

# FY 2024-2025 Summary

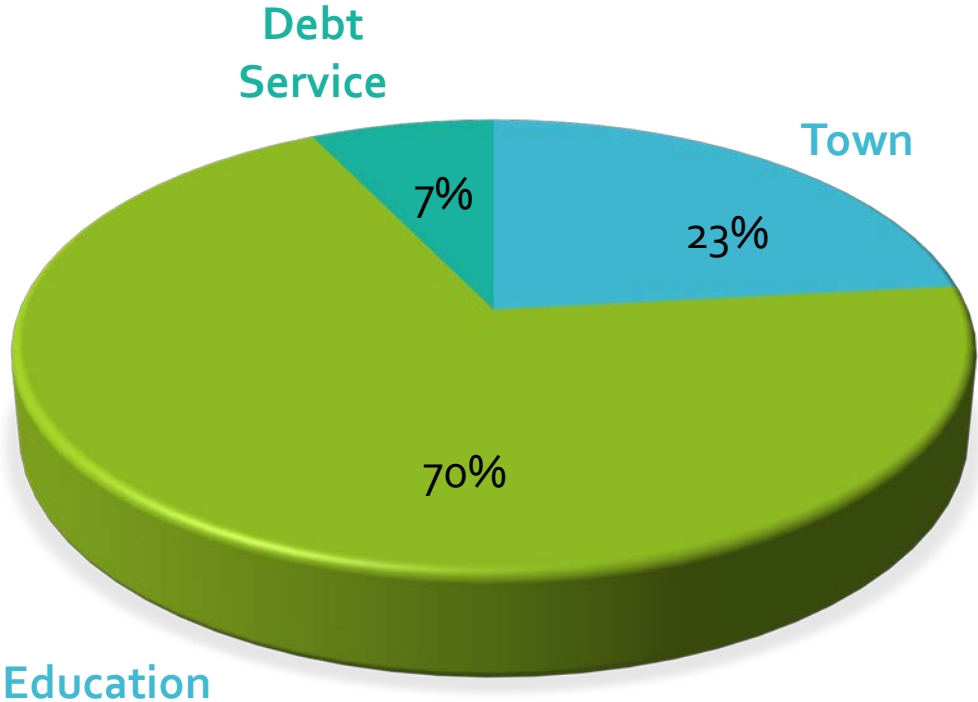
Simsbury Board of Finance

# FY 2024/2025 PROPOSED BUDGET

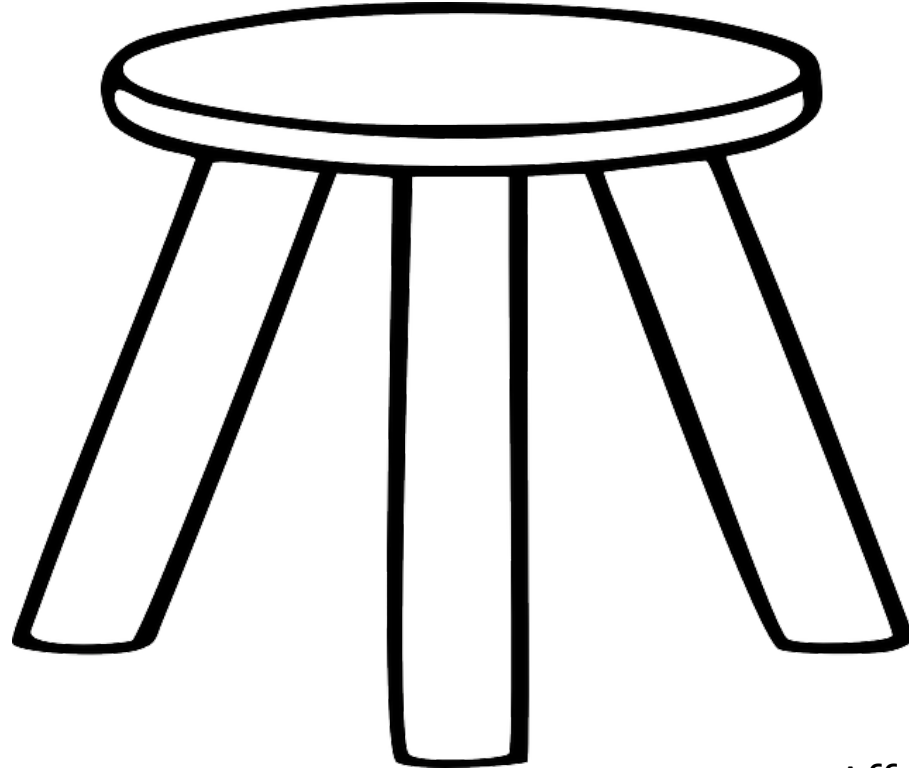
\$123,462,913

\$5.5m new spending

6.35% Tax increase



# Funding the Right Balance



Education

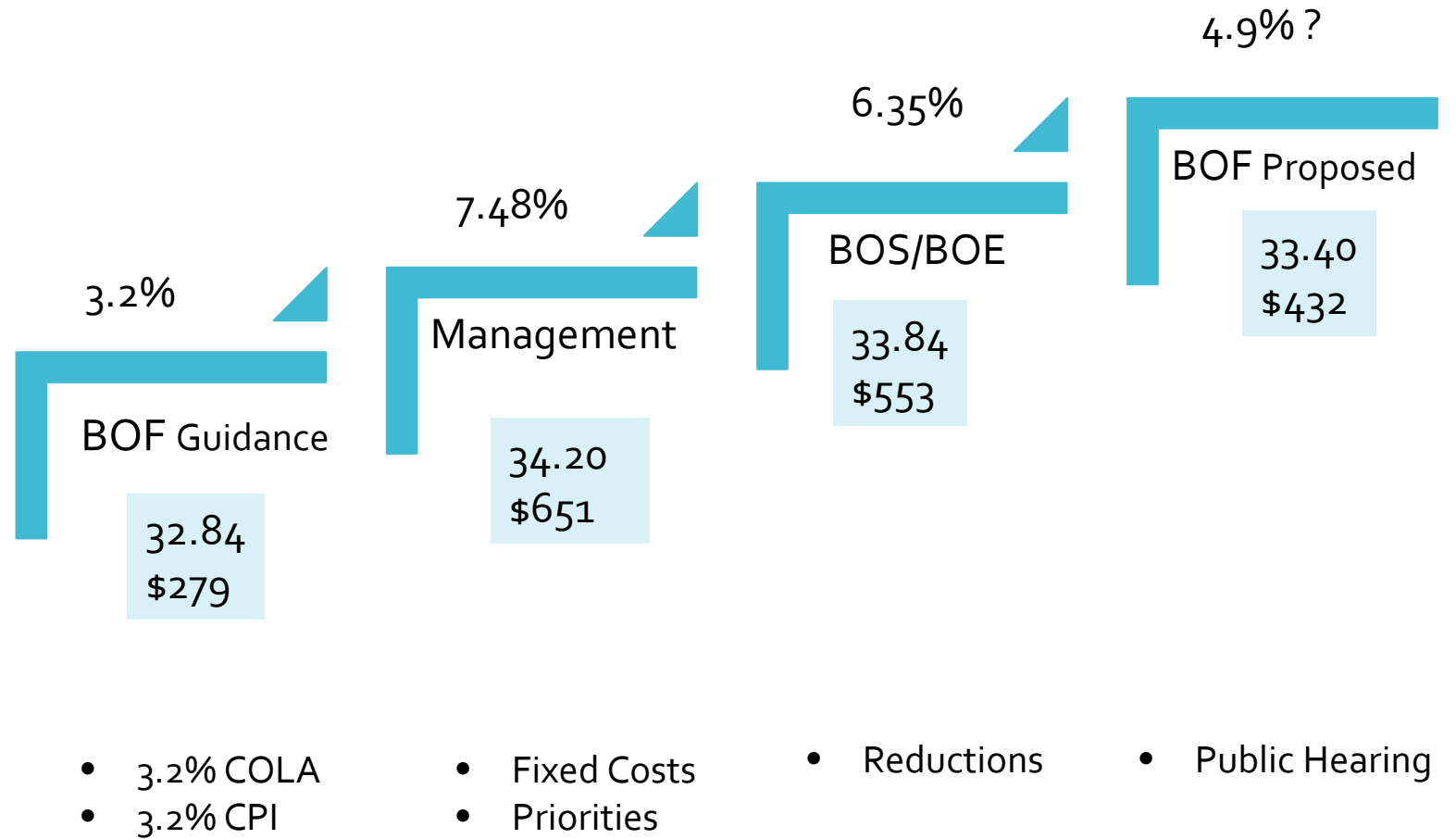
Town

Affordability &  
Willingness  
Long-term Fiscal Health

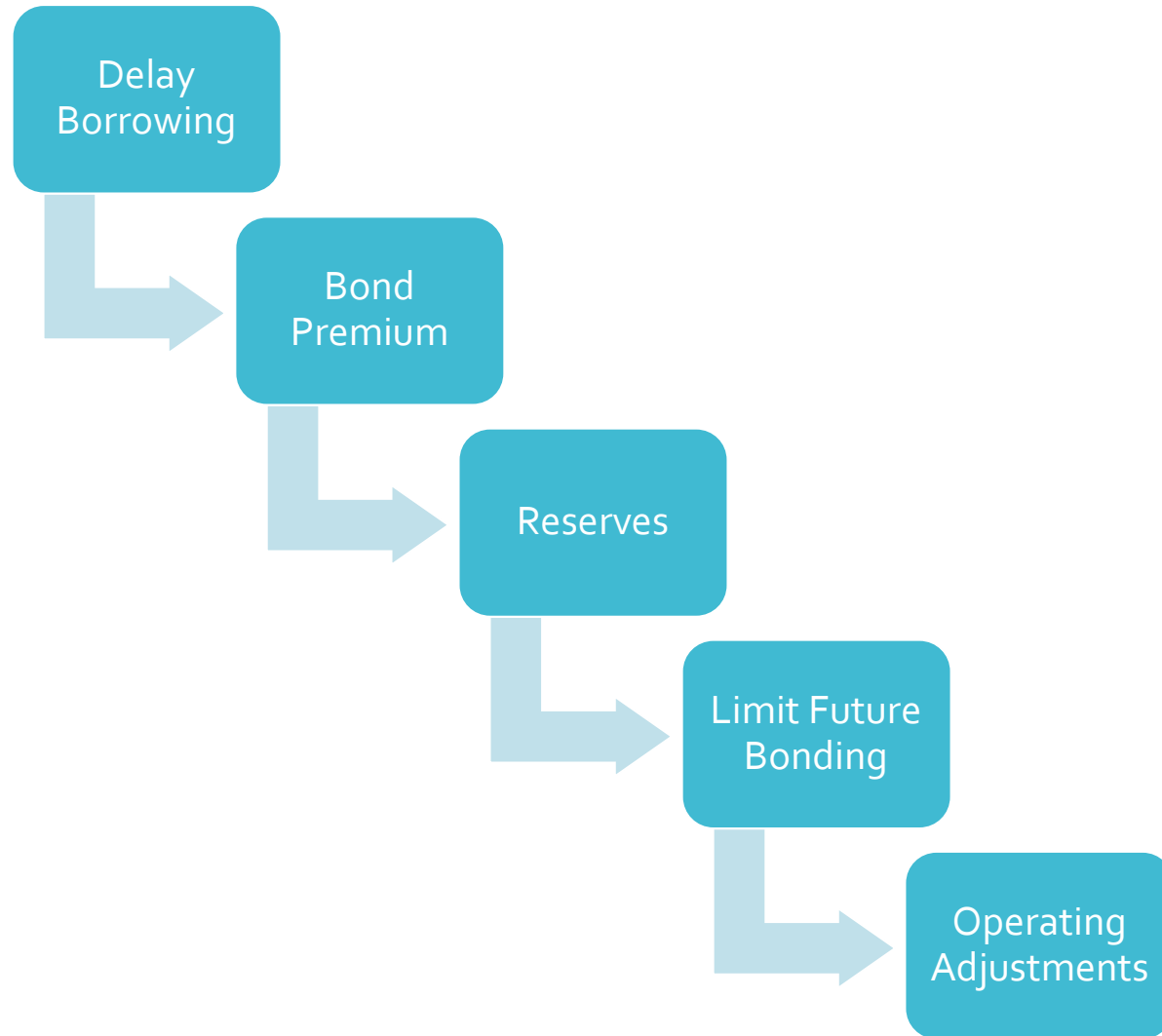
# Budget & Tax Progression

December-April

Median home value  
\$390,800



# BOF Anticipated Adjustments



# Proposed Debt Service Management:

1. Delay Bond Issuance
2. Use Reserves
3. Take and Use Bond Premium
4. Reduce bonded projects (\$10 million every two years)

|                           | FY 2025   | FY 2026    | FY 2027    | FY 2028    | FY 2029    |
|---------------------------|-----------|------------|------------|------------|------------|
| Debt Service w/o Changes  | 8,915,868 | 10,210,561 | 9,892,790  | 10,370,975 | 10,029,309 |
| \$ Change                 | 1,109,058 | 1,294,693  | -317,771   | 478,185    | -341,666   |
| % Change                  | 14.21%    | 14.52%     | -3.11%     | 4.83%      | -3.29%     |
| Debt Service w/Changes    | 8,049,225 | 8,276,232  | 8,577,803  | 8,922,873  | 8,917,698  |
| \$ Change                 | 242,415   | 227,007    | 301,571    | 345,070    | -5,175     |
| % Change                  | 3.11%     | 2.82%      | 3.64%      | 4.02%      | 0%         |
| Use of Reserves           | 0         | 300,000    | 700,000    | 300,000    | 0          |
| Use of Bond Premium       |           | 1,000,000  |            |            |            |
| Reduction in Debt Service | -866,643  | -1,934,329 | -1,314,987 | -1,448,102 | -1,111,611 |

Savings from delayed bond issuance

October 2024: BOF to assign \$2,300,000 in Capital Reserves (including Bond Premium) for debt service reduction in outyears

# Anticipated Motions 4/16

# Anticipated Future Motions

| CHANGE   | AMOUNT      | ACTION                     | DATE     |
|--|-------------|----------------------------|----------|
| <u>Amend BOS Budget</u>                                  |             |                            |          |
| Increase Investment Income                               | (\$550,000) | Motion 1                   | 4/16/24  |
| Increase Library Tech & Prog Supplies (summer literacy)  | \$4,132     | Motion 2                   | 4/16/24  |
| Increase Operating Transfers (summer literacy)           | (\$4,132)   | Motion 2                   | 4/16/24  |
| Reduce CNR Payback line                                  | (\$60,000)  | Motion 3                   | 4/16/24  |
| Reduce Debt Service line                                 | (\$866,643) | Motion 4                   | 4/16/24  |
| Increase BOS Public Agency Support (SVAA)                | \$200,000   | Motion 5                   | 4/16/24  |
| Increase Operating Transfers (SVAA)                      | (\$200,000) | Motion 5                   | 4/16/24  |
| Increase Regular Tuition Revenue                         | (\$75,000)  | Motion 6                   | 4/16/24  |
| Transfer from capital reserve for CNR                    | \$1,000,000 | Motion 7                   | 4/16/24  |
| Amend the BOS capital improvement plan                   |             | Motion 8                   | 4/16/24  |
| Change Splash Pad funding from bonds to capital reserves | neutral     |                            |          |
| <u>Assign General Fund Reserves</u>                      |             |                            |          |
| Offset health insurance operating cliff                  | \$850,000   | Motion 9                   | 4/16/24  |
| Offset year 1 revenue loss from motor vehicle cap        | \$250,000   | Motion 10                  | 4/16/24  |
| Reimbursement to Parks & Rec Fund                        | \$205,749   | Motion 11                  | 4/16/24  |
| Reimbursement to Parks & Rec Fund                        | (\$205,749) | Supplemental appropriation | 10/15/24 |
| Cost for future SVAA contribution                        |             | For discussion             |          |
| <u>Transfer Bond Premium to Capital Reserve</u>          |             |                            |          |
| Latimer Lane debt issuance                               | \$1,000,000 | Motion 12                  | 4/16/24  |
| <u>Assign Capital Reserves</u>                           |             |                            |          |
| Offset future debt service payments                      | \$2,300,000 | BOF vote                   | 10/15/24 |

# Fiscal Condition Remains Strong

- Maintains General Fund unassigned reserves within BOF policy of 15-17% of Operating budget
- Fully funds legal obligations
- Leaves sufficient Capital Reserves to cover unanticipated emergencies
- Replenishes Capital Reserves for use in FY 2026
- Better stabilizes debt service in the outyears
- Anticipates and plans for potential Health Insurance fiscal cliff in FY 2026.
- Mill rate stabilization to accommodate delayed state reimbursement of the Motor Vehicle Tax grant (no fiscal cliff)



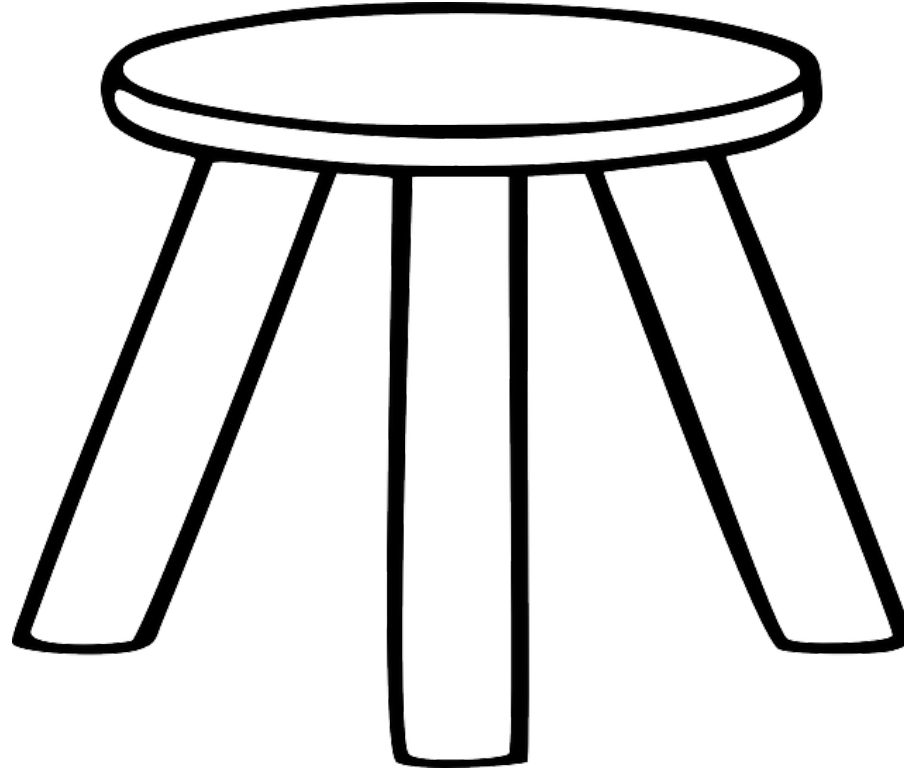
# Economic Competitiveness & Fiscal Health

|   | Simsbury      | Avon          | Farmington    | Glastonbury   |
|---|---------------|---------------|---------------|---------------|
| <u>MILL RATE &amp; TAXES</u>            |               |               |               |               |
| Mill Rate                               | 33.40         | 30.34         | 25.45         | 32.45         |
| Tax Increase                            | 4.97%         | 3.30%         | 5.13%         | 4.64%         |
| Taxes on a \$400,000 Home               | \$9,137       | \$8,300       | \$6,962       | \$8,877       |
| <u>FISCAL HEALTH</u>                    |               |               |               |               |
| Grand List                              | 3,403,758,671 | 3,217,394,166 | 4,510,359,949 | 5,400,000,000 |
| Total Expenditures                      | 122,740,402   | 116,087,973   | 128,601,165   | 188,977,545   |
| Total Expenditures as a % of Grand List | 3.61%         | 3.61%         | 2.85%         | 3.50%         |
| Tax Levy                                | 108,940,074   | 97,615,739    | 114,415,242   | 172,453,155   |
| Tax Levy as a % of Grand List           | 3.20%         | 3.03%         | 2.54%         | 3.19%         |

Voters Have  
Final Say on the  
Right Balance



Referendum



Education  
4.41%

Town  
2.93%

4.97% Tax Increase  
3.2% Social Security COLA  
3.2% CPI

- STOP