

Mayor's Proposed Budget

for the Fiscal Year End June 30, 2027

Submitted on April 1, 2026



The Mayor's Budget Development Committee



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A Challenging Budget Year



**\$28.1 Million Gap Between
Department Requests and Projected Revenues**

FY27 Budget Data

FY27 Department Requests	\$474,744,885
FY26 Adopted Budget	\$446,627,058
Overall Budget Increase	\$28,117,827
Operating % Increase over previous year	+6.30%
FY27 Mayor's Proposed Budget	\$457,880,213
FY26 Adopted Budget	\$446,627,058
Overall Budget Increase	\$11,253,155
Operating % Increase over previous year	+2.52%
Reduction between Mayor's Proposal & Department Requests	(\$16,864,672)

FY27 Budget Increases By Category

Education	\$0
Health Insurance Contribution	\$2,000,000
Debt Service Contribution	\$0
Contingency	\$2,200,000
ISF and Other Operating Charges	\$1,029,500
Pension	\$105,391
Public Safety	\$3,085,919
Public Works	\$1,979,830
Other Departments	\$852,515
Total Increase	\$11,253,155

Scrutinizing Every Expenditure



CITY OF WATERBURY MAYOR'S PROPOSED BUDGET FYE JUNE 30, 2027 EXPENDITURE SUMMARY									
APPROPRIATION DESCRIPTION	AUDITED ACTUALS FY23	AUDITED ACTUALS FY24	AUDITED ACTUALS FY25	FY26 ADOPTED BUDGET	FY27 DEPT. REQUEST	FY27 MAYOR'S PROPOSED BUDGET	FY27 MAYOR'S PROPOSED CHANGES	FY27 CHANGES \$	FY27 CHANGES %
TOTAL GENERAL FUND	\$429,391,402	\$440,367,466	\$445,627,614	\$446,627,058	\$474,744,885	\$457,880,213	(\$16,864,672)	\$11,253,155	2.52%

Total Department Requests:
\$474,744,885

Mayor's Proposal:
\$457,880,213

Expense Reduction: (\$16,864,672)

FY 2027 Budget Points



- The Mayor's Proposed Budget for FY27 is the eleventh budget to contain the use of two separate mill rates.
 - The proposed real estate and personal property mill rate is 43.86, which is 1.12 mills less than the FY26 adopted mill rate of 44.98 mills.
 - The proposed motor vehicle mill rate is 32.46, which is the same as FY26 and the cap mandated by State law. The City is expecting to receive a motor vehicle mill rate cap grant in the amount of \$8.8 million in FY27. 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 user rate is proposed to increase from \$2.65 per CCF to \$3.50 per CCF and the quarterly service charge is proposed to increase from \$12 to \$24 per quarter for 5/8" meters and \$12 to \$120 per quarter for meters larger than 5/8". These increases will assist with the operations of the Water Department as well as allow for continued investment in water infrastructure capital renewal and replacement projects. Sewer rates are being held at the same level as FY26.
- Waterbury's Education Cost Sharing (ECS) grant is currently anticipated to be a total of approximately \$201.1 million, which is the same as FY26. The General Fund portion is expected to remain at \$113.6 million, while the Alliance Grant portion, which is sent directly to the Board of Education, is expected to remain at \$87.5 million.
- The October 1, 2025 net Grand List of \$6.8 billion in assessed property values increased by approximately \$559.4 million compared to the October 1, 2024 net grand list, which was \$6.2 billion. FY27 is the final year of the four-year phase-in of the 10/1/22 Revaluation, which means 100% of the increases in real property assessments are now included in the net taxable grand list.

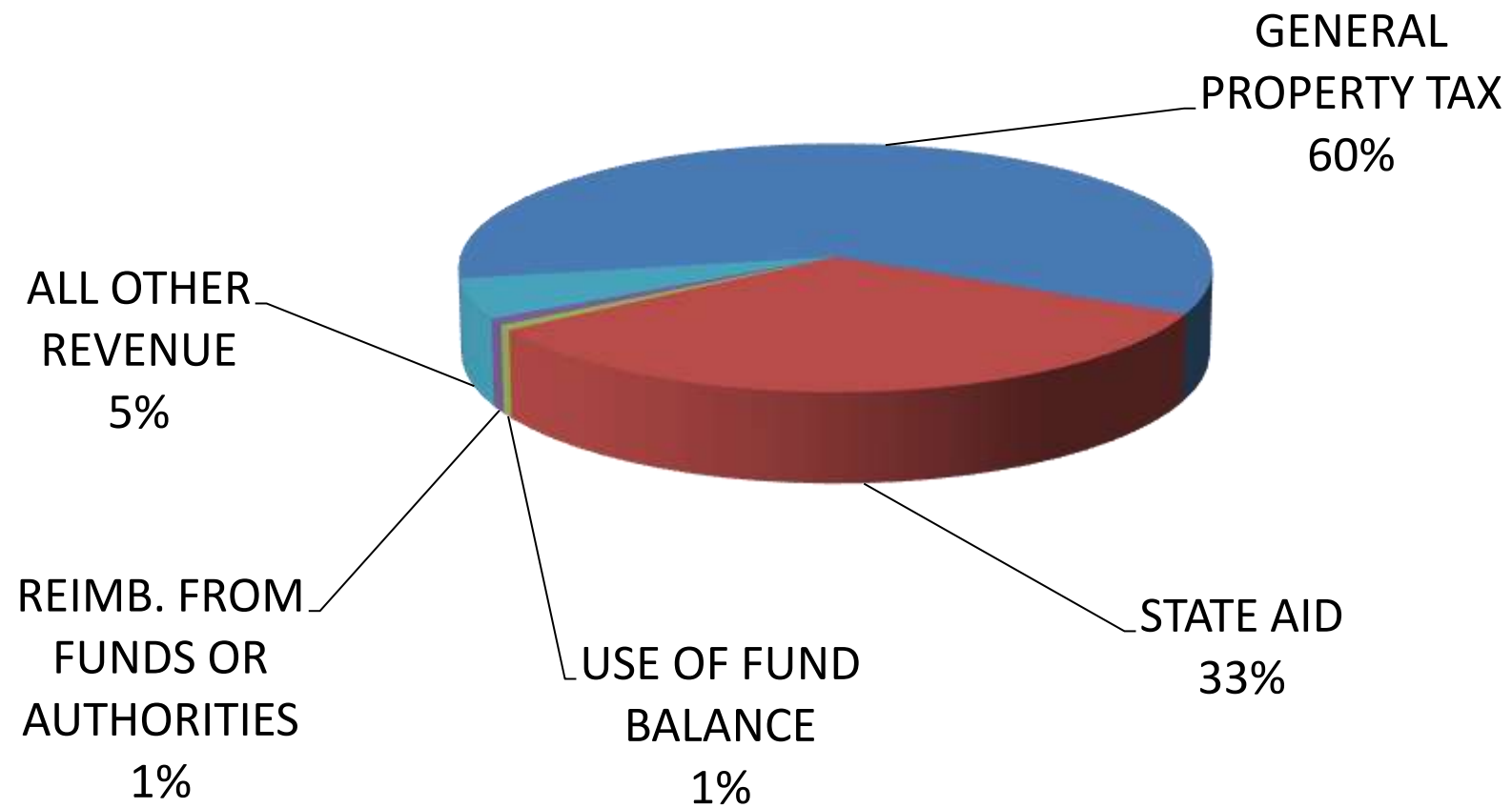
Water Rate Comparison Data

	Usage Rate 5/8" per CCF	Quarterly Service Charge	Annual Cost*
MDC (Hartford Region)	\$ 8.480	\$ 44.94	\$ 993.84
CT Water - (Middlebury, Naugatuck, Prospect, Thomaston)	\$ 8.184	\$ 42.24	\$ 954.62
Aquarion Water (Bridgeport & Stamford)	\$ 6.254	\$ 51.56	\$ 806.62
Regional Water Authority (New Haven) ** Also has a seasonal charge**	\$ 5.229	\$ 68.49	\$ 775.94
First District Water Department (Norwalk)	\$ 6.080	\$ 24.75	\$ 682.68
Meriden Water	\$ 6.120	\$ 11.57	\$ 633.80
Southington Water	\$ 4.910	\$ 36.28	\$ 616.48
Bristol Water	\$ 3.900	\$ 51.12	\$ 578.88
City of Waterbury (Proposed)	\$ 3.500	\$ 24.00	\$ 432.00
City of Waterbury (Current)	\$ 2.650	\$ 12.00	\$ 302.40

*Annual cost based on 24 units of water per quarter (1 CCF = 748 gallons; 24 CCF = 17,952 gallons). Water rates and charges obtained from water department/company websites.



City of Waterbury FY27 Revenue



Mill Rate Analysis



MILL RATE COMPUTATION: REAL ESTATE AND PERSONAL PROPERTY	FY27
OCTOBER 1, 2025 GRAND LIST - NET OF EXEMPTIONS (REAL ESTATE)	\$5,474,724,774
PROJECTION FOR LOSS OF WATERBURY HOSPITAL REAL ESTATE	(\$171,714,900)
PROJECTION FOR LOSS THROUGH APPEALS (1.0%)	(\$53,030,099)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 1.0%)	\$5,249,979,775
100% OF TAX LEVY AT 43.86 MILLS	\$230,264,113
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)	\$228,714,113
OCTOBER 1, 2025 GRAND LIST - NET OF EXEMPTIONS (PERSONAL PROPERTY)	\$671,052,297
PROJECTION FOR LOSS OF WATERBURY HOSPITAL PERSONAL PROPERTY	(\$19,434,920)
PROJECTION FOR LOSS THROUGH APPEALS (1.0%)	(\$6,516,174)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 1.0%)	\$645,101,203
100% OF TAX LEVY AT 43.86 MILLS (PERSONAL PROPERTY)	\$28,294,139
PROJECTED 96.0% COLLECTION RATE OF NET LEVY	\$246,727,922

Mill Rate Analysis



MILL RATE COMPUTATION: MOTOR VEHICLES	FY27
OCTOBER 1, 2025 GRAND LIST - NET OF EXEMPTIONS	\$612,650,950
PROJECTION FOR LOSS THROUGH APPEALS (0.2%)	(\$1,225,302)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 0.2%)	\$611,425,648
100% OF TAX LEVY AT 32.46 MILLS	\$19,846,877
100% OF LEVY NET OF TAX CREDITS	\$19,846,877
PROJECTED 96.0% COLLECTION RATE OF NET LEVY	\$19,053,001

The FY27 proposed budget uses a mill rate of 32.46 mills for motor vehicles, which is the cap allowed by State law.

FY 2027 Non-Tax Revenue



REVENUES OTHER THAN TAXES	FY26 ADOPTED BUDGET	FY27 MAYOR'S PROPOSED BUDGET	FY27 BUDGETARY CHANGES	FY27 % DIFF.
PAYMENTS BY OTHER JURISDICTIONS	\$30,696,559	\$31,552,956	\$856,397	2.79%
OTHER FINANCE DEPARTMENT REVENUE	\$14,815,000	\$15,015,000	\$200,000	1.35%
USE OF FUND BALANCE	\$3,000,000	\$3,000,000	\$0	0.00%
REIMB. FROM FUNDS OR AUTHORITIES	\$4,490,233	\$4,151,402	(\$338,831)	-7.55%
EDUCATION GRANTS & OTHER REVENUE	\$120,277,182	\$120,977,182	\$700,000	0.58%
ALL OTHER DEPARTMENTS	\$7,140,750	\$7,852,750	\$712,000	9.97%
TOTAL REVENUES	\$180,419,724	\$182,549,290	\$2,129,566	1.18%

FY 2027 State Aid



City of Waterbury
STATE AID SCHEDULE - FY27

EXHIBIT G
1

REVENUE DESCRIPTION	FY23 CITY RECEIPTS	FY24 CITY RECEIPTS	FY25 CITY RECEIPTS	FY26 CITY ADOPTED BUDGET	FY27 STATE ADOPTED BUDGET*	FY27 INCREASE (DECREASE)
<u>STATE AID - FORMULA GRANTS - CITY</u>						
P.I.L.O.T. -- Tiered Reimbursement	\$9,388,276	\$9,951,338	\$9,460,475	\$9,086,395	\$8,692,290	(\$394,105)
PEQUOT -- State Properties Grant	\$2,637,435	\$2,637,435	\$2,637,435	\$2,637,435	\$2,637,435	\$0
Municipal Revenue Sharing	\$7,025,110	\$5,067,662	\$0	\$0	\$0	\$0
Municipal Revenue Sharing- MRSA Motor Vehicles	\$15,620,824	\$21,996,223	\$17,305,061	\$13,005,170	\$8,755,672	(\$4,249,498)
Municipal Stabilization Grant	\$2,298,414	\$0	\$0	\$0	\$0	\$0
Supplemental Revenue Sharing Grant	\$0	\$11,082,559	\$5,582,559	\$5,582,559	\$5,582,559	\$0
Municipal Grants-in-Aid (MGIA)	\$0	\$0	\$0	\$0	\$5,500,000	\$5,500,000
Subtotal	\$36,970,059	\$50,735,217	\$34,985,530	\$30,311,559	\$31,167,956	\$856,397
<u>STATE AID - FORMULA GRANTS - EDUCATION</u>						
ECS - Education Equalization Grant (without Alliance)	\$113,929,148	\$114,035,542	\$113,942,555	\$113,617,182	\$113,617,182	\$0
Subtotal	\$113,929,148	\$114,035,542	\$113,942,555	\$113,617,182	\$113,617,182	\$0

*FY27 State Adopted Budget column includes adjustments proposed by the Governor that are subject to approval by the State Legislature

FY 2027 State Aid



City of Waterbury
STATE AID SCHEDULE - FY27

EXHIBIT G
2

REVENUE DESCRIPTION	FY23 CITY RECEIPTS	FY24 CITY RECEIPTS	FY25 CITY RECEIPTS	FY26 CITY ADOPTED BUDGET	FY27 STATE ADOPTED BUDGET*	FY27 INCREASE (DECREASE)
STATE AID - REIMBURSEMENTS						
Exemptions for the Elderly	\$18,236	\$16,200	\$14,318	\$20,000	\$20,000	\$0
Veterans Additional Exemption	\$84,117	\$61,844	\$37,976	\$100,000	\$100,000	\$0
Special Education - Excess Cost & Agency Placements	\$4,017,980	\$5,503,301	\$5,712,608	\$4,700,000	\$5,400,000	\$700,000
Non-Public School Nurse Services	\$260,494	\$342,562	\$293,444	\$270,000	\$270,000	\$0
Special Education - Medicaid Grant	\$386,857	\$1,040,780	\$1,461,390	\$850,000	\$850,000	\$0
State Grants - Education - Other	\$146,228	\$196,374	\$174,980	\$175,000	\$175,000	\$0
Subtotal	\$4,913,912	\$7,161,061	\$7,694,716	\$6,115,000	\$6,815,000	\$700,000

*FY27 State Adopted Budget column includes adjustments proposed by the Governor that are subject to approval by the State Legislature

FY 2027 State Aid



**City of Waterbury
STATE AID SCHEDULE - FY27**

**EXHIBIT G
3**

REVENUE DESCRIPTION	FY23 CITY RECEIPTS	FY24 CITY RECEIPTS	FY25 CITY RECEIPTS	FY26 CITY ADOPTED BUDGET	FY27 STATE ADOPTED BUDGET*	FY27 INCREASE (DECREASE)
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Total	\$155,813,119	\$171,931,820	\$156,622,801	\$150,043,741	\$151,600,138	\$1,556,397
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**Total State Aid
\$151,600,138**

**Net Increase in State Aid
\$1,556,397**

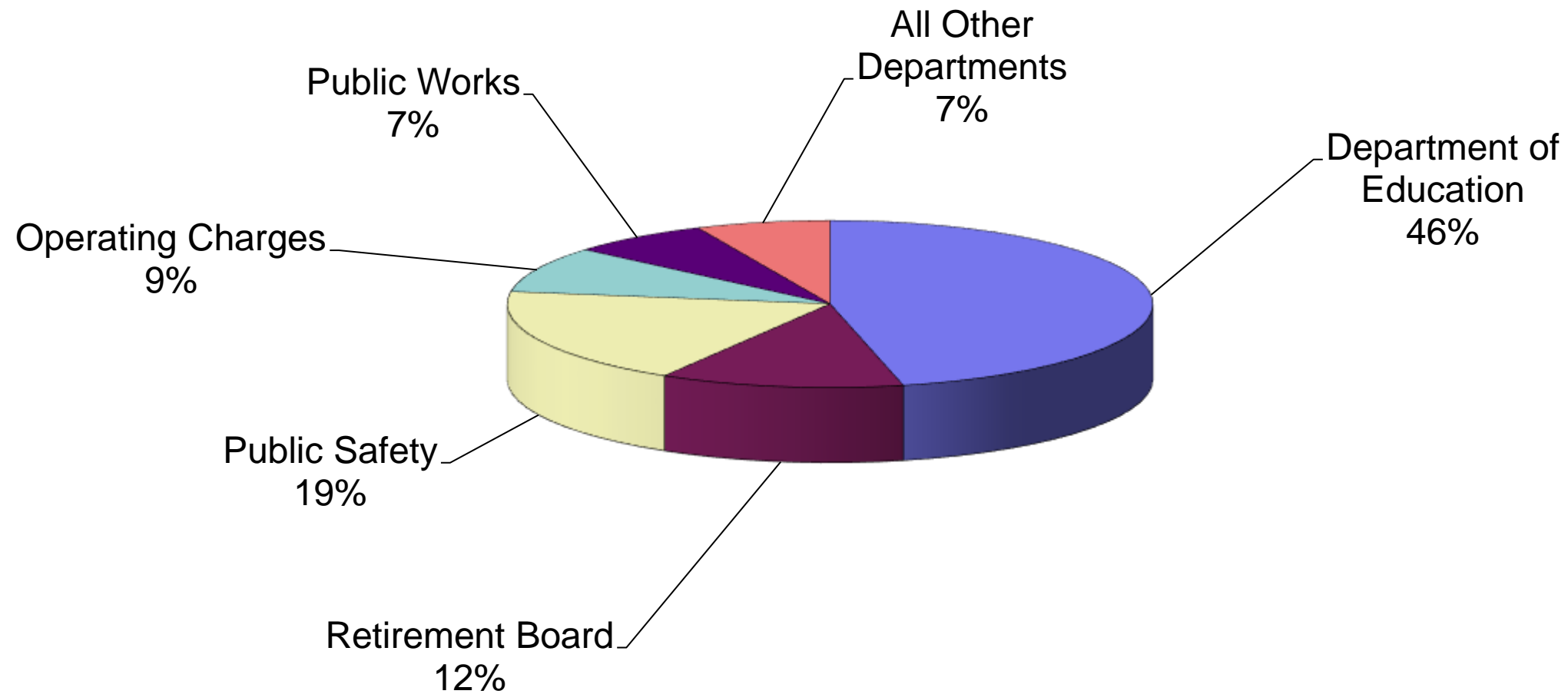
*FY27 State Adopted Budget column includes adjustments proposed by the Governor that are subject to approval by the State Legislature

- **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 \$5.6 million.**
- **State Aid formula grant amounts included in the Mayor's proposal are based on the State's FY26-27 Adopted Biennial Budget, including adjustments proposed by Governor Lamont.**
- **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 \$87.5 million. Together these grants total \$201.1 million. It is possible that the State Legislature will make changes to ECS funding during the current legislative session and the City is monitoring this closely.**

- **The revenue to be derived from the current property tax line items amounts to \$265.8 million. In FY27, current tax collections consist of two line items, similar to FY26, due to the separate mill rates. The City anticipates receiving a motor vehicle property tax grant from the State in the amount of \$8.8 million in FY27 to account for revenue lost due to the motor vehicle mill rate cap.**
- **The budget for delinquent prior year taxes is the same as FY26, for a total of \$3.65 million. The budget for the Supplemental Motor Vehicle Tax is also the same as FY26 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 FY26.**
- **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 - FY27



The Cost of Past Fiscal Liabilities



PENSION PLAN - FY27	TOTAL	Value of 1 mill	# of mills
Normal Cost Contribution	\$2,301,198	\$5,625,352	0.41
Accrued Liability & Debt Service Contribution	\$47,585,852	\$5,625,352	8.46
Total Pension Contribution	\$49,887,050		8.87
HEALTH BENEFITS - FY27	TOTAL	Value of 1 mill	# of mills
Contribution - Active Employees	\$29,572,278	\$5,625,352	5.26
Contribution - Retirees	\$37,427,722	\$5,625,352	6.65
Total Health Contribution	\$67,000,000		11.91
TOTAL PENSION & HEALTH - FY27	\$116,887,050	\$5,625,352	20.78

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 \$116.9 million.

Pension & Retiree Health Benefits	TOTAL	Value of 1 mill	# of mills
Accrued Liability & Debt Service Contribution	\$47,585,852	\$5,625,352	8.46
Health Contribution - Retirees	\$37,427,722	\$5,625,352	6.65
Total Contribution for Retirees - FY27	\$85,013,574		15.11

As may be seen above, the City is now paying the equivalent of 15.11 mills for liabilities that were previously incurred.

Appropriations



- **The FY27 Mayor's Proposed Budget contains appropriations of \$457.9 million; \$11.3 million, or 2.52% more than FY26.**
- **The Mayor's Budget Development Committee identified reductions of approximately \$16.9 million necessary to contain budget growth and to reach a final proposed budget of \$457.9 million.**
- **The General Fund, non-Education budgeted position count is 1,097, which is 4 more than FY26. The budget includes the addition of 4 Firefighter positions.**
- **The Contingency account has been budgeted at \$4.7 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 FY27 Budget increases the General Financial contribution to the Health Fund by \$2 million compared to FY26 for a total General Financial annual funding contribution of \$67 million. It is also expected that the Health Fund will benefit from an \$11 million contribution from the Education Department in FY27, which is the same amount as FY26.**

Appropriations



- **The FY27 Budget increases the contribution to the Pension Plan by \$120,000 for a total contribution of \$49.9 million.**
- **The FY27 Budget keeps the contribution for debt service the same as FY26 for a total debt service contribution of \$22 million, representing 4.8% of total appropriations.**
- **The Department of Education’s FY27 funding from the General Fund remains the same as FY26 at \$158.4 million. The amount the State sends directly to the Education Department, in the form of the Alliance Grant, is expected to be the same as FY26 at \$87.5 million based upon the State’s FY26-27 Adopted Biennial Budget. The Education Department requested an increase of \$11.8 million in the General Fund contribution for a total of \$170.2 million. This increase was not funded because the State Legislature may make changes to ECS during the current legislative session. The City is monitoring the session closely.**
- **The amount of Employee Benefit costs the City pays on behalf of Education is projected at \$53.9 million. Including benefits, the City spends 46.4% of its General Fund Budget on behalf of Education.**



Balanced Budget
Revenues = Expenditures

Capital Funding Initiatives



Department Name	FY 2027 Budget
Department of Public Works	\$12,742,500
DPW – Central Vehicle Replacement	\$2,771,300
Information Technology	\$185,000
Police Department	\$5,540,000
Fire Department	\$653,000
Silas Bronson Library	\$240,000
Finance Department	\$1,100,000
Education Department	\$10,751,894
<i>Total City Funds</i>	\$33,983,694
Water Pollution Control	\$15,000,000
Bureau of Water	\$7,223,000
<i>Total Enterprise Funds</i>	\$22,223,000
<i>Total All Funds</i>	\$56,206,694

**\$56.2 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 May 6th.**
- **Department Head budget discussion meetings and public hearings to be scheduled.**
- **Budget adoption by June 5th.**



WATERBURY

