

Town of Avon Board of Finance

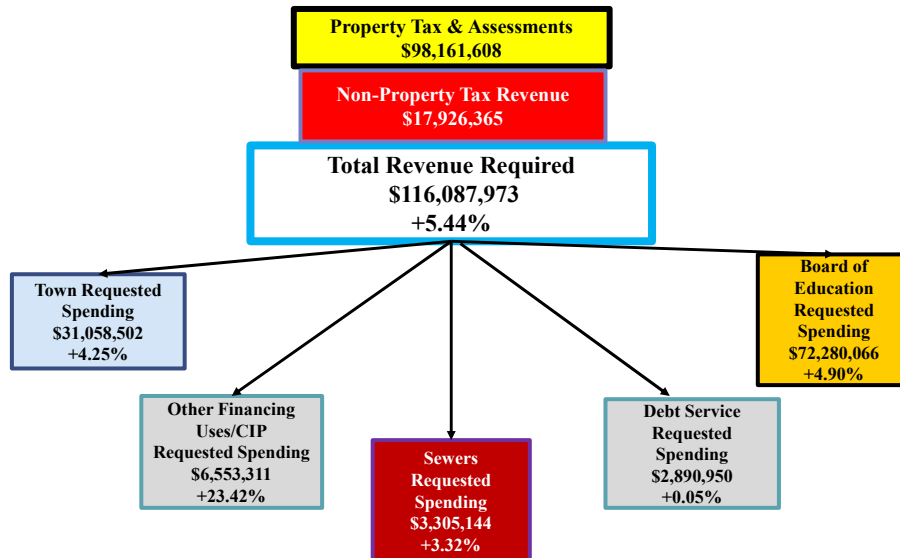
Public Hearing

Requested Fiscal Year 24/25 Budget

Monday, April 1, 2024

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Requested Budget Summary



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Board of Finance *Balances*

**The
Requested
Amount of
Spending for
Services**



**The Level of
Revenues
Required to Pay
for these
Requests**

*The proposed \$116,087,973 budget
for Fiscal Year 2024/2025 would
require a 3.30% tax increase.*

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Board of Finance *Considers*

- The best interest of Avon as a whole
- Input from Town Council and Board of Education
- Interaction with residents
- Public hearing comments
- Economic conditions
- Tax demands of other levels of government
- Estimates of revenue sources and projections
- Future borrowing requirements
- Voting history

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Avon Revenue Options *Limited*

- **Restrictive State Laws—**

- No local income or sales taxes
- No local tobacco, alcohol, gas, or hotel taxes

- **Avon Revenue Choices—**

- Property taxes and assessments
- Non-property tax sources
 - *Licenses, Permits, Fees, Grants*

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What is the Grand List & Why is it Important?

The **Grand List** is the compilation, by value, of all taxable and tax exempt property within the Town. The **Grand List** can be broken into four categories:

- (1) **Real Estate** – all residential and commercial property and all improvements such as buildings, sheds, pools etc.
- (2) **Personal Property** – anything that is moveable and is not a permanent part of commercial real estate. For example, the furniture, machinery and equipment owned or leased, and used, by a business.
- (3) **Motor Vehicles** – vehicles that, in the normal course of their operation, most frequently leave from and return to, or remain, within the Town of Avon.
- (4) **Other** – vacant land.

Reminder: Your property is assessed and taxed at 70% of market value.

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New Money Raised by Annual Growth in Net Grand List

FY 2023/2024 Net Grand List (Adjusted for 2023 Revaluation)	\$3,214,748,921
FY 2024/2025 Net Grand List (Before Board of Assessment Appeals)	\$3,217,394,166
% Increase	0.08%
\$ Raised by growth in Net Grand List	\$77,691

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Calculating FY 24/25 Mill Rate Increase (Considering the 2023 Revaluation)

- Step 1: Establish a new base mill rate by applying the prior year tax levy to the prior Grand List, adjusted for the impacts of the revaluation.
- Step 2: Apply the FY 24/25 Tax Levy to the filed 2023 Grand List, which accounts for ALL adjustments including those driven by the revaluation.

STEP	AMOUNT NEEDED FOR PROPERTY TAX LEVY*	÷	GRAND LIST	X 1,000	=	MILL RATE 1 Mill = 1/1000 of a Dollar
#1	\$94,404,769 (FY 23/24 Tax Levy)	÷	\$3,214,748,921 (Post-Revaluation 2022 Grand List)	X 1,000	=	29.37 (New Base)
#2	\$97,615,739 (FY 24/25 Tax Levy)	÷	\$3,217,394,166 (Filed 2023 Grand List)	X 1,000	=	30.34 (Proposed FY 24/25 Mill Rate)

* The "Property Tax Levy" does not include supplemental real estate, supplemental motor vehicle, prior levies, interest & penalties, sewer & water assessments, & telecommunications taxes.

0.97 Mill Rate Increase ÷ 29.37 Base Mill Rate = 3.30% INCREASE

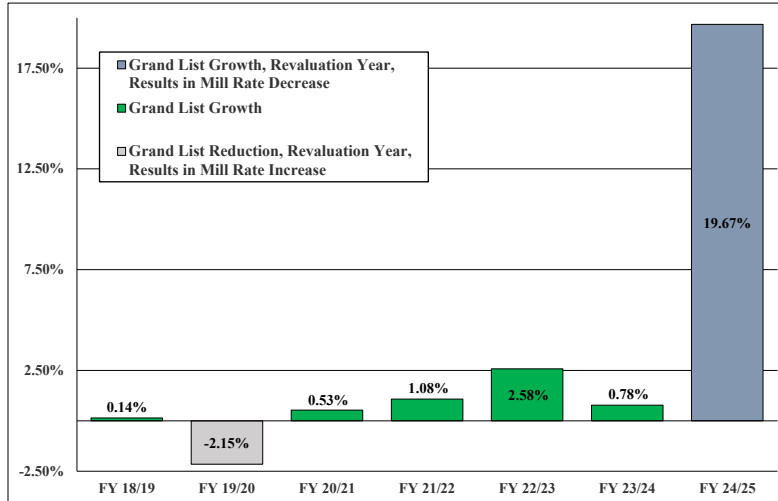
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Avon Grand List Changes



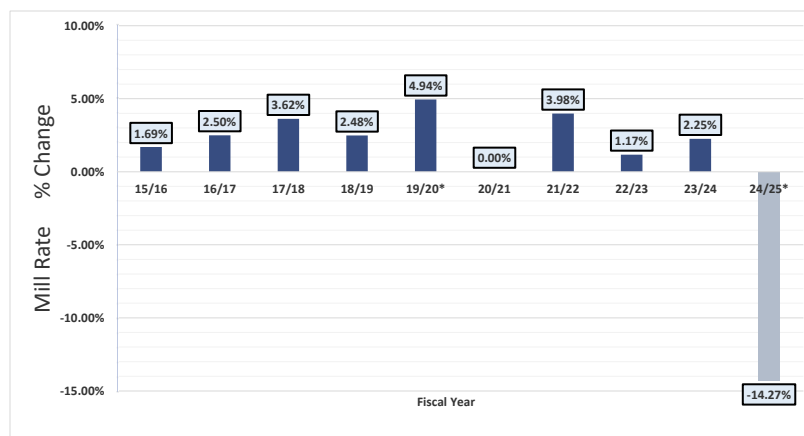
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Mill Rate Change Comparison



* Revaluation Year

Mill Rate: 28.80 29.82 30.59 31.35 32.90 32.90 34.21 34.61 35.39 30.34

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Revenue Raised by Source

	Adopted FY 23/24	Requested FY 24/25	% Inc/ -Dec
Taxes & Assessments	\$ 94,987,422	\$ 98,161,608	3.34%
<i>% of revenues</i>	86.28%	84.56%	
Non-Property Tax Sources	\$ 15,109,119	\$ 17,926,365	18.65%
<i>% of revenues</i>	13.72%	15.44%	
TOTAL	\$ 110,096,541	\$ 116,087,973	5.44%
Net Grand List	\$ 2,688,484,306	\$ 3,217,394,166*	19.67%
Mill Rate Required	35.39	30.34	-14.27%

* Before Board of Assessment Appeals

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Property Tax and Assessments

Property Tax & Assessments contributes <u>84.56%</u> of FY 24/25 Required Revenue	Adopted FY 23/24	Required FY 24/25	FY 24/25 % Prop. Tax & Assess.
a) Residential	\$69,990,198	\$75,782,474	77.20%
b) Commercial/Industrial	12,071,642	10,958,503	11.16%
c) Motor Vehicles	8,205,744	7,080,745	7.21%
d) Personal Property	3,975,586	3,631,898	3.70%
e) Other	161,599	162,119	0.17%
Subtotal	\$94,404,769	\$97,615,739	99.44%
f) Assessments – Various	582,653	545,869	0.56 %
Total	\$94,987,422	\$98,161,608	100.00%

Source: Assessor's Office

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Non-Property Tax Revenue

Non-Property Tax contributes 15.44% of FY 24/25 Required Revenue	Adopted FY 23/24	Required FY 24/25	FY 24/25 % Non-Prop. Tax
Intergovernmental <i>i.e. grants</i>	\$4,845,272	\$6,583,241	36.72%
Licenses, Fees & Permits <i>i.e. building permits, recording & conveyance</i>	1,088,114	1,080,625	6.03%
Charges for Current Services <i>i.e. landfill, recreation fees</i>	7,388,941	7,168,254	39.99%
Other Local Revenues & Other Financing Sources <i>i.e. investment interest</i>	1,786,792	3,094,245	17.26%
TOTAL	\$15,109,119	\$17,926,365	100.00%

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Calculating the Tax Increase Based on Proposed Spending

1. Total Unified Budget Request	\$ 116,087,973
<i>Where do we get the Money?</i>	
2. Non-Property Tax Revenues <i>(intergovernmental, fees, permits, etc.)</i>	\$ 17,926,365
3. Other Assessments <i>(supplemental motor vehicle, prior levies, sewer assessments, etc.)</i>	\$ 545,869
4. Grand List at New Base Mill Rate (includes Revaluation Impact & Annual Growth)	\$ 94,494,867
Subtotal	\$ 112,967,101
<i>Where do we get the Rest?</i>	
5. Additional Funding Needed	\$ 3,120,872
6. Tax Increase Required to Fund Budget Request	\$ 3,120,872 ÷ 94,494,867
	<u>= 3.30%</u>

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Tax Impact

Requested Spending
Assessed Home Values in Avon
(Single Family Homes & Condos)

House Market Values (Post Reval)	Assessed House Values (Post Reval)	Base Property Tax Considering Revaluation (29.37 mills)	New Property Tax If Budget is Approved (30.34 mills)	Difference Proposed Tax Increase (0.97 mills)
\$375,000	\$262,500	\$7,710	\$7,964	\$254
\$525,000	\$367,500	\$10,793	\$11,150	\$357
\$675,000	\$472,500	\$13,877	\$14,336	\$459
\$825,000	\$577,500	\$16,961	\$17,521	\$560
\$975,000	\$682,500	\$20,045	\$20,707	\$662
\$1,125,000	\$787,500	\$23,129	\$23,893	\$764

Reminder: Your property is assessed and taxed at 70% of market value.

For your specific real estate & motor vehicle taxes, please visit:

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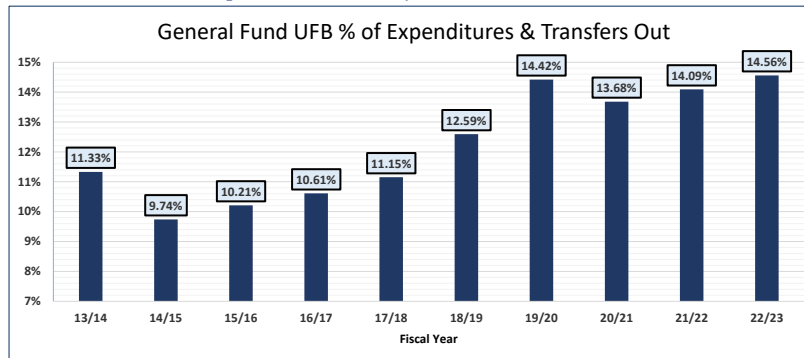
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Unassigned Fund Balance

- **Unassigned Fund Balance:** General Fund balance that is available for appropriation.
- **Town Council Policy:** It is the goal of the Town of Avon to maintain a minimum unassigned fund balance of 15% of general fund expenditures and transfers out. (Updated: February 1, 2024)



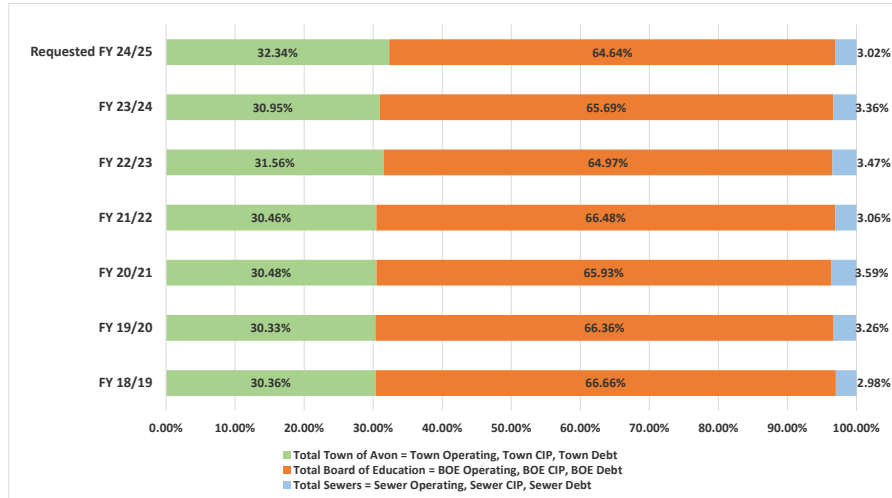
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Spending Trends



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Board of Education Requested Spending FY 24/25

	Requested FY 24/25	% of Total Budget
Board of Education Operating	\$ 72,280,066	62.26%
BOE Share of Debt Service	1,871,883	1.61%
BOE Share of Capital Improvement Program (CIP)	890,000	0.77%
BOE Operating, Debt, CIP and Other Financing Uses TOTAL	\$ 75,041,949	64.64%

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Town & Sewers Requested Spending FY 24/25

	Requested FY 24/25	% of Total Budget
Town of Avon Operating	\$ 31,058,502	26.75%
Town Share of Debt Service	1,019,067	0.88%
Town Share of Capital Improvement Program (CIP)	5,458,311	4.71%
SUBTOTAL	\$ 37,535,880	32.34%
Sewers Operating, and Share of CIP	3,510,144	3.02%
Town & Sewer Operating, Debt, CIP and Other Financing Uses TOTAL	\$ 41,046,024	35.36%

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Requested Budget Summary

	Adopted FY 23/24	Requested FY 24/25	\$ Increase/ (Decrease)	% Increase/ -Decrease
Town Operating	\$ 29,793,187	\$ 31,058,502	\$ 1,265,315	4.25%
Board of Education	68,905,081	72,280,066	3,374,985	4.90%
Debt Service	2,889,400	2,890,950	1,550	0.05%
Capital Improvement	4,559,906*	6,553,311**	1,993,405	43.72%
Sewers	3,198,967	3,305,144	106,177	3.32%
Other Financing Uses	750,000	-	(750,000)	-100.00%
TOTAL	\$ 110,096,541	\$ 116,087,973	\$ 5,991,432	5.44%

* Includes \$505,000 in Sewer Projects paid by Sewer Fund.

** Includes \$205,000 in Sewer Projects paid by Sewer Fund, \$182,000 in Recreation Projects paid by Fisher Meadows/Fisher Old Farms Fund, and \$906,000 in Road Improvement Projects, Sidewalk Projects, and Equipment purchases paid by the American Rescue Plan Fund.

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Next Steps

Budget Workshop

Not a public hearing, but open to public to observe

Wednesday, April 3 @ 7 PM

Avon Free Public Library – Community Room
(Livestreamed)

(Additional Dates TBD, if needed)

Annual Budget Meeting

Monday, May 6 @ 7 PM

Avon Free Public Library – Community Room
(Livestreamed)

Budget Referendum

Wednesday, May 15 @ 6 AM – 8 PM

Avon Senior Center