

Mayor's Proposed Budget

for the Fiscal Year End June 30, 2026

Submitted on March 31, 2025



The Mayor's Budget Development Committee



Paul K. Pernerewski, Jr., Mayor

Joseph Geary, Chief of Staff

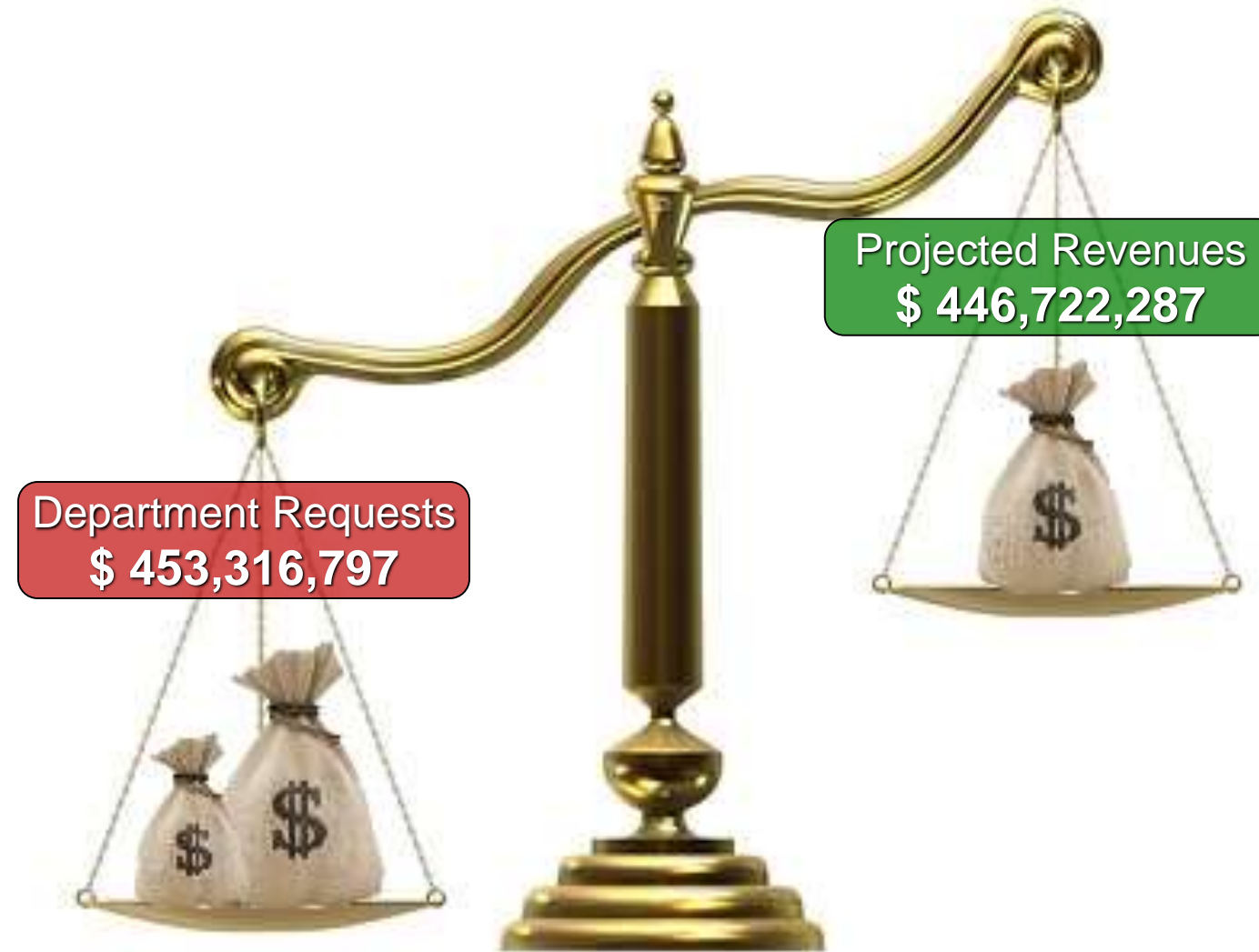
David Lepore, Advisor to the Mayor

Sarah Geary, Manager of Budget Development & Oversight

Michael LeBlanc, Director of Finance

Special thanks to the Photostat Unit of the Town Clerk's Office and Information Technology for assistance with the printing and distribution, website uploads, and presentation materials.

A Challenging Budget Year



**\$ 6.6 Million Gap Between
Department Requests and Projected Revenues**

FY26 Budget Data

FY26 Department Requests	\$453,316,797
FY25 Adopted Budget	\$446,722,287
Overall Budget Increase	\$6,594,510
Operating % Increase over previous year	+1.48%
FY26 Mayor's Proposed Budget	\$446,627,058
FY25 Adopted Budget	\$446,722,287
Overall Budget Decrease	(\$95,229)
Operating % Decrease over previous year	-0.02%
Reduction between Mayor's Proposal & Dept Requests	(\$6,689,739)

FY26 Budget Increases/(Decreases) By Category

Education	\$0
Health Insurance Contribution	(\$4,500,000)
Debt Service Contribution	(\$500,000)
Contingency	\$1,000,000
ISF and Other Operating Charges	(\$1,501,500)
Pension	\$682,550
Public Safety	\$2,709,630
Public Works	\$659,894
Other Departments	\$1,354,197
<hr/>	
Total Decrease	(\$95,229)

Scrutinizing Every Expenditure



	A	B	C	D	E	F	G	H	I	J
1										
2										
3										
4										
5										
6	APPROPRIATION	AUDITED	AUDITED	AUDITED	FY25	FY26	FY26 MAYOR'S	FY26 MAYOR'S	FY26	FY26
7	DESCRIPTION	ACTUALS	ACTUALS	ACTUALS	ADOPTED	DEPT.	PROPOSED	PROPOSED	CHANGES	CHANGES
8		FY22	FY23	FY24	BUDGET	REQUEST	BUDGET	CHANGES	\$	%
9										
10										
11										
12	TOTAL GENERAL FUND	\$422,957,697	\$429,391,402	\$440,367,466	\$446,722,287	\$453,316,797	\$446,627,058	(\$6,689,739)	(\$95,229)	-0.02%
13										
14										
15	FY2									
16	FY2									
17	FY2									
18										
19										

**Total Department
Requests:
\$453,316,797**

**Mayor's
Proposal:
\$446,627,058**

Expense Reduction: (\$6,689,739)

FY 2026 Budget Points



- The Mayor's Proposed Budget for FY26 is the tenth budget to contain the use of two separate mill rates.
 - The proposed real estate and personal property mill rate is 44.98, which is 4.46 mills less than the FY25 adopted mill rate of 49.44 mills.
 - The proposed motor vehicle mill rate is 32.46, which is the same as FY25 and the cap mandated by State law. The City is expecting to receive a motor vehicle mill rate cap grant in the amount of \$13 million in FY26. This grant accounts for the lost local property tax revenue due to the motor vehicle mill rate being less than the City's real estate and personal property mill rate.
- The Water and Sewer rates are being held at the same level as FY25.
- Waterbury's Education Cost Sharing (ECS) grant is anticipated to be a total of approximately \$200.8 million, which is \$10.5 million more than the budgeted FY25 grant. The General Fund portion is expected to remain at \$113.6 million, while the increased Alliance Grant portion, which is sent directly to the Board of Education, is expected to be \$87.2 million.
- The October 1, 2024 net Grand List of \$6.2 billion in assessed property values increased by approximately \$503.9 million compared to the October 1, 2023 net grand list, which was \$5.7 billion. FY26 is the third year of the four-year phase-in of the 10/1/22 Revaluation, which means 75% of the increases in real property assessments are now included in the net grand list.

FY 2026 Tax Scenarios



Scenario 1

Home/Vehicle	FY25 Assessed Value	FY26 Assessed Value	FY25 Tax Bill	FY26 Tax Bill	FY26 Tax Bill Inc/(Dec) vs. FY25
Sample Home	\$119,075	\$133,528	\$5,887	\$6,006	\$119
2009 Toyota Corolla	\$4,870	\$1,600	\$158	\$52	(\$106)
2018 Honda Accord S	\$14,070	\$9,930	\$457	\$322	(\$134)
TOTAL	\$138,015	\$145,058	\$6,502	\$6,380	(\$122)

Scenario 2

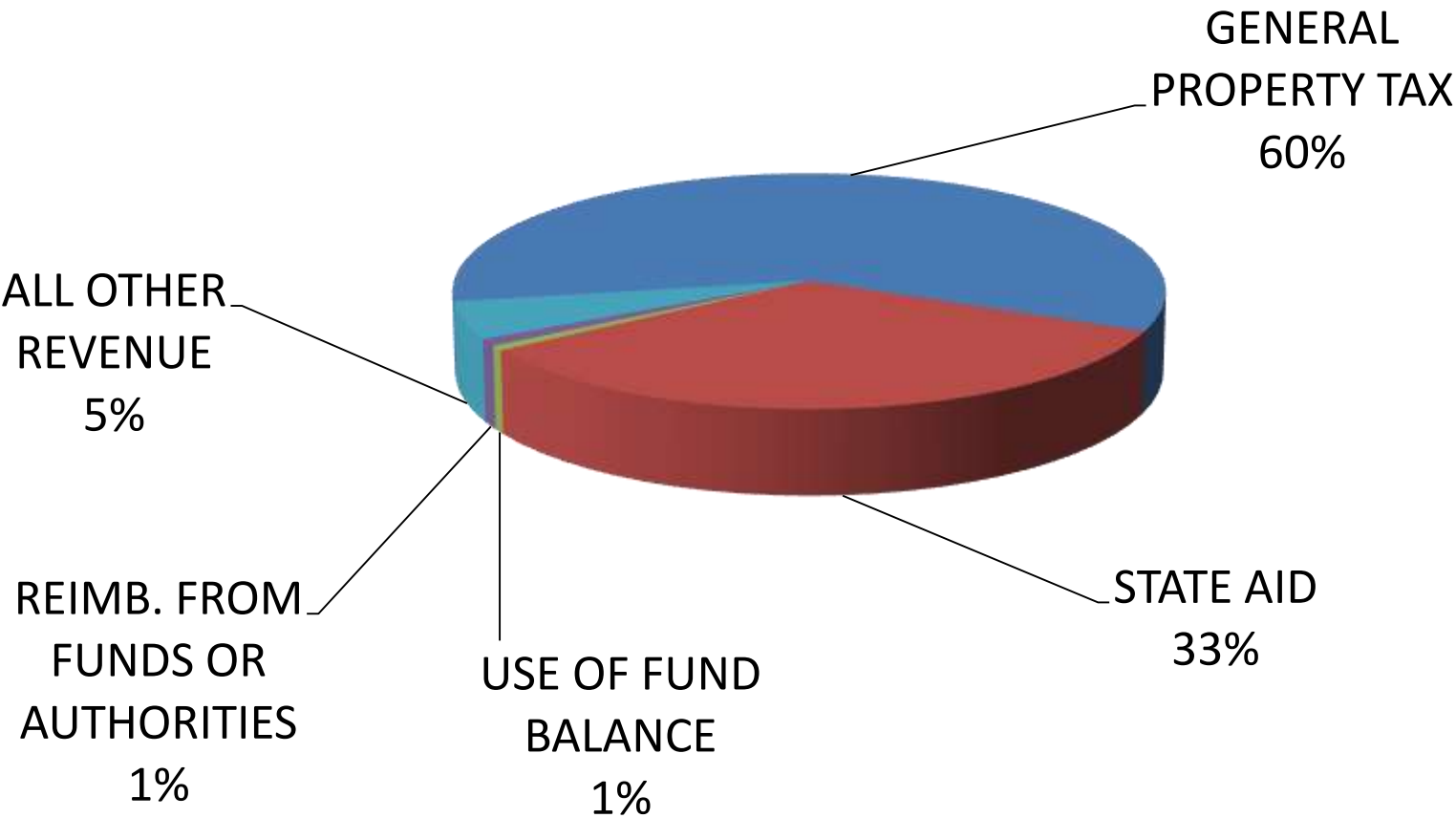
Home/Vehicle	FY25 Assessed Value	FY26 Assessed Value	FY25 Tax Bill	FY26 Tax Bill	FY26 Tax Bill Inc/(Dec) vs. FY25
Average Home	\$92,262	\$104,727	\$4,561	\$4,711	\$149
2006 Nissan Altima S	\$2,750	\$2,050	\$89	\$67	(\$23)
2017 Honda Civic LX	\$10,480	\$6,560	\$340	\$213	(\$127)
TOTAL	\$105,492	\$113,337	\$4,991	\$4,990	(\$1)

Scenario 3

Home/Vehicle	FY25 Assessed Value	FY26 Assessed Value	FY25 Tax Bill	FY26 Tax Bill	FY26 Tax Bill Inc/(Dec) vs. FY25
Sample Home	\$114,975	\$131,618	\$5,684	\$5,920	\$236
2002 Hyundai Santa Fe	\$500	\$2,220	\$16	\$72	\$56
2019 Jeep Cherokee	\$15,420	\$12,490	\$501	\$405	(\$95)
TOTAL	\$130,895	\$146,328	\$6,201	\$6,398	\$197



City of Waterbury FY26 Revenue



Mill Rate Analysis



MILL RATE COMPUTATION: REAL ESTATE AND PERSONAL PROPERTY	FY26
OCTOBER 1, 2024 GRAND LIST - NET OF EXEMPTIONS (REAL ESTATE)	\$4,970,577,817
PROJECTION FOR LOSS THROUGH APPEALS (1.0%)	(\$49,705,778)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 1.0%)	\$4,920,872,039
100% OF TAX LEVY AT 44.98 MILLS	\$221,340,824
TAX CREDITS FOR ELDERLY & DISABLED - STATE	(\$900,000)
TAX CREDITS FOR ELDERLY & DISABLED - LOCAL PROGRAM	(\$650,000)
100% OF LEVY NET OF TAX CREDITS (REAL ESTATE)	\$219,790,824
OCTOBER 1, 2024 GRAND LIST - NET OF EXEMPTIONS (PERSONAL PROPERTY)	\$639,839,988
PROJECTION FOR LOSS THROUGH APPEALS (1.0%)	(\$6,398,400)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 1.0%)	\$633,441,588
100% OF TAX LEVY AT 44.98 MILLS (PERSONAL PROPERTY)	\$28,492,203
PROJECTED 96.0% COLLECTION RATE OF NET LEVY	\$238,351,706

Mill Rate Analysis



MILL RATE COMPUTATION: MOTOR VEHICLES	FY26
OCTOBER 1, 2024 GRAND LIST - NET OF EXEMPTIONS	\$588,619,090
PROJECTION FOR LOSS THROUGH APPEALS (0.2%)	(\$1,177,238)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 0.2%)	\$587,441,852
100% OF TAX LEVY AT 32.46 MILLS	\$19,068,363
100% OF LEVY NET OF TAX CREDITS	\$19,068,363
PROJECTED 96.0% COLLECTION RATE OF NET LEVY	\$18,305,628

The FY26 proposed budget uses a mill rate of 32.46 mills for motor vehicles, which is the cap allowed by State law.

FY 2026 Non-Tax Revenue



REVENUES OTHER THAN TAXES	FY25 ADOPTED BUDGET	FY26 MAYOR'S PROPOSED BUDGET	FY26 BUDGETARY CHANGES	FY26 % DIFF.
PAYMENTS BY OTHER JURISDICTIONS	\$37,370,531	\$30,696,559	(\$6,673,972)	-17.86%
OTHER FINANCE DEPARTMENT REVENUE	\$12,305,000	\$14,815,000	\$2,510,000	20.40%
USE OF FUND BALANCE	\$3,000,000	\$3,000,000	\$0	0.00%
REIMB. FROM FUNDS OR AUTHORITIES	\$4,546,500	\$4,490,233	(\$56,267)	-1.24%
EDUCATION GRANTS & OTHER REVENUE	\$118,942,182	\$120,277,182	\$1,335,000	1.12%
ALL OTHER DEPARTMENTS	\$6,515,750	\$7,140,750	\$625,000	9.59%
TOTAL REVENUES	\$182,679,963	\$180,419,724	(\$2,260,239)	-1.24%

FY 2026 State Aid



City of Waterbury
STATE AID SCHEDULE - FY26

EXHIBIT G
1

REVENUE DESCRIPTION	FY22 CITY RECEIPTS	FY23 CITY RECEIPTS	FY24 CITY RECEIPTS	FY25 CITY ADOPTED BUDGET	FY26 STATE PROPOSED BUDGET	FY26 INCREASE (DECREASE)
STATE AID - FORMULA GRANTS - CITY						
P.I.L.O.T. -- Tiered Reimbursement	\$9,388,171	\$9,388,276	\$9,951,338	\$9,460,476	\$9,086,395	(\$374,081)
PEQUOT -- State Properties Grant	\$2,637,435	\$2,637,435	\$2,637,435	\$2,637,435	\$2,637,435	\$0
Municipal Revenue Sharing	\$3,284,145	\$7,025,110	\$5,067,662	\$2,000,000	\$0	(\$2,000,000)
Municipal Revenue Sharing- MRSA Motor Vehicles	\$7,747,981	\$15,620,824	\$21,996,223	\$17,305,061	\$13,005,170	(\$4,299,891)
Municipal Stabilization Grant	\$2,298,414	\$2,298,414	\$0	\$0	\$0	\$0
Supplemental Revenue Sharing Grant	\$0	\$0	\$11,082,559	\$5,582,559	\$5,582,559	\$0
Subtotal	\$25,356,146	\$36,970,059	\$50,735,217	\$36,985,531	\$30,311,559	(\$6,673,972)
STATE AID - FORMULA GRANTS - EDUCATION						
ECS - Education Equalization Grant (without Alliance)	\$114,085,905	\$113,929,148	\$114,035,542	\$113,617,182	\$113,617,182	\$0
Subtotal	\$114,085,905	\$113,929,148	\$114,035,542	\$113,617,182	\$113,617,182	\$0

FY 2026 State Aid



City of Waterbury

STATE AID SCHEDULE - FY26

EXHIBIT G

2

REVENUE DESCRIPTION	FY22 CITY RECEIPTS	FY23 CITY RECEIPTS	FY24 CITY RECEIPTS	FY25 CITY ADOPTED BUDGET	FY26 STATE PROPOSED BUDGET	FY26 INCREASE (DECREASE)
<u>STATE AID - REIMBURSEMENTS</u>						
Exemptions for the Elderly	\$17,477	\$18,236	\$16,200	\$20,000	\$20,000	\$0
Veterans Additional Exemption	\$89,471	\$84,117	\$61,844	\$100,000	\$100,000	\$0
Special Education - Excess Cost & Agency Placements	\$2,746,797	\$4,017,980	\$5,503,301	\$3,700,000	\$4,700,000	\$1,000,000
Non-Public School Nurse Services	\$283,458	\$260,494	\$342,562	\$185,000	\$270,000	\$85,000
Special Education - Medicaid Grant	\$922,536	\$386,857	\$1,040,780	\$650,000	\$850,000	\$200,000
State Grants - Education - Other	\$169,089	\$146,228	\$196,374	\$175,000	\$175,000	\$0
Subtotal	\$4,228,828	\$4,913,912	\$7,161,061	\$4,830,000	\$6,115,000	\$1,285,000

FY 2026 State Aid



EXHIBIT G
3

City of Waterbury
STATE AID SCHEDULE - FY26

REVENUE DESCRIPTION	FY22 CITY RECEIPTS	FY23 CITY RECEIPTS	FY24 CITY RECEIPTS	FY25 CITY ADOPTED BUDGET	FY26 STATE PROPOSED BUDGET	FY26 INCREASE (DECREASE)
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Total	\$143,670,879	\$155,813,119	\$171,931,820	\$155,432,713	\$150,043,741	(\$5,388,972)
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Total State Aid
\$150,043,741

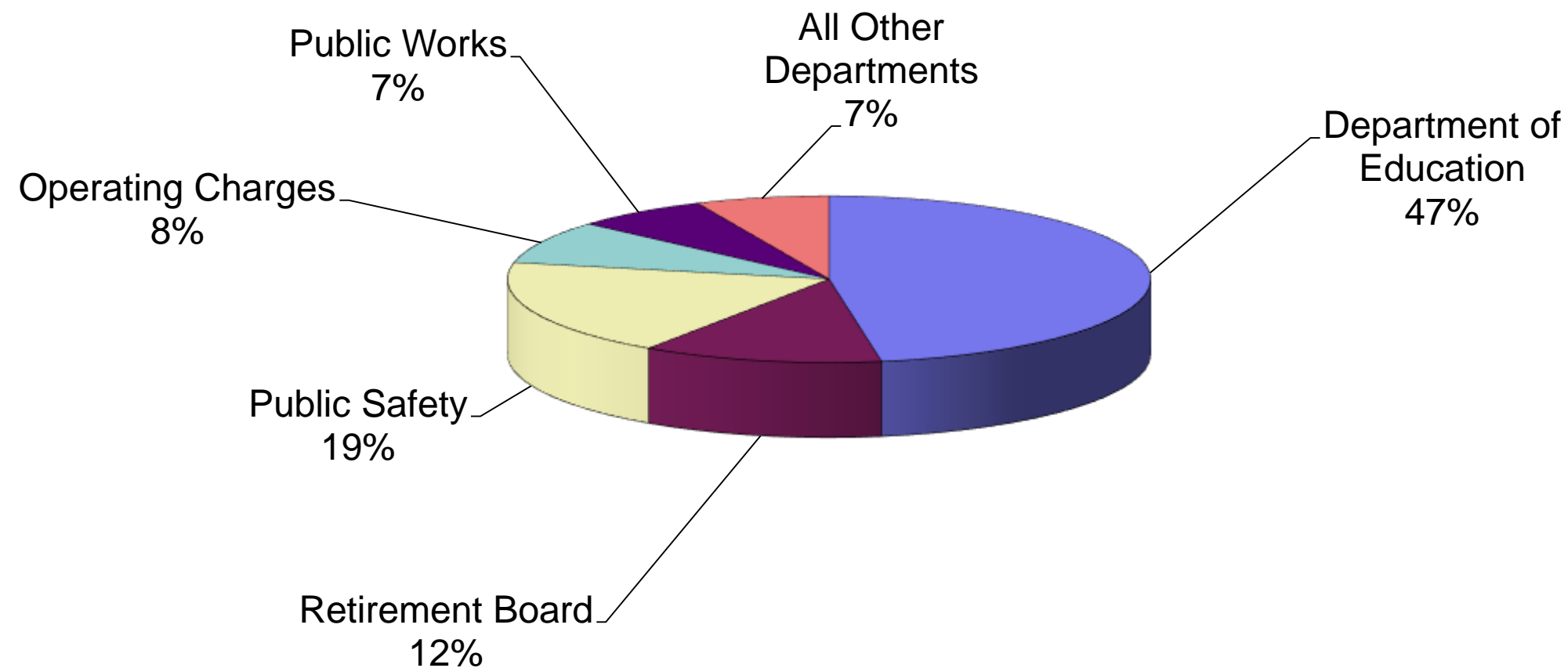
Net Decrease in State Aid
(\$5,388,972)

- **The Budget continues to reflect heavy reliance on two revenue line items to fund the majority of the budget; these are local property taxes at 60% and State Aid at 33% of the total Budget.**
- **The tax collection rate is kept at the current estimated rate of 96.0%, last adopted in FY10.**
- **At the proposed 96.0% collection rate, 1 mill is equal to \$5.3 million.**
- **State Aid formula grant amounts included in the Mayor's proposal are based on the Governor's FY26-27 Proposed Biennial Budget.**
- **The General Fund portion of the ECS grant is expected to be \$113.6 million, while the Alliance Grant portion, which is sent directly to the Board of Education is expected to be \$87.2 million. Together these grants total \$200.8 million.**

- **The revenue to be derived from the current property tax line items amounts to \$256.7 million. In FY26, current tax collections consist of two line items, similar to FY25, due to the separate mill rates. The City anticipates to receive a motor vehicle property tax grant from the State in the amount of \$13 million in FY26 to account for revenue lost due to the motor vehicle mill rate cap.**
- **The budget for delinquent prior year taxes is the same as FY25, for a total of \$3.65 million. The budget for the Supplemental Motor Vehicle Tax is also the same as FY25 at \$2.6 million. The projections for interest on current and prior years' taxes total a combined \$3.3 million, which is the same as FY25.**
- **The City is again budgeting for the potential use of Fund Balance in the amount of \$3 million; this is less than 1% of the Budget as City policy allows and should not be needed to balance operations as recent history indicates.**



City of Waterbury Appropriations - FY26



The Cost of Past Fiscal Liabilities



PENSION PLAN - FY26	TOTAL	Value of 1 mill	# of mills
Normal Cost Contribution	\$2,573,442	\$5,299,060	0.49
Accrued Liability & Debt Service Contribution	\$47,193,217	\$5,299,060	8.91
Total Pension Contribution	\$49,766,659		9.39
HEALTH BENEFITS - FY26	TOTAL	Value of 1 mill	# of mills
Contribution - Active Employees	\$25,906,508	\$5,299,060	4.89
Contribution - Retirees	\$39,093,492	\$5,299,060	7.38
Total Health Contribution	\$65,000,000		12.27
TOTAL PENSION & HEALTH - FY26	\$114,766,659	\$5,299,060	21.66

One of the largest sets of expenditures is associated with employee benefits. In the aggregate these expenses associated with pension and health insurance add up to approximately \$114.8 million.

Pension & Retiree Health Benefits	TOTAL	Value of 1 mill	# of mills
Accrued Liability & Debt Service Contribution	\$47,193,217	\$5,299,060	8.91
Health Contribution - Retirees	\$39,093,492	\$5,299,060	7.38
Total Contribution for Retirees - FY26	\$86,286,709		16.28

As may be seen above, the City is now paying the equivalent of 16.28 mills for liabilities that were previously incurred.

Appropriations



- **The FY26 Mayor's Proposed Budget contains appropriations of \$446.6 million; \$95,000 or 0.02% less than FY25.**
- **The Mayor's Budget Development Committee identified reductions of approximately \$6.7 million necessary to contain budget growth and to reach a final proposed budget of \$446.6 million.**
- **The General Fund, non-Education budgeted position count is 1,093, which is 15 more than FY25. The budget includes the addition of 15 Police Officer positions.**
- **The Contingency account has been budgeted at \$2.5 million to cover unanticipated or emergency expenses that may arise as well as potential shortfalls in the areas of fuel, utilities, snow removal and other various expense line items. Funding for potential general wage increases to be awarded in outstanding labor contracts is also included in the Contingency account.**
- **The FY26 Budget decreases the General Financial contribution to the Health Fund by \$4.5 million compared to FY25 for a total General Financial annual funding contribution of \$65 million. It is also expected that the Health Fund will benefit from an \$11 million contribution from the Education Department in FY26, which is the same amount as FY25.**

- **The FY26 Budget increases the contribution to the Pension Plan by \$723,000 for a total contribution of \$49.8 million.**
- **The FY26 Budget decreases the contribution for debt service by \$500,000 for a total debt service contribution of \$22 million, representing 4.93% of total appropriations.**
- **The Department of Education's funding from the General Fund remains the same as FY25 at \$158.4 million. The amount the State sends directly to the Education Department, in the form of the Alliance Grant, is now approximately \$76.7 million and this grant is expected to increase by \$10.5 million for a total of \$87.2 million in FY26 based upon the Governor's FY26-27 Proposed Biennial Budget.**
- **The amount of Employee Benefit costs the City pays on behalf of Education is projected at \$53.3 million. Including Benefits, the City spends 47.4% of its General Fund Budget on behalf of Education.**



Waterbury Police Department



WATERBURY



- Budget funds 15 additional Police Officer positions
- Uniformed position count increases from 300 to 315
- U.S. Department of Justice Grant will fund approximately 50% of the regular salaries of the 15 new officers



Mayor's Proposed Budget



Balanced Budget
Revenues = Expenditures

Capital Funding Initiatives



Department Name	FY 2026 Budget
Department of Public Works	\$14,369,496
DPW – Central Vehicle Replacement	\$4,078,500
Information Technology	\$523,000
Police Department	\$537,500
Fire Department	\$280,000
Finance Department	\$1,750,000
Education Department	\$2,004,000
<i>Total City Funds</i>	\$23,542,496
Water Pollution Control	\$33,700,000
Bureau of Water	\$18,060,000
<i>Total Enterprise Funds</i>	\$51,760,000
<i>Total All Funds</i>	\$75,302,496

**\$75.3 Million in
Capital
Improvements**

- **The Offices of the Mayor and Budget Control will continue to closely monitor the current State Legislative session due to conclude on June 4th.**
- **Department Head budget discussion meetings and public hearings to be scheduled.**
- **Budget adoption by June 6th.**



WATERBURY

