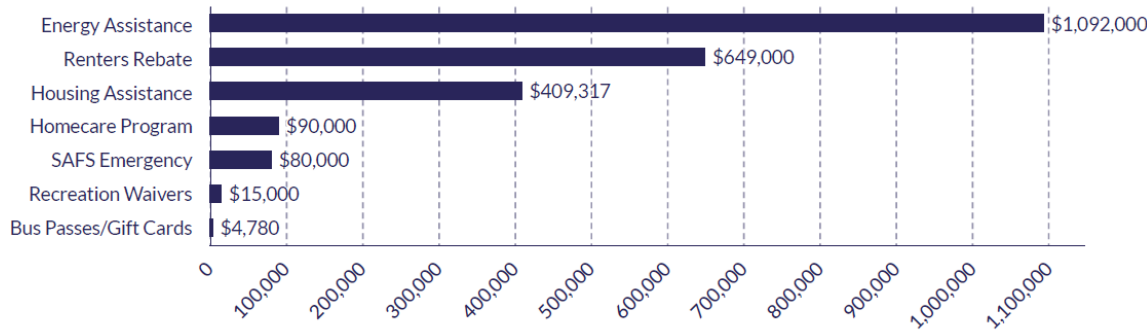
In FY24, the number of households returned to permanent, affordable housing within 60 days of a dislocating event was:

90%

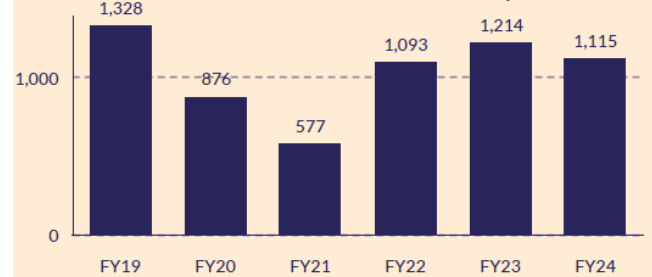
Dislocated Households, Percent Returned to Permanent, Affordable Housing within 60 Days



FY24 Financial Assistance Programs



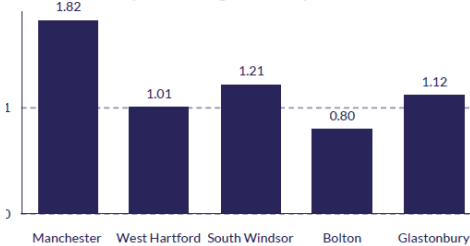
Senior Center - Membership



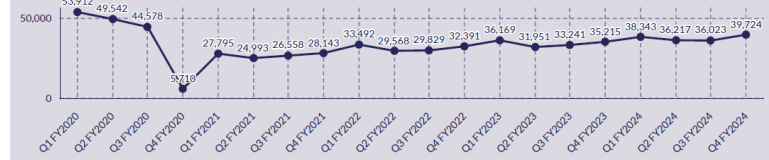
DEI Holdings - Local Libraries (2024 Update)



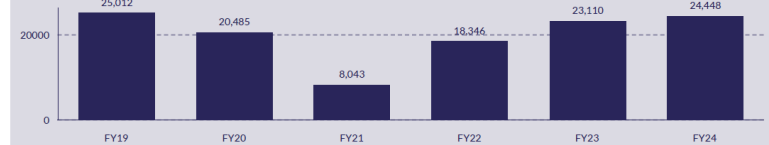
Library Lending Per Capita - 2024



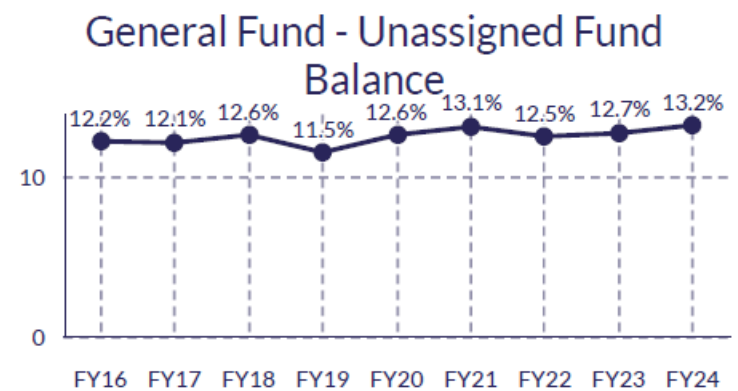
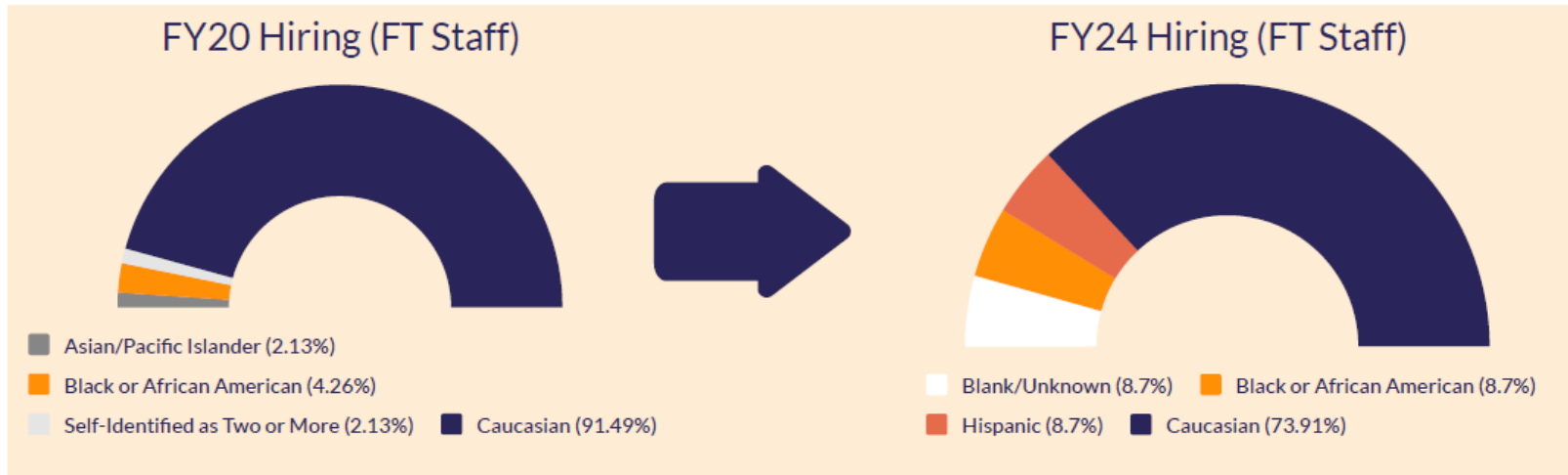
Mary Cheney Library Attendance

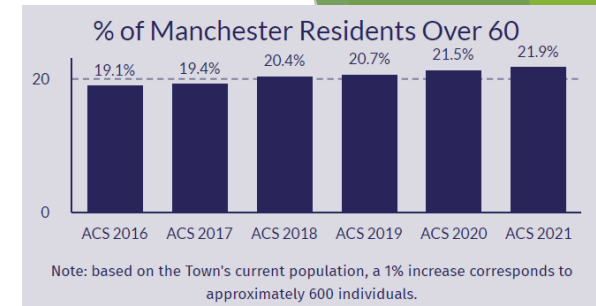
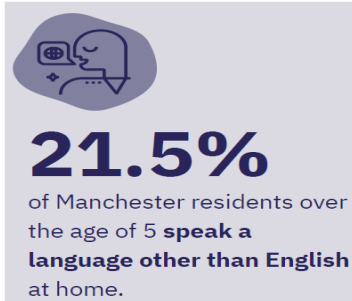


In-Person Program Attendance



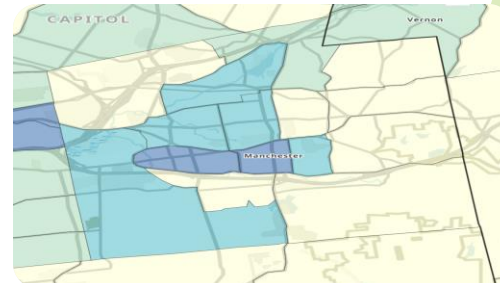
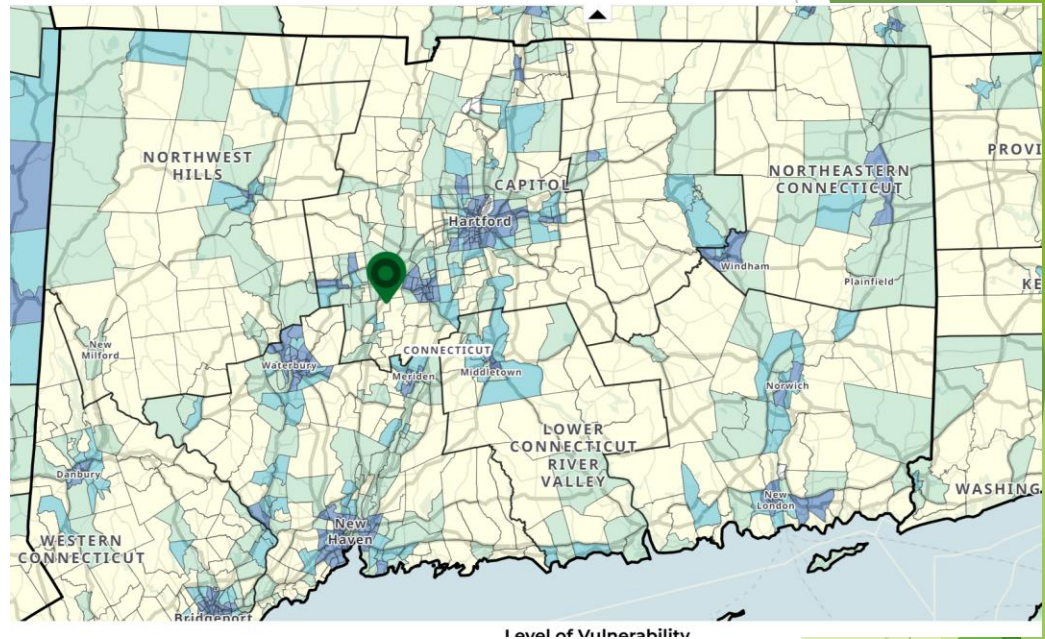
Effective, Efficient, Equitable Government





Increasing service demands across Town government

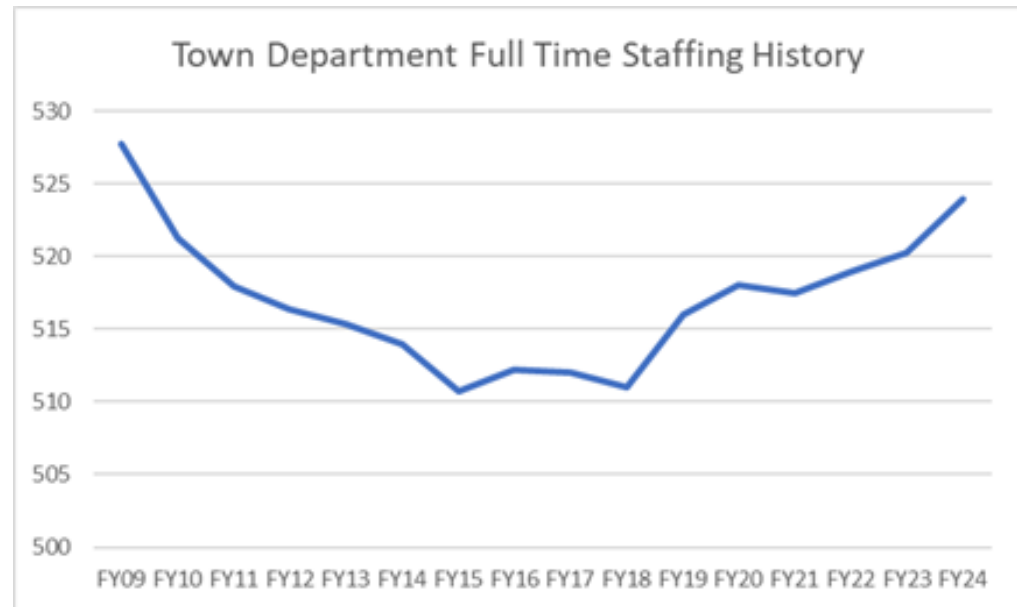
- 60,000 population and growing
 - Largest municipality east of the River
 - Older population is growing
 - ESL population growing
 - Residents struggling post COVID
 - Increasing regulatory and compliance
 - Health Inspections
 - Public Safety
 - Water Quality Standards
 - Added properties/ trails



Increasing service demands across Town government

- ▶ 60,000 population and growing

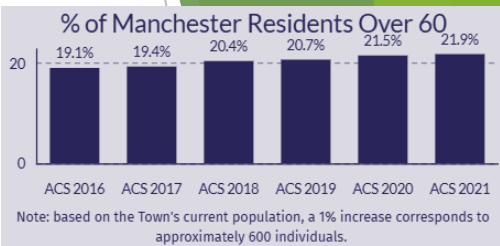
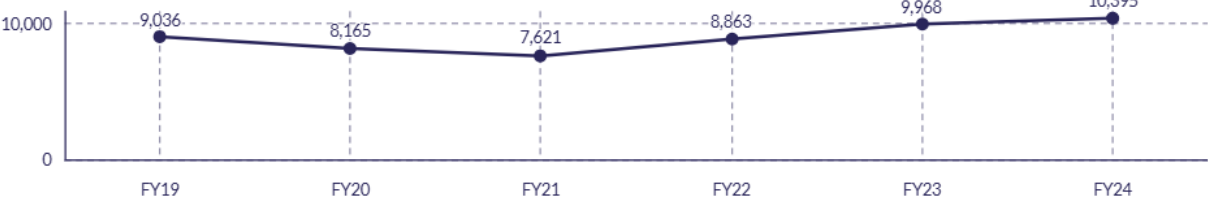
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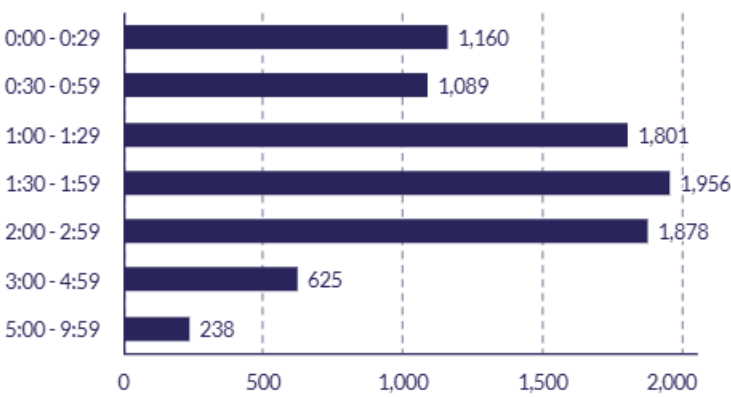


Effective, Efficient, Equitable Government

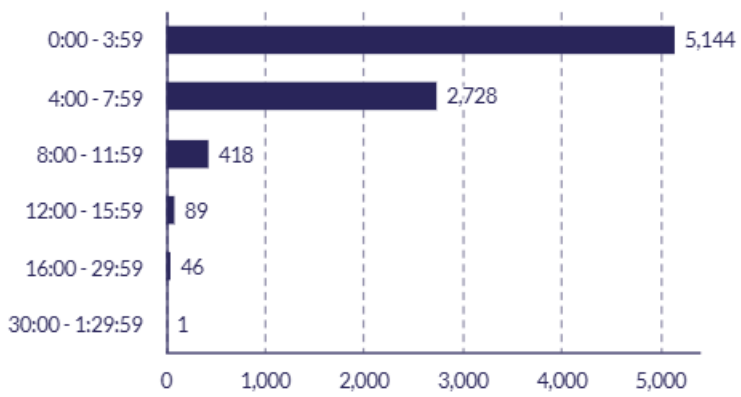
Manchester FD - Annual Incidents (FY19 - FY24)



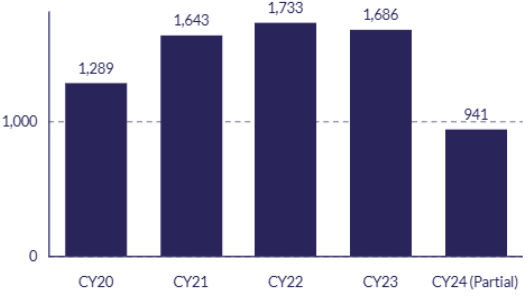
FY24 Fire Turnout Times



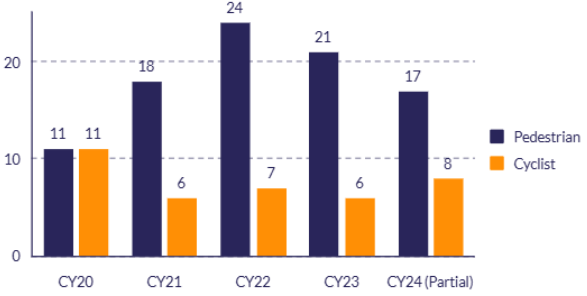
FY24 Fire Travel Times



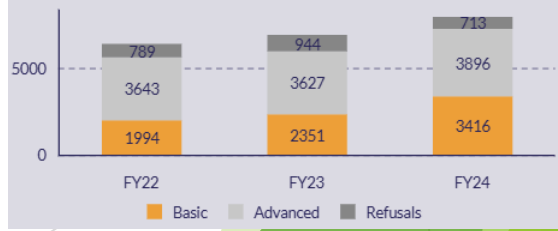
Vehicle Collisions



Collisions Involving Pedestrians

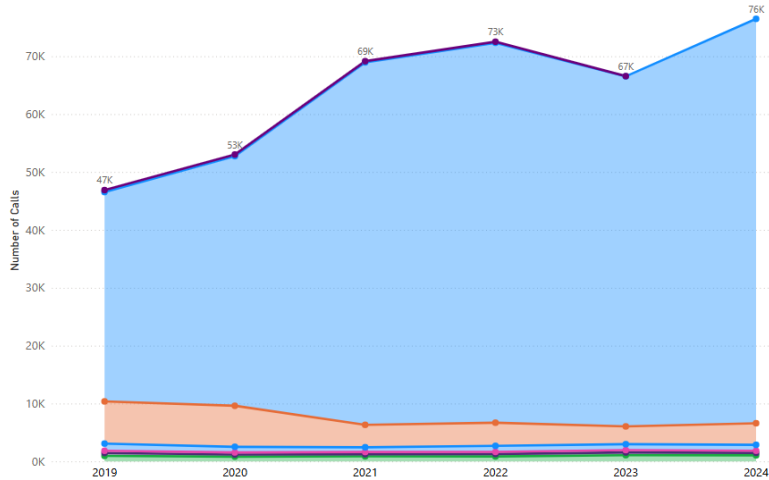


Total Medical Calls

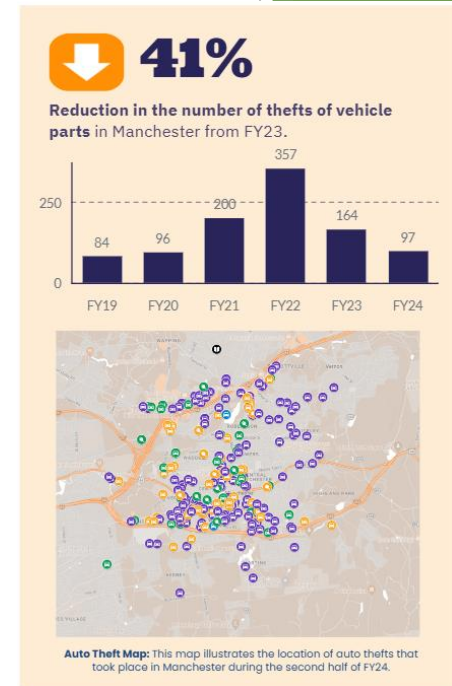
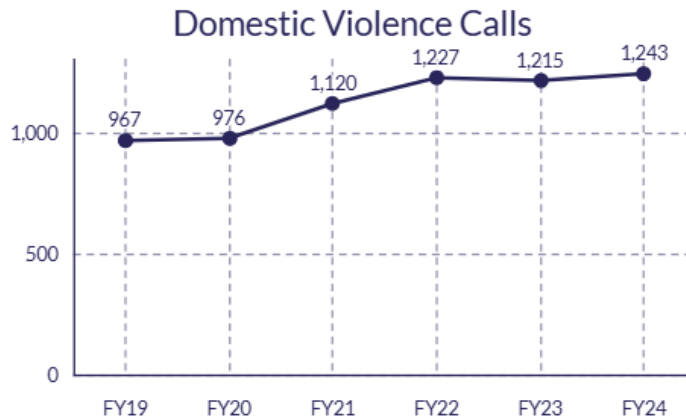




Effective, Efficient, Equitable Government



MPD calls for services increased 13% in FY24



Plow Compliment



Julie Smith

To: Tim Bockus

Cc: Steve Stephanou; Kasia Purciello

You forwarded this message on 2/10/2025 11:16 AM.

Good morning!

We had a message this morning on our phone. The caller wanted us to know that the plow driver did a great job on Wellington, driving carefully, cleaning up the snow! So nice to hear!



2/10/2025

Manchester Awarded Bronze-Level Bicycle Friendly Community Award

Published on January 31, 2025.

Earlier this week the Town of Manchester was honored by the League of American Bicyclists with a Bronze-Level Bicycle Friendly Community (BFC) award thanks to the Town's work in building better places for people to bike. Manchester joins 40 communities across the country in the movement for safer streets and better bicycling for everyone. The award recognizes Manchester for its commitment to creating transportation and recreational resources that benefit its residents of all ages and abilities while encouraging healthier and more sustainable transportation choices.

Manchester is one of only 12 communities in



Historic home affected by fire could be saved 'Manchester did not lose an icon'

By Joseph Williams, Staff Writer
Feb 26, 2025



The Pearl Sports Bar opens in former downtown Manchester burger restaurant space

By Joseph Williams, Staff Writer
March 2025



Leaf Collection



Julie Smith

To: Tim Bockus; Karen Owen

Cc: Steve Stephanou; Kasia Purciello; Doreen Petrozza

You forwarded this message on 12/13/2024 1:55 PM.

Good morning!

We received another compliment!! A resident from West Gerald Dr. called and was very pleased with the men collecting the leaves. She said they were very careful, did a wonderful job on this cold and windy day! She was over the top complimenting them!! Have a great day!



12/12/2024

Manchester man arrested after multiple burglaries

By Susan Blawieck
Updated: Feb 26, 2025, 10:42 PM EST
Original: Feb 26, 2025, 10:42 PM EST



MANCHESTER, Conn. (WTHM) — A Manchester man was arrested Tuesday in connection to multiple burglaries and a robbery, according to police.

Michael Rivera, 42, was connected to four separate incidents between November 2024 and January. Three of the incidents took place at Ravi Mart on West Middle Turnpike.

He was charged with multiple charges including three counts of third-degree larceny and three counts of third-degree burglary.

FY 2025/26 Recommended Budget

- ▶ As Manchester continues to grow, the goal of this FY26 budget recommendation is **balancing the needs of the community, expectations of Manchester residents, and the obligation to develop a financing plan that is fiscally responsible**. It builds on prior year's investments in our Town's provision of basic city services and public education, while ensuring the on-going support for the community's most vulnerable populations.
- ▶ **State policy changes** are making this balance much **more difficult**:
 - ▶ Loss of \$80 million in motor vehicle values
 - ▶ Loss of \$5 million in Veterans tax exemptions
- ▶ These **unfunded mandates** from the state continue to **push the cost of government in Connecticut onto the property taxpayer, including here in Manchester**.

FY 2025/26 Recommended Budget

- ▶ The FY26 budget proposal continues this year's investments in public education, public safety, human services, sustainability, DEI, and technology to ensure Manchester's government is as effective, efficient, and equitable as possible.
- ▶ Mostly current service level budget, but based on service demands, includes the following recommended adjustments/investments:
 - ▶ Freezing of four vacant central administrative positions
 - ▶ Investment into critical water & sewer infrastructure & resources
 - ▶ Funding for police social work position
 - ▶ Property Maintenance and Neighborhood Inspection Investments
 - ▶ Operations and Performance Management Resources

Budget Challenges

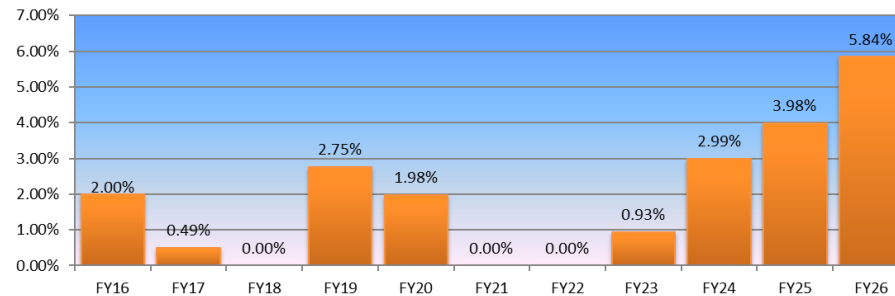
- Statutory change to the method for depreciating motor vehicle taxable assessments, combined with the capped motor vehicle mill rate at 32.46 mills, translates into significant revenue loss for the Town.
- As a result of this new law, our motor vehicle grand list shrinks by \$81M, or -16%.
- Real estate and personal property also saw negative growth, at -0.55% and -4.15%, respectively.
- The loss of motor vehicle taxable value translates into a revenue loss of \$2.57M compared to current year
- In a situation where MV grand list grew by 1%, and in the absence of a tax cap, FY26 would see
 - an additional \$3.2M in revenues FY25,
 - instead of a loss of \$2.6M (a delta of \$5.8M)

Budget Challenges

- Cost of maintaining existing service levels has increased in inflationary environment at 40-year record levels.
 - CPI over last three years in CT is above 5%
 - Electricity accounts are seeing 10-20% increases due to Eversource rates
 - Debt and Pension, other non-operating cost significantly up
- Recruitment and retention continue to be a challenge, further putting pressure on largest expenditure item, employee wages.
- While many Towns are seeing upwards of 20% increases to health insurance, Manchester has been successful in keeping employee health increases to a minimum by updating our managed care matrix, closely monitoring utilization, and implementing Rx changes for specialty medications.

Budget

General Fund Mill Rate Increases, FY16-FY26



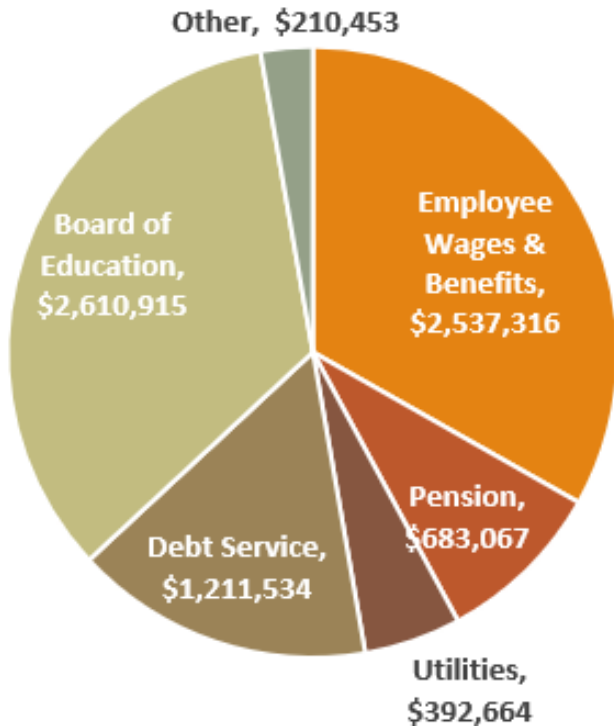
*FY23 Adopted mill rate is equalized for a 0.5% growth in Grand List, vs actual growth of 18%.
FY24 increase is relative to combined General Fund & South Manchester Fire District mill rates.*

- Last 5 years (FY21 – FY25), averaged 1.58% mil rate increase
 - To do so, staff has identified nearly all expense reductions that don't substantially impact service levels
 - Offset with ARPA in certain areas like capital; ARPA no longer available to offset costs in future budget years
 - State Aid has remained flat for Town
 - Loss of revenue due to grand list decrease in FY26
- Declining revenue while expenses are rapidly climbing, leaves two policy options for FY26:
 - ▶ To maintain existing services, local tax revenue needs to rise.
 - ▶ Only other option is to reduce or eliminate programs and/or services.

FY 2025/26 Recommended Budget

► Summary- General Fund

- The General Fund recommended budget would be increasing by \$7,645,949, or 3.17%. Cost drivers are depicted below:



Employee Wages & Benefits	\$ 2,537,316
Pension	\$ 683,067
Utilities	\$ 392,664
Debt Service	\$ 1,211,534
Board of Education	\$ 2,610,915
Other	\$ 210,453
TOTAL INCREASE	\$ 7,645,949

FY 2025/26 Recommended Budget

► Summary - General Fund

- The result is a recommended General Fund budget of \$249,134,408
- This is an **increase of \$7,645,949 or 3.17%** over the FY25 General Fund budgeted expenditures

General Fund FY25 Base	\$ 241,488,459
Education FY25 Increase	\$ 2,610,915
Town Department Increases	\$ 3,003,081
Debt & Other Cost Increases	\$ 2,031,953
TOTAL FY26 GENERAL FUND	\$ 249,134,408

FY 2025/26 Recommended Budget

► General Fund Summary

	Expended 2023/24	Adopted 2024/25	Expend. 2024/25	Manager's Recom. 2025/26	Adopted 2025/26	Increase	Percent Increase
Town-Side Operations	\$ 73,896,427.52	\$ 76,402,074	\$ 74,974,861	\$ 79,473,777	\$ -	\$ 3,071,703	4.02%
Capital & Non-Operating	\$ 13,117,509.58	\$ 22,404,385	\$ 22,204,885	\$ 23,224,804	\$ -	\$ 820,419	3.66%
SUBTOTAL- TOWN	\$ 87,013,937.10	\$ 98,806,459	\$ 97,179,746	\$ 102,698,581	\$ -	\$ 3,892,122	3.94%
Board of Education	\$ 116,281,237.00	\$ 125,861,316	\$ 125,861,316	\$ 128,472,231	\$ -	\$ 2,610,915	2.07%
Other Education-Related Costs	\$ 599,003.56	\$ 503,550	\$ 503,550	\$ 434,928	\$ -	\$ (68,622)	-13.63%
SUBTOTAL- EDUCATION	\$ 116,880,240.56	\$ 126,364,866	\$ 126,364,866	\$ 128,907,159	\$ -	\$ 2,542,293	2.01%
DEBT SERVICE	\$ 14,457,993.38	\$ 16,317,134	\$ 16,317,134	\$ 17,528,668	\$ -	\$ 1,211,534	7.42%
TOTAL GENERAL FUND	\$ 218,352,171.04	\$ 241,488,459	\$ 239,861,746	\$ 249,134,408	\$ -	\$ 7,645,949	3.17%

FY 2025/26 Recommended Budget

► Financial Highlights- Town

- Includes overall Town government operations increase of 3.85%, or \$3,823,500
 - Increase of \$2,537,316 or 4.05% for wages & benefits; driven by benefits increases, collective bargaining agreements, large # of new employees on step plans
 - Proposal freezes multiple positions, including Communications Director, Executive Secretary, Customer Services Manager, and Information Security Officer
 - Wages & benefits also includes funding for Police Social Worker, the conversion of two part time Fire Inspectors to one additional full time, and two additional municipal services positions in the Town Manager's Office.
 - Two additional Patrol Officer positions are authorized but only funded for an end-of-year hire. Similarly, additional funding is provided for the Library for possible additional late-year hires following the opening of the new facility.
 - Vacancy savings assumptions are increased by \$15,000 total for Field Services, Fire, and Police; to be achieved by temporarily holding vacancies open if necessary.
 - Support of community agencies decreased by \$100,000

FY 2025/26 Recommended Budget

► Financial Highlights- Town

- Includes overall Town non-operating increase of 3.66%, or \$820,419
 - Pension increases \$683,067, or 7.2%
 - Capital budget decreases by \$41,778 or -1.6%
 - Use of LoCIP, designated fund balance, and Police Private Duty offsets discontinuing use of ARPA

Debt Service increases \$1,211,534 (13.2%) to reflect first payments on \$25M bond issue for library, schools & public infrastructure; includes use of \$2.4M debt premium

FY 2025/26 Recommended Budget

► Financial Highlights

- Board of Education increases 2.07% or \$2.61 million in Manager's recommended budget.
- State Aid to MPS remains unclear
 - Governor's Budget includes \$5.58M increase to Alliance funding
 - Special Education funding remains a major challenge
 - Indications are the full increase will be funded by the GA adopted budget

FY 2025/26 Recommended Budget

► General Fund Revenues

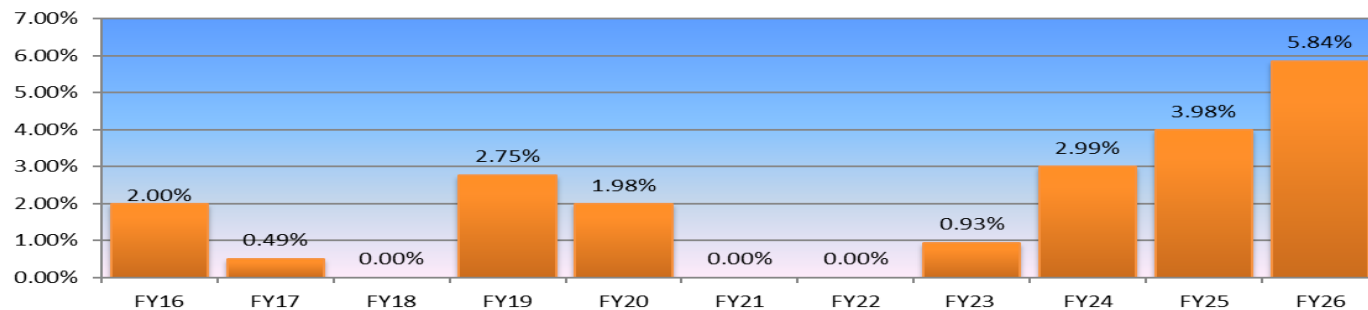
- Budget uses Governor's Proposed budget figures for State Aid, including \$895k increase to MV Tax Cap grant
- Assumes \$500k in State revenue-sharing, an unplanned grant which Manchester had received two years in a row but is not receiving this year
- Assumes increase to Summer Camp fees
- Interest earnings increased by \$500,000 based on recent actuals
- Overall increase of \$1.88M in non-tax revenue

FY 2025/26 Recommended Budget

► General Fund Summary

- Proposed budget requires mill rate of 40.94, **an increase of 5.84%** compared to FY25 GF mill rate. MV tax remains at state cap (32.46)
- This follows 5 years of average increase below 1.6%.
- Mostly driven by loss of grand list due to legislative changes
- Expect **most CT cities and towns** to have mil rate increases between 4%-6%

General Fund Mill Rate Increases, FY16-FY26



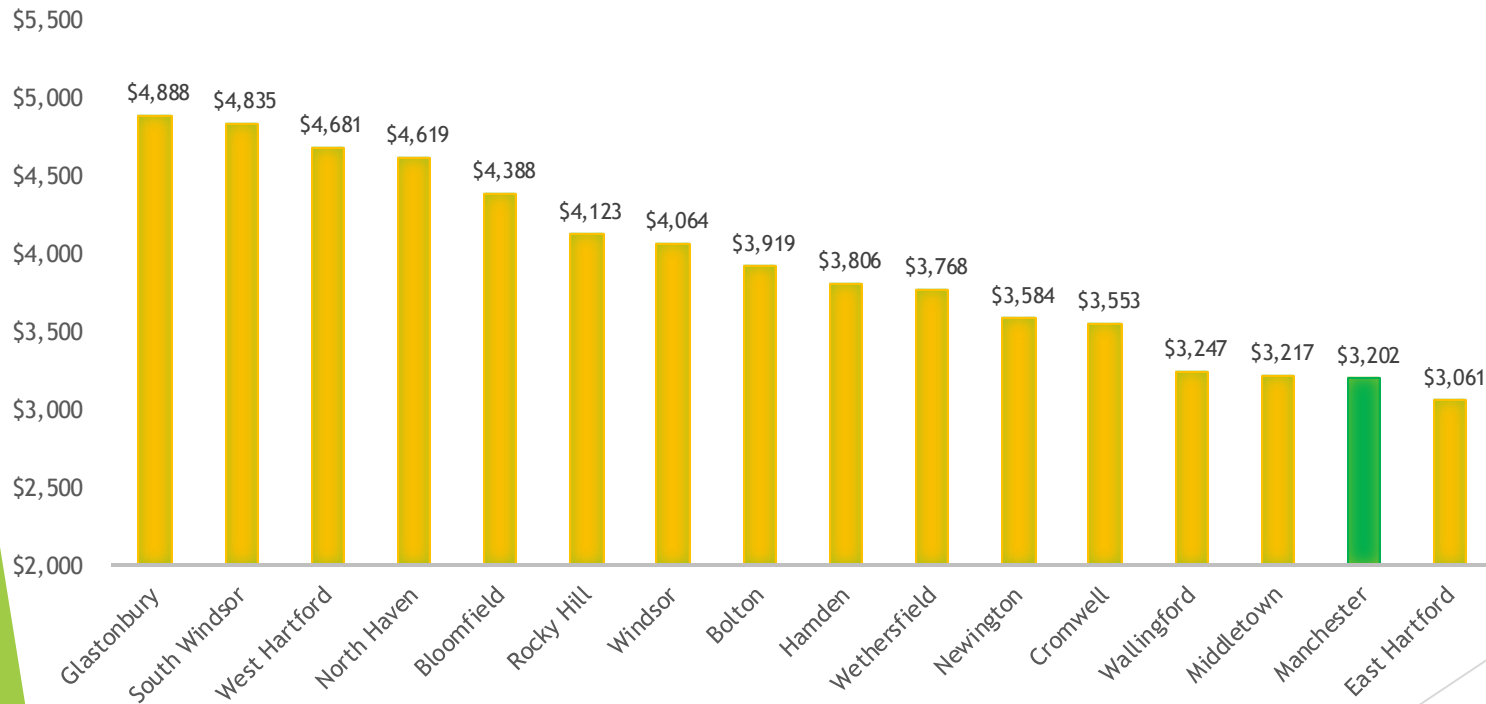
*FY23 Adopted mill rate is equalized for a 0.5% growth in Grand List, vs actual growth of 18%.
FY24 increase is relative to combined General Fund & South Manchester Fire District mill rates.*

Importance of Grand List Growth

- ▶ Manchester's Grand List decreased by -2.43%, mostly due to a -16.04% drop in the Motor Vehicle grand list associated with legislation that changes the calculation of depreciation
- ▶ Had Manchester seen no growth, this recommended budget mil rate increase would be a 3.25% increase.
- ▶ Had Manchester seen 1% growth, comparable to most other years, this budget would have only resulted in a 1.53% mil rate increase.

High Service Levels at Relative Low Cost

TOTAL LOCAL TAX LEVY PER CAPITA



FY 2025/26 Recommended Budget

Tax Impact

- ▶ Resulting mill rate of 40.94 (currently 38.68)
- ▶ Examples of tax increases on homeowners:

Taxes Paid by Manchester Residents (General Fund, vs FY25)					
Market Value	Assessed at 70%	Current Tax	New Tax	Monthly Change in Tax	
\$250,000	\$175,000	\$6,769	\$7,165	\$33	
\$350,000	\$245,000	\$9,477	\$10,030	\$46	
\$450,000	\$315,000	\$12,184	\$12,896	\$59	

FY 2025/26 Recommended Budget

► Savings needed to lower Mil Rate

- To achieve a 4% mil rate increase,
 - \$ 790,000
- To achieve a 3% mil rate increase,
 - \$ 1.625 million
- To achieve a 2% mil rate increase,
 - \$ 2.475 million

FY 2025/26 Recommended Budget

- ▶ Department Requests Reduced by Manager
 - ▶ \$2.38M in reductions including increasing use of one-time funding (debt premium, LoCIP surplus), freezing multiple positions, reducing community agency funding by \$100,000 or ~15% across-the-board, and ending support to TLC
 - ▶ Given this difficult budget year, nearly all departments submitted current service level budgets without requests for additional positions, but the Manager did eliminate the request for an additional position in Building Inspection and the conversion of additional part time Fire Inspectors to full time.
 - ▶ Included 2 additional patrol officer authorizations based on current call volumes and continued population growth, in addition to resources to deal with blight, property maintenance, and neighborhood inspection violations.

FY 2025/26 Recommended Budget

Water & Sewer

- ▶ 12% for water recommended, mostly due to large upcoming capital expenses (Town-wide replacement of meters, mandated replacement of lead & copper water lines & mandated treatment of well contaminants, totaling \$20-30M over next several years)
- ▶ 8% rate increase for Sewer Fund is recommended, to cover much-needed equipment replacements and to reflect phasing-in sludge disposal rate increases to the Sanitation Fund in order to bring it in line with market rates; will help prolong the financial viability of the landfill so it can continue covering curbside pickup & leaf collection costs for residents
- ▶ Reorganization of capital reserves allowed for a one-year break in CIP funding in FY25; CIP's are reinstated in FY26 to keep pace with aging infrastructure needs

FY 2025/26 Recommended Budget

Summary

- ▶ State legislation affecting motor vehicle taxes resulting in higher-than-usual mill rate increase
- ▶ Recommended General Fund mill rate represents 5.84% increase over current mill rate
- ▶ Without state changes that impacted GL, this budget request would represent between 1.5%-3.25% increase.
- ▶ Water & Sewer rate increases of 12% & 8%, respectively, proposed in light of major upcoming capital & environmental abatement needs and inflationary factors

FY 2025/26 Recommended Budget

Summary

- In the coming weeks, I look forward to hearing more input from residents, businesses and not-for-profit organizations, and the Board, about their priorities for Manchester's future, which I believe this 2026 Recommended Budget reflects.
- March Budget Workshops are an opportunity for the BoD to consider the balances of
 1. the service needs and expectations of the community,
 2. ability of Manchester residents and taxpayers to pay
 3. and the obligation to develop a financing plan that is fiscally responsible

FY 2025/26 Recommended Budget

Thank you.