

Mayor's Proposed Budget

for the Fiscal Year End June 30, 2025

Submitted on March 27, 2024



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



**\$ 10.6 Million Gap Between
Department Requests and Projected Revenues**

FY25 Budget Data

FY25 Department Requests	\$451,398,059
FY24 Adopted Budget	\$440,815,183
Overall Budget Increase	\$10,582,876
Operating % Increase over previous year	+2.40%
FY25 Mayor's Proposed Budget	\$446,722,287
FY24 Adopted Budget	\$440,815,183
Overall Budget Increase	\$5,907,104
Operating % Increase over previous year	+1.34%
Reduction between Mayor's Proposal & Dept Requests	(\$4,675,772)

FY25 Budget Increases/(Decreases) By Category

Education	\$0
Health Insurance Contribution	(\$2,500,000)
Debt Service Contribution	\$0
Contingency	\$0
ISF and Other Operating Charges	\$953,500
Pension	\$843,106
Public Safety	\$2,704,117
Public Works	\$2,118,564
Other Departments	\$1,787,817
Total Increase	\$5,907,104

Scrutinizing Every Expenditure



CITY OF WATERBURY MAYOR'S PROPOSED BUDGET FYE JUNE 30, 2025 EXPENDITURE SUMMARY									
APPROPRIATION DESCRIPTION	AUDITED ACTUALS FY21	AUDITED ACTUALS FY22	AUDITED ACTUALS FY23	FY24 ADOPTED BUDGET	FY25 DEPT. REQUESTS	FY25 MAYOR'S PROPOSED BUDGET	FY25 MAYOR'S PROPOSED CHANGES	FY25 CHANGES \$	FY25 CHANGES %
TOTAL GENERAL FUND	\$421,816,706	\$422,957,697	\$429,391,402	\$440,815,183	\$451,398,059	\$446,722,287	(\$4,675,772)	\$5,907,104	1.34%

Total Department Requests:
\$451,398,059

Mayor's Proposal:
\$446,722,287

Expense Reduction: (\$4,675,772)

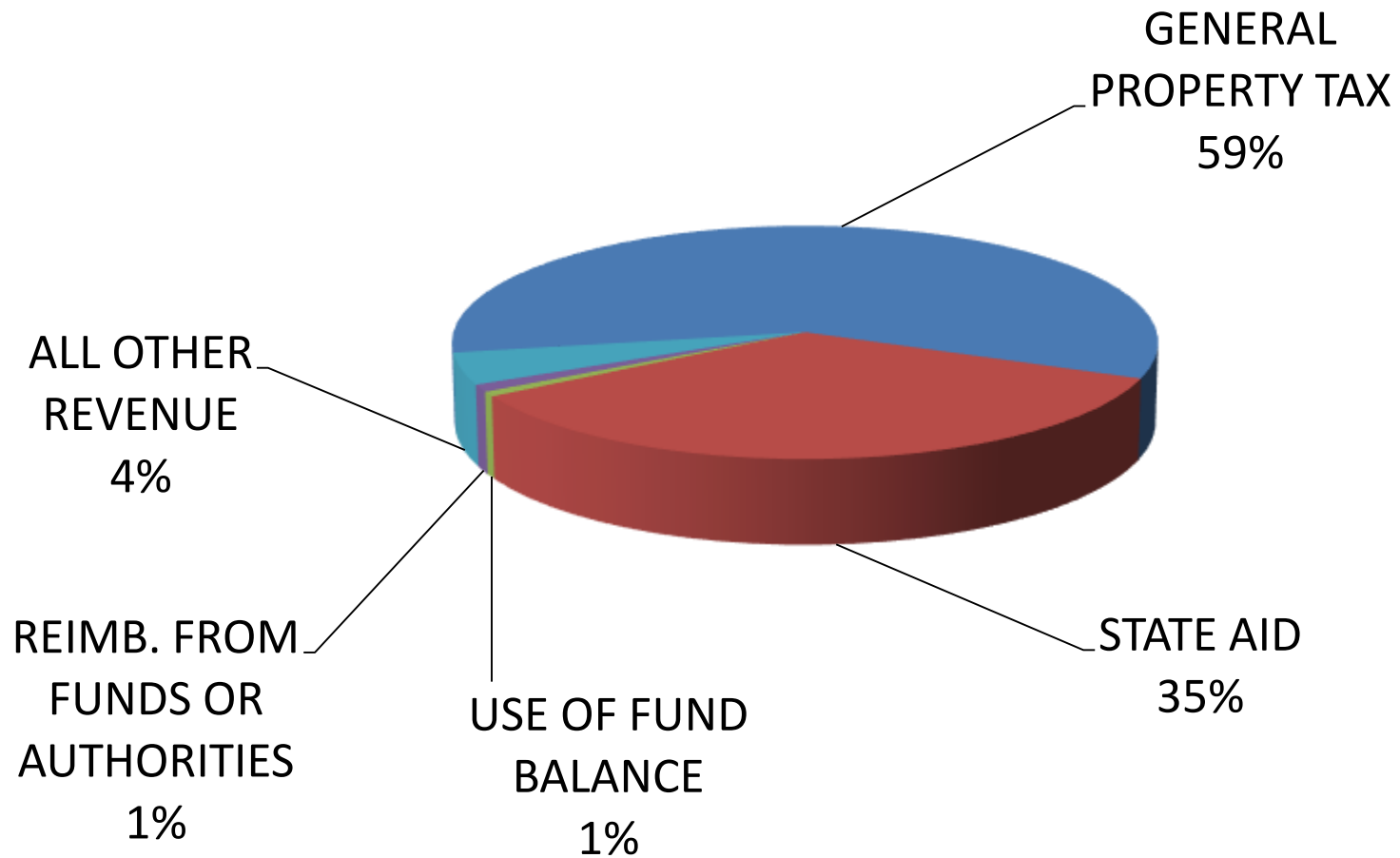
FY 2025 Budget Points



- The Mayor's Proposed Budget for FY25 is the ninth budget to contain the use of two separate mill rates.
 - The proposed real estate and personal property mill rate is 49.44, which is 4.75 mills less than the FY24 adopted mill rate of 54.19 mills.
 - The proposed motor vehicle mill rate is 32.46, which is the same as FY24 and the cap mandated by State law. The City is expecting to receive a motor vehicle mill rate cap grant in the amount of \$17.3 million in FY25. 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 FY24.
- Waterbury's Education Cost Sharing (ECS) grant is anticipated to be a total of approximately \$190.4 million, which is \$19.2 million more than the anticipated FY24 grant. The General Fund portion is expected to remain at \$113.6 million, while the increased Alliance Grant, which is sent directly to the Board of Education, is expected to be \$76.7 million.
- The October 1, 2023 net grand list of \$5.7 billion in assessed property values increased by approximately \$491.1 million compared to the October 1, 2022 net grand list, which was \$5.2 billion after the four-year phase-in of the 10/1/22 Revaluation was approved by the Board of Aldermen. FY25 is the second year of the four-year phase-in of the 10/1/22 Revaluation, which means 50% of the increases in real property assessments are now included in the net grand list.



City of Waterbury FY25 Revenue



Mill Rate Analysis



MILL RATE COMPUTATION: REAL ESTATE AND PERSONAL PROPERTY	FY25
OCTOBER 1, 2023 GRAND LIST - NET OF EXEMPTIONS (REAL ESTATE)	\$4,463,760,663
PROJECTION FOR LOSS THROUGH APPEALS (1.5%)	(\$66,956,410)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 1.5%)	\$4,396,804,253
100% OF TAX LEVY AT 49.44 MILLS	\$217,378,002
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)	\$215,828,002
OCTOBER 1, 2023 GRAND LIST - NET OF EXEMPTIONS (PERSONAL PROPERTY)	\$569,299,713
PROJECTION FOR LOSS THROUGH APPEALS (1.0%)	(\$5,692,997)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 1.0%)	\$563,606,716
100% OF TAX LEVY AT 49.44 MILLS (PERSONAL PROPERTY)	\$27,864,716
PROJECTED 96.0% COLLECTION RATE OF NET LEVY	\$233,945,010

Mill Rate Analysis



MILL RATE COMPUTATION: MOTOR VEHICLES	FY25
OCTOBER 1, 2023 GRAND LIST - NET OF EXEMPTIONS	\$662,027,416
PROJECTION FOR LOSS THROUGH APPEALS (0.4%)	(\$2,648,110)
ESTIMATE OF TAXABLE GRAND LIST (NET OF 0.4%)	\$659,379,306
100% OF TAX LEVY AT 32.46 MILLS	\$21,403,452
100% OF LEVY NET OF TAX CREDITS	\$21,403,452
PROJECTED 96.0% COLLECTION RATE OF NET LEVY	\$20,547,314

The FY25 proposed budget uses a mill rate of 32.46 mills for motor vehicles, which is the cap allowed by State law.

FY 2025 Non-Tax Revenue



REVENUES OTHER THAN TAXES	FY24 ADOPTED BUDGET	FY25 MAYOR'S PROPOSED BUDGET	FY25 BUDGETARY CHANGES	FY25 % DIFF.
PAYMENTS BY OTHER JURISDICTIONS	\$39,989,272	\$37,370,531	(\$2,618,741)	-6.55%
OTHER FINANCE DEPARTMENT REVENUE	\$11,155,000	\$12,305,000	\$1,150,000	10.31%
USE OF FUND BALANCE	\$3,000,000	\$3,000,000	\$0	0.00%
REIMB. FROM FUNDS OR AUTHORITIES	\$4,005,725	\$4,546,500	\$540,775	13.50%
EDUCATION GRANTS & OTHER REVENUE	\$117,442,182	\$118,942,182	\$1,500,000	1.28%
ALL OTHER DEPARTMENTS	\$5,530,750	\$6,515,750	\$985,000	17.81%
TOTAL REVENUES	\$181,122,929	\$182,679,963	\$1,557,034	0.86%

FY 2025 State Aid



City of Waterbury
STATE AID SCHEDULE - FY25

EXHIBIT G
1

REVENUE DESCRIPTION	FY21 CITY RECEIPTS	FY22 CITY RECEIPTS	FY23 CITY RECEIPTS	FY24 CITY ADOPTED BUDGET	FY25 STATE ADOPTED BUDGET *	FY25 INCREASE (DECREASE)
STATE AID - FORMULA GRANTS - CITY						
P.I.L.O.T. -- State Owned Real Property	\$3,021,121	\$0	\$0	\$0	\$0	\$0
P.I.L.O.T. -- Colleges and Hospitals	\$3,706,103	\$0	\$0	\$0	\$0	\$0
P.I.L.O.T. -- Tiered Reimbursement	\$0	\$9,388,171	\$9,388,276	\$9,388,055	\$9,460,476	\$72,421
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	\$3,284,145	\$7,025,110	\$0	\$2,000,000	\$2,000,000
Municipal Revenue Sharing- MRSA Motor Vehicles	\$7,747,981	\$7,747,981	\$15,620,824	\$21,996,223	\$17,305,061	(\$4,691,162)
Municipal Stabilization Grant	\$2,298,414	\$2,298,414	\$2,298,414	\$0	\$0	\$0
Supplemental Revenue Sharing Grant	\$0	\$0	\$0	\$5,582,559	\$5,582,559	\$0
Subtotal	\$22,695,199	\$25,356,146	\$36,970,059	\$39,604,272	\$36,985,531	(\$2,618,741)
STATE AID - FORMULA GRANTS - EDUCATION						
ECS - Education Equalization Grant (without Alliance)	\$113,919,478	\$114,085,905	\$113,929,148	\$113,617,182	\$113,617,182	\$0
Subtotal	\$113,919,478	\$114,085,905	\$113,929,148	\$113,617,182	\$113,617,182	\$0

FY 2025 State Aid



City of Waterbury
STATE AID SCHEDULE - FY25

EXHIBIT G

2

REVENUE DESCRIPTION	FY21 CITY RECEIPTS	FY22 CITY RECEIPTS	FY23 CITY RECEIPTS	FY24 CITY ADOPTED BUDGET	FY25 STATE ADOPTED BUDGET *	FY25 INCREASE (DECREASE)
STATE AID - REIMBURSEMENTS						
Exemptions for the Elderly	\$17,280	\$17,477	\$18,236	\$20,000	\$20,000	\$0
Veterans Additional Exemption	\$100,638	\$89,471	\$84,117	\$100,000	\$100,000	\$0
Special Education - Excess Cost & Agency Placements	\$2,268,276	\$2,746,797	\$4,017,980	\$2,200,000	\$3,700,000	\$1,500,000
Non-Public School Nurse Services	\$183,777	\$283,458	\$260,494	\$185,000	\$185,000	\$0
Special Education - Medicaid Grant	\$379,786	\$922,536	\$386,857	\$650,000	\$650,000	\$0
State Grants - Education - Other	\$163,737	\$169,089	\$146,228	\$175,000	\$175,000	\$0
Subtotal	\$3,113,495	\$4,228,828	\$4,913,912	\$3,330,000	\$4,830,000	\$1,500,000

FY 2025 State Aid



**City of Waterbury
STATE AID SCHEDULE - FY25**

**EXHIBIT G
3**

REVENUE DESCRIPTION	FY21 CITY RECEIPTS	FY22 CITY RECEIPTS	FY23 CITY RECEIPTS	FY24 CITY ADOPTED BUDGET	FY25 STATE ADOPTED BUDGET*	FY25 INCREASE (DECREASE)
---------------------	--------------------	--------------------	--------------------	--------------------------	----------------------------	--------------------------

Total	\$139,728,172	\$143,670,879	\$155,813,119	\$156,551,454	\$155,432,713	(\$1,118,741)
--------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

**Total State Aid
\$155,432,713**

**Net Decrease in State Aid
(\$1,118,741)**

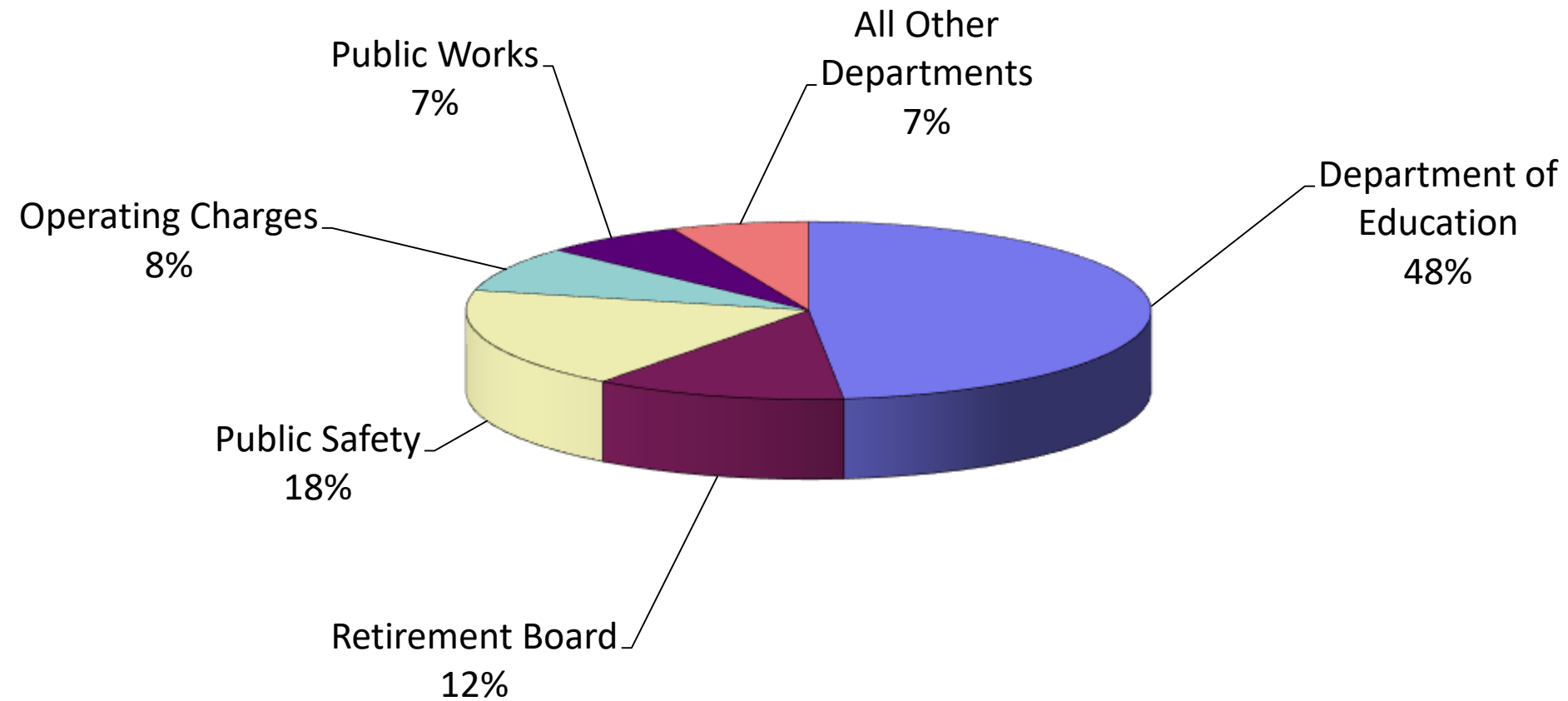
*FY25 State Adopted Budget column includes adjustments proposed by the Governor that are subject to approval by the State Legislature

- **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 59% and State Aid at 35% 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 \$4.7 million.**
- **State Aid formula grant amounts included in the Mayor's proposal are based on the State's FY24-25 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, which is sent directly to the Board of Education is expected to be \$76.7 million. Together these grants total \$190.4 million.**

- **The revenue to be derived from the current property tax line items amounts to \$254.5 million. In FY25, current tax collections consist of two line items, similar to FY24, due to the separate mill rates. The City anticipates to receive a motor vehicle property tax grant from the State in the amount of \$17.3 million in FY25 to account for revenue lost due to the motor vehicle mill rate cap.**
- **The budget for delinquent prior year taxes is the same as FY24, for a total of \$3.65 million. The budget for the Supplemental Motor Vehicle Tax is also the same as FY24 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 FY24.**
- **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 - FY25



The Cost of Past Fiscal Liabilities



PENSION PLAN - FY25	TOTAL	Value of 1 mill	# of mills
Normal Cost Contribution	\$2,513,127	\$4,731,897	0.53
Accrued Liability & Debt Service Contribution	\$46,530,982	\$4,731,897	9.83
Total Pension Contribution	\$49,044,109		10.36
HEALTH BENEFITS - FY25	TOTAL	Value of 1 mill	# of mills
Contribution - Active Employees	\$29,540,773	\$4,731,897	6.24
Contribution - Retirees	\$39,959,227	\$4,731,897	8.44
Total Health Contribution	\$69,500,000		14.69
TOTAL PENSION & HEALTH - FY25	\$118,544,109	\$4,731,897	25.05

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 \$118.5 million.

Pension & Retiree Health Benefits	TOTAL	Value of 1 mill	# of mills
Accrued Liability & Debt Service Contribution	\$46,530,982	\$4,731,897	9.83
Health Contribution - Retirees	\$39,959,227	\$4,731,897	8.44
Total Contribution for Retirees - FY25	\$86,490,209		18.28

As may be seen above, the City is now paying the equivalent of 18.28 mills for liabilities that were previously incurred.

Appropriations



- **The FY25 Mayor's Proposed Budget contains appropriations of \$446.7 million; \$5.9 million or 1.34% more than FY24.**
- **The Mayor's Budget Development Committee identified reductions of approximately \$4.7 million necessary to contain budget growth and to reach a final proposed budget of \$446.7 million.**
- **The General Fund, non-Education budgeted position count is 1,078, which is 9 more than FY24.**
- **The Contingency account has been budgeted at \$1.5 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 FY25 Budget decreases the General Financial contribution to the Health Fund by \$2.5 million compared to FY24 for a total General Financial annual funding contribution of \$69.5 million. It is also expected that the Health Fund will benefit from an \$11 million contribution from the Education Department in FY25, which is a \$1 million increase compared to FY24.**

- **The FY25 Budget increases the contribution to the Pension Plan by \$758,000 for a total contribution of \$49 million.**
- **The FY25 Budget keeps the contribution for debt service the same as FY24 for a total debt service contribution of \$22.5 million, representing 5.04% of total appropriations.**
- **The Department of Education’s funding from the General Fund remains the same as FY24 at \$158.4 million. The amount the State sends directly to the Education Department, in the form of the Alliance Grant, is now approximately \$57.6 million and this grant is expected to increase by \$19.2 million for a total of \$76.7 million in FY25 based upon the State’s FY24-25 Adopted Biennial Budget.**
- **The amount of Employee Benefit costs the City pays on behalf of Education is projected at \$57.7 million. Including Benefits, the City spends 48% of its General Fund Budget on behalf of Education.**



Balanced Budget
Revenues = Expenditures

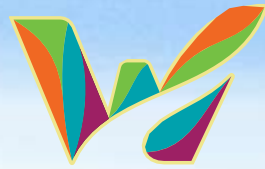
Capital Funding Initiatives



Department Name	FY 2025 Budget
Department of Public Works	\$16,183,000
DPW – Central Vehicle Replacement	\$5,045,000
Information Technology	\$240,000
Police Department	\$992,500
Fire Department	\$8,490,000
Silas Bronson Library	\$75,000
City Planning Department	\$250,000
Finance Department	\$500,000
Education Department	\$500,000
<i>Total City Funds</i>	\$32,275,500
Water Pollution Control	\$24,200,000
Bureau of Water	\$980,000
<i>Total Enterprise Funds</i>	\$25,180,000
<i>Total All Funds</i>	\$57,455,500

**\$57.5 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 8th.**
- **Department Head budget discussion meetings and public hearings to be scheduled.**
- **Budget adoption by June 7th.**



WATERBURY

